

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON MARCH 15, 2012, AT  
6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

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Paul Whitcomb called the meeting to order at 6:00 P.M. Members present were Victoria Hallin, Mary Chapman, and Charles Snustead. Staff present were Carie Fuhrman and Mary Lou DeWitt.

Absent were Grady Clark, Thom Walker, and Cindy Riddle.  
(Riddle arrived at 6:04 P.M.)

**APPROVAL OF MINUTES FROM THE REGULAR MEETING OF FEBRUARY 16, 2012**

SNUSTEAD MOVED, SECOND BY CHAPMAN, TO APPROVE THE MINUTES OF FEBRUARY 16, 2012. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED BUSINESS:**

**A. Rum River Health Services Revolving Loan Fund**

Fuhrman received a memo from Rum River Health Services (RRHS) requesting a modification to their Princeton Revolving Loan Fund application. RRHS has decided against the original electronic medical record software, EPIC, due to security concerns in regards to health services. Instead, they are pursuing a combination of two electronic medical records: Procentive for chemical dependency patient medical records and either Quest's Care 360 or Amazing Charts for primary care patient medical records.

The cost of each primary care software system (either Quest or Amazing Charts) will total approximately \$25,000; the cost for the Procentive Program has not been provided to staff at this time. RRHS is requesting pre-approval of the loan not to exceed \$30,000 with an interest rate of 4.5%, subject to a five year amortization and a three year balloon. RRHS is requesting preapproval in order to be assured that the funds are available so they can enter into more specific negotiations with the vendors. Once the decision is made on the vendors, RRHS would provide the city with final proposals and the total would be drafted into the final loan documents.

Cindi Naumann, Community Health Director for Rum River Health Services was present and said they were set on EPIC Program, but there are some security concerns that impact a clinic that provides behavioral health services, especially chemical dependency. Chemical Dependency Treatment Programs are subject to higher level of Federal security and privacy regulations than are required by HIPPA. The EPIC Program available to us through Fairview only reaches the HIPPA level of privacy and there is significant uncertainty about if and when those security corrections will be made. Quest Program is much cheaper than the EPIC Program for Electronic Medical Records software. Rum River Health Services staff has looked into the Quest software and are pleased. The chemical dependency services would go with a different program called Procentive and is a widely used application in the state of Minnesota for behavioral health and chemical dependency programs. The down side is those that will be volunteering from Fairview are use to using the EPIC Program.

Cindy Riddle came in at 6:04 P.M.

Kim Young, Rum River Health Services said there is a big difference in cost where the EPIC Program is approximately \$30,000 and the Quest Program is \$1,200.

Hallin commented that the prior loan request was for \$20,000 and now they are requesting \$30,000.

Fuhrman said she spoke to Steve Jackson, City Finance Director and he is okay with the request for additional funds. It would reduce what is left in the Revolving Loan Funds, but Rum River Health Services plans to pay it back faster so Jackson is okay if the EDA Board approves this loan.

Riddle apologized for arriving to the meeting late and missing the reason for the extra \$10,000 of funds needed and asked if they would just briefly explain what that extra money would be used for.

Cheryl Minks, Rum River Health Services, said that the extra cost is what is needed for either the EPIC Program or the other two programs.

Riddle said that there would be approximately \$17,000 remaining in the Revolving Loan Fund if the amount of \$30,000 was given.

Naumann said they would have to do a share program with Fairview if they do not go with the EPIC Program. Naumann is asking the EDA Board that if they are comfortable tonight with approving a loan that would not exceed \$30,000 then they can begin to negotiate with vendors on programs that meet the agencies needs. Once a decision on vendors is made, they will provide the City with the final proposal and the total will be drafted into the final loan documents. The time line is to first secure funding, and then 60-90 days the clinic could be open after that. There will be jobs created with this clinic.

Snustead commented that he would be okay with the extra funds.

Fuhrman said there is a possibility of a public hearing being required if the funds are \$30,000 or above. She will talk to the City Attorney on this.

Snustead suggested if that is correct, than just go below the \$30,000 mark.

