

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

TUESDAY, FEBRUARY 22, 2005

1. CALL TO ORDER

BLEDA Executive Director Patrick Wussow called the meeting to order at 7:01 p.m.

2. ROLL CALL

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

Also present: City Administrator Patrick Wussow, Community Economic Development Director Jim Thares, Economic Development Specialist Alex Wikstrom, Assistant City Engineer Jared Voge, City Attorney Brendan Flaherty, Economic Development Assistant Sandy Petrowski, Economic Development Intern Annie Deckert, Jim Dickinson, Doug Hayes, Steve Grinnell of Cargill Kitchens and Terry Profitt of Sunny Fresh Foods.

3. ADOPT AGENDA

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

Appointment of Acting Chair:

Commissioner Eddy motioned to appoint Robert Gardetto as Acting Chair. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

Commissioner Eddy requested that it be a matter of record that Commissioner Gardetto will serve as Acting Chair until the March, 2005 regular meeting. It is anticipated that, by the March BLEDA meeting, the one remaining seat on the BLEDA Board will have been filled by appointment of the City Council which will allow a full BLEDA Board to act on the appointment of BLEDA President, Vice President, and Secretary.

4. APPROVE BLEDA MEETING MINUTES FROM JANUARY 11, 2005

Commissioner Eddy motioned to approve the January 11, 2005 BLEDA minutes. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

5. APPROVE JOINT MEETING MINUTES FROM FEBRUARY 2, 2005

Commissioner Heitz motioned to approve the February 2, 2005 Joint Meeting minutes. Seconded by Commissioner Gast, unanimous ayes, motion carried.

6. BUSINESS

6A. BIG LAKE INDUSTRIAL PARK EAST

6A-i. Cargill Kitchens - Sunny Fresh Foods

Economic Development Director Jim Thares introduced Mr. Steve Grinnell of Cargill Kitchens and Mr. Terry Profitt of Sunny Fresh Foods, who provided a 15-minute power-point presentation on the Sunny Fresh Foods company and answered questions of the Board.

Administrator Wussow asked that the specifications be forwarded to the City Engineer for his review of wastewater flow and the building plans would need to be forwarded to the City's contracted Building Official.

Mr. Grinnell thanked the Board for their assistance and swift response when they were developing their original plant in the BLIPE.

Mr. Thares introduced Mr. Donn Nystedt of Industrial Molded Rubber Products, who will be addressing the Board later in the meeting. He also introduced Ms. Annie Deckert, the current intern who is working with the City's Economic Development Department. Mr. Thares introduced Mr. Doug Hayes, an applicant for the open BLEDA seat, and also Mr. Jim Dickinson, another applicant, who was also in attendance.

6A-ii. Engineering Issues

Economic Development Director introduced Assistant City Engineer Jared Voge, of Bolton & Menk, who reviewed documentation provided in the meeting packet as well as the information that was distributed at the meeting pertaining to the current drainage and erosion problems in the Big Lake Industrial Park East (BLIPE).

Administrator Wussow reported that the drainage flowed correctly when at the time that the Industrial Park was constructed but it was affected and problems were created when the facilities were built. He also noted that it would need to be determined how the costs of the corrections will be paid (i.e., assessment, direct billing).

City Attorney Brendan Flaherty discussed with the Board the options and processes for billing out the fees for the work. The Board also discussed possible approaches for the correction to the drainage, a process of notifying owners of the current problems, as well as having staff research the current development contracts to determine whether or not there is any language within the landscaping or grading terminology which would designate responsibility for such issues. Mr. Voge explained the process to proceed which included obtaining an accurate topography, performing a feasibility study and, possibly having the project go out for bids.

Commissioner Eddy motioned to authorize the City Attorney to review the development contracts, to direct the City Engineer to prepare a feasibility study and schedule a meeting with affected property owners, City representatives, and Township representatives. Seconded by Commissioner Sanford, unanimous ayes, motion carried.

6A-iii. Property Tax Issues: ATABOY

Mr. Thares reviewed his February 15th memorandum pertaining to the February 10th meeting of City staff with ATABOY representatives to discuss the current delinquent tax issue. Mr. Thares also reviewed the February 22nd e-mail from Finance Director Corey Boyer which requests the Boards direction on how they want to proceed on this issue.

Commissioner Gast motioned to authorize staff to speak with ATABOY's banker and to recommend an on-going 30-day review process. Seconded by Commissioner Eddy. Due to Commissioner Eddy not having a vote on Industrial Park Issues, he withdrew his second to the motion. Commissioner Heitz seconded the motion, unanimous ayes, motion carried.

6A-iv. Update: AJ Machinery

Mr. Thares reviewed his February 15th memorandum on staff's February 11th meeting with AJ Machinery; no action required or taken.

6A-v. Update: John Weicht & Associates Project

Mr. Thares provided a review of the work being done with several prospects for the Weicht building. He reported that Mr. Weicht has also been receiving many calls on the available spaces. No action required or taken.

6A-vi. Easement - RDMJ Properties Inc. & J. Weicht & Associates

Mr. Thares reviewed the proposed easement agreement between RDMJ and John Weicht for their adjoining parcels. For information only – no action required or taken.

6A-vii. Approve Transfer Between TIF 2-2 and TIF 2-1

Mr. Thares briefly reviewed Finance Director Corey Boyer's January 25th memorandum which explains how the amount that was approved for transfer between TIF District 2-1 and TIF District 2-2 at the January EDA meeting was calculated. No action required or taken by the Board.

6A-viii. Prospect Report

Mr. Thares provided a review of the eleven (11) recent contacts listed on the report. He further reported that staff has been receiving many calls on available properties.

6A-ix. Industrial Molded Rubber Products (IMRP)

Mr. Thares provided an update on recent discussions with representatives from Industrial Molded Rubber Products (IMRP) and reported that a signed Memorandum of Agreement (MOA) was received on February 18th.

Mr. Donn Nystedt, of IMRP, provided a brief synopsis of the company, reported that their current target for a groundbreaking in the BLIPE is the end of August, 2005, and answered questions of the Board.

Commissioner Heitz motioned to accept the signed Memorandum of Agreement. Seconded by Commissioner Gast, unanimous ayes, motion carried.

6B. UPDATE: EDA SEAT VACANCIES

It was reported that the City Council will be appointing a new member to the BLEDA at their meeting on February 23, 2005 and that no action is required by the BLEDA Board.

6C. PROJECTS STATUS REPORT

Mr. Thares briefly reviewed his January 2005 report. No action required or taken.

6D. LAKE PLAZA BUILDING - OFFICIAL SINKING FUND

Mr. Thares reminded the Board that at their January meeting the BLEDA directed staff to establish a sinking fund from the excess revenues generated from the Plaza Mall. He reviewed Finance Director Corey Boyer's February 16th memorandum which addressed the request to establish the fund and which also included the current EDA budget.

Commissioner Eddy suggested that the fund balance be based on the date when the property was first purchased but that the date as presented would be as acceptable as any other.

6E. EDA BUDGET

This issue was reviewed in the previous agenda item; no action required.

6F. INDUSTRIAL MARKETING

Mr. Thares reviewed his February 17th memorandum on information that was received from Connexus Energy regarding co-op marketing. He further reported that he has discussed this issue with Dynamics Development and they have stated that they are interested in participating in a marketing co-op and, if they were to do so, they would like it to be on a non-bias basis as well in the marketing of their properties.

Mr. Thares recommended that the Township participate with the City in providing the funding and that the Board authorize staff to revise the advertisement and to proceed with the expenditure.

Commissioner Sanford questioned how the marketing program will go forward, stating that it is important that it is not just for one area and that all areas are promoted. Mr. Thares reported that staff is promoting the City in general as a desirable industrial location already, noting that Connexus has indicated that it cannot participate if private land is advertised under this program.

Commissioner Zwilling motioned to authorize staff to revise advertisement as discussed and to proceed with the advertisement expenditure in the amount of \$1,800 which is to be an equal cost-share between the Township and City. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

6G. R-5 HOUSING STUDY REVIEW

Mr. Doug Uhrhammer provided background of his recent proposal that was presented to Council on the importance of Inner City Redevelopment and the need for a re-evaluation of ordinances to stimulate redevelopment. It was reported that the Council deferred the housing study review to the BLEDA for review. Mr. Uhrhammer stated that, if the BLEDA wants to further look at this issue, the proposal would need to be sent out to consulting firms to determine the costs of a study to obtain their recommendations.

Mr. Thares stated that staff has not provided a recommendation for the Board; however, if an RFP process is of interest to the BLEDA, then it should proceed with Mr. Urhammer's request. He also suggested that the Board may want to invite a representative from the Greater Minnesota Housing Fund (GMHF) to attend a future BLEDA meeting to discuss the process. Administrator Wussow further suggested that staff could draft a list of consultants for the Boards review as well as information on where to advertise, and also invite a GMHF representative to the March meeting.

