

Crookston Housing & Economic Development (CHEDA) Executive Director's Quarterly Update August 2009

It is August and we are still waiting for summer. It has been an unusually cool summer which is great if you have labor intense projects but it is challenging if you like the warm weather for recreating. This also creates some challenges for the local crops as most crops like the warm weather.

The pace here at CHEDA continues to be brisk. We have received some stimulus money through our Federal programs (Public Housing) so we will be working on replacing our boilers and a water heater at our Oak Court facility during the 3rd quarter of this year. We are also working on acquiring some land adjacent to the facility so that we can expand our grounds, improve our parking, and possibly build an accessory building in the future.

Also as I type this we are in the process of moving two homes within Sampson's addition as part of our workforce housing project. These homes will be available for sale this Fall to employees of companies participating in the workforce housing program. Work also continues on the design of the next housing subdivision for the City of Crookston. The goal is to get a final design yet this year and begin the process of engineering the necessary infrastructure and finding the money to build the first phase which may be in 2010 or 2011.

With all of the projects it has been a challenge to get in as many business visits as I would like but I plan to continue to work on getting out to as many Crookston businesses as possible.

CHEDA continues to be financially sound and Federal program dollars have been stable for 2009. Unfortunately the difficulties with the State budget and the cuts to local government aid (LGA) to the City of Crookston along with significantly reduced interest rates on investments will start to create budgetary challenges for CHEDA in 2010. Approximately \$90,000 of our roughly \$1.8 million budget comes in the form of a subsidy from the City. To do our part CHEDA is requesting an \$80,000 subsidy for 2010 which is approximately an 11% decrease in funding. This is consistent with the City's expected reductions in LGA received from the State. Reduced funding will require reductions to the economic development operating budget and project budget as well as requiring some level of agency reserve usage.

It appears that the issues affecting the national economy are starting to impact the Red River Valley, but the local economy still continues to look better than many of the metropolitan areas of Minnesota and the rest of the U.S.

Future activities will have focus on:

- Continue 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. Construction has progressed rapidly and the majority of the exterior structure is now in place. Roof and interior work is also moving briskly and the project is close to being on time. This continues to be a very exciting project and the community fundraising effort is still in process. Please consider supporting the construction of this new community asset with a generous donation. All donations regardless of amount are considered generous!!

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. You can also access the webcam and view the project from this site.

Titan Machinery – Titan has 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. A grand opening event was held in July which was very well attended.

Food Grade Milling Operation – Unfortunately the main Crookston Bean facility burned down this summer. I will be working with the owner to assist his effort to rebuild and restart his operation. This untimely event may assist him with developing a “food-grade” milling operation in Crookston for milling pea hulls and various grains. At this time the owners are evaluating their location and building needs.

KT Apartments – Prairie Skyline Foundation via Kay Hegge is still working on renovating the apartments above Kay’s Attic in the Quist Building to create “permanent supportive” housing or housing for extremely low income individuals in need of quality living space. When at first you don’t succeed..... The Foundation will again be applying for grant funding through Minnesota Housing Finance Agency for a project in 2009. It appears that some additional support from other funding sources may come together with some help from CHEDA and a City statement of priority and need. The State has changed the timing for their project funding rounds from June out to October of 2009. Therefore we will have to wait till February of 2010 to find out if this project is funded.

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. This project will also be looking for funding from the Minnesota Housing Finance Agency for over \$3,000,000. Again, the State has changed the timing for their project funding rounds from June out to October of 2009. Therefore we will have to wait till February of 2010 to find out if this project is funded. Polk County has granted an extension to their timeline for demolition in order to allow one last funding application by MetroPlains. Again, if unsuccessful the County will likely be demolishing this structure in 2010.

Pizza Hut Building – We are happy to announce that this space is now under lease and is being remodeled to house an authentic Mexican restaurant that will be called El Metata. We expect the restaurant to open in the Fall of 2009.

Strip Mall – Equity Management has announced that they have two new leases in their existing strip mall in Crookston. A Verizon store and Hong’s Chinese restaurant will also be opening in the third quarter of 2009. Mr. Keith Danks of Equity Management is also planning to start on a second strip mall either in the Fall of 2009 or in 2010.

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 Summer!!