

**THE REGULAR MEETING OF THE EDA BOARD HELD ON JUNE 21, 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 Ken Haskamp, Sarah Lund, Thom Walker, Victoria Hallin, Ben Hanson, and Charles Snustead.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON MAY 17, 2007

HALLIN MOVED, SECOND BY SNUSTEAD TO APPROVE THE MINUTES OF MAY 17, 2007. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. Tax Increment Financing Plan Update

Blake informed the EDA Board that the City continues with the establishment of the Aero Tax Increment Financing District for the area along First Street west of Trunk Highway #169 to 21st Avenue. The City Building Official has completed his review of all structures within the district and found that 13 of 22 buildings meet the state definition of substandard. The TIF laws require that 50% of the structures within the district meet that definition. The proposed development for market rate apartments is proceeding with the Planning Commission reviewing a revised concept plan at their June 18, 2007, meeting. The EDA Board has already completed their required review and passed a resolution of support for this project. No action is needed at this time.

A draft time frame will be presented to the City Council at their July 12, 2007, meeting. What will be presented will be a two unit apartment building. It will be about a six to eight million dollar investment. The Brigg's Co. has purchased land from Strong Built Homes and then a couple private properties. Blake met with Elizabeth Christensen who has hangers to the south and would like to sell them to the City. There might be land trades, which is being looked at. Then the first five hanger spaces would be cleaned up and will be helpful to beautify this area. The TIF District also goes across the street to rehab those buildings or tear them down. This will be pay as you go process.

NEW BUSINESS:

A. Redistribute JOBZ Zones to Tracts in Princeton Industrial Areas

(This item was moved down so Anoco Metal Services, Inc. could present first.)

Blake informed the EDA Board that the JOBZ Program has been sitting on a site that has not been used yet. Blake has three potential sites that he would like to have moved. First one is Anoco Metal property. Blake would like JOBZ just on the building and not the parking lot. Lot One, Block One, the Bell Canoe building is the second area Blake would like to move the JOBZ Program to. The third site is John Westlings building on old Hwy #18 by the Hospital. Westling has his Heartland Electric Company in this building and has four to five employees working for him and will do most of the business through the internet. Westling would like to break down the other portion of the building in sections then lease those out where three or four small industrial sites could be in there. Sections would be approximately 6,000 to 9,000 square foot areas.

HALLIN MOVED, SECOND BY LUND TO RECOMMEND TO THE CITY COUNCIL TO ADOPT A RESOLUTION REDESIGNATING A PORTION OF THE CITY'S JOBZ ZONE

TO PART OF LOTS 2, 3, 4, AND 5, BLOCK 3, PRINCETON INDUSTRIAL PARK, PLAT #3, 4.37 ACRES. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY HASKAMP TO RECOMMEND TO THE CITY COUNCIL TO ADOPT A RESOLUTION REDESIGNATING A PORTION OF THE CITY'S JOBZ ZONE TO PART OF LOT 1, BLOCK 3, PRINCETON INDUSTRIAL PARK, PLAT #2, 2.4 ACRES. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS, AND 1 OBSTAINED. MOTION CARRIED. (Walker abstained because he is friends with the party.)

Haskmap suggest that for site three that John Westling come to the EDA Board and explain what he wants to do.

Blake said he would ask Westling and John Gustafson, Realtor come to the next EDA Board meeting and explain their intention.

HALLIN MOVED, SECOND BY LUND TO TABLE ACTION ON SITE THREE, 705 OLD HIGHWAY 18 SOUTH, 2.0 ACRES. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. Princeton Industrial Park – Anoco Metal Services, Inc.

Blake informed the EDA Board that Dean Powell, Anoco Metal Services, owner has written a letter of intent to purchase Parcel 1, 2, 3, and half of Parcel 4, Princeton Industrial Park, Plat 3. Currently the company is based in Columbia Heights and is looking at relocating. Mr. Powell would need enough land to accommodate 17,500 square foot building that would eventually employ approximately twenty plus people. At Anoco Metal Services Company, they purchase, store, cut, grind, flatten, surface, and finish all types of materials in the steel industry. Their specialty is exotic metals which separates them from competition.

Powell was in town in March looking at some property in town. He toured the town and liked what he seen. The building he was interested in had been sold so Powell now wants to build his own building. This land is between the Kruse hanger and the Westling building. Powell has a plane and would like to park his plane at a hanger at the airport. Columbia Heights is trying to get Powell's company to move because it is now incompatible with what they foresee for their city.

Dean Powell was present and informed the EDA Board that he has two buildings now and they are landlocked with residential that has built around them. The City has lost its federal funding. They do about 1.5 to 2 million a year. They've been in business for about 30 years. Half of his employees would like to move to Princeton. Internet sales are zero right now because they can not handle any more business. This is for custom made parts. Powell believes 3 to 4 million in

sales would be increased with the move. Moving his equipment to Princeton will cost approximately a quarter of a million dollars.

Blake said he quoted Powell a dollar per square foot for the land. They would be enough land after Powell builds to add on to the building in the future.

Powell said financially they are a healthy company and pay debt within 30 days. Powell spoke of a possible account that his company may obtain and if so, he would need a larger building than the 17,500. This company for what he would make for them would need room to store what is being made. He may have to increase the building another 5,000 square feet. The lots that he is looking at purchasing would have enough room to accommodate this.

Blake said it is 3.2 acres. This would be 139,392 square feet. If the City sold this to Powell for \$100,000 it would be approximately seventy-two cents a square foot.

Powell said his time frame is where he could move in by November or December of this year. Powell is working with Ron Weyer, R.W. Builders to build the building. As far as other cost, it is electrical contracting and shelving equipment.

Blake said there are different programs available that could help Powell. Blake would like to move part of JOBZ to this site. This would help give Powell some tax breaks.

Powell said the company runs 24 hours a day 4.5 days a week. Powell would like larger shifts with less hours. He has only had a lay off once in 30 years.

Blake would like a recommendation from the EDA Board to be forwarded to the City Council to sell 3.2 acres at a certain dollar amount. If they were to look at a \$100,000 cap then there could be a very small assessment that still needs to be paid off on one lot. It's about \$1,500 that would need to be paid. This would be a great asset to the Industrial Park.

WALKER MOVED, SECOND BY HALLIN TO FORWARD THE SALE OF LOTS 1, 2, 3, AND HALF OF LOT 4, PRINCETON INDUSTRIAL PARK, PLAT #3, APPROXIMATELY 3.2 ACRES FOR THE APPROIMATE AMOUNT OF \$100,000. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

Blake will forward this to the City Council for the July 12, 2007, meeting. Blake will have the City Attorney draft purchase agreement.

OLD BUSINESS:

A. Community Development Report

Blake spoke that he is very happy with the TIF District. North Memorial is looking at purchasing the Westling hanger for their helicopter. Law suit with M.P.C.A. is settled with the wastewater treatment plant. This has taken five years to be resolved. The plant is at 2/3 of its capacity now.

They are also in the process of an orderly annexation with Baldwin Township. It is moving along well. There is 350 acres of land and potential school site that is being discussed which is in the township. No news on any anchor stores. The City has applied for 2.5 million dollars to help the first phase of the road. It is on the highway and Federal Funds are needed. The City received a grant from the DNR for half the amount of the Reibe property. This is five acres of land. The other Reibe property is being donated to the City to be a park. Extension for 21st Avenue past Aero Business Park into the Industrial Park is being looked at for funding. An Industrial Park meeting will be held outside City Hall and those in the industrial area are going to be invited to see if they will help pay the assessed amount of 20%. This would make it where Rum River Drive is not used as the main road so the industrial area has another access. Jenna King is working with Blake to make the extension of County Road #3 to Rum River Drive. Steinbrecher asked the City Council for a delay on the property he is purchasing from the city on the west end until things start to build there. He has a ten month delay. What the Council decided is they will grant the delay for another ten months. If an interested party wanted that land, then Steinbrecher has sixty days to close on it or the other party will purchase the lot.

MISCELLANEOUS:

A. EDA Balance Sheet

No comments from the EDA Board.

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

No comments from the EDA Board.

HALLIN MOVED, SECOND BY SNUSTEAD TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:35 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assist.