

Crookston Housing & Economic Development (CHEDA) Executive Director's Quarterly Update March 2010

Winter is finally nearing its end. Generally temperatures were mild but the snow was deep. Now as it melts off we are keeping a watchful eye on the river as it has reached flood stage.

2010 will prove to be a challenging yet interesting year for CHEDA. The economy continues to struggle, although in Crookston we are seeing some signs of recovery as some companies are advertising for positions that are new or were let go during last year's cutbacks. The State's budgetary issues will continue to impact our community as significant reductions to Local Government Aid loom in our future. This will likely have some impact on CHEDA revenues in the future, but as of now that impact is still unknown. I should also note that economic development activity is starting to pick up as we are starting to see some interest from individuals and businesses looking for commercial spaces to either expand or start up a business.

In 2010 CHEDA will be designing a parking lot project next to our Oak Court facility on the property that we acquired late in 2009. At this time we are requesting proposals for engineering/architectural services for the project. The project will include some design and accommodation for a much needed accessory storage building on the property.

CHEDA's Workforce Housing program is starting to gain some traction. We recently entered into a purchase agreement to sell the home at 601 Woodland Avenue that we had moved last fall. We have shown the home at 523 Woodland Ave. a number of times and anticipate that we will also sell that home in 2010. It is a two-story, three bedroom house and is for sale to the public at \$95,000.00 and can be viewed on our website. The home is located **outside** of the 100 year flood zone on a large lot which extends to the river's edge and is protected by a floodwall. Contact our office at 218-470-2000 to set up a showing.

We are now looking for our next projects which may include looking for a home that we can acquire and rehabilitate in place or maybe the purchase of a bare lot and construction of a spec home.

CHEDA and the City of Crookston completed work on the concept plan for the City's next residential subdivision to be located on the property around the new Crookston Sports Center. The City has obtained engineering cost estimates and after reviewing those costs have revised the phasing for development of the subdivision. The revised first phase includes approximately 21 residential lots to be constructed to the north of the Crookston Sports Center along County road 71. The estimated cost of infrastructure for this revised phase 1 is approximately \$1 million. The timeline for actual design and construction of phase 1 will be dependent on availability of funding. It should be noted that the City of Crookston has only 7 residential lots left for sale (in Evergreen Estates) and as such there is some degree of urgency to construct phase 1.

CHEDA continues to be financially sound and Federal program dollars appear to be stable for 2010 although HUD programs and funding mechanisms are being restructured as a result of new administration appointed by the new president. These changes do create some uncertainty as to what the final programs and procedures are going to look like.

Future activities will have focus on:

- Continually work with the City of Crookston on strategic planning as it would relate to availability and affordability of homes to own or rent, availability of buildable residential lots, housing rehabilitation, downtown redevelopment, and infill and expansion of the industrial park
- Work with City and County to inventory downtown buildings (noting historic buildings) and preserve, restore, or reuse those buildings worthy of the required investment.

- Maintaining or diversifying housing and economic development programs or enhancing their availability in an effort to retain and attract businesses to Crookston.

Current Projects

Food Grade Milling Operation – Crookston Bean is planning to construct their replacement facility this summer. I will be assisting him with his efforts to obtain financing to rebuild and restart his operation. Crookston bean handles and processes or mills pea hulls and various grains. The owner will likely be rebuilding on their existing site.

KT Apartments – Prairie Skyline Foundation via Kay Hegge is still working on obtaining additional financing to renovate the apartments in the Quist Building to create “permanent supportive” housing or housing for extremely low income individuals in need of quality living space. This has been a difficult process and funding continues to be scarce. Capital markets continue to be conservative so the purchase of various tax credits which provide funding for projects such as this continues to be slow.

Wayne/ Palace Hotel – This project unfortunately did not score high enough in a recent MHFA funding application to get the needed low income housing tax credits to make rehabilitation happen. This was the third application by the project developer MetroPlains of St. Paul. Unfortunately this is probably the last chance that this historic building had at rehabilitation. At this time Polk County is collecting estimates for the demolition of the structure and required environmental and historic documentation to do so. Given the budgetary issues that exist at Polk County as a result of cuts to government aid, demolition in 2010 by the County will likely remain undecided for now.

Pizza Hut Building – An authentic Mexican restaurant called El Metate opened in December of 2009 and has been very busy. It appears to be a popular dining place with prompt service and good food. This restaurant is a great addition to Crookston!!

Crookston continues to have some great property & building opportunities available in commercial and industrial sectors around the community. Check out our property listings on this website.

Have a prosperous 2010!!