

Crookston Housing & Economic Development (CHEDA) Executive Director's Quarterly Update August 2008

It is now evident that the end of Summer is right around the corner as evidenced by the farmers starting to combine Barley and Wheat as well as the recent availability of locally grown sweet corn. This is my first of what will be a quarterly "Update" and plans are to make the next update available in October.

It is hard to believe that I have been on the job for five months now. Thanks to the CHEDA staff, board members, City of Crookston staff, and elected officials I am off to a quick start. I think I can now safely say that I have a pretty good handle on what goes on around here at the office, but admit that I will have my work cut out for me over the next couple of years learning the intricate details of all of the required housing and economic development operations as well as getting "tuned-in" to the manufacturing, commercial, retail and residential communities in Crookston.

With the combining of the Housing and Redevelopment Authority and Economic Development Authority there has been a multitude of "housecleaning" issues to which I have had to attend. Some of our recent accomplishments have been to upgrade and link the computer systems at both the housing office and economic development office, create an updated personnel policy manual, and consolidate our accounting and payroll software to a single provider. The software consolidation project, along with our efforts to update the CHEDA website with current information as well as adding a housing component, will be on-going.

Future projects and activities will have focus on:

- Continuing to work on streamlining CHEDA operations, upgrading information security, and creating consistency with information handling and filing within CHEDA.
- Working 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
- Expanding housing and economic development programs or enhancing their availability in an effort to retain and attract businesses to Crookston.

Current Projects

Civic Center/Arena Project – At this time the City is preparing to bid out the site preparation and development for the project. This should then allow contractors to begin construction of footings and the building in the late spring of 2009. The final design of this project has been a moving target. It is my understanding that the facility will be bid as a base project, and as the availability of New Market Tax Credits and other funding mechanisms become more defined (these dollars will determine the actual total budget), then additional design features will be added to the base design and become bid items. It is anticipated that the construction of the building and other interior work will be bid out later this fall. The priorities for this structure center on first having three rinks and secondly adequate seating.

My work has been focused on coordinating the effort of the Arena Fundraising Group to create marketing material to support the fundraising effort. We will have a final product in August with the end of August being our target date to have materials available for distribution as well as posting on the arena project website at www.protectingthelegacy.com. The transition to the Blue Line Club and Figure Skating Club for the physical fundraising effort will happen soon. I expect to meet on this again in late August and fundraising training for the Blue Line and Figure Skating folks (to be provided by the NW MN Foundation) will be sometime in late August or early September. Craig Morgan will be the Arena Fundraising Chair for those groups. The Arena Fundraising Group has set a goal of raising \$2,000,000 for the project.

Titan Machinery – A quick drive down Hwy 75 south of town will take you past the Titan Machinery relocation expansion project. Titan is constructing a 40,000 square foot ag implement sales and service center. This will be a state of the art sales facility and will employ up to five additional skilled technical positions on the service side of the business. CHEDA is working with the developer to process an application for Tax Abatement with the City of Crookston to provide some local project financing for water and sewer services to the building.

RRV Winter Shows site – At one time this site was considered for the arena project. Site specific storm water issues have forced this site out of contention as the location for that project. I continue to work on developing some possible options for the building and land. This will likely have to be part of a specific redevelopment project and I will be working on obtaining some grant funding in 2009 to facilitate that effort.

I have had a number of inquiries as of late from a developer interested in the building and site for manufacturing. I put him in touch with the owners to view the property. At this time his work is still very conceptual and involves wind energy generation equipment manufacturing. The equipment and technology is advanced but is smaller scale than the equipment we commonly see on the landscape today.

Food Grade Milling Operation – I am working with two gentlemen who are interested in developing a “food-grade” milling operation in Crookston for milling pea hulls and various grains. At this time we are looking at finding a suitable site for the anticipated operation which will likely be housed in a 50 x 150 foot building. They are still in the process of pulling together a business plan and other related information for the project which may come together in 2009.

KT Apartments – Kay Hegge is working on renovating the apartments above Kay’s Attic in the Quist Building to accommodate homeless or extremely low income individuals in need of quality living space. She has applied for grant funding through Minnesota Housing Finance Agency for her project and will be asking CHEDA to assist her with an application for Tax Abatement with the City of Crookston in August or September. She will learn more about the success of her grant application sometime in October.

Wayne/ Palace Hotel – The project developer is MetroPlains out of St. Paul. We have spent many hours obtaining preliminary approvals for local assistance for this project which entails a complete remodeling of this historic building into 24 income qualified apartments. We have also spent many hours working with the developer on their application to Minnesota Housing Finance Agency for over \$3,000,000 in financing. They are applying for Low Income Housing Tax Credits, Historic Building Preservation Tax Credits, a brown-field grant and a Small Cities Program grant. They expect to hear more from MHFA in October 2008. In August I will be working on their request for the local contribution of \$75,000 by evaluating the Tax Abatement or Tax Increment Financing (TIF) processes with Springsted, Inc. our finance consultant. Should all financing be secured for this project, a likely start date will be very early in 2009 (January – March).

North Acres Plaza - SSC Properties Inc. – Mike Hron (218-686-2255) is planning to construct a prime retail/office space building just south of the Pizza Hut building. This building is slated for the 2009 construction season and will consist of 12-14,000 square feet and can be built to suit the needs of the prospective tenant.