

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

TUESDAY, OCTOBER 14, 2008

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 7:04 p.m.

2. ROLL CALL

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

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, and City Planner Leslie Chmielewski,

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM SEPTEMBER 8, 2008

Commissioner Heitz motioned to approve the September 8, 2008 BLEDA minutes. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5. BUSINESS

5A. Mixed Use Motorsports Concept Development Proposal (IMEDC)

Commissioner Hayes introduced representatives from the International Motorsports Entertainment Development Company. He reminded audience members and Commissioners that tonight's meeting was for informational purposes only and there will be future public hearing meetings in which concerns and questions would be addressed.

Jim Farnum, President of IMEDC, stated the group has solicited and received numerous letters of support from various companies and government entities for the proposed project. An overview of the project was presented which included a description of the proposed site plan and information about the new technology that will be used to build the facility on a 400-450 acre site.

Mr. Farnum stated the group is not asking the State for taxpayers' money to construct the complex. They plan to receive investment money from private entities and investors, some of whom already invested Motorsports sanction projects.

Mr. Farnum stated the location of the Big Lake and existing infrastructure (highways, commuter rail, and the Minneapolis / St. Paul and St. Cloud airports) are an attractive feature in locating a motorsports complex in the area. He stated the Northstar commuter train will give the proposed complex an international appeal; visitors can fly into the airport and ride the train to Big Lake without having to rent a car and drive.

Mr. Farnum noted there are 373 existing hotels and 61 existing campgrounds within 50 miles of Big Lake that would likely be used by visitors of the Motorsports complex. The proposed site plan shows a 10 acre parcel on site for a hotel which may include a water park.

A review of the projects management team was presented; a majority of whom were in attendance. Heidi Linde, Project Coordinator, reviewed highlights of the Market Analysis for the Proposed IMEDC Racing Complex and Development and opened the meeting for questions.

Alternative Township Commissioner Alford asked what type of guarantee Big Lake would receive from IMEDC that the facility is built to the highest standards a study suggests to mitigate noise. Commissioner Dickinson suggested a development agreement which would include securities to use in case the facility is not built to the highest standards could be required. Commissioner Eddy suggested before jumping to conclusions on the amount of noise a facility such as this would present, the City needs to receive information on noise mitigation plans. Mr. Farnum reiterated that once a noise mitigation study is received, the City should keep in mind that big races would only happen a few times a year and to consider the impact the facility would have on the area the rest of the year. Commissioner Dickinson stated it may not be possible to mitigate noise 100% of the time but we need to consider the impact the facility could have on the area. Commissioner Heitz stated the perception the community of the Motorsports complex is it will be noisy all the time. At this point in the meeting, President Hayes, reminded the audience and Commissioners that numerous public meetings will be held to answer questions and concerns of the proposed projects and the intent of the meeting tonight was for informational purposes only.

Commissioner Dickinson stated on behalf of the EDA, they appreciated the opportunity to learn about the project. He questioned the ability of the project team to make this project a reality and if they had financial resources available to pay for the numerous studies that will be required. Scott Long, IMEDC Financial Consultant, stated the group does not have the money in hand but has approached investors who are interested and have shown commitment to the project. He stated they will need about \$1.6 million dollars to complete the needed studies.

Heidi Linde stated the group would like a recommendation of support from the EDA. President Hayes suggested the IMEDC representatives attend the upcoming Joint Planning Board meeting on October 22 to get feedback they are seeking from the elected officials as it is more imperative to inform them about the project and receive their recommendation. Commissioner Dickinson suggested the elected officials will most likely ask for escrow money from IMEDC to cover future staff time on this project and reiterated the EDA would be willing to review a project of this magnitude in the future.

Commissioner Heitz asked for an estimated timeline of this proposed project. Mr. Farnum stated it would take three years to complete the facility but if the project proceeded relatively smoothly, it would be possible to break ground in 18 months and complete some of the tracks.

Commissioner Heitz suggested in the interest of time, Commissioners will compile their questions and residents questions and get to Staff to give to IMEDC to be addressed at future meetings. Again, it was reiterated that tonight's was purely informational and no decisions were made. Public hearings will be scheduled at later dates to address the compiled questions from the governing bodies and residents.

President Hayes recessed the meeting at 8:43 p.m. to allow for a short break. President Hayes reconvened the regular BLEDA meeting at 8:55 p.m.

5B. Big Lake Industrial Park East

5B-i Update- Industrial Park Expansion- BLIPE Plat 5

Ms. Chmielewski reviewed her October 7th memo stating after the September EDA meeting Xcel Energy asked to review the analysis used to make a decision on the gas service provider for the industrial park expansion site. Xcel disputed the accuracy of the analysis stating the data used was from previous years. Center Point agreed that the rate structure used for their organization was also not their current year's rate. Ms. Chmielewski explained an RFP was sent to both organizations requesting they provide current rate structures for a small industrial user as well as a large industrial user. The information provided by Xcel and Center Point was in the packet for EDA members to review. A Memo received by City Engineer, Brad DeWolf, was reviewed as well. After analyzing the current rate structures provided by the organization, Mr. DeWolf recommended entering into a contract with Center Point Energy as the rates provided were comparable to Xcel Energy for a small industrial user and much more economical for a large commercial user.

Commissioner Dickinson motioned to rescind his September 8, 2008 motion to accept the proposal from Center Point Energy to provide gas service to the Big Lake Industrial Park East Plat 5. Seconded by Commissioner Leslie, unanimous ayes, motion carried.

Commissioner Dickinson motioned to accept the revised proposal from Center Point Energy, which includes a \$20,000 contribution to use to market the site, and enter into an agreement with Center Point Energy to provide gas service to the Big Lake Industrial Park East Plat 5. Seconded by Commissioner Leslie, unanimous ayes, motion carried.

5B-ii Prospects Report

Mr. Thares noted Staff had met with Richard Aderman, owner of White Bear Clothing, to discuss numerous options to relocate (either building a second facility or building a new facility) in the industrial park. After assisting him on various issues, Mr. Aderman has decided not to move forward on building a new facility but will reassess his situation in a few years.

Mr. Thares also mentioned Staff has met with Custom Turning, who is currently leasing space in the industrial park, about options to build and own their own building in the park expansion area. Custom Turning is looking to build a 20,000-24,000 square foot facility, which would more than double the area they currently lease.

5B-iii Discussion: Manufacturer's Week 2008

Ms. Chmielewski said Staff is recommending holding the 2008 Manufacturer's Week November 10-14. Possible activities include a panel of speakers discussing manufacturing initiatives in Central Minnesota and a tour of one of Big Lake's manufacturers.

Commissioner Hayes motioned to recommend that Big Lake declare Manufacturer's Week November 10-14, 2008. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

5C. Update: Scheduled closing for BLEDA-owned Space on East End of Lake Shopping Center

Finance Director Corey Boyer stated tentative plans for a closing date for the east end of Lake Shopping Center will be scheduled sometime at the end of next week. Once that is completed, Staff will set up a closing date for the Highway 10/County Road 5 redevelopment site.

5D. Update: Downtown Redevelopment (Highway 10 & county Road 5)

Mr. Boyer noted the Purchase Agreement for the Highway 10/County Road 5 site stated the closing date would happen on or before August 31, 2008. Because that time has past, Mr. Boyer recommended the EDA approve an extension of the closing date for the Highway 10/County Road 5 parcel to be December 8, 2008.

Commissioner Dickinson motioned to amend the approved Highway 10/County Road 5 Purchase Agreement to extend the closing date to December 8, 2008. Seconded by Commissioner Eddy, unanimous ayes, motioned carried.

5E. Project Status Report

Mr. Thares answered questions from members regarding project updates. Commissioner Heitz asked for an update on Benchmark Logistics. Mr. Thares stated Sandy Harris, owner, has notified Staff that she did move from the Rogers location to a Minneapolis location as her lease expired. However, she still expresses interest in relocating to Big Lake and hopes the relocation to Minneapolis is only temporary.

Commissioner Dickinson asked Staff to get an update on the Iver's Parcel project and accounting of how much time has been spent on the project thus far. Mr. Thares stated he will provide an update at the next EDA meeting.

5F. EDA Budget

5F-i. Proposed 2009 Budget

Mr. Boyer reviewed the proposed 2009 EDA budget and noted no new initiatives are planned for the upcoming year. President Hayes stated EDA members are to review the budget and bring any ideas to the November EDA meeting.

5F-ii. Monthly Budget

Mr. Boyer presented the monthly budget and answered questions from EDA members.

Commissioner Heitz asked if Staff could meet with downtown business owners to discuss the deteriorating green awnings located on their buildings and if funds from the façade improvement program could be used to assist in the cost to update the awnings. Mr. Thares stated Staff will set up a meeting in the near future and report back to the EDA.

5G. Northstar Transit Oriented Development (TOD)

5G-i. Update: TOD Research Trip to Chicago

Commissioners Eddy, Kampa and Heitz provided a brief update on the research trip to Chicago. Commissioner Heitz noted the number one concern in the three cities they visited on the trip was parking.

6. OTHER

6A. Call for Special Gathering- BR&E Final Meeting (October 27, 2008)

Commissioner Hayes motioned to call a Special Gathering of the Big Lake Economic Development Authority for 10:00 a.m. on Monday, October 27, 2008 for the Business Retention and Expansion final meeting at the Connections, Etc. community room (440 Eagle Lake Road North, Big Lake, Minnesota). Seconded by Commissioner Heitz, unanimous ayes, motion carried.

Commissioner Heitz asked Staff if name tags for EDA meetings could be created to use at future meetings.

Commissioner Hayes asked for feedback from the IMEDC presentation that was held earlier in the meeting. Commissioner Eddy stated the next items that need to be addressed by the IMEDC is traffic and noise. Also, financial information and a basis to compare the proposed project is needed. There was a consensus among Commissioners that expense relating to traffic, noise, environmental, etc. studies will be extremely high and the EDA would like to know how these will be paid for. Commissioner Dickinson stated some studies need to be completed before it can be determined if there is support for the project. Commissioner Dickinson reiterated the importance of creating an escrow account to cover Staff expenses if the project should move forward.

It was decided the next step for IMEDC is to give a presentation to the Big Lake Township at one of their upcoming meetings. Mr. Thares stated he will contact Barb Chaffe, who is working on this project, and provide dates of the meeting. The EDA members agreed in the future it would be beneficial for the IMEDA representatives to meet with the Joint Planning Board.

7. ADJOURN

Commissioner Kampa motioned to adjourn the meeting at 9:50 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.