

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, FEBRUARY 9, 2009

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, Chuck Heitz, Norm Leslie, and Jim Sanford. Commissioners absent: Robert Eddy and Jerry Parks.

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

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM JANUARY 20, 2009

Commissioner Heitz motioned to approve the January 20, 2009 BLEDA minutes. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5. BUSINESS

5A. TIF Request: Redevelopment of Former American Legion Parcel (M. Krutzig)

Community Development Director Jim Thares reviewed key redevelopment items that could become part of a redevelopment plan for the old American Legion property. A revised project budget and a letter indicating his acceptable internal rate of return from Mr. Krutzig was also presented. Mr. Thares noted the revised identified permitted project costs are currently \$1,062,000.

The revised analysis received from Ehler's was reviewed based upon the updated project numbers from Mr. Krutzig. Mr. Thares presented the recommendations for funding the project from Ehler's.

Commissioner Heitz questioned if the EDA was limited to the four options recommended in which Mr. Thares stated the level of assistance is up to the BLEDA.

Commissioner Dickinson voiced concern over the timing of the project and noted that the parcel would still need to be annexed into the City before a decision on assistance could be made. He commented on the number of other vacant parcels and buildings in the City. Commissioner Dickinson suggested by providing assistance, the EDA could be creating government sponsored competition which may be detrimental in a time when numerous businesses have failed in the City over the past few months.

Board members stated their reservations in considering assistance for two separate buildings when there is only one project presented that will likely be constructed (phase one of the project) in the near future. Mr. Krutzig stated his concern over having the project reviewed in phases and not as a whole is that once the existing building is demolished, a valuable part of the parcel is removed and assistance to develop both buildings is not guaranteed.

After a lengthy discussion, it was the consensus of the board that although they support the project, it would be a challenge to approve the request with the information presented to them. It was suggested a meeting be held with City staff, Ehler's and the developer to discuss the project and assistance options based on the revised project information from Mr. Krutzig.

Commissioner Hetiz motioned to set up a meeting with City staff, Ehler's and the developer's representatives to discuss the revised project costs and present an update to the EDA at the regularly scheduled March meeting. Seconded by Commissioner Dickinson, the motion passed on a vote of 4 to 0, with 1 abstention, with Commissioners Danielowski, Dickinson, Hayes and Heitz voting aye and Commissioner Gast abstaining.

5B. Prospects Report

Mr. Thares informed members there will be a strategic planning meeting held Thursday, February 12, to review a potential large industry prospect. An update will be presented at the March EDA meeting.

City Administrator Scott Johnson stated the storage facility prospect has narrowed down their site search to 15 locations, two of which are in Big Lake. A final decision should be made in 3-4 weeks.

5C. Project Status Report

Mr. Thares stated a meeting was held with Kandiyohi representatives about relocating to Big Lake. The project would create 20 high paying jobs and an additional 20 jobs

trucking jobs would be contracted out. Commissioner Hayes stated a bi-product of the facility is hot water which could be used to heat neighboring properties.

Mr. Thares informed members that feedback has been received for the Neighborhood Stabilization Program grant application. Minnesota Housing has stated a third party will need to be hired to administer the grant as they do not recognize City Staff as having qualified CDBG administration experience. Staff has met with two organizations that are qualified and will bring an update to the board at the next EDA meeting.

Mr. Thares stated Staff has been informed that Pat Briggs would like to move ahead with his apartment project but has indicated he will have to reduce the project if he can not obtain assistance from the City or other agency. Mr. Briggs also stated he is interested in purchasing the neighboring property to expand the project but that would increase the cost of the proposal. Mr. Thares stated he will invite Mr. Briggs and Duffy Development to an upcoming EDA meeting so they can present their projects to the Board. Commissioner Heitz suggested in regards to assistance, the City could possibly help with the demolition of the building on the neighboring property if the developer moves ahead with increasing the project size.

5D. Lake Shopping Center

5D-i. Consideration of Revised Pylon Sign Quotes

Mr. Johnson reviewed the revised quote from Scenic Sign which includes the addition of the rock face block base at the bottom of the sign. The total cost to refurbish the pylon sign is \$21,115. Mr. Johnson also asked for direction from the EDA if they are willing to front the cost of refurbishing the existing pylon sign or if the Mall Association should approach local banks about funding the sign. Commissioner Hayes stated at the last EDA meeting, it was the consensus of the Board to loan the money to the Mall Association.

Commissioner Dickinson motioned to accept the bid from Scenic Sign to refurbish the pylon sign, including the addition of the rock face block at the base of the sign and loan the money to the Mall Association with the exception that each tenant will pay \$495 up front for their own tenant panel. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

Commissioner Heitz also mentioned a designated area in the parking lot should be identified for snow storage as the current spot is around the base of the sign, which will damage the new rock face at the base in the future.

5E. Update: Redevelopment at Highway 10 & County Road 5

Mr. Thares stated there are no updates regarding this project. He stated Mr. Weicht has purchased the 1.6 acre Oppidan parcel but a date for closing on the City parcel is not set. Staff has remained in contact with the developer and continues to monitor his efforts.

5F. BLEDA Budget

The budget was presented for Board review. For informational purposes only; no action taken by the board.

5G. Marketing Discussion

City Planner Leslie Chmielewski stated a check has been received from CenterPoint Energy in the amount of \$20,000 to use for marketing as part of the agreement. A meeting of the marketing committee will be set to discuss the use of the incentive check as well as 2009 marketing campaign plans.

In January, Staff attended a Sherburne County Marketing Committee meeting to continue efforts on developing a tagline for the County. At that time, a meeting was set for February 23 to begin preparations for the 2009 Developer's Roundtable event.

5H. Call for Special Gathering on February 24, 2009

Commissioner Hayes motioned to set a special BLEDA gathering on Tuesday, February 24, 2009 at 5:15 p.m. at the Big Lake Library Facility located at 790 Minnesota Ave. Seconded by Commissioner Dickinson, unanimous ayes, motioned carried.

5I. 2009 Big Lake Expo- Council/BLEDA Booth

Mr. Thares stated the City Council approved at their last regular meeting participation in the 2009 Big Lake Expo. He requested EDA members let Staff know if they are able to staff the booth during part of the day.

Commissioner Dickinson motioned to set a special BLEDA gathering on March 1, 2009 from 11:00a.m. to 3:00 p.m. for the Big Lake Expo located at the Big Lake High School. Seconded by Commissioner Danielowski, unanimous ayes, motioned carried.

6. OTHER

7. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 8:26 p.m. Seconded by Commissioner Sanford, unanimous ayes, meeting adjourned.