

**City of Sandstone
EDA Meeting Minutes
June 26, 2024**

CALL TO ORDER: 6:03 p.m.

ROLL CALL: Val Palmer, Julena Rahier, Matt Anderson, Peter Spartz, Tim Schmutzer
Members absent: Randy Riley, Cassie Gaede
Staff present: Executive Director Kathy George
Others present: Bill Kersey

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

Motion Rahier, second Schmutzer to approve the Agenda with the addition of June 24th Work Session Review. Motion carried 5-0.

APPROVE MINUTES

Motion Rahier, second Spartz to approve the minutes of the May 22, 2024 Regular EDA meeting. Motion carried 5-0.

PUBLIC HEARING/PRESENTATION:

Presentation: Eric Oberhart – Pine County Transportation & Logistics Study

Oberhart provided a review of the background, feasibility and development roadmap of the recently completed Pine County Transportation & Logistics Study. Oberhart reported that there are businesses/industries in Pine County and nearby areas that would be interested in a transload facility if it were available in Pine County, noting a service demand of 55-70 carloads per month. Two locations in Pine County were determined feasible for such a facility: Mission Creek in Hinckley (by the solid waste transfer station) and the Sandstone Business Park. While building a facility at the Sandstone Business Park is about \$3 million dollars more than if it were built in Hinckley, due to the need to install two heavy-duty powered switches on the BNSF mainline to support the expected Northern Lights Express passenger railroad operations, Sandstone offers more space for expansion.

If the EDA is interested in further exploring the possibilities, next steps include securing shipper and railroad commitments, determining the business model, refining concepts and cost estimates, and securing funding. This is likely a 3-5 year process. Consensus of the EDA members present is to move forward with exploring the possibilities.

Whitney's Country Café: CBP Sign Grant Request

Whitney's Country Café submitted an application for the CBP Sign Grant. They are installing new signage at a cost of \$3,250 and are requesting a grant of \$1,500 from the CBP Program.

Motion Rahier, second Spartz to approve a \$1,500 CBP Signage Grant for Whitney's Country Café. Motion carried 5-0.

Blackhawk PCS: Application for Payment No. 1 – 310 Main Avenue Roof

Application for Payment No. 1 for replacing the roof on the garage at 310 Main Avenue was presented by Blackhawk PCS in the amount of \$48,300, which is consistent with the quote previously provided.

Motion Palmer, second Anderson to approve payment of \$48,300 to Blackhawk PCS for replacing the roof on the garage building at 310 Main Avenue. Motion carried 5-0.

June 24th Work Session Review

EDA members met on June 24th to review and prioritize the recommendations laid out in the Downtown Redevelopment Plan prepared by the UofM Humphrey School students as their capstone project. Various aspects were discussed. A request for another capstone project to work on a Marketing Plan will be submitted to the UofM. Discussion of other recommendations will continue.

Historic Sandstone School

Frerichs Construction Company: Application for Payment No. 2

Application for Payment No. 2 was submitted by Frerichs Construction Company representing 17% of work completed on the Historic Sandstone School Roof Stabilization project in the amount of \$132,050.00. Retainage of \$10,230.00 will be withheld.

Motion Spartz, second Rahier to approve payment of \$132,050.00 to Frerichs Construction Company representing 17% of work completed on the Historic Sandstone School Roof Stabilization project. Motion carried 5-0.

Frerichs Construction Company: Change Order No. 1

Change Order No. 1 was submitted by Frerichs Construction Company to furnish and install steel angle iron on the penthouse portion of the Historic Sandstone School as part of the Roof Stabilization Project in the amount of \$4,208.00.

Motion Rahier, second Spartz to approve Change Order No. 1 from Frerichs Construction Company to furnish and install steel angle iron on the penthouse portion of the Historic Sandstone School as part of the Roof Stabilization Project in the amount of \$4,208.00. Motion carried 5-0.

Various Updates regarding the Historic Sandstone School Redevelopment Project

The roofing contractor (Frerichs) has completed installation of steel at the penthouse and installed the joist at Area B (the front middle roof section). Scaffolding for roof abatement contractors was installed; limited abatement work is scheduled to start June 24th. Masonry work is done; framing work is underway at Area B; structural blocking continues in the attic area. The revised schedule shows the roof work will be completed by August 16th.

A check-in meeting was held with the MN Historical Society on June 18th. A site visit is planned for July 15th.

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. **UPDATE: MN Housing staff have reached out a few times with follow up questions on the application; Meghan Elliott has responded as appropriate.**

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, which seems hopeful. We asked for \$1,750,000. **UPDATE: Our request was submitted to the Senate Appropriations Committee and is publicly disclosed on their website. Hopefully, sometime this summer, draft bills will be released that include a preliminary list of selected requests.**

A Letter of Interest was submitted to Essentia Health, asking for \$179,400. **UPDATE: The foundation group met to review applications. They strongly support the project, but they don't have the kind of funds we are asking for. However, they are forwarding the request up to the next level (where there are funds) with a strong recommendation for funding.**

Conversations continue with DEED regarding the EPA Revolving Loan Fund – DEED is still asking for the funds to be backed by a GO Bond issued by the City. Meghan Elliott, Shannon Sweeney (David Drown Associates), Gina Fiorini (City Attorney) and Administrator George met on June 17th to discuss options and possibilities.

Various Updates (General)

Potential Interest in Business Park

The potential food processing operation is still interested in the Sandstone Business Park (and other locations). Recent requests for information have been regarding natural gas supply. Nicole McCarthy, Senior Account Manager-External Relations at Minnesota Energy Resources is following up on this request.

Midwest Properties of Sandstone – Subordination Agreement

The \$92,647 Promissory Note for the purchase of the property in the Sandstone Business Park (Golden Horizons) has now been paid off. The funds have been received.

Housing & Redevelopment Authority

Administrator George has been researching whether or not it would be an advantage for the City to create a Housing & Redevelopment Authority (HRA) as many housing initiatives are being worked on. The City Attorney reviewed the EDA's enabling resolution and stated that the EDA has HRA powers. For clarify, George asked if the EDA was interested in incorporating HRA into the title: Sandstone EDA/HRA. This would require a change in the By Laws. Consensus of the EDA members was to move forward with this recommendation. This item will be placed on the July EDA meeting Agenda for action.

Motion Rahier, second Palmer to close the meeting at 7:45 p.m. in accordance with Minnesota Statutes 13D.05, Subdivision 3(C), to consider offers or counteroffers for the purchase or sale of real or personal property and to review confidential or protected nonpublic appraisal data and to determine the asking price for real property to be sold by the EDA. Motion carried 5-0.

The following properties were discussed:
Parcel 45.5310.000

Parcel 45.5316.000

Parcel 45.5317.000

Motion Rahier, second Spartz to re-open the EDA meeting at 8:27 p.m. Motion carried 5-0.

ADJOURN

Motion Spartz, second Rahier to adjourn at 8:30 p.m. Motion carried 5-0.

Valerie Palmer, President

Kathy George, Executive Director