

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, APRIL 9, 2007

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners present: Jim Dickinson, Robert Eddy, Dave Gast, Doug Hayes, Chuck Heitz, Lori Kampa, and Norm Leslie. Commissioners absent: Jim Sanford and Jim Zwilling.

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Economic Development Intern Sam Woods, Economic Development Assistant Sandy Petrowski, and Big Lake Township Officer Mike Hayes (attending as substitute for Commissioner Jim Sanford).

3. ADOPT AGENDA

Commissioner Heitz motioned to approve the agenda as presented. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM MARCH 12, 2007

Commissioner Dickinson motioned to approve the March 12, 2007 BLEDA minutes. Seconded by Commissioner Leslie, unanimous ayes, motion carried.

5. BUSINESS

5A. BIG LAKE INDUSTRIAL PARK EAST

President Hayes suggested that, for those items that are listed as "updates" on future agendas, the items should be discussed only if Commissioners have questions or comments on the meeting packet documentation.

5A-i. Update: Paragon Store Fixtures - For information only; no action required.

5A-ii. Update: Sunny Fresh Foods - For information only; no action required.

5A-iii. Update: Industrial Molded Rubber - For information only; no action required.

5A-iv. Update: Ataboy Building

Commissioner Gast inquired when the redemption period ends for this property; staff reported that the period ends on May 15, 2007, with an additional 7 day period to allow for the City's formal response. Mr. Thares stated that a meeting of the Industrial Park Expansion Project (IPEP) Committee will be scheduled prior to May 15th to discuss this issue and that staff would obtain BLEDA attorney's input and provide an update at the BLEDA's regular meeting on May 14, 2007. Mr. Thares also stated that staff will contact representatives from Ehlers & Associates for their input on this issue.

5A-v. Industrial Park Expansion Project

Mr. Thares reported that at their last meeting, the IPEP Committee asked the City Engineer to provide revised infrastructure layouts and cost estimates and also asked staff to conduct market research on comparables in the area; when this information is available, another meeting of the IPEP Committee will be called and a report will be brought back to the BLEDA. No action required or taken by the Board.

5A-vi. Industrial Projects at Big Lake Marketplace

Vision Bus: Mr. Thares reviewed information and layouts of the Vision Bus lot proposal. He further stated that a second review of the revised plans by the JPB will be held on April 10th and will be reviewed by the Council at their April 11th meeting. Mr. Thares reported that the revised plans do meet the ordinance requirements and that there is outside storage (for buses) planned, which will require a rezoning to I-2 and approval through a CUP.

Benchmark Logistics: Mr. Thares reported that Benchmark Logistics is still working on site and financial plans for its conceptual warehouse project.

Pete and Gail Ahrens: It was reported that staff had met with Mr. and Mrs. Ahrens to discuss a potential 429 road improvement project to create an industrial service road, which would include a portion of the project being located on the north edge of the Ahrens property. Mr. Thares stated that the City Engineer is working with the Ahrens to determine how 429 funding might work for their property. Commissioner Heitz stated that funding of a 429 is contingent on the Vision Bus project and 2 to 3 additional projects being included in order to move ahead with the 429. Mr. Thares stated that Benchmark has not yet closed on the property and that the 429 would be borne by the current property owner, Mr. Larry Palm. The City Engineer has shared information with Mr. Palm regarding the 429 process and is continuing negotiations in an attempt to come to agreements with all property owners, allowing the requirement for a public hearing to be waived. Mr. Thares also noted that a public hearing may be required for the Ahrens' property as it is not within City limits at this time.

5A-vii. Prospects Report - For information only; no action required.

5B. UPDATE: BIG LAKE PLAZA/LAKE SHOPPING CENTER

Mr. Thares noted that the earnest money has been received and staff is working with both Dr. Sealock on details to begin the vestibule project and with the laundromat project prospect; noting that Dr. Sealock was waiting until the plans for the laundromat project are finalized. He further stated that staff has received an inquiry on the vacant space next to the new liquor store as a potential location for a small sporting goods store. Commissioner Heitz stated that the vacant spaces at the Center should continue to be marketed in the chance that the current project with Dr. Sealock and the proposed laundromat project is not finalized.

It was the consensus of the Board to direct staff to meet with the BLEDA Attorney to draft a purchase agreement which includes a due diligence clause for Dr. Sealock.

Commissioner Kampa asked for a brief update on the status of the proposed pizza place. Mr. Thares reported that the lease has been executed, remodeling of the area has begun, and Consultant Building Official Fred Patch is coordinating quotes for the slight roof leak located above the pizza space.

Commissioner Leslie and Mike Hayes left the meeting at 7:25 p.m.

5B-i. Transfer of SAC Unit Credits & Establish Policy on Allocation of Credits

Community Economic Development Director Jim Thares reviewed the proposed policy for the transfer of SAC unit credits and allocation of credits, which the BLEDA, at their February 12, 2007 meeting, recommended that staff prepare and bring back for the Board's review. He further stated that this policy relates primarily to the impact of SAC charges for the laundromat that is proposed for Lake Shopping Center.

Commissioner Dickinson motioned to recommend that the City Council authorize the transfer of fourteen (14) SAC credits from the properties acquired for the extension of Humboldt Avenue to the BLEDA-owned properties at the Lake Shopping Center, with an understanding that the transferred credits will be for the sole purpose and use at the BLEDA-owned properties at the Lake Shopping Center Mall. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

5C. BUSINESS RETENTION & EXPANSION (BR&E) PROGRAM

Mr. Thares reported that: 1) the planning for the BR&E Program is going well; 2) the first Red Flags Review meeting has been scheduled for April 12th; and 3) firm visits were completed in March and early April. No action required by the Board.

5D. EDA BUDGET - For information only; no action required.

5D-i. Discussion: Proposed TIF Financial Assistance Program

Mr. Thares reviewed his April 6th memorandum regarding recent inquiries that staff has received from local businesses on potential expansion and/or building changes or from new firms which may be potentially interested in relocating to the City of Big Lake, and potential assistance programs for such companies that are currently available (i.e., MN Community Capital Fund, the Initiative Fund Program, SBA, etc.). He stated that staff was requesting that the BLEDA discuss issues/ideas and provide direction on whether or not there is an interest to pursue developing a potential TIF financial assistance program for potential businesses which do not fit into the currently available programs.

After discussing the current and alternative program options, it was the consensus of the Board to direct staff to continue to provide prospects with information on the existing programs that are currently available and to not pursue expansion into further alternative programs such as a TIF financial assistance program.

5E. APPOINTMENT TO NORTHSTAR TRANSIT ORIENTED (TOD) DEVELOPMENT COMMITTEE

Mr. Thares reported that, at the March 12th regular meeting, the BLEDA had postponed a recommendation on the appointment of two (2) BLEDA members to the Northstar Rail Transit Oriented Development (TOD) Committee until after the Council and Planning Commission determined which members they would be appointing, as there are BLEDA Members who also serve on the Council and Planning Commission. At their March 28th meeting, the City Council approved the creation of an eight-member TOD Committee consisting of two (2) representatives each from the Council and Planning Commission and one (1) representative each from the BLEDA, School Board, Chamber of Commerce, and a local bank.

Commissioner Dickinson motioned to recommend that BLEDA Commissioner Doug Hayes be appointed as the BLEDA representative on the Northstar Rail Transit Oriented Development (TOD) Committee. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5F. DOWNTOWN REDEVELOPMENT (HIGHWAY 10 & COUNTY ROAD 5)

5F-i. Update: 100 Eagle Lake Road North Property

Mr. Thares reported that staff has continued to work with appraisers to obtain the valuation of the final parcel(s) needed for site control at the corner of the proposed Highway 10 and Eagle Lake Road improvement project. He stated that, prior to the

May BLEDA meeting, staff would mail information regarding critical TIF timelines, planning steps, and proposed work and infrastructure improvement schedule(s) in the area for the Commissioner's review for discussion at the next meeting.

Commissioner Dickinson stated that it would be important to continue to inform prospects that this area is a "for sale" site and that a significant amount of the work and expense has been done, leaving very little to do at the site from a redevelopment assembly perspective as well as letting them know the due diligence date to be done (i.e.. number of days), otherwise another prospect will be considered.

5F-ii. Update: 140 and 200 Eagle Lake Road North Properties

Mr. Thares reported that the asbestos report exceeded 25% of the base bid and that staff has asked the contractor to obtain second asbestos bid. It was also discovered in the pre-demolition work that there is more than one well at both of these properties which will need to be dealt with through State process (i.e., remove or cap the wells), adding additional expense that will require an additional quote. No action require or taken by the Board.

5F-iii. Update: 210 Eagle Lake Road North Property

Mr. Thares reported that Economic Development Intern Sam Woods has researched information on the potential historic nature of the home on the property and possibilities of preserving and selling or leasing of the house at this property. It was noted that this property was not on any State or National list of historical significance.

Economic Development Intern Sam Woods reported that there are several options for the property, which was constructed in 1910 by a builder who also constructed several other homes in the area (i.e., possible grants for the City if it is determined that the home should be retained and moved to another location; and 2) State and Federal tax credits for new home owners who purchase the property to allow for the restoration of the property to more of the historical nature of the property). Mr. Woods briefly reviewed the options as contained on the presented Marketing List of the possibilities for preserving and selling or leasing the house at this site and asked the Board for direction on how staff should proceed on this issue.

After discussing potential options for this property, Commissioner Heitz motioned to advertise the sale of the home at 210 Eagle Lake Road for an amount of \$100, with the stipulations that the home is to be moved off the property by a certain date and that it can be relocated within the City limits. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

5F-iv. Update: 260 Eagle Lake Road North – It was noted that a purchase agreement has been signed for the purchase of manufactured home and garage located on this property and that both buildings will be removed from the property no later than June 1, 2007.

5G. PROJECTS STATUS REPORT – For information only; no action required.

5H. HOUSING MARKET ANALYSIS – COMPREHENSIVE HOUSING STUDY

Mr. Woods reported that the City of Big Lake has received notification that it has been awarded a \$10,000 Community Building Grant from the Minnesota Housing Partnership (MHP) for the purpose of assisting in the costs of completing a housing study and a housing action plan.

5I. DISCUSSION: I-2 ORDINANCE

Community Economic Development Director Jim Thares reported that the Big Lake Planning Commission, at their regular March meeting, requested that staff obtain the BLEDA's feedback on the proposed amendment of the current I-2 ordinance which would only allow outside storage, through a CUP, at a ratio of 200 percent of the size of the principal structure.

Commissioner Dickinson stated that a review of what other municipalities have done with auto dealers would possibly give an insight of how we can deal with the I-3. He further stated that one of his concerns with reviewing the proposal would be lot sizes within the I-3 areas, and that a minimum lot size would need to be set to avoid lots that are too small which would allow too many lots and too much crossover. President Hayes noted that the Planning Commission did discuss requiring performance standards for the building.

Commissioner Eddy stated that there is a difference in what is being stored outside when talking designating outside storage, dependent on whether it is a vehicle sales or school buses as compared to something else. He further suggested that another consideration could be to look at other standards for outside storage (i.e., an engineer-approved pad with roof overhead).

President Hayes allowed Mr. Phil Rondeau, of CentraSota Commercial, to provide his input on the proposed ordinance amendment. Mr. Rondeau stated that he believed a majority of industrial users are looking for outside storage, that certain properties would definitely warrant that type of use, especially with properties that have access to the rail, and not allowing outside storage may cause potential prospects to look to other communities. Mr. Rondeau also suggested that the City reconsider the I-3 zoning again to allow Big Lake to compete with some of the larger, surrounding communities.

Commissioner Dickinson stated that another option would be to allow exterior storage by the issuance of an Interim Use Permit (IUP) which would be tied to the specific owner's use of the property versus a Conditional Use Permit (CUP), which would attach to the property itself instead of the owner. Commissioner Eddy stated that conditions could be applied such as type of service, storage location (i.e., behind building), etc.

Mr. Rondeau suggested that the City reconsider I-3 zoning again to allow for flexibility that would allow outside storage without having to go through the IUP process. President Hayes indicated that I-3 zoning is a desire of the BLEDA. Mr. Hayes further stated the Board would like the I-1 and I-2 districts tightened up and have an I-3 district created so that there is one zoning class specifically for outdoor storage purposes.

Staff was directed to forward the discussed concerns/comments to both the Planning Commission and City Council.

6. OTHER

The Board briefly discussed with staff the marketing of Big Lake to potential business prospects; staff encouraged the Commissioners to forward the name of any company that they feel should be contacted.

Commissioner Dickinson left the meeting at 8:37 p.m.

Commissioner Heitz provided a brief update on the Commuter Rail meeting he attended earlier in the week.

7. ADJOURN

Commissioner Kampa motioned to adjourn the meeting at 8:40 p.m. Seconded by Commissioner Heitz, unanimous ayes, meeting adjourned.