City of Elk River

**Meeting of the Housing and Redevelopment Authority**
**Held at the Elk River City Hall**
**Monday, January 6, 2025**

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| Members Present: | Acting Chair Nate Ovall, Commissioners Lynn Caswell, Mel Beaudry, and John Dietz |
| Members Absent: | Chair Denny Chuba |
| Staff Present: | Economic Development Director Brent O'Neil 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. by Secretary and Acting Chair Ovall.

2. PLEDGE OF ALLEGIANCE

   The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

   **Moved by Commissioner Caswell and seconded by Commissioner Beaudry to approve the agenda. Motion carried 4-0.**

4. CONSENT AGENDA

   **Moved by Commissioner Dietz and seconded by Commissioner Beaudry to approve the following consent items as outlined in their respective staff reports. Motion carried 4-0.**

   4.1 Draft HRA Minutes - November 4, 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. O'Neil presented the staff report.

Commissioner Ovall requested that CEE provide the HRA with reporting on 2024 loans that were administered from other lending programs. Mr. O'Neil stated they will request those reports and provide that information at a future meeting.

6.2 Res. 25-01: Authorizing membership in the Minnesota Municipal Money Market Fund (4M Fund)

Mr. O'Neil presented the staff report. Because the funds from the recent sale of the Main and Gates properties put the HRA over the needed collateralization level at The Bank of Elk River, staff is asking the HRA to consider joining the Minnesota Municipal Money Market Fund (4M), an investment fund administered through the League of Minnesota Cities. This membership offers municipalities to invest funds in a shared investment account and draws a better interest rate than a regular bank, creating increased investment earnings on HRA monies. The funds are liquid and staff will maintain a 2-1 ratio with 66% of funds in the 4M funds and 33% in The Bank of Elk River, available for usual operating needs.

Commissioner Ovall thought funds were managed in multiple accounts. Due to Commissioner Ovall's employment with The Bank of Elk River, he stated he will abstain from this vote.

Commissioner Dietz asked if the HRA could keep a higher ratio of funds in the 4M account due to better earnings.

Mr. O'Neil stated this consideration allows staff the discretion to put more of the HRA funds into the 4M fund, finding the right balance of operating funds and investing the remaining.

**Moved by Commissioner Caswell and seconded by Commissioner Dietz to approve Resolution 25-01 allowing membership in the Minnesota Municipal Money Market 4M Fund. Motion carried 3-0 with Commissioner Ovall abstaining.**

6.3 General Updates

Mr. O'Neil provided the commission with an update on the Main and Gates property, noting construction continues with a potential May/June completion. Commissioner Ovall expressed appreciation for Community Development Director Zack Carlton for representing the city when working with the developer and adjoining property owner, Rossman Construction. Mr. O'Neil stated Mr. Mollan and Cable TV staff will do a one-minute social media video post for this project, similar to the EDA Development Minutes video.

Mr. O'Neil stated he, along with Mr. Mollan and Commissioner Beaudry, will meet later in the week to discuss plans for the Housing Aid state funding. He stated he hopes to have an actionable item for the February HRA meeting. He stated they are considering partnering with an existing community entity to supplement and support them financially with the state funding.

Mr. O'Neil stated the Sherburne County housing study was completed and he will send the final copy to the commissioners.

Mr. O'Neil asked for the HRA to join in a group photo at next month's meeting.

Mr. O'Neil stated discussion continues for 555 Railroad Drive.

Mr. O'Neil stated the Troy Street property continues in probate court and the city will have a future item for council consideration regarding the condition of the property.

7. MOTION TO ADJOURN REGULAR MEETING

**Moved by Commissioner Beaudry and seconded by Commissioner Caswell to adjourn the regular meeting of the HRA and go into work session. Motion carried 4-0.**

8. WORK SESSION

Acting Chair Ovall opened the work session at 5:51 p.m.

8.1 Annual Meeting Discussion Items

Mr. O'Neil presented the staff report and distributed a copy of the enabling resolution and bylaws, requesting they contact him to let him know if there are any suggested changes. Commissioners Ovall and Caswell stated they wished to remain on the Joint Finance Committee. Officer nominations will need to be made at next month's annual meeting. Mr. O'Neil suggested a change to the date of the annual meeting from February to January beginning in 2026 and would require to amendment to the bylaws.

Mr. O'Neil then discussed the possibility of commission pay, and noted this board would recommend it to the council, and the council would look to the existing enabling resolution and would have to amend it to specify any compensation. He stated the board would have to look to the fund balance for any compensation for 2025 until it could be formally budgeted in future annual budgets. He reviewed a handful of area cities pay and while there wasn't pay specific to the HRA, there were amounts ranging from $25-$150 compensation for meeting attendance. O'Neil stated statutorily the EDA is allowed up to $75.00 for each meeting.

Commissioner Ovall suggested $75 per month for attending meetings, stating concerns with increased expenses with numerous special or closed meetings. The consensus of the HRA was whatever the amount of pay, that it be based on monthly attendance rather than per meeting dates. Mr. Dietz indicated from Elk River's standpoint, the work that is done between the EDA and HRA is similar and more responsible than other boards.

After discussion, it was the consensus of the HRA to consider at the February annual meeting to formally request the City Council to amend the HRA enabling resolution to include compensation at $75 per month for the HRA.

8.2 MnDOT Properties at Elk Hills Drive

Mr. O'Neil presented the staff report and asked if the HRA was interested in facilitating redevelopment of Parcel IDs 75-00422-0210 and 75-00422-0120. MnDOT could do a direct sale to the city but that requires an official appraisal and the sale would be at the appraised value. If the city purchased it directly, it would be considered a public purchase. Otherwise, MnDOT could declare the parcels as surplus and sell through a bid process where the highest bidder wins, and the purchase would be free and clear to do with the properties as the buyer wishes. Both processes take around 18 months to

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complete.

The HRA discussed if the city shows interest to MnDOT, it could possibly prevent the properties from sitting off the tax rolls any longer, and encourage MnDOT to put them on the market. They also discussed the scenario of purchasing the parcels with the intent of resale. They expressed concerns with the parcels being off the tax rolls; the cost of the appraised value; the location of the parcels not currently a high demand location; the future of Elk Hills Drive.

It was the consensus of the HRA that they were not interested in purchasing to resell or develop the parcels at appraised value but rather if MnDOT decides to sell through a bidding process, Mr. O'Neil will let them know of the city's interest in bidding.

9. MOTION TO ADJOURN

**Moved by Commissioner Beaudry and seconded by Commissioner Dietz to adjourn the meeting. Motion carried 4-0.**

The meeting adjourned at 6:18 p.m.

Minutes prepared by Jennifer Green.

Denny Chuba, Chair

Tina Allard, City Clerk