

AGENDA
PRINCETON CITY COUNCIL – STUDY SESSION
JANUARY 5, 2017 - 4:30 PM
PRINCETON CITY HALL

1. Call to order – Roll call
2. Swearing In of New Members
3. Aero Business Park Development Criteria
4. Roundabout Easement Acquisition options discussion
5. School District Assessment Partial Pay
6. Goal Setting Discussion
7. Replacing 2002 Chevrolet 4 wheel drive Tahoe.
8. Adjournment

MEMORANDUM



TO: City Council
FROM: Jolene Foss, Community Development Director
SUBJECT: **Aero Business Park Development Criteria**
DATE: January 5th, 2017

The City Council recently decided that in an effort to encourage development in Aero Business Park, they would sell the Aero Business Park lots for \$1 plus the cost of the remaining assessments.

Staff thinks it would be appropriate to set development criteria for the sale of these lots.

The suggested development criteria is described below:

1. Sale is contingent upon a minimum tax value increase agreement for the proposed facility of \$400,000. With the current class rate, we should see the previous investment that the City made in preparation for these lots recovered in approximately 10 years.
2. Buyer shall obtain a contractor and lender and prepare plans for development of the property in full compliance with City, local and State building codes and zoning ordinances, to be constructed within one year of the closing approved by the Planning Commission and Council. The Purchase Agreement shall establish minimum requirements prior to closing including size of building, type of construction and intended development purpose.
3. At the time of closing, Lender and Buyer shall fund the development costs in escrow with the title company, assessments shall be paid to the seller and seller shall provide a limited Warranty Deed to Buyer. The limited Warranty Deed will assure completion of construction of a development that meets the previous criteria including the \$400,000 minimum tax value increase requirement.

The Communities goals focus on job creation, recovery of expended costs and tax base development, as well as increased livability, improved amenities and increased quality of life. These development incentives are being offered in the hope that increased development in Aero Business Park will motivate development in Rivertown Crossing and throughout the community.

If Council finds this development criteria satisfactory, Staff will request completion of legal documents.

Memorandum

To: *Honorable Mayor and City Council
Mark Karnowski, City Administrator*

From: *Dave Hagen, AICP, Right of Way Specialist
WSB & Associates*

Date: *January 3, 2017*

Re: *TH 95 and CR 157 Roundabout- Right of Way Acquisition
WSB Project No. 2257-170*

On September 22, 2016 City Council authorized presentation of offers to owners of the three parcels from which easements for the project are required. On October 3, 2016 offers were presented to the three owners. One of the owners has signed the easement needed and a second is close to settling. On December 8, 2016 Council authorized purchase of remaining easements through eminent domain, if necessary.

Some distance separates the City's offer to the owner of the parcel in the southwest quadrant of the proposed roundabout, the Soule Trust, and as a result **staff is seeking direction from the City Council.**

Following is a history of offers made:

City offer- owner rejected	\$1,450	\$.70 per square foot
Soule counter offer	\$8,250	\$4.00 per square foot
Staff proposal- owner rejected	\$4,250	\$2.10 per square foot

Soule accepts the method used by the City in its appraisal to convert land value to compensation for the temporary easement. Soule believes, however, that the City appraisal significantly undervalues their land. Following are facts Soule indicated the City should take into account in considering their counter offer:

- Walmart paid \$4.21 per square foot for 14.62 acres in the area in April 2012.
- Advanced Auto paid \$9.49 per square foot for .95 acres in the area in 2007.
- The City of Princeton paid \$8.96 for 1.02 acres in the area for its liquor store in May 2006.
- Soule granted an easement to the City in December 2002 from the same parcel affected by the subject easements, for all of County Road 157 (21st Avenue South) south of Trunk Highway 95 for no compensation. This donation of approximately 2.1 acres of land has not been verified.

Following are other facts the City may want to take into account in considering the counter offer:

- Soules were awarded compensation by condemnation commissioners in 2011 for a utility easement purchased by the City across the south edge of this parcel, apparently based on a July 2006 taking date, based on approximate value of \$2.10 per square foot. Soule's appraisal indicated that the parcel was worth \$3.80 per square foot.
- A 19.37 acre parcel in the northeast quadrant of Trunk Highway 95 and County Road 157 was listed for sale for \$650,000 at the time the City's appraisal was prepared, equating to a value of \$.69 per square foot.
- 3 comparable sales ranging from .69 to 2.07 acres were identified in the City appraisal ranging from somewhat less than \$1 to somewhat less than \$1.50 per square foot.

It can be argued that the values of parcels identified by Soule above are not comparable to the value of the subject parcel because each is a platted, fully developed lot in a platted, developed area of the City. It can also be argued that \$650,000 asking price for the parcel in the northeast quadrant in this intersection should be adjusted upwards to compensate for the subject parcel having a greater percentage of usable land and being access-ready.

Given the City's need for a temporary and permanent easement from the Soules, the following three options appear to be available:

1. Move forward with eminent domain of the easements;
2. Agree to match the Soules \$8,250 asking price for the easements; or
3. Increase the City's offer to the Soules for the easements.

The City of Princeton is required by State law to reimburse the Soules for up to \$5,000 of having their own appraisal completed and the Soules have engaged an appraiser to prepare an appraisal. Consequently the City may be required to reimburse the Soules as much as \$5,000 under eminent domain, probably somewhat less if the City agrees to the owner's counter offer and probably somewhere between the two if agreement is reached based on an increased offer from the City. If the City acquires through eminent domain significant legal and appraisal testimony costs will be incurred.

Following are a listing of pros and cons of each of the options that appear to be available to the City:

Pros of Options

Eminent Domain-

Appraisal supports offer of \$1,450 for easements

Match Counter Offer-

Resolves matter immediately
Lower net cost than eminent domain option

Increase City Offer

May be the lowest net cost option

Cons of Options

Net cost of acquiring easements will likely be greater than acquiring by other options even if the City pays its appraised value for the easements

May make acquisition more difficult or more expensive in the future for the City
Unreasonably compensates owner

Results are uncertain and will take time to ascertain

MEMORANDUM



TO: City Council
FROM: Mark Karnowski, City Admin.
SUBJECT: **School District Partial Pay Request**
DATE: January 5th, 2017

When the School District set up their 2016 budget, they did not anticipate there being three change orders relating to the 7th Avenue North sewer and water project and budgeted only for the anticipated \$260,000 project assessment.

Accordingly, they are requesting that the City allow them to pay the \$260,000 now and have the balance (\$60,194.01) placed on the assessment roll. The city has checked with the County Auditor's office and they've indicated they can still modify the assessment paperwork.

So, if the Council is willing to allow the partial pay of the School District's assessment, a motion to adopt the appropriate resolution accepting the School District's partial payment of \$260,000 and, accordingly, amend the assessment roll adopted at the November 22, 2016 City Council meeting such that the assessment reflects that partial payment setting the new assessed amount at \$60,194.01 would be in order.

A copy of that Resolution is attached.

RESOLUTION #17-01

A RESOLUTION ACCEPTING THE PARTIAL PAY OF THE PRINCETON SCHOOL DISTRICT'S 7th AVENUE NORTH ASSESSMENT AND AMENDING THE ASSESSMENT ROLE ADOPTED AT THE OCTOBER 27, 2016 CITY COUNCIL MEETING TO REFLECT SAID PARTIAL PAYMENT.

WHEREAS: On October 27, 2017 the Princeton City Council adopted an assessment roll for the 7th Avenue North Sewer and Water Project, and

WHEREAS: On that assessment roll the Princeton School District (The District) was assessed \$320,194.01 for their portion of the project costs, including three (3) change orders and one (1) work order, and

WHEREAS: The District did not anticipate the change orders and only budgeted the anticipated amount of \$260,000, now

THEREFORE BE IT RESOLVED by the Princeton City Council that the City accepts the School District's partial payment of \$260,000 and, accordingly, amends the assessment roll adopted at the October 27, 2016 City Council meeting such that the assessment reflects the partial payment setting the new assessed amount at \$60,194.01.

Adopted this 5th day of January, 2017.

Paul Whitcomb, Mayor

Attest: _____
Shawna Jenkins, City Clerk

MEMORANDUM



TO: City Council
FROM: Mark Karnowski, City Admin.
SUBJECT: **2017 City Council Goal Setting Discussion**
DATE: January 5th, 2017

In the past the City Council has reviewed the list of goals from the previous years and, individually rated them.

Because we have 2 new members this year, staff thought it would be a refreshing exercise to have each of the Council members each write down their top five (5) goals they'd like to see accomplished in 2017. Council members can certainly list more than five.

The plan would then be to compile the list and then have the Council prioritize them so staff knows where to concentrate our efforts in 2017.



Princeton Police Department

Memorandum

To: Princeton City Council

Date: 01-03-2017

From: Chief Todd Frederick

Regarding: Replacing 2002 Chevrolet 4 wheel drive Tahoe.

Ranger GMC is now the new Chevrolet state bid program for ordering a scheduled replacement squad for the year of 2017. The total purchase price including delivery is approximately \$37,000.00 for a 2017 Chevrolet Police Pursuit 4 wheel drive Tahoe. The add on options for the squad have been limited to items such as, removing carpet and adding rubber floors, adding LED spot lamp to driver's side door, wiring package, wiring tunnel (front engine compartment to rear cargo). In addition to the price of the squad there is approximately 13,000.00 budgeted for replacement of the equipment as well as conversion cost.

The Princeton Police Department will be replacing the 2002 4 wheel drive Chevrolet Tahoe which has approximately 120,000 thousand miles on it. This squad has been used as a patrol squad and Reserve Squad.

I am also seeking council authorization to dispose of the 2002 Chevrolet Tahoe.

I am attempting to negotiate the sale of the above squad car again to the Mille Lacs County Animal Control Officer or another interested Public Safety Department. If, I cannot not reach a satisfactory sale price based off of Kelly Blue Book Value, I would like to take it to Public Auction. I will be trying to still be cognitive of getting the most out of the police department's used equipment for transfer

If you have any questions please feel free to contact me about the vehicle or equipment.

Chief Todd Frederick
Princeton Police Department