

# **BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**

## **MEETING MINUTES**

**MONDAY, AUGUST 9, 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, Jerry Parks and Jim Stahlmann. Commissioners absent: Robert Eddy and Dave Gast

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

### **3. ADOPT AGENDA**

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

### **4. APPROVE BLEDA MEETING MINUTES FROM JULY 12, 2010**

Commissioner Stahlmann motioned to approve the July 12, 2010 meeting Minutes with the following corrections: 1) the first sentence of Item 5B. Big Lake, paragraph two is to read: Commissioner Danielowski inquired of the outcome of the meeting staff had with BNSF officials at the BNSF Intermodal Facility. Seconded by Commissioner Heitz, unanimous ayes, Minutes approved.

### **5. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS**

#### **5A. BIG LAKE INDUSTRIAL PARK EAST**

##### **5A-i. Job Creation / Loan Update- Industrial Molded Rubber (IMR)**

Jim Thares, Community Economic Development Director, reviewed the letter received by MN DEED stating the City is to refund all received payments to date by September 1, 2010 as IMR was not able to meet their job creation goal as per the grant agreement. IMR is required to repay its entire loan balance (balloon payment) by December 13, 2012 and at that time the City will transfer the lump sum payment to DEED as a final project payment and close out the file.

Thares noted the City also provided an economic development loan of \$67,267 to IMR with terms that nearly matched the DEED loan. Staff is recommending that the City loan on \$67,267 be treated the same as the DEED loan.

After a brief discussion, it was the consensus of the EDA members to direct Staff to send a letter to MN DEED expressing concern and frustration over their decision regarding this grant agreement and also to speak with the City of St. Cloud to discuss any steps they are taking as JOBZ incentives were removed from two of their area businesses.

Commissioner Dickinson motioned to authorize staff to notify IMR of the MN-DEED loan request and similarly ask for full repayment of the City loan by the balloon payment date of December 13, 2012 due to IMR's failure to create their required 10 new jobs in the allotted time period and to concurrently send a letter to MN DEED requesting they consider another grant extension as the process being followed is not in the spirit of their organization's mission. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

#### **5B. UPDATE: BR&E (BUSINESS RETENTION & EXPANSION)**

Dingmann stated Staff is recommending the first BRE subcommittee meeting be held the week of August 23-27. At that meeting, the committee will develop a visitation plan and target businesses that will be targeted in the next year for visits.

Commissioners Danielowski, Parks, Stahlmann and M. Hayes volunteered to be on the committee.

#### **5C. BIG LAKE RAIL PARK**

Thares gave a brief update on tasks completed this past month in regards to the proposed Big Lake Regional Rail Park. He noted the completed Engineering Study regarding the Highway 10 Bridge came back positive. The report will be forwarded to Minnesota Department of Transportation for review.

#### **5D. PROJECT STATUS REPORT**

Dingmann stated the rehabilitation contract for 1120 Powell Street North and 5647 Loon Drive has been awarded to Merit Building Company. Rehab is expected to begin the end of August.

Four proposals were received for the Realtor Listing Services. Staff has asked the St. Cloud HRA to review the two lowest bids and recommend a Realtor to represent the City-owned NSP homes as the two lowest bids were received from local realtors.

## **5E. PROSPECTS REPORT**

Dingmann stated a site packet was sent to a prospect interested in a rail-served parcel.

## **5F. BLEDA BUDGET**

For information only; no action was taken.

## **6. CITY EDA BUSINESS ITEMS**

### **6A. ASSISTED / ADVANCED LIVING FACILITY DEVELOPMENT PROPOSAL**

Thares noted staff along with Marshall Weems, Cherrywood Advanced Living (CAL), met with USDA representative Brett Repulske to discuss the advanced living facility proposal.

Thares stated CAL received a proposal from a vendor who is able to complete the feasibility study for approximately \$5,000. However, CAL is proposing they fund the study in full and BLEDA will be allowed to purchase 50% interest in the study at a date determined by CAL. Thares said CAL is proposing this as they would not like to release their business model until it is verified the proposal is feasible.

Commissioner Dickinson expressed his concern on this process as the City is supposed to be a partner on this project and should be allowed to see the study from the vendor at the time it is released. Thares stated staff will propose to CAL the finance sub-committee be able to review the unedited version of the report with the intent of the keeping their business model confidential until the time the report is made public.

### **6B. REQUEST FROM CUB SCOUT PACK 89**

Dingmann stated the Scout leader for Pack 89 has submitted an Administrative Permit to allow for a can recycling can to be placed on the EDA-owned lot west of Lake Liquors. If approved, a condition would be placed on the permit stating the receptacle shall be removed if the EDA /City decide another use is needed for the property or the parcel is sold to another party.

Commissioner Heitz motioned to approve the placement of a can recycling cage to be placed on the EDA-owned parcel west of Lake Liquor Store with the condition that should another use be needed for the property or the parcel is sold, the receptacle shall be removed. Seconded by Commissioner Parks, unanimous ayes, motion carried.

Commissioner Stahlmann also suggested a condition on animal control be added to the permit as the can recycling cages may attract critters.

**7. OTHER**

Commissioner Heitz questioned if staff is still in contact with the down town business owners regarding the awning updates. Thares stated a proposal was received from a sign company but the owners believed the estimate was too high. Commissioner Heitz questioned if the City will be able to review the awning design before it is complete in which Thares stated the building owners would be contacted regarding this request.

**8. ADJOURN**

Commissioner Danielowski motioned to adjourn the meeting at 8:05 p.m. Seconded by Commissioner M. Hayes, unanimous ayes, meeting adjourned.