

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, FEBRUARY 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, Doug Hayes, Mike Hayes, Chuck Heitz, Norm Leslie, and Jerry Parks. Commissioners absent: Robert Eddy, Dave Gast.

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

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM JANUARY 11, 2010

Commissioner Dickinson motioned to approve the January 11, 2010 meeting Minutes with the following corrections: 1) The second sentence of Item 5D, paragraph one is to read: Mr. Boyer stated that the cost of the project is approximately \$4 million and that the City would normally require a FDIC insured bank to back the security. Seconded by Commissioner Heitz, unanimous ayes, Minutes approved.

5. BUSINESS

5A. 2010 BLEDA ORGANIZATIONAL APPOINTMENTS

Community Economic Development Director Jim Thares stated at the January 13 City Council meeting, a motion was passed to reappoint Doug Hayes to the BLEDA Board for another 6 year term. Officers for 2010 are: Doug Hayes, President; Chuck Heitz, Vice- President; Dave Gast, Treasurer; and Jim Thares, Secretary.

5B. UPDATE: BIG LAKE RAIL PARK

Mr. Thares gave an overview of rail park activities Staff has been working on over the past month including completion of a Letter of Support, Submittal of the Rail Park Feasibility Report to BNSF, meeting with state legislators and congressional representatives, meeting with Brian Bensen, Sherburne County Administrator, and preparation of 2011 Federal Appropriations Form. A packet of information will be prepared for Brian Bensen who will present it to the County Board and the Sherburne County EDA.

Senior Planner Katie Larsen presented the Rail Park Concept Plan. Commissioner Dickinson questioned if the concept included future planning on the south side of the track. Mr. Thares stated the developer has had conversations with the land owner but the land is not being considered as part of the proposed project. Commissioner Dickinson stated discussion on plans for the south side of the track should continue as the project moves forward.

Commissioner Heitz suggested the trees between the industrial parcels and workforce housing parcels remain in place until an actual multi-family residential project is proposed.

Commissioner Leslie voiced safety concerns over 201st Street. Planner Larsen stated that once built out, the main access for the residential and industrial traffic would be Marketplace Drive.

5C. RESOLUTION: SUPPORT OF ANGEL INVESTMENT TAX CREDIT LEGISLATION

Mr. Thares stated the Economic Development Association of Minnesota Legislative Committee is asking the Committee Members to help gather support for the Angel Investment Tax Credits, a method to form early stage venture capital.

Commissioner Dickinson stated he feels it would be more beneficial for new business owners to receive tax credits versus business investors.

Commissioner Heitz questioned what the benefits of the tax credits are to a new business in which Mr. Thares stated it would help secure startup funds for the business which is difficult in the current economy.

Commissioner Heitz motioned to approve the Letter of Support and Resolution for the Angel Investment Tax Credit and to send it to the regional legislative delegation and EDAM Legislative Committee. Seconded by Commissioner D. Hayes, the motion passed on a vote of 6 to 1, with Commissioners Heitz, D. Hayes, M. Hayes, Parks, Danielowski, and Leslie voting aye and Commissioner Dickinson voting nay.

5D. 2010 BIG LAKE BUSINESS EXPO- STAFFING OF BOOTH

Mr. Thares asked EDA Commissioners to sign up for times they are available to staff the City/EDA booth at the Big Lake Business Expo on March 7, 2010.

5E. PROSPECTS REPORT

Mr. Thares stated a meeting with a potential prospect will be rescheduled to a future date.

Staff was in contact with Alex Wikstrom who stated the business interested in a small lot in the Industrial Park is still trying to sell their existing building.

5F. PROJECT STATUS REPORT

Leslie Dingmann stated the City will be purchasing another home with NSP funds for rehabilitation. There remains approximately \$100,000 left in the Redevelopment Program activity to be obligated.

Staff will be submitting the MN DEED Shovel Ready Site Certification application by February 19. The grant application submitted to the Initiative Foundation to help fund the \$2,950 application fee was denied due to the lack of funds available to support all individual application efforts in the 14 County area served by the Foundation.

Mr. Thares stated Duffy Development notified staff that the Section 42 Tax Credit application was not funded for their Big Lake project; however, their application for a multi-family residential project in Elk River did receive funding. Commissioner Dickinson expressed his disappointment in Duffy Development, noting that their Elk River application had more very low income units proposed than that Big Lake project which may have been the reason that project was awarded. Mr. Thares stated a meeting will be scheduled with Duffy Development to discuss the reasons the Big Lake project was not funded.

5G. BLEDA BUDGET

Finance Director Corey Boyer reviewed outstanding loans and options the BLEDA has in working with the businesses to bring the loans current. Staff will bring a draft forbearance agreement to the March EDA meeting for review which may be considered as a short term solution.

Staff was notified that the Lake Café will be making their payment on the delinquent loan by the end of this week. No response was received from Janice's Salon. Staff was asked to bring an update to the EDA meeting in March in regards to Janice's Salon and, at that time, direction will be provided on how to proceed. The EDA discussed options for structuring loans in the future to prevent situations such as this.

5H. Discussion: Goal Setting

Goals for 2010 were discussed. BLEDA members suggested combining the list to a reasonable number of goals.

6. OTHER

BLEDA members are invited to attend a regional Comprehensive Economic Development Strategy (CEDS) community meeting on February 25 to discuss the creation of economic strategies to diversify and strengthen regional economies.

Commissioner D. Hayes motioned to schedule a Special Gathering of BLEDA Members on February 25, 2010 at the Sherburne Historical Center from 3:00 p.m. - 5:00 p.m. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 8:40 p.m. Seconded by Commissioner Leslie, unanimous ayes, meeting adjourned.