

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
MONDAY, JUNE 8, 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, Jim Dickinson, Ken Geroux, Greg Green, Alan Heidemann, Rose Johnson, and Mike Wallen.

Also present: BLEDA Executive Director Hanna Klimmek, Finance Director Deb Wegeleben, and BLEDA Secretary Corrie Scott.

4. ADOPT AGENDA

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

Move 6C to the top of the agenda.

5. APPROVE BLEDA MEETING MINUTES OF MAY 11, 2020

Commissioner Dickinson motioned to approve the May, 11 2020 BLEDA minutes. Seconded by Commissioner Green, unanimous ayes, motion carried.

6. BLEDA BUSINESS ITEMS

6A. BLACKBIRD GROUP LLC – CONTRACT EXTENSION

Klimmek reviewed that Blackbird Group LLC is requesting an extension to the closing deadline established for Lot 1 Block 1 Lake Shopping Center Third Addition (PID 65-554-0105). The request is due to the disruption of services that Options, Inc. is experiencing caused by the restrictions placed on business operations mandated by the State of MN and the termination of funding during the suspension of services.

The Blackbird Group LLC intends to complete the acquisition of the property and move forward with the project, however until timelines and funding can be established for the primary services provided by Options, Inc., setting an exact closing date at this time is impossible.

Staff has worked with the City Attorney in amending the Contract for Private Development to reflect a one-year extension on the closing and for the project to be completed by December 31, 2022. Staff is requesting that the BLEDA consider and approve a first amendment to the Contract for Private Development between the Big Lake EDA and The Blackbird Group LLC.

Dickinson commented that this extension should potentially be longer than 90 days and tied to the implications of COVID-19. Geroux stated that generally an extension is needed for something that is tied to a predetermined timeline that tends to be within 2-3 months, but with the uncertainties of COVID-19, they are asking for a yearlong extension.

Commissioner Wallen motioned to approve a first amendment to the Contract for Private Development between the Big Lake EDA and The Blackbird Group LLC due to the extraordinary circumstances caused by COVID-19 the amendment is extended to one year. Seconded by Commissioner Johnson, Dickinson aye, Green aye, Heidemann aye, Calva aye, Geroux abstained, motion carried.

6B. LETTER IN SUPPORT OF OPTIONS, INC.

Klimmek reported that due to the Governor's orders, Options, Inc. has been closed and has received zero funding from the Department of Human Services (DHS) since March 18, 2020. Options, Inc. is the 6th largest employer in the City of Big Lake and they have been in business for 40 years. The services provided by Options, Inc. is critical to support people with intellectual, developmental disabilities to live and work in our communities.

Options, Inc. has a payroll of over \$2.6 million in annual wages, which goes into our local economy. They not only pay living wages above industry standards but also directly spend over \$160,000 on an annual basis to local vendors and small businesses. The majority of the 65 employees and 258 program participants live in the Big Lake area and Sherburne County. They count on over 80 business partners; providing critical employment opportunities and income for persons served.

Options, Inc. does have a safety plan put together in response to COVID-19 and is ready to open their doors but they cannot do so without DHS releasing their funding. The Options, Inc. board will soon have to engage in a very real conversation about closing their doors if they don't see positive movement from the legislature and DHS.

The letter will be sent to the Health and Human Services (HHS) committee members in the House and the Senate, as well as their staff contacts. Both Senator Mary Kiffmeyer and Representative Paul Novotny are on the HHS committees.

Staff is requesting that the BLEDA considers directing President, Alan Heidemann, and Executive Director, Hanna Klimmek, to sign a letter addressed to Legislators; urging them to consider emergency funding and allow Options, Inc. to resume operations with a safety plan.

Calva asked the EDA if any of the Commissioners have been in contact with Senator Kiffmeyer and Representative Novotny. Geroux stated that he has been in contact and they have been ineffective up to this point. Johnson asked if Options, Inc. plans to use the media to help their cause. Geroux stated it is something they are considering. Calva stated that he is meeting with Kiffmeyer and would like to bring up the issue if it is considered appropriate. Geroux agreed that it would be appropriate to talk with Kiffmeyer.

Commissioner Johnson motioned to direct President, Alan Heidemann, and Executive Director, Hanna Klimmek, to sign a letter addressed to Legislators; urging them to consider emergency funding and allow Options, Inc. to resume operations with a safety plan. Seconded by Commissioner Green, Dickinson aye, Johnson aye, Wallen aye, Calva aye, Geroux abstained, motion carried.

6C. FIRST RIGHT OF REFUSAL DISCUSSION

Klimmek reviewed that staff met with Diane Jacobsen on Wednesday, May 27, 2020 to check in and see how she has been doing with COVID-19 and the limitations that she has been subject to while running her business. Diane disclosed that she is working with a Realtor on actively listing her building for sale. She is currently working on a contract with her Realtor and a sign will be placed on the property in the very near future.

Being that Diane Jacobsen's building is connected to City Hall, Staff believes it is very important to have a good line of communication between her and the EDA/City Council throughout this process. The concept of a First Right of Refusal Contract was brought up to trigger necessary communication and to allow for formal discussions with the EDA/City Council.

Details regarding the listing have yet to be disclosed. Staff recommends the EDA discuss and consider directing Staff to work with the owner of PID 65-477-0115, Diane Jacobsen, on drafting a First Right of Refusal Contract.

Johnson asked about ownership of the building. Klimmek confirmed that the Pizza Factory and Carousell Works portion are owned by Jacobsen, and the other portion including the Senior Activity Center, Food Shelf, and City Hall are owned by the City.

Dickinson asked about the ownership of parking. Klimmek stated that on the south side of the building there are two separately owned sections of the parking lot and the north side is owned by the City, but shared with the other businesses that use the building. Diane Jacobsen stated that there are two separately owned portions and the hallways are considered common areas that are shared between the two owners. She stated this worked well because City Hall is open during the week and Carousell Works has their events on the weekend.

Johnson asked about title searches. Diane Jacobsen's Representative stated that there should be titles on record from previous transactions. Geroux stated that transactions within the last 30 years have proved to be problematic. Johnson asked staff if the City has the first opportunity for purchase of Jacobsen's property. Klimmek confirmed that the City will have first priority to purchase. Dickinson asked whether BLEDA or the City owns the City Hall portion of the building. Wegeleben confirmed that the building is owned by the City. Johnson asked Jacobsen when she plans to start marketing. Jacobsen stated that she has a commercial realtor who is ready to start marketing now.

Commissioner Dickinson motioned to direct staff to work with the owner of PID 65-477-0115, Diane Jacobsen, on drafting a First Right of Refusal Contract. Seconded by Commissioner Geroux, unanimous ayes, motion carried.

6D. BLEDA BUDGET AND LIST OF CLAIMS

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

6E. COMMUNITY DEVELOPMENT DEPARTMENT UPDATE

1. Current Development Activity (as of 6/3/20):

Housing:

- Single-Family New Construction Issued Permits 12
- Single-Family New Construction in Review 09

- 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
 - In construction

- Sandhill Villas (HOA) – 12-unit development project
 - Pre-development
- Avalon Estates – Approximately 120-unit development for 55+
 - Pre-development
- Aeon - Big Lake Station Apartments – 55 multi-family units; 70 units for 55+
 - Pre-development
- CommonBond – 120 multi-family units (2, 60-unit buildings)
 - Pre-development

Commercial/Industrial:

- ❖ Minnco Credit Union – New Business / New Construction
 - Opening soon!
- ❖ Car Condo Project – New Business / New Construction
 - Project is on hold
- ❖ Wastewater Treatment Project - Expansion
 - In construction
- ❖ Nystrom Associates Rehabilitation Facility
 - Pre-development
- ❖ Great River Federal Credit Union – New Business / New Construction
 - Pre-development
- ❖ Blackbird Group LLC – New Business / New Construction
 - Pre-development

2. BLEDA:

- Kick-off for the Branding and Identity Design Project has been postponed until the community is ready to engage in the project.
- BLEDA Strategic Plan Committee will be working on creating strategies/framework for development, re-development, and repurposing.
- Aeon received a recommendation of approval from the BLEDA 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+. Council approved the Resolution on 3/25/20.
- CommonBond received a recommendation of approval from the BLEDA for Resolution of Support to submit one (1) tax credit application to MN Housing to newly construct 60 multi-family rental units of both market rate and affordable housing. Council approved the Resolution on 5/27/2020.
- 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. Contract is expected to be amended on 6/8/20 to extend timelines by one year.

3. Planning & Zoning:

- The Code Revision Task Force has been created. City Planner, Amy Barthel, is working on her first set of recommendations to bring forward.

- The City Council relaxed zoning to allow for outdoor dining. Staff has been working with restaurants/bars in providing an expedited approval of their outdoor dining concepts.

4. Building:

PERMIT ACTIVITY REPORT – THROUGH May 31, 2020

Permit Type	Permits Issued in May of 2020	2020 Total
Single-Family	2	12
Multi-Family	0	2
Commercial New / Remodel / Addition	3	10
Remodel / Decks / Misc.	49	113
HVAC / Mechanical	4	29
Plumbing	11	28
Zoning	37	71
Land Alteration	1	3
Fire	0	10
TOTAL	107	278

	Permit Fee	Plan Review	TOTAL
Total Fees in May 2020	\$15,723.85	\$3,996.15	\$19,720.00

YTD 2020 Total Valuation (through 5/31/20)	YTD 2020 Permit Fee + Plan Review (through 5/31/20)	
\$10,157,319.40	\$123,742.95	

PREVIOUS YEAR COMPARISON – THROUGH May 31, 2019

Permit Type	Permits Issued in May of 2019	2019 Total
Single-Family	7	13
Multi-Family	0	0

Commercial New / Remodel / Addition	1	12
Remodel / Decks / Misc.	36	87
HVAC / Mechanical	9	26
Plumbing	5	17
Zoning	33	53
Land Alteration	3	4
Fire	3	3
TOTAL	97	215

	Permit Fee	Plan Review	TOTAL
Total Fees in May 2019	\$25,939.59	\$8,638.16	\$34,577.75

YTD 2019 Total Valuation (through 5/31/19)	YTD 2019 Permit Fee + Plan Review (through 5/31/19)
\$12,044,194.40	\$132,366.19

5. Other:

- Community Development has a complete team:
 - Hanna Klimmek CD Director
 - Sandy Petrowski Administrative Assistant
 - Kati Peterson Administrative Assistant
 - Corrie Scott Recreation & Communications Coordinator
 - Amy Barthel City Planner
 - Lenny Rutledge Chief Building Official
 - Jack Johansen Intern – Code Enforcement / Planning
 - Kevin Shay Planning Consultant
 - Mick Kaehler Building Inspections Contracted Service

7. OTHER - None.

8. ADJOURN

Commissioner Dickinson motioned to adjourn the meeting at 6:31 p.m. Seconded by Commissioner Wallen, unanimous ayes, meeting adjourned.