

**MINUTES
ECONOMIC DEVELOPMENT ADVISORY BOARD
FEBRUARY 11, 2019**

The meeting was called to order at 5:30 p.m.

Present: Akenson, Brunner, Keleher, Stofferahn; Guest: Short; Town Board Liaison: Prudhon; Town Clerk: Christopherson; Attorney: Chad Lemmons; Town Finance Officer: Tom Kelly; Town Planner: Tom Riedesel

Absent: Artner, without notice

APPROVAL OF AGENDA (Additions/Deletions): Brunner moved approval of the agenda as submitted with the addition White Bear Town Hall Report on Activities before the Stable Property. Akenson seconded. Ayes all.

APPROVAL OF JANUARY 22, 2020 MINUTES (Additions/Deletions): Brunner moved to approve the minutes of January 22, 2020 with 2 corrections – 1) deletion of the second and third sentences in the second paragraph; and 2) rewording the third paragraph to read as follows: “The Town Finance Officer brought a spreadsheet that showed the increment that would be generated by placing the eight single family lots in a TIF district. There was discussion whether the actual market value of the property may be higher than the appraisal. It was noted that the Town would likely maximize the income from the property by placing it in a TIF district and having the EDA retain all of the increments. However, all increments received would need to be spent in compliance with TIF statute restrictions.” Stofferahn seconded. Ayes all.

WHITE BEAR TOWN HALL REPORT ON ACTIVITIES 2019: Sara Hanson from the White Bear Lake Area Historical Society was present to give an update on funds spent from the White Bear Lake Area Historical Society. A report was handed out and gone over. The Historical Society has spent \$38,130.48 on the Town Hall utilities & alarm, repairs & maintenance, exhibit & display, and the full restoration. The remaining fund balance is \$56,870.46, not including \$5,750 in pledges and sponsorships. There was discussion of some of the pieces inside the categories listed.

A visitor recap was given, and it is expected that the 2020 year will be similar. The Historical Society would like to host an EDAB meeting as well as a Town Board meeting as soon as it is complete.

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Historical Markers were designed, installed, and dedicated at Township Day 2019. There was discussion of other major happenings during 2019.

Currently Hanson is working on an article for the *Ramsey County Historical Magazine*. Staff had reached out looking for an article on the evolution of the Township. She finished the research and is currently editing the article. Short praised her work. There was some discussion on the article and the future use of it at the Town Hall.

STABLE PROPERTY – 1) ATTORNEY & BOND COUNSEL; 2) ROUND TABLE DISCUSSION WITH DEVELOPERS: The Town Clerk presented this agenda item and including the Town Attorney and Bond Counsel welcomed recommendations, ideas, and opinions to counsel the Stable Property transition and move to market. First the Town Attorney brought up the statute of the right of first refusal and how it began. He explained that it started with MnDOT as the agency would acquire land and didn't have a way to rid the surplus land. The thought behind it was that maybe the previous owner could buy it back but they would have lost out because the value skyrocketed. There was some discussion on this and though the scenario with the Stable Property isn't similar to the MnDOT scenario, the right of first refusal does still apply.

The appraisal of the property is based on the 8 lot subdivision. There was some minor discussion of previous appraisals. The last one was 5 years old. Once any bids come in, the Town will first have to market the property to the previous owners; they have the right of first refusal.

The Town Attorney brought up the scenario of if the previous owners, or anyone for that matter, bought the property, theoretically they could vacate the plat that the Town has been preparing. The Attorney's solution is to have set as a part of the sales package, a use easement for the 8 single family units. The reason behind this is one cannot vacate an easement. There was a question as to whether this easement would affect any other business or industrial companies. The use easement would not affect other business or industrial companies, it would only confirm that the only use for this property will be 8 single family homes. It also protects any applicants so they know others cannot purchase the land and just place one home there.

