

**THE MEETING OF THE PRINCETON EDA BOARD HELD ON DECEMBER 16, 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 Victoria Hallin, Ben Hanson, Cindy Riddle, Thom Walker, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Absent: Jeff Holm

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON NOVEMBER 18, 2010

WALKER MOVED, SECOND BY HALLIN TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON NOVEMBER 18, 2010. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. Discussion of Proposals for West Branch Re-development Site

This is continued discussion from the November 18, 2010, EDA Board meeting. The three presentations of the proposals consisted of Rum River Health Services, Central MN Housing Partnership, and Trident Development Corporation. Each of the three wrote a brief memo for tonight's meeting to the EDA Board regarding their proposal.

The first proposal that was discussed amongst the EDA Board was Trident Dev. Corp. In the memo from Roger Fink, he stated that obtaining an allocation of Housing Tax Credits is critical in the overall financing of this project. The development design, rental rates, equity structure and City involvement are all maximized to achieve the highest score possible for selection purposes. The long term mortgage financing will be provided by Bremer Bank. They are also seeking a 25 year TIF note from the City. This development is looking for approximately \$500,000 of credits from the City. Trident would like to purchase the land for \$10,000. The City has about \$280,000 of grant funds in this property. Any funds that come back from this property will go back into other community NSP Funded projects for 2 ½ years.

The next proposal discussed was Central MN Housing Partnership. Bremer Bank would also be funding their project. They have developed 20 affordable housing projects in Central MN. CMHP is willing to add more units to their plans for the Princeton site.

The final memo reviewed was Rum River Health Services and they are proposing a six million dollar project. Not many changes are needed for their design.

Walker commented that Trident is asking for the land at a low cost and funding along with credits. There would be no tax money for 25 years or as formulated on a TIF Plan. The only jobs created most likely from this development would be a caretaker, and lawn services. They are also looking for contributions from local employers.

Hanson said that Fink should be asked if he could build this development without getting TIF Funding and some of the other things he wanted.

Blake called Fink during the EDA Board meeting and asked him these questions. Fink told Blake that maybe they could move forward with the project without TIF Funding. Fink understands the deferred fees they are asking for in reductions will be negotiable. If TIF Funding were taken away, Fink is not sure how they would fill the gap with the financing and moving it forward with the State. Blake said that the School District is not happy with TIF Funding because it reduces their amount received in income. Blake suggested that if Fink is planning on using TIF for his funding the EDA could do a reduced TIF.

Snustead would like the EDA Board to decide on a price for the land.

RIDDLE MOVED, SECOND BY HALLIN TO ACCEPT THE PROPOSAL OF CENTRAL MINNESOTA HOUSING PARTNERSHIP FOR THE WEST BRANCH RE-DEVELOPMENT SITE. UPON THE VOTE, THERE WERE 4 AYES (RIDDLE, HALLIN, WHITCOMB, AND HANSON), 2 NAYS (WALKER AND SNUSTEAD). MOTION CARRIED TO FORWARD THIS TO THE CITY COUNCIL.

Hanson asked if he could reconsider his vote, and was told yes.

HANSON MOVED, SECOND BY WALKER TO MAKE THE MOTION TO RECONSIDER HANSON'S VOTE ON ACCEPTING CENTRAL MINNESOTA HOUSING PARTNERSHIP PROPOSAL. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED TO REVOTE.

RIDDLE MOVED, SECOND BY HALLIN TO REVOTE TO ACCEPT THE PROPOSAL OF CENTRAL MINNESOTA HOUSING PARTNERSHIP. UPON THE VOTE, THERE WERE 3 AYES (RIDDLE, HALLIN, AND WHITCOMB) AND 3 NAYS (WALKER, HANSON, AND SNUSTEAD). THE VOTE ENDED IN A TIE.

Walker recommends that Staff contact all three parties that had given a development proposal and ask them what they are going to be asking for from the City to build this project.

Hallin said to make sure they understand that TIF Funding will not be given.

WALKER MOVED, SECOND BY HALLIN TO TABLE THIS ITEM ON THE PROPOSALS FOR WEST BRANCH RE-DEVELOPMENT SITE FOR STAFF TO OBTAIN INFORMATION FROM ALL THREE THAT SUBMITTED DEVELOPMENT PROPOSALS

ON WHAT THEY ARE ASKING FOR FROM THE CITY TO BUILD THEIR PROJECT. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY HANSON TO HAVE A SPEACIAL EDA MEETING ON DECEMBER 23, 2010, AT 6:00 P.M, SO MORE INFORMATION CAN BE OBTAINED FROM THE THREE PARTIES. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Westling Land Acquisition Proposal

The City is working with John Westling on the platting of his property north of the current Industrial Park and adjacent to Princeton Municipal Airport. The plat has been given Preliminary and Final Plat approval by both the Planning Commission and the City Council. The plat includes the creation of three outlots and the road right-of-way for the 21st Avenue Extension from Aero Business Park to the Industrial Park. The City Council has authorized the acquisition of 21st Avenue road right-of-way for a price of \$30,000 utilizing Capital Improvement Program funds. Westling would like to sell the entire plat to the City for the amount of \$400,000.

Outlot A consists of 23.19 acres, of which 7.5 acres is buildable.

Outlot B is approximately 8 acres with 4.6 acres of buildable land.

Outlot C is not buildable but would make a logical addition to the Airport property.

The City needs to rectify a land transfer issue relating to the sale of Lot 8, Block 3, Princeton Industrial Park Third Addition to RW Builders, the In-Line Packaging Property. The City transferred the land, approximately 2.5 acres, not knowing that the FAA funds were used to buy that portion of the Industrial Park Plat. The City must replace the airport land lost in that sale.

Larry Doose, Sylva Corporation, has expressed interest in acquiring Outlot A for future expansion. Blake met with Doose and told him that the City would not want that land to be used for more product storage and would require a building on that site. Blake believes Doose would pay \$250,000 for Outlot A. Blake will speak further with Doose on the matter and see what he would intend to do with the land.

On the monthly EDA Balance sheets there is an old development account listed as Industrial Park and it currently has approximately \$153,000 in the account. This account was developed from old land sales within the Princeton Industrial Park. These funds could be used for acquisition of the land for the industrial park.

The EDA Board would like Staff to get a better idea of the value of the land and bring that back to the January 20th, 2011, meeting.

OLD BUSINESS: None

MISCELLANEOUS:

A. Verbal Report

Blake said the McDonalds restaurant is building an addition. There is a Butcher Shop in Baldwin Township that is in a Residential zoning area and the owner is being forced to move. He is looking at the Great Glacier building on First Street in Princeton. A Mexican restaurant will be opening on December 27th, in the Pine Loft building. They will be requesting Tax Abatement. Blake said they could use the Retail Revolving Loan. The owner would like to build a new bar for \$20,000. This will be on the January 20, 2011, EDA Board meeting.

Whitcomb mentioned the idea of raffling Aero Business Park property to recover what the City paid in land cost and assessments, approximately \$500,000. Whitcomb asked Staff to check if this could be done. There are two lots that the City may want to keep for future Fire/Police Station.

B. City Council and Planning Commission Minutes for November, 2010

The EDA Board had no comments.

WALKER MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:55 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant