

**THE REGULAR MEETING OF THE EDA BOARD HELD ON OCTOBER 17, 2013, AT 6:00 P.M., AT
CITY HALL COUNCIL CHAMBERS**

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The meeting was called to order by Thom Walker. Members present were Grady Clark, Charles Snustead, Cindy Riddle, Victoria Hallin, Mary Chapman, and Genny Reynolds. Staff present were Carie Fuhrman and Mary Lou DeWitt.

Meeting Protocol: Fuhrman said Mark Karnowski, City Administrator put together a meeting protocol cheat sheet. The cheat sheet was designed to clarify some of the issues and questions other City Boards had and Fuhrman thought it was a nice update and wanted to share it with the EDA Board. The EDA Board reviewed the protocol.

Reynolds asked if the City Council adopted the Roberts Rules.

Fuhrman was not sure if they did.

APPROVAL OF MINUTES FROM REGULAR MEETING ON OCTOBER 17, 2013

CHAPMAN MOVED, SECOND BY SNUSTEAD, TO APPROVE THE MINUTES OF SEPTEMBER 24, 2013. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. Manufacturer's Week October 20-26th

In an effort to honor Princeton's manufacturers, the EDA and Chamber have teamed up with the following projects:

1. October 8th Chamber Luncheon: Acknowledgement of 4 Industrial businesses here in Princeton:
 - a. The businesses were introduced; some statistics were provided in regards to manufacturing's effects on the state and local economy; and the businesses were presented with an appreciate plaque.
 - b. The Chamber provided two free lunches to each of the businesses.
2. Two manufacturing businesses are opening their doors for tours of their facilities on October 22nd :
 - a. Bio Matrix International at 9:30 AM, and Inline Packaging at 10:30 AM.
 - b. The high school principal and Tech Ed teachers have been invited to bring their students.
 - c. A press release will be in the newspaper; information was placed on the City's facebook page; and emails have been sent.
 - d. Staff would urge the EDA Board members try and attend the tours if possible.
 - e. Please rsvp to Mary Lou if you plan to attend.
3. Appreciation of Princeton's Manufacturing businesses was printed in the October Chamber Focus.
4. City Council passed a Proclamation in regards to MN Manufacturer's Week.

Fuhrman said the Chamber luncheon went very well and the businesses were very pleased on being acknowledged.

Reynolds said Mille Lacs County Board passed a Proclamation in regards to MN Manufacturer's

Week.

Fuhrman commented that Sherburne County said they were also.

B. Regional Housing Study Update

Minnesota Housing Partnership (MHP) and Lakes and Pines Community Action Council are looking at doing a Regional Housing Study in East Central Minnesota. The study would encompass cities, counties, and non-profit organizations. In order to capitalize on potential funding opportunities this spring, they would like to get the study started in late fall/winter, and so sharing in the costs makes fiscal sense. The City Council did approve to the City's participation in the Regional Housing Study and to allocate \$2,000-\$3,000 towards it. Fuhrman said once this housing study is complete it will show developers that there is a need for certain housing.

Reynolds said the County's contribution would be \$10,000. Since this is just a study at this point, she does not believe they will participate at this time. The County Board thought there was another study out there.

Fuhrman said this is much more detailed study than a census.

C. Contact with Pine Tech & Central Lakes College

Fuhrman said the EDA Board directed staff at the September 24th meeting to contact Pine Tech and Central Lakes College to see if they would do a presentation. Fuhrman is waiting to hear back from Pine Tech and will be calling Central Lakes College in Brainerd.

Clark asked if things are still progressing with the proposed project between Anoka-Ramsey College and Doug Marshall farm.

Fuhrman said Anoka-Ramsey had a budget cut and the teacher who was heading up this project was let go.

D. NSP Update

Former Arcadian Homes Site

Fuhrman informed the EDA Board that she has been reaching out to various agencies in regards to finding a potential funding program to pay for the water looping project that is needed in order for the property to be redeveloped. Fuhrman spoke with the NSP staff and they said we need to find a solution on this before a developer would want it. She believes the water looping project would cost approximately \$500,000. Fuhrman will continue to research potential funding programs.

Clark commented that the Princeton Public Utilities recently spent so much money on washing

the water tower, why didn't they use those funds for this looping project.

Fuhrman said she had spoken with Connie at the Princeton Utilities if there was any funding available through them for this project and Connie said it would need to be a water quality issue and this is a water pressure problem in regards to the fire protection.

Walker suggested speaking to the Princeton Fire Chief and see if he is aware of any funds available. Chief Roxbury is very good at finding available funds.

Fuhrman will ask Chief Roxbury if he is aware of any grants available for this type of project.

903 9th Avenue North (Tax Forfeited; former gas station)

Fuhrman said she has reached out to the County Administrator and shared the results of the Phase II Environmental Assessment and has asked for a proposed purchase price on acquiring the former gas station property. She told them that the EDA Board is interested in coming to an agreement on a price.

908 9th Avenue North (former Bergstrom home)

Fuhrman said she has contacted six companies to obtain requests for proposals for demolishing the house. Four of the six companies expressed interest, but no cost estimates have been received. She continues to receive complaints regarding the state of the property and would request that the EDA authorize staff to hire the company with the most responsive proposal so work can begin immediately.

Hallin asked if the Fire Department would burn it.

Fuhrman said she had spoken with Chief Roxbury on that possibility. He would have to classify it as a beautician project, and if no contractor were to come forward, the Fire Department would burn it. The asbestos would need to be removed before they did the burn. West Branch Construction said it would cost approximately \$6,000, but asbestos would need to be removed before they take the building down and that would be added to the cost. Fuhrman is asking the EDA Board if she were to receive two proposals with a maximum amount of \$15,000, could she pick one of them so she can get this building removed from the site soon.

Walker asked how she would determine what would disqualify a proposal.

Fuhrman said the proposals that would qualify to do the work would need to have everything required in the Request for Proposals.

Walker told Fuhrman if she were to pick a proposal that was not the lowest bid, to bring back to the EDA Board on the reasoning for not choosing them.

Fuhrman said she would do that and the NSP staff did say she does not have to take the lowest bid for this program.

HALLIN MOVED, SECOND BY SNUSTEAD, TO AUTHORIZE STAFF TO HIRE THE COMPANY WITH THE MOST RESPONSIVE PROPOSAL SO WORK CAN BEGIN IMMEDIATELY, AND NOT TO EXCEED \$15,000. THIS MOTION WILL EXPIRE ON NOVEMBER 21ST, 2013. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Comprehensive Economic Development Strategy Update

The Central Minnesota Quad Counties CEDS Committee (serves Benton, Sherburne, Stearns, and Wright Counties) and East Central Regional Development Commission (serves Pine, Mille Lacs, Kanabec, Chisago, and Isanti Counties) are currently updating the regional Comprehensive Economic Development Strategy (DEDS), which is required annually by the Federal Economic Development Administration (EDA).

The City is asked to fill out a survey prioritizing five economic development projects within the community. The purpose is to identify projects that may be eligible for federal funding from the EDA for the upcoming year. Projects demonstrating a broader regional impact tend to compete better for federal EDA funds, but they must be included in the CEDS in order to be considered.

The information that we provide will be compiled with information from other communities in our region and submitted to the EDA where it will be used to evaluate the need of the region, as well as to provide a listing of projects that could potentially be eligible for EDA funding.

2012 CEDS Survey

The following projects were identified by the Princeton EDA in the 2012 CEDS Survey (in order of priority).

1. 21st Avenue extension between First Street and Industrial Park

Staff Comment: The past few months have involved comprehensive discussions in regards to this project, including comments received from several industrial business owners and a Council study session. In response to the concerns of non-industrial traffic utilizing this route, the City Council has determined for the road to be blocked and only open to emergency vehicles.

2. Industrial Park expansion study

Staff Comment: City Council approved staff to begin researching the expansion of the Industrial Park to accommodate our growing industrial businesses and potentially attract new businesses. A study is needed in order to determine the amount of additional industrial land needed, most appropriate location, potential design for additional industrial land, and costs for expansion.

This would include a comprehensive look at the needs of the existing growing industrial businesses, as well as a look at a healthy amount of additional land to make available for new businesses.

Staff has begun meeting with potential consultants. Staff would recommend that the EDA consider refining this item to address the infrastructure necessary to accommodate an expansion to the Industrial Park (putting in new roads, water, sewer, stormwater, etc).

3. Strategic Marketing Plan for the community as a whole to attract visitors, tourists, potential businesses, families, etc.

4. Marketing and sale of Aero Business Park lots.

5. Runway extension at municipal airport.

Other potential projects to consider include:

- Extending water and sewer to the west (past Soule's property) to accommodate the development of the Princeton Land Investment (Saxon) property that is close to 200 acres in the city limits. This would accommodate industrial, general commercial, and residential development. At this time, the developer is arguing that the property cannot be developed due to the high costs of bringing municipal water and sewer to this property.
- North end hangar purchases and removal to assist in the redevelopment of this area.

Fuhrman said she spoke with Jordan Zeller, ECRDC, the Federal EDA will consider funding a variety of projects at a variety of different levels.

Staff is requesting two items from the EDA:

1. Prioritize five projects as a group to be submitted in the 2013 CEDS; and
2. Each EDA member complete the survey individually she has provided

Snustead commented that he did not like how the City Council said 21st Avenue South would be an emergency route.

Walker said there are a couple items that need to be resolved before any plans on 21st Avenue South were to be put in. The City had gotten funds from MnDOT and the Federal Aviation so a land release is needed from the FAA and also the crosswind runway needs to be removed from the ALP.

Riddle said an alternate route needs to be in place in regards to a market value for Aero Business Park so the EDA Board should be supporting the south extension of 21st Avenue.

