

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**

**MEETING MINUTES**

**MONDAY, AUGUST 8, 2016**

**1. CALL TO ORDER**

President Doug Hayes called the meeting to order at 6:00 p.m.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**3. ROLL CALL**

Commissioners present: Raeanne Danielowski, Jim Dickinson, Dave Gast, Greg Green, Doug Hayes, Norm Leslie, Steve Pflerhaar, and Mike Wallen. Commissioners absent: Darek Vetsch.

Also present: Community Development Director Hanna Klimmek, and Administrative Assistant Sandy Petrowski.

**4. ADOPT AGENDA**

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

**5. APPROVE BLEDA MEETING MINUTES OF JULY 11, 2016**

Commissioner Wallen motioned to approve the July 11, 2016 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

**6. BLEDA BUSINESS ITEMS**

**6A. SAC/WAC PAYMENT PLAN PROGRAM – AMENDMENT DISCUSSION**

Community Development Director Hanna Klimmek discussed the SAC/WAC Payment Plan Policy and Application which was adopted by the City Council on June 22, 2016, as well as the payment plan structure and ineligible conditions included with the approved Policy.

Klimmek reported that a developer has requested an increase of the Policy's maximum principal balance amount from \$100,000 to \$200,000 due to a said gap in their financing. This request was discussed at the City Council's last workshop meeting and the Council believed that the maximum amount should be raised regardless of the request because of the desire to develop Phase II of the Industrial Park and anticipated new construction in the future. The increase in maximum principal balance to \$200,000 is on the Council's August 10<sup>th</sup> consent agenda for approval.

Klimmek stated that the Council has also directed staff to discuss with the BLEDA the following possible amendments to the SAC/WAC Payment Plan Policy:

- Applicant must provide a proven gap in financials.
- Maximum amount of payment plans administered at any given time (example: \$1M of principal balance amount administered at any given time and, as balances are paid off, the amount paid off would again be available).
- To provide clarity to the policy, staff is recommending that amortization begin at the time of an issued permit.

The BLEDA discussed: 1) applicant to provide a proven gap in financials (i.e., a proforma); 2) the maximum amount of payment plan of \$200,000; 3) requiring first payment at a later time than at permit issuance (i.e., when the C.O. is issued or 90 days after C.O. is issued); 4) use of the Policy for smaller projects; 5) allow a 429 assessment (for qualified improvements) on larger projects; and 6) requiring that the City/BLEDA is in the 1<sup>st</sup> position of any subordination.

Klimmek reported that SAC/WAC Payment Plan Policy is on the consent agenda of the City Council's August 17<sup>th</sup> regular meeting. It was the consensus of the BLEDA to direct staff to include the above discussion items along with the Policy as an item at the City Council's August 17<sup>th</sup> Workshop agenda, with the Council determining whether or not the Policy will remain as an item on the Council's August 17<sup>th</sup> consent agenda or if it would be removed for further discussion.

## **6B. DISCUSSION: SMALL CITIES DEVELOPMENT PROGRAM**

Klimmek reported that staff has met Central Minnesota Housing Partnership (CMHP) to learn about the Small Cities Development Program (SCDP). This federally funded program provides financing for owner-occupied rehabilitation, rental property rehabilitation, and commercial rehabilitation. The types of funding available in a specific community are determined by assessing a community's need and resident interest. Klimmek noted that the features of the program include:

- 0% deferred forgivable loans and low interest loans for needed repairs.
- Favorable owner match funds requirements.
- Eligible homeowners may use SCDP funds for items such as roofing, gutters, siding, windows, doors, insulation, HVAC, electrical, plumbing and to address required lead paint remediation items.
- Eligible commercial owners may use SCDP funds for items such as roofing, siding/brickwork, doors, windows, insulation, awnings/signs, HVAC mechanical systems, code issues, and accessibility modifications.

This type of program was once administered by the City under both a revolving loan fund as well as a façade fund incentive. Klimmek reported that the SCDP could potentially draw in revenue from low-interest loans and create a revolving loan fund for the BLEDA to continue the program, which would depend on how the application is structured by CMHP and the City as well as the level of interest from potential applicants. The initial cost to the City would be \$2,000, which would cover both a preliminary proposal application fee as well as a full application preparation fee. The continued administration of the program would be covered under the awarded grant.

Klimmek asked the BLEDA to discuss whether or not the Small Cities Development Program (SCDP) would be something that the City should pursue for both residents and commercial business owners.

It was the consensus of the BLEDA that they would be in favor of such a program and to direct staff to provide information to the City Council for discussion at an upcoming workshop.

## **6C. FINAL DRAFT – BIG LAKE COMMUNITY PROFILE**

Klimmek reviewed the final draft of the Big Lake Community Profile which has been modified by WSB Engineering per the comments/direction provided by the BLEDA and asked the Board to discuss the document and adopt the final draft as presented or provide comments/feedback for additional revisions. She noted that this document can be updated in the future as needed.

Commissioner Wallen motioned to adopt the final draft of the Big Lake Community Profile as presented. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

## 6D. BLEDA BUDGET

Klimmek reviewed the budget documentation, noting that the Finance Department has made the interfund loan payment to the sewer fund, receivables are current, and China Inn has been given an invoice. This item was for Information only; no action required or taken by the Board.

## 6E. COMMUNITY DEVELOPMENT DEPARTMENT

Klimmek reviewed the following items:

➤ Business Retention & Expansion Visits:

DATE	BUSINESS
07/13/2016	Edward Jones Investments
07/14/2016	Manufacturing Partners, Inc. (MPI)
07/28/2016	Riverwood Bank
08/02/2016	Senior Helpers
08/04/2016	Dairy Queen

She also noted that staff has also met with the Heitz group.

➤ Development Activity:

- Single-Family New Construction Issued Permits 36
- Total Valuation of Issued Permits \$14,339,103.35
- Single-Family New Construction to be Issued 3
- Single-Family New Construction in Review 1

❖ Northern Star Apartments Phase 2 (38 units) is scheduled to commence on or before September 30, 2016 – Their TIF Agreement was amended and restated during the 07/27/16 Council meeting.

➤ Code Enforcement:

- Year to Date:
  - o Violation letters have been sent to 55 properties.
  - o 36 of the 55 properties have been brought into compliance.
  - o Remaining properties are either delinquent (2<sup>nd</sup> letter of violation sent) or have worked out extended deadlines with Staff.

➤ Farmer's Market:

- Soliciting for more vendors at \$10 per week – Market has 12 approved vendors (nearly doubled since the start)

➤ DEED – Border to Border Grant:

- Sherburne County is sponsoring registration for Big Lake to attend the Border to Border Broadband Conference in Duluth; September 13-14.

➤ Certified Shovel-Ready Land For Sale:



Klimmek reported that two (2) calls have been received since the sign was installed.

➤ Big Lake Housing Study Update:

- Staff received the Housing Study Update in a draft format.
- Maxfield Research and Consulting, LLC will present during BLEDA's regularly scheduled meeting on September 12<sup>th</sup>. (CC and PC will be invited to meeting as well). Staff will forward a copy of the Housing Study to BLEDA members via e-mail for their review prior to the presentation.

7. **OTHER** – None.

8. **ADJOURN**

Commissioner Dickinson motioned to adjourn the meeting at 6:52 p.m. Seconded by Commissioner Wallen, unanimous ayes, meeting adjourned.