

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**MONDAY, MARCH 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 Pflgebraar, Darek Vetsch, and Mike Wallen.

Also present: Interim City Administrator Joel Scharf, Consultant Economic Development Specialist John Uphoff, Interim Finance Director Deb Wegeleben, Stacie Kvilvang of Ehlers & Associates, Mary Ipple, of Briggs & Morgan, and Administrative Assistant Sandy Petrowski.

**3. ADOPT AGENDA**

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

**4. APPROVE BLEDA MEETING MINUTES OF FEBRUARY 9, 2015**

Commissioner Dickinson motioned to approve the February 9, 2015 BLEDA minutes with a minor revision to last paragraph of page one as discussed. Seconded by Commissioner Wallen, unanimous ayes, motion carried.

**5. BLEDA BUSINESS ITEMS**

**5A. DISCUSSION: TIF 1-5 (KRUTZIG) – EHLERS & ASSOCIATES**

Stacie Kvilvang, of Ehlers & Associates, provided an overview of the issues associated with TIF District 1-5 and the issuance of a pay-as-you-go TIF note to the developer, Mr. Krutzig. Kvilvang briefly discussed the agreement, development proforma, required criteria for issuance of the TIF note, definitions of both Phase I and Phase II, and payments submitted by the developer to-date.

Kvilvang stated that the developer has been asked for documentation in order to prove qualifying costs for which he is asking reimbursement (i.e., land purchase, demolition costs, and other associated costs), however, no documentation has been provided.

Kvilvang stated that Ehlers recommends:

1. Parcel Decertification: Decertify the vacant parcel from the TIF 1-5 District since no qualifying activity happened within four (4) years and development will not be completed (or possibly start) by the end of 2015.
2. Outstanding fees owed to the City: Utilize the 2014 TIF received (\$5,433.46) to repay the existing Interfund loan for the \$7,800 outstanding, and use the 2015 TIF to cover the remaining balance plus newly incurred costs (estimated to be approximately \$9,300).
3. TIF Note Amount and Issuance: a) based on projections, Phase I would generate approximately \$127,000 over the term of the district (16 years of TIF); b) issue a PAYGO TIF note - \$127,000 or lesser amount if qualified costs are less; and c) the TIF district clock starts "running" in 2014, therefore the last payment will be made on February 1, 2030.

Commissioner Dickinson motioned to utilize the pay 2014 received to repay the existing interfund loan for the outstanding \$7,800 and authorize Ehlers to issue a PAYGO TIF Note in an amount not to exceed \$127,000 once qualifying costs are produced. Seconded by Commissioner Vetsch, the motion passed on a vote of 8 to 1, with Commissioners Danielowski, Dickinson, Green, Hayes, Leslie, Pfliegerhaa, Vetsch, and Wallen voting aye and Commissioner Gast abstaining.

Commissioner Dickinson motioned to decertify/vacate the parcel out of the TIF 1-5. Second by Wallen, the motion passed on a vote of 8 to 1, with Commissioners Danielowski, Dickinson, Green, Hayes, Leslie, Pfliegerhaa, Vetsch, and Wallen voting aye and Commissioner Gast abstaining.

Commissioner Dickinson motioned to utilize the pay 2015 TIF Note to cover the remaining balance plus any new costs incurred by Mr. Krutzig. Seconded by Commissioner Vetsch, the motion passed on a vote of 8 to 1, with Commissioners Danielowski, Dickinson, Green, Hayes, Leslie, Pfliegerhaa, Vetsch, and Wallen voting aye and Commissioner Gast abstaining.

## **5B. DISCUSSION: FINANCIAL MODEL FOR BLIPEII (EXPANSION AREA)**

Commissioner Dickinson reviewed the financial model which he drafted for the BLIPE Phase II (Expansion Area) and answered questions of the Board. The BLEDA discussed the importance of deciding how to market the expansion area, ways to recapture investment, the need for a potential TIF, and ways to promote development/expansion.

Dickinson stated that the spreadsheet will be e-mailed to the BLEDA Members to allow them to plug in numbers for different scenarios and that the documentation can be updated and reviewed at a future meeting.

## **5C. BLEDA DISCUSSION TOPICS**

### Introduction of WSB Economic Development Team

John Uphoff, of WSB & Associates, Inc., reviewed the structure of WSB's Economic Development Team for the City and discussed the work plan for the first 90 days:

- WSB staff working through the 2014 BLEDA minutes to prepare for the upcoming annual report and to get up to speed on current initiatives.
- Office hours at City Hall will initially be for four (4) hours on Fridays; will adjust if it is determined that additional hours are required to meet the City's needs.
- Will continue BR&E meetings.
- Work will begin on a BLEDA Strategic Plan; two to three meetings will be scheduled by the end of March.
- Develop site maps (inventory all of the EDA-owned properties).
- Create flyers on available sites, noting specific information and price.
- Develop a Community Profile.
- Meet with prospects (including those interested in local expansion).
- Attend networking meetings

## **5D. 2015 BLEDA ACTION PLAN STATUS UPDATE**

Interim City Administrator Joel Scharf reported that, with staff being in transition, this update is a work in progress and further discussions will be at future meetings.

## **5E. BLEDA BUDGET**

Interim Finance Director Deb Wegeleben was present to discuss the budget documentation and answer questions of the Board. This item for information only; no action required or taken by the Board.

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

Scharf provided a brief update on the following:

1. Lupulin Brewing: they have started brewing their first batches and will be holding an open house for current members in the near future.
2. Kwik Trip: the project is moving forward; phase I and II environmental study being done; working with the County Engineer on the controlled access on County Road 5.
3. Farmer's Market: Tina Peterson will be working on the Farmer's Market in the interim.
4. Broadband Coalition: a meeting is scheduled on March 10<sup>th</sup> at the Friendly Buffalo.
5. Former Shade Tree Building: a new business has moved in prior to obtaining a CUP or site plan review. Staff has been working with the owners to move forward with what is required.

This item for information only; no action required or taken by the Board.

## **6. OTHER**

Scharf presented Doug Hayes with a plaque in recognition of his years of service on the Big Lake Planning Commission.

## **7. ADJOURN**

Commissioner Wallen motioned to adjourn the meeting at 7:17 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.