



ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

City of New Prague

Wednesday, August 09, 2023 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

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1. **CALL TO ORDER**
 2. **CONSENT AGENDA**
 - [a.](#) Approval of July 12, 2023, Regular Meeting Minutes
 - [b.](#) Approve Claims for Payment (July 2023): **\$1,776.91**
 - [c.](#) Review Monthly Income Statement and Balance Sheet (July 2023)
 3. **FUTURE EDA ENDEAVORS**
 - [a.](#) August 2023 Update
 4. **BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM**
 5. **BUSINESS UPDATES**
 - [a.](#) August 2023
 6. **EXECUTIVE DIRECTOR'S REPORT**
 7. **MISCELLANEOUS**
 8. **ADJOURNMENT**

Next Meeting: Wednesday, September 13, 2023

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



City of New Prague Economic Development Authority

MEETING MINUTES

Wednesday, July 12, 2023, 7:30 a.m.

First Floor Conference Room, City Hall

1. The meeting was called to order at 7:33 a.m. by Vice President Troy Pint with the following members present: Bruce Wolf, Troy Pint, Eric Krogman, and Austin Reville.

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

Others Present: Jo Foust, Business and Community Development Director, Scott County CDA

Absent: Board Members Brent Quast, Duane Jirik, and Nick Slavik

2. Consent Agenda – Motion by Wolf, seconded by Krogman to approve:
 - a. June 14, 2023, Regular Meeting Minutes
 - b. Claims for Payment (June 2023): 1 claim for payment totaling \$9.30
 - c. Financial Reports for June 2023 including the Income Statement and Balance Sheet were reviewed and approved. All voted in favor. Motion carried (4-0).
3. Future EDA Endeavors – City Administrator Tetzlaff reminded all that this is a standing agenda item. Reville inquired if the City were to purchase the Mill property, whether it would be covered by state funds. City Administrator Tetzlaff stated he can't confirm that the City would be able to secure state funds, but generally there is some funding for local governments at the state level. Wolf mentioned they city may be forced to get involved with the property if it becomes tax forfeiture. Wolf recalled seeing in the last few years a major company in possibly Waseca or Waterville that received either federal or state funding. Reville inquired whether it could be done piecemeal. City Administrator Tetzlaff advised piecemeal would be the most common way to go about a project this size, whether public or private. Planning/Community Development Ondich added that the property is not currently on any historical register.
4. Update on the Sale of Industrial Park Lots – City Administrator Tetzlaff relayed that Scott Equipment will be submitting soon for their building permit for one of the lots. As for the remaining three unsold lots, the City met with CVF Racing a few weeks ago, and they advised they will have a concrete answer by the end of August. No discussion was had with them on extending the letter of intent. Wolf asked if any of the other six serious inquires the City has received were from BR&E visits, and Planning/Community Development Ondich said they've been from people cold calling or who have had continued interest. One of the six is an existing company within the city limits.
5. Business Retention and Expansion (BR&E) Program – Jo Foust indicated that two visits were conducted in June, one with Minnwest Bank and another with First Bank & Trust. Both were positive conversations.
6. Business Updates (July) – Planning/Community Development Director Ondich presented the monthly business updates. There were no new home permits issued in June.
7. Executive Director's Report – City Administrator Tetzlaff did not have any updates.
8. Miscellaneous:
 - a. Workforce Data. Discussion was had about the data.

9. Adjournment – Motion by Krogman, seconded by Pint to adjourn the meeting at 8:14 a.m. All voted in favor. Motion carried (4-0).

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director



City of New Prague Economic Development Authority

SPECIAL (CLOSED) MEETING MINUTES

Wednesday, July 12, 2023, 7:30 a.m.

Council Chambers, City Hall

1. Vice President Pint called the Closed Meeting to order at 8:15 a.m. with the following members present: Troy Pint, Bruce Wolf, Eric Krogman, and Austin Reville.

