

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, JUNE 8, 2009

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 7:00 p.m.

2. ROLL CALL

Commissioners present: Raeanne Danielowski, Jim Dickinson, Robert Eddy, Dave Gast, Doug Hayes, Mike Hayes, Chuck Heitz, Norm Leslie, and Jerry Parks.

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, City Planner/Community Economic Assistant Leslie Chmielewski and City Inspector Sam Rudd.

3. ADOPT AGENDA

Commissioner Dickinson motioned to approve the agenda with the addition of Item 5H Discussion of BLEDA Packet Distribution. Seconded by Commissioner Gast, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM MAY 11, 2009

Commissioner Dickinson motioned to approve the May 11, 2009 BLEDA minutes. Seconded by Commissioner Parks, unanimous ayes, motion carried.

5. BUSINESS

5A. SENIOR CENTER/FOOD SHELF REMODELING FUNDING DISCUSSION

Jim Thares stated the City Council has asked the EDA to revisit the senior center/food shelf remodeling project and invite the group's representatives to attend and discuss the space use and potential funding resources for the project. Sam Rudd, Big Lake Building Inspector, facilitated a tour of the proposed project area and discussed the remodel plans.

Darlene Lanz, gave a brief history of the senior group and discussed their participation in the remodel project. She noted there is support from senior members to staff the space but without a full-time coordinator they can't guarantee it will be open everyday of the week.

Commissioner Danielowski asked if the senior members felt their group would expand if they had a designated site in which Ms. Backlund responded she feels the number of group members would grow. Commissioner Heitz stated the expense of the remodel project could be justified if the space was open to any group.

Commissioner Leslie stated at the next Big Lake Township meeting, they would be discussing if they will consider funding part of the project as seniors from the Township would be using the space.

Commissioner Dickinson questioned if this project is the best use of funds at this time especially if the space was only open to the seniors. He stated although he is not opposed to a senior center, he questioned if a more appropriate time to proceed with the project is when the attendance numbers are up and there is confirmation that the space will be used a majority of the days. If EDA funds are being used, the space should be open to all groups.

Commissioner Danielowski asked for clarification on why EDA funds were considered to put in the funding mix. Corey Boyer, Finance Director, stated the senior center /food shelf remodel was on a list of potential projects to fund from proceeds of the east end of the Lake Center Shopping Mall.

Commissioner Dickinson questioned how the space would be furnished and if the seniors could foresee any issues with other groups using the space. Dick Backlund, on behalf of the senior group, stated he does not see any issues with other community groups using donated furnishings.

Commissioner Heitz motioned to recommend to the City Council to fund the full project with participation from the Food Shelf for its portion of the project and with the following conditions; the space would be open to other organizations, with the Seniors having priority use of the space; locked storage space would be provided/available for the more permanent users of the space; furnishings are to be provided by the Seniors & other organizations; and potential Township contribution would reduce the amount of the BLEDA's contribution. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

President Doug Hayes moved Agenda Item #5F, Resolution: Establish TIF District 1-5 and Adopt Tax Increment Financing Plan, and Agenda Item #5G, Development Agreement - Former American Legion Parcel (Krutzig), to this point of the meeting.

5B. RESOLUTION: ESTABLISH TIF DISTRICT 1-5 AND ADOPT TAX INCREMENT FINANCING PLAN

Jim Thares highlighted portions of TIF District #1-5 noting it is a proposed 25 year Redevelopment District that would facilitate the removal of blighted structures, extensions of utilities, excavation/site prep and eventual construction of a new bank and other commercial development at the corner of Highway 10 and County Road 43. He stated under the proposed redevelopment terms, the expected TIF obligations would be paid in 7 years if the site is developed as anticipated.

Commissioner Heitz motioned to recommend to the City Council approval of Resolution #2009-03 regarding the Development District 1 Modification and TIF District 1-5 plan. Seconded by Commissioner Eddy, the motion passed on a vote of 5 to 1 with 1 abstention, with Commissioners Danielowski, Eddy, D. Hayes, Heitz, and Parks voting aye, Commissioner Dickinson voting nay, and Commissioner Gast abstaining.

5C. DEVELOPMENT AGREEMENT- FORMER AMERICAN LEGION PARCEL (KRUTZIG)

Jim Thares briefly reviewed key terms of the proposed Redevelopment Agreement and answered questions of the EDA members. Commissioner Dickinson suggested possible options the EDA members consider to have the shortest possible TIF district.

Commissioner Danielowski asked for clarification on whether the parcels would not go back on to the tax roll until both Phase I and Phase II are complete in which Mr. Thares stated that was correct. Commissioner Dickinson raised his concerns on why there are two development groups for this project and suggested language be added to address what would happen if one of the LLC's dissolves.

Mike Krutzig's attorney, Brian Lecoule from Fredrickson & Byron, answered questions of the EDA members regarding approved future uses of the land and what the likely outcome would be if a portion of the development does not get completed.

Commissioner Dickinson motioned that the EDA provide a positive recommendation to the City Council regarding the proposed Redevelopment Agreement between Mr. Krutzig (and partners) and the City/BLEDA for the redevelopment of the old American Legion site and that Briggs and Morgan address the outstanding concerns of the EDA with Mr. Krutzig's attorney prior to the City Council meeting. Seconded by Commissioner Eddy, the motion passed on a vote of 6 to 0 with 1 abstention, with Commissioners Danielowski, Dickinson, Eddy, D. Hayes, Heitz, and Parks voting aye and Commissioner Gast abstaining.

5D. PROSPECTS REPORT

Leslie Chmielewski stated one site information packet was sent to a 50,000-60,000 square foot warehouse prospect. Staff will follow-up with the prospect in the coming weeks.

Mr. Thares updated EDA members of WNT and the Lake Shopping Center laundromat prospect.

5E. PROJECT STATUS REPORT

Leslie Chmielewski stated NSP information packets were sent out to applicants of the waiting list and area realtors and lenders. Also discussed was the Sherburne County Developer's Roundtable event on June 16th. One EDA member is asked to be present on the tour and during lunch. From 4 pm-6 pm of June 16th, a community education forum will be held for City Staff, Council and Commissioners on rail served industrial parks.

Commissioner D. Hayes motioned to set a special BLEDA gathering on June 16, 2009 from 4:00 p.m. to 6:00 p.m. for the BNSF Rail Industrial Park Community Presentation/Discussion located at the Sherburne County History Center. Seconded by Commissioner Dickinson, unanimous ayes, motioned carried.

Ms. Chmielewski stated the variance request for the Lake Shopping Center Sign was approved and construction on the sign will begin in the near future.

Mr. Thares updated members on the Marketplace East annexation request. Options for increasing the score on the Tax Credit application for Duffy Development Big Lake Homes Project was also discussed.

Commissioner Dickinson informed members that a sub-committee meeting was held with Pat Briggs and he is to present a pro-forma for his project before additional consideration would take place. Mr. Thares stated staff has not received the pro-forma at this time.

5G. DISCUSSION: CONSIDER DECERTIFICATION OF TIF DISTRICT 2-2

Corey Boyer stated TIF District 2-2 is scheduled for decertification on December 31, 2010 and staff is recommending early decertification as there is sufficient tax increment on hand to cover existing TIF obligations and there are no new planned TIF expenditures.

Commissioner Dickinson motioned for staff to prepare a Resolution for early decertification of TIF District 2-2 effective December 31, 2009 for consideration at the July EDA meeting. Seconded by Commissioner M. Hayes, unanimous ayes, motion carried.

5H. BLEDA BUDGET

Corey Boyer stated staff was informed that two of the four parcels that were previously in TIF District 2-1 have missed the first half of their tax payments.

The BLEDA budget was presented and staff answered questions of the Board.

5I. BLEDA PACKET DISTRIBUTION

Commissioner D. Hayes asked for member feedback regarding their experiences with receiving the BLEDA packet electronically. Additional suggestions of sending the packets included sending it in a TIFF format versus pdf. or creating a FTP site. Members suggested numbering Item pages in the future and including the recommended motion at the bottom of the page so members will not have to scroll back to the top.

6. OTHER

Mr. Thares answered questions regarding the funding packets which were sent to Representative Bachmann and Oberstar. Commissioner Eddy informed staff he would be willing to meet with Congressional Representatives in the future.

Commissioner Heitz gave a brief update on the progress of the Northstar Commuter Rail.

Mr. Thares stated LSA, a firm from Minneapolis, will be invited to a future EDA meeting to give their presentation on developing a master plan for the TOD site. The EDA may be asked to facilitate development in the future.

7. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 9:15 p.m. Seconded by Commissioner Danielowski, unanimous ayes, meeting adjourned.