

**City of Sandstone
EDA Meeting Minutes
May 22, 2024**

CALL TO ORDER: 6:04 p.m.

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

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

Motion Anderson, second Rahier to approve the Agenda with the addition of Midwest Properties of Sandstone Corrective Limited Warranty Deed. Motion carried 4-0.

APPROVE MINUTES

Motion Rahier, second Anderson to approve the minutes of the April 24, 2024 Regular EDA meeting. Motion carried 4-0.

PUBLIC HEARING/PRESENTATION: None

Grindstone Ford: CBP Sign Grant Request

Grindstone Ford submitted an application for the CBP Sign Grant. They are installing new “Grindstone Ford” signage at a cost of \$12,343 and are requesting a grant of \$1,500 from the CBP Program.

Motion Anderson, second Rahier to approve a \$1,500 CBP Signage Grant for Grindstone Ford. Motion carried 4-0.

Sandstone Development LLC: Termination and Release of Right of Reentry

Sandstone Development LLC purchased Lot 2 Block 1 Grant Knowles Addition (parcel 45.5649.000) in 2022. A condition was placed on the Deed stating that within one year from the purchase date, they will clear and grade the property to extend Quarry Place to connect to Lunderoff Drive. If this is not completed, the EDA has the right to re-enter and take possession of the property and terminate the sale. Some clearing work has been completed, but they are hesitant to make the connection to Lunderoff Drive until redevelopment plans are further developed.

Motion Palmer, second Rahier to approve the Termination and Release of Right of Reentry for Sandstone Development LLC, Lot 2 Block 1 Grant Knowles Addition. Motion carried 4-0.

Leonard Bonander: Lease Agreement

The EDA is purchasing 306 (Gas Light), 302 (Colonial), and 222 (Furniture Store) Main Avenue North from Lenny Bonander. Closing is scheduled for May 23rd. Bonander has asked for time after closing to dispose of (and sell) his personal items in 222 Main Avenue (Furniture Store). Executive Director George suggested the EDA consider a 3-month Lease Agreement with Bonander for 222 Main Avenue North with a monthly rental fee of \$1.00; however, a penalty will be imposed of \$1,000.00 for every 15 days of failure to vacate the premises after the term expires.

Motion Rahier, second Anderson to approve a 3-month Lease Agreement for Leonard Bonander regarding 222 Main Avenue North. Motion carried 4-0.

Downtown Redevelopment Plan: Workshop

President Palmer would like to hold a workshop to review the recently completed Downtown Redevelopment Plan and prioritize goals action steps. Executive Director George will send out an e-mail with potential dates to see what works best for most.

Midwest Properties of Sandstone: Corrective Limited Warranty Deed

Midwest Properties of Sandstone purchased a lot in the Business Park in 2016. Owner Kent Marthaler is going through a refinancing process and it has come to his attention that there is a typo on the original Limited Warranty Deed. One description stated “East” but should be “West”. A Corrective Limited Warranty Deed was presented to correct the legal description. Closing on the refinancing is anticipated for May 30th, at which time the Promissory Note for the purchase of the land in the amount of \$92,647 will be paid off.

Motion Palmer, second Rahier to approve the Corrective Limited Warranty Deed for Midwest Properties of Sandstone to correct the legal description. Motion carried 4-0.

Historic Sandstone School

The roofing contractor (Frerichs) has been working on shoring/stabilizing the roof, stairs, corridors, and rooms where floors are deteriorated, abatement cleanup (with Braun/EnviroBate), and preparing the collapsed roof area for demolition. They also installed a service road on the east side of the building (where the 1-story addition was). They are working with Minnesota Power to set up temporary power to the building. They continue to assess the structural roof framing. The pigeons are completely eradicated from the building.

The Workforce Housing Development Program grant application was submitted April 30th. Announcements regarding funding are expected in July. This application seeks \$3,950,000. If this grant is awarded, it is possible that the housing construction portion of the project can begin in January 2025.

Requests for Congressionally Designated Spending were submitted to Senators Klobuchar and Smith, and Representative Stauber. Representative Stauber denied assistance. Senator Smith’s office reached out with additional questions, and Klobuchar’s office reported that the project has been submitted to the Senate Appropriations Committee for consideration. We asked for \$1,750,000.

A Letter of Interest has been submitted to Essentia Health, asking for \$179,400. That board will meet on June 10th. Hopefully, we will be invited to submit a full application for funding.

The Auditorium redevelopment project was not selected for funding in the State Bonding Bill this year.

Ascertain Recovery / JC Bean Scene Loan Default

Three auctions have been conducted; the first one netted \$2,494.00, the second one netted \$1,609.29, the third auction netted \$402.69 (\$4,505.98 total). 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. These items were mostly office furniture and equipment (not coffee shop items) and, therefore, should offset the Ascertain Recovery loan balance.

MN Dept of Agriculture – Creosote Cleanup

The Dept of Ag contractor, Terracon, is completing a quarterly groundwater sampling event from the monitoring wells at the site this month. Conversations continue with the MPCA regarding cleanup issues on the Slama property (namely, disposal of the tires).

Kwik Trip Inquiry

The City received an inquiry from Kwik Trip’s Real Estate Department regarding zoning, setbacks, access, signage, and parking regulations for the property located in the northeast quadrant of the I-35 interchange.

ADJOURN

Motion Rahier, second Palmer to adjourn at 6:30 p.m. Motion carried 4-0.

Valerie Palmer, President

Kathy George, Executive Director