

**THE REGULAR MEETING OF THE EDA BOARD HELD ON MAY 17, 2007, AT 6:00 P.M.,  
AT THE CITY HALL COUNCIL CHAMBERS**

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Paul Whitcomb called the EDA Board meeting to order at 6:12 P.M. (Had to wait for a quorum.)  
Members present were Ken Haskamp, Victoria Hallin, Ben Hanson.

Absent was: Sarah Lund, Charles Snustead, and Thom Walker.

**APPROVAL OF MINUTES FROM THE REGULAR MEETING ON MARCH 15, 2007**  
HALLIN MOVED, SECOND BY HASKAMP TO APPROVE THE MINUTES OF MARCH  
15, 2007. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.  
(There was no meeting in April.)

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:**

**A. Aero Tax Increment Financing Plan, Discussion**

Blake informed the EDA Board that City Staff initiated the process to establish a new Tax Increment Financing (TIF) District for the area along First Street from Highway #169 to 21<sup>st</sup> Avenue South and the old Airport Hangers. Dick Aslesen, Northland Securities, is helping Staff with the TIF Program. The proposed district is a Redevelopment District, which has a number of requirements in order to meet new State criteria. Two of the requirements are that 70% of the area must be occupied by improvements and 50% of the buildings must meet the test of substandard. In the past, cities have bonded for improvements and paid for many of the redevelopment costs up front. This has created problems for some communities, if the development does not produce enough increment either because of a change in the market conditions or a failure to fully execute the development plan. This puts the local taxpayer at more risk and the city may have to help make up the difference by paying off the indebtedness to condemn property and acquire lands for the redevelopment project. The State Legislature has severely curtailed the City's ability to do this, making it harder for the City to be lead project developer. The new direction that cities are moving is a pay-as-you-go method, where the City passes through a percentage of the taxes received to the Developer, but only if the Developer pays the taxes and fully executes the redevelopment plan. In this case, the Developer assumes more risk and receives the reward only if it can be shown that the increment is created.

The City has the authority to reimburse a Developer for costs associated with land acquisition, demolition, utility improvements, streets, sidewalks, parking facilities, street lights among other items. The reimbursements must meet the criteria of items that are required to justify the redevelopment district. A redevelopment district reimbursement can be for costs associated with the clean-up of blighted conditions outlined in the plan.

The Briggs Company is presenting a concept plan for approximately seven acres that they would purchase from Strong Built Townhomes, Inc., where they would like to build two multi-family apartment units. This concept plan will be presented to the Planning Commission Board at their May 21, 2007, meeting. If this were approved they would start in two phases and then go to

phase three if it were a success. Blake is asking the EDA Board to make a motion of support regarding the Aero Tax Increment Financing Program so he can forward it to the City Council.

HASKAMP MOVED, SECOND BY HALLIN TO RECOMMEND TO THE CITY COUNCIL TO ESTABLISH A TAX INCREMENT FINANCING DISTRICT. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**B. New Horizon Tax Increment Financing Plan**

Blake informed the EDA Board that the City staff is working with the new owners of the former Thunder Alley building, (old Smith System Building), to consider options for redevelopment of the site.

The former Thunder Alley business has entered into bankruptcy related to its business operation and the mortgage on the building. The building is currently in receivership and will be purchased by William and Susan Dunkely, owners of the New Horizon Day Care Centers across the Upper Midwest. They are interested in a mixed use development that incorporates three potential land uses. They would like to place a New Horizon Academy, a thirty to forty unit building for fifty-five plus age group, Cooperative Housing Development, and a medical office complex with Fairview Northland as a principal tenant. The owners view the location between the hospital/clinic complex and the schools as a prime location for this type of development. The Developers have also indicated that the proposal will likely require the TIF participation in order to reduce the land and clean up costs associated with the former industrial site.

As the site currently sits, the former industrial site and indoor go-cart track would be demolished and the site improved to allow for the new facilities. Two housing sites may be included in the district to allow for the development to take advantage of the visibility along Highway 169. This proposal is several weeks behind the Aero TIF proposal. Blake commented that there is a sharp curve on that road and that should be straightened to make it more safer. They would like to begin building this year. There could be two acres left where something else could go in.

HANSON MOVED, SECOND BY HALLIN TO RECOMMEND TO THE CITY COUNCIL TO ESTABLISH THIS AREA AS A TIF DISTRICT. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**OLD BUSINESS:**

**A. Waterworks Update**

Blake informed the EDA Board that the Waterworks Company decided to keep their business in Cambridge. Blake is happy with their decision even though the company would have been a

nice addition to Princeton, jobs were saved and added in Cambridge. Waterworks had started in Cambridge and Cambridge worked with them to have them stay in the area.

### **B. Bio Matrix Update**

Blake informed the EDA Board that this is a high-tech business that purchased a part of Bell Canoe property. That property had gone through a lot split. They are thinking of building a 25,000 square foot building in maybe three years.

### **MISCELLANEOUS:**

#### **A. EDA Balance Sheet**

Blake informed the EDA Board there is \$112,000 in a revolving loan with the Initiative Foundation and then there is another \$80,000 in another fund that could be used. The \$80,000 is from different grants and paybacks from them. Special equipment is needed for Bio Matrix and Blake would like to use some of that money to help them purchase it. There will be a loan application at next months meeting. A special meeting might need to be held on this. Blake would like to give a third of the \$250,000 needed to purchase this equipment.

#### **B. City Council and Planning Commission Minutes for March & April, 2007**

The EDA Board had no comments.

#### **C. Verbal Project Report**

Blake updated the EDA Board on what is happening in the City. The Ryan Company is still working with Soule's and Howard's. The project is still on hold and having it begin in 2009 is looking doubtful now. Princeton Liquor Store building is for sale. The City had purchased the Westling hanger. The F.A.A. said there can not be over the fence operations so the City purchased it. North Memorial is interested in this hanger for helicopter storage. If the City were to sell the hanger then they could buy the Kruse hanger. Then the Kruse hanger could be sold to another party who would buy a small amount of land and use the Kruse hanger for storing their small plane. The City would break even with the sale. There would be no through the fence operations. State Farm Insurance is purchasing a house on Rum River Drive to move his business there. Van Oort's plans are to demo the house and build a new structure. Coborns is opening next week. There is a property owner that would like to annex over 300 acres into the City. This property is southeast of the City and in Baldwin Township. The City approached Baldwin Township Board and they agreed on a three to two vote to discuss with the City on an orderly annexation. There is a potential of 750 homes that would be built in the next ten years if this development were to happen. Blake said there is 40 acres that he would like to acquire in a trade for Park Dedication Fees and an elementary school could be built there. The School District is looking at building an elementary school and this would be a nice area. On Monday City Staff and a few others will speak with the Township regarding an orderly annexation agreement. Staff had also gotten Sherburne County to agree on adding a bridge crossing on

County Road 19 to 2. This will go straight across and will be a long term outlook. Brenda Hoffman is looking at bringing a Boys and Girls Club to Princeton. A few sites have been looked at, one is the Civic Center. The Visionary Committee met with the Joint Planning Group that involved six townships and the meeting went well. Riebe's are in the process of giving and also selling part of their land to the City which will be a park. Blake is going to the Park Board regarding some funds for the purchase of the land. The U.S.D.P. has sewer problems. They are in the process of losing their contract with Zimmerman for depositing of their waste and are asking the City of Princeton what could be done so the plant can remain in Princeton. One idea is moving the bio solids to bare land. Aero Business Park will be closing shortly with the purchase to Steinbrecher. Glen Metal Craft is looking at more land to build. A City is looking into a Public Safety Building that would combine the Police and Fire Departments. They would need three acres or more to build on. One of the sites they are considering is the old Coborn's Store. There is a Small Cities Development Program that Blake is looking at applying for to help the downtown area and Depot. Jake Huebusch will be the Development Intern, and will be working for the City approximately 30 hours a week starting in November. The City will not have to pay for this intern. Also, the Cities website is still being worked on.

HALLIN MOVED, SECOND BY HASKAMP TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:20 P.M.

ATTEST:

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Paul Whitcomb, President

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Mary Lou DeWitt, Comm. Dev. Assist.