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

2. Went into Closed session at 8:15 a.m. pursuant to Minnesota Statutes Section 13D.05, subdivision 3(c) and 13.44, subdivision 3, to conduct a Closed meeting concerning the following real properties:

PIN No. 05-933-0211

Pin No. 05-933-0210

3. No action was taken.
4. Adjourned at 8:45 a.m.

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director

APPROVAL OF BILLS FOR PAYMENT
8/9/2023

EDA

Name	Description	Amount
KENNEDY & GRAVEN CHARTERED	LEGAL SERVICES	\$1,192.59
ROSS NESBIT AGENCIES, INC.	AGENCY FEE	\$9.30
SOUTHERN MINNESOTA INITIATIVE	2023 PLEDGE	\$500.00
AMAZON	PENS	\$23.28
US BANK CREDIT CARD	SCOTT CO IND PARK MEETING	\$41.40
ABDO	OSA REPORTING FORM	\$10.34
Sub-Total EDA Payables		\$1,776.91

EDA-INDUSTRIAL PARK

Sub-Total EDA-Industrial Park Payables	-
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Grand Total Payables	\$ 1,776.91
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NEW PRAGUE EDA AND INDUSTRIAL PARK
INCOME STATEMENTS
JULY 31, 2023

Section 2, Item c.

EDA	2023 CURRENT MONTH	2023 YEAR TO DATE	ADOPTED 2023 BUDGET	BUDGET BALANCE
REVENUES				
PROPERTY TAX	\$ -	\$ 39,182.10	\$ 75,000.00	\$ 35,817.90
DELINQUENT PROPERTY TAX	\$ -	\$ 107.89	\$ -	\$ (107.89)
MISCELLANEOUS INCOME	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	\$ 286.35	\$ 3,627.31	\$ 250.00	\$ (3,377.31)
REIMBURSEMENTS	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUE	\$ 286.35	\$ 42,917.30	\$ 75,250.00	\$ 32,332.70
OPERATING EXPENSES				
WAGES FULL-TIME	\$ 2,819.20	\$ 20,036.88	\$ 38,412.00	\$ 18,375.12
EMPLOYEE BENEFITS	\$ -	\$ -	\$ 41.00	\$ 41.00
EMPLOYER CONT. PERA	\$ 211.44	\$ 1,552.69	\$ 3,246.00	\$ 1,693.31
EMPLOYER CONT. F I C A	\$ 211.01	\$ 1,551.19	\$ 3,311.00	\$ 1,759.81
HEALTH INSURANCE	\$ 241.21	\$ 1,938.84	\$ 9,377.00	\$ 7,438.16
DENTAL INSURANCE	\$ 21.34	\$ 149.38	\$ 965.00	\$ 815.62
LIFE & S-T DISABILITY INS	\$ 9.67	\$ 66.72	\$ 49.00	\$ (17.72)
WORKER'S COMPENSATION INS	\$ -	\$ 266.48	\$ 207.00	\$ (59.48)
SUPPLIES	\$ -	\$ 23.28	\$ 500.00	\$ 476.72
REPAIRS & MAINT. SUPPLIES	\$ -	\$ -	\$ 500.00	\$ 500.00
AUDIT	\$ -	\$ 516.95	\$ 521.00	\$ 4.05
ENGINEERING FEES	\$ -	\$ -	\$ -	\$ -
CIVIL LEGAL FEES	\$ -	\$ 16,958.84	\$ 3,000.00	\$ (13,958.84)
PROFESSIONAL SERVICES	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00
POSTAGE	\$ -	\$ 102.68	\$ 200.00	\$ 97.32
COMPUTER COMM/MAINT	\$ -	\$ 24.28	\$ -	\$ (24.28)
TRAVEL, CONF, MILEAGE ALL	\$ -	\$ 41.40	\$ 300.00	\$ 258.60
ADVERTISING & PUBLICATION	\$ -	\$ 368.00	\$ 1,200.00	\$ 832.00
INSURANCES	\$ 9.30	\$ 2,443.70	\$ 225.00	\$ (2,218.70)
MISCELLANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ 305.00	\$ 305.00
SPECIAL PROJECTS	\$ -	\$ -	\$ 6,391.00	\$ 6,391.00
DONATION OTHER CIVIC ORG.	\$ -	\$ 500.00	\$ -	\$ (500.00)
TRANSFER-OUT	\$ 416.67	\$ 2,916.65	\$ 5,000.00	\$ 2,083.35
TOTAL OPERATING EXPENSES	\$ 3,939.84	\$ 49,457.96	\$ 75,250.00	\$ 25,792.04
NET GAIN OR (LOSS)	\$ (3,653.49)	\$ (6,540.66)	\$ -	\$ 6,540.66

