

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, OCTOBER 12, 2010

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners present: Raeanne Danielowski, Jim Dickinson, Dave Gast, Doug Hayes, Mike Hayes, Chuck Heitz, Jerry Parks and Norm Leslie (substitute for Jim Stahlmann).
Commissioners absent: Robert Eddy.

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, City Planner/Community Economic Assistant Leslie Dingmann and Community Development Intern Sophiya Singh,

3. ADOPT AGENDA

Commissioner M. Hayes motioned to approve the agenda as presented. Seconded by Commissioner Parks, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM SEPTEMBER 13, 2010

Commissioner Heitz motioned to approve the September 10, 2010 BLEDA minutes. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS

5A. INTRODUCTION OF COMMUNITY ECONOMIC DEVELOPMENT INTERN

Jim Thares, Community Development Director, introduced Sophiya Singh who will be interning with the department until December. Sophiya gave a brief overview of tasks she has been working on.

5B. BIG LAKE RAIL PARK

Thares stated staff met with Jim DePietro, CB Richard Ellis, at the Rail Park site for a tour. CB Richard Ellis was hired by the developer to help market the site.

Staff also attended a meeting along with the large industrial firm interested in the Rail Park site at the Minnesota Foreign Trade Zone (FTZ) offices to learn about the costs and benefits of establishing a FTZ site

5C. PROJECT STATUS REPORT

Leslie Dingmann, City Planner, stated the Comprehensive Economic Development Strategy (CEDS) report was completed and could be viewed at www.cmceds.com.

The MN DEED data center prospect has indicated that they will not be considering the two proposed Big Lake's sites due to the proximity to the BN rail tracks.

Dingmann noted the City purchased 180 Eagle Lake Road North and the property will be demolished and rebuilt on in the future. Commissioner D. Hayes asked if Habitat is still interested in partnering on a third property; in which Thares responded staff has been in discussions with them on a property the City has acquired with NSP funds.

Commissioner Danielowski questioned when the rehab work for 5300 Pond View Lane will begin. Thares noted the rehab scope of work is completed and the next step will be for staff to put together a RFP for a general contractor

5D. PROSPECT REPORT

Dingmann stated four community information packets were sent to prospects. Staff had follow-up meetings with a laundromat prospect as well as a convenience store prospect interested in sites in Big Lake. Thares noted staff showed the laundromat prospect the city-owned space next to the liquor store Thares also stated staff will be showing the same suite to the Big Lake American Legion who may be interested in leasing the space.

5E. BLEDA BUDGET

Corey Boyer, Finance Director, stated the first IMR repayment to MN DEED has been sent and staff will continue to make payments to MN DEED on a quarterly basis. Boyer gave an update on which businesses have not made payments on their loans and noted staff will be working with them to resolve the issues.

5F. DISCUSSION- COMMISSIONER ATTENDANCE

President D. Hayes stated he contacted Commissioner Eddy regarding his intent to remain on the EDA board. Commissioner Eddy has indicated he will be stepping down from the position due to personal time constraints

Commissioner Heitz motioned to advertise for the vacant EDA board seat. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

Staff will also review whose EDA terms will expire in December and bring forward at the next EDA meeting.

6. CITY EDA BUSINESS ITEMS

6A. ASSISTED/ADVANCED LIVING FACILITY DEVELOPMENT PROPOSAL

Thares briefly reviewed his memo on the risks and benefits of the USDA loan in regards to the Cherrywood Advanced Living (CAL) proposed project. Marshall Weems, CAL development officer, was in attendance to provide further clarification on the risks and benefits.

The EDA board had a lengthy discussion of their understanding of the USDA application process and what additional information would need to be received before they could make a decision to support moving forward on the project with CAL.

Commissioner Danielowski questioned if there was anything else the EDA could do to help proceed should it be decided the EDA is not supportive of moving forward with the USDA loan application.

Mr. Weems stated he felt the Big Lake Zoning Ordinance language was overly restrictive and potentially discriminatory against the elderly. He felt support for a text amendment that would allow for an advanced living facility at the proposed location would be helpful as the current Ordinance states that long-term care facilities need to be located on a collector road. He stated although the proposed location is not serviced by a collector road, they would like to see their facility located in a residential neighborhood versus a commercial neighborhood and their clients would generate minimal traffic. He also stated there may be a need to consider tax increment financing, tax abatement or reduction of SAC / WAC fees.

Thares suggested a recommendation from the EDA to the Planning Commission supporting the text amendment would be helpful. Thares provided a background of the current ordinance, noting it was adopted over 15 years ago and at that time, facilities were to be located on a collector road because most projects being built supported 40 or more units. A 20 unit project similar to Cherrywood's proposal wasn't the norm at the time. He also mentioned CAL's project is comparatively small and doesn't require the same licenses as a larger assisted living facility.

Commissioner Dickinson stated that zoning issues could be addressed to help move the project forward. Thares stated if the EDA believes in the project, the EDA should recommend the text amendment. Commissioner Gast noted that the EDA could recommend the text amendment and fund the Development Application fee using a portion of the \$10,000 they set aside to support the project.

It was the consensus of the EDA board to continue to work with CAL on the proposed project. Staff was directed to arrange one more meeting with CAL, the EDA sub-committee, Staff and the USDA to get further clarification and definitive answers on the USDA application process. It was also suggested that the development application be submitted concurrently to begin working on the text amendment.

Mr. Weems invited all EDA members and Staff to the grand opening of the first Cherrywood Advanced Living facility in Richmond, MN on November 9, 2010.

Commissioner Dickinson motioned to have the EDA support the text amendment and pay the development application fee using a portion of the \$10,000 funds which was set aside to support the Cherrywood Advanced Living facility project. Seconded by Commissioner Gast, unanimous ayes, motion carried.

6B. INTRODUCTION OF PROPOSED MULTI-FAMILY DEVELOPMENT

Thares reviewed the multi-family development proposal staff has been working on with Harold Jesh. He stated a Business Subsidy Application was given to Mr. Jesh and staff is expecting to receive it in the next week or two.

Harold Jesh and Joe Seifert (Miller Architects) were in attendance to discuss the project. Mr. Jesh provided a brief description of the proposed project and asked the EDA to consider tax increment financing (TIF) to help write down infrastructure and land cost and to help provide affordable rents.

Commissioner Dickinson questioned if the business subsidy application has been submitted as the EDA would need to review the request before a decision could be made. Mr. Thares stated the application has not been turned in.

Commissioner Heitz questioned if the proposal fits within the TOD master plan. Thares stated that the proposed site falls within the first tier of the master plan. Commissioner Heitz noted the TOD master plan calls for a certain percent of apartments, townhomes etc... within the first ring and questioned how staff will be monitoring this. Thares stated the comprehensive plan suggests a housing committee be formed and they could be in charge of monitoring the residential development owner versus renter ratio at the TOD area.

Commissioner Heitz asked if a tax increment financing district would need to be created for this proposal. Thares noted there are a variety of ways to set up TIF districts but the developer has not stated what their shortfall is yet. Commissioner Heitz questioned if a look back clause could be incorporated into any TIF agreements in which Thares stated it could be made part of the agreement.

Commissioner Dickinson reiterated that the EDA needs to wait for the business subsidy application to be submitted and reviewed before a decision could be made. Commissioner Heitz stated TIF might not be considered if the property owner is charging top dollar for the land. Commissioner Dickinson agreed and stated the property owner can not expect the land will be sold at the same price it might have been sold 5-6 years ago,

7. OTHER

Thares stated MN DEED did respond back and stated an extension would not be considered on the loan to IMR. Also, a letter was received from MN DEED that they will be closing out the grant.

Commissioner M. Hayes stated it appears someone is cutting down trees and having bonfires on the Industrial Park vacant land as well as four-wheeling on the property. Thares stated staff will request the police patrol this area more frequently on the weekends.

8. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 8:30 p.m. Seconded by Commissioner M. Hayes, unanimous ayes, meeting adjourned.