

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, JUNE 13, 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, Chuck Heitz, Jerry Parks and Jim Stahlmann. Commissioners absent: Mike Hayes. Township alternate Norm Leslie arrived at 6:20p.m.

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

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM MAY 9, 2011

Commissioner Dickinson motioned to approve the May 9, 2011 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5. CITY EDA BUSINESS ITEMS

5A. CHERRYWOOD ADVANCED LIVING (CAL) - TIF REQUEST AND CALL FOR COUNCIL HEARING

Jim Thares, Community Development Director, stated a business subsidy application was received from Cherrywood Advanced Living (CAL) requesting TIF and a reduction in park dedication fees totaling \$240,000 for the proposed advanced living facility.

Commissioner Dickinson stated the subcommittee met to discuss the request. He noted after review of the report received from Ehler's, the group was supportive of the request. The group felt the numbers provided were realistic and not overstated. Thares stated CAL will be providing the building plans to the County Assessor for review to determine the building value.

Commissioner Dickinson motioned to approve a Tax Increment Financing aid plan of \$195,000 or 9 years (whichever comes first), contingent on the building plan review by the County Assessor, and to approve the Resolution requesting that the Big Lake City Council call for a public hearing on a modification to the development program for municipal development district No. 1 and the establishment of tax increment financing district 1-6 (a housing district) therein and the adoption of a tax increment financing plan therefore. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

George Quinn, Big Lake resident, expressed his support for Cherrywood's Advanced Living Facility project.

5B. Jerky Shoppe- Update on Lease; Consider Shell Work and Financing

Thares stated two bids were received for the shell work that is required in order to rent out the vacant EDA owned space next to the Municipal Liquor Store. The cost of the rehab work is approximately \$33,000. The financing plan calls for the EDA to borrow from the City's Sewer fund through an interfund loan. The lease revenue collected from the tenant would be used to payback the interfund loan. The plan indicates the loan would be paid back in five years. Thares stated the City Attorney is drafting the lease agreement which indicates the rent to be \$2.05 per square foot with annual increases.

Thares noted work items include increasing power to the space, replacing the floor, extending water lines and the proper disposal of the existing tile which contains asbestos. It was discussed that certain work items are the City's responsibility in order to make the space marketable. Commissioner Danielowski stated she did not feel it was the City's responsibility to pay for the cost to increase the power to the space as this work item is needed due to the tenant's specific need.

Commissioner Dickinson motioned to approve the shell improvement work items and best quote for the work and to approve the shell improvement finance plan which consists of the EDA borrowing from the Sewer Fund, taking into consideration the Jerky Shoppe shall be responsible for the cost to increase the power supply to the space from 200 amps to 400 amps. Seconded by Commissioner D. Hayes, unanimous ayes, motion carried. Commissioner Gast abstained from the vote.

5C. CONSIDER 2007 HOUSING STUDY UPDATE AND FUNDING

Thares stated multi-family housing developers have indicated lenders are requesting an updated study before they will consider financing options for proposed developments. The City Council authorized staff to seek RFP's to update only the multi-family portion on the 2007 Maxfield Housing Study. The update will be public information and available to any developers. The City Council also directed staff to apply for \$5,000 in grant funds to offset the cost of the update and for the EDA to fund any remaining portion of the total.

Commissioner Heitz motioned to approve the Housing Study RFP process and use of Consultant budget to pay for the update of the 2007 Housing Study. Seconded by Commissioner Gast, unanimous ayes, motion carried.

5D. FARMERS MARKET OF BLEDA SITE

Dingmann stated Staff has been working with the Big Lake Chamber of Commerce and Community Education to coordinate a Farmers Market to be held on Friday's on the EDA owned section of the Lake Shopping Center parking lot. The market will run from 3:00 p.m.-7:00 p.m. beginning June 24th until September 30th.

Commissioner Danielowski questioned if the Big Lake Monticello Hospital could attend the market a few nights offering free blood pressure checks. Dingmann stated she will offer the suggestion to the committee.

5E. BIG LAKE RAIL PARK UPDATE

Thares stated the rail park project continues to make progress and reviewed tasks completed over the past month.

5F. PROJECT STATUS REPORT

Dingmann provided an update on ongoing projects. For information only.

5G. BLEDA BUDGET

Thares stated Paragon Store Fixtures has resumed making full loan payments. The City Attorney will work on redocumenting the loan.

Thares stated he will be sending out a letter to School Street Development and the China Buffet requesting they come current with their loan. Loan payments have not been received since 2010.

6. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS

6A. BLIPE UPDATE FROM GAUGHAN COMPANIES

Dingmann reviewed the update provided by Gaughan Companies. They noted they have been working with two manufacturing prospects seeking 120,000-200,000- square feet of existing building or built-to-suit space. Gaughan Companies will notify the City if progress continues with the prospect.

7. OTHER

An article recapping the TOD Tour was included for information only.

Commissioner Heitz requested an update on the awning project. Thares noted that the new owner of the former Scooter's space is not financially ready to commit to updating the awnings on that section of the building but is supportive of the project. Thares stated he will work with the Building Official to see if the awnings can be removed from the building for now until the project moves forward.

8. ADJOURN

Commissioner Stahlmann motioned to adjourn the meeting at 7:03 p.m. Seconded by Commissioner Parks, unanimous ayes, meeting adjourned.