

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, JUNE 12, 2006

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 7:00 p.m.

2. ROLL CALL

Commissioners present: Jim Dickinson (arrived at 8:16 p.m.), Robert Eddy, Dave Gast, Doug Hayes, Chuck Heitz, Lori Kampa, Ewald Petersen (arrived at 7:17 p.m.), Jim Sanford (arrived at 7:20 p.m.), and Jim Zwilling.

Also present: Community Economic Development Director Jim Thares, Interim City Administrator Scott Johnson, City Attorney Soren Mattick, City Planner Annie Deckert, Economic Development Assistant Sandy Petrowski, and Economic Development Intern Katie Blakeslee.

3. ADOPT AGENDA

Commissioner Heitz motioned to approve the agenda as presented with addition of Item #7F-I, 220 Eagle Lake Road North. Seconded by Commissioner Gast, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES OF MARCH 16, 2006

Commissioner Heitz motioned to approve the March 16, 2006 minutes. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

5. APPROVE BLEDA MEETING MINUTES OF MAY 8, 2006

Commissioner Kampa motioned to approve the May 8, 2006 minutes. Seconded by President Hayes, unanimous ayes, motion carried.

6. APPROVE SPECIAL JOINT MEETING MINUTES OF MAY 24, 2006

Commissioner Heitz motioned to approve the May 24, 2006 BLEDA minutes. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

7. BUSINESS

7A. BIG LAKE PLAZA

Interim City Administrator Scott Johnson reported that the closings have taken place on the parcel purchased by Chuck Hultman and the parcel purchased by Mike Krutzig. He further stated that Mr. Krutzig was interested in additional space at Lake Plaza.

Mr. Johnson stated that the bid opening for the façade project took place today and that the low bid came in at \$815,000 and it is anticipated that work on the project will begin within the next two weeks.

No action required or taken.

7B. UPDATE: ACQUISITION/DEMOLITION PROGRAM – 330 ORMSBEE

Community Economic Development Director reported that staff has met with Mr. LaCombe, owner of property located at 330 Ormsbee, to discuss several options for this property and Mr. LaCombe has since submitted an informal written document offering the sale of his property to the City/BLEDA for \$90,000. He stated that staff is requesting the BLEDA's authorization to begin negotiations with Mr. LaCombe to acquire his property and clear the site for redevelopment and, if the negotiations are unsuccessful, staff will request that Mr. LaCombe submit a timeline of his clean-up plans for the property. However, if the owner does not submit plans showing the demolition/redevelopment for this property, staff is seeking authorization to begin the Hazardous Abatement process on this property.

Staff and the Commissioners discussed the following: 1) the owner's recent comments that redevelopment of this property is not a high priority for him; 2) possible options for redeveloping this parcel as well as the additional expense of asbestos removal; 3) providing parcel information to prospective developers to determine if there is interest in acquiring/redeveloping this parcel; and 4) potential negotiation terms.

Commissioner Ewald Petersen arrived at 7:17 p.m.

Commissioner Kampa moved to authorize staff to enter into negotiations with the owner of 330 Ormsbee to purchase the property, with a beginning offer of \$80,000 and a cap of \$90,000. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

Mr. Thares stated that, if the negotiations to purchase the property as directed by the BLEDA are not successful prior to the next City Council meeting, then a request for hazardous abatement of this property would be forwarded to the Council for their review and consideration.

7C. HAZARDOUS ABATEMENT – BLIGHT HOMES

City Planner Annie Deckert reviewed the information presented in her May 31st memorandum, which included photographs of seven (7) homes that may be eligible for the hazardous abatement program, and stated that staff would work with Building Official Fred Patch to determine which homes would be eligible for such a program and would follow the correct procedure per State Statutes. She stated that staff was seeking the direction from the BLEDA on how to proceed with various blighted homes throughout the City.

City Attorney Soren Mattick explained the hazardous abatement process and answered questions of the Board.

It was the consensus of the Board to direct staff to contact the owners of the discussed properties and report back to the BLEDA on the outcome of the meetings.

7D. HOUSING PROGRAM APPLICATION FEE

Mr. Thares reported that staff was seeking the Board's authorization to charge a refundable \$100.00 administrative fee to applicants of the Single Family Housing Assistance Program (SFHAP) and the Home Owner's Rehabilitation Program; this fee would cover administrative costs and would be returned to the applicant at the time of closing on the property.

Commissioner Gast motioned to authorize staff to collect a \$100.00 administrative fee at the time of application for the Single Family Housing Assistance Program (SFHAP) and/or the Home Owner's Rehabilitation program, and that the fee will be refunded at the time of closing on the property. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

7E. UPDATE: HOME OWNER'S REHAB PROGRAM

Economic Development Intern Katie Blakeslee reviewed the history of the Homeowner Housing Rehabilitation Program and staff's request to modify the program to make it usable to more people. Some of the changes being proposed by staff are: 1) revision to outdated income limits information; 3) optimum loan amount for remaining funds; 4) loan repayment/deferral terms; and 5) minor changes. City Planner Annie Deckert reported that this program is for use by home owners to make improvements to the property such as handicapped accessible bathrooms, new windows, etc. Mr. Thares stated that most similar programs require that the applicant participates in funding.

Commissioner Gast offered to meet with staff to review the existing program guidelines as well as possible revisions for review by the BLEDA Board at their next meeting.

7F. DOWNTOWN REDEVELOPMENT

Community Economic Development Director Jim Thares reviewed his June 9th memorandum. He reported that Mr. Ken Tyra, CityPlaces, LLC, is very interested in being involved in the redevelopment of the Eagle Lake Road to Fern Street area and has indicated a desire to meet or exceed the Downtown Design Ordinance and Standards through an acceptable architectural style. Mr. Thares also stated that Mr. Tyra has entered into a purchase agreement with Oppidan Investments for the L-shaped parcel along Fern Street and U.S. Highway 10 (noting that this does not include the Lahti property).

Mr. Thares reported that staff has successfully negotiated a purchase price and relocation package for the residential property located at 140 Eagle Lake Road North which is owned by Gary and Marion Johnson; a draft purchase agreement is being reviewed by the Johnson's and additional information will be provided to the Board at the July meeting.

Mr. Thares suggested that the Board consider holding a joint meeting with the City Council to discuss potential downtown redevelopment projects. Commissioner Heitz motioned to hold a joint meeting of the BLEDA and City Council on Wednesday, June 21, 2006, at 6:00 p.m. in the City Council Chambers. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

7F-i. 220 Eagle Lake Road North

Attorney Soren Mattick discussed the background of the City/BLEDA purchase agreement with the owners of 200 Eagle Lake Road North and the issues that have become known since finding out that, at the time of purchase, the Sellers did not disclose to the City/BLEDA that the property was being rented by another party. Mr. Mattick stated that it was his recommendation that the BLEDA authorize staff to pursue eviction of the tenants renting the property, explaining the law pertaining to such a process as well as providing an overview of the eviction process itself.

Commissioner Heitz motioned to authorize staff to begin the eviction process of the tenants renting the property located at 220 Eagle Lake Road North. Seconded by Commissioner Gast, unanimous ayes, motion carried.

Commissioner Gast motioned to authorize staff to send notice to the previous owners of the property located at 220 Eagle Lake Road, informing them of the default of the purchase agreement entered into with the City/BLEDA. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

7G. POTENTIAL MISSISSIPPI RIVER DEVELOPMENT

Mr. Thares provided an update on the proposed 13-lot commercial plat for the area near the Mississippi River along Sherburne County Road 11, stating that this area was also recently discussed at a Joint Planning Board meeting (between City and Town Board) at which developers and engineering officials shared information so that the Boards could better understand the costs for the potential infrastructure.

Commissioner Petersen discussed potential plans for this area and stated that he believed that the biggest issue/question for this project is how and when transportation problems will be addressed in this area.

Mr. Thares reported that City staff plans to meet with Sherburne County Planners, the Monticello Mayor and City Planners, and Big Lake Township officials on June 15th to further discuss this area.

7H. PROJECTS STATUS REPORT

Community Economic Development Director Jim Thares reviewed the June 2006 Projec'ts Status Report that was distributed at the meeting and answered questions of the Board. It was noted that the Northstar project will be added to future status reports. Regarding the Medical facilities item and Mercy Unity's interest in the Big Lake area, Mr. Thares suggested that an invitation be extended to both Mercy-Unity Hospital representatives and Monticello-Big Lake Hospital representatives to make a presentation to the BLEDA at a future meeting. It was the consensus of the Board to direct staff to extend invitations to representatives from both Mercy-Unity Hospital and Monticello-Big Lake Hospital to a future BLEDA meeting.

Commissioner Jim Dickinson arrived at 8:16 p.m.

7I. EDA BUDGET

The Board reviewed the information provided in the packet and staff answered questions of the Board. No action required or taken.

7J. RFP – METRO FRINGE ENTERPRISE NETWORK SYSTEMS (ENS) ANALYSIS PROJECT

Mr. Thares reviewed his June 9th memorandum and information provided on the Enterprise Networking Systems (ENS) Analysis Project, which is a new analysis tool that helps communities focus on targeted marketing for industrial development activities. He reported that City/BLEDA has been asked to participate in the program as a financial conduit and to contribute \$500.00 in matching funds towards the proposal,

with the Initiative Foundation, Little Falls, contributing \$7,500 towards the project. Mr. Thares stated that staff is recommending that the BLEDA approve participation in this program along with a match amount of \$500.00 (with both the City and Township providing \$250.00 of this amount).

Commissioner Dickinson moved to authorize the BLEDA's participation in the Enterprise Networking Systems (ESN) Analysis Project and to have the BLEDA act as a fiscal agent and also provide a contribution of \$500.00 (equally split between the City and Township in an amount of \$250.00 each) in matching funds toward the project. Seconded by Commissioner Petersen, unanimous ayes, motion carried.

7K. BIG LAKE INDUSTRIAL PARK EAST

7K-i. Update: White Bear Clothing / Industrial Molded Rubber / ATABOY Mfg

Mr. Thares provided a brief update on the following companies:

1) White Bear Clothing: Landscaping is being completed and staff will continue to monitor the final site work activities; 2) Industrial Molded Rubber Products (IMR): Most of the project has been finalized; staff will continue to assist with any minor outstanding items and will report any significant issues to the BLEDA. It was reported that IMR does have a small amount of funding from the City loan and DEED grant loan to draw down before the end of the summer; and 3) ATABOY Manufacturing: Items that are required as part of the company's merger with IFI of Howard Lake are being addressed by the City/BLEDA attorney; a report and/or any necessary action items will be provided to the BLEDA at a future meeting.

7K-ii. Update: Paragon Store Fixtures

Mr. Thares provided a brief update on Paragon Store Fixtures' potential 24,800 sq. foot expansion project. He reported that staff would be providing additional information on potential financial scenarios and a project milestone schedule at the BLEDA's July meeting. Mr. Thares reviewed the proposed expansion plans with the Board.

7K-iii. Industrial Park Expansion Project

Community Economic Development Director Jim Thares reported that the Industrial Park Expansion Project (IPEP) committee had met to discuss available information and offer direction to staff regarding potential expansion of the Industrial Park. He stated that staff has been in discussions with Bruggeman Properties regarding the potential purchase of property located north of the Big Lake Industrial Park East. Staff and the Board further discussed other potential expansion options. It was the consensus of the Board to direct staff to contact representatives of Bruggeman Properties to further discuss possible acquisition of the proposed property.

Karlsburger Foods Update: Mr. Thares reported that Karlsburger Foods, an industrial prospect that staff has been working with for the past 18 months, will be locating to a site in City of Monticello's new industrial park.

7K-iv. Viper Motorcycle Company - FYI

This item was provided for information only; once the facility is in full production, staff will inquire about scheduling a tour for the BLEDA Board. No action required or taken.

7K-v. Prospects Report

Mr. Thares reviewed the June Prospects Report and answered questions of the Board; no action required or taken.

8. OTHER

Replacement Housing Claim – D. Gohman: Mr. Thares briefly updated the Board on the Gohman Replacement Housing issue and answered questions of the Board. It was reported that this issue has been referred to the City attorney's office and that staff will continue to follow up on this item and report any new developments to the Board.

Big Lake Community Bus Tour: The Board was reminded of the bus tour scheduled for 5:00 p.m. on Tuesday, July 18, 2006, and the informal working dinner workshop being held immediately following the tour to review various locations and identify areas needing immediate and future improvements; no action will be taken at this workshop.

9. ADJOURN

Commissioner Petersen motioned to adjourn the meeting at 8:59 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.