

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON MAY 20, 2010,
AT 6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

Paul Whitcomb called the meeting to order at 6:00 P.M. Members present were Cindy Riddle, Thom Walker, Jeff Holm, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Absent: Victoria Hallin and Ben Hanson

APPROVAL OF MINUTES FROM THE REGULAR MEETING OF APRIL 15, 2010

WALKER MOVED, SECOND BY SNUSTEAD TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON APRIL 15, 2010. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Public Hearing for Habitat for Humanity Land Transfer

The Princeton Economic Development Authority is requested to conduct the required public hearing prior to authorizing the transfer of Lots 19 & 20, Block 4, Dunham's Addition to the City of Princeton, Mille Lacs County, to East Central Minnesota Chapter of Habitat for Humanity. An Administrative Lot Split has been done on this site and the addresses will be 316 10th Avenue North and 318 10th Avenue North.

WALKER MOVED, SECOND BY RIDDLE TO CLOSE THE PUBLIC HEARING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

SNUSTEAD MOVED, SECOND BY RIDDLE TO APPROVE THE DEVELOPMENT AGREEMENT. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

HOLM MOVED, SECOND BY WALKER TO AUTHORIZE JAY BLAKE AND PAUL WHITCOMB TO SIGN THE QUICK CLAIM DEEDS. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. NSP Program Update

1. 316 10th Avenue North

- Public Hearing for May 20, 2010 for transfer of property to Habitat for Humanity
- Closing set and transfer ceremony for May 21, 2010
- Work has already begun on the site

2. 609 Old Highway 18

- The burn is scheduled with the Princeton Fire & Rescue Department

3. 611 5th Avenue North

- New qualified buyer secured
- Closing was re-scheduled for May 14, 2010, and FHA Financing will not allow the NSP Program grant/loan.
- Blake signed the papers today to transfer the property. Buyer is closing tomorrow May 21, 2010. Sale is going through without down payment assistance from the NSP Program.

4. 1503 13th Street North

- Radon and energy audits completed
- Inspection for remodel plans occurred
- Buyers have completed application process and have qualified for the NSP Program

5. 1003 5th Street South

- Lender/Seller accepted purchase offer
- Closing scheduled for end of May, next week.
- Buyer is in qualification process

The Realtor on this would like to close in 60 days for the Buyer can make the tax break deadline. Blake suggested that if the closing is not ready in that 60 day period then then funds from the NSP Program could be used for down payment assistance.

6. Arcadian Homes

Blake said that appliances that were in these buildings were given to Princeton Fire Department and a sub-station, Public Works garage, and a refrigerator to the Liquor Store. The State would like to see a deconstruction on one of the units. Lakes and Pines, is looking into construction companies that do this type of work and having them check out the site and see what is salvageable. Home Security did the closing on this site and since the City has gone to them for all the closings on the NSP Programs, they have been reducing the fees to close.

Whitcomb asked on the appliances that were given to different departments if there is a fee that the City will have to pay back to the NSP Program.

Blake said no, the City did not receive any money for those items.

Lakes and Pines told Blake that there are more funds available for this Program. Blake is asking the EDA Board if he should apply for them. The EDA Board agreed that the City should apply for additional funding since this Program is available till September of 2010. Blake will have an update on that for the June 17, 2010, EDA Board meeting.

B. Rural Taxing District

The Princeton Public Utilities came up with a list that shows who in the City is not on sewer or water or both. Blake said he was surprised how many are on the list. With knowing that, it could have an impact on the City if we were to do this Rural Taxing District.

Holmes commented that the State has adopted a bill that could make hooking up to the city sewer or water more probable.

Blake said we should look at this city wide and see if we should do sewer hook ups. If we do for some we have to do for the rest. So this could make a negative impact for residents in this economy. Blake just wanted the EDA Board to see the information. Blake will bring this back again next month. He believes where it would be best to use this type of District is in the rural area.

C. Tax Abatement for Inline Packaging

In 2001, the City sold Lot 8, Block 3, Princeton Industrial Park Third Addition to R.W. Builders for the purpose of constructing a manufacturing facility. Inline Packaging has occupied the space since then. The owners are proposing to add a 16,000 square foot addition to the building to expand the production and warehouse space. The number of employees will increase as a result of this expansion.

Inline Packaging is asking for a Tax Abatement for the value of their addition only. This abatement would consist of the increase of taxes for the addition. The abatement agreement would be for a ten year period for 90% of the tax increase resulting from this addition. Blake has not heard back from Sherburne County regarding the exact numbers. There are only two other sites in Princeton that are currently using the Tax Abatement Program.

If the EDA Board approves of this proposed tax abatement, they would need to make a motion to recommend the resolution to the City Council to hold the public hearing for the Business Subsidy Agreement.

WALKER MOVED, SECOND BY SNUSTED TO RECOMMEND TO FORWARD THE RESOLUTION TO THE CITY COUNCIL FOR THE TAX ABATEMENT FOR INLINE PACKAGING AND HOLD THE PUBLIC HEARING FOR THE BUSINESS SUBSIDY AGREEMENT, AS LONG AS THE WAGE LINES SET BY THE EDA BOARD POLICY FOR THE TAX ABATEMENT PROGRAM ARE MET. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

Blake said the City of Princeton is applying for a grant with the City of Milaca. Lezlie at Lakes and Pines, is helping with this grant. This grant could be used for downtown business owners to make updates to their buildings. The business owner would have to match the amount they would need from the grant. If they own the building for ten years after the grant, the amount they had granted is washed. If they sell that business within the ten years then they have to pay the grant back completely. For residential property owners that are living in their home this grant is a 90% funding. The property owner just needs to pay a 10 % match. Five people came to the City Council meeting and would like to apply for this grant. This grant is gauged on how much interest we get in a time period. There is an income guideline to qualify for this grant. The grant covers energy efficiency areas for the building.

The contracts for the bridge work is in review, but has not been rewarded yet. Both bridges will be worked on at the same time and the start date is between June 1 -15th. Reibe Park will be used as a construction staging area and possibly another site. Blake wants to put up two billboards for the downtown businesses to put their advertisements on for those who are here for the construction period.

United States Distilled Products will be starting their construction for their addition. Glenn Metalcraft will be doing an addition to their building. Family Pathways is open. An Ice Cream Shop has opened downtown. The Pawn Shop is regulated by the new ordinance regulations. Penalty provisions are in motion and Police Department has it in their hands now. The City had tried to get the Sales Tax Abatement for the new waste water treatment plant through the State, but it was denied. The City is applying for the Economic Development Grant that is a \$100,000 of State funding. The Biomass Project that Sylva Corp. has spoken of would qualify for this grant.

C. City Council and Planning Commission Minutes for April, 2010

The EDA Board had no comments.

WALKER MOVED, SECOND BY SNUSTEAD TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:09 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant