
MEMORANDUM



TO: City Council

FROM: Stephanie Hillesheim, Community Development Specialist

SUBJECT: Resolution 20-36 for the EDA Grant

DATE: June 9, 2020

Background:

The City of Princeton has been working through a land purchase to acquire and attach land on 1st Street. This purchase will allow the City to expand opportunities for industrial businesses to expand in Princeton. Currently the potential for expansion in the industrial park is very limited.

In addition to the creation of a new industrial park, the project would complete the 21st Ave connection, a long-term goal of the City Council and a priority for the current administration. This project will facilitate the modernization for the continuance of commerce by providing access between the existing industrial park and increase access to HWY 169 for all industries. The improvement includes the modernization of the entire throughway of the current industrial park, including the redirection of storm water.

With the support of Mille Lacs County, and their contracted engineer, the City of Princeton, with assistance from ECRDC has been putting together a grant application package to submit for the FY 2020 EDA Public Works and Economic Adjustment Assistance Programs including CARES Act Funding opportunity through the EDA.

Analysis:

Staff are currently working with a few potential anchor businesses to sponsor the application, a requirement for the FY 2020 EDA Public Works and Economic Adjustment Assistance Programs including CARES Act Funding. The estimated cost to construct the project, including two new roadways, sewer, water, storm water improvements, and modernization and completion of the 21st avenue connection and route is: \$5,651,000. This grant requires a match of up to equal the amount of the grant, with the city's portion of the project up to \$2,835,500, which includes the land purchase of approximately \$540,000 and related fees. Best case scenario, EDA funding could cover up to 80% of the project, requiring a 20% match of \$1,130,200.

The grant is applied for and administered through the City of Princeton with the support of Mille Lacs County and the ECRDC.

Recommendation:

City staff requests the Council's approval to permit staff to move forward with the application for EDA funding as they see appropriate and approve Resolution 20-36.