

**THE REGULAR MEETING OF THE EDA BOARD HELD ON DECEMBER 17, 2015, AT 6:00 P.M., AT  
THE CITY HALL COUNCIL CHAMBERS**

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The meeting was called to order at 6:00 P.M., by Thom Walker. Members present were Charles Snustead, Genny Reynolds, and Victoria Hallin. Staff present were Jolene Foss (Comm. Dev. Director) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent were Cindy Riddle and Grady Clark.

**AGENDA ADDITIONS / DELETIONS: None**

**APPROVAL OF MINUTES FROM REGULAR MEETING ON NOVEMBER 19, 2015**

REYNOLDS MOVED, SECOND BY HALLIN, TO APPROVE THE MINUTES OF NOVEMBER 19, 2015. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED / OLD BUSINESS:**

**A. 2016 Goals and Visions**

Walker suggested that this item be moved to the January 21, 2016 EDA Board meeting since we have a speaker tonight and this would be good to review when Sharon Sandberg joins the EDA Board next month.

WALKER MOVED, SECOND BY HALLIN, TO TABLE THE 2016 GOALS AND VISIONS FOR THE JANUARY 21, 2016 EDA BOARD MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**B. Industrial Park Study Presentation**

John Uphoff (WSB Engineering) and Jim Gromberg (Economic Development Coordinator with WSB Engineering) were present to give a presentation on the Industrial Park Study.

Uphoff handed out a draft of the Industrial Park expansion plan. Uphoff said this is just a draft. They are about 98 -99% complete with the study. He wants to go through this with staff before showing the EDA Board and City Council. It should be ready for the January City Council meeting.

The Manufacturing and Wholesale Trade jobs in Princeton is slightly higher percentage than Sherburne County. However, both Princeton and Sherburne County have a higher percentage of jobs in Manufacturing and Wholesale Trade than the State of Minnesota, where 15.2% of jobs are in these two sectors. There is the cluster effect when you get one industry where it helps grow another business and continues. They looked at a market area and did a 40 mile diameter around Princeton and they decided to shrink it down to 20 mile radius around Princeton. There are six Certified Shovel Ready industrial sites within the Market Area. The

cities include Becker, Big Lake, Cambridge, Elk River, Monticello, and Isanti. Manufacturing and Industrial Trade are very important to Princeton and also to the State. There is a combined 258 acres of Certified Shovel Ready land within these areas. Certified sites absorption is slow. There is increase demand by Hwy 94. Market demand for wholesale and industrial is sluggish. The Princeton site that is Certified Ready has the larger land size that is helpful. The others in the radius is smaller size Shovel Ready sites. He will recommend certain types of businesses that will work well for the sites in Princeton.

Uphoff said they interviewed a bunch of businesses in the Industrial Park and there are not demands right now for their growth. There is no demand right now. The demand for today is being met and there is land adjacent to their properties they could use for their growth. There was some concerns to broadband. It is the cost. The speed works good. The other concern is the drainage dips in the roads they do not like. Truck staging is periodic and not effecting their businesses.

Snustead asked if they mentioned having another exit.

Uphoff said no, there was no discussion from the owners on that.

Foss thought there is plenty of capacity for broadband so is it cost.

Uphoff said yes. Century Link has the lines and they control the cost. It is not a concern. They have the speed on the internet, but just some businesses mentioned the cost. They just wanted competition to come in and lower the cost. So it was not a big deal. The Sherburne County Administrator came from an area where they took action against a fibrotic company so he is looking into this for Sherburne County.

Uphoff said there is plenty of land in the Princeton area for industrial and wholesale. They focused on five sites. For each site they put together a potential land development. There is a total of 240 acres guided for industrial development in the city limits, and 169 acres is developed. There was a large area of land rezoned to industrial, adding 176 acres of land to give a total of 293 acres of vacant industrial land. 117 acres has moderate and good access to sewer, water, and roads.

Walker asked on the one site next to the airport and what impact that site will have with being by the airport.

