Meeting of the Housing and Redevelopment Authority
Held at the Elk River City Hall
Monday, April 1, 2024

Members Present:	Councilmember Jennifer Wagner, Commissioner Dennis Chuba, Commissioner Lynn Caswell, Commissioner Mel Beaudry
Members Absent:	Commissioner Nate Ovall
Staff Present:	Economic Development Director Brent O'Neil, Economic Development Specialist Joshua Mollan, and Sr. Administrative Assistant/Recording Secretary Jennifer Green

1. CALL MEETING TO ORDER
Pursuant to due call and notice thereof, the meeting of the Elk River Housing and Redevelopment Authority was called to order at 5:30 p.m. by Chair Chuba.

2. PLEDGE OF ALLEGIANCE
Chair Chuba led the Pledge of Allegiance.

3. CONSIDER AGENDA
Moved by Commissioner Jennifer Wagner and seconded by Commissioner Lynn Caswell to approve the April 1, 2024, HRA meeting agenda. Motion Carried 4-0.

4. CONSENT AGENDA
Moved by Commissioner Mel Beaudry and seconded by Commissioner Lynn Caswell to approve the Consent Agenda items listed below. Motion Carried 4-0.

4.1 Regular Meeting Minutes- March 4, 2024
Special Meeting Minutes - March 14, 2024

4.2 Check Register

4.3 Balance Sheet

4.4 Revenue/Expenditure Reports

5. OPEN FORUM

Jim Stenglein, 14199 202nd Ave. NW, stated he was a 50-year resident of Elk River and offered suggestions to improve the green space in downtown Elk River. He explained his contact with Deanna from Waterfall Salon, who talked with Steve Hickman of Furniture and Things. Mr. Hickman offered the downtown area free use and delivery of temporary seating (benches, chairs) in the green space for people visiting the concerts and Farmers Market this year. He offered to help make that happen. He also felt the downtown streets and sidewalks are not ADA compliant, and the lack of restrooms, including handicapped restrooms, was disappointing.

The HRA noted they would be discussing the topic during the work session and thanked Mr. Stenglein for voicing his support and concerns.

6. GENERAL BUSINESS

6.1 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report. He stated with the arrival of Spring, he will send out loan program marketing materials to residents.

Commissioner Caswell asked what the process would be to allow a home to take advantage of a loan that wasn't in the urban service district. He stated there are needs beyond the urban service district.

Mr. Mollan stated this was considered last year to expand beyond the urban service district. The HRA decided to focus on the boundaries of the urban service district.

Commissioner Wagner asked if the HRA should have another conversation at a future meeting regarding expanding the boundaries.

Commissioner Beaudry asked for more details about the loan program guidelines and how the boundary was determined. Mr. Mollan explained the program details are available on the city's website and more information will redirect you to CEE's site. He stated he would email some information to the HRA members for them to review.

Chair Chuba stated a line has to be drawn and initially the established line was used for this. There will always be someone on the other side of a boundary and the HRA is limited to a small amount of money for each loan.

After some discussion, it was the consensus of the HRA to discuss this topic at a future work session.

6.2 General Updates

Mr. O'Neil updated the commission regarding the Main and Gates properties with Ron Touchette and noted documents were sent to the title company. He stated he would be discussing the possibility of TIF being pursued for reimbursement at tonight's City Council meeting. He stated that the demolition of the homes on these properties was not intended to create a TIF district but rather create the opportunity for reimbursement of demolition costs if there was a large project requesting TIF, and then a district could be created. The city's financial advisor suggested tax abatement was another method to seek reimbursement of demolition costs.

Commissioner Wagner recalled the discussion about a possible housing TIF project when a developer approached the city over a year ago. She noted it was at a time when the vacancy rates were zero. She stated they concluded they did not feel it was prudent to support a housing project with TIF when the property would be immediately filled.

Commissioner Caswell asked how that would work with Tax Abatement.

Mr. O'Neil explained how tax abatement was a little easier to get through the process of approving the abatement, but with both abatement and TIF, you use future growth from property tax to reimburse the funds by the new taxes generated from the property. He outlined how TIF brings in the school district and county portion and abatement only brings in the portion for the city. He stated the size of the project also matters and at this point, it's tough to forecast the value of the project without project details. Internally, they can attempt to calculate if it's a strong reimbursement or not.

