



MINUTES
Economic Development Authority
October 17, 2017

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:00 pm.

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

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

Absent: Board: Carrie Clemens (with prior notice)

Others: Dale Richardson: CBS and Big Island Land LCC

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

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

CONSENT AGENDA

A motion was made by Skjaret, seconded by Jerde, to approve minutes of the September 19, 2017 EDA meeting. Ayes: all.

OPEN CORRESPONDENCE

Dan Crear, 545 Virginia Avenue

Mr. Crear explained to the board that he has listed his house for sale. He has been working with the neighbors to discuss their positions and dollars needed to sell. It is around 125% of market value. He also updated the board on which owners he has been able to contact thus far, and which out of state owners he has been working on contacting. He further submitted a couple news articles discussing how high density is needed to make developments work in the area; and indicated that if a large scale development were to be considered, the neighbors want to be bought out.

Sue Hitchings, 505 Virginia Avenue

Ms. Hitchings agreed with Crear that a large building would make the current houses seem like in a cave and would want to see the whole thing developed. Hitchings feels in a perfect world, the site would be a mixed use area and have both residential and businesses.

Julie Kunze, 525 Virginia Avenue

Ms. Kunze indicated she isn't in any hurry to sell and has been in her house since 2009 and it would be difficult to find an affordable house in Long Lake.

Carrie Smeby, 515 Virginia Avenue

Ms. Smeby doesn't feel high density works and wants to see it as neighborhood with a park and single family homes if the houses don't get purchased. She is willing to sell if the project was right for the community.

BUSINESS ITEMS

Approve the Professional Services Agreement with Bullseye Media to Provide Consulting Services Assisting the EDA on the Business District Initiative Grant

At the September 16 meeting, Brian Knight of Bullseye Media, presented a proposal and plan to the board indicating their desire to be retained as a consultant to assist and lead the "Shop Long Lake" marketing plan that has been funded by the Business District Initiative Grant.

A motion was made to move forward with Bullseye Media subject to financial adjustments per the regulations of the BDI Grant and execution of a service agreement between both parties.

The service agreement was reviewed by the board. It had been reviewed by staff, the City Attorney, and Bullseye Media's attorney.

A motion was made by Hultmann, seconded by Skjaret, to approve the service agreement with Bullseye Media with the condition that Hennepin County doesn't have any concerns. Ayes: all.

Application for EDA Review: Virginia Avenue Property / Commercial Building Services/Big Island Land LCC, Dale Richardson - Proposal for 10 Unit Townhome Project

Mr. Richardson and Jerry Scane presented a slideshow proposing a 10 unit townhome project.

The community will consist of two separate structures with five units each. Access to the units will be from Virginia Avenue with each unit having two parking spots and two additional parking spots available on the street.

Units will be row-style with wood exterior, some brick or stone façade, and pitched roofs. Each unit will have approximately 2,200 square feet of living space.

The board only had a few comments. EDA member Skjaret just wanted to remind the board and developers that Virginia Road is in tough shape. It will need to be looked at in the pavement management plan if the EDA land gets developed.

EDA member Dyvik questioned the narrative about on street parking. Mr. Scane said there wouldn't be any on street parking and that was from an older version of the narrative.

Discuss Next Steps for Virginia Avenue - Review Development Proposal General Cost Participation Outline Results

For the last year the board has been reviewing development proposals for the EDA owned Virginia Avenue property. Staff continues to get developers interested every week wanting to discuss the property.

One option staff is recommending is the EDA board to review development options and work towards a plan with a defined timeline.

Some plan options include:

- Pick a developer(s) to discuss in farther detail with
- Develop the property as the EDA
- Lot off the property and sell the lots individually
- Sell the property as a whole
- Continue to leave it as it a green space

The board discussed their views.

Board member Goodsell would rather see single family houses. She doesn't want to see the bulldozing of the whole area to put have a large apartment complex built.

Board member Skjaret believes there needs to be some level of density and planning consideration taking into account the next 20-50 years. Ten \$400,000 units would be of limited benefit to the community into the future in that location.

Board member Dyvik believes in a mix of single family and higher density but is unsure how that would look. He mentioned he did have some interest in the Lake West Developments proposal that could incorporate the corner at Brown Road and save some money on the road reconstruction costs, and would like to see them come back with a scaled down proposal.

Board member Jerde likes the idea of a commercial component with residential above, community center, and also likes the concept of detached townhomes.

Board member Hultmann mentioned he still wants to focus on trying to get the remaining houses bought out. Reflecting upon actions taken by MnDOT as they acquired properties for Highway 12 construction, he feels the homeowners didn't benefit with being essentially left on an island. There have been talks in the past that current City Hall could be purchased and City Hall could move into the Public Works building, but that never happened either.

Chairperson Schneider feels he would like some community accessibility to the project. He commented upon Birch's on the Lake as an example, which once was the site of a run-down building proposed tear-down and townhouse development, but had become a nice restaurant for everyone to be able to enjoy. He would like to see some sort of hybrid and had some interest in the Lake West proposal because it would showcase City Hall and that is important.

Development Proposal General Cost Participation Outline:

Staff created a cost participation form after the last meeting to send off to the developers who have been interested in the Virginia Avenue property in the last few months. The reason was to establish a uniform information request to be able to review and compare projects to determine what is in the best interest of the EDA and community. It would also help clarify what the developer is asking for from the EDA/City.

The board discussed process for next steps and they agreed there needed to be a deadline for anyone interested to presenting to the EDA. The deadline was directed to staff to be December 15 and to place an ad in the newspaper. With the ad published, staff was also directed to send an email to everyone who has reached out with interest in the property.

OTHER BUSINESS

None

ADJOURN

A motion was made by Jerde, seconded by Skjaret, to adjourn the meeting at 6:27 pm. Ayes: all.

Respectfully submitted,
Scott Weske, Executive Director