

**ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, JULY 14, 2020
VIA WEBEX**

CALL TO ORDER:

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

MICROPHONE CHECK:

2. Complete.

ROLL CALL:

3. Members Present: Rogan, Backen, Murphy, Selman, President Blonigan
Members Absent: None
Staff Present: Marcia Glick, Executive Director
Rick Pearson, Community Development Coordinator
Ron Batty, REDA Attorney

#4A-B CONSENT AGENDA:

4. **MOTION** by Member Rogan, seconded by Member Selman to approve and place on file the Consent Agenda Items #4A-B:
 - A. Motion to approve and order place on file minutes of the following:
 - Regular Meeting Minutes of June 9, 2020;

- B. Motion to approve **Disbursement Requests** for period ending July 14, 2020;

ROLL CALL:

AYE: Rogan, Backen, Murphy, Selman, President Blonigan

NAY: None

The vote was unanimous and the motion carried.

#5: CONTINUED PUBLIC HEARING: 3359 Halifax Ave N – Disposition of Land:

5. Pearson presented the staff report for this 40-foot wide lot priced at \$55K. He has spoken extensively with a builder, Jim Curry, who is very interested in the lot. He may have drawings for review at next month's meeting. He is familiar with the area and would plan for the building to be his home.

6. President Blonigan opened the public hearing. No one from the public spoke to this item.

7. **MOTION** by Member Selman, seconded by Member Backen to continue the public hearing to 7 pm, Wednesday, August 12, 2020.

ROLL CALL:

AYE: Rogan, Backen, Murphy, Selman, President Blonigan

NAY: None

The vote was unanimous and the motion carried.

#7A: OLD BUSINESS: Birdtown Flats Authorization of TIF Note

8. Glick reviewed the staff report. Certificates of Completion have been issued from the development authority and the city. Documents have been submitted for eligible reimbursable amounts in excess of the agreed upon TIF notes. 90% of TIF is available on this note. Adopt the resolution prepared by our attorney.
9. President Blonigan asked about the occupancy rate at Birdtown Flats. **Duane Lund, Beard Group**, addressed occupancy which is at 74%. Continuing to lease during pandemic. Most tours have been virtual but have seen an increase in traffic for showings. Hoping for a 90% occupancy around Labor Day.
10. **Bill Beard, Beard Group**. Need to complete some flashing in one unit, apply graffiti removal coating, some warranty work, and some new plantings put in. Except for these remaining repairs, the project is done.
11. President Blonigan asked about the performance of this project compared to similar properties. **Mr. Lund** replied that Steven Scott Property Management has compared projects like Birdtown Flats throughout the metro with similar age and lease up phase. Class A projects in the last 3-5 years are holding their occupancy but have lost some tenants due to lifestyle changes for younger tenants. On the lease up side, Birdtown Flats has exceeded other projects around the metro that are in lease up phase. This is unique to Robbinsdale's location, the development team and a new market.
12. Member Selman asked for an update on the lighting concerns. **Mr. Beard** noted that the ribbon lights across the top of the roof have been dimmed to 10% and cannot be dimmed further and stay on. Lights are off at 11 pm. Street lights have been blacked out facing the neighborhood to the west and towards Crystal Lake. Path finding lights for safe use of the dog park area remain on. The cost for rewiring, adding dimmers and timers was \$10-15K. It's a big building with more apartments occupied more lights will be on.
13. Member Rogan voiced concern about the "up lights" on the Crystal Lake side of the building. Will be meeting with neighbors.
14. Member Backen thanked Mr. Beard and Mr. Lund for being responsive to concerns. He has spent time up on the roof at Birdtown Flats and its beautiful with great sight lines.
15. **MOTION** by Member Selman, seconded by Member Murphy to waive the reading and order the adoption of "RESOLUTION APPROVING THE ISSUANCE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAXABLE TAX INCREMENT REVENUE NOTE, SERIES 2020a IN AN AGGREGATE PRINCIPAL AMOUNT OF \$2,500,000.

ROLL CALL:

AYE: Rogan, Backen, Murphy, Selman, President Blonigan

NAY: None

The vote was unanimous and the motion carried.

16. President Blonigan asked why the interest calculation is based on a 360-day year is still being used. Mr. Batty replied that it is a traditional bond provision.
17. **MOTION** by President Blonigan, seconded by Member Rogan to amend the interest rate calculation in the resolution to calculate interest on the true number of days in the year or 360-day whichever is more preferential to the EDA.
18. Member Backen spoke against the amendment stating it could cost us more money in legal and banking fees to go back and change things. Let's wait until the next bond issue.
19. Member Selman stated that while he liked the way the President worded the motion, he agreed with Member Backen.
20. Glick stated that the developers are expecting to sign the closing documents in the morning. Attorney Batty replied that he does not know which way is more advantageous to REDA and that the wording of the resolution and note attached to the development agreement specify the 360-day calculation.
21. President Blonigan would like to know what calculation will be used for the next bond issue.
25. **ROLL CALL:**
AYE: None
NAY: Rogan, Backen, Murphy, Selman, President Blonigan
The vote was unanimous and the motion failed.

#7B: OLD BUSINESS: 3917 Vera Cruz Ave N – Purchase Price Request:

26. Glick presented the staff report for this lot for which the purchase agreement was signed with Beckmann Custom Homes for \$65,000 in May. The current concern is that in order to set the house elevation similar to the adjacent neighbors, the first floor elevation needs to be set at a point that is a couple of feet lower than what is common in other areas.

Due to extra excavation the additional fill has to be hauled to the nearest dumping site at a cost of \$6,000 to haul 35 loads of fill 20 miles away. An additional unexpected costs of \$3,000 for tree and stump removal. We sell our lots 'as is;'. A request has been received to change the purchase price from \$65,000 to \$56,000 in order to build the home proposed and keep the purchase price just under \$500,000. This is the third builder to look at this property. The last builder with similar home value did not move forward with a \$60,000 purchase price.

27. President Blonigan asked if we have any place we can take fill like Sochaki Park. Glick replied that she is unaware of any plans to bring in fill to a park property. Sochaki Park has restrictions being that it was funded by park grant funds.
28. Member Selman asked if the 35 loads represents 100% of the fill and how high up is he planning to build the foundation. Pearson replied that he recalled the review of the plans indicated a steep driveway at 9% because the excavation of

the site would have the house sitting up higher. Former house had a small basement but the proposed house will have a larger basement with higher ceilings so it will have a much bigger hole.

29. President Blonigan asked what's the construction schedule. Would like our engineer and Rick Pearson to look at the load calculation and determine if the cost is reasonable. Pearson replied that he understood the developer would like to proceed this summer.
30. Member Murphy asked how the stump and tree removal were unexpected. Glick replied she did not know.
31. President Blonigan asked if it is reasonable to pay half of fill, tree and stump removal, or go into executive session. He suggested Staff see if other cities nearby needed fill.
32. Member Selman was not supportive of funding the cost to haul fill until he knows the amount of fill to be removed related to the height of the house. Member Rogan agreed. Glick stated you can form the motion to account for the amount of soil to be removed related to the height differential. Member Rogan supports some reduction in price for the lot.
33. **MOTION** by Member Rogan, seconded by Member Backen to authorize a reduction in the purchase price of the property equal to an amount that represents the cost of removal of the additional fill to conform to city standards up to a maximum amount of \$5,000 after verification by the City Engineer and City Planner.
34. Member Selman asked why \$5,000.00. This amount is way too high.
35. Member Rogan clarified that the amount is capped at \$5,000. Staff will verify through research as to what the actual amount will be.
36. **ROLL CALL:**
AYE: Rogan, Backen, Murphy, Selman, President Blonigan
NAY: None
The vote was unanimous and the motion carried.
37. Member Selman stated that the calculation of the fill should be from the bottom.

#10: Information Only: Project updates

38. Glick noted that a possible tenant is interested in the dentist office.

#11: REDA General Communications

39. Member Selman said he missed seeing everyone during Whiz Bang Days.
40. President Blonigan stated he missed Whiz Bang Days. Constituents have requested continuing to televise special meetings.

41. Glick announced that the August EDA meeting is expected to be held at City Hall.
42. Blonigan noted that some of his constituents are requesting that the work sessions continue to be available for viewing on-line. Glick noted that a blend of in-person and on-line log-ins is challenging technologically and that the informal meeting area where work sessions are normally held is not equipped with AV equipment. Options will be explored.

#12: ADJOURNMENT:

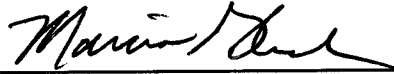
43. **MOTION** by Member Rogan, seconded by Member Blonigan to adjourn the meeting at 7:57 p.m.

ROLL CALL:

AYE: Rogan, Backen, Murphy, Selman, President Blonigan

NAY: None

All voted in favor and the motion carried.



Marcia Glick, Recording Secretary



William A. Blonigan REDA President