

 **DRAFT**

**THE MEETING OF THE EDA BOARD HELD ON FEBRUARY 18, 2021, 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 Sharon Sandberg, Charles Snustead, Carrie Petersen, and Nicolas Taylor. Those present per Zoom were Victoria Hallin and Thom Walker. Staff present were Stephanie Hillesheim (Comm. Dev. Manager) and Mary Lou DeWitt (Comm. Dev. Zoning Specialist).

Sandberg arrived at 6:08 P.M.

OATH OF OFFICE:

Nicholas Taylor and Carrie Petersen took the Oath of Office.

(Sandberg arrived after the Oath of Office.)

ELECTION OF OFFICERS:

SNUSTEAD MOVED, SECOND BY PETERSEN, TO NOMINATE THOM WALKER FOR THE EDA BOARD PRESIDENT. THE MOTION FAILED ON THE VOTE, AYES: SNUSTEAD, PETERSEN, AND SANDBERG. NAYS: TAYLOR, HALLIN, AND REYNOLDS. WALKER ABSTAINED.

TAYLOR MOVED, SECOND BY WALKER, TO NOMINATE VICTORIA HALLIN FOR EDA BOARD PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON VICTORIA HALLIN FOR EDA PRESIDENT. UPON THE VOTE, THERE WERE AYES: WALKER, TAYLOR, HALLIN, AND REYNOLDS. NAYS: SNUSTEAD, SANDBERG, AND PERTERSEN. MOTION CARRIED.

PETERSEN MOVED, SECOND BY HALLIN, TO NOMINATE GENNY REYNOLDS FOR THE EDA BOARD VICE PRESIDENT. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON GENNY REYNOLDS FOR THE EDA BOARD VICE PRESIDENT. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY SNUSTEAD, TO NOMINATE THOM WALKER FOR THE EDA BOARD SECRETARY. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON THOM WALKER FOR THE EDA BOARD SECRETARY. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. WALKER OBSTAINED. MOTION CARRIED.

HALLIN MOVED, SECOND BY TAYLOR, TO NOMINATE CHARLES SNUSTEAD FOR THE EDA BOARD TREASURER. THERE BEING NO OBJECTIONS, THE EDA BOARD VOTED ON CHARLES SNUSTEAD FOR THE EDA BOARD TREASURER. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON NOVEMBER 19TH, 2020

SNUSTEAD MOVED, SECOND BY HALLIN, TO APPROVE THE MINUTES OF NOVEMBER 19TH, 2020. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

BILLS AND COMMUNICATIONS:

Hillesheim said she working on the amendments to the (MIF) MN Investment Fund with Crystal Cabinets loan for the extension to withdraw funds and the State of MN is okay with the extension and the City Council is also. Keeping the employee count is hard with COVID-19 and they are short of seven employees and will be good until next March to withdraw funds. This is a lower rate loan and the money stays in the community, \$100,000 would come back to Princeton.

Reynolds asked if this is like the Small Cities Development Program and is for commercial use.

Hillesheim said yes, commercial and industrial. She thinks the funds can be used in the Industrial Park. She also wanted the EDA Board to know that the City was approved for the development of 21st Avenue South construction. This would complete the connection to the Industrial Park. The Care Act with Mille Lacs County ends tomorrow and Sherburne County is done with theirs.

Reynolds said Mille Lacs County had 270 apply for the Care Act and they opened it up for more applicants.

Hallin commented the funds to complete 21st Avenue South is a 50/50 match.

Walker asked on the timeline for construction.

Hillesheim said this year she thinks. The Engineer has started work and will go out to bid in March. It was in the CIP to be budgeted for this.

REPORTS:

A. Council Minutes for January, 2021

The EDA Board had no comments.

FORUM FOR IDEAS

This was moved to the end of the meeting and no discussion followed.

UNFINISHED BUSINESS: None

NEW BUSINESS:

A. Industrial Park Land Pricing

Stephanie Hillesheim, Comm. Dev. Manager Memo

Background:

The City of Princeton recently purchased 42 acres adjacent to the Aero Business Park property.



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The plan is to combine the properties and re-plot to create room for new and expanding industrial businesses. The property has been officially purchased by the City, and the Public Hearing for the annexation of the 42 acres is scheduled for February 25, 2021.

Analysis:

To keep the process moving forward, city staff has been researching pricing scenarios for the property; comparing local industrial site listings with the City of Princeton’s current investment and interest costs. The estimated cost per acre must include all the costs for the Aero Business Park property including infrastructure and interest costs, along with the newly purchased 42 acres.

The newly acquired property is still in need of infrastructure improvements including road, sewer, water and storm water at estimated cost of \$1.4 million to service all sites. We must considered what tools we have available and would like to use to help with some of these costs.

I’ve attached a recent listing for industrial property located in Princeton, with access to infrastructure.

Recommendation:

City staff are looking for input and a recommendation from the EDA Board to the City Council regarding the pricing of the aforementioned property.

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

Hillesheim said she needs the EDA Board and the Council’s direction on the pricing. She was looking at \$39,000 an acre. She had a comparison of other Industrial land that is for sale in Princeton.

Keith Butcher asked if the \$39,000 an acre is that for all of it. Infrastructure for the west property is 1.4 million.

Hillesheim said yes, the infrastructure to the west vacant property would cost more. The lots will be broken down to 7-8 lots maybe. She would like the EDA to make a recommendation to the Council. The Council makes the final decision.

Reynolds asked after everything is in, can the City of Princeton manage that land or does it come to the EDA.

Hillesheim said it is not annexed yet and also will need to be zoned. She thinks it will go back to the EDA for some areas.

Reynolds said the EDA Board can do certain bonding for infrastructure and that is why the EDA Board would most likely be in charge of it.

Hillesheim said \$39,000 could be the base price.

Taylor asked what is our price range.

Hillesheim said we do not have one right now. The example of comparable is nice to see what they have and what we have. Some of the properties maybe able to go through TIF.

Reynolds asked on the dollar amount what is the advantage of asking for the top dollar compared to the middle grade.

Hillesheim said we do not want to lose money, but we need to get stuff on the tax roles. Have an even point is the best goal. How do we make businesses grow here and also help businesses expand.

Petersen said it will depend on the site location of the business and the Carrie said depends on location of business on the plat and signage.

Hillesheim said the businesses are coming in to negotiate with us. They want a deal on the land. Best bet is having an asking price and bottom line. Two numbers would be good. TIF Program may be used and maybe other programs.

Reynolds asked if she asked other cities on what they are doing. Braham has one left. They had a meat processing plant that went with Braham.

Hillesheim said Industrial land could go quickly.

Hallin asked what the City had for thoughts on the land.

Hillesheim said the goal was a grant to cover the cost for the land and infrastructure that the City did not receive, but the City is still happy with the purchase.

Hallin said we cannot design the infrastructure until we have potential buyers.

Hillesheim said that is right, they won't put the infrastructure in today.

Petersen said what is best for the city, five businesses or ten.

Hillesheim said jobs.

Reynolds said salary and number of employees. The cap could be \$45,000 an acres since the mini is 39,000 would so that would help cover the infrastructure match. Is the match budgeted.

Hillesheim is not sure. She thought it was in the CIP and would need to be in next year's budget. If we did the \$45,000 and TIF out, would help finish infrastructure.

Walker said the goal is to have increased tax base for the city.



Petersen said a good average price is good, start at \$50,000.

PETERSEN MOVED, SECOND BY TAYLOR, TO SELL THE LOTS FOR \$50,000 AN ACRE AND FORWARD THE RECOMMENDATION TO THE CITY COUNCIL.

Sandberg asked if this land is in the Airport no building area.

Hillesheim said that is factored in. FAA approved the concept plan.

Hallin asked if \$50,000 is comparable with this area.

Hillesheim said yes, fair asking price.

UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

B. PUC Service for Industrial Properties

Keith Butcher, General Manager introduced himself and began a presentation of an overview of the Princeton Public Utilities for the EDA Board. The PUC is governed by a three-member Commission that is appointed by the City Council. The members serve staggered three-year terms. The utility operations and finances are separate and independent from the city to protect both rate-payers and tax-payers. Butcher spoke of the community involvement the PUC contributes to and the benefits of having them provide the power in place of East Central Energy. They had a 2020 rate comparison and the PUC ranked right in the middle. The PUC is financially healthy and is well positioned to fund necessary upgrades. The PUC is committed to promoting the community and encouraging economic growth. They installed an electric car charging station at Coborn's and are looking at installing another downtown in the City parking lot.

The PUC is interested in pursuing additional load growth. This would spread fixed costs over more customers thereby helping everyone. With the City purchasing the 42 acres of land west of town for an Industrial Park he would like to extend the PUC connection to that site. Currently the PUC services the Aero Business Park and this property borders it to the west of the property line so he is asking the City of Princeton for their support that once this site is annexed in the PUC can extend their service to this site. They can easily supply the industrial needs. They would transfer the regulatory work from East Central Energy to the PUC. He has spoken to East Central Energy and they understand the PUC wants to take over that service territory.

Snustead asked if it has to be approved by the State to take over the service territory.

Butcher said yes. There will be an amount of money that the PUC will have to pay to take over the service of that area. The Coops know they have the right to service the City land and it just

comes down to the financial arrangement. Connie Wangen did the same thing with Aero Business Park when the City bought that land.

Sandberg said the PUC does not service the Airport. Across from the T-hangers it is serviced by Connexus.

Butcher said the PUC services the safety building because it is a municipal facility and can take over the servicing right.

Taylor asked if other utility companies have advertised plans.

Butcher said yes, for municipal utilities it happens all the time. He will put packages together once this land is annexed in.

Walker left the meeting at 7:35 P.M.

SNUSTEAD MOVED, SECOND BY SANDBERG, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:55 P.M.

ATTEST:

Genny Reynolds, Vice President

Mary Lou DeWitt, Comm. Dev. Zoning Specialist