

NOTICE OF AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

[City of Forest Lake - Link to Meeting Livestream](#)

Forest Lake City Center – Community Room
Forest Lake, Minnesota

June 10, 2024 – 5:30 PM

- 1) Call to Order
- 2) Roll Call
- 3) Pledge of Allegiance
- 4) Approve the Agenda
- 5) Election of Officers
- 6) Approve Minutes from Regular Meeting of April 8, 2024
- 7) Consideration of 2025 Budget Recommendation
- 8) Consideration of Local Affordable Housing Aide Discussion
- 9) Updates
 - a. City
 - i. 2024 Work Plan Review
 - b. Washington County
 - c. Forest Lake Area Chamber of Commerce
 - d. Other
- 10) Adjourn

EDA MISSION STATEMENT

Assist and support the economic climate of the City of Forest Lake through programming and communication to achieve the greatest outcome for its citizens and businesses by:

- Marketing the City and its assets
- Supporting existing businesses
- Supporting new businesses
- Creating partnerships
- Providing a vision for the future of commercial areas

Date: June 10, 2024

To: President Mara Bain and EDA Commissioners

From: Abbi Wittman, Community Development Director

Re: Annual Election of Officers

Per the EDA's Governing Resolution, the EDA is made up of the following officer positions:

1. President
2. Vice-President
3. Secretary
4. Treasurer
5. Assistant Treasurer

Annually, the EDA shall elect a President, Treasurer, and Secretary however it has been past practice to elect all five positions annually. A few things to note:

- The President and Vice-President cannot be the same
- The Secretary, Treasurer and Assistant Treasurer may be held by the same Commissioner
- The offices of Secretary and Assistant Treasurer need not be held by a Commissioner

Enclosed are the EDA's By-laws which outline each of the position's duties. The EDA should elect all five positions which shall serve their term to January 31, 2025.

Requested Action

Staff recommends the EDA move to elect all five positions with, at least the Secretary position, being held by City staff.

BYLAWS OF FOREST LAKE ECONOMIC DEVELOPMENT AUTHORITY

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be "Forest Lake Economic Development Authority" (which may sometimes be referred to as the "EDA" or the "Authority"), and its governing body shall be called the Board of Commissioners (the "Board"). The Board shall be the body responsible for the general governance of the Authority and shall conduct its official business at meetings thereof.

Section 2. Seal of Authority. The Authority shall have an official seal, as required by Minnesota Statutes, Section 469.096, Subdivision 1.

Section 3. Office of Authority. The offices of the Authority shall be located at 220 North Lake Street, Forest Lake, MN 55025.

ARTICLE II - OFFICERS

Section 1. Officers. The officers of the Authority shall be President, Vice-President, Treasurer, Assistant Treasurer, and Secretary. The President, the Vice-President and the Treasurer shall be members of the Board and shall be elected annually, and no Commissioner may be both President and Vice-President simultaneously.

Section 2. President. The President shall preside at all meetings of the Board. Except as otherwise authorized by resolution of the Board, the President and the Secretary (the Vice-President, in the Secretary's absence or incapacity) shall sign all contracts, deeds and other instruments made or executed by the Authority, except that all checks of the Authority shall be signed by the Treasurer and Assistant Treasurer. At each meeting the President shall submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-President. The Vice-President shall perform the duties of the President in the absence or incapacity of the President. In case of the resignation or death of the President, the Vice-President shall perform such duties as are imposed on the President until such time as the Board shall select a new President.

Section 4. Secretary. The Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The Secretary shall also have additional duties and responsibilities as the Board may from time to time and by resolution prescribe.

Section 5. Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Board may select. The Treasurer and Assistant Treasurer shall sign all orders and checks

for the payment of money and shall pay out and disburse such moneys under the direction of the Board. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Board, at least annually (or more often when requested), an account of such transactions and also of the financial condition of the authority. The Assistant Treasurer shall act as the Treasurer's agent and assistant to perform the above-described duties, subject to the Treasurer's approval thereof.

Section 6. Additional Duties. The officers of the Authority shall perform such duties and functions as may from time to time be required by the Board or the bylaws or rules and regulations of the Authority.

