

**THE REGULAR MEETING OF THE EDA BOARD HELD OCTOBER 18, 2007, AT 6:00 P.M.,
AT THE CITY HALL COUNCIL CHAMBERS**

Paul Whitcomb called the EDA Board meeting to order at 6:00 P.M. Members present were Thom Walker, Sarah Lund, Ken Haskamp, and Ben Hanson. Staff present were Jay Blake and Mary Lou DeWitt.

Absent were Charles Snustead and Victoria Hallin.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON SEPTEMBER 20, 2007

LUND MOVED, SECOND BY HASKAMP TO APPROVE THE MINUTES OF SEPTEMBER 20, 2007. WITH THE CORRECTION UNDER UNFINISHED BUSINESS, ITEM A. 2008 PRINCETON ECONOMIC DEVELOPMENT PLAN, FIRST PARAGRAPH, SECOND LINE, IT SHOULD READ IN LATE 2006, INSTEAD OF IN LATE 2007. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS: None

NEW BUSINESS:

A. Request for Economic Assistance – Intelligent Ingredients, LLC

a. Princeton Revolving Loan Fund – Chief Kurt Stiles, Presentation

Blake introduced Chef Kurt Stiles, Executive Chef and CEO of Intelligent Ingredients, LLC., to the EDA Board. Stiles is present to introduce his business and is requesting authority to work with the Initiative Foundation regarding the Princeton Revolving Loan Fund. Blake said he met Mr. Stiles through his contacts with Barry Kirchoff from the Small Business Development Center in St. Cloud. Stiles is also working with Sandy Voigt from the Initiative Foundation in preparing his loan application package. Pending all information being received, it should be considered at their November Committee meeting. Blake mentioned the Revolving Loan Fund has remained untapped and the EDA is being asked tonight for approval on two separate items. The City money and Initiative Foundation funds would take second place on a loan and a lending firm would be first. Stiles was intending to lease a space from United States Distilled Products and they need that area so Staff is looking at places for Mr. Stiles. Blake said he found two areas that are adjacent to the City limits and is seeing about annexing one in.

Stiles said he needs 3,000 square feet to start up and growth should happen where in the future they would either expand at that area or build new.

Blake said the Initiative Foundation is able to use funds outside the City limits. If that were the case, they would need to use a different loan fund. The Princeton Revolving Loan Fund could not be used if his business had to go outside the City.

Hallin arrived at 6:17

Stiles gave a presentation on his business. He has been in the food and beverage business for 25 years. He started in 1979. He worked with Caribou Coffee. In 1989 Stiles worked with Ben and Jerry's. He has had a few restaurants. Stiles has been in MN for the past four years. He is part of the Research Chief Association. Product development is his business. His product is approved or certified by the FDA. His product is ingredients that go into healthy foods. Stiles passed around samples of crushed fruit seed for the EDA Board to view explaining it is a natural

process and it would go into muffins, cookies, and drinks. His ingredients help give individuals a balance of healthy components in food and beverage products that are healthier for the system. His company would create jobs and opportunities. He either ships product out from their plant or has it shipped in where they add their product to the concept idea.

Haskamp asked Stiles how he had gotten on the QVC Network.

Stiles said he has an agent. QVC has road shows and look for interesting products. He is considering selling cookies on QVC.

Haskamp asked what the process is for FDA approval.

Chief said he has a Doctor Adviser who has worked with them extensively and they have to prove to the FDA that the product is safe and natural.

Hanson asked about the power bar, does he plan to go into that area.

Stiles said he is working with someone who is a professional athlete and is deciding on what area they want to work with for sports bars and such.

Blake said this is a different manufacturing business, the two that are being presented tonight are more technical and we may not fully understand the idea, but they seem solid. He has read the business plan and is comfortable with it. The Initiative Foundation will look more closely at his business plan and direct the City.

Stiles would like to bring private equity in about two or three years and hopefully some day even have a cookbook. He decided on Princeton because he bought a house in Champlin, MN. He is close enough to Princeton where he believes this area would work well for him. He is looking at opportunity and cost structure. If his business were in the Twin Cities there is more cost and drive time, etc. Stiles believes this will work and the timing is good for this product line. The City of Princeton is interested in growing with businesses. His father-in-law had worked with Barry Kirchoff and told Stiles to get in contact with him and Kirchoff then directed Stiles to Jay Blake.

WALKER MOVED, SECOND BY HALLIN TO APPROVE INTELLIGENT INGREDIENTS, LLC, AUTHORITY TO WORK WITH THE INITIATIVE FOUNDATION REGARDING THE PRINCETON REVOLVING LOAN FUND WITH THE REQUIREMENTS THAT THE BUSINESS LOCATION BE IN THE CITY LIMITS. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

B. Request for Economic Assistance – BioMatrix International

a. Princeton Revolving Loan Fund

Blake introduced Guy Miller, Owner of BioMatrix International to the EDA Board. Blake is working with Mr. Miller and Jean Stassen Bowen to develop an economic assistance package for the EDA to consider. It consist of three parts, Princeton Revolving Loan Fund, JOBZ Designation, and Property Tax Abatement.

BioMatrix is a local firm that is currently operating from a building in Baldwin Township. They worked with Staff to examine the ability to construct a new facility in the Princeton Industrial Park, however, they opted to purchase an existing structure the former Bell Canoe building. They remodeled the building to fit their needs. BioMatrix is working with the Small Business Development Center on the development of its business plan and also with the Initiative Foundation on a loan package.

The first part is the Princeton Revolving Loan. Sherburne State Bank is the local lending agency and the Initiative Foundation will work with BioMatrix to provide the GAP Financing. Terms and figures are to be determined after the as-built appraisal is completed. It is expected that the Initiative Foundation will consider the request at their November meeting.

The second part is the JOBZ Designation. They are requesting that the property PID #90-401-0310 be designated for the JOBZ Designation. This would afford the business sales tax, income tax, and motor vehicle tax abatements. Since they are moving into an existing structure, the City JOBZ policy prohibits the full abatement of property taxes. We will need to request a formal modification to the JOBZ Zone.

The third part is the Property Tax Abatement. BioMatrix is requesting an abatement plan for the City portion of their property taxes. The City has agreed to two previous Tax Abatement plans, Nott Companies and Bell Canoe. For the Nott Companies plan, the City agreed to abate up to 90% of the municipal portion of the taxes for up to ten years. The City can also assist the business to request abatement from Sherburne County. The Princeton School District has not typically supported property tax abatement plans.

Guy Miller gave a presentation to the EDA Board regarding the concept of his company. BioMatrix was started in 1997 and makes animal products that are healthy for them. It is the same concept as Intelligent Ingredients except BioMatrix makes healthy products for animals.

Haskamp asked where Miller sees this organic market in the future.

Miller responded the market is continually growing. The milk product industry is changing their concept and not using growth products.

HALLIN MOVED, SECOND BY HANSON TO FORWARD THIS RESOLUTION OF SUPPORT TO THE CITY COUNCIL REGARDING THE PRINCETON REVOLVING LOAN FUND FOR BIOMATRIX INTERNATIONAL WITH THE CONDITION THAT BIOMATRIX IS IN THE CITY LIMITS. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS, 1 ABSTAINED. (Walker abstained) MOTION CARRIED.

b. JOBZ Designation

HANSON MOVED, SECOND BY HALLIN TO FORWARD THIS RESOLUTION OF SUPPORT TO THE CITY COUNCIL REGARDING THE DESIGNATION OF PARCEL PID #90-401-0310 AS A JOBZ ZONE. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS, 1 ABSTAINED. (Walker abstained) MOTION CARRIED.

c. Tax Abatement – Guy Miller, Presentation

HALLIN MOVED, SECOND BY LUND TO NEGOTIATE A MUNICIPAL PROPERTY TAX ABATEMENT PLAN FOR BIOMATRIX AND FORWARD THIS ON TO THE CITY COUNCIL FOR APPROVAL. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS, 1 ABSTAINED. (Walker abstained) MOTION CARRIED.

OLD BUSINESS:

A. Princeton Economic Development Plan – Update

Blake informed the EDA Board he had no updates at this point.

B. Princeton Business Retention and Expansion Program – Update

Blake informed the EDA Board that next Tuesday, October 30, 2007, at 1:00 P.M., at City Hall will be the kick off of this.

MISCELLANEOUS:

A. EDA Balance Sheet

Blake informed the EDA Board that there will be a couple changes on the Tax Increment Finance Plan that will be reviewed at the November 15, 2007, EDA meeting. There will also be an article on Thunder Alley in next weeks Union Eagle paper. Blake said him and Steve Jackson, Finance Director, went through the file of Thunder Alley and broke down the steps of the process. A loan went bad that the City approved and that is the scoop for the paper. Why they are writing an article now since the business has been closed this whole year is because there is an interested party that would like to purchase the building.

Marty Tux, Tux Equipment who's company is in Fridley, MN, is purchasing the Westling building and moving his company to Princeton. He may be asking for the JOBZ Program. There will be 20 employees coming from his current business and working here. Tux believes he will be hiring 20 additional employees in a year. The employee pay is good and will be beneficial to the City.

B. City Council and Planning Commission Minutes for September, 2007

The EDA Board had no comments.

HASKAMP MOVED, SECOND BY HALLIN TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:40 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant