

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON
JULY 21, 2011, AT 6:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS**

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

Absent were Ben Hanson and Charles Snustead.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON JUNE 16, 2011

WALKER MOVED, SECOND BY RIDDLE TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON JUNE 16, 2011. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. Update on Madre Loca & Hy-Tech Revolving Loan Funds

Fuhrman informed the EDA Board that the Revolving Loan for Hy-Tech will be completed by Monday and the check given to them at the same time. The paperwork is close to being completed with Madre Loca. The City Attorney is waiting for the Subordination Agreement from Heidi Burns bank.

NEW BUSINESS:

A. Small Cities Development Program

Fuhrman informed the EDA Board that the City of Princeton and the City of Milaca were awarded \$547,400 to split for 12 Residential Owner Rehabs and 8 Commercial Rehabs. A map was established of the areas in each city that would be eligible for the program.

For the Residential Funding it is a 0% interest for a 10 year loan. The homeowners will be asked to match 10% of the total cost of improvements, but this is dependent on income level. Homeowners unable to match the grant funds will not be turned away. The maximum SCDP loan available for owner occupied housing rehabilitation is \$23,000 per property. The SCDP loan is only repaid if the property is sold; title is transferred, or conveyed within the 10 years of term of the loan. The obligation to repay the loan is reduced by one-tenth of the original loan amount after each year. After 10 years, if the property is still owned & occupied by the borrower, the loan is forgiven and considered a grant.

Licensed, insured contractors will be required to perform the rehabilitation work. Work completed prior to approval of an applicant or property will not be reimbursed. If the program is funded, approved applicants will have an inspection conducted of their property to determine what repairs are needed and qualify under this program. Remodeling is not allowed, however the following improvement do qualify under the SCDP and prioritized in this order:

1. Repairs to address health & safety issues (smoke/CO detectors; plumbing, heating, electrical & lead hazard repairs)
2. Ramps, doors & bathroom accessibility conversions (grab rails, wider doors & entrance ramps)

3. Repairs to the structure & exterior envelope (foundation repairs, windows, doors, siding, roofing)

Fuhrman said her and Steve Jackson, Finance Director will be meeting with Lakes & Pines to finalize the agreement. There are some questions of who is responsible for certain areas of the contract. Lakes & Pines will also be working on the Environmental Review and other Special Grant Conditions in order to obtain the release of the funds.

For the Commercial Rehabilitation Funding it is a 0% interest, 10 year loan, with a requirement that the owner match the loan. The match must be 50% of the total cost of improvements, or at least equal to the amount of the SCDP loan. The SCDP loan will only pay for 50% of the total cost of improvements. The maximum SCDP loan available for commercial rehabilitation is \$25,000 per property. The SCDP loan is only repaid if the property is sold; title is transferred, or conveyed within the 10 years term of the loan. The obligation to repay the loan is reduced by one-tenth of the original loan amount each year. After 10 years, if the property is still owned by the borrower, or the building is occupied by the same business, the loan is completely forgiven and is considered a grant.

To qualify for the commercial loan the building must be in the designated target areas within the Cities of Princeton & Milaca, and be the site of an existing business. Buildings with businesses located within them will have a higher priority of receiving grant funds than vacant buildings. Generally vacant buildings are not rehabilitated unless a business will be occupying the building within 6 months of the rehabilitation work being completed. The applicant must be an owner/occupant or an owner with a rental occupant of a building used for commercial purposes, wither free of debt, through a mortgage or a recorded Contract for Deed. Taxes must be current and proof of property insurance is required.

Eligible properties will be inspected during the individual application process to determine what improvements can be made. Remodeling is not allowed however, the following improvements do qualify under the SCDP and are prioritized in this order:

1. Exterior repairs/improvements (windows, doors, signage, awnings, roofs)
2. Code violation corrections (handrails, exit signs, health & safety issues)
3. Ramps and bathroom accessibility conversions
4. Energy improvements (heating system upgrades, insulation)

The program goes till September 30, 2013.

Riddle said Staff should contact homeowners that are not on city sewer or water and see if they would like to use this program for getting hooked up.

Fuhrman said she would have to check and see if that would fall under this program.

Riddle asked what happens to the extra funds if not all the funds were used for the 12 homes and 8 commercial properties.

Fuhrman said it would be six residential properties and four commercial properties for the City of Princeton. That total of 12 homes and 8 commercial is split with the City of Milaca. She will have to check if there are extra funds left if it can be used for additional properties.

Walker would like the target to be homes that are not hooked up to city sewer and water be top priority if that is eligible for the program.

Fuhrman said there have been a couple businesses that are interested in the commercial funding and are in the target area of the map. They have been given the application to fill out.

B. EDA Booth at Block Party – Friday, July 29, 2011

Fuhrman has spoken to the Chamber and Scott Berry's office regarding the Block Party for July 29, 2011. The EDA Board was interested in having an informational table there for Aero Business Park. The fee is \$50 to have a spot and you get it back at the event. They are trying to avoid cancellations. Fuhrman said she will man the booth and Walker said he will help. The event is from 4:00 PM – 8:00 PM. Others on the EDA Board said they will be attending and can help out at the booth also.

Fuhrman said the handouts regarding the Aero Business Park need to be updated and she is working with Steve Jackson, Finance Director on the assessment changes.

Walker said Tax Abatement information could be included.

Hallin suggest there could be a drawing at the table for the City of Princeton coffee mugs and playing cards.

Fuhrman will have that also at the booth.

Walker asked on the JobZ Program.

Fuhrman said the JobZ Program was designated by the City and it is movable. She will look into maybe moving it to the airport so the Aero Business Park is qualified for it. It is active till December 31, 2015.

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

1. "Commuting to Work" Article

Fuhrman had put this article in the packet for information only. Basically the article speaks of the number of commuters in Minnesota.

Walker said he had spoken to someone who does a “Rider Group” for those commuting and they had mentioned that they would like to come to an EDA Board meeting. They would like to speak of their program.

The EDA Board was in favor of having them on a future agenda.

2. Update on Chamber Board Meeting

Fuhrman went to Chamber Board meeting. She enjoyed meeting those that were on the Board and they expressed to her that they would like to create communication between the Chamber and the City and EDA Board to help each other with mutual projects and mutual goals.

3. Update on Sherburne Mobile Home Park

Fuhrman said Mike Nielson, City Engineer with WSB has been working with the owner of Sherburne Mobile Home Park and they are discussing the Sewer (SAC) fees.

4. Amphitheatre Status

Fuhrman informed the EDA Board that the well was capped yesterday and now are looking at getting the building removed.

A. City Council and Planning Commission Minutes for June, 2011

The EDA Board had no comments.

HALLIN MOVED, SECOND BY WALKER TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:25 P.M.

The EDA Board will be leaving to tour Sterling Pointe Senior Assisted Living.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant