

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

THURSDAY, APRIL 20, 2006

1. CALL TO ORDER

In the absence of President Doug Hayes, Vice President Chuck Heitz called the meeting to order at 7:07 p.m.

2. ROLL CALL

Commissioners present: Jim Dickinson, Robert Eddy (arrived at 7:16 p.m.), Dave Gast, Doug Hayes (arrived at 7:10 p.m.), Chuck Heitz, Lori Kampa, Ewald Petersen, and Jim Sanford. Commissioners absent: Jim Zwilling.

Also present: Community Economic Development Director Jim Thares, Assistant City Administrator Scott Johnson, Finance Director Corey Boyer, City Planner Annie Deckert, and Economic Development Assistant Sandy Petrowski.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM MARCH 16, 2006

The March 16, 2006 meeting minutes will be reviewed and approved at the May BLEDA meeting.

5. BUSINESS

5A. BIG LAKE INDUSTRIAL PARK EAST

5A-i. Update: White Bear Clothing Project

Community Economic Development Director Jim Thares reported that construction is complete and the company has moved in to this 20,000 sq. ft. building. The company provided a tour of the facility for interested Commissioners prior to this meeting. No action required or taken.

5A-ii. Update: Industrial Molded Rubber Project

Mr. Thares reported that the 28,000 sq. ft. project is complete and the company has moved into the facility. Staff will be arranging a tour for this facility in May of June of this year for the BLEDA Commissioners. No action required or taken.

5A-iii. Other Industrial Park Items

5A-iii.a Ataboy; Cargill/Sunny Fresh; Paragon Store Fixtures

Ataboy: Mr. Thares reported that Ataboy will operate at their facility in the BLIPE for the next couple of months as they are in discussions to merge their company with another firm. Staff will continue to monitor and provide information as it is available. No action required or taken.

President Doug Hayes arrived at 7:10 p.m. and presided over the meeting.

Cargill: Mr. Thares reported that staff has met with Sunny Fresh Foods officials to discuss two potential expansions to the 40,200 sq. ft. facility. The Board was provided with draft sketch plans that reflect the general intent of the plant expansion goals over the next few years. No action required or taken.

Paragon Store Fixtures: Mr. Thares reported that staff had spoken with Paragon officials regarding potential expansion plans for their 32,000 sq., ft. facility. A meeting is planned within the next few days between Paragon and staff to further discuss. No action required or taken.

Commissioner Eddy arrived at 7:16 p.m.

5A-iv. Industrial Park Expansion Project

Community Economic Development Director Thares reported that the Industrial Park Expansion Project Committee (IPEPC) has not met in recent months and he asked whether or not the Board is still interested in pursuing a potential industrial park expansion project. Commissioner Heitz stated that this issue had been brought to the City Council and it was the Council's direction to continue the exploration and research into a potential industrial park expansion project.

After a brief discussion on issues of concern (i.e., need for clarification of Northstar plans; potential pooling of TIF tools with other land; and explore private ownership versus BLEDA ownership), it was the consensus of the BLEDA Board to direct staff to schedule a meeting of the IPEP Committee within the next month to talk through the issues. The IPEP Committee members are: Larry Alfords, Jim Dickinson, Don Orrock, Ewald Petersen, Corey Boyer, and Jim Thares.

5A-v. Prospects Report

Mr. Thares briefly reviewed his April 20th report. No action required or taken.

5B. JOINT INDUSTRIAL/COMMERCIAL DEVELOPMENT ADVERTISING WITH CONNEXUS

Mr. Thares reviewed his April 17th memorandum regarding the marketing schedule that was completed between Connexus Energy and the BLEDA continuing the joint commercial and industrial marketing program in the Minnesota Real Estate Journal and affiliated publications. No action required or taken.

5C. EXTRA-TERRITORIAL JOINT PLANNING

Community Economic Development Director Thares reviewed his memorandum about potential future urban-scale development near the Mississippi River. Commissioner Petersen discussed recent proposals that have gone to the County Planning/Zoning office. After further discussion with the Board, Mr. Petersen suggested that a Joint Board meeting be scheduled to discuss this issue as well as the Fire Hall Expansion.

It was the consensus of the Board to direct staff to coordinate a joint meeting of the Council Members and Town Board Members in the near future.

5D. PROJECTS STATUS REPORT

Mr. Thares briefly answered questions pertaining to his report that was distributed at the meeting. No action required or taken.

5E. EDA MEETING TIMES

Commissioner Heitz stated that the day of the BLEDA meetings was changed to the third Thursday of each month in order to accommodate members' schedules. However, holding the meeting on Thursday has not worked as well as anticipated.

Commissioner Petersen motioned to recommend that the City Council amend the BLEDA Enabling Resolution to reflect that the regular monthly BLEDA meetings be held on the second Monday of each month at 7:00 p.m. beginning in June of 2006. Seconded by Commissioner Dickinson, unanimous ayes, motion carried. This issue will be forwarded to the City Council for consideration at their May 10th meeting.

5F. EDUCATIONAL INFORMATIONAL PRESENTATIONS

Mr. Thares reviewed his April 17th memorandum. He reported that he had spoken recently with a MBLCHD (Hospital District) representative about having someone from the District attend a future BLEDA meeting to provide a presentation regarding the Hospital District's facilities/services plans and other relevant informational topics. It was the consensus of the Board to direct staff to work with the MBLCHD to obtain a speaker for a BLEDA meeting in late summer or early fall of this year.

Commissioners Petersen and Sanford left the meeting at 8:15 pm.

5G. EDA BUDGET

No action required or taken.

5H. INDUSTRIAL MOLDED RUBBER/CAZ SUBORDINATION

Mr. Thares reviewed the packet information, reporting the following: 1) IMR/CAZ closed on its construction loan that had been obtained from CMDC (SBA) on 2/27/06; 2) the BLEDA/City loan, in the amount of \$67,267 and securing a mortgage against IMR's real property, was recorded prior to the SBA closing date which triggered the need to eventually subordinate; 3) in June, 2005, the BLEDA and City Council approved the economic development loan to IMR/CAZ with the knowledge that the security would be a third mortgage in addition to the PMSI position that was filed against specific equipment purchased with the loan proceeds; and 4) to avoid potential interest rate implications, staff signed off on the BLEDA subordination agreement which the BLEDA is now being asked to consider and approve.

Commissioner Dickinson moved to approve the subordination agreement. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5I. BIG LAKE PLAZA

Mr. Thares reported that a replat of the Lake Plaza Mall site is being proposed so as to clean up multiple property lines and create a Common Interest Community (CIC) which acts as an overlay over the preliminary plat lot and subdivides the existing mall building into individual ownership (i.e., one lot with multiple "units"). The CIC preliminary and

final plats for the Lake Plaza Mall replat are scheduled to be reviewed by the Planning Commission on May 3rd and their recommendation will be forwarded to the City Council for consideration at their May 10th meeting. He also stated that: 1) a planned unit development (PUD) is required so that the site can accommodate a future building pad along US Hwy 10; 2) PUD's are also required so that two buildings can exist on one lot; and 3) a future conditional use permit (CUP) will be required so that joint parking amongst all users (Lake Plaza Mall, Klein Bank, Veterinarian Clinic, and Janice's Salon) is official (this CUP will come after the preliminary and final plats because the CIC agreement has to be first recorded so that the businesses can enter into the CIC).

Assistant City Administrator Scott Johnson reported that: 1) staff has been granted the authority to enter into Purchase Agreements and CIC Agreements with parties who are interested in purchasing mall space that is owned by the BLEDA; 2) staff has entered into a purchase agreement with Chuck and Cynthia Hultman for the 4,000 sq. ft. space located west of their current hardware store; and 3) all of the parties have agreed to enter into a CIC Agreement for their spaces (as specified in the Purchase Agreement).

Commissioner Dickinson motioned to accept the purchase agreement entered into by BLEDA staff and Chuck and Cynthia Hultman for the purchase of 4,000 sq. ft. in the Lake Plaza Mall. Seconded by Commissioner Heitz, the motion passed on a vote of 5 to 1, with Commissioners Dickinson, Eddy, Hayes, Heitz, and Kampa voting aye, and Commissioner Gast abstaining.

5J. PROSPECT: LAUNDRY MAT OPERATION – LINDA AND DAN EVANS

Community Economic Development Director Jim Thares stated that Linda and Dad Evans were present to discuss their inquiry on a proposal for a laundry mat and to provide their point of view and additional information concerning the cost of \$14-\$15 per square foot of the vacant BLEDA-owned space that is located to the east of the new liquor store building.

Dan Evans discussed their plans for the type of facility they would propose for the facility, which they stated they believe is needed in Big Lake; however, they proposed a cost of \$6 per square foot due to lower quotes that they had received from similar facilities in other communities.

It was the consensus of the Board to direct staff to provide cost comparisons from other communities at the next BLEDA meeting and to provide estimated water/sewer costs as well.

**5K. SINGLE FAMILY HOUSING ASSISTANCE PROGRAM (SFHAP)
PROCEDURAL GUIDELINES**

City Planner Annie Deckert reported that the current SFHAP guidelines were completed several years ago and do not clarify eligible properties; however, staff is requesting approval of an amendment to the procedural guidelines to reflect the eligibility of existing homes.

Commissioner Dickinson motioned approve the amendment to the SFHAP procedural guidelines as presented. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

5L. UPDATE: ACQUISITION/DEMOLITION PROGRAM – 330 ORMSBEE

Staff reported that, after being directed by BLEDA at the February meeting to extend an offer to the owner of 330 Ormsbee to purchase the property, a letter was sent to the property owner offering to purchase the property and staff has attempted to contact him as well. As staff has not yet been able to contact the owner, this item is for information only. It was the consensus of the Board for staff to continue to attempt to contact the property owner with the offer to purchase the property at 330 Ormsbee.

5M. UPDATE: LAKE STREET COTTAGES, PHASE II

Staff discussed the undeveloped parcel with the board and stated that they will provide further information as it becomes available.

5N. DOWNTOWN REDEVELOPMENT

5N-i. Eagle Lake to Fern Street Redevelopment Project

200 Eagle Lake Road North - Community Economic Development Director Thares reported that a purchase agreement has been executed with Ms. Nancy Lindquist, owner of 200 Eagle Lake Road North, and that the closing for this property has been scheduled for May 2, 2006. Under the lease, Ms. Lindquist will be able to lease back the property to remove personal items and negotiated fixtures for a period of up to 3 months at a rent of \$300.00, and will pay for all utility services during the lease term.

220 Eagle Lake Road North – Mr. Thares reported that staff has been responding to the tenant's attorney's request and has asked Public Works to address the most critical liability issues with the property. Staff is also continuing to attempt to contact the previous owners of the property to inform them of the issues and to request reimbursement of the repair costs.

Mr. Thares briefly distributed and reviewed a draft copy of a letter prepared by staff to the owners of the property located at 210 Eagle Lake Road (Curtis and Maria Hed) informing them that the acquisitions of the properties at 200 and 220 Eagle Lake Road North had been initiated by the property owners.

5N-ii. Putnam Avenue South Redevelopment Project

Mr. Ken Tyra and Mr. Bruce MacGregor provided a presentation on their proposed 17,500 sq. ft. retail and 56,000 sq. ft. self-storage redevelopment project for the Putnam Avenue South redevelopment area. Mr. Tyra stated that purchase agreements for the properties along Putnam Avenue are in place and they anticipate that the closings will be scheduled for July 2006.

Mr. Thares stated that staff is requesting EDA's authorization to enter into a development agreement for the Putnam Avenue redevelopment project.

Commissioner Dickinson moved to proceed forward with a Development Agreement for the Putnam Avenue redevelopment project, vacant parcels, TIF assistance with Putnam Project, LLC. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5N-iii. Potential Redevelopment Area: Twin Peaks, Zimmerman-Bakken-City Lot

Mr. Thares reported that, in early February, staff received a concept elevation sketch plan from D.J. Bakken for a new 12,000 sq. ft. commercial building proposed for the area where his office is currently located. No further information is available at this time but staff will keep the BLEDA apprised of any developments with this project.

5N-iv. Resolution: Request Council to Call for Public Hearing (TIF 1-4)

Community Economic Development Director Thares briefly discussed the proposed BLEDA resolution requesting that the City Council call for a public hearing for May 24, 2006, to modify TIF 1-4 to include a small parcel (which is the parking lot behind Janice's Salon) that was previously omitted.

Council Member Heitz moved Resolution 2006-01, Resolution Requesting the City Council of the City of Big Lake Call for a Public Hearing on a Modification to the Development Program for Municipal Deelopment District No. 1 and the Modification of Tax Increment Financing District No. 1-4 (A Redevelopment District) Therein and the Adoption of a Modified Tax Increment Financing Plan Therefor. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

50. CITY HALL EDA LEASE REVENUE BOND

Mr. Thares reported that working on putting documents together to facilitate a transfer of the City Hall property from the BLEDA to the City now that the final payment has been made for the EDA Lease Revenue Bond. Further information will be provided at the May BLEDA meeting to facilitate this transfer.

5P. UPDATE: RETAIL MARKET ANALYSIS STRATEGIC WORKSHOP SUMMARY

Staff briefly reviewed City Planner Annie Decker's April 11th memorandum on the recent Retail Market Analysis Strategic Workshop. For information only - no action required

6. OTHER

President Hayes requested that staff research if anything can be done to block off the off-shoot of the newly routed Putnam Avenue located behind the BP gas station that connects with Hwy 25, as it causes confusion to drivers.

Commissioner Heitz requested that, in the future, if there are attendees (developers, residents etc.) that are at a meeting for a presentation, that they be placed earlier on the agenda so they do not have to wait until the end of the meeting to have their issues addressed.

President Hayes reported that a presentation about "roundabouts" on roadways was presented at a recent Planning Commission meeting and he recommends that a similar presentation and/or documentation be provided for their information.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 9:45 p.m. Seconded by Commissioner Kampa, unanimous ayes, meeting adjourned.