INDUSTRIAL PARK	2023 CURRENT MONTH	2023 YEAR TO DATE	ADOPTED 2023 BUDGET	BUDGET BALANCE
REVENUES				
INTEREST INCOME	\$ 126.66	\$ 1,602.65	\$ -	\$ (1,602.65)
TOTAL OPERATING REVENUE	\$ 126.66	\$ 1,602.65	\$ -	\$ (1,602.65)
OPERATING EXPENSES				
ENGINEERING FEES	\$ -	\$ 158.00	\$ -	\$ (158.00)
DEPRECIATION EXPENSE	\$ 147.79	\$ 1,034.53	\$ 1,773.00	\$ 738.47
CAPITAL PROJECTS	\$ -	\$ -	\$ 988,000.00	\$ 988,000.00
TOTAL OPERATING EXPENSES	\$ 147.79	\$ 1,192.53	\$ 989,773.00	\$ 988,580.47
NET GAIN OR (LOSS)	\$ (21.13)	\$ 410.12	\$ (989,773.00)	\$ (990,183.12)

NEW PRAGUE EDA AND INDUSTRIAL PARK

JULY 31, 2023

Section 2, Item c.

EDA		2022 YTD BALANCE	2023 CURRENT YTD BALANCE
ASSETS			
	CASH - CHECKING	\$ 199,483.20	\$ 146,295.85
	CASH - M/M	\$ 201,856.32	\$ 265,038.23
	DEFERRED OUTFLOW - OPEB	\$ -	\$ 147.00
	DEFERRED OUTFLOW - GERF	\$ -	\$ 5,912.00
	PREPAID OTHER	\$ 13.10	\$ -
	TOTAL ASSETS	\$ 401,352.62	\$ 417,393.08
LIABILITIES			
	ACCOUNTS PAYABLE	\$ 393.30	\$ -
	OPEB LIABILITY	\$ -	\$ 554.69
	DEFERRED INFLOW - OPEB	\$ -	\$ 142.00
	DEFERRED INFLOW - GERF	\$ -	\$ 296.00
	GERF PENSION LIABILITY	\$ -	\$ 19,266.00
	TOTAL LIABILITIES	\$ 393.30	\$ 20,258.69
RETAINED EARNINGS		\$ 400,959.32	\$ 397,134.39
	TOTAL LIABILITIES & FUND EQUITY	\$ 401,352.62	\$ 417,393.08

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INDUSTRIAL PARK		2022 YTD BALANCE	2023 CURRENT YTD BALANCE
ASSETS			
	CURRENT ASSETS:		
	CASH - CHECKING	\$ 53,079.49	\$ 737,229.22
	CASH - M/M	\$ 100,928.18	\$ 118,467.34
	DUE FROM OTHER GOVERNMENTS	\$ -	\$ -
	TOTAL CURRENT ASSETS	\$ 154,007.67	\$ 855,696.56
	NONCURRENT ASSETS:		
	LAND	\$ 938,836.36	\$ 400,625.38
	INFRASTRUCTURE	\$ 88,675.68	\$ 88,675.68
	LESS DEPRECIATION	\$ (10,026.58)	\$ (11,800.06)
	TOTAL NONCURRENT ASSETS	\$ 1,017,485.46	\$ 477,501.00
	TOTAL ASSETS	\$ 1,171,493.13	\$ 1,333,197.56
LIABILITIES			
	ACCOUNTS PAYABLE	\$ -	\$ -
	TOTAL LIABILITIES	\$ -	\$ -
RETAINED EARNINGS		\$ 1,171,493.13	\$ 1,333,197.56
	TOTAL LIABILITIES & FUND EQUITY	\$ 1,171,493.13	\$ 1,333,197.56

\$	-	\$	-
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phone: 952-758-4401 fax: 952-758-1149

MEMORANDUM

TO: EDA BOARD
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: FUTURE EDA ENDEAVORS
DATE: AUGUST 3, 2023

**** 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 gleam, 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.

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?

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 off 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.

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.

August 2023 EDA Business Updates:

- **1 new home permit** was issued in July (1 single family home and 0 townhome units). 7 residential home permits have been issued so far in 2023 (7 single family, 0 townhomes, 0 apartment units).
- MVE Biological Solutions recently started the third phase of their expansion project at 201 7th Street NW which includes an addition to the east side of their building.
- City Staff continues to field weekly calls regarding interest in industrial zoned land that is available for development as well as increased interest in commercial development on the east side of town.