

EDA BOARD MINUTES

January 19, 2016

President Mark Cross called the regular meeting of the Baxter EDA Board to order at 5:30 p.m.

MEMBERS PRESENT: President Mark Cross, Todd Holman, Darrel Olson, and Steve Barrows

MEMBERS ABSENT: Quinn Nystrom

STAFF PRESENT: Executive Director Gordon Heitke, Assistant Treasurer Jeremy Vacinek, and Secretary Kelly Steele

APPROVAL OF MINUTES

MOTION by Olson, seconded by Holman to approve the minutes of August 18, 2015. Motion carried unanimously.

OTHER BUSINESS

Election of Officers

MOTION by Olson, seconded by Holman to elect Mark Cross as president, Steve Barrows as vice president, and Todd Holman as treasurer. Motion carries unanimously.

Appointment of Officers

MOTION by Olson, seconded by Holman to appoint Gordon Heitke as executive director, Kelly Steele as secretary, and Jeremy Vacinek as assistant treasurer. Motion carries unanimously.

Services for Developer Review and Developer Selection Services for City-Owned Property Adjacent to Isle Drive

City Administrator Heitke explained the City purchased property from Potlatch Corp. in conjunction with the Isle Drive project. The intended purpose of the land purchase was to expedite the street construction with the ability to sell or develop the property for economic development purposes following the completion of the project, with the intent of recovering all land acquisition related costs.

Knowing that the City's financial advisor, Ehlers Inc., has assisted other cities with the sale or development of property for economic development purposes, Ehlers was asked to provide an outline of the scope of services they could provide to the City of Baxter. The proposal consists of two phases. The Phase I will provide the City with an assessment of the market for the site, types of development, parcel sizes, site and infrastructure concerns by developers, if any. If Phase I indicates that seeking proposals from developers is a viable approach, the City can choose to initiate Phase II.

One advantage to this approach is to seek developers who have the capacity to acquire and develop all or most of the property, allowing for an overall development plan for compatible uses and more efficient use of land than a piecemeal approach.

An obvious alternative to this approach would be to list the property with an agency. The City could direct the property to be marketed as one or more large parcels, or allow the property to be sold and developed on a lot-by-lot basis in response to buyers.

Funding for marketing-related costs will be from EDA funds to be recovered through the sale of the land.

The requested Ehlers proposal and maps showing city-owned property, acreages, future land use designations, and wetland/shoreland constraints have been provided in the packet. A map is also provided showing the city-owned property along Falcon Dr. designated for Office Service land use.

Rebecca Kurtz, Ehlers, explained Ehlers would coordinate staff level interviews with office and commercial developers to provide market perspective on what is feasible to develop in the area and ascertain development interest. Ehlers would work with City staff to identify a list of qualified developers and prepare background information. The purpose would be to solicit feedback from the developers as well as familiarize developers with the advantages of the site.

Ehlers will prepare a summary of the comments received from the development community for review with the appropriate elected officials and staff. Ehlers will present the findings to elected officials.

Staff is seeking direction as to whether the officers wish staff to begin activities related to marketing the property. If so, a selling price for the property needs to be set, presumably based on an appraisal; and a marketing approach needs to be determined.

Ehlers has worked with many cities throughout Minnesota with redevelopment efforts through their relationships with developers. The officers inquired if the city has future needs for any of the parcels. The consensus of the officers was to keep moving forward with the project.

Preparation of City-Owned Property Adjacent to Isle Drive for Marketing

In 2015, the City purchased property from Potlatch Corp. in conjunction with the Isle Drive project. The intended purpose of the land purchase was to expedite the street construction project with the ability to sell or develop the property for economic development purposes following the completion of the project, with the intent of recovering the land acquisition related costs.

A common practice in preparing undeveloped, wooded and overgrown property for marketing is to remove the undergrowth to allow the property to be viewed. The removal of brush and small trees (3-inches in diameter or smaller) and deadfall could be removed for this purpose.

Funding for this marketing related cost would come from EDA funds to be recovered through the sale of the land.

If the officers wish to consider removing the undergrowth and deadfall in preparation of marketing the property, staff will solicit quotes and present those costs for consideration at a future meeting.

ADJOURNMENT

MOTION by Barrows, seconded by Holman to adjourn at 8:40 p.m. Motion carried unanimously.

Approved by:

Submitted by,

Mark Cross
President

Kelly Steele
Secretary