

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON
JUNE 20, 2013, AT 6:00 P.M., AT CITY HALL COUNCIL CHAMBERS**

Thom Walker called the meeting to order at 6:00 P.M. Members present were Mary Chapman, Grady Clark, Charles Snustead, and Cindy Riddle. Staff present were Carie Fuhrman and Mary Lou DeWitt.

Absent were Genny Reynolds and Victoria Hallin. (Hallin arrived at 6:02 P.M.)

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON MAY 16, 2013

CHAPMAN MOVED, SECOND BY SNUSTEAD, TO APPROVE THE MINUTES ON MAY 16, 2013. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

Victoria Hallin arrived at 6:02 P.M.

UNFINISHED BUSINESS:

A. NSP Update

1) Former Arcadian Homes Site

Fuhrman said there have been no responses received from the RFP's sent out in April, 2013 to redevelop the former Arcadian Homes site. City staff has discussed the project at length with Minnesota Housing Finance Agency (MHFA) staff and Minnesota Housing Partnership staff (our NSP "counselors"), and some pertinent points have been raised:

- * We likely will not get developer interest with at least \$175,000 needed in infrastructure improvements (water main costs in order to improve water capacity to this property and surrounding neighborhood).

- * Fuhrman has a conference call next week with MHFA staff to discuss Housing Infrastructure Bonds, which may be available next year, plus the availability of pipeline resources as an option to fund the infrastructure improvements needed.

- * The EDA has made it clear they are not interested in utilizing TIF for the multi-family project; however there is an option to utilize TIF for just the infrastructure work.

- * Consider lowering the asking price to make it more attractive to developers (The RFP stated: "Negotiable, started at \$262,000 (Estimated Market Value)."

Walker suggested that this be moved down to Old Business section of the agenda with the added item of "Discussion of Aero Business Park."

2) 809 9th Avenue North (Former Bergstrom Property)

Fuhrman is working on putting the RFP together for the demolition of the home.

3) 903 9th Avenue North (Pickering Property – property in tax forfeiture)

West Central Environmental Consultants (WCEC) has informed Fuhrman they will likely conduct the Phase 2 environmental investigation in early July with a report completed by the end of July.

4) Overall Redevelopment of the Area

The EDA has indicated their approval of staff exploring the possibility of a twinhome development occurring on the former Bergstrom and Pickering properties (former Cliff's Sales). Fuhrman is doing the preliminary work to determine if this is feasible due to the narrow building envelope between the right-of-way and floodplain of the West Branch of the Rum River.

Fuhrman introduced this idea to MHFA staff and thus far, they have determined they would prefer the original plan of building a Habitat home at 809 and utilizing 903 as extra yard and essentially not dealing with the former Cliff Sales property. Fuhrman is working hard to convince them otherwise as it appears this second option would be more beneficial to the neighborhood, provide more stabilization of the neighborhood, and offers a long-term solution. Our NSP counselor is in favor of this second option as well. Fuhrman will continue to work with MHFA staff.

5) Action Requested: Grant Agreement

Being more work needs to be done, and there are already a few amendments to the original grant agreement between the City and Minnesota Housing Finance Agency (May 2009), the MHFA Attorney has advised entering into an "Amended and Restated Grant Agreement", which will supersede prior agreements. Fuhrman has attached a document that is technically an amendment and restatement of the existing agreement. The EDA is asked to review and recommend approval of the "Amended and Restated Grant Agreement" to the City Council. Fuhrman will have the City Attorney review it before forwarding to the City Council.

HALLIN MOVED, SECOND BY CLARK, TO RECOMMEND APPROVAL OF THE AMENDED AND RESTATED GRANT AGREEMENT TO THE CITY COUNCIL. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Doug Marshall Farm

Fuhrman was invited to a meeting out at the Doug Marshall Farm, located directly west of Aero Business Park. Anoka-Ramsey College is interested in utilizing his farm as an off-campus laboratory/research station for continuing education, especially in regards to horticulture. They would like to begin classes this fall.

To compliment this, Mr. Marshall has indicated interest in building a "country store" on one of the Aero Business Park lots, as well as an educational facility. He inquired about the possibility of the City or EDA financing the real estate portion of the project.

Fuhrman believes both options are a bonus for the greater community in that they offer an opportunity to capitalize on agri-tourism, as well as Anoka-Ramsey starting a presence in the Princeton community.

Fuhrman wanted to have the EDA Board aware of the discussion and Mr. Marshall asked her to

begin discussing the project with various groups. He would be happy to come to a meeting to discuss his ideas. No action is needed at this time.

There was discussion that someone was looking at having a distillery at the Marshall farm.

Fuhrman said that is just a preliminary idea.

Riddle asked if he were to buy one of the Aero Business Park lots, could he detach that parcel since his property is in Princeton Township.

Walker said he does not see that being able to happen.

Fuhrman said Mr. Marshall would probably like to do a Contract for Deed and make payments to the City.

Chapman asked if any of the business would be used with Anoka-Ramsey.

Fuhrman said Anoka-Ramsey wants to bring in a green house in the fall and do the teaching aspect of it. Marshall would like to sell products from a country store.

Hallin and Riddle are open to the idea.

Fuhrman said there was concern with airport runway restrictions and there is just a small piece where the runway would be, but believes that could be worked out.

The EDA Board is interested in Doug Marshall's idea and would invite him to attend an EDA Board meeting to discuss it more.

B. Northwoods Finishing Expansion & Relocation Plans

Fuhrman informed the EDA Board that Northwoods Finishing is located in the former Great Glacier building. They finish cabinets and are a growing company in need of a larger site. Fuhrman had told them about lots at Aero Business Park. They thought the price for lots at Aero Business Park were too high and could find a cheaper site.

Walker asked how big the expansion is they would need.

Fuhrman said they would like to have a 6,000 square foot building on an acre lot. She will be giving them information on other buildings in town that could work for them.

C. Future Use of Current Fire Department Building

Fuhrman said the use of the current Fire Department building after they move into the new Public Safety building was brought up at the last EDA meeting. She does not know much about the Public Works Department wanting the Fire Department building once it is empty.

Chapman asked what the plans are for the Police Department building once they move into the Public Safety building.

Riddle suggested that maybe the School District would be interested in the Police Department building.

Chapman said the Police Department building would be better for the Public Works Department and sell the Fire Department building. It would show the public that we are utilizing our resources the best we can. The new building is budgeted for a certain amount and the sale of either building would be helpful. What does the Public Works Department really need the building for.

Walker said for office space. The cost of moving will be looked at and if it is feasible for the Public Works.

Chapman said City Hall has offices that are not used. Public Works could set up an office in one of the empty rooms.

OLD BUSINESS:

A. Tax Abatement for Inline Packaging

Fuhrman said that at the EDA Board meeting in May, the EDA recommended approval of a Tax Abatement for Inline Packaging with their new building addition. The City Council held a public hearing and approved the Tax Abatement Agreement.

The applicants also requested an abatement from Sherburne County. The County Board adopted a resolution last Tuesday approving an abatement agreement with the company. The actual Business Subsidy Agreement still needs to be approved by the Board, but should be a formality since they already adopted the terms.

No action is needed. This is for your information only. Fuhrman has included the resolution approved by the County Board.

B. Discussion of Aero Business Park

Fuhrman added this on to the agenda. She is requesting the EDA to re-initiate a conversation regarding Aero Business Park, particularly the costs associated with the lots. It has long been "hoped" that the building of Walmart would help spur the development of this area; however, that has not happened as of yet. These lots have now sat empty for several years, and Fuhrman continues to hear from potentially interested parties of the high costs of Aero Business Park. In order to get development moving and to add to the tax base of the city, Fuhrman is requesting the EDA discuss and potentially consider reducing the costs of the lots.

As part of the discussion, Fuhrman would recommend that limits be placed within any Purchase Agreement, such as that the lot must be built on within a certain time period; otherwise the lot

would go back to the city at a reduced rate to prevent developers from purchasing the lots and then sitting on them. The price could be subject to an approved Development Agreement. Fuhrman put a cost summary together for Aero Business Park. With the remaining assessments included, the price is approximately \$2 a square foot. She also made a spread sheet from information she collected of surrounding areas that have retail and industrial lots for sale with the lot size and the price.

Riddle mentioned the lot along Hwy. 169 in Princeton Township must be on its own septic and well.

Fuhrman said it is.

Chapman asked if the lots could be split.

Fuhrman said they could be split if someone wants a smaller site. When Aero Business Park was first platted it was zoned Industrial and then rezoned to B-2 Neighborhood Business District. Fuhrman said what is allowed in the B-2 District may not fit these lots anymore. The EDA Board may want to rezone these lots to B-3 General Commercial District. The EDA Board was given the Zoning Ordinances for B-2 and B-3 Districts to review.

Walker said what is allowed in the B-2 District is not what had been talked about that we would like to see out there. He would rather it were zoned the B-3 District.

RIDDLE MOVED, SECOND BY CHAPMAN, TO RECOMMEND TO THE PLANNING COMMISSION BOARD TO REZONE THE LOTS AT AERO BUSINESS PARK FROM B-2 NEIGHBORHOOD BUSINESS DISTRICT TO B-3 GENERAL COMMERCIAL DISTRICT. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

Fuhrman will move forward with rezoning Aero Business Park to the B-3 District. Would the EDA Board be willing to review an offer on one of the lots if it were lower than the asking price.

The EDA Board agreed that they would be open to what the party were to offer for a price and see what they would like to build.

Riddle does not want to give the land away. That area has gotten busier.

Walker mentioned to Fuhrman that there is a property on the corner of First Street that is going back to the bank and if there are any grants or funding available to help clean up the property that would be nice.

Fuhrman said she is aware of the site and it is a good target area for the NSP Program. As far as Aero Business Park, Fuhrman will keep the conversation open on the lots out there and will bring any upcoming offers back to the EDA Board.

Chapman asked how long the Industrial lots have been on the Minnesota Prospector site.

Furman said about 1 ½ years.

Chapman asked how many hits have they gotten on the site.

Fuhrman will ask DEED.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

1) Downtown Business Sign by Walmart

Fuhrman has passed along the EDA Board's recommendation regarding the signage.

2) It Starts Here Update

Fuhrman met with Wendy Bursch, Art Co-Op Executive Director and she will submit her proposal on the forgivable loan soon. She has a lot of members bringing items to the Co-Op.

The EDA Board asked if anymore is happening with the 21st Avenue extension and Fuhrman said staff has met with the DNR staff. They did discuss Richard Anderson's idea with 21st Avenue. An EAW would be required along with a lot of other items if the extension were to be done with Anderson's idea. There is an Ducks Unlimited sign there that Fuhrman said she will check and see if it is federal.

C. City Council and Planning Commission Minutes for May, 2013

The EDA Board had no comments.

RIDDLE MOVED, SECOND BY HALLIN TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:48 P.M.

ATTEST:

Thom Walker, President

Mary Lou DeWitt, Comm. Dev. Assistant