

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, FEBRUARY 9, 2015

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 6:00 p.m.

2. ROLL CALL

Commissioners present: Raeanne Danielowski, Jim Dickinson, Dave Gast, Greg Green, Doug Hayes, Norm Leslie, Steve Pflieger, Darek Vetsch, and Mike Wallen.

City Council Members Present: Nick Christenson, Seth Hansen, and Duane Langsdorf.

Big Lake Township Supervisors: Bruce Aubol, Robert Hofer, and Township Clerk Laura Hayes. Township Supervisors absent: Larry Alford.

Also Present: Economic Development Manager Heidi Steinmetz, Police Chief/Interim City Administrator Joel Scharf, Administrative Assistant Sandy Petrowski, Naomi Koecheler of Windstream, and Boy Scouts Michael Aubol and Nicholas Perovich of Big Lake Troop #93.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES OF JANUARY 22, 2015

Commissioner Vetsch motioned to approve the January 22, 2015 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5. BLEDA BUSINESS ITEMS

5A. JOINT MEETING WITH BIG LAKE CITY COUNCIL AND TOWNSHIP BOARD - BIG LAKE INDUSTRIAL PARK PHASE II (EXPANSION AREA) DISCUSSION

Economic Development Manager Heidi Steinmetz provided a brief history of the 38.4 acre expansion area of the Big Lake Industrial Park and reviewed some of the financials on the Industrial Park. She stated that this item was on the BLEDA's agenda for the Big Lake City Council Members, Big Lake Township Board Supervisors, and the BLEDA Commissioners to begin discussions on the future development of the shovel-ready expansion area (of which 30.5 acres were divided into 7 parcels, with the remaining acreage being unbuildable due to a utility box and ponding).

Items of discussion were:

- The Big Lake Industrial Park and the expansion area are a joint venture between the City of Big Lake and Big Lake Township.
- There have been two companies currently located in the Industrial Park that have been interested in expanding onto a parcel within the expansion area: 1) one requested that the land be donated; and 2) one offered to purchase a parcel at \$.36/sf.
- There is not a current listing agreement for the area (the most recent, expired listed had stated a minimum land price at \$1.50/sf; last year the EDA discussed increasing the price per square foot to \$2.00 (\$1.50/sf for the land and \$.50/sf for assessments).
- Investment, to-date:
 - Initial purchase price of expansion area in 2007: \$1,728,000
 - Infrastructure costs: \$1,548,985
 - Street Lights: \$21,989
 - Other Expenses: \$347,131
 - Purchase of tax forfeited parcel in 2015 (to bring total lots to 8): \$4,764

Total investment cost, to-date: \$3,650,869

- Bonding Summary, to-date:
 - Bonding – Joint City/Township:

<u>Original</u>	<u>Interest</u>	<u>Principle</u>
\$1,882,646	\$642,448	\$527,531

 - Current Outstanding: City (\$790,000) / Township (\$525,000)
 - Bonding – City Primary:

<u>Original</u>	<u>Interest</u>	<u>Principle</u>
\$1,763,460	\$443,603	\$467,950

 - Township/EDA pay assessments (\$46,363 each towards payments)

Steinmetz asked for direction on how the EDA/City/Township would like staff to move forward with marketing and development of expansion area (i.e., donate land to move sites quickly, offer tax increment financing).

Council Member Seth Hansen left the meeting at 6:30 p.m.

Possible options briefly discussed for the marketing/developing the expansion area included:

- Several land donation scenarios: 1) donation of land with no stipulations; 2) donation of land with a timeline for development of the site; 3) donation of land with a no-TIF policy stipulation; 4) donation of land with stipulation that business must remain for a certain number of years or must pay for donated land.
- Donation of land with a timeline for developing the site.
- Donation of land with a no-TIF policy stipulation.
- Donation of land with a requirement for business to remain or must pay for donated land.
- Reducing the design standards of the expansion area (may move property more quickly but not considering at this time).
- Deferment of taxes, which would not be beneficial as purpose is to get parcels back on the tax rolls.

The Boards briefly discussed one company's request to expand into the Park which may require the vacation of a portion of Minnesota Avenue, what that scenario would entail, and how it could affect the future collector road which is part of the Transportation Plan.

Commissioner Leslie stated that, as Township Supervisor Larry Alford was not in attendance, this item should possibly go back to the Township Board to discuss before making a final recommendation.

Police Chief/Interim Administrator Scharf stated that this would be a good discussion item for a City Council workshop, as the City has three-quarters of the debt on the property.

Commissioner Dickinson suggested that it may be beneficial to put together a financial model in order to provide some analysis of all data to determine the best direction in which to proceed with the Industrial Park properties. He stated that he would be willing to put together a model and provide at a future meeting with additional information for consideration.

It was the consensus of the EDA, City Council, and Township Board to proceed with the creation of a financial model for the Joint Board's review at a future meeting.

Council Member Nick Christenson left the meeting at 7:06 p.m.

5B. WINDSTREAM & BROADBAND – GUEST SPEAKER
-- Naomi Koecheler, Account Executive/Business Sales

Naomi Koecheler, Account Executive/Business Sales of Windstream, provided information on the Ethernet access which is available through Windstream to the Industrial Park and the Big Lake area. She further answered questions on the differences between DSL and Ethernet, internet needs of companies, and potential costs for the different levels of Ethernet service.

The Commissioners briefly discussed the importance of having information available for the community on what types of internet services are available in the Big Lake area.

Township Supervisors Bob Hofer and Bruce Aubol, and Township Clerk Laura Hayes left the meeting at 7:33 p.m.

5C. ADOPT REVISED TAX ABATEMENT POLICY

Steinmetz briefly reported on the background of history of Big Lake's Business Subsidy Policy, originally adopted in 2000 and last amended in 2005. She stated this item is before the Commission to correct the inconsistency of the application fee which is listed as \$1,500 within the Abatement Policy and as \$500 in the application and fee schedule.

Commissioner Wallen motioned to recommend that the City Council adopt the revised Tax Abatement Policy to reflect the correct application fee of \$500.00. Seconded by Commissioner Dickinson, unanimous ayes, motion carried.

5D. SET 2015 BLEDA GOALS

Steinmetz briefly reviewed the four (4) main 2015 goals which were prioritized by the BLEDA at their January 22, 2015 meeting in the following order:

- 1) Retain and assist the expansion of existing Big Lake businesses
- 2) Secure new business investment in Big Lake
- 3) Develop high quality residential neighborhoods
- 4) Identify and address unique development challenges/opportunities

Steinmetz reported that staff is requesting that the BLEDA consider approval of the 2015 Goals and Action Plan as presented; she noted that it is anticipated that revisions to the goals and action plan may occur upon the creation and approval of an Economic Development Strategic Plan.

Commissioner Dickinson motioned to approve the BLEDA's 2015 goals and action plan as presented. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5E. EDA BUDGET

The BLEDA briefly discussed the budget. This item for information only; no action required or taken by the Board.

5F. PROJECT/PROJECT STATUS REORT

Steinmetz reported on the following:

- BR&E Visits: The scheduled visit with the Encompass Group is to be rescheduled to a date yet to be determined.
- Lupulin Brewing (570 Humboldt Drive, #107): The build-out at the facility continues; a new exterior sign has recently been installed. Anticipated opening is still projected for March 2015.
- KwikTrip: The land sale was approved by the BLEDA on 12/11/14. A closing date has not been scheduled but most likely will be in the summer 2015, with construction beginning in 2016.
- Sherburne County EDA: Staff, Mayor Danielowski, and BLEDA Commissioner Pflieghaar attended the Sherburne County EDA's January 29, 2015 meeting. At this meeting, the County EDA Board voted that Big Lake be offered an alternate position on the County EDA Board. The County recently received a resignation from one of the County EDA members; a replacement will be appointment, which could be a representative from the City of Big Lake.
- Sherburne County Broadband Coalition: Staff and Big Lake Broadband Steering Committee Members George Wallin and Kevin Thompson attended the first planning meeting of the Sherburne County Broadband Coalition held on February 2, 2015. The public will be invited to the upcoming community visioning meeting scheduled to be held on March 20, 2015 from 11:30 a.m. to 3:00 p.m. at the Friendly Buffalo and will be asked to help identify the community's strengths and gaps, to brainstorm project ideas, and prioritize potential projects.
- Monopole Communications Tower Concept for Big Lake Industrial Park Phase II: Palmer Wireless, a local wireless company, has contacted staff to inquire if the BLEDA would be in favor of the installation of a communications tower in Big Lake Industrial Park Phase II; the tower would be used by Palmer in addition to the existing antennas they have on the Channel 41 tower located north of Big Lake.

It was the consensus of the BLEDA that they would be open to allowing the tower installation in Big Lake Industrial Park, contingent on the approval of a Conditional Use Permit (CUP) and entering into a lease.

- The Excelsior Group Concept: Phil Rondeau, of Welsh Construction, contacted staff about an investment firm, Excelsior Group of Eden Prairie, which had shown interest in the entire Big Lake Industrial Park Phase II property. The concept would be for Excelsior Group to: 1) acquire the entire Phase II property at no cost other than covering the remaining bond payments, special assessment balances, and future property taxes; and 2) part of the agreement upon acquisition would be that the EDA would receive a portion of the proceeds of future development projects located within Phase II.

Steinmetz asked for the BLEDA's comments on this concept. It was the consensus of the BLEDA to remain open to considering a proposal.

- BLEDA Strategic Plan: The Request For Proposals (RFP) which was recently distributed to area consultants for the creation of a BLEDA Strategic Plan was briefly reviewed. Proposals are due February 20, 2015, with a special EDA to be held between February 25th and March 4th to conduct interviews, followed by the EDA's consideration of choosing a consultant at the March 9th BLEDA meeting.

After a brief discussion, it was the consensus of the BLEDA to not schedule a special meeting to conduct interviews at this time but to wait to see what is submitted and have staff provide their recommendations to the BLEDA for consideration at a future meeting.

6. OTHER

6A. **2015 BIG LAKE CHAMBER BUSINESS EXPO SIGN-UP**

Steinmetz briefly discussed the upcoming Big Lake Chamber Business Expo being held on Sunday, March 1, 2015 at the Big Lake High School and reminded the Commissioners to sign-up for staffing the joint Council/BLEDA booth at the event. No action required or taken by the Board.

7. ADJOURN

Commissioner Wallen motioned to adjourn the meeting at 7:55 p.m. Seconded by Commissioner Green, unanimous ayes, meeting adjourned.