

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON SEPTEMBER 16, 2010,
AT 6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

Thom Walker called the meeting to order at 6:00 P.M. Members present were Victoria Hallin, Ben Hanson, Cindy Riddle, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Absent were Paul Whitcomb and Jeff Holm.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON AUGUST 19, 2010

RIDDLE MOVED, SECOND BY SNUSTEAD TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON AUGUST 19, 2010. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. NSP Program Update

316 10th Avenue North

This project is completed.

609 Old Highway #18

This project has been completed. The final payments have been requested for the contractor. The property is being held for future public needs.

1503 13th Street North

The project will receive the final Certificate of Occupancy by September 13, 2010. The closing is scheduled for September 29, 2010. Additional electrical work was required. Photos of the rehabilitation will be presented at the meeting.

1003 5th Street South

The certificate of occupancy was issued on September 13, 2010. The buyer has requested a down payment assistance of \$3,000. MHFA rejected the budget amendment for the down payment assistance and stated that we needed to reduce the final sale price instead. The closing is scheduled for September 29, 2010.

Arcadian Homes

After the approval of the Arcadian Homes RFP and the contractor selection process by the City Council, the RFP was published in the Princeton Union Eagle, the City Website, and the League of Minnesota Cities Website. The proposals are due by September 20, 2010. The Princeton Fire and Rescue Department has burned the building to the south of the property on September 11, 2010. There are two buildings left on the site and those will be torn down because the power lines are too close to the buildings. Surrounding Fire Departments have been doing arson training for a couple days in those two buildings.

611 5th Avenue North

This house has been purchased and the buyer now has had an article in the Union Eagle Newspaper regarding water in the basement. Blake saw no water in the basement before she purchased it. Mike Nielson, WSB City Engineer, has looked at the site and recommends grading the site and putting in gutters. The north side basement wall will also be repaired and the sheetrock replaced. There is \$10,000 put aside in the NSP budget for this.

Blake will check with the State if some funds can be held in reserve for a few years in case a home purchased from the NSP Program does have any problems. Maybe the City Attorney could draw up a

legal document that the homeowner would sign where the City is not liable for any future repairs. What is the reasonable time period for the City to be liable for repairs.

909 9th Street North

The City would like to purchase this property with the NSP Funds. The price would be \$12,000. The former listing agent is requesting a \$6,000 commission although he has agreed to reduce it to \$3,000. Blake has offered to pay a 10% commission on the selling price. The Agent had a listing agreement from April 23, 2008 to April 23, 2009. An extension was done on April 28, 2009 to April 28, 2010. The letter of intent from the City to purchase the property was dated the same day of the second extension. Blake told the Agent he would pay the expense for advertising of this property and the Agent said no.

The EDA Board was in agreement that they will not pay \$3,000 for commission to the Realtor.

Blake said this has to be done by Monday to qualify for the NSP Program. This property would be a nice area for a Habitat home. It would not work for commercial. What if he cancels the contract and reapplies after six months or whatever the time period would be for this. The possibility is that the NSP Funds may not be there.

HALLIN MOVED AND SNUSTEAD SECOND TO OFFER A \$1,200 COMMISSION TO THE AGENT AND IF THE AGENT DOES NOT ACCEPT THE COMMISSION OFFER, THE EDA BOARD WILL NOT PURCHASE THIS PROPERTY. THE EDA BOARD WOULD LIKE A LETTER FROM THE AGENT THAT RELEASES THE CITY FROM THE CONTRACT. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

B. Rural Taxing District

At the August 19, 2010, EDA Board meeting the Board requested that Staff prepare additional information on the fiscal impacts on the proposed Rural Taxing District Ordinance. The information included the impacts to the township payments for annexation of the property and the financial impacts to the City tax levy. DeWitt prepared a map of the parcels annexed into the City in the past ten years.

