

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON SEPTEMBER 17, 2009,
AT 6:00 P.M., AT THE PRINCETON CITY HALL COUNCIL CHAMBERS**

CALL TO ORDER

The Meeting was called to order by President Paul Whitcomb at 6:00 p.m.

Members present were Paul Whitcomb, Ben Hanson, Victoria Hallin, Thom Walker, and Charles Snustead. Absent were Ken Haskamp, and Cindy Riddle. Also attending were Jay Blake, Executive Director and Sharon Goetze, Realtor.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON APRIL 16, 2009

Motion by Snustead and seconded by Hanson to approve the Minutes of the August 20, 2009 EDA minutes. Discussion on adding “and/or Police Department to Unfinished Business Subsection A relating to the use of 316 – 10th Avenue North. All agreed to add the reference. Motion carried unanimously. Minutes will be modified to reflect the addition.

UNFINISHED BUSINESS:

A. Neighborhood Stabilization Program

Arcadian Homes

Blake indicated that there has been some movement in the Arcadian Homes acquisition process. Chase has foreclosed and is now the owner of record. They have contacted area realtors to list the property for sale. Blake indicated that the City has received an appraisal for the property at \$120,000 and that we are prepared to move forward with the acquisition. However there appears to be title problems with the site. City attorney Schieffer has worked with an attorney representing Chase to attempt to acquire the property and allow the city to correct the title issues.

Sharon Goetze, realtor, representing Brent Engelkens. Attended the meeting to determine if her client could acquire the property and renovate the site for rental units. Hanson asked whether or not the NSP grant funds could be used for for-profit rental. Blake indicated that it can, although it was the city’s plan to not use the funds for such purposes for at least the first nine months of the program.

Blake noted that since the realtors were contacted by Chase, the City has actively pursued declaring the structures unsafe for human habitation under Chapter X of the City Zoning Ordinance. The buildings met the definition outlined in City code and the buildings were posted unsafe on Wednesday. One individual remains on the site and was given 30 days in which to vacate. City Attorney Schieffer has served required notice to Chase and the real estate companies involved in the potential listing of the properties.

Discussion on the condition of the buildings ensued. There are several soffits that are leaning at an unsafe angle, there will be no heat in several of the units and the water pipes will freeze leaving no units with running water this winter. While posting the buildings the City Building

Official noted that the exterior walls were not secure and that “the buildings have outlived their usefulness”. The EDA did not support remodeling the units rather, they want the site cleared and new units built on the property.

Direction was given to Ms. Goetze that her client should submit proposals for the demolition of the buildings as well as the construction of new units.

No action was taken at this time.

1103 – 8th Avenue North

The City was notified by Mike McCoy, broker representing the City in this transaction that the original offer was not successful because it was submitted with Rural Development financing. The building in its current shape will not meet the quality and safety requirements for rural development or FHA or VA. Staff agreed to resubmit our offer. No response had been received as of the time of the meeting. Staff is aware of several parties that are interested in that home.

609 Old Highway 18 South

Lead and Asbestos inspections have occurred at this site and the demolition specs are being developed. The Princeton Police Department is going to conduct a situation training at this site with other law enforcement agencies from the area. The Princeton Fire Department is also going to practice at this site. No additional action was required for this property.

316 – 10th Avenue North

The Princeton Fire Department has conducted a preliminary training at this site. Staff has received two phone calls with concerns over the removal of that structure. Most of the concerns were answered with lengthy discussions with the parties. Staff continues to receive requests for specific items to be removed from the building prior to its demolition. See notes below on the Salvage Policy. Staff will invite East Central Minnesota Habitat for Humanity to our next meeting to discuss the preliminary plans for the site. No additional action was required for this property.

611 – 5th Avenue North

Asbestos inspections have been completed. Lead is scheduled. The preliminary bid specs should be done within a week. No additional action was required on this property.

1317 – 15th Avenue North

Staff received a request from a realtor to reconsider action on 1317 – 15th Avenue North. The appraisal on this site was completed in July and would need to be updated. The sellers have dropped their price by \$20,000 and the buyers are interested in working with the City on the NSP renovation of the home. Staff requested authority to move forward with an appraisal and possible offer on the site. Motion by Hanson and seconded by Snustead to authorize staff to proceed with an appraisal. Staff will contact the appraiser and obtain the necessary agreements for an offer on the property pending the results of the appraisal. Motion carried unanimously.

Salvage Policy

Staff, in conjunction with the City Attorney, proposed a Salvage Policy for the NSP program as follows:

Income from the direct sale of property (or in this case materials or appliances from within the property shall be counted as program income for the NSP program. Program Income can be reused within the first 18 months of the program but would need to be returned to Minnesota Housing Finance Agency after that time. No items found or left behind in property acquired with NSP funds shall be salvaged by a city employee or other person unless approved by the Princeton Economic Development Authority. For insurance purposes, members of the general public shall not be allowed to salvage from city owned properties without prior written approval from the Princeton Economic Development Authority. On an annual basis, the City shall conduct a public auction of items salvaged from an NSP property and funds shall be returned to the Minnesota Housing Finance Agency in accordance with NSP guidelines.

EDA discussed the request for specific items and found it difficult to administer a fair program of salvaging for these structures (molding or cabinets, doors etc.) Hanson suggested that perhaps another non-profit could salvage items and benefit from the items, such as the Mille Lacs County Historical Society. Hallin noted that if the Historical Society receives historical items they are not allowed to sell them for financial gain. Staff agreed to discuss the policy further with City Attorney Schieffer and report back to the EDA next month..

OLD BUSINESS: None

Energy Efficiency Grant Update - No report

MISCELLANEOUS:

A. EDA Balance Sheet - None

The balance sheet was distributed.

B. Verbal Report – None

Blake noted progress on the USDP expansion, meetings with Glenn Metalcraft on expansion plans, the Assisted Living project for the former Thunder Alley site and the grand opening of Zapp Sporting Goods and Zap a Tan in the old city liquor store.

MOVED, SECOND BY Hallin/Hanson TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:45 P.M.

ATTEST:

Paul Whitcomb, President

Jay Blake, Executive Director