

Minutes

Regular Meeting
Thursday, July 8, 2004
4:00 p.m.

LP/A High School Library, Lake Park, MN

Meeting called by:	Robert Bristlin
Type of meeting:	Regular Meeting
Attendees:	Bob Bristlin (Left at 5:30), Harry Salminen, Gerald Schram, Dan Aune, Paul Joyce, Terry Johnson, Mike Metelak Others present: Jon Thomsen, Shawn Olson, Lana Fralich, Stan Thurlow, Keith Zachariason (Lake Park Mayor), Dan Larson (Lake Park City Council & EDA), Abby Anderson (Lake Park EDA Chairperson), Nathan Bowe (Detroit Lakes Newspaper)
Board Members Absent:	None

Agenda topics

- 1) **Bus Tour:** The EDA Board Members took a Bus Tour of Lake Park to look at existing housing and economic development activities in Lake Park. As they toured the community, they listened to Mayor Keith Zachariason speak about the new water tower, professional building, industrial and housing development and the future growth potential for the City of Lake Park. The EDA toured the Med Pac facility.
- 2) **Call Regular Meeting to order:** B Bristlin called the meeting to order at 4:55 p.m.
- 3) **Approval of Regular Meeting Agenda: Addition:** Additions include the Callaway Elevator Expansion Project. **Motion** and second to approve the Agenda as amended (Salminen, Schram), carried.
- 4) **Approval of Minutes from June Regular & Special Meetings:** Discussion on the amount of time L Fralich would be spending on Economic Development vs. Housing Development. The Board noted that the minutes reflect a 50/50 split, but the staff will need to be flexible to accommodate the workload. **Motion** and second approve the Meeting Minutes as presented (Salminen, Johnson), carried.
- 5) **Economic Development:**
 - a) **Economic Development Update Report:**
 - i) **Lake Park South 10 Industrial Park Update:** S Thurlow noted that the project was successfully completed under budget. The Wild Rice Electric loan will not be adjusted, however, the US Dept of Commerce grant dollars will be decreased to reflect the actual project costs. After all the bills are paid, reports will be submitted to the US Dept of Commerce and Wild Rice Electric. A Change Order and final bills were presented to the Board. **Motion** and second to approve the change orders and authorize payment of the final bills (Schram, Joyce), carried. S Thurlow updated the Board on the Professional Contract for Real Estate Services with Mr. Hovde as it affected the Lake Park EDA. As the lead agency, the Becker County EDA Board entered into a contractual agreement that had not been reviewed/approved by the Lake Park EDA.

Discussion followed. It was felt that the Becker County EDA had acted in the best interest of the project and that the Becker County EDA would be responsible for the full cost of the realtor fee if either of the two remaining lots sell before the Lake Park EDA acts upon the request. S Thurlow recommended that the EDA Board cancel Mr. Hovde's contract. **Motion** and second to table the contract cancellation until after the Lake Park EDA Board meets on July 12th (Johnson, Metelak), carried.

ii) **Frazee Industrial Park Update:** S Thurlow updated the Board on the request from Tom Watson who is interested in purchasing a small unplatted, undeveloped lot in the Frazee Industrial Park to build a 40X60 storage building. Ulteig Engineers prepared a preliminary estimate for utility and street improvements and an estimate of the survey and plat development costs. Discussion followed. S Thurlow agreed to obtain a second estimate and provide a report at the next meeting. No action taken.

iii) **Frazee Swift Plant Update:** S Thurlow noted that the project was still moving forward. The prospective buyer has not yet signed a development agreement. The EDA would need to front a \$300,000 loan that would be reimbursed over a period of time through the MIF Program. Mr. Carpenter with the SBDC is involved at no cost to the Agency.

6) Housing:

a) **Resolution to Award Construction Contract for CRV/Audubon/Lake Park:** Staff presented the construction bids for the Audubon new home construction project for Board acceptance. **Motion** and second to adopt Board Resolution 07-08-04A (Joyce, Aune), carried. *(B Bristlin left the meeting at 5:30 and M Metelak presided over the remainder of the meeting).*

b) **Housing Update Report:** The Board listened as J Thomsen presented an update on the ongoing housing activities. Discussion followed. **Motion** and second to accept the report as presented (Aune, Joyce), carried.

c) **Proposed Applications for Mahube/PSH Funding (HUD, Federal Home Loan Bank):** The Board listened as L Fralich presented an update on the proposed alternative funding sources for the project. The MHFA/HUD applications planned for July 2004 will not be submitted at this time. The Federal Home Loan Bank application will be submitted in the Fall 2004. An application with the LaLa Program (through MHP) is being prepared.

d) **Springhill Group Home Lease Agreement:** J Thomsen reported that he has made a counteroffer and it was accepted. The Lease Agreement drafted by the County Attorney was presented. Discussion followed on the rental rate, required repairs and current reserves. **Motion** and second to authorize J Thomsen to enter into the Lease Agreement with Lutheran Social Services (Salminen, Schram), carried.

7) **Callaway Elevator Expansion Project:** The Board listened as L Fralich presented the track expansion plan and the owner's request to donate property to a government agency, like the EDA. Discussion followed over the valuation of the donation. The EDA Board agreed with T Johnson, who felt that the property owner would need to present a written appraisal before the EDA Board would consider accepting the donation. No action taken.

8) **Financial Report:** Staff presented the monthly financial report. **Motion** and second to accept the report as presented (Johnson, Aune), carried.

9) **Proposed 2005 Housing and Economic Development Departmental Administrative Budget:** J Thomsen presented the needs based budget to the Board. The Budget Worksheets will be presented to the Management Team on July 9th. The Board listened as J Thomsen detailed the budget increases. Staff answered questions and requested input from the Board so that a final version can be presented at the EDA's August Regular Meeting. Discussion followed. No action taken.

10) Proposed 2005 HRA Levy: Staff presented a report detailing over \$9.6 million in housing funds brought into Becker County by the EDA since 1999. The Board listened as the staff detailed the \$145,190 in 2005 administrative expenditures that are allowable expenditures under the current ongoing housing programs, \$45,888 in 2005 administrative expenditures that are not specifically tied to a current housing program and the \$108,745 in 2005 administrative expenditures for economic development. The Board listened as the staff presented several options, including levying the same amount as 2004 vs. increasing/decreasing the amount levied for 2005. Staff answered questions and requested input from the Board so that a final version can be presented at the EDA's August Regular Meeting. Discussion followed. It was noted that levy funds might be required in order to front the \$300,000 needed for the proposed Frazee Swift Plant project. No action taken.

11) EDA Board of Commissioners Open Forum: Members of the Lake Park EDA Board requested that copies of the Becker County EDA's minutes be made available to their Board Members. Staff agreed to submit a copy of the minutes to all of the EDA's in Becker County. G Schram noted that the Housing History detailing all the funding brought into Becker County would be a good news item for the local newspaper. The Board listened to H Salminen as he expressed the importance of the Board providing guidance to L Fralich as she begins working on economic development issues. L Fralich was encouraged to go through the Strategic Planning Report and share with the Board what she feels should be a major priority. L Fralich noted that she would be attending her first economic development training course July 19 through 23rd in Duluth.

12) Old/New Business: L Fralich reported that a JobZ Informational Meeting would be taking place in Hibbing on August 18th and invited the EDA Board Members to join her at the meeting. There being no further business to be brought before the Board,

13) Adjourn: Motion and second to adjourn the meeting at 6:20 p.m., (Schram, Joyce), carried.

ATTEST:

Respectfully submitted:

/s/

Jon Thomsen

/s/

Robert Bristlin
Housing Director

EDA Board President