Section 7. Vacancies. Should the office of President, Vice-President, Treasurer, Assistant Treasurer or Secretary become vacant, the Board shall elect a successor from its membership at the next regular meeting, or at a special meeting called for such purpose, and such election shall be for the unexpired term of said officer.

Section 8. Additional Personnel. The Board may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions. The selection and compensation of such personnel shall be determined by the Board.

ARTICLE III - MEETINGS

Section 1. Regular Meetings. The Board may hold regular meetings according to a meeting schedule, if any, adopted or revised from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board may be called by the President or any two members of the Board for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered at any time prior to the time of the proposed meeting to each member of the Board or may be mailed to the business or home address of each member of the Board at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if at least four members of the Board are present at a special meeting, any and all business may be transacted at such special meeting. Notice of any special meeting shall be posted and/or published as may be required by law.

Section 3. Emergency Meetings. Emergency meetings shall be held pursuant to Minnesota Statutes, Chapter 471.705, as amended.

Section 4. Quorum. The powers of the Authority shall be vested in the Board. Three Commissioners shall constitute a quorum for the purpose of conducting the business and exercising the powers of the Authority and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Board upon a vote of a majority of the Commissioners present.

Section 5. Order of Business. At the regular meetings of the Board the following shall be the order of business:

1. Roll call.
2. Approval of the minutes of previous meeting.
3. Bills and communications.
4. Reports.
5. Unfinished business.
6. New business.
7. Adjournment.

All resolutions shall be written or transcribed and shall be retained in the journal of the proceedings maintained by the Secretary.

Section 6. Adoption of Resolutions. Resolutions of the Board shall be deemed adopted if approved by not less than a simple majority of all Commissioners present, unless a different requirement for adoption is prescribed by law. Resolutions may but need not be read aloud prior to vote taken thereon and may but need not be executed after passage.

Section 7. Rules of Order. The meetings of the Board shall be governed by the most recent edition of Robert's Rules of Order.

ARTICLE IV - MISCELLANEOUS

Section 1. Amendments to Bylaws. The bylaws of the Authority shall be amended only by resolution approved by at least three of the members of the Board.

Section 2. Fiscal Year. The fiscal year of the Authority shall coincide with the fiscal year of the City of Forest Lake.

Dated: October 13, 1998

By the Board of Commissioners of the Forest Lake EDA.

Raymond J. Daninger,
President

Robert Morehead,
Secretary

[City of Forest Lake - Recorded Meeting](#)

1. Call to Order

2. Roll Call

Attendee Name	Title	Status	Arrived
Mara Bain	EDA President	Present	
Sam Husnik	EDA Member	Absent	
Jenny Lorge	EDA Member	Present	
Jeff Larson	EDA Member	Present	
Jill Grindahl	EDA Member	Absent	
Chris Hoyt	EDA Member	Present	
Eric Langness	EDA Member	Present	

3. Pledge of Allegiance

4. Approve the Agenda

Motion: EDA Member Lorge made a Motion to Approve the Agenda as submitted.
Motion seconded by EDA Member Langness. Motion carried 5-0.

5. Election of Officers

Community Development Director Wittman explained the different elected officer roles. President Bain requested a full description of the roles and tabling this discussion until a full body of EDA members are present.

Motion: EDA Member Langness made a Motion to Table the election of officers to the next meeting.
Motion seconded by President Bain. Motion carried 5-0.

6. Approve EDA Meeting Minutes from Regular Meeting of March 11, 2024

Motion: EDA Member Larson made a Motion to Approve the EDA minutes from the Regular Meeting of March 11, 2024, as submitted.
Motion seconded by EDA Member Lorge. Motion carried 4-0-1 (Bain abstained).

7. Downtown Shoreline Study Recommendation

Community Development Director Wittman reviewed the previous comments from the March 11, 2024 meeting regarding the boat launch relocation evaluation. She provided the final Downtown Shoreline Redesign Plan.

President Bain requested clarification about the terminology of adopting the study.

Community Development Director Wittman responded that the approval of the study would provide a recommendation to the City Council to accept the findings as presented and would be the plan for the shoreline and boat launch moving forward.

Commissioner Langness asked about the steps to secure necessary properties and whether the next steps were listed chronologically.

Community Development Director Wittman answered that property owners have not responded to their request. The next steps were not listed chronologically. The next step would be to engage with the Minnesota DNR prior to the boat launch expiration and automatic renewal.

Commissioner Larson commented that the 4th Avenue location is an appropriate site.

Commissioner Langness agreed with the benefits of the 4th Avenue location dependent on the ability to secure property. He commented that if the Veteran Memorial is moved to the other side of the park, it might not fit as well. He expressed concerns with the timeline and auxiliary parking.

Commissioner Hoyt questioned whether to consider keeping both boat launches – the existing one and the 4th Avenue location.

Community Development Director responded that they have not considered keeping both boat launches. The study considered moving the boat launch.

Commissioner Hoyt suggested that providing two boat launches would help alleviate concerns with parking.

President Bain noted the Downtown Study found benefit with removing the existing boat launch to help with the flow of traffic.

Community Development Director explained that the current boat launch requires significant maintenance and upgrades. It would not be in the City's best interest to maintain two boat launches because of the expense.

Commissioner Lorge expressed concerns with approving the plan without additional information about the current boat launch.

Interim City Administrator Handt stated the plan provides a framework for future discussions with the City Council.

President Bain commented that approval of the plan allows staff to have continued conversations with the Minnesota DNR and residents. She questioned the different funding mechanisms in the plan.

Commissioner Lorge questioned if there would be approval of the boat launch by the Minnesota DNR.

Community Development Director Wittman responded that there have been preliminary discussions with the Minnesota DNR. The recommendation allows for continued discussions.

Commissioner Hoyt asked when the agreement extension with the Minnesota DNR would be renewed. He expressed concerns about the costs of establishing the other boat launch.

Community Development Director Wittman answered that the contract automatically renews for five years if notice is not given.

Commissioner Langness questioned whether there was an opportunity to eliminate the auxiliary parking.

Community Development Director Wittman stated reluctance to remove the auxiliary parking completely to provide future opportunity, if necessary.

President Bain commented on the need to be a good partner with the Minnesota DNR as the City navigates this decision.

Motion: EDA Member Langness made a Motion to Recommend the City Council approve the Downtown Shoreline Redesign Plan with Alternate B deleting the corresponding alternate trailer stalls location designated in the report.

Motion seconded by President Bain. Motion carried 5-0.

8. Updates

a. City

Community Development Director Wittman reported that Midco was awarded a grant to expand services to the southern half of Forest Lake. There will be a grand opening on May 22.

b. Washington County

None.

c. Forest Lake Area Chamber of Commerce

None.

d. Other

None.

9. Closed joint EDA and City Council session pursuant to Minnesota Statutes

Motion: President Bain made a Motion to Move into Closed Session Pursuant to Minnesota Statutes §13D.05 Subdivision 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale of Lot 1, Block 2, Northern Pacific Addition, Washington County, Minnesota.
Motion seconded by EDA Member Langness. Motion carried 5-0.

The Regularly Scheduled EDA Meeting reconvened at 6:52 p.m.

10. Adjourn

Motion: EDA President Bain made a Motion to Adjourn the Regularly Scheduled EDA Meeting at 6:52 p.m.
Motion seconded by EDA Member Langness. Motion carried 5-0.

Date: June 10, 2024

To: President Mara Bain and EDA Commissioners

From: Abbi Wittman, Community Development Director

Re: 2024 Budget Update and 2025 Annual Budget Request

Activities for the EDA are funded out of City Fund 212. This is a fund separate from the City's General Fund with revenues coming from an EDA-specific levy that, if not spent by the EDA, stay within the EDA fund. In other words, if the EDA does not spend all of its dollars in 2024, those monies will be used to grow the EDA's fund balance. Conversely, if the EDA spends more than the levy amount, the overage is subtracted from the EDA's fund balance. At the end of 2023, the fund balance was \$263,802.