Mr. Mollan discussed the downtown hanging baskets and recalled last season's flowers were not at the level of anticipation. He stated after speaking to Yardworx about last season's baskets, they were receptive to feedback about 2023's flowers. This season's were still growing in the greenhouse and will be ready by mid-April to mid-May depending on the weather with three colors going into the baskets making them eye-catching. They stated they were seeing weeds in the cracks of the downtown sidewalks and offered an upsell of additional services. He stated Yardworx was passionate about the areas they serve and want it to look great. Mr. Mollan stated the agreement will expire at the end of this year and if the HRA would like to consider renewing their contract, they would like to know around mid-July/August to ensure ordering by fall.

Commissioner Wagner suggested going out to bid to be prudent.

It was the consensus of the HRA to have staff prepare an RFP for bid.

Mr. O'Neil stated the EDA will have a presentation at the April 15 meeting to discuss an interest in operating a hotel in Elk River. He want to mention it as a courtesy to the HRA for possible redevelopment.

Mr. O'Neil stated the PlacerAI software agreement is up for renewal. He stated he and Mr. Mollan felt there's value to renewing and wanted to adjust the 50/50 cost split with the EDA since they use the information more than the HRA.

Mr. O'Neil stated the Sherburne County housing study will proceed with a full study to include subsections for each city in Sherburne County. He stated he doesn't know it's prudent for the HRA to do our own study and felt it better to communicate with their consultant and find out what city data will be available. He will determine if it's cost-effective to add on versus doing a full study of our own later. Staff would recommend that the county take the lead on their study and avoid a redundancy and suggested then the HRA refresh the information in 2-3 years.

7. MOTION TO ADJOURN REGULAR MEETING
Moved by Commissioner Lynn Caswell and seconded by Commissioner Mel Beaudry to adjourn the regular meeting of the HRA. Motion 4-0.

8. WORK SESSION – UPPER TOWN CONFERENCE ROOM

The regular meeting adjourned at 6:04 p.m. Chair Chuba called the work session to order at 6:07 p.m.

8.1 724 Main Street Utilization in 2024

Mr. O'Neil opened the discussion about downtown Main Street and the former Meat Market site and noted the speaker at Open Forum provided an introduction to this topic, which was: what do we want to see in the downtown greenspace. He stated the downtown group has also reached out to him to request, in the short-term, more temporary amenities than just grass, as the city contemplates the long-term plan for the area. He stated the Planning and Engineering departments are taking the lead on the long-term plan by hiring a consultant in conjunction with a future redesign of the area to include a future rebuild of Main Street. Mr. O'Neil asked the members of the HRA, since they are the owners of the property and can guide the future of the use of the space, if they have an interest in more than greenspace. He stated there are strong requests to do more here and the potential of low-cost amenities. Staff notes, maintenance of the greenspace is always an issue and currently the maintenance is low, but if you add temporary amenities, it adds to the care. Also, would you open up the opportunities to any entity to provide amenities as a matter of fairness.

The HRA commission discussed the short- and long-term possibilities for the site. The short-term includes temporary chairs and picnic tables, long term includes restrooms. Temporary bathrooms are placed downtown for the Farmers Market but they are in demand and seem to be a much desired amenity for the entire downtown area.

The HRA Commission discussed ADA compliance, which was a concern of Jim Stenglein, the gentleman who spoke at Open Forum. Mr. O'Neil explained the ratio of the number of handicapped accessible parking spaces downtown has been reviewed and does comply with the requirements. He noted the most recent concerns involved retrofitting where the sidewalk meets the curb, and updates to the ramps from the road to the sidewalk. He also noted the sidewalk pavers were a concern and would require a fix in the next year or two.

The HRA Commission discussed the temporary chairs and tables that could be provided and discussed concerns with placement directly on the grass or one pacers, and securing them from theft.

Commissioner Wagner provided her input regarding her use of Furniture and Things tables and chairs at her downtown business. She indicated the furniture is sturdy, they deliver and pick up after the season, and require little cleaning. She stated they do secure the furniture. She reiterated her passion for this space to be used for a higher purpose. She didn't feel it needed to go on pavers. She also expressed concerns with parking perceptions.

Chair Chuba expressed concerns with grass wear, the possibility of mud, and security issues where a camera should be installed. He felt it important to honor the offer that was received by Mr. Hickman.

Mr. O'Neil noted this felt like a resolution to accept a free will donation and formally accept the service at their own cost could be passed.

Commissioner Wagner suggested putting down Class 5 where the items will be located to mitigate wear on the grass.

It was the consensus of the HRA to consider the offer by Furniture and Things at the May meeting and work out the details with them.

8.2 Duffy Development Update

Mr. O'Neil asked the HRA to continue this item until after the closed meeting to accommodate the scheduled closed meeting.

9. MOTION TO ADJOURN

Moved by Commissioner Lynn Caswell and seconded by Commissioner Mel Beaudry to continue Item 8.2. Duffy Development Update until after the Closed Meeting. Motion Carried 3-0 (Commissioner Wagner had stepped out of the room).

The meeting was adjourned at 6:32 p.m. The closed meeting was called to order at 6:33 p.m.

10. CLOSED MEETING

10.1 Statement to be read by the Chair: "The HRA will be holding a closed meeting per MN Statute §13D.05, Subd. 3. The Authority will develop or consider offers or counteroffers for the purchase or sale of real or personal property. The property being discussed is 425 3rd St. NW, PID #75-00401-0110."

- Motion calling closed meeting.
- Hold closed meeting.
- Motion to adjourn closed meeting.

Moved by Commissioner Beaudry and seconded by Commissioner Caswell to open the closed meeting of the Housing and Redevelopment Authority. Motion carried 4-0.

The HRA held a closed meeting regarding the above topic.

Moved by Commissioner Beaudry and seconded by Commissioner Caswell to close the closed meeting of the Housing and Redevelopment Authority. Motion carried 4-0.

11. MOTION TO ADJOURN

Moved by Commissioner Lynn Caswell and seconded by Commissioner Mel Beaudry to adjourn the work session at 7:00 p.m. Motion carried 3-0.

12. REOPEN WORK SESSION

Chair Chuba reopened the meeting of the HRA at 6:44 p.m. to discuss item 8.2.

12.1 Duffy Development Update

Chair Chuba reopened the work session meeting of the HRA at 6:44 p.m.

8.2. Duffy Development Update

Mr. Mollan provided an update to the HRA on the proposed Duffy Development project and their requests from the city to show support for their senior development project application. Those items include a letter of support from the city/HRA, financial participation from the city, community outreach, and a community development initiative plan. He further explained the community development initiative plan is something implemented by the city or HRA with certain requirements. One important piece of the initiative is the city's support of affordable housing. He stated if this initiative is created, it will not be specific to the Duffy project but rather something that could be used by any future developer. Mr. Mollan stated that in December, staff met with Mr. Duffy to get more details on this item and this initiative would require a third party to get involved as it is quite detailed and in depth. Mr. Mollan also suggested Mr. Duffy meet with the Planning Commission to discuss his concept plan and receive feedback on their position for parking requirements.

Mr. Mollan asked the HRA if this project was still supported by them to assist Duffy Development's application. He would also be asking the City Council for their thoughts and support. He stated the deadline for staff would be for completion of any items by the June HRA meeting.

Commissioner Wagner fully supports this project and is in agreement with finding ways to provide that support (site- specific support) without using TIF or city incentives in the form of tax dollars.

Chair Chuba agreed with Councilmember Wagner.

Commissioner Wagner excused herself to attend the City Council meeting (6:55 p.m.).

After discussion, it was the consensus of the HRA to be supportive of site-specific areas of the project.

Mr. Mollan noted an updated housing study will also be helpful once it's completed.

13. MOTION TO ADJOURN WORK SESSION

Moved by Commissioner Lynn Caswell and seconded by Commissioner Mel Beaudry to adjourn the work session. Motion carried 3-0.

Denny Chuba, Chair

Tina Allard, City Clerk