

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, DECEMBER 9, 2013

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners present: Raeanne Danielowski, Dave Gast, Greg Green, Doug Hayes, Duane Langsdorf (arrived at 6:03), Norm Leslie, Steve Pflughaar, and Mike Wallen. Commissioners absent: Jim Dickinson.

Also present: City Administrator Todd Bodem, Economic Development Manager Heidi Steinmetz, Finance Director Jessica Green, and Administrative Assistant Sandy Petrowski.

3. ADOPT AGENDA

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

4. APPROVE BLEDA MEETING MINUTES OF NOVEMBER 12, 2013

Commissioner Danielowski motioned to approve the November 12, 2013 BLEDA minutes. Seconded by Commissioner Leslie, unanimous ayes, motion carried.

5. BLEDA BUSINESS ITEMS

5A. DISCUSS 2013 BLEDA ACTIONPLAN

Economic Development Manager Heidi Steinmetz reviewed the Staff report regarding the 2014 Action Plan which staff created based on the four (4) main goals that were prioritized by the BLEDA at their November 12th regular meeting. The four main goals are: 1) Secure new business investment in Big Lake; 2) Retain and assist the expansion of existing Big Lake businesses; 3 Identify and address unique development challenges/opportunities; and 4) Housing – enhancement of neighborhoods.

After discussing the items listed in the Action Plan, it was the consensus of the EDA for staff to continue to provide this Action Plan in order to the EDA informed of the progress of the 2014 goals and action items as well as any issues/concerns that may arise throughout the year.

5B. DETERMINE LAND PRICE PER SQUARE FOOT FOR BIG LAKE INDUSTRIAL PARK

Economic Development Manager Steinmetz reported that the EDA currently owns six (6) industrial parcels in the Big Lake Industrial Park that total approximately thirty-four (34) acres and all of which are certified by the State of Minnesota as “Shovel-ready” sites. She also stated that in order to generate tax revenue and jobs for the Big Lake area, staff is recommending that the EDA determine a land price per square foot for the sale of these parcels rather than giving the land away for free, as giving away the land would provide an unfair advantage to the EDA over private industrial landowners who are also trying to sell their property.

Steinmetz noted that setting a price would provide clarity to developers, real estate brokers, and businesses who are considering relocating to Big Lake. She briefly reviewed current prices of several private and public industrial properties in the surrounding areas and recommended that the EDA Members determine a land price per square foot for the EDA-owned Big Lake Industrial Park parcels.

Commissioner Gast suggested that when setting a price per square foot, the amount should also include any additional costs that may be owed on each lot (i.e., assessments, etc.)

After a discussion on potential prices per square foot for the properties owned by the EDA, it was the consensus of the Commissioners for staff to calculate scenarios of prices per square foot along with the assessment due on each parcel (if applicable) for further review and discussion at the January 2014 EDA meeting.

5C. RECONSIDER 2008 FINDERS FEE PAYMENT POLICY

Economic Development Manager Steinmetz reviewed the Staff report regarding the BLEDA’s current Finders Fee Payment Policy for marketing of Phase II of the Big Lake Industrial Park (Big Lake Industrial Park East Plat 5) as well as potential revisions.

Steinmetz explained that the current Finders Fee Payment Policy, approved by the BLEDA at their August 11, 2008 meeting, is non-exclusive but that the BLEDA also holds an exclusive agreement with Gaughan Companies to market Big Lake Industrial Park East Plat 5 properties. She also stated that staff believes that in order to increase the opportunities of selling the large amount of City and BLEDA-owned industrial and commercial properties, the BLEDA should reconsider the current Finders Fee Payment Policy as well as revisions, such as including commercial properties.

In discussing a potential percentage for a finders fee, Commissioner Wallen stated that most property is selling off of the internet and suggested that the fee be set at a specific percentage if it is not an exclusive sale (i.e., the listing agent doesn't bring in a buyer) as well as having the policy stated that if the listing agent does bring in a buyer, then the percentage would drop. He also indicated that it may be beneficial to see what the current rate is for properties in other communities. Steinmetz recommended that the finders fee also be expanded to include commercial land as well as industrial.

It was the consensus of the EDA for staff to revise the Finders Fee Policy as discussed and bring back for further review at a future meeting.

5D. AUTHORIZING THE TERMINATION OF DOCUMENTS RELATED TO THE 2008 EDA LEASE REVENUE BONDS

Finance Director Jessica Green reported that at their December 11th regular meeting, the City Council will be considering the approval of the sale of up to \$2,200,000 Taxable General Obligation Revenue Bonds, Series 2013B, and, if approved, a portion of the bond proceeds would be used to refund the BLEDA's Lease Revenue Bonds, Series 2008, which were issued to acquire land for industrial development. Furthermore, when the Series 2008 Bonds were issued, BLEDA entered into agreements mentioned in Section B of the proposed Resolution and when the 2008 Bonds are refunded with the issuance of the Series 2013B Bonds, those agreements will need to be terminated.

Green stated that staff was recommending that the BLEDA motion to adopt the proposed Resolution authorizing the termination of documents as discussed.

Commissioner Wallen motioned to adopt Resolution #2013-05, A Resolution Authorizing Termination of Documents Relating to the Issuance by the City of Big Lake, Minnesota, of its \$2,220,000 Taxable General Obligation Tax Abatement Bonds, Series 2013B. Seconded by Commissioner Danielowski, unanimous ayes, motion carried.

5E. EDA BUDGET

Finance Director Green reviewed the EDA budget and answered questions of the Board, including the balances and payments on loans issued by the EDA as well as the current collection process for the delinquent accounts.

5F. PROJECT/PROSPECT STATUS REPORT

Steinmetz reported that she will be taking over the updating of this report beginning in January 2014, noting that some of the information in this monthly report will also be included in the monthly Action Plan. This item for information only; no action required or taken by the Board.

5G. 2014 BLEDA OFFICER APPOINTMENTS

Steinmetz informed the EDA that this item will be discussed at a future meeting after the Council has appointed the Council-liaisons to the EDA.

As this item was being postponed, Steinmetz asked the EDA if they would want to review the EDA bylaws again, specifically to revisit the 6-year Commissioner term (which may be slightly intimidating to prospective applicants. It was the consensus of the EDA to review the EDA Bylaws at the January 2014 meeting.

6. OTHER

Steinmetz provided a brief update on staff's recent meeting with MPI, noting that the company was interested in finding what potential options may be available to them such as tax abatement, etc. in order to retain them and staff has provided the information as requested but, to-date, staff has not been notified of a decision. Staff will remain in contact with them and report any new developments as they happen.

7. ADJOURN

Commissioner Green motioned to adjourn the meeting at 7:03 p.m. Seconded by Commissioner Langsdorf, unanimous ayes, meeting adjourned.