

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, MAY 8, 2006

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 7:01 p.m.

2. ROLL CALL

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

Also present: Assistant City Administrator Scott Johnson, Finance Director Corey Boyer, Economic Development Assistant Sandy Petrowski, and Economic Development Intern Katie Blakeslee.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM MARCH 16, 2006

The March 16, 2006 meeting minutes will be reviewed and approved at the June BLEDA meeting.

5. APPROVE BLEDA MEETING MINUTES FROM APRIL 20, 2006

Commissioner Dickinson motioned to approve the April 20, 2006 BLEDA minutes. Seconded by Commissioner Petersen, unanimous ayes, motion carried.

6. BUSINESS

6A. BIG LAKE INDUSTRIAL PARK EAST

6A-i. ATABOY Mfg, Paragon Store Fixtures

ATABOY Mfg: Assistant City Administrator Scott Johnson provided a brief update: 1) they have merged with IFI out of Howard Lake and have listed the 20,000 sq. ft. building with Meyer Commercial, St. Cloud; 2) the BLEDA Attorney is reviewing the development agreement and loan agreement to determine if any action is required by BLEDA.

Paragon Store Fixtures: Mr. Johnson reported that staff met with the owner of Paragon, officials from MnDEED and MCCF to review potential alternative financing programs for the 25,000 sq. ft. expansion proposal.

6A-ii. Industrial Park Expansion Project

Mr. Johnson reviewed Community Economic Development Director Jim Thares' April 14th memorandum regarding prospects that are currently involved in site searches within the City. He reported that staff and the owners of the potential industrial property concur that it is best to wait until the site searches play out.

President Doug Hayes reported that a meeting of the Industrial Park Expansion Project Committee has been scheduled for Wednesday, May 10, 2006 at 7:00 a.m.

6A-iii. Prospects Report

The Board briefly reviewed the Prospects Report. No action required or taken.

6B. PROJECTS STATUS REPORT

Assistant City Administrator Scott Johnson reviewed the May 2006 Projects Status Report distributed at the meeting and answered questions of the Board. No action required or taken.

6C. EDA BUDGET

Finance Director Corey Boyer answered questions of the Board.

Commissioner Heitz asked if there had been any recent activity with the Acquisition/Demolition Program. Commissioner Dickinson stated that, in the past, Board Members provided property addresses to staff that were thought to be qualifying structures under the Program and then staff would research the property to determine if it met the Program's criteria. It was recommended that the Board submit addresses of questionable properties for staff's review and determination.

Commissioner Petersen reported that an issue may be brought forward at the upcoming Joint Township/City meeting regarding some Town Board Members not being happy about reading City initiatives in the newspaper when they involve the Township, especially before they happen.

Commissioner Petersen also provided a brief update on Northstar.

Commissioners Petersen and Sanford left the meeting at 7:18 p.m.

6D. BIG LAKE PLAZA

6D-i. Update

Assistant City Administrator Scott Johnson reviewed his April 19th memorandum regarding: 1) closing took place for the sale of the 4,000 sq. ft. portion of Lake Plaza Mall to Chuck and Cynthia Hultman; 2) staff is working with Mike Krutzig on the mid-May sale of the unit #3 (3,768 sq. ft.) portion of the mall; 3) staff is continuing to work with potential buyers for the 10,990 sq. ft. portion on the east end of the mall; and 4) all parties who have purchased a space have agreed to enter into a Common Interest Community (CIC) Agreement for their spaces.

Mr. Johnson also briefly reviewed: 1) City Planner Ned Noel's April 28th Planning Report on the Mall CIC Preliminary Plat and CUP/PUD which was approved by the Planning Commission on May 3rd and will be considered by the City Council at their May 10th meeting; and 2) the information provided on the May 2nd Special City Council meeting.

6D-ii. EDA Sinking Fund Discussion

Finance Director Corey Boyer reviewed his May 4th memorandum regarding bids received on the façade improvement project on the Lake Plaza Mall and the potential funding sources available to address the higher than anticipated costs for this project. He reported that one identified source was the EDA Sinking Fund which currently has \$59,230.53 available. He also noted that when the east end of the mall is sold, there will no longer be a need for the sinking fund as the purpose of the fund was to have a source of money for any unexpected building maintenance items that arise. Mr. Boyer stated that staff was requesting the Board's approval to utilize \$50,000 of the Sinking Fund balance towards the façade improvement project.

Commissioner Dickinson motioned to approve the use of \$50,000 of the EDA sinking fund towards the façade improvement project on the Lake Plaza Mall. Seconded by Commissioner Gast, unanimous ayes, motion carried.

6E. DOWNTOWN REDEVELOPMENT

6E-i. Eagle Lake to Fern Street Redevelopment Project

Assistant City Administrator Johnson provided a brief update on the following residential properties within this project:

200 Eagle Lake Road - the closing on this property took place on May 4, 2006.

220 Eagle Lake Road North – the BLEDA Attorney is working with the previous owners to rectify the current rental situation and staff is working with renters to bring rent payments current.

140 Eagle Lake Road North – staff was contacted by the property owners to ask if the City/BLEDA would be interested in acquiring their property. Staff is requesting BLEDA's authorization to negotiate a purchase price for this property.

After some discussion on a potential purchase price and relocation costs, Commissioner Gast moved to authorize staff to begin negotiations with the owners of 140 Eagle Lake Road North, at a purchase price of \$208,000, with a cap of \$215,000, plus reasonable relocation costs. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

6E-ii. Putnam Avenue South Redevelopment Project

Mr. Johnson reviewed the information regarding the Developer's (City Places, LLC) recent termination of the purchase agreements with the four property owners on the Putnam Avenue block. It was reported that the developer remains interested in projects in Big Lake, specifically in Putnam Avenue and the Eagle Lake Road area, and is open to direction from BLEDA on where the priority areas for redevelopment are within the core of the City.

Commissioner Gast summarized that the City/BLEDA has purchased two residential properties and one commercial building, and are considering the purchase of another residential property which would make it difficult for the City/BLEDA to back away and state it is not the right time for redevelopment.

Assistant City Administrator Johnson stated that the Finance Director is in the process of drafting a comparison of what the City's investment currently is for the Putnam Avenue and Eagle Lake Road projects.

It was the consensus of the Board to have this issue discussed at the upcoming Joint Workshop with the City Council on May 24th.

6E-iii. Downtown Redevelopment Priorities and Processes

Assistant City Administrator Johnson reported that the information provided by Mr. Thares to inform everyone about RFP, RFQ, and different potential redevelopment processes that the City has available. No action required.

6E-iv. TIF 1-4 Modification

Finance Director Corey Boyer reported that this item was to request the Board's approval of two (2) Resolutions to resolve the issue of a parcel that was inadvertently left off of the parcel list for TIF District 1-4: 1) one resolution would remove the omitted parcel from TIF District 1-1; and 2) one resolution would add the parcel to TIF District 1-4, as was originally intended when TIF District 104 was established.

Commissioner Dickinson motioned to approve Resolution #2006-02, Resolution Approving the Elimination of Parcels from Tax Increment Financing District No. 1-1 Within Municipal Development District No. 1 in the City of Big Lake. Seconded by Commissioner Gast, unanimous ayes, motion carried.

Commissioner Dickinson motioned to approve Resolution #2006-03, Resolution Adopting a Modification to the Development Program for Municipal Development District No. 1 and a Modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 104. Seconded by Commissioner Gast, unanimous ayes, motion carried.

6F. CALL JOINT MEETING

Mr. Johnson reported that staff is requesting that the BLEDA call a Joint Meeting with the City Council on Wednesday, May 24, 2006, at 5:30 p.m. in the City Council Chambers to discuss and prioritize redevelopment projects in the City of Big Lake.

President Hayes motioned to schedule a Joint Meeting of the BLEDA with the Big Lake City Council on Wednesday, May 24, 2006 at 5:30 p.m. in the Big Lake City Council Chambers. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

6G. CITY HALL EDA LEASE REVENUE BOND

Mr. Boyer reported that the BLEDA Attorney is finalizing the documents to transfer ownership of the City Hall building from the BLEDA to the City and is asking the BLEDA to authorize the BLEDA President and Executive Director to sign any and all documents necessary to transfer ownership.

Commissioner Gast motioned to authorize the BLEDA President and Executive Director to sign any and all documents necessary to transfer ownership of the City Hall building from the BLEDA to the City. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

6H. COMPREHENSIVE HOUSING STUDY

Assistant City Administrator Scott Johnson briefly reviewed City Planner Annie Deckert's May 1st memorandum on the 1995 Big Lake Housing Strategic Plan as well as staff's request for the BLEDA's feedback and direction on possible funding for having a Comprehensive Housing Study completed in 2007.

It was the consensus of the Board to direct staff to draft an RFP for the study.

7. OTHER

President Hayes briefly reviewed the Building Permit report with the Board.

Assistant City Administrator Johnson provided a brief update on the property located at 330 Ormsbee. He reported that staff has not been successful in negotiating with the current owner of the property. After a brief discussion, it was the consensus of the Board to direct staff to inform the property owner that if he is not willing to work with the City/BLEDA to resolve this issue, then the City/BLEDA would proceed with hazardous abatement against the property. Staff will keep the Board apprised of any progress.

8. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 7:54 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.