
MEMORANDUM



TO:City Council

FROM:Stephanie Hillesheim, Community Development Specialist

SUBJECT: Amendment to the Resolution for the BDPI Grant

DATE: December 8, 2020

Background:

In February, the City of Princeton applied for funding from the Greater MN Business Development Infrastructure program through DEED in support of Sylva Corporation expanding their business on the adjacent lot they purchased. The parcel currently has no road frontage and is currently regarded as an out lot 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. The application was approved for \$310,000, with an additional investment required from the city of \$333,000.

In conjunction with this application, the City submitted an EDA application requesting for funding to complete the connection and improve the land being purchased to the west of the Aero Business Park. This application was not approved.

Analysis:

Upon further assessment of the potential to move forward with multiple likely prospects within the planned industrial/business park, City staff have discussed the need to apply for a second grant from the BDPI program with DEED staff. The City has been directed to move forward with an amended application of the already approved Sylva sponsored BDPI grant. The new application with a total budget of \$1,100,000, with the City's portion of the total project being approximately \$575,000 and a total request from DEED of \$525,000.

This project would be made possible through a sponsorship by a prospect, who has agreed to move forward with their project on the corner of 21st Ave and 1st Street upon approval of the grant.

The council has identified the connection of 21st avenue a priority and this application would allow the City to accomplish this goal upon receipt of the funds.

Recommendation:

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