



ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

City of New Prague

Wednesday, October 09, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER
2. CONSENT AGENDA
 - a. September 11, 2024, EDA Meeting Minutes
 - b. Claims for Payment: **\$9.87**
3. FUTURE EDA ENDEAVORS
 - a. October 9, 2024
4. BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM
5. BUSINESS UPDATES
 - a. October 2024
6. CDA UPDATE
7. SCHOOL DISTRICT UPDATE
8. EXECUTIVE DIRECTORS REPORT
9. MISCELLANEOUS
10. ADJOURNMENT

Next Meeting: Wednesday, November 13, 2024

OUR MISSION IS TO PROMOTE AND FACILITATE ECONOMIC DEVELOPMENT IN THE NEW PRAGUE AREA:

- * Strengthen existing businesses and non-profits *
- * Create an environment conducive to new economic development *
- * Create long term funding strategy *

Brent Quast, President
Troy Pint, Vice President
Eric Krogman, Secretary
Nick Slavik
Austin Reville
Duane Jirik, Mayor
Bruce Wolf, Councilmember
Joshua Tetzlaff, City Administrator & Executive Director

Term Ending 5/31/26 (*Partial Term)
Term Ending 5/31/27
Term Ending 5/31/25
Term Ending 5/31/24
Term Ending 5/31/29



ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

City of New Prague

Wednesday, September 11, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER

The meeting was called to order at 7:30 a.m. by President Brent Quast with the following members present: Brent Quast, Austin Reville, Nick Slavik and Eric Krogman. Bruce Wolf arrived at 7:32 a.m.

Absent: Troy Pint, Duane Jirik

Staff Present: City Administrator Joshua Tetzlaff and Planning/Community Director Ken Ondich

Others Present: Jo Foust - Scott County CDA Business Development Director, Tony Buthe - Director of Educational Services at ISD 721, Maren Bahler - Curriculum and Instruction Director at ISD 721, and Lindsay Schuette - Workforce Coordinator at ISD 721.

2. CONSENT AGENDA

a. August 14, 2024, EDA Meeting Minutes

b. Claims for Payment: **\$92.65**

A motion to approve the Consent Agenda was made by Slavik, seconded by Reville.

Motion carried (4-0) (Wolf had not yet arrived)

3. FUTURE EDA ENDEAVORS

a. September 11, 2024

Tetzlaff noted to the EDA that after the Comprehensive Plan is adopted by the City Council in October that there will be deeper discussions about the EDA's future endeavors.

4. BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM

Jo Foust stated that she and Tetzlaff and Ondich had a meeting with CVF Racing to discuss their continued growth and possible future space needs and also noted that a business visit was scheduled with New Prague Counseling for the morning of September 12th.

5. BUSINESS UPDATES

a. September 2024

Ondich presented the monthly business update and specifically noted discussions regarding tax abatements for both a 54-unit apartment building and a 155-unit apartment building.

6. CDA UPDATE

Jo Foust stated that overall business starts in the County were up compared to last year. She noted that Lee Hall with NextStage for Entrepreneurs had assisted 41 clients in the first half of this year compared with 42 all of 2023. She stated that their "Career Lift" program had 52 people enrolled for the classes they were offering. She started that the Center for Entrepreneurship was fully leased. She noted that the Fast Track Challenge had seen applications from all around the county which was good to see. Lastly, she noted that

near Lydia, a rural industrial park was contemplated but had been tabled by the County for large industrial type uses that weren't typically allowed in city industrial areas

7. SCHOOL DISTRICT UPDATE

Tony Buthe introduced Lindsay Schuette and Maren Bahler to talk about the Youth Skills Training Grant they received. Ms. Schuette noted that they had received the grant to target manufacturing, agriculture, automotive, healthcare and I.T. careers that might not follow a normal 4-year college path and that they were focused on healthcare. Ms. Bahler stated that they would be having their first Career and Tech Day on Oct. 11th for 8th and 10th grade students, geared towards non-traditional student pathways once out of high school. They are looking for more businesses and vocational and tech schools to attend the fair as well. Their typical career day would be held in November like in the past.

8. EXECUTIVE DIRECTORS REPORT

Nothing further noted.

9. MISCELLANEOUS

10. ADJOURNMENT

Motion made by Slavik, seconded by Quast, to adjourn the meeting at 8:00 a.m.
Motion carried (5-0)

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director

Vendor Name	Description	Net Invoice Amount
ABDO	OSA REPORTING FORM	9.87
Total EDA:		9.87
Grand Totals:		9.87

EDA

Account	Account Code Description	2024 CURRENT Budget	Current Period	Year to Date Thru 8/31/2024	Budget Balance
680-3-0000-31010	CURRENT PROPERTY TAXES	\$ 75,000.00	\$ -	\$ 37,870.73	\$ 37,129.27
680-3-0000-31020	DELINQUENT PROPERTY TAXES	\$ -	\$ -	\$ 229.73	\$ (229.73)
680-3-0000-36210	INTEREST INCOME	\$ 250.00	\$ 560.66	\$ 5,789.07	\$ (5,539.07)
	TOTAL OPERATING REVENUE	\$ 75,250.00	\$ 560.66	\$ 43,889.53	\$ 31,360.47
680-4-4650-101	WAGES FULL-TIME	\$ 44,901.00	\$ 4,897.58	\$ 27,671.78	\$ 17,229.22
680-4-4650-103	WAGES PART-TIME	\$ -	\$ -	\$ -	\$ -
680-4-4650-113	EMPLOYEE BENEFITS	\$ 24.00	\$ -	\$ -	\$ 24.00
680-4-4650-121	EMPLOYER CONT. PERA	\$ 3,366.00	\$ 367.36	\$ 2,131.64	\$ 1,234.36
680-4-4650-122	EMPLOYER CONT. F I C A	\$ 3,435.00	\$ 365.54	\$ 2,120.45	\$ 1,314.55
680-4-4650-129	GERF CHANGE	\$ -	\$ -	\$ -	\$ -
680-4-4650-131	HEALTH INSURANCE	\$ 5,890.00	\$ 419.68	\$ 2,641.53	\$ 3,248.47
680-4-4650-132	DENTAL INSURANCE	\$ 618.00	\$ 51.32	\$ 230.94	\$ 387.06
680-4-4650-133	LIFE & S-T DISABILITY INS.	\$ 124.00	\$ 20.36	\$ 91.62	\$ 32.38
680-4-4650-151	WORKER'S COMPENSATION INS.	\$ 242.00	\$ -	\$ 260.33	\$ (18.33)
680-4-4650-200	SUPPLIES	\$ 500.00	\$ -	\$ 2.49	\$ 497.51
680-4-4650-220	REPAIRS & MAINT. SUPPLIES	\$ 500.00	\$ -	\$ -	\$ 500.00
680-4-4650-301	AUDIT	\$ 521.00	\$ -	\$ 10.16	\$ 510.84
680-4-4650-305	CIVIL LEGAL FEES	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
680-4-4650-310	PROFESSIONAL SERVICES	\$ 1,500.00	\$ -	\$ 335.78	\$ 1,164.22
680-4-4650-320	POSTAGE	\$ 200.00	\$ 1.37	\$ 69.06	\$ 130.94
680-4-4650-322	COMPUTER COMM/MAINT	\$ -	\$ 81.98	\$ 92.53	\$ (92.53)
680-4-4650-330	TRAVEL, CONF, MILEAGE ALLOW.	\$ 300.00	\$ -	\$ -	\$ 300.00
680-4-4650-340	ADVERTISING & PUBLICATIONS	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00
680-4-4650-369	INSURANCES	\$ 2,685.00	\$ 9.30	\$ 392.56	\$ 2,292.44
680-4-4650-433	DUES & SUBSCRIPTIONS	\$ 545.00	\$ -	\$ 545.00	\$ -
680-4-4650-441	SPECIAL PROJECTS	\$ 5,699.00	\$ -	\$ -	\$ 5,699.00
680-4-4650-490	DONATION OTHER CIVIC ORG.	\$ -	\$ -	\$ -	\$ -
680-4-4650-720	TRANSFER-OUT	\$ -	\$ -	\$ -	\$ -
680-4-4650-905	DEBT PAYMENT	\$ -	\$ -	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 75,250.00	\$ 6,214.49	\$ 36,595.87	\$ 38,654.13

EDA Industrial Park

Account	Account Code Description	2024 CURRENT Budget	Current Period	Year to Date	Budget Balance
681-3-0000-36210	INTEREST INCOME	\$ -	\$ 247.58	\$ 2,555.87	\$ (2,555.87)
	TOTAL OPERATING REVENUE	\$ -	\$ 247.58	\$ 2,555.87	\$ (2,555.87)
681-4-4650-305	CIVIL LEGAL FEES	\$ -	\$ -	\$ 1,214.40	\$ (1,214.40)
681-4-4650-420	DEPRECIATION EXPENSE	\$ 1,773.00	\$ -	\$ 591.16	\$ 1,181.84
681-4-4650-500	CAPITAL PROJECTS	\$ -	\$ -	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 1,773.00	\$ -	\$ 1,805.56	\$ (32.56)

EDA			
		2023	2024
		YTD BALANCE	CURRENT YTD BALANCE
		7/31/2023	
ASSETS			
680-10101	CLAIM ON CASH	\$ 146,295.85	\$ 174,382.04
680-10120	MONEY MARKET-FIRST BK & TRUST	\$ 25,616.49	\$ 25,699.16
680-10125	MONEY MARKET-4M	\$ 239,415.28	\$ 250,203.39
680-11500	ACCOUNTS RECEIVABLE	\$ -	\$ -
680-15501	PREPAID OTHER	\$ -	\$ -
680-15696	DEFERRED OUTFLOW - OPEB	\$ 147.00	\$ -
680-15699	GERF DEFERRED OUTFLOW	\$ 5,912.00	\$ -
	TOTAL ASSETS	\$ 417,386.62	\$ 450,284.59
LIABILITIES			
680-20210	ACCOUNTS PAYABLE	\$ -	\$ 91.85
680-21711	ACCRUED PAYROLL INS DEDUCT	\$ 0.69	\$ -
680-21717	OPEB LIABILITY	\$ 554.00	\$ -
680-22296	OPEB DEFERRED INFLOW	\$ 142.00	\$ -
680-22299	GERF DEFERRED INFLOW	\$ 296.00	\$ -
680-23999	GERF PENSION LIABILITY	\$ 19,266.00	\$ -
	TOTAL LIABILITIES	\$ 20,258.69	\$ 91.85
	RETAINED EARNINGS	\$ 397,127.93	\$ 450,192.74
	TOTAL LIABILITIES & FUND EQUITY	\$ 417,386.62	\$ 450,284.59

EDA Industrial Park			
		2023	2024
		YTD BALANCE	CURRENT YTD BALANCE
CURRENT ASSETS			
681-10101	CLAIM ON CASH	\$ 737,229.22	\$ 76,624.03
681-10120	MONEY MARKET-FIRST BK & TRUST	\$ 12,808.70	\$ 12,850.38
681-10125	MONEY MARKET-4M	\$ 105,655.38	\$ 110,412.35
	TOTAL CURRENT ASSETS	\$ 855,693.30	\$ 199,886.76
NON CURRENT ASSETS			
681-16100	LAND	\$ 400,625.38	\$ 453,940.38
681-16300	INFRASTRUCTURE	\$ 88,675.68	\$ (0.32)
681-16310	ACCUM. DEPRECIATION-INFRASTR	\$ (11,800.06)	\$ (591.17)
	TOTAL NON CURRENT ASSETS	\$ 477,501.00	\$ 453,348.89
	TOTAL ASSETS	\$ 1,333,194.30	\$ 653,235.65
LIABILITIES			
681-20210	ACCOUNTS PAYABLE	\$ -	\$ -
681-20610	CIP RETAINAGE PERCENTAGE	\$ -	\$ 6,286.00
	TOTAL LIABILITIES	\$ -	\$ 6,286.00
	RETAINED EARNINGS	\$ 1,333,194.30	\$ 646,949.60
	TOTAL LIABILITIES & FUND EQUITY	\$ 1,333,194.30	\$ 653,235.65



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MEMORANDUM

TO: EDA BOARD
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: FUTURE EDA ENDEAVORS
DATE: OCTOBER 4, 2024

** This will be a standing agenda item as we discuss the future of the EDA and what we'd like to pursue.**

With the remaining industrial lots pending sale, it is likely that by the end of the year, the EDA will need to be looking at a new endeavor. To that end, I would like to have a discussion as to where the EDA would like to go. Keep in mind, there is no one right or wrong answer. In fact, it is possible, and from my standing even advised, that the EDA should look at two or three projects or areas to consider.