The EDA's 2024 budget is \$164,147. A breakdown of the budget, with year-to-date expenses, is as follows:

2024 EDA Budget and Year-To-Date Expenses			
Category	2024 Budget	2024 YTD Expense	% Used
Wages	\$78,147	\$38,103.84	49%
Operations	\$6,000	\$3,729.61	63%
Contract Services	\$7,500	-	0%
Planning	\$22,500	\$4,301.92	19%
Program Funds	\$50,000	-	0%
Total	\$164,147	\$46,135.37	28%

The City Council has requested the EDA's budget for 2025. Enclosed is a draft of proposed expenditures for 2025; proposed expenditures total \$203,989. Staff is recommending that, aside from an increase in wages, no additional funding be requested for operations, contracted services, planning, and program funds. The sizable increase in wages is due to staff's proposal of a Planning Manager to the Community Development Department in 2025. Similar to the City's Community Development Director position, funded 50% from the general fund and 50% from the Economic Development Fund, this position's focus/funding would be 75% planning/zoning and 25% economic development (from the Economic Development Fund).

As noted on the enclosed, the breakdown of expenses would be as follows:

2024 Budget, 2025 EDA Draft Expenditures and % Increase			
Category	2024 Budget	2025 Proposed	% Change
Wages	\$78,147	\$117,989	50.98%
Operations	\$6,000	\$6,000	-
Contract Services	\$7,500	\$7,500	-
Planning	\$22,500	\$22,500	-
Program Funds	\$50,000	\$50,000	-
Total	\$164,147	\$203,989	24.27%

While there is a significant increase to proposed wages, the overall increase is just under 25%. Staff is proposing the EDA request the EDA levy is increased to accommodate this increase.

Requested Action

Staff recommends the EDA review the proposed expenditures for 2025 and, if favorable, move to submit the EDA's proposed budget to the City Council and request a 24.27% EDA levy increase to accommodate the proposed expenses.

Economic Development Fund (212) 2025 Draft Expenditures (June 10, 2024 EDA Review)

GL NUMBER	DESCRIPTION	REQUESTED BUDGET
212-46-1920-51010	FULL TIME WAGES	\$88,301
212-46-1920-51020	BOARD MEMBERS WAGES	\$3,000
212-46-1920-51210	PERA CONTRIBUTIONS	\$6,548
212-46-1920-51220	FICA CONTRIBUTIONS	\$3,767
212-46-1920-51230	MEDICARE	\$880
212-46-1920-51310	MEDICARE	\$13,635
212-46-1920-51320	DENTAL INSURANCE	\$1,199
212-46-1920-51325	HCSP BENEFIT	\$225
212-46-1920-51330	LIFE INSURANCE	\$76
212-46-1920-51600	DISABILITY INSURANCE	\$358
212-46-1920-52100	OPERATING SUPPLIES	\$1,500
212-46-1920-53040	LEGAL SERVICES	\$3,000
212-46-1920-53070	PROFESSIONAL SERVICES	\$22,500
212-46-1920-53080	SEMINARS & TRAINING	\$1,000
212-46-1920-53350	CONTRACT SERVICES	\$7,500
212-46-1920-54330	DUES & SUBSCRIPTIONS	\$500
212-46-1920-54390	EDA/HOUSING MET COUNCIL GRANT	\$50,000
EXPENDITURES		\$203,989

Wages	\$117,989
Operations	\$6,000
Contracted Services	\$7,500
Planning	\$22,500
Program Funds	\$50,000

Date: June 5th, 2024

To: President Mara Bain and EDA Members

From: Abbi Wittman, Community Development Director

Re: Local Affordable Housing Aid

In 2023 the State of Minnesota created a framework to provide Local Affordable Housing Aid (Aid) to assist local governments in the metro area develop and preserve affordable housing. As of 2023, the estimated Aid to be disbursed to the City of Forest Lake is:

FY2024	FY2025	FY2026	FY2027
\$209,645	\$324,881	\$334,600	\$344,318

It should be noted the City has three years after distribution to spend the Aid. If Aid is not spent, or transferred to a local housing trust fund, it must be returned to the State.

As the City prepares to receive its first semi-annual payment in July, City staff is bringing this matter to the EDA (and subsequently the Planning Commission) before having discussion with the City Council on the options for LAHA use. It is anticipated that, based on these conversations, City staff will have some direction on how the City may like to use this funding in the future. This will help guide City staff in development of parameters and potential partners for the use of the Aid in the future.

