

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

I guess the motto for spring/summer of 2010 is "don't forget your umbrella!" It is about time that the faucet gets turned off and the heat gets turned on. Sunny weather would sure be nice!!

The story for 2010 still looks grim as the economy continues to struggle. We are starting to pick away at our budgets and it is looking like continued challenges for local and state government as reduced tax collections and reduced local government aid are on the horizon for at least 2010 -2012. Hopefully we will see some positive changes in 2012.

We continue the design process for our parking lot project next to our Oak Court facility on the property at 313 Stuart. It is looking like we will have space for about 13 new parking spots, a small accessory building and possibly a bigger garden space for the Oak Court residents. We expect to bid the project in July with installation to happen in August or September.

CHEDA's Workforce Housing program continues to make progress. We sold our house at 601 Woodland Ave. and we have entered into a purchase agreement for the sale of the home at 523 Woodland Ave. We are currently working on developing plans and bid estimates for our next workforce home which would be NEW construction to be built this summer by the NW MN Housing Cooperative. We hope to get the go ahead for a project at our July board meeting. The goal is to build a nice 3-bedroom home that we can sell for around \$120,000.00. We are also looking for our next home to purchase for a rehabilitation project.

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 6 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. Their plan is to develop lots around the perimeter of the property and possibly offer a large central open space to be shared by the property owners that end up buying in that area. These lots should be available for construction in 2010.

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 should be available in July of 2009.

At this time we are beginning to piece together our 2011 budgets. Legislated Federal program funding levels typically are not available until well into the year in which they are to be received and therefore we typically are operating based on estimated funding. At this time we are operating with some reduced Federal grant funding in our HUD programs and 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:

- 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.
- Continuing to work with the City and County to address proliferation of dilapidated, forfeited, vacant older structures in the City's downtown district (specifically the old Wayne Hotel and Z-

Place buildings). This includes demolition of hazardous structures as well as planning for possible redevelopment of properties that are in better condition.

- 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 is still planning to construct their replacement facility later this summer. Crookston bean handles and processes or mills pea hulls and various grains. The owner will be rebuilding on their existing site.

Wayne/ Palace Hotel – This building has very recently shown some continued degradation when portions of the interior floors collapsed and fell into the basement. The structure has been determined to be a hazardous structure and demolition of the building by Polk County should be imminent.

Northland Inn – Has been the recipient of an IRP Loan from the City and those funds are being spent on roof repairs, room remodeling, and a general facelift to various lobby, restaurant and exterior areas.

Strip Mall – Mike Hron from SCC Properties, Inc. (218-686-2255) is still planning to build this summer (likely late July or early August) next to the El Metate Mexican restaurant in front of Walmart.

We have been getting various inquiries from companies looking to expand to Crookston and lease or purchase properties in town. The interest is up significantly over last year and it is anticipated that we will see some transactions by late summer or early fall. An example is the recent sale of the Great Plains natural gas building.

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.

Enjoy your summer and have a prosperous 2010!!