

**CITY OF ANOKA
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING MINUTES –MAY 11, 2015**

Call to Order: Chair Carl Youngquist called the meeting to order at 5:00 p.m.

Roll Call: Commissioners present were: Chair Carl Youngquist, Dave Bonthuis, Lynn Hopkins, Lori Manzoline, Colleen Werdien (arrived at 5:12 p.m.) Absent: None. Staff present were: Housing Manager Darin Berger.

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

UPON A VOICE VOTE, MOTION CARRIED.

Approval of Minutes:

APRIL 13, 2015, Regular Meeting: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER BONTHUIS, TO APPROVE THE APRIL 13, 2015, REGULAR MEETING MINUTES AS AMENDED.

Chair Youngquist noted a correction on Page 5 under Chairperson's Report: "...**Gladstone** Coop...".

UPON A VOICE VOTE, MOTION CARRIED.

Open Forum: No one appeared.

Unfinished Business:

633 East Main Street Commercial Loan Update: Housing Manager Darin Berger stated that in July of 2014, the HRA Board allocated funds for a loan of up to \$100,000 for a property located at 633 East Main Street. Since then, preliminary demolition work and asbestos removal have been done. Staff met with Community Pride on April 1 to discuss how the process will look as we move forward this spring. Financing is in place and the closing of both loans will be taking place on Wednesday, May 13, 2015. From there, we anticipate a construction period of four months. Mr. Berger stated the bank is in agreement but is looking approval from the Board regarding the sworn construction statement. He said the statement lists certain eligible items under the Program and based on the statement we will be able to finance the full \$100,000; \$25,000 for exterior rehab and \$75,000 for interior rehab, which is listed as eligible work under the program guidelines. He stated when the program was originally put in place it was to address the downtown buildings to install fire separation walls and fire suppression and the program's boundaries are expanding to freestanding buildings and beyond the original intent so the bank wanted to ensure approval of the sworn construction statement as submitted. Mr. Berger shared that the plan outlines the guidelines of the program.

Action Requested: Approve sworn construction statement allowing the HRA to fund improvements up to \$100,000 for 633 East Main Street as submitted in July 2014 by motion, second, and vote.

Chair Youngquist asked if the closing date will likely change due to title problems. Mr. Berger said the closing will likely change to May 21 but otherwise everything is moving forward as proposed.

Chair Youngquist asked if this was due to our delay. Mr. Berger said there was no delay on our part and the closing is moving forward as proposed but the bank just need transfer information for funds.

Chair Youngquist said this has been a learning experience for all of us, stating the program was initially established for fire suppression and now there are questions on the interior and exterior. He said we probably need to fine tune the program a bit, so we are better prepared for the next request so we can encourage others to take advantage of program.

Mr. Berger agreed, stating we should review the language and remove the emphasis off the fire suppression and include freestanding buildings. He said he has spoken with the Fire Department to ensure fire suppression is not required for this project.

Chair Youngquist said he was surprised to learn the building did not need sprinkling.

Commissioner Bonthuis said the costs for the 18 items are outlined in the statement and asked if we are in danger of violating the \$25,000 limit. Mr. Berger said we are not in danger of the limit and are well within the scope.

MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER BONTHUIS, TO ALLOW THE HRA TO FUND IMPROVEMENTS UP TO \$100,000 ON JULY 14, 2015.

Commissioner Werdien arrived at 5:12 p.m.

UPON A VOICE VOTE, MOTION CARRIED.

Walker Plaza Update: Mr. Berger stated that when Walker Methodist submitted an application to the Planning Commission consisting of Site Plan approval, Comprehensive Plan Land Use Map Amendment, a Rezoning Request and a Conditional Use Permit request. This was reviewed at the Planning Commission's May 5 meeting and after some discussion, all were approved.

On May 18, the City Council will consider the Planning Commission's recommendation and a first reading will be held regarding the rezoning of this property. On June 1, the City Council will hold second reading pertaining to rezoning and final approvals for this property based on the Planning Commission's recommendations. Staff anticipates this all being approved at that time, along with the Development Agreement. Staff is currently working with Walker and their attorneys toward a final draft.

Walker Methodist's Bond Attorney, Chief Financial Officer and our Finance Director have been in discussions regarding the financing of this project and that aspect of the project should be finalized in the near future.

In the meantime, staff is working closely with Walker's Executive Director of Development regarding day-to-day items to ensure timely completion of this project.

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

Mr. Berger said staff is working with their Executive Director on soil borings and other aspects and while there may be other questions everything is moving forward as expected. He said he hopes to see construction begin sometime this summer.

Commissioner Bonthuis asked if approved could there be a June 1 groundbreaking. Mr. Berger said while he is not sure it is reasonable to consider.

Chair Youngquist asked if there were any other changes included from the original proposal. Mr. Berger said there were some minor changes such as a pitched to a flat roof, which will involve changes to the architectural features but nothing from the front elevation. He said there were also changes to the flow of the corner of 2nd Avenue and Monroe Street with regards to how drop offs will work, stating before drop offs would occur off 2nd Avenue with a loop and now they will be done off Monroe Street and include a one-way to 2nd Avenue to allow for more free flowing. He said in general the concept is very much the same and includes the same unit count.

Commissioner Werdien asked why the roof pitch was changed. Mr. Berger said it was to allow for the HVAC system and internalizing the equipment to make more room. He noted the change will not affect the visual aspect as the equipment will still be concealed.

Other Updates: Mr. Berger updated the Board on the potential purchase of 1510 2nd Avenue, stating someone had contacted the owner to purchase the lot to build a retirement home. He said the Board has always viewed the Scattered Site Replacement Program (SSRP) as a means to get involved when the private market does not so now that someone is interested the HRA will remove itself from the process. He said he will keep the Board posted should there be any changes but believed they closed last week. Mr. Berger said he is unsure of when a new owner will demolish the house but said hopefully it will happen soon, adding this is a win-win for everyone involved.

Commissioner Werdien inquired about the price. Mr. Berger said he is not aware of the purchase price but said if they closed, it was agreed upon and must have been fair.

Chair Youngquist agreed the HRA does not want to get in the way of the private market and if they worked something out that is acceptable to both parties that is good. He said his concern was that the home would be demolished but said the HRA should still step aside and allow the private market to prevail. Chair Youngquist said the neighborhood should be pleased with the outcome and we are too, adding he did not want to pay that that much anyway.

Commissioner Bonthuis agreed.

Mr. Berger shared the Urban Land Institute (ULI) is currently visiting cities to help them prepare for redevelopment and will be bringing a panel of guest speakers to Green Haven on June 22, 2015, at 6:00 p.m. He said the outcome will be to help develop the impact of the “new normal” on future growth patterns and identify partnerships with cities and developers to track the best of new developments. He said he hopes the Board can attend.

Chair Youngquist noted the Board also has a joint worksession with the City Council on June 29 at 5:00 p.m. Mr. Berger said the joint worksession will include the Planning Commission and Economic Development Commission as well.

New Business:

Potential Loan Fund Increase: Mr. Berger shared that staff was contacted by the Center for Energy & Environment (CEE) on April 23 requesting funds be moved into the 4% Revolving Loan Fund they administer for the HRA. The fund has been diminished to \$5310.00 and they have two applicants eligible for up to \$25,000 each.

The HRA has already allocated funds to be available for these programs; therefore, staff is requesting we allocate \$50,000 towards this program. After this allocation, we'll have \$14,000.00 available for general housing programs like this. If another project comes forth in 2015, the HRA still has \$100,000.00 budgeted in the General Fund that we can utilize at the Board's discretion.

Action Requested: Approve allocation of an additional \$50,000 from Fund 835 to Housing Programs administered by the Center for Energy and Environment by motion, second and vote.

Chair Youngquist asked if we are budgeted for \$144,000. Mr. Berger said the budget is what we put in place at inception and listed different time periods for each time period.

Commissioner Manzoline commented how great it is to see these loans being used.

MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER BONTHUIS TO APPROVE ALLOCATION OF AN ADDITIONAL \$50,000 FROM THE 4% REVOLVING LOAN FUND 835 TO HOUSING PROGRAMS ADMINISTERED BY THE CENTER FOR ENERGY AND ENVIRONMENT.

UPON A VOICE VOTE, MOTION CARRIED.

Discussion Items: Chair Youngquist shared his disappointment regarding the Mad Hatter's parking lot. He said he does not want to cause concern until all facts are gathered but said the HRA has always tried to have a good relationship with the City Council and while he wants to maintain that relationship he said communication is a two-way street and expressed concern that the Council did not contact the Board first regarding changes to the parking lot. He said there is a façade easement the Board wanted protected and maintained and while he is not sure, he believes the easement may have been violated. Chair Youngquist said this is a prestigious house

that is now being blocked by cars and while he noted he needed to get the facts he has some concerns and felt the need to comment as the Chair of the HRA and asked for more details.

Mr. Berger said he will get more information regarding the parking lot use. He said the topic was discussed at a worksession where a preliminary plan was shared and while we said we did not like any option, if one had to be used, we preferred Option 2 or 3.

Chair Youngquist said he felt the HRA tried to go above and beyond to accommodate the situation and felt they wanted more.

Commissioner Bonthuis said he believed the Heritage Preservation Commission (HPC) and Planning Commission both had concerns as well, adding he used to serve on the HPC and this topic was discussed some time ago. He said time will tell.

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 5:35 p.m.

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