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January 2, 2026

## **NOTICE OF MEETING**

Members of the Crookston City Council may participate by telephone or other electronic means. If you would like to watch live, please like and subscribe on our YouTube Channel at:  
<https://www.youtube.com/c/CityofCrookstonChannel>

***For quorum purposes, if you are unable to attend, please call Tina at 281-1232. Thank you.***

## **WAYS & MEANS COMMITTEE MEETING**

Monday, January 5, 2026  
Immediately Following City Council  
City Hall Council Chambers

### **AGENDA:**

1. Downtown Corridor Redevelopment Strategy Proposal
2. Discussion regarding ABDO Classification and Compensation Study
3. Discussion regarding Boards, Commissions and Council Committee Composition for 2026

Mayor/Council: **Stainbrook, Shostell, Fischer, Briggs, Cavalier, Brekken, Klatt, Hibma, Ault**

Staff: **Selzler, Butt, Getsman, Hefta, Heldstab, Kirschbaum, Pyles, Devier, Spivey, Rystad**

Other: Holten, Mike Bibow (AE2S), Stephen Slick (AE2S)

Media: KROX, Crookston Watch, City Website, CH: 3, City FB

# Ways & Means – Downtown Corridor Redevelopment Strategy Proposal

## Meeting Date: January 5, 2025

Prepared for: City Council & Mayor (Ways & Means Committee)

Prepared by: Karie Kirschbaum, Community Development Director

## Purpose of Packet

To provide the Ways & Means Committee with a comprehensive overview of the potential of a coordinated redevelopment strategy for the Hwy 2 Downtown Corridor, including TIF feasibility initiation, federal grant opportunities, USDA IRP financing tools, other funding options as they present themselves, and preparation of a coordinated city-county partnership request.

## Summary

The City of Crookston has an opportunity to realign public investment, private development, and historic preservation around the 2027 MnDOT Hwy 2 Downtown Roadway Improvement Project. MnDOT will reconstruct Highway 2 between the Red Lake River bridge and the railroad underpass, including West Roberts Street, North Main Street, and North Broadway. The City may choose to simultaneously improve the two blocks south of Roberts on South Main and South Broadway.

This project footprint sits at the heart of the Crookston Commercial Historic District, listed on the National Register of Historic Places. A 1988 historic building survey further documents structures along North and South Main, North and South Broadway, West Robert, and West Second Streets, recording their architectural character and original uses. Although some buildings have since been demolished or altered, the corridor retains substantial historic fabric and key redevelopment opportunities.

The former Tri Valley building, owned by the city at Broadway and Robert Street, remains a long-standing safety hazard, and MnDOT's reconstruction provides an opportunity to pair its demolition and site preparation with coordinated redevelopment efforts.

A proposed Downtown Redevelopment Tax Increment Financing (TIF) District would enable the City to capture the growth in property taxes generated by new investment and reinvest those funds into eligible improvements such as demolition, site preparation, public infrastructure, and redevelopment incentives. Corridor conditions and historic data provide evidence supporting consideration of a Redevelopment TIF District. Staff will work with Todd Hagen, an Ehlers Financial Advisor, to create a report.

To complement TIF, Paul Bruhn Historic Revitalization Grants and the USDA Intermediary Relending Program (IRP) offer powerful tools to restore historic structures, enhance the downtown environment, and support business expansion and infill projects.

Together, these tools, paired with the MnDOT reconstruction, create a coordinated redevelopment strategy that strengthens Crookston's position as a regional center while improving safety, economic vitality, and long-term tax base performance.

# Ways & Means – Downtown Corridor Redevelopment Strategy Proposal

## Staff Report / Narrative

### Background

MnDOT's 2027 Hwy 2 Downtown Roadway Improvement Project presents a rare opportunity to align public infrastructure investment with redevelopment, historic preservation, and long-term downtown revitalization. The project includes reconstruction of Highway 2 between the Red Lake River bridge and the railroad underpass, encompassing West Roberts Street, North Main Street, North Broadway, and West 6th Street, with the City improving two blocks south of Roberts on South Main and South Broadway.

Link: <https://www.dot.state.mn.us/d2/projects/studies/hwy2-crookston/index.html>

### Downtown Historic Context

The project footprint overlaps with the Crookston Commercial Historic District, listed on the National Register of Historic Places, and supported by the 1988 historic building inventory documenting structures along Main, Broadway, Roberts, and Second Streets.

Link: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://tile.loc.gov/storage-services/master/pnp/habshaer/mn/mn0400/mn0444/data/mn0444data.pdf>

### Current Conditions & Redevelopment Need

Several properties along the corridor, including the city-owned building at Broadway and Robert Street (formerly Tri-Valley), present safety hazards, blight conditions, or redevelopment challenges. *These conditions support exploring a Redevelopment Tax Increment Financing (TIF) District, which lasts 25 years. Other stipulations may apply, which would be discussed at a later meeting should the project move forward.*

### Strategic Funding Tools

- Paul Bruhn Historic Revitalization Grants: Supports façade restoration, structural stabilization, and historic preservation.

Link: <https://www.nps.gov/subjects/historicpreservationfund/paul-bruhn-historic-revitalization-grants-program.htm>

- USDA Intermediary Relending Program (IRP): Creates a low-interest revolving loan fund to support private business development, building rehabilitation, and mixed-use infill.

Link: <https://www.rd.usda.gov/programs-services/business-programs/intermediary-relending-program>

### Recommended Preparatory Actions (Information Only)

- Initiate a Redevelopment TIF District feasibility study with Ehlers Municipal Advisors.
  - \* What is a TIF District? Link: <https://www.osa.state.mn.us/training-guidance/guidance/frequently-asked-questions-articles/what-is-tax-increment-financing-tif/>
- Assess and update historic resource inventory (1988 booklet + current conditions).
- Prepare federal funding applications (Paul Bruhn; USDA IRP; Others).
- Develop a draft joint City–County strategy
- Coordinate planned City improvements with MnDOT's 2027 project schedule.

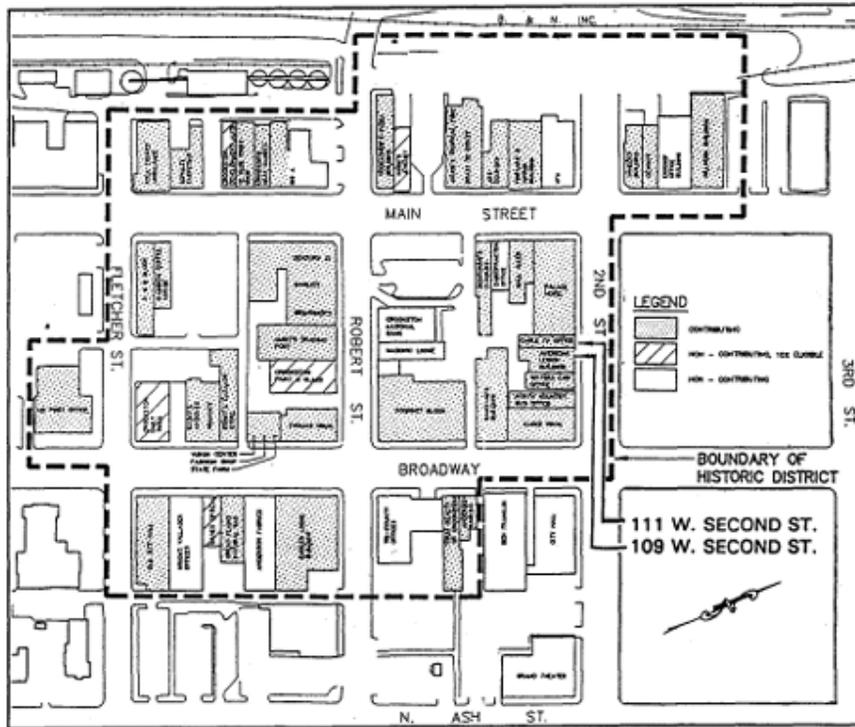


Figure 1: Location of Crookston Commercial District, Crookston, Polk Co., Minnesota  
Not to Scale



# **2026–2030 DOWNTOWN REDEVELOPMENT + HWY 2 - 2027 COORDINATION**

- **2026 DECISION YEAR  
FOR REDEVELOPMENT**
- **2027–2028  
LEVERAGE WINDOW**
- **2029+ RETURN ON  
INVESTMENT**



# COUNCIL ACTION TIMELINE



- **STRATEGY:**

- **CAPITALIZE ON THE 2027 MNDOT PROJECT TO REVITALIZE DOWNTOWN**

- **PURPOSE:**

- **ALIGN DOWNTOWN REDEVELOPMENT WITH THE 2027 MNDOT HWY 2 PROJECT**

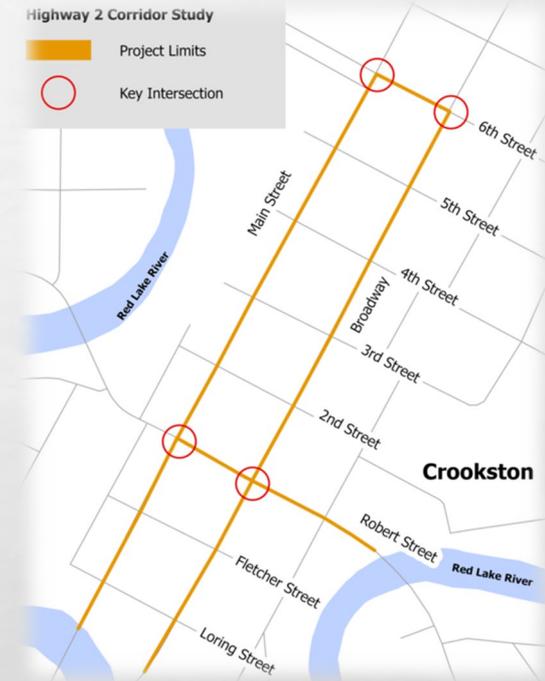
- **KEY MESSAGE:**

- **DECISIONS IN 2026 DETERMINE LONG-TERM DOWNTOWN RETURN.**

# Q1–Q3 2026

## IMMEDIATE ALIGNMENT & AUTHORIZATION

- **AFFIRM CORRIDOR REDEVELOPMENT STRATEGY**
- **AUTHORIZE REDEVELOPMENT TIF FEASIBILITY**
- **DIRECT CHEDA, CITY, COUNTY & MNDOT COORDINATION**
- **IDENTIFY PRIORITY REDEVELOPMENT SITES**
  
- **COUNCIL ACTION REQUIRED:**
  - **AUTHORIZE TIF FEASIBILITY**
  - **AFFIRM, EXPAND, OR DECLINE REDEVELOPMENT STRATEGY**



# Q3–Q4 2026 FINANCING & SITE READINESS

- **ADOPT REDEVELOPMENT TIF DISTRICT, WORKING WITH EHLERS FINANCIAL MANAGERS, CHEDA, POLK COUNTY & SCHOOL DISTRICT.**
- **SUBMIT USDA IRP APPLICATION (NEED A TOTAL \$250,000 PROJECT TO APPLY)**
- **SUBMIT HISTORIC PRESERVATION GRANTS AND OTHERS AS IDENTIFIED.**
- **ADVANCE DEMOLITION & SITE PREPARATION**
- **DEVELOP MARKETING STRATEGY**
  
- **COUNCIL ACTION REQUIRED:**
  - **ADOPT TIF DISTRICT**
  - **APPROVE GRANT(S) & IRP PARTICIPATION**



# PROPOSED TAX INCREMENT FINANCE (TIF) DISTRICT

E to W: Market St. to River  
N to S: Sixth St. to Bridges

Encompasses 100% of the  
Historic Downtown District +



# LATE 2026–EARLY 2027 “ONE BIG REVEAL”

**Finalize & implement marketing strategy**

**Joint City–County–MnDOT announcement**

**Release redevelopment prospectus**

**Finalize City improvements**

**Execute development agreements**

**Council Action Required:**

- **Support coordinated public launch**
- **Approve development agreements**

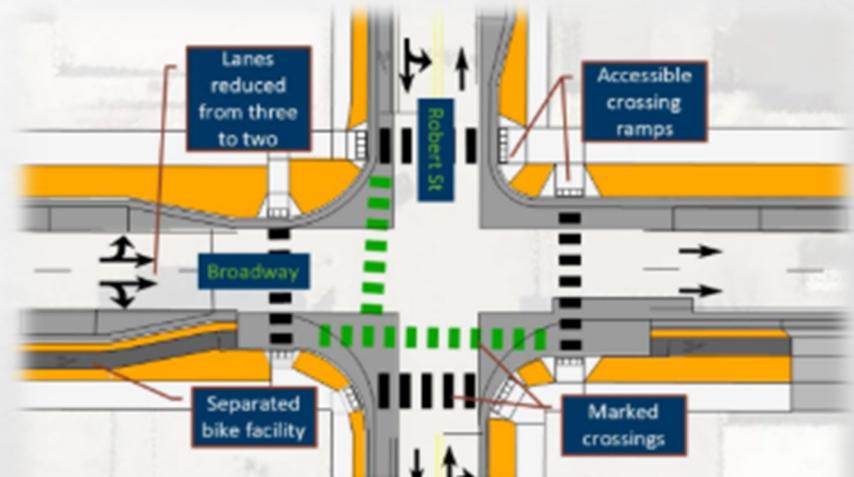


**ON AIR**

# 2027–2028

## HWY 2 CONSTRUCTION + ACTIVE REDEVELOPMENT

- **DEPLOY TIF FOR SITE PREP & INFRASTRUCTURE**
- **ACTIVATE IRP LOANS**
- **HISTORIC REHABILITATION**
- **PRIVATE REDEVELOPMENT**
- **CONSTRUCTION COMMUNICATIONS**
  
- **COUNCIL ACTION REQUIRED:**
  - **APPROVE TIF EXPENDITURES**
  - **ONGOING OVERSIGHT**



The Highway 2 corridor in downtown Crookston will feature two driving lanes and improved bike and pedestrian facilities.

# 2029-2030 POST-CONSTRUCTION ACCELERATION

- COMPLETE INFILL & MIXED-USE PROJECTS
- EXPAND THE IRP REVOLVING LOAN FUND(S)
- MONITOR TIF PERFORMANCE
- EVALUATE PHASE II REDEVELOPMENT

## COUNCIL ACTION REQUIRED:

- REVIEW OUTCOMES
- CONSIDER PHASE II DIRECTION

