

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON JULY 19, 2012, AT  
6:00 P.M., AT THE CITY HALL COUNCIL CHAMBER**

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

Absent were Charles Snustead and Victoria Hallin. (Hallin arrived at 6:05 P.M.)

**APPROVAL OF MINUTES FROM THE REGULAR MEETING OF JUNE 21, 2012**

CHAPMAN MOVED, SECOND BY RIDDLE, TO APPROVE THE MINUTES OF JUNE 21, 2012, WITH THE FOLLOWING CHANGES:

PAGE SIX, VERBAL REPORT, PARAGRAPH FOUR, HAVE THE SENTENCE READ, "FUHRMAN SAID SHE HAS SUBMITTED A GRANT TO HELP PAY FOR MARKETING AND ADVERTISING WHICH COULD INCLUDE SMALL BANNERS FOR THE LIGHT POLES DOWNTOWN." AND ON PAGE FIVE, PARAGRAPH FIVE, REMOVE THE SENTENCE FROM WALKER "WE CAN NOT HAVE ADDITIONAL REVENUE." UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED BUSINESS:**

**A. Downtown Tax Abatement Discussion**

Fuhrman said at the June EDA meeting, the EDA discussed the possibility of formulating a Tax Abatement Program for downtown businesses and the EDA Board directed staff to begin looking into the possibilities.

Fuhrman has been researching what other communities are doing as far as similar programs, but there are not a lot of examples. Fuhrman will continue to search, but in the meantime, she gave the EDA Board a Retail Incentive Program from Lower Manhattan that provides a sense of a similar program.

Fuhrman put together a list of aspects to consider:

**Eligibility Criteria:**

- Wage requirements?
- Require some type of investment from the business? Personal investment in equipment or inventory-or-investment into the building?
- Does the space have to have been vacant for a certain period of time?
- Will it only be offered to new businesses coming into the City-or-someone coming from a home-based business? Can it be an existing business that is relocating within the city?

**Eligible Geographic Area:**

- Would it just involve downtown businesses or would it be open to all commercial businesses in city limits:

**Limitations:**

- Annual limit on the amount of abatement.
- Spread the abatement over several years instead of one lump sum.

**Keep this aspect in mind:**

- The City may not abate more than \$200,000 or 5% of the municipal taxes in any one fiscal year. Assuming the City wants to leave some abatement ability left for other enterprises, we may want to consider a limit on the amount offered in this retail program (ex: 50% of the abatement ability, or \$100,000)

Chapman said that St. Louis County has an Abatement Program that Duluth has used. She also gave Fuhrman a print out that has the Top 25 Minnesota Community and Public Foundations from 2009.

Fuhrman will look into those. She asked the EDA Board if they would like her to continue to research possible Tax Abatement Programs for the City of Princeton.

The EDA Board agreed they would like her to pursue this more and bring it back to the August EDA Board meeting.

**B. NSP Funding Update**

**1. Bergstrom Property**

Fuhrman updated the EDA Board on 809 9<sup>th</sup> Avenue North property. Midwest Environmental performed the lead paint and asbestos testing on Monday, July 16, 2012 and she is hoping to hear the official results on Friday.

The next steps include: preparing and entering into a Purchase Agreement with Kathy Bordeen; determining the method of demolition; receiving approval from the SHPO office to demolish the building; demolish the building; and enter into a purchase agreement with Habitat for Humanity.

The EDA has already made a motion to offer to purchase the property for \$5,000, along with paying the taxes and closing costs, but with Habitat sharing in the site preparation costs. Fuhrman is requesting authorization to move forward with the steps she mentioned. Rick Johnson, West Branch Construction had quoted Fuhrman \$2,200 to demolish the property, but that does not include removing the garbage that has been left. Depending on the asbestos testing there still is a possibility for a controlled burn.

HALLIN MOVED, SECOND BY CLARK, THAT STAFF CAN PROCEED WITH HAVING THE CITY ATTORNEY BEGIN PREPARING THE PURCHASE AGREEMENT FOR THE PROPERTY AT 809 9<sup>TH</sup>

AVENUE NORTH IN THE AMOUNT OF \$5,000, PENDING ON THE RESULTS OF THE ENVIRONMENTAL TESTING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

## **2. 903 9<sup>th</sup> Avenue North Property**

Fuhrman informed the EDA Board that this property is in tax forfeiture, and the previous owner has until October 31<sup>st</sup>, 2012, to apply to repurchase the property after paying the back taxes. Since the last EDA meeting, Fuhrman has learned the previous owner has passed away. Fuhrman was able to contact the previous owner's sister, who is the representative of the estate, and she was in agreement with the proposal of the city paying the back taxes of \$9,000 in exchange for the deed to the property.

However, in order to qualify for NSP funds and remain eligible as a tax forfeited property, the property needs to be transferred to the City without payment of the taxes prior to the transfer. This cannot occur according to MN Statutes.

The other option offered by the County Auditor would be for the City to purchase the property after October 31<sup>st</sup>, and prior to the public land sale in the spring. The County has not established the sale price yet, but could be somewhere around \$17,200, assuming the County Board agrees to that price. The price would be established by the County Board around February.

The property was previously used as a gas station, meaning there could be environmental impacts on the property. According to the MPCA, a Phase 1 Environmental Investigation should be completed, which can run from \$3,500-5,000. Fuhrman has a call into MPCA to see if they have any record of any underground fuel tanks being removed. She is waiting to find out if a Phase 1 Investigation can be covered by NSP funding.

If agreeable by the EDA, the plan would be to offer this property to Habitat for Humanity as extra yard for the Habitat for Humanity home that will be constructed on Bergstrom's property.

If a Phase 1 Environmental Investigation is covered by NSP funding, Fuhrman is requesting authorization to order the investigation, along with the other environmental tests required, asbestos and lead testing.

The amount remaining in the NSP fund is \$66,395. The City was originally told the money had to be spent by March 2013; however, now Fuhrman has been told that there will likely be an extension, but we are to proceed as though the deadline was March 2013. Fuhrman is still considering sending out a Request for Qualifications seeking a firm to administer the remainder of the NSP Funding. In the meantime, Fuhrman will continue the administration.

Fuhrman would like the EDA Board's direction if they would want her to move forward with this site.

The EDA Board agreed that staff should ask the County if the property could be transferred on October 31<sup>st</sup> to the City and the City then pay the back taxes on November 1<sup>st</sup> in order to qualify for NSP funds and remain eligible as a tax forfeited property. They also want staff to check if there are any records of underground fuel tanks being removed and what clean up grants are available.

Fuhrman will check into this and bring the information back to the EDA Board at their August meeting.

**NEW BUSINESS:**

**A. Mille Lacs County Comprehensive Plan Task Force: Draft Economic Development Goals & Policies – Verbal Update**

Fuhrman informed the EDA Board that she is on the Task Force Board and they are putting together an Economic Development Goals and Policies procedure. This is a great move forward.

**OLD BUSINESS:**

**A. It Starts Here Project Update**

Fuhrman informed the EDA Board that the "It Starts Here Project" is moving along. The Business Acceleration Committee has met twice now and is working on putting together an incentive package to offer new businesses to come into town. One idea that has been offered is a program similar to Kickstarter, but at a local level.

The Downtown Design Committee will be meeting for the first time on July 31 at noon. They will be reviewing the 2006 Downtown Report Card that was put together by Kent Robertson, former professor from St. Cloud State's Community Development Program, which grades different aspects of Princeton's downtown. Pat Smith of Pat Smith Consulting will also be visiting with the group to discuss the character of Princeton's downtown and how to capitalize on the historic aspects.

We were awarded the Initiative Foundation grant for \$5,000, which will be used for marketing and advertising the project, along with helping to support the enrollment of these new businesses into various programs, such as the Small Business Development Center's Profit Mastery Program and the Chamber's Business Success Group. Fuhrman will be organizing the first meeting of the Marketing and Advertising Committee soon.

Mary Chapman is working on organizing the Downtown Clean-Up Committee. Fuhrman said if anyone is interested in helping on one of the committees, to contact her or Chapman. Participation would be welcomed.

The EDA Board mentioned a few possibilities that may be helpful to entice someone to begin a business to the downtown area such as; asking local businesses if they would like to contribute funding for a local start-up program, possible available grant money for advertising, and making an informational packet about the area and funding programs available. The EDA asked Fuhrman to check with the Princeton Public Utilities to see if there are utility rebates available.

**MISCELLANEOUS:**

**A. EDA Balance Sheet**

The EDA Board had no comments.

**B. Verbal Report**

**1) Rum River Health Services**

Fuhrman informed the EDA Board that the Revolving Loan for Rum River Health Services should be closing soon, maybe by next week.

**2) Formulation of the Central Minnesota Quad Counties**

Fuhrman informed the EDA Board that Benton, Sherburne, Stearns, and Wright Counties are considering forming a federally recognized Economic Development District and one of the benefits is the ability to receive federal funding through the District. They are calling it the "Central Minnesota Quad Counties".

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

The EDA Board had no comments.

HALLIN MOVED, SECOND BY WALKER, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:49 P.M.

ATTEST:

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Paul Whitcomb, President

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Mary Lou DeWitt, Comm. Dev. Assistant