

**REGULAR MEETING  
ECONOMIC DEVELOPMENT COMMISSION  
CITY OF OAKDALE  
MAY 4, 2022**

**CALL TO ORDER**

A regular meeting of the Economic Development Commission (EDC) of the City of Oakdale was held on Wednesday, May 4, 2022 at the Oakdale City Hall, Oakdale, Minnesota. Chair Burns called the meeting to order at 5:15p.m.

**CALL OF ROLL**

On a call of roll, the following were present.

Chair: Bill Burns

Commissioners: Dave Halper  
Jeff Bates  
Gary Severson  
Bob Stiglich  
Erin Voca  
Frank Orsello  
Stacie Penn  
Lynn Stafford

Also Present: Holly Koep, Ex Officio Member  
Andrew Gitzlaff, Community Development Director  
Susan Olson, City Council Liaison

Absent: Bob Boulianne

Quorum Present: YES  NO

**PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES**

**A MOTION WAS MADE BY COMMISSIONER HALPER, SECONDED BY COMMISSIONER BATES, TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MARCH 2, 2022.**

**Ayes 6 Abstain 4 (Halper, Stiglich, Penn, Koep)**  
**Nays 0 Motion Carried**

## **OLD BUSINESS**

### **BUSINESS RETENTION, EXPANSION AND ATTRACTION PARTNERSHIP UPDATE**

Community Development Director Andrew Gitzlaff provided the following update:

- The number of visits the first year was reduced from 24 to 18.
- Welcome packets will be prepared for visits and given to new businesses as well.

The program was previously approved by the Oakdale Area Chamber of Commerce (OACC) and the Oakdale City Council. One additional workshop with council is scheduled before visits start in June. Mr. Gitzlaff is hoping to continue this program and will work on getting it included in next year's budget.

In response to Chair Burns asking Ms. Koep if she thought the OACC could assist with the visits, Ms. Koep responded that it would be a good idea for the OACC Ambassador Committee.

In response to Commissioner Penn's question if EDC members can participate in visits, Mr. Gitzlaff replied the program allows for one council member, one staff member and one business (OACC or EDC) member to attend visits. If a commissioner has a correlation with an industry it could be arranged. Additional participants will be needed as alternates and results will be shared with everyone once visits are complete.

In response to Commissioner Bates question regarding metrics for establishing success rate, Mr. Gitzlaff responded that some of the questions being asked are standard MN Grow survey questions such as business size, additional employee expectations and business stability. Regarding success of program, feedback and follow-ups will determine whether visits were a valuable use of time. The program is about establishing relationships so businesses know who to call with questions and needs.

## **OLD BUSINESS**

### **PRESENTATION: OPEN TO BUSINESS PROGRAM PARTNERSHIP WITH WASHINGTON COUNTY**

Presentation was moved to end of EDC meeting.

Tyler Hilsabeck, Washington County Business Advisor, spoke on the Open to Business Program. Mr. Hilsabeck provide information on the technical assistance and loan programs offered:

A brief overview of the Open to Business Program:

- Active for five years.
- Washington County Community Development Agency contracts with Open to Business through Metropolitan Consortium of Community Developers (MCCD). MCCD is a non-profit organization that provides resources for affordable housing, advocates for funds to go to small businesses and small business development under the moniker Open to Business.
- Two primary functions are business coaching and technical advisory at no cost to entrepreneur.
- Serves approximately 150 businesses during the year.
- Provides non-traditional financing.
- Partnerships with other non-profit loan institutions.
- Oakdale businesses are eligible to participate.

In response to Commissioner Severson's questions if start up loan is a revolving loan fund, who underwrites them, and what type of background do the advisors have, Mr. Hilsabeck answered the loan fund is an accumulation of many sources such as federal grants (CDFI program), bank EQ2's and philanthropy. Loan fund is approximately \$7 million and the MCCD underwrites loans. The Open to Business team is comprised of corporate bankers, business advisors and owners, local bankers and non-profit community executives who serve on various committees.

In response to Commissioner Bates's question asking the business success rate, Mr. Hilsabeck replied many businesses struggled through COVID and some are still suffering. Start-up businesses have approximately the same failure rate as others but the program tries to resolve issues before failure. Most businesses fail because they are undercapitalized and a high percentage of new businesses face an uphill climb from the start. Program identifies issues and suggests ways to achieve success.

Commissioner Halper commented that new businesses should go through a process like this and wishes he had this resource when starting his first business and asked how he would have known about this program. Mr. Hilsabeck responded that they are working on communication through relationships with local bankers, OACC, City of Oakdale and local print and website advertising.

In response to Commissioner Severson's question how long this program has been active in Washington County, Mr. Hilsabeck replied since 2017 as well as administering the CARES Act for Washington County during that time.

In response to Chair Burns asking what percentage of Washington County banks are used for lending, Mr. Hilsabeck stated they make sure they work in the community with a community bank that knows the local area.

In response to Commissioner Orsello's question who is responsible for loan amount if entrepreneur fails, Mr. Hilsabeck mentioned personal guarantees are required for loans. Collateral is not always monetary and payment can be flexible if business is struggling. Funding sources require the program show they underwrite responsibly and use all available resources to recover loan amount. Program has a low write-off rate but evaluates the high-risk businesses frequently to prevent loss.

In response to Chair Burns asking if attorneys are available if an entrepreneur has a non-compete clause and how many of the businesses are franchises, Mr. Hilsabeck replied they frequently use the University of Minnesota Law Clinic who have third year law students helping small businesses, pro bono, but have also used small law firms. Regarding franchises, not many are franchises but enough for program to offer franchise review services.

