

ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

City of New Prague

Wednesday, May 08, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER

- 2. CONSENT AGENDA
 - a. April 10, 2024, EDA Meeting Minutes
 - b. Claims for Payment: \$357.76
- 3. FUTURE EDA ENDEAVORS
 - a. May 8, 2024
- 4. BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM
- 5. BUSINESS UPDATES
 - a. May 2024
- 6. CDA UPDATE
- 7. SCHOOL DISTRICT UPDATE
- 8. EXECUTIVE DIRECTORS REPORT
- 9. MISCELLANEOUS
 - a. Southern Minnesota Initiative Foundation
 - b. Nick Slavik Term Expiring
- 10. ADJOURNMENT

Next Meeting: Wednesday, June 12, 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, April 10, 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: Troy Pint, Eric Krogman, Bruce Wolf, Duane Jirik, Nick Slavik, and Brent Quast.

Absent: Austin Reville

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, and Tony Buthe, New Prague Schools Director of Educational Services

2. CONSENT AGENDA

- a. March 13, 2024, EDA Meeting Minutes
- b. Claims for Payment: \$592.33

Motion made by Pint, seconded by Krogman, to approve. All voted in favor. Motion carried (6-0).

3. FUTURE EDA ENDEAVORS

a. April 10, 2024

Tetzlaff relayed that the land immediately north of the City's industrial park is now officially on the market for \$6.4 million.

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

It was noted that visits to Early Childhood Academy, Chart, and Wornson & Goggins had occurred recently. Early Childhood Academy noted multiple concerns with regulations on a state level regarding daycare centers.

5. BUSINESS UPDATES

a. April 2024

Ondich provided the monthly business update. He added that the business update did not include the topic, but that a 54-unit apartment building was preliminary proposed and presented at the April 1, 2024, City Council and April 3, 2024, Planning Commission meetings. He stated that an application was being considered for the MHFA Workforce Housing Development Program and that a local match would be required in which tax abatement was being considered. He stated that the topic would be discussed again at the April 15, 2024, City Council meeting for a resolution of support.

6. CDA UPDATE

Jo Foust stated that all four Community Land Trust Homes will be sold as of the end of the week and that they are doing other land trust homes in Shakopee and Prior Lake with the goal of spreading the program across the county. She also stated that they are having a student business pitch competition and a County Bus Tour on May 29, 2024, with a stop planned in New Prague for lunch with representatives from DEED and GreaterMSP, along with elected officials.

7. SCHOOL DISTRICT UPDATE

Tony Buthe stated that he's setting up meetings with six businesses from Elko New Market, six from Lonsdale, and six or more from New Prague about building collaborations with what they want to see from employees that are coming out of high school. He also noted the three area city Chamber of Commerce organizations are supporting this effort. He also relayed that in October they are having a Career and Technology Exploratory Day to talk about trades-related jobs and that it's focused on tenth graders.

8. EXECUTIVE DIRECTORS REPORT

Tetzlaff noted five new business filings in New Prague city limits in the past month, mostly home businesses. He stated that the sanitary sewer feasibility study is nearing completion with the next step being to look for possible federal or state funding opportunities. He also noted the water plan is also being updated. He stated that Angie Craig will be meeting with the Mayor and that they plan to bring up the cost of the proposed police station and the need for funding. He stated that the 2024 CIP project would start next week. Lastly, he relayed that ash tree removal in the parks would stop at the end of the month as the DNR is not allowing removal during these months.

9. MISCELLANEOUS

a. Early Childhood Academy Correspondence Ondich stated that Steering Committee Meeting #2 for the Small Area Plan will be held Wednesday, April 10, 2024, at 6:00 p.m.

10. ADJOURNMENT

Motion made by Jirik, seconded by Slavik, to adjourn the meeting at 8:00 a.m. All voted in favor. Motion carried (6-0).

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director

CITY OF NEW PRAGUE EDA Payables Report Section 2, Item b.

Report dates: 01/01/2024-12/31/2024

Vendor Name	Description	Net Invoice Amount
ABDO	2023 AUDIT SERVICES	334.84
AMERICAN MAILING MACHINES	POSTAGE SUPPLIES	2.49
GREATAMERICA FINANCIAL SERVICES	POSTAGE MACHINE LEASE	1.83
ROSS NESBIT AGENCIES INC.	AGENCY FEE	9.30
ROSS NESBIT AGENCIES INC.	AGENCY FEE	9.30
Total EDA:		357.76
Grand Totals:		357.76

May 03, 2024 12:50PM

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Account	Account Code Description	2024 CURRENT Budget		Current Period		Year to Date Thru 3/31/2024		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	\$	264.26	\$	2,348.81	\$	(2,098.81)
	TOTAL OPERATING REVENUE	\$	75,250.00	\$	264.26	\$	2,348.81	\$	72,901.19
680-4-4650-101	WAGES FULL-TIME	\$	44,901.00	\$	4,651.37	\$	10,077.96	\$	34,823.04
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	\$	348.92	\$	811.91	\$	2,554.09
680-4-4650-122	EMPLOYER CONT. FICA	\$	3,435.00	\$	346.23	\$	805.69	\$	2,629.31
680-4-4650-129	GERF CHANGE	\$	-	\$	-	\$	-	\$	-
680-4-4650-131	HEALTH INSURANCE	\$	5,890.00	\$	419.69	\$	1,243.80	\$	4,646.20
680-4-4650-132	DENTAL INSURANCE	\$	618.00	\$	51.32	\$	102.64	\$	515.36
680-4-4650-133	LIFE & S-T DISABILITY INS.	\$	124.00	\$	20.36	\$	40.72	\$	83.28
680-4-4650-151	WORKER'S COMPENSATION INS.	\$	242.00	\$	-	\$	260.33	\$	(18.33)
680-4-4650-200	SUPPLIES	\$	500.00	\$	2.49	\$	2.49	\$	497.51
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	\$	334.84	\$	334.84	\$	1,165.16
680-4-4650-320	POSTAGE	\$	200.00	\$	11.41	\$	26.43	\$	173.57
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	\$	339.30	\$	357.90	\$	2,327.10
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	\$	6,525.93	\$	14,609.71	\$	60,640.29

EDA Industrial Park

Account	Account Code Description	2024 Current CURRENT Period Budget		Year to Date	Budget Balance			
681-3-0000-36210	INTEREST INCOME	\$	3.00	\$ 116.91	\$	1,036.90	\$	(1,033.90)
	TOTAL OPERATING REVENUE	\$	3.00	\$ 116.91	\$	1,036.90	\$	(1,033.90)
681-4-4650-305	CIVIL LEGAL FEES	\$	-	\$ -	\$	165.60	\$	(165.60)
681-4-4650-420	DEPRECIATION EXPENSE	\$	1,773.00	\$ 147.79	\$	443.37	\$	1,329.63
681-4-4650-500	CAPITAL PROJECTS	\$ 9	988,000.00	\$ -	\$	-	\$	988,000.00
	TOTAL OPERATING EXPENSES	\$ 9	989,773.00	\$ 147.79	\$	608.97	\$ 9	989,164.03

