

**THE REGULAR MEETING OF THE EDA BOARD HELD ON FEBRUARY 20, 2014, AT 6:07 P.M.,  
AT CITY HALL COUNCIL CHAMBERS**

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The meeting was called to order by Thom Walker. Members present were Grady Clark, Cindy Riddle, Genny Reynolds, and Victoria Hallin. Staff present were Carie Fuhrman (Comm. Dev. Director) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent was Charles Snustead. Mary Chapman took part in the meeting via telephone due to weather conditions. She participate as a non-voting member for the meeting.

**AGENDA ADDITIONS/DELETIONS:** None

**APPROVAL OF MINUTES FROM THE REGULAR MEETING ON JANUARY 16, 2014 AND THE  
SPECIAL MEETING ON JANUARY 29, 2014**

RIDDLE MOVED, SECOND BY HALLIN, TO APPROVE THE MINUTES OF JANUARY 16, 2014. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

RIDDLE MOVED, SECOND BY HALLIN, TO APPROVE THE MINUTES OF JANUARY 29, 2014. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED / OLD BUSINESS:**

**A. NSP Update**

**1) Former Arcadian Homes Site**

The Princeton Public Utilities Board is interested in the project and cost sharing. The City Engineer has put together cost estimates for the project and the next step is for the PUC and City staff to start working on the cost sharing and project details. They are meeting on Monday to discuss the water looping.

**2) 903 9<sup>th</sup> Avenue North (Tax Forfeited; former gas station)**

At the December meeting, the EDA approved the purchase of the tax-forfeited former gas station from the County/State. We are waiting on the County to draw up the Purchase Agreement for \$1 and the final resolution.

Staff received verbal cost estimates for a firm to put together a Construction Contingency Plan, as well as monitor the soils during demolition, as was directed by NSP staff. The following cost estimates were received:

- WCEC (who performed the Phase 11): **\$5,644.95** (they provided a full breakdown of costs, which includes not only the CCP Plan, but also a CCP Implementation Report & permit assistance, which Fuhrman does not believe the others included; theirs was fairly comprehensive. Assumes 34 hours total of prep/monitoring).
- Peer Engineering: **\$6,500** (Assumes two 6-hour site visits and four 2-hour site visits, for a total of 20 hours)
- Techtron Engineering: **\$2,000** (did not provide an hourly monitoring breakdown)
- WSB: **\$2,200** (Assumes one 8 hour day of monitoring, for a total of 8 hours)
- ECAD Engineering: **\$2,700** (Assumes 2 days of monitoring, for a total of 16 hours)

When the Phase II environmental investigation was done, WCEC reported soil vapors found on the site, which was reported to the MPCA. The MPCA has given the site a “Leak Site” designation, which means the MPCA is involved at this point. Fuhrman said she will contact the MPCA and see what is needed to move forward once we own the property.

### **908 9<sup>th</sup> Avenue North (former Bergstrom home)**

There was a consensus at the December EDA meeting to wait until spring to get quotes to demolish both the Bergstrom home and former gas station at the same time.

Fuhrman said there is no action needed at this time.

### **B. Market Area Profile Update**

Fuhrman reported that we passed on the corrections to the list of businesses in the Princeton trade area to the U of MN Extension Office. It takes approximately three weeks to perform the analysis, and then a couple of presentations will be made for input and discussion over a few meetings before the final report is written.

Fuhrman said if any EDA members are interested in attending those meetings, please notify her. It is a very interesting and enlightening process.

### **C. Princeton Higher Education Presence**

Fuhrman presented the EDA Board with a memo of the timeline of the steps taken so far:

- (11/08/13) Phone call with St. Cloud Tech Continuing Education and Customized Training Staff, John Hart  
**Summary:** They currently work with companies in Rogers and Elk River to provide training for employees. They have a variety of programs, including advanced manufacturing educations, IT, credit and non-credit CNA, LPN, and RN, and others. The St. Cloud Tech President considers Princeton in their service area, and so they are very interested in Princeton and invited us for a tour.
- (11/13/13) Meeting with Anoka Ramsey Community College/Anoka Technical College Professional and Workforce Staff and CMJTS Workforce  
**Attendees:** Genny Reynolds, Richard Baker, & Carie Fuhrman  
**Summary:** It's better to take a regional approach (from both the student and professional workforce training side of things) rather than look at it just from one community's needs point-of-view. Let's bring all of the interested colleges together as each one has certain strengths. Essentially, we're not looking to “pick” one college over another to work with. It appeared as though the CNA program might be the easiest program to begin here in Princeton as some of the employers appear to be in need of this (survey will verify) – potential to use existing facilities in town to teach the courses. Another easier program to begin might be something like a blue print reading class. Next step is the employer survey.