Uphoff said he spoke to Kaci Nowicki, City Airport Planner and she is doing a study on this and they will use that information on what can be built on the site. This site should not be hindered by the airport. It is just the corner of the site that is in the airport fly area. They are looking into what the height of the building could be and what could go there. A longer runway will be in account if the runway were to be extended.

Walker said there is about 120 acres of sewer lagoon land. There is a little spot and that has access to a county road.

Foss said someone was interested in putting solar power panels in that site and it fell through.

Uphoff said there is a time line to wait before you can build on this type of site. He will look at the old lagoon site and see if anything can be done with it. Only Excel Energy sites are able to have solar power on such land like the lagoon. Uphoff cautioned the EDA Board that the City should tread carefully on extending utilities out to sites, do not take on a bunch of debt.

Foss said she asked the landowners along Phase One that have property west of town where the large industrial site is if they were willing to bring utilities out to the site and they were not. Not until that land is sold.

The EDA Board thanked John Uphoff and Jim Gromberg for the information and look forward to the final presentation.

### **C. Multi-Family Housing Proposal**

Deanna Hemmesch and Jason Krebsbach, Central Minnesota Housing Partnership, Inc. have submitted a Request for Proposals for the Affordable Housing Project. CMHP (Central Minnesota Housing Partnership) said this site is very desirable to them because it sits adjacent to West Birch Townhomes, a property that CMHP currently owns. Their proposal is to construct a 16 unit apartment building on the vacant land. CMHP would maintain ownership and management of the current townhome property as well as the new construction apartment building. The building will include a mix of 1 bedroom, 2 bedroom, 3 bedroom, and 4 bedroom units to provide housing options for potential tenants. The preliminary plan calls for a three level apartment building and will include an office, elevator, 1<sup>st</sup> level garages, on-site parking and a large community room for tenants to utilize. The size of the building and parking areas will still allow for green space for tenant enjoyment.

The unit rents will remain affordable based on the Housing Tax Credit program. New apartment unit rents will be competitive with rents offered at West Birch Townhomes; currently \$610 for a two bedroom unit and \$705 for a three bedroom unit. Due to the apartment versus townhome design, we anticipate rents to be slightly less at the new property.

CMHP's experience with Low Income Housing Tax Credit projects and the site location, this project would rank favorably with Minnesota Housing's selection criteria for 9% competitive tax credits through the LIHTC annual Request For Proposal. In order to rank high enough to receive a funding award, financial assistance will be needed from the city to make the application stronger. There are a number of ways a city can assist a project. CMHP would request the following in order to submit a competitive LIHTC application:

- Donation of land to CMHP to count as local investment

- Reduction of some/all special assessment costs
- Reduction of some/all permit fees
- SAC/WAC credits
- City consideration of Tax Increment Financing to the development

The reduction of development costs will allow CMHP's application for housing tax credits to be awarded more points on Minnesota Housing's tax credit application scoring criteria. Local investment is a key factor in getting LIHTC development proposals funded. The cost reductions will also help to provide quality affordable housing to the individuals and families who will call the building their home. A reduction of total development costs will be passed on to residents in the form of affordable rents for a safe and decent place to call home.

Foss said they want the City to reduce assessments, lower the permit fees, and offer TIF. They are offering long term homeless households.

Walker said they will get 12 credits for SAC and WAC. So there would only be four more needed and they will get the reduction fee for those.

Reynolds asked why we did not offer TIF before.

Walker said the School District was not in the position to offer TIF at that time.

Hallin would like Foss to have for the January EDA meeting of the past information that was offered for this site and what the assessments are now.

Foss said Nira Ly (MHFA) wants to know what the City will do. The water looping infrastructure was done. Nira Ly said this is a strong proposal. She is in favor to go forward with this proposal. Foss said she needed a vote to move forward with the signing on this.

HALLIN MOVED, SECOND BY REYNOLDS, TO APPROVE THE PROPOSAL FOR THE AFFORDABLE HOUSING PROJECT REQUEST FROM CENTRAL MINNESOTA HOUSING PARTNERSHIP, INC, AND STAFF WILL LOOK INTO WHAT WE OFFERED TO ASSIST THE PROJECT THE LAST TIME AND WHAT WE ARE ABLE TO OFFER THIS TIME, ALONG WITH WHAT THE CURRENT ASSESSMENTS ARE ON THE SITE. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

#### **D. Broadband Video**

Foss played a Sherburne County broadband video for the EDA Board. She intends to show this to the School Board, City Council, and township.

Reynolds said they had a meeting with the Mille Lacs County residents and they are not interested in broadband. Many were older or farmers and they do not use internet.

**NEW BUSINESS:**

**A. Trade Area GAP Analysis**

This report estimates the potential number of trade area businesses across various categories based on the spending of the area residents demand compared to the number of businesses in the trade area supply. Those categories where demand is greater than supply are possible opportunities for businesses development. Demand estimates are calculated from the 2007 US Economic Census and supply listings are manually inventoried in the community. These calculations are provided for the study of economic concepts. They should not be used as the sole determinant of business feasibility.

Foss said this is a draft copy from Liz Templin (Extension Educator – Community Economics). If the EDA Board finds any errors to let her know. Foss wanted them to see the market area profile. A seven mile radius from the City of Princeton is 37% of young couples with children. It is 13% of older families with no children at home that live in the country. Foss said Templin said she would come and do a presentation on this analysis.

The EDA Board asked Foss to invite Liz Templin to give a presentation and also ask her for a colored copy of the analysis.

Foss will set that up maybe for the January meeting.

Walked said the January or February meeting would work.

Reynolds suggested a joint meeting with the Council.

Foss will invite the City Council to the EDA Board meeting when the presentation is scheduled.

**B. Greater MN Parks & Trails Renewal**

Foss put a list of the current memberships the EDA approved and wanted to see if they wanted to continue the memberships.

- Greater MN Parks & Trails - \$150
- DEED/MN Marketing Partnership - \$625
- GPS 45:93 - \$850
- Grow MN State Chamber - \$250

Hallin questioned GPS 45:93 membership.

Reynolds asked if Princeton has received any benefits from that membership.

Richard Baker (Mille Lacs County) was present and said that next year he will be President of

GPS 45:93. Baker said three times a year they bring in businesses to try to attract businesses to the area. He has spoken with four businesses himself. We are competing with eight states so this group is good. They send out daily leads of businesses that are looking for sites.

Foss said she has sent out information on leads.

Baker said the networking part of this membership is very good. At the GPS 45:93 meeting there is a speaker each month. They also acknowledge new State level programs at the meetings. The GPS 45:93 has links to tools for businesses to help them with resources on starting a business or to grow the business you have now. Lakes and Pines asked GPS 45:93 to help sponsor the funding for the Housing Study. There were seven surrounding counties involved in the Housing Study.

Foss said the FAM Tour came through this.

Baker said GPS 45:93 supported and organized the FAM Tour.

Walked asked if there is any action needed to continue being a member of GPS 45:93.

Foss said it does not need approval to continue being a member of GPS 45:93, only if we were going to stop being a member. No motion needed.

Reynolds suggested that Baker and Foss partner where they take turns going to the meetings and give information to the other. That helps the County and the City.

Hallin asked if we are on the GPS 45:93 website for the City.

Foss said yes we are. There is information about Princeton.

Baker said each GPS 45:93 member is on their website.

Foss will keep the memberships.

**MISCELLANEOUS:**

**A. EDA Balance Sheet**

The EDA Board had no comments.

**B. Verbal Report**

The Economic Development guide is just a handout for your information.

**C. City Council and Planning Commission Minutes for November, 2015**

The EDA Board had no comments.

SNUSTEAD MOVED, SECOND BY HALLIN, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:57 P.M.

ATTEST:

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Thom Walker, President

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Mary Lou DeWitt, Comm. Dev. Assistant