

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**

**MEETING MINUTES**

**MONDAY, APRIL 12, 2010**

**1. CALL TO ORDER**

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

**2. ROLL CALL**

Commissioners present: Raeanne Danielowski, Jim Dickinson, Robert Eddy, Dave Gast, Doug Hayes, Mike Hayes, Chuck Heitz, Jerry Parks and Jim Stahlmann.

Also present: Community Economic Development Director Jim Thares, City Administrator Scott Johnson, Finance Director Corey Boyer, and City Planner Leslie Dingmann.

**3. ADOPT AGENDA**

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

**4. APPROVE BLEDA MEETING MINUTES FROM MARCH 8, 2010**

Commissioner Dickinson motioned to approve the March 8, 2010 BLEDA minutes. Seconded by Commissioner Gast, unanimous ayes, motion carried.

**5. BUSINESS**

**5A. ASSISTED / ADVANCED LIVING FACILITY DEVELOPMENT PROPOSAL-  
MARSHALL WEEMS, CHERRYWOOD**

Marshall Weems, Cherrywood Advanced Living, provided an overview of the proposed project and a background of their company. The proposed advanced living facility would be an option for elderly residents to move to versus an assisted living facility or nursing home. Funding for the project would come from the Community Facilities Program offered through the USDA.

Commissioner Eddy stated that although he supports the concept, it is not the EDA's function to own property but they could participate in facilitating the project being built. Commissioner Stahlmann questioned if there are examples of existing facilities similar to the one being proposed in which Mr. Weems stated the first project will be built in Richmond and the ground breaking will take place in a few weeks.

The EDA had a brief discussion of the terms of the USDA loan and the lease that would have to be signed between Cherrywood Advanced Living and the City. Thares stated staff did contact the USDA Cambridge office to discuss the Community Facilities Loan Program and this project would be an eligible project.

It was the consensus of the EDA to form a subcommittee to further discuss the proposed concept and what possible ramifications exist if the City were to partner in the project.

## **5B. BIG LAKE INDUSTRIAL PARK EAST**

### **5B-i. PARAGON STORE FIXTURES REQUEST**

Finance Director Corey Boyer reviewed the request from Paragon Store Fixtures asking for 15% reduction on their two revolving loans if they were to pay off the loans in their entirety.

Commissioner Gast stated he is not in favor of debt forgiveness but the EDA should not make a decision without further investigation of the company's financials and proposal.

It was the consensus of the EDA to request additional information from Paragon Store Fixtures and further review the request before making a decision.

### **5B-ii. SIGNAGE AND LISTING PROPOSAL WITH BROKER GROUP- GAUGHAN COMPANY**

Thares stated staff was approached by Gaughan Companies to help market the BLEDA industrial sites. They are proposing to obtain an 18-month listing agreement with the BLEDA and would ask for commission rates of 5%-6%.

Thares noted staff was extremely comfortable with Gaughan Companies but is looking for direction on how to move forward with the selection process of a broker group. Since the initial meeting, staff has been asked by other brokers on the opportunity to help market the industrial site lots. Thares offered an option to consider an abbreviated Request For Qualifications (RFQ) process to identify the best fit.

The EDA discussed if it would also be appropriate for the chosen broker group to represent the city-owned retail parcels along with the industrial sites. The pros and cons of non-exclusive listing versus exclusive listings were also discussed.

Val Kraljic, of Keller Williams, stated he as a broker would put for more effort and time on marketing a property if it was an exclusive listing versus a non-exclusive listing.

Lou Suski, of Gaughan Companies, noted a broker with a listing is more inclined to do cold calling and outreach to prospects. He stated he would never take a non-exclusive listing due to the investment of time and money.

Commissioner Danielowski noted she would like to see the request for qualifications state all city-owned properties would be represented by the chosen brokerage firm.

Commissioner Danielowski motioned to direct staff to send out a request for qualifications for the representation of city-owned industrial and retail sites. Seconded by Commissioner Parks, unanimous ayes, motion carried.

#### **5C. BIG LAKE RAIL PARK**

Thares gave an overview of tasks completed in regards to the proposed Big Lake Rail Park including a revision of the Letter of Understanding, soliciting additional support from surrounding communities; and completion of questionnaire for Senator Al Franken.

Commissioner Dickinson questioned if Sherburne County has made any commitment to this project to date. Thares stated the proposal was going to be presented to the Sherburne County Economic Development Authority and then to the County Board. Thares said he would contact Brian Benson to see if this has been completed. Commissioner Dickinson reiterated the importance of the County participation should this project move forward.

#### **5D. PROSPECTS REPORT**

Leslie Dingmann, City Planner, stated staff met with a Laundromat prospect that is looking for a site in Big Lake. Thares stated the prospect has considered a site in the Coborns' strip mall area and was presented with information of sites available in the Lake Shopping Center mall

Commissioner Danielowski questioned if the SAC credit incentive that is currently being offered for John Weicht's open space could be offered to a prospect looking at other locations in the Lake Shopping Center. Commissioner Dickinson stated he would not be in favor of offering the SAC incentive should the prospect choose the Coborns strip mall site versus the Lake Shopping Center site.

Phil Rondeau, CentraSota Commercial, stated the EDA members need to consider how their actions (lease holder, land owner, etc...) affect private developers. He feels private developers are in competition with the City and they can not offer incentives as the City can. Mr. Rondeau stated he thinks the City's industrial land isn't being sold because of the state of the current economy not because the City isn't marketing the land well ourselves.

#### **5E. DUFY DEVELOPMENT- UPDATE AND ASSISTANCE PACKAGE**

Thares stated Duffy Development has requested support from the City for their third attempt at obtaining a Section 42 Affordable Housing Tax Credit for their 33-unit townhome proposal in Big Lake.

Staff is recommending the City offer Duffy Development the same assistance as in the previous applications including: \$20,000 reduction in Park Dedication Fees, a deferral of SAC and WAC charges, a smaller road width requirement in front of the proposed development as well as public funds for the trail connection to the Commuter Train Station area. Thares asked EDA members if they would consider tax increment financing as well.

After a short discussion, it was the consensus of the EDA to offer only the same incentives as the previous application and to request Duffy Development have no competing projects in the next round of applications.

#### **5F. PROJECT STATUS REPORT**

Dingmann commented the City was awarded an additional \$400,000 in NSP funds and Big Lake won the Community Response Award to Foreclosures from Minnesota Housing

#### **5G. SHERBURNE COUNTY DEVELOPER TOUR- MAY 6, 2010**

Commissioner Dickinson motioned to set a Special Gathering date for Thursday May 6, 2010 from 4:00-5:00 at the Friendly Buffalo for the 2010 Sherburne County Developer's Tour. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

#### **5H. BLEDA BUDGET**

For information only; no action was taken by the Board.

#### **5H-i. Update: Façade Loans**

Boyer stated that property owners could not be reached to discuss late payments on the façade loans. Information on conciliation court was presented to the EDA members.

Discussion took place on how the City would be portrayed if we were to bring suit against the two local businesses. Commissioner Gast stated the alternative would be to do nothing which is sending the message that no businesses have to pay their loans back. The best outcome is for the businesses to become current on their loans prior to a court date and then the court date could be cancelled. Commissioner Dickinson stated he feels the City is being responsible and trying to get tax payers' money back.

It was the consensus of the EDA Commissioners to move forward on the conciliation court process.

#### **6. OTHER**

##### **6A PROPOSED FIREWORKS TENT**

Dingmann stated the Mall Association has met with an applicant regarding constructing a fireworks tent in the parking lot. Upon review of the proposed location, staff feels a safer and more appropriate location for the tent would be on the EDA-owned property portion of the parking lot as the existing green strip acts as a natural barrier.

It was the consensus of the EDA members that the location was a safe alternative but the applicant would need to show acceptable proof of insurance prior to being allowed a tent location on the EDA-owned parcel.

#### **7. ADJOURN**

Commissioner Heitz motioned to adjourn the meeting at 9:15 p.m. Seconded by Commissioner Parks, unanimous ayes, meeting adjourned.