

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

MEETING MINUTES

MONDAY, MARCH 2, 2020

1. CALL TO ORDER

President Alan Heidemann called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Commissioners present: J. Brian Calva, Ken Geroux, Greg Green, Alan Heidemann, Rose Johnson, and Mike Wallen. Commissioners absent: Jim Dickinson.

Also present: BLEDA Executive Director Hanna Klimmek, Como Lake Marketing Partners Representative Mike Brown.

4. ADOPT AGENDA

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

5. APPROVE BLEDA MEETING MINUTES OF FEBRUARY 10, 2020

Commissioner Wallen motioned to approve the February 10, 2020 BLEDA minutes. Seconded by Commissioner Geroux, unanimous ayes, motion carried.

6. BLEDA BUSINESS ITEMS

6A. COMO LAKE MARKETING PARTNERS INTRODUCTION AND CONTRACT APPROVAL

Klimmek reported that the City of Big Lake and the Big Lake EDA issued the Community Brand and Identity Design Project Request for Proposals (RFP) on January 10, 2020. Responses were due on February 7, 2020. We received 3 complete responses from the following: Switchboard, AE2S Communications, and Como Lake Marketing Partners.

An Interview Panel was created and included 1 Council Member, 1 Council Member/EDA Commissioner, 2 EDA Commissioners, and Staff. The Panel interviewed all 3 candidates the morning of Thursday, February 13, 2020. After discussion and a

vote, the Panel is recommending the Big Lake EDA approve a Contract for Service between the Big Lake EDA and Como Lake Marketing Partners. The total project cost is \$49,940 and includes a 10% contingency (\$4,450).

Como Lake Marketing Partners Representative Mike Brown reported that he has experience working with Greater MSP and St. Paul. He introduced himself and the other two partners for their group and commented that they are excited to become ambassadors for the Big Lake Community.

Commissioner Green asked Brown why Como Lake Marketing Partners chose to apply for the Big Lake rebranding project over other communities. Brown reported that their group sees a lot of opportunity with Big Lake being located between the Cities and St. Cloud. He also noted that Big Lake has a strong sense of quality of life. Commissioners Johnson and Calva stated their support for the Contract of Service with Como Lake Marketing Partners.

Klimmek read a question submitted by Commissioner Dickinson who was absent from the meeting. Dickinson asked about the potential flexibility in the contract and how the timing between the phases will be determined. Klimmek stated that this flexibility cannot be predetermined, but will be kept in mind throughout the project. Brown stated that there will be a strong line of communication between the Como Lake Marketing Partners throughout the project.

Klimmek read a second question submitted by Commissioner Dickinson. Dickinson asked about language in the contract that states that completed work will be billed on a prorated basis. Klimmek reported that this verbiage is included so that if the City decides to hold up the project for a period of more than 30 days, Como Lakes Marketing Partners can still bill the City on a prorated basis.

Commissioner Johnson asked Klimmek if the contract has been reviewed by the city attorney. Klimmek reported that the contract was reviewed and approved by the city attorney.

Commissioner Johnson motioned that the Big Lake EDA approve a Contract for Service between the Big Lake EDA and Como Lake Marketing Partners. Seconded by Commissioner Calva, unanimous ayes, motion carried.

6B. AEON DEVELOPMENT RESOLUTION OF SUPPORT

Klimmek reported that on May 5, 2017, City Staff met with Aeon to participate in a scheduled design charrette for an anticipated Big Lake project. They were interested in a 6.14 acre parcel located contiguously south of the Northstar Commuter Rail off of Station Street, owned by the First National Bank of Elk River. Aeon's interest in Big Lake was induced by the housing study, which was updated in 2016, showing a great need for multi-family and senior rental housing. During the May 5th meeting, Aeon decided to follow through with a tax credit application to MN Housing, and in June of

2017 obtained a Resolution of Support from the City of Big Lake for their submittal. The application was to obtain tax credits for a three-story, multi-family rental building that included 54 units serving families with children with incomes between \$35,000 and \$75,000. Aeon was not chosen by MN Housing for this 1st round submission.

Project Manager, Leslie Roering, was provided the “go-ahead” by Aeon Leadership to continue with the land acquisition process, and Aeon Big Lake Station, LLC gained site control of the 6.14 acre parcel in December of 2017. Aeon has submitted tax credit applications each year without success.

Ms. Roering is now putting together a fourth tax credit application to MN Housing and will submit in June of 2020, which will include not only the 55-unit structure, but also a 70-unit apartment building for senior’s age 55+.

Aeon has decided to continue to pursue financing for the 55-unit structure, and to start pursuing momentum for Phase II, which has the potential to be constructed simultaneously with Phase I. The project concept for Phase II is proposed as a four-story, approximately 70-unit apartment building for senior’s age 55+. The building will have a mix of 1 and 2 bedroom apartments with amenities that can include a community room, fitness area, library, or a salon. Rent for a 1-bedroom will be approximately \$885 and approximately \$1061 for a 2-bedroom; serving households at 50% of area median income. The project will have underground parking, with surface parking for staff and guests.

If all financing falls into place, the estimated commencement of both the affordable family building and senior building will be in summer of 2021 with an estimated completion in summer of 2022.

Aeon will need a Resolution of Support from the City of Big Lake, for both buildings, in order to submit a complete application to MN Housing.

The City of Big Lake currently has a 0.5% vacancy rate for senior housing. This is considered to be a very unhealthy rate for a community. Essentially, there is no available housing dedicated to senior living. Seniors are experiencing hardships due to the increased cost of housing and healthcare. According to Minnesota Housing Partnership (mhponline.org), from 2000-2017, the median rent in Sherburne County increased by 19%, while Social Security only slightly raised with the annual cost-of-living adjustments. The number of seniors will rise dramatically over the next several years. The growth of individual seniors by 2035 in Sherburne County is 179%. Seniors will make up 24% of the population by 2035. The proposed 70-unit, senior living apartment building will allow the Big Lake senior community to remain in a community that has been their home for generations. It will also allow parents and grandparents to move closer to their loved ones.

Aeon, born in 1986, is a mission-driven, nonprofit provider of quality apartment homes for low-and-moderate-income individuals and families. Currently, Aeon owns and

manages nearly 5600 housing units in the Twin Cities metropolitan area. Big Lake will be Aeon's first venture into Greater MN and hope to continue development ventures outside of the metropolitan area. Comparable cities that Aeon has partnerships in are Ramsey and Chaska. With over 30 years of experience in affordable housing development, Aeon has acquired a reputation for innovation in affordable housing by both local and national recognition.

Big Lake Police Chief, Joel Scharf, reached out to the Chaska Police Chief for comments regarding their relationship with Aeon. Chief Knight described Aeon as "very well managed," "a quality, stand-up organization," and "committed to what they do." He also mentioned to Chief Scharf that Aeon's Phase II in Chaska was easily approved due to their great working relationship with the City.

Two years ago, city Staff reached out to Assistant City Administrator of Ramsey, Patrick Brama, for comment as Aeon was newly constructing a multi-family apartment building there. His reply was as follows, "the project in Ramsey is located in the COR, near the Ramsey rail station, and includes two phases. The first phase, a 54-unit workforce housing apartment complex, is under construction now. The second phase, which is estimated to be roughly the same size, is anticipated for construction in 2019/2020. Ramsey began working with Aeon in 2016. Aeon staff, and Aeon's contractors have been very professional, always responsive, and reasonable to work with to-date."

Staff is recommending that the BLEDA make a recommendation to the City Council to consider approval of a Resolution of Support for both an affordable family rental building with approximately 55 units and an affordable senior rental building with approximately 70 units and for Aeon to submit a tax credit application to MN Housing.

Klimmek read a comment by Commissioner Dickinson that stated he views this as a different approach from their previous application. Dickinson views the project as a supersize with two buildings rather than one. He is not a supporter of this project, but if Aeon can monetize other items, he can see it as city support. He also would like to change some verbiage in the Resolution. Klimmek stated that the changes to the Resolution are easy to fix.

Commissioner Calva asked about any potential concerns from residents on traffic flow. Johnson stated that there haven't been any concerns about traffic flow for this project and Geroux stated that those concerns would be more relevant in a Planning Commission meeting.

Commissioner Johnson motioned to recommend to the City Council to consider approval of a Resolution of Support for both an affordable family rental building with approximately 55 units and an affordable senior rental building with approximately 70 units and for Aeon to submit a tax credit application to MN Housing with the suggested changes by Commissioner Dickinson. Seconded by Commissioner Green, unanimous ayes, motion carried.

6C. BLEDA BUDGET AND LIST OF CLAIMS – FEBRUARY 2020

Commissioner Wallen motioned to accept the budget report and approve the BLEDA List of Claims for February 2020 as presented. Seconded by Commissioner Geroux, unanimous ayes, motion carried.

6D. COMMUNITY DEVELOPMENT DEPARTMENT UPDATE

Business Retention & Expansion Visits:

01/06/19	Keller Lake Commons	01/31/20	Kensho Salon
01/2720	Options, Inc.		

Current Development Activity (as of 2/26/20):

Housing:

- Single-Family New Construction Issued Permits 2
- Single-Family New Construction in Review 1

- Multi-Family New Construction
 - Duffy Development - The Crossing at Big Lake Station Phase II
 - In construction
 - Kuepers, Inc. – Station Street Apartments - 105-unit multi-family, market rate new construction project
 - Pre-development
 - Sandhill Villas (HOA) – 12-unit development project
 - Pre-development
 - Avalon Estates – Approximately 120-unit development for 55+
 - Pre-development
 - *Actively working with Developers on two (2) additional concepts for multi-family development*

Commercial/Industrial:

- ❖ Minnco Credit Union – New Business / New Construction
 - In construction (plan to open by June 1, 2020)
- ❖ Car Condo Project – New Business / New Construction
 - Pre-development
- ❖ Wastewater Treatment Project - Expansion
 - Pre-development
- ❖ Vision Bus - Expansion
 - Pre-development
- ❖ Nystrom Associates Rehabilitation Facility
 - Pre-development
- ❖ *Actively working with Developers/Business Owners on three (3) additional new construction projects*

BLEDA:

- A Panel interviewed three candidates to facilitate the Community Brand and Identity Design Project. The Panel selected Como Lake Marketing Partners and recommended the BLEDA approve a Contract for Service.
- BLEDA Strategic Plan Committee will be meeting on March 16th to revise the Strategic Plan as it is a “working document.”
- The Telecommuter Forward! Certification Resolution is expected to be approved by City Council on 3/11/20.
- Aeon is asking for a Resolution of Support to submit two (2) tax credit applications to MN Housing to newly construct a 55-unit multi-family structure and a 70-unit apartment building for senior’s age 55+.
- During their November 12, 2019 meeting, the BLEDA entered into a Contract for Private Development with the Blackbird Group LLC to newly construct a laundromat facility on the corner of Martin and Fern.

Planning & Zoning:

- City Council appointed Big Lake’s new City Planner on 2/26/20.
- Preparing to hire a summer intern to facilitate code enforcement and assist with operating the Farmers Market.
- Public Hearing for a housekeeping ordinance is scheduled for the 3/4/20 Planning Commission Meeting.
- Public Hearing for the Avalon Estates Concept Plan Review is scheduled for the 3/4/20 Planning Commission Meeting – Open House is scheduled for 5:30 – 6:30pm, right before the meeting.
- Public Hearing for Style Catering (new business) to receive a CUP approval for use another CUP approval to allow for liquor sales.

Building:

- Working on hiring a Chief Building Official.

Other:

- Trisha Lindahl, Administrative Assistant, has resigned and her employment with the City ended on 2/28/20.
 - Sandy Petrowski will return to a full-time status on 3/16/20.
 - Working on re-designing and filling the part-time position within Community Development.
- Staff will be attending the LMC Legislative Conference on March 18th and 19th – Meetings are set up with both Mary Kiffmeyer and Paul Novotny.

7. **OTHER** – None.

8. **ADJOURN**

Commissioner Green motioned to adjourn the meeting at 6:33 p.m. Seconded by Commissioner Wallen, unanimous ayes, meeting adjourned.