



DRAFT

THE MEETING OF THE EDA BOARD HELD ON SEPTEMBER 17, 2020, AT 6:00 P.M., AT THE PRINCETON CITY HALL COUNCIL CHAMBERS

The meeting was called to order at 6:00 P.M., by Genny Reynolds. Members present at City Hall were Brad Schumacher, Thom Walker, Charles Snustead, Sharon Sandberg, Thom Walker, and Jack Edmonds. Staff present were Robert Barian (City Administrator), Stephanie Hillesheim (Comm. Dev. Specialist), and Mary Lou DeWitt (Comm. Dev. Zoning Specialist).

Absent was Victoria Hallin.

AGENDA ADDITIONS / DELETIONS

Barbian would like to add Care Act Funding under Miscellaneous, Item A.

Hillesheim removed under New Business, Item C, Downtown Façade Grant Application – White Birch Dental off the agenda.

WALKER MOVED, SECOND BY SNUSTEAD, TO ADD UNDER MISCELLANEOUS, ITEM A, CARE ACT FUNDING AND MOVE THE OTHER ITEMS DOWN. REMOVE ITEM C, DOWNTOWN FAÇADE GRANT APPLICATION – WHITE BIRCH DENTAL FROM NEW BUSINESS. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON JUNE 18, 2020

SANDBERG MOVED, SECOND BY SCHUMACHER, TO APPROVE THE MINUTES OF JUNE 18, 2020. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED / OLD BUSINESS: None

NEW BUSINESS:

A. EDA Bylaws Amendment

Sandberg said the Airport Board had done this and had a dysfunctional board after. She has seen this change on other boards and there is no ownership. She believes it is more push back with not knowing what is happening with the EDA.

Walker commented that the change would have the meeting every third month or as needed. Would Sandberg like it every other month.

Hillesheim said the Façade Grant application would be coming in so it may be more than quarterly.

Barbian said there are certain tools the EDA has and they need to access those tools. The TIF District is one of them. What purpose does the EDA Board members see themselves serving. Administrative efforts are needed in this and are we needed each month for this Board.

Sandberg said she would like to know what businesses are coming into the city. Also, who staff talks to each month for possible businesses that might come in. Keep the EDA Board up to speed.

Barbian said they would not mention names of companies that would contact the City. They want confidentiality when coming to the City. They do not want the knowledge of what is happening.

Snustead said each company has marking and nothing should be private.

Schumacher said he met with Pat Briggs a multiple number of times and he kept those meetings confidential until Briggs wanted it recognized with the City members. He has met with multiple other businesses that he cannot speak of yet, but with the Covid outbreak, banks are slowing up on financing. He is fine with the monthly or bimonthly meeting dates.

Walker agrees. Confidentiality he understands and names do not mean that much, but the economic side is what counts.

Sandberg asked what Milaca or Elk River do and what is expected. Not just for the Façade Grants, but what else is out there for review. As an EDA Board, they want direction of what is happening with the City on a monthly basis. What does Barbian want from the EDA Board and does he want them to be more active.

Barbian said if the EDA Board would want to call companies themselves, he would be open with that. If we are doing the work, the more time we have to do the work is great. There was a contract with Crystal Cabinets that took staff about three hours in a few weeks time. The more demands from the EDA Board will take staff's time away from calling companies.

Reynolds asked why this is on the EDA agenda in the first place. The Bylaws can stay as is.

Schumacher said him and Edmonds receive information each week at the Council meetings. He understands the disconnect this could create.

Hillesheim said she could email out a monthly memo.

Edmonds commented that having a meeting just to have a meeting is not necessary either.

Sandberg asked what does the City want out of her to come to a meeting.

Schumacher said broad perspective. The City Council would approve the EDA Boards advice and probably approve what comes before them because the EDA approved it.

Snustead said the EDA Board was established to facilitate Small Business Financing.



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Hillesheim said we need the EDA for small business loans and grants. The EDA is also acting Council members in Big Lake. They can help in promoting the loans available and get the word out.

Barbian said the Deed Fund would be a great item to get the word out. We do not have a lot of money to finance.

Hillesheim said Sylva bought Outlot A by them and the City applied for infrastructure funding and got some assessment funding to extend their road to the Westling land.

Barbian said we are busy working with our existing businesses and do not have time to tap in to outside companies. He believes quarterly meetings for EDA Board would be good.

Reynolds asked the EDA Board if they would like monthly meetings, every other month, or quarterly.

Walker said in Section 5 of the order of business maybe a spot jut for individual people to make comments and ideas. The EDA Board could pitch an idea. If we do not have anything to discuss we can use that area to keep the board engaged.

Reynolds liked that idea. She seen on other boards they call it mission moments.

Walker suggested putting that in as Item 5 and having the meetings every other month.

WALKER MOVED, SECOND BY SANDBERG, TO CHANGE THE EDA BYLAWS TO EVERY OTHER MONTH, STARTING THE SECOND MONTH OF THE YEAR, AND SECTION 5 IN THE ORDER OF BUSINESS, COULD BE FORUM FOR IDEAS AND ALL OTHERS AFTER THAT MOVED A NUMBER DOWN, AND FORWARD THIS TO THE CITY COUNCIL FOR FINAL APPROVAL. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

B. TIF District

Community Development Memo:

Background:

The Developer, Patrick Briggs, Briggs Properties Inc. is ready to move forward with the development of two apartment building as proposed on the attached map.

The designated site and other lands owned by Briggs Properties were subject to development discussion in the past. A 25-year TIF District has been requested for the project.

At this time the developer has provided the City with a concept plan that is to center on the two apartment buildings shown on the map. It has been presented that building 1 will be along

1st Street and the other behind. Building 1 is proposed to start in 2021 with occupancy in 2022 and building 2 proposed to start in 2023 and occupancy in 2024. Each building is to have 49 units.

Analysis:

City staff have been working with Northland Securities to propose TIF District 9-2. The fees associated with the creation of the TIF District will be completely paid by the developer. The current real estate taxes on the project site are \$714 annually. The estimated Real Estate Taxes after completion are estimated at \$7,000,000. Construction start date is planned for April of 2021.

The housing TIF District requires the development to meet low/moderate income standards that will be monitored annually. If at anytime the development does not meet the guidelines the TIF District will terminate.

The total project cost is estimated at \$15,417,130.

Recommendation:

City Staff recommends the EDA Board's approval to move forward the TIF District 9-1.

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

Hillesheim said Pat Briggs is ready to move forward with the apartment development. First to be started in 2021 with 49 units and another 49 unit building to follow two years later. He has owned the site for a long time and the recession hit and he pulled the project back. He has paid all fees with the TIF.

Barbian said he has not provided a plat yet, this is a concept plan only. The TIF District public hearing is next week at the Council meeting. Northland Securities is still going through a process of the preliminary analysis.

Walker said when he was on the City Council the project had been in front of them, that was about 15 years back. He is happy to see it is back and going to happen. It's too bad there will not be a tax value on it, but still good to have it come here. The tax value would be about \$50,000 to \$70,000 a year.

Barbian said they may do a 25 year TIF plan. They are in the early stages of this now.

Hillesheim they are required to have a percentage of low income units throughout the life of the TIF. If they do not the TIF terminates.

Barbian said it is high standards they have to meet. 10% of the units have to meet this. They have their own management that will take care of the documentation they will need to provide to the City each year.



Schumacher said he toured the Monticello apartment unit Briggs developed and they were very nice.

Walker asked if they vote on this tonight is that the last time it comes to the EDA Board. What constitutes affordable housing.

Hillesheim said there are rates and such and she would have to check into it and let them know.