There were nineteen annexations between 2001 and 2010. Only ten would be eligible for Rural Taxing District status. Out of the ten parcels that were annexed into the City, there is one left that is still receiving township payments. The others have completed the payment schedule or will before the RTD Ordinance would take effect. There is a potential revenue loss of approximately \$8,000. This would drop as the years go by. A significant factor in this analysis is the payments to the townships. When a parcel is annexed, the City is required to reimburse the township for the loss revenue resulting from annexation. Once the parcel is platted it would no longer qualify for the Rural Taxing District.

Paul Whitcomb had spoken to Staff earlier and would like to know if a parcel were to annex into the City and receive the Rural Taxing District status, then at a later time with developing the land, would want to receive Tax Abatement, would the City be able to go back and recapture the money from what they received from the Rural Taxing District. The City Attorney is looking into this.

RIDDLE MOVED, SECOND BY HALLIN TO HAVE THE CITY ATTORNEY DRAFT A RURAL TAXING DISTRICT ORDINANCE FOR THE CITY COUNCIL TO REVIEW FOR A STUDY SESSION. IN THE WORDING OF THE

ORDINANCE THERE SHOULD BE MENTION OF RECAPTURING FUNDS IF THE DEVELOPER IS APPLYING FOR TAX ABATEMENT OR TIFF FROM WHAT THEY RECEIVED FROM THE RURAL TAXING DISTRICT. THE RURAL TAXING DISTRICT ORDINANCE SHOULD ALSO HAVE THE FOLLOWING PARAMETERS:

1. RURAL PARCELS ARE DEFINED AS FOLLOWS:
 - A. UNPLATTED RURAL RESIDENTIAL OR AGRICULTURAL PARCELS
 - B. GREATER THAN 2.5 ACRES IN SIZE
 - C. WITH NO SEWER OR WATER ACCESS
2. ADJACENT TO THE CITY MUNICIPAL BOUNDARY OR ANNEXED WITHIN THE PAST TEN YEARS
3. RTD RATE OF 50% GRADUATED IN YEARS 6-10
4. TEN YEAR SUNSET ON EACH PARCEL FROM DATE OF ANNEXATION.

UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. ECRDC Entrepreneurial Forum – October 23, 2010

The East Central Regional Development Commission and the City of Cambridge are hosting a regional meeting with the area cities, Economic Development Authorities and local business people on the benefits of expanding and developing in our communities. The session is on Saturday, October 23, 2010, in Cambridge. Blake will be attending.

B. Survey for Comprehensive Economic Development Strategy

The East Central Regional Development Commission is currently updating the regional Comprehensive Economic Development Strategy (CEDS). The Economic Development Administration requires this update each year to continue the status as an approved Economic Development District.

The survey that they have provided is extremely important to the city's future and the future of this region. The purpose is to identify economic development projects in the regions that may be eligible for federal funding from the EDA. Projects demonstrating a broader regional impact tend to compete better for federal EDA funds. They must be included in the CEDS in order to be considered.

This CEDS survey is part of a planning process designed to benefit all in the region. The information provided will be compiled with information from other communities and submitted to the EDA where it will be used to evaluate the need of the region, as well as to provide a listing of projects could potentially be eligible for EDA funding. This survey needs to be completed and returned by September 20, 2010.

The following are ideas the EDA Board believes are what we need in our community:

Grant Writer
Road Construction
Pilot Project for Heat and Power Plant Bio-Mass
High Speed Internet Connection
Trail Connections
Bus Service to Connect to North Star
Streamline Regulatory Process
Bridge Across Rum River for the Parks
Extend NW/SE Runway
Expand 21st Avenue

The following is what the EDA Board agreed were the most important four items from this list:
Expanding 21st Avenue, Bus Transit, Bridge Across Rum River for the Parks, and High Speed Internet

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

The additions of USDP, Glenn Metalcraft , and Inline Packaging are moving along well. The bridge has had some slow ups from the rain. There is a potential buyer for Pine Loft building. The potential buyer is aware of the SAC and WAC charges.

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

The EDA Board had no comments.

HALLIN MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:28 P.M.

ATTEST:

Thom Walker, Vice President

Mary Lou DeWitt, Comm. Dev. Assistant