It was noted that the airport restrictions are in place until 2036. There was some discussion on whether waiting until the contract with the airport is up and marketing the land differently would be worthwhile, but since the Town has a yearly upkeep cost, the Board does not want to wait. There was some discussion on the blighted buildings; if the Town decided to tear down the buildings, it would have to decide whether to implement another TIF district within 3 years of demolition – to exchange the use of the redevelopment for private use. The Town's TIF Attorney explained that is because it's harder to test than it used to be to clear blight. Then the law states that the property has to be offered back.

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The next step would be to talk with developers and see what the property could be valued at and what the Town can do to increase the property value. Meanwhile, the Town Attorney can look into the process of getting a use easement in place.

There was more discussion of what the property should be marketed at. It was the consensus that the Town should market the property for as close to \$1,000,000 as possible.

Short discussed refunding the EDA and TIF funds from the past 15 years and split them into 2 categories shown below. A spreadsheet was handed out of the funds spent on the property over the past years. A total of \$1,264,409:

- \$140,000 from TIF Fund 1 (Cortec)
- + \$421,000 from TIF Fund 2 (Thermoform)
- \$560,000 subject to redevelopment

- \$ 75,000 from TIF Fund 19 (SMC)
- \$ 30,000 from TIF Fund 13 (Fraction Comply)
- + \$600,000 from other (closed out balances)
- \$700,000 of increment toward paying back the \$560,000.

It was noted that if what the Town borrowed was greater than the increment generated, it would have to be paid back. As shown above, that is the case.

There was discussion on scenarios of what the Town should do. If the property is sold as a TIF district, it is necessary to pay the funds back over time, but if it isn't marketed as a TIF district, the TIF Funds still need to be paid back unless the TIF Districts as a whole are dissolved.

There was some discussion over previous properties that were bought in order to redevelop and put back into private market over the last 25 years. One property discussed was used for drainage and utilities. The Town could keep TIF Districts around to use in the future, replenish in the future, or close out. There was discussion of the new TIF District's pooling limitations. Even though reporting and maintaining TIF Funds can be challenging, the Town Board doesn't want to dissolve any districts because TIF has been a good economic development tool.

There was further discussion of marketing the Stable property and what the Town should set the price at. It was the consensus that the appraisal should have been higher. Staff will work on getting a reappraisal. So far the Town has spent about \$37,000 on the plat, a little less than that in legal fees, and about \$6,000 in appraisals.

The Town Attorney noted that the Stable property has many selling points. If the property is sold to a developer, they could start as soon as it's closed. That holds distinct value. The only wildcard is bringing fill in. The Town can even work with the

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Town Engineers to set up storm, sewer, water, and street plans. The developer just has to petition the Town for when they want the work done.

There was some minor discussion on how long it would take to petition the state to try and change the statute, since it isn't clear about the right of first refusal. That would take at least 6 to 7 months to even get through the process, and that's not even if the legislature takes action on behalf of the Township.

Some developers mentioned that staff should talk with are Larry Alm, Paul Husnik, North Oaks Company, Nathan Landucci, and Landmark just as reference, if they don't have interest in purchasing the property.

It was the consensus that the EDAB should recommend to the EDA to proceed with the easement, and talk to developers to find out what the plat is actually worth, and address TIF after the property has been on the market for a while.

Brunner motioned to recommend to the Economic Development Authority that the Town Attorney prepare Use Easement for the 8 lot subdivision; to direct staff to meet with developers for estimates of what the property is worth and how to add value to the property, noting if additional information is needed staff can proceed as needed; to recommend TKDA to do the work. Stofferahn seconded. Ayes all.

ADDED AGENDA ITEMS: None.

The next EDAB meeting will be in April due to the Annual Town meeting on the second Tuesday of March.

Stofferahn motioned to adjourn the meeting at 6:59 p.m. Brunner seconded. Ayes all.

Respectfully Submitted,

Megan R. Cavanaugh
Recording Secretary