

**CITY OF FRIDLEY
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION
March 7, 2019**

Chairperson Holm called the Housing and Redevelopment Authority Meeting to order at 8:15 p.m.

MEMBERS PRESENT: William Holm
Elizabeth Showalter
Dave Ostwald
Gordon Backlund

MEMBERS ABSENT: Kyle Mulrooney

OTHERS PRESENT: Wally Wysopal, City Manager
Paul Bolin, HRA Assistant Executive Director

Action Items:

1. Approval of Expenditures

MOTION by Commissioner Backlund to approve the expenditures as presented. Seconded by Commissioner Showalter.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

2. Approval of February 13, 2019 Meeting Minutes

MOTION by Commissioner Showalter to approve the minutes as presented. Seconded by Commissioner Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MINUTES APPROVED.

3. Approval of Resolution – HRP Parcels – Anoka County Tax Forfeiture

Paul Bolin, HRA Assistant Executive Director, stated that in late 2010, the Authority and Council approved an amended and restated plan for the HRP. The restated plan gave the Authority the ability to add Phases (parcels) to the program by resolution. The City Council recently adopted a resolution expressing their desire to obtaining these properties from Anoka County. This past week, the Council provided pricing, including all acquisition costs to the City. The total cost for both of the homes is \$187,065.97.

Mr. Bolin said that once a parcel is included in the district, the HRA collects tax increment for a period of 15 years. The increment is used to help cover some of the costs of the program. Unlike a traditional tax increment district, the HRP is less cumbersome to administer. Since the program originally began in 1995, the City has approved thirteen phases for a total of 40 properties. Under special legislation approved in April 2010, the City can designate up to 100 total parcels, inclusive of the 40 properties currently in the program.

Mr. Bolin said that Anoka County recently made two tax-forfeit properties available to the City. Both properties are vacant, dilapidated and meet the requirements for the Housing Replacement Program. The properties are located at 6209 Baker Avenue NE and 4733 2 ½ Street NE. The property at 6209 Baker Avenue appears to be repairable and its visible location would lend itself well to be used as a home remodeling demonstration through our Fridley Foundations program. It has been over 8 years since the Authority has been able to acquire a property that would be suitable for that program. The property at 4733 2 ½ Street NE is a teardown. Staff will have the home demolished and place the lot for sale later this spring. Based on demand for Fridley lots, this site is likely to have a new home in place by Halloween.

MOTION by Commissioner Backlund to approve the resolution, HRP Parcels, Anoka County Tax Forfeiture. Seconded by Commissioner Showalter.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

4. Postponement of Approval of Land Sale – Sherman Associates - 6050 Main Street

Paul Bolin, HRA Assistant Executive Director, stated that staff have been working with Sherman Associates to help fill a \$600,000 funding gap on the mixed income portion of their development project. They are very close to having a solution that works well for both parties, but that will require an amendment to the existing redevelopment agreement. The amendment will be ready for the Authority approval on April 4th. Staff is asking that the public hearing on the land sale be postponed until April 4th to be approved the same time as the amendment to the redevelopment agreement.

Mr. Bolin noted that public hearing notices are required to be published in one of the official newspapers, a number of days before the meeting. Because the ad was placed prior to making the determination that an amendment would be needed to accommodate the gap financing, the public hearing was scheduled for March 7th. Staff is now asking the Authority to simply adopt a motion postponing the public hearing on the land sale until April 4th, so it can be acted upon with the redevelopment agreement.

MOTION by Commissioner Showalter to defer the public hearing to April 4, 2019. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

5. Approval of Bid Solicitation – Demolition of 6431 University Avenue

Paul Bolin, HRA Assistant Executive Director, stated that when staff was developing the contract for the redevelopment of the former City Hall site, it was envisioned that it would be advantageous for the Authority to have the developer be responsible for the demolition. The deal was structured such that the demolition costs would be deducted from the sales price. As we have moved forward, the demolition has become more complicated and it may be advantageous for the Authority to complete the demolition prior to the closing.

Mr. Bolin noted that discussions with the developer and separate discussions with the demolition contractors, staff believe the Authority can do the demolition for less than what would be paid to the developer to take on the demolition. Staff would work to solicit bids in anticipation of awarding the demolition contract on April 4th. Staff recommends that Authority authorize Staff to begin the bid solicitation process for the demolition of the former City Hall building located at 6431 University Avenue NE.

Chairperson Holm asked if this approval means staff may or may not go out for bids depending on negotiations.

Mr. Bolin replied correct, but that there will be bidding on this project either way. If they do work on our behalf, the developer will get bids. If the Authority takes on all of demolition staff would get bids from contractors for the demolition.

MOTION by Commissioner Showalter to approve the bid solicitation, demolition of 6431 University Avenue. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

6. Postponement of Approval of Land Sale – Fridley Investments, LLC – 6431 University Avenue

Paul Bolin, HRA Assistant Executive Director, said that this item is in relation to item the Authority already acted upon with the bid solicitation. Staff is asking the Authority to open the public hearing and continue to the April 4 meeting to authorize the actual land sale.

Commissioner Backlund asked why the Authority doesn't just table the public hearing.

Jim Casserly, Development Consultant, replied that staff wants to set a certain date. If the public hearing is deferred we don't know when to take it off of the table.

MOTION by Commissioner Backlund to open the public hearing and continue to April 4, 2019. Seconded by Commissioner Showalter.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

Informational Items:

1. Housing Programs Update

Paul Bolin, HRA Assistant Executive Director, said three loans closed on making three year to date. There were no remodel advisor visits and four home energy squad visits for 11 year to date.

The next meeting is April 4 starting at 8:15 pm.

Adjournment:

MOTION by Commissioner Backlund to adjourn. Seconded by Commissioner Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:36 P.M.

Respectfully submitted,

Krista Peterson
Recording Secretary