



City Council / EDA

SPECIAL Meeting

~ Minutes ~

1408 Lake Street South
Forest Lake, MN 55025
www.ci.forest-lake.mn.us

Karin Derauf, Deputy City Clerk

Monday, April 19, 2023

6:30 PM

City Center - Council Chambers

[City of Forest Lake - Livestream and Recorded Meetings](#)

1. Call to Order

2. Roll Call

Attendee Name	Title	Status	Arrived
Mara Bain	Mayor	Present	
Sam Husnik	Councilmember	Present	
Hanna Valento	Councilmember	Present	
Leif Erickson	Councilmember	Present	
Blake Roberts	Councilmember	Present	6:50 p.m.
Jenny Lorge	EDA Member	Present	
Jeff Larson	EDA Member	Present	
Jill Grindahl	EDA Member	Present	
Chris Hoyt	EDA Member	Present	

3. Pledge of Allegiance

4. Approve the Agenda (Action)

Comments:

Motion to: Approve the Agenda

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Husnik, Councilmember
SECONDER:	Hanna Valento, Councilmember
AYES:	Bain, Husnik, Valento, Erickson, Lorge, Larson, Grindahl, Hoyt
NAYS:	
ABSTAIN:	
ABSENT:	

5. Public Financial Assistance Discussion

Comments: Jason Aarsvold, with Ehlers, presented information on the discussion for Business Subsidy Policy/Process, including planning and policies, financial assistance and protecting local resources, local financial tools, project examples, and policy development. He briefly discussed reasons to provide financial assistance, how to prepare for success, and developing a business subsidy policy.



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Jason noted that the need for a Business Subsidy Policy includes the State statute requirements and the types of projects that Council and EDA would like to assist. He also noted that it provides developers with an understanding if their project would warrant any assistance and that a policy becomes the cornerstone for a formal process to review request for City assistance. He also commented that a policy creates consistency and equity in the review process, while avoiding concerns about setting precedent.

Jason also discussed pro forma analysis, assurance that a project qualifies for the proposed type of assistance in a default format called Pay-As-You-Go, maximization of private funding sources, and minimization of public assistance needed to make a project financially feasible. He commented on the “But For” test which is required for TIF findings or that a development would not be possible “but for” the use of tax increment. He noted that statute requires the elected body to make the “but for” finding for any TIF project, with support from the pro forma analysis. He also commented that the “but for” is not required for other forms of assistance, but is a best practice to apply the standard.

Mayor Bain asked about the “but for” application to projects outside of TIF and if Jason could speak more to that idea. Jason provided additional explanation of how the “but for” is applicable to other projects as well. There were additional questions regarding TIF and operations with various development scenarios.

Jason provided information on local development tools to help facilitate project development including EDA levy funds, local revolving loan funds, TIF, tax abatement, and state and local resources. He noted that using development tools are to assist developers in making their projects financially feasible, could fund infrastructure, or pay for acquisition, demolition, site clean-up and other development events.

Jason provided a definition of Tax Increment Financing (TIF) explaining that it is the ability to capture and use most of the increased local property tax revenues from new development within a defined geographic area for a defined period without approval of the other taxing jurisdictions. He provided examples of TIF projects and various types of TIF districts, including redevelopment, renewal and renovation, affordable housing, and economic development districts.

Jason discussed policy development, how to approach policy updates, and noted that a policy should be flexible and not too prescriptive. He highlighted several sections of new policy structure and content and potential policy structure and content for qualifying projects, public purpose and other items.

Jason asked for feedback from the group regarding the City objective for use of public financing and desired outcomes by use of public funds, desired qualifications for public financing, and public



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purpose such as job and wage requirement. He provided several common objective examples to guide the discussion. Councilmember Roberts included infrastructure requirements. Mayor Bain asked if the policy should have quantifiable goals. Jason noted there does not necessarily have to have quantifiable goals. Mayor Bain commented on increasing housing choice as one of the goals, noting that is one of the overarching goals of the City. Jason noted housing variety and how it can be included in the goals. There was further discussion about broad goals specific to Forest Lake.

Jason asked for feedback on desired qualifications for public financing that may include economic goals. He provided several examples which included housing, small business, and blight redevelopment. Mayor Bain asked if the City's role is to be the catalyst or just a support role.

Finally, Jason provided content on job and wage requirements, which is a statutory compliance provision. Mayor Bain asked about job and wage requirements being project specific. EDA Member Grindahl asked about how wage requirements affect the competitiveness compared to surrounding communities. There were several questions surrounding wage requirements. Jason commented that this only applies when assistance is for business subsidy. Mayor Bain asked what City body is the authority of adopting an amended policy. Jason commented that both the Council and EDA would be party to adopting any amendments of the same policy.

6. Closed Session Pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale of real or personal property (PID's 08.032.21.13.0173, 08.032.21.13.0123, 08.032.21.13.0168, 08.032.21.13.0166, 08.032.21.13.0160, and 08.032.21.13.0119)

Motion to: Move into Closed Session Pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale of real or personal property (PID's 08.032.21.13.0173, 08.032.21.13.0123, 08.032.21.13.0168, 08.032.21.13.0166, 08.032.21.13.0160, and 08.032.21.13.0119)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Husnik, Councilmember
SECONDER:	Hanna Valento, Councilmember
AYES:	Bain, Husnik, Valento, Erickson, Roberts
NAYS:	
ABSTAIN:	
ABSENT:	



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Motion to: Move back to Public Regular Session of the City Council Meeting

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mara Bain, Mayor
SECONDER:	Leif Erickson, Councilmember
AYES:	Bain, Husnik, Valento, Erickson, Roberts
NAYS:	
ABSTAIN:	
ABSENT:	

7. Adjourn

Motion to: Adjourn

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Leif Erickson, Councilmember
SECONDER:	Blake Robertson, Councilmember
AYES:	Bain, Husnik, Valento, Erickson, Roberts
ABSENT:	