



AGENDA ITEM #10

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: January 7, 2020

Subject: Administration Report

Report: The following items are attached for Council review.

- December 17, 2019 draft EDC minutes
- December 17, 2019 HRA minutes

Council Action Requested: No Council action requested.

**MEETING OF THE PEQUOT LAKES
ECONOMIC DEVELOPMENT COMMISSION
TUESDAY, DECEMBER 17, 2019**

Members Present: Chair Lindholm; Commissioners Crochet, Holley, Lelwica, Lubke and Rieck

Members Absent: Commissioners Clement

Others Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Sheila Haverkamp, BLAEDC; Tyler Glynn, BLAEDC; Scott Pederson, City Council Liaison; and Mark Jurchen

1. Call Meeting to Order

The meeting was called to order by Chair Lindholm at 8:03 a.m.

2. Consider Agenda

COMMISSIONER HOLLEY MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER RIECK SECONDED THE MOTION. MOTION CARRIED 6-0.

3. Approve EDC Minutes

COMMISSIONER RIECK MOVED TO APPROVE THE NOVEMBER 19, 2019 ECONOMIC DEVELOPMENT COMMISSION MINUTES. COMMISSIONER HOLLEY SECONDED THE MOTION. MOTION CARRIED 6-0.

4. Business Park Infill Educational Plan Update

Mark Jurchen handed out a two page summary about the Heart of the Good Life Development marketing objectives, the expansion and that with the Park Infill they just kicked back into high gear with the project. He stated that it is one of his top priorities now and will be for the next two to three weeks. Mr. Jurchen stated that they identified about ten lots with the greatest potential for subdivision and with that have also identified certain spots where there are spigots for water and sewer to help minimize the costs. He stated that they have not talked about incentives yet from the standpoint of adding sewer and water so that would be something they would be looking at. He said they identified the current owners of each perspective lot and mailed out letters for some of the vacant lots. Mr. Jurchen stated they are trying to set a date within the next week to let the lot owners know what is available and to have follow up visits and letters in mid-January. He also stated that they would like to meet with real estate agents. Mr. Jurchen stated that his concern is that some lots are undervalued and that is forcing more of the tax burden on newer homes and on the lake properties. He identified six lots that could be subdivided. He informed the EDC that one lot had a market value of \$11,500 which included all services and the City and County

sees a \$132 annual tax revenue; another was \$9,800 which produces \$112 annual income; another \$3,800 with \$43 annual tax revenue; \$12,600; and lastly \$13,000. Mr. Jurchen stated the first vacant lot sold in 2019 for \$70,000, which he hopes will have an effect on the valuation. He is concerned and believes they need to talk to an assessor. He believes that this low valuation and small tax revenue is why the City's tax base is struggling to get over three hundred million. Nancy Malecha informed the EDC that the market values have increased for 2020 and noted that they are talking about 2019 market values currently.

Discussion ensued about the increase of property values and that housing is scarce. Commissioner Holley pointed out that the Median price range homes are costing contractors a lot which is causing them to lean towards building higher priced homes. Discussion also ensued about the City of Pequot Lakes tax rate decreasing even though property values increasing. Ms. Malecha and Ms. Haverkamp explained to the EDC how Tax Rate is determined and talked about the differences between other Cities in the area.

5. Welcoming Communities Initiative Goals Implementation Process

Nancy Malecha reached out to Dawn Espe at Region 5 Development Commission to get more information on the IDI Process to help the EDC decide if they would like to proceed with that in 2020 or 2021. She stated she received an email from Ms. Epse listing advocacy groups which is made up of local government, public and private sector organizations, students, non-profits, and community organizations. She also stated that there would be six quarterly meetings facilitated by Region 5 that would be around two hours in length with homework in-between and the fee would be \$3,000. Ms. Malecha said that Cheryal Hills from Region Five will be looking into additional funding and will get back to her in February. Discussion ensued about the timeline and that they will be waiting on the funding to know more.

Commissioner Lubke inquired who would be involved with the process and Ms. Malecha stated they would have to determine who the advocacy group would be. Chair Lindholm believed that they should have a fair amount of business representation, School, Chamber, and City. He also recommended reaching out to Breezy Point and Jenkins to have a bigger economic footprint.

Discussion ensued about other Cities that have went through the IDI Process and Tyler Glynn stated he could reach out to these Cities and get back to the EDC about their results.

6. Pequot Lakes Incentive Program

Commissioner Lehwica said it has been discussed that they identified an individual like Bruce Buxtun in the Pequot Lakes Community. She stated that the person they have in mind is currently retiring so they are waiting until that process is finished to approach this person to see if the person would be interested.

