



Mayor Walker, Council, Staff, and Park Board Members of the Team

I would like to discuss the relationship with the City of Princeton and The Briggs Companies. Past/Present/Future. As I'm getting older, I have looked back at what has been one of the most common issues in a Private and Public long term relationship and nine times out of ten its regarding communication or the lack there of. Everyone is so busy and doesn't seem to have the time to invest and focus our time on helping each other. All my long-term relationships have required hard work, dedication, and an open mind with a positive attitude. An intentional commitment not to judge and a choice to be part of the solution and not the problem in an open forum. I'm often asked what it is that I do for a career in Real Estate. My answer is always the same. I solve problems. I would like to challenge our mayor and all members to help us solve this problem. We can have this project back on track with one phone call. The question is very simple. Is it in the best interest of the city of Princeton and The Briggs Companies to get this project started and completed? It is for The Briggs Companies. However, for this to happen, it will have to happen very quickly to increase our chance of making it financially feasible for both parties. To do this, I need to have us all understand the past, be mindful of the present, and be hopeful for the Future. Let's begin:

#### The Past-2002

We built 64 units in Zimmerman called The Pines of Zimmerman in 2002-2004. We had many clients in our building who lived and or worked in Princeton and asked us to build a multifamily project so they could move back to the city. So, what did we do? We came to the city and started working on this request with Mr. Jackson & Ms. Dewitt in 2006. Our experience with the city was exceptional; in fact, it has always been exceptional! From the very beginning, I could sense that Ms. DeWitt was the glue of city hall. There are not enough words to express my appreciation for her support and help and to give me the confidence to move forward in the City of Princeton. The City of Princeton is very fortunate to have such a pleasant, dedicated, positive representative that is without question a HUGE asset to this City.

The project was approved and ready to go in 2007. Unfortunately, the Real Estate market was trending in the wrong direction. The 2008 collapse came quickly, and we canceled our purchase agreement with the former owner. We went on the defense and started to prepare for the collapse. I drove by the site in 2013 when my daughter had a track meet at The Princeton Schools and noticed a for sale sign, I said a prayer, and we acquired the site. On April 10, 2019, we received a letter from Mr. Schumacher asking us to come back to town and bring some of our success with us. On May 2, 2019, we contacted the new Administrator, Mr. Barbian. We started the development application process again. On August 18, 2020, Mr. Barbian emailed me and asked me to make a proposal for the Park Board's consideration at the next meeting based on the size of the project. The proposal was 50% of what was listed on the fee schedule. (which is very common on Multifamily High Density Projects) **With staff support** on September 28, 2020, the offer was presented to the members at the Park Board meeting. (See below)

-----Original Message-----

From: Robert Barbian <[rbarbian@princetonmn.org](mailto:rbarbian@princetonmn.org)>

Sent: Tuesday, August 18, 2020 5:33 PM

To: Pat Briggs <[pat@thebriggscompanies.com](mailto:pat@thebriggscompanies.com)>

Subject: FW: River West Development fees

Hi Pat,

The Park dedication fee is difficult to estimate. I would encourage some type of proposal from your company be presented to the Park Board at the September 28th meeting. When we met, I mentioned that based upon the projected land sale value at two 500K sales, for multifamily zoned use setting in place a multifamily use park land dedication of 12% of the land or value. This comes to a fairly large number that I believe can be worked into a lower mutually agreeable arrangement. Like to hear your thoughts on what you like to see for the neighborhood. You may also be interested in knowing that the city is considering a trail construction along 21st Ave at some future date.

Thank you  
Bob  
Robert J Barbian  
City Administrator)

In January 2020, I sold the approved project to Mr. Kraemer, who made a commitment that he would complete this project. Out of his control, The Covid pandemic occurred, and the prices and lead times became very unstable, so Mr. Kraemer said he was not comfortable, understandably so. He said if I came back in as a partner, he would be comfortable to proceed, so in March of 2021. I contacted Mr. Walker to meet and discuss possibly coming back in to finish the project. Mr. Walker was extremely supportive, was the key ingredient, and gave me the confidence needed to put this project back on the rails. As a reminder, at this stage in this journey, our budget was sideways, and the market was very volatile as well as the supply chain. In June, I went back to Registered Abstractors to go back on the title, and we completed Phases I & II. Again, the process was a great experience with ALL members who were involved in representing Princeton. It was a continued fantastic fun small town experience working with Public Utilities, Metro West, and the City Staff. The project is full in 2023, and we have a waiting list currently. Let's all acknowledge together that This High-Density project created spin-off development and is the main driver as an economic multiplier for Commercial Retail/Industrial and Office zoning sectors. The single family market will also receive demand from the families at Rum River Residential Suites that will have life-changing occurrences as the Future unfolds, which will increase demand in the 1st time home buyer market as well as our clients that have relocated to our community in the rental space and will be ready to transition into purchasing their new home the 2nd or 3rd time around in their Life Cycle. Once they settle into the community/schools/workforce, etc. The future generations will most likely stay in this beautiful city as they root in for the long term. As we all know, Minnesotans prefer to stay close to their families and friends. When we drift off to other cities and/or states, we often tend to gravitate back to where our friends and families are from. This would never have occurred if it had not been for tax increment financing. In greater MN, there are two ways to get High-Density projects off the ground to create economic multipliers for the city. One is utilizing TIF (Market Rate & Income Restricted), and the other is Section 42 tax credits (Low Income). Most likely, when you see other apartment buildings going up, they have used one or two of these financial instruments to get them off the ground. Many times, it takes both financial tools to get them off the ground. Minnesota Housing and Finance agency in the state of Minnesota very rarely has funding available to participate in the gaps that often occur, such as ours we are experiencing in Phase III & IV under the Park Dedication Fee expense increasing almost 3X.

**Present -- We completed phase I & II. It gave me life again personally! The City of Princeton Received New Safe, Secure Housing in the rental space providing a substantial Economic Multiplier for all other zoning sectors. Another words Princeton has experienced Firsthand that the activity of Rum River Residential Suites created more activity in the immediate area in a very short period of time.**

Phases III & IV were approved, and interest rates went from 4% to 7%. We averaged the financials with phase I & II to get phase III financially approved. We have submitted all applications for Phase III including the Sworn Construction Statement for laying out ALL the costs with the TIF application with city staff and the Cities financial Consultant (Who are amazing by the way) who also have identified that this was a huge challenge to get off the ground. If you look back at the TIF application, you will see that the Park Dedication fee under the soft

costs was \$37,000 the entire time. I bumped the fee 10% to \$41,000 when I submitted the package to underwriting. Ms. Dewitt reminded me when I called in last week, specifically on 4-10-24, that when she gave me the new park fee number, it had increased almost 3X. this was in August 2023. Imagine one of your expense line items almost tripling, whether it would be at your home or business. I understand that we have inflation and increased costs, but it almost tripled. My response to her was that I just got up after falling off my chair. I voiced then I voiced my concern in December again. (See email below) I was struggling to get this approved with financing this entire time. I should have taken the initiative, spoken louder, and acted sooner. However, I was opening another building in Clearwater (That will look very similar to phase III if we do this together), and I take full responsibility that if I had taken the time needed to communicate more effectively, this Hold on the project would have possibly not occurred. I was asked to talk to Ms. McPhearson in December by MS Dewitt. Which I did in March. (Which was also the first time I received the August 2023 Park Board Memorandum) I was hopeful that going through our TIF application, it would have been understood that this is very challenging financially to get it off the ground.

**From:** Pat Briggs <[pat@thebriggscompanies.com](mailto:pat@thebriggscompanies.com)>

**Sent:** Monday, December 18, 2023 10:37 AM

**To:** Mary Lou DeWitt <[MaryLou@princetonmn.org](mailto:MaryLou@princetonmn.org)>

**Subject:** RE: Planning Commission meeting

Hi Mary Lou,

I'm concerned about Park Dedication numbers.

On 3-26-24 at the Park Board meeting Ms. McPhearson submitted our request **without staff support** (Per the Memorandum) to have Park Dedication honor the same rate per unit that was approved and documented on the Sworn construction statement for staffs review and acceptance during the application process for phase III. The park dedication fee line item is the only fee out of ALL our vendors that has almost tripled since phase I & II. Is it reasonable to nearly triple the fee with an applicant that has submitted plans with future phases?

Perhaps the staff could have invited us to a joint Park Board/City Council workshop session to weigh in on some suggestions for consideration prior to making the final change to \$1800 per door vs a percentage of land value. Our response would have helped layout the questions and comments of utilizing graduated scales based on unit sizes, etc.

Again, all relationships need continued work. Let's get to work and enjoy and be proud of our final decision.

The Future is for us to create as we proceed to the paragraph below. How can each of us participate in this exciting opportunity for Princeton. Below is our efforts to contribute towards possible solutions to this problem.

**The Future: And to think some of life's best stories haven't even begun with this project.**

In response to this email, I hope to receive a small-town friendly reply email and a phone call from our mayor, Walker, with support to find a solution as a collective team. I respect Mr. Walker's decision at the council meeting for many reasons. If this email has been effective in helping Mr. Walker/Staff, and park board members understand the financial challenges as the applicant, we can come to a mutually aggregable solution. I will make the commitment to start mobilizing the Heavy Equipment and start this project immediately if we can all be genuinely mindful of all our needs to get this project off the ground. Please keep in mind that I wish the solution was to spread this fee over 20+ years. That is not our challenge. It's getting it off the ground as we are significantly over budget and taking on additional debt. I certainly sensed, as I was waiting for our turn at the council meeting, that it was a very challenging evening for all council members. For this reason, I remained quiet after Mayor Walker spoke. I apologize for not rescheduling. I wish I could have been there in person! In 2007 this project was shovel-ready at the city with all approvals, including a 26-year housing TIF district. Please remember that TIF dollars are only available for the creation of the new project. It is not a handout. It is the creation of a loan to the applicant only if they have performed through the life of the district in exchange for income-restricted housing units. The project would not occur except for TIF. The cities of Princeton's general fund will increase 10X plus within the next 24 months by retaining the full 10% capture property tax rate of a multimillion-dollar tax increase vs the vacant Agricultural land tax rates. I would have never thought it would take us 16 years to accomplish

