THE MEETING OF THE EDA BOARD HELD ON FEBRUARY 15, 2018, AT 6:00 P.M.,
AT THE CITY HALL COUNCIL CHAMBERS

The meeting was called to order by Thom Walker. Members present were Troy Minske, Sharon Sandberg, Victoria Hallin, and Genny Reynolds. Staff present were Robert Barbian (Administrator) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent were Jules Zimmer and Charles Snustead.

OATH OF OFFICE:
Charles Snustead was not present to take the Oath of Office.

ELECTION OF OFFICERS:
WALKER MOVED, SECOND BY SANDBERG, TO NOMINATE VICTORIA HALLIN FOR THE EDA BOARD PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON VICTORIA HALLIN FOR THE EDA BOARD PRESIDENT. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

MINSKE MOVED, SECOND BY HALLIN, TO NOMINATE GENNY REYNOLDS FOR THE EDA BOARD VICE PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON GENNY REYNOLDS FOR THE EDA BOARD VICE PRESIDENT. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

REYNOLDS MOVED, SECOND BY MINSKE, TO NOMINATE CHARLES SNUSTEAD FOR THE EDA BOARD TREASURER. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON CHARLES SNUSTEAD FOR THE EDA BOARD TREASURER. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY SANDBERG, TO NOMINATE THOM WALKER FOR THE EDA BOARD SECRETARY. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON THOM WALKER FOR THE EDA BOARD SECRETARY. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

AGENDA ADDITIONS / DELETIONS:
REYNOLDS MOVED, SECOND BY MINSKE, TO APPROVE THE AGENDA WITH THE FOLLOWING ADDITIONS:
MISCELLANEOUS: ITEM D, SUPERBOWL & AIRPORT UPDATE, ITEM E, BELLE HAVEN UPDATE, AND ITEM F, INTERNATIONAL ECONOMIC CONFERENCE.
UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM REGULAR MEETING ON DECEMBER 21, 2017
REYNOLDS MOVED, SECOND BY SANDBERG, TO APPROVE THE MINUTES OF DECEMBER 21, 2017. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.
AERO BUSINESS PARK LAND SALE POLICY

Robert Barbian, Administrator Memo:

Background
The City of Princeton primary economic development investment has been in the development of lots in the Aero Business Park. Over approximately 13 years of the City has target investment of over $1.1 million for the purchase of the property and installation of Public Infrastructure.

The sale proceeds from these lots sales as well as additional tax revenue was planned to recoup the original investment as well as spur additional economic development effort a new lot sale policy is proposed.

The lot sale policy is to make lots available at a reasonable market price, requiring a minimum assessed valuation, jobs and combine with a small cities tax incremental financing district as qualified.

The sale price policy is to make lots available at a reasonable market price, requiring a minimum assessed valuation, jobs and combine with a small cities tax incremental financing district as qualified.

The sale price on fully improved lots is to be 130,680 for lots 2 thru 5 and 280,600 for the corner lot 1. This to be accompanied by an agreement for the construction of a facility with a minimum valuation of 400K with 2 full time equivalent positions for lots 2 thru 5 and 800K with 4 full time equivalent positions for lot 1. The agreement also to include a small cities tax incremental financing district supplementing up to 85% of the buyers land purchase price.

The City Council has discussed the concept of establishing a revised lot sale policy and looking for input from the EDA. The Council is supportive of the effort to obtain additional interest in the sale of lots and support additional economic development efforts.

Consideration:
There are three key advantages to revising the lot sale policy. They are:
1. The revised formula for the sale of lots will enable past expenditures to be recouped by the City.
2. The revised land sale policy maintains a very reasonable market entry for many types of commercial developments.
3. The revised land sale policy will enable additional economic development programs to be funded with the proceeds of lot sales. For example the creation of a downtown incentive program for façade renovations and similar programs.

Recommendation:
To consider the creation of land sale policy as outlined. To act to approve, deny or table the requested land sale policy in order to recoup past economic development efforts and fund future economic development efforts.

************************************************************************End of Staff Memo************************************************************************
Barbian said it is a considerable expense from the EDA since 2005, over a million dollar process. This new lot sale policy would help spur the sale of the lots and give us a tool to utilize the downtown. He spoke to the City Council on this and they liked it and wanted the EDA Board to voice their opinion. Small Cities Tax Increment Financing supplementing up to 85% of the buyers land purchase price then the City could recoup from it.

Walker said we would have to set up a district and how the funds are used.

Reynolds said we just finished up on a Small Cities Funds and we did not use up all the funds. We used $185,000 out of $384,000. It was low the amount that was used.

Barbian said he understands the Small Cities grant was administrated by Lakes and Pines and it depends how the information was put out. Has the opportunity passed for the use of these funds.

Reynolds said yes, she believes we could retry for them again in 2019.

Barbian said utilizing the program funds is a good idea.

Minske said he did use the program a couple years ago and there is some conditions that are hard to meet. The builders did not want to work for him on his project because the conditions were so hard to meet. The match is 50%.

Barbian said there is someone interested in one of the Aero Business Park sites and likes the idea of supporting the downtown with the Small Cities TIF. The City has a tentative hold on the lot next to the Public Safety building in case they need to expand and then lots 1 & 2 could be used together.

Reynolds asked if we do a Small Cities Tax Incremental Financing District can we do a TIF District in another area.

Barbian said yes, but there are requirements that need to be met. The person buying an Aero Business lot is happy to support the downtown with the Small Cities TIF.

Hallin asked if the City is trying to recoup the tax money on the Aero Business lots.

Walker said to recoup all the cost.

Barbian said the reason he put this together is we could set it up as a TIF District. We could try to recoup $780,000 if they all qualifies for the TIF District. At least recoup what we can. Does the EDA Board want to make this change.

Walker commented that we’ve been paying taxes on this for ten years on this land.
REYNOLDS MOVED, SECOND BY SANDBERG, TO RECOMMEND TO THE CITY COUNCIL TO APPROVE THE AERO BUSINESS PARK LAND SALE POLICY CHANGE. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

GREAT NORTHERN TRAIL
Barbian said the City has been planning for the extension of the Great Northern Trail for a number of years. The City successfully applied and awarded a TAP grant of $509,691.00. The overall project is estimated to cost $1,055,455.00. There is a TAP grant $92,000 that has not been accounted for. $454,472.00 needs to be raised for this project. Barbian has a couple ideas. We could borrow from the Capitol Improvement Fund. Another idea is a franchise fee that would be on the electrical and gas bill. Sherburne County may not want to put anymore funds into this and they are looking for grant funding for an extension of the trail that would be to the south. This is a nice community asset.

Reynolds said a lot of the work for this is in Sherburne County and a small portion is in Mille Lacs County. There might be some grants from the Department of Health and she will look into it.

Walker said on the old railroad bed is connecting the High School to Mark Park. WSB would like to go on the design next month.

Barbian said there could be a Trail and Parks Franchise Fee. He said there could be a bond where he would lump a few projects into it. The revenue source is what needs to be decided. Sherburne County has been pulling this project forward for the most part. He will look into the railroad funding from the EDA Balance Sheet and see what that is about. The franchise fee should be in electric and gas bills. Some properties heat with gas and some heat with electric. Barbian will have a couple options for the City Council next month.

Reynolds suggested a flat fee, not by usage.

Barbian will have a public hearing once they decide. They have to look into it more. All in city limits.

The EDA Board supports a franchise fee and if there are Railroad funds to utilize to use those. Reynolds will give Barbian some grant contacts he can look into.

RESOLUTION FOR SALE OF 809 & 903 9TH AVENUE NORTH TO HABITAT FOR HUMANITY
DeWitt explained that the two lots at 809 and 903 9th Avenue North that the City purchased with NSP funds is in the Economic Development name as the owner and the EDA Board has to approve the sale of these two lots to Habitat for Humanity with Resolution #18-01. These two lots will be on a single property identification number at closing. They plan to build only one home on the site. Closing is set up for February 20th, 2018.
WALKER MOVED, SECOND BY REYNOLDS, TO APPORVE RESOLUTION #18-01 FOR THE SALE OF LOTS 809 & 903 9TH AVENUE NORTH TO HABITAT FOR HUMANITY. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

Barbian said the lot on Old Hwy #18 is having some lot lines issues straightened out and will be closing with Habitat hopefully soon. Habitat has asked that they can place foundation block on the property sites before the winter road restriction comes into effect.

CDBG FUNDS, BALANCE AVAILABLE ~ $20,000
Barbian said a sewer line had collapsed on 6th Avenue North and this caused six homes to have backup of sewer in their homes. The City had taken all prevented steps to remedy the situation so the City is not liable for any property damage. Barbian had come up with a Forgivable Loan idea to help those homeowners to make necessary repairs to their homes. There is $20,000 in the Community Development Block Grant funds available so we would need a cap of how much we could loan out. One homeowner had to take out a high interest loan to buy a new furnace and water heater that had been damaged by the water. The thought would be if the homeowner received City funds and lived in the home for ten years the loan would be forgiven.

