



AGENDA ITEM #11

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: April 7, 2020

Subject: Administration Report

Report: The following item is attached for Council review.

- March 17, 2020 draft EDC minutes

Council Action Requested: No Council action requested.

**MEETING OF THE PEQUOT LAKES
ECONOMIC DEVELOPMENT COMMISSION
TUESDAY, MARCH 17, 2020**

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

Members Absent: Commissioner Lelwica

Others Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; 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 8:00 a.m.

2. Consider Agenda

COMMISSIONER RIECK MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER CROCHET SECONDED THE MOTION. MOTION CARRIED 5-0.

3. Approve EDC Minutes

Commissioner Lubke arrived at meeting.

COMMISSIONER HOLLEY MOVED TO APPROVE THE FEBRUARY 18, 2020 ECONOMIC DEVELOPMENT COMMISSION MINUTES. COMMISSIONER CROCHET SECONDED THE MOTION. MOTION CARRIED 6-0.

4. Heart of the Good Life Discussion with Close Converse

Nancy Malecha presented the proposal from Nate Gortzke at Close Converse. She stated that Mr. Gortzke noted some resources that they would utilize to provide the Heart of the Good Life with maximum exposure which included marketing packets and several real estate exchanges and websites. Ms. Malecha stated that Mr. Gortzke also included comparisons with Brainerd and Baxter noting that they both are offering land at \$1 per square foot. He noted that the pricing Pequot Lakes is marketing at is good but a potential buyer may use the other cities as leverage on their offer.

Ms. Malecha stated that Close Converse is proposing a commission 7% of the purchase price or \$5,000, whichever is greater. Discussion ensued about the price of lots being around \$62,500 and that everything is negotiable.

Commissioner Crochet asked about taxes being reduced for a time period and if the City has considered it. Ms. Malecha stated that the only way she knew they

could do that is thorough tax increment financing or tax abatement. She stated they would still pay the property taxes to the City directly and then the City would reimburse the developer for those taxes for a number of years.

Discussion ensued about the Heart of the Good Life being marketed only on the City website and though BLAEDC currently.

Commissioner Becklin asked if anyone thought of leasing the land and said there could be a possibility to do for an example a 99 year lease with the right prospect. Discussion ensued other properties that are leased currently. Chair Lindholm stated the lease option did come up in the funding discussions about the ball field. Commissioner Holley stated that there are tax benefits of buying the property instead of leasing.

Commissioner Rieck asked Commissioner Holley what her opinion was about the rates Close Converse are proposing. Commissioner Holley said they are being very generous to the City and the commission is within range of where it should be.

Commissioner Becklin asked what kind of a time limit would there with Close Converse. Discussion ensued about deadlines and requirements being include in the contract.

Commissioner Lubke asked Tyler Glynn if he has been involved in any situations large commercial lands are leased. Mr. Glynn stated that he has not and he does not know how that affects a City owned property but believes it is a good idea. Mr. Glynn did state that he could look back at scenarios where BLAEDC has seen that. Commissioner Holley stated that it would need to be cleared with the City Attorney.

Mr. Glynn reminded the EDC Commission that they need to take into consideration and exclude negotiations the City is currently in with from the Close Converse contract. Ms. Malecha stated that the City is in negotiations with a developer who hopes to present to the EDC Commission at the April meeting and that the City would like to exclude that contract.

COMMISSIONER LUBKE MOVED TO APPROVE THE CITY ADMINISTRATOR TO OBTAIN A QUOTE FROM CLOSE AND CONVERSE TO MARKET THE HEART OF THE GOOD LIFE DEVELOPMENT EXCLUDING ANY NEGOTIATIONS THE CITY IS CURRENTLY IN. COMMISSIONER RIECK SECONDED THE MOTION. MOTION CARRIED 6-0.

5. Welcoming Community Advocacy Group Update

Ms. Malecha stated that she needs to get the list of people and their contact information for the Advocacy Group to Region Five and then they can begin that process of organizing those meetings.

Chair Lindholm stated that Commissioner Holley has done a nice job and she got Mary Lou Skalrud. Commissioner Holley stated she also got Ken Meyer and Mia at the bank. Chair Lindholm stated that Commissioner Rieck is on the list and has committed to the group. Nancy Malecha stated that Tom Paulbeck from the Planning Commission has not committed but is strongly interested. Chair Lindholm stated that Alison Falenscheck is the school district Equity Coordinator and the school representative on the Advocacy Group. He stated they will take care of the students when they can see them again.

Chair Lindholm said he was recommended to speak with Lemetria in the Babinski Family Circle and they have exchanged e-mails but they have failed to connect since she works a nine to five job and cannot meet during the day.

Commissioner Lubke stated that Dawn from the Food Shelf has been out of town and she's back in now but he has not had a chance to contact her yet. Ms. Malecha stated that Katie Wasserman offered to be on the list and asked about Stephen Blenkush a Clergy and Susan Matheson from the School Board. Chair Lindholm said that both have said they are willing but he has not told them they are in yet because he wanted to make sure they had good representation from other players. Discussion ensued about locking in Mr. Blenkush to be on the group and Commissioner Lubke will talk to him.

Ms. Malecha asked the contact information for those that are locked in to be sent to her and once the others are locked in she will need probably a phone number and or email address e-mailed to her. She said she will then compile a list to send to Dawn Espe at Region Five.

6. Pequot Lakes Incentive Program Update

Nancy Malecha stated that she, Mark Jurchen, Commissioner Lelwica, and Tim Houle had a teleconference at the end of February to brainstorm as to how they are going to proceed with the Incentive Program. She stated that Mr. Jurchen will meet with some realtors tomorrow to start the conversation with them to define potential properties. She stated that they were waiting for the details of the workforce housing study.

Mr. Jurchen said there is a lot of really good information in the housing study. He stated that what they want to do is drill down to what Pequot Lakes specific market needs are, listening to the realtors that meet with the contractors in the area to see if what they are trying to do is even feasible from the standpoint of the different phases of housing that are needed. He stated they are trying to define that so they are not running off in the wrong direction and that we're doing something based on need and economic feasibility. He said that by May they should have most of it together. Mr. Jurchen said they will be finishing the inventory of lots since part of the housing study is to go back in and look at what you have and focusing primarily on places where you already have infrastructure.

Chair Lindholm asked everyone to look out way into the future from a school district perspective and when municipalities don't like each other, don't talk to each other, don't coordinate their work, planning and zoning and the development of growth and how that creates disparities for students inside a school district. He said to imagine the day when the school district is so big there has to be a second and third elementary school and all of the poverty is sitting in one spot by geographic boundary. He stated enormous inequities for students and families will be created. He stated that municipalities need to work together for the betterment of kids as a whole and that by design everyone needs to start thinking about how to not concentrate poverty and wealth to create those disparities. Discussion ensued about the housing study and that the community needs to put more focus on housing.

7. School Update

Chair Lindholm discussed that the CDC and MDH had strong recommendations to not close schools because they were the lifeblood of the economy and that when we closed schools we shut down the ability for our healthcare employees who have kids to go to work and deal with the actual problem. He stated that on Sunday morning he received the message that schools will shut down and they need to do the absolutely impossible and figure out how to address the needs of kids that do not have connectivity.

Chair Lindholm talked about having food available for lunch and breakfast for all students in your school district if they so needed. He discussed having childcare available to the essential workers and that as of Wednesday morning they have childcare open of for which 19 students have already registered. He said they will have buses available to run and the ability for families to come pick up food at the two schools. Chair Lindholm stated that at the normal morning and afternoon times families come get a bag that has both the breakfast and a lunch in it but he thinks that will probably evolve to the point where they are using bus routes to bring food to families and to bring materials for students.

He stated that the service providers in the nation have been phenomenal about stepping up, waiting fees, free hotspots, data access for students for that two to three month period of time. He said they are providing families with contact information for service providers and that they have carts in classrooms with supplies for the kids to be able to connect. He stated that the next ten days they have to figure out how assign the equipment to the students, organize by bus routes and get them out the families.

He said the greatest challenge here is controlling fear and students cannot learn when they are scared. He discussed public service jobs and that they need to continue to serve. He discussed the challenges the school is facing and challenges for the students.

8. Chamber Update

No update was given.

9. BLAEDC Update

Tyler Glynn stated that BLAEDC's annual meeting has been canceled and to replace it they will be putting out a video probably by the end of the week to talk about some of the things that BLAEDC is working on. He said they are still open for business and they are in the office every day. He said there are still businesses moving and they still have loans being considered. He stated that they are going to put some small videos out for the people that were going to present at the annual meeting. Mr. Glynn stated that they will continue with their quarterly meetings as soon as they possibly can and then they will be able to continue to provide updates at those meetings.

Mr. Glynn stated that he is involved with the meeting tomorrow morning with some Brainerd and Baxter leaders to talk about a combined message to see if we can just get something out to the Chambers to get put out. He said they have got some messaging that is going to come out and some guidelines that have been set for them and the County. He stated that he has to be careful on how BLAEDC gets involved and they are looking at programs that they could possibly help with.

He commented in regards to the Incentive Program that the City should feel free to contact him or Bruce Foxton to bring them in to help with it. He discussed Brainerd's Incentive Program and that it was something we worked really hard on to get pushed through. He discussed how it is working in Brainerd and how Pequot Lakes will be a little different because it will involve residential properties and not just be commercial properties.

10. City of Jenkins Update

Commissioner Lubke talked about broadband getting the communities together to speak with one voice about getting a fiber to home type thing or something similar. He stated it is not something one community can do on its own. He said he would definitely want to hear from Commissioner Crochet to see what he thinks of that kind of a concept where it's multiple communities getting together. Commissioner Crochet said that it is a very good idea and the state is releasing more money for broadband development and there is opportunity to get those grants.

11. Other Business

There was no other business.

12. Adjournment

There being no further business, Chair Lindholm adjourned the meeting at 8:51 a.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer