

**MEETING OF THE PEQUOT LAKES  
ECONOMIC DEVELOPMENT COMMISSION  
TUESDAY, JULY 16, 2019**

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

Members Absent: Commissioner Clement

Others Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Dawn Bittner, Zoning Specialist; Sheila Haverkamp, BLAEDC; Jennifer Bergman, Brainerd/Crow Wing County Housing and Redevelopment Authorities; Kristen Fish-Peterson, Redevelopment Resources; Mark Jurchen; Bob Erickson; John Dotty

1. Call Meeting to Order

The meeting was called to order by Chair Lindholm at 8:00 a.m.

2. Consider Agenda

**COMMISSIONER LUBKE 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 JUNE 18, 2019 ECONOMIC DEVELOPMENT COMMISSION MINUTES. COMMISSIONER HOLLEY SECONDED THE MOTION. MOTION CARRIED 6-0.**

4. Workforce Housing Study Discussion and Feedback

Jennifer Bergman, Executive Director of the Crow Wing County HRA and Kristen Fish-Peterson, CEO of Redevelopment Resources attended the meeting to discuss the Workforce Housing Study. Jennifer Bergman stated that the HRA has been hearing about a workforce housing shortage for the last couple years but did not know what it means. The HRA decided to hire a consultant to help identify where the shortage is. They gave the consultants a list of questions they would like answered: what is the shortage, what income range is that shortage, what does housing look like now, and how much housing is available for each income limit? The HRA chose Redevelopment Resources for the Study.

Kristen Fish–Peterson with Redevelopment Resources worked for the City of Wausau, WI for several years and learned a lot about community and economic development while she was there. She talked about the three legs of economic development: business attraction, business retention and expansion, and entrepreneurial development; and how we create all jobs with those legs. Kristen Fish-Peterson stated that if employers cannot find people to work for them that would be a workforce development issue and if people do not want to move to a community that is a community and housing development issue. She stated that to get people to a community you need to have the community development elements going well and to be able to help find the employers the workforce and provide housing, it is all intertwined. Kristen Fish-Peterson noted that we need to learn from the data as well as from going out into the community and connecting with people and the businesses about what is needed in the community. She stated that they have started to look at demographic and income information. They have information for the housing market for the last decade and they found that there has been no new construction for homes in the \$120,000-\$200,000 price range since 1983. Kristen Fish-Peterson stated that has a trickle-down effect because there are homes that are aging, people moving out of those homes, and there are people that don't want to own a home. She would like the EDC's input on what they have heard about what employers need and the housing market in Pequot Lakes.

Commissioner Holley stated that she has lost commercial sales because the potential employers cannot find the workforce in the Pequot Lakes area. Commissioner Holley also stated that homes do not stay on the market long in the \$150,000-\$250,000 range.

Chair Lindholm stated that the average household income for school district is \$54,000 and that range of income is not going to live in a \$350,000 house and they need that \$150,000-\$250,000 house or they rent.

Jennifer Bergman asked what can we do, as a community, to help. Discussion ensued about moving infrastructure, redevelopment where there is already infrastructure, development of vacant lots, rehab of homes, and the River to Rails project in Brained that was encouraged and the incentives being offered.

Mark Jurchen brought up the concept of mixed use like in the City of Osseo where they have the condos and retail downtown and inquired if Redevelopment Resources has seen more concepts like that.

Kristen Fish-Peterson stated they have seen it all over and that the City Council of Madison, WI is now requiring new apartment complexes in mixed use areas. She believes it can be very successful.

Discussion ensued about people leaving larger homes and selling their lake property but not being able to find suitable housing.

Commissioner Lelwica noted there is a need for rental properties more in the \$1,500 range.

Chair Lindholm stated that most of the teachers live outside of Pequot Lakes in Breezy Point or in Brainerd and Baxter.

Commissioner Holley noted the Field of Dreams development was once stagnant but it is now moving forward.

Kristen Fish-Peterson stated that a housing developer will be able to use the data from the study to justify their interest in developing a certain area and there will be strategies and recommendations on how to bring the developers into the area.

Chair Lindholm asked about timeline for the study to be completed. It is estimated to be finished by the end of December.

Jennifer Bergman explained that it is a six month Study being conducted and funded by the Crow Wing County HRA and they did not ask individual cities to contribute but there will be individual sections so each city will be informed on their area.

Discussion about infrastructure, well costs, and sewer costs ensued with a well costing about \$8,000 to install and a septic system costing about \$10,000-\$18,000 to install depending on location.

Chair Lindholm noted the importance of income levels and building a vibrant community not a community for the wealthy.

Bob Erickson with Babinski Properties stated that their apartment buildings are at about 85% occupancy which may indicate that there are not jobs or people are looking for a different cost range for rental units in the Pequot area. He believes people are looking for middle range apartments or \$150,000-\$250,000 homes.

Discussion ensued about the cost of building new homes, making them affordable, and policy makers being more flexible to allow for new housing.

5. Pequot Lakes Business Park Prospect

Shelia Haverkamp with BLAEDC stated that she has been in conversations with Joe Dotty about his interest in Lot 13 in the existing Pequot Lakes Business Park which is located south of Lonesome Cottage and north of the City's Public Works Facility. Ms. Haverkamp stated that Mr. Dotty currently has lots in the Business Park and has been a great multi-tenant developer for the City. Ms. Haverkamp noted that Mr. Dotty would like to put together a plan and come back to the September EDC Meeting to present his plan and he is requesting the property be placed on hold for him until he has a chance to present his plan. Ms. Haverkamp recommended that he be given until October 15<sup>th</sup> to ensure that he has enough time to present his plan to the EDC in September and to the City Council in October. Mr. Dotty is willing to offer full price of \$55,500 for the property and he is planning on building out his existing Business Park lots as well.

Discussion ensued about how long the property has been for sale and authority of the EDC for this transaction.

**COMMISSIONER HOLLEY MOVED TO RECOMMEND TO THE CITY COUNCIL THAT MR. JOE DOTTY BE PROVIDED A PURCHASE AGREEMENT WITH A DUE DILIGENCE CLAUSE THROUGH OCTOBER 15, 2019. COMMISSIONER LUBKE SECONDED THE MOTION. MOTION CARRIED 6-0.**

6. School Update

Chair Lindholm stated that the old commons area is getting facelift and is moving along well. He said that the School is moving forward with a redesign of the back side of the bus garage because the buses sit on a hill and there is a lake back there for half of the year. The City may be contacted about the possibility of purchasing a small part of the lot to the east of the School. The School is in contact with the owner and it could be an easement or purchase scenario. This land will be for a storm water pond.

7. Chamber Update

No update given.

8. BLAEDC Update

Shelia Haverkamp talked about BLAEDC's Workforce Director Mike Bjerkness and the Key Recruitment Program. Mr. Bjerkness has made six employment offers through the program in the second quarter and he was not able to close any of them because the individuals had found better offers elsewhere. Ms. Haverkamp talked about the Unified Fund being slow right now and there have been no loans for the current quarter.

9. City of Jenkins Update

No update given.

10. Other Business

There was no other business.

11. Adjournment

There being no further business, **COMMISSIONER RIECK MOVED TO ADJOURN THE MEETING. COMMISSIONER LELWICA SECONDED THE MOTION. THE MOTION CARRIED 6-0.** The meeting adjourned at 9:06 a.m.

Respectfully submitted,

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Angie Duus  
City Clerk/Treasurer