Fuhrman said the business owners in the Industrial Park did not want this road and that is why

the City Council was looking at having it as an emergency access route. She does suggest rewording item two on the 2012 CEDS Survey, the Industrial Park expansion study, to cover the infrastructure expansion of the Industrial Park.

Hallin said the water looping by the former Arcadian Homes site would be important.

Fuhrman said it would not add jobs so it cannot be on this list.

Clark said what about another bridge across Rum River.

Fuhrman said it could be added to the list if it added more jobs.

Chapman said the extension of the runway was on the 2012 survey list. Do we have a number of how many planes come into the airport where we can see the usage.

Fuhrman said the extension of the runway is more for the jets that land at the airport where their insurance policy would cover if something happened when landing and takeoff. They are able to land their jets on our runway, but their insurance policy requires a longer runway.

Hallin said the runway extension should be removed from the list.

Fuhrman said she will add to the list of questions on the Grow MN visits if the companies utilize the airport.

Chapman asked if the runway extension should be on the top five and the EDA Board agreed that it should not. Chapman said when she was involved with the Grow MN visits that businesses said restaurants in Princeton are needed.

Walker asked Fuhrman if staff has discussed the sewer pond being developed.

Fuhrman said it was lightly discussed that it would be a good Industrial Park area. Another thought was treating storm water. They believe there is a possibility down the road that the State may require treating the stormwater. It currently runs in the river.

Walker said to do a study on that land may be a good idea to see what it could be used for.

HALLIN MOVED, SECOND BY RIDDLE, THAT THE FOLLOWING PROJECTS WERE IDENTIFIED BY THE PRINCETON EDA IN THE 2013 CEDS SURVERY IN ORDER OF PRIORITY:

1. Provide industrial acreage with city services.
2. Extend sewer and water west to Saxon property to accommodate commercial and industrial growth.

3. Strategic Marketing Plan for the community as a whole to attract visitors, tourists, potential businesses, families, etc.
4. Marketing & Sale of Aero Business Park.
5. Feasibility Study for the former wastewater pond land.

UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. Market Area Profile

Fuhrman informed the EDA Board that as a part of moving the economic development of Mille Lacs County forward, the County will be providing a Market Area Profiles for four areas: Princeton, Milaca, Onamia, and Wahkon/Isle. The University of Minnesota Extension Community Economics group will be conducting the Profile, which will:

- Identify the trade area for each of the four markets,
- Provide a radius retail draw map,
- Provide a detailed list of businesses by retail category in our trade area, and
- Develop a list of potential retail development.

Fuhrman said as a side note, the City was interested in conducting a Façade Improvement Study of specific downtown buildings. Both grant requests were denied. It is staff's opinion to wait to pursue further funding for this study until we have a broader understanding of our market niche and market potential, which can have a significant impact on design. An example of this is a commercial node in St. Paul, which defined its market and branded itself as "District de Sol" reflecting its Hispanic market niche. Linking design with branding reinforces the image. As is often pointed out, facades are important work, but not enough. Businesses and property owners need to understand the market niche and make decisions that reinforce the strengths and potential of the market. Businesses that are considered major retailers and are knowledgeable about their trade area will be included in the formulation of the profile.

Mille Lacs County will be doing the profile towards the end of the year. They would like to connect with four or five retail businesses in town where they can get data and use that data to help grow the local economy. Fuhrman was considering asking Coborn's, Walmart, Princeton Book & Bible, and Ossell's Department Store. It would be nice to entice other businesses to come to Princeton.

Riddle suggested asking the Renew Thrift Store to participate in the data.

C. Industrial Park Expansion Study

Fuhrman said she met with WSB Engineering specialist. She will also be meeting with Jenna King from Sherburne County. We need to find out what the existing businesses growth expectancy will be and go from there for what will be needed in the future. We need a realistic idea of what they expect their expansion to be so we can plat out designs.

OLD BUSINESS:

A. Small Cities Development Program Update

Fuhrman said there were approximately 30 residential applications received and a few commercial. The residential applicants were all over the City and need to be in a concentrated area for this program. Fuhrman was happy with the response. Lakes and Pines will submit a pre-application/proposal to Small Cities Development Program and hopefully the proposal is accepted and we will submit a full application in early spring of 2014.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

1) Rum River Health Services Revolving Loan Fund

Fuhrman said she has been in touch with their staff and so has the City Attorney. They are behind a couple of payments on the loan from the Revolving Loan Fund. The collateral on the loan agreement was computer equipment. The City Attorney is looking into where the equipment is. The Belle Haven Development may be under HUD so it should continue operating. Supposedly there are 16 families living at Belle Haven and only three of the families are from Mille Lacs County. The party that owns the development is asking the other counties to find a place for their people.

Reynolds commented that a solvent non-profit organization to take over the operation is what they may look for.

C. City Council and Planning Commission Minutes for September, 2013

The EDA Board had no comments.

SNUSTEAD MOVED, SECOND BY CHAPMAN , TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:14 P.M.

ATTEST:

Thom Walker, President

Mary Lou DeWitt, Comm. Dev. Assistant