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## MEMORANDUM

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TO: City Council

FROM: Stephanie Hillesheim, Community Development Specialist

**SUBJECT: Resolution for the BDPI Grant**

DATE: February 25, 2020

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### **Background:**

Sylva Corporation is currently in the process of purchasing the adjacent property to the north of their operations, known as Outlot A. With the purchase of this property they are immediately intending on utilizing the site as outside storage for finished product, (February 24, 2020 the Planning commission approved the Conditional Use Permit for the property to allow outside storage.) but they are also looking to expand their product line at this site, which would require new equipment, a 5,000-10,000 square foot facility and create 8 jobs. This project requires bulk storage which was also approved for the site.

The parcel currently has no road frontage and is currently regarded as an outlot which cannot be improved. It is necessary to extend city infrastructure (road and sewer) to the lot to move forward with platting the parcel to qualify the site as buildable.

City staff have been working with the Sylva Corporation to ensure the location of the expansion will be in Princeton and have been discussing the opportunity of applying for the Greater MN Business Development Public Infrastructure Grant Program (BDPI) through the Minnesota Department of Employment and Economic Development (MN DEED).

Eligible projects under the BDPI include publicly owned infrastructure that supports economic development projects, including wastewater collection and treatment, water, storm sewers, utility extensions, and streets.

Economic development projects include manufacturing, technology, warehousing and distribution, research and development, agricultural processing, and industrial park development.

### **Analysis:**

Sylva Corporation is willing to sponsor the application which upon receiving will reduce the local cost of the project for the City. The estimated cost to construct a cul-de-sac extension for the property is approximately \$ 575,000. This grant requires a match equal to the amount of the grant. The grant will be used to cover more than the cost of the infrastructure assessment the Sylva Corporation would be responsible for.

The grant is applied for and administered through the City of Princeton.

The council has identified the connection of 21<sup>st</sup> avenue a priority, though this project would not complete the connection, it would be a step forward in the process.

### **Recommendation:**

City staff requests the Council's approval of Resolution 20-16 to permit staff to move forward with the application for BDPI funding as they see appropriate.