



**ST. FRANCIS ECONOMIC DEVELOPMENT AUTHORITY**  
St. Francis City Hall, 23340 Cree Street NW  
Tuesday, October 24, 2024 at 6:00 PM

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**MINUTES**

**1. CALL TO ORDER**

Meeting called to order at 6:00 p.m. on October 24, 2024

**2. ROLL CALL**

Present: Joe Muehlbauer, Michael Rodger, and Crystal Kreklow.

Absent: Brenda Pavelich-Beck and MaraLynn Kubacki

Also Present: City Administrator Kate Thunstrom and Community Development Director Jessica Rieland.

**3. ELECTION OF OFFICERS**

Motion to appoint Rodger as President.

Motion: Muehlbauer

Second: Kreklow

Motion Carried: 3-0

Motion to continue the appointment of a Vice President until the next meeting.

Motion: Rodger

Second: Muehlbauer

Motion Carried: 3-0

**4. APPROVAL OF MINUTES**

Motion to approve the EDA Minutes for the meeting dated May 3, 2023.

Motion: Muehlbauer

Second: Rodger

Motion Carried: 3-0

Motion to approve the EDA Minutes for the meeting dated August 22, 2023.

Motion: Kreklow

Second: Muehlbauer

Motion Carried: 3-0

**5. APPROVAL OF AGENDA**

Motion: Muehlbauer

Second: Rodger  
Motion Carried: 3-0

## 6. NEW BUSINESS

### A. LOI - NorthShore Development

City Administrator Thunstrom reviewed the Staff report in regard to the LOI agreement for the Northshore Development.

Rodger asked if they could potentially get an easement for the access into the Subway as access for the second lot. Thunstrom said no and explained that Subway access is already tight. She noted that there was a Rum River corridor study that the County did in this area which removes all access points along Bridge Street and tries to get them consolidated. She added that the County could request that Subway close their access after they get one off of a private road. She noted the County is trying to mitigate the access points due to the danger of them.

Muehlbauer asked if they are considering a roundabout in this area. Thunstrom explained that the County does not have anything set aside in a CIP for a roundabout at this time and they will be keeping this as a three-way intersection.

Rodger asked if there is infrastructure work that needs to be done in this area with the sewer line not being compatible. Thunstrom stated this is a part of Highway 47 and Rum River Blvd. to the south. She explained this would be an access point to create development opportunities.

Rodger asked if there had been any movement on this lot. Thunstrom said there has not been any movement lately; however, she thinks the development of the apartment will change the face of Bridge Street.

Muehlbauer noted they have invested a decent amount of money into this property. He asked if this additional work is something that would typically be done for something like this. Thunstrom said yes, to an extent. She explained that the City Attorney is redefining a lot of language in this agreement. She noted that there is a balance between not doing too much and having enough equity to keep the project moving forward.

Muehlbauer asked if these developers are interested in TIF. Thunstrom said yes and explained that the development costs in multi-family housing uses some kinds of subsidies. She added that the City's natural rent prices will allow the developer to apply for these types of funds. She noted that there are State statutes that provide a maximum for TIF that would end when they refinance.

Muehlbauer noted that the residents will likely have a fit when they see TIF projects and low income housing.

Thunstrom shared that St. Francis is not a cheap City to build in because of their standalone fees; however, they are nowhere near the most expensive to build in. She noted they did lose one of their TIF projects due to the cost of building. She stated this developer is very interested and is watching interest rates and hopes to break ground next year.

Rodger shared that he would like to see strong language on the TIF money. Thunstrom said this is in State statute and will need to go through Council for approval.

Rodger asked if they could use County TIF money for this project. Thunstrom said the County does not use TIF for projects and the City would be the holder of the TIF.

Motion to authorize entering into a Letter of Intent with Northshore Development for the EDA property located at 3731 Bridge Street subject to attorney form.

Motion: Kreklow  
Second: Muehlbauer  
Motion Carried: 3-0

**B. 2023 Annual Report**

Thunstrom reviewed the 2023 annual EDA report.

Motion to accept the Annual Report for 2023.

Motion: Muehlbauer  
Second: Kreklow  
Motion Carried: 3-0

**7. MEMBER REPORTS**

Rodger asked about the Rum River Inn. Thunstrom shared that it has been in the hands of the bank since June. She said she was able to get inside the building and it is extremely dilapidated and stripped out. She noted the amount to remodel the property is more than the amount to acquire the property. She added that once it went on the market they had a handful of calls about the property; however, once they walked through the building, no one had come back. She shared that they applied with the State to see if they could get some funds to look at a reuse study for the building but this request was denied.

Kreklow asked if the building was pulled from the historical list. Thunstrom said this is their next step. She noted that in order to demolish the building they would have to do an environmental assessment worksheet and Community Development Director Rieland has started this process.

Thunstrom explained that this property has a lot of challenges as it is on the river, on a County road, and is a historical site.

Rieland shared that they received a call from two tradesmen who said they would be able to take the building down. She noted that there Tim, who owns the hardware store, is considering buying the property.

Rodger asked what was going on with Highway 47. Thunstrom shared that they have received regional solicitation finds in the amount of \$7,000,000 and she is about to bring an environmental and design JPA to the Council along with a scope of work so they can get this started. She added they will also be working with the legislature to get more money.

**8. ADJOURNMENT**

Muehlbauer made a motion to adjourn the meeting at 6:35 p.m. Kreklow seconded.