- (12/17/13) Meeting with Princeton School District Superintendent, Dr. Espe  
**Attendees:** Dr. Julia Espe, Genny Reynolds, Richard Baker, & Carie Fuhrman  
**Summary:** Princeton High School currently offers a lot of variety of electives, especially in the career and tech ed classes. The School District currently does not have a lot in health care classes, but they are looking at it. Dr. Espe's hope is to potentially graduate high school students with an AA degree, or their main generals finished. We discussed the "Colleges in the Schools" Program, which requires higher credentials for the teachers. Dr. Espe was open to the potential for utilizing school facilities for adult education at night/after-school hours. Reynolds mentioned taking a regional approach with regional partnerships. Dr. Espe said that Sartell, St. Cloud, and Apollo did something similar, but there is always a fear of losing your students.

It was agreed to start with the survey and find out what needs our employers have in regards to workforce. Dr. Espe also mentioned "Project Lead the Way", where kids take classes and get college credit for it. We will keep in touch to continue a collaborative effort.

- (01/15/14) Meeting with Pine Technical College President, Dr. Musgrove  
**Present:** Genny Reynolds, Richard Baker, & Carie Fuhrman  
**Summary:** We toured Pine Tech facilities and observed some classes in session. Pine Tech has done some training work with Glenn Metalcraft in the past. Pine Tech has access to a mobile manufacturing lab, which contains CNC, robotics, and plastics. Dr. Musgrove commented that they cannot produce enough graduates in computer programming and I.T. There is also a very high demand for nursing and CNA graduates. He commented that alliances and partnerships are always great for federal grant funding.

The visit really pointed out the need for good communication between the school districts and manufacturers (example: if the Mobile Manufacturing Lab was being used by the Princeton High School for one month, could a manufacturer use that during after school hours for training purposes?)

Between AP courses taught at the high school level and the appropriately-accredited teachers, students would be able to graduate with an AA degree. Dr. Musgrove commented that if Princeton already has lots of tech education classes, it would be easier to credential a Tech Ed teacher. There is a potential to align high school courses with Pine Tech courses and issue dual credits – it's a matter of getting the faculty together. It also helps if the industries/manufacturers are on board – there may be a potential for them to donate machinery or equipment, to be supplemented with the mobile manufacturing lab.

- Formulated survey with Anoka Ramsey CC/Tech College Workforce Staff

- (02/03/14) Meeting with Anoka-Hennepin STEP Director, Jessica Lipa (Secondary Technical Education Program)  
**Present:** Genny Reynolds & Carie Fuhrman  
**Summary:** We toured the STEP facilities located in Anoka and observed numerous classes in session, including Engineering, Crime Scene Investigation, Music Media, Certified Nursing Assistant, EMT, Construction, Welding, and Culinary. STEP is offered to high school juniors and seniors. 800 students attend – of which, 650 are part-time, and 150 are full-time students and not all are from the Anoka-Hennepin School District. Most of their classroom space is dedicated to STEP students, but some is shared with the college, which is beneficial to both parties.

The main difference between PSEO (Post-Secondary Enrollment Options) and STEP is PSEO is on a college campus with college professors, while STEP is on a high school campus with high school teachers. We heard great, positive comments from the students at our visit. If a school district hires “Career & Tech Ed (CTE) teachers, there is potential additional money available for school districts as they have a higher certification.

#### Next Steps:

- Finalize list of Businesses to send the Survey to (concentrates on service, health care, and manufacturing industries)
- Meet with the Princeton School District again to recap items learned thus far
- Once survey results are received:
  - Follow-up with Businesses who indicate a workforce training need
  - Follow-up with Schools

Fuhrman wanted the EDA Board to know if they are interested in attending these meetings, please notify her. A special thank you to the EDA member and Commissioner Reynolds for her efforts and enthusiasm in this process!

Fuhrman and Reynolds reported on their recent visit to the Anoka-Hennepin STEP Program. Reynolds reported that hiring the “Career & Tech Ed” teacher is the same pay grade as a regular teacher. The high school should look at hiring that type of teacher more often.

Fuhrman said she thinks the teacher needs a Master’s degree for the position to be eligible, but Dr. Espe, Superintendent, would know what is needed.

Walker said he talked to a couple School Board members and they are not as supportive on this idea. Last time they tried it, it did not work well. He fears that with all the work involved with getting this to happen, it will not follow through at the end. His concern is also with the pay scale for those as a trained worker.

Riddle thought having the trained workers with the required skill set might attract businesses to town.

Reynolds said we would use existing facilities.

Hallin said she had good luck when working with the School Administration for the Teen Center.

Walker said we need an advocate with the school to help move it along.

Fuhrman would like to follow up with the businesses, do the survey, and see what their needs are. She understands the City's role is really in facilitating this conversation to help move it along.

Discussion ensued in regards to the difference between PSEO (Post-Secondary Enrollment Options) and STEP (Secondary Education Technical Program). Chapman said to qualify for PSEO, you need a certain grade point average, and students could go full or part-time. From when her children participated, it seemed that Cambridge and St. Cloud were the most popular for Princeton students to attend. You can take the PSEO classes as a junior and senior.

Reynolds said the Director there really knows her stuff and finds grants and such.

Walker wants to know how it affects school district funding.

Reynolds said they still get funding for the STEP program.

Chapman is not sure on what the School District receives for funding. The high school counselors support the programs.

Reynolds would like to move forward with the survey for the existing businesses and see what they need.

Fuhrman will follow through with the survey.

**NEW BUSINESS:**

**A. Amendment to the Job Opportunity Building Zone Business Subsidy Agreement with TUC's Equipment**

Fuhrman presented the following memo: In 2008, TUC's Equipment, a local manufacturer of food processing equipment, joined the state's job Opportunity Building Zone (JOBZ) program. JOBZ provides local and state tax exemptions to qualified industrial or high paying service businesses. In order to be qualified and stayed qualified, a specific number of jobs must be created and compensated at a certain level.

TUC's Equipment and the City of Princeton joined in a Business Subsidy Agreement (BSA) at that time.

Based on information received by DEED, TUC's reported the retention of 22 full time equivalent (FTE) jobs and the creation of 6.79 FTE jobs. As such, the company would ordinarily be considered out of compliance with the JOBZ program and no longer a Qualified Business. However, it is clear that the company has created a majority of the projected jobs and paid higher than average wages for those jobs.

Pursuant to M.S. 369.3191, it is possible to amend the original BSA and reduce the job goals. In doing so, however, the length of time the company is eligible to participate in the JOBZ program must also be reduced by the proportion of the number of jobs reported and the number of jobs originally required. The reduction must be at least one year.

Based on this information, DEED approves an amendment to the BSA, which reduces the job goals to 6.79 FTE's. However, in light of the fact that Tuc's, Inc. created 85% of its original job goals, the company's eligibility to participate in the JOBZ program must be reduced to 6.52 years from the execution of the original BSA. Accordingly, the company's participation must end by October 31, 2014.

Fuhrman had an Amendment for the EDA Board to review for the Business Subsidy Agreement, shortening the duration of the Job Zone for TUC's Equipment. Fuhrman is requesting the EDA recommend approval of the Amendment she has provided, which will then be sent to the City Council for consideration at their February 27, 2014 meeting.

HALLIN MOVED, SECOND BY CLARK, TO APPROVE THE AMENDMENT TO JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY AGREEMENT BETWEEN THE CITY OF PRINCETON AND TUC'S EQUIPMENT INC., AND FORWARD ON TO THE CITY COUNCIL FOR FINAL APPROVAL. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

#### **B. Chamber letter**

Fuhrman informed the EDA Board that the City received a letter on February 13, 2014 from the Princeton Chamber of Commerce Board in regards to a signage issue. The EDA Board and Planning Commission were copied on the memo.

Fuhrman provided background information in a memo that reads as follows:

The Economic Development Authority and Planning Commission were cc'ed on the attached letter from the Princeton Area Chamber of Commerce Board to the City Council. This memo is intended to provide the background and a timeline summary in regards to the issue addressed in the attached letter:

Late last summer/early fall. Mr. Tim Siercks, owner of Minuteman Press, came to City Hall with a draft plan of placing three separate signs on the Paws Up 4 You building (602 Rum River Drive

South) as the sign contractor. The proposed location of the signs was not addressed in the current sign ordinance, and because of this, the signs were technically not allowed. (Per the City's Sign Ordinance, if a use is not listed, it is not permitted). However I informed Mr. Siercks that we could take the subject signs to the Planning Commission for discussion as the Planning Commission was already discussing various aspects of the City's Sign Ordinance.

The Planning Commission discussed the signs in general at their September meeting, as well as several other aspects of the Sign Ordinance, and staff was directed to do further research on all of the signs discussed.

In October, Mr. Siercks submitted a sign permit application to place the three signs on the roof overhand of the Paws Up 4 You building. The application was denied due to the fact that the signs were not allowed in the Sign Ordinance. Staff reminded the applicant that the Planning Commission was researching the possibility of these signs being allowed in the Sign Ordinance, but no changes had yet been made.

In late December, the signs were installed without receiving the necessary permit. Mr. Siercks then submitted a building permit application after the signs were installed. Staff followed up with a letter to Minuteman Press in January denying the application, notifying them of the City Code violation, and requiring that the signs be removed.

The property owner submitted a Request for Council Action in early January appealing the requirement that the signs come down. On January 23<sup>rd</sup>, the City Council reaffirmed staff's decision and required that the signs come down.

The signs have not been removed. The issue was turned over to the City Attorney's office who is reviewing the issue.

In the meantime, the Planning Commission has continued to discuss numerous aspects of the Sign Ordinance in depth as it is a complicated topic; but, the Planning Commission has not made a decision in regards to this particular type of signage, and the proper public hearing process would still need to occur as well. The Planning Commission's intention all along has been to bring all of the proposed changes to the Sign Ordinance in one Ordinance Amendment, instead of bringing multiple amendments at various times. Mr. Siercks was aware of the Planning Commission discussions and process because he was serving as a Planning Commission Board member throughout this process (until December 31, 2013).

Staff would be happy to answer any questions in regards to the history of this situation, sign regulations in general, and the City's enforcement policy. Certain information may not be disclosed under the Minnesota data practices act because of the status of the investigation. At this time, no formal response has been provided back to the Princeton Chamber.

The Princeton Area Chamber of Commerce memo dated February 13, 2014 reads as follows:

*February 13, 2014*

*Dear Princeton City Council,*

*A current dispute between the City of Princeton and our local businesses regarding the interpretation of proper placement of three building signs has been repeatedly brought to our attention. Upon hearing the concerns and reading the current building codes, the Princeton Area Chamber of Commerce is very disappointed at what appears to be a lack of consistency and the unjust singling out of a few select businesses by the City.*

*It is our understanding that the businesses are being fined for each day such signage remains on the business store front. To be clear, these three advertising signs are not a public hazard, they are not interfering with traffic, nor are they inappropriate or offensive. They merely list in simple phrase terms what this new retail shop sells and services. Signage is critical for a business – especially a brand new business – to survive and these signs in question have reportedly increased sales for this brand new business by 30%, thus allowing it to employ more staff and service our community.*

*The signs were hung in good faith effort to meet the ordinances by being attached to the fascia and not the roof in an effort to comply with verbal conversations with City staff and various committee representatives. There is a discrepancy in definition as the many other businesses in town have similar signage which is not under fire. It is disheartening both to our new business owner and the business community-at-large. A City which does not promote consistency and fairness so businesses can best represent themselves and conduct business is not business friendly.*

*This situation is affecting not only the business climate within Princeton, it is doing little to help entice future businesses to fill vacant spaces in town which the City professes it wants to see occur. The business in question – and all Princeton businesses – have enough obstacles to “making it” in this economy. These discrepancies and inconsistencies prevent business growth. The City’s action to prosecute businesses and restrict business on such simple matters appears unjust.*

*We are very troubled that a City which professes to be “Business Friendly” does not have ordinances, laws and actions to match. The Princeton Area Chamber of Commerce asks that the City of Princeton reconsider its stance on this issue – an issue that has lingered on since last summer with no resolution – and cease the current action against our businesses and re-examine how they can best support our small businesses in Princeton.*

*It is the Chamber’s place and purpose to stand up for our businesses and to speak on their behalf against that which is not conducive to our small Princeton business community being able to thrive.*

*The Chamber respectfully requests the Princeton City Council, Planning Commission, EDA and staff to seriously look at how these inconsistencies and additional barriers to conducting*

*business in Princeton is essentially damaging our business Community. The Princeton Area Chamber of Commerce asks that the City of Princeton to instead find ways to uplift and encourage our businesses as we all partners to grow a successful business community together.*

*Respectfully submitted on behalf of the Board,*

*Bob Michael, President*

Reynolds said it is disrespectful of how the signs were put up when they were not allowed in the Sign Ordinance. Why have a Planning Commission Board and still do whatever you want?

Walker is highly irritated over this.

Reynolds wonders if the Chamber knows of the background of this situation?

Fuhrman is not sure.

Reynolds asked since the EDA Board was copied on the memo if we can make a statement on it?

Fuhrman said it has not been formally responded to by the City, but the EDA could make a statement.

Reynolds asked if he does not take the signs down, do we hire someone to take them down?

Fuhrman said the situation is between the Attorneys at this time, and was advised by the attorneys that some information cannot be shared. We can only discuss the background of this situation.

Riddle asked if the signs will be okay once the Sign Ordinance is approved.

Fuhrman said if the size and clearance are met by what the Planning Commission and City Council determine for the Ordinance amendment, then these types of signs could potentially be allowed. The problem is we do not know what those regulations are yet; an amendment still has to be passed.

Riddle said we should move the Sign Ordinance along. He should not have put the signs up if they were not allowed in the Ordinance.

Hallin said the letter says signs were hung in good faith, but he was told "no" twice. There was already signage on the site advertising the business (pylon sign).

Chapman told Fuhrman she should correct the date at the bottom of her memo to December 31, 2013.

Fuhrman thanked Chapman and will make the correction.

Reynolds said she would like Fuhrman to give her memo to the Chamber Board so they are aware of the background.

Riddle agrees, the Chamber Board should have a copy of the staff memo.

RIDDLE MOVED, SECOND BY HALLIIN, TO FORWARD STAFF'S MEMO DATED FEBRUARY 14, 2014 TO THE CHAMBER BOARD. UPON THE VOTE, THERE WERE 4 AYES, 1 ABSTAINED. (Ayes: Clark, Riddle, Hallin and Reynolds. Abstained: Walker)

### **MISCELLANEOUS:**

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

The EDA Board had no comments.

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

##### **-Rum River Health Services Loan**

Fuhrman had no updates on Rum River Health Services. Clark said he had seen the Police Department and County Sheriff's deputies at Rum River Health Services building.

Reynolds said the County Attorney had enough proof to seize documents.

Riddle said she had heard the bankruptcy was not filed. The FBI is involved.

##### **-Electronic Vehicle Charging Station**

Fuhrman said still working on this. She might apply to a couple of local grants. Chuck Andrews is going to do a presentation for the Downtown Committee and see if they would chip in to have a charging station located downtown. Fuhrman would like to see a charging station downtown.

##### **-Business Contact Updates**

Fuhrman informed the EDA Board that she has had four meetings with existing businesses to expand or relocate in the past few months. Three of them are new businesses. Two of the interested parties have met with Tom Willett, consultant with Small Business Dev. Center in St. Cloud. Just as a reminder, the SBDC offers consulting assistance to businesses for free, and he has been very helpful. Fuhrman has also been working with DEED to get a rebate for a potential industrial business expansion.

Fuhrman has submitted three proposals to get businesses to come to Princeton. Two of the three are still in the works; the other will not be coming here. Fuhrman sent information on the Small Business Development Center to the party who purchased the former Mike Williams building on the corner of First Street and Rum River Drive.

**-Other**

Fuhrman said the Planning Commission approved the Site Plan Review for Advance Auto Parts, and they will be building soon in the Rivertown Crossing area.

Fuhrman wanted to remind the EDA Board that the next EDA meeting will be held at the Public Safety building. We will have a tour of the building that will begin at 5:30 P.M., and the meeting will follow at 6:00 P.M.

**C. City Council and Planning Commission Minutes for January, 2014**

The EDA Board had no comments.

RIDDLE MOVED, SECOND BY HALLIN, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:57 P.M.

ATTEST:

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Thom Walker, President

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Mary Lou DeWitt, Comm. Dev. Assistant