

**CITY OF ANOKA
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING MINUTES –FEBRUARY 9, 2015**

Call to Order: Vice Chair Dave Bonthuis called the meeting to order at 5:00 p.m.

Roll Call: Commissioners present were: Dave Bonthuis, Lynn Hopkins, Lori Manzoline.
Absent: Chair Carl Youngquist. Staff present were: Housing Manager Darin Berger, Finance Director Lori Yager.

Approval of the Agenda: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE AGENDA AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

Approval of Minutes:

January 12, 2015, Regular Meeting: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE JANUARY 12, 2015, REGULAR MEETING MINUTES AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

January 12, 2015, Worksession Meeting: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE JANUARY 12, 2015, WORKSESSION MEETING MINUTES AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

Open Forum: No one appeared.

Unfinished Business:

Review of Fourth Quarter Financials: Finance Director Lori Yager shared the 2014 fourth quarter financial report which reflects cash and some estimated accrued activities for the HRA on a quarterly basis. Ms. Yager said the preliminary report is unaudited and will be updated after the audit is complete in June. She shared budget to actual figures, stating the total budget is at 64% of a budget of \$70,000, noting the HRA only spent \$25,000. Ms. Yager stated personal services were slightly over budget by \$4,000 but there are contingencies to cover that overage.

Ms. Yager referred to the HRA's oldest TIF district, stating year-to-date property taxes collected were \$280,000. She said the HRA spent almost \$240,000 out of TIF in 2014 on properties, clean up on the south side of Main Street, and spent 31% of redevelopment funding money available, which can be rolled in 2015 for future redevelopment projects.

Ms. Yager said the COR District did not receive a property tax levy yet so they are waiting for those values to increase. She shared the balance sheet from 2013 stating cash-wise, the HRA had \$1.1 million which is now down to \$800,000 but land valuation of \$1.5 million is up about

\$400,000, which shows the HRA is spending money on property purchases. Ms. Yager then reviewed all revenues and expenditures, including commercial and housing.

Vice Chair Bonthuis asked if there is any area that needs to be given special attention in future. Ms. Yager said the only thing is the last TIF collection for the old district will be done in 2017 but said staff did verify that we can continue to spend money out of that district even after it is decertified so we will not lose funds. She said there is no sunset clause on spending as long as it is spent on what was intended in beginning.

Vice Chair Bonthuis thanked Ms. Yager for her expertise in the HRA's finances.

Action Requested: No action is necessary at this time; informational only.

Update Regarding Walker Plaza II Project: Mr. Berger stated staff met with Walker Methodist's Executive Director of Development, Kaas Wilson Architects, the City Planner and Engineering Technician last week. Staff met with their team, discussed a general timeline, site review, parking, Council and Planning Commission submission schedule and other various construction related items.

According to the Letter of Intent signed last month, the closing shall take place on or before June 1, 2015. At this time, we are still on schedule to do so. Staff will continue updating the Board as things progress.

Mr. Berger said staff anticipates Walker submitting for site plan and rezoning review on March 27, then finalizing drawings. He shared their preliminary plan of 72 units, consisting of a mix of assisted, memory and care suites located on the corner of 2nd Avenue and Monroe Street. Mr. Berger said the building will be shorter than their current property and connected by a skyway. He said they anticipate a submittal for the April 13 meeting, with Planning Commission review in May and closing on or before June 2. Mr. Berger said Walker's CFO submitted financials to Ms. Yager for review and that they plan to progress quickly with an anticipated 12-month construction period.

Vice Chair Bonthuis said early conversations had a heavy emphasis on memory care and asked if the 45 studios will be memory care units. Mr. Berger said not necessarily, stating some will be memory care and some assisted but said all care suites will be together in one area.

Vice Chair Bonthuis said he is delighted that this project is moving forward.

North Suburban Home Improvement Show Update: Mr. Berger stated the North Suburban Home Improvement Show Committee has been meeting regularly and everything is going great thus far. We currently have sold 59 booths plus 11 resource booths for a total of 70 booths, noting we are further ahead as of this date last year. We anticipate many more to register as the date draws near. In addition to our regular marketing efforts we have secured a billboard on Highway 10 and we are working with WCCO again this year. Mr. Berger encouraged everyone to come to the Andover Community Center on Saturday, March 21 from 9am – 3pm. Free admission includes 100+ exhibitors, limited door prizes, demonstration and a kids' workshop

sponsored by Lowe's. Mr. Berger reminded the Board of their role as greeters at this event and said we can coordinate a schedule closer to the day of the event. He noted they had their highest attendance last year at 1,800 and hopes this year will be even higher.

Action Requested: No action is necessary at this time; informational only.

Vice Chair Bonthuis said WCCO increased attendance last year and attracted more vendors and agreed the advertising budget should be focused on radio. Mr. Berger agreed, stating WCCO did very well reaching out in this area through their target marketing.

Vice Chair Bonthuis said this is a quality home improvement show.

Other Updates: Mr. Berger said he received a mailing outlining Habitat for Humanity's Brush with Kindness program which helps homeowners with painting, repairs, and critical health/safety home issues. He said the program coordinators are looking for people to apply with an income below 60% of the area median income and who are willing to partner and work alongside. He shared the contact information which will also be included in the City newsletter.

Mr. Berger said there is a vacancy on the HRA Board for a partial term of one year and said encouraged residents to apply. He said applications can be obtained at City Hall.

New Business:

Resolution Requesting that the City Council Call for a Public Hearing to Modify Redevelopment Project Plan for Redevelopment Project No. 1 and the Tax Increment Financing Plan for Tax Increment Financing District No. 2 and the Establishment of the South Central Business TIF District Plan: Mr. Berger stated staff has been working towards establishing a Tax Increment Financing Redevelopment District (TIF District) in the South Central Business District (SCBD). To assist in doing so, two consultants were hired. The first was LHB, who was hired by the HRA to inspect and evaluate properties within the proposed TIF District. The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether six buildings on 15 parcels and 10 right-of-way parcels located within the proposed TIF District meet the qualifications required for a redevelopment district.

The second consultant hired was Ehlers who will assist with the creation and/or modification of TIF Districts. They will provide assistance with TIF by guiding us through the entire process, including assessing the legal and financial feasibility of the TIF, drafting of TIF plans and cash flow analysis, and guiding us through the required steps in the adoption and implementation process. They have helped the City of Anoka with all of their TIF Districts and have proved very valuable in the past.

Mr. Berger described the project which extends one and a half blocks from First Avenue and Monroe Street intersection, easterly to the edge of the property line at 222 Monroe Street. It then extends southerly to the border of the two Madison Street lots and back to the west to 2nd Avenue before going north a half block and west a block back to 1st Avenue. It consist of a mix of uses

including surface parking lots, vacant lots, an aging multi-family structure, light commercial and public uses.

The goals of the TIF District are as follows:

1. Address potential parking needs of the School District and other users in the area.
2. Upgrade infrastructure where needed.
3. Facilitate rehabilitation or redevelopment of HRA and privately owned properties.

Activities may include property acquisition, building demolition, environmental assessment and clean-up, site preparation and construction of public improvements.

In order to include all necessary parcels in the SCBD TIF District, five parcels from the Riverspointe TIF District had to be decertified and included in the new SCBD TIF District.

Because this is the HRA's TIF District and Project Area, the HRA needs to initiate these actions but the Council is required to hold a public hearing on the matter. The proposed HRA Resolution requests that the City Council call for a public hearing on the matter which is proposed for March 16, 2015.

Action Requested: Adopt a Resolution Requesting That The City Council Call For A Public Hearing To Modify Redevelopment Project Plan For Redevelopment Project No. 1 And The Tax Increment Financing Plan For Tax Increment Financing District No. 2 And The Establishment Of The South Central Business TIF District Plan.

MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER HOPKINS, TO ADOPT A RESOLUTION REQUESTING THAT THE CITY COUNCIL CALL FOR A PUBLIC HEARING TO MODIFY REDEVELOPMENT PROJECT PLAN FOR REDEVELOPMENT PROJECT NO. 1 AND THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2 AND THE ESTABLISHMENT OF THE SOUTH CENTRAL BUSINESS TIF DISTRICT PLAN.

UPON A VOICE VOTE, MOTION CARRIED.

Vice Chair Bonthuis asked how long it takes to approve this fully. Mr. Berger said there will be two hearings to approve the establishment of the district and later the district will be certified so it is a bit of a process, noting the County and school district weighs in too.

Vice Chair Bonthuis said there are still a number of steps yet to go.

Adoption of 2014 HRA Accomplishments: Mr. Berger shared the HRA's 2014 accomplishments, as discussed at the January 12, 2015, worksession. Staff would like the Board to adopt the final version of the accomplishments for the City Council to include in their prioritization process for 2015-2016. Mr. Berger recapped the list of 2014 Accomplishments:

- Demolished and prepared site for redevelopment at 1833 2nd Avenue and 100 Monroe Street

- Successfully found a buyer to relocate the historic home at 210 Monroe Street, making way for potential redevelopment
- Adopted criteria for expending HRA funds over the next five years
- Made \$100,000 commercial loan commitment to It's About Sleep for renovation of 633 Main Street East
- Acquired property at 1800 2nd Avenue and 117 Benton Street to allow for potential future redevelopment in the South Central Business District and on the corner of Benton and Ferry Street

Mr. Berger noted the It's About Sleep store is moving forward after being held up until spring because of some asbestos removal.

Action Requested: Staff recommends the Board adopt the HRA's 2014 Accomplishments by motion, second, and vote.

MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADOPT THE 2014 HRA ACCOMPLISHMENTS AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

Adoption of 2015 HRA Goals: Mr. Berger Mr. Berger shared the HRA's 2014 goals, as discussed at the January 12, 2015, worksession. Staff would like the Board to adopt the final version of the goals for the City Council to include in their prioritization process for 2015-2016. Mr. Berger recapped the list of 2015 Goals:

- Formulate and implement strategic plan for South Central Business District (SCBD)
 - Find buyer/end user for Riverway Clinic site
 - Acquire additional properties for potential redevelopment
 - Continue to work with the Planning Commission to redevelop sites and carry out the vision of the SCBD Strategic Plan Committee in accordance with the Housing and Redevelopment Authority's vision
- Continue to acquire properties Citywide through the Scattered Site Replacement Program as they become available
- Promote the maintenance and renovation of the commercial buildings, including 2nd story dwellings in the downtown, for the expansion of the tax base and quality jobs
- Establish TIF District in the South Central Business District
- Continue ongoing efforts to monitor development opportunities in the South Ferry Corridor

Action Requested: Staff recommends the Board adopt the HRA's 2014 Goals by motion, second, and vote.

MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADOPT THE 2015 HRA GOALS AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

Discussion Items: None.

Tentative Agenda Items for Future Meetings: None.

Adjournment: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADJOURN. The motion carried, the meeting was adjourned at 5:33 p.m.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*