It was the consensus of the Board to direct staff to prepare the consultant list and to have information brought back to the March BLEDA meeting for further consideration.

At the suggestion of staff, it was the consensus of the Board to move Agenda Item #6I, "Discussion: Big Lake Marketplace Lighting" to this portion of the meeting.

6H. DISCUSSION: BIG LAKE MARKETPLACE LIGHTING

The Board discussed the street lighting currently place within the Big Lake Marketplace project (i.e., style, varying heights, etc.) Mr. Thares reported that if the BLEDA Board determines that they are not in support of the lighting that is currently installed, the developer will need to be asked to remove the undesirable lighting.

After further discussion, it was the consensus of the Board that the current lighting that is installed within the Big Lake Marketplace project is acceptable.

6I. DOWNTOWN REDEVELOPMENT

6I.i. South Highway 10 Redevelopment Project

Economic Development Specialist Alex reviewed his February 16th memorandum and reported that staff has met with most of the property owners of Putnam Avenue (the area which will be affected with the extension of the frontage road) to obtain their input on the development and to determine what their plans are for their properties. He also reported that he has been working with a couple developers for a possible commercial concept for the area.

Doug Hayes presented some suggestions of what he believes could possibly be developed along the Putnam Avenue corridor (i.e., streetscape, sidewalks, greenways, incorporation of city's farming history such as a farmers market, whistle-free zones for railroad, retail units, bike trail from train stop to park).

6I-ii. Eagle Lake Road to Fern Street Project

Mr. Wikstrom reviewed his February 16th memorandum on this project. Assistant City Engineer Jared Voge reported that the Council has authorized that a feasibility study be completed for this proposed project and he anticipates that the completed study would be brought back to the Council in April or May for their review and consideration.

Previous Surplus Outlet Site

Mr. Wikstrom reported that staff has been working with Peer Engineering on the clean-up of this site, that a soil test is being done and thus far shows no evidence of contamination. It is anticipated that some assistance in paying the costs for the clean-up of this site will come from the State and, once complete, the site will be marketable.

6I-iii. Activity Report - Alex Wikstrom

Mr. Wikstrom provided an update on the following issues: 1) Liquor Store Future Site—working with Liquor Store Committee and preparing presentation for Council at future workshop; 2) Property along Martin Avenue - will meet with Paragon Store Fixture owners to talk about his purchase of land which became available with the change to Martin Avenue; 3) Twin Peaks Building - working with prospect.

The Board discussed the recent offer received from George Stevens for the sale of the former Stevens supermarket property at the Lake Plaza Mall. After discussion, it was the consensus of the BLEDA to proceed further with this investigating options for this property and the current offer.

6J. UPDATE: LAKE STREET COTTAGES PROJECT

Mr. Thares reported that Don Deuel, of Don Deuel Construction, has declined the City's offer to bid on developing the remaining parcels located within the Lake Street Cottages project. The Board discussed possible revisions to the housing type/values for future bid prospects. It was the consensus of the Board to direct staff to work further with Mr. Deuel to determine if modifications can be made to persuade him to reconsider bidding the project.

7. OTHER

BLEDA Attorney

Mr. Thares reviewed his February 17th memorandum which identifies that Soren Mattick, of Campbell Knutson, will continue to serve as the lead attorney for the BLEDA and that Brendan Flaherty, also of Campbell Knutson, will serve as the backup for Mr. Mattick.

Big Lake Chamber Expo

Mr. Thares that once again this year, the Council and BLEDA have jointly signed up for a booth at the Big Lake Business Expo and he passed a sign-up sheet for the Board Members' participation in the event.

Commissioner Gardetto commented that Mr. Thares gave a speech at the last Big Lake Chamber meeting and provided good information to the attendees.

Preliminary Plat Proposal – Highway Plaza

Mr. Thares distributed information that was received earlier in the day on the proposal for the Highway Plaza preliminary plat and asked for the Board's feedback on the proposal. It was reported that this property is adjacent to the City of Big Lake's boundaries. Administrator Wussow reported that the City Council would also be reviewing this proposal at their February 23rd meeting in order to determine what steps, if any, they want staff to take and suggested that another joint meeting may need to be held in order to discuss this further with the Township.

It was the consensus of the Board to direct staff to continue to look at alternatives and to keep the lines of communication open with the Township. This directive will be forwarded to the City Council on February 23rd.

7. ADJOURN

Commissioner Zwilling motioned to adjourn the meeting at 9:51 p.m. Seconded by Commissioner Heitz, unanimous ayes, meeting adjourned.