

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON SEPTEMBER 20, 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, and Cindy Riddle. Staff present were Carie Fuhrman and Mary Lou DeWitt.

Absent were Victoria Hallin and Charles Snustead.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON AUGUST 16, 2012

CHAPMAN MOVED, SECOND BY WALKER, TO APPROVE THE MINUTES OF AUGUST 16, 2012. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. NSP Funding Update

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

Fuhrman informed the EDA Board that she has received two quotes for the asbestos and vermiculite removal at approximately \$4,990 and \$5,100.

It has been decided to forego the fire burning exercise and demolish the home. Fuhrman will be receiving three quotes from companies for removing the debris from inside the home, demolishing the home, removing the septic tank, and cleaning up the site. Fuhrman has not received a response from Mille Lacs County Sentence to Serve in regards to assisting in cleaning out the debris from the home prior to demolition.

The EDA made a motion to offer to purchase the property for \$5,000, along with paying the taxes, 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.

The Purchase Agreement has been drafted and has been sent for signature by the property conservator. Fuhrman would like to continue moving forward with the purchase, and therefore is requesting a motion to move forward with the purchase of the Bergstrom property, demolishing the home, and preparing a purchase agreement with Habitat for Humanity.

The next steps include:

- *Cleaning the debris out of the house;
- *Removal of the asbestos and vermiculite;
- *Demolishing the building/cleaning up the site; and
- *Entering into a purchase agreement with Habitat for Humanity.

Fuhrman said that Rick Johnson had approached her and he would be interested in demolishing Bergstrom's property and the old garage next to this site if the City would then donate the site to him after. Johnson would like to sell them as a commercial use. She explained to him that the City could not use the NSP Funds in that manner.

Riddle suggested that Fuhrman should talk to Habitat and ask them to clean up the debris.

Fuhrman will check into that with Habitat. She would like to have it totally completed by this fall. She is getting three different quotes for demolishing the building; Junk-Be-Gone, Essig Construction, and Rick Johnson's company. Fuhrman spoke to MN Housing and they would like that we have the money spent by March, but if there is still funds available that is okay.

WALKER MOVED, SECOND BY CLARK, TO APPROVE FOR STAFF TO MOVE FORWARD WITH THE PURCHASE OF THE BERGSTROM PROPERTY, THE DEMOLISHING OF THE HOME, AND PREPARING A PURCHASE AGREEMENT WITH HABITAT FOR HUMANITY. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

2) 903 9th Avenue North Property (Pickering Property – property in tax forfeiture)

Fuhrman informed the EDA Board that the NSP staff has verified that a Phase One investigation is covered by NSP funding. The unknown environmental contaminants, costs to demolish the building and clean-up the property, and the fact that this property has sat vacant and could not be sold for over 20 years, are all arguments for the sale price to be lowered. Fuhrman has contacted the County Commissioner, County Auditor, and will be making contact with the County Administrator as well. Before making a case to the County Board regarding the sale price, Fuhrman will be getting a Real Estate Broker's opinion on the value of the property.

Negotiations with Habitat for Humanity on this parcel will be put on hold until further environmental investigation has taken place. If the potential environmental clean-up costs exceed the leftover grant funding, as long as the city has a plan for eventual use of the property, such as seeking other grant funds for cleaning up the property, it is still eligible for NSP funding. The NSP staff has recommended placing this property in the land bank category until the environmental concerns have been covered.

Since the City has this grant funding and this property has not been taken care of in several years, we should take advantage of the grant funding. Fuhrman would like to continue investigating this property, including the broker's opinion and negotiations with the County Board.

Walker would like Fuhrman to ask the County to clean up the site or give the property to the city and the city will clean it up.

Riddle agrees. They would have to clean up the site, so offer the County if they give the property to the city, we will clean it up.

Fuhrman would like to do phase one on this site to check for contamination. If there is contamination found, she would then go to the county and see if the price for the land would go down.

Riddle asked if the NSP funds would pay for phase one.

Fuhrman said the NSP funds will pay for phase one. The NSP staff said if we decide to purchase this land, we could land bank it if we have a plan for the land. There may be grant funds available for contamination cleanup.

Walker said we might not have enough NSP funds remaining to finish this project. To purchase this site for \$17,000 is too much.

Fuhrman said once phase one is completed then we will know if phase two is needed. We will then know what the cost will be for cleanup.

Whitcomb would like Fuhrman to go to the county and see what they would actually sell this property to the city for.

Fuhrman will do that. She had spoken with Jack Edmonds, Mille Lacs County Representative, and he would support the county to give this to the city at a lower price. If this were to go to Habitat for Humanity then it would be back on the tax rolls which would be great for the city.

NEW BUSINESS: None

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

1) It Starts Here Update

Fuhrman said that tote bags with "It Starts Here" advertised on it are being sold at the Chili Fest for a dollar and each bag has coupons and a flair button in them. We are breaking even with the sale of them. The funds to purchase the bags were from a grant. A package is being put together for the forgivable loan details, and the website will be up this weekend. The group has been working with WQPM. They have connections with so many areas and the guy there will let us know of the marketing price. They decided to market in Duluth and St. Cloud and a few

other areas. The first of December is the deadline date for the first business. The winner of the forgivable grant would come to the EDA. The banners will be put on the light poles along the downtown area. There are twelve banners total. They should look really nice. A portion of the grant funds and contributions from other businesses paid for the banners.

2) Small Cities Development Program Grant Application

Lakes and Pines is submitting an application for the next round of this grant. They will not be combining it with the City of Milaca because they believe they will have a better chance at receiving funds if applying for the City of Princeton only.

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

The EDA Board had no comments.

WALKER MOVED, SECOND BY RIDDLE, TO ADJOURN THE MEETING AND GO TAKE A TOUR AT INLINE PACKAGING MANUFACTURING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:30 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant