

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, FEBRUARY 13, 2012

1. CALL TO ORDER

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

2. ROLL CALL

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

Also present: City Administrator Todd Bodem, Economic Development Specialist Leslie Dingmann, and Economic Development Assistant Sandy Petrowski.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM JANUARY 9, 2012

Commissioner Danielowski motioned to approve the January 9, 2012 BLEDA minutes. Seconded by President Hayes, unanimous ayes, motion carried.

5. CITY BLEDA BUSINESS ITEMS

5A. HIGHWAY 10 & COUNTY ROAD 5 DEVELOPMENT SITE

Economic Development Specialist Leslie Dingmann reviewed the memorandum regarding the Highway 10 and County Road 5 redevelopment site and the recent activity/efforts that have taken place on marketing of the site. Staff reviewed the handout provided at the meeting from Welsh Construction which addresses the following items which Welsh Construction believes would be the next steps for successful marketing and development of the Highway 10/County Road 5 redevelopment site:

1. Draft an agreement (Option Agreement/Listing Agreement) with the current property owner, John Weicht;
2. Develop a Consulting Agreement, including related fees; and
3. List the property for sale and lease.

Administrator Bodem further reported on the marketing history of this property, specifically the previous attempt to enter into an agreement (to include a 4% commission) with Alex Wikstrom which was not finalized before the designated deadline of 12/31/11. At this time, staff is asking for the BLEDA's direction on the marketing of this site.

Also discussed was the importance of staff contacting the property owner, Mr. Weicht, to confirm that the square foot price (\$5.50 sq. ft.) is clear and agreed to between both parties.

Bodem stated that if it was the Board's decision to enter into an agreement with Welsh Construction, it is an option to specify that if Mr. Wikstrom were to bring the previously discussed specific entity forward (which has been identified by Mr. Wikstrom), then he would receive the full 4% commission for that one specific company but that the commission would be shared for any other entity brought forward by Mr. Wikstrom. Staff stated that Welsh Construction would not be opposed to this type of agreement with Mr. Wikstrom.

It was the consensus of the BLEDA to direct staff to contact the City attorney to draft an agreement specifying the items discussed, clarifying that Mr. Wikstrom will work independently with staff on one entity.

6. CITY / TOWNSHIP BLEDA BUSINESS ITEMS

6A. UPDATE: BIG LAKE REGIONAL RAIL PARK

Specialist Dingmann updated the Commission on Representative Mary Kiffmeyer's notification in January of her intentions to include \$2.9 million in the bonding bill for the Big Lake Regional Rail Park (H.F. No. 1921). It was also reported that staff had recently met with both Sherburne County and Big Lake Township representatives to discuss their participation to possibly get the project funded.

In an effort to increase the chances of securing the funding, staff has asked the County and Township to help pay for a lobbyist (at an estimated total cost of \$2,500-\$5,000 per month). To-date, the City Council has approved up to \$15,000 to hire a lobbyist, Big Lake Township has approved to pay for 30% of the cost to hire a lobbyist (\$4,500), and Sherburne County has indicated that they will not participate in funding but will provide in-kind support. The lobbyist that has been recommended is Bill Schreiber of Messerli and Kramer; once the contract is received from Mr. Schreiber, it will be reviewed by the City Attorney.

6B. PARAGON FORBEARANCE AGREEMENT

Staff provided background information on the four (4) outstanding loans between Paragon Store Fixtures and the EDA, noting that, at their March 9, 2010 meeting, the BLEDA approved a Forbearance Agreement effective for a period of 9 months, during which time, Paragon would not need to make payments but interest would accrue.

It has been determined that the approved Forbearance Agreement had not been executed by either party for the 9-month period and Paragon did not make payments for a total of 17 months; however, Paragon began making payments on June 1, 2011 based on the old amortization schedules and monthly payments have been made since that time.

Staff proposed a new amortization schedule based on: 1) the monthly payment for each loan remaining the same as the previous schedules; 2) the payments that were made starting in June 2011 will first be applied towards the unpaid and accrued interest balances, then to principal and interest once the unpaid interest is caught up; 3) the Board would approve a forbearance for the full 17-month period and no penalties would be added during that time; and 4) since the total monthly payment stays was not changed, the maturity date on the loans have been extended.

Dingmann noted that Paragon's attorney has not yet completed review of the Forbearance Agreement. She further stated that the Finance Committee has reviewed the Agreement and recommends that the BLEDA approve the revised amortization schedule and authorize staff to execute the Forbearance Agreement, pending no significant changes by Paragon's attorney; should there be major changes to the Agreement, the information will be brought before the BLEDA for further review.

Commissioner Gast motioned to approve the documents as presented and to authorize staff to execute the Forbearance Agreement, pending no significant changes by Paragon's attorney. Seconded by Commissioner Backlund, unanimous ayes, motion carried.

6C. PROSPECTS / PROJECT STATUS REPORT

Dingmann reviewed the fourteen (14) items on the Project/Prospects Status Report and provided additional information on the following:

Neighborhood Stabilization Program: Bids were received for 5300 Pond View and 3360 Lake View Lane; the contracts will be awarded and executed within the next few weeks with rehabs expected to begin in the near future.

Big Lake Industrial Park East: Bodem contacted Gaughan Companies and was informed that they would provide staff with a status report. Staff will contact them to request that they attend a future BLEDA meeting to provide an update or a report/information for presentation. Staff will research and verify the previously approved timeline with Gaughan Companies.

6D. BLEDA BUDGET

Staff discussed the financial documents which were distributed at the meeting. Commissioner Danielowski asked staff to follow-up on the loan with Lily's Bar and Restaurant to determine why no payments have been received since 11/2011 and to report the findings at the March BLEDA meeting. It was the consensus of the BLEDA to request that the new Finance Director, Paula Mastey, attend the March meeting for an introduction to the BLEDA.

6E. CONTINUED DISCUSSION: 2012 BLEDA GOALS

Staff reviewed the 2011 goals adopted by the BLEDA in 2011 and asked for the BLEDA's input regarding any additions and/or changes to be made to the list of goals for 2012. Specific items discussed:

- Remove the reference to NSP3 (under #4 - Housing; enhancement of neighborhoods) as this program is no longer active in Big Lake.
- Addition of development of a TIF Policy.

Also discussed were the revolving loan funds; specifically that there are currently no funds in this program; it was the consensus of the BLEDA to direct staff to discuss this issue with the Finance Director and report back to the BLEDA at the March meeting for further discussion.

Commissioner Heitz briefly discussed his concern that Big Lake is running out of single family housing stock in both the City and Township (1st time homebuyers), noting that he is not sure what the Council could do but he knows of builders that would have an interest in single family home construction of there were some incentives available.

Commissioner Heitz motioned to approve the 2012 Big Lake EDA Goals as discussed. Seconded by Commissioner Stahlmann, unanimous ayes, motion carried.

7. OTHER

7A. 2012 BIG LAKE EXPO SIGN-UP

Staff reminded the Commissioners of the upcoming Big Lake Expo scheduled for Sunday, March 4, 2012, from 11:00 a.m. to 2:00 p.m. at the Big Lake High School and asked that forward the hours that they would be able to participate at the booth to the Economic Development staff no later than Friday, February 24, 2012. No action required or taken by the Board.

8. ADJOURN

Commissioner M. Hayes motioned to adjourn the meeting at 6:51 p.m. Seconded by Commissioner Danielowski, unanimous ayes, meeting adjourned.