

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**

**MEETING MINUTES**

**MONDAY, JANUARY 22, 2007**

**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, Lori Kampa, Norm Leslie, Jim Sanford, and Jim Zwilling. Commissioners absent: Robert Eddy (arrived at 8:34 p.m.).

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, City Attorney Craig McDowell, Consultant Building Official Fred Patch, Economic Development Intern Sam Woods, and Economic Development Assistant Sandy Petrowski.

**3. ADOPT AGENDA**

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

**4. APPROVE BLEDA MEETING MINUTES FROM DECEMBER 11, 2006**

Commissioner Heitz motioned to approve the December 11, 2006 BLEDA minutes. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

**5. BUSINESS**

Community Economic Development Director Jim Thares introduced Mr. Samuel Woods who is a student in the Community Development Program at St. Cloud State University. Mr. Woods will be working as an intern for the City through mid-May and may then potentially work part-time through the summer.

**5A. APPOINTMENT TO BLEDA**

Community Economic Development Director Jim Thares reported that Robert Eddy was re-appointed to the BLEDA by the Council at their January 14, 2007 meeting. No action required or taken by Board.

## **5B. BIG LAKE PLAZA/LAKE SHOPPING CENTER - UPDATES**

### Remodel Proposal for East Vestibule

Consultant Building Official Fred Patch was present to review the quotes received on the proposed remodel of the east entry way at the Lake Shopping Center and answered questions of the Board. Mr. Thares informed the Board that a prospect for a laundromat facility has been in contact with staff about their possible interest in a 3,800-4,000 sq. ft. space. He also stated that staff has provided a lease to a prospective pizza firm for a space on the east end of the mall.

Commissioner Dickinson stated that, under the understanding of making the property more marketable and in the utilization of future leases to pay it back, he moved approval of the plans and specifications as presented, authorize the remodeling of the east vestibule of Lake Shopping Center, and authorize the Mayor and City Administrator to enter into contracts with the contractors needed to accomplish the remodeling project in an amount not to exceed \$28,500, with the goal of \$25,000. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

### Sale of Old Liquor Store area (approximately 3,800-4,000 sq. ft.)

Mr. Thares reported that Dr. Sealock, OD/FAAO, of Hometown Eyecare (659 Lake Shopping Center) and Mr. Duane Langsdorf, who has acted as intermediary for Dr. Sealock and the City, were present to discuss Dr. Sealock's interest in purchasing the space previously occupied by the Liquor Store.

City Administrator Scott Johnson noted that the base price for the east end of the mall that had been discussed by the BLEDA was \$60/sq. ft. plus the improvements, which were \$20/sq. ft; for a total of \$80/sq. ft. He further stated that Dr. Sealock has indicated that he is interested in purchasing the old Liquor Store site (approx. 4,200 sq. ft.).

Dr. Sealock stated that he is interested in buying his current space as well as the vacant former liquor store space. He further stated that if the City/BLEDA no longer wants to be involved in leasing space at the mall, then he would be interested in talking with staff about the possible purchase of the site currently being proposed for a pizza company as well as the other unit (#2). Dr. Sealock asked to have the opportunity to speak with staff to determine all of the up-front costs for such a transaction and would also like to review the CIC document. Mr. Langsdorf asked if the flower store has a current lease.

City Administrator Johnson reported that staff has met recently with the other owners of the mall properties, that staff is in the process of determining the CAM charges and association fees, and that Dr. Sealock can be invited to a future association meeting. He also stated that the City Attorney will forward a draft purchase agreement to Dr. Sealock for review and that staff will also provide a copy of the flower store lease per the Doctor's request.

Council Member Dickinson moved to authorize staff to enter into negotiations with Dr. Sealock for the sale of the former liquor store space, the former auto parts store space, and the current flower shop space. Seconded by President Hayes, unanimous ayes, motion carried.

Rental of Unit #2 (approx. 2,100 to 2,500 sq. ft.)

Mr. Thares reported that the potential prospect who had been interested in this space has reached an agreement with the owner of Janice's Salon to rent space in their building. This item was for information only; no action required or taken by the Board.

President Hayes welcomed Mr. Norm Leslie as a new Township representative to the BLEDA Board.

**5C. CONSIDER FEBRUARY MEETING LOCATION CHANGE AND TOUR OF CONNECTIONS, ETC.**

Mr. Thares reported that staff has been working with Connections, Etc. for the purpose of scheduling a tour of the new equipment upgrades at their facility. Commissioner Robert Eddy, President of Connections Etc., has offered the use of one of their meeting rooms so that the BLEDA could hold their regular meeting immediately following a tour, with the proposed date for the tour and meeting being Monday, February 12, 2007, at 6:00 p.m. and 7:00 p.m., respectively.

Commissioner Dickinson motioned to schedule a tour of the Connections, Etc. facility (440 Eagle Lake Road North) at 6:00 p.m. on Monday, February 12, 2007 and to hold the BLEDA's February 12<sup>th</sup> meeting at 7:00 p.m. in the Connections, Etc. meeting room, immediately following the tour. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

**5D. BUSINESS RETENTION & Expansion (BR&E) FUNDING PROGRAM**

Community Economic Development Director Jim Thares reviewed City Planner Annie Deckert's January 16<sup>th</sup> memorandum regarding the BR & E Program, reporting that staff has been successful in obtaining funding for all but \$500.00 of the funds needed for the program. He stated that during previous discussions, Big Lake Township had indicated that they would be willing to match the City's contribution of \$500.00 and that staff is asking the Board to authorize staff to ask Big Lake Township for a \$500.00 contribution to assist in covering the \$500.00 remaining cost of program.

Commissioner Dickinson motioned to authorize staff to ask Big Lake Township for a contribution of \$500.00 to help cover the remaining costs of the Business Retention and Expansion (BR&E) Program. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

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

**5E-i. Update: Paragon Store Fixtures**

Mr. Thares reported that construction on the expansion project for the facility is continuing and that MnDEED has approved an amount of \$155,000 to assist with the purchase of equipment. This item for information only; no action required or taken.

**5E-ii. Update: Sunny Fresh Foods**

Mr. Thares reported that Sunny Fresh Foods is nearing completion of its Phase II Expansion Project and that they have submitted a CUP application seeking permission to exceed the standards for impervious surface coverage on their lot, which requires review by the Joint Planning Board (consisting of the City Council and Township Board) at a public hearing. Commissioner Sanford stated that he will discuss this issue with the Town Board at their next meeting, offering a proposed meeting date of Wednesday, February 21, 2007 at 6:00 p.m. (with location to be determined); City staff will also discuss this proposed meeting date/time with the City Council.

**5E-iii. Industrial Park Expansion Project**

Mr. Thares reviewed the draft letter to Bruggeman Properties, noting that there will be slight changes made to the draft letter. For information only; no action required or taken by the Board.

**5E-iv. Prospects Report**

Mr. Thares briefly reviewed the January 19<sup>th</sup> Prospects Report; noting the three (3) recent contacts. No action required or taken by the Board.

**5E-v. Update: ATABOY Building (A-Boy Properties)**

Community Economic Development Director Jim Thares reported that one of the prospects is interested in this facility has stated that they would have a need to have approximately four (4) semi-trailer parked outside occasionally. Mr. Thares asked for the Board's opinion on the acceptability of this issue. After a brief discussion, it was the consensus of the Board to direct staff to inform the prospect that the City will work with them in the parking issue.

**5F. EDA BUDGET**

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

## **5G. PROJECTS STATUS REPORT**

Mr. Thares reviewed the December 2006 report that was distributed at the meeting. He also briefly discussed the presentation on the Northstar Commuter Rail that he made at the EDAM winter conference and he suggested that this type of presentation might be beneficial to provide to the City Council and Chamber of Commerce at a future date.

Mr. Thares discussed a Pioneer Press newspaper article regarding Viper Powersports which is located in the Big Lake Industrial Park East and stated that staff will be scheduling a tour of the Viper plant for the BLEDA in the next few months.

Commissioner Leslie and Commissioner Sanford left the meeting at 8:10 p.m.

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

### **5H-i. Consider Purchase Agreement – 210 Eagle Lake Road North**

Mr. Thares reviewed his January 17<sup>th</sup> memorandum regarding the negotiations between staff and Curtis and Maria Hed for the purchase of their property located at 210 Eagle Lake Road North and a relocation package. He also briefly discussed the two parcels that have not been acquired for the road improvement projects (100 Eagle Lake Road and 300 Eagle Lake Road).

Staff asked the Board to consider approval of the purchase agreement and relocation package, as discussed, for 210 Eagle Lake Road North.

Commissioner Dickinson motioned to approve the purchase agreement and negotiated relocation package as discussed for 210 Eagle Lake Road North. Seconded by Commissioner Gast, unanimous ayes, motion carried.

### **5H-i. Update: Demo/Site Clean-up for 140 and 200 Eagle Lake Road North Properties**

Mr. Thares reviewed City Planner Deckert's January 10<sup>th</sup> memorandum pertaining to staff's recent distribution of demolition/site clean-up bids to thirteen (13) demolition companies for the properties located at 140 Eagle Lake Road North and 200 Eagle Lake Road North. He further stated that bids will be accepted until January 26<sup>th</sup> and staff will bring the bid contract to the BLEDA Board for approval at their February 12, 2007 meeting.

### **Demo/Acquisition Program: Asbestos Removal**

Mr. Thares reviewed Planner Deckert's January 19<sup>th</sup> memorandum pertaining to the City Council's recent request for staff to determine if there was a different way to bid out

demolition projects, after an unexpected cost of a Change Order for asbestos abatement for the property located at 330 Ormsbee.

Staff explained to the BLEDA Board that the current demolition bid invitations have been written to specifically avoid bringing the City into the chain of liability related to abatement of unknown hazardous materials, and if, during the demolition the crew is exposed to discover hazardous materials, the primary responsibility resides with the demo contractor as the terms of the demolition contract state that the contractor is made to indemnify the City and name the City as an additional insured to its contractor's general liability policy.

It was explained that the Council could choose to change the way that staff has been handling hazardous materials by abatement by discovering and abating the hazardous materials before employing a demo contractor; however, the consequence of such a procedure would be to bring the City directly into the chain of liability. If the Council considers making such a policy change, it is recommended that risk management advice from the City Attorney be considered by the Council prior to amending the current policy .

Commissioner Dickinson suggested that another option would be to have the property inspected by an environmental/hazardous waste official to identify any hazardous materials up front and then bid the project to cover everything.

After discussion possible options, it was the consensus of the Board to recommend an amendment to hazardous abatement policy to include having an environmental/hazardous waste official inspect a property prior to bidding the project in order to identify whether or not there are any hazardous material issues that need to be addressed, and then bid out the project to include demolition and abatement of any hazardous materials.

#### 260 Eagle Lake Road

Mr. Thares reported that the City recently acquired the property located at 260 Eagle Lake Road North and, to assist in recouping some of the acquisition costs, staff is requesting that the Board authorize placement of an ad in the West Sherburne Tribune to invite local house moves to submit a bid for the sale, removal, and site clean-up of the mobile home and garage that is currently located on the site.

Commissioner Heitz motioned to authorize staff to place advertisement and distribute invitation for the sale, removal, and site-clean up of all buildings and structures on the property located at 260 Eagle Lake Road North. Seconded by Dickinson, unanimous ayes, motion carried.

**5H-iii. Update: China Inn Expansion**

Community Economic Development Director Thares reported that the owner of China Inn submitted an application to expand the restaurant and the expansion is nearing completion. No action required or taken by the Board.

**5I. HOUSING MARKET ANALYSIS – COMPREHENSIVE HOUSING STUDY**

Mr. Thares reviewed with the Board that it had talked last year about the need for a housing market analysis and that it authorized staff to prepare an RFP to determine the group to conduct the housing analysis. Staff has completed extensive research and, through that process, has found that Maxfield Research offers an extremely thorough analysis at a price far below competing firms and has been recommended by other cities. Mr. Thares noted that \$17,500.00 has been budgeted for this item and two others; TOD research and an economic development roundtable event (Mr. Thares noted that the BR&E Program may supplant the economic development roundtable event). He stated that staff is requesting the BLEDA to authorize staff to accept the offer with Maxfield Research at a total cost of \$18,500.00 and begin the application process for the Community Building Grant to the Minnesota Housing Partnership to assist with the cost of the analysis.

Commissioner Heitz moved that the housing market analysis be completed by Maxfield Research contingent upon the approval of the \$10,000 Community Building Grant by the Minnesota Housing Partnership. Seconded by Dickinson, unanimous ayes, motion carried.

**5J. 2007 BIG LAKE EXPO – COUNCIL/BLEDA BOOTH**

Mr. Thares reported that staff was inquiring as to whether or not the BLEDA would again like to share a booth with the City Council at this year's Big Lake Business Expo scheduled for Sunday, March 11, 2007, from 11:00 a.m. to 3:00 p.m.

Commissioner Dickinson motioned for the BLEDA to participate jointly with the City Council at the booth during the 2007 Big Lake Business Expo on March 11, 2007.. Seconded by Commissioner Gast, unanimous ayes, motion carried.

Staff asked the Commissioners to indicate on the schedule which hours that they are available to tend the booth and return the form to staff by the next meeting.

**6. OTHER**

**6A. Tropical Brew**

Mr. Thares informed the BLEDA that the owner of Tropical Brew decided to close the business on short notice.

Commissioner Eddy arrived at 8:34 p.m.

**6B. Dynamics Land Sale**

Mr. Thares review the map of the Dynamics land parcels and indicated where potential businesses will be locating.

**7. ADJOURN**

Commissioner Dickinson motioned to adjourn the meeting at 8:48 p.m. Seconded by Commissioner Zwilling, unanimous ayes, meeting adjourned.