

**THE MEETING OF THE PRINCETON EDA BOARD HELD ON JANUARY 20, 2011, 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 Ben Hanson, Thom Walker, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Absent: Victoria Hallin and Cindy Riddle

OATH OF OFFICE: None

ELECTION OF OFFICERS:

HANSON MOVED, SECOND BY WALKER TO NOMINATE PAUL WHITCOMB FOR EDA BOARD PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON PAUL WHITCOMB FOR EDA PRESIDENT. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

HANSON MOVED, SECOND BY SNUSTEAD TO NOMINATE THOM WALKER FOR EDA BOARD VICE PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON THOM WALKER FOR EDA VICE PRESIDENT. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

WALKER MOVED, SECOND BY SNUSTEAD TO NOMINATE BEN HANSON FOR EDA BOARD SECRETARY. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON BEN HANSON FOR EDA SECRETARY. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

WALKER MOVED, SECOND BY HANSON TO NOMINATE CHARLES SNUSTEAD FOR EDA BOARD TREASURER. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON CHARLES SNUSTEAD FOR EDA TREASURER. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON DECEMBER 16, 2010 AND SPECIAL MEETING ON DECEMBER 23, 2010

SNUSTEAD MOVED, SECOND BY HANSON TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON DECEMBER 16, 2010. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

Whitcomb noted an error in the Minutes of December 23, 2010, on Page 2, Motion to adjourn was mad and seconded, and it should read, Motion to adjourn was made and seconded.

SNUSTEAD MOVED, SECOND BY HANSON TO APPROVE THE MINUTES OF THE SPECIAL MEETING ON DECEMBER 23, 2010, WITH THE CORRECTION OF THE WORDING TO MOTION TO ADJOURN WAS MADE AND SECONDED. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Princeton Retail Revolving Loan Fund Request

a. Madre Loca Mexican Restaurant

The Madre Loca Restaurant is a Mexican/American restaurant that has recently opened in the former Pine Loft Restaurant building. Heide Burns is the owner of Madre Loca Restaurant. Burns has filled out the application for the Retail Revolving Loan Fund. The amount that is being requested for the loan is \$17,187.60. Burns has an itemized list of restaurant equipment that she would like to purchase with the funds. Burns has been invited to the February 17, 2011, EDA meeting, to answer questions the Board may have. Blake said there is \$90,000 in the Revolving Loan Fund. The request would be for new equipment and no liens on it. If the EDA Board were to approve the loan the next step would be the City Council's approval.

Snustead said he would like her to bring the last year financial statement from the Cambridge restaurant she had owned, also a balance sheet, and a projected income statement.

Hanson said there is a living unit attached to the back of the building that someone had been living in. Are they renting that out and receiving an income from that.

Blake was not aware of the living area space. That can be asked when she comes to the meeting next month. They will be connecting to city sewer. They have paid the connection fees.

Walker suggested purchasing used equipment might be better because it would be at a reduced cost.

Snustead commented that if the equipment were used there may not be any warranty included.

Walker said if this business did not work out and they had to liquidate the equipment, it would be sold at a reduced rate. It may be better to purchase used for starting out.

The EDA Board decided at the February 17, 2011, EDA meeting the first hour will be for Heide Burns to discuss the Retail Revolving Loan Application and at 7:00 P.M. the remaining items on the agenda will be discussed.

B. Community Growth Tools Retail Marketing Proposal

Ryan Wilfahrt, Community Growth Tools is interested in working with the City to find the missing pieces to our retail community. This Community Gap Analysis examines retail opportunities and develops an overall picture of existing retail goods and service outlets in a

specific market area. Wilfahrt has done this analysis in two different city market areas, Clearwater, MN and the other in South Dakota. Blake would like the Chamber of Commerce to take the lead with this project and the EDA could work along with them. The cost for this analysis is \$3,284.94.

Hanson asked once the analysis is completed and we know what types of businesses would work in the town, how would we go about bringing them here.

Blake said that the banks might be able to help in this area.

Snustead said there was a company that North Field had used and they did not go to the City at all.

Hanson asked if the purpose is to bring new businesses in or to look at existing businesses, how would this help the existing businesses.

Blake said to provide for the gaps that we have here in empty spaces. Maybe the building owners who need to fill their buildings would help pay for this along with the banks, and the Chamber.

Hanson asked what about the BR&E Program that had been done, what happened from that.

Blake said nothing. He would consider offering a \$1,000 from the EDA budget if need be.

Hanson said that money could be used somewhere else that would help the City. He would rather the money stay to help the City with their budget and not use it for this type of item that does not do anything for City Hall. Businesses would benefit from this and that would be for them to use this program. He is not supportive of the EDA contributing funds for this Program.

Blake suggested that Ryan Wilfahrt be invited to give a presentation at an EDA Board meeting.

Snustead commented that small business fail at 75% and this town small business is all we have.

Walker would like others invited such as the Chamber, Banks, and owners of buildings downtown that are empty.

