

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**

**MEETING MINUTES**

**TUESDAY, JANUARY 20, 2009**

**1. CALL TO ORDER**

President Doug Hayes called the meeting to order at 7:02 p.m.

**2. ROLL CALL**

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

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

**3. ADOPT AGENDA**

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

**4. APPROVE BLEDA MEETING MINUTES FROM DECEMBER 8, 2008.**

Commissioner Leslie motioned to approve the December 8, 2008 BLEDA minutes. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

**5. BUSINESS**

**5A. Prospects Report**

Community Economic Development Director Jim Thares reviewed three new prospects and answered questions of the board. Staff has provided site and community information to WNT, LLC. Mr. Thares stated meetings with this company will be held in the near future and suggested representatives from the EDA become involved. Commissioner Leslie volunteered to be the Big Lake Township representative and Commissioner Hayes volunteered to be the BLEDA representative.

### **5C. Reschedule October 2009 BLEDA Meeting Date**

Mr. Thares noted the October 2009 BLEDA meeting date will need to be changed due to Columbus Day falling on the regularly scheduled meeting date of October 12, 2009.

Commissioner Hayes motioned to reschedule the October BLEDA meeting date to Tuesday October 13, 2009 at 7:00 p.m. in the Council Chambers. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

### **5D. BLEDA Member Term Expirations and Appointments**

#### **5D-i. Council Appointments and Expired BLEDA Seats**

Mr. Thares reviewed the new BLEDA appointments/reappointments. Jerry Parks will replace Seat "B" formerly held by Jim Zwilling. Commissioner Dickinson and Commissioner Gast were each reappointed for another six year term to their respective seats.

#### **5D-ii. Elections for BLEDA Officers Positions**

Mr. Thares reviewed past officers positions. After a short discussion, it was decided that the current BLEDA Officers will serve the same position for 2009.

Commissioner Danielowski motioned to elect the following Commissioners to hold the 2009 BLEDA Officers positions: President Doug Hayes, Vice President Chuck Heitz, Treasurer Dave Gast and Secretary Jim Thares. Seconded by Commissioner Parks, unanimous ayes, motion carried.

### **5E. Discussion: Redevelopment of Former American Legion Parcel (M. Krutzig)**

Mr. Thares noted Mr. Krutzig has requested to table this item until the February BLEDA meeting stating more time was needed to review the updated information from Ehler's & Associates and for Mr. Krutzig to hire an attorney to help him with the process.

Mr. Thares reviewed the revised project information that was submitted and the concerns raised by Mr. Krutzig. One main concern of Mr. Krutzig is how the money can be used to reimburse costs incurred for this redevelopment project. BLEDA members discussed the revised project cost of \$645,000 and it was noted the money could be used to reimburse any items that are considered an eligible cost.

Commissioner Heitz motioned to table the TIF request of the old Legion site project to the February BLEDA meeting. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

## **5F. Lake Shopping Center**

### **5F-i. Update: Financial Report from Sale of the BLEDA-Owned Space**

Finance Director Corey Boyer stated on December 30 the BLEDA-owned space at the east end of the Lake Shopping Center was sold to Mr. Weicht. Mr. Boyer stated a portion of the proceeds has already been designated for other projects; \$500,000 towards the municipal liquor store project, \$100,000 for the library expansion and \$30,000 to fund the east vestibule improvement costs. Mr. Boyer reviewed other projects for BLEDA members to consider funding with the remaining sale proceeds including new signage at the mall, parking lot improvements at the mall and food shelf/senior center improvements at City Hall. Commissioner Hayes suggested proceeds could be set aside to help with marketing costs for the next year or two. It was the consensus of the board to receive quotes for the suggested projects before a decision could be made to designate the remaining proceeds to certain projects.

Commissioner Heitz motioned to approve the transfer of \$500,000 from the EDA Special Revenue Fund to the Liquor Store Enterprise Fund for the liquor store remodel, and the transfer of \$100,000 from the EDA Special Revenue Fund to the City's General Fund to help offset the new library space costs. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

### **5F-ii. Request for funds from SAC/WAC Reserves for Laundromat- J. Weicht**

Mr. Thares stated a few years ago the City Council approved the transfer of fourteen SAC credits from the properties acquired for the extension of Humboldt Avenue to be used at the BLEDA-owned properties at the Lake Shopping Center. John Weicht has requested the use of the SAC credits for a Laundromat prospect. Mr. Thares stated on top of the fourteen SAC credits, Mr. Weicht is asking for additional assistance as there is a sizeable SAC charge as noted on the estimate/analysis from Consultant Building Official Fred Patch.

Mr. Weicht was in attendance to answer questions of the board. He noted the SAC charge was considerably higher than expected because the Met Council standards requires 8 cycles per day per machine to be used in estimating the SAC charge. Additional assistance in addition to the 14 SAC credits would be needed to entice the tenant to the space. In conversations with Mr. Patch, it is estimated that a Laundromat in this space would most likely produce 6 cycles per day per machine. Mr. Weicht noted that the reduction of 8 cycles per day to 6 cycles per day for calculating SAC charges would considerably reduce the overall SAC fee and help entice the prospect into the space.

Commissioner Heitz questioned if Council has the authority to make this decision in which City Administrator Scott Johnson replied yes. Mr. Boyer stated by reducing the calculation to 6 cycles per day per machine, it would reduce approximately seven SAC units off the total estimated SAC/WAC charges.

Commissioner Heitz motioned to transfer the fourteen SAC credits to Mr. Weicht contingent on signing a lease with this particular Laundromat tenant and to recommend to the City Council to reduce the load cycle to 6 per day and monitor the usage at the end of the year. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

### **5F-iii. Pylon Sign Quotes**

City Administrator Scott Johnson stated quotes have been received by the Lake Shopping Center Mall Association to replace the Lake Shopping Center sign. The lowest bid was received from Scenic Sign which includes removal the second pylon sign. Mr. Johnson suggested the EDA could fund the sign improvements or they could ask the Mall Association to seek financing from a local bank to precede with the sign improvements.

Commissioner Heitz suggested the EDA fund the improvements instead of asking the Mall Association to seek financing from a local bank in order to move the project along faster.

Commissioner Heitz motioned to fund the sign improvement proposal from Scenic Signs at a 2% interest rate contingent upon the sign material matching the Lake Shopping Center building façade. The motion failed due to a lack of a second.

After a short discussion, it was the consensus of the board that revised quote's need to be received that includes the cost of constructing the sign with brick on the bottom and a similar material to the Lake Shopping Center's exterior, such as EFIS, on the poles as the sign bids were unclear of the structure material type.

### **5G. Update: Redevelopment at Highway 10 & County Road 5**

Mr. Thares stated at meeting between staff and developers, it was noted the developers are continuing to contact prospective tenants for the commercial proposal.

Mr. Weicht stated contact has been made with a daycare provider prospect but no leases have been signed. He also noted at least one tenant is needed before bank financing can be obtained.

Mr. Thares pointed out a second draft of the non-binding Memorandum of Understanding (MOU) was in the packet for EDA members to review.

**5H. 2008 Street Improvement Project Assessments (Hwy 10& CR 5 and Industrial Park)**

Mr. Boyer informed the BLEDA the City Council approved the assessments for the 2008 Street Improvements Projects which includes the intersection at Highway 10 and County Road 5 and also improvements related to the expansion of the Big Lake Industrial Park. He noted because the BLEDA owns the land to be assessed in the Industrial Park, the City and Big Lake Township are responsible to for the payment of the assessments.

**5I. Joint BLEDA/Big Lake Chamber of Commerce Marketing**

Mr. Thares reviewed his Memo to the Big Lake Chamber of Commerce in which Staff has requested the Chamber consider a contribution toward the overall marketing City/BLEDA campaign for 2009 in the amount of \$500-\$700.

Also discussed was the City's and Chamber's joint support of a "Buy Big Lake" campaign in which promotion of shopping of Big Lake would be advertised in the local newspaper throughout the year. The cost of the advertisements would be split between the City and the Chamber. It was the consensus of the EDA to work jointly with the Chamber on the marketing initiatives.

Commissioner Danielowski motioned to match the Big Lake Chamber of Commerce's contribution to the joint marketing campaign. Seconded by Commissioner Heitz, unanimous ayes, motioned carried.

**5J. Update: Neighborhood Stabilization Program (NSP) Grant**

Mr. Thares reported the Staff was authorized by the Council to submit the NSP grant application to Minnesota Housing for \$940,676 in foreclosure impact funding. Staff is proposing to use the funds for acquisition/rehabilitation, buyer-driven acquisition/rehabilitation, acquisition/demolition and down payment assistance. Commissioner Leslie questioned how Minnesota Housing arrived at the funding figure for our zip code in which Mr. Thares responded a formula was used that took into account various foreclosure related factors.

**5K. BLEDA Budget**

Mr. Boyer briefly reviewed the BLEDA budget. For informational purposes only; no action taken by the board.

**6. OTHER**

**6A. FYI: Industrial Park Funding Items- Street Project Costs & Park Expansion Land Acquisition**

Mr. Boyer updated EDA members of various resolutions that were approved at the previous City Council meeting. A transfer of \$35,000 from the industrial park street improvement capital project fund to the EDA special revenue fund and an interfund loan resolution to fund costs associated with the land acquisition for the industrial park expansion were approved.

**7. ADJOURN**

Commissioner Heitz motioned to adjourn the meeting at 9:06 p.m. Seconded by Commissioner Parks, unanimous ayes, meeting adjourned.