



City Council - EDA

Joint Workshop

~ Minutes ~

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

Karin Derauf, Deputy City Clerk

Monday, June 12, 2023

6:30 PM

City Center - Council Chamber

[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	
Jeff Larson	EDA Member	Present	
Jenny Lorge	EDA Member	Present	
Chris Hoyt	EDA Member	Present	
Jill Grindahl	EDA Member	Present	5:35 p.m.

3. Pledge of Allegiance

4. Open Forum – Citizen Petitions, Requests, and Concerns

The Open Forum is available for residents to express personal opinions for any item of business. Please limit your comments to three (3) minutes.

5. Discussion Items

a. Draft Business Subsidy Policy Discussion

Comments: Community Development Director Wittman provided a brief history of the reason for the joint session and information about a draft policy for business subsidy. Jason Arsvold, Ehlers, presented specific areas of the policy including Purpose and Authority, Objective for use of Public Financing, Public Financing Principles, Qualifications and Requirements for Public Financing Assistance which include minimum maximum qualifications, Public Purpose, Jobs, and Wage Requirements, Subsidy Agreement, and the Public Financing Project Evaluation Process. He also provided specific information in each category.

He discussed the next steps including feedback from Council and the EDA, a legal counsel review, approval of a revised policy which will also require a public hearing, refinement of the public financing application if necessary, and beginning implementation of the policy.

EDA Member Lorge asked who will manage the adherence to the policy. Jason noted that it will be the decision of the City on who will manage that information. Mayor Bain commented on developers who inquire about their project and when that information becomes public. Jason



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mentioned the Data Practices law and discoverable information as well as how the City chooses to administer the policy. Mayor Bain asked questions regarding the term sheet on a project and when in the policy process that would be presented. Jason noted that it depends on the project. Assistant City Administrator Udem explained that project criteria can be looked at early in the project to see if the initial criteria qualify for public assistance in a non-binding term sheet process. Community Development Director Wittman commented that the policy application process for business assistance can be a dual track with the Planning Commission application process for development projects.

Councilmember Erickson commented on item 2. 9. about diversity, equity, and inclusion goals and being part of the policy. He asked how this corresponds with the policy and if it's necessary to be included as there aren't current goals. EDA Member Grindahl asked about any goals that the City has in general about diversity, equity, and inclusion and commented on diversity in the business community. EDA Member Hoyt noted that the project should be reviewed on the merits of the project itself and not on the individual presenting the project. EDA Member Lorge agreed with EDA Member Hoyt. Mayor Bain commented on the evaluation of the projects and the basis of whether someone qualifies for financial assistance. She noted that the topic of diversity is important but may not necessarily be included in every City policy. Community Development Director noted that the objective is to speak to goals and the City hasn't defined those goals at this time. Councilmember Valento commented that she was okay with the language remaining.

Councilmember Roberts asked about the wage floor of 150% of the State Minimum Wage. Jason noted that there is a requirement by the State to include a wage floor. Mayor Bain asked if the wage floor is a project by project negotiation. Jason noted there is flexibility in this language in terms of the type of business, for example a manufacturing business. He also noted that state statute allows for this flexibility. Councilmember Roberts asked Chris Eng if this policy is similar to other cities. Chris noted that the County doesn't require a business subsidy agreement and Cottage Grove is the only other City that will offer help for green field development.

Mayor Bain asked about item 3. 7 about not providing a competitive advantage over similar projects. Jason provided an example of where there may be a difference between two similar developments where one business may receive assistance and the other won't based on their particular conditions.

Community Development Director Wittman noted that the draft policy will be presented again in the coming months to both the EDA and the Council.

6. Adjourn

Motion to: Adjourn



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Comments:

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