

**City of Sandstone
EDA Meeting Minutes
August 28, 2024**

CALL TO ORDER: 6:00 p.m.

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

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

Motion Gaede, second Rahier to approve the Agenda with the addition of Kasey Wilson Loan Request. Motion carried 5-0.

APPROVE MINUTES

Motion Gaede, second Rahier to approve the minutes of the July 24, 2024 Regular EDA meeting. Motion carried 5-0.

PUBLIC HEARING/PRESENTATION:

Public Hearing: Midwest Properties of Sandstone – Lot Purchases

Motion Gaede, second Rahier to open the Public Hearing to consider Lot Purchases proposed by Midwest Properties of Sandstone at 6:03 p.m. Motion carried 5-0.

The City received a proposal from Kent Marthaler, Midwest Properties of Sandstone for the purchase of Lots 1 & 2 Block 7 of the Sandstone Business Park. He plans to expand housing options on these parcels, which are adjacent to his property, Golden Horizons Assisted Living Facility.

Marthaler is offering the purchase price and would like to participate in the Land Credit Program:

Lot 1 Block 7: \$137,997.20
Lot 2 Block 7: \$116,043.10

There is an assessment for the natural gas line extension on Lot 2 Block 7 in the amount of \$11,630.22.

The EDA is required to hold a public hearing before selling land. The public hearing notice was published in the 8/15 and 8/22 editions of the *North Pine County News*. No comments from the public were received prior to the hearing.

Chair Palmer called for comments from the public. No comments were received.

Motion Gaede, second Rahier to close the public hearing at 6:17 p.m. Motion carried 5-0.

EDA members discussed the proposal and the details of the Land Credit Program. In discussing the proposed Purchase and Development Agreement, EDA members agreed that the definition of

“Minimum Requirements”, which are to be completed within 12 months of the purchase date, is that a preliminary plan be presented to the EDA.

Motion Schmutzer, second Anderson to adopt Resolution No. 20240828-01 approving the Purchase and Development Agreement between the EDA and Midwest Properties of Sandstone and approving the conveyance of land. Motion carried 5-0.

Kettle River Graphix: EDA Loan Request

Kettle River Graphix is participating in the City’s Small Cities Development grant program to replace the roof of his building located at 114 4th Street. The grant requires a 20% owner match. Barry & Patricia Ryan of Kettle River Graphix are requesting a Community Business Partnership Program loan in the amount of \$6,215 to meet that match requirement. **Motion Anderson, second Rahier to approve a Community Business Partnership Program loan for Barry & Patricia Ryan of Kettle River Graphix in the amount of \$6,215. Motion carried 5-0.**

Kasey Wilson: Loan Request

Wilson is operating a chemical dependency treatment operation out of the Community Worship Center’s community room. She is requesting a loan from the EDA to purchase computer software and a printer, which will allow her to hire more staff and expand her services. Commissioners expressed support for Wilson’s efforts, as chemical dependency services are needed in the area; however, the request does not fit within the parameters of the EDA’s loan programs. It was suggested Wilson contact the North Pine Area Hospital District for funding. EDA members were in favor of resuming efforts to acquire the Eagle Drive school building.

Eric Oberhart: Transload Facility

At the June EDA meeting, Eric Oberhart presented the findings of the Pine County Transportation & Logistics Study, which showed potential for development of a transload facility in the Sandstone Business Park. 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. Oberhart provided a proposal to assist the EDA with these steps for a maximum cost of \$28,500.

Motion Schmutzer, second Anderson to approve the proposal from Eric Oberhart to assist with the next steps in the process of exploring the development of a transload facility in the Sandstone Business Park at a maximum cost of \$28,500. Motion carried.

Historic Sandstone School

Frerichs Construction Company: Application for Payment No. 4

Application for Payment No. 4 was submitted by Frerichs Construction Company representing 71% of work completed on the Historic Sandstone School Roof Stabilization project in the amount of \$475,000.00. Retainage of \$47,780.00 will be withheld.

Motion Gaede, second Rahier to approve payment of \$475,000.00 to Frerichs Construction Company representing 71% 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 substantially completed the original 3-story building roof project, and continues to work on the integral gutters, east common cornice and reinstalling the penthouse metal siding. They are also working on the roof of the north addition.

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: Senator Klobuchar's office called to let us know that our project is included in the Senate Appropriations Bill for \$850,000 (our full request)!! The next step is to roll the language into the full Federal budget and then for approval of the full budget (which can come any time between December and May, basically).**

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 September 26, with October 5 as a backup (tagging onto Oktoberfest). More details to come.

Various Updates (General)

Bonander Properties

- Bonander is finished removing items from the furniture building and has surrendered the keys.
- Executive Director George plans to connect with a local contractor regarding separating the Gas Light building from the Colonial.

Downtown Redevelopment Plan – Next Steps

After meeting with Mike Greco and David Abazs, the streetscape project sounds like a good fit for participating in an Empowering Small Communities Impact Project program. More information will become available once the priorities for this program are released.

Business Park Sign

Landscaping was added to the Business Park Sign. The contractor will be asked to increase the size of the boulders to scale better with the size of the sign.

Kwik Trip

A meeting will take place at City Hall on September 4th with representatives of Kwik Trip.

ADJOURN

Motion Gaede, second Rahier to adjourn at 7:25 p.m. Motion carried 5-0.

Valerie Palmer, President

Kathy George, Executive Director