



**AGENDA**  
**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY MEETING**  
**COUNCIL CHAMBERS**

**January 12, 2026**

**5:30 p.m.**

- 1) CALL TO ORDER**
- 2) PLEDGE OF ALLEGIANCE**
- 3) ROLL CALL** (Members: D. Clarksean, K. Geroux, A. Heidemann, P. Knier, K. Knodle, K. Parsons, J. Rohrbeck)
- 4) ADOPT AGENDA**
- 5) APPROVE BLEDA MINUTES OF DECEMBER 8, 2025**
- 6) BLEDA BUSINESS ITEMS**
  - 6A. Appointments for 2026 BLEDA Officer Positions
  - 6B. **PUBLIC HEARING** – Resolution Establishing Economic Development District No. 1 to include parcel numbers 65-00020-2401, 65-00616-0010 and 65-00616-0105
  - 6C. Pizza Factory Revolving Loan Fund Request
  - 6D. BLEDA Budget Report and List of Claims for December 2025
  - 6E. Community Development Department Update
- 7) OTHER**
- 8) ADJOURN**

Disclaimer: This agenda has been prepared to provide information regarding an upcoming meeting of the Big Lake Economic Development Authority. This document does not claim to be complete and is subject to change.

Notice of City Council Quorum: A quorum of the City Council members may be present at this meeting. No action will be taken by the Council.



## AGENDA ITEM

### Big Lake Economic Development Authority

<b>Prepared By:</b> <i>Lisa Miller, BLEDA Secretary</i>	<b>Meeting Date:</b> <i>01/12/2026</i>	<b>Item No.</b> <b>5</b>
<b>Item Description:</b> <i>December 8, 2025, BLEDA Regular Meeting Minutes</i>	<b>Reviewed By:</b> <i>Marie Popp, BLEDA Executive Director</i>	
	<b>Reviewed By:</b> <i>N/A</i>	

#### **ACTION REQUESTED**

Approve the December 8, 2025, Big Lake Economic Development Authority (BLEDA) Regular Meeting Minutes as presented.

#### **BACKGROUND/DISCUSSION**

The December 8, 2025, BLEDA Regular Meeting Minutes are attached for review.

#### **ATTACHMENTS**

December 8, 2025, BLEDA Regular Meeting Minutes

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES**

**MONDAY, DECEMBER 8, 2025**

**1. CALL TO ORDER**

President Alan Heidemann called the meeting to order at 5:30 p.m.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**3. ROLL CALL**

Commissioners present: Donna Clarksean, Ken Geroux, Alan Heidemann, Paul Knier, Kristopher Knodle, Kathryn Parsons, and Jake Rohrbeck.

Also present: BLEDA Executive Director Marie Popp, City Administrator Hanna Klimmek, BLEDA Assistant Treasurer Deb Wegeleben and BLEDA Secretary Lisa Miller.

**4. ADOPT AGENDA**

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

**5. APPROVE BLEDA MEETING MINUTES OF NOVEMBER 10, 2025**

Commissioner Rohrbeck motioned to approve the November 10, 2025, BLEDA Minutes with a correction to item No. 6B. Remove meeting adjourned and replace with motion carried. Seconded by Commissioner Parsons, unanimous ayes, motion carried.

**6. BLEDA BUSINESS ITEMS**

**6A. PUBLIC SAFETY FACILITY COMMUNICATION**

Popp discussed BLEDA's involvement in the Big Lake City Hall relocation and Public Safety Facility planning since the inception of the idea. Popp requested the Commissioners review the Public Safety Facility Communications and provide feedback to ensure the information is clear, accurate, and understandable. Popp mentioned the goal is to create materials that effectively

inform the general public, as well as stakeholders, who may be interested in the current City Hall site. Popp explained BLEDA's input will help staff refine the messaging so that it not only addresses community concerns but also supports transparency and engagement around the city's long-term planning efforts. Popp noted staff will continue gathering additional supporting information, including photos of issues in the current facilities, to further document the project. Commissioners were able to view photographs of the current Police Department facility and its deficiencies along with Carousel Works and provide comments.

City Administrator Klimmek summarized the Police Station and City Hall overall space limitations is what the city is dealing with. Old buildings do not support technology and security. The City is not meeting Criminal Justice Information Services Security Policy (CJIS) requirement for the physical space of the Police Department.

Commissioner Geroux discussed how he was surprised when he toured the Big Lake Police Department facility and the deficiencies. Geroux mentioned when the committee started touring other facilities that were actually police stations, every facility had components that were consistent. Most of the similarities had to do with processing suspects securely and safely. Geroux mentioned he took note on the difference in locker rooms. Officers work different shifts and sleep at the station a lot of times. Big Lake does not offer a private shower or locker. Geroux explained his biggest concern with these conditions and the difficulty in attracting employees, especially in this sector, is Big Lake is going to become a training facility for individuals coming out of school. Big Lake will put them through the two-year season just to have them go to another city that provides a police station to work out of. That is a big concern for Geroux because training is expensive, employee turnover is extremely expensive, but when you get into public service, turnover is extremely expensive.

Commissioner Knodle discussed he is a retired police officer and feels facilities are not going to what keeps officers at their jobs; it is what you pay the officers. Knodle stated he was a union representative for 10-15 years. Officers leave to go to the bigger cities where they will make more money. Knodle noted he understands what Geroux is saying but does not feel a new public safety facility is a solid point that is going to keep our cops. Wegeleben added it may not be the new facility but having a facility that meets CJIS and BCA requirements is her concern.

After reviewing slides showing the deteriorated condition of Carousel Works, Klimmek noted that following the tour of the building, there was discussion about ways to inform the public of its current state.

Knier noted that, as members of the BLEDA, Commissioners may receive questions from the public, making it important for them to understand the current condition of both locations. Geroux emphasized that the BLEDA should own the narrative of the project, as it has been a BLEDA-driven initiative from the beginning. Popp stated work is underway on the website components that will explain the project and its timeline.

Klimmek reported that the Public Building Planning Committee (PBPC) has selected Bradbury Stamm as the Construction Manager at Risk (CMAR). Bradbury Stamm was one of three firms interviewed and demonstrated a strong commitment to the project. They will be contracting with GLT Architects and BKV Group, the latter being a nationally recognized designer of police facilities. Bolton & Menk will provide engineering services, and True North will complete the security and technology design. Knier added he was very impressed with Bradbury Stamm's interview. Klimmek noted the contract with Bradbury Stamm is currently being finalized. Klimmek also stated on January 21, 2026, the Lease-Revenue Bond, lease agreement, and contract are scheduled to move forward. She added the Council plans to ask the library whether they will require a resolution or letter to determine their needs. The library will not begin this process until directed by the Council and must formally approve any new space. A deadline of May 1, 2026, has been provided to the library. If this timeline cannot be met, proactive communication will be essential. Should the library decline, further discussions will be necessary.

Knodle asked about the final total cost of the project. Klimmek explained the City will not receive a guaranteed maximum price through the CMAR process until summer 2026. She added the City Council must still approve the project cost, which is set at \$33 million, and the project cannot exceed that amount. Knier noted the goal is to come in under the \$33 million. Knodle asked which cities the PBPC toured and whether they were comparable to Big Lake. Klimmek reported the committee toured facilities in Fridley, New Hope, Crystal, Cross Lake, Nisswa, Waite Park, and Sauk Rapids. While some of these cities are larger than Big Lake, she noted the same core functions and needs apply—just on a smaller scale for Big Lake. Wegeleben added during the facility tours, the PBPC focused on how spaces were designed and considered how certain features could be scaled down to better fit the needs of Big Lake's Public Safety Facility.

Staff is requesting that Commissioners review the "Why" handout included in their packet and provide feedback on the various bullet points that could be used during the upcoming Public Hearing. The goal is to create a short and impactful list, which is challenging given this project has a long history and a significant amount of work has already been completed and needs to be shared. Geroux noted the City Council has been involved in the process throughout all stages of the project.

Commissioner Rohrbeck asked about the usage of Big Lake's library compared to other libraries within a five-mile radius. He noted the footprint and cost of the proposed library site seemed large, especially considering there are three libraries within that distance, including the Monticello library, which was completely remodeled last year. Knier estimated the cost at approximately \$1.2 million. Geroux added this figure is based on square footage and noted the final cost could potentially be lower. Rohrbeck reviewed at a total cost of \$33 million, the cost per square foot would be approximately \$594. He shared he and his family previously used the Monticello library, but now that his children are in school, they primarily use the school library. Knier mentioned there had been discussions about whether Big Lake could move forward

without a library. Commissioner Clarksean added she occasionally attends meetings at the Police Department and is always impressed by how many people come and go from the library, an observation Geroux said he has shared. Knier commented the library does have a significant number of users. While some residents say they never use the library, many acknowledge that they should use it more. He noted it is a valuable community resource, even if he personally does not use it. Clarksean noted the library offers many services and programs people may not be aware of. Knodle asked how many people use the library based on library card registrations. He added those who may oppose the project are likely to focus on the price tag and question why such a significant amount of money is being spent on a library. Knodle requested a detailed breakdown of the costs for constructing the new City Hall. He said he appreciates how the costs for the new Public Safety building were itemized and would like to see similar information for City Hall. Klimmek explained that while that could be considered, the original intent was to relocate City Hall because the current site is designated for redevelopment. Knodle stated the issue is not the need for the building, but that taxpayers are likely to question why a \$33 million building is necessary. Knier explained he does not believe the building will cost \$33 million, but that amount needs to be borrowed to ensure the project is completed. If the final cost comes in at \$27 million, the remaining \$6 million could offset tax increases for residents. Wegeleben clarified the primary reason for relocating City Hall is to return the current property to the tax roll. Constructing separate facilities would cost approximately \$15 million for City Hall and \$19 million for the Police Department. By consolidating these into a single facility, it would save taxpayer dollars. Knier acknowledged that while some public opposition is expected, it is likely minimal. He emphasized buildings deteriorate over time, and repairing City Hall's failing HVAC system, structural components, and roof would cost millions—yet still leave the City with an outdated facility. Geroux noted he has received positive feedback from residents, including comments that completing the project a decade ago would have cost significantly less and that the initiative reflects community pride and investment in its future. Geroux expressed appreciation for the current Council and EDA, noting their willingness to undertake this project and prioritize the city's long-term interests over short-term considerations. Clarksean noted one-on-one conversations with residents are often more effective than group sessions, as they allow for deeper discussion and better understanding. Wegeleben emphasized the importance of equipping Commissioners with clear, consistent information to ensure they can confidently communicate the project details and maintain a unified message when speaking with residents. Rohrbeck inquired about interest in the current City Hall site. Klimmek confirmed several parties are monitoring the property and checking in periodically. Parsons added that interest was expressed at the MNCAR event two years ago. Klimmek asked Commissioners to confirm their approval of the narrative and talking points. Heidemann stated the materials are well-prepared and accurately reflect discussions held over the past three to four years. Klimmek stated part of Bradbury Stamm's responsibility is to ensure effective communication with the public throughout the project. Rohrbeck asked whether a town hall meeting would be held to discuss the Public Safety Facility and allow residents to ask questions. Klimmek confirmed this will be part of the process and noted Bradbury Stamm will be involved along with herself and the PBPC.

**6B. 421 FOLEY AVENUE SITE UPDATE**

Popp discussed staff and Braun Intertec have been in discussions with the Minnesota Department of Agriculture (MDA) on the 421 Foley Avenue site for clean-up efforts. MDA completed a site visit on November 20, 2025, and provided additional guidance on the potential next steps. Popp discussed that BLEDA and the City may be able to demolish the buildings, but the concrete slabs will need to stay in place and be sealed so as not to disturb the soil. Popp noted the soil can be remediated at a later time. Popp mentioned the cost estimate amendment with Braun Intertec will be for the following work: 1.) Prepare an Environmental Letter Report summarizing previous soil and groundwater sampling activities completed as part of discovery sampling. 2.) Prepare a Limited Bid Specification Package for the demolition of above-grade building components, and 3.) Submit the Environmental Letter Report, AgESA Addendum Letter, and Past/Proposed Actions Letters to the Minnesota of Agriculture (MDA) requesting the issuance of a Retroactive No Association Determination Letter. Popp explained the No Association Determination letter helps to protect the City and BLEDA from liability for full site clean-up and noted this is important when pursuing a partnership on site clean-up and potential reimbursement for clean-up efforts. Knier asked whether the \$35,800 amendment, plus the additional \$1,000–\$2,000, was intended to cover due diligence only and not include building demolition. He also inquired who would be responsible for completing the demolition. Popp stated that the City will need to hire a contractor for demolition. The amendment includes preparing detailed demolition specifications. Updated information will be provided to contractors, clarifying that concrete slabs must remain in place. This adjustment will allow contractors to revise their bids and reduce costs while ensuring compliance with site requirements. Knier inquired about grant opportunities for the clean-up costs estimated at approximately \$300,000. The MDA grant is payable to private entities only not public entities. Knier asked if they could guarantee the private entity would get the 80% grant. Popp mentioned they cannot guarantee but from what the state discussed, this fund is available and the application is reviewed by a third-party group. Popp noted a lot of the fertilization plants, like 421 Foley Ave, have been successful in receiving the grant. Knier clarified it would be up to the city and previous owner to barter for the remaining 20% that would be owed. Knier asked who previously owned the property, and Popp responded it was Nutrien Production Services and Klimmek added Nutrien has been through this process multiple times. Knier asked when the project will be complete and Popp explained it is unknown. The timeline that is uncertain is the response from Nutrien back to the State of Minnesota. Rohrbeck asked when the buildings might be removed. Popp responded that demolition could potentially occur in spring 2026, provided the addendums are completed and required information is submitted to the MDA. Knodle asked if the majority of the soil testing is complete or if there is more testing that may be necessary. Popp explained that onsite 15 soil boarings were completed. The MDA advised that in order to clean it up, all soil must be taken out until there is a clean boaring. If there is 30 feet between boarings and one is clean and the other dirty, that entire 30 feet must be cleaned. There is a significant cost impact for each yard that is dirty soil with how much it is to remove versus if you spend \$10,000 to have additional

boarings completed. There would be certain areas that will need to have boarings completed based on the walk-through but there are also other areas we will want to have additional boarings completed.

Commissioner Knier motioned to approve the cost estimate amendment in the amount of \$35,800 with Braun Intertec for supplementary site due diligence at 421 Foley Avenue. Seconded by Commissioner Rohrbeck, unanimous ayes, motion carried.

#### **6C. BLEDA STRATEGIC PLAN**

Popp asked, as part of the ongoing effort to ensure the strategic plan remains relevant and aligned with BLEDA's priorities, for a review and update to the committee's strategic plan. During the December 1, 2025, joint BLEDA and Planning Commission meeting, the properties within BLEDA's strategic plan were discussed. Popp reviewed the different comments that were made during the joint group meeting. Popp asked that after BLEDA reviews the plan, they provide direction on whether to pursue a subcommittee dedicated to the strategic plan as similarly done in past years. Popp requested BLEDA provide recommendations or nominations if they choose to pursue the subcommittee. Knier asked whether the subcommittee included members from both BLEDA and the Planning Commission. Popp noted that, according to the 2024 minutes, the subcommittee consisted of Commissioners Geroux and Knier, along with Lisa Odens from the Planning Commission. The subcommittee met two to three times annually to review the strategic plan and related action items specific to the BLEDA strategic plan. Geroux stated that while he values subcommittees, he believes it is no longer necessary, as BLEDA has sufficient time during regular meetings to develop a strong strategic plan with a great group of Commissioner's. Wegeleben added that the Parks Board reviews its strategic plan at every meeting. Knier expressed support for eliminating the subcommittee. Geroux suggested scheduling a meeting to review the strategic plan, and Knodle provided examples of topics he would like addressed, particularly strategies for making properties more appealing. Knier shared in a meeting it was mentioned Big Lake is a gem in that there are so many positive things happening in the community but yet some people still have a negative view. We need to share how great Big Lake is. Rohrbeck suggested testimonials with businesses that have been built in the industrial park and how easy of a process it was.

Following discussion, the Commissioners unanimously concluded establishing an additional subcommittee was unnecessary.

#### **6D. BLEDA BUDGET REPORT AND LIST OF CLAIMS – NOVEMBER 2025**

Wegeleben reviewed the BLEDA Financial Report and List of Claims for November 2025 and the upcoming next steps and upcoming key dates for the Public Facilities Project. Wegeleben mentioned that the Public Hearing being held on January 12, 2025, residents will not be aware

the Public Hearing is only to establish the Economic Development District, not Lease-Revenue Bonds. It will be important for the BLEDA to have the established talking points.

Commissioner Knier motioned to approve the BLEDA Financial Report and List of Claims for November 2025. Seconded by Commissioner Geroux, unanimous ayes, motion carried.

#### **6E. COMMUNITY DEVELOPMENT DEPARTMENT UPDATE**

Popp shared the permit activity as of November 24, 2025, has a valuation of \$65,382,420 from improvements and new construction. Popp shared updates for ongoing projects including 421 Foley, the Pizza Factory relocation and extension, Hudson Woods Concept Plan, MTL Companies CR 15 development, Prairie Meadows 5<sup>th</sup> Addition, M&M Precision Machining and White Bear Clothing. Popp mentioned staff continues to receive inquiries on Industrial land and projects and that a concept plan for a single-family development north of the Hudson Woods has been received. The new concept plan is on land that would need to be annexed.

Knodle inquired whether the delay with the Pizza Factory project was due to the lender or the owner. Popp explained that both contributed to the delay, noting that the lender required revenue verification following a change in ownership, which led to extensions. Additional delays occurred due to price adjustments and the government shutdown impacting SBA reviews. Popp also announced that the Planning Commission will have two new members: Alan Heidemann, who is being re-seated, and Jake Geroux, whose term begins in January 2026. She reminded the group that BLEDA will hold two meetings in January, its regular meeting on January 12, 2026, and a special meeting on January 21, 2026.

#### **7. OTHER**

#### **8. ADJOURN**

Commissioner Clarksean motioned to adjourn the meeting at 6:42 p.m. Seconded by Commissioner Knodle, unanimous ayes, meeting adjourned.



# AGENDA ITEM

## Big Lake Economic Development Authority

<b>Prepared By:</b> Marie Popp BLEDA Executive Director	<b>Meeting Date:</b> 1/12/2025	<b>Item No.</b> <b>6A</b>
<b>Item Description:</b> Appointments for 2026 BLEDA Officer Positions	<b>Reviewed By:</b> N/A	
	<b>Reviewed By:</b> N/A	

### **ACTION REQUESTED**

Provide a formal motion to recommend appointments for the 2026 BLEDA positions of President, Vice President, Treasurer, Secretary, and Assistant Treasurer.

### **BACKGROUND/DISCUSSION**

The following BLEDA Members currently hold the positions of President, Vice President, Treasurer, and Assistant Treasurer:

- President: Alan Heidemann
- Vice President: Ken Geroux
- Treasurer: Donna Clarksean
- Secretary: Lisa Miller
- Assistant Treasurer: Deb Wegeleben

To comply with state statute/BLEDA Bylaws, an annual appointment to the before mentioned positions must be approved by the City Council.

Staff is asking the BLEDA Members to consider volunteering to serve as BLEDA President, Vice President, and Treasurer for 2026 or nominating another member to serve in one of the positions. Please note when considering nominations and/or serving as an officer, a Commissioner may not serve as President and Vice President at the same time but other offices may be held by the same Commissioner. Staff is recommending the BLEDA consider the appointment of City staff to the offices of Secretary and Assistant Treasurer, as neither position is required to be held by a Commissioner.

### **FINANCIAL IMPACT**

N/A

### **STAFF RECOMMENDATION**

Recommend appointments for the 2026 BLEDA positions of President, Vice President, Treasurer, Secretary, and Assistant Treasurer.

### **ATTACHMENTS**

- BLEDA Member Current Status of Terms
- BLEDA Bylaws

# **Big Lake Economic Development Authority (BLEDA)**

## **Commissioner Status of Terms**

(Appointment Term: 6 years)

**Jake Rohrbeck**  
SEAT A

BLEDA Term Expires: 12/31/2026  
Re-Appointed to BLEDA: 01/2025  
BLEDA Title: Commissioner

**Donna Clarksean**  
SEAT B

BLEDA Term Expires: 12/31/2027  
Appointed to BLEDA: 10/2022  
BLEDA Title: Treasurer

**Kathy Parsons**  
SEAT C

BLEDA Term Expires: 12/31/2030  
Appointed to BLEDA: 1/2025  
BLEDA Title: Commissioner

**Alan Heidemann**  
SEAT D

BLEDA Term Expires: 12/31/2029  
Re-Appointed to BLEDA: 12/2023  
BLEDA Title: President

**Kristopher Knodle**  
SEAT E

BLEDA Term Expires: 12/31/2028  
Appointed to BLEDA: 01/2025  
BLEDA Title: Commissioner

**Paul Knier**

Appointed to BLEDA: 1/2022  
Elected to Council: 11/2024  
City Council Term Expires: 12/2028  
BLEDA Title: Council Liaison

**Ken Geroux**

Appointed to BLEDA: 1/2025  
Elected to Council: 11/2024  
City Council Term Expires: 12/2028  
BLEDA Title: Council Liaison

# **Big Lake Economic Development Authority Bylaws**

## **I. GRANT OF POWERS**

- A. The Big Lake City Council (“City Council”) does hereby establish the Big Lake Economic Development Authority (“BLEDA”).
- B. Subject to the limitation and conditions set forth in Section II, the BLEDA is granted all powers contained in Minnesota Statute Chapter 469 et. seg.

## **II. LIMIT OF POWERS - The following limits are hereby imposed upon the actions of the BLEDA:**

### **A. RESOLUTION**

- 1. The sale of all bonds or obligations shall be issued and approved by the City Council.
- 2. The actions of the BLEDA must be consistent with the adopted City of Big Lake Comprehensive Plan.

- B. **MODIFICATION OF RESOLUTION** - The resolution may be modified at any time in accordance with Minnesota Statute 469.093.

- C. **REPORT ON RESOLUTION** - Without limiting the right of the BLEDA to petition the City Council at any time each year, within sixty (60) days of the anniversary date, the BLEDA shall submit a report stating whether and how the enabling resolution should be modified, if at all.

## **III. COMMISSIONERS**

### **A. APPOINTMENT**

- 1. The BLEDA shall consist of seven (7) Commissioners who are all voting members of the BLEDA. Five (5) Commissioners are recommended to be appointed to the BLEDA by the BLEDA Commission with final approval made by the City Council. Two (2) Commissioners shall be members of the City Council, appointed by the Mayor, and approved by the City Council.
- 2. Any BLEDA Commissioner shall be a resident of the community living within the city limits of the City of Big Lake, or a managing agent of a business located within the city limits of the City of Big Lake.

3. The BLEDA shall recommend appointment of the five (5) non City Council Commissioners to Seats A, B, C, D, and E per the term schedule. The two (2) Commissioners, who are also members of the City Council, are appointed by the Mayor annually.

**B. TERMS**

1. A BLEDA Commissioner shall be appointed for a six year term.
2. The two (2) Council Members appointed to the BLEDA will be appointed, annually, by the Mayor and approved by the City Council.

**C. VACANCIES**

1. A vacancy is created when a Commissioner's term ends, when a Commissioner formally resigns, or when a Commissioner is removed from the BLEDA by the City Council.
2. A vacancy must be filled in the manner in which the initial appointment was made.
3. When filling a vacancy for an unexpired term, the term of the appointment must be filled for the balance of the unexpired term.

- D. DECREASE IN COMMISSION MEMBERS** - The BLEDA may be decreased from seven (7) to five (5) or three (3) members by a resolution adopted by the City Council.

**E. REMOVAL FROM COMMISSION**

1. **Removal for Cause** - A Commissioner may be removed by the City Council for inefficiency, neglect of duty, absenteeism, or misconduct in office. A Commissioner shall be removed only after a hearing. A copy of the charges must be given to the Commissioner at least ten (10) days before the hearing. The Commissioner must be given an opportunity to be heard in person or by counsel at the hearing. When written charges have been submitted against a Commissioner, the City Council may temporarily suspend the Commissioner. If the City Council finds the charges have not been substantiated, the Commissioner shall be immediately reinstated. If a Commissioner is removed, a record of the proceedings, together with the charges and findings, shall be filed in the office of the City Clerk. This Section is in accordance with Minnesota Statutes 469.095, subd 5.

**IV. OFFICERS, ORGANIZATIONAL MATTERS**

**A. BYLAWS, RULES, SEAL**

1. The BLEDA may adopt bylaws and rules of procedure.
2. The BLEDA shall adopt the seal of the City of Big Lake as its official seal.

**B. OFFICERS**

1. Annually, the BLEDA shall elect a president, vice president, secretary, treasurer, and assistant treasurer.
2. A Commissioner may not serve as president and vice president at the same time. The other offices may be held by the same Commissioner. The offices of secretary and assistant treasurer need not be held by a Commissioner.

**C. MEETINGS**

1. The BLEDA shall hold one regular meeting each month. Annually, the BLEDA shall adopt a meeting schedule for the calendar year.

**V. EMPLOYEES, SERVICES, SUPPLIES**

**A. EMPLOYEES**

1. The BLEDA may employ an executive director, a chief engineer, other technical experts and agents, and other employees it may require.
2. The BLEDA shall determine their duties, qualifications, and compensation.

**B. CONTRACT FOR SERVICES** - The BLEDA may contract for the services of professionals needed to perform its duties and exercise its powers.

**C. LEGAL SERVICES** - The BLEDA may use the services of the City Attorney.

**D. SUPPLIES AND PURCHASING**

1. The BLEDA may purchase any supplies and materials it needs to carry out its functions.
2. The BLEDA may use the facilities of the City's purchasing department in connection with construction work or to purchase equipment, supplies, or materials.

**E. CITY FACILITIES** - The City may furnish offices, structures and space, stenographic, clerical, engineering, or other assistance to the BLEDA.

**VI. CONFLICT OF INTEREST**

- A. Except as authorized in Section 471.88, a Commissioner, officer or employee of the BLEDA must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

## **VII. OBLIGATIONS**

### **A. BUDGET TO THE CITY**

- 1. Annually, the BLEDA shall send its budget to the City Council at a time specified by the City Administrator.
- 2. The budget must include a detailed written estimate of the amount of money that the BLEDA expects to need from the City to do business during the next fiscal year.

### **B. FISCAL YEAR**

- 1. The BLEDA shall hold an annual policy meeting and at that time give a detailed account of the BLEDA's activities during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the City.
- 2. The fiscal year of the BLEDA shall be the same as the fiscal year of the City.

### **C. REPORTING - The BLEDA shall approve its monthly financial reports and list of claims.**

### **D. AUDIT**

- 1. The financial statement of the BLEDA must be prepared, audited, filed, and published or posted in the manner required for the financial statement of the City.
- 2. The City Auditor shall audit the financial statements of the BLEDA at the same time they audit the financial statements of the City.

## **VIII. ECONOMIC DEVELOPMENT DISTRICT; SCHEDULE OF POWERS**

### **A. ESTABLISHMENT**

- 1. The BLEDA may create and define the boundaries of Economic Development Districts.

2. The BLEDA may use the powers granted to carry out its purpose.

**B. ACQUIRE PROPERTY**

1. The BLEDA may acquire by lease, purchase, gift, devise, or condemnation proceedings, the needed right, title, and interest in the property to create Economic Development Districts.

2. Property acquired shall be leased, owned, controlled, used, or occupied by the BLEDA for public governmental and municipal purposes and is exempt from taxation by the state or by its political subdivisions.

3. The exemption only applies while the BLEDA holds the property for its own purposes.

4. The property of the former Big Lake Development Corporation shall transfer to the BLEDA. This property shall be considered tax exempt if held for the purposes of the BLEDA.

**C. OPTIONS** - The BLEDA may sign options to purchase, sell, or lease property.

**D. CONTRACTS** - The BLEDA may make contracts for the purpose of economic development within the powers given it.

**E. LIMITED PARTNER** - The BLEDA may be a limited partner in a partnership whose purpose is consistent with its purpose.

**F. RIGHTS, EASEMENTS** - The BLEDA may acquire rights or an easement for a term of years or perpetually for development of an Economic Development District.

**G. SUPPLIES, MATERIALS** - The BLEDA may purchase the supplies and material it needs.

**H. RECEIVE PUBLIC PROPERTY** - The BLEDA may accept land, money or other assistance, whether by gift, loan, or otherwise, in any form, from the federal or state government, or any agency of either, or a local subdivision of state government.

**I. PUBLIC FACILITIES** - The BLEDA may operate and maintain a public parking facility or other public facilities to promote development in an Economic Development District.

**IX. LEVY TAXES**

**A. CITY TAX LEVY** - The City of Big Lake shall set a levy each year for the purpose of the BLEDA, separate from the City's general fund.



## AGENDA ITEM

### Big Lake Economic Development Authority

<b>Prepared By:</b> <i>Deb Wegeleben, BLEDA Assistant Treasurer</i>	<b>Meeting Date:</b> <i>1/12/2026</i>	<b>Item No.</b> <span style="font-size: 1.5em; font-weight: bold;">6B</span>
<b>Item Description:</b> <span style="background-color: yellow; font-weight: bold;">***PUBLIC HEARING***</span> <i>Resolution Establishing Economic Development District No. 1</i>	<b>Reviewed By:</b> <i>Marie Popp, BLEDA Executive Director</i>	
	<b>Reviewed By:</b> <i>Hanna Klimmek, City Administrator</i>	

#### **ACTION REQUESTED**

**Motion to Approve a RESOLUTION Establishing Economic Development District No. 1.**

#### **BACKGROUND/DISCUSSION**

##### **Public Facilities Project**

In September 2025, the City Council directed staff to move forward with the Public Facilities Project, which includes the relocation of Big Lake City Hall and the Big Lake Police Department.

##### **History**

BLEDA has been involved with the relocation of City Hall since the inception of the idea, which began in 2019 and owns the new site for which the Public Facilities Project is proposed to be built.

The location of Big Lake City Hall has long been a topic of community discussion. Many residents, as well as elected and appointed officials, have questioned whether it makes sense for a non-taxpaying entity to occupy one of the city's most valuable and visible properties.

For decades, the eastern portion of the City Hall building operated as the privately owned Carousel Works Event Center. Its presence limited the City's ability to pursue meaningful redevelopment, even as the building continued to deteriorate.

In 2021, the Carousel Works owner chose to retire and list the property for sale, creating a new opportunity for redevelopment. The Big Lake Economic Development Authority (BLEDA) monitored the listing closely and maintained contact with the owner throughout the listing period.

It soon became clear that private redevelopment of the Carousel Works site was not feasible due to several factors:

- The structure did not qualify for historic designation, eliminating a key source of renovation funding.
- The building's condition required an investment too large for private financing to support.
- The site was complicated by two parcels under two different owners, with one building crossing both and sharing utilities, which limited redevelopment options for either parcel.

For meaningful redevelopment to occur, the city needed full site control. As the asking price continued to decrease, the BLEDA grew concerned that an investor might purchase the property only to hold it, with no intention of improving, renovating, or demolishing it.

To safeguard the long-term redevelopment potential of the valuable site, the BLEDA determined that purchasing the oldest portion of the building was the most prudent course of action. The BLEDA unanimously approved the purchase, and the building was acquired in 2023 for \$375,000.

## **Process**

After the purchase, a Joint Big Lake City Council and BLEDA Workshop was held to discuss the Carousel Works/City Hall Redevelopment Project. The group reached consensus that staff should bring further recommendations to the Public Building Planning Committee (“Committee”) regarding the relocation of City Hall, ensuring that its presence would not hinder redevelopment of the site.

The Committee quickly began its work and determined that a comprehensive review of both City Hall and the Big Lake Police Department was necessary. This review assessed current and future space needs, operational efficiency, and security requirements. The findings revealed significant deficiencies in both facilities, indicating that major renovation or replacement would be required. Ultimately, it became clear that constructing a new Public Safety Facility would provide the most effective long-term solution.

## **Site and Facility Planning**

The Committee evaluated several potential sites and existing buildings. After a year of analysis and review of nine site locations, the Committee determined that the corner of Minnesota Avenue and County Road 43 was the most suitable option. This location also presented opportunities to attract future business development. On December 5, 2024, BLEDA acquired a 5-acre parcel, now known as the Smith Addition, for \$150,000 to secure the site for a new facility.

During this planning phase, the city also determined that combining City Hall and the Police Department into a single facility would provide long-term benefits, including improved efficiency, enhanced security, and cost savings. The Committee also determined that the new facility should include space for the Big Lake Great River Regional Public Library. By relocating the library to the new facility, the current Police/Library building would become fully available for other uses. The Great River Regional Library Board of Directors is expected to formally accept or decline the new space by May 2026.

## **Design and Pre-Construction Work**

The Committee retained Bradbury Stamm to conduct a space needs analysis, develop preliminary site designs, prepare cost estimates, and guide the planning process. Committee members and staff toured seven recently completed public safety facilities across Minnesota to gather best practices and insights.

Bradbury Stamm presented a project estimate of \$31.1 million, covering City Hall, the Police Station, and the Public Library. The Committee recommended a not-to-exceed budget of \$33 million, which the City Council approved by consensus. A hybrid Construction Manager at Risk (CMAR) delivery method was selected to keep both design and construction responsibilities within a single firm. In this approach, the construction manager commits to completing the project within a guaranteed maximum price while overseeing both the design and construction phases.

## **Financing**

After evaluating several bonding options, the Committee and staff determined that the issuance of Lease-Revenue Bonds by the BLEDA (the “Bonds”) were the best financing method. The BLEDA will pledge rental payments received from the City for the facility for payment of the Bonds. The full faith and credit of the City is not pledged for payment of the Bonds. The rental payments are subject to annual appropriation by the City. This approach allows the City to move forward efficiently and reduces the risk of cost escalation due to market conditions. Lease-Revenue Bonds have historically been utilized for major City projects, including City Hall, Lake Liquors, Public Works Facility improvements, and the Big Lake Fire Station.

The City facilitated a Request for Qualifications/Request for Proposals CMAR recruitment process (state mandated) for construction management services, and three firms submitted proposals. After a thorough review and interviews with each firm, Bradbury Stamm was selected as the low bidder and the firm best aligned with the City’s vision. Their approach emphasizes safety, operational efficiency, and a practical, needs-based design that meets the community’s requirements while maintaining fiscal responsibility.

### **Benefits and Broader Impact**

Maintaining and replacing public buildings are a necessary part of providing municipal services. Facilities age, and community needs evolve. This project offers several important benefits to the community, including the redevelopment of a highly visible City property, new development potential east of County Road 43 and near the industrial parks, consolidation of City Hall and the Police Department to improve efficiency and safety, and the opportunity to sell City-owned properties no longer needed after consolidation.

This project has been discussed for many years. Rising construction costs emphasize the importance of acting now. For example, the Wastewater Treatment Facility Expansion Project was estimated at \$18M in 2018 and is now projected at more than \$60M. Acting now helps protect taxpayers from similar cost escalations.

### **Fiscal Responsibility**

The City of Big Lake has a long-standing reputation for fiscal responsibility. The City Council and staff remain committed to delivering a high-quality project at the lowest reasonable cost. The City also benefits from having a council member who is qualified to serve as the required Owner's Representative, saving an estimated 1-5% of total construction costs under state law.

In **December 2025**, staff issued a **Public Hearing Notice** to establish the Economic Development District No. 1 (the "District") associated with the project. The notice published in the Patriot Newspaper on **December 27, 2025**. It was also posted on the City's website and at City Hall.

The **BLEDA is holding a Public Hearing on January 12, 2026, at 5:30 p.m.** as required by state statute, to consider and approve the Resolution Establishing the District. BLEDA must find that the District is proper and desirable to establish and develop within the City. BLEDA may create and define the boundaries of the District at any place within the city, as long as the district boundaries are contiguous. Once the District is established BLEDA may exercise its powers granted by Minnesota Statutes, Section 469.090 through 469.1082, inclusive, as amended. The BLEDA may issue the Bonds to finance the public facility building within the District. The property owned by BLEDA and the future site of the public facility building is located on parcel identification no: 65-00616-0105. The District boundaries will include the following parcels:

- 65-00020-2401
- 65-00616-0010
- 65-00616-0105

A representative from Northland Securities will be in attendance to present the Finance Plan for the Bonds and to address any questions.

### **Next Steps**

**A special BLEDA meeting** will need to be held on **January 21, 2026, at 6:00 p.m.** for approval of the sale of the Bonds **and authorization of the lease documents** with the City. Northland Securities will again be present for discussion.

That same evening, at **6:30 p.m.**, the **City Council** will take formal action to **approve the Bonds and authorize execution of the lease documents**, finalizing the financing process for the new public facilities project.

The Bonds are scheduled to close on February 19, 2026, the date when proceeds will be available.

### **ATTACHMENTS**

Attachment A - BLEDA Resolution 2026-01 to Establish the Economic Development District

Attachment B - Public Hearing Notice

Attachment C - Economic Development District No. 1 Map

Attachment D - Finance Plan for the Lease Revenue Bonds, 2026A

EXTRACT OF MINUTES OF A MEETING OF THE  
OF THE BOARD OF COMMISSIONERS OF THE  
BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY

HELD: JANUARY 12, 2026

Pursuant to due call and notice thereof, a regular or special meeting of the by the Board of Commissioners of the Big Lake Economic Development Authority, Sherburne County, Minnesota, was duly called and held on January 12, 2026, at 5:30 p.m.

The following members of the Board of Commissioners were present: Donna Clarksean, Ken Geroux, Alan Heidemann, Paul Knier, Kristopher Knodle, Kathryn Parsons and Jake Rohrbeck.

and the following were absent: None.

Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

RESOLUTION NO 2026-01

ESTABLISHING ECONOMIC DEVELOPMENT DISTRICT NO. 1

A. WHEREAS, it has been proposed that the Board of Commissioners (the "Board") of the Big Lake Economic Development Authority (the "EDA") establish Economic Development District No. 1 pursuant to and in accordance with Minnesota Statutes, Sections 469.090 through 469.1082, inclusive, as amended; and

B. WHEREAS, the EDA has performed all actions required by law to be performed prior to the establishment of Economic Development District No. 1, including, but not limited to, the holding of a public hearing upon published notice as required by Minnesota Statutes, Sections 469.101, Subdivision 1; and

NOW, THEREFORE, BE IT RESOLVED, by the Board as follows:

1. Economic Development District No. 1. There is hereby established in the City of Big Lake (the "City") Economic Development District No. 1 (the "Economic Development District"), the initial boundaries of which are fixed and determined as described in Exhibit A.

2. Findings. Economic Development District No. 1 is proper and desirable to establish and develop within the City.

The motion for adoption of the foregoing resolution was duly seconded by commissioner \_\_\_\_\_ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof: \_\_\_\_\_

and the following voted against same: \_\_\_\_\_

whereupon said resolution was declared duly adopted.

Adopted this 12<sup>th</sup> day of January, 2026 by the Board of Commissioners of the Big Lake Economic Development Authority.

\_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Executive Director

STATE OF MINNESOTA  
COUNTY OF SHERBURNE

I, the undersigned, being the duly qualified and acting Executive Director of the Big Lake Economic Development Authority, DO HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting of the Board of Commissioners of the Big Lake Economic Development Authority, as such minutes relate to the establishment of Economic Development District No. 1.

WITNESS my hand this 12<sup>th</sup> day of January, 2026.

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Executive Director

EXHIBIT A

DESCRIPTION OF THE PROPERTY INCLUDED IN  
ECONOMIC DEVELOPMENT DISTRICT NO. 1

Parcel Identification Nos: 65-00020-2401  
65-00616-0010  
65-00616-0105

BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY  
COUNTY OF SHERBURNE  
STATE OF MINNESOTA

NOTICE OF PUBLIC HEARING  
ON ESTABLISHMENT OF ECONOMIC DEVELOPMENT DISTRICT NO. 1

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "Board") of the Big Lake Economic Development Authority (the "EDA"), Sherburne County, Minnesota, will hold a public hearing on January 12, 2026, at 5:30 p.m., at the Big Lake City Hall Council Chambers, 160 Lake Street North, in Big Lake, Minnesota, relating to the proposed establishment of Economic Development District No. 1, pursuant to Minnesota Statutes, Section 469.090 through 469.1082, inclusive, as amended.

The property proposed to be included in Economic Development District No. 1 is described as follows:

Parcel Identification Numbers: 10-00553-0105, 65-00020-2401, 65-00616-0010,  
65-00616-0105

All interested persons may appear at the hearing and present their view orally or in writing.

BY ORDER OF THE BOARD OF  
COMMISSIONERS OF THE BIG LAKE  
ECONOMIC DEVELOPMENT AUTHORITY

/s/ Alan Heidemann  
President

Attachment C



Attachment D

## **Finance Plan**

**Big Lake Economic Development Authority,  
Minnesota**

**\$35,380,000**

**Lease Revenue Bonds, Series 2026A  
(City of Big Lake, Minnesota Lease with Option to  
Purchase Project)**

**January 12, 2026**



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## Executive Summary

The following is a summary of the recommended terms for the issuance of \$35,380,000 Lease Revenue Bonds, Series 2026A (City of Big Lake, Minnesota Lease with Option to Purchase Project) (the “Bonds”). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview, and in Related Considerations included in Attachment 3.

<b>Purpose</b>	Proceeds from the Bonds will be used to finance the construction of a new municipal building to be used as a city hall, police facility and possibly a Library (the “Project”) and to pay costs associated with the issuance of the Bonds.
<b>Security</b>	The EDA will pledge rental payments received from the City of Big Lake, Minnesota for the facility for payment of the Bonds. The full faith and credit of the City <u>is not</u> pledged for payment of the Bonds. The rental payments are subject to annual appropriation by the City.
<b>Repayment Term</b>	The Bonds will mature annually each February 1 in the years 2028 through 2052. Interest on the Bonds will be payable on February 1, 2027 and semiannually thereafter on each August 1 and February 1.
<b>Estimated Interest Rate</b>	True interest cost (TIC): 4.79%
<b>Prepayment Option</b>	Bonds maturing on and after February 1, 2034 will be subject to redemption on February 1, 2033 and any day thereafter at a price of par plus accrued interest.
<b>Rating</b>	The Bonds are rated “AA-” by S&P Global Ratings.
<b>Tax Status</b>	The Bonds will be tax-exempt, non-bank qualified obligations.
<b>Risk Factors</b>	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 5.
<b>Type of Bond Sale</b>	Negotiated Sale with Northland Securities, Inc.
<b>Pricing Date</b>	Wednesday, January 21, 2026
<b>EDA Board Consideration</b>	Wednesday, January 21, 2026 at 6:00 p.m. (special meeting)
<b>City Council Approval</b>	Wednesday, January 21, 2026 at 6:30 p.m.

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## Issue Overview

### Purpose

Proceeds from the Bonds will be used to finance the construction of a new municipal building to be used as a city hall, police facility and possibly a library (the "Project"), to be leased by the City of Big Lake, Minnesota (the "City") from the Big Lake Economic Development Authority, Minnesota (the "EDA") and to pay costs associated with the issuance of the Bonds. The Bonds have been sized based on a Deposit to Project Construction Fund amount of \$33,000,000. The table below contains estimated the sources and uses of funds for the bond issue.

<b>Sources Of Funds</b>	
Par Amount of Bonds	\$35,380,000.00
Reoffering Premium	1,461,568.50
<b>Total Sources</b>	<b>\$36,841,568.50</b>
<b>Uses Of Funds</b>	
Deposit to Project Construction Fund	33,000,000.00
Deposit to Capitalized Interest (CIF) Fund	1,680,550.00
Deposit to Project Fund (Premium)	1,457,358.50
Total Underwriter's Discount (1.700%)	601,460.00
Costs of Issuance	102,200.00
<b>Total Uses</b>	<b>\$36,841,568.50</b>

### Authority

The Bonds will be issued by the EDA pursuant to the authority of Minnesota Statutes, Chapter 469 and will be an obligation of the City pursuant to Minnesota Statutes, Section 465.71.

### Structure

The Bonds have been structured to result in lower payments of approximately \$1,873,000 over the first five years, followed by relatively level annual debt service payments of approximately \$2,793,000 over the remaining 20 years.

The proposed structure for the bond issue and preliminary estimated debt service projections are illustrated in Attachment 1.

### Security and Source of Repayment

The finance plan relies on the following assumptions for the revenues used to pay debt service, as provided by EDA and City staff:

- **Rental Payments.** The City will covenant to make the rental payments to the EDA from any revenues available for payment of the Bonds. The Bonds do not constitute a general obligation of the EDA or the City. The City's obligation under the Lease is subject to annual appropriation. The City will make semi-annual rental payments to the Trustee in an amount sufficient to pay the principal and interest when due on the Bonds. The City expects to use ad valorem taxes and water and sewer revenues to make the lease payments. The City may use other funds available, such as available fund balance in the General Fund, to cancel all or a portion of the ad valorem taxes annually. The preliminary levy schedule can be found in Attachment 2.

A Debt Service Reserve Fund will not be pledged as collateral to the Bonds.

### Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the EDA and the City related to the financed project, EDA and City objectives, Northland's knowledge of the EDA and the City and our experience in working with similar

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economic development authorities and cities and projects. The issuance of Lease Revenue Bonds provides the best means of achieving the objectives and cost-effective financing.

### **Issuing Process**

The EDA has engaged Northland to act as underwriter for the Bonds pursuant to federal securities regulations. Northland will purchase the Bonds in an “arm’s length” negotiated sale. The calendar of events for the issuing process can be found in Attachment 4.

In order to carry out the transaction, several legal documents are required. These documents have been drafted by the City’s/EDA’s bond attorney at Taft Stettinius & Hollister LLP. A brief summary of each of these documents is below.

Resolution to Establish an Economic Development District – A public hearing to establish an Economic Development District will be held on January 12, 2026, with an EDA approval of the resolution also on January 12, 2026.

Lease Agreement – This document is between the EDA, as Lessor, and the City, as Lessee, and establishes the terms under which the City will lease the Project and the terms under which the City may purchase the Project. The rental payments from the City will be sufficient to pay the principal and interest, when due, on the Bonds. The Lease will include a provision that the City’s obligation to make rental payments is subject to annual appropriation. Both the City and the EDA will approve the Lease on January 21, 2026, at their respective meetings.

Indenture of Trust – The Bonds are issued pursuant to an Indenture of Trust (the “Indenture”), between the Trustee (defined herein) and the EDA. The Indenture establishes the Trustee and employs the Trustee to handle the lease payments, to establish and manage the funds and accounts for the Bonds, sets the terms for issuing additional bonds and identifies the events and remedies of default. Both the City and the EDA will approve the Indenture on January 21, 2026, at their respective meetings

EDA Bond Resolution - The EDA will adopt a Resolution Awarding the Bonds on January 21, 2026.

City Bond Resolution - The City will adopt their Resolution on January 21, 2026, which approves the issuance of the Bonds.

The EDA owns the land on which the building will be constructed; therefore, there will not be a ground lease.

**Underwriter:** Northland Securities, Inc., Minneapolis, Minnesota

**Bond Counsel:** Taft Stettinius & Hollister LLP, Minneapolis, Minnesota

**Paying Agent/Trustee:** Northland Bond Services, a division of First National Bank of Omaha, Minneapolis, Minnesota

## Attachment 1 – Preliminary Debt Service Schedule

### Preliminary Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/19/2026	-	-	-	-	-
02/01/2027	-	-	1,680,550.00	1,680,550.00	1,680,550.00
08/01/2027	-	-	884,500.00	884,500.00	-
02/01/2028	105,000.00	5.000%	884,500.00	989,500.00	1,874,000.00
08/01/2028	-	-	881,875.00	881,875.00	-
02/01/2029	110,000.00	5.000%	881,875.00	991,875.00	1,873,750.00
08/01/2029	-	-	879,125.00	879,125.00	-
02/01/2030	115,000.00	5.000%	879,125.00	994,125.00	1,873,250.00
08/01/2030	-	-	876,250.00	876,250.00	-
02/01/2031	120,000.00	5.000%	876,250.00	996,250.00	1,872,500.00
08/01/2031	-	-	873,250.00	873,250.00	-
02/01/2032	125,000.00	5.000%	873,250.00	998,250.00	1,871,500.00
08/01/2032	-	-	870,125.00	870,125.00	-
02/01/2033	1,050,000.00	5.000%	870,125.00	1,920,125.00	2,790,250.00
08/01/2033	-	-	843,875.00	843,875.00	-
02/01/2034	1,105,000.00	5.000%	843,875.00	1,948,875.00	2,792,750.00
08/01/2034	-	-	816,250.00	816,250.00	-
02/01/2035	1,160,000.00	5.000%	816,250.00	1,976,250.00	2,792,500.00
08/01/2035	-	-	787,250.00	787,250.00	-
02/01/2036	1,220,000.00	5.000%	787,250.00	2,007,250.00	2,794,500.00
08/01/2036	-	-	756,750.00	756,750.00	-
02/01/2037	1,280,000.00	5.000%	756,750.00	2,036,750.00	2,793,500.00
08/01/2037	-	-	724,750.00	724,750.00	-
02/01/2038	1,345,000.00	5.000%	724,750.00	2,069,750.00	2,794,500.00
08/01/2038	-	-	691,125.00	691,125.00	-
02/01/2039	1,410,000.00	5.000%	691,125.00	2,101,125.00	2,792,250.00
08/01/2039	-	-	655,875.00	655,875.00	-
02/01/2040	1,480,000.00	5.000%	655,875.00	2,135,875.00	2,791,750.00
08/01/2040	-	-	618,875.00	618,875.00	-
02/01/2041	1,555,000.00	5.000%	618,875.00	2,173,875.00	2,792,750.00
08/01/2041	-	-	580,000.00	580,000.00	-
02/01/2042	1,635,000.00	5.000%	580,000.00	2,215,000.00	2,795,000.00
08/01/2042	-	-	539,125.00	539,125.00	-
02/01/2043	1,715,000.00	5.000%	539,125.00	2,254,125.00	2,793,250.00
08/01/2043	-	-	496,250.00	496,250.00	-
02/01/2044	1,800,000.00	5.000%	496,250.00	2,296,250.00	2,792,500.00
08/01/2044	-	-	451,250.00	451,250.00	-
02/01/2045	1,890,000.00	5.000%	451,250.00	2,341,250.00	2,792,500.00
08/01/2045	-	-	404,000.00	404,000.00	-
02/01/2046	1,985,000.00	5.000%	404,000.00	2,389,000.00	2,793,000.00
08/01/2046	-	-	354,375.00	354,375.00	-
02/01/2047	2,085,000.00	5.000%	354,375.00	2,439,375.00	2,793,750.00
08/01/2047	-	-	302,250.00	302,250.00	-
02/01/2048	2,190,000.00	5.000%	302,250.00	2,492,250.00	2,794,500.00
08/01/2048	-	-	247,500.00	247,500.00	-
02/01/2049	2,300,000.00	5.000%	247,500.00	2,547,500.00	2,795,000.00
08/01/2049	-	-	190,000.00	190,000.00	-
02/01/2050	2,415,000.00	5.000%	190,000.00	2,605,000.00	2,795,000.00
08/01/2050	-	-	129,625.00	129,625.00	-
02/01/2051	2,530,000.00	5.000%	129,625.00	2,659,625.00	2,789,250.00
08/01/2051	-	-	66,375.00	66,375.00	-
02/01/2052	2,655,000.00	5.000%	66,375.00	2,721,375.00	2,787,750.00
<b>Total</b>	<b>\$35,380,000.00</b>	<b>-</b>	<b>\$31,521,800.00</b>	<b>\$66,901,800.00</b>	<b>-</b>

\*Based on preliminary, non- bank qualified rates as of December 19, 2025.

## Preliminary Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/01/2028	Serial Coupon	5.000%	2.820%	105,000.00	104.106%	-	-	-	109,311.30
02/01/2029	Serial Coupon	5.000%	2.850%	110,000.00	106.040%	-	-	-	116,644.00
02/01/2030	Serial Coupon	5.000%	2.880%	115,000.00	107.860%	-	-	-	124,039.00
02/01/2031	Serial Coupon	5.000%	2.930%	120,000.00	109.472%	-	-	-	131,366.40
02/01/2032	Serial Coupon	5.000%	3.010%	125,000.00	110.765%	-	-	-	138,456.25
02/01/2033	Serial Coupon	5.000%	3.120%	1,050,000.00	111.663%	-	-	-	1,172,461.50
02/01/2034	Serial Coupon	5.000%	3.200%	1,105,000.00	111.135%	c 3.390%	02/01/2033	100.000%	1,228,041.75
02/01/2035	Serial Coupon	5.000%	3.300%	1,160,000.00	110.479%	c 3.619%	02/01/2033	100.000%	1,281,556.40
02/01/2036	Serial Coupon	5.000%	3.410%	1,220,000.00	109.763%	c 3.812%	02/01/2033	100.000%	1,339,108.60
02/01/2037	Serial Coupon	5.000%	3.520%	1,280,000.00	109.052%	c 3.972%	02/01/2033	100.000%	1,395,865.60
02/01/2038	Serial Coupon	5.000%	3.630%	1,345,000.00	108.346%	c 4.109%	02/01/2033	100.000%	1,457,253.70
02/01/2039	Serial Coupon	5.000%	3.710%	1,410,000.00	107.837%	c 4.209%	02/01/2033	100.000%	1,520,501.70
02/01/2040	Serial Coupon	5.000%	3.960%	1,480,000.00	106.262%	c 4.395%	02/01/2033	100.000%	1,572,677.60
02/01/2041	Serial Coupon	5.000%	4.100%	1,555,000.00	105.392%	c 4.500%	02/01/2033	100.000%	1,638,845.60
02/01/2042	Serial Coupon	5.000%	4.230%	1,635,000.00	104.592%	c 4.591%	02/01/2033	100.000%	1,710,079.20
02/01/2043	Serial Coupon	5.000%	4.350%	1,715,000.00	103.860%	c 4.668%	02/01/2033	100.000%	1,781,199.00
02/01/2044	Serial Coupon	5.000%	4.480%	1,800,000.00	103.073%	c 4.744%	02/01/2033	100.000%	1,855,314.00
02/01/2045	Serial Coupon	5.000%	4.580%	1,890,000.00	102.473%	c 4.800%	02/01/2033	100.000%	1,936,739.70
02/01/2048	Term 1 Coupon	5.000%	4.750%	6,260,000.00	101.462%	c 4.890%	02/01/2033	100.000%	6,351,521.20
02/01/2052	Term 2 Coupon	5.000%	4.860%	9,900,000.00	100.814%	c 4.944%	02/01/2033	100.000%	9,980,586.00
<b>Total</b>	-	-	-	<b>\$35,380,000.00</b>	-	-	-	-	<b>\$36,841,568.50</b>

### Bid Information

Par Amount of Bonds	\$35,380,000.00
Reoffering Premium or (Discount)	1,461,568.50
Gross Production	\$36,841,568.50
Total Underwriter's Discount (1.700%)	\$(601,460.00)
Bid (102.431%)	36,240,108.50
Total Purchase Price	\$36,240,108.50
Bond Year Dollars	\$630,436.00
Average Life	17.819 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	4.8635693%
True Interest Cost (TIC)	4.7850313%

## Attachment 2 – Preliminary Levy Schedule

Date	Total P+I	CIF	105% Levy	Less: Water Revenues (10%)*	Less: Sewer Revenues (10%)*	Net Levy**	Levy Year	Collection Year
02/01/2027	1,680,550.00	(1,680,550.00)	-	-	-	-		
02/01/2028	1,874,000.00	-	1,967,700.00	196,770.00	196,770.00	1,574,160.00	2026	2027
02/01/2029	1,873,750.00	-	1,967,437.50	196,743.75	196,743.75	1,573,950.00	2027	2028
02/01/2030	1,873,250.00	-	1,966,912.50	196,691.25	196,691.25	1,573,530.00	2028	2029
02/01/2031	1,872,500.00	-	1,966,125.00	196,612.50	196,612.50	1,572,900.00	2029	2030
02/01/2032	1,871,500.00	-	1,965,075.00	196,507.50	196,507.50	1,572,060.00	2030	2031
02/01/2033	2,790,250.00	-	2,929,762.50	292,976.25	292,976.25	2,343,810.00	2031	2032
02/01/2034	2,792,750.00	-	2,932,387.50	293,238.75	293,238.75	2,345,910.00	2032	2033
02/01/2035	2,792,500.00	-	2,932,125.00	293,212.50	293,212.50	2,345,700.00	2033	2034
02/01/2036	2,794,500.00	-	2,934,225.00	293,422.50	293,422.50	2,347,380.00	2034	2035
02/01/2037	2,793,500.00	-	2,933,175.00	293,317.50	293,317.50	2,346,540.00	2035	2036
02/01/2038	2,794,500.00	-	2,934,225.00	293,422.50	293,422.50	2,347,380.00	2036	2037
02/01/2039	2,792,250.00	-	2,931,862.50	293,186.25	293,186.25	2,345,490.00	2037	2038
02/01/2040	2,791,750.00	-	2,931,337.50	293,133.75	293,133.75	2,345,070.00	2038	2039
02/01/2041	2,792,750.00	-	2,932,387.50	293,238.75	293,238.75	2,345,910.00	2039	2040
02/01/2042	2,795,000.00	-	2,934,750.00	293,475.00	293,475.00	2,347,800.00	2040	2041
02/01/2043	2,793,250.00	-	2,932,912.50	293,291.25	293,291.25	2,346,330.00	2041	2042
02/01/2044	2,792,500.00	-	2,932,125.00	293,212.50	293,212.50	2,345,700.00	2042	2043
02/01/2045	2,792,500.00	-	2,932,125.00	293,212.50	293,212.50	2,345,700.00	2043	2044
02/01/2046	2,793,000.00	-	2,932,650.00	293,265.00	293,265.00	2,346,120.00	2044	2045
02/01/2047	2,793,750.00	-	2,933,437.50	293,343.75	293,343.75	2,346,750.00	2045	2046
02/01/2048	2,794,500.00	-	2,934,225.00	293,422.50	293,422.50	2,347,380.00	2046	2047
02/01/2049	2,795,000.00	-	2,934,750.00	293,475.00	293,475.00	2,347,800.00	2047	2048
02/01/2050	2,795,000.00	-	2,934,750.00	293,475.00	293,475.00	2,347,800.00	2048	2049
02/01/2051	2,789,250.00	-	2,928,712.50	292,871.25	292,871.25	2,342,970.00	2049	2050
02/01/2052	2,787,750.00	-	2,927,137.50	292,713.75	292,713.75	2,341,710.00	2050	2051
<b>Total</b>	<b>\$66,901,800.00</b>	<b>(1,680,550.00)</b>	<b>\$68,482,312.50</b>	<b>\$6,848,231.25</b>	<b>\$6,848,231.25</b>	<b>\$54,785,850.00</b>		

\*The City anticipates reducing the levy with net water and sewer revenues. The water and sewer revenues are not pledged as security to the Bonds.

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## Attachment 3 – Related Considerations

### Not Bank Qualified

The Bonds are more than \$10,000,000; therefore, the Bonds will not be designated as “bank qualified” obligations pursuant to Federal Tax Law.

### Arbitrage Compliance

Project/Construction Fund. All tax-exempt bond issues are subject to federal rebate requirements which require all arbitrage earned to be rebated to the U.S. Treasury. A rebate exemption the EDA expects to qualify for is the “24-month spending exception.”

Debt Service Fund. The EDA must maintain a bona fide debt service fund for the Bonds or be subject to yield restriction in the debt service fund. A bona fide debt service fund involves an equal matching of revenues to debt service expense with a balance forward permitted equal to the greater of the investment earnings in the fund during that year or 1/12 of the debt service of that year.

The EDA and the City should become familiar with the various Arbitrage Compliance requirements for this bond issue. The Indenture for the Bonds prepared by Bond Counsel explains the requirements in greater detail.

### Continuing Disclosure

Type: Full

Dissemination Agent: Northland Securities, Inc.

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter’s purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the “Undertaking”) is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City, as the “Obligated Party” primarily responsible for payment on the Bonds, has more than \$10,000,000 of outstanding debt and is required to undertake “full” continuing disclosure. Full disclosure requires annual posting of the audit and a separate continuing disclosure report, as well as the reporting of certain “material events.” Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and issuance of “financial obligations” (such as PFA loans, leases, or bank placements) must be reported within ten business days of occurrence. The report contains annual financial information and operating data that “mirrors” material information presented in the Official Statement. The specific contents of the annual report will be described in the Undertaking that appears in the appendix of the Official Statement. Northland currently serves as dissemination agent for the City, assisting with the annual reporting. The information for the Bonds will be incorporated into our reporting.

### Premiums

Based on the current market environment, the proposed pricing includes premiums. A premium occurs when the underwriter pays the EDA an amount in excess of the par amount of a maturity in exchange for a higher coupon (interest rate). The use of premiums reflects the underwriter’s view on future market conditions, tax considerations for investors and other factors. Ultimately, the true interest cost (“TIC”) calculation will indicate the overall cost to the City and EDA, regardless of premium.

A premium price produces additional funds that can be used in several ways:

- 
- The premium means that the EDA needs less bond proceeds and can reduce the size of the issue by the amount of the premium.
  - The premium can be deposited in the Construction Fund and used to pay additional project costs, rather than used to reduce the size of the issue. The City currently plans to deposit premium in the Construction Fund.
  - The premium can be deposited in the Debt Service Fund and used to pay principal and interest.

Northland will work with EDA and City staff prior to the day of pricing to make a final determination on the use of premium.

### **Rating**

A rating was requested from S&P Global Ratings (S&P). The City's general obligation debt is currently rated "AA" by S&P. The Bonds received a rating of "AA-" from S&P. Bonds secured only by annual appropriations and issued for "essential" public projects are typically rated lower than general obligation debt.

## Attachment 4 - Calendar of Events

The following checklist of items denotes each milestone activity as well as the members of the finance team who will have the responsibility to complete it. *Please note this proposed timetable assumes regularly and specially scheduled EDA meetings and City Council meetings.*

September 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January 2026						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2026						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Holiday

Date	Action	Responsible Party
September 24, 2025	BLEDA/City Council Workshop to determine scope of City Hall Project	City Council/BLEDA Board
November 3, 2025	Northland sends General Information Certificate to City for completion	Northland
November 17, 2025	All Lease Documents Distributed to BLEDA, City, Northland and Trustee  City returns completed General Information Certificate to Northland	City Staff, Bond Counsel
December 1, 2025	Preliminary Official Statement Sent to City for Sign Off and to Rating Agency	Northland, City Staff

Date	Action	Responsible Party
Week of December 18, 2025	Rating Conference Call	Northland, City/BLEDA Staff, Rating Agency
December 15, 2025	Comments on Lease Documents due to Bond Counsel Comments on POS due to Northland	City/BLEDA Staff, Northland, Trustee, Bond Counsel
December 23, 2025	Notice of Public Hearing for Establishment of Economic Development District Submitted to Patriot News <b>no later than this date for publication on December 27, 2025</b> (Publications every Thursday, submissions due <b>by 10:00 a.m.</b> the Wednesday before).  Rating Received	BLEDA/City Staff,
December 27, 2025	Notice of Public Hearing for Establishment of Economic Development District Published <b>not later than this date</b> (not less than 10 days prior to Hearing)	BLEDA/City Staff, Bond Counsel
January 5, 2026	Finance Plan Sent to BLEDA and City	Northland
January 6, 2026	City/BLEDA to confirm final project costs and use of premium	City/BLEDA Staff
January 12, 2026	Review Finance Plan with BLEDA  BLEDA holds Public Hearing at 5:30 p.m. and Approves Resolution for Establishment of Economic Development District	<b>BLEDA Board Action,</b> Northland, Bond Counsel
January 13, 2026	Awarding the Bonds and Authorizing the Execution of Lease Documents Resolution sent to BLEDA and City  Final Lease Documents Distributed	Northland, Bond Counsel
January 21, 2026	Bond Pricing  <b>BLEDA Board Action</b> - Bond Purchase Contract Signed and Awarding and Authorizing Execution of the Lease Documents and Resolution adopted 6:00 p.m. ( <b>Special Meeting</b> )  <b>City Council Action</b> - Approval of BLEDA Bonds and Authorizing the Execution of Lease Documents- 6:30 p.m.	<b>BLEDA Board Action,</b> <b>City Council Action,</b> Northland, Bond Counsel
February 19, 2026	Closing on the Bonds (Proceeds Available)	Northland, BLEDA Staff, Bond Counsel

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## Attachment 5 - Risk Factors

**Lease Revenue Bonds:** The Bonds are subject to the risks of annual appropriation debt described earlier in this report. Although levy limits are not currently enacted, the most recent legislation allows a levy to be made for rent payments to the EDA and it can be made outside of levy limits (levy to pay the bonded indebtedness of another political subdivision). The status of this authority under future levy limitations (if any) cannot be predicted.

**Utility Revenues:** Although not pledged as security to the Bonds, the City anticipates using water and sewer revenues to reduce the debt service payments. If the net revenues are insufficient, the City will need to use other revenues to cover the debt service payments. Water and sewer revenues should be reviewed regularly.

**General:** In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulations related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the EDA to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.



# AGENDA ITEM

## Big Lake Economic Development Authority

<b>Prepared By:</b> <i>Marie Popp, BLEDA Executive Director</i>	<b>Meeting Date:</b> <i>1/12/2026</i>	<b>Item No.</b> <b>6C</b>
<b>Item Description:</b> <i>Revolving Loan Fund Request – Big Lake Pizza Factory Inc.</i>	<b>Reviewed By:</b> <i>Hanna Klimmek, City Administrator</i>	
	<b>Reviewed By:</b> <i>Deb Wegeleben, Finance Director</i>	

### **ACTION REQUESTED**

Motion to approve a loan to Big Lake Pizza Factory Inc. in the amount of \$25,000 from the Revolving Loan Fund, for a term of \_\_\_ years at an interest rate of \_\_\_%.

### **BACKGROUND/DISCUSSION**

Robert Monson of Big Lake Pizza Factory Inc. is planning to purchase the former Jerky Shop from the City of Big Lake. Mr. Monson has requested a loan from the Big Lake Economic Development Authority’s (BLEDA’s) Revolving Loan Fund (RLF) in the amount of \$25,000 for a term of 10 years at a 3% interest rate to assist with the financing package for acquisition of the building, renovations, and equipment. The Revolving Loan would provide funding for the identified gap to acquire the property and complete the project.

The BLEDA has a Revolving Loan Fund policy which establishes the following:

- Land and building acquisition, renovations, and equipment are eligible uses.
- The maximum loan amount is \$25,000.
- The interest rate will be fixed for up to ten years at two points below prime or 3% (whichever is greater). The current rate would be 4.75% based off of two points below prime.
- The term may be negotiated up to 10 years based upon productive life of assets.

Due to timing constraint, The BLEDA Finance Committee did not have a chance to review the application prior to the BLEDA packet publication, but their recommendation will be available at the meeting.

### **FINANCIAL IMPACT**

\$25,000 RLF Loan

### **STAFF RECOMMENDATION**

Approve a loan and associated terms under the Revolving Loan Fund Program with the final term and rate to be determined following review by the Finance Committee.

### **ATTACHMENTS**

- RLF Application
- RLF Policy



**Big Lake Economic Development Authority (BLEDA)  
Revolving Loan Fund (RLF) Application**

**Applicant Information**

1. **Business legal name:** Big Lake Pizza Factory Inc.  
*(Name should be the officially registered name of the business entity.)*

Business operating name (if different) Pizza Factory

Type of Business: Restaurant

Business street address: 160 N Lake Street

City: Big Lake State: MN Zip Code: 55309

Mailing address (if different): P.O. Box 254

City: Big Lake State: MN Zip Code: 55309

Telephone: 763-263-7676 Email: BLPizzafactory@gmail.com

Business website: biglakepizzafactory.com

**2. Contact information:**

Name: Robert Monson

Title: Owner  
*(Owner, Founder, CEO, General Manager, Partner, etc.)*

Address: 17842 227th Ave NW, Big Lake, MN 55309

Telephone: 763-772-3725 Email: robert.r.monson@gmail.com

**3. Is your business registered with the Minnesota Secretary of State?**

Yes       No

If "yes," provide the MN File # 1302226700025

**4. Do you own the building where your business is located or have a lease for the space?**

Own       Lease

**Applicants will need to provide a copy of a lease or statement of lease terms, mortgage statement, property tax statement, or other documentation to show site control within the city.**

**5. Business description (product, hours, customers, clients, number of locations, etc.), type (industry) and brief history of business:**

Pizza Factory is a pizzeria restaurant located in Big Lake since 1987. Offering dine in, delivery and carryout. Serving pizzas, salads, spaghetti and lasagna dinners, along with bread appetizers and sodas. Current hours of operation consist of Mon-Thurs 4pm - 10pm, Fri 4pm - 11pm, Sat & Sun 11am - 11pm. Extended operating hours will be for future location. Pizza Factory has a strong customer base bringing people from many neighboring cities and delivery within the township of Big Lake. Currently Big Lake is sole operating restaurant.

**Project Summary**

1. Provide information on what your project is and how it will enhance the City's economic base, encourage private (re)development, and or encourage site improvements and (re)development of commercial and industrial areas:

The project is remodeling the future relocated Pizza Factory from the Old School Building shared with City Hall to a purchased City property located in Lake Shopping Center. Adjacent to Lake Liquors. Pizza Factory has been a staple in the community with many residents and their students starting into the workforce. As of this year, Pizza Factory has been providing the hometown pizza for the Big Lake Schools concessions, along with numerous events and meals including; STEM Night, Kids Club Pizza Party and Big Lake Youth Football. Sharing the vestibule with Lake Liquors will bring additional foot traffic and revenue for the City.

2. RLF Request:

	RLF	Bank	Other Initiative Foundation
Proposed Loan Amount	\$25,000.00	\$ 806,250.00	\$ 50,500.00
Term (years)	10	11-Year Term 25-Year Amortization	20 Year Amort.
Interest Rate	3%	6.74% with SBA Loan	7.50%
Annual Debt Service	\$2,903/Year	\$67,457/Year	\$4,930/Year
Type of Collateral		1st & 2nd Mtg. 1st & 2nd UCC	3rd Mtg. 3rd UCC on ABA
Security Position		1st & 2nd	3rd
Type of Guarantee		Full - Loan Amount	Full - Loan Amount

Gap Loan

**3. Project Financing Summary/Source and Use of Funds:**

Eligible Uses	RLF	Owner Equity	Other	Total
Property Acquisition	\$	\$	\$ 166,381.00	\$ 166,381
Property Improvements				
New Construction				
Building Renovation	\$25,000	\$13,000	\$602,227	\$640,227
Machinery & Equipment			\$59,416.00	\$59,416
Information Technology				
Other		\$405	\$26,726	\$29,131
<b>TOTAL</b>	\$ 25,000.00	\$13,405	\$ 856,750	\$895,155

**4. Information on Collateral Securing Loan**

	Land & Building	Machinery & Equipment Furniture & Fixtures	Inventory & Accounts Receivable	Other	Total
Estimated Value	\$780,000.00	\$70,000.00	\$60,000.00	\$	\$910,000
Prior Liens					
Difference					

5. If applicable, provide Lender information below:

Lender: Sentry Bank  
Address: 400 4th Ave NE  
City: St Joseph State: MN Zip Code: 56374

Lending Official: Devin Larson Title: VP / Commercial Lender  
Phone Number: 320-363-7721 Email: devin.larson@mysentrybank.com

Lender's Comments on Proposed Loan:

*The proposed financing will be structured as an SBA 504 project that will require gap loans to cover the 10% down payment shortfall related to the significant building renovation costs. All moving costs and working capital/operating costs will be covered by the borrower's cash as the SBA 504 cannot finance those costs. We hereby certify we are unable to extend financial assistance to the applicant to the extent applied for and, in our opinion, the financial assistance is not otherwise available on reasonable terms.*

By:  Date: 1/6/2026

Name and Title of Lending Official, if different from above: \_\_\_\_\_

## **Supporting Documents**

The following documents must accompany an application for it to be deemed complete:

1. Evidence that you own or lease the space your business is located in. Example documentation includes: copy or statement of lease including terms, mortgage statement, property tax statement or other document to show proof of occupancy within City of Big Lake. This could also include photograph or web map street image of the business location with evidence of business signage, if applicable.
2. Credit Report Release (attached)
3. W-9

**Applicant Acknowledgements**

1. The Applicant shall hold the Big Lake EDA, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Big Lake EDA Revolving Loan Fund or its Application, including but not limited to, any legal or actual violations of any State or Federal laws.
2. The Applicant recognizes and agrees that the Big Lake EDA retains absolute authority and discretion to decide whether or not to accept or deny any particular application, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the application are incurred by the Applicant at its sole risk and expense.
3. The Applicant acknowledges that it has read the Big Lake EDA Revolving Loan Fund Policy and understands that if the application is approved, the loan must only be used to pay eligible expenses.

\_\_\_\_\_  
Name/Title of Authorized Business Representative

\_\_\_\_\_  
Signature of Authorized Business Representative

\_\_\_\_\_  
Date

*The City of Big Lake will not discriminate against any applicant because of race, color, or creed, religion, ancestry, national origin, sex, disability, age, marital status, or status with regard to public assistance.*



Big Lake Economic Development Authority  
**Revolving Loan Fund Policy**

Adopted on April 12, 2021

Revision Dates:

September 9, 2024



## **Big Lake EDA Revolving Loan Fund Policy**

*Big Lake EDA Adopted: April 12, 2021, Revised on September 9, 2024*

### **I. GENERAL POLICY**

Revolving Loan Funds (RLF) provide businesses with direct loans. As the RLF receives the principal and interest from outstanding loans, the money is made available to another borrower. This recycling of funds makes RLFs particularly valuable in light of the growing scarcity of development funds. RLFs are designed to lessen the high cost and short supply of capital for businesses by providing flexible loan terms that assist in providing financing. Economic development activities assisted with funds made available through RLF Programs are intended to increase property tax base.

### **II. PUBLIC PURPOSE OBJECTIVES**

The Big Lake EDA will consider the use of the program, which demonstrates the achievement of one or more of the following public purpose objectives:

1. To enhance the City's economic base.
2. To encourage private (re)development.
3. To encourage site improvements and (re)development of commercial and industrial areas.

### **III. ELIGIBLE BUSINESSES**

All applicants must meet the following criteria:

1. Business must have a physical address within the City. Proof of address shall be required when applying.

2. Business must be an allowed use through zoning of the property or be a legally non-conforming use.
3. Business must be a legal entity registered with the Minnesota Secretary of State, and be in good standing.
4. Business must not have delinquent taxes, bills, or charges due to the City.
5. Business must not have any outstanding violations of the Big Lake City Code unless working to come into compliance by utilizing the RLF.

**IV. ELIGIBLE USES OF THE REVOLVING LOAN FUND**

1. Land and Building Acquisition
2. Property Improvements
3. New Building Construction
4. Building Renovation and Modernization
5. Machinery, Equipment & Fixtures (the remaining effective life must be equal to or exceed the life of the loan)
6. Information Technology

**V. INELIGIBLE USES OF THE REVOLVING LOAN FUND**

1. Debt Refinancing
2. Working Capital
3. Residential Real Estate
4. Taxes
5. Professional Fees
6. Gambling, Religious, Political or Adult/Pornographic Businesses

**VI. AMOUNT AVAILABLE**

Applications will be accepted for loan amounts ranging from \$1,000 up to \$25,000.

**VII. ADMINISTRATION**

Application forms are available online at [www.biglakemn.org](http://www.biglakemn.org) or can be received from the City of Big Lake Economic Development Authority at 160 Lake Street North, Big Lake, MN 55309. A completed loan application must be submitted to the Big Lake Community Development Department.

Applicant should allow a minimum of four to six weeks for processing once the completed application and all required documentation are submitted.

Consideration for approval will be based on, but not limited to the following:

1. Applicant is credit worthy
2. Applicant is willing to sign a personal guarantee
3. Applicant can pledge adequate collateral
4. Applicant can inject a minimum of 5% equity of the loan amount

An initial meeting with the Applicant and City Staff will be set up to review the request. If the application meets the initial policy guidelines, City Staff will forward the completed application to the Big Lake EDA Finance Committee for consideration to make a recommendation to the Big Lake EDA. During the next regularly scheduled Big Lake EDA meeting, the Big Lake EDA will formally approve/deny the application.

**For all projects, the Applicant must have loan approval (if another source is being utilized) prior to beginning the project. The Applicant will be encouraged to also apply for the Sherburne County RLF.**

Nothing in this Policy shall require the Big Lake EDA to make a loan to a business that meets the requirements of the Policy. The Big Lake EDA is not required to make a loan or provide any financial assistance to a business that meets the requirements of this Policy unless the Big Lake EDA in its sole discretion determines that it is in the City's interest to make a loan. Each application will be reviewed on a case-by-case basis.

#### **VIII. LOAN TERMS AND GUIDELINES**

1. Minimum amount of loans - \$1,000

2. Maximum amount of loans - \$25,000
3. The loan term may be negotiated up to 10 years based upon the productive life of the assets. Initial payment may be deferred up to 6 months after closing.
4. Recipients will be charged all costs associated with the loan, including but not limited to legal and consulting costs that may be incurred by the Big Lake EDA in processing the loan application. These fees may be included in the loan amount.
5. The interest rate will be fixed for up to five years at two points below prime rate that is set by the Big Lake EDA the day of loan approval, or three (3) percent, whichever is greater. The interest rate will be computed as simple interest and will be fixed for a period not to exceed five years and adjusted for a similar period using the same index. All loans will be structured to fully amortize over the term of the loan.
6. Recipients may be required to maintain property insurance on buildings and contents for full replacement value. If required, insurance policies shall name the Big Lake EDA as a Lender Loss Payee.
7. Payments more than 30 days delinquent will be assessed a five (5) percent penalty. Payments first go towards any accrued penalties, then towards accrued interest, and lastly to reduce the balance of the principal.
8. The Applicant will authorize the Big Lake EDA to obtain verification of any applicable records, including assets, employment records, and consumer credit reports.

## **IX. LOAN PROCEDURES**

Prior to releasing funds, the following documentation, and any other documentation required by the Big Lake EDA or City Staff, must be in place or provided at the appropriate time during the term of the loan process:

1. **Notice of Award** - The Big Lake EDA must have reviewed and approved a complete application for an eligible Applicant.
2. **Loan Agreement** - A loan agreement shall be executed by the Big Lake EDA Chair and the principal owner(s) or officer(s) of the business. The

- agreement must be dated; must state the agreement between the Big Lake EDA and the business; and must specify the amount and terms of the loan funds delivered.
3. **Loan Security** – If loan security is required, any mortgage or lien instruments must be executed at the time of the loan closing. The Big Lake EDA may take a security interest position in any equipment, real estate, or other collateral being financed. Subordinate lien positions loans will be accepted. The City Attorney shall record the instrument and provide the original to be placed in the project file which is kept in the City Finance Department.
  4. **Amortization Schedule** - An amortization schedule shall be prepared by City Staff with a copy provided to the borrower. Copies also are retained on file with the City Finance Department.
  5. **Evidence of Permits** - Documentation must be proved by the Applicant.
  6. **Other Documentation** - The Applicant may be asked to provide other types of documentation.

#### **X. POST-APPROVAL OF LOAN RECIPIENT**

In addition to the terms and conditions of the loan, all Recipients must agree to comply with the following:

- To use loan money only to pay the cost of services and materials necessary to complete the project or activity for which the loan funds were awarded.
- To permit inspections by persons authorized by the Big Lake EDA of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections which include but may not be limited to, materials and equipment. Requests for inspection shall be complied with by the Recipient.
- To maintain records on the projects as may be requested by the Big Lake EDA. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
- The business must maintain an actual physical presence within Big Lake city limits.

## **XI. POST-CLOSING AND MONITORING**

### **General Procedures**

1. When the loan closing is completed and the funds are disbursed, City Staff will establish a loan servicing file to contain:
  1. All closing documents
  2. A log of all conversations and correspondence relating to the loan
  3. A master follow-up file to ensure loan monitoring functions are performed on a timely basis
2. The calculation of principal and interest, and monthly payment reports will be executed at the time of the loan closing by City Staff.
3. Fund Management services will be provided by City Staff and the Big Lake EDA. A third party financing vendor may assist with loan packaging, underwriting, and related marketing services for the Fund.

### **MONITORING**

City Staff will be responsible for collecting and maintaining evidence of ongoing compliance with any loan requirements, insurance, financial reporting, and any special conditions of the original agreement. An annual report of projects financed through this program will be provided to the Big Lake EDA and Big Lake City Council members each year.

## **XII. DEFAULT**

In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, shall, at the Big Lake EDA's option, become due and payable. To exercise this option, the City Attorney shall prepare a written notice to the business. The notice shall specify the following:

1. The default.
2. The action required to cure the default.

3. A date, not less than (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other corrective action.
4. Any penalties incurred as a result of the default.

The Big Lake EDA will determine when and how to collect and liquidate secured collateral in its sole discretion.

### **XIII. USE OF LOAN REPAYMENTS AND REPORTING**

Repaid loans shall be re-deposited in the Revolving Loan Fund Account and used in a manner consistent with these policies and procedures. A separate accounting record for each loan shall be kept to account for all funds loaned.

*The City of Big Lake will not discriminate against any applicant because of race, color, or creed, religion, ancestry, national origin, sex, disability, age, marital status, or status with regard to public assistance.*



## AGENDA ITEM

### Big Lake Economic Development Authority

<b>Prepared By:</b> <i>Deb Wegeleben, BLEDA Assistant Treasurer</i>	<b>Meeting Date:</b> <i>1/12/2026</i>	<b>Item No.</b> <span style="font-size: 1.5em; font-weight: bold;">6D</span>
<b>Item Description:</b> <i>BLEDA Finance Report and List of Claims for December 2025</i>	<b>Reviewed By:</b> <i>Marie Popp, BLEDA Executive Director</i>	
	<b>Reviewed By:</b> <i>Hanna Klimmek, City Administrator</i>	

#### **ACTION REQUESTED**

**Motion to approve the BLEDA Financial Report and List of Claims for December 2025 as presented.**

#### **BACKGROUND/DISCUSSION**

Big Lake Economic Development Authority (BLEDA)  
 Financial Summary – December 2025

##### **Revenues:**

As of December 30, 2025, BLEDA revenues are trending ahead of budget expectations due to the following:

- Receipt of twelve (12) months of rent payments from Pizza Factory, which were not included in the 2025 adopted budget.
- Interest earnings have been posted through November.
- First-half property tax revenues were received in July and are in line with projected amounts. The second half property taxes were received on 12/2 in the amount of \$58,706.83. BLEDA will receive the final property tax settlement in January 2026. As of December 2, 2025, there is still \$2,950.83 outstanding yet from the amount levied in 2025.

##### **Expenditures:**

Through December month-end, 94% of the total 2025 budgeted expenditures have been incurred. Expenses tied specifically to BLEDA properties include:

##### *Pizza Factory / Old School Building:*

- Cleaning Services – \$5,373.96
- Garbage Removal – \$4,896.16
- Electricity – \$6,509.69
- Natural Gas – \$4,115.24
- Water/Sewer Utilities – \$6,993.16
- Liability Insurance – \$3,213.00
- Real Estate Taxes – \$2,268.00

##### *421 Foley Avenue:*

- Other Consultants – \$27,232.40

If total expenditure exceeds the approved budget by year-end, staff will prepare and present a budget amendment to reconcile actual revenues and expenses. Staff does believe the total expenditures for the year will end up under budget

by approximately \$9,000, once the year is closed (usually by middle of February the City has received all invoices for the prior year), therefore no budget amendment will be needed.

### ***Fund Balance***

As of the end of December, the total fund balance is **\$253,140.93**. Designated and unreserved balances are as follows:

- Designated – Future Development Projects: \$188,699.38
- Designated – Revolving Loan Program: \$100,000.00
- Unreserved (Operating) Fund Balance: **(\$35,558.45) deficit**

The unreserved balance is currently negative, indicating that available operating funds do not fully cover designated commitments. Staff have adjusted the designation for future development projects to reflect costs incurred to date on the **421 Foley cleanup project**. Staff will continue to monitor the funds closely and bring forward adjustments as needed to maintain a balanced financial position.

### ***Public Facilities Project – Upcoming Actions and Schedule***

Staff are continuing to compile general information related to the new public facilities site and its funding strategy.

In December 2025, staff did issue the Public Hearing Notice to establish the Economic Development District associated with the project. The notice was sent for publication on December 23, 2025, with publication was on December 27, 2025. It was also posted on the City's website and at City Hall.

The BLEDA will hold a Public Hearing on January 12, 2026, at 5:30 p.m. to consider and approve the Resolution Establishing the Economic Development District. Representatives from Northland Securities will attend to address any financing questions.

A special BLEDA meeting will need to be held on January 21, 2026, at 6:00 p.m. for approval of the bond sale and authorization of the lease documents with the City. Northland Securities will again be present for discussion.

That same evening, at 6:30 p.m., the City Council will take formal action to approve the BLEDA bonds and authorize execution of the lease documents, finalizing the financing process for the new public facilities project.

This is not the first time that BLEDA has issued Lease Revenue Bonds for a city project. In 2000, BLEDA issued lease revenue bonds for the Public Works Facility, in 2005 Lease Revenue Bonds were issued for the Liquor Store, and in 2008 Lease Revenue Bonds were issued for the Industrial Park Expansion.

### **2026 Budget**

Attached is the final 2026 BLEDA Budget book as approved by the City Council on December 10, 2025.

If the Pizza Factory continues to lease the current site from the BLEDA, staff will revise the 2026 budget to include the related lease revenues and expenses.

### ***ATTACHMENTS***

Attachment A - BLEDA Financial Report and List of Claims

Attachment B - BLEDA 2026 Budget Book

Attachment C - EDA FAQ

unaudited



**Big Lake Economic Development Authority**  
**Balance Sheet**  
**December 31, 2025**

<b>Assets</b>	<b>Balance</b>	<b>Comments</b>
Cash	255,780.18	
Taxes Receivable - Delinquent	1,411.97	**adjustment each year end
Lease Receivable	73,490.93	Pizza Factory
*** Land Held for Resale	<u>586,620.68</u>	
Total Assets	<u><u>920,140.01</u></u>	
<b>Liabilities and Fund Balance</b>		
Accounts Payable	5,475.50	
Deferred Revenue	1,411.97	Delinquent Taxes
Deferred Inflows - Lease receivables	73,490.93	Pizza Factory lease
Unspendable Fund Balance	586,620.68	Land Held for resale
Designated Fund Balance	288,699.38	Revolving Loan Fund/Development Projects
Undesignated Fund Balance	(35,558.45)	
Total Liabilities & Fund Balance	<u><u>920,140.01</u></u>	
-		
<b>*** Land Held for Resale</b>		
420 Putman (2018)	10,874.65	PID # 65-403-0430
421 Foley (2022)	50,746.03	PID #65-408-0230,310,320
Smith Property	150,000.00	PID 65-00020-2400
Old School Building (2023)	<u>375,000.00</u>	PID #65-584-0105
	<u>586,620.68</u>	



**unaudited**  
**BLEDA- 275**  
**Financial Statements**  
**December 31, 2025**

% of budget year	100.00%	12/31/2024	12/31/2025	12/31/2025		
		Prior YTD	Current YTD	Current Budget		
<b>Balance Sheet</b>						
<b>Assets</b>						
275-1000	Fund Cash	263,819.86	255,780.18			
275-1070	Taxes Receivable-Delinquent	1,411.97	1,411.97			
275-1360	Lease Receivable	73,490.93	73,490.93			
275-1605	Land Held For Resale	586,620.68	586,620.68			
	<b>Total Assets</b>	<u>930,103.54</u>	<u>920,140.01</u>			
<b>Liabilities</b>						
275-2020	Accounts Payable	(5,929.73)	(5,475.50)			
275-2220	Deferred Revenues	(1,411.97)	(1,411.97)			
275-2492	GASB 87 Def Inflow-leases	(73,490.93)	(73,490.93)			
	<b>Total Liabilities</b>	<u>(80,836.34)</u>	<u>(80,378.40)</u>			
<b>Equity</b>						
275-2530	Unreserved Fund Balances	(838,082.89)	(849,267.20)			
	<b>(Excess)/Deficit of Revenues</b>	(11,184.31)	9,505.59			
	<b>Total Net Position</b>	<u>(849,267.20)</u>	<u>(839,761.61)</u>			
	<b>Total Liability and Net Position</b>	<u>(930,103.54)</u>	<u>(920,140.01)</u>			
<b>Statement of Revenues, Expenditures, and Change in Fund Balances</b>						
		12/31/2024	12/31/2025	12/31/2025	Budget	% of
		Prior YTD	Current YTD	Current Budget	Remaining	Budget
<b>Revenues</b>						
275-000-3101	RE & PP Taxes-Current	129,171.23	125,749.17	128,700.00	2,950.83	98%
275-000-3102	RE & PP Taxes-Delinquent	653.30	701.24	400.00	(301.24)	175%
275-000-3940	Lease/Rental/CAM Income	21,164.71	24,000.00	-	(24,000.00)	
275-000-3995	Unrealized Gain	-	-	-	-	
275-000-3999	Interest Earned	12,398.30	5,872.56	2,500.00	(3,372.56)	235%
	<b>Total Revenues</b>	<u>166,222.83</u>	<u>156,322.97</u>	<u>131,600.00</u>	<u>(24,722.97)</u>	119%
<b>Expenditures</b>						
275-000-00-05-4002	Wages	30,183.45	31,553.83	33,994.00	2,440.17	93%
275-000-00-05-4008	Insurance Benefits (er)	4,441.16	3,910.74	5,174.00	1,263.26	76%
275-000-00-05-4009	HSA Accounts	-	416.68	-	(416.68)	
275-000-00-05-4010	F.I.C.A./Medicare (er)	2,226.72	2,155.12	2,601.00	445.88	83%
275-000-00-05-4012	P.E.R.A. (er)	2,130.20	2,366.48	2,550.00	183.52	93%
275-000-00-05-4021	PFMLA	-	-	150.00	150.00	0%
275-000-00-20-4140	Audit	1,213.95	762.00	650.00	(112.00)	117%
275-000-00-20-4150	Engineering	32,729.56	8,456.00	500.00	(7,956.00)	1691%
275-000-00-20-4170	Legal	1,994.80	420.00	6,000.00	5,580.00	7%
275-000-00-20-4180	Other Consultants	4,889.00	27,232.40	5,000.00	(22,232.40)	545%
275-000-00-25-4120	Real Estate Taxes	1,874.00	2,268.00	2,758.00	490.00	82%
275-000-00-25-4134	Website	250.00	250.00	250.00	-	100%
275-000-00-25-4209	Recording Fees/Settlement chgs	1,061.00	-	150.00	150.00	0%
275-000-00-25-4212	Other Operations Expenses	20.69	23.56	50.00	26.44	47%
275-000-00-25-4215	Uniforms/Clothing	25.68	-	100.00	100.00	0%
275-000-00-25-4217	Cleaning Services	1,614.00	5,373.96	-	(5,373.96)	
275-000-00-25-4220	Advertising	1,060.38	-	2,000.00	2,000.00	0%
275-000-00-25-4225	Sanitation/Garbage Removal	3,886.18	4,896.16	-	(4,896.16)	
275-000-00-25-4235	Postage	-	-	25.00	25.00	0%
275-000-00-25-4238	Training/Schools	370.00	1,592.50	1,500.00	(92.50)	106%
275-000-00-25-4240	Travel/Mileage	56.28	208.60	150.00	(58.60)	139%
275-000-00-25-4243	Meals	57.30	-	100.00	100.00	0%
275-000-00-25-4250	Liability Insurance	799.75	3,213.00	-	(3,213.00)	
275-000-00-25-4257	Contractors Hired	-	-	500.00	500.00	0%
275-000-00-25-4540	Repair/Maintenance Bldg held	100.87	2,473.71	2,500.00	26.29	99%
275-000-00-25-4570	Electricity	5,382.09	6,509.69	3,600.00	(2,909.69)	181%
275-000-00-25-4580	Natural Gas	2,243.23	4,115.24	3,240.00	(875.24)	127%
275-000-00-25-4590	Water/Sewer Utilities	6,424.52	6,993.16	2,400.00	(4,593.16)	291%
275-000-00-26-4222	Marketing -Communications	-	637.73	50,000.00	49,362.27	1%
275-000-00-71-4612	Transfers Out	50,000.00	50,000.00	50,000.00	-	100%
	<b>Total Expenditures</b>	<u>155,038.52</u>	<u>165,828.56</u>	<u>175,942.00</u>	<u>10,113.44</u>	94%
	<b>Net change in fund balance-increase(decrease)</b>	<b>11,184.31</b>	<b>(9,505.59)</b>	<b>(44,342.00)</b>		



100%

unaudited

Big Lake Economic Development Authority  
Statement of Operating Revenues and Expenditures  
December 31, 2025

	YTD Prior 2024	YTD Actual 2025	Budget 2025	Remaining Budget	% of Budget Remaining	Comments
<b>Revenues</b>						
RE & PP Taxes - Current		125,749.17	128,700.00	2,950.83		Property Tax first payment was received in July -
RE & PP Taxes - Delinquent		701.24	400.00	(301.24)		
Lease/Rental Revenue	21,164.71	24,000.00	-	(24,000.00)		YE entries will be done for lease receivable/def inflow
Interest Earned	12,398.30	5,872.56	2,500.00	(3,372.56)		
Sub Total Operating Revenues	36,398.30	156,322.97	131,600.00	(24,722.97)	-19%	
<b>Total Revenues</b>	36,398.30	156,322.97	131,600.00	(24,722.97)	119%	
<b>Expenditures</b>						
Wages & Fringe	38,985.24	40,402.85	44,469.00	4,066.15		Community Development Director - 25%
Audit	1,213.95	762.00	650.00	(112.00)		
Engineering	32,729.56	8,456.00	500.00	(7,956.00)		
Legal	1,994.80	420.00	6,000.00	5,580.00		O&E TITLE WORK
Consultants	4,889.00	27,232.40	5,000.00	(22,232.40)		Old School Building - Phase I,II and TIF Analysis
Real Estate Taxes	1,874.00	2,268.00	2,758.00	490.00		421 Foley
Website	250.00	250.00	250.00	-		
Recording Fees	1,061.00	-	150.00	150.00		Land Sales
Other Operating Expenses	20.69	23.56	50.00	26.44		
Advertising	1,060.38	-	2,000.00	2,000.00		
Postage	-	-	25.00	25.00		
Contractors hired	-	-	500.00	500.00		For land owned - upkeep
Sanitation/Garbage Removal	3,886.18	4,896.16	-	(4,896.16)		
Cleaning Services	1,614.00	5,373.96	-	(5,373.96)		Restrooms for Pizza Factory cleaning
Liability Insurance	799.75	3,213.00	-	(3,213.00)		Insurance on building
Training/Schools	370.00	1,592.50	1,500.00	(92.50)		Community Development Director - Conferences
Travel & Mileage	56.28	208.60	150.00	(58.60)		
Meals	57.30	-	100.00	100.00		
Uniforms	25.68	-	100.00	100.00		
Repair/Maintenance Bldg Held	100.87	2,473.71	2,500.00	26.29		
Electricity	5,382.09	6,509.69	3,600.00			Old School Building
Natural Gass	2,243.23	4,115.24	3,240.00			Old School Building
Water/Sewer Bills	6,424.52	6,993.16	2,400.00	(4,593.16)		421 Foley
Marketing	-	637.73	50,000.00	49,362.27		
Snow Removal	100.87	-	-	-		
Total Operating Expenditures	105,139.39	115,828.56	125,942.00	13,898.37	11%	
Other Expenditures:						
Transfers - Fund 141 IPL	50,000.00	50,000.00	50,000.00	-		Transfer to Industrial Park Fund prior year assessments
Total Other Expenditures	50,000.00	50,000.00	50,000.00	-		
<b>Total Expenditures</b>	155,139.39	165,828.56	175,942.00	13,898.37	94%	
<b>Operating Revenues less Expenditures</b>	(118,741.09)	(9,505.59)	(44,342.00)	(38,621.34)		
Interfund Loan Principal Payment	-	-	-	-		
<b>Projected Fund Balance Inc/(Decr)</b>	<b>(118,741.09)</b>	<b>(9,505.59)</b>	<b>(44,342.00)</b>			
<b>Projected Cash balance Inc/(Decr)</b>	<b>(118,741.09)</b>	<b>(9,505.59)</b>				



December 31, 2025

**Big Lake Economic Development Authority**

**Designated Fund Balance**

2022 Future Development Projects	215,931.78
*421 Foley Avenue redevelopment work	<u>(27,232.40)</u>
Future Development Projects - ending Designated Fund Balance	188,699.38
2021 Revolving Loan Fund Established	<u>100,000.00</u>
	<u>288,699.38</u>

**Unreserve Fund Balance**

	<u>(35,558.45)</u>
Total Fund Bal	<u><u>253,140.93</u></u>

**Reconciliation**

GL	
DEFERRED REVENUE - DELQ PROPERTY TAX RECEIVABLE	1,411.97
UNRESERVED FUND BALANCE	<u>(36,970.42)</u>
TOTAL OF UNRESERVE FUND BALANCE	<u>(35,558.45)</u>

**SAC CREDITS**

	# credits o/s
April 25, 2007 - SAC credits given to BLEDA	14.00
These credit have been awarded to project 11/2019	<u>(14.00)</u>
	-

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance	
			11/30/2025 (11/25) Balance	275-000-00-05-4002			27,631.81	
12/03/2025	PC	29	PAYROLL TRANS FOR 11/29/2025 PAY PERIO		1,307.34			
12/17/2025	PC	78	PAYROLL TRANS FOR 12/13/2025 PAY PERIO		1,307.34			
12/31/2025	PC	117	PAYROLL TRANS FOR 12/27/2025 PAY PERIO		1,307.34			
YTD Encumbrance		.00	YTD Actual	31,553.83 Total	31,553.83	YTD Budget	33,994.00 Unexpended	2,440.17
			11/30/2025 (11/25) Balance	275-000-00-05-4008			3,486.64	
12/03/2025	PB	58	PAYROLL TRANS FOR 11/29/2025 PAY PERIO		424.10			
YTD Encumbrance		.00	YTD Actual	3,910.74 Total	3,910.74	YTD Budget	5,174.00 Unexpended	1,263.26
			11/30/2025 (11/25) Balance	275-000-00-05-4009			395.84	
12/03/2025	PB	59	PAYROLL TRANS FOR 11/29/2025 PAY PERIO		10.42			
12/17/2025	PB	130	PAYROLL TRANS FOR 12/13/2025 PAY PERIO		10.42			
YTD Encumbrance		.00	YTD Actual	416.68 Total	416.68	YTD Budget	.00 Unexpended	(416.68)
			11/30/2025 (11/25) Balance	275-000-00-05-4010			1,886.17	
12/03/2025	PB	61	PAYROLL TRANS FOR 11/29/2025 PAY PERIO		86.51			
12/17/2025	PB	132	PAYROLL TRANS FOR 12/13/2025 PAY PERIO		86.80			
12/31/2025	PB	177	PAYROLL TRANS FOR 12/27/2025 PAY PERIO		95.64			
YTD Encumbrance		.00	YTD Actual	2,155.12 Total	2,155.12	YTD Budget	2,601.00 Unexpended	445.88
			11/30/2025 (11/25) Balance	275-000-00-05-4012			2,072.33	
12/03/2025	PB	60	PAYROLL TRANS FOR 11/29/2025 PAY PERIO		98.05			
12/17/2025	PB	131	PAYROLL TRANS FOR 12/13/2025 PAY PERIO		98.05			
12/31/2025	PB	176	PAYROLL TRANS FOR 12/27/2025 PAY PERIO		98.05			
YTD Encumbrance		.00	YTD Actual	2,366.48 Total	2,366.48	YTD Budget	2,550.00 Unexpended	183.52
			11/30/2025 (11/25) Balance	275-000-00-20-4140			762.00	
YTD Encumbrance		.00	YTD Actual	762.00 Total	762.00	YTD Budget	650.00 Unexpended	(112.00)
			11/30/2025 (11/25) Balance	275-000-00-20-4150			2,980.50	
12/16/2025	AP	749	BOLTON & MENK INC **Inv. No: 0382406 **Desc: SMITH PROPERTY JULY - NOV MN AVE LRIP GRANT **Inv. Date: 12/16/25		5,475.50			
YTD Encumbrance		.00	YTD Actual	8,456.00 Total	8,456.00	YTD Budget	500.00 Unexpended	(7,956.00)
			11/30/2025 (11/25) Balance	275-000-00-20-4170			420.00	
YTD Encumbrance		.00	YTD Actual	420.00 Total	420.00	YTD Budget	6,000.00 Unexpended	5,580.00
			11/30/2025 (11/25) Balance	275-000-00-20-4180			22,319.65	
12/02/2025	AP	196	BRAUN INTERTEC CORPORATION **Inv. No: IN1000616 **Desc: 421 FOLEY AVE - MDA CORRESPONDENCE **Inv. Date: 12/02/25		2,025.00			
12/23/2025	AP	643	BRAUN INTERTEC CORPORATION **Inv. No: IN1001512 **Desc: 421 FOLEY PHASE II ESA 11/21-12/17 WORK **Inv. Date: 12/23/25		2,887.75			

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
YTD Encumbrance		.00 YTD Actual	27,232.40 Total	27,232.40 YTD Budget	5,000.00 Unexpended	(22,232.40)	
Real Estate Taxes			11/30/2025 (11/25) Balance	275-000-00-25-4120			2,268.00
YTD Encumbrance		.00 YTD Actual	2,268.00 Total	2,268.00 YTD Budget	2,758.00 Unexpended	490.00	
Website			11/30/2025 (11/25) Balance	275-000-00-25-4134			250.00
YTD Encumbrance		.00 YTD Actual	250.00 Total	250.00 YTD Budget	250.00 Unexpended	.00	
Other Operations Expenses			11/30/2025 (11/25) Balance	275-000-00-25-4212			23.56
YTD Encumbrance		.00 YTD Actual	23.56 Total	23.56 YTD Budget	50.00 Unexpended	26.44	
Cleaning Services			11/30/2025 (11/25) Balance	275-000-00-25-4217			4,883.96
12/15/2025	AP	422	JMG COMMERCIAL CLEANING LLC **Inv. No: DEC 2025 CLEANING **Desc: CLEANING - PUBLIC BATHROOMS - DEC 2025 **Inv. Date: 12/15/25		490.00		
YTD Encumbrance		.00 YTD Actual	5,373.96 Total	5,373.96 YTD Budget	.00 Unexpended	(5,373.96)	
Sanitation/Garbage Removal			11/30/2025 (11/25) Balance	275-000-00-25-4225			4,481.48
12/01/2025	AP	19	CURBSIDE WASTE **Inv. No: 438663 DEC 2025 **Desc: BLEDA DEC 2025 = SCHOOL BLDG/PIZZA FACTORY **Inv. Date: 12/01/25		414.68		
YTD Encumbrance		.00 YTD Actual	4,896.16 Total	4,896.16 YTD Budget	.00 Unexpended	(4,896.16)	
Training/Schools			11/30/2025 (11/25) Balance	275-000-00-25-4238			1,592.50
YTD Encumbrance		.00 YTD Actual	1,592.50 Total	1,592.50 YTD Budget	1,500.00 Unexpended	(92.50)	
Travel/Mileage			11/30/2025 (11/25) Balance	275-000-00-25-4240			208.60
YTD Encumbrance		.00 YTD Actual	208.60 Total	208.60 YTD Budget	150.00 Unexpended	(58.60)	
Liability Insurance			11/30/2025 (11/25) Balance	275-000-00-25-4250			3,213.00
YTD Encumbrance		.00 YTD Actual	3,213.00 Total	3,213.00 YTD Budget	.00 Unexpended	(3,213.00)	
Repair/Maintenance Bldg held			11/30/2025 (11/25) Balance	275-000-00-25-4540			2,473.71
YTD Encumbrance		.00 YTD Actual	2,473.71 Total	2,473.71 YTD Budget	2,500.00 Unexpended	26.29	
Electricity			11/30/2025 (11/25) Balance	275-000-00-25-4570			6,055.33
12/10/2025	AP	444	XCEL ENERGY **Inv. No: 956479672 **Desc: OLD SCHOOL/PIZZA FACTORY - NOV 2025 **Inv. Date: 12/10/25		454.36		
YTD Encumbrance		.00 YTD Actual	6,509.69 Total	6,509.69 YTD Budget	3,600.00 Unexpended	(2,909.69)	

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
Natural Gas			11/30/2025 (11/25) Balance	275-000-00-25-4580			3,857.08
12/03/2025	AP	153	CENTERPOINT ENERGY **Inv. No: NOVEMBER 2025 INVOICES **Desc: 160 LAKE ST - OLD SCHOOL BLDG **Inv. Date: 12/03/25		258.16		
YTD Encumbrance	.00	YTD Actual	4,115.24 Total	4,115.24 YTD Budget	3,240.00 Unexpended	(875.24)	
Water/Sewer Utilities			11/30/2025 (11/25) Balance	275-000-00-25-4590			6,993.16
YTD Encumbrance	.00	YTD Actual	6,993.16 Total	6,993.16 YTD Budget	2,400.00 Unexpended	(4,593.16)	
Marketing -Communications			11/30/2025 (11/25) Balance	275-000-00-26-4222			637.73
YTD Encumbrance	.00	YTD Actual	637.73 Total	637.73 YTD Budget	50,000.00 Unexpended	49,362.27	
Transfers Out			11/30/2025 (11/25) Balance	275-000-00-71-4612			50,000.00
YTD Encumbrance	.00	YTD Actual	50,000.00 Total	50,000.00 YTD Budget	50,000.00 Unexpended	.00	

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
RE & PP Taxes-Current			11/30/2025 (11/25) Balance	275-000-3101			67,320.12-
12/08/2025	CR	400000014	BLEDA TAXES CUR 275-3101 2025 2ND TAX Description: BLEDA TAXES CUR 275-3101 2025 2ND TAX SETTLEMENT - 2025 TAX SETTLEMENTS - 2ND			58,429.05-	
YTD Encumbrance		.00	YTD Actual -125,749.17 Total -125,749.17	YTD Budget -128,700.00	Unearned 2,950.83		
RE & PP Taxes-Delinquent			11/30/2025 (11/25) Balance	275-000-3102			423.46-
12/08/2025	CR	400000014	BLEDA TAXES DEQL 275-3102 2025 2ND TAX Description: BLEDA TAXES DEQL 275-3102 2025 2ND TAX SETTLEMENT - 2025 TAX SETTLEMENTS - 2ND			277.78-	
YTD Encumbrance		.00	YTD Actual -701.24 Total -701.24	YTD Budget -400.00	Unearned (301.24)		
Lease/Rental/CAM Income			11/30/2025 (11/25) Balance	275-000-3940			22,000.00-
12/04/2025	CR	100000135	PIZZA FACTORY RENT PYMT DECEMPER 20 Description: PIZZA FACTORY RENT PYMT DECEMPER 2025 - PIZZA FACTORY			2,000.00-	
YTD Encumbrance		.00	YTD Actual -24,000.00 Total -24,000.00	YTD Budget .00	Unearned (24,000.00)		
Interest Earned			11/30/2025 (11/25) Balance	275-000-3999			5,872.56-
YTD Encumbrance		.00	YTD Actual -5,872.56 Total -5,872.56	YTD Budget -2,500.00	Unearned (3,372.56)		

# Big Lake Economic Authority Budget 2026 Budget and 2027-2030 Concept

City of Big Lake  
160 Lake Street North  
Big Lake, MN 55309  
Phone: (763) 263-2107  
Website: [www.biglakemn.org](http://www.biglakemn.org)



2026 Budget adopted by City Council December 10, 2025



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## **What is the Economic Development Authority Fund**

The City of Big Lake Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the City of Big Lake EDA (BLEDA) is reported as if it were part of the primary government because it provides services exclusively for the City of Big Lake.

The EDA was granted authority under an enabling resolution originally passed in 1990 by the City of Big Lake. Minnesota Statute 469 details the authorized activities the EDA may participate in. The resolution establishing the City of Big Lake EDA identifies any conditions or limitations to the statutorily allowed powers of the EDA.

The Minnesota Legislature granted Cities the power to create economic development authorities in 1987. By giving Cities this ability they can promote economic growth. An EDA is created to facilitate a well-rounded development program by taking advantage of all of the HRA powers. In addition, EDA's are authorized to exercise the powers of Cities in connection with City development districts and powers of municipalities or development agencies in connection with municipal industrial development. By consolidating the powers of economic and housing development into one body, City officials are not only able to focus development on blighted areas but, also create programs that will prevent blight from occurring elsewhere within the community. By combining and utilizing HRA, EDA and City powers, community leaders are able to create flexible business assistance and development programs, EDA's for example, are allowed, to buy and sell property.

Big Lake Economic Development Authority (BLEDA) meets monthly to review current development and future economic goals throughout the City. BLEDA provides recommendations to the City Council to aid in the decision-making processes of the council. The mayor and City Council appoint members of the board.

### **Basis of Accounting**

The accounting system provides for a complete, self-balancing account group for each fund of the City. Accounting records are maintained on the modified accrual basis for the governmental type funds. The modified accrual basis of accounting recognizes revenues to the degree that they are available to finance expenditures of the fiscal period. Similarly, debt service payments and a number of specific accrued liabilities are only recognized as expenditures when payment is due because it is only at that time that they are liquidated with expendable available financial resources. The budgetary basis of accounting is the same basis of accounting used to prepare the City's financial statements as included in the City's Annual Comprehensive Financial Report at the fund statement level.

The full accrual basis of accounting is utilized for the proprietary type funds as defined in the notes to the City's financial statements. The full accrual basis of accounting recognizes revenues as they are earned and expenses as soon as a liability is incurred, regardless of related cash inflows and outflows. For budget purposes the funds use the accrual basis except for capital assets and debt payments which are budgeted on a modified accrual basis within each finance plan. Depreciation is included in the finance plan; however principal debt payments are just noted at the bottom of the finance plan.

### **Budgetary Controls**

A budgetary system of accounts is maintained for all budgeted funds. Control is maintained by the monthly review of actual expenditures compared to budgeted amounts. Budgetary activity is monitored to ensure that total expenditures are within budgetary allocations. For the past several years, budgeted expenditures have been within approximately 98% of the budget. The budgetary level of control is at the fund level. There is a budget amendment process for unplanned expenditures and revenues and all amendments are presented to the City Council throughout the year for approval, at the direction of the Finance Director.

### **Internal Controls**

In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within the above framework. The Finance Department believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Long-Term Approach to Financial Management**

One of the strengths of the Council's budgeting process is that it considers budget data not only for the upcoming year but also projections for subsequent years. Council understands that decisions it makes today will have a financial impact not just on next year's budget, but also for the future. Council strives to keep its focus on the policy level – the big picture – and to rely on staff to carry out its policy goals effectively and efficiently with the resources provided. The Council's vision reflects the commitment to keep Big Lake a thriving community – a great community to live and work. Staff ties all recommendations the are brought forth for approval to the Council adopted Strategic Plan, as this plan guides staff's work.

The Five-Year Plans prepared for each City Fund are intended to provide information on the fund's present financial condition, including the impact of prior actions and decisions and plans, as well as projections for the fund's performance over the next years. The Plans are a source of information for the Council to identify where the need or desire for policy change may exist. Below are key issues by fund detailing assumption for long-term planning.

## **EDA Fund Financial Plan**

The Five-Year Plan for the Economic Development Fund includes a strategic increase in the levy request to support the goals and mission of the Big Lake Economic Development Authority (BLEDA).

Beginning in the 2019 budget, the City Council increased the BLEDA levy to \$130,000 to fund 50% of the Community Development Director's salary, who also serves as BLEDA's Executive Director. This shift reduced the wage expenditure in the General Fund for this position by 50%. However, starting with the 2023 budget, Council adjusted the General Fund share to 75% to more accurately reflect the actual time allocated by the Community Development Director to BLEDA responsibilities.

Additionally, since 2020, BLEDA has contributed toward the Industrial Park Special Assessments, beginning at \$46,362 annually and increasing to \$50,000 from 2024 through 2033. These payments support the interfund loan repayment to the Sewer Fund for the Industrial Park expansion.

To ensure ongoing progress toward BLEDA's objectives, the plan includes future levy increases:

- \$160,000 in 2026
- \$210,000 in 2027
- \$250,000 in 2029

These adjustments are designed to maintain financial sustainability while advancing key economic development initiatives.

## **Economic Development Fund – Fund 275**

The Big Lake Economic Development Authority (EDA) Fund was created by the City Council in 1990. The EDA Fund accounts for the general activities of the EDA. The City Council appoints the seven members to serve as Board Commissioners, two of which are members of the City Council. The remaining five members are members of the community.

Under Minnesota Statutes Chapter 469-Economic Development, cities may establish an EDA, including approval for the EDA to serve as a Housing and Redevelopment Authority (HRA). The maximum general operational levy of HRAs allowed under State law is 0.185% of the taxable market value. The authorizing Statute permits the EDA to levy and collect a special benefit levy.

State law provides that expenditures may be made from the EDA Fund based on the following criteria: 1) the EDA appropriates the funds as part of the annual budget, and/or 2) the EDA authorizes any amendment to the EDA budget outside of the annual appropriation process.

### **Source of Funds**

The principal sources of revenue for this fund have been property tax levy and interest earned on cash balances in the funds. Property tax revenues are under the maximum allowable under the special levy law.

The finance plan shows the levy to increase in special levy from \$130,000 in 2025 to \$160,000 in 2026. Beginning in 2023, the allocation for the Executive Director position was changed to 25% allocated to the Big Lake Economic Development authority and 75% to the General Fund from prior years of 50/50 split between the general fund and economic development fund. This allocation was more in line with the

time spent by the Community Director on this position. The long-term plan for this fund is to increase the EDA special levy by \$30,000 to \$160,000 in 2026 and then increase again in 2027 by \$40,000 and then again in 2029 by \$40,000. With this levy the fund will slowly begin to build up the fund balance to fund future economic developments. Without tax support from the special EDA levy, there is no other identified funding source to sustain this activity.

In 2022, the Council approved a transfer to BLEDA in the amount of \$600,00 from the Capital Improvement unallocated funds, to be used to establish a redevelopment and property acquisition fund. This fund will be used to help promote development within the City. BLEDA did purchase the building attached to City Hall with these funds. In addition, BLEDA also used these funds to purchase land for a proposed future site of City Hall. In the 2025 budget the lease revenue from the tenant that is located in the building attached to City Hall is not budgeted nor are the expenditures associated with this tenant, as the tenant has signed a purchase agreement with the City to purchase vacant space next to the City's municipal liquor store.

### **Use of Funds**

According to State Statute, the proceeds from the EDA levy can be used for one or both of the following purposes: 1) for projects to remedy the shortage of housing for low and moderate-income residents, and/or 2) for public redevelopment costs in situations where private enterprise would not act without government participation. The City has used the EDA Funds for redevelopment purposes.

The 2026 budget includes use of funds for the annual transfer of \$50,000 to the Industrial Park Expansion Land Purchase fund for a payment of debt. The City began in 2020 to make the annual transfer to the Industrial Park Expansion Land Purchase fund to pay for special assessment pertaining to a redevelopment project infrastructure. Other uses of the funds for 2026 include the staff position allocation, related marketing, and department operating expenses. Also taken into consideration are the State paid medical leave act that will go into effect in January of 2026.

### **Fund Balance**

The City will maintain fund balances in the Special Revenue Funds at a level which will avoid issuing short-term debt to meet the cash flow needs of the current operating budget. The Plan maintains a fund balance within the EDA Fund to meet both anticipated and unanticipated future economic development needs. The City will annually evaluate the level of fund balance for its appropriateness.

## **Business Development Tools**

### **Tax Abatement**

Tax abatement is a flexible and valuable tool for supporting economic development. Despite the name, "tax abatement" does not involve the cancellation of taxes. Under Minnesota Statutes Sections 469.1812 to 469.1815, local governments are authorized to levy a property tax—known as an abatement levy—equal to the amount of taxes that could otherwise be abated.

The revenue generated from an abatement levy can be used to fund a broad range of purposes, including economic development, redevelopment, housing projects, and public infrastructure improvements.

Use of this tool requires formal approval by the City Council. When planning for specific projects, staff and elected officials should consult the full statute and work with a qualified financial advisor to ensure compliance and proper structuring.

**Tax Increment Financing**

Tax Increment Financing (TIF) is a key tool used to support and encourage development that would not otherwise occur. TIF captures the increased property tax revenue generated by new development and uses that increment to finance project-related costs.

TIF can be used to fund qualifying private development costs or public infrastructure improvements that support the development. This financing mechanism is governed by the Minnesota Statutes, Sections 469.174 to 469.1794, collectively referred to as the “TIF Act.”

The use of TIF requires formal approval by the City Council and must comply with all applicable statutory requirements. When considering TIF for a project, careful analysis and consultation with a qualified financial advisor is recommended.

**Revolving Loan Fund**

Revolving Loan Funds (RLFs) provide direct financial assistance to businesses through flexible, low-interest loans. As borrowers repay the principal and interest, those funds are recycled and made available to new applicants—making RLFs a sustainable and valuable tool, especially amid limited development funding.

RLFs are intended to reduce barriers to capital by offering more accessible financing options. Projects supported by RLFs are expected to contribute to the local economy, including increasing the property tax base and promoting business growth.

The Big Lake Economic Development Authority (EDA) is responsible for reviewing and approving all RLF applications.

<b>BLEDA MEMBER</b>	<b>SEAT</b>	<b>TERM EXPIRES</b>
Alan Heidemann	President	12/31/2029
Kristopher Knodle	Vice President	12/31/2028
Kathryn Parsons	Commissioner	12/31/2030
Jake Rohrbeck	Commissioner	12/31/2026
Donna Clarksean	Treasurer	12/31/2027
Paul Knier	Council Liaison	12/31/2025
Ken Geroux	Council Liaison	12/31/2025

<b>STAFF MEMBER</b>	<b>POSITION</b>
Marie Popp	EDA Executive Director
Deb Wegeleben	Assistant Treasurer
Lisa Miller	Secretary

## Mission Statement

*To efficiently facilitate development while equally supporting the Big Lake business community and driving economic growth.*

### Goals:

- Hold monthly meetings to make recommendations to the Big Lake City Council
- Work with the Joint Powers Board for all Big Lake Industrial Park activity
- Accomplish objectives of the Big Lake Economic Development Strategic Plan
- Work with business financing administrators to provide options for business expansion and new opportunities
- Continue to develop marketing materials/opportunities for the City

Strategic Plan	Objectives
Market City of Big Lake	<ul style="list-style-type: none"> <li>• Administer the Business Retention &amp; Expansion Program (BR&amp;E)</li> </ul>
Market and Sell Industrial Park	<ul style="list-style-type: none"> <li>• Appropriately stage the property (schedule lawn maintenance, install signage, etc.)</li> <li>• Direct market to Real Estate Brokers and Developers</li> <li>• Participate in relevant expos, site selector events, forums, conferences, etc.</li> </ul>
Recognize BLEDA & City-owned commercial and residential property	<ul style="list-style-type: none"> <li>• Cultivate a development/redevelopment plan for each parcel</li> </ul>
Recognize privately-owned commercial/industrial property	<ul style="list-style-type: none"> <li>• Cultivate a development/redevelopment plan for each parcel</li> </ul>
Increase BLEDA community presence	<ul style="list-style-type: none"> <li>• Maintain extensive knowledge of all business financing tools (federal, state, local, etc.)</li> <li>• Work in partnership with the Big Lake Finance Director to discover budgeting options for the BLEDA to consider</li> <li>• Author a successful Minnesota Investment Fund (MIF) Application to MnDEED</li> <li>• Invest time into building and expanding relationships with Big Lake partners</li> <li>• Administer the Big Lake EDA Revolving Loan Fund</li> </ul>

## Budget Message

Greetings,

I am pleased to present the Big Lake Economic Development Authority's (BLEDA) 2026 Budget, which reinforces our continued commitment to supporting the Big Lake business community and fostering responsible economic growth. This budget was developed with a focus on maintaining fiscal discipline while promoting new and ongoing development opportunities within the City of Big Lake.

Each year, the City Finance Director is responsible for preparing the BLEDA budget and presenting it to both the BLEDA Commission and the Executive Director. The following budget report summarizes the adopted proposals for fiscal year 2026.

### Budget Highlights

- **Revenue Growth**

Total revenues for 2026 are projected to increase by 22.57% over 2025. This is driven primarily by a \$30,000 increase in the BLEDA special levy, from \$130,000 to \$160,000, for the 2026 tax collection year.

- **Expenditure Reduction**

Total expenditures are budgeted at **\$142,567**, which reflects a decrease of **\$33,385** from the 2025 budget. Key changes include:

- **Employee Services (Personnel):** Includes a 3% market rate adjustment to the City's Pay Plan.
- **Contractual Services:** A modest increase to accommodate higher audit costs.
- **Commodities & Services:** Increases to reflect updated costs for cleaning services and liability insurance.
- **Marketing:** A reduction of \$40,000 while still maintaining sufficient funding to support staff attendance at site selector conferences and other business development events.
- **Transfers:** Remain flat at **\$50,000**, consistent with 2025, and will stay in place until the internal loan from the Sewer Fund is fully repaid.

### Conclusion

The 2026 BLEDA Budget is more than a financial plan—it reflects the organization's strategic direction, operational priorities, and long-term vision. It embodies the policies, goals, and service commitments we strive to deliver to our community in the year ahead and beyond.

Respectfully Submitted,



Deb Wegeleben  
City Finance Director

# Summary Revenue and Expenditure Budget

Levy for 2026 - \$160,000

	2025-2026							
	2022 Actual	2023 Actual	2024 Actual	2025 Final Budget	2026 Budget	\$ Change	% Change	
<b>Revenue Budget</b>								
Property Taxes	\$ 129,966	\$ 129,860	\$ 129,824	\$ 129,100	\$ 158,800	\$ 29,700	23.01%	
Lease/Rental	-	15,733	21,165	-	-	-		
Lease Interest	-	1,267	2,835	-	-	-		
Transfer In	600,000	-	-	-	-	-		
Interest Earned	6,154	15,879	12,398	2,500	2,500	-	0.00%	
<b>Total - Revenues:</b>	<b>\$ 736,120</b>	<b>\$ 162,739</b>	<b>\$ 166,222</b>	<b>\$ 131,600</b>	<b>\$ 161,300</b>	<b>\$ 29,700</b>	<b>22.57%</b>	
<b>Expenditure Budget</b>								
Employee Services (Personnel)	\$ 32,475	\$ 41,440	\$ 38,985	\$ 44,719	\$ 46,936	\$ 2,217	4.96%	
Contractual Services	6,650	44,582	40,828	11,900	12,450	550	4.62%	
Commodities & Services	3,444	49,411	25,226	19,323	23,168	3,845	19.90%	
Marketing	-	3,750	-	50,000	10,000	(40,000)	-80.00%	
Transfer Out	46,362	46,362	50,000	50,000	50,000	-	0.00%	
<b>Total - Expenditures</b>	<b>\$ 88,931</b>	<b>\$ 185,545</b>	<b>\$ 155,039</b>	<b>\$ 175,942</b>	<b>\$ 142,554</b>	<b>\$ (33,388)</b>	<b>-18.98%</b>	
<b>Excess Revenues/(deficit)</b>	<b>\$ 647,189</b>	<b>\$ (22,806)</b>	<b>\$ 11,183</b>	<b>\$ (44,342)</b>	<b>\$ 18,746</b>			

## Detail Revenue Budget

### 2026 Budget and Concept Budget 2027-2030

Account Number	Description	Levy	Levy	2025-2026		Levy	Levy	Levy	Levy
		\$130K	\$160K	\$	%	\$210K	\$210K	\$250K	\$250K
		2025 Final Budget	2026 Budget	Change	Change	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
275-000-3101	RE & PP Taxes-Current	\$ 128,700	\$ 158,400	\$ 29,700	23.08%	\$ 207,900	\$ 207,900	\$ 247,500	\$ 247,500
275-000-3102	RE & PP Taxes-Delinquent	400	400	-		400	400	400	400
275-000-3999	Interest Earned	2,500	2,500	-		2,500	2,500	2,500	2,500
	<b>Total Revenues</b>	<b>\$ 131,600</b>	<b>\$ 161,300</b>	<b>\$ 29,700</b>	<b>22.57%</b>	<b>\$ 210,800</b>	<b>\$ 210,800</b>	<b>\$ 250,400</b>	<b>\$ 250,400</b>
	<b>Projected Cash Flow Change</b>	<b>2025</b>	<b>2026</b>			<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
	Beginning Cash Balance	\$ 263,820	\$ 219,478			\$ 238,221	\$ 302,968	\$ 364,729	\$ 462,923
	Projected Excess Revenue	(44,342)	18,743			64,747	61,760	98,194	94,833
	<b>Projected Ending Cash</b>	<b>\$ 219,478</b>	<b>\$ 238,221</b>			<b>\$ 302,968</b>	<b>\$ 364,729</b>	<b>\$ 462,923</b>	<b>\$ 557,756</b>

# Detail Expenditure Budget

## 2026 Budget and Concept Budget 2027-2030

### Expenditure Budget

Account Number	Description	2025-2026				2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
		2025 Final Budget	2026 Budget	\$ Change	% Change				
275-000-00-05-4002	Wages	\$ 33,994	\$ 36,069	\$ 2,075	6.10%	\$ 38,233	\$ 40,527	\$ 42,959	\$ 45,536
275-000-00-05-4008	Insurance Benefits (er)	5,174	4,991	(183)	-3.54%	5,290	5,608	5,944	6,301
275-000-00-05-4009	HSA Accounts	250	250	-		750	750	750	750
275-000-00-05-4010	F.I.C.A./Medicare (er)	2,601	2,760	159	6.11%	2,925	3,100	3,286	3,484
275-000-00-05-4012	P.E.R.A. (er)	2,550	2,706	156	6.12%	3,059	3,242	3,437	3,643
275-000-00-05-4021	PFMLA	150	160	10	6.67%	173	189	207	230
275-000-00-20-4140	Audit	650	1,200	550	84.62%	1,200	1,200	1,200	1,200
275-000-00-20-4150	Engineering	250	250	-		250	250	250	250
275-000-00-20-4170	Legal	6,000	6,000	-		6,000	6,000	6,000	6,000
275-000-00-20-4180	Other Consultants	5,000	5,000	-		5,000	5,000	5,000	5,000
275-000-00-25-4120	Real Estate Taxes	2,758	2,758	-		2,758	2,758	2,758	2,758
275-000-00-25-4134	Website	250	250	-		250	250	250	250
275-000-00-25-4209	Recording Fees	150	500	350	233.33%	500	500	500	500
275-000-00-25-4212	Other Operations Expenses	50	50	-		50	50	50	50
275-000-00-25-4215	Uniforms/Clothing	100	100	-		100	100	100	100
275-000-00-25-4217	Cleaning Services	-	1,700	1,700	100.0%	1,700	1,700	1,700	1,700
275-000-00-25-4220	Advertising	2,000	2,000	-		2,000	2,000	2,000	2,000
275-000-00-25-4235	Postage	25	25	-		25	25	25	25
275-000-00-25-4238	Training - Edam Conference	1,250	1,250	-		1,250	1,250	1,250	1,250
275-000-00-25-4238	Training - Brownfield	250	250	-		250	250	250	250
275-000-00-25-4240	Travel/Mileage	150	150	-		150	150	150	150
275-000-00-25-4243	Meals	100	100	-		100	100	100	100
275-000-00-25-4250	Liability Insurance	1,000	3,195	2,195	219.47%	3,195	3,195	3,195	3,195
275-000-00-25-4257	Contractors Hired	500	100	(400)	-80.00%	100	100	100	100
275-000-00-25-4540	Repair/Maintenance Building - held	1,500	1,500	-		1,500	1,500	1,500	1,500
275-000-00-25-4570	Electricity	3,600	3,600	-		3,600	3,600	3,600	3,600
275-000-00-25-4580	Natural Gas	3,240	3,240	-		3,240	3,240	3,240	3,240
275-000-00-25-4590	Water/Sewer Utilities	2,400	2,400	-		2,400	2,400	2,400	2,400
275-000-00-26-4222	Marketing - Communications	50,000	10,000	(40,000)	-80.00%	10,000	10,000	10,000	10,000
275-000-00-71-4612	Transfer to FUND 141 - Specials	50,000	50,000	-		50,000	50,000	50,000	50,000
<b>Total Expenditures</b>		<b>\$ 175,942</b>	<b>\$ 142,554</b>	<b>\$ (33,388)</b>	<b>-18.98%</b>	<b>\$ 146,048</b>	<b>\$ 149,034</b>	<b>\$ 152,200</b>	<b>\$ 155,561</b>
Excess Revenues/(deficit)		(44,342)	18,746	-		64,752	61,766	98,200	94,839
<b>CASHFLOW PURPOSE ONLY FOR BLEDA</b>									
<b>Total Expenditures &amp; IFL</b>		<b>\$ 175,942</b>	<b>\$ 142,554</b>			<b>\$ 146,048</b>	<b>\$ 149,034</b>	<b>\$ 152,200</b>	<b>\$ 155,561</b>

# Strategic Plan

## Big Lake Economic Development Authority (BLEDA)

### Strategic Plan 3-Year Perspective

#### 2024 through 2026

This **Strategic Plan** provides a realistic and practical approach to economic development goals and activities for the BLEDA. The purpose is to guide BLEDA Commissioners and its staff to focus on economic development priorities. This Strategic Plan will improve accountability for the BLEDA Commissioners along with its staff, and will improve the capacity to measure outcomes.

**The BLEDA Priority: To efficiently facilitate development while equally supporting the Big Lake business community and driving economic growth.**

#### Strategy: Market the City of Big Lake

	<i>Work Plan Objectives</i>
1.	Administer the Business Retention & Expansion Program (BR&E)

#### Strategy: Market and Sell Industrial Park Phase II Land by December 31, 2026.

	<i>Work Plan Objectives</i>
1.	Appropriately stage the property (schedule lawn maintenance, install signage, etc.)
2.	Direct market to Real Estate Brokers and Developers
3.	Participate in relevant expos, site selector events, forums, conferences, etc.

#### Strategy: Recognize BLEDA & City-owned commercial and residential property. Cultivate a development/redevelopment plan for each parcel.

	<i>Work Plan Objectives</i>
1.	420 Putnam Avenue (BLEDA-owned) – PID 65-403-0430 <ul style="list-style-type: none"> <li>• Monitor contiguous parcels and position BLEDA to acquire properties</li> <li>• Hold parcel for commercial development</li> <li>• Identify and eliminate road blocks for development / redevelopment</li> <li>• Determine when and how to market parcel</li> </ul>
2.	City Hall (City-owned) – PID 65-477-0110, PID 65-477-0105, PID 65-477-0010 & former Community School Building (BLEDA owned) - PID 65-477-0115 <ul style="list-style-type: none"> <li>• Streamline property for redevelopment opportunity</li> </ul>
3.	421 Foley Avenue (BLEDA-owned) PID 65-408-0310 & PID 65-408-0320 <ul style="list-style-type: none"> <li>• Monitor contiguous parcels and position BLEDA to acquire properties</li> <li>• Hold parcel for development</li> <li>• Identify and eliminate road blocks for development / redevelopment</li> <li>• Determine when and how to market parcel</li> </ul>
4.	Northeast corner of Martin Avenue & Eagle Lake RD (BLEDA-owned) PID 65-00584-0105 <ul style="list-style-type: none"> <li>• Monitor contiguous parcels and position BLEDA to acquire properties</li> <li>• Hold parcel for development</li> <li>• Identify and eliminate road blocks for development / redevelopment</li> </ul> Determine when and how to market parcel

5.	Develop a list of all City-owned and BLEDA-owned parcels – ask key staff as to why the parcels are being held – Market the parcels that the City can part with
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**Strategy: Recognize privately-owned commercial, industrial and residential property and cultivate a development/redevelopment plan for each parcel.**

	<b><i>Work Plan Objectives</i></b>
1.	Innovation Industrial Park – I-3 Zoning District RiverWood Bank – Big Lake Marketplace East Transit Oriented Development District Smith Property North of Old National Bank and Big Lake Dental Property on East Side of the City out to 15 (Innovation Industrial Phase II and III?) All Building’s Located within the Downtown District Mr. Gramsey’s Property on West Side of City Mr. Berndt’s Property on West Side of City

**Strategy: Increase BLEDA Community Presence.**

	<b><i>Work Plan Objectives</i></b>
1.	Maintain extensive knowledge of all business financing tools (federal, state, local, etc.)
2.	Work in partnership with the Big Lake Finance Director to discover budgeting options for the BLEDA to consider <ul style="list-style-type: none"> <li>• Create a financial “handbook” that clearly explains all BLEDA finances</li> <li>• Review and make recommendation on annual budget.</li> </ul>
3.	Author a successful Minnesota Investment Fund (MIF) Application to MnDEED to become a financial pass-through for an eligible expanding business and to generate up to \$100,000 for the BLEDA
4.	Invest time into building and expanding relationships with Big Lake businesses, Big Lake Schools, Big Lake Township, Sherburne County, Big Lake Chamber, regional partners, developers, Realtors, investors, etc.
5.	Promote and administer the Big Lake EDA Revolving Loan Fund
7.	Promote business friendly community
8.	Participate in Big Lake Chamber Community Fair, Big Lake High School Apprenticeship Program, and Big Lake Schools Career Fair

**Strategy: Review Policies related to Economic Development**

	<b><i>Work Plan Objectives</i></b>
1.	Review BLEDA’s Revolving Loan Fund Policy – <b>Completed 9/2024</b>

**Conditions to be met for the possibility of a public partnership in redevelopment opportunities:**

- Commercial component must be included in the concept
- Concept must increase the tax base
- Concept must promote an economic value

# Policies

## Revolving Loan Fund



### Big Lake EDA Revolving Loan Fund Policy

*Big Lake EDA Adopted: April 12, 2021, Revised on September 9, 2024*

#### I. GENERAL POLICY

Revolving Loan Funds (RLF) provide businesses with direct loans. As the RLF receives the principal and interest from outstanding loans, the money is made available to another borrower. This recycling of funds makes RLFs particularly valuable in light of the growing scarcity of development funds. RLFs are designed to lessen the high cost and short supply of capital for businesses by providing flexible loan terms that assist in providing financing. Economic development activities assisted with funds made available through RLF Programs are intended to increase property tax base.

#### II. PUBLIC PURPOSE OBJECTIVES

The Big Lake EDA will consider the use of the program, which demonstrates the achievement of one or more of the following public purpose objectives:

1. To enhance the City's economic base.
2. To encourage private (re)development.
3. To encourage site improvements and (re)development of commercial and industrial areas.

#### III. ELIGIBLE BUSINESSES

All applicants must meet the following criteria:

1. Business must have a physical address within the City. Proof of address shall be required when applying.
2. Business must be an allowed use through zoning of the property or be a legally non-conforming use.
3. Business must be a legal entity registered with the Minnesota Secretary of State, and be in good standing.
4. Business must not have delinquent taxes, bills, or charges due to the City.
5. Business must not have any outstanding violations of the Big Lake City Code unless working to come into compliance by utilizing the RLF.

**IV. ELIGIBLE USES OF THE REVOLVING LOAN FUND**

1. Land and Building Acquisition
2. Property Improvements
3. New Building Construction
4. Building Renovation and Modernization
5. Machinery, Equipment & Fixtures (the remaining effective life must be equal to or exceed the life of the loan)
6. Information Technology

**V. INELIGIBLE USES OF THE REVOLVING LOAN FUND**

1. Debt Refinancing
2. Working Capital
3. Residential Real Estate
4. Taxes
5. Professional Fees
6. Gambling, Religious, Political or Adult/Pornographic Businesses

**VI. AMOUNT AVAILABLE**

Applications will be accepted for loan amounts ranging from \$1,000 up to \$25,000.

**VII. ADMINISTRATION**

Application forms are available online at [www.biglakemn.org](http://www.biglakemn.org) or can be received from the City of Big Lake Economic Development Authority at 160 Lake Street North, Big Lake, MN 55309. A completed loan application must be submitted to the Big Lake Community Development Department.

Applicant should allow a minimum of four to six weeks for processing once the completed application and all required documentation are submitted.

Consideration for approval will be based on, but not limited to the following:

1. Applicant is credit worthy
2. Applicant is willing to sign a personal guarantee
3. Applicant can pledge adequate collateral
4. Applicant can inject a minimum of 5% equity of the loan amount

An initial meeting with the Applicant and City Staff will be set up to review the request. If the application meets the initial policy guidelines, City Staff will forward the completed application to the Big Lake EDA Finance Committee for consideration to make a recommendation to the Big Lake EDA. During the next regularly scheduled Big Lake EDA meeting, the Big Lake EDA will formally approve/deny the application.

**For all projects, the Applicant must have loan approval (if another source is being utilized) prior to beginning the project. The Applicant will be encouraged to also apply for the Sherburne County RLF.**

Nothing in this Policy shall require the Big Lake EDA to make a loan to a business that meets the requirements of the Policy. The Big Lake EDA is not required to make a loan or provide any financial assistance to a business that meets the requirements of this Policy unless the Big Lake EDA in its sole discretion determines that it is in the City's interest to make a loan. Each application will be reviewed on a case-by-case basis.

#### **VIII. LOAN TERMS AND GUIDELINES**

1. Minimum amount of loans - \$1,000
2. Maximum amount of loans - \$25,000
3. The loan term may be negotiated up to 10 years based upon the productive life of the assets. Initial payment may be deferred up to 6 months after closing.
4. Recipients will be charged all costs associated with the loan, including but not limited to legal and consulting costs that may be incurred by the Big Lake EDA in processing the loan application. These fees may be included in the loan amount.
5. The interest rate will be fixed for up to five years at two points below prime rate that is set by the Big Lake EDA the day of loan approval, or three (3) percent, whichever is greater. The interest rate will be computed as simple interest and will be fixed for a period not to exceed five years and adjusted for a similar period using the same index. All loans will be structured to fully amortize over the term of the loan.
6. Recipients may be required to maintain property insurance on buildings and contents for full replacement value. If required, insurance policies shall name the Big Lake EDA as a Lender Loss Payee.
7. Payments more than 30 days delinquent will be assessed a five (5) percent penalty. Payments first go towards any accrued penalties, then towards accrued interest, and lastly to reduce the balance of the principal.
8. The Applicant will authorize the Big Lake EDA to obtain verification of any applicable records, including assets, employment records, and consumer credit reports.

#### **IX. LOAN PROCEDURES**

Prior to releasing funds, the following documentation, and any other documentation required by the Big Lake EDA or City Staff, must be in place or provided at the appropriate time during the term of the loan process:

1. **Notice of Award** - The Big Lake EDA must have reviewed and approved a complete application for an eligible Applicant.
2. **Loan Agreement** - A loan agreement shall be executed by the Big Lake EDA Chair and the principal owner(s) or officer(s) of the business. The agreement must be dated; must state the agreement between the Big Lake EDA and the business; and must specify the amount and terms of the loan funds delivered.
3. **Loan Security** – If loan security is required, any mortgage or lien instruments must be executed at the time of the loan closing. The Big Lake EDA may take a security interest position in any equipment, real estate, or other collateral being financed. Subordinate lien positions

loans will be accepted. The City Attorney shall record the instrument and provide the original to be placed in the project file which is kept in the City Finance Department.

4. **Amortization Schedule** - An amortization schedule shall be prepared by City Staff with a copy provided to the borrower. Copies also are retained on file with the City Finance Department.
5. **Evidence of Permits** - Documentation must be proved by the Applicant.
6. **Other Documentation** - The Applicant may be asked to provide other types of documentation.

#### **X. POST-APPROVAL OF LOAN RECIPIENT**

In addition to the terms and conditions of the loan, all Recipients must agree to comply with the following:

- To use loan money only to pay the cost of services and materials necessary to complete the project or activity for which the loan funds were awarded.
- To permit inspections by persons authorized by the Big Lake EDA of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections which include but may not be limited to, materials and equipment. Requests for inspection shall be complied with by the Recipient.
- To maintain records on the projects as may be requested by the Big Lake EDA. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
- The business must maintain an actual physical presence within Big Lake city limits.

#### **XI. POST-CLOSING AND MONITORING**

##### **General Procedures**

1. When the loan closing is completed and the funds are disbursed, City Staff will establish a loan servicing file to contain:
  1. All closing documents
  2. A log of all conversations and correspondence relating to the loan
  3. A master follow-up file to ensure loan monitoring functions are performed on a timely basis
2. The calculation of principal and interest, and monthly payment reports will be executed at the time of the loan closing by City Staff.
3. Fund Management services will be provided by City Staff and the Big Lake EDA. A third-party financing vendor may assist with loan packaging, underwriting, and related marketing services for the Fund.

##### **MONITORING**

City Staff will be responsible for collecting and maintaining evidence of ongoing compliance with any loan requirements, insurance, financial reporting, and any special conditions of the original agreement. An annual report of projects financed through this program will be provided to the Big Lake EDA and Big Lake City Council members each year.

## **XII. DEFAULT**

In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, shall, at the Big Lake EDA's option, become due and payable. To exercise this option, the City Attorney shall prepare a written notice to the business. The notice shall specify the following:

1. The default.
2. The action required to cure the default.
3. A date, not less than (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other corrective action.
4. Any penalties incurred as a result of the default.

The Big Lake EDA will determine when and how to collect and liquidate secured collateral in its sole discretion.

## **XIII. USE OF LOAN REPAYMENTS AND REPORTING**

Repaid loans shall be re-deposited in the Revolving Loan Fund Account and used in a manner consistent with these policies and procedures. A separate accounting record for each loan shall be kept to account for all funds loaned.

*The City of Big Lake will not discriminate against any applicant because of race, color, or creed, religion, ancestry, national origin, sex, disability, age, marital status, or status with regard to public assistance.*

## Tax Abatement



## Tax Abatement Policy

### *Revision Dates*

*September 28, 2005*

*February 25, 2015*

*March 8, 2017*

*February 28, 2018*

### **I. General Purpose**

The purpose of this policy is to establish the City of Big Lake's ("the City") position as it relates to the use of Property Tax Abatements ("Abatements") for private development. This type of abatement is allowed pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the "Abatement Law"). It is the City's intent to coordinate the use of Tax Abatement with other local jurisdictions to the extent that it is possible to do so.

Tax Abatement shall be defined as the City's share of the property taxes derived from the increase in market value over the current year market value of property within the project area resulting from development. For purposes of this definition, current year is the year in which an application for request for assistance is received.

The City of Big Lake recognizes the importance of this development tool which may be used by the City to satisfy its economic development goals and objectives. These general goals include the following:

- A. Broaden and diversify the tax base;
- B. Create and or retain an employment base;
- C. Strengthen and enhance the commercial-industrial areas of the community;
- D. Promote a high quality of construction or site design.

This policy shall be used as a guide in the processing and review of applications requesting tax abatement assistance. The fundamental purpose of Tax Abatement in the City of Big Lake is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through Tax Abatement.

## **II. Types of Projects and Uses Eligible for Assistance**

In order to meet the stated goals and objectives of the City, Abatements will be used to assist private developments in those instances where the proposed project demonstrates one or more of the following objectives or conditions:

### ***Public Financing is needed to...***

1. Retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
2. Enhance and diversify the City's economic base.
3. Encourage additional unsubsidized private development in the area, either directly or indirectly through "spin-off" development.
4. Offset increased costs of redevelopment (i.e. contaminated site clean-up) over and above costs normally incurred in development.
5. Contribute to the implementation of other public policies as adopted by the City from time-to-time, such as the promotion of quality urban or architectural design energy conservation and decreasing capital and/or operating costs of local government.
6. Promote a high quality of construction and/or site design.
7. Aid in the development or implementation of an environmentally sound practice, production or product.
8. Improve the condition of existing commercial or industrial buildings, including but not limited to, accessibility requirements, exterior façade improvements and energy upgrades.
9. Complete specific enhancements, including but not limited to signage, landscaping and lighting (within private property or adjacent to public property).
10. Fill a defined financing gap that is associated with a pedestrian public improvement project in commercial areas, including but not limited to, access control, pedestrian systems and parking improvements.
11. Facilitate the development process and achieve development of sites that would not be developed without Tax Abatement assistance (general "but for" test).
12. Finance or provide public infrastructure pursuant to the Abatement Law.

## **III. Eligible Expenditures**

Abatements may be used to pay for expenditures related to eligible project costs. Eligible expenditures may include land acquisition and conveyance, building improvements, site improvements and public streets/utilities. Ineligible expenditures are non-fixed assets including equipment and working capital.

#### **IV. Financing Structure**

The City will structure Abatements as a direct annual or semi-annual payment (corresponding to the City's portion of the property taxes only) to the property owner based on the terms and conditions stated in an agreement between the City and the property owner. The property owner is subject to changes in the taxes that may result in payments lower than the original estimated amount.

#### **V. Specific Policies for the Use of Tax Abatement**

1. Tax Abatement will be provided to the developer upon receipt of taxes as a pay-as-you-go method. All taxes on the subject parcel need to be paid to date before a rebate payment will be made. Requests for up-front financing (bonds) will be considered on a case-by-case basis.
2. Developer shall be able to demonstrate a need for a proposed project.
3. Tax Abatement shall not be used for projects or businesses that would place extraordinary demands on city services considering the benefit to the City.
4. The developer must enter into an abatement agreement to ensure compliance with the City policies and requirements.
5. The developer shall demonstrate his or her ability (via past experience, credit history and corporate or personal financial statements) to complete the project in an adequate and timely manner, and also at the option of the City, shall provide financial guarantees to ensure completion of the project that include but are not limited to: assessment agreements, letters of credit and personal guarantees.
6. The developer/business shall provide information necessary for the City to decide on the project.
7. The City will view projects having a county/school district tax abatement commitment more favorably.
8. The project supports and furthers the City's Comprehensive Plan and/or other public policies, as adopted by the City.
9. Tax Abatement may be used to phase in a property tax increase on a parcel that will increase in estimated market value of 50 percent or greater when the increase is not attributable to an abatement project.
10. The business subsidy funding for any project shall be the lowest amount feasible for the shortest period of time. Business/developers shall exhaust all possible forms of non-business subsidy funding, i.e. private debt and equity financing prior to using business subsidy finding.
11. Any receipt of Tax Abatement assistance will be required to provide an equity investment in the project.
12. Tax Abatement will not be used in circumstances where land and or property price is in excess of fair market value.

13. Tax Abatement will not be utilized in cases where it would create an unfair competitive financial advantage over other projects or businesses in the area.
14. No abatement of taxes will be granted on property in a TIF District.
15. The project shall comply with all provisions set forth in the state Abatement Law.
16. Abatement can only be granted, if it benefits the City to a level equal to or greater than the abatement cost to the City.
17. In any year, the total amount of property taxes abated by the City may not exceed ten percent (10%) of the net tax capacity of the City or \$200,000, whichever is greater. This is consistent with the Abatement Law.
18. No tax abatement period shall exceed 15 years from the date of approval by the City Council unless the county or school district has declined to participate in the abatement. In this event, the City may approve an abatement period that is up to 20 years in length.
19. The City Council may change and modify the application of these specific policies as it deems necessary and appropriate.

## **VI. Decision Guidelines or Project Requirements**

The following guidelines will be used by the City in order to determine whether a financing proposal is warranted which will become the basis for findings in the resolution of Abatement approval.

