

A closer look at redevelopment of Pine River corner

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By now, many Pine River residents and business owners know that the property that once housed a Tom Thumb gas station may soon have a new resident.

But what needs to happen before then?

In Pine River, residents and business owners have varying feelings. Some are excited to see the building on the corner in operation. Many are excited to see more jobs in Pine River. Others are concerned about possible competition in a time when many businesses are feeling economic stress. Even others are asking if a discount store can make it in Pine River.

Some of these questions have no solid answers, though some details are known.

During the Oct. 8 regular meeting of the Pine River City Council, Gail Levenson of the Cass County Economic Development Corporation presented the city with an opportunity to remove three unused buildings (parcels three, four and five) from the Southeast corner of Highway. 371 and Barclay Avenue, build additional city parking and gain a new business there.

The plan for achieving all of this included a grant from the Department of Employment and Economic Development (DEED) of \$192,200. The council approved the grant application and it was submitted after the Dec. 10 regular meeting. The grant had a Dec. 31 application date. The city could find out the results of the grant application by the end of February.

"If the grant is approved then we could start the redevelopment in the spring once the snow and ice are gone," said Pine River City Clerk Wanda Mongan.

However, Mongan said the redevelopment is conditional, and a lot needs to happen before any money is spent or work is done on the property.

First, without the DEED grant, the reconditioning will not happen. Second, the city must know that an active new business will take up residence on the corner and add to the city tax revenue.

"(If) the city is going to get this grant, they have five years to spend the money. It's my understanding that this project (purchase and redevelopment of parcels three, four and five) will not go ahead if the other one (the new business development) does not," Mongan said.

At the October meeting, Levenson mentioned multiple businesses who showed interest in the Pine River corner property if it had more parking. Discussion currently revolves around Family Dollar. The Family Dollar has submitted a letter of interest for the site if it has more parking. Family Dollar could decide against the purchase, which is why the city will require their commitment before they will do any work on redevelopment.

The DEED grant requires a 50-50 match. Levenson said that match could be met by a future private investment by whoever buys the corner parcel through the cost of acquisition of the parcel and construction costs. In this situation, no public dollars would be spent.

Contrary to popular belief, Family Dollar has not shown interest in a tax-increment financing (TIF) plan in preliminary discussions.

"Apparently they were not interested. The last I heard was they were not interested in TIF. If they do ask for TIF, then the city has to have a public hearing," Mongan said.

During this public hearing taxpayers would have the opportunity to show up and support or oppose the TIF. Aside from Pine River residents, Cass County and the Pine River-Backus School district would also have the power to weigh in on a TIF district. Mongan said some businesses are not interested in TIF plans because they require the company to follow guidelines for wages and numbers of employees. Alco, for example, did not request TIF.

Because the parking lot would be city parking, the parking lot would not be taxed, but Mongan said taxes on a new Family Dollar would far exceed tax revenues from the Eastern Star Building, the Pinewood Cafe and the former dry cleaner building (parcels three, four and five) and the current parking lot, which only brings in \$2,000 in tax revenues.

Some have asked if the Family Dollar would be a franchise. Family Dollar does not currently deal in franchises, so the store would be owned by the Family Dollar Corporation.

If the city does not acquire the DEED grant, or cannot secure a new business for the corner, parcels three, four and five and the location of the former Tom Thumb building will have to wait for future potential buyers.

The city does not stand to lose any money either way.

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