

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON OCTOBER 18, 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, Charles Snustead, and Cindy Riddle. Staff present were Carie Fuhrman and Mary Lou DeWitt.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON SEPTEMBER 20, 2012

WALKER MOVED, SECOND BY CHAPMAN, TO APPROVE THE MINUTES OF SEPTEMBER 20, 2012. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. CMHP Funding Deadline (East Birch Estates)

Fuhrman updated the EDA Board on her conversation with Central Minnesota Housing Partnership. In March 2012, the Purchase Agreement with CMHP for the property located at 101-123 West Branch Street, former Arcadian Homes site, was cancelled as CMHP did not receive the tax credit funding they had applied for. The EDA Board discussed establishing a TIF District on the site, but decided against the option as the project would not result in any significant employment opportunities. In April 2012, the EDA voted to table making a decision regarding the property until October to allow CMHP additional time to explore funding options.

CHMP has not secured the required funding for the project, but has raised the topic of possibly partnering with a local large employer or investor that might be willing to invest in the project or buy the tax credits for the project. Local businesses in other communities have donated a large amount of money to similar projects because it would help to keep employees within the community at an affordable property. This has only been discussed with staff and not explored further.

Fuhrman is bringing the property discussion back in front of the EDA being October was the deadline set for CMHP.

SNUSTEAD MOVED, SECOND BY WALKER, TO REOPEN THE BID TO DEVELOP THE PROPERTY AT 101-123 WEST BRANCH STREET, FORMER ARCADIAN HOMES SITE, WITH NO TIF FUNDING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. NSP Update

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

Fuhrman gave the EDA Board an update for the two properties.

* Purchase Agreement has been signed with the property conservator; waiting for her to get the correct paperwork in order to close on the property.

- * Mille Lacs County Sentence to Serve has cleaned out the debris from the first floor of the home.
- * Staff has sent out requests for bids to demolish the home.

Once the closing occurs on the property, the contractor will be hired to remove the asbestos and vermiculite; the home will be demolished and prepared for redevelopment; and a Purchase Agreement will be entered into with Habitat for Humanity. No action is needed at this time.

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

Mille Lacs County administrator, Roxy Traxler, met with Fuhrman at the site. Per her request, Fuhrman has prepared a memo that she will take in front of the Mille Lacs County Board to get their initial reactions to offering the property at a very reduced price in exchange for the City taking responsibility of the clean-up of the site.

Fuhrman would like to proceed with requesting bids to perform a Phase One investigation on the site and authorization to order the Phase One work to begin. This is covered with the NSP funding. Phase one is checking for contaminations.

Walker asked if there is contamination, would West Branch Construction be willing to remove the fill and if so, would they give an estimate on the cost.

Fuhrman will check with West Branch Construction.

Clark asked if there is any funding available for removal of contamination.

Fuhrman said there usually are grants available and will check into them. She did ask if this could be land banked and was told it could be.

HALLIN MOVED, SECOND BY RIDDLE, TO APPROVE STAFF TO GO FORWARD WITH PHASE ONE INVESTIGATION ON THE SITE AND AUTHORIZATION TO ORDER THE PHASE ONE WORK TO BEGIN. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. It Starts Here Forgivable Loan Requirements

Fuhrman said she made some revisions to the Forgivable Loan Program through the “It Starts Here Program”. The City Finance Director had made a few changes to the finance portion of the rules. The first change is the payment of the loan will be delayed and interest forgiven for one year, and annual interest only payments will be made each subsequent year. The loan will charge a fixed rate of interest equal to 2.5 to 3.5%. There is \$30,000 available for the forgivable

loan program. The maximum loan amount will be \$10,000 per business. A 25% match from the applicant shall be required to receive the loan. The City EDA Board shall review the application and make a recommendation to the Princeton City Council.

WALKER MOVED, SECOND BY SNUSTEAD, TO FORWARD THE IT STARTS HERE FORGIVABLE LOAN REQUIREMENTS TO THE CITY COUNCIL. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. CEDS Survey

The Central Minnesota Quad Counties Comprehensive Economic Development Strategy (CEDS) Committee is currently updating the regional CEDS, 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. 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 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.

As a reminder, the projects identified by the EDA in the 2011 CEDS Survey were:

1. Strategic Marketing Plan for the City as a whole to attract visitors, tourists, potential businesses, families, etc. An overall marketing campaign partnering with the Chamber of Commerce.
2. Sale and marketing of Aero Business Park lots.
3. 21st Avenue extension between First Street and Industrial Park. Staff began exploring the option of applying for Federal EDA funding last year with the assistance from the ECRDC; however, this was put on hold as a certain match would be required from the City. The source of that match is yet to be determined.
4. Runway extension at the Municipal Airport to facilitate greater use.
5. Second bridge across Rum River for vehicles and pedestrian.

As you are aware, Glenn Metalcraft and USDP recently underwent additions to their facilities. Two more businesses in the Industrial Park are currently looking at expansion possibilities. One is very limited by their location and amount of space available. For your information, staff will be requesting a Capital Improvement Project Request to undergo and Industrial Park Expansion Study. The purpose of the study would be to determine the actual need of additional industrial space and the appropriate location. Fuhrman would suggest the EDA consider adding this study

as one of its five economic development projects. Other possibilities might include the 13th Avenue/West Branch water looping project, hangar purchase and removal, western bypass road, and sewer extension to the south. Some of these projects have been included on the Capital Improvement Program.

Fuhrman is requesting two things from the EDA:

1. Prioritize five projects as a group to be submitted in the CEDS; and
2. Each EDA member complete the survey that was given to them.

Fuhrman believes it may be time to look into more industrial area.

Walker said how about running sewer and water under Hwy. #95 to Maplevue Development where that area can be developed.

Fuhrman will look into that. Fuhrman brought up a ghost plat that the City Administrator suggested to be used west of town that is nonresidential property and has no sewer or water connections.

The EDA Board did not like that idea. It would be like Maplevue Development where it never did hook up to City sewer and water.

Whitcomb said that is why we increased the water treatment plant for expansion, so he is not in favor of this idea.

Hallin said she does not like the idea either. Hallin would remove item five, "Second bridge across Rum River for vehicles and pedestrian." She is not sure what should replace it.

The EDA Board agreed that the Industrial Park expansion would be good in place of item five.

Fuhrman will put the Industrial Park expansion as item five.

The EDA Board talked about an extension of the runway. The FAA does not want a cross wind runway.

CHAPMAN MOVED, SECOND BY HALLIN, TO REMOVE ITEM FIVE, "SECOND BRIDGE ACROSS RUM RIVER FOR VEHICLES AND PEDESTRIAN" AND REPLACE IT WITH INDUSTRIAL PARK EXPANSION STUDY. UPON THE VOTE, THERE WERE 6 AYES, 1 NAY. (CHAPMAN, HALLIN, WALKER, WHITCOMB, RIDDLE, AND SNUSTEAD WERE ALL AYE VOTES. CLARK WAS A NAY VOTE) MOTION CARRIED.

C. Digital Sign/Readerboard Discussion

Fuhrman said a possible location would be by the City Liquor Store to advertise city events. The School District voted to put the community signage on hold because of their funding. The price range is between \$30,000 to \$40,000 for the signage.

Chapman said looking at a similar sign that Frontier Steakhouse has or one step up. The type of sign Bremer Bank has is cheaper because it is black and white wording.

Fuhrman said it depends on the type of sign and how far you want it to be seen along Hwy. #169. Again that is a possible location. Government signs do not require a building permit.

Walker believes that location would be good. He suggested not using a high resolution type, more of a reader board that is not scrolling the wordage.

Snustead said it has to be large enough to read.

Hallin would rather that it shows the information and not scrolling.

Walker commented if it is at the Liquor Store site and the Liquor Store were to advertise on it, the School would probably not like that.

Fuhrman said the School District supports a community sign in town. Right now they are out of the sign discussion for budget reasons.

Chapman said Marv's mentioned they are not please with their signage because the cars are going by to fast where they can not see it. Capture people at Walmart site may be good verses Hwy #169.

Riddle likes the idea of two signs. Not the same type either. One in town and one advertising along the highway.

Hallin asked where the funds would come from for the signage.

Walker said he asked the Liquor Store Manager to put it on the Liquor Store capital funds for a sign at their site.

Chapman suggested checking with Sherburne Bank who owns the Dollar Bell building if they would sell the sign at that site to us. Chapman will ask Sherburne Bank.

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

1) It Starts Here Challenge Launch – Help Spread the Word!

Fuhrman said WQPM Radio has been working with them on this program and it is very supportive. A website and Facebook site are up regarding the program. Fuhrman has had a couple of calls. Twin Cities Business magazine has done an article.

Chapman contacted TV stations to see if they would like to do a story on it.

2) Grow MN Update

Fuhrman said that Chapman, and herself met with Kathi Schaff with Grow Minnesota, MN Chamber of Commerce and signed up for the program. Fuhrman and Chapman will begin meeting with businesses with a set of questions and then down the road maybe ask for volunteers to help in this process. They will forward the answers they receive to the Grow MN staff who will put it in a database and we get quarterly results from them. They plan on making two visits a month and this also includes businesses that are not a member of the Chamber. One of them will ask the questions and the other will take notes. They will have people ask what happened with the past survey on the BR&E study. Fuhrman will make a list of what has been done since the BE&E study. Fuhrman is excited about this and believes it is a positive step. Fuhrman would like to start with larger employers.

C. City Council Minutes for September, 2012

The EDA Board had no comments.

HALLIN MOVED, SECOND BY SNUSTEAD, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:00 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant