

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
MONDAY, MAY 9, 2011

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, Jim Dickinson, Dave Gast, Doug Hayes, Mike Hayes, Chuck Heitz, Jerry Parks and Jim Stahlmann.

Also present: Community Development Director Jim Thares, City Administrator Scott Johnson and City Planner Leslie Dingmann.

3. ADOPT AGENDA

Commissioner M. Hayes motioned to approve the agenda as presented. Seconded by Commissioner Parks, unanimous ayes, motion carried.

4. APPROVE BLEDA MEETING MINUTES FROM APRIL 11, 2011

Commissioner Heitz motioned to approve the April 11, 2011 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS

**5A. BUSINESS SUBSIDY REQUEST FOR TAX ABATEMENT-
CHERRYWOOD ADVANCED LIVING**

Item 5A. Business Subsidy Request for Tax Abatement (CAL) was moved to the bottom of the Agenda as the CAL representative was not yet present.

5B. DISCUSSION: LEASE PROPOSAL – THE JERKY SHOPPE

Thares reviewed the lease proposal for The Jerky Shoppe. Kevin Westerholter, owner, has proposed to lease approximately 2,800 square feet to 3,000 square feet as light

industrial for \$1.90 per square foot annually. The site will be used for production as well as a small retail component.

There are certain upgrades that would need to be completed to make the space ready for the tenant. Staff received a quote from Ken Guerox Construction and the cost of the upgrades is approximately \$26,000. Improvements needed include floor repairs, water extension, moving electrical panels, sealing cracks in walls, creating a new wall and adding a new garage door entrance. A restroom would need to be included in the build out.

Commissioner Dickinson questioned how much of the cost estimate for improvements are associated with general space improvements and the liquor store rehabilitation needs versus the Jerky Shoppe needs. Staff was directed to determine which improvements are associated with the Jerky Shoppe needs and which are landlord improvements. The prospect would be asked to pay for his improvement costs.

Commissioner Dickinson motioned to authorize Staff to negotiate a three year lease for \$1.90 per square foot, contingent of the prospect having a retail presentment, and allocating the space improvement estimate appropriately between the City and Tenant based on the proposal. Seconded by Commissioner Danielowski, unanimous ayes, motion carried. Commissioner Gast abstained from voting.

5A. BUSINESS SUBSIDY REQUEST FOR TAX ABATEMENT- CHERRYWOOD ADVANCED LIVING (CAL)

Thares gave a brief update on the CAL project and noted a business subsidy application requesting tax abatement has been received. CAL is requesting a combination of reduced park dedication fees and abatement for a total subsidy of \$240,000.

Stacie Kvilvang, Ehler's, is reviewing the application and has been exchanging information with the applicant. Once Ehler's report is received, the EDA Finance Committee will meet and make a recommendation at a future EDA meeting.

Marshall Weems, CAL, was in attendance to give an update on the Richmond advanced living project and answer questions of the board.

5C. BIG LAKE RAIL PARK UPDATE

Thares gave a brief update on the Rail Park project. It was noted a positive meeting with stakeholders, BNSF, MN DOT and MN DEED took place on April 29th. All parties continue to support the Rail Park project.

5D. PROJECT STATUS REPORT

Dingmann noted the RFP soliciting a developer for the Highway 10 and County Road 5 site has not been sent out due to Staff working with a prospect interested in the site.

A business retention meeting is scheduled with Whirl Air Flow on Thursday May 12th.

A brief update of the May 5th TOD Tour was provided.

5E. BLEDA BUDGET

For information only; no action was taken by the EDA.

6. CITY EDA BUSINESS ITEMS

6A. APPROVAL OF ECONOMIC DEVELOPMENT TRAINING

Commissioner Heitz motioned to approve up to \$512.34 in expenditures for Member Danielowski to attend the 2011 LMC Conference. Seconded by Commissioner Parks, unanimous ayes, motion carried.

8. ADJOURN

Commissioner M. Hayes motioned to adjourn the meeting at 7:05 p.m. Seconded by Commissioner Heitz, unanimous ayes, meeting adjourned.