

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

TUESDAY, JANUARY 11, 2005

1. CALL TO ORDER

City Administrator Patrick Wussow called the meeting to order at 7:01 p.m.

2. ROLL CALL

Commissioners present: Jim Dickinson, Robert Eddy (arrived at 7:05 p.m.), Robert Gardetto, Dave Gast, Chuck Heitz, Ewald Petersen, Jim Sanford, and Jim Zwilling.

Also present: City Administrator Patrick Wussow, Community Economic Development Director Jim Thares, City Attorney Brendan Flaherty, and Economic Development Assistant Sandy Petrowski.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM DECEMBER 14, 2004

Commissioner Heitz motioned to approve the December 14, 2004 BLEDA minutes with the minor typographical correction as discussed. Seconded by Commissioner Sanford, unanimous ayes, motion carried.

5. BUSINESS

5A. EDA SEAT VACANCIES / ORGANIZATIONAL APPOINTMENTS

Administrator Wussow stated that the Board is to appoint a President, Vice President, secretary, and treasurer for the upcoming year. He also reported that the Board currently has one open seat, that Jim Dickinson has submitted a letter of interest in the position, and this letter will be brought before the City Council for their consideration. Mr. Wussow stated that Mr. Dickinson would still be acting as the City Council's representative on the BLEDA Board and would be voting on issues for this meeting; it was reported that Mr. Dickinson's participation has been cleared with the City Attorney's office as the new City council members were not yet sworn in and would not be until Wednesday, January 12, 2005 at approximately 6:00 p.m. After the new Members are sworn in, the City Council will make an official appointment of a new Council representative for the BLEDA.

Commissioner Heitz moved to nominate Jim Dickinson to be EDA President for this meeting and the current year, if possible. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

President Jim Dickinson stated that the remaining appointments to be made were for the seat of Vice President and Treasurer, and asked for nominations.

Commissioner Heitz motioned to nominate and appoint Robert Gardetto to the seat of Vice President. Seconded by Commissioner Gast. Commissioner Gardetto accepted the nomination with reservations. The Board discussed tabling the nomination until the February meeting so that the Council Member who is appointed as Council representative for the EDA Board can be in attendance and participate in the election of the Vice President. Commissioner Heitz withdrew his nomination.

Commissioner Eddy motioned to nominate and appoint Dave Gast to the seat of Treasurer. Seconded by Commissioner Zwilling. Commissioner Gast accepted the nomination. Unanimous ayes, motion carried.

Commissioner Eddy asked for clarification on whether or not there was a Secretary position on the EDA Board. Administrator Wussow reported that he serves as the Executive Director of the Board as well as the Secretary. He also stated that staff could research the language of the enabling resolution, revise the document to clarify the Secretary and Executive Director positions as necessary, and provide a revised resolution for the Board's consideration at their February meeting. It was the consensus of the Board to direct staff to review and update the enabling resolution as discussed and to bring back for consideration and action at the February meeting.

5B. BIG LAKE INDUSTRIAL PARK EAST

5B-i. Engineering Issues

Economic Development Director Jim Thares briefly reviewed the January 6th memorandum from City Engineer Brad DeWolf which addressed some drainage and erosion concerns in the Big Lake Industrial Park East. It was also reported that the City Engineer is preparing a preliminary cost estimate to have the drainage and erosion deficiencies remedied, and that the estimate will be submitted for consideration at the February BLEDA meeting.

5B-ii. Property Tax Issues; ATABOY

Mr. Thares reported that A-Boy Properties, LLC, is delinquent on their 2004 property taxes for the entire year and he reviewed two remedies on default that could be taken by the Board. It was staff's recommendation to send notification to A-Boy Properties, LLC. It was also noted that A-Boy Properties, LLC, are also at least two (2) payments behind on their loan.

After discussion, Commissioner Gast motioned to direct staff to send notification to A-Boy Properties, LLC, giving 30 days to cure the default or the Authority will consider all of the available options and will take actions including, but not limited to: 1) termination of the Development Agreement and/or the Note; or 2) take whatever action, including legal, equitable, or administrative action which may appear necessary or desirable to the Authority to collect any payment due under the Development Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under the Development Agreement. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

5B-iii. Approve Transfer Between TIF 2-2 and TIF 2-1

Mr. Thares reviewed Finance Director Corey Boyer's January 5th memorandum pertaining to the deficit in TIF District 2-1 and the remedies that are available to address this issue. It is staff's recommendation that the Authority approve the transfer of \$5,571.53 from TIF District 2-2 to TIF District 2-1.

Commissioner Petersen motioned to approve the transfer of \$5,571.53 from TIF District 2-2 to TIF District 2-1 in order to correct the existing deficit in TIF District 2-1. Seconded by Commissioner Gardetto, unanimous ayes, motion carried.

5B-iv. Update: John Weicht & Assoc. Project

Mr. Thares provided a brief update on the progress of this project; the project is near completion and the first tenant, Anytime Fitness, will hold its grand opening on January 14th. No action required or taken.

5B-v. Prospect Report

Mr. Thares reported that Industrial Molded Rubber Products is considering the City of Big Lake as one of the potential locations for the relocation of their facility and that several staff and BLEDA members attended a tour of their 35,000 sq. ft. Plymouth facility on December 22nd. He also briefly reported on staff's visit to Pumpworks and the potential for a 40,000 sq. ft. facility.

5C. FEBRUARY MEETING DATE CHANGE

Mr. Thares reported that the BLEDA's December motion to move their regular meetings to the third Monday of each month was to begin in February; however, due to President's Day falling on that day (February 21st), the February meeting will need to be rescheduled.

Commissioner Heitz motioned to reschedule the February BLEDA meeting to Tuesday, February 22nd, at 7:00 p.m. Seconded by Commissioner Gardetto, unanimous ayes, motion carried.

Commissioner Petersen stated his comments on the handout on information received from Sherburne County Planner Jon Sevald on Mr. Fabio Lopez's presentation to Sherburne County on an industrial park development sketch proposed for property located north of U.S. 10 and south of the BNSF railroad tracks.

Mr. Petersen also commented on the handout on the Northstar project and the e-mail he received concerning the potential development/funding for an all-purpose sports facility.

Commissioners Petersen and Sanford left the meeting at 7:44 p.m.

5D. DOWNTOWN REDEVELOPMENT

5D-i. South Highway 10 Redevelopment Project

Mr. Thares reviewed Economic Development Specialist Alex Wikstrom's December 28th memorandum on the South Highway 10 stakeholders meeting held on December 15th. He also briefed the Board on the next meeting which is scheduled for January 19th. No action required or taken by the Board.

Mr. Thares discussed the a possible update to the Streetscape to include the addition of decorative street lights as part of the City's Putnam Avenue frontage road project and asked for the Board's comments.

Administrator Wussow briefly discussed with the Board an issue of two types of streetlights that have been installed in the Big Lake Marketplace project. He stated that the smaller decorative lighting (with banners) was not authorized by the City. Mr. Wussow asked that the Board discuss this topic at the next meeting to determine if this dual lighting is what is desired in the Industrial Park. It was the consensus of the Board to add this issue to the February meeting agenda and for the Board Members to visit the Big Lake Marketplace site prior to the meeting to view the type of lighting in question.

5D-ii. Eagle Lake Road to Fern Street Project

Mr. Thares provided a brief review of Mr. Wikstrom's January 6th memorandum on the redevelopment process. He reported that it is possible that the Council may discuss the redevelopment process and issues at a future Council workshop.

5D-iii. Activity Report - Alex Wikstrom

The Board reviewed and discussed items included in Mr. Wikstrom's December 27, 2004 activity report. No action required or taken.

5E. UPDATE: LAKE STREET COTTAGES PROJECT

Mr. Thares reported that bids from the two potential developers, Scott Springer of Springer Builders and D.J. Bakken of Bakken Builders, have not been submitted to-date and that staff is working with each to obtain bids on this project. It was reported that there is another developer, Don Deuel of Don Deuel Construction, who may be interested in this type of project. Staff was directed to provide Mr. Deuel with a project information packet.

5F. R-5 HOUSING STUDY REVIEW

Mr. Thares stated this item is before the Board due to the City Council's December 8th motion to direct the BLEDA to undertake the study/research efforts related to Mr. Doug Uhrhammer's concerns in the R-5 zone as it relates to redevelopment efforts. The Board and staff discussed Mr. Uhrhammer's concerns as well as consideration of a possible revision to the housing study. It was the consensus of the Board to direct staff to prepare, for the Board's consideration at a future meeting, information on the process and costs of revising the housing study.

5G. PROJECTS STATUS REPORT

Mr. Thares briefly reviewed several items on the report and answered questions of the Board. No action required or taken.

5H. EDA BUDGET

The Board and staff briefly reviewed the budget provided by Finance Director Corey Boyer. The Members discussed the idea of setting aside approximately one to two year's worth of net rental income from the Lake Plaza building as a reserve for needed future improvements. Staff was directed to research this potential and report back to the BLEDA at a future meeting.

6. OTHER

Mr. Thares reviewed the January 11th memorandum pertaining to a prospective future tenant for the Lake Plaza Mall. He explained that this prospect is interested in opening a business-type youth center (i.e., game arcade/coffee & juice bar). Staff requested the Board's input on having this type of business located in the mall area. After a lengthy discussion, it was the consensus of the Board to direct staff to inform the prospect that the BLEDA Board would not be in favor of a youth-type center being located in the Lake Plaza Mall should a vacancy become available in the future but that location in another part of the City would be acceptable and/or encouraged.

7. ADJOURN

Commissioner Gardetto motioned to adjourn the meeting at 8:37 p.m. Seconded by Commissioner Heitz, unanimous ayes, meeting adjourned.