

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON JANUARY 21, 2010,
6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

.....
The meeting was called to order at 6:00 P.M. Members present were Paul Whitcomb, Thom Walker, Ben Hanson, Victoria Hallin, and Charles Snustead. Staff present were Jay Blake and Mary Lou DeWitt.

Absent was: Cindy Riddle (arrived at 6:03 P.M.) and Jeff Holm (arrived at 6:05 P.M.)

OATH OF OFFICE/ELECTION OF OFFICERS:

WALKER MOVED, SECOND BY HALLIN 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 5 AYES, 0 NAYS. MOTION CARRIED.

SNUSTEAD MOVED, SECOND BY HALLIN TO NOMINATE THOM WALKER FOR EDA BOARD VICE PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON THOM WALKER FOR EDA BOARD VICE PRESIDENT. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

Cindy Riddle arrived at 6:03 P.M. and took the Oath of Office for reappointment.

Jeff Holm arrived at 6:05 P.M. and took the Oath of Office. Holmes will be replacing Ken Haskamp who stepped down from the EDA Board and Holmes will finish the last year of Haskamp's term.

HALLIN MOVED, SECOND BY WALKER TO NOMINATE BEN HANSON FOR EDA BOARD SECRETARY. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON BEN HANSON FOR EDA BOARD SECRETARY. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY WALKER TO NOMINATE CHARLES SNUSTEAD FOR EDA BOARD TREASURER. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON CHARLES SNUSTEAD FOR EDA BOARD TREASURER. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM REGULAR MEETING ON DECEMBER 17, 2009

RIDDLE MOVED, SECOND BY HALLIN TO APPROVE THE MINUTES OF THE REGULAR MEETING ON DECEMBER 17, 2009. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. NSP Program

a. Project Updates

611 5th Avenue North

Blake said that the remodeling on this property is completed. The buyer is not finished with his paperwork and this is delaying the closing. The intended buyer moved a junk vehicle onto the property and Blake does not want to close on the property until this vehicle is removed.

The EDA Board was in agreement that there will be no closing until the vehicle is removed. This would go against the City Ordinance regarding junk vehicles.

316 10th Avenue North

The removal of asbestos is being done now. This needs to be done along with lead removal prior to the burn and demolition. Habitat for Humanity has received two applications for the proposed homes on this site. They are going to advertise one more time.

609 Old Highway 18 South

The Fire Department has not set a date for the burn.

1317 15th Avenue North

The bids on the rehabilitation were sent out to area licensed contractors. The City is required to have a Radon Test done and that had to wait until a new furnace was installed because the home has to be above a certain temperature. It has now been completed and closing should be proceeding.

Arcadian Homes

The City contracted an appraiser to put together a new price for the entire site. The results of that appraisal should be back within the next two weeks. Chase sold or gave three properties to Fanny Mae. Fanny Mae has fixed one of the units with brand new appliances and it looks very good. But the remaining are still damaged. The City still wants to buy the units and tear it down. Once the appraisal comes back then the EDA Board can decide what to offer for this site.

204 8th Avenue South

Blake said the appraisal came back at \$35,000 and was sold to a private buyer. This property would be best as a demolition and rebuilt on. Blake does not know who the buyer is or what the buyer intends to do with this property.

Walker asked when is the right time for the City to set up a Rental Authority.

Blake said he wants to see with the 2010 census is regarding the percentage of rental property. The City of Brainerd has this program and were taking care of the rentals properties that were overwhelming their area.

Blake believes there are two other homes that may be on the foreclosure list and he will watch to see. The City has recouped \$5,000 in administration dollars. Lakes and Pines will be splitting

this amount with the City. Blake believes the City will receive about \$20,000 in funds from this program for his time involved.

B. UDAG Revolving Loan Fund Proposal

Blake said the City Attorney reviewed the loan application process and made some changes. The Attorney thought the EDA Board could review the application and the City Council would have final review. Blake brought up the Sears Store that they would need fixtures and maybe they would use this program to use this loan for helping them get the fixtures. The focus would be retail and using the loan funding for lean-able fixtures.

Blake is asking the EDA Board for authorization to move this up to the City Council at their February meeting.

Holmes commented that on Page 4, Section - Required Attachments, Item D, there is a type error and it just shows the letter t and should be the word to.

WALKER MOVED, SECOND BY HALLIN TO MOVE THE UDAG REVOLVING LOAN FUND APPLICATION PROPOSAL TO THE CITY COUNCIL FOR THEIR REVIEW AND APPROVAL. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS: None

OLD BUSINESS:

A. Environmental Efficiency Block Grant Proposal

Blake submitted a proposal that covers two aspects of this grant. The first is under Traffic Signal and Street Lighting. This is to replace existing high pressure sodium (HPS) street lights in the downtown area with energy efficient light emitting diode (LED) street light fixtures. The proposed lighting fixtures will replace existing light fixtures on the Dunn Bridge and a segment of Rum River Drive in the downtown area. The cost for LED Street Lights is \$72,000.

Second area of the grant is Energy Efficiency Retrofits. This is to insulate City of Princeton Public Works buildings. Several of the buildings have little or no insulation. The installation of insulation will lower the heating costs of these buildings significantly and reduce energy cost. These improvements would cost \$95,000.

B. Sterling Pointe - TIF

This item was added to the agenda. Blake said that housing TIF can last up to 26 years and the Developer for Sterling Pointe would like to have the full 26 years. Blake recommends the 20 year plan. In this plan all the growth from this development would go to the City to pay off the

road project and any additional amounts in that district for upcoming projects. Blake believes that 25-30 jobs would be created from this project.

Whitcomb questioned if the taxes on the property do not meet the assumed amount, say the tax amount goes down, then what.

Blake said the City is not liable if the tax amount goes down.

Riddle asked what if this development were to close.

Blake said the City will not be guaranteeing anything to the bank. This did happen to the downtown mall and the City had to pay off the bonds. This would be a pay as you go loan.

Walker asked on budget items at State level if this would hurt the City with this type of loan.

Blake has not heard any discussion on this type of loan. State could change their process, but he does not feel there is much risk. The bank is being paid back as the City gets paid. The City would not pay the bank if this site were to close. That is in the terms.

Hanson asked maybe even going lower to 18 years and what the difference be. He would like to see it back on the tax roles as soon as possible.

Blake said that Steve Jackson, City Finance Director suggest after the first six years, the administration fee could go to other areas in the City fund for what the percentage would be that the City would receive. It looks like 10%. Jackson said after the first six years his time spent on this is not as much and his department would not need all the funds.

The EDA Board agreed that they would like the 20 years TIF Plan for this project. Blake will bring this back to the February meeting.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

Blake said the Site Plan was approved for the Prairie Senior Cottages. This will be a 20 bed facility. There is no tax increment financing. The Coborn's building had three potential parties that were looking at their building to lease a section. Coborn's was high for what they want for a lease. It appears that the proposed Ben Franklin, and thrift store are no longer coming to Princeton. The potential Sears Store has looked at the old Ben Franklin site, but is

questionable. The Sears Company has changed their interior design and looks to be approximately \$30,000 higher with these new plans and the potential party is rethinking of opening a store.

The property at 810 Old Hwy. #18 South is next to the proposed site for Sterling Pointe Assisted Living. This site was rezoned in 2001. Since then the site has been converted from a home to a three unit rental and there has been no building permits taken out for this change. Someone had called the City on this property with a complaint and that is how the City was aware of it.

C. City Council and Planning Commission Minutes for December, 2009

The EDA Board had no comments.

WALKER MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:38 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant