

**BIG LAKE JOINT POWERS BOARD MEETING MINUTES
BIG LAKE CITY COUNCIL
BIG LAKE TOWNSHIP**

JUNE 10, 2015

1. CALL TO ORDER

Mayor Danielowski called the meeting to order at 4:30 p.m.

2. ROLL CALL

Council Members present: Mayor Raeanne Danielowski, Seth Hansen, Duane Langsdorf, and Mike Wallen. Council Member Nick Christenson absent.

Big Lake Township Board Members present: Chair Bob Hofer, Bruce Aubol, Larry Alfords, and Norm Leslie. Supervisor Steve Pflieghaar was absent.

Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, City Clerk Gina Wolbeck, Big Lake Township Treasurer Ken Warneke, Big Lake Township Clerk Laura Hayes, Economic Development Specialist John Uphoff from WSB & Associates, Inc., City Engineer Brad DeWolf from Bolton and Menk, and Financial Consultants Rusty Fifield and Jessica Green from Northland Securities, Inc. Ben Wikstrom arrived at 4:35 p.m.

3. PROPOSED AGENDA

Council Member Hansen motioned to adopt the proposed Agenda as presented. Seconded by Town Board Supervisor Leslie, unanimous ayes, agenda adopted.

4. BUSINESS

4A. Big Lake Industrial Park East Phase 2 – TIF Discussion

John Uphoff discussed the Ultra Image Powder Coating business located in the Big Lake Industrial Park East business park. The owner, Jeff Allen has expressed an interest in expanding his existing business into Phase 2 of the Industrial Park. Uphoff reviewed previous discussions with the Big Lake Economic Development Authority (BLEDA) who had offered to sell the parcel at \$1 per square foot plus special assessments which would bring the sale price to approximately \$1.50 a square foot. Uphoff noted that the prospect was not willing to pay that amount and negotiations remained open. During the April 2015 BLEDA Meeting, the Board discussed utilizing Tax Increment Financing (TIF) to assist the Ultra Image Powder Coating expansion. Uphoff introduced Rusty Fifield and Jess Green

from Northland Securities, Inc. who discussed the mechanics of utilizing TIF for this project.

4B. ~~CLOSED SESSION~~ – Sale Price of Parcel No. 65-567-0205

No closed session was held. The meeting remained opened.

John Uphoff presented the “Issues Overview” document for the Development of the Industrial Park Phase 2 prepared by Northland Securities. Items discussed included 1) specifics on the purchase of the land in 2007, 2) special assessment and bond interest costs the City and Township have paid over the last seven years, 3) the original lease financing that was replaced with G.O. Tax Abatement Bonds, 4) outstanding special assessments on each parcel, 5) the need for an appraisal of the land to determine a real sales value, 6) tax increment estimates based on a 3% interest rate, 7) the need for additional information on the proposed expansion of Ultra Image, 8) potential uses of TIF, 9) alternatives for the sale of land in the Industrial Park assuming the developer pays off existing special assessments, 10) the need to examine the cost for realigning Minnesota Avenue to accommodate Ultra Image’s request, 11) review other financing opportunities, and 12) setup of a subcommittee for further negotiations.

Staff and Board Members discussed the timeline for Ultra Image and that there could be some state grant dollars available. Also discussed was the need to set up a subcommittee with members from both the City and Township Boards to continue negotiation discussions.

Mayor Danielowski noted that the Park is not going to start to move unless we start looking at utilizing TIF to get the price down.

Supervisor Aubol questioned what the terms of the TIF agreement would be. Fifield noted that there would be a maximum TIF term of nine years on a parcel by parcel basis. Each offer would be separate, and each transaction would be unique to that specific development.

Brad DeWolf discussed the history of the alignment of Minnesota Avenue. The original goal was to construct a collector road from CR 43 to CR 15. Currently the road is only stubbed for sanitary sewer and water, but those improvements could be used for the project instead.

Board Members discussed the need to do an appraisal on the Ultra Image expansion site with the cost to be split between the City and the Township to get a market value on the piece of property. A pro-forma analysis has been done using the information that we do have and both Boards recognized that we probably aren’t going to be able to make ourselves whole in this project. Board Members briefly discussed the membership history of the Big Lake Economic Development Authority Board.

The general consensus of the Boards was to obtain a vacant land appraisal on parcel no.65-567-0205 with the cost for the appraisal to be split between the City and the Township. Board Members also identified Council Members Mike Wallen and Seth Hansen, and Township Supervisors Norm Leslie and Larry Alfords to serve on the BLIPE Phase 2 subcommittee.

5. ADJOURN

Council Member Hofer motioned to adjourn at 5:12 p.m. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

Gina Wolbeck
Recorder

06/23/15
Date Approved By Council