

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, MAY 16, 2005

1. CALL TO ORDER

President Jim Dickinson called the meeting to order at 7:02 p.m.

2. ROLL CALL

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

Economic Development Director Jim Thares reported that Commissioner Robert Gardetto has informed staff that he will be resigning from the BLEDA Board and that a letter of resignation will be submitted in the near future.

Also present: Community Economic Development Director Jim Thares, Assistant City Administrator Scott Johnson, Economic Development Specialist Alex Wikstrom, Finance Director Corey Boyer, City Attorney Soren Mattick, Economic Development Assistant Sandy Petrowski, Economic Development Intern Annie Deckert, Planning Commission Liaison Doug Hayes, resident Mike Zigler, and Richard Aderman, of White Bear Clothing Company.

3. ADOPT AGENDA

Commissioner Petersen motioned to approve the agenda with the addition of: 1) Lake Plaza Issue under Item #5E-Budget; 2) Closed Session under Item #6, Other, to discuss the Coborn's Project and the Stevens' Grocery Store Site. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM APRIL 18, 2005

Commissioner Eddy motioned to approve the April 18, 2005 BLEDA minutes with the minor modification to the last paragraph of Item #5B as discussed. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5. BUSINESS

President Dickinson moved Agenda Item #5C-I, Fence Issue – Mike Zigler, to the first business item on the agenda in order to accommodate Mr. Mike Zigler, who is in attendance to discuss this issue.

5A. FENCE ISSUE – MIKE ZIGLER

President Dickinson summarized the issue of a fence owned by Mr. Zigler, located on the property line along the northwest corner of the Lake Street Cottages project, which has been damaged due to vehicles backing up over the curb installed by United Land Investors which had been installed on the zero lot line.

Mike Zigler, 651 Shoreacres Drive, stated that when the Lake Street Cottages project was developed, he related his concerns to the developer of the close proximity of the curb to his fence, and the developer, Mr. Tim Smith, had indicated that they should “wait to see what happens”; the fence has since been damaged and Mr. Smith has not responded any further. Mr. Zigler requested that consideration be given to having some type of barrier installed (i.e., bollards) between his fence and the driveway. When asked if Mr. Zigler is requesting bollards in lieu of a fence, Mr. Zigler stated that he prefers to retain his fence.

It was the consensus of the Board to direct staff to research this issue further (i.e., contact developer about participation with funding, request that the City Engineer review the situation and provide comment to the Board) and to bring further information back to the June BLEDA meeting for final resolution.

5B. BIG LAKE INDUSTRIAL PARK EAST

5B-i. Available 2.25 Acre Lot (Lot 2, Blk 1, BLIPE3)

Mr. Thares reported that two (2) firms had submitted Memorandums of Agreements (MOA's) for this available parcel; the BLIPE Subcommittee met and is recommending that the Board accept the Memorandum of Agreement submitted by White Bear Clothing Company.

Mr. Richard Aderman, of White Bear Clothing Company, provided a brief overview of the company and answered questions of the Board.

Commissioner Petersen motioned to accept the Memorandum of Agreement from White Bear Clothing Company. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5B-ii. Update: Proposed Industrial Molded Rubber (IMR) Project

Mr. Thares provided an update on the project and reported that, due to additional engineering and programming work that is needed for the internal layout of the building, the project review by the BLEDA and the Joint Planning Board (JPB) will not take place until June. He also reported that staff is working on the Minnesota Initiative Fund grant-loan application that was reviewed with the BLEDA in April. Mr. Thares briefly reviewed the revised site plan that was distributed at the meeting and reported that it is still IMR's goal to break ground on the 30,000 +/- sq. ft. facility by late July 2005 and to move in by the end of December 2005.

5B-iii. TIF Districts 2-4 and 2-5

Mr. Thares requested that the Board consider four resolutions to: 1) eliminate Parcel #65-516-0106 from TIF District No. 2-3; 2) establish TIF District No. 2-4 (for Parcel #65-516-0106); 3) eliminate Parcel #65-512-0110 from TIF District No. 2-2; and 4) establish TIF District No. 2-5 (for Parcel #65-512-0110).

Commissioner Petersen motioned to approve Resolution #2005-02, A Resolution Approving the Elimination of a Parcel from Tax Increment Financing District No. 2-3 (Sherburne County TIF District No. 709 007), Located within Development District No. 2, in the City of Big Lake. Seconded by Commissioner Gast, unanimous ayes, motion carried.

Commissioner Heitz motioned to approve Resolution #2005-03, A Resolution Adopting a Modification to the Development Program for Development District No. 2, Establishing Tax Increment Financing District No. 2-4 Therein and Adopting a Tax Increment Financing Plan Therefor. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

Commissioner Petersen motioned to approve Resolution #2005-04, A Resolution Approving the Elimination of a Parcel from Tax Increment Financing District No. 2-2 (Sherburne County TIF District No. 709 004), Located within Development District No. 2, in the City of Big Lake. Seconded by Commissioner Gast, unanimous ayes, motion carried.

Commissioner Heitz motioned to approve Resolution #2005-05, A Resolution Adopting a Modification to the Development Program for Development District No. 2, Establishing Tax Increment Financing District No. 2-5 Therein and Adopting a Tax Increment Financing Plan Therefor. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

Mr. Thares reported that the City Council would be holding public hearing on these TIF Districts at their regular meeting on May 25th. Commissioner Petersen also reported that the Township Board would be holding a public hearing on these TIF Districts at their May 25th meeting as well.

5B-iiia. FYI – TIF Knockdown of BLIPE

The Board reviewed Finance Director's May 6, 2005 letter sent to Sherburne County Auditor pertaining to TIF District 709004 Economic Development #2-2; Parcel #'s 65-121-3200 and 65-512-0110, which are to be taken out of the District. This information is for the Board's information only and no action is required.

5B-iv. Engineering Issues

Mr. Thares reported that the City Engineer is continuing their work on completing the feasibility study that was initially directed at the Board's February 2005 meeting and, when completed, the study will be presented to the Board's for review.

5B-v. Proposed Industrial Park Expansion

Mr. Thares provided an update on this item, stating that the Industrial Park Expansion Proposal (IPEP) Subcommittee continues to meet as a Committee and with property owners as well, and will continue to provide updates to the Board at their regular meetings.

5B-vi. Sherburne County Economic Development Workplan

Mr. Thares briefly discussed with the Board the Sherburne County Economic Development Workplan. For information only; no action required or taken.

5B-vii. Prospects Report

Mr. Thares reviewed the recent prospects listed in the report and answered questions of the Board. No action required or taken.

5C. PROJECTS STATUS REPORT

Mr. Thares reviewed the March 2005 report and answered questions of the Board. No action required or taken.

5D. SURPLUS OUTLET TAX ISSUE

Mr. Thares reviewed Finance Director Corey Boyer's May 11th memorandum on the notice received of property tax owed for 2005 by Tom's Small Engine Repair (formerly located in the old Surplus Outlet building at 511 Jefferson Boulevard).

Finance Director Corey Boyer further reviewed this issue with the Board as well as the additional documentation distributed at the meeting. He clarified the difference pertaining to payment of taxes as stated in the BLEDA's lease agreement with Tom's Small Engine Repair versus the leases that the BLEDA had entered into with both Bumper-to-Bumper and Big Lake Floral; because of this, Mr. Boyer reported that it was staff's opinion that the EDA should pay the \$814 owed in personal property taxes for this property.

Commissioner Gast motioned to have the BLEDA to pay the \$814.00 in personal property taxes payable in 2005 for Tom's Small Engine Repair (Parcel #65-800-0008). Seconded by Commissioner Heitz, the motion passed with a vote of 6 to 1, with Commissioners Dickinson, Eddy, Gast, Heitz, Petersen, and Zwilling voting for and Commissioner Kampa abstaining.

