

MINUTES FOR THE EDA MEETING OF JANUARY 21, 2025

President Weidt called the meeting to order at 6:00 PM

PRESENT: Chrun, Denaway, Krull, Puleo, Weidt

ABSENT: Shevchuk

STAFF: Bryan Bear, City Administrator

Rachel Juba, Community Development Director

Max Gort, Associate Planner

OATH OF OFFICE

Ben Krull took the Oath of Office and was sworn in as a new EDA Commissioner.

APPROVAL OF MINUTES FOR THE EDA MEETING OF NOVEMBER 19, 2024

Commissioner Denaway made a motion, seconded by Commissioner Puleo, to approve the November 19, 2024 meeting minutes.

Ayes: All.

Nay: None.

Motion carried.

REVIEW OF 2024 EDA ACTIVITY

Associate Planner Gort presented a review of economic development activity in 2024. Premier Banks relocated to a new 4,500 square foot building at the northwest corner of Highway 61 and 147th Street, completing all four corners of the intersection with commercial users. Blossom Bridge Child Care remodeled the former St. Croix Saddlery building. Liberty Classical Academy received approval to construct a 33,500 square foot addition to their existing school building. Autism Services of Minnesota purchased a second tenant space within their existing building, and expanded their footprint within Victor Gardens. There was 5,797 square feet of commercial building space approved in 2024, with a valuation of \$335,000.

DISCUSSION ON 2025 EDA GOALS

Community Development Director Juba presented a document that each EDA Commissioner had in front of them, which color-coded list items based on whether it was an ongoing priority, a 2024 goal to continue into 2025, a 2024 goal that was completed in 2024, and goals for 2025 that are new.

Commissioner Puleo asked about the goal item related to 165th Street changing from discussing small area planning to completing an area study. Juba said that staff has identified the need to complete an area study of 165th Street in 2025 to determine infrastructure improvements, sewer sizing, and land use. Puleo asked who would be involved in the study. Juba said that staff will discuss the potential study with the City Council before preparing a scope of work that would likely include staff, WSB, and Landform. Puleo asked if public engagement will be involved, Juba said yes.

The EDA completed the goal of “stay informed on cannabis related laws and City Code revisions” with the adoption of the city’s cannabis ordinance in January 2025. The goal relating to the I-35E Technology Corridor planning was changed to include the extension of Otter Lake Road in Lino Lakes, which is a more locally significant project within the technology corridor.

The ongoing priority of “continue business visits and the BR&E program” was changed to “engage with existing businesses to promote business expansions and retention” to be more realistic with the EDA’s current activity, and the fact that the city no longer utilizes a BR&E program within the University of Minnesota Extension services. Commissioner Krull asked for some clarity on what the City is doing to engage with existing businesses. President Weidt said that the City and EDA have been active with the Hugo Area Business Association (HBA) and have been making the City approachable for businesses. Weidt said that the EDA used to do more in-person business visits prior to the COVID pandemic, and that the EDA could consider resuming that. Juba said that the UMN Extension BR&E program helped the EDA make a lot of connections, but that there wasn’t very much that was learned. Krull asked if there are resources available to look at how other communities have spurred economic development. City Administrator Bear said that the City does not have dedicated economic development staff, and that the Washington County Community Development Agency (CDA) has been a larger player in county-wide economic development. Bear said that businesses are expanding in Hugo, but that the businesses that are driving economic development right now are warehouse-based, and not always what the residents are looking for. Bear said that staff keeps an eye on economic development activity across the metro area, and that the majority of new construction projects are due to the right set of market circumstances presenting themselves, rather than any particular city initiative. Weidt said that some examples of expanding businesses in Hugo are Xcel Energy with it’s training center expansion, and Schwieters and their campus development. Weidt asked how Centerville has been responding to the Amazon distribution center that located there within the past few years. Bear said that there has been a lot of impact from the increased truck traffic, and that businesses saw it as a competitor for employees, rather than something to help their businesses. Weidt recommended that the EDA modify the goal to include at least one business visit in 2025.

Commissioner Chrun asked how the discussions with the DNR on the shoreland ordinance may conclude. Juba said that it’s difficult to say, but that staff has a general idea of the flexibility that the DNR should be comfortable with. Weidt asks how close Denny Trooien’s proposal was to Egg Lake, Juba said that the DNR was going to let him average the setback to 37.5 feet with some points on his plan being as close as 18 feet. However, the DNR kept changing the calculation criteria for the setback averaging. Juba gave the EDA an overview of the City-owned property near Egg Lake that’s being marketed, as well as some houses that the City owns nearby.

Following discussion, the EDA agreed to adopt the 2025 goals.

ADJOURNMENT

Commissioner Puleo made a motion, seconded by Commissioner Chrun, to adjourn the meeting at 6:47 PM.

All ayes.

Motion carried.

Respectfully submitted.
Max Gort, Associate Planner