

**City of Sandstone  
EDA Meeting Minutes  
July 24, 2024**

**CALL TO ORDER:** 6:03 p.m.

**ROLL CALL:** Val Palmer, Julena Rahier, Matt Anderson, Randy Riley, Cassie Gaede  
Members absent: Peter Spartz, Tim Schmutzer  
Staff present: Executive Director Kathy George  
Others present: Bill Kersey, Pine County Sheriff's Deputy Chuck Anderson, Meghan Elliott (via Zoom)

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

**Motion Rahier, second Gaede to approve the Agenda with the addition of Updates from Developer Meghan Elliott. Motion carried 5-0.**

**APPROVE MINUTES**

**Motion Rahier, second Gaede to approve the minutes of the June 24, 2024 Work Session and the June 26, 2024 Regular EDA meetings. Motion carried 5-0.**

**PUBLIC HEARING/PRESENTATION:** None

Pine County Sheriff's Deputy Chuck Anderson

Anderson was unable to attend last week's Council meeting; therefore, he came to the EDA meeting to give his monthly report. Anderson reported that he has been seeing copper theft on the rise, issued a warrant, responded to damaged property, suspicious activity, homeless situations, ATV & minibike complaints and shoplifting calls. He reported fireworks debris left behind on Lundorff Drive. The Gas Light building was also broken into.

Historic Sandstone School

Updates from Developer Meghan Elliott

Elliott provided an update regarding the project schedule, which has been pushed out a little because the MN Housing Workforce Housing Grant announcement has been delayed until late-September. The abatement and building stabilization phase has been extended through May 2025. The workforce housing phase is scheduled for June 2025 through July 2026. She is having continued conversations with organizations and entities regarding a geothermal project.

Elliott shared information on the progress of the roof project and explained a cornice that had to be removed and now needs to be rebuilt. She reviewed the budget for Phase A (abatement/stabilization) and the following changes:

- \$14,400 added for environmental work related to the cornice
- \$55,642 added for the roof project steel at truss and rebuilding the cornice
- \$108,457 to take on the alternate bid item of reroofing the north 2-story building

- \$25,000 for additional architectural/engineering services
- \$873 additional for various fees, testing, etc.

These additional items total \$204,372. Elliott noted that the project has a contingency of \$263,552. She is not anticipating any more changes, as the roof project is almost complete. The EDA previously approved a change order of \$4,208 for steel angle iron. EDA members confirmed that they are comfortable with the direction the project is going and with the additional expenses, stating that putting the reroofing of the north 2-story building off would only increase the expense.

**Motion Gaede, second Anderson to approve a contract addition on the Historic Sandstone School stabilization project of \$65,834 for environmental remediation and rebuilding the cornice. Motion carried 5-0.**

**Motion Gaede, second Riley to approve a contract addition on the Historic Sandstone School stabilization project of \$108,457 to reroof the north 2-story building. Motion carried 5-0.**

Frerichs Construction Company: Application for Payment No. 3

Application for Payment No. 3 was submitted by Frerichs Construction Company representing 38% of work completed on the Historic Sandstone School Roof Stabilization project in the amount of \$238,450.00. Retainage of \$22,780.00 will be withheld.

**Motion Palmer, second Rahier to approve payment of \$238,450.00 to Frerichs Construction Company representing 38% of work completed on the Historic Sandstone School Roof Stabilization project. Motion carried 5-0.**

Various Updates regarding the Historic Sandstone School Redevelopment Project

The roofing contractor (Frerichs) has completed structural repairs and new sheathing, joist replacement, new decking, vapor barriers - all occurring on different sections of the roof. They removed the east cornice metal; gutter and cornice restoration will continue into the next few weeks. The roofing installation began this week. Braun-Intertec completed the roof abatement work.

The site visit with the Minnesota Historical Society has been rescheduled to July 25th.

The Workforce Housing Development Program grant application was submitted April 30<sup>th</sup>. 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: MHFA has pushed the announcement date back to their September 26<sup>th</sup> board meeting. The overall schedule will need to be adjusted accordingly, pushing back our abatement start, as well as housing construction start (if funds are awarded).**

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: Recently, the House Appropriations Committee released its preliminary list of projects to move forward. Unfortunately, our project was not on that list. However, our project is still under consideration in the Senate Appropriations Committee. We hope to have an update later this month on the Senate's preliminary list.**

A Letter of Interest was submitted to Essentia Health, asking for \$179,400. **UPDATE: The Letter of Interest was selected to proceed to the next level of funding options through Essentia. The full application was submitted on July 17<sup>th</sup>.**

The Sandstone History and Art Center is planning an outdoor movie event to take place on the grounds of the Rock. This will take place on a Thursday in September. Meghan Elliott thinks this is a great way to celebrate the completion of the roof project with dignitaries and press invited.

### Various Updates (General)

#### Potential Interest in Business Park

The potential food processing operation has narrowed their search to another community; however, a final decision has not yet been made.

#### Bonander Properties

- The area behind the Gas Light has been cleaned out – a dumpster was ordered, the fence was removed and all the trash was taken away.
- Executive Director George has been trying to connect with a local contractor regarding separating the Gas Light building from the Colonial. Hopefully, this meeting will occur later this month or early August.

#### Downtown Redevelopment Plan – Next Steps

Nichola Lowe and George met to discuss another capstone project. She suggested the focus be on transportation and walkability (areas D-Enhance the Downtown Experience and E-Improve Trail and Transport Access to Downtown of our plan/matrix). She suggested we contact the Business School regarding a marketing plan, if interested. Lowe and George are meeting with Mike Greco to consider participating in an Empowering Small Communities Impact Project, which could involve the Capstone project, but doesn't have to. We will meet on July 25<sup>th</sup>.

#### Transload Facility

Eric Oberhart and George will meet on August 2<sup>nd</sup> to discuss next steps.

**Motion Gaede, second Rahier to close the meeting at 6:50 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 property was discussed:  
Parcel 45.5662.000

**Motion Gaede, second Riley to re-open the EDA meeting at 6:58 p.m. Motion carried 5-0.**

**ADJOURN**

**Motion Riley, second Rahier to adjourn at 6:59 p.m. Motion carried 5-0.**

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Valerie Palmer, President

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Kathy George, Executive Director