

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
6:00 P.M.
TUESDAY, SEPTEMBER 17, 2019
COUNCIL CHAMBERS

1. MEETING CALLED TO ORDER

2. MICROPHONE CHECK:

3. ROLL CALL: Blonigan, Selman, Murphy, Backen, President Rogan

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 and Executive Session Meeting**
Minutes of August 20, 2019..... 2-5

B. **Motion** to approve **Disbursement Requests** for period ending
September 17, 2019..... **6**

C. **Motion** to adopt the resolution designating the homes as blighted and
indicating intent to place the homes in a future TIF District
(3917 Vera Cruz Ave N)..... 7-9

D. **Motion** to adopt the resolution designating the homes as blighted and
indicating intent to place the homes in a future TIF District
(4217 Ewing Ave N)..... 10-12

5. CONTINUED PUBLIC HEARINGS:

A. 3359 Halifax Ave N – Disposition of Lot..... **13**

6. OLD BUSINESS:

A. 4614 41-1/2 Ave N – Costs..... **14-15**

7. NEW BUSINESS:

A. 3917 Vera Cruz Ave N – Update..... **16**

8. OTHER BUSINESS:

A. None scheduled.

9. INFORMATION ONLY:

A. Project Update..... **17**

10. REDA GENERAL COMMUNICATIONS

11. ADJOURNMENT

Marcia E. Glick
Marcia Glick, Executive Director

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, AUGUST 20, 2019
COUNCIL CHAMBERS

CALL TO ORDER:

1. The Robbinsdale Economic Development Authority (REDA) meeting was called to order by President Rogan at 6:00 p.m.

MICROPHONE CHECK:

2. Complete.

ROLL CALL:

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

#4A-B CONSENT AGENDA:

4. **MOTION** by Member Murphy, seconded by Member Backen 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 and Executive Session Meeting Minutes of July 9, 2019;
 - B. Motion to approve **Disbursement Requests** for period ending August 20, 2019;**The vote was unanimous and the motion carried.**

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

5. Pearson presented the staff report. The lot has recently been cleared. This 40 foot lot is ideal for a walkout. Some interest in the lot but no lot reservations yet.
6. **MOTION** by Member Backen, seconded by Member Murphy to continue the public hearing to 6:00 p.m. on September 17, 2019.
The vote was unanimous and the motion carried.

#7A: OLD BUSINESS: Hy-Vee TIF Note

7. Glick presented the staff report for the TIF Note for Hy-Vee. Project is complete. They have provided all documentation. Project was very close to the assessors estimated market value.
8. Member Rogan requested information on what the assessed market value was before being sold to Hy-Vee.

9. **MOTION** by Member Selman, seconded by Member Backen to approve **RESOLUTION NO 2019-08 APPROVING THE ISSUANCE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAXABLE TAX INCREMENT REVENUE NOTE, SERIES 2019A IN AN AGGREGATE PRINCIPAL AMOUNT OF \$2,060,000.**
The vote was unanimous and the motion carried.

#7B: OLD BUSINESS: 4614 41-1/2 Ave N - Costs

10. Glick presented the staff report on this property currently being leased for office space by the Travail collective through September. The EDA asked staff to obtain cost to demolish the building and extend the plaza across the entire space. An estimate was received from a demo contractor for \$42,000. This would assume that they would leave some of the basement walls in place for shoring up the sidewalk and adjacent building, and backfill to be used as a patio.

The new Travail building is expected to be available in October. They are asking to extend the lease at least until the end of the year to get organized.

In discussion with the restaurant operator looking at the Canton Garden space. They have hired an architect but nothing to show the city council yet regarding request for windows, door and plaza use.

11. President Rogan asked if a concept drawing could be provided at the next meeting.
12. Member Selman asked if the lease extension needs to be decided soon. Glick replied they are aware of something is going to be done on the lot.
13. Member Blonigan would like to know what to tell people about what is going in the Canton Garden space. Glick replied the branding will change but not the people who have met with REDA and City Council.

#7C: OLD BUSINESS: 3917 Vera Cruz Ave N – Consider Acquisition:

14. Glick presented the staff report noting that a proposal was received to purchase the property for \$80,000. She asked for more information regarding the costs that were put into the property. Received a sworn construction statement from the sellers but not sure all work was completed. Need more information to recommend the purchase price. There is an interested buyer if acquisition goes forward.
15. Member Blonigan asked if we could ask the city attorney if we can appeal assessors' estimated market value. Glick commented that a request has been submitted to the assessor.
16. Staff will proceed with negotiations per earlier instruction.

#8A: NEW BUSINESS: 4217 Ewing Ave N – Consider Acquisition

17. Pearson presented the staff report for this property at Ewing and France. He presented pictures of the house/lot. This property is located where the front yard is on Ewing and part of the backyard is on France with substantial grade change. Mr. Rood is in the audience and is interested in selling the house. It is a 1924 vintage house with a large garage addition. Noticed a sag in the roof line and a concern that water could be entering at this point. Mr. Rood is asking \$120,000 for the property.
18. Glick stated that the house is a good candidate for starting over.
19. Pearson presented pictures of the interior of the house.
20. President Rogan asked what is the size of the lot and if a garage could be built entering from France. Pearson replied it is 7,300 square feet and about 45 feet across the front and it would be a tuck under garage but could be expensive to build.
21. Member Rogan asked the assessed value of the property. Pearson stated that it was \$177,500. He has asked assessor to the lower price but no reply yet.

Recessed to Executive Session at 6:20 pm
Returned from Executive Session at 6:39 pm

22. The Board provided direction to the Executive Director.

#10: Information Only: Project updates

23. No action required.

#11: REDA General Communications

24. Member Blonigan noted that at the end of his block there is a house that is about to receive the Certificate of Occupancy. All four of the homes on the block are close to completion.
25. Member Selman stated that they would like to have the opportunity to tour the homes when they are done.

#12: ADJOURNMENT:

26. **MOTION** by Member Selman, seconded by Member Murphy to adjourn the meeting at 6:41 p.m.
The vote was unanimous and the motion carried.

Meagan Donahue, Recording Secretary

Dan Rogan, REDA President

**ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
Executive Session MEETING MINUTES
TUESDAY August 20, 2019**

CALL TO ORDER:

1. The Board Executive Session was called to order at 6:24 p.m.

ROLL CALL:

2. Members Present: Murphy, Backen, Selman, Blonigan, President Rogan
Members Absent: None
Staff Present: Marcia Glick, Executive Director;
Rick Pearson, Community Development Coordinator
3. The purpose of the meeting was to discuss negotiation strategy for the purchase of 4217 Ewing Ave N. Board members provided instruction to the Executive Director.

[NOTE: A tape recording of this meeting will be available after the property has been acquired.]

4. The meeting was adjourned at 6:38 pm.

Marcia Glick, Recorder

Dan Rogan, President



AGENDA ITEM #4B
September 17, 2019

CONSENT AGENDA: Disbursement Requests for period ending
September 17, 2019

This information will be distributed at the meeting.



AGENDA ITEM #4C
September 17, 2019

Consent: Acquisition of 3917 Vera Cruz Ave. N. – Adoption of Blight Resolution

BACKGROUND:

Ms. Janet Prest, the owner of the property at 3917 Vera Cruz Ave. N. offered to sell the property to the REDA for \$80,000. REDA provided instruction for acquisition at the July 9, 2019 meeting. The house is in very poor condition and is a good candidate for demolition. The estimated market value for taxes payable in 2020 is \$192,000; the property owner did not appeal this valuation.

Hennepin County will look at the 2019 valuation and consider an abatement for 2020. REDA will be able to adopt a resolution indicating intent to put the property in a TIF district prior to demolition and have time to put this property and the property on 4217 Ewing Ave N in a new Project 2000 TIF district in the spring.

