

6:00 P.M. OPEN HOUSE AT THE REEVE 4600 LAKE ROAD

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

7:00 P.M.

TUESDAY, MAY 9, 2023

COUNCIL CHAMBERS

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1. MEETING CALL TO ORDER:
 2. MICROPHONE CHECK:
 3. ROLL CALL: Webb, Murphy, Wagner, Blonigan, President Parisian
 4. CONSENT AGENDA:
Pursuant to REDA policy, one motion, non-debatable, will approve the recommendation noted. Any member of the REDA Board may ask for an item to be taken from the Consent Agenda for discussion and separate action. Such items removed from the Consent Agenda shall be considered immediately following approval of the balance of the Consent Agenda:
 - A. **Motion** to approve and order placed on file minutes of the following:
 - **Regular Meeting Minutes of April 11, 2023**..... **2-5**
 - B. **Motion** to approve **Disbursement Requests** for period ending **May 9, 2023**..... **6**
 5. PUBLIC HEARINGS:
 - A. None scheduled.
 6. OLD BUSINESS:
 - A. Minnesota Assistance Council of Veterans Request
Possible Executive Session..... **7-8**
 7. NEW BUSINESS – PRESENTATION:
 - A. Robbinsdale Tax Increment Financing (TIF) – Jason Aarsvold, Ehlers.... **9**
 - B. Homeowners Assistance Grant Program..... **10-14**
 8. OTHER BUSINESS:
 - A. None scheduled.
 9. INFORMATION ONLY:
 - A. Project Updates..... **15**
 10. REDA GENERAL COMMUNICATIONS
 11. ADJOURNMENT

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, APRIL 11, 2023
COUNCIL CHAMBERS

CALL TO ORDER:

1. The Robbinsdale Economic Development Authority (REDA) meeting was called to order at 7:00 p.m. by President Parisian.

MICROPHONE CHECK:

2. Complete.

ROLL CALL:

3. Members Present: Blonigan, Webb, Murphy, Wagner, President Parisian
Members Absent: None
Staff Present: Tim Sandvik, Executive Director
Ron Batty, EDA Attorney

#4A-B CONSENT AGENDA:

4. **MOTION** by Member Blonigan, seconded by Member Murphy to approve and place on file the Consent Agenda Items #4A-B:
 - A. **Motion** to approve and order placed on file minutes of the following:
 - **Regular Meeting Minutes of March 1642023**
 - B. **Motion** to approve Disbursement Requests for **period ending April 11, 2023.****The vote was 5-0 and the motion carried.**

#7A: NEW BUSINESS: Rebate & Homeowner Assistance Programs:

5. Pearson introduced the item. He shared current resources and examples from recent history. Then shared examples from neighboring jurisdictions. Grants are available from Hennepin County. Center of Energy and Environment provides a conduit for funding for home improvement loans. CEE is willing to work with the city at a cost.
6. President Parisian asked how much staff time is dedicated to this work in Crystal and working with the CEE staff who decides who gets the loan? Pearson stated that he will ask for further details on their program staff and we will work together to decide who gets a loan.
7. Member Murphy asked if we could contract with CEE to do all the administrative work so we don't need additional staff time. Pearson stated he could ask them.
8. Member Murphy asked if we could partner with Crystal? Pearson replied he could ask them. Some resources may be required.
9. Member Blonigan wants to make sure we have a good partnership.

10. Member Wagner inquired if all of the loans are forgivable. Sandvik stated that it could be but staff is looking for direction and will bring back recommendations.
11. Member Blonigan supports CEE if they are effective but with a lean staff recognizes limits.
12. Member Blonigan asked if other resources might be considered.
13. Member Wagner asked are there parameters to residency to limit "investors" or "flippers". Pearson shared that they want to see homesteaded properties.'
14. Member Murphy asked what do we want to accomplish, what do we want out of it curbside appeal or energy efficiency?
15. President Parisian stated give priority to sustainability.
16. Member Blonigan would like income limits for those who request assistance. Would also like to see a residency (stay for 10-year stay) requirement.
17. Member Webb would like to decide what direction we would go, would like to have community input. How is this going to be carried out? Budget to hire staff?
18. Sandvik stated we have good parameters from the Board and will come back with further information.
19. Member Wagner liked the Crystal model but would prefer a more flexible program.
20. Member Murphy stated a combination (give/start) is what he prefers.

#7B: NEW BUSINESS: Minnesota Assistance Council of Veterans Parking
Request possible Executive Session

21. Pearson presented the staff report. Provided photos of the site, survey of the building. The Minnesota Assistance Council of Veterans (MACV) has purchased the property and they want to convert it to 21 single occupancy sleeping rooms to 4 one bedrooms apartments and 11 single occupancy sleeping rooms. The lower level to be converted to 4 one-bedroom apartments. Outlined parking spaces at Broadway Court. MACV would like the EDA to allow some parking at Broadway Court. Presented ideas for parking spaces at Broadway Court.
22. Member Murphy asked how much parking is needed. Pearson stated they have a range...40% of residents have cars, so 6 spaces are needed.

23. Member Blonigan asked if the new use will be one that pays income taxes, would like to know what the MACV resources are. Wants any lease the EDA has to be completely under EDA control. Pearson stated the MACV intends to apply to be tax exempt should parking be used at Broadway Court.
24. **MOTION** by Member Blonigan, seconded by Member Webb to recess to Executive Session. **The vote was 5-0 and the motion carried.**

RECESS TO EXECUTIVE SESSION AT 7:49 p.m.

RETURNED FROM EXECUTIVE SESSION AT 8:16 p.m.

25. The Board provided direction to staff.

#7C: NEW BUSINESS: Rental Leases for 4614 41½ Ave N and 4165 Hubbard Ave N.

26. Executive Director Sandvik introduced this item. Guidance on what to do with these properties in terms of maintenance. Staff seeks to grant authority to the Executive Director to negotiate leases.
27. Member Blonigan described both properties. 4165 Hubbard is the Northside Oriental Market and 4614 41½ Ave N is Mitchell Realty. What do we net, do we have to pay a percentage to county in lieu of real estate taxes? Sandvik stated that he does not have the net but will get into more information on revenue and expenditures for each property.
28. Member Murphy stated agreed with Member Blonigan. Are our leases triple net? Sandvik stated he will provide further information.
29. President Parisian agreed to expectations. Member Blonigan clarified the term triple net means having the tenant pay a percentage of the operating costs of utilities, taxes, etc.
30. **MOTION** by Member Murphy, seconded Member Webb to authorize the Executive Director to negotiate and execute rental leases for 4614 41 ½ Ave N and 4165 Hubbard Ave N.
The vote was 5-0 at the motion carried.

#7D: NEW BUSINESS: Potential Easement Discussion – 4600 41st Ave N

31. This item was discussed in Executive Session.

#7E: NEW BUSINESS: Partnership with Hennepin County in the new Elevate Business Program

32. Sandvik presented this item regarding. This program is intended to be the next step from Open to Business program. Hennepin County has implemented this program to many cities in Hennepin County to move this program forward.
33. No comments or questions from the Board.
34. **MOTION** by Member Murphy, seconded by Member Wagner to authorize the Executive Director to sign "Agreement for Elevate Hennepin Programming".
The vote was 5-0 and the motion carried.

#8A: INFORMATION ONLY: Project Update:

35. Pearson reported that The Reeve is 56% leased and 30% occupied.

#9A: REDA GENERAL COMMUNICATIONS:

36. Commissioner Webb asked for confirmation of the Open House for The Reeve. Sandvik replied that it will be on May 9 at 6:00 p.m. and is a public meeting.

10: ADJOURNMENT:

37. **MOTION** by Member Wagner, seconded Member Murphy to adjourn the meeting at 8:30 p.m.
The vote was 5-0 and the motion carried.

Mia Parisian, REDA President

Tim Sandvik, Executive Director



AGENDA ITEM #4B
May 9, 2023

CONSENT AGENDA: Disbursement Requests for period ending
May 9, 2023

This information will be distributed at the meeting.



AGENDA ITEM #6A
May 9, 2023

Old Business: Minnesota Assistance Council of Veterans request Possible Executive Session

BACKGROUND:

On April 11, the REDA discussed a concept of allowing the Minnesota Assistance Council for Veterans (MACV) to use land on the Broadway Court property for additional parking. MACV has provided a conceptual drawing showing how they would use the land.

ANALYSIS/CONCLUSION:

Staff received the drawing provided as **Attachment A** on Thursday morning. The concept shows 4 spaces including a handicapped space on the REDA owned land and 2 parallel spaces alongside the MACV residential building. The layout of the spaces appear to comply with the City Code dimensional requirements.

Previously, board members mentioned their expectation that MACV provide a comprehensive solution to their parking deficit issue, not just depend on the adjacent Broadway Court property. At the April 20 Planning Commission meeting, Jon Lovald, the MACV representative unveiled an agreement to lease seven parking spaces from the Hennepin County Regional Rail Authority behind Hubbard Market Place. The combined parking spaces would be 13. Two less than the code requirement for one space per unit (11 single occupancy sleeping rooms and 4 one-bedroom apartments).

The REDA is being asked to consider the concept and if they are in support, what method of agreement or permission would necessary. It may be appropriate to recess the meeting to discuss the request in Executive Session.

RECOMMENDATION:

Discuss and provide direction to Staff.



Tim Sandvik, Executive Director

CONCURRENCE:



Rick Pearson, Community Development Coordinator



Agenda Item #7A

May 9, 2023

NEW BUSINESS: PRESENTATION – Robbinsdale Tax Increment Financing (TIF)

Jason Aarsvold, Ehlers



AGENDA ITEM #7A
May 9, 2023

New Business: Homeowner Assistance Grant program

BACKGROUND:

On April 11, the REDA discussed a possible home improvement program and prompted staff to contact the City of Crystal and the Center for Energy and Environment (CEE). The City of Crystal has a contract with CEE and Community Development Director John Sutter suggested that Robbinsdale could benefit by developing a similar program based upon the Crystal model.

ANALYSIS/CONCLUSION:

Staff's initial objective was to find out about the role of city staff in the program to determine the amount of resources needed. CEE administers programs for 17 cities, MN Housing, Center Point Energy and Ramsey County. Each one is different, so staff needs to be involved on the front end of a project.

- Once the program is set up, staff will need to provide guidance and “triage” the program for homeowners.
- CEE staff will provide most of the services to the homeowner applicants and submit monthly statements to city staff for processing payments.
- Ultimately, there will be a final inspection by the city which could be a building permit final inspection, or simply a final inspection for a project that does not require a building permit. Landscaping is an example.
- Staff asked Director Sutter if Crystal could administer the program for Robbinsdale. He replied that he loves the idea of partnership with Robbinsdale, but their specific program is operating and they have a 2023 contract with CEE that would have to be renegotiated. In addition, Robbinsdale's program may be different in some ways and Robbinsdale's zoning standards are unfamiliar to Crystal staff. Director Sutter was kind, yet direct in saying “no.”
- Staff was left with the understanding that the administrative impact cannot be avoided, but it would be comparatively minimal, and a small fraction of a full-time equivalent position.
- A contract with CEE requires a one-time start-up fee of \$2,500 and an annual administrative fee of \$5,000. The homeowner will be paying a \$500 origination fee for each grant.

The Crystal Program Guidelines are provided as **Attachment A**. If the REDA is in support of the program, Jim Hasnik, Director of Lending Services, CEE may be willing to make a presentation to the REDA at their next meeting. Or, the REDA could authorize the Executive Director to negotiate a contract with direction on how much annually the REDA would be willing to fund in addition to \$7,500 for the first year.

RECOMMENDATION:

Discuss and provide direction to staff.

CONCURRENCE:

Rick Pearson, Community Development Coordinator

Tim Sandvik, Executive Director

EXHIBIT A1

Crystal Program Guidelines

This document includes guidelines for the
Home Improvement Program of the
Economic Development Authority of the City of Crystal

CRYSTAL PROGRAM GUIDELINES

The Crystal Economic Development Authority (Authority) is making funds available for homeowners to assist with home additions, remodeling, maintenance and energy improvements. The Crystal Home Improvement Program is designed to supplement existing loan programs available from MHFA, CEE, private lenders and other housing resources. These programs are not intended to be the sole source of improvement funds available to the homeowners in the City. Center for Energy and Environment shall serve as the administrator for the Crystal Grant Program and will secure the most beneficial financing based on the borrower's needs independent of the funding source.

Crystal Grant Program

Eligible Project Expenses:

- Interior remodeling
- Building additions
- Finishing basements, attics or similar spaces to convert them into habitable space
- Energy efficiency improvements
- Exterior building improvements such as roofing, siding, soffits/fascia, windows and doors
- Site improvements such as retaining walls, sidewalks, driveways, fences, patios, decks, garages and the removal of diseased or hazardous trees
- Systems such as HVAC, electrical and plumbing
- Permanent Landscaping

Ineligible Project Expenses:

- Payment for work initiated prior to the grant being approved and closed, unless due to emergency.
- Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.)
- Furniture, non-permanent appliances (unless part of a kitchen remodel), funds for working capital, debt service or refinancing existing debts.
- Homeowner labor or other in-kind contributions to the project.

Minimum Project Size:

Eligible Project Expenses must total at least **\$4,000** to qualify for a grant.

Grant Amount:

20% of Eligible Project Expenses, except as noted below:

- Exception: For projects replacing or lining a sanitary sewer service and/or disconnecting stormwater drainage (sump connections, foundation drains, etc.) from the sanitary sewer, the grant amount is 40% of those particular, itemized project costs. This is intended to augment the city's efforts to reduce inflow & infiltration into the sanitary sewer system. In many cases this work will be triggered by, and completed in conjunction with, the city's utility reconstruction projects (typically 1-4 blocks per year). However, any income-qualified, owner-occupied residential property in the city is eligible.

No property may receive grants totaling more than **\$8,000** in any calendar year.

Eligible Properties: 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Crystal. Properties held in a Trust, Townhomes and Condominiums are eligible, subject to Association Bylaws. Properties may be held in a Contract for Deed. If the property has more than 1 unit, the non-owner-occupied units must be in compliance with the City of Crystal's rental licensing requirements.

Ineligible Properties: Dwellings with more than 4 units, cooperatives, manufactured homes, time shares, properties used for commercial purposes and non-owner occupied properties.

Eligible Recipients: All recipients must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, and Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Recipients: Including but not limited to: - Businesses, Foreign Nationals, Non-Occupant Co-Borrowers, and Properties held in the name of a trust.

Income Limit:

The property owner's household income, including all persons living with the property owner regardless of familial or relationship status, shall not exceed the following maximum household income thresholds using HUD Regional Median Income based on household size:

- **90%** of regional median income for **1-person households**
- **100%** of regional median income for **households of 2 or more persons**

Income will be determined by the adjusted gross income on the most recent Federal Tax Return. If a tax return is not required, income will be determined by the projected gross income for the upcoming 12 months.

Credit Requirements: 1) All mortgage payments must be current, 2) All real estate taxes must be current, and 3) No defaulted government loans, tax liens or child support.

Bids: Two estimates are required. Only 1 materials list is required for sweat equity projects. All contractors must be properly licensed

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis, but only the purchase of materials and rental of tools or equipment will be considered an Eligible Project Expense.

Recipient Paid Fees: None

Deadline for Work Completion: All work must be completed within 120 days of the grant closing. Extensions may be granted by CEE due to weather or similar factors.

General Program Conditions

Application Processing: Grants will be distributed on a first come first serve basis as recipients qualify. **Applicants must provide a completed application package including the following in order to be considered for funding.**

- Completed and signed application form
- Proof of income
- Proof of Identity (drivers license, passport, etc.)
- Bids or estimates for proposed projects
- Other miscellaneous documents that may be required.

Program Costs: Grant origination fees, grants and post-installation inspection fees will be paid out of the Program Budget. Program marketing efforts will be billed directly to the City of Crystal and is a separate expense should the city choose to commission CEE for marketing support.

Total Project Cost: It is the recipient's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final cost exceeds the original amount, the recipient must obtain the additional funds and provide verification of the additional funds in order to proceed.

Disbursement Process:

Grant: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. An inspection will be performed by a City Inspector and/or CEE to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final invoice or proposal from contractor (or materials list from supplier);
- Final inspection verification by a City Inspector ;
- Completion certificate(s) signed by borrower and contractor;
- Lien waiver for entire cost of work;
- Evidence of city permit (if required) or confirmation of post-installation inspection by city (if no permit is required).

AGENDA ITEM #9A
May 9, 2023

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
3359 Halifax (TIF 2000-9) (Peterson/Coastland)	Home title transfer closed April 29, 2022. Title company holds escrow for completion of landscaping and driveway (completed).
4600 Lake Road	Building is almost finished. First move-ins Dec. 1. Working through final inspections.
4136 Regent – Garages (Pendergast)	TIF Project 8: Mortgage payments for acquisition started 6/2016. Last mortgage payment 6/27/2036.
3933-39 W. Broadway	Green space pending development.
42 nd /W Broadway	Parking lot pending development.
3600 France –Parker Station Flats	Final report has been submitted to DEED. There will be 1-year post completion follow up on the TBRA grant from Met Council.
3760 Lee – sale to city	Property will be conveyed to the City this month.
3108-12 Grimes; 4212 Grimes	Holding.
4614 41 ½ Ave N (Mitchell Realty)	12 month lease agreement signed which expires August 2023
4165 Hubbard NSide Oriental Mkt	Lease through 4/30/2023 – payments on schedule.
4501 Orchard	REDA has right to review plans through 2028. Lot owned by neighbor.
Broadway Court	Market Rate Units and Commercial bays.
• Bonds	Final bond payment 2/1/2029. Opportunity to call in 2026.
• Great Lakes Management	5-year management agreement thru 12/31/2022. Automatic 1 year renewals unless either gives the other 90 days written notice of intent not to renew.
• Salon HALO	Exercised extension through 6/30/2024.
• GO Health	Lease extended through 12/31/2026.
Wicked Wort Façade loan	Project completed – forgiven after 10 years (December 2025)
Golden Age Design Façade loan	Project completed – forgiven after 10 years (December 2026)
Birdhouse Building Façade loan	Project completed –forgiven after 10 years (March 1, 2031)
Travail/PAMP-Nouvelle EDIF County Grant	Report on employment status was submitted at the two-year mark after certificate of occupancy. No response from County.
Parker Village Bonds- TIF#8	Bond refinanced Final payment 2/1/2032 – decertify 12/31/2031.
Downtown TIF#10	Travail-Soul Bros Devts. 1 st note expected to be paid off in 2024 for Nouvelle Brewing location, at that time all TIF funds go to 2 nd note. Expected to decertify 2030. District must decertify 12/31/2039.
Hy-Vee TIF#11	Pay-as-you-go TIF agreement. Projected decertification 12/31/2044.
Clare Housing TIF#12	Pay-as-you-go TIF agreement. Projected decertification 7/1/2042.
Birdtown Flats District TIF#13	Pay-as-you-go TIF agreement. Projected decertification 7/1/2033.
Parker Station Flats TIF#14	Pay-as-you-go TIF agreement. Projected decertification 12/31/2046
4600 Lake Road TIF#15	Pay-as-you-go TIF after project completion. Completion est. 12/31/2022.
OPEN TO BUSINESS	By appointment only. Multi-year contract with ability to cancel. Hennepin County is proposing a new partnership called Elevate Business.

Tim Sandvik, Executive Director