

ECONOMIC DEVELOPMENT AUTHORITY

2:00 P.M.

Wednesday, April 9, 2025

Present: Nelson French
Shane Hoff
Richard DeRosier
Steve VanHouse
Katelyn Goutermont

Excused: Beth Smuk
Absent: Alex Truax

Tim Costley, City Attorney
David Drown, Economic Development Director
Matthew Johnson, Lake Co. HRA
Marcia Oates
Donny Thompson
Carolyn Hudyma

French called the meeting to order at 2:00 p.m.

Agenda – Motion by VanHouse, second DeRosier to approve the Agenda with removal of Little Mariners Daycare concerns and the addition of Matthew Johnson, Lake Co. HRA. **MOTION CARRIED.**

Minutes – Motion by DeRosier, second VanHouse to approve the minutes of the January 8, 2025 regular meeting. **MOTION CARRIED.**

COMMUNICATIONS/Public Comments- None at this time.

Economic Development Director- Drown reports he has been in contact with a person interested in developing a brewery in the business park and also there is potential addition to a downtown business, he will update when/if information is available.

OLD BUSINESS –

Golf Course Subdivision- French provided a power point of the history of the Golf Course Housing project dating back to November 2020. City Council has not approved zoning changes at this point. VanHouse asked if the Engineers concerns regarding the preliminary plat had been addressed. French stated the issues have been addressed and would like to see project move forward. Hoff expressed the project started out as residential housing and has changed to short-term rental, which he is not in favor of. Goutermont asked if there has been any interest in purchasing lots, which Drown explained that a feasibility study was completed and realtors were contacted to determine cost/interest in project. The feasibility study estimated cost to construct roads and lots at \$1.3 million. The real estate company estimated sale pricing of the 40 lots of \$80,000-\$150,000 per lot. Drown asked the board to decide if this is still a good project and if so should the EDA act as developer, which would generate revenue for the City via sales and tax base. Matthew Johnson, Lake Co HRA stated there is minimal risk for the City if EDA acts as developer versus private developer, the return on investment could come back to the City quickly. Drown would like EDA to move forward as developer to generate tax base, no TIF needed because the lot sales would generate the needed revenue. He would like to reach out to realtors and get a fresh look at the market. Further discussion followed regarding completing the zoning,

preliminary plat, and that the importance of everyone involved to be united in order for the project to move forward. Motion by Hoff, second DeRosier to recommend to Council that EDA move forward as the Developer. MOTION CARRIED. Drown then asked for discussion regarding allowing 4 short-term rentals across the river, which had been previously recommended to Council. Planning & Zoning had recommended a different number of allowed short-term rentals to Council. Motion by Hoff, second VanHouse to reaffirm to Council the January 8th recommendation allowing 4 short-term rentals, to make it clear that local residents have first option to purchase lots, and if there is limited interest from locals then reconsider the number of short-term rentals. DeRosier doesn't feel that is necessary to reaffirm previous recommendation to Council and it is up to the Council to decide what is best for the City and/or Developer. MOTION CARRIED. Donny Thompson asked where the access point would be for the short-term rentals and how would residents get to golf course. Drown stated access would be provided via Lax Lake Rd. Thompson also expressed he felt a private developer would be a better option for the city to move forward with. Carolyn Hudyma expressed her thanks to those that keep reminding the Board to keep the public in mind and questioned if there had been any feedback received from the public. Discussion followed encouraging Planning & Zoning Commission to move forward with the preliminary plat, that the consensus of the EDA board was that the engineers concerns have been addressed and the preliminary plat is ready to move forward by Planning & Zoning. Drown would like a committee formed to gather information from realtors regarding interest and sales of lots. Motion by DeRosier, second Hoff to appoint DeRosier, Goutermont, and French to gather information. MOTION CARRIED.

NEW BUSINESS-

Matthew Johnson, Lake County HRA- Matthew Johnson provided an update regarding Silverpoint II housing project, that funding was not approved but the Lake County HRA will continue to apply for funding. Johnson presented that the Lake County HRA is starting a home rehab program to help provide lower income families grants to fix health and safety issues in their homes. Johnson would like to apply for funding on behalf of the City of Silver Bay. Motion by Hoff, second VanHouse to recommend Council approval for Lake County HRA to submit an application for funding on behalf of the City. MOTION CARRIED with DeRosier abstaining.

Johnson also provided plans currently in place for a housing development in Two Harbors that he feels something similar could be developed on Penn Boulevard and that he will work with Drown to find an interested developer.

EDA Vision & Mission- Board reviewed the EDA Mission statement, French is asking to amend the last sentence to state "and implementing the Comprehensive Plan." Motion by DeRosier, second VanHouse to approve amendment. MOTION CARRIED.

Motion by VanHouse, second DeRosier to adjourn at 3:27 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson