

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
MONDAY, JULY 9, 2007

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 7:00 p.m.

2. ROLL CALL

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

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

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM JUNE 11, 2007

Commissioner Heitz motioned to approve the June 11, 2007 BLEDA minutes. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

5. BUSINESS

5A. BIG LAKE INDUSTRIAL PARK EAST

5A-i. Updates: Paragon Store Fixtures / Sunny Fresh Foods / IMR

Paragon Store Fixtures – Tax Increment Financing Request: Finance Director Corey Boyer reviewed his July 9th memorandum pertaining to the BLEDA's prior approval to provide \$38,000 of TIF to Paragon Store Fixtures and the subsequent review of the documentation by the City's fiscal consultant, Ehlers and Associates, and the City Attorney at Campbell Knutson which has resulted in Ehlers opinion that Paragon has not substantiated the need for subsidy, which has led the attorney's office to be hesitant to complete the necessary documentation.

Staff is now asking the BLEDA to consider the \$38,000 TIF subsidy request, noting that there may be alternatives to TIF that staff could explore in order to possibly provide Paragon Store Fixtures with the funding they have requested.

After discussing potential options available for Paragon to possibly utilize, it was the consensus of the Board to direct staff to continue to work with Paragon Store Fixtures in attempting to meet the But/For analysis for the TIF funding and, if necessary, work with Paragon in determining other potential funding options.

5A-ii. Update: Ataboy Building

Mr. Thares reported that staff has been attempting to contact Ataboy's former owner but that no new information was available at this time. For information only; no action required or taken by Board.

5A-iii. Prospects Report

Mr. Thares briefly reviewed information on the three (3) new prospects; no action required or taken by Board.

5A-iv. Industrial Park Expansion

Mr. Thares reported that staff is working with the BLEDA Attorney to complete the purchase agreement and it is anticipated that it could be ready for Bruggeman's review within the next week. No action required or taken by the Board.

5B. UPDATE: BIG LAKE PLAZA / LAKE SHOPPING CENTER

5B-i. Sign Issue

Mr. Thares reminded the Board that at the June BLEDA meeting, staff was directed to bring back for the Board's review a sample sign design and lease for review. He further stated that the City Attorney is still in the process of drafting a sample lease which will be provided at the next meeting. Also, Mr. Thares reviewed the before/after sign comparison documentation that was handed out at the meeting. No action required or taken by the Board.

5B-ii. Update: Sale of East End of Shopping Center

City Administrator Scott Johnson reported that staff is working with Dr. Sealock in finalizing the purchase agreement and that the closing on this purchase has been scheduled for August 1, 2007. An update on any additional information on this item will be brought to the August BLEDA meeting. No action required or taken by the Board.

5C. DOWNTOWN REDEVELOPMENT (HIGHWAY 10 & COUNTY ROAD 5)

5C-i. Update: Clean-up of 260 Eagle Lake Road North

Community Economic Development Director Thares reviewed the July 2nd memorandum provided by Economic Development Intern Sam Woods regarding the revised quotes that have been received for the site clean-up of 260 Eagle Lake Road North. He further reported that the quotes were presented to the City Council for consideration and the Council approved the quote from Schluender Construction Company in the amount of \$4,150.00, with the exception of the removal of the 3 to 4 inches of black dirt and seeding, and replace with sand for the filling of the foundation site; it was noted that Schluender would be reducing the quote to reflect this minor change. For information only; no action required or taken by the Board.

5C-ii. Update: Redevelopment Project

Mr. Thares reported that staff had recently met with Nelson Building and Development, Inc. officials to discuss the processing of involving the two (2) remaining privately-owned properties (Dairy Queen and Oppidan Investments) in redeveloping this area into a new viable commercial center. During the meeting, Nelson officials and City staff indicated that more analysis of the numbers would be completed by each party within the next few weeks in order to better understand the rental rates required for the project as well as the amount of tax increment that would be needed to back-fill the expected financial gap for the project. He further reported that the City/BLEDA Attorney will be drafting a pre-development agreement or development agreement for Nelson's review.

Finance Director Corey Boyer reported that, when staff met with Nelson officials, it was agreed that City staff would stay out of discussions with Oppidan Development and that Nelson would contact Oppidan regarding potential involvement in the project, and also that staff would work on determining any potential TIF assistance that may be available for the project.

5D. PROJECTS STATUS REPORT

Mr. Thares reviewed the June 2007 report and answered questions of the Board. No action required or taken by the Board.

5E. EDA BUDGET

Mr. Thares briefly reviewed with the Board the 06/30/07 budget information distributed at the meeting and answered questions of the Board.

Mr. Boyer briefly reviewed the 2008 budget information handed out at the meeting and requested that the Board discuss/comment on the budget items in order for staff to provide a final budget for the Board's consideration at their August meeting.

Mr. Thares discussed the proposed amount for marketing and asked for the Board's input. After a brief discussion, Mr. Thares stated that staff would be meeting with the Chamber to discuss the marketing of the City and that a draft marketing plan would be brought back to a future meeting for the Board's further discussion/consideration.

5F. CONTINUED DISCUSSION: SHERBURNE COUNTY EDA

Mr. Thares conveyed to the Board the comments from the BLEDA Attorney regarding the County's proposed EDA.

Commissioner Sanford briefly discussed the Township Board's decision to opt-out of the proposed County's EDA.

5G. UPDATE: NORTHSTAR TRANSIT ORIENTED DEVELOPMENT (TOD)

Mr. Thares reported that the TOD Committee recently toured the Ramsey Town Center Development Project which was designed and built to attract a future commuter train station (noting that Ramsey is currently not a planned stop on the Northstar Commuter Train Line). He further stated that the TOD Committee's July 18th meeting will include presentations by LSA Design, a transit facility/development consultant, as well as staff regarding budgets.

6. OTHER – None.

Commissioner Heitz discussed his concerns with the property at the NE corner of Phyllis and Martin Avenue, noting that staff has requested the owners in the past to keep the property cleaned up. Administrator Johnson stated that staff will send a letter to the property owner regarding the property.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 8:32 p.m. Seconded by Commissioner Sanford, unanimous ayes, meeting adjourned.