

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, OCTOBER 21, 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, Doug Hayes, Chuck Heitz, Jerry Parks and Jim Stahlmann. Commissioners absent: Dave Gast, Mike Hayes.

Also present: Interim City Administrator Todd Bodem, and Economic Development Specialist Leslie Dingmann.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES FROM SEPTEMBER 12, 2011

Commissioner Dickinson motioned to approve the September 12, 2011 meeting Minutes with the following corrections: 1) The first sentence of Item 6C, paragraph three is to read: The BLEDA expressed concerns with the discussed arrangement. Seconded by Commissioner Danielowski, unanimous ayes, Minutes approved.

5. CITY BLEDA BUSINESS ITEMS

5A. COMMUNITY DEVELOPMENT DEPARTMENT SUCCESSION PLAN DISCUSSION

Todd Bodem, interim City Administrator, discussed recent personnel changes that have taken place at City Hall. BLEDA members were asked to discuss any concerns or questions they felt. The main concerns expressed were the importance that continuity remains on current projects, continuing to represent the Township and their involvement in the Industrial Park and to remain focused on economic development.

5B. PAYMENT REQUESTS FOR IMPROVEMENTS TO SPACE - JERKY SHOPPE

Leslie Dingmann, Economic Development Specialist, reviewed a memo request indicating the final payment for improvements needed to be made. The work completed included flooring installation and a full garage door and service door. Kevin Westerholter has signed the Lease Agreement to rent the BLEDA owned space and has paid the Performance/Damage Deposit of \$913.90.

Commissioner Dickinson motioned to approve the final payment of \$2,675.00 to Ken Geroux Construction for the completion of rehabilitation work in the BLEDA owned space at the Lake Shopping Center. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

6. CITY / TOWNSHIP BLEDA BUSINESS ITEMS

6A. HOMESTEAD DEVELOPMENT TIF REQUEST

Bodem stated a business subsidy application has been received from Homestead Development for a proposed 72 unit market rate apartment complex. Dingmann stated the project is proposed to be built south of the Big Lake Station in the TOD area. The developer has requested \$1,090,000 in assistance. Because the project is for market rate housing and being constructed on vacant land, the only option for a TIF District is the creation of an economic development district under the special JOBS bill provision.

Ehler's, the City's Financial Advisor, has reviewed the proposal has stated although the development warrants assistance, they would recommend providing TIF on a PAYGO basis for nine years in the amount of \$560,000 should the City like to see this property being developed.

Commissioner Dickinson stated historically the EDA has generally considered assistance in the amount of 6% of the total project cost. The EDA finance subcommittee would recommend assistance of \$455,000 as this will be setting the baseline for future requests in the TOD area. The review of the project indicates costs and projections are not overly inflated for this proposal.

Commissioner D. Hayes asked for clarification on the phasing timeline for the project. Mike Schneider, president of Homestead Development, was in attendance. He stated the construction of the second building would commence immediacy after the first one is completed, ideally next fall. Commissioner D. Hayes questioned if it is feasible for Mr. Schneider to begin construction by the end of the year in which Schneider responded he is aware of winter construction costs and agrees to move forward on the tight development timeline.

Commissioner Dickinson motioned to request 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 proposed establishment of Tax Increment Financing District No. 1-7. Seconded by Commissioner Heitz, unanimous ayes, motion approved.

Commissioner Dickinson noted the importance of the City Council to appoint the EDA Executive Director as signatures will be needed as this project moves forward.

Commissioner Dickinson motioned the EDA finance subcommittee recommends a business subsidy request in the range of \$455,000-\$525,000 for Homestead Development Corporation. Seconded by Commissioner Danielowski, unanimous ayes, motioned approved.

Continued discussion of this request will be had at the November EDA meeting.

6B. PROJECT STATUS REPORT

Dingmann provided an update on the following items:

NSP Program: Dingmann noted staff continues to work with the City Attorney, St Cloud HRA and our Realtor regarding the sale of 5647 Loon Drive .It is expected the closing will now take place at the end of October. The purchase agreement for 1120 Powell Street has fallen through.

2011 Housing Study Update (Multi-family Housing): Staff has received the a draft of the updated housing study. The report indicates there is a demand for approximately 65 market rate units in Big Lake.

Highway 10 and County 5 RFP: Due to staff changes, the RFP has not been mailed. Staff expects this to be complete in the near future.

Regional Rail Park: Bodem noted a Larry Palm has requested staff presence on October 25th with Larry Palm and Senator Klobuchar. Community Development staff along with elected officials have committed to attending.

6C. BLEDA BUDGET

For information only; no action was taken.

**6D. CALL FOR SPECIAL GATHERING: GROUNDBREAKING CEREMONY
CHERRYWOOD ASSISTED LIVING**

Bodem noted the groundbreaking has been postponed due to the developer's request. EDA members will be notified when it is rescheduled.

7. OTHER

Commissioner Danielowski gave a brief update of the Greater MSP Launch Event that she attended with Dingmann.

8. ADJOURN

Commissioner Heitz motioned to adjourn the meeting at 7:00 p.m. Seconded by Commissioner Parks, unanimous ayes, meeting adjourned.