- A. The proposed project does not fit well within the City's and the Economic Development Authority's Tax Abatement Policy or is subject to other state statute restrictions.
- B. The proposed project addresses an identified need within the community, including but not limited to, improved maintenance or expansion of public utilities, reuse of underutilized property, or development of property with site constraints, installation of design enhancements, compliance with safety or accessibility codes, and financing within a targeted improvement area.
- C. The proposed project cannot be completed without public financing due to identified costs that are greater than normal or due to an identifiable financing gap.
- D. The proposed project can be assisted with a private-to-public leverage, which results in minimal impact to the statutory limit for the City's use of Abatements. In addition, the amount of Abatement should not exceed the level of private equity from the project owner(s).
- E. The project is consistent with the City's Comprehensive Plan, Land Use Plan and Zoning Ordinances.
- F. The project meets one or more of the following public purposes:
  - Creation of new jobs
  - Increase in the tax base
  - Enhancement or diversification of the City's economic base
  - Development or redevelopment that will spur additional private sector investment in the area
  - Fulfillment of defined City objectives such as those identified in the City's Comprehensive Plan

- Removal of slum and blight or the redevelopment of a high-profile site.

**VII. Procedure for Application:**

- A. A completed application with the application fee in accordance with the current City of Big Lake Fee Schedule shall be submitted to the City. The application will be reviewed by the City staff and the Economic Development Authority.
- B. After review and recommendation for approval by the Economic Development Authority (the review body for the City), the City Council shall publish a notice and hold a public hearing on the proposed Abatement.
- C. The City Council holds a public hearing concerning the Abatement. It must approve the Abatement by resolution.
- D. If the City approves the Abatement by resolution, its staff and/or consultants will draft a development contract.

# Tax Increment Financing



## Tax Increment Financing Policy

*BLEDA Adopted May 12, 2014  
City Council Adopted May 28, 2014  
Amended February 8, 2017*

*For the purpose of this policy, the "City" shall also mean the Big Lake Economic Development Authority (BLEDA), which serves in conducting various economic development, housing and redevelopment programs and activities within the City of Big Lake.*

### **I. GENERAL POLICY**

The purpose of this policy is to establish the City's position relating to the use of Tax Increment Financing for private development. Minnesota Statutes, Section 469.174 through 469.1794, as amended, governs the use of Tax Increment Financing (the "TIF Act"). This policy shall be used as a guide in processing and reviewing applications requesting Tax Increment assistance. The fundamental purpose of tax increment financing in Big Lake is to encourage desirable development and/or redevelopment that would not otherwise occur "but for" the assistance provided through TIF.

The City of Big Lake may consider Tax Increment Financing for projects that serve to accomplish the City's goals for housing and economic development as they may change over time. The goals include facilitating projects that would result in the creation of quality jobs (e.g. stable employment and/or attractive wages and benefits) and the attraction, retention, and expansion of business and housing options in the City.

### **II. CITY'S OBJECTIVE FOR THE USE OF TIF:**

As a matter of adopted policy, the City of Big Lake may consider using Tax Increment Financing (TIF) to assist private development projects to achieve one or more of the following purposes:

- Remove blight and/or encourage redevelopment in the commercial and industrial areas of the City in order to encourage high quality development or redevelopment and private reinvestment in those areas.
- To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock.

- To retain local jobs and/or increase the number and diversity of quality jobs (e.g. stable employment and/or attractive wages and benefits).
- To encourage additional unsubsidized private development in the area, either directly, or through secondary "spin-off" development.
- To offset increased costs of redevelopment (e.g. contaminated site clean-up), over and above those costs that a developer would incur in normal urban and suburban development.
- To facilitate the development process and to achieve development on sites which would not be developed without this assistance.
- To meet other uses of public policy, as adopted by the Council from time to time, including promotion of quality urban design, quality architectural design, energy conservation, decreasing the capital and operating costs of local government, etc.

### III. COSTS WHICH MAY QUALIFY FOR TAX INCREMENT FINANCING ASSISTANCE:

**This list is provided as an example of costs which may qualify for tax increment financing assistance. The City may determine to not reimburse costs that are included on this list and to include other costs not listed here that may be eligible under the TIF Act.**

- Project Design fees including: utilities, landscape, architectural and engineering design.
- Site related work, including: permits for site work, earthwork/excavation, soil correction, landscaping, utilities, streets and roads, street/parking lot paving, street/parking lot lighting, curb and gutter, sidewalks
- Land acquisition
- Special assessments
- Legal fees (acquisition, finance, closing)
- Soil tests
- Environmental studies
- Surveys
- Interest rate write downs
- Relocation assistance
- Replacement or clean-up of contaminated soils which would otherwise preclude redevelopment
- Rehabilitation
- Any other costs allowable by the TIF Act

### IV. PROJECTS WHICH MAY QUALIFY FOR TAX INCREMENT FINANCING ASSISTANCE

All new TIF projects considered by the City of Big Lake must meet each of the following minimum qualifications and will also be evaluated based on their ability to meet the desired qualifications for assistance. However, it should not be presumed that a project meeting any of the qualifications will automatically be approved. Meeting the qualifications create no contractual rights on the part of any potential developer to have its project approved.

## MINIMUM QUALIFICATIONS

- A. The project should meet one or more of the Tax Increment Financing Objectives outlined in Section 2. But at a minimum shall:
- Remove blight and/or encourage redevelopment in the commercial and industrial areas of the City in order to encourage high quality development or redevelopment and private reinvestment in those areas.
  - To facilitate the development process and to achieve development on sites which would not be developed without this assistance.
- B. The developer must demonstrate that the project is not financially feasible "but-for" the use of tax increment financing.
- C. The project must be consistent with the City's Comprehensive Plan and Zoning Ordinances, or required changes to the plan and ordinances must be under active consideration by the City at the time of TIF application submittal.
- D. Prior to approval of a TIF financing plan, the developer shall provide any requested market and financial feasibility studies, appraisals, soil boring, private lender commitment, and/or other information the City or its financial consultants may require in order to proceed with an independent underwriting of the proposal.
- E. Any developer requesting TIF assistance should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. TIF will not be used when the developer's credentials, in the sole judgment of the City, are inadequate due to past track record relating to: completion of projects, general reputation and/or bankruptcy, or other problems or issues considered relevant by the City.
- F. The level of TIF funding should be reduced to the lowest possible level by maximizing the use of private debt and equity financing first, and then using other funding sources or income-producing vehicles that can be structured into the project financing, prior to using additional TIF funding.
- G. Development financing will be made available only on a Pay-As-You-Go (PAYGO) basis. Look back provisions may be utilized by the City to determine developer's ability to share revenue with the City.
- H. The level of assistance provided to developer will be determined on a case-by case basis. When determining the level of assistance, the City will consider the quality of the proposed development and/or the quality of the employment opportunities that might be generated.

## DESIRED QUALIFICATIONS

- A. TIF proposals creating a higher ratio of property taxes paid before and after redevelopment will receive priority consideration. Given the different assessment circumstances in the City, this ratio will vary widely. A 1:2 ratio of taxes paid before and after redevelopment is desired.

- B. TIF proposals should normally not be used to support speculative industrial, commercial, office or housing projects. In general, the developer should be able to provide market data, tenant letters of commitment or finance statements which support the market potential/demand for the proposed project.
- C. TIF will normally not be used in a project that involves an excessive land and/or property price. This will normally be where the acquisition price is more than 20% in excess of market value as determined by an independent appraisal of the property.
- D. TIF will not be used in projects that would give a significant competitive financial advantage over similar projects in the area due to the use of tax increment subsidies. Developers should provide information to support that TIF assistance will not create such a competitive advantage. Priority consideration will be given to projects that fill an unmet market need.
- E. TIF will not be used to support projects that place extraordinary demands on City services. Preference will be given to projects that do not place extraordinary demands on City services.
- F. TIF will not normally be used for projects that would generate significant environmental problems in the opinion of the local, state, or federal governments. Priority will be given to projects that aim to clean-up existing contaminated sites and would facilitate the location of an industry or business which has an environmentally sound track record, or meet a housing need in the City.
- G. Preference will be given to projects that meet good public policy criteria as determined by the City Council, including:
  - High project quality (e.g. sound architectural design, quality construction and materials)
  - Projects that are in accord with the Comprehensive Plan, Zoning Ordinance, Strategic Plan, and other redevelopment plans of the City
  - Projects that provide significant improvement to surrounding land uses, the neighborhood, and/or the City
  - Projects that provide a significant increase in tax base
  - Projects that provide significant new, or retained, employment
  - Projects that meet financial feasibility criteria established by the City; and
  - Projects that provide the highest and best desired use for the property

**V. TAX INCREMENT PROJECT EVALUATION PROCESS**

The following five methods of analysis for all TIF proposals will be used:

1. Consideration of project meeting minimum qualifications.
2. Consideration of project meeting desired qualifications.
3. Project meets "but-for" analysis and statutory qualifications
4. Project Summary Report Card (Exhibit A)

*Please note that the evaluation methodology is intended to provide a balanced review. Each area will be evaluated individually and collectively and in no case shall one area outweigh another in terms of importance to determining the level of TIF assistance.*

**VI. APPLICATION FOR TIF ASSISTANCE FOR ALL TIF DISTRICTS AND PROJECT AREAS**

The City of Big Lake will require a non-refundable application fee in the amount of \$500.00 for its processing of the application. The application fee shall be paid to the City at the time the TIF application is submitted.

At the time a TIF application is submitted, the applicant shall also deposit \$10,000 with the City to cover its attorney's and consultant's costs incurred as part of amending or establishing a TIF district, drafting and negotiating a development agreement, and conducting any fiscal analysis that may be required to meet the requirements of utilizing TIF. *If additional expenses are incurred beyond the \$10,000, prior to the execution of a development agreement, the City shall notify the applicant in writing and the applicant will be required to deposit additional funds upon notice.*

If the project is approved and the applicant proceeds with the project, the City shall reimburse the applicant any unused portion of the deposit as of the date of execution of the development agreement. If the applicant does not proceed with the project, the City shall reimburse the applicant for the unused portion of the deposit as of the date that the City is notified in writing that the applicant desires to withdraw its application.

**VII. APPLICATION PROCESS:**

The application process must be completed in accordance with the TIF application procedures (Exhibit B). The purpose of this approach is to give an applicant the opportunity to discuss a development proposal without expending a great deal of money and time in pursuing a development that may conflict with the City's goals and objectives.

**VIII. OTHER POLICY ISSUES**

Public Use of Tax Increment

The City shall follow applicable state laws in terms of potential public improvement financing with TIF. It shall be the general policy of the City to identify public improvements at the time of adoption or amendment of the TIF Plan.

Tax Increment Financing Application Procedures

1. Meet with appropriate City staff to discuss the scope of the project, public participation being requested, time schedule, and other information as may be necessary. The purpose of this step is to give an applicant the opportunity to present a development proposal without expending a great deal of money and time in pursuing a development that may conflict with the City's goals and objectives.
2. Based on feedback received from the initial staff meeting, the applicant may decide to file a formal application for Tax Increment Financing assistance at which time the developer will be asked to pay a \$500.00 application fee and place \$10,000 in escrow for TIF-related administrative expenses.

3. Following the necessary financial analysis and preparation of detailed plans, the City Council and EDA, shall take action on the project. If approved, Big Lake's financial consultant will be directed to undertake the following steps:
  - prepare a development / redevelopment agreement based upon the terms approved
  - prepare a development / redevelopment plan and tax increment financing plan if required
4. If a redevelopment plan or zoning action is required, the Big Lake Planning Commission, City Council and EDA shall make every effort to take action at the same time that the development agreement is considered for approval.





## **Economic Development Authority (EDA)**

### **Overview**

In 1987, the Minnesota Legislature authorized cities to establish **Economic Development Authorities (EDAs)** under Minnesota Statutes §§469.090–469.1082. This legislation gave cities the ability to directly promote economic growth, redevelopment, and job creation within their communities.

The City of Big Lake’s EDA serves as a **public economic development arm** of the City, operating as a legally separate entity but under the oversight of the City Council. The EDA combines the powers of a **Housing and Redevelopment Authority (HRA)** and a **Port Authority**, allowing it to respond quickly and strategically to business and development opportunities that strengthen the local economy.

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### **Purpose and Powers**

The primary purpose of the EDA is to **enhance the community’s economic vitality** and **strengthen its tax base** through sustainable growth and redevelopment. To achieve these objectives, the EDA is granted authority to:

- **Acquire, own, improve, and sell property** for industrial, commercial, or redevelopment purposes.
- **Issue revenue and lease revenue bonds** to finance public or private projects without impacting the City’s general-obligation debt limit.
- **Provide loans, grants, or other credit enhancements** to stimulate new business investment and support existing businesses.
- **Enter into development and redevelopment agreements** with private entities.
- **Serve as a limited partner** in qualified development projects that align with City goals.

These powers give the city flexibility to structure partnerships and financing that advance community priorities while maintaining fiscal discipline.

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## Strategic Goals and Objectives

The Big Lake EDA plays a critical role in implementing the City’s long-term economic and community development vision. Its work supports a diverse, resilient, and sustainable local economy through the following goals:

- 1. Business Retention and Expansion**  
Strengthen relationships with existing businesses, supporting growth and stability through assistance programs, site development, and financial tools.
  - 2. Business Recruitment and Marketing**  
Attract new employers, entrepreneurs, and investment to Big Lake by promoting available industrial sites, quality infrastructure, and a strong workforce.
  - 3. Redevelopment and Land Reuse**  
Revitalize underutilized, vacant, or blighted areas to increase property values, generate new tax base, and improve community aesthetics.
  - 4. Housing and Workforce Support**  
Encourage the development of workforce housing that supports local employment opportunities and enhances quality of life.
  - 5. Infrastructure and Public Facilities**  
Leverage EDA financing tools, including **lease-revenue bonds**, to construct or improve public facilities that serve as catalysts for growth—such as civic campuses, downtown improvements, or business park expansions.
  - 6. Financial Stewardship**  
Manage revolving loan funds, tax increment financing districts, and other development resources to ensure accountability and measurable return on investment.
  - 7. Partnership and Collaboration**  
Coordinate with regional, county, and state development agencies to align strategies and maximize impact through shared resources and unified vision.
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## Long-Term Value

The EDA’s efforts directly contribute to Big Lake’s financial stability by **expanding the property tax base**, creating new employment opportunities, and improving community assets. By strategically investing in redevelopment, infrastructure, and partnerships, the EDA helps position Big Lake as a vibrant, business-friendly community prepared for long-term growth.

*Together, we are planning for a stronger Big Lake future*

Lease Revenue Bonds (LRB) is a type of public financing tool that allows an economic development authority (EDA) to finance the construction of a public facility. There is no specific statutory authority for LRB. This form of financing combines two statutory powers. The EDA has the authority to issue revenue bonds for its corporate purposes, including the construction of public facilities. The security for the LRB and the revenue to pay debt service for the public facility comes from a lease purchase agreement with the city. **Here's the breakdown:**

## How It Works

- A **city leases** a facility (such as a city hall or fire station) from the EDA.
- The EDA is the issuer of the bonds and uses the proceeds to construct or acquire the public facility.
- The **lease payments** from the city to the EDA are pledged as revenue to pay the debt service on the LRB.

## Key Features for LRB

1. **Not backed by full faith and credit** – Unlike general obligation bonds (GO Bonds), LRB do not carry an unlimited tax pledge. Repayment relies on the city making annual lease payments to the EDA.
2. **Subject to annual appropriation** – The city must budget and appropriate the lease payment each year. If they fail to do so, technically the lease can terminate and the EDA may default on the LRB.
3. **Higher interest cost** – Investors have more risk (since payments are subject to annual appropriation), so interest rates are higher for LRB compared to GO Bonds.
4. **Flexibility** – LRB can finance public facilities that otherwise require voter approval under the statutes governing GO Bonds. They're often used when a city desires to limit the use of its general obligation bonding authority.

## Example in Practice

- A city wants to build a \$33 million public facility.
- Instead of issuing GO Bonds (which are limited by statutory thresholds and requirements), the city may work with its EDA to finance the public facility.
- The EDA issues lease revenue bonds, builds and own the facility, and leases it back to the city.
- The city makes lease payments to the EDA, typically funded from the general levy.
- The EDA uses the revenue from the lease payments to pay the debt service on the LRB.

## Bottom Line

Not all public facilities are equally suited to the use of LRB. The more essential the facility, the better the application of this tool. This is due to the perception of investors that the city is less likely to not appropriate and walk away from an essential public facility. LRB can provide financing for a public facility without triggering certain limitations and requirements that apply for GO Bonds, but at the cost of **higher borrowing rates and annual appropriation risk**. Cities typically consider LRB when **urgency or scale of a project outweighs the risks of higher costs and reduced voter input**.

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## Background

If the City had pursued a **Capital Improvement Plan (CIP) Bond** and a **valid reverse referendum petition** had been filed, Minnesota Statute § 475.521 would require the City to submit the question to voters before issuing bonds. The following summarizes the procedural steps, timing impacts, and potential financial costs associated with such a delay for a \$33 million facility project.

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### 1. Required Process After a Valid Petition

#### Step 1 – Verify Petition Validity

- City staff must confirm that petition signatures equal at least **5% of voters** from the most recent general election.
- If verified, the City Council **cannot proceed** with the CIP bond issuance without voter approval.

#### Step 2 – Mandatory Referendum

- The CIP bond proposal must be presented to voters at a **special or general election**.
- The ballot question must clearly state the project purpose, total bond amount, and repayment term.

*Example ballot language:*

*“Shall the City of Big Lake be authorized to issue up to \$X,XXX,XXX in general obligation bonds under Minn. Stat. § 475.521 for the purpose of constructing a new [facility name]?”*

#### Step 3 – Election Timing

- The election may occur at the next general election or at a **special election** called by the Council.
- Minnesota election law requires **written notice at least 84 days** before a special election, along with required publication and posting.

#### Step 4 – Election Outcome

- If a majority votes **“Yes”** → the City may issue the CIP bonds.
  - If a majority votes **“No”** → the City may not issue those bonds but could consider **Lease Revenue Bonds** or revisit the CIP bond question in a future election.
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## 2. Timing Delays

- **Petition Period:** Begins after the public hearing; 30 days allowed for citizen filing.
- **Election Preparation:** Requires **90–120 days** for coordination, notices, and ballot preparation (84-day minimum).
- **Practical Impact:** The project would experience a **4–6-month delay**, or longer if timed with a general election.

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## 3. Financial Costs of Delay

Category	Typical Range	Estimated 6-Month Impact	Notes
Construction Inflation	4%–8% annually	+\$660,000 – \$1,320,000	Based on 2–4% inflation over 6 months
Interest Rate Risk	0.50% rate increase	+\$2.5M – \$3M (over 20 years)	Reflects long-term borrowing impact
Election Cost	\$15,000 – \$30,000	Immediate	Paid from General Fund

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## 4. Overall Project Impact – \$33 Million Facility

- **Low Estimate:** ≈ \$700,000 (mild inflation, stable rates, election cost).
- **Moderate Estimate:** ≈ \$1.3M – \$2.0M.
- **High Estimate:** \$2.0M – \$3.0M+ (rising rates and high inflation).

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## Conclusion

A valid reverse referendum petition would **delay project funding by at least six months** and **increase total project costs** by approximately **\$0.7 million to \$3 million or more**. These added costs represent **lost value due to delay**, not additional project benefit.

*Together, we are planning for a stronger Big Lake future.*

# 6E



## Community Development Department Update

Prepared By: Marie Popp, Community Development Director

Permit Type	Permits YTD (12/30/25)
Single-Family	40
Multi-Family	0
Commercial Projects	50
Residential Projects	803
HVAC/Mechanical	114
Plumbing	104
Zoning	74
Land Alteration	7
Fire	14
<b>TOTAL</b>	<b>1,206</b>
<b>TOTAL VALUATION</b>	<b>\$66,262,580</b>
* Permit numbers and valuation may differ slightly due to a reporting software error.	

- **421 Foley BLEDA-Owned Property:** The Minnesota Department of Agriculture (MDA) completed a site visit of the property. Staff is working with the environmental consultant (Braun Intertec) on next steps with MDA with the hopes of building demolition in 2026.
- **Prairie Meadows 5<sup>th</sup> Addition (formerly Parkwood Knolls):** City Council reviewed and approved the Preliminary Plat and Conditional Use Permit for a Shoreland PUD at the March 26<sup>th</sup> Regular Council Meeting. The development consists of 99 single-family lots. The applicant will need to submit an application for a final plat in order to move forward with the development. Staff is anticipating a completed application for final plat in Q1 2026.
- **Shores of Elk River Concept Plan:** The concept plan was reviewed by the Planning Commission on January 5<sup>th</sup> and will be reviewed by City Council on January 21<sup>st</sup>. The concept plan is for a 79-home residential shoreland development on 50-acres just north of the Hudson Woods development across 201<sup>st</sup> Avenue. The applicant would need to annex the property into the City.
- **Big Lake Economic Development Authority (BLEDA) Public Hearing for Establishment of Economic Development District:** In September 2025, the city council directed staff to move forward with the Public Facilities Project, which is the relocation of the Big Lake City Hall and the Big Lake Police Department. BLEDA has been involved with the relocation of City Hall since the inception of the idea, which began in 2019 and owns the new site for which the Public Facilities Project is proposed to be built. BLEDA is holding a public hearing on January 12th for the consideration of the development of an Economic Development District to allow for BLEDA to exercise certain statutory powers. A special BLEDA meeting will follow on January 21<sup>st</sup> at 6 pm for the issuance and sale of lease revenue bonds and the lease agreement with the City.
- **Community Development Coordinator** Position has been posted with an application deadline of February 5<sup>th</sup>. This is a newly created role that blends some of the City Planner responsibilities with more exposure to economic development.