Those present from Rum River Health Services were okay with that suggestion.

RIDDLE MOVED, SECOND BY HALLIN TO APPROVE THE LOAN FOR RUM RIVER HEALTH SERVICES, UP TO \$30,000 WITH AN INTEREST RATE OF 4.5%, SUBJECT TO A FIVE YEAR AMORTIZATION, AND A THREE YEAR BALLOON. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

## **B. EDA Strategic Plan**

Fuhrman has updated the Strategic Plan based on the EDA's discussion at last month's meeting. The major revision was the removal of the "Community-wide Goal" section, which came directly from the 2009 Comprehensive Plan. It appeared to be more confusing than helpful to have that section in the Strategic Plan as it dealt with community-wide goals already adopted in the 2009 Comprehensive Plan. Fuhrman would like any questions, comments, or ideas from the EDA Board. Once the EDA is comfortable with the Strategic Plan, they would then recommend adoption of the document to the City Council.

Chapman commented that she had a couple word changes and then the format should be cleaned up, otherwise she thought it looked very nice.

Fuhrman said that this was just a draft copy and she will put it in a nice format. She asked Chapman if she would be willing to proof read the final copy and Chapman said she would.

HALLIN MOVED, SECOND BY CHAPMAN TO ADOPT THE EDA 2012 ECONOMIC DEVELOPMENT STRATEGIC PLAN AND RECOMMEND ADOPTION OF THE DOCUMENT TO THE CITY COUNCIL. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

## **NEW BUSINESS:**

### **A. Digital Sign Discussion – Todd Fredrick**

Fuhrman said it had been mentioned that the School District had been considering installing a digital sign a few years ago and it never came about. So now a community sign is being recommended. Todd Fredrick is trying to put this together between the School District, Chamber, and Fuhrman. The idea is asking the property owner that has the corner lot along Rum River Drive and Northland Drive, north of McDonalds. It is a busy intersection with the stop lights there so Fuhrman is wondering if a sign along Hwy #169 may be better. The cost would be higher.

Riddle agrees that maybe a different site instead of by that intersection would be better. It is such a busy area that it could be distracting. She does not advise putting a sign north towards the downtown.

Chapman commented that there is a meeting set for Tuesday, March 20<sup>th</sup> at 7:30 P.M., at the School District where they will discuss sign ideas.

Whitcomb mentioned to Jim Roxbury, Princeton Fire & Rescue Chief if there was a possibility of a fixed location sign that could be funded with the Relocation Funds. Currently, the Fire Department has portable signs they use when traffic is stopped because of an accident. Roxbury is checking into the possibility of intergrading the community sign and their emergency signage.

**B. Cancellation of Purchase Agreement with CMHP (old Arcadian Homes site)**

Fuhrman informed the EDA Board that the Purchase Agreement between Central Minnesota Housing Partnership and the Princeton Economic Development Authority for the property located at 101 through 123 West Branch Road (old Arcadian Homes site) states that the closing date shall take place no later than March 1, 2012.

The closing has not occurred as CMHP did not receive the tax credit funding that they applied for. However, CMHP plans to apply for the tax credit funding again this year. Because the closing has not occurred, CMHP has requested that the EDA acknowledge CMHP's letter of cancellation of the Purchase Agreement.

Fuhrman is requesting the EDA make a motion acknowledging Central Minnesota Housing Partnership's letter of cancellation of the Purchase Agreement and also authorize the EDA Chair and City Administrator to sign the Cancellation of Purchase Agreement forms as prepared by the City Attorney.

Fuhrman said in December, 2011 she had been told there was not a purchase agreement for this site with CMHP and has recently found out that there is. Fuhrman apologizes for the confusion.

SNUSTEAD MOVED, SECOND BY HALLIN, TO APPROVE THE CANCELLATION OF THE PURCHASE AGREEMENT BETWEEN CENTRAL MINNESOTA HOUSING PARTNERSHIP AND THE PRINCETON ECONOMIC DEVELOPMENT AUTHORITY FOR THE PROPERTY LOCATED AT 101 THROUGH 123 WEST BRANCH STREET (KNOWN AS THE OLD ARCADIAN HOMES SITE) . UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

The EDA Board discussed that they are willing to give Central Minnesota Housing Partnership time to try for the next round of financing this year and see if they are approved for the tax credit funding. If they do not receive the funding, then the EDA Board will discuss what to do with this site.

**C. Establishment of TIF District for Aero Business Park Discussion**

Fuhrman informed the EDA Board that she has been in touch with the City's "TIF" Financial Advisor, Mary Ippel. She has advised staff that if the State extends the Jobs Bill, then the City can create an Economic Development District around essentially any project as long as it consists of construction or substantial rehabilitation of buildings.

However, if the Jobs Bill is not extended, the City would be subject to the current TIF laws, which would require that the TIF District be related to manufacturing and industrial uses only. Currently, Aero Business Park is zoned B-3 General Commercial District and not industrial.

At this point, we will need to wait and see what the Legislature and Governor decide in regards to extending the Jobs Bill.

Riddle believes once Walmart is here, those lots will sell.

#### **D. Establishment of TIF District for East Birch Estates Discussion**

Fuhrman informed the EDA Board that she has met with the staff from Central Minnesota Housing Partnership (CMHP) regarding their tax credit funding application to Minnesota Housing. Some of the application requirements have changed, and CMHP believes that their tax credit application would score higher if a TIF District were to be established for the East Birch Estates projects. This would show a higher local contribution.

Staff has been in touch with the City's Financial Advisor, Mary Ippel. She has advised that Housing District could be established since CMHP's goal is to provide affordable housing.

Steve Jackson, City Finance Director has advised that he would be in favor of establishing a TIF District if the term were fairly short, as in a few years maximum. Statue allows up to a 25 year term.

The TIF District does not need to be established prior to CMHP's next tax credit application submission, but a resolution in support of establishing a TIF District must be passed by the City Council prior to their application submittal. CMHP will be submitting their second tax credit application in June. CMHP has requested that the City consider establishing a TIF District in support of the East Birch Estates project. Fuhrman would like the EDA Board's view on this.

Riddle commented that she is not in favor of establishing the TIF District for this site. It will be used for affordable housing which could increase the number of school age children and the School District would not get any tax dollars from a TIF District. Also, there would really not be jobs created except for a caretaker.

Whitcomb agreed. If CMHP cannot make their project happen with the credits we have already offered them, then we should open the property back up for sale.

Hallin said if was used for infrastructure she would be willing to have the TIF District so no one in that area is being assessed for the water looping and such.

Fuhrman said CMHP has said the scoring has changed and they will not know how it has changed until a month before filling out the application.

Whitcomb , Hallin, and Riddle said they would not be willing to use the TIF District on this site.

Fuhrman will relay that to Deanna Hemmesch, with CMHP. CMHP did not purchase the one acre parcel next to the site because the property owners want too much for it. They decided to

build a 30 unit facility instead of the original 36 units.

Hallin suggested they may rank higher with a smaller number of units.

#### **E. Purchase of Bergstrom Property with NSP Funding**

Fuhrman wanted to update the EDA Board since their February 16, 2012 meeting where there was a consensus from the EDA to pursue purchasing the Bergstrom property and demolish the home with the remaining NSP funds.

Fuhrman has been in touch with the property conservator, and she has verbally agreed to sell the property to the EDA for \$10,000. The appraisal conducted in 2009 valued the property at \$12,000, and a new appraisal is not required by NSP standards. Staff will have an update at the meeting regarding the taxes due on the property. Lakes and Pines indicated that we should plan on approximately \$10-\$15,000 in costs for demolishing the house. The Fire Department had expressed interest in possibly utilizing the house as a training exercise, but staff needs to continue discussions with them to verify if this is still an option.

The EDA needs to determine the recommended proposed use for this property once it is acquired and demolished. Eligible uses of the property include: donation to Habitat for Humanity for the construction of affordable housing, a small park, a community garden, donation to neighbor, or land banking, but the City must have a plan for the future use. The goal of the NSP Program is that the area will benefit from the end use. It is Fuhrman's understanding that during the previous discussions regarding the Bergstrom property, consideration was given to donating the property to Habitat for Humanity. Staff has been in contact with Habitat for Humanity, and they are very interested in obtaining the property for a future Habitat for Humanity home.

As you will recall, the EDA had entered into a Purchase Agreement with Mr. Bergstrom to purchase the property. However, back in September, it was thought that the NSP funding had been exhausted, and therefore, the Purchase Agreement was cancelled. The previous Purchase Agreement was subject to the following terms; acquire the property at \$12,000; City to assume all closing costs; City to pay the last half of the 2010 taxes at closing; and the City to be responsible for demolition and clearing of the property. Minutes from the August 19, 2010 EDA meeting were in the EDA packet.

The next steps include:

- Determination of the proposed use of property;
- Determination of the terms for the Purchase Agreement (acquisition price, payment of taxes, etc.);
- Authorization for staff and City Attorney to prepare the Purchase Agreement;
- Approval by City Council to utilize NSP Funds to purchase and demolish the home; and

- An environmental review be performed, including an asbestos and lead inspection.

Whitcomb and Riddle are both okay if this property were used for a Habitat for Humanity home.

Fuhrman would also check with the old gas station north of this site and see if they are interested in selling it and if it would be eligible for the NSP Program. Fuhrman will check when it goes into tax forfeiture. There is approximately \$60,000 of funds left in this program. Fuhrman will find out how long the funds are available.

Riddle would like to know when the Bergstrom property goes into tax forfeiture and if that were to happen, let someone else buy it, and we can use the funds for another property.

The EDA Board decided that they do not want to go into a Purchase Agreement for this property.

Fuhrman will look into tax forfeiture with this property and will also check into the property to the north of this site. She believes it is March 2013 the NSP funds have to be spent. She will bring the information back next month.

**OLD BUSINESS:** None

**MISCELLANEOUS:**

**A. EDA Balance Sheet**

The EDA Board had no comments.

**B. Verbal Report**

**1) Greater Minnesota Advocate Article**

Fuhrman thought this article was interesting and wanted to share it with the EDA Board. She liked to read that Greater Minnesota actually has more residents between the ages of 18 and 24 than the metro area. The problem is the rest of Greater Minnesota workforce is decidedly older than the metro, and the workforce has considerably less traditional educational attainment.

**2) Ad Hoc Committee Participation Needed for County Comp Plan Update**

Fuhrman said she is on this committee and was wondering if anyone from the Economic Development Board would be interested in joining.

Hallin said she would like to.

**3) 21<sup>st</sup> Avenue Extension Update**

The City did not receive the grant they applied for from MnDOT. The City Council and Airport Board will meet in the future at a Study Session to discuss future plans. Whatever plans are looked at would need approval from the FAA.

**4) Business Expo Update**

Fuhrman said the Expo was a great success. She enjoyed meeting other businesses that were there. She thanked Whitcomb and Hallin for working at the EDA booth.

Chapman commented that the survey that was sent out with the utility bills regarding the shopping needs in the City of Princeton had a very good response. They received 2,500 back from what was put in the utility bills and another 600 from the Expo. Chapman will put the results in a spread sheet and see what the most important comments are.

**5) EDA/Chamber Committee Update**

Fuhrman said there is not a meeting tonight. They decided to meet after the results from the survey. Fuhrman, Chapman, and Berry Kirchoff, from Small Business Dev. Center had met and discussed a Business Exceleation Program. They came up with an idea of a scholarship to help with the startup cost for a business downtown. Fuhrman is working on a form to submit to the Initiative Foundation for a grant that could be used for this. The data from the Chamber survey will be useful to show local banks in hopes that they would be willing to contribute to the start up program.

**C. City Council and Planning Commission Minutes for February, 2012**

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 7:07 P.M.

ATTEST:

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Paul Whitcomb, President

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Mary Lou DeWitt, Comm. Dev. Assistant