

ECONOMIC DEVELOPMENT AUTHORITY

2:00 P.M.

Wednesday, Oct. 8, 2025

Present: Nelson French via ZOOM
Richard DeRosier
Shane Hoff
Steve VanHouse
Beth Smuk
Katelyn Goutermont
Donny Thompson

Lana Fralich, City Administrator
Tim Costley, City Attorney
David Drown, Economic Development Director
Marcia Oates

French called the meeting to order at 2:04 p.m.

Agenda – Motion by Smuk, second DeRosier to approve the Agenda as presented. **MOTION CARRIED.**

Minutes – Motion by Hoff, second DeRosier to approve the minutes of the July 9, 2025 regular meeting and September 8, 2025 Joint Meeting. **MOTION CARRIED.**

COMMUNICATIONS/Public Comments- None at this time.

Economic Development Director- David Drown provided an overview of what Economic Development should provide for the city; work with businesses to provide services, building the tax base and housing. Drown discussed that Silver Bay has fewer businesses than most small towns the City should look at marketing and selling platted Business Park lots for conventional development, that the “Fisherman’s Village” has had a lack of interest/follow thru by interested parties. French stated that several entrepreneurs have approached him and will be meeting with him in October for a brainstorming session. There was discussion on updating an outdated appraisal, possibility of advertising the business park on the city owned billboard, city ability to support businesses both on and off the highway during the off season, tourism and community acceptance. French would like to create a subcommittee to create a plan for marketing strategy for the business park area. Goutermont and French volunteered for subcommittee. VanHouse stated the city is missing a lot of traffic business on the highway, that the Park & Rec committee is recommending City Council begin the processes of creating a fee for parking at Black Beach in an effort to generate revenue to pay for parking, staffing, and maintenance. Discussion regarding placing a kiosk in the park area that lists events and businesses.

Drown shared his decision to step down as EDA director at the end of 2025 after five years of service. Drown will be available for consulting services and will continue to be involved with the Boathouse Bay and Golf Course Housing projects. The EDA board expressed appreciation for the guidance and assistance Drown has provided the city.

OLD BUSINESS –

Golf Course Residential Development Project- Drown presented the change order submitted by MSA for the purpose of feasibility study and final design to include curbing due to ditching problem. The change order includes an additional \$54,000. Board also reviewed a proposal received for Real Estate Consulting Services from z'Up North Realty. The z'UP North Realty proposal was broken into two parts- 1. Consulting services billed at \$150/hour for approximately 40 hours at an estimated cost of \$6000 and travel time at an additional cost. 2. Conventional real estate services at 3.5% of the sales price, five year contract. Motion by DeRosier, second Smuk to recommend to Council to accept proposal from z'Up North Realty. MOTION CARRIED BY SIX AYES AND THOMPSON VOTING NAY. Thompson stated he is not against the project but feels the city currently has a lot of projects, with costs and times uncertain and would like to hold off on some projects until the current ones are complete. Discussion regarding the benefit of having a realtor who knows the market and area. Consensus of board is to hold off on the change order request by MSA until meeting with the realtor to obtain her opinion if she thinks the project is viable, obtain drone photos to be used for an artist rendition of housing area, and test market for interest over the winter months then revisit in the spring. Board also reviewed two proposal for well drilling; Rasmussen Well Drilling-\$11,460 and McKeever Well Drilling- \$12,335. Consensus of board is to hold off until EDA/Council meets with realtor. Discussion regarding contacting a contractor like Northland Constructors to review and submit a price for a roadway project.

NEW BUSINESS-

Renovation Loan Request- East Lake Clinic District is requesting a \$50,000 renovation loan for a portion of the \$167,700.00 cost of a new roof. The East Lake Clinic board has the levy authority up to \$50,000 that will be used as collateral. Board reviewed application, finding the clinic as an important part of the community and provides a valuable service, and there is no need to seek any security collateral. Motion by VanHouse, second Thompson to recommend to Council to grant a 7 year, 3% loan of \$50,000 to E. Lake Clinic District. MOTION CARRIED.

VanHouse expressed concern regarding the Boathouse Bay project, he asked if the project was on track to meet expected development milestones. Drown advised that whether the developer meets the milestones or not he is required to pay property taxes as if the buildings were complete, and the responsibility is on the bank. The city is not at any risk and if project fails the property comes back to the city. Discussion followed regarding rumors surrounding project, noting that contractor bills have been paid as they are paid by the title company not Sawtooth 16, LLC., timing of the TIF review by the bank and grant payment received from IRRRB, and that that Northland Constructors pulled their staff from Boathouse Bay to help finish up on the Lake County CSAH32 project to avoid potential penalties.

Motion by VanHouse, second Thompson to adjourn at 3:31 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson