

**THE MEETING OF THE EDA BOARD HELD ON FEBRUARY 18, 2016, AT 6:04 P.M.,  
AT THE CITY HALL COUNCIL CHAMBERS**

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The meeting was called to order at 6:04 P.M., by Thom Walker. Members present were Genny Reynolds, Sharon Sandberg, and Victoria Hallin. Staff present were Jolene Foss (Comm. Dev. Director) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent was Charles Snustead.

**AGENDA ADDITIONS / DELETIONS:** None

**APPROVAL OF MINUTES FROM REGULAR MEETING ON JANUARY 21, 2016**

HALLIN MOVED, SECOND BY REYNOLDS, TO APPROVE THE MINUTES OF JANUARY 21, 2016. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED / OLD BUSINESS:**

**A. Renu Décor**

Community Development Director Memo:

Kevin and Alicia Stahl were recipients of the Revolving Loan Fund given through the EDA for the amount of \$24,999.

Kevin Stahl has informed the City that they are closing Renu Décor. Alicia received a medical diagnoses that will limit her physical ability to run the store.

I have included the breakdown of the payments received.

He said he will be getting back to me with the timeline.

\*\*\*\*\*End of Staff Memo\*\*\*\*\*

Foss said Kevin Stahl informed her that they will no longer be running Renu Décor and closing the doors. The inventory reduction will go towards their debt to the City and also to another entity. Steve Jackson (City Finance Director) said to liquidate merchandise, we do not want ownership of their product. She will keep them posted.

Reynolds asked on a time line when the closing or liquidation will be.

Foss said she did not know. He contacted someone who buys it all and he is checking into that. Foss explained the Revolving Loan to Sharon Sandberg.

**B. Central MN Art Co-Op**

Community Development Director Memo:

The Central MN Art Coop is in the process of implementing a new Board of Directors and a new

Executive leadership.

Due to the fact that certain terms of the It Starts Here Forgivable Loan were in need of attention, this seems to be a positive sign toward their ability to remain compliant and to provide high quality programming.

Staff has extended the time to return to compliance with the terms, to give the new leadership time to get organized.

\*\*\*\*\*End of Staff Memo\*\*\*\*\*

Foss said this was a forgivable loan that was administrated through the Chamber and funded from the City. Central MN Art Coop has a new board of directors and a new executive leadership. The Chamber has informed them that the City will give a grace period that has not been determined yet of how long. This is to give them time to give us the information we need. Foss does not know when the deadline for this information will be. The City Attorney, Jackson, and Karnowski were okay with the grace period. They need to be committed in this or else legal action will be taken. Separation of the entities they have there is needed for their success.

Reynolds said she believes this new leadership is good and could have success.

Foss said that provisions of financial documentation provided and upkeep of the taxes the City needs has not been provided and that is where the paper work needs to come in.

Reynolds said the utilities for the building is high and they were not expecting that. What they are bringing in is not enough of what they are putting out.

### **C. NSP Update**

Community Development Director Memo:

#### **809-903 9<sup>th</sup> Avenue North**

The American Institute of Architects are pleased to announce that we were chosen as one of the sites to participate in our upcoming 2016 AIA Minnesota – Housing Advocacy Committee’s Search for Shelter Charrette taking place February 19-21<sup>st</sup>.

The Charrette will commence with a meet and greet and opening program on Friday the 19, check-in for volunteers and agency representatives is from 5-6 and the program begins at 6 pm.

After the program I will meet with the assigned teams and discuss the project parameters.

Sunday’s program at noon will present ideas that the designers came up with the sites.

I will have opportunity to meet with the team again individually to discuss the details of their design after the program. The charrette typically wraps up between 2 and 2:30 on Sunday.

The weekend will take place at Rapson Hall located on the University of Minnesota – Twin Cities East Campus.

**West Branch Affordable Multi-Family Project**

The proposal from Central MN Housing Partnership is in the process of being reviewed and the preliminary negotiations have begun.

Northland Securities is working on a TIF agreement and the City Attorney is drafting Purchase and Development Agreements.

Ongoing communication with Minnesota Housing Finance Administration and Technical assistance from HUD is occurring.

\*\*\*\*\*End of Staff Memo\*\*\*\*\*

Foss said her and Thom Walker will meet with the design team on Friday and then meeting again on Sunday for their final review. Foss said she had a call from someone from Affordable Common Wealth Development Corporation in Wisconsin for possible sites in Princeton to build affordable housing. They are trying to expand into Minnesota.

Foss said the Planning Commission will be presented a resolution for Development District No. 7 and TIFF District No. 7-1 at their February meeting. This is to create a TIF District for the West Branch NSP site. Then the City Council will hold a public hearing on this. This would enable Central MN Housing Partnership to receive tax funding up front to start construction. There is a scoring application that CMHP has to fill out and one of the questions is about transportation. They will be able to put down Timber Trails Public Transportation as a provider and earn a point or two on the scoring.

Walker explained to Sharon Sandberg what TIF is. The increment part is the difference between the bare land and finished product. The difference between developed and non-developed.

Hallin commented that it is good to have the County, City, and School District approval on this.

**D. 609 Old Hwy. #18**

Community Development Director Memo:

The property located at 609 Old Highway 18 was purchased and the residence was demolished with NSP funds through MN Housing Finance Agency. Initial conversations with Habitat for Humanity brought another issue to the surface involving a property located at 308 9<sup>th</sup> Avenue South. Due to the fact that this property does not have city service and Habitat for Humanity

does not have funds available to make this a buildable lot, Staff is suggesting that we purchase this lot back from Habitat for Humanity for the price they paid for it, in hopes that they will consider purchasing the lot at 609 Old Highway 18, and build a single family home on that site to meet the NSP affordability criteria.

#### 9<sup>th</sup> Avenue South

In 2011, Central MN Habitat for Humanity (Habitat) purchased two properties from the City: 310 and 308 9<sup>th</sup> Avenue South. The purchase price for each lot was \$1,250.00. Habitat moved forward with the construction of the corner lot, yet has been unable to develop 308 because there is not accessible water/sewer line for this parcel. Habitat estimates the expense for a new water/sewer line on 9<sup>th</sup> Avenue South is approximately \$15,000. Currently, there are no development funds available to cover this expense. Unfortunately, without this extensive utility work, Habitat is unable to develop this parcel. In light of this, Habitat asked the City to repurchase this parcel for the amount they initially paid for City (\$1,250.00).

It is Staff's recommendation to re-purchase the property at 308 9<sup>th</sup> Ave South from Central MN Habitat for Humanity for \$1,250.00.

#### Neighborhood Stabilization Program

In 2009, the City entered into a NSP Program agreement with the Minnesota Housing Finance Agency (MHFA), receiving a total of \$321,220.00 to address the blighting influence of foreclosed properties within the city. In 2012, the city requested an extension to complete its activities under the NSP program. It is in the City's best interest to complete the required NSP activities in a timely manner.

At this time, the remaining activities to complete the City's NSP Program are as follows:

- Redevelop the previously demolished multi-family residential units at the old Arcadian Site on West Branch Street. Presently, there is a Request for Proposals (RFP) for development of this site, with proposals due Dec. 1<sup>st</sup>, 2015.
- 809 9<sup>th</sup> Avenue was acquired and the dilapidated structure demolished. 903 9<sup>th</sup> Ave North, a formerly blighted gas station was also acquired and the structure was demolished. In August, 2015 the underground gas station storage tanks were removed. The EDA has requested staff explore the possibility of multi-family housing on these two parcels rather than a single family home.
- The City of Princeton purchased a blighted property at 609 Old Highway 18 using Neighborhood Stabilization Program (NSP) funds and demolished the structure. This parcel is located across from the Palmer Bus Company and has adequate utility service available on site. Central MN Habitat for Humanity has expressed an interest to acquire and develop a single family home on this site.

In accordance with NSP Program regulations, all residential properties require an affordability restrict be recorded against the property for a specified number of years, which is based on the amount of NSP funds used to acquire, demolish and redevelop the parcel. Central MN Habitat for Humanity is aware of and can meet these restrictions. MN Housing Finance Agency, the

Fiscal Agent for NSP/HUD Program, has advised staff to focus on the West Branch Street project, so there is no activity, at this time, on the other NSP parcels.

Central MN Habitat for Humanity is requesting the City agree to the following terms for their purchase of the vacant parcel at 609 Old Highway 18:

1. The agreed purchase price will be \$1,250.00;

\*\*\*\*\*End of Staff Memo\*\*\*\*\*

Foss said that Wayne Eller from Habitat for Humanity called today and said they built the one house on 9<sup>th</sup> Avenue South in 2011. Unless the City gives them \$10,000 for the other lot there, he does not want to do this exchange. He feels he can get funding for the utilities for that other lot there. He would like to get a veteran in that lot. Foss said she asked him if they would be interested in purchasing 609 Old Highway 18 and Eller said yes. Foss thinks they will have to do the two Habitat homes a year apart. He would negotiate with the City on the land at 609 Old Highway 18 price.

**NEW BUSINESS:**

**A. Coffee Corner Request**

Memo from Scott and Cheryl Minks:

Dated January 22, 2016

Re: Letter of Intent

Dear Person(s):

We, Coffee Corner Inc. come to you with a request of funds for relocation of business in the City of Princeton. We are currently located in the Federated office building, and recently have been notified of their non-renewing of our lease. It was of great sadness to learn of this however, Coffee Corner is a long established desired business and we wish to relocate and continue business in the City of Princeton. We employ 6-8 employees and also feel like a part of the Princeton community while doing business there.

We have narrowed our relocation to two possibilities and need financial assistance in doing so. Our need comes as a result of expanding our business to Milaca with the purchase and renovating a structure in Milaca. That has exhausted our finances and currently do not have necessary funds to relocate our Princeton shop.

We request the amount of \$30,000 which we feel is small, but very needed amount to do a timely and efficient move, while minimalizing the shutdown time, move, and reopening of our shop. We await your decision as to move forward with the application process.

Sincerely, Scott and Cheryl Minks

\*\*\*\*\*End of Memo\*\*\*\*\*

Foss said the Mink's are making a request for the Revolving Loan Fund because they have to be out of their location in September, 2016. Foss was asked if she knew where they intend to move and Foss said she does know, but would like to keep that confidential. It is a place near the downtown. She got some of the financial documents and still needs more documentation for Steve Jackson, City Finance Director to review. He needs a letter of commitment from the bank and a few other documents.

Reynolds said the Mink's have owned the Coffee Corner for three years. They have a coffee shop in Milaca that is doing well.

Walker said they want a drive thru location. The bank information will be needed.

Foss said Cheryl Mink's told her that she will go to the bank for that information today.

Walker asked if they understand that \$30,000 is not an amount we can give.

Foss said she told Mink's that.

### **B. MN Marketing Partnership**

Foss said this is a flyer from Minnesota Marketing Partnership and a list of their 2016 events and tradeshow. This is through DEED that markets our State at a local level. Last year there was discussion on the data programs. Any future updates from MN Marketing Partnership will be shared with the EDA Board and if we want to be represented at one of the events to let her know.

Walker asked when the dues start.

Foss said for 2015 the dues were pro-rated because of joining later in the year. The full amount of \$625 was paid this January for 2016.

### **MISCELLANEOUS:**

#### **A. EDA Balance Sheet**

At the January 21, 2016 EDA meeting the Board requested that Steve Jackson, City Finance Director come to the February meeting and Foss said that Jackson will come to the March meeting and review the Coffee Corner request at the same time.

#### **B. Verbal Report**

##### **1) Comprehensive Development Strategy for Greater MN**

2016 Comprehensive Development Strategy for Greater Minnesota. Foss said this is just information for them. Some interesting reading material.

Foss wanted to add to the verbal discussion that she was contacted by a Professor she had at St. Cloud State and he wanted to know if there is any potential land in the city where students from his class could design a plan for it. Foss said she told him about Aero Business Park and today the class came to town and visited the area. They will give us the design they come up with.

Foss said that DEED sent out a request for cities that have 200 acres or more of land available and are willing to answer the questions they have in regards to the land. It is called Project Pine. Foss said she filled out the questionnaire on the 200 acres and also on Pontius land. There are 20 other cities that submitted their information. They want a large amount of power available to the area and Foss is not sure if we will be able to provide that. East Central Energy provides to that area now.

**C. City Council and Planning Commission Minutes for January, 2016**

The EDA Board had not comments.

HALLIN MOVED, SECOND BY REYNOLDS, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:59 P.M.

ATTEST:

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Thom Walker, President

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Mary Lou DeWitt, Comm. Dev. Assistant