

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**MONDAY, SEPTEMBER 12, 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, Mike Hayes, Chuck Heitz, and Jim Stahlmann.  
Commissioners absent: Jerry Parks.

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

**3. ADOPT AGENDA**

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

**4. APPROVE BLEDA MEETING MINUTES FROM AUGUST 8, 2011**

Commissioner Heitz motioned to approve the August 8, 2011 BLEDA minutes. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

**5. CITY EDA BUSINESS ITEMS- NONE**

**6. JOINT CITY/TOWNSHIP EDA BUSINESS ITEMS**

**6A. HOMESTEAD MULTI-FAMILY DEVELOPMENT PROPOSAL AND INTRODUCTION**

Thares introduced Mike Schneider, Homestead Development Corporation, who gave a brief overview of his proposed 96-unit apartment building project. Thares noted a Business Subsidy Application has been received and Ehler's and Associates, the City's financial advisor, is currently reviewing the application. Mr. Schneider stated the concept plan proposed calls for land that would need to be annexed. He provided an alternative concept plan in which no land would need to be annexed. Commissioner Heitz questioned the proposed timeline of the project. Schneider stated if doesn't need to go through the annexation process; the project could potentially begin this fall. The Big Lake Planning Commission will be reviewing the concept plan at its next regular meeting.

**6B. UPDATE: BIG LAKE RAIL PARK**

Thares stated Grace Kung from BNSF will be visiting Minnesota this fall. John O'Leary from the U.S. Economic Development Administration is also expected to visit the Rail Park and meet with Staff in September or October.

**6C. KRUTZIG REDEVELOPMENT SITE (CR 43 AND US HIGHWAY 10)**

Thares stated Mike Krutzig was invited to the EDA meeting to discuss his concerns regarding the infrastructure expenditures associated with his redevelopment site.

Mr. Krutzig stated he is facing financial hardships as the new KleinBank building will not start construction until 2012 and therefore the \$22,000-\$23,000 in TIF reimbursements have not been generated. He noted he has already spent \$200,000 in TIF expenditures for demolition of structures, money that was required to be put in an escrow fund and approximately \$75,000 in TIF Attorney fees. Mr. Krutzig asked if the City would be willing to provide a loan to him in which repayment would be made from the guaranteed \$22,000-\$23,000 annually once KleinBank is built.

The BLEDA expressed concerns with the discussed arrangement. Staff was directed to put together an outline of financial arrangements Mr. Krutzig suggested, including the pros and cons of each options to be presented at a future meeting.

**6D. UPDATE: COUNTY ROAD 5 & HWY. 10 REDEVELOPMENT SITE RFP**

Dingmann reviewed the timeline for the RFP. Thares stated he was contacted by Phil Rondeau, Welsh Construction, who indicated he has two clients he believes would be interested in the site. Thares suggested that Staff hold off sending out the RFP until further notice and that a meeting among Staff and 1-2 EDA members be scheduled for later this week. Commissioner Danielowski expressed concern about delaying the RFP process once again. Commissioner Dickinson suggested sending out the RFP and meet with Mr. Rondeau at the same time. Mr. Rondeau could respond to the RFP if either of his prospects is willing to move forward.

**6E. UPDATE: GREATER MSP MEETING**

Commissioner Danielowski gave an update of the Greater MSP meeting and how the organization will benefit the region. The organization will be able to assist site selectors who have clients interested in the 11-county metro area.

Commissioner Dickinson left the meeting at 7:00 p.m.

## **6F. PROJECT STATUS REPORT**

Dingmann stated the closing for 5647 Loon Drive is scheduled for September 30 and the closing for 1120 Powell Street is scheduled for October 18.

Thares noted the Jerky Shoppe has submitted their first rent payment and is expecting to open in late October.

## **6G. BLEDA BUDGET**

No documentation was provided at the meeting.

## **6H. BLEDA LEVY**

Thares presented information received on EDA levies from neighboring communities. It was noted that surrounding communities use their EDA levy authority. It was the consensus of the BLEDA Commissioners that an EDA levy would provide more options for Big Lake and allows the City to stay competitive. Thares stated a Resolution will be brought forward at a future meeting.

## **7. OTHER**

Thares stated John Duffy contacted City staff and the closing for the Big Lake Townhome project will happen shortly. Because the trail extension was included in the overall project description, Duffy stated the Title Company is requesting the remainder of the funding for the trail extension be placed in an escrow account. Mr. Duffy is requesting that the City release the funds now to the Title Company which will be placed in an escrow account versus providing reimbursement once the trail extension has been constructed. A review of the City funded trail segment and the available dollars remaining to be spent from the authorized amount of \$20,000 accompanied the discussion.

Commissioner Danielowski motioned to approve the remaining funds be released to the Title Company (Escrow Agent) for the purpose of completing the trail extension associated with the Big Lake Townhome development with the stipulation that appropriate documentation will track the expenditures and that any unspent funds be returned to the City. Seconded by Commissioner Gast, unanimous ayes, motion carried.

## **8. ADJOURN**

Commissioner Heitz motioned to adjourn the meeting at 7:20 p.m. Seconded by Commissioner M. Hayes, unanimous ayes, meeting adjourned.