



MINUTES
Economic Development Authority
June 20, 2017

CALL TO ORDER

Economic Development Authority meeting was called to order at 5:03 pm.

Present: Chair: Marty Schneider; Board: Tom Skjaret, Jahn Dyvik, Michelle Jerde, Carrie Clemens and Lori Goodsell

Staff Present: City Administrator: Scott Weske, City Attorney: John Thames

Absent: Board: Empty Seat

Others: KC Chermak-Pillar Homes

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

A motion was made by Skjaret, seconded by Jerde, to approve the agenda. Ayes: all.

CONSENT AGENDA

Chairperson Schneider updated the board on the BDI Grant referring to the May 16 minutes. The Shop Long Lake "Map of Survival" will be in the newspaper with coupons/ads on a monthly basis for the length of 6 months. The map shows contacts and address of the businesses that are participating and is user friendly to anyone visiting Long Lake.

A motion was made by Clemens, seconded by Goodsell, to approve minutes of May 16, 2017 EDA meeting. Ayes: all.

OPEN CORRESPONDENCE

BUSINESS ITEMS

Review Pillar Homes Proposal for Purchase of Virginia Avenue

The board reviewed the proposal and application provided by Pillar Homes.

Board Member Goodsell like that the developer offered full asking price of the land. Goodsell was concerned that there could be too many costs for a developer or for the City and that no project could be developed.

Goodsell asked Chermak to clarify site grading and excavation needs that a being requested to be the responsibility of the City. Chermak explained that he wanted any excess dirt to be stored at a City location as he doesn't have need for it.

Goodsell asked Chermak to clarify soil correction/ remediation needs that a being requested to be the responsibility of the City. Chermak believed there were some questionable soils. Staff explained

that past history of the site and how a phase 1 and 2 were done. Chermak feels anything related to the soil issues shouldn't be the responsibility of the developer.

Board Member Dyvik asked the City Attorney to clarify what it was meant by a proposal for purchase. He wanted to make sure the City had some control of the project and it would be completed and this wasn't just a straight purchase of the land.

Dyvik isn't concerned of reconstructing Virginia Avenue but would like to know what the condition of the road is. Also to get and estimate of extending a driveway from Brown Rd to Virginia Avenue. Staff will work on researching Virginia Avenue, working with Hennepin County on Brown Road and working with Met Council.

Board Member Schneider stated that he reached out to the City Assessor and if the project was assessed at \$4 million the City would get around \$16,000 are year in taxes, \$5 million-\$20,000, and \$6 million-\$24,000. He feels this property is important because it is City owned and the standards are high. Spending large dollar amounts to accommodate items on Virginia Avenue would be difficult because there could be more need for the dollars on a higher populated road section in town.

The current proposal is something that can't be considered. The parameters are not in place and having staff and consultants use City time and money to continue to assist Chermak's requests don't seem in the best interest of the City. The responsibility should be on the developer to do the research and know what the land entails and put together an improved agreement.

Board Member Jerde stated she felt the EDA and City should be involved at the beginning, middle, and end.

Board Member Clemens was concern was the ability to make the project gets completed. She asked the City Attorney the ability to negotiate the option that the EDA would receive the land back if a project failed to be completed. City Attorney Thames explained it is possible to negotiate that option but could possibly lower the price someone is willing to pay.

The EDA should determine what is willing to be done in general related to land/road improvements if it is this project or any project.

Board Member Skjaret was concerned about the requested parking on Brown Rd and also the access point. There isn't any guarantee that Hennepin County would allow those items. Another concern was the cost of reconstructing Virginia Avenue. It isn't on the pavement management plan and the infrastructure underneath is dated. The road project would be around \$500k and would be assessed to the properties.

Chermak feels anything related to the county road parking or access costs shouldn't be the responsibility of the developer.

Board discussed adding another meeting for more discussions. The board felt July 11th at 5pm would work.

ADJOURN

A motion was made by Jerde, seconded by Clemens, to adjourn the meeting at 6:02pm.

Respectfully submitted,

Scott Weske, Executive Director