The last eight years have been about developing the industrial park and from what I have been able to glean, many thought it would develop out much faster than it did. That being said, it is also possible that without those shovel ready industrial lots available at a discount, some local businesses may have expanded or completely moved to other communities who had lots available. So while it took eight years for the lots to finally develop, there has been pay-off on those lots in the form of expanded local businesses and the starting to new businesses.

The following are ideas Ken and I have come up with as directions the EDA could look into. As I stated above, none of these are right/wrong. They are all directions the EDA could look into and have good reasoning for. I would advise trying to tackle two or three areas so as not to pigeon-hole ourselves into just a single venture but to instead diversify and try to tackle multiple issues. These are certainly not the only ideas either. I encourage EDA members to think about other possibilities.

Expand the Industrial Park

It would not be difficult to make an argument for additional industrial park expansion. Without the City offering land, the private sector does not seem interested in developing industrial lots. And without lots, the businesses that are currently in the industrial park would not be there, thus losing out on future tax growth. If history is any indication, we would not fully develop out any sort of expansion for at least five to ten years, but would that future growth in the tax base be worth holding the land?

Anecdotally, staff has heard that available industrial land is drying up quickly in Scott County and that may push other businesses, further out to find space. This could be an opportunity to expand. We'd likely be subsidizing again but I don't think we should have an expectation of making money on industrial lots. It's more about the future play for tax base and employment growth, which indirectly would help with residential growth, than immediate profit on land development.

- August 2023 Update: In June, staff spoke with a representative of the industrial land to the north about what it may look like for the City to purchase the property. The number that the representative

started with was the same price that Brick’s Boatworks paid for the property (\$2.29 SF). Staff felt this was extremely high, and the EDA members at the July meeting agreed. Staff will be preparing information to include with a potential future offer that would justify why the amount is significantly less. Staff is also exploring funding options should the EDA decide to move forward.

- January 2024 Update: While staff has had contact with potential purchasers in the remaining three lots, and interest is still high, there has not been a commitment from anyone to move forward. Staff will continue to inquire and keep the EDA updated.
- April 2024 Update: Staff has noticed that the land immediately north of the Industrial Park is officially listed on the market. The current asking price for the land is \$6.4m, which equates to roughly \$1.93SF.

Expand Commercial Development

The EDA does not have to necessarily stick solely with industrial development. There are cities that also look into developing commercial lots for more retail or service type businesses. This is especially seen where the private sector has not done such. In New Prague, there are some commercial lots available but the number is limited. Does the EDA want to explore a more commercial oriented development?

Expand Residential Housing

Another possibility would be for the EDA to get into the housing market. While we have been very job focused, a strong piece of economic development is having people to actually work at the jobs created. To have more available labor, housing is needed. This could take the form of single family housing, attached housing (such as townhomes), or even multifamily housing. In New Prague, we are in need of all of it and the private sector does not seem keen on getting in. Unlike the industrial/commercial development, this could be an opportunity for the EDA to make money for other projects as lots/homes sell.

- May 2023 Update: There has been interest from the private sector in potentially offering assistance through tax abatement to multi-family units. Is this something the EDA would be interested in pursuing?
- June 2024 Update: Staff submitted an application to the MHFA for \$499,999 towards a 54-unit, multifamily in east New Prague. Staff has also been in discussions with the City Council, Le Sueur County officials, and New Prague Area Schools officials about potential tax abatement assistance to make the project happen. In addition to this project, staff has had other multifamily housing projects reach out about potential projects and requesting tax abatement preliminary numbers.

