

**THE REGULAR MEETING OF THE EDA BOARD HELD ON MARCH 15, 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 FEBRUARY 15, 2007**

WALKER MOVED, SECOND BY HALLIN TO APPROVE THE MINUTES OF FEBRUARY 15, 2007. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:**

**A. Waterworks – JOBZ Program**

(Items under New Business, B & C, were moved ahead to allow Mr. Jim Sheer driving time.)

Blake informed the EDA Board that the Board is being asked to review a request for Economic Assistance from Water Works, LLC. The request is for relocation of a portion of the JOBZ zone from its current location adjacent to the airport to Lot 1, Block 1, Princeton Industrial Park, Plat #3. This is the U.S.D.P. annexed site. The City Council passed the motion to move a portion of the JOBZ zone from its current location to Lot 1, Block 2, Princeton Industrial Park, Plat #2, on March 8, 2007. Staff is requesting a motion of support to authorize the designation of the U.S.D.P. Annex site for JOBZ status and that the City enter into the necessary agreements with Water Works, LLC for the designation. As part of the agreement, the full property tax benefits are not part of this agreement due to the fact that the site will utilize an existing building and this business is leasing the space from U.S.D.P.

Sheer is looking at moving his business here and leasing 30,000 square feet from the U.S.D.P. who purchased the Westling Building. The JOBZ Program gives tax breaks as long as they employ ten people. Water Works is currently located in Brooklyn Park. Sheer filled out an application and meets the program requirements. Blake put in the first draft of the business subsidy program. There will be language changes that need to be changed, but nothing big. Blake introduced Jim Sheer, Water Works, LLC.

Sheer spoke on the business and that the company currently has approximately 10 to 12 employees. They have offered a relocation program to their employees where they can move to this area. All but one employee is moving to the area. Four employees already live in or near the Princeton area. Water Works purchased a new machine that is worth a million and half dollars and will not fit in their current building. Sheer stated he considered moving the company to Cambridge. The company is three years old. The growth of the company in the last year is the purpose for the expansion.

Blake asked Sheer if he is familiar with Anoco Grinding Company.

Sheer said yes, his company works with Anoco. Sheer said Invest Cast is another company that is across the street from his business that he does quite a bit of business with and told Blake he should contact them also about relocating.

Walker asked if there are any hazardous waste problems.

Sheer said no. They work with stainless steel, copper, and other metals that are injected with water. The time frame Sheer is looking at for relocating his business is May, 2007. Sheer still has a two year lease in Brooklyn Park and they have a neighbor that would want to use his building so it would work out well. He will be hiring three to five more employees in the near future.

Blake said there is a wide range of employment levels with Water Works that is good with the wage and benefit levels.

Sheer said for higher end machinist the pay is in the high \$20 an hour.

Blake said he met with the Initiative Foundation and they spoke very highly of this business. Blake will meet with Sherburne County Board and ask to have a resolution on the relocation of the JOBZ to this site then forward it to the State. Blake has spoken with someone from the State regarding this and they have said it should not be a problem. Basically it is moving the JOBZ from Mille Lacs County to Sherburne County.

HALLING MOVED, SECOND BY SNUSTEAD TO FORWARD THE RELOCATION OF THE JOBZ PROGRAM TO THE U.S.D.P. BUILDING (old Westling Building), TO THE CITY COUNCIL FOR APPROVAL. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

#### **B. Aero Business Park Purchase Terms**

Blake informed the EDA Board that he has reviewed the terms on Aero Business Park. The EDA Board does not have any right over the lots because the purchase of the land was put in the City of Princeton. The owner of the Park is the City of Princeton and not the Economic Development Authority. So that takes the EDA out of the sale of these lots. Blake has put together a rough draft on the terms of selling the lots. He would still like input from the EDA Board. The Board can review this purchase and forward it on to the City Council. The land located in Princeton Industrial Park is also owned by the City of Princeton and not the EDA Board. Blake said the EDA funds purchased the land, but the City owns it. In paying the assessments would that come from the City funds or the EDA funds. Blake will speak to Steve Jackson, Finance Director regarding this. If the EDA funds are used then the City would have to reimburse those funds somehow.

Walker said the sales are always taken to the Council. The problem comes forward that if the City Council says no then what is the EDA Board for. He is fine with the City Council having the say on the land.

Blake said that the City can own everything and the EDA can be the eyes and ears of this. There is an accounting issue that needs to be resolved and what the EDA wants to give up. Blake will speak to the City Council about land ownership and funds.

**C. Lee & Cheryl Steinbrecher, Purchase Agreement for Lot 1, Block 1, Aero Business Park**

Blake informed the EDA Board that there is a purchase offer for Lot 1, Block 1, Aero Business Park from Lee and Cheryl Steinbrecher.

The general terms would be as follows:

1. Buyer shall have the right to have an 800 s.f. exterior enclosed storage area.
2. Buyer shall initiate construction of structure within 18 months of the closing date.
3. Assessments to be assumed by buyer.
4. Contingencies:
  - a. Seller to Provide a Survey at City Cost
  - b. Approval of Site Plan by City
  - c. Buyer obtaining Soils tests
  - d. Financing through East Central RDC
  - e. City Rezoning of Property to General Business
5. Buyer is requesting the first option to purchase Lot 2, Block 1, Aero Business Park

Blake explained that the purchaser plans to construct a business complex with multiple tenant locations, including a site for Steinbrecher Painting, Inc. The offer is for \$87,000. Earnest money has been put down in the amount of \$500. Closing date would be July 20, 2007. Construction initiation is on or before January 20, 2009. Rezoning of these lots will be on the Planning Commission agenda for March 19, 2007. Staff has one concern of the agreement from the buyer and that is when it will be built. Blake suggest if the EDA is comfortable with what is before them, then make a motion to move this on to the City Council.

Lee Steinbrecher, Steinbrecher Painting, Inc., and Shelley Bosek, Princeton Realty, were present to address any questions from the EDA Board.

Walker asked Steinbrecher if he is comfortable to lesson the time frame on the second lot to maybe six months.

Steinbrecher said he is willing to do that. If they are doing well in this area then they would move their business to Lot Two and have small retail in Lot One.

Blake said this meets the Comprehensive Plan. The construction proposal meets what the EDA had spoken of.

Walker asked if retail would cause a problem in that area.

Blake said no, the rezoning would fall into this.

Steinbrecher said he would build this new site and then sell the other site in Maplewood Development.

Blake was asked from the EDA Board on the design for the proposal there are two areas for entering and exiting. Would this be a traffic problem. Blake explained that in the future stop lights will be put in.

Hanson asked in two months if there is an offer for Lot Two, would the EDA Board go back to Steinbrecher and see if he is ready to purchase it.

Blake explained he would go back to Bosek and Steinbrecher and tell them and then they would have to make an offer. Steinbrecher will pay the Real Estate person the \$5,000 commission that was offered to Real Estate people at the beginning. These lots are not listed on the M.L.S.

Walker thinks there is plenty of exposure as it is so these lots should not have to be listed on the M.L.S.

Steinbrecher said the true purchase price with the lot cost and assessments is \$200,000.

Haskamp said the only problem with the financing if there were a problem for the buyer then the bank would be a lien then the financing party would take back the land and any improvements.

Blake said on the second lot the \$5,000 fee would not be paid by the City. If someone who does not have a Real Estate agent then the \$5,000 would be paid by the City. Blake said Steinbrecher has first offer for what we are selling it for.

HASKMAP MOVED, SECOND BY HANSON TO APPROVE THE SALE OF LOT ONE, BLOCK ONE, AERO BUSINESS PARK TO LEE & CHERYL STEINBRECHER IN THE AMOUNT OF \$87,000 AND IN SIX MONTHS OR INLUE OF A SERIOUS OFFER FOR THE SECOND LOT. UPON THE VOTE, THERE WERE SEVEN AYES, 0 NAYS. MOTION CARRIED.

**OLD BUSINESS:** None

**MISCELLANEOUS:**

**A. EDA Balance Sheet**

The EDA Board had no comments.

**B. City Council and Planning Commission Minutes for February, 2007**

The EDA Board had no comments.

**C. Verbal Report**

Blake informed the EDA Board that the last couple weeks have been very busy with the City. A Water Resource Plan was sent out. Flooding on the north side of the City was great this week

and the Storm Management Plan needs to be looked at. There were six responses for proposals from Engineering Firms on this. Anchor store negotiations are continuing with land owners. A letter of intent for the rest of the Rivertown Crossing property has been done by the Ryan Company. BioMatrix met with Initiation Foundation and they are looking at expanding. They would like to purchase some lots in the Industrial Park. Blake would like the whole amount or at least part of the \$100,000 that the City has in the Initiative Foundation for the Gap Program. The Visionary Committee is putting together a joint board with six townships where the trail would run into the townships. Riebe's are selling their five acres of land and the City is looking at purchasing it. This will give land for the trail property. Lloyd Riebe owns 22 acres of abutting land and the family would like to donate the whole amount to the City with the exchange that the park be named Riebe Park. A sign amendment change is being proposed and that will be on the Planning Commission agenda this month. The Tax Increment Financing will be on the EDA agenda next month. Staff has gotten information together and Blake will meet with them to buy the old hangers and properties along First Street to the west end right across the hangers. Some are already for sale and would be good for business use.

HALLIN MOVED, SECOND BY WALKER 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.