

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, JULY 10, 2006

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners present: Robert Eddy, Dave Gast, Doug Hayes, Chuck Heitz, Ewald Petersen, Jim Sanford (arrived at 7:08 p.m.), and Jim Zwilling. Commissioners absent: Jim Dickinson and Lori Kampa.

Also present: Community Economic Development Director Jim Thares, Interim City Administrator Scott Johnson, Finance Director Corey Boyer, City/BLEDA Attorney Soren Mattick, City Planner Annie Deckert, Consultant Planner Nate Sparks of Northwest Associated Consultants (NAC), Economic Development Assistant Sandy Petrowski, and Economic Development Intern Katie Blakeslee.

3. ADOPT AGENDA

Commissioner Heitz motioned to approve the agenda with a change in item order to move Item #5D, SFHAP Loan Application–Mike Wallen to the first item on the business portion of the agenda. Seconded by Commissioner Eddy, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES OF JUNE 12, 2006

Commissioner Eddy motioned to approve the June 12, 2006 BLEDA minutes. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5. BUSINESS

5A. SFHAP LOAN APPLICATION – M. WALLIN

Planner Annie Deckert reviewed her June 29th memorandum regarding the Single Family Housing Affordability Program (SFHAP) loan application submitted by Mr. Michael Wallin. Ms. Deckert reported that Mr. Wallin does meet the requirements for participation in this program and that he was present to answer questions of the Board. She further stated that staff is recommending that the BLEDA approve the loan application in the amount of \$5,000 and that, upon approval by the BLEDA, the loan request will be forwarded to the City Council for consideration at their July 12th meeting.

Commissioner Gast motioned to recommend approval of the application submitted by Michael Wallin for a Single Family Housing Affordability Program (SFHAP) loan in the amount of \$5,000. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5B. BIG LAKE PLAZA

Interim City Administrator Scott Johnson reported that the demolition work for the façade project is scheduled to begin on July 11th. He further stated that staff is working with Mr. Mike Krutzig on the potential purchase of the east end of the plaza. For information only; no action required or taken.

5C. HAZARDOUS ABATEMENT – BLIGHT HOMES

Community Economic Director Jim Thares reported that at the BLEDA's June meeting, staff was directed to review the current hazardous abatement process, to contact owners of potential properties and report back to the Board on the outcome of those meetings. He reported that staff is working with Fred Patch, the City's contracted building official, on a proposed draft letter to the owner(s) of qualified properties, which was included in the meeting packet for the Board's review.

City Planner Annie Deckert reported that staff had determined that before pursuing the hazardous abatement process, staff would contact property owners with information on the Homeowner Housing Rehabilitation Loan Program (HHRLP) and, if staff is not contacted by the property owner(s) within a specified timeframe, then staff would proceed with the hazardous abatement process.

It was the consensus of the Board to direct staff to proceed with contacting the owner(s) of eligible properties regarding the Homeowner Housing Rehabilitation Loan Program and to pursue the hazardous abatement process should staff receive no contact from the homeowner(s) within a 45-day timeframe.

Sanford arrived at 7:08 p.m.

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

Ms. Deckert reported that, at the last BLEDA meeting, the BLEDA Board authorized staff to negotiate the purchase of the property located at 330 Ormsbee with Mr. LaCombe, the current owner, and that, based on the most recent negotiations, staff is requesting the Board's authorization to enter into a purchase agreement with Mr. LaCombe to acquire the parcel located at 330 Ormsbee for an amount of \$85,000.

Commissioner Eddy motioned to authorize staff to enter into a purchase agreement with Mr. LaCombe, owner of 330 Ormsbee, for the purchase of the property for an amount \$85,000.00. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

5E. UPDATE: HOME OWNER'S REHAB PROGRAM

Mr. Thares reported that, since the brief update on this program that was presented at the June BLEDA meeting, Community Economic Development Intern Katie Blakeslee has been drafting proposed revisions to the Homeowner Housing Rehabilitation Loan Program Procedural Guidelines for the Board's review.

Community Economic Development Intern Blakeslee reviewed her June 28th memorandum regarding the program which currently has a balance of \$38,725.50. She briefly reviewed the proposed changes to the program's procedural guidelines and requested the Board's feedback on the proposed amendments. As a reference to an earlier agenda item, it was reported that this program is the same program that would be made available to homeowners instead of rehabilitation of their properties through the Hazardous Abatement Program.

Commissioner Eddy motioned to approve the amendments to the Homeowner Housing Rehabilitation Loan Program (HHRLP) procedural guidelines, with the revisions to the language in Section 8 as discussed. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5F. PRESENTATION: R5 HOUSING DISTRICT STUDY – NATE SPARKS, NAC

Consultant Planner Nate Sparks, of NAC, reviewed the findings of a review recently conducted of the City's R-5 Zoning District, as requested by the BLEDA. He reported that the study found no major problems being caused by the zoning district, but that there were a few minor, correctable issues, which were listed in the study and which he reviewed with the Board.

Mr. Sparks reviewed the conclusion of the report which was that it did not appear that the current zoning standards are creating a situation where disinvestment is rampant, but that it is important to constantly keep watch. However, he did emphasize that the impervious surface situation could result in residents not undertaking improvements on their property and if City Officials would want to pursue this important change and any of the other changes mentioned in the study, then it would be recommended that the BLEDA, Planning Commission, and City Council conduct a general policy discussion.

5G. DOWNTOWN REDEVELOPMENT

Community Economic Development Director Jim Thares reviewed his July 7th memorandum on the following potential downtown redevelopment projects:

Eagle Lake to Fern Street Area: A joint meeting of the BLEDA and City Council was held since the last BLEDA meeting and staff met with Mr. Ken Tyra, of City Places, LLC, to discuss traffic flow concerns and project design ideas. Mr. Thares also reviewed handout provided by Mr. Tyra pertaining to a draft proposal for a potential redevelopment project, which does not include the Lahti property located on the NE corner of ELR & hwy 10. Mr. Thares asked for the Board's feedback and suggested that a subcommittee be formed to continue exploring options for this area.

Alex Wikstrom, representing Ken Tyra, stated that a significant piece of the Lahti property would be used up with the intersection proposal for Eagle Lake Road and Highway 10 so the proposed building would be closer to the roadway than it appears.

Mr. Thares stated that staff would continue to work with Mr. Tyra on bringing a redevelopment project to this area.

140 Eagle Lake Road: The closing for the City's purchase of this property from Gary and Marion Johnson took place on July 6th for a total purchase price of \$214,000 (which is within BLEDA's authorization offer range); relocation expenses will be paid to the Johnson's separately per State Statutes and/or Federal Codes; and that the Johnson's will be leasing the residence back from the BLEDA for up to six months.

200 Eagle Lake Road: Ms. Nancy Lindquist, the prior owner and current leasee of this property, will be vacating the residence within week and will return the keys by the end of July, 2006.

220 Eagle Lake Road: The eviction process for the tenants of this property is moving forward. City/BLEDA Attorney Soren Mattick provided a brief explanation of the eviction process.

5H. OFFER TO PURCHASE PUTNAM AVENUE PROPERTIES – A. WIKSTROM

Community Economic Development Director Jim Thares reported that Mr. Alex Wikstrom, of Coldwell Banker Commercial-Orion Real Estate, has submitted a request for the BLEDA to consider purchasing the properties along Putnam Avenue.

Mr. Wikstrom was present to discuss his request and to answer questions of the Board. He reported that he is proposing that the City handle the land assembly, site preparation, and sell the property as a site that is ready for retail/commercial development, which, per Mr. Wikstrom, would give the City an opportunity to take control of the Putnam Avenue development to make it an even more attractive site and create a development located in the downtown area that would meet the City's and developer's expectations.

Commissioner Heitz stated that it was the consensus at a recent workshop to concentrate on the development of the north side of Highway 10 at Eagle Lake Road at this time.

Mr. Thares reported that Mr. Ken Tyra has indicated that he may still be interested in looking at the Putnam Avenue project area but that he wants to focus on the Eagle Lake Road/Highway 10 area first.

It was the consensus of the Board to form a committee to: 1) look into the redevelopment of the Eagle Lake Road/Highway 10 area; 2) work with Mr. Wikstrom to determine the expiration of this listing; and 3) report back to the BLEDA. President Doug Hayes and Commission Jim Dickinson volunteered to serve as committee members.

5I. PROJECTS STATUS REPORT

Community Economic Development Director Jim Thares reviewed the July 2006 Projects Status Report that was distributed at the meeting and answered questions of the Board.

5J. EDA BUDGET

Finance Director Corey Boyer briefly reviewed the budget (as of June 30, 2006) and answered questions of the Board.

5K. ENS ANALYSIS PROJECT GRANT APPLICATION TO INITIATIVE FOUNDATION

Mr. Thares provided a brief update on the status of the grant application. For information only; no action required or taken.

5L. BIG LAKE INDUSTRIAL PARK EAST

5L-i. Update: White Bear Clothing / Industrial Molded Rubber / ATBOY Mfg

White Bear Clothing: Staff is continuing to monitor the completion of this 20,000 sq. ft. industrial project and will report back to the BLEDA at a future meeting.

Industrial Molded Rubber, Inc: A funding draw was processed from the MN-DEED grant for IMR's equipment purchase in June and staff has been working with IMR on final grading plans to ensure that there are not future water ponding issues in the area.

ATABOY Manufacturing, Inc: As of the end of June, all operations at this site have ceased. City/BLEDA Attorney Soren Mattick reported that, because of ATABOY being in default, they would no longer be eligible for any tax increment and in order to deny any future tax increment, a motion would need to be made by the Board.

Commissioner Heitz moved to default ATABOY Manufacturing's eligibility for any tax increment and put them on notice that they will not be receiving any tax increment should it become available. Seconded by Commissioner Petersen, unanimous ayes, motion carried.

Mr. Thares reported that the owner, Mr. Paumen, has informed staff that it is ATABOY's intent to keep financing payments current and keep property taxes paid.

5L-ii. Update: Paragon Store Fixtures – Potential Expansion

Mr. Thares briefly reviewed his July 7th memorandum, reporting that it appears that Paragon is prepping their site for a potential 24,800 expansion to its 32,000 sq. ft. industrial building and that staff is continuing to work with them to gather information for a MN-DEED Small Cities Development Program (SCDP) grant application to assist in the project. No action required or taken by the Board.

5L-iii. Industrial Park Expansion Project

Mr. Thares reported that the Industrial Park Expansion Project (IPEP) Committee had not met in June but will be meeting on July 19th to discuss the potential of an offer to Bruggeman Properties and consider the request that Alex Wikstrom had submitted for BLEDA's consideration.

5L-iv. Viper Motorcycle Company - FYI

Mr. Thares provided a brief update on the open house that was recently held at the Viper Motorcycle site. No action required or taken by the Board.

5L-v. Prospects Report

Mr. Thares reported that there were no new prospects added to the report since the last meeting but outdated/expired items had been removed. No action required or taken.

6. OTHER

6A. FINANCIAL ASSISTANCE GUIDE – PLANNER KATIE BLAKESLEE

Mr. Thares reported that the Financial Assistance Guide provided in the packet had been compiled by Community Economic Development Intern Katie Blakeslee as a comprehensive guide for financial assistance for potential prospects/interested residents, and that the Guide was being provided for the Board's review. Ms. Blakeslee answered questions from the Board. No action required or taken by the Board.

Community Activity Set-Aside (CASA): Mr. Thares reviewed the memorandum received from the Minnesota Housing Finance Agency's Board approving the CASA application for the City of Big Lake Community Housing Initiative 2006, and briefly explained the program. No action required or taken.

7. ADJOURN

Commissioner Zwilling motioned to adjourn the meeting at 9:13 p.m. Seconded by Commissioner Gast, unanimous ayes, meeting adjourned.