Meeting of the Housing and Redevelopment Authority
Held at the Elk River City Hall
Monday, June 3, 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, Community Development Director Zack Carlton, and Recording Secretary Jennifer Green

1. CALL MEETING TO ORDER
   Pursuant to due call and notice thereof, the meeting was called to order at 5:30 p.m.

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

3. CONSIDER AGENDA
   Moved by Commissioner Caswell and seconded by Commissioner Wagner to approve the HRA agenda. Motion Carried 4-0.

4. CONSENT AGENDA
   Moved by Commissioner Beaudry and seconded by Commissioner Caswell to approve the following consent items as outlined in their respective staff reports. Motion Carried 4-0.

   4.1 HRA Minutes - May 6, 2024

   4.2 Check Register

   4.3 Balance Sheet

   4.4 Revenue/Expenditure Reports

5. OPEN FORUM
   No one appeared for Open Forum.

6. GENERAL BUSINESS

6.1 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report.

6.2 Duffy Development Letter of Support for Coachman II State Funding Application

Mr. Mollan presented the staff report.

Moved by Commissioner Wagner and seconded by Commissioner Beaudry to approve a joint letter of support for Duffy Development Company for a state funding application for the proposed Coachman II housing project as outlined in the staff report. Motion Carried 4-0.

6.3 Placer.ai Presentation

Mr. Mollan provided a presentation for the Placer.ai software and reviewed the leakage report and specifics on things like downtown visitor trends and 169 Redefine impacts. He outlined relevant reports and features and explained how this data can apply to the activities of the HRA.

6.4 Extension - Sale of Main and Gates Properties

Mr. O'Neil presented the staff report. He explained some of the reasons for the extension have to do with investigating the current soil conditions, finalizing site drawings, and determining the current and future challenges with stormwater management. He distributed the latest version of the Second Amendment to Purchase and Sale Agreement, which was updated after the packet was distributed. He noted the contingency extension to June 28, 2024, and the closing date on July 31, 2024. Mr. O'Neil stated he was anticipating hearing back from Mr. Touchette once soil investigations are completed to discuss any adverse findings which can be updated at the July HRA meeting.

Commissioner Beaudry asked if Mr. O'Neil felt confident about closing but just required some additional time.

Mr. O'Neil felt they were very close to finalizing this project and required the extra time to iron out details to ensure they were comfortable with it.

Commissioner Wagner clarified that the city can still have the property for sale, they just can't take in any offers.

Mr. O'Neil stated that was correct.

Commissioner Caswell asked to see any site drawings. Mr. O'Neil stated he had just received a preliminary site plan and would forward it to the HRA.

Chair Chuba asked when the original closing date was.

Mr. O'Neil stated the original closing date was September 2023 with the project stalling over the winter, and the anticipated closing date was amended to June 28, 2024, prior to this extension request.

Moved by Commissioner Caswell and seconded by Commissioner Beaudry to approve Amendment Two to the purchase agreement for the HRA properties at Main Street and Gates Avenue with Ron Touchette, with a new contingency date of June 28, 2024, and closing date by July 31, 2024.

Motion Carried 4-0.

6.5 General Updates

Mr. Mollan updated the HRA on the downtown flower baskets, noting they were installed the week of May 20. He reminded the HRA that the bid solicitation process for the vendor will begin in July and August.

Mr. Mollan stated the Together Elk River Committee is working on the downtown light fixture banners in conjunction with ERMU, and will be changing the positioning of the banners on the poles as to not be damaged by any trucks. They are waiting on delivery of 3 additional brackets.

Mr. Mollan stated he was in touch with Jeff Krueger, the owner of Daddy-O's, who was uninterested in any public recognition by the HRA at this time.

Mr. O'Neil stated they were close to having Furniture and Things deliver furniture to the downtown green space (the former meat market site), perhaps as early as this week, as they finalize the Memo of Understanding between Furniture and Things, DERBA, the city/HRA.

Chair Chuba asked if the downtown flowers were only red.

Mr. O'Neil stated there should be five flower colors and should spill over the basket as they grow.

7. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Jennifer Wagner and seconded by Commissioner Lynn Caswell to adjourn the regular meeting and go into worksession.

The meeting adjourned at 5:59 p.m.

8. WORK SESSION – UPPER TOWN CONFERENCE ROOM

8.1 Substandard Property and Redevelopment at 19116 Troy Street

Mr. O'Neil presented the staff report and introduced Community Development Director Zack Carlton, who discussed the property conditions of 19116 Troy Street and provided background information on the property, including details on the living conditions of the home. He stated the owner is deceased with no next of kin and the property has no mortgage. He stated the city will initiate a formal condemnation and acquisition process as the home is uninhabitable. The HRA could be in a position to facilitate the redevelopment of the property to partner in facilitating acquisition and clean up the site with the hopes of selling the property.

Mr. O'Neil asked the HRA to discuss interest in taking a lead role in being a key partner in the acquisition and redevelopment process of this property and consider if they feel a project like this falls under the mission of the HRA.

The HRA discussed property valuation, clean up and remediation costs, and what funding sources could be used to purchase the property. They discussed the well condition and the fact that the property does not include city sewer and water, with no plans to bring in services. Mr. O'Neil explained the court process with the property and the fact that the property has to go tax forfeiture before selling.

The HRA discussed the benefits of acquiring the property, as it would help the neighborhood, bring the property back to the tax rolls, and provide an opportunity for someone to build a new home on a 1-acre lot.

It was the consensus of the HRA to bring this item back for a future work session to discuss funding sources and a summary of potential costs, and answer any legal concerns.

Commissioner Wagner and Mr. O'Neil exited the meeting at 6:32 p.m. to attend the City Council meeting.

8.2 Housing Rehab Loan Program Overview

Mr. Mollan provided an overview of the Housing Rehab Loan Program.

The HRA members discussed the amount of $150,000 available per year that can be dispersed, amounting to about 4 loans per year. They agreed the amount of $35,000 can be low when remodeling and CEE offers loans with higher lending limits. The current rate of 4% is below market but felt it was fair given the purpose of the program. Mr. Mollan noted that the ERMU mailer was going out in water bills in July. He suggested waiting until after the mailer goes out before considering expanding the urban service area.

Due to the desire for all HRA members to be present when considering any changes to the loan program policy, Mr Mollan stated they will continue the discussion at a future work session and review feedback after the mailer is distributed next month.

9. MOTION TO ADJOURN

Moved by Commissioner Beaudry and seconded by Commissioner Caswell to adjourn the work session.

The meeting adjourned at 6:52 p.m.

Minutes prepared by Jennifer Green.

Denny Chuba, Chair

Tina Allard, City Clerk