

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON MARCH 18, 2010,
AT 6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

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The meeting was called to order at 6:04 P.M. Members present were Paul Whitcomb, Ben Hanson, Victoria Hallin, Cindy Riddle, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Absent: Thom Walker and Jeff Holm.

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

SNUSTEAD MOVED, SECOND BY RIDDLE TO APPROVE THE MINUTES OF THE REGULAR MEETING ON FEBRUARY 18, 2010. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

Hallin arrived at 6:05 P.M.

UNFINISHED BUSINESS:

A. NSP Program Update

Blake said he received a report on foreclosures in Minnesota and Mille Lacs County is down 9% in the last year for foreclosures. This is the level they were at in 2007. The Princeton Public Utilities gives the City a list of foreclosures that they have shut offs for in the area and it has not risen lately.

316 10th Ave North – Families have been selected for the two homes that will be built. Habitat for Humanity is arranging for work teams and volunteers. There is an informational meeting this Saturday, March 20, 2010, at the Princeton Library. The Fire Department is planning on burning the house in May. Habitat plans to begin the building process in June.

609 Old Highway 18 South – The Fire Department had to reschedule the burn on this site.

1317 15th Avenue North - The closing on this property is completed. There was an article in the last Union Eagle paper with the new resident. Proceeds of \$75,000 from this sale went back into the NSP Fund for additional projects. The City has to use the recouped funds first.

611 5th Avenue North – M.H.F.A. inspection found some paint chipping. It was retested and no lead was found. The intended buyer has lost his mortgage. Blake asked the EDA Board if this property should be put back on the market. He would draw a name for a Broker from the remaining that has not been used yet for this program.

HALLING MOVED, SECOND BY HANSON TO PUT THIS HOUSE BACK ON THE MARKET. A BROKER WILL BE CHOSEN FROM A RANDON DRAWING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

Arcadian Homes - Fanny Mae has an office in Minneapolis and a person from that office called Blake and told them they will sell this property to the City. Blake directed the City Attorney to make an offer of 99% of the \$240,000 appraised value. As of today, Blake has not heard back on the offer.

810 Old Highway 18 South - In 2001, this property was rezoned because the owner wanted to convert this home into a triplex. They did renovate it into a triplex, but did not take out a building permit and the City had gotten a call from one of the tenants with complaints. The City Building Inspector went to the site and found that the renovation was not done to code. Bringing this site up to code and paying the permit fees has made the owner agreeable to selling this site to the City. Blake would like to purchase this site with the funds from the NSP Program. An Appraiser from outside of town will do the appraisal. City would tear it down and save the property for future development. Blake will let the EDA Board know at the next meeting regarding this site.

Riddle commented that there are renters living at this site and if the City purchased it then we would be landlords. Riddle advises that we look into the lease period for these renters.

The EDA Board agreed that if the City were to make an offer on this property, that the offer stipulates no renters. It would not be good for the City to purchase this with renters and not be at code.

1503 15th Street North - This property is vacant and has water damage, and needs a new roof. The new City Public Works employee would like to purchase it to move his family here. The employee is applying for the NSP Program. The appraisal for this property came back at \$75,000 and the asking price is \$71,900. Blake would like to make an offer contingent on Lakes and Pines review and soundness of this structure. Blake would offer \$69,900 for it. This property has been on the market just a couple months.

Whitcomb asked if this employee would meet the qualifications for NSP Program.

Blake said yes.

RIDDLE MOVED, SECOND BY HALLIN TO DIRECT STAFF TO MOVE FORWARD WITH THE PURCHASE OF THIS HOME WITH THE CONTINGENCY OF LAKES AND PINES REVIEW OF THE STRUCTURE. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS: None

OLD BUSINESS:

A. Rural Taxing District Discussion

Rural and Urban Service Taxing Districts regulates the Taxing Districts within the corporate limits of the City. This pertains to land that could be developed that would come into the City for future development.

The proposed Ordinance would establish a Rural Service Taxing District which would include all properties annexed on or after January 1, 2007. All parcels not included in the Rural Service District shall be included in the Urban Service District. The City has determined that the approximate ratio that will exist between the benefits resulting from general tax supported municipal services to parcels of land of the market value situated in the Urban Service District will initially be fifty percent. This rate shall apply for the first three years after the annexation of the property or if municipal sanitary sewer and/or municipal water services are provided to the property. It is anticipated that the tax supported services to the newly annexed properties will increase as parks and recreation, planning and economic development, police and fire services are increased and provided to the Rural Taxation District. In a four year to nine year period the tax ratio for the Rural Service District will increase to seventy-five percent of the Urban Service District. In year ten and thereafter, the tax ratio shall be one hundred percent of the Urban Service District. The property in rural areas adjacent to the City of Princeton when annexed will not immediately benefit as other property in the City limits by municipal services financed by general taxation.

Blake said an example of this is the R.W. Property site where it was in Baldwin Township, but was annexed into the City. This site is not receiving all City benefits so the City would reduce the taxes from what we normally collect and the township would get a portion of that for the eight years. City tax rates are more than double than township taxes. The taxing would start at 50% of what the City taxes would be, but once they are on sewer and water, it would be full City taxes. The ratio could change from 50% to 75% if some of the services were provided.

Riddle suggest in the wording on the top of page two on the Resolution that it read as: This rate shall apply for the first three years after the annexation of the property or *until* municipal sanitary sewer and/or municipal water services are provided to the property.

Blake said he sent this Resolution to the City Attorney today for him to review. The original intent of this Resolution was to address Roger Winkelman's property that was annexed into the City and then later Winkelman wanted to detach it. The City is not supporting a detachment. The Mobile Home Park that is in Sherburne County is being pressured by the State to get a new sewer system. With this plan they may be able to benefit with a one year break in taxes.

The EDA Board agrees this is a good incentive to have in place.

Blake will bring this item back to the EDA Board at the April 15, 2010 meeting, with comments from the City Attorney. Blake will show Jim Roxbury (Fire Chief) and Brian Payne (Police Chief) this plan. How much would the number of calls increase would be the issue. Joint Powers is already involved for the Fire Department.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

Blake said Sterling Pointe Assistant Living Developments Final Plat was approved by the Planning Commission on March 15, 2010. The City Council approved the TIF Plan for this project. The Developer's Agreement will go to the City Council at their March 25, 2010, meeting. Blake has spoken to Dunkley's Attorney on the cement pile that has been left there from the demolition of the Smith System/ThunderAlley building. The Attorney said that Dunkley's are looking for another contractor to remove the remaining cement that has been left. The previous contractor was unable to remove all the material because there are metal bars in it that would need larger equipment for this procedure. The road reconstruction for this area will be reviewed also by the City Council.

Family Pathways is going into the old Coborn's building. This business is like a Goodwill or second hand store. Blake does not have all the information on this. He believes they are leasing the entire site.

An easement has been granted for the bridge work that will be started this summer. Bids will be taken in April for the project. The bridges are expected to come down right after the school year ends in early June. The Engineer for the project would like the City to name the other bridge on Hwy. #95. The Dunn Bridge will be kept as named. The Visionary Group agreed to have a suggestion box at their Expo booth where people could put their ideas in. The City Council will review the suggestions at their March 25, 2010, meeting. The end of October is the anticipated date for the bridge work to be completed. The Fire Department is working on a substation at Wynette Township. Princeton Fire & Rescue Department has men on the department that live out in that area so this would work well where delays on calls would not be an issue.

C. City Council and Planning Commission Minutes for February, 2010

The EDA Board has no comments.

RIDDLE MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. THE MEETING ADJOURNED AT 7:33 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant