

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
MONDAY JANUARY 11, 2010

1. CALL TO ORDER

Community Economic Development Director Jim Thares called the meeting to order at 7:00 p.m.

2. ROLL CALL

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

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, City Planner/Community Economic Assistant Leslie Dingmann.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM DECEMBER 14, 2009

Commissioner Dickinson motioned to approve the December 14, 2009 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5. BUSINESS

5A. BLEDA MEMBER TERM EXPIRATION & ELECTION OF OFFICER POSITIONS

5A-i. Appointment to Expired BLEDA Seat

Mr. Thares noted that Commissioner Doug Hayes' term expired December 31, 2009 and that Commissioner D. Hayes has indicated his interest in being re-appointed to the BLEDA for another 6-year term.

Commissioner Danielowski motioned to recommend that the City Council re-appoint Doug Hayes to fill the one (1) vacant position (seat "C") for a 6-year term as a Commissioner of the Big Lake Economic Development Authority (BLEDA), effective January, 2010. Seconded by Commissioner Parks, unanimous ayes, motion carried.

5A-ii. Discussion: Election for BLEDA Officer Positions

Commissioner Heitz reviewed the BLEDA officer positions held in 2009: President (Doug Hayes), Vice President (Chuck Heitz), Treasurer (Dave Gast) and Secretary (Jim Thares). All of the current officers expressed interest in remaining Officers in 2010.

Commissioner Dickinson motioned to appoint the current officer positions for 2010 as discussed, contingent upon the City Council's recommendation to re-appoint Doug Hayes to the BLEDA for another 6-year term. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5B. RESCHEDULE OCTOBER 2010 BLEDA MEETING DATE

Mr. Thares stated that the October 2010 BLEDA meeting needs to be rescheduled due to Columbus Day falling on the regularly scheduled meeting date of October 11, 2010.

Commissioner Dickinson motioned to reschedule the October 2010 BLEDA meeting to Tuesday, October 12, 2010. Seconded by Commissioner Leslie, unanimous ayes, motion carried.

5B-i. 2010 BLEDA Meeting Date Schedule - Presented for information only.

5C. 2010 BIG LAKE BUSINESS EXPO

5C-i. Consider Participation in Council/BLEDA Booth

Mr. Thares stated that the 2010 Big Lake Business Lake Expo is scheduled for Sunday, March 7th from 11:00 a.m.- 3:00 p.m. at the Big Lake High School. He noted that in the past, the BLEDA and City Council have shared the cost of staffing a booth at the Expo. This year's fee is \$175.00 for registration and \$25.00 for a skirted table. If paid by February 5th, the City would receive a discount of \$25.00.

BLEDA Members were asked to contact Economic Development Assistant Sandy Petrowski on their availability to staff the booth at the Business Expo.

Commissioner Dickinson motioned to approve a 50% contribution of \$87.50 for the registration fee for participation in the 2010 Big Lake Business Expo. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5C-ii. Schedule Special Meeting Date

Commissioner Dickinson motioned to set a Special BLEDA Gathering on Sunday, March 7, 2010 from 11:00 a.m.- 3:00 p.m. for the 2010 Big Lake Business Expo. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5D. UPDATE: BIG LAKE RAIL PARK

Mr. Thares gave a brief update on progress made on the Big Lake Rail Park proposal. Mr. Boyer stated that the cost of the project is approximately \$4 million and that the City would normally require a FDIC insured bank to back the security. Staff met with the developer to discuss a draft a schedule of the project and gave them appropriate applications. Mr. Thares stated he will be contacting Sherburne County Administrator Brian Bensen to request to be added to the last County Board meeting in January to discuss the project.

Finance Director Corey Boyer stated that staff met with Ehler's and Associates and County representatives, and he informed BLEDA Members that the 429 bonding process would be the most feasible option if the City opted to participate in the project.

Commissioner Danielowski questioned what the estimated total project cost for the project is and what security requirements would be necessary. Mr. Boyer stated that the cost of the project is approximately \$4 million and that the City would normally require an FDIC insured bank to back the security. However, in conversations with the developer, alternative options were proposed, such as the use of private investors, as banks are not willing to participate in land development projects at this time.

Commissioner Heitz questioned when in the project timeline would the City Council be formally presented with the 429 bond process; Mr. Boyer stated approximately the 5th or 6th month of the project timeline.

Commissioner Danielowski asked if staff had met with the developer and prospect. Mr. Thares stated staff has asked the developer to set up a formal meeting as this would be next step. He also pointed out that, if the prospect is proposing to create a high number of jobs and investment, representatives from Minnesota DEED would be notified.

Commissioner Dickinson noted his concern over the security requirements and type of security the developer is proposing. If the project is not backed by a regulated institution, he stated his hesitation to move forward with the project. Commissioner Heitz agreed that there is a legitimate concern with the proposed security arrangement. Mr. Thares stated staff is looking into other types of funds to help bring down the overall cost of the project. A meeting has been set for the end of January to discuss the project with legislative representatives.

Commissioner Danielowski questioned if the City has ever hired a professional lobbyist to help move projects forward. Mr. Thares stated that the developer did meet with a lobbying group last week and will discuss with City Engineer Brad DeWolf as he has had experience working with professional lobbyist in the past.

5E. NEIGHBORHOOD STABILIZATION PROGRAM (NSP): 750 LAKE STREET N.

Mr. Thares stated staff has been informed that NSP dollars would not be allowed for the acquisition of 750 Lake Street North but the demolition and redevelopment activities would still qualify. He reviewed available funds from past housing programs and requested that the BLEDA consider using those funds to cover the acquisition portion of this property.

Commissioner Dickinson motioned to recommend to the City Council consolidation of available funding for purchasing the home located at 750 Lake Street North. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5F. PROJECTS STATUS REPORT

Leslie Dingmann stated that the City purchased the home located at 1070 Powell Street this morning and that the St. Cloud HRA will be inspecting the home to determine if it is more cost effective to rehabilitate the home or redevelop the home.

Commissioner Heitz asked for clarification on the process on how the City will sell the lots once the home has been demolished. Mr. Thares stated a Request for Proposal would be sent out to area contractors for the design and construction of a new home. Commissioner Danielowski suggested that a home style be picked out before the RFP's are sent so the contractors would be bidding on the same type of home. Mr. Thares stated staff would consider this process.

5G. BLEDA BUDGET

Commissioner Danielowski requested an update on the delinquent payments from Janice's Salon and the Lake Café. Mr. Boyer stated that no payments have been received and that phone calls have been made to RiverWood Bank on behalf of the Lake Café and phone messages have been left for Janice's Salon, noting that staff could send a notice to the businesses and begin the process to remedy the situation.

Commissioner Gast asked to review the loan documents to determine what the penalty is for late payments. Commissioner Heitz suggested staff personally call the business owners as a last attempt to collect late payments.

6. OTHER

6A. DISCUSSION: BLEDA GOALS FOR 2010

Mr. Thares reviewed the BLEDA accomplishments for 2009 and priorities for 2010.

Commissioner D. Hayes suggested that, in addition to the priorities listed, staff also look into the cost of hiring a professional lobbyist for the Rail Park project.

Commissioner Heitz stated efforts to attract businesses to the Industrial Park should be focused on in 2010.

Commissioner Danielowski suggested additional goals such as marketing all city properties, the creation of a community map, and seeking transportation options for the Northstar Station.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 7:55 p.m. Seconded by Commissioner Leslie, unanimous ayes, meeting adjourned.