EDA							
LUA			2023 YTD BALANCE	2024 CURRENT YTD BALANCE			
ASSETS			3/31/2023				
680-10101	CLAIM ON CASH	\$	138,134.54	\$	155,546.42		
680-10120	MONEY MARKET-FIRST BK & TRUST	\$	25,590.94	\$	25,667.72		
680-10125	MONEY MARKET-4M	\$	237,211.91	\$	246,794.57		
680-11500	ACCOUNTS RECEIVABLE	\$	-	\$	3,296.80		
680-15501	PREPAID OTHER	\$	-	\$	-		
680-15696	DEFERRED OUTFLOW - OPEB	\$	147.00	\$	174.00		
680-15699	GERF DEFERRED OUTFLOW	\$	5,912.00	\$	8,406.00		
	TOTAL ASSETS	\$	406,996.39	\$	439,885.51		
LIABILITIES							
680-20210	ACCOUNTS PAYABLE	\$	5,717.50	\$	667.33		
680-21711	ACCRUED PAYROLL INS DEDUCT	\$	0.69	\$	-		
680-21717	OPEB LIABILITY	\$	554.00	\$	870.00		
680-22296	OPEB DEFERRED INFLOW	\$	142.00	\$	329.00		
680-22299	GERF DEFERRED INFLOW	\$	296.00	\$	8,588.00		
680-23999	GERF PENSION LIABILITY	\$ \$	19,266.00	\$	26,867.00		
	TOTAL LIABILITIES	\$	25,976.19	\$	37,321.33		
RETAINED EARNINGS		\$	381,020.20	\$	402,564.18		
	TOTAL LIABILITIES & FUND EQUITY	\$	406,996.39	\$	439,885.51		
FDA Industrial Book							

EDA Industrial Park							
			2023	2023 2024			
			YTD BALANCE	CURF	RENT YTD BALANCE		
CURRENT ASSETS							
681-10101	CLAIM ON CASH	\$	37,510.24	\$	77,672.83		
681-10120	MONEY MARKET-FIRST BK & TRUST	\$	12,795.82	\$	12,834.52		
681-10125	MONEY MARKET-4M	\$ \$	104,683.82	\$	108,909.24		
	TOTAL CURRENT ASSETS	\$	154,989.88	\$	199,416.59		
NON CURRENT A	SSETS						
681-16100	LAND	\$	1,100,344.36	\$	453,940.38		
681-16300	INFRASTRUCTURE	\$	88,675.68	\$	88,675.68		
681-16310	ACCUM. DEPRECIATION-INFRASTR	\$	(11,208.90)	\$	(12,982.38)		
	TOTAL NON CURRENT ASSETS	\$	1,177,811.14	\$	529,633.68		
	TOTAL ASSETS	\$	1,332,801.02	\$	729,050.27		
LIABILITIES							
681-20210	ACCOUNTS PAYABLE	\$	-	\$	-		
	TOTAL LIABILITIES	\$	-	\$	-		
RETAINED EARN	INGS	\$	1,332,801.02	\$	729,050. 6		
	TOTAL LIABILITIES & FUND EQUITY	\$	1,332,801.02	\$	729,050.27		



118 Central Avenue North, New Prague, MN 56071 phone: 952-758-4401 fax: 952-758-1149

MEMORANDUM

TO: EDA BOARD

FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR

SUBJECT: FUTURE EDA ENDEAVORS

DATE: MAY 8, 2024

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

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

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 is 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 of 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 inhome 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.

May 2024 EDA Business Updates:

- <u>O new home permits</u> were issued in April (O single family homes and O townhome units). 2 residential home permits have been issued so far in 2024 (2 single family, O townhomes, O apartment units).
- <u>Cedar and Sage</u>, located at 123 Main Street W, was sold to a new owner and will now be called <u>Honey Lou Boutique</u>.
- The Holiday Station at 102 10th Ave. NE has been rebranded as "Circle K".
- A demolition permit was issued for a small portion of the former Mill property at 100 2nd Ave. SW near the railroad tracks.
- The City Council issued an interim use permit to <u>Faith, Recovery & Music</u> (a religious institution) to utilize approximately 780 sq. ft. of office space at the former mill at 100 2nd Ave. SW.
- <u>Brick's Boatworks</u> was issued a permit for adding a paint booth in their main shop at 801 6th Street NW.



525 Florence Avenue • PO Box 695 • Owatonna, MN 55060-0695 PH 507.455.3215 • FAX 507.455.2098 • smifoundation.org

April 12, 2024

Joshua Tetzlaff New Prague Economic Development Authority 118 Central Ave N New Prague, MN 56071-1533

Dear Joshua,

Since 1986, Southern Minnesota Initiative Foundation (SMIF) has worked to catalyze entrepreneurial activity within the region and has played a strong role in growing local businesses, from early stage investing and gap loans to traditional loans, as well as program funding in our focus areas of Early Childhood initiatives, community vitality, and economic development. Additionally, SMIF has invested \$56.9 million in grants in our 20-county region during this time period. While these grants support a wide range of projects – from providing books to young children to supporting small town growth – they each have had a transformative and long-term impact on the future of southern Minnesota.



We serve a diverse region where every county, and every community, has unique needs that we strive to address. Enclosed you will find a fact sheet of some of the specific things SMIF has been doing in your county, thanks to the enormous support we receive from our donors. Thank you for your recent gift of \$500.00 on 7/24/2023. Will you consider making a donation to SMIF in 2025? Because of generous supporters like you, communities across our region continue to see improvement and growth in countless ways.

Sincerely,

Tim Penny

President and CEO

cc: Matthew Goldade, Board Member



SMIF's investments and partnerships in

Le Sueur County

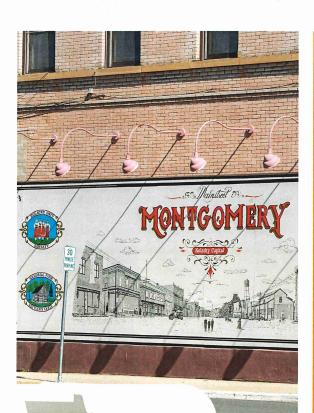
Southern Minnesota Initiative Foundation (SMIF) is a regional development and philanthropic organization that fosters economic and community vitality in southern Minnesota through a culture of collaboration and partnership. Serving 20 counties which includes 175 communities and one Native nation.

For every donation from Le Sueur County of



is invested back to Le Sueur County communities.* is invested back into

*Includes grants, loans & programming



30 Loans

to support entrepreneurs

289 Grants

to support community projects

\$6.3 Million

invested by SMIF in Le Sueur County through grants, loans and programming



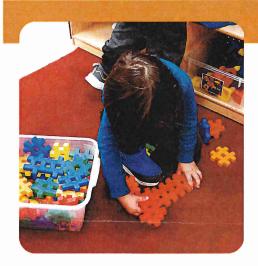
Questions?

Alissa Oeltjenbruns Vice President of Community Vitality 507-475-3056 alisso@smifoundation.org



Check out SMIF's recent activity in your county

SMIF's Recent Activity in Le Sueur County



Early Childhood Spotlight

\$17,000 Early Care and Education Grant to New Prague Area Schools Early Learning Program

"Thank you for supporting this community resource project. We are thrilled to be able to offer these resource bags to our parents and child care givers/providers. The 4 full day class is really beneficial for students, especially the ones with no previous exposure."

-Sandy Loxton, Community Ed Director

Other recent activity:

• 3 child care providers from Waterville and New Prague received free business support



Entrepreneurship Spotlight

Loan client: BamaSota BBQ (New Prague)

BamaSota BBQ received a Small Enterprise Loan (SEL) for equipment and working capital. The food truck offers slow cooked, wood fired meats and sides, specializing in authentic southern barbecue for catering and events. As an SEL loan client, they also receive technical assistance from SMIF.

Other recent loans:

- Bennett Pharmaceuticals of America
- Jonny's Smokin' **BBO**



Community Vitality Spotlight

\$2,400 Small Town Grant to Nev Environmental Education Foundation for a pollinator garden

"By creating the first public pollinator garden in Le Sueur we have given to community members a place to explore, learn from, and emulate. This garden has improved green space within the local school district's land."

-Rebecca Pollack, Executive Director

3,370

Entrepreneurs 72 Supported

Other recent activity:

- \$23,000 in matching funds to four Community Foundations
- \$10,000 Small Town Grant to Le Sueur Rotary Club