

**CITY OF LAKE ELMO
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
September 30, 2021**

Call to Order/Roll Call

Vice President Gaertner called the meeting to order at 6:01 P.M.

PRESENT: Mark Gaertner, Linda Larson, Jeff Holtz, Charles Cadenhead, and Tom Triplett.

ABSENT: Paul Ryberg

Staff Present: City Administrator Handt

Approval of August 26, 2021 Minutes:

Motion by Cadenhead, seconded by Holtz to approve the August 26, 2021 minutes. Motion passed 4-0-1 with Larson abstaining.

NorthPoint Development Intro

Brent Miles, co-owner and co-founder of NorthPoint Development shared details about the proposed project on Ideal Ave/CSAH 14. No tenant is known at this time. The large building will have cross docks and the other three are single load. When the project is fully built out in 4-5 years it's expected to bring at least 560 jobs. Jobs in the large building would expected to pay \$15-21 per hour. Those in the smaller buildings may have some positions with annual salaries of \$50,000-60,000. He noted they typically work with equity partners such as Northwestern Mutual or New York Life. With the potential project in Cottage Grove, they would expect to have full time staff for property maintenance. The reason they are asking for TIF is due to the increased price of steel from \$4 to \$17.80. NorthPoint is open to a look back provision in the TIF agreement –if they do better than thought, wouldn't take TIF funds. Also a look back provision for the jobs per building. Christina Hubacek, NorthPoint Development went over the public infrastructure involved in the project-sewer and road improvements.

Refunding of the 2018A Bonds with Proceeds from the 2021A Bonds and lease termination-Resolution 2021-001

In 2018, the EDA had to issue bonds for the purchase of the Brookfield building since tenants remained in the building. Handt explained the resolution would prepay the bonds used to purchase the Brookfield building with the new bonds issued this year for the new city center. The resolution also would terminate the lease between the city and EDA for the Brookfield building. Motion by Triplett, seconded by Larson to approve Resolution No 2021-001 A Resolution Providing for the Redemption of Certain Outstanding Taxable Public Project Lease Revenue and Limited Tax Bonds, Series 2018A, and Authorizing Execution of Related Documents. Motion passed 5-0.

Economic Development Draft Plan

Chris Eng, Washington County Economic Development Director the latest draft of the EDA's 2021-2023 Work Plan. Motion by Holtz, seconded by Gaertner to recommend the 2021-2023 Lake Elmo Economic Development Work Plan to the City Council. Motion passed 5-0.

Business Subsidy Policy

Handt noted that the council had directed the EDA to work on a business subsidy policy at their September 14th work session and presented examples from other communities. The commission agreed that using Cottage Grove's policy would be a good starting point, noting they liked starting with the objectives. Discussion amongst members about how specific to be. It was agreed that the policy shouldn't be too specific since it applies to all businesses and situations. Triplett asked about

adding a provision requiring the city to work with neighboring communities. Holtz noted the prioritized areas in the Cottage Grove policy. Discussion about what Lake Elmo's priorities should be such as tying to the Comprehensive Plan and EDA's work plan. Discussion about wages occurred. Handt suggested tying it to something that updates over time (state or federal minimum wage, federal poverty level, etc.) rather than adopting a specific dollar amount that could become outdated in a few years. Holtz suggested the state minimum wage. Larson noted with a caveat that it could never be less than 1.5 times the federal minimum wage. Jay Lindgren, Dorsey Whitney, counsel for NorthPoint Development, noted that statute requires 90% of the jobs to be 1.5x the federal minimum wage. He noted while that is the minimum, the commission will need to decide what the wage requirements are and how many jobs need to meet that requirement. Keith Gendreau, NorthPoint Development, shared some labor market and wage data they obtained. There are 44,000 people within 20 minute drive time to the site that could fill these jobs. The starting wage for warehouse workers (forklift operators) is \$16.65/hour. The starting wage for material handlers is \$14-15/hour.

The commission asked if they could have some time to review the Cottage Grove policy. Handt will send out a copy of the Cottage Grove policy separate from the packet. Commissioners may email her comments by October 8th. Then Handt will work on updating the draft, consulting an attorney if necessary, and bring the draft back at the next meeting.

Next Meeting Date/Future Agenda/Reports

The next meeting will be Thursday, October 28th, 2021 at 6pm. The agenda will include the business subsidy policy.

Adjourn

Meeting adjourned at 7:48 P.M.

Respectfully Submitted,
Kristina Handt