Blake will do that.

Hanson would like Staff to check with the two towns that used this Program and see that they thought of it.

The EDA Board decided that Ryan Wilfahrt, Community Growth Tools, will be invited to the March 17, 2011, EDA Board meeting to present his Community Gap Analysis Program.

OLD BUSINESS:

A. West Branch Redevelopment Project

a. Princeton Union Eagle Article

The EDA Board had no comments.

b. Preliminary Development Agreement Discussion with CMHP

Blake said he met with Bill Reinke and Deanna Hemmesch, Central Minnesota Housing Partnership to discuss the initial terms for the Development Agreement between the City and CMHP. CMHP has been in contact with the adjoining property owner that has the 1,000 feet strip of land that they would like to purchase for their development. There are five dead end hydrants that need increased water pressure to service this higher density residential development. Blake said a Public Improvement Project needs to be done in this area. The water line would need to be looped. The West Branch Road could be looked at also then. There are water, sewer, and road problems in that area. This would be a public benefit where the assessments could be spread out and shared. Blake said the Railroad Redevelopment Project Fund could be used to help with the cost. The NSP Program Funds may also be used somewhat for this. The 13th Avenue North extension could possibly happen at the same time. It would depend on how much of the project the City can afford to do at the time.

Bill Reinke and Deanna Hemmesch, Central Minnesota Housing Partnership will be on the February 17, 2011, EDA Agenda following Madre Loca.

B. Westling Land Acquisition Continued Discussion

John Westling and Sharolyn Westling had their Air Park Addition Final Plat approved by the Planning Commission Board on October 26, 2010, and the City Council approved it on November 18, 2010. Westling's would like to sell the entire platted site for \$400,000. The City needs to rectify a land transfer issue relating to the sale of Lot 8, Block 3, Princeton Industrial Park Third Addition, to R.W. Builders, that is now the In-line Packaging property. The City transferred approximately 2.5 acres of land not knowing that FAA Funds were used to purchase that portion of the Industrial Park Plat. The City must replace the airport land lost in that sale.

The City has an old development account that shows up on the monthly EDA Balance Sheet listed as Industrial Park Development and in there is \$153,486.76. This account is from land sales within the Princeton Industrial Park. These funds could be used in part or entirely for the acquisition of land for the Industrial Park.

The Air Park Addition Plat consist of the following:

Outlot A has 23.19 acres of land and of that 7.5 acres is buildable.

Outlot B has 8.05 acres and of that 4.6 acres is buildable.

Outlot C has .62 acres and it is not buildable, but would make a logical addition to the Airport property.

There is a dedicated road right-of-way of 2.99 acres

Blake would like to go to the City Council with a Purchase Agreement for a portion of the plat. The City Council did approve \$30,000 to be set aside for road right-of-way. The City also needs to give back to the Airport 2.5 acres of land. The Outlots west of the proposed road would be good to purchase and use part of the land to give back to the airport and there still would be one to two acres left that could be built on. It would work for a small development site for a business in commercial or industrial use. It would not be a large enough site for a future city safety building. Blake suggest for Outlot B & C and the road right-of-way to offer \$153,000.

Hanson asked what the true value would be for the land west of the road.

Blake said the road and two outlots are about 11 acres. It would be .31 cents a square foot.

Hanson is concerned with the value of this.

Blake said Doose, Sylva Corp., paid \$1 a square foot approximately two years ago and believes this is a good deal.

Hanson said it would be nice to have a comparative on the value.

Blake is comfortable with the value.

Hanson said if we sold the remaining buildable lot of 4.6 acres would all of that be buildable.

Blake said there is a protective wetland in that area. He is not sure if the DNR would allow the wetland to be moved somewhat. Blake believes that there would be two buildable lots. Out of the 34 acres, Blake would like to purchase approximately 11 acres. Of that 11 acres 4.6 acres would be buildable land.

WHITCOMB MOVED, SECOND BY HANSON TO FORWARD TO THE CITY COUNCIL THE RECOMMENDATION OF THE PURCHASE OF OUTLOTS B & C AND THE ROAD RIGHT-OF-WAY IN AIR PARK ADDITION IN THE AMOUNT OF \$153,000. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

Blake informed the EDA Board that there was an interested party who wanted to purchase the Great Glacier building for a Butcher Shop, but the party has put that on hold for the time being. Glenn Metalcraft has finished their addition and would like to give the EDA Board a tour of their facilities sometime this spring. United States Distilled Products would like to use the new wastewater treatment plant when it is up and running and the City is looking at what the SIU Permit, Significant Industrial User, fee should be. This fee should be based on what is coming into the pipes to cover the City cost. The EDA believes there should be an additional cost from the operational cost in case of a malfunction happens. There needs to be a cushion. Blake wants to keep it cheaper than what they are paying now to ship the waste out. Hanson commented that there should be a review date set in the permit in case there is more cost down the road.

C. City Council Minutes for December, 2010

The EDA Board had no comments.

SNUSTEAD MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:50 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant