

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON OCTOBER 20, 2011,
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 Thom Walker, Grady Clark, Cindy Riddle, Charles Snustead, and Ben Hanson. Staff present were Carie Fuhrman and Mary Lou DeWitt.

Absent was Victoria Hallin.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON SEPTEMBER 15, 2011

RIDDLE MOVED, SECOND BY WALKER, TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON SEPTEMBER 15, 2011. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

Victoria Hallin arrived at 6:03 P.M.

UNFINISHED BUSINESS:

A. Madre Loca Revolving Loan Fund Update

Heide Burns owner of Madre Loca and her Attorney Randy Johnson, were present. Fuhrman introduced them to the EDA Board. Burns would like to reapply for the Revolving Loan Fund. Back in February 17, 2011 the EDA Board approved a loan in the amount of \$24,187.60 from the Revolving Loan Fund for restaurant equipment. The loan papers were signed by Burns on August 10, 2011. A condition upon issuing the loan check, the receipts for the equipment purchased needs to be submitted to the City of Princeton Economic Development Authority. The receipts were not brought in so the EDA Board made a motion at their September 15, 2011 meeting that unless the receipts were brought in by October 1, 2011 the loan would be cancelled. October 1st is the date the first interest payment was due. Fuhrman informed Heide Burns and her attorney of the EDA's decision.

Heide Burns explained that she still could use funds to purchase equipment for the restaurant. She brought a new list in of equipment she still is in need of for the restaurant. Her reason for not having the receipts for the prior loan was that the restaurant was robbed in June and also vandalized. Her business really needs the POS System and security camera. Burns brought in a proposal for those items that totaled \$23,154.15.

Randy Johnson, Attorney said they were under the impression that Burns would receive a check for the amount of what is needed to purchase the items and then give copies of the receipts after the items have been purchased.

Fuhrman responded that the receipts are needed with a new loan.

Walker said the original POS System was less then she is asking for now.

Burns said that quote was to update the system she currently has. Since then, she has been repairing this system and it crashes all the time. They advised her that she should get a new system. The file server needs to be updated and needs all new units. The breakdown of

the items Burns is requesting to purchase is: POS System - \$15,776.36, camera - \$6,025.11, and security - \$1,352.68.

The EDA Board talked about the City Attorney fees of \$1,235.25 that the City paid to draw up the first loan papers. They were concerned how much more would be paid and agreed that since the Attorney has the original paper work drawn up, it should not take much to change a few of the items.

Walker commented that he would like the City Finance Director to review her business balance statements since her business has been open in Princeton.

The EDA Board agreed to have the City Finance Director review Madre Loca's balance statements and also have Charles Snustead, an EDA Board Member who has an accounting background review them.

Burns commented that with this economy it has been going up and down. She has rented the apartment in back of the building since April or May. All of her vendors are current with being paid.

Riddle asked if Hy-Tech who received funds from the Revolving Loan Program had brought their receipts in when the loan was signed.

Staff responded that they had.

Burns said she was not told of this by the past Community Development personnel. She will have the POS System installed next week and put that on her credit card. She does not have a problem with purchasing the equipment and then bringing the receipts at the time of the loan papers being signed.

Hanson mentioned that Burns should talk to the police and get their opinion on security cameras being beneficial in case of a break in. Also, if there is a difference in the quality of cameras.

WALKER MOVED, SECOND BY HALLIN, TO HAVE STAFF DIRECT THE CITY ATTORNEY TO REWRITE THE REVOLVING LOAN PAPERS FOR HEIDE BURNS, MADRE LOCA IN THE AMOUNT OF \$23,154.15.

After brief discussion:

WALKER AMENDED THE MOTION, SECOND BY HALLIN, THAT BURNS NEEDS TO HAVE STAFF REVIEW INCOME BALANCE STATEMENTS FOR MADRE LOCA AND IF ALL IS OKAY, STAFF CAN DIRECT THE CITY ATTORNEY TO PROCESS UPDATED LOAN PAPERS IN THE AMOUNT OF \$23,154.15, UNLESS BURNS FINDS OUT CAMERAS ARE NOT NEEDED, THEN THE AMOUNT WILL BE LOWERED. THIS LOAN IS FOR THE PURCHASE OF THE EQUIPMENT AND NO LABOR COST

INCLUDED. THE LOAN WILL BE WITH THE SAME TERMS: 4.5% INTEREST RATE, 15 YEAR AMORTIZATION, INTEREST BEGINS UPON DISBURSEMENT, A 60 DAY DEFERRAL ON FIRST PAYMENT, AND A BALLOON PAYMENT DUE WITH 60TH PAYMENT. THE EQUIPMENT HAS TO BE PURCHASED AND RECEIPTS NEED TO BE PROVIDED AT THE SIGNING OF LOAN PAPERS. IF THERE IS AN ISSUE WITH THE FINANCIAL STATEMENTS, A SPECIAL EDA BOARD MEETING CAN BE CALLED. UPON THE VOTE, THERE WAS 7 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Last Meeting's Discussion with Carol Ossell

Fuhrman said that they had discussed at the last EDA meeting of how to bring excitement into the town. Fuhrman is open to any suggestions or ideas the EDA Board may have. The future anchor store will be helpful. Fuhrman said she has also been busy on updating the City website.

Hallin commented that the Block Party that Barry Law Office had put together was a very nice community event and the Chamber Pork Chop Dinner has always been a great city function.

Fuhrman suggested having a joint session with the Chamber.

Hanson would like to see someone from the Chamber Board come to an EDA meeting every month.

Walker said the Chamber could look into hiring a marketing firm and the cost could be shared throughout their members.

Snustead said the Chamber should contact a Professor from St. Cloud University about marketing ideas.

Fuhrman said she would pass the suggestions on to Mary Chapman at the Chamber.

Riddle said a community calendar would be great where all community events could be posted. Riddle suggested that the high school computer class could be approached to run it since the Chamber does not have the man hours.

Snustead asked Fuhrman to check with St. Cloud University if they would have someone who would be willing to come and develop a website.

Fuhrman said she will check with the high school and the college. She will also check to see if there are grants available to develop a website.

Walker asked Fuhrman to check if the EDA funds could help pay for any cost to develop a community website.

Fuhrman will check into that and also if there is someone who would like to help develop a community website. She will invite Mary Chapman and the Chamber Board to the next EDA meeting.

B. Carie to Meet City Business Owners

Fuhrman said she is planning to introduce herself to the local business owners this fall and winter.

The EDA Board liked her plan.

C. Discuss Updating the Economic Development Authority Draft Strategic Plan (2008-2010)

Fuhrman said that an Economic Development Authority Strategic Plan was drafted back in September 2007, but it appears it was not acted upon or adopted. Staff is bringing the Plan back before the EDA to discuss whether or not they would like to update the document and finalize it. This document could serve as an important planning tool for the EDA in the next upcoming years.

Fuhrman included the draft that was put together in 2007 and discussed the September 2007 EDA meeting. The first sections of the plan are taken from other City planning documents including the 2004 Comprehensive Plan. The second section summarizes the activities from 2007 and sets priorities for the following two years.

Staff is seeking the EDA's thoughts and directions on whether or not the EDA would like to update the document as a planning tool. From Staff's perspective, as Economic Development Plan can serve many purposes:

- Serve as an important planning tool, similar to a Comprehensive Plan;
- Establish goals & implementation strategies for the EDA
- Help to promote job growth and economic growth;
- Help to keep key projects in mind (be reviewed every few years to stay current); and
- Serve as a reminder to what projects have been completed

Walker believes the EDA Board has been using this guideline and would like to continue to review the EDA's goals each year and make changes if necessary.

Fuhrman agrees that it is very important to review the direction the EDA would like to implement each year.

Whitcomb suggested each January this could be reviewed.

Fuhrman said the BR&E study was done a few years back. She will look into the information collected from that.

D. Comprehensive Economic Development Strategy (CEDS) Survey

The East Central Regional Development Commission is currently updating the regional Comprehensive Economic Development Strategy (CEDS), which is required by the Economic Development Administrator (EDA).

The ECRDC has asked the City 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 2010 CEDS Survey were:

1. 21st Avenue Extension between First Street and the Industrial Park
2. Bus Transit
3. Second Bridge Across Rum River for parks, industrial, commercial, and residential uses
4. Improve High Speed Internet access options
5. Runway extension at the Princeton Municipal Airport to facilitate greater use by businesses

Just as a reminder, the EDA reviewed its priorities back in June. At that meeting, the following projects were mentioned:

- Expansion of 21st Avenue
- Sale of the Aero Business Park lots
- High Speed Internet access
- Sylva Manufacturing Eco-Friendly Combined Heat & Power Plant
- Trail Connection
- Amphitheatre

Staff is requesting two things from the EDA tonight:

1. Prioritize five projects as a group; and
2. Each EDA member complete the attached survey.

The EDA Board discussed the five projects they believe are priority:

1. Strategic Marketing and Partner with the Chamber
2. Sale of the Aero Business Park lots
3. 21st Avenue Extension between First Street and the Industrial Park
4. Runway extension at the Princeton Municipal Airport to facilitate greater use by all traffic in general

5. Second Bridge across Rum River for parks, Industrial, commercial, and residential uses, and for safety issues, and school

The second survey sheet Fuhrman asked the EDA Board to complete on their own and give them back to her. She will then compile a list from what ranks 1 thru 5.

OLD BUSINESS:

A. Small Cities Development Program Update

Fuhrman informed the EDA Board that the City of Princeton has met their quota for applications that have been applied for and accepted by Lakes & Pines. Lakes & Pines will continue to accept applications in hopes that Princeton will be awarded more funds in the future.

B. Bergstrom Property Update

Fuhrman said she has spoken to the City Attorney regarding this property and the building is uninhabitable and would cost more to repair than the property is worth. The Rose family who owns property adjoining this site has mentioned in the past of purchasing the Bergstrom property. The property is boarded up and will be watched by staff.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

Fuhrman said she had sent information to Integrity Automotive who had interest in City lots, but she has not heard back from them. Walmart has submitted their plans. United States Distilled Products has begun their expansion. The Planning Commission Board is revising the Temporary Sign Ordinance. The Park Board and City are applying for a Trail Grant.

C. City Council and Planning Commission Minutes for September, 2011

The EDA Board had no comments.

WALKER MOVED, SECOND BY HANSON, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:41 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant