

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**MONDAY, AUGUST 15, 2005**

**1. CALL TO ORDER**

Vice President Chuck Heitz called the meeting to order at 7:00 p.m.

**2. ROLL CALL**

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

Also present: Assistant City Administrator Scott Johnson, Finance Director Corey Boyer, City Attorney Soren Mattick, Economic Development Assistant Sandy Petrowski, and Planner Annie Deckert.

**3. ADOPT AGENDA**

Commissioner Eddy motioned to approve the agenda with the additions to Item #7, Other, as discussed. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

**4. APPROVE BLEDA MEETING MINUTES FROM JULY 18, 2005**

Commissioner Hayes motioned to approve the July 18, 2005 BLEDA minutes with the correction to Item #2, Roll Call, as discussed. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

**5. APPROVE JOINT WORKSHOP MINUTES OF JULY 20, 2005**

Commissioner Zwilling motioned to approve the July 20, 2005 Joint Workshop minutes with the modification to Item #2, Roll Call, as discussed. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

**6. BUSINESS**

**6A. BIG LAKE INDUSTRIAL PARK EAST**

**6A-i. Update: White Bear Clothing Project**

Assistant City Administrator Scott Johnson reported that the groundbreaking for this project was held on August 2<sup>nd</sup> and that the expected completion date is mid-December 2005. This item is for information only; no action required or taken.

**6A-ii. Update: Industrial Molded Rubber Project**

Assistant City Administrator Johnson stated that: 1) groundbreaking was held on August 2<sup>nd</sup>; 2) construction began the week of August 8<sup>th</sup>; and 3) the expected completion date is mid-December 2005. This item is information only; no action required or taken.

**6A-iii. Update: Ataboy Manufacturing**

Assistant City Administrator Johnson reviewed Community Economic Development Director Jim Thares' August 3<sup>rd</sup> memorandum on the status of the Subordination Agreement and Letter of Credit with Ataboy. It was reported that the owners of Ataboy, Ken Paumen and Tom Flodquist, along with Jack Ellis, the banker involved in the refinance proposal, have indicated that a letter of credit would not be their preferred method to secure the changeover of the west wall to a compliant material due to the expense; but that an offer of a \$50,000 3<sup>rd</sup> mortgage to the City as the security to ensure that the wall's completion has been presented to the City for consideration.

Mr. Ken Pauman, Mr. Tom Flodquist, and Mr. Jack Ellis were in attendance and provided an update of Ataboy's current business standing, discussed future plans for possible expansion within the next five (5) years, and addressed the letter of credit issue and their current offer of a \$50,000 3<sup>rd</sup> mortgage.

City Attorney Soren Mattick reported that a letter of credit would be the preferred choice but that a 3<sup>rd</sup> mortgage would be an acceptable option as it would ensure that the back taxes are paid and that the west wall could be brought into compliance, if needed. He also stated that, if Ataboy were to expand in the future, it would not be beneficial to complete the required work on the west wall at this time. Commissioner Sanford suggested that the Board could set a time limit (i.e., 5 years) to either bring the west wall into compliance with the Covenants or expand the facility.

Commissioner Sanford motioned to accept the \$50,000 3<sup>rd</sup> mortgage to secure that, within a 5-year time period, the west wall will be brought into compliance with the Industrial Park East Covenants or the facility will be expanded off of that wall. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

#### **6A-iv. Proposed Industrial Park Expansion**

Assistant City Administrator Johnson reviewed Mr. Thares' memorandum regarding the offer that the City and Township made several weeks ago to Pete and Gayle Ahrens on the sale of their 23.75 acre parcel. Mr. Johnson stated that staff was looking for the Board's direction on whether to counter the Ahrens' current offer or to end discussions.

The Board discussed several issues/concerns: 1) the Ahrens' decline of the City/Township offer of \$35,500 per acre; 2) the possibility of environmental issues with the property; 3) the potential for the Ahrens wanting to remain on the property for awhile and not sell at this time; 4) the property not having direct highway frontage; and 5) a private developer's possible interest in the property.

It was the consensus of the Board to direct staff to contact Mr. and Mrs. Ahrens to determine if they are still interested in selling their property and, if so, what their final asking price would be per acre; this information is to be brought back to the Expansion Committee for review and recommendation to the BLEDA Board at a future meeting.

#### **6A-v. Proposed Sign/Monument**

Planner Annie Deckert discussed the sign/monument that is proposed for the entrance to the Big Lake Industrial Park East (BLIPE). She reported that Eric Dudley, owner of the Stone Company, has offered in the creation of the sign/monument and that he would be willing to have the structure located on his property at the corner of Industrial Drive and Highway 10. Ms. Deckert reported that staff suggests soliciting donations from both the City and Township and that a letter be sent to each business located in the BLIPE to determine if they are interested in contributing towards the cost of the sign/monument. The Board discussed a potential dollar range for the donations; Ms. Deckert stated that a cost estimate for the proposed sign had not yet been received from Mr. Dudley but that, once received, the estimate would help to determine a suggested dollar range of potential donations.