### **Commissioner Updates**

Ms. Koep mentioned the following:

- OACC meeting at Oak Marsh, 11:15am. Guest speaker is former security guard for Queen of England.
- Tyler Hilsabeck, Washington County Business Advisor, will speak on the Open to Business Program at the June meeting.
- Citywide garage sale May 5-7, second year sponsored by OACC.

Commissioner Penn reported Carol Matheys has new windows from local business, Great Plains.

Commissioner Bates participated in the 4Front tour and was impressed with the amount of lab space available for research and development. Building also houses a radio station, onsite café, and a blast wall in case of emergencies.

Commissioner Halper visited the Lennar Villa model and believes an upper-end finished model could sell for \$500,000.

Chair Burns reported that many of the new Willowbrooke townhomes have been bought by a subsidiary of Lennar and will be rental units. This is legal but Chair Burns feels it is not ethical. The development was pitched to the City as for sale townhomes. Future development goals should require asking large developers if they plan on buying out inventory when complete.

In response to Commissioner Halper asking if this was standard operating procedure, Mr. Gitzlaff replied that original discussions were that townhomes would be owner occupied. They did notify staff of their intent to pursue 62 units as rentals. If City funding is not used there is not much a city can do to prevent it. It is not out of the ordinary elsewhere in the metro and most of Lennar's developments have done this.

In response to Commissioner Stafford asking if this is a rent to own situation, Chair Burns responded they intend to rent them. It makes sense for them but it is not in the theme of what Oakdale was looking for. Maybe other cities could put verbiage in the agreement if they do not want rentals.

Chair Burns mentioned a new restaurant, Cajun Crave, has opened in Bergen Plaza.

## **Community Development Updates**

Community Development Director Andy Gitzlaff provided an update on current projects.

- Willowbrooke Neighborhood.
  - Ideal Avenue work being done by Washington County.
  - 40<sup>th</sup> Street has been vacated and will be re-built with trail components.
  - The Springs Townhomes by Continental occupancy dates are February 2023.
  - Lennar units will be rental and owner occupied.
  - Single family model home is open with possible summer occupancy.
  - Work being done on three parks. Stantec Engineering helped with design. Online engagement to follow.
  - Multi-family housing is under contract with Roers but no applications received as yet.

In response to Chair Burns asking what work is being done on Ideal, Mr. Gitzlaff replied a trail component is being added to west side, access points and turn lanes. Chair Burns noted the trails will be connected with the trails in the 4Front Campus.

In response to Commissioner Orsello's question if Helmo Avenue will connect with 50<sup>th</sup> Street, Mr. Gitzlaff responded yes, but not until next year.

- Projects in Construction / Permit Review Phase:
  - Tartan High School/Skyview/Eagle Point
  - Guardian Angels Food Shelf
  - HOM Furniture
  - Animal Emergency and Referral Center
  - 4Front Office Warehouse
  - Impact Apartments
  - Cornerstone Village AbleLight
- Projects in Plan Review:
  - Willowbrooke 40<sup>th</sup> Street
  - Rios de Agua Viva Church
  - 4Front PUD Amendment (to mix of office, retail and residential)
- Pending Projects / Concept Review phase
  - Priority Currier Performing Arts Center
  - Priority Currier Headquarters
  - Cedric's Landing Expansion
  - Oakdale Marketplace / Oakdale Station Residential Proposals

Commissioner Bates is excited for the performing arts center and feels it is the perfect location.

Commissioner Stafford inquired about the proposed use of Oakdale Elementary once it's closed. Mr. Gitzlaff has no information at this time.

In response to Commissioner Stiglich asking for an update on the Tanner's Lake property, Mr. Gitzlaff replied no recent activity. Once Community Development Specialist is hired we will actively market that area.

Ms. Koep reported the building next to Menards has been rented out to Central Bark, a Doggie Daycare/Salon and mentioned the Maplewood Menards will be demolished so the Oakdale Menards will probably see more business.

In response to Commissioner Orsello's request for an update regarding the proposed sales tax, Mr. Gitzlaff replied it will be on the ballot in November. Each building will be its own separate line item.

**Council Liaison Update**

Councilmember Olson reported on the following:

- Summerfest is ready to go with parade, food vendors, pony rides etc. No rides this year and decision to bring back carnival in the future is still being discussed. OACC will host a pancake breakfast at Guardian Angels, 7am Saturday.
- Commented how great it was HOM Furniture took an existing building and remodeled to fit their needs.

**NEXT COMMISSION MEETING**

**A MOTION WAS MADE BY COMMISSIONER VOCA AND SECONDED BY COMMISSIONER STAFFORD TO CANCEL THE ECONOMIC DEVELOPMENT COMMISSION MEETING ON JUNE 1, 2022.**

**Ayes 10                      Abstain 0**  
**Nays 0                        Motion Carried**

The next Economic Development Commission meeting is scheduled for August 3, 2022 at 5:15pm.

**ADJOURNMENT**

**A MOTION WAS MADE BY COMMISSIONER HALPER AND SECONDED BY COMMISSIONER SEVERSON TO ADJOURN THE ECONOMIC DEVELOPMENT COMMISSION MEETING OF MAY 4, 2022 AT 6:30 PM.**

**Ayes 10                      Abstain 0**  
**Nays 0                        Motion Carried**

Respectfully submitted,  
Teresa Buhl, Recording Secretary