

**THE MEETING OF THE EDA BOARD HELD ON AUGUST 15, 2019, AT 5:30 P.M.,
AT THE CITY HALL COUNCIL CHAMBERS**

.....

The meeting was called to order by Victoria Hallin. Members present were Sharon Sandberg, Charles Snustead, Jenny Gerold, Genny Reynolds, Brad Schumacher, and Thom Walker. Staff present were Robert Barbian (Administrator), Stephanie Hillsheim (Comm. Dev. Specialist), and Mary Lou DeWitt (Comm. Dev.)

OATH OF OFFICE:

Jenny Gerold took the Oath of Office.

AGENDA ADDITIONS / DELETIONS:

REYNOLDS MOVED, SECOND BY GEROLD, TO APPROVE THE AGENDA. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON APRIL 18, 2019

REYNOLDS MOVED, SECOND BY GEROLD, TO APPROVE THE MINUTES FROM APRIL 18, 2019. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED / OLD BUSINESS:

A. Façade Grant Program

Community Development Specialist Memo:

Background

In June of 2018 the City of Princeton began implementation of the Façade Grant Program dedicating money to provide up to \$2,500 matching grants for façade improvements made to buildings in the downtown business district. Funds received through Community Development Block Grants are authorized to be used for this purpose. In 2019, by recommendation of the EDA, MacDonald and Mack Architects were hired to facilitate community meetings and create design guidelines as rules for the grant program.

Analysis:

The Planning Commission is currently in the process of reviewing the proposed guidelines presented by MacDonald and Mack to ensure they are aligned with the City of Princeton's ordinance. The Planning Commission's role in the grant process will include monitoring the proposed façade improvements to ensure compliance of design standards with the city ordinance.

The Economic Development Authority will review and authorize grants. Grants will then be administered by the Community Development Specialist under the direction of the EDA.

Recommendation:

That the Economic Development Authority recommend the City Council to implement the

EDA Board Meeting
August 15, 2019

Façade Grant Program by adopting the coinciding application and Downtown Design Guidelines to support Economic Development in the downtown.

*****End of Memo*****

Hillesheim said the EDA Board would need to recommend to the Council to accept the grant program.

Barbian commented that this program has been spoken of a couple times and if the EDA Board would like to approve it and recommend approval to the Council. The application spells out what is being requested and is easy to fill out. The Planning Commission decides if they are meeting the design guidelines and if so, they will get the grant.

Reynolds asked that the EDA reviews the application and approves it and then the Planning Commission reviews what they want to do and if the request follows the Ordinance and Design Guidelines for final approval.

Barbain said yes.

Hallin asked if for the outside paint colors if there are certain colors in the guidelines.

Hillesheim said the color is suppose to blend in with the other buildings.

Barbian said the Planning Commission can determine if the color choice would be okay.

Hallin asked if we have the guidelines with the application.

Hillesheim said yes.

Walker questioned that the guidelines say repair to the historic restoration, but what if the building has no historical look like the one on tonight's agenda.

Hillesheim said it is subjective and not necessarily has to have the historical look. Not everyone likes the look of historical. If it fits that building and the guidelines and is affordable for them to do.

Barbian said the architect comments point to direction that could be used to modify the building where it is architecturally appropriate.

Walker said he can see where the Planning Commission Board will have people pick this apart in different areas on why someone gets to do what they can for their building.

Barbian said there is some funding available that can be used to have funds for an architect to give suggestions to modify their building.

Schumacher asked if those funds are additional to the \$2,500 grant.

Walker said it would be nice to encourage them to hire an architect to help with their plans. It would not be required, but would be helpful for them. We could have the limit at \$500 that the City would contribute.

The EDA Board liked that recommendation in the grant program.

WALKER MOVED, SECOND BY SCHUMACHER, TO INCREASE THE AMOUNT ON THE FAÇADE GRANT PROGRAM WHERE IT STATES “THE CITY STRONGLY RECOMMENDS ARCHITECTURAL OR DESIGN RECOMMENDATION FOR A LICENSED ARCHITECT AND THE FEES NOT TO EXCEED \$500”, TOTAL \$2,500 FOR THE BUILDING IMPROVEMENTS AND UP TO \$500 FOR THE ARCHITECT FEES. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

WALKER MOVED, SECOND BY REYNOLDS, TO APPROVE THE FAÇADE GRANT PROGRAM DESIGN GUIDELINES. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

NEW BUSINESS:

A. Façade Grant Request at 519 First Street

Community Development Specialist Memo:

Background

In June, Bob Mack from MacDonald and Mack and Associates shared the Downtown Design Guidelines with the Planning Commission. Since, the city has discussed the coinciding façade grants with a number of interested parties who own business in the downtown district. Barb and Ed Stofferahn are in the process of opening Barb’s Quilt and Design Studio at 519 1st Street. They are currently working on building improvements and renovations to open the studio.

Analysis

The Stofferahn’s have submitted an application for the Downtown Façade Improvement Grant Program. They are requesting matching funds of \$2,500 to remove and replace the front metal of their building, repair the wood and replace 2 windows and the front door of the building. The total amount for repairs is estimated to cost \$11,000. Pictures of the proposed changes are attached.

The plans include replacing the metal on the lower portion of the building with prefabricated panels that look like “Brickton Brick.” The top of the building will be renovated with wood.

After submitting the plans to Bob Mack of MacDonald & Mack Architects, he had a few suggestions.

- * Add elements to break up the large wood area. Including moldings.
- * Add an awning or some type of projection to break up the space and provide a bit of weather protection.

A revised plan is expected prior to the Planning Commission meeting.

Recommendation:

The EDA is to determine if the application project elements requested for funding adhere to the requirements set forth in the Downtown Façade Improvement program and to make the decision regarding the granting of the matching funds. Staff is recommending that the project and grant be approved with the design elements finalized between the owners and staff.

*****End of Memo*****

Hillesheim said this is the first application received for the Façade Grant Program and the Stofferahn's are purchasing the building for a quilt and design studio. They are in the process of giving the City revised plans for the finished look.

Schumacher asked if they are going to paint the side of the building.

Hillesheim said they are painting a quilt on the side of the building.

Sunstead noticed the side of the building is not having anything done.

Hillesheim does not think they are.

Barbian said they are putting a second rendering together. The Stofferahn's went on a tour on other quilt shops and are getting ideas.

Hillesheim said they will not be selling any fabric, just a long arm quilting machine will be in the shop for the finishing stitch.

Walker said this business should be encouraged. Will it be coming back to the EDA Board.

Barbian said no.

REYNOLDS MOVED, SECOND BY GEROLD, TO APPROVE THE FAÇADE GRANT APPLICATION FOR BARB AND ED STOFFERAHN FOR THEIR NEW BUSINESS "BARB'S QUILT AND DESIGN STUDIO" AT 519 FIRST STREET, FOR THE MATCHING FUNDS GRANT OF \$2,500 TO REPLACE THE METAL OF

THE FRONT OF THEIR BUILDING AND REPAIR THE WOOD, REPLACE TWO WINDOWS, AND THE FRONT DOOR. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. TIF District for Aero Business Park

Community Development Specialist Memo:

Background:

City staff have been working on a lot purchase in the Aero Business Park. The buyer's plan is to build a 10,000 square foot facility to locate their business and attract another business in a portion of the building. See attached building and site plan.

Historical perspective of land pricing and commitments for the Aero Business Park. The City improvement of 21st Avenue was done through a special assessment process assessing each of the lots. The special assessments are being paid annually by the Capital Fund.

The City had an Exclusive Listing contract with Coldwell Banker Commercial Real Estate on all sales. The price was to be the outstanding assessment. The terms were to include obtaining a minimum value of 400K per 1 acre lot and employment of at least 2 FT employees per acre lot. Coldwell Banker commission on all sales was \$5,000.00 per lot. The contract is expired.

In 2018 sale terms were modified in order to obtain greater City reimbursement of assessments in each sale. The entailed setting a higher selling price and combining payment with the establishment of a Tax Incremental Financing (TIF) District. In 2018 the City entered into an agreement with Jumpin' Gymnastics for lot 6. As it happened Jumpin' Gymnastics decided to rent rather than take on debt obligations. The selling price for the 1 acre lot is 130K with 14,428 to be paid at closing and the balance through the TIF.

The current prospect is for the corner lot. The lot is two acres and the price is set at 280K. The projected cost of the 10,000 square foot retail center is estimated by the owners to be \$685,300.00 plus the land. The lot is being planned to be split roughly in half in order to accommodate a second phase and commercial multi-tenant building.

Analysis:

A few specifics of the building proposal. The materials presented in the proposal for the façade include stucco and brick exterior panels. See attached draft plans. The Planning Commission in conjunction with staff will be conducting a complete site plan review in the future.

The buyer is projecting a two phase project that requires two acres, yet only one acre is required for the 10,000 square feet. With the one building the TIF is projected to generate approximately 140,000 in present value numbers. Given the site is two acres it will be split with a three year performance standard establishing payment or purchase on the second site.

Recommendation:

That the Economic Development Authority make a recommendation to the City Council to sell the two acres, establish a TIF district accompanied with following performance agreements: Construction of 10,000 square foot building with a minimum valuation of 600K completed by September 2020 and construction of a second facility by September 2023 with a minimum valuation of 600K allowing an outright purchase of the second site should the second building be delayed.

*****End of Memo*****

Hillesheim said we recently had a business that is going to purchase the property at Aero Business Park and are considering using TIF to help them purchase the lot and building at the site.

Reynolds remembers that each lot there was being sold for \$1, but there was a time limit on that.

Walker said \$1 plus the assessments, but that is no longer in effect.

Hillesheim said the front of the building is proposed to have some sort of business that is different than the back half. The lot will be split for phase 1 and phase 2 would have to be done by 2023.

Schumacher asked if there will be the same parking issues with having two businesses share the same parking lot, like the Shopko building is having right now.

Barbian said they are possibly looking at a brew pub on the other side of the building facing 21st Avenue South.

Gerold asked if the second phase does not happen.

Barbian said he would just own Lot 1 and have the rights to Lot 2. There would be a caveat for them.

Walker asked what about the waste product from this. There is a lot of waste with yeast. We need to be forward looking at this.

Snustead asked if USDP trucks their waste out instead of going into the sewer system.

Sandberg said that they are still shipping their product waste out. What is the time frame for this.

Hillesheim said this fall and move in next spring.

Barbian said this is for the EDA to review. This is to harness the use and assist a variety of different ways to assist them to purchase land and build on it. This TIF would help stimulate more investment. We have this year and next year to use this TIF. If the EDA approves the TIF District for the Aero Business lot, they could make a motion to the City Council to approve the TIF District for the Aero Business Park, Lot 1.

WALKER MOVED, SECOND BY SCHUMACHER, TO FORWARD TO THE CITY COUNCIL WITH THE RECOMMENDATION OF THE SALE OF LOT 1, BLOCK 1, AERO BUSINESS PARK FIRST ADDITION, PID #24-070-0010, AND THE APPROVAL OF THE PROPOSED TIF DISTRICT FOR AERO BUSINESS PARK, LOT 1. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

Barbian said in eight years we will get the full taxes on this property.

C. Sherburne County Industrial Park Development

Community Development Memo:

Background:

City staff attended the June meeting of the Sherburne County Economic Development Authority. During the meeting there was a discussion regarding investment in infrastructure for industrial parks allowing relaxed building standards. The relaxed building code is something that a number of manufactures have expressed a desire to be allowed rather than the more expensive concrete tip-ups, fabricated concrete and textured panel buildings. Relaxed building standards meet City of Princeton Code and are similar to Princeton's current Industrial Park. The discussion is in the preliminary stages, and staff have begun talks with Sherburne County Economic Development staff to explore the usefulness of the program for the Princeton area. According to Dan Weber, the financial support possibly available from Sherburne County is \$450,000.00.

Analysis:

Presently, the City of Princeton has limited industrial sites to offer new and expanding manufactures. The city has identified three sites considered prime locations for infrastructure investment and industrial park expansion. (These properties are identified on the attached map)

Currently, the City of Princeton is in need of industrial park expansion and assistance from outside entities is necessary to spur investment and removed the whole of the burden from the City's financial obligation. The Greater Minnesota Public Infrastructure Grant Program provides up to 50% of the capital costs of such expansions, covering up to \$2,000,000 in two years. (See

attached program sheet). It is important to consider this and other opportunities as the City expands opportunities for business growth.

Recommendation:

That the Economic Development Authority begins to consider the need for industrial park expansion and funding opportunities to assist in financing the infrastructure needs of an expansion.

*****End of Memo*****

Hillesheim said she went to Sherburne County Economics meeting that the county held for EDA departments to help spear the areas in the county to expand. This is just information only.

Barbian said there might be a couple of companies that need larger area and would not work in our current parks. We need to figure out the best way to gain on this and capitalize on what Sherburne County is making available. This would start building blocks for us to own some land to make this happen. He has had talks with someone interested in bringing a solar panel of 20 acres. There is another site by First Street and Aero Business Park. The land around the airport is not likely to be used for housing. Most likely for commercial. If you look at the Land Use Map, there are more commercial and industrial areas. The airport area is both in Mille Lacs County and Sherburne County. The Marshall property by the airport would need sewer extended to it. This is just making everyone aware that we are hearing of larger buildings and we could get half a million in funding pretty easy.

Walker mentioned that if we are serious about having more industrial land that we might want to start looking at farm land that touches city property.

Sandberg said if we want to grow, we have to put the investment into it.

Barbian said we cannot purchase land right now. A city could put an option in place and that could work. We already own a 40 acre chunk of land that is available. This was brought up to see the interest in the idea. Barbian asked Reynolds if Mille Lacs County is doing any funding.

Reynolds said the ECRDC is where funding could be available. Is a motion needed to this item.

Barbian said this is just informational only. He showed a plat of Prairie Restoration land that he has been having communication with on a solar plant. He went to a preliminary meeting that was held at Sherburne County along with the owner of the property. Barbian told them they needed the solar glare test to be done with the FAA and the information of the plans was forward to MN Dot.

The EDA Board supports the City to take necessary steps for infrastructure development with

both counties to help with future development.

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Report

1) July Building Permit List

DeWitt had handed out the July Building Permit list and explained some of what the permits were for.

2) Meeting time changed for September 19, 2019 meeting starts at 7:00 P.M.

The City Council will be having a budget meeting on September 19th and if the EDA Board meets that night, the meeting for the EDA Board would need to start at 7:00 P.M.

WALKER APPROVED, SECOND BY SANDBERG, TO APPROVE THE EDA MEETING START TIME FOR SEPTEMBER 19, 2019 AT 7:00 P.M. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

3) SOAR Women's Conference

Hillesheim said the City is partnering with the Women's Business Alliance and has setup a Women's Conference. The date is October 10, 2019 at the Northern Lights Ballroom and Banquet Center in Milaca. The tickets are \$69 and the time is 8:00 A.M till 4:00 P.M. After is a social hour till 6 P.M. Everyone is welcome to attend.

C. City Council and Planning Commission Minutes for March, 2019

The EDA Board had no comments.

REYNOLDS MOVED, SECOND BY WALKER, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:42 P.M.

ATTEST:

Victoria Hallin, President

Mary Lou DeWitt, Comm. Dev.