

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, AUGUST 10, 2015

1. CALL TO ORDER

President Doug Hayes called the meeting to order at 6:01 p.m.

2. ROLL CALL

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

Also present: Consultant Economic Development Specialist John Uphoff, and Administrative Assistant Sandy Petrowski.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MINUTES

4A. APPROVE BLEDA MEETING MINUTES OF JUNE 8, 2015

Commissioner Dickinson motioned to approve the June 8, 2015 BLEDA minutes. Seconded by Commissioner Wallen, unanimous ayes, motion carried.

4B. APPROVE BLEDA SPECIAL MEETING MINUTES OF JULY 8, 2015

Commissioner Dickinson motioned the July 8, 2015 Special BLEDA Minutes. Seconded by Commissioner Green, unanimous ayes, motion carried.

5. BLEDA BUSINESS ITEMS

5A. BLEDA STRATEGIC PLAN – REVIEW OF FINAL DRAFT

Consultant Economic Development Specialist John Uphoff reviewed the vision and strategies listed in the proposed strategic plan. He stated that he plans on speaking with the Superintendent of the Big Lake School District to discuss some of the strategies and receive any comments that the schools might want to have included in the Strategic Plan. Uphoff stated that a full and final draft of the Strategic Plan will be presented at the BLEDA's regular meeting in September, 2015.

5B. PROJECT/PROSPECT STATUS REPORT

Uphoff provided a brief updated on:

- Business Retention & Expansion (BR&E) – SSI Digital Print Services is continuing to expand in the Big Lake. Company representatives have visited Big Lake and have met with elected and appointed officials to discuss expansion plans.
- County EDA – City is continuing to work with Sherburne County and the private sector to explore options for improving internet connectivity for the Industrial Park and will continue to explore options for all interested parties.
- RFI from GreaterMSP – GreaterMSP released an Request For Information (RFI) for a 10 to 20 acre site; Uphoff will be responding to the RFI by the 08-19-15 deadline.
- Big Lake Industrial Park Expansion – Staff has been in contact with Ultra Image Powder Coating; however, expansion discussions will be on hold until September. An appraisal was called for to determine the market value of the property at a joint session of the BL City, Council, and township Board in June.
- Solar Garden Lease – The City has entered into a lease agreement with SolarStone for the development of a 25-acre solar garden on the City's former Bio-Solids site. The lease will generate over \$900,000 in revenue currently dedicated to the City's Sewer fund.

5C. BLEDA BUDGET

5C.1 Budget – June 2015

As the BLEDA's June meeting was cancelled, City Administrator Wilfahrt answered questions on the June 2015 Budget. For information only; no action required or taken by the BLEDA.

5C.2 Budget – July 2015

City Administrator Wilfahrt briefly reviewed the July 2015 budget documentation and answered questions of the Board. For information only; no action required or taken by the BLEDA.

5C.3 Draft – 2016 BLEDA Budget

Wilfahrt reviewed Finance Director Deb Wegeleben's August 5th memo regarding the first draft of the 2016 BLEDA budget, which included the revenue and expenditure budget. He noted that staff is recommending that the BLEDA levy for 2016 be set at \$50,000, which is a \$30,000 increase over the 2015 BLEDA budget, as the increase is

necessary so the BLEDA can begin to pay back the interfund loan which is due to the Sewer Enterprise fund. Wilfahrt stated that as the special taxing districts need to be certified to the County by September 15, 2015, staff would like to bring the final budget to full council for their approval on September 9, 2015.

It was the consensus of the BLEDA to recommend the adoption of the 2016 BLEDA budget as presented.

5C.4 Kwik Trip Sale Proceeds

Wilfahrt reviewed Finance Director Deb Wegeleben's July 22, 2015 Memo regarding how the Kwik Trip sale proceeds would be allocated. Wegeleben's memo stated:

- These funds will need to be reflected in Fund 170, which is the TIF 1-4 Fund, and also where the original purchase of the land was recorded in 2005.
- In 2010, the City issued General Obligation Temporary TIF Bonds to reimburse itself for the cost of acquiring the land at Highway 10 and County Road 5. These bonds were to be paid by tax increment revenues generated by existing development within Tax Increment Financing District 1-4, and from the proceeds from the sale of land within the District.
- The bonds were subsequently refinanced in 2013 with G.O. Tax Increment Refunding Bonds and future increment was pledged towards payment of the debt, should increment be insufficient to cover debt service, the City is required to levy for the remainder of the payment. TIF District 1-4 began generating increment in 2015 (\$14,000/year) as a result of the development of the parcel where Dill Dental is located. Debt service payments average approximately \$140,000 per year. It is assumed that TIF 1-4 will begin generating additional increment beginning in 2017 (estimates regarding total increment are unavailable at this time), following the development (Kwik Trip) of the remaining parcels. It is unlikely that current and future increments will be sufficient to support the debt payments. While support from a debt levy will likely be necessary, The City could use the land sale proceeds to better manage upcoming debt payments associated with the Series 2013 Bonds.

This item for information only; no action required or taken by the Board.

6. OTHER – None.

7. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 6:41 p.m. Seconded by Commissioner Danielowski, unanimous ayes, meeting adjourned.