

# **Crookston Housing & Economic Development (CHEDA) Executive Director's Quarterly Update April 2009**

It is April and now that it looks like the cold harsh winter is finally coming to an end, I will step out on a limb and say that spring should be right around the corner. The Valley has been battling flooding this year and so far Crookston has managed to avoid significant damage thanks to a very organized City Emergency Operations effort and the on-going construction of flood control projects.

I have been on the job for just over a year now and I can say that it seems like it was the "fastest" year of my life. There are many projects under way and we are very busy which is why this last year has passed so quickly.

Business visits continue to be a high priority and over the next year I am hoping to be able to get out to another 80-100 businesses.

In the first quarter of 2009 we have managed to complete most of our computer system, accounting, and policy consolidations. We are now concentrating on streamlining and refining reports and systems in an effort to be more efficient.

CHEDA is a healthy organization financially and we continue to have resources available to maintain our public housing programs, create new housing opportunities, and continue our economic development loan programs. We also have financial resources available which have allowed us to expand our marketing efforts and work toward expanding our economic development activities.

Budget issues at the state level have impacted the City's budget and CHEDA will potentially be looking at significant cuts to the revenue stipend received from the City which supports our economic development staffing and programming in 2010 and beyond. Fortunately, CHEDA has the resources to weather this storm for several years while we work to find ways to reduce costs and enhance revenue. Generally, the Red River Valley economy seems to be fairing somewhat better than the national economy.

Future activities will have focus on:

- 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 – This project has advanced significantly since my last report. The total funding needed for the construction of this multi-purpose 3-sheet arena facility has been raised now that the City of Crookston has closed on the New Market Tax Credits received for this project (created approximately \$2,000,000 of equity for the project). Project construction bids were let and awarded concurrently with the funding efforts in the first quarter of 2009.

Public fund raising efforts for this project have been phenomenal and individuals and businesses have pledged nearly \$700,000 toward the project. This is a great start toward the goal of raising \$1.1 million in donations to support building, fixture, equipment and other amenities which will make this building come to life. Please consider supporting the construction of this new community asset with a generous donation. All donations regardless of amount are considered generous!!

Site preparation was completed in 2008 and construction of the building will begin as soon as the weather and site conditions allow (Spring 2009). This facility is expected to be operational in 2010. Current project information (or information to make a donation) can be obtained by visiting the arena project website at [www.protectingthelegacy.com](http://www.protectingthelegacy.com).

Titan Machinery – A quick drive down Hwy 75 south of town will take you past the NEW Titan Machinery facility! Titan has nearly completed their move to their new 40,000 square foot ag implement sales and service center. Stop in and see this state of the art ag sales facility. Finishing touches on the interior are expected to be complete by June of 2009.

RRV Winter Shows site – A fire in late 2008 damaged this facility and has added to the challenge of redeveloping the structure. Site specific storm water plans will need to be designed in order to make this site a candidate for redevelopment. This property will be an on-going project to find resources to resolve site specific issues.

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. This project was not funded in 2008. When at first you don’t succeed..... Ms. Hegge will again be applying for grant funding through Minnesota Housing Finance Agency for her project. It appears that she has acquired some additional support from other funding sources and with some help from CHEDA and a City statement of priority and need this project will have a better chance of being funded in 2009. The 2009 application is due in June and 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. The project entails a complete rehabilitation and remodeling of a historic hotel building into 24 income qualified apartments. The developer was unsuccessful in obtaining funding in 2008. They have placed another application to Minnesota Housing Finance Agency for over \$3,000,000 in financing in February and if unsuccessful will try again in June. They are applying for Low Income Housing Tax Credits, Historic Building Preservation Tax Credits, and a brown-field grant. They would expect to hear more from MHFA in October 2009. If unsuccessful the County will likely be demolishing this structure in 2010.

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.

Pizza Hut Building – Has been purchased by local developer and is being “cleaned-up” and renovated so that it can be shown to individuals or businesses for possible sale or lease as a restaurant. If you are interested you can call Keith Danks Jr. at 701-775-3325.

Federal Stimulus Funding – The stimulus package has provided us with a little more than \$94,000 funding to expedite the replacement of our boiler at the Oak Court public housing facility. We will also be looking at other possible building and equipment upgrades as part of a comprehensive energy use reduction project. We expect to achieve moderate reductions in operating costs. We will be working on obtaining additional funding to expand our project beyond the boiler replacement.

Grand Forks Home & Design Show – We will have a booth at the show from May 1-3 at the Grand Forks Alerus Center. Come and see us there!!