

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**MONDAY, JULY 14, 2014**

**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, and Steve Pflughaar. Commissioners absent: Duane Langsdorf and Mike Wallen.

Also present: Interim City Administrator Jessica Green, Economic Development Manager Heidi Steinmetz and Administrative Assistant Sandy Petrowski.

**3. ADOPT AGENDA**

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

**4. APPROVE BLEDA MEETING MINUTES OF JUNE 9, 2014**

Commissioner Dickinson motioned to approve the June 9, 2014 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

**5. BLEDA BUSINESS ITEMS**

**5A. RE-EVALUATE LAND PRICE FOR EDA-OWNED PROPERTY AT HIGHWAY 10 AND COUNTY ROAD 5**

Economic Development Manager Heidi Steinmetz reviewed the Staff report regarding the previously discussed land price for the EDA-owned property located at the Northeast corner of Highway 10 and County Road 5. She stated that after the BLEDA's discussion with Sherburne County Economic Development Specialist Dan Weber at their June meeting, it was decided that the BLEDA should re-evaluate the land price.

Steinmetz discussed the following options with the Commissioners:

- A three-tiered pricing approach (i.e., with varied pricing from \$3.50 sq. ft. for the northern parcel to \$6.50 for the southern-most parcel).
- Prospect-Based Pricing Approach (\$4.50 sq. ft. for the entire parcel, based on Sherburne County's 2014 estimated market value of the property)

Steinmetz stated that staff was recommending that the BLEDA choose one of the discussed options and consider lowering the asking price per square foot, particularly if the BLEDA desires to continue discussion with the current prospect.

Commissioner Dickinson motioned to set the sale price of the entire BLEDA-owned parcel located at the Northeast corner of Highway 10 and County Road 5 at \$375,000 or negotiate on a tiered pricing as noted in Option 1 discussed at this meeting. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

## **5B. DISCUSS INDUSTRIAL BUSINESS EXPANSION PROJECT / INDUSTRIAL PARK PHASE II LAND TRANSACTION**

Steinmetz reported on a current company/land owner of a 30,000 sq. ft. building (2.43 acre lot) in the Big Lake Industrial Park who has expressed an interest in a conceptual plan to expand onto a 2.51-acre parcel in Phase II of the Industrial Park. With a potential timeline to break ground in the spring of 2015, the owner has inquired whether the BLEDA would consider donating the 2.51-acre parcel to the north of their current site as well as an additional acre to allow the lot line to be expanded to the north. The 10,000 to 30,000 expansion (constructed in phases) would potentially create 10 to 20 jobs.

Steinmetz reviewed the following information regarding two (2) potential options for donating the 3.5 acres the property and the associated costs:

- 1) If donating 3.5 acres at BLEDA's asking price of \$2.00 sq. ft., the subsidy would be \$304,920 plus the special assessments currently owed on property –

$$3.5 \text{ acres} = 152,460 \text{ sq. ft.} \times \$2.00/\text{sq. ft.} = \$304,920.00$$

- 2) If donating 2.5 acres at Sherburne County's 2014 estimated land value of \$1.00 sq. ft., the subsidy would be \$108,900 plus the special assessments currently owed on property –

$$2.5 \text{ acres} = 108,900 \text{ sq. ft.} \times \$1.00/\text{sq. ft.} = \$108,900$$

Steinmetz clarified that the current outstanding balance on the special assessments for the 2.51-acre parcel is approximately \$56,000, which equates to 50 cents sq. ft.

Steinmetz stated that this issue is a policy discussion and the BLEDA is being asked if they want to donate/give away property in Phase II. Commissioner Dickinson suggested making an offer of \$1.00 plus the special assessments, and to also structure a purchase agreement with an appropriate earnest money and project timeframe for the approval process/permit; which would require the project to move forward or forfeit the earnest money

This item for discussion only; no action required or taken by the BLEDA.

## **5C. DISCUSS INDUSTRIAL PARK DESIGN STANDARDS**

Steinmetz reported that this item is currently on the Action Plan for 2014, noting that in both December 2013 and February 2014, the Planning Commission reviewed this item and, during both discussions, they did not recommend any changes to the Design Standards. She also noted that staff is not suggesting any changes at this time as there have not been any prospects stating that they are not considering moving into the Industrial Park because the standards are too strict.

This item is before the BLEDA to determine if the Board wishes to schedule a meeting of the Joint Powers Board to review the Design Standards. Commissioner Leslie stated that in the meetings of the Joint Powers Board, the standards were set together and he did not feel that they need to be reviewed at this time and only if there are inquiries about the standards.

It was the consensus of the BLEDA to leave the Design Standards as they are until areas of change are indicated and then the BLEDA will discuss and, if necessary, a Joint Powers Board meeting will be scheduled to discuss on a case-by-case basis.

## **5D. DISCUSS 2015 EDA BUDGET**

Steinmetz reported that the Finance Department has begun working on the 2015 budget for all City departments, noting that last year the BLEDA levied an amount of \$70,000.00.

Finance Director Jessica Green asked if the BLEDA wants to request that the City Council levy dollars for EDA activities in 2015, noting that there are some activities that need to have funds available for but not totaling \$70,000. Green briefly discussed what was levied for 2014 and noted that it is very important to cover the debt service in years to come including providing funds for any future programs/items that the BLEDA wants to offer.

It was the consensus of the BLEDA to continue to levy a preliminary amount of \$60,000 (which includes \$40,000 for debt service) and to discuss again in the future to determine the final amount.

## **5E. 2014 EDA BUDGET UPDATE**

Finance Director Green discussed the status of the delinquent accounts, noting that contact has been made with each and there are payments being made on most of the delinquent accounts.

Staff discussed the School Street Development delinquency and asked if the BLEDA wants the debt to be written off. After a brief discussion, it was the consensus of the Board to have this account taken off.

**5F. 2014 BLEDA ACTION PLAN STATUS UPDATE**

Steinmetz reviewed the BLEDA Action Plan Status Update and answered questions of the Board. No action required or taken by the Board.

**5G. PROJECT/PROSPECT STATUS REPORT**

Steinmetz reviewed the July Project/Prospect Status Report and answered questions of the Board. No action required or taken by the Board.

**6. OTHER**

Commissioner Danielowski stated that, in 2008 when the Sherburne County EDA Board was formed, the City of Big Lake opted out but she would be supportive of having a City representative on the County EDA Board. Steinmetz stated that if there is an opening on the Board in the future, it would be beneficial for the City to consider being a participant.

**7. ADJOURN**

Commissioner Dickinson motioned to adjourn the meeting at 7:25 p.m. Seconded by Commissioner Leslie, unanimous ayes, meeting adjourned.