

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON AUGUST 16, 2012,
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 Mary Chapman, Thom Walker, Grady Clark, Victoria Hallin, Cindy Riddle, and Charles Snustead. Staff present were Carie Fuhrman and Mary Lou DeWitt.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON JULY 19, 2012

WALKER MOVED, SECOND BY RIDDLE TO APPROVE THE MINUTES OF JULY 19, 2012. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Grow Minnesota – Minnesota Chamber of Commerce (Kathi Schaff, Speaker)

Kathi Schaff spoke to the EDA Board about the Grow Minnesota Program. Grow Minnesota is the economic development program of the Minnesota Chamber of Commerce. The primary focus of Grow Minnesota is to retain Minnesota businesses and encourage them to expand here. The program operates in partnership with more than 50 local and regional chambers of commerce and conducts regular retention visits with close to 1,000 Minnesota companies a year, thanking them for operating in our state and, when necessary, providing direct assistance to help them succeed and grow here. The goal is to work together to build the state's economy benefits for Minnesota from small town to the growing metropolitan areas. The visits are not a membership bases, they do not have to be a chamber member. The information they receive from the business is put into a data base and that information is used to help cities and businesses to see what is working and what does not. This information is collected from large and small businesses. They also work with the Initiative Foundation.

Schaff said one area that is becoming a problem in the manufacturing business is getting skilled employees and even unskilled employees. Manufactures today have technical machinery and you cannot hire under 18 years of age. The program is looking into being able to hire those under 18 where they could slowly learn a trade. They are also finding recruiting employees to rural areas is difficult. Manufactures usually are not a member of local chambers. Chambers are moving to make a link with them. This program helps link companies to identify suppliers and also helps to create a network. In southern Minnesota, they are working with the housing issued to develop market housing for the increase of employment. The good news is productivity and sales are up. United States is the fastest growing market right now. Many business expansions are happening with the growth.

Three years ago 5.5 million dollars was given to Grow Minnesota to help small businesses. There were companies here in Princeton that received \$235,000 in grants. The grant is all about sustaining jobs. The annual fee to be in the Grow Minnesota program is based on membership numbers with local chamber. For Princeton it would be \$500 a year.

Chapman asked if the chamber and city joined as partners, what would be the benefit for the city.

Schaff said this is an opportunity for the chamber and EDA to visit local manufactures. It is best

for two people to go on a business visit, one from the chamber and the other from the city. The program trains volunteers. The chamber and City would have a group of people that would do a visit twice a year and they would have questions to ask and then give those answers to Grow MN who enters them in their data base.

Hallin said it sounds like the BR&E Program.

Schaff said what they are hearing is nothing has been done in some areas with the BR&E Program once the visits were done. With the Grow MN Program, every other month they send an email out to partners to tell them they need to speak to a company that has an issue that was brought up during the interview process. This program allows you to sustain the efforts. They take the information they received from the businesses and take it another step to help the community and business.

Fuhrman asked what would the city and chamber received from paying the fee.

Schaff said that other communities have tried doing it themselves and have come back to a structure of Grow MN to help them sustain. They have seen where OSHA fines have reduced and permits speedup are just a few examples that have helped manufactures when using the Grow MN resources. The Grow MN Program is gaining a network throughout the State of Minnesota. An online tool is being revised where local partners communicate and gives tips that has helped their company.

Snustead asked on their Revolving Loan Program.

Schaff said they have not determined how their program should work yet. They are considering a beautification program to help businesses update their look. For example, maybe a sign needs updating outside the business to give that business a better look to bring people in. Their goal is by the first of the year to have something in place for the revolving loan. They also help businesses with finding other grants available. When a partner signs on with Grow MN they usually forgive the first six months in sign up fees.

Chapman asked if the chamber and city were to copartner with the cost, if they would both receive information.

Schaff said yes. Other communities have done that. Both would have access to data. If each would want to license they each would have to pay and that would be approximately \$800 to get an additional license. Schaff said they could ask other communities that are using this program and what they think of it. The Elk River chamber is on it.

Chamber is not over 200 members so the fee would be \$500 to get into this program.

Fuhrman asked the EDA Board what their thoughts are to sign up with the chamber on this.

Whitcomb would like to hear what other cities who have signed up with Grow MN think of it.

Walker said the advertising part of this program would be good.

The EDA Board decided that if the chamber were to put in half of the \$500 fee, they would be willing to try this for a year.

Chapman will talk to the Chamber Board and see if they will contribute \$250.

Fuhrman will see about putting the \$250 fee on the budget for 2013 and will move forward with signing up for the program if the chamber also contributes \$250.

B. It Starts Here Project Update & Request Review of Business Incentive Package

Fuhrman gave a brief review starting with:

Downtown Design Committee: The committee reviewed the 2006 Downtown Report Card that was put together by Kent Robertson, which grades different aspects of Princeton's downtown. Pat Smith was also present to discuss how the Reconnaissance Survey can play into the Downtown Revitalization Program. The committee brainstormed different low-cost projects to begin with, including adding landscaping back to the medians along Rum River Drive (off of the 169 exit). Fuhrman is coordinating with Sherburne County to bring the planters back to the median for next year.

Discussion also ensued regarding cleaning up the weeds behind the former Ben Franklin and possibly adding a mural in one of the alleys.

Fuhrman gave the EDA Board a draft concept form of the "Princeton It Starts Here Challenge". The incentive of this program is to get new businesses into the city, a second or third satellite business from an existing location in another town, or a significant expansion of a current downtown business that includes an additional business concept. The Chamber contacted local businesses to see if they would be willing to provide free assistance. Fuhrman spoke to the City Finance Director and he is in favor of the city providing a loan as long as there is a contingency that they are running their business for three to five years with a possibility of the loan being forgiven after so many years.

Whitcomb asked where the money would come from.

Fuhrman said the funds would come from TIF Railroad Funds. The City Finance Director was supportive of that.

Riddle asked who would get the interest payments.

Fuhrman said they would probably go back into the TIF Funds. This is just a draft concept so more details would have to be worked out.

Whitcomb said approximately \$180,000 of the TIF Funds has been spoken for to do the water looping by the Arcadian Homes site. This needs to be done for fire safety and the TIF District is very close to that site. Another \$25,000 has been spoken for the updating of the Civic Center.

The EDA Board likes the idea of the incentive package Fuhrman put together, but is concerned where the money would come from.

Fuhrman will check with City staff to see what would be used for the looping of the water, Civic Center, and what would then be left.

Marketing & Advertising Committee: The committee has met and requested businesses in town to submit logo ideas for the "It Starts Here Program", and will be asking all of the committees to vote on the logo. They will then likely be seeking bids from local companies for banners to place on the light posts throughout downtown advertising "It Starts Here" project as well.

The committee discussed utilizing the Chili Fest as the kick-off for this project and will be looking into purchasing additional promotional items, such as buttons, bags, window decals, etc.

Business Acceleration Committee: The committee has met multiple times. Their ultimate goal is to formulate an incentive package to entice new businesses to come into downtown Princeton. The committee has formulated a package and is requesting the EDA's review of the package.

The following provides an outline of the proposed package:

- * Two or three incentive packages will be offered to new businesses coming into vacant spaces in downtown Princeton.
- * This will require a competitive process, depending upon the number of business concepts submitted, along with requirements to enroll in the SBDC's Profit Mastery Program and the Chamber's Business Success Group.
- * The incentives would include:
 - Approval by the Council, a forgivable loan to each winner provided by the City (\$8-\$10,000)
 - Services and materials donated by local businesses, such as banking assistance, legal services, photography services, signage design, website design, etc.

The committee is requesting the EDA's review and recommendation of the incentive package proposal. The committee and staff plan to have all of the details in order prior to bringing it to the City Council.

UNFINISHED BUSINESS:

A. Downtown Tax Abatement Update

Mary Chapman, conducted some research and discovered that Chisago County has a Tax

Abatement Program similar to what the EDA has been considering. The City Attorney and Finance Director are currently reviewing the parameters and additional information will be provided at the next EDA meeting based upon their comments.

B. NSP Funding Update

1) 809 9th Avenue North (Bergstrom/Brodeen Property)

The SHPO office provided their consent to demolish the building.

The environmental testing found asbestos within the home in various locations. Staff has received one quote for the asbestos removal at approximately \$5,000, which includes removing vermiculite insulation from the attic; we are waiting to get additional quotes. Fuhrman has contacted Mille Lacs County Sentence to Serve Program to see if they would be willing to assist in cleaning out the debris from the home. Fuhrman is waiting to hear back from the Fire Chief to see if he still wants to participate in a fire burining exercise. She will be contacting two companies to get written quotes for removing the debris from inside the home, wrecking the home, and cleaning up the site.

The EDA 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. They also made a motion to have the City Attorney begin preparing the Purchase Agreement, pending the results of the environmental testing. Although asbestos was found, staff would recommend the City still proceed with the purchase of the property and demolition of the home.

The next steps include:

- * Bringing the purchase to the City Council for their approval on August 23rd;
- * Preparing and entering into a Purchase Agreement with Kathy Brodeen;
- * Cleaning the debris out of the house;
- * Removal of the debris from the house;
- * Demolishing the building; and
- * Entering into a purchase agreement with Habitat for Humanity.

Fuhrman is still waiting for another quote. This will be on the next City Council agenda for the Council to approval the City purchasing the home with the NSP Funds.

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

The SHPO office provided their consent to demolish the building.

The estate representative does not plan on paying the back taxes, meaning that the City has option to purchase the property after October 31st and prior to the public land sale in April. The County has not established the sale price yet, but it is generally set at about half of the appraised value, which would put the price around \$17,200, assuming the County Board agrees to that price. The price would be established by the County Board around February. I have

spoke with Jack Edmonds, and he has verbally agreed to supporting the City's request to lower the price being it is a project that will benefit the overall community. However, Fuhrman is waiting to speak with the County Auditor regarding the parameters of lowering the price. The MPCA has no records of any fuel tanks being removed from the property. Fuhrman 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.

Walker suggested that maybe the County and City could work together on this site. If the County ends up owning this site, they would then have to clean up the site. Maybe they would be willing to give the property to the City and the City then has to clean it up.

Fuhrman will talk to the possibility of this with the Mille Lacs County.

OLD BUSINESS:

A. Small Cities Development Program Update

Fuhrman gave the EDA Board a memo that provides an update on the Small Cities Development Program so far. The residential projects have included windows, steel doors, electrical updates, insulation, roofing, siding, gutter, and addressing lead hazards. The commercial projects have included furnace replacement, windows, lighting, handicap entry doors, and signage.

There is an opportunity to apply for additional Small Cities Development Program grant funding. The deadline date is November 15th. Lakes and Pines CAC has agreed to write another grant and administer additional SCDP funding. The program has provided positive benefits for the community. Fuhrman is requesting a recommendation from the EDA to the City Council to approve applying for additional Small Cities Development Program grant funding with Lakes and Pines CAC doing the grant writing and administering the funds.

HALLIN MOVED, SECOND BY RIDDLE, TO RECOMMEND TO THE CITY COUNCIL FOR APPROVAL TO ALLOW LAKES AND PINES, CAC TO APPLY FOR ADDITIONAL SMALL CITIES DEVELOPMENT PROGRAM GRANT FUNDING WHERE LAKES AND PINES WOULD DO THE GRANT WRITING AND ADMINISTER THE FUNDS. UPON THE VOTE, 7 AYES, 0 NAYS. MOTION CARRIED.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

1) Rum River Health Services RLF

Fuhrman informed the EDA Board the Revolving Loan is not finalized yet with Rum River Health Services. They are waiting for Fairview to give them the final pricing.

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The EDA Board commented on the pile of broken drywall by Plastic Products. Fuhrman explained the business next to Plastic Products uses the used drywall to recycle. She has been talking with the business for options regarding the pile.

C. City Council and Planning Commission Minutes for July, 2012

The EDA Board had no comments.

HALLIN MOVED, SECOND BY CHAPMAN, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:55 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant