

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, SEPTEMBER 8, 2008

1. CALL TO ORDER

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

2. ROLL CALL

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

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 Heitz, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM AUGUST 11 , 2008

Commissioner Heitz motioned to approve the August 11, 2008 BLEDA minutes. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5. BUSINESS

5A. BIG LAKE INDUSTRIAL PARK EAST

5A-i. Update: Industrial Park Expansion- BLIPE Plat 5

City Planner Leslie Chmielewski noted the pictures of the construction progress for the expansion area were included in the EDA members packets.

Ms. Chmielewski reviewed the Memo from the City Engineer analyzing gas service to the expansion was also reviewed. Because CenterPoint Energy estimate for natural gas (for a 40,000 square foot industrial facility) is significantly less per year than Xcel Energy,

the City Engineer recommended that they be selected to provide gas service to the expansion area.

Community Economic Development Director Jim Thares stated Xcel Energy had offered to provide \$5,000 in marketing dollars if they were chosen. Commissioner Eddy stated the savings in cost by choosing Center Point Energy over Excel Energy would make up the difference of that incentive in the first year.

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

5A-ii. Update: Transfer of Revolving Loan Bad Debt Expense

Finance Director Corey Boyer stated the City Council approved the EDA recommendation to transfer \$26,000 from the EDA to the Water Enterprise Fund to account for revolving loan bad debt expense. For information only; no action required.

5A-iii. Prospects Report

Ms. Chmielewski reported a site selector from Texas viewed three parcels in Big Lake last Wednesday. The prospect would require 12 to 20 acres for a building 250,000 to 400,000 square feet in size. The three parcels shown were the Remmele owned parcel, the 41 acre parcel in Marketplace South and the undeveloped land owned by Dynamics Land and Design Company north of Highway 10. Staff expects to hear from the site selector of their interest in Big Lake over the next few weeks and will update the EDA members at a future meeting.

5B. Marketplace East Concept Industrial Development Parcel

Mr. Thares explained the concept plan proposed by Dynamics Development for 94.6 acres located north of Highway 10 in Marketplace. The site was previously platted for residential development but Dynamics is now proposing commercial, industrial and high density residential to be located on the site. Representatives from Dynamics were in attendance and gave an overview of their vision for the site.

Commissioner Dickinson questioned if access to the railroad would be an option. Mr. Thares explained a meeting was held with Dynamics to discuss the opportunity for a community railroad spur to be located on the site and Staff will be in contact with BNSF in the near future of the feasibility of locating a community spur in Big Lake.

Commissioner Sanford raised questions about traffic circulation to the east of the proposed site if the area was going to be developed as commercial and industrial and the impact it would have on the residential homes. Commissioner Sanford suggested a meeting with the Township be held to discuss traffic circulation issues.

It was the consensus of the EDA members that the proposed Marketplace East Concept would provide good opportunities for commercial and industrial development. A motion was made by Commissioner Heitz to support the Marketplace East Concept Plan Application submitted by Dynamics Design. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

5C. IMEDC Concept Entertainment - Motorsports Proposal

Mr. Thares stated the City has yet to receive a formal application from IMEDC for an entertainment-motorsports proposal. A market feasibility study was received and City Staff is currently reviewing it. Commissioner Kampa asked if the feasibility study is public information in which Mr. Thares responded it was available to the public. Staff requested that IMEDC provide a communication and awareness plan and will provide it to the EDA members once it is received.

5D. Marketing Update- Website Tracking

Ms. Chmielewski stated Staff is now able to track the number of hits received on the www.investbiglake.com website. A quarterly report will be provided in December to show how often the website is being utilized. For information only; no action required by the EDA.

5E. BLEDA-Owned Space on East End of Lake Shopping Center (Plaza)

5E-i. Public Hearing: Sale of Land

Chair Hayes opened the public hearing at 7:30 p.m. No one came forward for comment. Chair Hayes closed the public hearing at 7:31 p.m.

5E-ii. Purchase Agreement

Finance Director Corey Boyer stated the terms of the Purchase Agreement has not changed from previous meetings. The negotiated price is \$70.00 per square foot and the size of space is 10,990 square feet for a sale price of \$769,300. John Weicht was in attendance to answer questions of the EDA members. He clarified that he will be purchasing the land under School Street Development, a Minnesota General Partnership and not Big Lake Development, LLC as noted in the Purchase Agreement.

Commissioner Kampa asked if Mr. Weicht had any tenants lined up for the vacant space in which Mr. Weicht responded he did not at this time.

A motion was made by Commissioner Kampa to recommend approval of the Resolution for the land sale to School Street Development, a Minnesota General Partnership, for the property described as Unit Six of Common Interest Community Number 65 at the

price negotiated and recommended by the BLEDA. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

Chair Hayes moved Agenda Item #5G, "Downtown Redevelopment (Highway 10 and County Road 5)" to this portion of the meeting, in order to accommodate Mr. Weicht who was present in the audience.

5G. Downtown Redevelopment (Highway 10 and County Road 5)

5G-i. Public Hearing: Sale of Land

Chair Hayes opened the public hearing at 7:35 p.m. No one came forward for comment. Chair Hayes closed the public hearing at 7:36 p.m.

Commissioner Dickinson questioned if Mr. Weicht would be purchasing the land under Big Lake Development, LLC or School Street Development in which Mr. Weicht responded he would purchase the property under Big Lake Development, LLC.

Finance Director Corey Boyer stated the terms of the Purchase Agreement has not changed from previous meetings. The negotiated price is \$6.50 per square foot and the land size is 2.6 acres. The closing date is scheduled for October 1 unless both parties agree to an extension.

At this portion of the meeting Commissioner Dickinson asked for a redevelopment update (item 5G-ii) and clarification on the location of daycare facility along Martin Ave. He questioned if a daycare facility would be the most appropriate use of the property.

Mr. Weicht explained the daycare facility would be located in the farthest north building, along Maritn Ave as shown on the provided concept plan. He is working with a drug store on the possibility of locating on the corner of Highway 10 and County Road 5. The daycare facility would possibly be constructed as a masonry and glass building but he has yet to receive building specifications from the company.

Commissioner Dickinson reiterated he had big expectations for the property but understands the hard economic situation we are experiencing. However, he would still push for a masonry building if a daycare was to be located on the redevelopment parcels.

Mr. Thares suggested a development agreement addressing these issues be negotiated and executed with Mr. Weicht.

Commissioner Heitz questioned if the development would happen prior to the street extension of Martin Ave in which Mr. Weicht stated the development would not happen until the street project has been completed. He further stated development could still happen this fall if the Martin Ave project continues to stay on schedule.

A motion was made by Commissioner Dickinson to approve the Resolution for the land sale to Big Lake Development, LLC for the property located at the corner of Highway 10 and County Road 5 at the price negotiated and recommended by the BLEDA. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

5F. West End of Lake Shopping Center

Chair Hayes moved Agenda Item #5F, "West End of Lake Shopping Center" to this portion of the meeting, as Mr. Krutzig was not yet present in the audience to give an update on his property owned at the Northeast Corner of County Road 43 and Highway 10.

Mr. Thares stated a real estate agent has inquired about the possibility of earning a commission if they were to bring a tenant into the 3,700 square foot retail space next to the liquor store. Clarification is needed by EDA members of the "commission policy" BLEDA approved earlier this year. The approved policy stated that a 5 percent commission to an agent would apply for a successful transaction on the sale of the East end of Lake Shopping Center. Mr. Thares questioned if the 5 percent commission would also apply to the West end space.

Commissioner Kampa questioned if the tenant would take the full 3,700 square foot space in which Mr. Thares responded they are only interested in part of the area. He also stated Jan from the Liquor Store has shown interested in using the back area of the space for more storage. Commissioner Kampa strongly suggested pushing the potential buyer to purchase the full space. Commissioner Hayes agreed but suggested it would be detrimental losing the deal because of the EDA's unwillingness to only sell part of the space.

It was the consensus of the EDA members to try to sell the entire space but if the purchaser is not interested in the entire space, to work with them to sell part of the space. A motion was made by Commissioner Eddy to authorize staff to pay a 5% sale commission to a qualified broker for a sale transaction of the full 3,700 square foot space and an incrementally less commission based on the percent of space sold. Seconded by Commissioner Kampa, unanimous ayes, motion carried.

5G-iii. Update on Parcel @ NE Corner of County Road 43 and Highway 10 (Krutzig)

Mr. Thares stated City Staff has met with Mr. Krutzig in the last few weeks to discuss developing his land located at the Northeast corner of County Road 43 and Highway 10. Mr. Krutzig has submitted an Annexation application in which Staff will review in the next few days. Mr. Thares explained a meeting took place last week with Ehlers and Associates to review potential use of TIF or Tax Abatement in the redevelopment site.

Mr. Krutzig was in attendance to provide a project update to EDA members. He explained the parcel's proximity to the school and commuter rail is beneficial but because of the market he is having troubles marketing the land. He has a potential user for a quarter of the property but infrastructure will need to be in place prior to development. Mr. Krutzig explained any assistance from the City would be helpful in attracting potential buyers.

Commissioner Heitz asked if quotes for demolition of the old Legion building have been received in which Mr. Krutzig explained the demolition itself would cost \$60,000. There are septic tanks located on the property that would also need to be filled in. Mr. Krutzig said more detailed cost estimates could be provided at a future meeting.

Commissioner Sanford suggested working with the City Engineers to determine how to best bring infrastructure to Mr. Krutzig's site. Mr. Thares stated a meeting between Mr. Krutzig and City Engineers will be scheduled in the next few days.

Commissioner Dickinson asked if the proposed project would be possible without incentives from the City in whereby Mr. Krutzig responded, that in order to attract users to Big Lake, assistance would be needed due to the current market. Commissioner Dickinson strongly stated any assistance offered would be performance based and not up-front incentives in which Mr. Krutzig replied any development would be in phases and understood assistance would be performance based.

5H. Project Status Report

Ms. Chmielewski reviewed the project status report. For information only; no action taken by the Board.

5I. EDA Budget

For information only; no action taken by the board

5J. Northstar Transit Oriented Development (TOD)

Mr. Thares announced all EDA members are invited to travel to Chicago on September 28-29 to meet with local officials and developers in Woodstock and Barrington, IL. Commissioner Hayes asked for clarification on the cost to participate in which Mr. Thares stated the EDA would cover members from its budget. All boards and individuals are responsible for their own expenses.

6. OTHER

Commissioner Heitz gave a brief update on the Northstar Commuter Rail timeline.

7. **ADJOURN**

Commissioner Kampa motioned to adjourn the meeting at 8:30 p.m. Seconded by Commissioner Sanford, unanimous ayes, meeting adjourned.