phase I & II. These projects are very difficult to fund and, without question, extremely complicated, expensive, and consume a significant amount of time to accomplish. The last boom in High-Density residential space was 40 years ago. Make no mistake about it; timing is everything with High-Density Residential Developments in Greater Minnesota. I would like to give our group another gentle reminder. The time is right now for this project! I challenge all of us to ask a simple question. How can we all contribute to a solution with safe, secure rental housing in Princeton? If we can all give a little, we can get there. Something is better than nothing for all of us. How often do the park and recreation have an opportunity like this? Please remember we are talking about a lot of money based on the economies of scale vs a single-family unit development. One more proposed opportunity. We are hopeful that an acceptable dollar amount for the city and applicant would be consistent with what we have mutually agreed upon with phases I & II of the city's fee schedule at the time when all four phases (250+ Units) of applications have been submitted to city staff. With that said, this offer is based on the same formula we used for I & II. This opportunity and offer are for the city of Princeton's Park Board general fund to use at their discretion:

### **A revised proposed solution**

Only with staff support, \$1800 per unit x 66 = \$118,800/2 = \$59,400 for phase III. 100 units x \$1800 = \$180,000/2 = \$90,000. If we receive verbal support, we will have staff support with this new proposed offer for the Park Board to vote on as a recommending body to the City Council for a final vote. I will personally pay almost an additional 20,000 over our previous offer to the park board general fund, start phase III, and have it completed in one year. The park board has an opportunity to receive an additional \$59,400 in 2024 vs \$0.00 from the possible creation of this phase III. The Park Board also has an opportunity to receive an additional \$90,000 in 2025 from the possible creation of phase IV. Has the Park Board, in the history of this city, ever received these kinds of funds from Private development to spend at their discretion?

To be clear, we are offering \$59,400 vs. \$40,458 for Phase III (\$900 per door) and \$90,000 vs. \$61,300 for Phase IV. (\$900 per door)

The building permit is at the city front desk. Our Lender has already made exceptions previously mentioned and will not allow us to increase the loan amount. Please see the letter attached from US Bank as supporting documentation. This is also a very reasonable offer based on other negotiations with another Multifamily 150-unit project that was approved in Monticello at the same time phase III & IV was approved in Princeton. The fee per unit we agreed to was \$280 per door. (See attached document as supporting documentation)

### **Future opportunities for our Team for phase IV and 30 additional rental townhomes—**

Timing is everything, right?

The State of MN (MHFA) has a Workforce Housing RFP forgivable loan program for Greater Minnesota communities based on this affordability crisis, which our Team is in the middle of right now with this development. Their fund has a record dollar amount of 39 million to deploy in Great Minnesota communities to get these projects off the ground.

The great news is this. Princeton qualifies. The Deadline is April 30, 2024. This program is specifically for Market Rate & income-restricted rental Housing Projects.

If we are approved, we would have a funding source to fill our gap. Phase IV Park Fee is \$1800 per unit x 130 = \$234,000. If the city/Briggs Companies are awarded the monies, we would use the funds to go towards a new proposed Public Street (21st) to loop the infrastructure. If the forgivable loan is not approved, we would propose a \$90,000 vs \$61,300 for phase IV, which is an increase of 32% bas on our prior offer.

Regardless of the direction we go with on Phase III & IV we are very excited and grateful to be partners with the city of Princeton's Housing challenges in greater Minnesota. Let's all remember we have accomplished our goal with phase I & II, a 16-year commitment from our Team. Our team members may come and go through this journey, but our partnership commitment with both entities stands as one. I'm convinced that we have made it this far for one reason and one reason only. Ms. DeWitt (The lord broke the mold when he made her).

It is extremely exciting that we did this together, and I am very proud and thankful for the generosity that the Park Board & Council members have offered at the last Park Board & council meeting for phases III & IV. I'm very

disappointed that we cannot afford to get this off the ground with this generous offer from the park board members/Staff and Mayor Walker! We look forward to visiting about our future opportunities as a collective team. I'm hopeful through our ups and downs with the addition to our Team. Ms. McPhearson's guidance in this difficult, demanding new role as the Administrator will help steer the ship at city hall in a positive direction. I'm also hopeful that Ms. Dewitt's encouragement, determination, and positive attitude will keep our Team together. She is a tried-and-true example of what separates the A squad from the B squad. Your determination and attitude, Mary Lou, are contagious. Phase I & II would have NEVER been accomplished without Ms. Dewitt. An amazing person. She deserves all the credit for my continued efforts and has given me the strength to hang in there during times like this.

If we want to move on the opportunities for funding Ms. Marquardt and I need to roll up our sleeves so I can get this MHFA application in front of council with a resolution (see attached template) so we can increase our opportunity to get Phase IV off the ground. I'm excited to get to know Ms. Marquardt and what an exciting opportunity for her as a new team member on the city staff. She is the boots on the ground in community development.

Some of our best stories through this process may have not even begun yet. CHARGE!

Kindly,  
Patrick Briggs

*Patrick Briggs*