Meeting of the Housing and Redevelopment Authority Held at the Elk River City Hall Monday, August 5, 2024

Members Present:	Councilmember Jennifer Wagner, Commissioner Dennis Chuba, Commissioner Nate Ovall, Commissioner Lynn Caswell, Commissioner Mel Beaudry
Members Absent:	None
Staff Present:	Economic Development Director Brent O'Neil, Economic Development Specialist Joshua Mollan, 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 PM.

2. PLEDGE OF ALLEGIANCE

   The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

   Moved by Commissioner Wagner and seconded by Commissioner Caswell to approve the agenda. Motion Carried 5-0.

4. CONSENT AGENDA

   Moved by Commissioner Ovall and seconded by Commissioner Beaudry to approve the following consent items as outlined in their respective staff reports. Motion Carried 5-0.

   4.1 Draft HRA Minutes - July 1, 2024

   4.2 Check Register

   4.3 Balance Sheet

   4.4 Revenue/Expenditure Reports

5. OPEN FORUM

   There was no one present for Open Forum.

6. GENERAL BUSINESS

6.1 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report. As discussed at last month's meeting, Mr. Mollan explained in conversations he had with CEE, he learned that the borrower who had made overpayments on their loan through May did coordinate this with CEE prior to the payments as the borrower would be on vacation. CEE applied one lump sum of the payment which is counter to the agreement and therefore, Mr. Mollan asked the HRA for direction on whether they would like to take any further action on this, such as review our policy and agreements to align with CEE's processes.

Commissioner Caswell clarified that the borrowers worked with CEE to prepay on their loan for a few months.

Mr. O'Neil stated the borrowers did prepay, but the discrepancy is in how CEE accounted for the payments which does not align with the agreement. He asked the HRA how stringent they wanted to be to stick to the agreement documents.

Commissioner Caswell suggested the borrower set up auto-pay to avoid this situation and in keeping with the agreement. He stated he didn't want to be nitpicky, but there was an agreement in place. He asked if the prepayment was applied to all principle or was interest applied.

Commissioner Ovall stated he was concerned last month but now learning about the borrower communicating up front with CEE, he wasn't as concerned and felt this was just a board policy and course of dealings issue. He stated if this were to be a continual event, the borrower should consider an alternative arrangement for making payments to align with the loan agreement in place.

Chair Chuba stated in all the years they've had this loan program, this is the first time this has ever come forward, and he felt it was a one-off.

Commissioner Beaudry stated as long as this does not cause any confusion down the road, to both the borrower and CEE/the city, he was comfortable with it being a one-off.

It was the consensus of the HRA to have staff reach out to CEE to clarify the correct procedure.

6.2 Flower Basket Service Agreement

Mr. Mollan presented the staff report. He indicated he requested quotes from five companies and received one from the current vendor, Yardworx Outdoor Services.

Commissioner Ovall asked for the names of the other companies which were contacted to submit a bid.

Mr. Mollan indicated Spike's, Greenscape, Best Outdoor Services, and Great Northern Landscapes.

Commissioner Wagner stated the hanging flower baskets looked very good this year and felt the company remedied the mistakes from last year. She stated she would be fine continuing the relationship with Yardworx for the next 3 years.

Moved by Commissioner Wagner and seconded by Commissioner Caswell to approve an agreement with Yardworx Outdoor Services for downtown hanging flower basket placement and maintenance services for a period of 3 years as outlined in the staff

report. Motion Carried 5-0.

6.3 Liaison to Downtown Small Area Plan Steering Committee

Mr. O'Neil presented the staff report.

Moved by Commissioner Ovall and seconded by Commissioner Beaudry to designate Commissioner Lynn Caswell as the HRA member to serve on the steering committee for the 2024 Downtown Small Area Plan. Motion Carried 5-0.

6.4 Main and Gates Update

Mr. O'Neil presented the staff report. He indicated he would continue to update the HRA each month on this project. He indicated the applicant did receive the variance from the City Council and field work/surveying is being done on the properties. Mr. O'Neil stated he thought the timeline looks well intact and could perhaps be accelerated.

Mr. O'Neil stated Ron Touchette submitted Amendment 4 to the agreement the day prior (Sunday) requesting reimbursement for compaction mitigation costs. Mr. Touchette states that the soil was not compacted when fill was brought in to the property after the homes and basements were removed, which creates structural issues for anything that's now built on the property. Mr. Touchette received a quote to mitigate this and Mr. O'Neil asked the HRA how they would like to handle Mr. Touchette's amendment request, with perhaps a closed session or special meeting, or a committee discussion.

Commissioner Ovall asked about the quote and work done by Veit and wondered if it was supposed to be done.

Mr. O'Neil indicated he did not have sufficient time to review the property demolition documents from when the homes were removed a few years ago and was not prepared to provide any information today. He couldn't say if it was a contractual obligation or scoped incorrectly from the beginning.

Commissioner Ovall wondered if this situation is part of the condition of the property or part of due diligence, noting the city didn't make any representations or warrants beyond the site being shovel-ready. He stated he felt that with the other delays he didn't feel in a good position that further concessions are necessary and feels like it is not in the best interests of the HRA or taxpayers to provide any sort of reimbursement. He is open to a special meeting to discuss further.

Mr. O'Neil stated he has sent the same message to Mr. Touchette.

Commissioner Wagner agreed with Commissioner Ovall's comments.

It was the consensus of the HRA to call a special meeting to allow staff time to review past documents and check in with Veit.

6.5 Participation in 19116 Troy Street Acquisition

Mr. O'Neil presented the staff report.

Commissioner Ovall noted this project is truly a one-off as there is no successor or heir, it has been creating a blight/hazard in the neighborhood. He stated the HRA is not looking to take projects like this on but there is no traditional method that they city is able to use and because of that, he is supportive of this action.

Moved by Commissioner Ovall and seconded by Commissioner Beaudry to adopt a statement of the HRA requesting the city to initiate condemnation of 19116 Troy Street NW and declaring the HRA's intent to participate in the future acquisition of the property in the amount of $75,000. Motion Carried 5-0.

6.6 General Updates

Mr. O'Neil stated the property on Railroad Drive is no longer in consideration and will not intend to discuss moving forward.

Mr. O'Neil stated he will be meeting with Sherburne County for the housing study this week and will provide an update after that with the housing study.

7. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Wagner and seconded by Commissioner Ovall to adjourn the regular meeting at 6:29 p.m. and go into worksession. Motion Carried 5-0.

8. WORK SESSION – UPPER TOWN CONFERENCE ROOM

8.1 Workshop for 2025 Budget

The worksession opened at 6:05 p.m.

Mr. O'Neil presented the staff report and reviewed the performance measures and goals for the HRA, as well as the budget for 2025.

The HRA discussed increasing the commissioner pay, and while this was a volunteer position, a pay increase would be considered a small benefit to attract new talent while showing value of time and expertise. It would also align with the EDA as the HRA also makes important decisions considered by the city council. It was the consensus of the HRA to discuss commissioner pay increase with the City Council for HRA members.

After review, it was the consensus of the HRA to proceed with the budget as presented.

9. MOTION TO ADJOURN

Moved by Commissioner Beaudry and seconded by Commissioner Wagner to adjourn the meeting. Motion Carried 5-0.

The meeting adjourned at 6:29 PM

Minutes prepared by Jennifer Green.

Denny Chuba, Chair

Tina Allard, City Clerk