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MEMORANDUM

TO: EDA BOARD
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: FUTURE EDA ENDEAVORS
DATE: FEBRUARY 5, 2026

At the end of 2025, the EDA approved its Strategic Plan for the next five years. Now that the EDA has an idea with the framework of how it wants to move forward, I am bringing back the Future Endeavors memo so that we can start to discuss specific projects.

Within this list, I have kept all of the projects from before, with my thoughts and recommendations on whether they fit with the Strategic Plan. I have also included a list of items that are mentioned in the Strategic Plan that are worth discussing.

The last eleven years (2015) have been about developing the industrial park and from what I have been able to glean, many thought it would develop 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 in or moved to other communities who had lots available. So, while it took eleven 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.

As we go through this process, there are no right or wrong answers. 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 for resale. And without lots the City has sold, 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 and making it ready for sale when the right businesses inquire?

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.

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- **Strategic Plan:**

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?

- **Strategic Plan:**

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.

- **Strategic Plan:** Would align with Goal 1, Foster a Supportive Environment for New Prague's Industrial & Commercial Business. Strategy 1.A is encouraging growth and diversification of the local tax base. By having shovel ready sites available, the City could specifically target various businesses or industries that it wants to attract to New Prague.

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.

- **Strategic Plan:** Similar to the above project, this would align with Goal 1, Strategy 1.A, except on a smaller scale.

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.

- **Strategic Plan:** This would align loosely with both Goal 1 and Goal 2, Promote Redevelopment Opportunities and Reinvestment in Existing Properties. Most potential funding mechanisms staff have been able to locate for redevelopment of brownfield areas have required local government participation in some form to access the funding.

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.

- **Strategic Plan:** Similar to above, this would align with Goal 1 and Goal 2, but on a smaller scale.

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.

- Strategic Plan: This project would align more with Goal 2, in that it would be looking for redevelopment opportunities on the entire two block area.

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.

- Strategic Plan: Aligning with Goal 1, this would encourage commercial growth and beautification of the downtown area for current and future prosperity.

Daycare Assistance

At a meeting a couple years ago 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.

- Strategic Plan: Also aligning with Goal 1, this would support businesses both through direct assistance to daycare businesses and indirectly supporting commercial and industrial by making childcare more readily available for employees of those businesses.