

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, MARCH 8, 2010

1. CALL TO ORDER

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

2. ROLL CALL

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

Also present: City Administrator Scott Johnson and City Planner Leslie Dingmann.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM FEBRUARY 8, 2010

Commissioner Dickinson motioned to approve the February 8, 2010 BLEDA minutes. Seconded by Commissioner Parks, unanimous ayes, motion carried.

5. BUSINESS

5A. BIG LAKE INDUSTRIAL PARK

City Administrator Scott Johnson stated staff was notified by White Bear Clothing that plans for expansion will be held off until 2011 or 2012.

Alex Wikstorm's small machine manufacturer prospect has indicated they are still interested in a Big Lake location but is not moving forward until they find a buyer for their existing building.

Xcel Energy has inquired about the former AJ Machinery building as a potential site for a permanent training facility.

Staff has made general inquires to various groups regarding potential interest by private sector firms to take ownership of the Industrial Park expansion area. Follow-up meetings with interested parties may take place in early April.

EDA members stated they would be open to the idea of a bulk land sale as long as the buyer would be committed to quickly bringing in businesses and the City would get their investment back.

5B. UPDATE: BIG LAKE RAIL PARK

Johnson provided a brief update on tasks accomplished in regards to the Rail Park project. Draft escrow agreements for engineering services and the hiring of a lobbyist have been reviewed by Staff and the documents will be presented to the Developer in the near future. Due to the large number of appropriation submittals received by Senators, a lobbyist may be beneficial due to their ability to interactive more frequently with lawmakers. An update on progress made on the Rail Park project will be provided at the April EDA meeting.

5C. DRAFT FORBERANCE AGREEMENT- PARAGON STORE FIXTURES

Johnson stated Staff has received a draft forbearance agreement that the EDA may consider to use in order to defer Paragon's regular payments for its loan. Jim Johnson, Paragon Store Fixture President, met with staff in early 2010 to discuss the status of the loan and request the EDA consider providing a forbearance/deferral on both EDA loans.

Commissioner Gast stated he is in favor on the request due the fact that Mr. Johnson took the initiative and approached the City to discuss difficulties in making payments. He also noted the willingness of Paragon to make half payments in 2009 versus not making any payments.

EDA members discussed various options and/or penalties that could be incorporated into the forbearance agreement.

Commissioner Dickinson motioned to approve the forbearance agreement with Paragon Store Fixtures (Jim Johnson) for 9 months, beginning January 2010 to September 2010, with language in the agreement to include that if a foreclosure process should be initiated on Paragon Store Fixtures, the said forbearance agreement shall be null and void; interest on the loan will accrue over the length of time the forbearance agreement is valid; and that the payments will be restructured at the end of the term. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

5D. UPDATE: FAÇADE LOANS- JANICE'S SALON AND LAKE CAFÉ

Johnson noted a notice of default letter was sent to Janice Halverson (Janice's Salon) on February 19th stating she will have 30 days to bring the loan current.

A reminder notice was sent to Tim Cox (Lake Café) on February 18th as he had indicated he would be bringing his loan current last month. If payment has not been received by March 20, a default letter will be mailed to him.

EDA Commissioners discussed conciliation court as an option to seek compensation for said loans. It was noted that the hearings for these cases are scheduled a few months out and if the owners become current on their loans, the hearings could be cancelled.

If the parties do not pay their portions after the end of the 30 day notices, it was the consensus of the EDA Commissioners to start the conciliation court process. It was also noted that all correspondences should be sent both through regular mail and certified mail to ensure delivery.

5E. BR&E INITIATIVE

Johnson stated Staff had met with George Quinn to discuss his concerns over perceived communication issues between the City and business owners. Jim Thares will bring a report to the EDA at its April meeting on his thoughts/insights.

Johnson noted Staff has been discussing starting a business retention and expansion initiative in which an EDA subcommittee would visit 1-2 local businesses per month or on a quarterly basis to discuss any concerns or issues they are facing.

Commissioner Danielowski stated she is in favor of this initiative as it is important to address any concerns local businesses are facing. Businesses could be visited monthly at the start of the program and then possibly quarterly in the future. Commissioner Gast noted the importance of meeting one-on-one with businesses as they are likely to be more open about their concerns.

Staff was directed to prepare a draft survey/questionnaire that will be used on the business visits for the EDA to review and approve. It was also noted a questionnaire could be sent to all Big Lake businesses requesting if they would like a BR&E committee visit.

5F. PROSPECTS REPORT

Leslie Dingmann noted a manufacturing firm inquired about available sites that could accommodate a 40,000 square foot building with area to expand in the future. A packet with Industrial Park information was sent to the prospect.

Staff met with the owners of Hi-Tek Rubber and the Initiative Foundation to learn about their rubber based shingles they produce. HI-Tek Rubber has been met with Donn and Laura Nystedt to discuss the possibility IMR contracting with Hi-Tek Rubber to produce their product.

Commissioner Danielowski stated Kwik Trip has opened up in Monticello and directed Staff to contact their corporate headquarters to discuss the possibility of a location in Big Lake.

5G. PROJECT STATUS REPORT

Dingmann noted Big Lake will be one of five communities who will be receiving additional NSP funds. Minnesota Housing will be notifying Staff in the coming weeks the exact amount that will be allocated to the City.

The City will learn in April if they were selected to receive the Shovel Ready Site Certification approval from Minnesota DEED. Field visits would take place in early May and if all documents are in order, certification would official be given in July.

Staff began planning for the Sherburne County Developer's Tour which will take place the first or second week in May. This year's event will highlight TOD opportunities. Specific details of the event will be provided at April's EDA meeting.

5H. BLEDA BUDGET

The budget was presented for information purposes only.

Commissioner Gast pointed out the China Inn has made their payments and noted they have purchased their building which is a positive sign of their commitment to Big Lake. He also acknowledged Anytime Fitness has been making their loan payments on time as well.

Commissioner Gast questioned if the City was listed on the bankruptcy schedule for Great Dane.

5I. 2010 BIG LAKE EDA REVISED GOALS

The revised 2010 EDA goals were presented for review.

Commissioner Dickinson motioned adopt the 2010 EDA Goals as presented. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

6. OTHER

Johnson noted the Angel Investment Tax Credit letters of support were mailed to various State representatives.

7. ADJOURN

Commissioner M. Hayes motioned to adjourn the meeting at 8:00 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.