

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, MARCH 9, 2009

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 7:01 p.m.

2. ROLL CALL

Commissioners present: Raeanne Danielowski, Jim Dickinson, Robert Eddy, Dave Gast, Doug Hayes, Chuck Heitz, Norm Leslie and Jim Sanford. Commissioners absent: Jerry Parks.

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 Sanford, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM FEBRUARY 9, 2009

Commissioner Heitz motioned to approve the February 9, 2009 BLEDA minutes. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5. BUSINESS

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

Jim Thares stated per the direction of the BLEDA, a meeting was held with Mr. Krutzig, his attorney Sherri Oman, Stacie Kvilavang from Ehler's and Staff to discuss the TIF proposal. The meeting covered the potential eligible expenses and the concept of using two TIF notes in a phased project. A revised TIF analysis was developed by Ehler's and the BLEDA subcommittee met to review the revised proposal. It was the recommendation of the BLEDA subcommittee to offer no more than \$450,000 in assistance.

Sherri Oman provided a brief overview of the project and Mr. Krutzig's financial request. Commissioner Eddy stated he would abstain from voting as Ms. Oman's firm had previously represented his company. Ms. Oman stated there are over \$2 million dollars in eligible costs but they are only requesting \$859,000 in assistance. She noted a contract could be drafted in which the BLEDA members could state what types of businesses they would like to see on that site and what type of assistance would be provided if such business was to locate there.

Commissioner Heitz provided an explanation as to why the BLEDA subcommittee recommended financial assistance be no more than \$450,000. Commissioner Dickinson stated concerns with Mr. Krutzig's request is the project is speculative, there is potential problems with the business subsidy job creation goals, the City would have to commit to a long term contract and the presence of vacant buildings in the community right now.

Commissioner Heitz motioned to recommend to the City Council a tax increment project based on a maximum of \$450,000 contingent on a look back clause with an acceptable development agreement. Seconded by Commissioner Hayes, the motion failed on a tie vote of 2 to 2, with Commissioners Heitz and Hayes voting aye and Commissioners Dickinson and Danielowski voting nay and Commissioner Eddy and Gast abstaining.

Upon discussion, it was decided Commissioner Eddy's conflict of interest in regards to Mr. Krutzig's attorney was immaterial.

The motion passed on a second vote with Commissioners Heitz, Hayes and Eddy voting aye and Commissioners Dickinson and Danielowski voting nay and Commissioner Gast abstaining.

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

John Weicht from John Weicht and Associates was in attendance to provide an update on the Highway 10 and County Road 5 redevelopment corner as well as his marketing efforts. Mr. Weicht said the proposal can not move forward until he has commitment of at least one tenant. He stated he is using realtors to market the project to potential office or retail tenants.

Commissioner Heitz questioned if the daycare was still a viable prospect in which Mr. Weicht responded yes but, due to personal problems the daycare owner has at this time, he could not give the BLEDA members a timeline in which a decision would be made. Mr. Weicht stated the daycare prospect opened four new locations last year so he believes they are a promising prospect.

Item 5F-i, Laundromat Update, was moved up to this point of the Agenda. City Administrator Scott Johnson asked Mr. Weicht for an update on the laundromat prospect in the Lake Shopping Center. Mr. Weicht stated the prospect is in the process of gathering financial information for the bank.

5C. Prospects Report

Leslie Chmielewski stated site information was prepared for four prospects in February. Two of the prospects required a site with rail and outdoor storage.

Mr. Johnson gave an update on Kandiyohi stating they are considering other sites in Sherburne County along with Big Lake. Mr. Thares said staff is expecting to received information from a consultant on Kandiyohi's previous projects. Commissioner Eddy questioned how much of the \$75 million dollar investment would be taxable in which Mr. Thares stated that preliminary information indicates that \$5-\$10 million dollars would be taxable.

5D. Project Status Update

Ms. Chmielewski stated Minnesota Housing will be meeting with communities that were awarded grant money and refine the grant application and target areas. The City Council will be appointing members to a Big Lake NSP committee that will be in charge of reviewing applications for the grant funds.

Commissioner Hayes stated on Friday March 13th, there will be a Habitat sign raising ceremony at 4:00. A kick-off meeting is scheduled for March 28th at 11:00 and he encouraged BLEDA members to attend.

5E. Big Lake Rail Park Update and Resolution

Mr. Thares reviewed progress that has been made on the Big Lake Rail Park proposal. He stated two concepts plans have been developed by Dynamics, one for a single user and one for multiple users. Mr. Thares stated Dynamics has been working with WNT representatives on creating an acceptable site plan and will be asking for a letter of support from the City Council at the March 11th meeting.

Representative Mary Kiffmeyer was in attendance to learn about the proposed Big Lake Rail Park project and other proposed City projects as well as to listen to any concerns the members had.

Commissioner Heitz motioned to approve Resolution No. 2009-01 supporting the City of Big Lake's participation in joint efforts with local developers and governmental agencies/representatives to support applications to obtain resources available to help pursue the development of the Big Lake Rail Park. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5F. Update: Lake Shopping Center

5F.ii Empty Front Development Lot (verbal update given at meeting)

Mr. Thares asked BLEDA members for feedback regarding the possibility of having a farmer's market set up at the BLEDA-owned property located at Lake Shopping Center during the summer months.

It was the consensus of the board to pursue this activity.

5G. BLEDA Budget

The BLEDA budget was presented for BLEDA members.

Mr. Boyer stated Paragon submitted a half payment this month which will cover the interest portion of their payment. Staff will continue to monitor this situation and report back to the BLEDA with any updates.

5H. Marketing Discussion

Ms. Chmielewski stated the Sherburne County Marketing Committee has decided to focus this year's Developers Event around the topic of green industries and the County's ability to support their needs. A date has not been set but the event will most likely be held at the beginning of June.

Agency 128 has met with the Big Lake marketing committee and will be presenting their ideas for phase two of the marketing campaign. Their proposal will include cost estimates and ideas for a Big Lake developer's event, coordinating events for the launch of the Northstar Commuter train, developing marketing pieces for a billboard and thank-you cards and general updates of the website and leave behind brochure.

Commissioner Heitz stated representatives from the NCDA will be holding meetings with communities in May to help plan the launch-date events.

5I. Consider Write-Off of Interfund Loan between TIF 1 and TIF 1-3

Mr. Boyer stated an interfund loan was approved in 2004 by BLEDA between TIF District 1 and TIF District 1-3 in the amount of \$300,000. He stated TIF District 1 is scheduled to decertify at the end of 2009 and the cash flow for TIF District 1-3 does not support paying off the interfund loan. There is no tax increment available to pay back the interfund loan to TIF 1 due to the district not seeing an average growth in the tax capacity of approximately 5%.

Commissioner Dickinson motioned to recommend writing off the interfund loan between TIF 1 and TIF 1-3 effective December 31, 2008. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

6. OTHER

Mr. Thares informed BLEDA members that the City Council recently agreed to receiving packets electronically to help save on printing costs and asked members if they would consider this option as well. It was the consensus of the board to look into this option for BLEDA meetings as well.

Mr. Thares stated renovations are proposed by Metro Plains in the amount of approximately \$1 million dollars for School View Manor and Woodland Square apartments which are located next to the new City library site.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 9:00 p.m. Seconded by Commissioner Leslie, unanimous ayes, meeting adjourned.