Commissioner Lelwica talked about the goal being to increase housing and to look at the River to Rails project to help create similar incentives in Pequot Lakes. She stated that she has talked to Contractors and they say it's too expensive to build but with incentives, even with Wac and Sac fees waived, they would be more willing to look at building in the area. Discussion ensued about a timeline to present to Council.

7. 2020 Project Priorities

a. Workforce Housing

b. Pequot Lakes Incentive Program

Discussion ensued about putting a June 1st deadline to present the incentive program to City Council.

c. Marking of the Heart of the Good Life Development

d. Investment in Recreational Space in the Heart of the Good Life Development

Commissioner Lelwica requested putting this topic on the agenda since it is a shared interest throughout the City. She stated that we need to create foot traffic in Pequot. She said that having tournaments in town will bring in people and create the foot traffic Pequot Lake's needs. She said it will also create the facilities the School needs. She discussed the funding challenge and that ICS is knowledgeable on the revenue streams needed for the project. She believes with the progress the Steering Committee is making that they should make this project a priority. Ms. Lelwica feels this project could get the community work together towards a common goal. Commissioner Holley agreed that it should be put on the 2020 priority list. Discussion ensued about the school activities that can bring people into the Community and the business it brings to town. The cost of the project was discussed and possible funding sources.

COMMISSIONER LELWICA MOVED TO ADD INVESTMENT IN RECREATIONAL SPACE IN THE HEART OF THE GOOD LIFE DEVELOPMENT TO THE 2020 WORK PROJECT PRIORITIES LIST. COMMISSIONER LUBKE SECONDED THE MOTION. MOTION CARRIED 6-0.

8. School Update

Chair Lindholm stated the School Board approved a 1.3 % increase to the Levy. He stated that most of those formulas are per pupil therefore it may not impact homeowners at all because there are more people paying into the pot. He stated the increase is a result of enrollment.

9. Chamber Update

No update was given.

10. BLAEDC Update

Shelia Haverkamp said Board is down to two finalists for the Executive Director search and should have a decision in mid-January. She stated that the annual meeting they will do a technology component and get speaker in to talk about it. Ms. Haverkamp said Tyler is working on a loan in Pequot and they have 15 loans that have been closed. She also discussed that it has been a difficult year for hiring and that it is competitive. She said looking into future discussion will be in Entrepreneurship Development and how do we get more of that into the future because there are not that many out there now. Ms. Haverkamp thanked the EDC for their support. Discussion ensued about a select invitation base going out to allow community members and stakeholders to give input on the two finalists for the Executive Director position.

11. City of Jenkins Update

Commissioner Lubke stated that Jenkins passed the budget with a 2.5% increase which had started out at almost 10%.

12. Other Business

a. Recognize Shelia Haverkamp

The EDC thanked Sheila Haverkamp for her service.

b. Recognize Departing EDC Members – Cindy Rieck & Lynne Clement

Chair Lindholm stated that they only have one applicant so far. Cindy Rieck stated that she would be willing to come back to the EDC because it has been an educational experience for her. She stated that if no one else applies she will put her application in. Discussion ensued about current applicant.

13. Adjournment

There being no further business, Chair Lindholm adjourned the meeting at 9:09 a.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer

December 17, 2019
Pequot Lakes Housing & Redevelopment Authority

Commissioners present: Robert Ritter, Bob Peterson, Pat Dittes, Pat Dullum

Also present: Executive Director-Tamra Lanning, Lynn Katzenberger, Brad Moser, E. Watson, D. Botham,
B. Eastvold

***Call Regular Meeting to Order**

5:15 p.m. Chairman Ritter called the meeting to order.

***Consider Agenda/Changes**

No Changes

***Consent Agenda/Regular Meeting**

Motion to accept the Minutes, Payment of the Bills and Financials.

Moved by Dittes, Seconded by Dullum, all Ayes; motion carried.

***West Grove**

No Business

***Sibley Terrace**

No Business

***ParkView**

No Business

***Alpine**

No Business

***Executive Director's Report**

Continuing to work on budgets for 2020 Public meeting.

***Maintenance Report**

Would like to thank the board for approving the hire of a part-time maintenance worker. The help with the snow removal this year has made a huge difference and is greatly appreciated.

***Other Business**

The new HRA logo with business hours door decal is ready to be put on when weather gets warmer.

***Open Forum**

No Business

***Adjournment**

5:38 p.m. meeting adjourned.

Moved by Dullum, Seconded by Peterson, All Ayes; Motion carried.

Chrm. _____

Sec. _____