Commissioner Sanford suggested that the sign/monument also include the wording that the BLIPE was a cooperative effort between the City and Township.

It was the consensus of the Board to approve the proposed BLIPE sign/monument with the additional wording (A City and Township Cooperative Effort) as discussed and to draft a letter to BLIPE business owners requesting donations.

#### **6A-vi. Prospects Report**

Assistant City Administrator Scott Johnson briefly reviewed the August 3<sup>rd</sup> report. No action required or taken.

## **6B. PROJECTS STATUS REPORT**

This item for information only; no action required or taken.

## **6C. EDA BUDGET**

The Board briefly reviewed the budget. Finance Director Corey Boyer answered questions of the Board. No action required or taken.

Acting President Heitz moved Items from Item #7, Other, to this portion of the meeting.

## **6D. BLEDA PRESIDENT POSITION**

Assistant City Administrator Johnson reported that Commissioner Jim Dickinson has requested to be removed from the President's position but to remain on the BLEDA Board as his ability to consistently attend meetings on the third Monday of each month is unsure at this time.

Commissioner Petersen moved to accept Jim Dickinson's request to be removed as President of the BLEDA Board and to elect another Commissioner to the position of President at the September BLEDA meeting. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

## **6E. EDA TERMS / VOTING**

City Attorney Mattick provided a review of the Commissioners' historical and current status of voting and non-voting on BLIPE issues; as it now stands, Commissioners Dickinson, Hayes, Heitz, and Kampa vote in Industrial Park issues and Commissioners Eddy and Gast are non-voting/ex-officials on Industrial Park issues. The Board discussed possible alternatives and changes to Board seats for voting/non-voting members.

With Commissioner Dickinson being absent, it was the consensus of the Board to direct the City Attorney to provide options for the issues discussed at the September BLEDA meeting and for the Board to review this issue again at that time.

## **6F. BUS TOUR ATTENDANCE**

The Board informed staff as to whether or not they would be able to attend the upcoming bus tour of the community scheduled for August 24<sup>th</sup> at 4:00 p.m. No further action required.

## **6G. OTHER**

Commissioner Petersen provided an update on the 200<sup>th</sup> Street project.

Commissioners Petersen and Sanford left the meeting at 8:12 p.m.

## **6H. DOWNTOWN REDEVELOPMENT**

### **1. Eagle Lake to Fern**

Assistant City Administrator Johnson provided a brief update on this project.

### **2. Putnam Avenue (South Hwy 10 Frontage Road)**

Assistant City Administrator Johnson briefly reviewed Economic Development Director Jim Thares' August 3<sup>rd</sup> memo, which stated that Mr. Thares had been unable to speak with a representative of VSI, the developer who has expressed an interest in presenting a concept for this area and that staff has discussed the possibility of seeking an RFP for this area as it was identified as a goal to have a concept completed by the end of 2005; City/BLEDA Attorney Mattick reported that he has been researching if this is possible since none of the land is owned by the City/BLEDA at this time. Commissioner Hayes stated that he would try to contact VSI and request that they contact Jim Thares or City staff to discuss whether or not they are still interested in this area.

Commissioner Hayes also requested that Planner Ned Noel provide an update on a potential whistle-free zone at a future BLEDA meeting.

### **3. Ivers Blue House Lot (along Hwy 10)**

It was reported that, in the last 30 days, staff had met with and/or provided information to several developers and/or agents for development interest regarding this area which includes the City-owned lot along Highway 10, and that the current property owners, D.J. Bakken and Dan Zimmerman, may want to participate in any redevelopment proposals.

## **6I. UPDATE: LAKE STREET COTTAGES UPDATE**

Assistant City Administrator Johnson reported that this project is currently on hold as staff is waiting for Mr. Kevin Peterson and Mr. Mike Wallen to submit their application and to continue to work with staff on the Development Agreement. It was the consensus of the Board to direct staff to request a timeline from the developer and for staff to present and update at the September BLEDA meeting.

**6J. LAKE PLAZA MALL/LIQUOR STORE UPDATE – BOND ISSUE/PROPOSED TIMELINE**

Mr. Johnson reviewed his August 3<sup>rd</sup> memorandum and reviewed the proposed timeline for this project; indicating that staff is attempting to complete this process in the most timely manner. It was reported that the City plans to move the liquor store operations into 10,000 sq. ft. on the eastern side of the mall and sell off the remaining portions of the mall, with the façade and parking improvements to be addressed on site through purchase agreements and an association. Mr. Johnson stated that an action item is scheduled for the BLEDA's September meeting to call for the sale of bonds for this project.

Mr. Johnson asked if the BLEDA would be in favor of selling some of the newly acquired parking lot for a possible restaurant site; it was the consensus of the Board to have any project brought before the Board for review before making a decision on whether this type of a business would be considered.

**7. ADJOURN**

Commissioner Hayes motioned to adjourn the meeting at 8:28 p.m. p.m. Seconded by Commissioner Zwilling, unanimous ayes, meeting adjourned.