



Minutes

Roseville Economic Development Authority (REDA)

City Council Chambers, 2660 Civic Center Drive

Monday, January 13, 2020 – 6:00 p.m.

1. Roll Call

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Willmus, Groff, Laliberte, and Roe.

Present: President Dan Roe and Board Members Robert Willmus, Wayne Groff, and Lisa Laliberte.

Others Present: Attorney Martha Ingram, Executive Director Pat Trudgeon, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey

2. Pledge of Allegiance

3. Approve Agenda

Groff moved, Willmus seconded, to approve the agenda as presented.

Ayes: 4

Nays: 0

Motion carried.

4. Public Comment

5. Business Items

a. Election of Officers

Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 13, 2020.

Mr. Trudgeon asked with the city absent a Finance Director right now, can a motion be made for the Assistant Finance Director to be Assistant Treasurer without naming a particular person.

Attorney Martha Ingram indicated that can be done and explained the wording could be as follows “the person designated as the City Finance Director shall be the Assistant Treasurer”.

Member Willmus suggested the EDA keep the same officers as last year if that is amenable to everyone with the exception of the Assistant Treasurer to be named as the Finance Director or Interim Finance Director.

Willmus moved, Laliberte seconded, to designate 2019 Officers as 2020 Officers noting for Assistant Treasurer that the person filling the position of Finance Director will serve as the Assistant Treasurer.

Ayes: 4

Nays: 0

Motion carried.

- b. Authorize An Extension Of A Development Agreement With Twin Cities Habitat For Humanity Regarding 1125 Sandhurst Drive West**
Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 13, 2020.

Member Laliberte asked if there were any calls or complaints from neighbors regarding this item.

Ms. Kelsey indicated there were no calls or complaints.

Member Willmus stated when these projects come forward and there are delays, he would like staff to inform the EDA as that progresses.

Groff moved, Laliberte seconded, adoption of REDA Resolution No. 60 entitled, “Resolution Approving First Amendment To Purchase And Development Contract Between The Roseville Economic Development Authority And Twin Cities Habitat For Humanity, Inc.”

Ayes: 4

Nays: 0

Motion carried.

- c. Consider A Request For Tax Increment Financing (TIF) Assistance For Gaughan Properties Regarding Redevelopment Of 2501 Fairview Avenue (Fairview Fire Station)**
Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 13, 2020.

President Roe thought the term of the option agreement was two years and wondered if that is expiring in April 2020.

Ms. Kelsey indicated that was correct.

President Roe asked if this might potentially be extended.

Ms. Kelsey explained the first extension after one year was an extension which was exercised and they are in the last year of that.

President Roe noticed in the Resolution that the zoning under the conditions was listed as zoning from Institutional to Multi-Family Residential and thought it was supposed to be Regional Business or should it be stated to say zone it to a zoning suitable for multi-family residential.

Ms. Kelsey explained that is what would need to be done.

Ms. Kelsey introduced Mr. Dan Heber, Gaughan Companies and John Harris, Harris Architects who made a formal presentation to the EDA.

Member Willmus thought he saw something in the information given to them regarding the square footage of the units. He thought the studios were at 400 to 500 square feet and one bedroom at 700 square feet.

Mr. Harris thought that sounded right.

Member Willmus asked if Gaughan Companies has done a similar development like this elsewhere in a suburban community.

Mr. Heber reviewed the demand of housing in the area with the EDA. He noted what has been found in the marketplace is for people to have their own unit and not to share as well as having it affordable. He indicated this project is aimed toward affordability even though it is a market rate project. He explained this is a first ring suburb and close to a Metropolitan area and is the first one to be done.

Mr. Harris reviewed the site plan with the EDA.

President Roe asked if the parking is underneath the entire structure or only under a portion of it.

Mr. Heber indicated parking is on both portions of the building footprint itself.

Member Groff asked if there was any issue with the antennas on the water tower.

Mr. Trudgeon explained this is unknown at this point. There might be enough height there, but staff has not talked to the telecommunications company and one of the issues brought forward as something that needs to be sorted out if this project were to go forward as proposed.

President Roe suggested the rezoning item be reworded to say, "Rezone from Institutional to Zoning suitable for Multi-Family Residential".

Member Willmus thought the EDA should have further discussion about the broader financial picture that brought this option agreement to the table. He explained going back a couple of years when looking at the acquisition of the strip mall across the street, part of what made it attractive for him was that the Gaughan Companies did have this option agreement in place where the old firehouse would be put back on the tax rolls and Gaughan Companies holds an option agreement for the \$867,000 and looking at the financial assistance that would be needed, at least preliminarily, look at getting this up and going, he was not sure from his perspective that it washes and necessarily accomplishes the goals that he was looking at considering when the city was looking at the acquisition of the strip mall. He indicated he had a little bit of a problem with that. One of the things he looks to when evaluating TIF proposals, was jobs and would jobs come along with it in some component. This is not often seen in straight housing development or redevelopment and is something that factors into his ultimate determination.

Member Laliberte shared some of the same concerns. She noted she did not vote to purchase the strip mall and was advocating for this property going onto the tax rolls as soon as two years ago. She indicated she was interested in what the EDA is hearing as far as a proposal for the project, but she was also hesitant about the TIF after sitting on it for two years.

Member Groff did like the idea of housing in that area and is walkable and people do look for that and talk about it when moving to this area. He was concerned about the TIF because out of twelve goals for the city, only two were met.

President Roe noted five of seven criteria and two of twelve objectives were met. He indicated the use of the TIF for residential has been done on another recent project. He noted this is a site surrounded by commercial. There is the option to adopt the resolution or not adopt it which would provide the necessary feedback as well.

Member Groff explained one other issue is if Gaughan Companies does not go through with this, the property goes back on the market, and it may take another year or two to get the property onto the tax rolls.

Member Willmus thought that was something the city has not tested, and thought from a pure fiscal perspective of the city, that should be looked at. The Gaughan Companies does have an opportunity, in the interim, to decide if they want to go forward and acquire the site for the agreed upon price. The Gaughan Companies has the ability to do that and perhaps something different is done. He thought from a purely fiscal look at this, the ball is in the Gaughan Companies court and they have an opportunity to do something. The city is not obligated at this point to go forward with the approval of the TIF request.

He thought the site would sell fairly quickly and probably for more than the option agreement is for.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Roe moved adoption of REDA Resolution (Attachment F) entitled, "Resolution In Support Of Application For Tax Increment Financing Assistance For The Development Of Multifamily Housing," with the language change under the second condition on the second page.

The motion failed for lack of second.

Mr. Trudgeon indicated the option still stays in effect and will be exercised up to the end date if Gaughan Companies chooses. The city cannot do anything with the property until the option expires and this action seems to express the desire to not do TIF funding for this project.

d. Receive Presentation From Ehlers, Inc. And Provide Direction Regarding The City's TIF Management Program

Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 13, 2020.

Ms. Stacie Kvilvang, Ehlers, Inc., presented the Management Review and Analysis Tax Increment Financing Districts plan with the EDA.

President Roe asked if there is a timeframe on when the city has to get the pooling in use for economic development purposes or commit to that by.

Ms. Kvilvang indicated it can sit in the district until the city uses it. She continued her presentation including recommendations to retain pooling funds for economic development purposes and deposit the distributions from decertified districts into the EDA's funds .

Member Laliberte indicated she would want to have Member Etten at the meeting for further conversation and approval of anything.

President Roe stated it was nice to have some of these tools in the toolbox for these purposes but he understood the intention of Tax Increment Financing also is to return balances to the taxpayers and get things off the rolls at appropriate times. He wanted to weigh those two factors in this conversation and thought the answer for each district might be different.

Member Willmus concurred and indicated he also wanted to wait until everyone was present in order to make any determinations.


6. **Adjourn**

Groff moved, Willmus seconded, adjourning the REDA meeting at approximately 7:01 p.m.

Ayes: 4

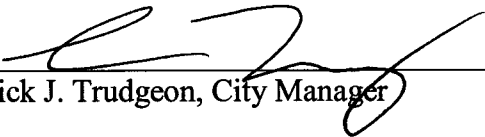
Nays: 0

Motion carried.



Daniel J. Roe, President

ATTEST:



Patrick J. Trudgeon, City Manager

