

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**

**MEETING MINUTES**

**MONDAY, JUNE 11, 2007**

**1. CALL TO ORDER**

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

**2. ROLL CALL**

Commissioners present: Robert Eddy (arrived at 7:11 p.m.), Doug Hayes, Chuck Heitz, Lori Kampa, Norm Leslie, Jim Sanford, and Jim Zwilling. Commissioners absent: Jim Dickinson and Dave Gast.

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Economic Development Intern Sam Woods, and Economic Development Assistant Sandy Petrowski.

**3. ADOPT AGENDA**

Commissioner Sanford motioned to approve the agenda with the addition of Item #6A, Request for Location to Sell Fireworks. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

**4. APPROVE BLEDA MEETING MINUTES FROM MAY 14, 2007**

Commissioner Heitz motioned to approve the May 14, 2007 BLEDA minutes. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

**5. BUSINESS**

**5A. UPDATE: BIG LAKE PLAZA/LAKE SHOPPING CENTER**

**Sale of East End of Shopping Center**

Mr. Thares reported that staff had met with Dr. Sealock regarding his proposed acquisition of the available BLEDA-owned space located at the east end of the Shopping Center and that both parties had come to a tentative agreement regarding price and the key terms for his proposed acquisition of the property; it was noted that staff had not yet received comment/response from Dr. Sealock's attorney with regards to his review of the tentative agreement.

It was further reported that Dr. Sealock was in the process of obtaining a second quote for the HVAC upgrades to the space to ensure accurate cost estimates and that staff is recommending approval of the negotiated purchase price agreement with a price of \$775,505.00, along with any adjustment deemed necessary from the 2<sup>nd</sup> HVAC quote.

Commissioner Heitz motioned to accept the offer for purchase in the amount of \$775,505.00, contingent upon the BLEDA Attorney's review and acceptance of any changes submitted by Dr. Sealock's counsel. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

**5A-i. Sign Issue**

Community Economic Development Director Jim Thares reported that Mr. Chuck Hultman and Mr. Mike Krutzig, both owners of property located at the Lake Shopping Center, have submitted a written request for the City to allow for the use of the smaller free-standing sign that is located at the Center and that staff recommends that the BLEDA work with the owners to allow for the temporary use of this sign until final plans are completed to upgrade the large free-standing sign at the Center.

Commissioner Kampa requested that the plans for the sign be reviewed by the Board before it is displayed/installed. Mr. Thares stated that the plans will be provided for the Board's viewing. Staff also clarified that all of the businesses at the Center would have an opportunity to use the large temporary sign, with the intent being that both signs would be refurbished for use by the entire plaza businesses; however, staff would need to review what the goal is of the CIC in regards to this issue.

Commissioner Eddy arrived at 7:11 p.m.

It was the consensus of the Board to direct staff to provide plans (i.e., samples of what type of signs, the length of the "sunset" on the use of the temporary sign, the lease exhibit) for review at the next BLEDA meeting.

**5B. DOWNTOWN REDEVELOPMENT (HIGHWAY 10 & COUNTY ROAD 5)**

**5B-i. Relocation Services Proposal – SRF Consulting Group, Inc.**

Mr. Thares reported that staff had requested and received a proposal from SRF Consulting Group, Inc. to provide relocation services for one (1) business (located at 100 Eagle Lake Road North) and two (2) single-family residential occupants (located at 210 and 300 Eagle Lake Road North) within the City at a cost not to exceed \$10,000.00.

Commissioner Heitz motioned to approve the proposed quote received from SRF Consulting Group, Inc. to provide relocation services to the properties located at 100 Eagle Lake Road N., 210 Eagle Lake Road N., and 300 Eagle Lake Road N., at a total cost not to exceed \$10,000.00 and with the addition that a fee schedule be attached to the quote. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

Continued Discussion: Sale of East End of Shopping Center: Upon Dr. Sealock's arrival at the meeting, Mr. Thares provided a brief explanation of what was discussed earlier with regards to the HVAC quotes and the offer for purchase of the available space. Dr. Sealock discuss his preference for having the HVAC units located on the ground instead of the rooftop units as well as there being terminology in the agreement to allow access to the building. Administrator Scott Johnson stated that staff would contact the BLEDA attorney regarding the review of Dr. Sealock's attorney's comments to the purchase agreement and to amend the language of the purchase agreement with regards to building access.

Dr. Sealock briefly discussed if it was possible to consider allowing electronic message board for the entire community's use, rather than the sole use of the Lake Center business owners. Mr. Johnson stated that an electronic message board may be a possible option to consider. Mr. Thares stated that the message board issue would also need to be addressed with the CIC.

#### **5B-ii. Contract for Site Clean-up Quotes – 260 Eagle Lake Road North**

Economic Development Intern Sam Woods reported that the BLEDA has acquired the property located at 260 Eagle Lake Road North, which has since had the modular home and garage removed, and that staff is asking the BLEDA to consider the quotes received for the clean-up of the property and to enter into a contract for the clean-up services (i.e., removal/in-fill/grading of driveway, garage foundation/slab, fill of the basement, foundation and driveway, and the disposal of junk, refuse, and debris). It was noted that the quotes did not include investigation or abatement of regulated waste (asbestos, etc.) as this has been deemed a non-requirement of this site.

The Board reviewed the five (5) received quotes and discussed the price differences in the quotes, questioning whether or not each quote was for the identical clean-up services. Due to the uncertainty that each quote included all of the necessary clean-up services (i.e., removal/in-fill/grading of driveway, sidewalk, and garage foundation/slab, fill the basement with sand and cover with black topsoil, cap the sewer/water, fill/cap the sand point well, and dispose of junk, refuse, and debris), it was the consensus of the Board that a request for re-bid for the clean-up of the property and an updated spec sheet be forwarded to each of the five (5) bidders asap, requesting them to respond with a re-bid for the specified clean-up services or confirmation that their original bid includes all of the necessary services. Commissioner Eddy also suggested that future requests for quotes should include the wording that each spec item is "compliant", to ensure comparable bids.

Commissioner Heitz motioned to recommend having the clean-up project for 260 Eagle Lake Road North re-bid per a spec sheet that includes the clean-up services as discussed, to forward the re-bids to the City Council for consideration at a future meeting, and to request Council's approval of the lowest re-bid quote and authorization for the BLEDA to enter into a contract with the lowest bidder. Seconded by Commissioner Hayes, unanimous ayes, motion carried.

**5B-iii. Update: Redevelopment Project**

Mr. Thares reported that staff had recently met with Nelson Development, who is very interested in pursuing a redevelopment project in the Eagle Lake Road North/Highway10 area, and who would be contacting neighboring property owners to inquire about working together on a project in this area. Another meeting is scheduled for the end of June to further discuss the process of moving forward with a project and staff will provide an update at the July BLEDA meeting.

**5C. PROJECTS STATUS REPORT**

Mr. Thares briefly reviewed the report and answered questions of the Board.

**5D. EDA BUDGET**

Mr. Thares reviewed the budget information provided by Finance Director Corey Boyer and answered questions of the Board. President Hayes requested that future budgets include a separate sheet of land holdings.

**5E. BIG LAKE INDUSTRIAL PARK EAST**

**5E-i. Update: Paragon Store Fixtures / Sunny Fresh Foods / IMR**

Paragon Store Fixtures: Mr. Thares reported that landscaping work is being completed and staff continues to work with Paragon on financial documents for loans and TIF papers.

Sunny Fresh Foods: Commissioner Sanford provided a brief update on the new line that is running at the Sunny Fresh Foods facility. It was the consensus of the Board to direct staff to contact Sunny Fresh Foods representatives to schedule a tour of the new line to observe its operation.

Industrial Molded Rubber (IMR): Mr. Thares reported that there had been a small fire at the facility which was restricted to a dust collector.

**5E-ii. Update: Ataboy Building**: Information only; no action required or taken.

**5E-iii. Prospects Report**: Information only; no action required or taken.

**5E-iv. Industrial Park Expansion**

Mr. Thares reported that staff has provided information to the City attorney's office and requested that a purchase agreement be drafted for the purchase of the Bruggeman property (noting that the City Council approved the purchase at their May 23<sup>rd</sup> meeting). An update will be provided at the BLEDA's July meeting.