Reynolds said the West Birch apartment TIF came to the EDA Board and then to the Council and that was the last time they seen any information on it.

Walker wants to know what affordable housing actually means.

Hillesheim will get that to him.

Reynolds said the recommendation from staff is for the EDA Board to approve the TIF District.

WALKER MOVED, SECOND BY EDMONDS, TO APPROVE THE WEST RIVERTOWN APRARTMENS TIF DISTRICT 9-2 AND FORWARD THE EDA BOARD'S RECOMMENDATION TO THE CITY COUNCIL. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

C. Downtown Façade Grant Application – White Birch Dental

This item was removed from the agenda.

MISCELLANEOUS:

A. Care Act Funding

Hillesheim said they are trying to figure out where the money goes to the community. The City received \$350,000 and staff is trying to figure out the best entities and also covering our own expenses. We are trying not to duplicate the state and county programs. They thought about providing counseling for small businesses on how to help them get better at shopping online and also using social media for their business so they can continue to grow and compete.

Reynolds said Mille Lacs County courthouse handrails have to be fixed because the cleaning products is taking the finish off of them. They have to put stuff on them that will work with the cleaning products.

Barbain said the business counseling could help with marketing or accountant or ecommerce services.

Hillesheim said the City had a local person design the City website and using a local consultant to help a local business helps two local businesses.

Barbian said Fairview Hospital asked for the funding and has put their request in. There is a few regional draws that are looking for help. We hope to have something for the City Council October Study Session.

Reynolds said 10% of what we receive needs to go out to the community for economic development.

Barbian mentioned that Baldwin Township received \$100,000 more in funds than the City.

Reynolds said the City has till November 15th to spend their funds or it will go to the county. This would be where the EDA Board could be helpful in giving ideas for the use of the funds.

Sandberg said she has working on ecommerce for her business. She did have an ecommerce Ebay account for years and now is learning the system again. Ebay has changed a lot of their format and does not work with epay system. When covid hit she lost 90% of her business. She could see where the EDA Board would be helpful giving ideas on this.

Reynolds questioned if the City is helping the service end for businesses. She lost 90% of her weddings and ecommerce would not help her.

Barbian said two different consultants called the City who specialize in certain stuff. If the EDA Board has covid related items that could work with these funds, let staff know.

Schumacher said it is Instagram that people are now using. That is the site you want to advertise on.

Barbian said the Liquor Store proceeds gives the Food Shelf funds once a year.

Sandberg asked if there has been any lapse in internet services in the city.

Reynolds said the School District is short on hot spots.

Hillesheim said Sherburne County is putting so much fiber in right now.

Reynolds said Mille Lacs County is working on broad band now.

Barbian said most of the city has good connection with the internet. The Airport Board will be meeting tonight at 7:30 P.M. here at City Hall so the meeting will need to be done by then.

Hillesheim said email her ideas on the Cares Act Funds.

Reynolds asked if there is a meeting next month.



Hillesheim is not sure. She will find out and let them know.

B. EDA Balance Sheet

There was no Balance Sheet provided.

C. Report:

Hillesheim said a large application was sent in to the Federal EDA for funding. They are waiting for the response if it is accepted. The City will use the funds to buy some Industrial land if they receive the funding.

Barbian said with TIF financing there is a TIF law he is looking into on extending sewer and a road to start a subdivision and go to the current Industrial Park. It is a unique tool, but there are guidelines on qualifying.

Hillesheim said the Riverside Park is almost complete. The contractor is officially finished and a vault toilet should be put in sometime in October. The ribbon cutting is September 28th at 4:30 P.M. at Riverside Park. The dock looks nice.

D. City Council and Planning Commission Minutes for August, 2020

The EDA Board had no comments.

WALKER MOVED, SECOND BY SNUSTEAD, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:20 P.M.

ATTEST:

Genny Reynolds, Vice President

Mary Lou DeWitt, Comm. Dev. Zoning Specialist