

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
MONDAY, NOVEMBER 10, 2008

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners present: Jim Dickinson, Robert Eddy (arrived at 7:04 p.m.) Dave Gast, Doug Hayes, Chuck Heitz, Lori Kampa (arrived at 7:04 p.m.), Jim Sanford, Jim Zwilling and Alternate Township Commissioner Mike Hayes.

Also present: Community Economic Development Director Jim Thares, Finance Director Corey Boyer, and City Planner Leslie Chmielewski,

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM OCTOBER 14, 2008

Commissioner Dickinson motioned to approve the October 14, 2008 BLEDA minutes. Seconded by Commissioner Zwilling, unanimous ayes, motion carried.

Commissioner Eddy, Commissioner Lori Kampa and City Administrator Scott Johnson arrived at 7:04 p.m.

5. BUSINESS

5A. BIG LAKE INDUSTRIAL PARK EAST

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

5A-i-a. Street Light Style Options

City Planner Leslie Chmielewski reviewed the memo received by City Engineer Brad DeWolf stating that they had contacted Connexus Energy regarding the installation of street lights for the expansion area and a style of street light will need to be selected before a cost estimate for installing street lights can be provided.

After a brief discussion, it was the consensus of the Commissioners that the new street lights be consistent with the existing industrial park lights.

Commissioner Dickinson motioned to approve the Shoebox style of street light to be installed in the industrial park expansion area. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5A-i-b. Cell Phone Towers

Community Economic Development Director Jim Thares stated Sherburne County Rural Telephone System (Connections, etc.) had met with Staff to discuss a site for a new communications tower in Big Lake. They looked at several sites and have indicated a potential site of interest is in the industrial park expansion area. They indicated a lease agreement would be their preferred method and they generally offer lease rates of \$500.00 per month.

Mr. Thares noted that if the tower was to locate in the industrial park, a variance would be required as the tower is proposed as 175 feet tall which exceeds the 150 feet ordinance standards. Close to 3 acres would be needed to accommodate the towers "fall zone".

Commissioner Dickinson questioned if the company would build the tower themselves in which Mr. Thares responded yes. Commissioner Dickinson also suggested checking with the City Attorney as if they will license or lease the site as it may not be possible to lease the ground when there are multiple renters on one tower to comply with the co-location requirement provided for in City ordinance. After a short discussion, it was the consensus of the board that the industrial site may not be the best location because the amount acres needed for the tower and the value of the industrial park land.

Commissioner Dickinson suggested cell phone towers are often located on ball field light poles or emergency siren poles and suggested Staff investigate those potential locations within Big Lake. He reiterated that the City should try to work with cell phone company even if the industrial site will not work. The board members suggested other potential locations may include area around Preusse Lake, the future Commerce Park area, and the water treatment area. It was also stated the cell phone company should do the mapping of the area needed, once additional sites have been identified.

5A-i-c. Draft Industrial Park Expansion Goals

Mrs. Chmielewski reviewed the draft goals for the industrial park expansion area. She noted Staff developed the draft using the goals which were used when attracting business for the existing industrial park. Commissioner Sanford questioned if 6 jobs per acres was realistic in which Ms. Chmielewski responded Staff suggested that ratio because that is the current ratio of the existing park. Commissioner Sanford suggested Staff work with any size prospect even if they don't meet in the goals in which Mr. Thares responded that the goals were an average of the entire site and Staff intends to work with any prospect.

It was the consensus of the board that the goals were realistic for the industrial park expansion area and should be used as a guide in the future.

5A-ii. Prospects Report

Ms. Chmielewski reviewed four new prospects Staff has been working with over the past month.

Staff has identified and provided site information to a broker out of Detroit who is working on locating a green industrial plant to the Minneapolis region. The prospect would need 150 acres and would create 1,200 jobs. A meeting was held with Sherburne County staff and Big Lake Township representatives to discuss potential sites.

Big Lake Industrial Park site information was provided to a broker who is looking to relocate an industrial firm from Brooklyn Center. Staff will update EDA members if follow-up is requested.

5B. MIXED USE MOTORSPORTS CONCEPT DEVELOPMENT PROPOSAL (IMEDC)

Mr. Thares stated Staff has meet with Big Lake Township officials and Sherburne County staff to discuss the review process for the race track proposal. It was decided that the County and Township will take the lead on the review process and Environmental Impact Statement (EIS). Sherburne County staff has indicated they will keep City staff up-to-date on any communications with IMEDC.

5C. UPDATE: BLEDA-OWNED SPACE - EAST END OF LAKE SHOPPING CENTER

Finance Director Corey Boyer informed EDA members that the bank has received all the information needed for the sale of the east end of Lake Shopping Center. Mr. Weicht will be back from vacation in three weeks and at that time Staff will schedule a closing date.

5D. UPDATE: DOWNTOWN REDEVELOPMENT (HIGHWAY 10/COUNTY ROAD 5)

Mr. Thares stated a draft Memorandum of Understanding (MOU) was created for the redevelopment site on Highway 10 & County Road 5 upon direction of the City Attorney and asked EDA members for feedback. When asked, Mr. Thares stated he felt the City Attorney preferred an informal MOU versus an ironclad development agreement. Commissioner Eddy asked what the differences between a MOU and development agreement in which Mr. Thares stated a MOU is a non-binding document.

Commissioner Dickinson asked for clarification that the developer will be combining the City-owned parcels with his own parcels. Mr. Thares stated that was correct.

Commissioner Dickinson stated he does not have an issue with the MOU but wants to see a development agreement at the time of final plat.

Mr. Boyer questioned if the reversion language would still be included in the development agreement in which Commissioner Dickinson stated the reversion language goes away once the parcels are platted.

Mr. Thares stated he would bring back answers to comments and questions regarding the MOU at the December EDA meeting.

5E. BUSINESS SUBSIDY APPLICATION- TIF REQUEST (M. KRUTZIG)

Mr. Thares states a business subsidy application has been received from Mike Krutzig to assist in redeveloping the old American Legion site. The increment would offset demolition and site clearing expenses and also extend infrastructure and utilities to the site. Mr. Krutzig does have a prospect committed to building a 6,000 sq. ft building on the western portion of the lot. As the lot is currently located in Big Lake Township, an annexation hearing was held at the October 22nd City Council meeting. Mr. Thares stated this item was tabled until the November 12th meeting as Mr. Krutzig would like a recommendation from the EDA regarding TIF assistance before moving ahead with the annexation request. Mr. Thares stated the TIF request is for \$1.2 million dollars and all items are eligible expenses. The County Assessor has valued the project at \$7,346,400. Mr. Thares asked the EDA members to indicate their level of support or interest in the project.

Mr. Krutzig gave a brief history of the parcel and his intentions for future development when the parcel was bought. Commissioner Dickinson asked of the 10 acres, how much of the parcel will be buildable in which Mr. Krutzig responded 60,000 square feet would be actual buildings and the rest of the area will be for roads, ponding, etc.. Mr. Krutzig stated a mix of office and retail would be located on the site.

Commissioner Heitz questioned what the increment is for the proposed project in which Mr. Thares stated the applicant is asking for 26 years. Commissioner Dickinson stated his main concerns are (1) the percentage of the subsidy amount is too high (\$1.2 million); (2) he would like to see the application include more conceptual plans for the site with specifics of other businesses Mr. Krutzig would try to relocate there. Commissioner Dickinson noted he is not against offering TIF for the project but the \$1.2 million dollar request should be lowered and the number of years for the increment should be reduced along with a more complete application. Commissioner Dickinson also suggested including look back clauses as part of any potential agreements. Mr. Thares stated a report from Ehler's and Associates was not available because the application was only received the Friday before. Commissioner Dickinson stated the EDA needs to review the report before an informed decision can be made.

Commissioner Heitz stated the consensus of the EDA board was this is a legitimate tax increment financing project but the applicant would need to work to reduce the numbers. He suggested offer a 10-15 year increment with a look back clause would be more appropriate which is the standard the City used in prior projects.

Mr. Thares stated this proposal with the consideration of the above changes will be put back on the December EDA agenda for review.

5F. DISCUSSION: BIG BOX RETAILER PROSPECT

Mr. Thares stated representatives from Dynamics have informed Staff that a big box retailer prospect will be visiting Big Lake after Christmas. Mr. Thares asked EDA members what incentives the City may be able to offer the prospect to entice them to the City. Options could include tax abatement, development fee reductions, or development application processing fees.

Commissioner Dickinson stated a retailer would have a hard time meeting the but-for-test so tax abatement or TIF would not be an option. Commissioner Heitz stated fee reductions and expediting the project are main incentives the City could offer. He also stated the importance of letting Mayor and EDA members know when the meeting is so they are able attend when the prospect visits the City.

5G. PROJECTS STATUS REPORT

Ms. Chmielewski answered questions from the EDA members regarding project updates. No action was taken by the board.

5H. EDA BUDGET

5H-i. Proposed 2009 Budget

Mr. Boyer briefly discussed the updated proposed 2009 draft budget. He stated no new programs are planned for next year.

5H-ii. Monthly Budget

Information only; no action required or taken.

5I. Northstar Transit Oriented Development (TOD)

Mr. Thares stated at the TOD meeting on November 19th the committee will discuss the Chicago trip and make final comments on the draft TOD Design Standards and the Zoning Ordinance.

6. OTHER

Mr. Thares stated the Annual City of Big Lake Committee workshop is scheduled for December 2nd at 5:00 p.m. at Russell's on the Lake.

Commissioner Dickinson motioned to set the Annual Committee Workshop date of Tuesday, December 2, 2008 at 5:00 p.m. at Russell's on the Lake located at 111 Jefferson Boulevard. Commissioner Heitz seconded, unanimous ayes, motioned carried.

Ms. Chmielewski stated the Manufacturer's Week celebration will be November 14th and RSVP's are due on Wednesday November 12th,

Commissioner Hayes reiterated the importance of the City to stay in the loop on matters concerning the IMEDC. Mr. Thares stated the County Staff stated they will keep us informed of all correspondence with IMEDC as they move along in the process.

City Administrator Scott Johnson questioned if the EDA members are interested in doing another Spring Developer's Tour. Mr. Thares stated if the County is not hosting another tour this Spring, they City can do again on its own.

7. ADJOURN

Commissioner Zwilling motioned to adjourn the meeting at 8:44 p.m.. Seconded by Commissioner Kampa, unanimous ayes, meeting adjourned.