

**BIG LAKE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

MONDAY, JANUARY 12, 2026

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, BLEDA Assistant Treasurer Deb Wegeleben, BLEDA Secretary Lisa Miller and Tammy Omdal, Managing Director of Northland Securities.

4. ADOPT AGENDA

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

5. APPROVE BLEDA MEETING MINUTES OF DECEMBER 8, 2025

Commissioner Knier motioned to approve the December 8, 2025, BLEDA Minutes as presented. Seconded by Commissioner Parsons, unanimous ayes, motion carried.

6. BLEDA BUSINESS ITEMS

6A. APPOINTMENTS FOR 2026 BLEDA OFFICER POSITIONS

Marie Popp reviewed the current BLEDA Member positions of President, Vice President, Treasurer, and Assistant Treasurer, noting MN Statute and the BLEDA Bylaws require annual appointment of these positions by the Big Lake City Council. In 2025, Commissioner Heidemann was appointed as President, Commissioner Rohrbeck was appointed as Vice President, and Commissioner Clarksean was appointed as Treasurer. Popp asked the BLEDA Members to

consider volunteering to serve as BLEDA President, Vice President, and Treasurer for 2026, or nominate another Member to serve in one of the positions.

Commissioner Knier motioned to recommend the appointment of Alan Heidemann as President, Jake Rohrbeck as Vice President, Donna Clarksean as Treasurer, Deb Wegeleben as Assistant Treasurer and Lisa Miller as Secretary for the 2026 BLEDA positions. Seconded by Commissioner Rohrbeck, unanimous ayes, motion carried.

6B. RESOLUTION ESTABLISHING ECONOMIC DEVELOPMENT DISTRICT NO. 1

Tammy Omdal, Managing Director, Northland Securities was in attendance to discuss and answer questions pertaining to the BLEDA issuance of Lease-Revenue Bonds to finance the Public Safety Facility Project. Omdal discussed BLEDA plans to issue an estimated \$35,380,000 in Lease- Revenue Bonds, Series 2026A. The 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 potential library and pay costs associated with the bonds. BLEDA will pledge rental payments received from the City for the facility for payment of the Bonds. These are not General Obligation Bonds (GO). BLEDA does not have the authority to pledge the full faith and credit. The full faith and credit of the City is not pledged for payment of the Bonds and rental payments by the City to the BLEDA are subject to annual appropriation by the City. Omdal expressed there will be strong interest in the bonds because it is an essential facility being financed. Omdal reviewed the estimated True Interest Cost (TIC) is 4.79%, as of December 22, 2025. TIC is the interest rate used to evaluate and compare the interest rate bid. It takes into account both the offering price and any premium or discount on the bonds. Omdal explained "premium" means the underwriter will pay more than the principal amount of the bonds in order to have higher coupons. The coupons are approximately 5% on the bonds, not the 4.79% because it takes into account the premium due to the investors demanding a higher coupon even though the yield is lower. Omdal anticipates the bonds for the City of Big Lake will price well in the market. The hope is the interest rate is below 4.79% but that will depend on where the market is the day of pricing on January 21, 2026. Municipal bonds are not the same as a mortgage on a home. There is not one rate. Each one of the maturities/principal dates carry its own coupon and respective yield. The actual TIC will be based on final pricing of the Bonds, and market conditions, on January 21, 2026. 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. There will be no penalty or premium for early redemption pursuant to terms. As of December 16, 2025, S&P Global Ratings assigned its 'AA-' long-term rating to the bonds and also affirmed its 'AA' rating on the City's general obligation (GO) debt. Omdal noted the outlook for all ratings is stable. The bonds will be tax-exempt, non-bank qualified obligations. Tax-exempt bonds provide a lower interest rate than taxable bonds and the bonds do not meet the requirements to be issued as "Bank Qualified (BQ) Bonds." Omdal discussed there are certain risks associated with all debt, 1.) Lease-Revenue Bonds are subject to the risks of annual appropriation debt, although not pledged as security to the bonds; 2.) The City anticipates it

may use 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 and in addition, there are certain general risks associated with the issuance of bonds, including but not limited to; 1.) Failure to comply with covenants in bond resolution; 2.) Failure to comply with undertaking for continuing disclosure; and 3.) Failure to comply with IRS regulations.

Omdal reviewed the following key dates:

- 1.) January 12, 2026 - BLEDA will consider approving a Resolution Establishing Economic Development District No. 1.
- 2.) January 21, 2026 – Pricing of the bonds with Northland Securities will take place the morning of. Rates will be proposed, marketed to investors and bid to underwrite.
- 3.) January 21, 2026 at 6:00p.m. - BLEDA will hold a special meeting to approve a Resolution approving the issuance of bonds, approve a Resolution authorizing issuance of bonds, the execution and delivery of a lease agreement and indenture of trust. There will be a trust agent that payments will be made to with respect to the bonds.
- 4.) January 21, 2026 at 6:30p.m. - City Council will consider approving a Resolution approving issuance by the BLEDA of its estimated \$35,380,000 in Lease-Revenue Bonds, Series 2026A and authorizing the execution and delivery of a lease agreement and continuing disclosure.
- 5.) February 19, 2026 – Closing on the bonds is scheduled and proceeds will be available.

Commissioner Knier asked when investors would be able to purchase the bonds. Omdal noted January 21, 2026. There will be premarketing that will take place and there is a defined order period where orders are taken for the purchase of the bonds. Omdal noted the bonds will close on February 19, 2026.

Commissioner Rohrbeck mentioned in previous meetings there was discussion of potentially not utilizing the entire \$33 million and he inquired about what happens with any remaining funds. Omdal noted on January 21, 2026, the bonds will be sold based on the amount directed by the city. The city will receive the full amount plus the cost of issuance and capitalized interest. If the project is constructed and came in under budget, the city would have the option to use the remaining funds for other qualified change orders or to deposit to the debt service fund where the city and BLEDA can manage the rental payments and use some of the funds for debt service payments. This would be part of the budgeting process.

Commissioner Knodle asked if there is \$10 million not utilized after the project is complete, and the city decides they want to use the funds elsewhere, does that come back to BLEDA for approval or does the city get to use the funds however they want. Omdal discussed the city cannot use the funds for other projects outside of the project originally bonded for. The funds are being issued for the project as described in the bond document. The funds can be used for other add-on's and must be used for the project as defined or deposited into the debt service

fund. Assistant Treasurer Wegeleben explained any excess funds will be used so the taxpayers' levy will not increase as much.

Commissioner Heidemann opened the public hearing at 5:50 p.m. No one came forward. Commissioner Heidemann closed the public hearing at 5:50 p.m.

Commissioner Knier motioned to approve a Resolution Establishing Economic Development District No. 1 to include parcels numbers 65-0020-2401, 65-00616-0010 and 65-00616-0105. Seconded by Commissioner Rohrbeck, unanimous ayes, motion carried.

6C. REVOLVING LOAN FUND REQUEST – BIG LAKE PIZZA FACTORY

Marie Popp discussed 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: 1.) Land and building acquisition, renovations, and equipment are eligible uses, 2.) The maximum loan amount is \$25,000, 3.) The interest rate would be fixed for up to 10-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 and 4.) The term may be negotiated up to 10 years based upon productive life of assets. The BLEDA Finance Committee recommended approving the Revolving Loan for a term of 10-years at an interest rate of 4.75%.

Commissioner Geroux motioned to approve the Revolving Loan to Robert Monson of Big Lake Pizza Factory for a term of 10-years at an interest rate of 4.75%. Seconded by Commissioner Rohrbeck, unanimous ayes, motion carried.

6D. BLEDA BUDGET REPORT AND LIST OF CLAIMS FOR DECEMBER 2025

Deb Wegeleben reviewed the BLEDA financial report and list of claims for December 2025.

Commissioner Knodle motioned to approve the BLEDA Financial Report and List of Claims for December 2025. Seconded by Commissioner Rohrbeck unanimous ayes, motion carried.

6E. COMMUNITY DEVELOPMENT DEPARTMENT UPDATE – JANUARY 2026

Marie Popp shared the permit activity as of December 30, 2025, which has a valuation of \$66,262,580 from improvements and new construction. Popp reviewed ongoing projects including the BLEDA owned 421 Foley Avenue property, Prairie Meadows 5th Addition, Shores

of Elk River new Concept Plan, the Big Lake Economic Development Authority Public Hearing establishing Economic Development District No. 1 and the January 21, 2026, BLEDA special meeting at 6:00 p.m. Popp also shared that the new Community Development Coordinator position has been posted, and applications will be accepted through February 5, 2026.

Commissioner Rohrbeck asked if there has been any communication with previous owners of the 421 Foley Avenue site so grants can be pursued. Popp mentioned there has not been, but the MDA was going to assist with the process as they have done work for the previous owners on other sites. Rohrbeck noted any money saved is good for everyone.

Commissioner Knier asked the size of the Prairie Meadows 5th Addition and asked for clarification on the upcoming special meeting on January 21, 2026. Popp replied Prairie Meadows is suggesting 99 homes, The Shores of Elk River will be a concept plan phase presentation, and BLEDA will hold a special meeting at 6:00 p.m., prior to the City Council meeting, to approve a Resolution authorizing issuance of bonds, and the execution and delivery of a Lease Agreement and Indenture of Trust.

7. OTHER

8. ADJOURN

Commissioner Rohrbeck motioned to adjourn the meeting at 5:58 p.m. Seconded by Commissioner Knier, unanimous ayes, meeting adjourned.