



# ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

City of New Prague

Wednesday, April 10, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER
2. CONSENT AGENDA
  - a. March 13, 2024, EDA Meeting Minutes
  - b. Claims for Payment: **\$592.33**
3. FUTURE EDA ENDEAVORS
  - a. April 10, 2024
4. BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM
5. BUSINESS UPDATES
  - a. April 2024
6. CDA UPDATE
7. SCHOOL DISTRICT UPDATE
8. EXECUTIVE DIRECTORS REPORT
9. MISCELLANEOUS
  - a. Early Childhood Academy Correspondence
10. ADJOURNMENT

**Next Meeting: Wednesday, May 8, 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, March 13, 2024 at 7:30 AM  
City Hall Council Chambers - 118 Central Ave N

**1. CALL TO ORDER**

The meeting was called to order at 7:34 a.m. by Vice Chair Troy Pint with the following members present: Troy Pint, Eric Krogman, Austin Reville, and Bruce Wolf.

Absent: Duane Jirik, Nick Slavik, and Brent Quast

City staff present: City Administrator Josh Tetzlaff and Planning/Community Development Director Ken Ondich

Others present: Jo Foust – Scott County CDA Business and Community Development Director

**2. CONSENT AGENDA**

a. February 14, 2024, EDA Meeting Minutes

b. Claims for Payment: **\$174.90**

Motion made by Krogman, seconded by Reville, to approve. All voted in favor. Motion carried (4-0).

**3. FUTURE EDA ENDEAVORS**

a. March 13, 2024

Tetzlaff provided the update noting that discussion will really get going once the Comprehensive Plan update is completed, but that the Comprehensive Plan is on hold for a month or two while the Sanitary Sewer study and Small Area Plan for City Center are completed.

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

Jo Foust from the Scott County CDA noted that five BR&E visits have occurred since the last EDA meeting. The visits were held with Busch Bros., MVE Biological Solutions, Brick’s Boatworks, Appointments USA, and Autowash Systems Inc. She also noted that five more visits are scheduled.

**5. BUSINESS UPDATES**

a. March 2024

Ondich provided the monthly business update.

**6. CDA UPDATE**

Foust stated that two of the four CDA Community Land Trust Homes have sold and the other two are pending. She also noted that they have a new “Career Lift” program for post-secondary education and training which was funded as part of the State’s “Drive for Five” program to help low income and underemployed gain higher paying jobs.

**7. SCHOOL DISTRICT UPDATE**

None.

**8. EDA SUMMARY REPORT**

a. 2023

Tetzlaff presented and the EDA asked if the information would be presented to the City Council. It was confirmed it would be.

**9. EXECUTIVE DIRECTORS REPORT**

Tetzlaff shared that Scott Equipment is holding a groundbreaking at 11:00 a.m. on March 19, 2024, for their new building.

**10. MISCELLANEOUS**

a. MCPP March Usage Report

The City has already utilized its allotted program funds.

Tetzlaff provided an update on the Post Office taking comment on a possible relocation of the post office.

**11. ADJOURNMENT**

Motion made by Reville, seconded by Pint, to adjourn the meeting at 8:24 a.m. All voted in favor. Motion carried (4-0).

Respectfully Submitted,

Joshua M. Tetzlaff  
City Administrator / EDA Executive Director

Vendor Name	Description	Net Invoice Amount
LEAGUE OF MN CITIES INSURANCE	2024 WORKERS COMP	260.33
LEAGUE OF MN CITIES INSURANCE	PROPERTY & CASUALTY INSURANCE	330.00
QUADIENT LEASING USA INC.	POSTAGE MACHINE LEASE	2.00
Total EDA:		592.33
Grand Totals:		592.33

**EDA**

Account	Account Code Description	2024 CURRENT Budget	Current Period	Year to Date Thru 2/29/2024	Budget Balance
680-3-0000-31010	CURRENT PROPERTY TAXES	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00
680-3-0000-31020	DELINQUENT PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -
680-3-0000-36210	INTEREST INCOME	\$ 250.00	\$ 1,634.58	\$ 2,084.55	\$ (1,834.55)
	<b>TOTAL OPERATING REVENUE</b>	<b>\$ 75,250.00</b>	<b>\$ 1,634.58</b>	<b>\$ 2,084.55</b>	<b>\$ 73,165.45</b>
680-4-4650-101	WAGES FULL-TIME	\$ 44,901.00	\$ 3,100.90	\$ 5,426.59	\$ 39,474.41
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	\$ 232.60	\$ 462.99	\$ 2,903.01
680-4-4650-122	EMPLOYER CONT. F I C A	\$ 3,435.00	\$ 230.84	\$ 459.46	\$ 2,975.54
680-4-4650-129	GERF CHANGE	\$ -	\$ -	\$ -	\$ -
680-4-4650-131	HEALTH INSURANCE	\$ 5,890.00	\$ 279.54	\$ 824.11	\$ 5,065.89
680-4-4650-132	DENTAL INSURANCE	\$ 618.00	\$ 25.66	\$ 51.32	\$ 566.68
680-4-4650-133	LIFE & S-T DISABILITY INS.	\$ 124.00	\$ 10.18	\$ 20.36	\$ 103.64
680-4-4650-151	WORKER'S COMPENSATION INS.	\$ 242.00	\$ 260.33	\$ 260.33	\$ (18.33)
680-4-4650-200	SUPPLIES	\$ 500.00	\$ -	\$ -	\$ 500.00
680-4-4650-220	REPAIRS & MAINT. SUPPLIES	\$ 500.00	\$ -	\$ -	\$ 500.00
680-4-4650-301	AUDIT	\$ 521.00	\$ -	\$ -	\$ 521.00
680-4-4650-305	CIVIL LEGAL FEES	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
680-4-4650-310	PROFESSIONAL SERVICES	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00
680-4-4650-320	POSTAGE	\$ 200.00	\$ 2.00	\$ 15.02	\$ 184.98
680-4-4650-322	COMPUTER COMM/MAINT	\$ -	\$ -	\$ -	\$ -
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	\$ 18.60	\$ 2,666.40
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	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 75,250.00</b>	<b>\$ 4,151.35</b>	<b>\$ 8,083.78</b>	<b>\$ 67,166.22</b>

**EDA Industrial Park**

Account	Account Code Description	2023 CURRENT Budget	Current Period	Year to Date	Budget Balance
681-3-0000-36210	INTEREST INCOME	\$ -	\$ 721.17	\$ 919.99	\$ (919.99)
	<b>TOTAL OPERATING REVENUE</b>	<b>\$ -</b>	<b>\$ 721.17</b>	<b>\$ 919.99</b>	<b>\$ (919.99)</b>
681-4-4650-303	ENGINEERING FEES	\$ -	\$ -	\$ -	\$ -
681-4-4650-420	DEPRECIATION EXPENSE	\$ 1,773.00	\$ 147.79	\$ 295.58	\$ 1,477.42
681-4-4650-500	CAPITAL PROJECTS	\$ 988,000.00	\$ -	\$ -	\$ 988,000.00
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 989,773.00</b>	<b>\$ 147.79</b>	<b>\$ 461.18</b>	<b>\$ 989,311.82</b>

EDA			
		2023	2024
		YTD BALANCE	CURRENT YTD BALANCE
		2/28/2023	
<b>ASSETS</b>			
680-10101	CLAIM ON CASH	\$ 145,252.35	\$ 161,667.35
680-10120	MONEY MARKET-FIRST BK & TRUST	\$ 25,584.94	\$ 25,661.61
680-10125	MONEY MARKET-4M	\$ 236,897.92	\$ 246,536.42
680-15501	PREPAID OTHER	\$ -	\$ -
680-15696	DEFERRED OUTFLOW - OPEB	\$ 147.00	\$ 147.00
680-15699	GERF DEFERRED OUTFLOW	\$ 5,912.00	\$ 5,912.00
	<b>TOTAL ASSETS</b>	<b>\$ 413,794.21</b>	<b>\$ 439,924.38</b>
<b>LIABILITIES</b>			
680-20210	ACCOUNTS PAYABLE	\$ 3,231.48	\$ 262.33
680-21711	ACCRUED PAYROLL INS DEDUCT	\$ -	\$ -
680-21717	OPEB LIABILITY	\$ 554.00	\$ 554.00
680-22296	OPEB DEFERRED INFLOW	\$ 142.00	\$ 142.00
680-22299	GERF DEFERRED INFLOW	\$ 296.00	\$ 296.00
680-23999	GERF PENSION LIABILITY	\$ 19,266.00	\$ 19,266.00
	<b>TOTAL LIABILITIES</b>	<b>\$ 23,489.48</b>	<b>\$ 20,520.33</b>
	<b>RETAINED EARNINGS</b>	<b>\$ 390,304.73</b>	<b>\$ 419,404.05</b>
	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 413,794.21</b>	<b>\$ 439,924.38</b>

EDA Industrial Park			
		2023	2024
		YTD BALANCE	CURRENT YTD BALANCE
<b>CURRENT ASSETS</b>			
681-10101	CLAIM ON CASH	\$ 37,668.24	\$ 77,838.43
681-10120	MONEY MARKET-FIRST BK & TRUST	\$ 12,792.80	\$ 12,831.44
681-10125	MONEY MARKET-4M	\$ 104,545.37	\$ 108,795.41
	<b>TOTAL CURRENT ASSETS</b>	<b>\$ 155,006.41</b>	<b>\$ 199,465.28</b>
<b>NON CURRENT ASSETS</b>			
681-16100	LAND	\$ 1,100,344.36	\$ 400,625.38
681-16300	INFRASTRUCTURE	\$ 88,675.68	\$ 88,675.68
681-16310	ACCUM. DEPRECIATION-INFRASTR	\$ (11,061.11)	\$ (12,834.59)
	<b>TOTAL NON CURRENT ASSETS</b>	<b>\$ 1,177,958.93</b>	<b>\$ 476,466.47</b>
	<b>TOTAL ASSETS</b>	<b>\$ 1,332,965.34</b>	<b>\$ 675,931.75</b>
<b>LIABILITIES</b>			
681-20210	ACCOUNTS PAYABLE	\$ 158.00	\$ 165.60
	<b>TOTAL LIABILITIES</b>	<b>\$ 158.00</b>	<b>\$ 165.60</b>
	<b>RETAINED EARNINGS</b>	<b>\$ 1,332,807.34</b>	<b>\$ 675,766.15</b>
	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 1,332,965.34</b>	<b>\$ 675,931.75</b>



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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:** APRIL 10, 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 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.

- 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?

### 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.

- 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.

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.

**April 2024 EDA Business Updates:**

- **1 new home permit** was issued in March (1 single family homes and 0 townhome units). 2 residential home permits have been issued so far in 2024 (2 single family, 0 townhomes, 0 apartment units).
- **Bargain Lodge**, located at 114 Main Street W, was issued a certificate of occupancy to open for business at this new location.
- **Scott Equipment** was issued a building permit for their new building in the industrial park located at 601 6<sup>th</sup> Street NW.

Dear Members of the Economic Development Authority,

I am writing to express my sincere gratitude for taking the time to meet with myself and our Director, Becca Najera, recently. Our discussion provided an invaluable opportunity to share the current status and needs of our business, particularly since we have taken over ownership.

I want to extend appreciation for attentively listening to the exhaustive list of challenges we face. However, I am equally grateful for your willingness to engage with our vision for growth and our plans for both the New Prague location and Early Childhood Academy as a whole. It is heartening to know that our thriving business has the support of esteemed organizations like yours.

I cannot emphasize enough the dedication and resilience exhibited by each of our employees. Navigating not only the transition in ownership but also the acquisition and relicensing processes, as well as the renewal of their Parent Aware accreditation, is no small feat. Their hard work and determination stand as a testament to the strength of the New Prague community as a whole.

Our ownership group feels truly blessed to have acquired such a well-respected and efficiently run business in New Prague. The support we have received from the City and organizations like the EDA has been instrumental in our journey thus far. Despite the numerous challenges inherent in the child care industry, I am filled with hope knowing that we have robust support systems in place.

I eagerly anticipate the opportunity for future collaboration and am grateful for any support the EDA can provide to help our New Prague business continue to flourish. Together, I am confident that we can overcome obstacles and create an even brighter future for our community.

Thank you once again for your time, support, and commitment to economic development in our region. Please do not hesitate to reach out if there are any further discussions or actions needed.

Thank you,



President/Owner  
**Stephanie Mahal**

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