

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, JULY 12, 2010

1. CALL TO ORDER

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

2. ROLL CALL

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

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

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM JUNE 14, 2010

Commissioner Stahlmann motioned to approve the June 14, 2010 meeting Minutes with the following corrections: 1) Replace Big Lake Industrial Park references to Big Lake Industrial Park East in Item 5A-i. Big Lake Industrial Park East, and 2) The first sentence of Item 5D, is to read: Dingmann stated staff will be setting up a meeting with a prospect who is looking at building or leasing a 6,000 square foot facility in Big Lake for a small machining business, and 3) the second sentence in Item 6A is to read: Once payment is received from her bank for the sale of the building, a payment will be made to the City. Seconded by Commissioner Danielowski, unanimous ayes, Minutes approved.

5. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS

5A. BIG LAKE INDUSTRIAL PARK EAST

5A-i. Discussion: Rescind Finder's Fee Payment Policy

Leslie Dignmann, City Planner, stated in 2008 meeting, the BLEDA approved a Finders Fee Policy for real estate brokers/agents who assisted in bringing a prospect to the BLIPE expansion area. Due to the recently approved listing agreement with Gaughan Companies, staff is recommending the BLEDA rescind the approved Finders Fee Policy until such time that the BLIPE expansion area is no longer being represented by a private broker.

Commissioner Dickinson motioned to rescind the approved Finders Fee Payment Policy effective July 12, 2010. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5B. BIG LAKE RAIL PARK

Jim Thares, Community Economic Development Director, reviewed tasks completed in regards to the Big Lake Regional Rail Park.

Commissioner Danielowski inquired of the outcome of the meeting staff had with BNSF officials at the BNSF Intermodal Facility. Thares stated there are proposed plans to expand the Intermodal Facility at the existing location as moving product on rail has become more economically compelling in the recent years.

5C. PROJECT STATUS REPORT

Dingmann noted the listing service contract for Gaughan Companies has been approved by both the City Council and the Big Lake Township and the agreement will be executed sometime this week. Also, a "for sale" sign is allowed per City Ordinance to be placed at the entrance of the Industrial Park; however, it will need to be removed once 90% of the parcels have sold.

Dingmann stated a closing took place on a NSP property last week and two more offers have been accepted. At this time, the City will no longer have funds to purchase additional properties until program income is received or if additional NSP funds are awarded.

5D. PROSPECTS REPORT

Dingmann stated no prospect packets were sent out in June.

5E. BLEDA BUDGET

The budget was presented for information only; no action was taken.

Commissioner Danielowski questioned the timeframe on when payments are due from tenants of the Lake Shopping Center for the renovated pylon sign. It was noted the payment invoice was sent out last month so all tenants should make their payments by August.

6. CITY EDA BUSINESS ITEMS

6A. ADVANCED LIVING FACILITY DEVELOPMENT PROPOSAL

Thares stated staff contacted the USDA representative after the June BLEDA meeting discuss the premise of a turn key project. It was learned that USDA is defining "turn key" as a separate progression of steps that will require the BLEDA to wait to apply for the USDA Community Facilities Loan Program Funding until after the proposed Cherrywood Advanced Living Facility is fully constructed and opened for business. Thares stated that the only acceptable method to the USDA is for the BLEDA to apply for the funding upfront as a project owner. With approval from USDA, the BLEDA could then obtain construction financing to complete the project. This process would require the BLEDA to use typical or slightly modified public bidding and contract award steps.

Marshall Weems and Bob Coborn, Cherrywood Advanced Living (CAL), gave a brief presentation on the new process that the BLEDA members might take into consideration in order to move forward on the project.

Thares stated staff will work with City Attorney John Kelly to execute a development agreement which will identify what CAL would be responsible for and what the City will be responsible for should the BLEDA choose to proceed.

Commissioner Dickinson noted at this point he is not worried about the process which will be followed but is concerned about the feasibility of the project. He suggested the feasibility report, which the BLEDA approved to contribute funds to at its June meeting, needs to be completed to determine if the project is justified. Mr. Weems stated CAL would contact the USDA prior to hiring a firm to complete the feasibility report to ensure that the firm will be viewed as credible.

Commissioner Dickinson suggested City staff and CAL initiate another meeting with USDA representatives to confirm that the agreed upon process will be acceptable and follow their program rules.

BLEDA members reaffirmed their previous decision to move forward on completing a feasibility report and once received, will discuss an acceptable process to be followed for the construction of the advanced living center should the report justify such facility is needed in the area.

7. **OTHER**

Commissioner Heitz asked for an update on CVS. Thares noted that follow-up phone calls were made to the contact but no messages have been returned. Thares suggested Thrifty White Drug Stores may be interested in Big Lake as they tend to locate in small towns. Staff will send out a prospect packet to Thrifty White Drug Stores.

8. **ADJOURN**

Commissioner Heitz motioned to adjourn the meeting at 8:10 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.