

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



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 maybe 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.

BLEDA MEMBER	SEAT	TERM EXPIRES
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

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

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
Revenue Budget							
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%
Total - Revenues:	\$ 736,120	\$ 162,739	\$ 166,222	\$ 131,600	\$ 161,300	\$ 29,700	22.57%
Expenditure Budget							
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%
Total - Expenditures	\$ 88,931	\$ 185,545	\$ 155,039	\$ 175,942	\$ 142,554	\$ (33,388)	-18.98%
Excess Revenues/(deficit)	\$ 647,189	\$ (22,806)	\$ 11,183	\$ (44,342)	\$ 18,746		

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
	Total Revenues	\$ 131,600	\$ 161,300	\$ 29,700	22.57%	\$ 210,800	\$ 210,800	\$ 250,400	\$ 250,400
	Projected Cash Flow Change	2025	2026			2027	2028	2029	2030
	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
	Projected Ending Cash	\$ 219,478	\$ 238,221			\$ 302,968	\$ 364,729	\$ 462,923	\$ 557,756

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
Total Expenditures		\$ 175,942	\$ 142,554	\$ (33,388)	-18.98%	\$ 146,048	\$ 149,034	\$ 152,200	\$ 155,561
Excess Revenues/(deficit)		(44,342)	18,746	-		64,752	61,766	98,200	94,839
CASHFLOW PURPOSE ONLY FOR BLEDA									
Total Expenditures & IFL		\$ 175,942	\$ 142,554			\$ 146,048	\$ 149,034	\$ 152,200	\$ 155,561

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">• Monitor contiguous parcels and position BLEDA to acquire properties• Hold parcel for commercial development• Identify and eliminate road blocks for development / redevelopment• Determine when and how to market parcel
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">• Streamline property for redevelopment opportunity
3.	421 Foley Avenue (BLEDA-owned) PID 65-408-0310 & PID 65-408-0320 <ul style="list-style-type: none">• Monitor contiguous parcels and position BLEDA to acquire properties• Hold parcel for development• Identify and eliminate road blocks for development / redevelopment• Determine when and how to market parcel
4.	Northeast corner of Martin Avenue & Eagle Lake RD (BLEDA-owned) PID 65-00584-0105 <ul style="list-style-type: none">• Monitor contiguous parcels and position BLEDA to acquire properties• Hold parcel for development• Identify and eliminate road blocks for development / redevelopment 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.

	<i>Work Plan Objectives</i>
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.

	<i>Work Plan Objectives</i>
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"> • Create a financial “handbook” that clearly explains all BLEDA finances • Review and make recommendation on annual budget.
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

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

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 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.