ANALYSIS/CONCLUSION:

Staff received information on the owners' costs since acquisition of the property including building clean out, installation of a protective beam and installation of new electrical box in the garage to supply power during construction of a new home on the site and the owner provided a total site investment of \$82,245. They have disconnected the gas and removed HVAC and water heater. There is also a new survey of the lot which is a typical cost for REDA. The owners delayed response to REDA negotiation inquiry as they considered sale of the property to other interested parties and felt the \$80,000 price was fair. Closing was on September 10, 2019.

Staff is in contact with a potential buyer interested in building a family home in 2020. This will be a desirable lot at 80x128 and an \$80,000 asking price would not be unreasonable.

RECOMMENDATION:

Waive the reading and order the adoption of the resolution in **Attachment 1** designating the homes as blighted and indicating intent to place the homes in a future TIF district.

Marcia Glick, Executive Director

Member _____ moved and Member _____ seconded a motion that the following resolution be read and adopted this 17th day of September, 2019.

REDA RESOLUTION NO. 2019-__

**A RESOLUTION REGARDING DEMOLITION OF STRUCTURALLY SUBSTANDARD BUILDING AND INCLUSION OF THE LOT IN A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT IN THE FUTURE
(3917 VERA CRUZ AVENUE NORTH)**

WHEREAS, the Robbinsdale Economic Development Authority ("REDA") has previously established redevelopment tax increment financing districts composed of non-contiguous parcels containing structurally substandard single family residential structures; and

WHEREAS, additional parcels have been identified from time to time for inclusion in existing or new TIF districts; and

WHEREAS, there currently exists a parcel which contains a principal building that is structurally substandard within the meaning of Minn. Stat., section 469.174, subd. 10(b) so as to pose an immediate threat to health and safety and which may require demolition prior to the date the parcels can be included within a TIF district; and

WHEREAS, Minn. Stat., section 469.174, subd. 10(d)(2) allows the demolition of structurally substandard buildings and inclusion of the parcels in a TIF district within three years of the date of rehabilitation if, prior thereto, REDA adopts a resolution finding the building to be structurally substandard and expressing REDA's intent to incorporate the parcel into the TIF District,

NOW, THEREFORE, BE IT RESOLVED by the Robbinsdale Economic Development Authority as follows:

1. The principal buildings located on the property located at 3917 Vera Cruz Avenue North (PID 16-118-21-31-0129) recently acquired by REDA is hereby found to be structurally substandard within the meaning of Minn. Stat., section 469.174, subd. 10(b); REDA's finding in this regard is based on a report prepared after an interior inspection of the property by REDA staff; and

2. REDA hereby declares its intent to include the above parcels in a TIF District at a future date and in doing so intends to rely on Minn. Stat., section 469.174, subd. 10(d).

The question was on adoption of the resolution and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON SAID RESOLUTION WAS DECLARED DULY PASSED AND ADOPTED THIS 17TH DAY OF SEPTEMBER, 2019.

Dan Rogan, President

Attest:

Marcia Glick, Executive Director



AGENDA ITEM #
September 17, 2019

Consent: Acquisition of 4217 Ewing Ave. N.

BACKGROUND:

Kevin and Bonnie Jean Rood, the owners of the property at 4217 Ewing Ave. N. offered the property to the REDA for \$120,000. The owner's major concern is the roof strength and a realtor advised that it is a good candidate for demolition. The estimated market value for taxes payable in 2020 is \$177,500; the property owner did not appeal this valuation. Demolition cost is expected to be a bit higher due to the gravity furnace.

Hennepin County will look at the 2019 valuation and consider an abatement for 2020. REDA will be able to adopt a resolution indicating intent to put the property in a TIF district prior to demolition and have time to put this property and the property on 4217 Ewing Ave N in a new Project 2000 TIF district in the spring.

ANALYSIS/CONCLUSION:

REDA provided negotiation instructions to staff on August 20, 2019. The owners provided a purchase offer inquiry from a large rental property owner for \$105,000 and staff believe that the roof concern could be fixed and a rental property owner would not be concerned about the gravity furnace. After consulting individually with some REDA board members, staff agreed with their counter offer of \$110,000. The closing is expected to take place in late September.

RECOMMENDATION:

1. By motion concur with action to acquire this property for \$110,000.
2. Waive the reading and order the adoption of the resolution in **Attachment 1** designating the homes as blighted and indicating intent to place the homes in a future TIF district.

Marcia Glick, Executive Director

Member _____ moved and Member _____ seconded a motion that the following resolution be read and adopted this 17th day of September 2019.

REDA RESOLUTION NO. 2019-__

**A RESOLUTION REGARDING DEMOLITION OF STRUCTURALLY SUBSTANDARD BUILDING AND INCLUSION OF THE LOT IN A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT IN THE FUTURE
(4217 EWING AVENUE NORTH)**

WHEREAS, the Robbinsdale Economic Development Authority ("REDA") has previously established redevelopment tax increment financing districts composed of non-contiguous parcels containing structurally substandard single family residential structures; and

WHEREAS, additional parcels have been identified from time to time for inclusion in existing or new TIF districts; and

WHEREAS, there currently exists a parcel which contains a principal building that is structurally substandard within the meaning of Minn. Stat., section 469.174, subd. 10(b) so as to pose an immediate threat to health and safety and which may require demolition prior to the date the parcels can be included within a TIF district; and

WHEREAS, Minn. Stat., section 469.174, subd. 10(d)(2) allows the demolition of structurally substandard buildings and inclusion of the parcels in a TIF district within three years of the date of rehabilitation if, prior thereto, REDA adopts a resolution finding the building to be structurally substandard and expressing REDA's intent to incorporate the parcel into the TIF District,

NOW, THEREFORE, BE IT RESOLVED by the Robbinsdale Economic Development Authority as follows:

1. The principal building located on the property located at 4217 Ewing Avenue North (PID 05-029-24-22-0057) is hereby found to be structurally substandard within the meaning of Minn. Stat., section 469.174, subd. 10(b). REDA's finding in this regard is based on a report prepared after an interior inspection of the properties by REDA staff.

2. REDA hereby declares its intent to include the above parcels in a TIF District at a future date and in doing so intends to rely on Minn. Stat., section 469.174, subd. 10(d).

3. The REDA has a purchase agreement to acquire the property and intends to do so later this year.

The question was on adoption of the resolution and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON SAID RESOLUTION WAS DECLARED DULY PASSED AND ADOPTED THIS 17TH DAY OF SEPTEMBER, 2019.

Dan Rogan, President

Attest:

Marcia Glick, Executive Director



AGENDA ITEM #5A
September 17, 2019

PUBLIC HEARING: Disposition of lot at 3359 Halifax Ave. N.

BACKGROUND:

The lot at 3359 Halifax Ave. N. is available. The Hennepin County Appraiser estimated market value for 2020 is \$78,000.

ANALYSIS/CONCLUSION:

The corner lot is a forty foot-wide lot of record that allows side yard setbacks of 5 feet along the street side as well as the "interior" side. It has access to an alley.

Staff has shared the REDA's performance expectations with several builders.

RECOMMENDATION:

1. Open the public hearing.
2. Continue the public hearing to 7 pm, October 8, 2019.

Marcia Glick, Executive Director

CONCURRENCE:

Rick Pearson, Community Development Coordinator



AGENDA ITEM #6A
September 17, 2019

Old Business: 4614 41-1/2 Ave N –

BACKGROUND:

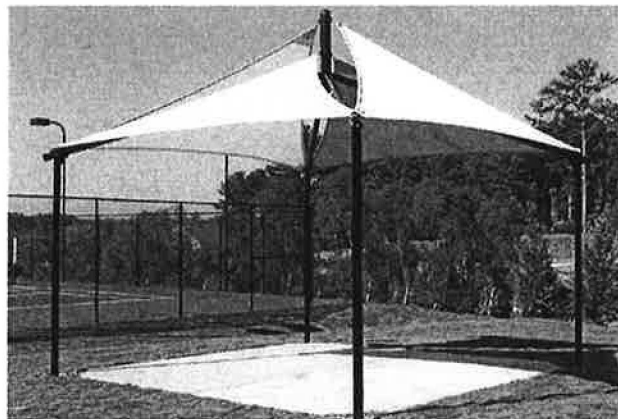
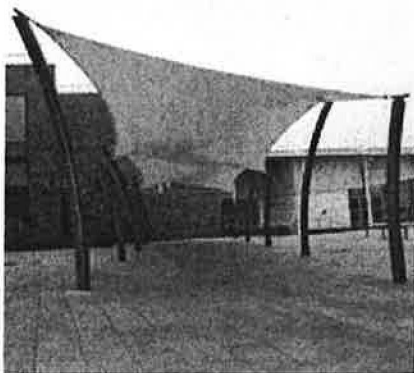
Station area plans envision that the building would be demolished to provide for wider sidewalks on both sides of 41 ½. Travail/Pig Ate My Pizza businesses are leasing this space for operations and construction office through September 30, 2019 and continuing on a month-to-month basis with 60-day notice. The Travail building is expected to be turned over from the construction company to owners sometime in October and they are expecting that restaurant service may begin after the 1st of the year. Mike Brown indicated that they hope to be able to continue to lease the office through the winter allowing for dinner service to stabilize and then relocate the office operations. REDA indicated willingness to extend the lease; a definite end date has not been determined. Meanwhile staff was asked to obtain costs for removal of the building and extension of the plaza area.

Josh Dykhuis, who is planning to renovate the Canton Garden Restaurant for a new restaurant indicated that outdoor seating at the dentist building location would not work well with the interior layout and that they have interest in utilizing some of the current plaza area for outdoor seating. They are working with an architect, but have not yet provided a scaled site plan showing the requested use of the plaza, nor has a plan been developed for the windows/door/new mural. These matters would be reviewed by the City Council.

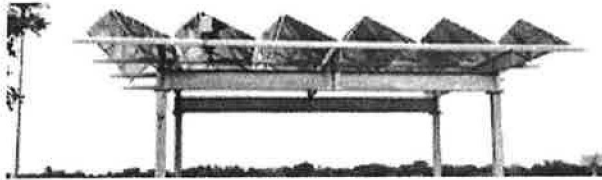
ANALYSIS/CONCLUSION:

A demolition contractor provided a ballpark figure of \$42,000 for demolition, which assumes leaving the basement/crawlspace walls to stabilize the sidewalks and adjacent walls of the 4153 W Broadway building. Taking all the foundation walls and crawl space footings would cost more depending on soils. The basement and crawl space walls would become retaining walls without the building on top of them.

Pavers and new surface (probably concrete) on the driveway easement area are estimated at \$100,000. Cloth shade structures are estimated at \$10,000 each.



Staff is also working on getting price for a solar panel structure similar to one at Lake Nokomis.



RECOMMENDATION

Discuss the budget for demolition/installation of plaza extension at \$150,000 - \$175,000.

Marcia Glick, Executive Director



AGENDA ITEM #7A
September 17, 2019

NEW BUSINESS: Update on 3917 Vera Cruz Ave. N.

BACKGROUND:

The REDA acquired 3917 Vera Cruz Ave. N. on Sept. 10, 2019. Staff is preparing the property for demolition.

ANALYSIS/CONCLUSION:

A very interested person has provided staff with a check to reserve the lot. Staff is in the process of qualifying her offer.

The REDA has yet to establish a price for the lot. City staff had previously contacted the Hennepin County Appraiser regarding the estimated market value for the property with a result still pending.

A public hearing regarding the disposition of the lot will be scheduled for October 8.

RECOMMENDATION:

No action is recommended at this time.