Buildout Industrial Property for Sale/Lease

Something that has been briefly discussed, among staff at least, is the possibility of building a spec building that could be lease/sold off to prospective businesses. Staff has been consistently receiving calls from prospective businesses looking for less than 10,000 SF of space who may not have the desire or capital to build or own themselves. This would be an opportunity to provide for those types of businesses. Doing a project like this could stand on its own or be part of a larger industrial development.

Purchase the Mill Property

Since I arrived, I have heard discussions around the community of what the Mill property could be. Whether it is people who are renovating all of it, a part of it, or taking it to the ground and starting over, there are a lot of thoughts on what that property could be. Ultimately, whoever is owning the property has the biggest say in its use. To that end, maybe the EDA is interested in purchasing the property and having direct control. The last owner purchased the property for \$200k. There are now three owners, as the previous owner sold 25% of the stake to two others. There is money at the State level for both historic renovations as well as brownfield clearings, which I believe this site would be eligible for. If this is something the EDA is interested in, staff can start those conversations.

Purchase Downtown Property, Improve, and Sell/Lease

The Mill isn't the only property downtown. There is currently property all up and down Main Street. Maybe the EDA is interested in acquiring other property on Main Street for rehab or redevelopment. If some of these properties are historically designated, which some may be eligible for, there is likely money available for some of these projects. The City would then be in a position that it could either work with a private developer or work on the project themselves, and then sell or lease to create capital for future projects.

Purchase Property Surrounding City Center and Redevelop

Just off downtown, and north of the Mill property, is a large two-block area known as City Center. The City owns most of the property, though there are some lots on the west side that are owned by others, and a few businesses along Main Street that are owned by others. This may be an opportunity for the EDA to work with the City to either redevelop what is currently owned, or pursue ownership of additional lots in this area to create a larger, more cohesive project.

- January 2024 Update: Staff continues to explore potential costs associated with acquisition of lots surrounding City Center. City Council has asked staff to explore the cost of a small area plan for the property to give the City a better plan for guidance or marketability. Staff plans to present that to the City Council in late-January/early-February.
- June 2024 Update: Staff continues to work through a small area plan for City Center with MSA (consultant) and the working committee. Also, the City Council has entered into a purchase agreement to purchase one of the two lots on the west side of the lot along the railroad tracks. At this time, the City Council has expressed that they are not interested in pursuing purchasing the second lot along the railroad tracks.

Provide Improvement Funds to Downtown Businesses

Another opportunity for the EDA may be to provide funds for area businesses and property owners to rehab their own properties. This would be the least intensive project the EDA would likely take in as there wouldn't be the same risk as owning property. That being said, it would be completely dependent on property owners wanting to participate. This may be an opportunity to provide for area businesses on top of the EDA doing other projects.

- April 2023 Update: During the March 2023 meeting, the EDA discussed that it did not have much interest in this item due to limited involvement during previous attempts to improve the downtown.

Daycare Assistance

At a recent meeting with fellow administrators across south central Minnesota, one item came up that some EDAs/cities are considering as an economic development tool...daycare assistance. Some of these towns were not looking at daycare assistance in the form of helping families pay for daycare, but instead helping in-home care and care centers become established. The thought was many employees for companies are having trouble finding care for their kids and that if a city can help create more availability, it would help to drive further employment of their citizens.

October 2024 EDA Business Updates:

- **2 new home permits** were issued in September (2 single family homes and 0 townhome units). 7 residential home permits have been issued so far in 2024 (7 single family, 0 townhomes, 0 apartment units).
- **Smoke and Fire**, located at 825 1st Street SE, notified their employees on 9/24/24 that they were closing their doors for good.
- Possible Tax Abatement discussions among the City/School/Le Sueur County have continued for the Ebert Companies proposed **54-unit apartment building** at 102 Chalupsky Ave. SE. Pending the outcome of the tax abatement discussions, they are still hoping to break ground this fall.
- Possible Tax Abatement discussions are scheduled to continue at the City Council meeting on 10/7/24 for the Yellow Tree Development proposed **155-unit apartment building** near Raven Stream Village Elementary School.
- Adoption of the new **Comprehensive Plan** is tentatively scheduled to occur at the October 21st, 2024 City Council meeting.