

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, JUNE 14, 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, Dave Gast, Doug Hayes, Mike Hayes, Chuck Heitz, Jerry Parks and Jim Stahlmann. Commissioners absent: Robert Eddy.

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, and City Planner 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 MAY 10, 2010

Commissioner Stahlmann motioned to approve the May 10, 2010 BLEDA minutes. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS

5A. BIG LAKE INDUSTRIAL PARK EAST

5A-i. Update: RFQ's for Marketing Services

Leslie Dingmann, City Planner, stated three firms were interviewed on June 3rd to assist with marketing and selling property located in the Big Lake Industrial Park East. The three proposals were similar in respect to various methods of marketing and reaching out to potential businesses. The sub-committee is recommending entering into a contract with Gaughan Companies due to their access to resources and proposed marketing strategy. She noted the sub-committee requested Gaughan Companies verify in instances of a co-brokered sale, that they would split the commission equally. Gaughan Companies did agree to the request and it is reflected in the Sales Listing Contract.

Commissioner Dickinson motioned to recommend approval to enter into an agreement for marketing services for 18 months with Gaughan Companies to market the Big Lake Industrial Park East parcels. Seconded by Commissioner Gast.

It was noted that the contract Gaughan Companies provided stated the listing would be for a 24 month period. Commissioner Dickinson stated the extra 6 month period was reasonable due to the slow economy and the reality that it may take over a year to find one prospect.

Commissioner Dickinson motioned to amend his previous motion and recommend approval to enter into an agreement for marketing services for 24 months with Gaughan Companies to market the Big Lake Industrial Park East parcels. Seconded by Commissioner M. Hayes, unanimous ayes, motion carried.

5B. BIG LAKE RAIL PARK

Jim Thares, Community Economic Development Director, reviewed the tasks completed the past month in regards to the proposed Big Lake Rail Park project. He stated the City is in receipt of the escrow funds from the developers in the amount of \$20,000.

Commissioner Danielowski questioned what the funds would be used for in which Thares stated they would be used to complete a study to determine if the rail siding could be constructed under the bridge and propose a design if it is feasible.

Commissioner Dickinson questioned if all the parcels in the proposed development were currently annexed into the City. Thares noted all but one parcels have been annexed.

5C. PROJECT STATUS REPORT

Dingmann stated the site visit as part of the Shovel Ready Site Certification process took place on June 3. Staff is confident that the parcel will receive the certification. Information was provided to the EDA on a follow up strategic plan that could be completed by Moran, Stahl and Boyer for an additional fee although it is not a requirement of the Shovel Ready Site Certification process.

Commissioner Danielowski questioned if there would be any funds the City might tap into as part of the Main Street Program. Staff will research this program and bring information forward at a future EDA meeting.

City staff will be purchasing three additional homes with NSP funds in the next month. There are enough remaining funds to purchase one to two more properties.

Dingmann stated the Big Lake Chamber of Commerce notified Staff that they will most likely not move forward with the Grow Minnesota program until this fall. With that in mind, Staff is registered to attend the IEDC Business Retention and Expansion course offered in July. Staff has contacted the Initiative Foundation regarding grant possibilities to help fund this expense.

Commissioner Dickinson motioned to authorize the submission of a grant application to the Initiative Foundation requesting funds to help pay for the expenses of the IEDC Business Retention and Expansion course. Seconded by Commissioner Danielowski, unanimous ayes, motioned carried.

5D. PROSPECTS REPORT

Dingmann stated staff will be setting up a meeting with a prospect who is looking at building or leasing a 6,000 square foot facility in Big Lake for a small machining business.

5E. BUDGET

Corey Boyer, Finance Director, noted the Minnesota Community Capital Fund was contacted to discuss what steps need to be completed should the City decide to remove their funds from the organization. A letter for both the City and the Township would be required.

6. CITY EDA BUSINESS ITEMS

6A. JANICE'S SALON BUILDING AND FAÇADE LOAN- JANICE HALVERSON

Janice Halverson was in attendance to update the EDA on the status of her building and the outstanding loan. Once payment is received from her bank from the sale of the building, the outstanding loan will be paid in full.

6B. ASSISTED/ADVANCED LIVING FACILITY DEVELOPMENT PROPOSAL

Thares provided an overview of the project and of the conference call Staff had with the USDA regarding the Communities Facilities Loan.

Marshall Weems, Wendy Hulsby and Bob Coborn, Cherrywood Advanced Living (CAL), was in attendance to give an overview of their management team and to review their proforma information.

Commissioner Gast questioned if all the reports and financial information compiled by CAL will be reviewed by the USDA in which Ms. Hulsby replied they would.

Commissioner Dickinson asked where CAL thinks residents would be coming from and if they would be able to afford this type of facility. Ms. Hulsby stated residents would be drawn from a 30 mile radius from Big Lake and people are already paying for this type of care. However, they have to relocate to other cities as this type of facility does not exist in Big Lake.

Thares stated the EDA needs to provide direction on next steps if they feel comfortable with the project and USDA loan application process. It was the consensus of the EDA that the feasibility study would need to be completed in order to determine if a project of this nature would work in Big Lake.

Commissioner Dickinson motioned to authorize the BLEDA to negotiate and enter into a development agreement with Cherrywood Advanced Living to pursue the development of an advanced living facility and authorize a \$10,000 non-refundable joint development project contribution from a source to be determined by the BLEDA and/or the City staff upon execution of the development agreement with Cherrywood Advanced Living. Seconded by Commissioner Gast, unanimous ayes, motioned carried.

6C. CITY/BLEDA LAND PARCELS AND DOWNTOWN PARKING

Thares reviewed a list compiled by Senior Planner, Katie Larsen, on all city and EDA-owned parcels. It was noted the EDA owned two parcels near Russell's and the City owned parcels south of McDonald's.

Thares noted downtown business owners inquired about the potential of designating one of the lots as an official community parking lot as part of the intersection reconstruction project. It was the consensus of the EDA that they are not interested in converting this buildable lot into a community parking lot but would be willing to sell it to the businesses should they want to pursue converting the parcel into a parking lot.

6D. MARKET DEMAND/PRICING FOR DEVELOPMENT LAND IN CITY

Thares stated staff received calls from a land owner asking to discuss the BLEDA's retail land development efforts.

Mike Krutzig was in attendance and asked that the BLEDA be considerate of private retail land owners when marketing and listing the EDA-owned land. If the City severely discounts their land it affects private land owners.

Commissioner Gast stated the EDA sent out a proposal for private developers to purchase the EDA-owned land and develop it noting it was never the City's intent to complete with private developers. Mr. Krutzig suggested the City not list a price for the land but let buyers propose a price. Thares clarified that we have not listed the price on any websites or advertisements.

Commissioner Gast stated that in the event that the City is approached by someone interested in the property, it is the intent to sell all the land, not just one piece.

7. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 9:10 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.