Walker said that this is caused by a sewer collapsed on 6th Avenue North.

Barbian said it was denied by City insurance because we responded appropriately to the sewer backup and it was a collapse and not caused by neglect. The homeowner would have needed a rider to have sewage backup for their home insurance.

Hallin does not really want to set a precedence on doing this sort of thing.

Reynolds said it would be a loan.

Barbian said we would put a loan agreement together. No interest and it would be forgivable after ten years. If they sell the house before the number of years in the agreement then they would have to pay all the funds back.

Reynolds likes this idea and it gives a positive spin on the city.

Barbian said there could be a cap of $5,000-$6,000.

Minske said they could turn in receipts and they would get reimbursed for them.

WALKER MOVED, SECOND BY REYNOLDS, TO HAVE STAFF PROCEED WITH THE FORGIVABLE LOAN REQUIREMENTS AND FORWARD IT TO THE CITY COUNCIL FOR FINAL APPROVAL.
Hallin wants a cap to be in place of $5,000 - $6,000 and they would get reimbursed when bringing in their receipts.

WITH THE ADDED WORDAGE OF A CAP OF $5,000-$6,000 AND FUNDS WOULD BE REIMBURSED UPON RECEIPTS. UPON THE VOTE, 5 AYES, 0 NAYS. MOTION CARRIED.

MISCELLANEOUS:
A. EDA Balance Sheet
Barbian will talk to Steve Jackson (Finance Director) on what the Railroad Redevelopment Projects funds are used for and do any funds received from sales of Aero Business Park go back into the EDA funds.

B. Verbal Report
Barbian said Central MN Housing will be moving forward this summer with their site plan. A vacation of utility and drainage easements is going through the City Council on that plat. A TIF District is in the process for the Casey’s and Kwik Trip area for the use of future infrastructure.

There is a private developer who has purchased 12 lots in Pondview Estates and is re-platting those lots to 10 twin home lots instead of the platted townhomes. Discussion is in with a developer for Sherburne Lakes 55+ and this would be an expensive sewer and water project that would be extended from Coborns. They are looking if water looping would be needed. Staff is meeting again with them next month. The Golf Course is looking at developing a row of twin homes privately. We’ve been told by Bogart Pederson that our Flood Plain map is not accurate and we will have to check into that.

There is another developer that would like to build apartments by the Hockey Arena. There is no road access to the site and it would need to be rezoned. We do not want to cover the private sector cost on these projects, but we want to help them accomplish their goal. What is the EDA Board views on an apartment site in that location.

EDA Board was supportive of new apartments coming to that area.

Barbian said there was talks about an apartment complex by 21st Avenue South and he is in talks with the FAA with getting some Airport issues resolved and access to 21st Avenue South. The City is also working on getting a cell tower and antenna in the city to help with emergency response. The Planning Commission will be reviewing an Antenna Overlay District on a City owned public parking lot. This is one of the sites that moved to the top of ideas where it is not by a lot of houses. There would be a equipment building with the tower that would be 25’ x 20’. AT&T would cover the initial cost of the tower and then they would receive rent free for approximately 20 years. Two private companies and the City communications would be on the tower.
C. City Council Minutes for January, 2018
The EDA Board had no comments.

D. Airport Super Bowl Update and Airport Runway Lights
Sandberg said that 90 airplanes had gone to the St. Cloud Airport. There were none that came to ours except for the black hawk helicopters had landed at our airport a lot.

Barbian said the Airport runway lights have been down and there has been a repair guy out there quite a bit.

Sandberg said one of our cables is busted.

Barbian said they cannot find the break. The lighting is going to be replace next year. The fly zone area needs to be looked at by the R-3 District and hanger site. They want to go under 5,000 for the clear zone area.

E. Belle Haven
Reynolds said RS Eden would like to unload the Belle Haven property site. There has been an offer made for $1 and after RS Eden has fulfilled their contract for sober housing then Central MN Housing Partnership will be purchasing this as a low income housing facility. Possibility could be a 55 plus senior housing facility.

F. International Economic Conference
Reynolds said she attended an International Economic Conference in Mora and it was very good. There were some businesses from Sweden there. There was a lot of discussion on import and export. A business there did produce the Super Bowl programs and they are from Mora. They have done quite a few Super Bowls. There are three businesses in Mora she was amazed by. It was very interesting to learn what their business was about.

WALKER MOVED, SECOND BY MINSKE, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 8:01 P.M.

ATTEST:

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Victoria Hallin, President                                      Mary Lou DeWitt, Comm. Dev. Assistant