

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**MONDAY, NOVEMBER 14, 2011**

**1. CALL TO ORDER**

President Doug Hayes called the meeting to order at 5:00 P.M.

**2. ROLL CALL**

Commissioners present: Richard Backlund, Raeanne Danielowski, Jim Dickinson, Dave Gast, Doug Hayes, Mike Hayes, Chuck Heitz, Jerry Parks and Jim Stahlmann.

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 OCTOBER 17, 2011**

Commissioner Danielowski motioned to approve the October 17, 2011 BLEDA minutes. Seconded by Commissioner Heitz, unanimous ayes, motion carried.

**5. CITY BLEDA BUSINESS ITEMS**

**5A. HOMESTEAD DEVELOPMENT (MIKE SCHNEIDER)**

Leslie Dingmann, Economic Development Specialist, noted that at the October EDA meeting, the board discussed providing TIF assistance to Homestead Development for construction of a 72-unit apartment and set a public hearing for the creation of an economic development district. Ehler's has since discovered that the parcel being constructed upon is classified as "green acres" for property tax purposes. A parcel cannot be classified as Green Acres for a period of five years prior to creating the TIF district.

Stacie Kvilvang, Ehler's, was in attendance to explain the option of creating a housing district. Although housing districts carry a twenty-five year term, the City would restrict the term of the assistance to nine years which was being considered under the creation of an economic development district. The developer understands that with the creation of a housing district, a certain percentage of the units would have income restrictions for

the nine year duration. The developer has stated the income limitations will not prohibit him from providing the same project as presented. At the end of the nine years when the obligation to developer has been met, the City can choose to decertify the district early or having it continued and utilizing the TIF funds for other housing needs in the City.

Dingmann reviewed Ehler's revised TIF runs based on a one year delay and two year delay of construction of the second phase. A one year delay equates to a present value of approximately \$524,000 and a two year delay equates to a present value of approximately \$487,000. Commissioner Dickinson noted that historically the City has provided assistance up to 6% of the total project cost. This would equate to \$455,000.

Commissioner Dickinson motioned that the City Council consider a business subsidy request in the range of \$455,000 - \$527,000.

Seconded by Commissioner Heitz, the motion passed on a vote of 6 to 1, with Commissioners Backlund, Danielowski, Gast, D. Hayes, Heitz, and Parks voting aye and Commissioners Dickinson voting nay.

## **6. CITY / TOWNSHIP BLEDA BUSINESS ITEMS**

### **6A. BIG LAKE RAIL PARK- FUNDING SOLUTIONS DISCUSSION**

Todd Bodem, Interim City Administrator, stated that staff has met with key stakeholders regarding finding ways to move the regional rail park forward. However, staff understands that in order to access potential Federal and State funds, the City would need to financially contribute to the project.

After a brief discussion, it was the consensus that the EDA still feels this project is worth pursuing as there is great potential for job creation and tax base growth. The board strongly feels there needs to be transparency in the project in order to make confident decisions regarding financial contributions.

Commissioner D. Hayes questioned if staff has met with all landowners to learn about any new progress made in the past few months. Bodem stated staff has met with one of the landowners and will be reaching out to the other in the near future.

Commissioner Dickinson stated the City has options in creating a public private partnership with the landowners or use its bonding authority should they choose to get involved in the rail park project. However, Dickinson suggested the City Council develop a statement clearly indicating what their vision for Rail Park is and what is expected on the landowner's part. The statement should include objectives that need to be met before, and if, they choose to contribute to the project.

It was the consensus of the board that once the Council has prepared the statement of intent, a meeting with the landowners should be scheduled to discuss expectations.

## **6B. PROSPECTS / PROJECT STATUS REPORT**

Dingmann reviewed the status of various projects.

**NSP:** the closing for 5647 Loon Drive took place late October. The City has a signed purchase agreement for 1120 Powell Street which is expected to close on or before December 14<sup>th</sup>.

**Manufacturers Meet and Greet:** Staff along with neighboring cities hosted a meet and greet. Ten business owners attended the meeting and requested the cities coordinate additional meetings on a quarterly basis.

**Highway 10 and County Road 5:** The deadline for the RFP submittal is November 28<sup>th</sup> at 4:00 p.m.

**Cherrywood of Big Lake:** The closing took place and the building permit has been issued. Commissioner D. Hayes questioned if a ground breaking was going to take place. No groundbreaking has been scheduled at this time.

## **6C. BLEDA BUDGET**

For information only; no action was taken.

Commissioner Danielowski questioned if Staff has been in contract with those who are not current on their loans.

## **6D. 10<sup>th</sup> Annual City of Big Lake Committee Workshop**

Commissioner D. Hayes motioned to set the Annual Committee Workshop date of Tuesday, December 6, 2011 at 5:00 p.m. in the Big Lake City Council Chambers. Seconded by Commissioner Danielowski, unanimous ayes, motioned carried.

## **6E. Upcoming Appointments for 2012 BLEDA Organizational (Officer) Positions**

Bodem noted that at the December EDA meeting, appointment of officers will take place. He asked commissioners to start thinking of volunteering to serve one of the officer positions.

## **7A. 2011 DEVELOPMENT COST STUDY**

Bodem briefly reviewed the 2011 Development Cost Study prepared by the City of Ramsey. It was noted that Big Lake falls in the middle of each of the development scenarios.

**7B. CITY COUNCIL APPOINTMENT TO BLEDA EXECUTIVE DIRECTOR POSITION**

Bodem stated the City Council passed a resolution to appoint the Interim City Administrator to the position of BLEDA Executive Director.

**8. ADJOURN**

Commissioner Danielowski motioned to adjourn the meeting at 6:00 p.m. Seconded by Commissioner Dickinson, unanimous ayes, meeting adjourned.