Marcia Glick, Executive Director

CONCURRENCE:



Rick Pearson, Community Development Coordinator

AGENDA ITEM #9A
September 17, 2019

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
Twin Oak cul-de-sac (<i>Beckmann</i>)	4316 Twin Oak Lane waiting on final inspections 4312 Twin Oak Lane waiting on final inspections 4517 Twin Oak Lane – waiting on sod, title company holding escrow 4315 Twin Oak Lane – last lot. REDA retains a mortgage on this lot until work starts.
4629 France (<i>Carlyle</i>)	Certificate of Completion being held pending completion of final inspection. Has not called for inspection on garage slab drain. Issue with driveway apron.
3912 Quail (<i>Beckmann</i>) (TIF 2000-9)	TIF 2000-9. Waiting on final inspections. 1 year extension w/payment of lost TIF - \$5000. Completion 12/31/2019
3905 Quail (<i>Beckmann</i>) (TIF 2000-9)	TIF 2000-9. Sod installed. Project complete.
3359 Halifax (TIF 2000-9)	Lot for sale <i>See Agenda Item</i>
3917 Vera Cruz	Lot acquired September 10. Resolution to approve demolition pending establishing TIF 2000-10 and set expectations for sale price. <i>See Agenda Items</i>
4217 Ewing Ave N	Closing scheduled September 26. Approve resolution allowing demolition pending establishing TIF 2000-10 <i>See Agenda Item</i>
3606 Lake Drive	Considering Park option – 2020-2021.
4136 Regent – Garages (<i>Pendergast</i>)	TIF Project 8: Mortgage payments for acquisition started 6/2016.
39xx W. Broadway	Property is tax exempt pending redevelopment. Inquiries have been received.
37xx W Broadway- Birdtown Flats (<i>Bill Beard</i>)	Targeting part of building ready for move in January 2020, the rest in March 2020 - TIF note when completed. Tour Models October 8 at 6 pm
3650 France (<i>Inland</i>)	Property closed on September 12, 2019
3600 France (<i>Inland</i>)	Expect November construction start. May 2021 occupancy. Groundbreaking 11/13.
Parker Village Bonds	Refinancing – Bond sale 10/15. REDA update of TIF to Bond Proceeds 10/8
MNDOT Misc. (lots to acquire)	1. Vera Cruz between 41 & 42. 2 buildable lots available. 2. 42xx Toledo-lot on new street/new alley – appraisal requested 3. Easement Only – aging title commitment – on hold: 38 th & Vera Cruz
3760 Lee	7.9.19-authorized sale to the city with conditions.
3108-12 Grimes; 4212 Grimes	Holding.
4364 Grimes	Neighbors maintaining
OPEN TO BUSINESS	Office Hours even numbered months. 1 st Wednesday 9:30-11:30 a.m. Multi-year contract with ability to cancel.
4205 W Broadway BP Station	Parking lot complete
4614 41 ½ Ave N (<i>Soul Brothers</i>)	Building leased through 9/30/19. Notified tenant of plan to demolish. Consider budget for demolition and plaza extension. <i>See Agenda Item</i>
Terrace Redevelopment TIF Agt.	Project complete; TIF note approved.
4165 Hubbard NSide Oriental Mkt	Lease payments on schedule. Leased through 4/30/2020.
4501 Orchard	REDA has right to review plans for through 2028. Property sold to homeowners immediately north of the lot in May, 2019 for \$49,000.
4131-35 W Broadway (<i>Travail</i>)	Working on interior and exterior. Expecting construction phase to be complete in October 2019. Expecting restaurant to open in 2021.
Lions Gym Façade loan	Projects completed–forgiven after 10 years (January 2022)
EMI Rehab Façade loan	Projects completed –forgiven after 10 years (January 2022)
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)
Clare Housing TIF District	Pay-as-you-go TIF agreement.
Downtown/Plaza Project	2 nd Mural for Ace Hardware. Wall stuccoed using mural finds for 9/16 mural start funded by Cultivate Bottineau and paint from Ace Hardware

Marcia E. Glick

Marcia Glick, Executive Director