

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, OCTOBER 17, 2005

1. CALL TO ORDER

Acting President Heitz called the meeting to order at 7:00 p.m.

2. ROLL CALL

Commissioners present: Jim Dickinson, Robert Eddy, Dave Gast, Doug Hayes, Chuck Heitz, Lori Kampa, Ewald Petersen, Jim Sanford, and Jim Zwilling.

Also present: Community Economic Development Director Jim Thares, City Administrator Patrick Wussow, Assistant City Administrator Scott Johnson, Finance Director Corey Boyer, Planner Annie Deckert, and Economic Development Assistant Sandy Petrowski.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM SEPTEMBER 19, 2005

Commissioner Dickinson motioned to approve the September 19, 2005 BLEDA minutes. Seconded by Commissioner Hayes, unanimous ayes, motion carried.

5. BUSINESS

5A. BLEDA SEATS AND OFFICE OF PRESIDENT

BLEDA Seats

Community Economic Development Director Jim Thares reviewed the information provided pertaining to the BLEDA terms/seats, voting rights on Industrial Park issues, and the office of the President. The Board discussed the following proposed, revised wording provided by City Attorney Soren Mattick regarding Section III.A.4 of the BLEDA Enabling Resolution clarifying the BLEDA seat appointments and voting members:

III. COMMISSIONERS

A. APPOINTMENT

4. *The BLEDA shall appoint three (3) non City Council Commissioners to Seats A, B, and C, annually. The two (2) remaining non City Council Commissioners shall hold Seats D and E and become ex-officials during the time that Town Representatives have voting rights.*

In the event that a Commissioner holding Seat A, B, C, or a City Council member position is absent from a BLEDA meeting, the ex-official Commissioner shall be a voting member for that meeting. At no time shall there be more than seven (7) voting members on the BLEDA.

Commissioner Eddy motioned to approve the revision to Section III.A.4 of the BLEDA Enabling Resolution as discussed. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

Office of President

Acting President Heitz stated that he would be willing to serve as BLEDA President if no other Commissioner wished to do so. Commissioner Doug Hayes stated that, if nominated, he would accept and serve in the capacity of BLEDA President.

Commissioner Dickinson motioned to nominate Doug Hayes to the position of BLEDA President, beginning at the November 21, 2005 BLEDA meeting. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5B. PUBLIC HEARING: LAND SALE – LAKE PLAZA MALL PROPERTY

Mr. Thares reported that this public hearing was being held in order to call for the sale of the BLEDA-owned property located at the east end of the Lake Plaza Mall (the parcels currently occupied by the municipal liquor store, Big Lake Floral and Gift, and the space recently vacated by Bumper to Bumper). He also stated that representatives/owners of Big Lake Floral were in attendance to address their letter to the City which states their desire to remain in their current location. Mr. Thares reported that during a closed session at the September BLEDA meeting, the Board discussed an offer from another party, whom Assistant City Administrator Scott Johnson has since been working with to draft a purchase agreement.

Acting President Heitz opened the public hearing at 7:13 p.m.

Dean Nelson, 1037 Powell North, stated that, during a previous meeting with City staff, Big Lake Floral informed the City that they were interested in remaining at their site but that they wanted to review what exterior (façade) improvement costs they would be responsible for as well as what the future proposed taxes would be before entering into an agreement.

Mr. Johnson noted that in his two letters to Big Lake Floral & Gift, both dated August 29, 2005, the Big Lake Floral representatives were informed of where they would have to obtain the tax information and also what BLEDA's direction to City staff had been concerning this property (i.e., offer the space on the east end of the mall for \$67.00 per sq. ft.; buyer must enter into a purchase agreement and a Common Interest Community (CIC) agreement; buyer must agree to make upgrades to the property at the same time as the City and other owners, or as needed; and that offers must be in writing and addressed to the BLEDA and sent to Mr. Johnson's attention.)

Trish Moos, 441 Martin Avenue, also stated that they had been waiting for information on a cost estimate for the proposed façade improvements and that they have not seen any plans.

Assistant Administrator Johnson reiterated that the City still does not have any figures on the proposed façade improvement costs and that any purchase agreement, if entered into, could have been worded to be contingent upon acceptance of costs for façade improvements. He informed the Board that staff was not contacted by anyone from Big Lake Floral until October 3rd, and their letter of interest was not drafted and received until October 6th.

Mr. Nelson stated that they had the understanding that there was a verbal agreement that was contingent on the proposed taxes and exterior costs. He also stated that City staff did indicate that they did not know what the façade improvement costs would be.

Administrator Wussow stated that it was important to note that that the prospective buyer that the City is currently negotiating with has agreed to fulfill the terms of Big Lake Floral's current lease and that the lease will continue until April of 2007 at the same rental rate.

Mr. Thares stated that this public hearing was only to call for a vote on the sale of the BLEDA-owned land and not to determine who the purchaser would be or the final cost. It was noted that, at this time, a purchase agreement had not yet been entered into with the City, that offers would be accepted from Big Lake Floral and any other interested party but that once a purchase agreement is executed, then no further offers would be considered.

Commissioner Dickinson reported that the goal of the BLEDA has been to sell the BLEDA-owned parcel of the mall in its entirety and not in separate parcels. Acting President Heitz stated that the BLEDA has been working on getting out of the property ownership business and does, in fact, want to sell their BLEDA-owned portion of the mall as one parcel.

Mr. Nelson stated that, if the BLEDA wants to sell as only one parcel, then Big Lake Floral shouldn't have been contacted. Acting President Heitz stated that Big Lake Floral is not precluded from purchasing the parcel or from entering into a long term lease with another buyer.

Acting President Heitz closed the public hearing at 7:28 p.m.

Commissioner Dickinson motioned to direct staff to proceed with negotiations for the sale of the 10,854 sq. ft. BLEDA-owned parcel of land legally described as Lots 1 and 2, Block 1, Lake Shopping Center. Seconded by Commissioner Hayes, unanimous ayes, motion carried.

5B-i. Verbal Update – Lake Plaza Mall Project – Scott Johnson

Assistant Administrator Johnson reported that there is the one remaining BLEDA-owned bay available for sale which is located in the east portion of the former Stevens' facility that the BLEDA has purchased and that staff is proposing to advertise this property in the local paper as well as possibly in the MN Real Estate Journal at a cost of approximately \$225.00.

Commissioner Eddy motioned to authorize the sale of the east portion of the BLEDA-owned parcel on the west end of the Lake Plaza Mall. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5C. PUBLIC HEARING: LAND SALE – LAKE STREET COTTAGES, PHASE II

Mr. Thares provided a brief background on Phase II of this project and stated the BLEDA is required to hold a public hearing prior to the sale of this property. He reported that offers have been received from: 1) Don Deuel for a twin home proposal; and 2) Scott and Sue Springer for a single family proposal.

Acting President Heitz opened the public hearing at 7:35 p.m. No one came forward for comment. Acting President Heitz closed the public hearing at 7:36 p.m.

Mr. Thares briefly reviewed the two proposals and answered questions of the Board.

After further discussion, Commissioner Dickinson moved to authorize staff to negotiate with Scott and Sue Springer to reach an agreement on a sales price of no less than \$59,000.00, and to authorize staff to enter into a purchase and development agreement as warranted per the negotiations. Seconded by Commissioner Hayes, unanimous ayes, motion carried.

5D. BIG LAKE INDUSTRIAL PARK EAST

5D-i. Update: White Bear Clothing Project

Mr. Thares provided a brief update on this 20,500 sq. ft. project and reported that, despite the September 21st windstorm, the project is still expected to be completed and ready for occupancy by late 2005. No action required or taken.

5D-ii. Update: Industrial Molded Rubber Project

Mr. Thares reported that the construction of this 28,500 sq. ft. building is progressing and still expected to be completed by the end of 2005, with occupancy by early 2006. No action required or taken.

5D-iii. Update: Drainage Issues

Mr. Thares reviewed his October 14th memorandum pertaining to the Industrial Park East drainage improvement project and reported that a majority of the work is complete; staff will monitor the results of this drainage improvement effort and report back with any additional steps necessary to finalize this project. No action required or taken at this time.

5D-iii-a. Industrial Park Expansion Project (IPEP) Committee Update

Mr. Thares reported that the IPEP Committee recently met to review a revised offer from Dynamics Development. The Committee did not reach a consensus on a counter offer or on a process of moving forward but did request that staff compile additional information for the Committee's review at a future meeting (no meeting date was set).

Commissioner Ewald Petersen stated that there seemed to be some question as to whether or not the Council is truly interested in pursuing another joint industrial park project. He stated that he felt that it wouldn't be in the BLEDA's best interest to pursue an additional site until the full Council's wishes are clarified.

It was the consensus of the Board to have this issue brought before the Council at their next meeting to determine if there is interest to pursue another joint industrial park project.

5D-iv. BLIPE Monument Issue

Mr. Thares briefly reviewed City Planner Annie Deckert's October 14th memo, stating that staff has put this project on hold until time allows for further research into the BLIPE business owner's interest in taking responsibility for a monument. No action required or taken.

5D-v. Manufacturer's Week

Ms. Deckert reviewed her October 7th memo on Minnesota Manufacturer's Week which is scheduled for October 24-28, 2005. She reported that the Big Lake events, sponsored jointly by the BLEDA, the City of Big Lake, Big Lake Township, and the Big Lake Chamber of Commerce, are scheduled to take place on November 10, 2005. Ms. Deckert reported that staff has recommend that the BLEDA approve the proposed Manufacturer's Week events and the amount for ½ of the refreshments costs in the amount of \$46.97 (total cost of \$93.93 is split between the Chamber and City).

Commissioner Dickinson moved approval of the proposed Manufacturer's Week events and payment of \$46.97, which is one-half of the refreshment costs. Seconded by Commissioner Petersen, unanimous ayes, motion carried.

Acting President Heitz moved Item 5D-viii, Prospects Report, to this point of the meeting.

5D-vi. Prospects Report

Mr. Thares briefly reviewed the two new prospects listed on the report. Staff will work to remove any listings on the report that are no longer valid.

Commissioner Petersen and Commission Sanford left meeting at 8:07 p.m.

5D-vii. Call for Sale of \$1,700,000 EDA Lease Revenue Bonds – Municipal Liquor Store

Finance Director Corey Boyer reviewed his October 13th memorandum information and proposed resolution providing for the sale of \$1,805,000 Public Project Lease Revenue Bonds, Series 20056B; he reported that, due to Statute requirements, the amount of the EDA Lease Revenue Bonds had to be increased from \$1,700,000 to \$1,805,000.00. Mr. Boyer noted that the purpose of the bonds is to help finance the acquisition and renovation of the municipal liquor store which is to be located in the old Coborn's site in the Lake Plaza Mall. Mr. Boyer also stated that staff is requesting that a special meeting be called for November 30, 2005 to consider the approval of the bond issuance based on the bids that are received.

Commissioner Eddy moved Resolution #2005-08, A Resolution Providing for the Sale of \$1,805,000 Public Project Lease Revenue Bonds, Series 2005B, as presented. Seconded by Commissioner Gast, unanimous ayes, motion carried.

Commissioner Dickinson motioned to call a special EDA meeting at 5:30 p.m. on Wednesday, November 30, 2005 to consider the approval of the bond issuance based on the received bids. Seconded by Commissioner Hayes, unanimous ayes, motion carried.

5D-viii. Annual City of Big Lake Committees Workshop – Call Meeting

Commissioner Eddy motioned to call a Committee's Workshop at 5:00 p.m. on Wednesday, December 7, 2005, at Russell's On The Lake. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

5E. PROJECT STATUS REPORT

Mr. Thares reviewed the September 2005 Project Status Report and answered questions of the Board. No action required or taken.

5F. EDA BUDGET

Mr. Thares briefly reviewed the budget information (as of 9-30-05) provided in the meeting packet by Finance Director Corey Boyer. No action required or taken.

5G. DOWNTOWN REDEVELOPMENT

Mr. Thares reviewed his October 14th memorandum on the following projects:

Eagle Lake to Fern Street Redevelopment Project – Discussions have taken place between staff and Oppidan Investments on a possible property swap with the BLEDA; which staff believes may work well and provide the City with a little more control in the redevelopment of this site. It was also reported that the City Engineer is continuing to work on the completion of a traffic improvement study on the intersection of Eagle Lake Road and U.S. Highway 10.

Ivers-City/Bakken/Carlson-Zimmerman Property Area – It was reported that the City Engineer is continuing to work on the turn back of the ROW that will be added to the Ivers-City and Bakken properties and also that the Ivers-City property is a potential swap parcel with Oppidan Investments (staff will provide Oppidan with additional information and assess if there is further interest).

Potential Putnam Avenue Redevelopment Area – Mr. Thares reviewed the memo and asked the BLEDA to discuss the scenario of a possible purchase of all parcels in the area (parcels 3, 4, 5, 6, 7, 8 on map) and then pursuing redevelopment discussion with selected developers or use of an RFP. It was the consensus of the Board for the record to reflect that it would be the recommendation of the BLEDA for the parcels (#'s 3, 4, 5, 6, 7, and 8) to be sold as one parcel to obtain the maximum benefit for redevelopment. The Board decided to pass on purchasing the parcels at this time and allow a private developer additional time to contact property reps regarding this area.

Mr. Thares reported that a resource of all potential redevelopment areas within the City has been compiled and copies can be brought to the next BLEDA meeting for the Board's information.

5H. UPDATE: TWIN PEAKS BUILDING

Mr. Thares provided a brief update on this building; reporting that the building will not be demolished and that there is a prospect who is interested in the building and rehabbing it to meet City codes. He also reviewed a copy of the September 30, 2005 violation letter that was sent to the current owner of the facility. The potential purchaser has contacted staff to obtain a copy of the violation letter for their review.

5I. UPDATE: POST OFFICE RELOCATION

Acting President Heitz reported that representatives from the Post Office attended the last City Council meeting for a public forum session to discuss potential sites and obtain input from the public. This item is for information only; no action required or taken.

6. OTHER

Commissioner Dickinson asked for an update on the status of rental inspections within the City. Administrator Wussow reported that the next round of inspections for multi-family units is scheduled to take place in the winter of 2006 and that staff will provide the Board with an update on the next scheduled rental inspections.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 8:45 p.m. Seconded by Commissioner Hayes, unanimous ayes, meeting adjourned.