

**City of Sandstone  
EDA Meeting Minutes  
March 27, 2024**

**CALL TO ORDER:** 6:00 p.m.

**ROLL CALL:** Val Palmer, Randy Riley, Matt Anderson, Julena Rahier  
Members absent: Tim Schmutzer, Peter Spartz, Cassie Gaede  
Staff present: Executive Director Kathy George  
Others present: None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

**Motion Riley, second Rahier to approve the Agenda as presented. Motion carried 4-0.**

**APPROVE MINUTES**

**Motion Palmer, second Rahier to approve the minutes of the February 27, 2024 Regular EDA meeting. Motion carried 4-0.**

**PUBLIC HEARING/PRESENTATION:** None

Purchase of Parcels 45.5317.000, 45.5316.000, 45.5310.000

The EDA met in closed session at the February 28<sup>th</sup> EDA meeting to discuss negotiations for the potential purchase of:

- 45.5317.000 – Gas Light, 306 Main Ave
- 45.5316.000 – Colonial, 302 Main Ave
- 45.5310.000 – Furniture Store, 222 Main Ave

A Purchase Agreement has been prepared and accepted by the seller. The purchase price for all three parcels is \$170,000. Closing is to take place within 60 days of acceptance by the EDA.

**Motion Rahier, second Palmer to adopt Resolution No. 20240327-01 approving the Purchase Agreement for the purchase of parcels 45.5317.000, 45.5316.000, 45.5310.000 for \$170,000. Motion carried 4-0.**

Historic Sandstone School

Landon Group Proposal

The EDA is working with Meghan Elliott to redevelop the Historic Sandstone School into 31 units of workforce housing. Elliott and Executive Director George are working on a grant application to Minnesota Housing for a Workforce Development Grant, which is due April 30th.

Elliott reached out to Landon Group to help with portions of the application process, as they have extensive experience with the Minnesota Housing process. Landon Group will assist with the application for financing in 2024, will provide support to ensure a complete application, will set up and manage an online application checklist and provide associated

timelines and due dates, will assist with preparation and review of application and applicable documents for application competitiveness and ensure that a complete application is submitted by the appropriate deadline, will provide on-going guidance, assist to coordinate application materials, and ensure a successful application, and other services as mutually agreed upon.

Due to the nature of the work, the services requested will be provided on a time and material basis. The 2024 hourly rate for Consultant Services is:

Principal:	\$247/hour
Senior Associate:	\$194/hour
Associate:	\$173/hour

George has submitting grant applications to the League of MN Cities Grant Navigator Program and the Initiative Foundation to help cover this expense.

**Motion Riley, second Anderson to accept the proposal from Landon Group to assist with the application for a grant from the Minnesota Housing Workforce Development program for the Historic Sandstone School redevelopment project. Motion carried 4-0.**

#### Other Updates

- Discussions continue with the Initiative Foundation for potential funding. A representative from the Initiative Foundation was given a tour of the building today.
- Demolition of the one-story addition is complete. All went well. There was a gas line damaged that was near the tunnel area. The gas has been turned off. It has been determined that this gas line would not have been suitable for use by the housing project.
- The roofing contractor (Frerichs) was planning to mobilize March 25th; however, they have been delayed due to the recent winter storm. Targeted abatement work (related only to the roof) will begin as well. The scope of the roofing project, at this time, is just the 3-story historic building (not the auditorium or the 2-story north addition). Comments from the State Historic Preservation Office (SHPO) have been received.
- The Workforce Housing Development Program grant application is due April 30th. Elliott and George are working to submit the application. Letters from employers located within 25 miles of Sandstone with at least 20 full-time equivalent employees are needed.
- Pine County HRA/EDA approved requests for a \$75,000 grant and a \$75,000 loan today at their meeting.

#### Various Other Updates

##### Potential Interest in Business Park

Update (March 19<sup>th</sup>) from Brad Brzezinski (DEED):

Received a call from the project manager this morning for an update on Project BB. Company is evaluating the sites at this time, including those they added after changing

the site size requirement and geographic region. Good news is that Sandstone is still in the running and we hope to hear more from the company late this week.

#### Downtown Redevelopment Plan

The Humphrey School team has finished conducting interviews with businesses. Key takeaways and Case Study data have been shared with EDA members – comments/input/suggestions would be appreciated as the team is working on their final report. They plan to make a presentation at the April 24th EDA meeting.

#### Pine County Transportation & Logistics Analysis

The Final Report was presented to the Pine County HRA/EDA today. It's possible that Pine County Economic Development Coordinator Lezlie Sauter, Hinckley City Administrator Leaha Jackson, and Administrator Kathy George will continue to meet and discuss next steps. Consensus, at this point, is that the Sandstone Business Park is the best location for a transload facility due to the room for growth/expansion.

#### Ascertain Recovery / JC Bean Scene Loan Default

\$13,650.12 Ascertain Recovery  
\$19,446.76 JC Bean Scene  
\$33,096.88 Total in default

Carly Anderson has agreed to let the EDA sell all of the items she left behind in the Ben Franklin building. The building has now been sold to Jonathan Lange (owner of Hometown Flips). He is working with the EDA to allow time to auction off the items. The first auction netted \$2,494.00. The second auction netted \$1,611.29. The City took some of the items, which will be detailed and a fair price will be paid from the City to the EDA loan fund to help offset the outstanding balance.

There is interest in the coffee shop. One person who is opening a coffee shop in Hinckley came and took pictures of some items, expressing interest in purchasing them. Another person came to look at the items and the space and is interested in starting a coffee shop. She has been in contact with the Small Business Development Center, and is working on a business plan. She has also been in contact with Jonathan Lange regarding the potential use of space in the Ben Franklin building.

#### Pine County Information Guide

The City has secured the back cover of the Pine County Information Guide. The cost is \$530.

#### Pine County Census – Growing Fastest

An article was shared noting that Pine County is the fastest growing county according to estimates released by the Census Bureau, growing by 2.25% from 2022 to 2023.

**ADJOURN**

**Motion Riley, second Rahier to adjourn at 6:23 p.m. Motion carried 4-0.**

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Valerie Palmer, President

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Kathy George, Executive Director