



ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

City of New Prague

Wednesday, June 12, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

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1. **CALL TO ORDER**
 2. **CONSENT AGENDA**
 - a. May 8, 2024, EDA Meeting Minutes
 - b. Claims for Payment: **\$186.49**
 3. **FUTURE EDA ENDEAVORS**
 - a. June 12, 2024
 4. **BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM**
 5. **BUSINESS UPDATES**
 - a. June 2024
 6. **CDA UPDATE**
 7. **SCHOOL DISTRICT UPDATE**
 8. **EXECUTIVE DIRECTORS REPORT**
 9. **MISCELLANEOUS**
 - a. Scott County Fast-Track Business Challenge
 10. **ADJOURNMENT**

Next Meeting: Wednesday, July 10, 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, May 08, 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, Bruce Wolf, Nick Slavik, Austin Reville, and Brent Quast.

Absent: Duane Jirik and Eric Krogman

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; Tony Buthe, New Prague Schools Director of Educational Services; and Brian Thorstad, New Prague Schools High School Principal

2. CONSENT AGENDA

a. April 10, 2024, EDA Meeting Minutes

b. Claims for Payment: **\$357.76**

Motion made by Pint, seconded by Reville, to approve. All voted in favor. Motion carried (5-0).

Eric Krogman arrived at 7:31 a.m.

3. FUTURE EDA ENDEAVORS

a. May 8, 2024

Tetzlaff provided a comment that the future project list is on hold until the Comprehensive Plan process gets wrapped up in a few months.

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

President Quast stated that visits with 1319 Woodfire Tavern and Parkview Medical Clinic occurred over the last month and that visits are coming up this month with Scott Equipment, Dairy Queen, and Kubes Furniture and Flooring.

5. BUSINESS UPDATES

a. May 2024

Ondich provided the monthly update and also noted that the MHFA Workforce Housing Development Program grant was submitted last week for the possible 54-unit apartment building on the lot south of Walgreens.

6. CDA UPDATE

Jo Foust provided general updates on programs the CDA is offering and also noted that the Scott County Bus Tour will be occurring on May 29, 2024, with Ondich and the Mayor attending from New Prague.

7. SCHOOL DISTRICT UPDATE

Tony Buthe and Brian Thorstad were present to provide information on the Youth Skills Training Grant the School District received, which would lead to the hiring of a park-time Workforce Coordinator for a two-year period to help students and local businesses make connections for workplace options in addition to post-secondary education options for students.

8. EXECUTIVE DIRECTORS REPORT

Tetzlaff noted that there is a lot of behind the scenes discussions occurring for possible development but nothing that has reached the level of submittals at this time.

9. MISCELLANEOUS

- a. Southern Minnesota Initiative Foundation
- b. Nick Slavik - Term Expiring

Quast and Ondich provided an update of the Small Area Plan process and open house occurring on May 8, 2024, from 5-7pm at The Broz.

Wolf asked for an update of the housing bills brought up at a past EDA meeting. Tetzlaff and Ondich noted that the most overarching bill is not moving forward but one bill that would allow residential multifamily in any commercial district was still on the table. Wolf also asked other EDA members how they perceive the economy in general terms.

10. ADJOURNMENT

Motion made by Slavik, seconded by Quast, to adjourn the meeting at 8:18 a.m. All voted in favor. Motion carried (6-0).

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director

Vendor Name	Description	Net Invoice Amount
ABDO	2023 AUDIT SERVICES	8.93-
GREATAMERICA FINANCIAL SERVICES	POSTAGE MACHINE LEASE	2.22
Total EDA:		6.71-
KENNEDY & GRAVEN CHARTERED	EDA IND. PARK - SCOTT EQUIPMENT	193.20
Total EDA-INDUSTRIAL PARK:		193.20
Grand Totals:		186.49

EDA

Account	Account Code Description	2024 CURRENT Budget	Current Period	Year to Date Thru 4/30/2024	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	\$ 367.21	\$ 2,716.02	\$ (2,466.02)
	TOTAL OPERATING REVENUE	\$ 75,250.00	\$ 367.21	\$ 2,716.02	\$ 72,533.98
680-4-4650-101	WAGES FULL-TIME	\$ 44,901.00	\$ 3,100.90	\$ 13,178.86	\$ 31,722.14
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	\$ 1,044.51	\$ 2,321.49
680-4-4650-122	EMPLOYER CONT. FICA	\$ 3,435.00	\$ 230.84	\$ 1,036.53	\$ 2,398.47
680-4-4650-129	GERF CHANGE	\$ -	\$ -	\$ -	\$ -
680-4-4650-131	HEALTH INSURANCE	\$ 5,890.00	\$ 279.54	\$ 1,523.34	\$ 4,366.66
680-4-4650-132	DENTAL INSURANCE	\$ 618.00	\$ 25.66	\$ 128.30	\$ 489.70
680-4-4650-133	LIFE & S-T DISABILITY INS.	\$ 124.00	\$ 10.18	\$ 50.90	\$ 73.10
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	\$ -	\$ -	\$ 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	\$ 1,165.16
680-4-4650-320	POSTAGE	\$ 200.00	\$ 2.22	\$ 30.48	\$ 169.52
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	\$ 367.20	\$ 2,317.80
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	\$ 3,891.24	\$ 18,502.78	\$ 56,747.22

EDA Industrial Park

Account	Account Code Description	2024 CURRENT Budget	Current Period	Year to Date	Budget Balance
681-3-0000-36210	INTEREST INCOME	\$ 3.00	\$ 162.33	\$ 1,199.23	\$ (1,196.23)
	TOTAL OPERATING REVENUE	\$ 3.00	\$ 162.33	\$ 1,199.23	\$ (1,196.23)
681-4-4650-305	CIVIL LEGAL FEES	\$ -	\$ -	\$ 165.60	\$ (165.60)
681-4-4650-420	DEPRECIATION EXPENSE	\$ 1,773.00	\$ 147.79	\$ 591.16	\$ 1,181.84
681-4-4650-500	CAPITAL PROJECTS	\$ 988,000.00	\$ -	\$ -	\$ 988,000.00
	TOTAL OPERATING EXPENSES	\$ 989,773.00	\$ 147.79	\$ 756.76	\$ 989,016.24

EDA			
		2023	2024
		YTD BALANCE	CURRENT YTD BALANCE
		4/30/2023	
ASSETS			
680-10101	CLAIM ON CASH	\$ 128,549.58	\$ 154,286.87
680-10120	MONEY MARKET-FIRST BK & TRUST	\$ 25,597.37	\$ 25,674.22
680-10125	MONEY MARKET-4M	\$ 237,463.89	\$ 247,155.28
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	\$ 397,669.84	\$ 427,116.37
LIABILITIES			
680-20210	ACCOUNTS PAYABLE	\$ 6,435.27	\$ 4.05
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	\$ 26,693.96	\$ 4.05
RETAINED EARNINGS		\$ 370,975.88	\$ 427,112.32
	TOTAL LIABILITIES & FUND EQUITY	\$ 397,669.84	\$ 427,116.37

EDA Industrial Park			
		2023	2024
		YTD BALANCE	CURRENT YTD BALANCE
CURRENT ASSETS			
681-10101	CLAIM ON CASH	\$ 213,749.42	\$ 77,672.83
681-10120	MONEY MARKET-FIRST BK & TRUST	\$ 12,799.06	\$ 12,837.80
681-10125	MONEY MARKET-4M	\$ 104,794.93	\$ 109,068.29
	TOTAL CURRENT ASSETS	\$ 331,343.41	\$ 199,578.92
NON CURRENT ASSETS			
681-16100	LAND	\$ 924,105.18	\$ 453,940.38
681-16300	INFRASTRUCTURE	\$ 88,675.68	\$ (0.32)
681-16310	ACCUM. DEPRECIATION-INFRASTR	\$ (11,356.69)	\$ (591.17)
	TOTAL NON CURRENT ASSETS	\$ 1,001,424.17	\$ 453,348.89
	TOTAL ASSETS	\$ 1,332,767.58	\$ 652,927.81
LIABILITIES			
681-20210	ACCOUNTS PAYABLE	\$ -	\$ -
	TOTAL LIABILITIES	\$ -	\$ -
RETAINED EARNINGS		\$ 1,332,767.58	\$ 652,927.81
	TOTAL LIABILITIES & FUND EQUITY	\$ 1,332,767.58	\$ 652,927.81



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MEMORANDUM

TO: EDA BOARD
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: FUTURE EDA ENDEAVORS
DATE: JUNE 7, 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?
- 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 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.
- 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.

June 2024 EDA Business Updates:

- **0 new home permits** were issued in April (0 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). There were two new home permits applied for in late May and the City also annexed one existing single family home adjacent to the east Kwik Trip in the past month.
- **Style Revival** was issued a building permit to locate in the New Prague Commons Strip mall at 215 Chalupsky Ave. SE.
- The proposed **54-unit apartment building** on the lot just south of Walgreens has applied for a variance from the City's density and parking requirements. This application will be reviewed at the June Planning Commission meeting.
- **Keyland Homes** entered into a purchase agreement with the Bisek Family to purchase 60 acres of land on the NE side of New Prague (north of Ironwood Ave. NE and Cherrywood Street NE). They are currently removing a roughly 7 acre stand of trees, completing survey work and a wetland delineation. The City also expects an annexation petition. Preliminarily they have indicated that they would develop the property in 20-acre pieces. The development is estimated to have around 180 new single-family homes when completed.
- A conditional use permit was applied for by **Outlaw Saloon** at 103 Main St. W. for an outdoor patio for eating and drinking.