5E. EDA BUDGET

The Board and staff reviewed the budget as well as the balance sheet of the EDA Special Revenue Fund that was distributed at the meeting. Mr. Thares also discussed the May 12th letter which has handed out at the meeting pertaining to O'Reilly Automotive, Inc. entering into an agreement to buy out Bumper-to-Bumper, LLC. He further reported that staff has been informed that O'Reilly Automotive, Inc. intends to retain the space to the April 1, 2006 lease expiration date. City Attorney Soren Mattick stated that he recommends that the BLEDA Board authorize staff to execute a revised lease which assigns the Bumper-to-Bumper lease to O'Reilly Automotive, Inc.

Commissioner Kampa motioned to approve assignment of the Bumper-to-Bumper lease to O'Reilly Automotive, Inc. and to authorize staff to execute the assignment. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5F. DOWNTOWN REDEVELOPMENT

5F-i. South Highway 10 Redevelopment Project

Mr. Thares reviewed Economic Development Specialist Alex Wikstrom's May 11th memorandum on the properties within this project: 1) City (Ivers Property) and MnDOT Right-of-Way; 2) City Property (Senior Center); and 3) Laundry Mat/Bait Shop. Both Mr. Thares and Mr. Wikstrom answered questions of the Board.

Commissioner Kampa asked if there have been discussions with owners of the properties located on the south side of Putnam Avenue regarding the possible purchase of their properties, and, if so, is there any kind of assistance available to them. President Dickinson stated that the only way that the City can participate with the property owners would be to create another TIF District and that, if this is an area that the Council would want the BLEDA to look at as a development area, then that could be done. The Board discussed possible options for assistance (i.e., grant funding, etc.).

Mr. Thares stated that staff would be scheduling another meeting with property owners in early June to update them on the plans for the area and that staff could research potential costs and bring back for the Board's review at their June meeting.

Commissioner Petersen discussed the Fabio property located east of St. Joseph Machinery and MnDOT's consideration of changes to Highway 10 in this area.

Commissioner Petersen left the meeting at 8:22 p.m.

5G-ii. Eagle Lake Road to Fern Street Project

Mr. Thares reviewed Mr. Wikstrom's May 11th memorandum pertaining to this project: 1) Acquisition of the property located at 120 Eagle Lake Road North; 2) the City's offer submitted to acquire the property for sale at 220 Eagle Lake Road; the property was sold in a foreclosure and the first offer from another party was accepted. Staff has been in contact with the purchaser, who is aware of the City's intent to acquire the property in the future; and 3) Demolition – Requests for Quotes to remove the buildings at 120 Eagle Lake Road North were sent out, are due by 05/17/05, and will be considered by the City Council at their May 25th meeting.

5H. R-5 HOUSING STUDY REVIEW

Mr. Thares briefly reviewed his May 12th memorandum in the packet and his May 16th memorandum that was distributed at the meeting pertaining to the Requests for Proposals (RFP's) to study the R-5 Zoning District and Ordinance that were requested and recently received. He reported that four (4) proposals were received on May 13th but that staff had not had sufficient time to review them in detail. A summary of received bids are as follows: 1) Northwest Associated Consultants - \$4,000 (includes reimbursable expenses); 2) Landform - \$13,100 (does not include expenses); 3) Dahlgren, Shardlow and Uban - \$13,200 (includes reimbursable expenses); and 4) Midwest Planning & Design - \$9,890 (includes miscellaneous expenses).

The Board was informed that this study was not included in this year's budget but that a budget amendment could be submitted to the City Council or this item can be added to the budget needs for 2006.

Mr. Thares stated that copies of the four (4) proposals would be mailed to the Commissioners by the end of the week for their review, with the proposals being considered at the June BLEDA meeting.

6. OTHER

6A. CLOSED SESSION – Discuss Coborn's Project and Stevens' Grocery Store Site

President Dickinson recessed the meeting at 8:30 p.m. to hold a closed session to discuss the Coborn's project and the Stevens' Grocery Store Site.

President Dickinson reopened the regular meeting at 8:41 p.m.

City Attorney Soren Mattick stated that no formal action is required by the BLEDA Board and that the closed session was solely for discussion and providing the BLEDA with an update on the Coborn's project and Stevens' grocery store site.

7. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 8:42 p.m. Seconded by Commissioner Gast, unanimous ayes, meeting adjourned.