

# **Crookston Housing & Economic Development (CHEDA) Executive Director's Quarterly Update September 2010**

2010 has concluded as a very wet and cool summer. It was a good year if you were planting grass in your new yard as I did. My yard looks great unfortunately the weather did create some challenges for local farmers. So far it looks like fall may follow suit but hopefully we will have a warm dry one.

The 2010 economy has still had some struggles. Information from the State indicates that consumers still lack confidence in the economy and the short term financial picture and as a result are being very conservative in their spending patterns nationally which has far reaching impacts in the region. We again whittled back our 2011 budgeted expenses at CHEDA in anticipation of reduced revenues and we continue to look for new sources of revenue. State budget challenges appear to be tracking at anticipated levels and again will result in reduced tax collections and reduced local government aid. Hopefully we will see some positive changes in 2012.

We have completed our parking lot project design for our Oak Court facility on the property at 313 Stuart. We are now collecting quotes for the dirt work and asphalt as well as the needed privacy fence. The rush will be on to get the project constructed by the end of October. The accessory building and other parking lot necessities are planned for 2011. The additional parking stalls are much needed for both residents and those providing services to Oak Court. This project should also take some of the parking pressure off of Sargent Street.

CHEDA's Workforce Housing program continues to stay busy. The sale of the home at 523 Woodland Ave. should be completed by the end of the third full week in September. CHEDA has entered into an agreement with the NW MN Housing Cooperative for the construction of a new home at 1022 Wilson Avenue. That modest 3-bedroom home is under construction and should have a roof on it by the end of September. We expect to sell the home for around \$155,000.00 and if the buyer qualifies for the Tax Increment Financing available on the property, the final cost to the buyer could be as low as \$135,000. We have also been working on the possibility of a collaboration with the Crookston School district for the construction of a home through their construction trades program.

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 is not planning to install infrastructure for this new development for a couple of years yet. The City still has about 3 lots left in Evergreen Estates that are available for sale.

The Lincoln School property (vacant areas) was sold to the NW MN Housing Coop and will in turn end up under ownership by the Midwest MN Community Development Corporation (MMCDC) out of Detroit Lakes, MN. They are working toward presentation of a new plat to the City for this area. About three acres of the site is under consideration for a City park. It appears that their plan is to develop lots around the perimeter of the property. These lots should become available late 2010. This is a great infill project and the location is exceptional. This project also takes some pressure off of the City as far as being in the residential lot sales business.

CHEDA annually hires an independent auditing firm to perform an audit of our agency to meet various Federal, State, and Local reporting requirements. CHEDA continues to be financially sound with modest increases in cash holdings as a result of our 2009 operations. Our official 2009 audit finding will be available in September of 2010. A new piece of our operation includes an audit of our component unit the Crookston Civic Arena, LLC. This aspect of the audit presented some challenges as the financial structure of this business is rather complex. This new entity is well managed and to date the Crookston Sport Center continues to be a work in progress. The facility itself is operating well and is a phenomenal new addition to the community and provides new recreation opportunities. It has been especially impactful during this wet summer. Installation of turf in one of the three arenas allowed programs to continue during rain events.

Legislated Federal program funding levels came in somewhat lower than anticipated for 2010. Funding amounts typically are not available until well into the year (typically mid to late summer) in which they are to be received and therefore we typically are operating based on estimated funding. We further expect that with the Federal government's desire for a balanced budget that 2011 funding will be flat at best.

Future activities continue to focus on:

- Continue working with the City of Crookston to meet strategic goals to address pressures (reduced numbers) put on affordable housing as a result of demolition of residential homes required to facilitate the City's flood protection projects. Specifically trying to facilitate options for the old Lincoln School building and finding partners willing to collaborate on single family or rental housing development.
- Continuing to work with the City and County to address proliferation of dilapidated, forfeited, vacant older structures in the City's downtown district. Polk County is expecting to open bids for the demolition of the Wayne Hotel in late September with demolition likely slated for October. CHEDA will be working on the development of a downtown redevelopment task force that will have the task of formulating some guiding principals and action steps to facilitate change in Crookston's downtown area.
- Continue to perform regular business retention visits as often as possible.
- Continue to work on housing rehabilitation, downtown redevelopment, and infill and expansion of the industrial park

## **Current Projects**

Food Grade Milling Operation – Crookston Bean has completed construction of their new facility to replace the old one that burned down a year ago. They are in the process of moving some of their product handling systems and assembling equipment in their new building. Crookston Bean handles and processes or mills pea hulls and various grains.

Northland Inn – Has made a great deal of progress with repairs and remodeling. They still have some work that is planned for exterior areas.

Strip Mall – Mike Hron from SCC Properties, Inc. (218-686-2255) has begun construction of his new mall building in September. At this time the forms are being place for foundation walls and construction is expected for the next several months. At this time he is still looking for an anchor tenant for the central space in the mall which is about 3,500 square feet. There is flexibility in how that space can be set up and/or if someone doesn't need that much space. This mall will be located on the east side of Hwy 2 as you come in on the north side of Crookston and is next to the El Metate Mexican restaurant in front of Walmart.

I am still working with two industrial companies interested in locating in Crookston. Unfortunately these projects take time to develop. Access to bank financing continues to be very difficult for many commercial business whether existing or start-up.

We have had a number of small business open up retail locations in the downtown area of Crookston. "Krazy Kiln" and "This Is Sew Broadway" to name just a couple. I expect a taxidermy shop and another hair salon to open in the not too distant future as well as "Elite Video & Sound" in the previous Movie Gallery location. There continues to be interest in properties in 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 great fall and a prosperous rest of 2010!!