**5F. DISCUSSION: SHERBURNE COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

Mr. Thares reviewed Sherburne County Brian Bensen's response to the issues raised by the BLEDA at their May meeting regarding the formation of a Sherburne County EDA. After a short discussion, it was the consensus of the Board to direct the BLEDA attorney to review Mr. Bensen's May 15<sup>th</sup> response and provide input/comments to the BLEDA at their July 9<sup>th</sup> regular meeting.

**5G. UPDATE: NORTHSTAR TRANSIT ORIENTED DEVELOPMENT (TOD)**

Mr. Thares reported that the TOD Committee is scheduled to meet on June 20<sup>th</sup> and will tour the Transit Oriented Development area in Ramsey, Minnesota.

**5H. MARKETING AND COMMUNICATIONS PLAN: REVIEW AND DISCUSSION**

Mr. Thares stated that this item is before the BLEDA for a 2<sup>nd</sup> time for review and an opportunity to provide input.

City Administrator Scott Johnson stated that this issue was brought up by the City Council to have a coordinated effort to market the City, noting that the proposed plan coordinates all of the efforts on how to market the City. Commissioner Kampa questioned the need for a marketing plan when the City's Economic Development Department already works towards marketing the City and the Chamber of Commerce had been involved in past marketing of the area. Mr. Johnson noted that the proposed plan is focused on a much larger realm/scope of marketing for the City and that it is anticipated that the Chamber will be asked to take part in the marketing. President Hayes stated that the City needs to draw people to the area and that he feels Big Lake is "an undiscovered gem".

It was the consensus of the Board to direct staff to work with President Hayes to provide the proposed Plan to the Chamber of Commerce for their review/comments, and to bring back a revised plan for the BLEDA's review at a future meeting. It was requested that a copy of the City's parks/trails map be provided in the July BLEDA meeting packet.

## **6. OTHER**

### **6A. REQUEST FOR LOCATION TO SELL FIREWORKS**

Mr. Thares reported that Pyro Tech, a Minnesota retailer, has requested permission to utilize the BLEDA-owned space located along the north side of Hwy 10, east of the China Inn site, for the sale of consumer (non-explosive) fireworks, at a proposed rental fee of \$650.00 for a 9-day period (approximately \$70/day).

Commissioner Heitz stated that, due to traffic concerns, it would be preferred that Pyro Tech locate to another site (i.e., the BLEDA-owned property at Lake Shopping Center parking lot). Commissioner Eddy indicated that he would be in favor of approving the use of the property located at Lake Shopping Center as it would allow for additional parking. He further suggested that the BLEDA should be listed as an "additional insured" on the liability insurance that Pyro Tech would need to provide prior to the use of the property.

Commissioner Kampa motioned to not allow Pyro Tech to rent the space located east of the China Inn but to authorize the use of the BLEDA-owned space located at the Lake Shopping Center front parking lot for a rental fee of \$100/day, contingent upon the applicant securing the applicable permit and listing BLEDA as an "additional insured" on the liability insurance. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

### **6B. AFFORDABLE HOUSING PROPOSAL – DUFFY DEVELOPMENT**

Community Economic Development Director Jim Thares reported that Duffy Development: 1) is preparing a proposal for an affordable housing development in Big Lake; 2) has a purchase agreement for a 12-acre parcel of land near the North Star Commuter Train Station site; and 3) is seeking City support (via a Council resolution to be reviewed/considered at their June 13<sup>th</sup> meeting) to move forward on its tax credit application with the Minnesota Housing Finance Authority (MHFA). He noted that Duffy Development is not seeking any public subsidies from the City or BLEDA at this time and that this item is presented to the BLEDA as information only and does not require action by the BLEDA Board. Mr. Thares further stated Commissioner Dickinson had provided staff with his comment that he felt that this should not be set aside for any future tax abatement or TIF. Commissioner Heitz stated his agreement with Mr. Dickinson as well as his belief that there will be a need for this type of housing. For information only; no action required or taken by the Board.

## **7. ADJOURN**

Commissioner Kampa motioned to adjourn the meeting at 8:47 p.m. Seconded by Commissioner Zwilling, unanimous ayes, meeting adjourned.