Aid Summary

Aid can be used for the following:

Type	Income Restrictions	Use	Considerations
Emergency Rental Assistance	80% AMI ¹ Priority - < 50% AMI	Provide direct assistance for emergency rental housing	Predominantly County or Non-profit programs
New Construction or Redevelopment	Rental – 80% AMI Priority < 50% AMI	Partner with or provide direct assistance to support	Requirements for ADA and Sensory-Accessible units in

¹ Area Median Income (AMI)

	Owner Occupied – 115% AMI Priority < 80% AMI	developers construction, acquisition, financing, etc.	buildings of 4 or more units
Rehabilitation – Rental	80% AMI Priority < 50% AMI	Multifamily loans or grants for rehab, energy/water rebates, etc.	May be opportunity to assist in rehabilitation of aging rental stock. Requirements for ADA and Sensory-Accessible units in buildings of 4 or more units
Rehabilitation – Owner-Occupied	115% AMI Priority < 80% AMI	Loans or grants for rehabilitation, exterior improvements, energy/water rebates	May be opportunity to assist in rehabilitation of aging housing stock. Opportunity for residents who exceed income qualifications of existing programs

Comprehensive Plan Analysis

The Aid will help the City achieve the following 2040 Comprehensive Plan goals and objectives:

Goal	<i>Applicable Objectives</i>
Improve and maintain existing housing units.	Consider City-funded activities aimed at rehabilitation or acquisition of existing properties for maintenance.
Increase availability of new affordable housing.	Encourage participation by the HRA and/or EDA to be active in supporting new affordable housing opportunities and development programs.

The Housing Implementation Plan of the 2040 Comprehensive Plan indicates the City will work to:

- Maintenance of Existing Housing Units

- Development of New Affordable Housing for Households with Incomes at or Below 80% AMI
- Preservation of Existing Affordable Housing for Households with Incomes at or Below 80% AMI

Given this, there is merit in developing parameters for the use of Aid. That said, recent interpretation of the Aid indicates funding may not be used for administrative needs. In other words, the Aid can only be used for the programs identified above but cannot be used to support the staffing needed to administer programs. Knowing this, there is merit in creating a Housing Trust Fund to place the funds while exploring opportunities for partnerships to use the funds and developing parameters for which the City would disperse funding for needed projects.

Requested Action:

The EDA should review the enclosed materials and discuss whether or not there is priority areas the City should focus on as it explores the use of its Local Affordable Housing Aid.

Date: June 10, 2024

To: Vice President Husnik and EDA Commissioners

From: Abbi Wittman, Community Development Director

Re: EDA 2024 Work Plan Review

In March, 2024 the EDA approved the enclosed work plan for 2024.

	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
EDA Policy Review							
Business Subsidy							
Tax Increment							
Tax Abatement							
Forgivable Loan							
Housing							
Use Identification							
Program Use Policies							
SW Area Study							
Grant Application							
Study Development							
Downtown							
Shoreline Study Release							
Downtown Boat Launch							
Your Boat Club							
2025 Downtown Priorities							
HW 123							
Consensus Building							
RFP Release							

At the request of EDA members, staff is bringing this matter back for EDA update and review. A few things to note:

- The EDA does have a draft Business Subsidy policy. Staff was directed by the City Council and EDA to make minor amendments to the policy. That said, legal counsel has advised additional work should be done to strengthen the policy. Staff has been in discussions

with the City Attorney about this but does not have an updated draft at this time.

- The SW Area Study grant scope of work is being refined with City Engineer Ryan Goodman. It is anticipated the City will have a draft grant application for the EDA's consideration for submittal in July.
- The Shoreline Study has been released and the City Council has accepted the study's findings. Staff have been in discussions with the DNR about the existing launch and the potential relocation of the launch. Conversations about the launch will continue into Q2 & Q3. Staff will provide the EDA with updates as they become available.

Two additional items, Housing and Headwaters 123, will be agenda topics at the June 10, 2024 meeting.

Requested Action:

This information is being provided for informational purposes; no action of the EDA is being requested.