

**ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
TUESDAY, OCTOBER 9, 2018
7:00 P.M.
COUNCIL CHAMBERS**

1. MEETING CALLED TO ORDER
2. MICROPHONE CHECK:
3. ROLL CALL: Backen, Rogan, Blonigan, Murphy, President Selman
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 September 11, 2018..... 2-4
 - B. **Motion** to approve Deadline Extension for **4131-35 West Broadway Redevelopment Project**..... 5
 - C. **Motion** to approve **Disbursement Requests** for period ending October 9, 2018..... 6
5. PRESENTATION:
 - A. Broadway Court – Annual Rental Rate Adjustment..... 7-13
6. CONTINUED PUBLIC HEARING:
 - A. 3650 France Ave N – Disposition of Land..... 14
7. PUBLIC HEARING:
 - A. None scheduled.
8. OLD BUSINESS:
 - A. Downtown Mural Proposal..... 15
9. NEW BUSINESS:
 - A.
10. OTHER BUSINESS:
 - A.
11. INFORMATION ONLY:
 - A. Project Update..... 16-17

12. REDA GENERAL COMMUNICATIONS

13. ADJOURNMENT

Marcia E. Glick

Marcia Glick, Executive Director

**ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, SEPTEMBER 11, 2018
COUNCIL CHAMBERS**

**AGENDA ITEM # 4A
October 9, 2018**

CALL TO ORDER:

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

MICROPHONE CHECK:

2. Complete.

ROLL CALL:

3. Members Present: Murphy, Backen, Rogan, Blonigan, President Selman
Members Absent: None
Staff Present: Marcia Glick, Executive Director

#4A-C CONSENT AGENDA:

4. Member Blonigan removed Item C for discussion and separate action.
5. **MOTION** by Member Rogan, 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 August 15, 2018;
 - Executive Session Meeting Minutes of August 15, 2018;
 - B. Motion to approve **Disbursement Requests** for period ending September 11, 2018.
All voted in favor and the motion carried.
6. Member Blonigan reviewed the staff report. Noted the correction in the bid date in the memo and confirmed repairs are part of the project budget.
7. **MOTION** by Member Blonigan, seconded by Member Murphy to order the adoption of "A resolution accepting bids and awarding contract for EFIS parapet and roof repairs at Broadway Court".
All voted in favor and the motion carried.

#5: CONTINUED PUBLIC HEARING – 3650 France Ave N – Disposition of Land:

8. Glick presented the staff report and recommended continuing the public hearing to Tuesday, October 9, 2018 at 7:00 p.m.
9. President Selman opened the public hearing. No one spoke to this item.

10. **MOTION** by Member Murphy, seconded by Member Rogan to continue the public hearing to Tuesday, October 9, 2018 to 7:00 p.m.
All were in favor and the motion carried.

#7A: OLD BUSINESS: Downtown Mural Project

11. Glick reviewed the staff report.
12. Member Backen stated that there is a GoFundMe post ready to go, waiting for feedback.

#8A: NEW BUSINESS: 4205 West Broadway – Award Bid for Construction of Parking Lot

13. Glick reviewed the staff report recommending award of the construction contract to New Look Contracting. Information on construction timing will be shared after the contracts are signed.
14. Member Murphy confirmed that landscaping, lighting and signage are part of the plan. Recommended including trash cans.
15. President Selman asked for confirmation of the sodding method that will be used.
16. **MOTION** by Member Blonigan, seconded by Member Rogan to authorize Executive Director to enter into a contract for the construction of a 26 stall parking lot at 4205 West Broadway to New Look Contracting of Rogers, MN for \$130,875.00.

Member Murphy requested a staff report on landscaping plan.

All were in favor and the motion carried.

#10: Information Only: Project updates

17. Glick announced a closing on the final Quail Ridge lot and noted that 3807 Major has irrigation installed and sod should go in any day. She also noted that the future site of water treatment plant will need to be purchased from the EDA.
18. Member Blonigan noted progress at Robbins Beach site.

#11: REDA General Communications:

19. Member Murphy thanked the Chamber of Commerce specifically Dave Kiser and Marcia Glick for the Annual Meet & Greet. He liked seeing more businesses and entertainment. He had received lots of positive comments.
20. Member Backen also thanked the Chamber of Commerce, noted lots of new families at the Meet & Greet.
21. President Selman noted the Chamber Board discussed the Meet & Greet at today's Board meeting and noted a few things to make the event better. Thanked EMI for donating their sound services to the event.

22. President Selman noted that prior to the meeting there was a ground breaking ceremony for Birdtown Flats near the Citizens Bank site.

#12: ADJOURNMENT:

23. **MOTION** by Member Rogan, seconded by Member Murphy to adjourn the meeting a 7:19 p.m.

All voted in favor and the motion carried.

Marcia Glick, Recording Secretary

George B. Selman, REDA President



AGENDA ITEM # 4B
October 9, 2018

**CONSENT AGENDA: Deadline extension for 4131-35 West Broadway
Redevelopment Project**

BACKGROUND:

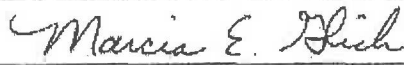
The Redevelopment Agreement for 4131-35 West Broadway had a deadline for closing of September 30. Mike Brown on behalf of ProMeals, LLC (the Travail partners) informed staff that the closing has been pushed back to October 12.

ANALYSIS/CONCLUSION:

Staff consulted the REDA Attorney concluding that a later closing date is inconsequential. The impact will be that the buyer will continue to pay on the contract for deed in the interim. The mortgage which is backed up by the Tax Increment Financing will then be proportionately less.

RECOMMENDATION:

By motion approve the new closing date of October 12, 2018 for the acquisition of 4131-35 West Broadway by ProMeals, LLC.



Marcia Glick, Executive Director

CONCURRENCE:



Rick Pearson, Community Development Coordinator



AGENDA ITEM # 4C
October 9, 2018

CONSENT AGENDA: Disbursement Requests for period ending
October 9, 2018

This information will be distributed at the meeting.



Presentation: Broadway Court – Annual Rental Rate Adjustment

BACKGROUND:

Broadway Court was first occupied in the fall of 2000 and was built with the intention of being maintained as a Market Rate Senior Housing Rental Complex. Great Lakes Management will be presenting their annual report on occupancy and marketing along with their recommended rental rate adjustment for 2019.

Following the bond refinancing in 2015, payments on this facility will be made through 2029 with the first optional call date in February 2021.

ANALYSIS/CONCLUSION:

Vacancy rates are expected to hold steady for 2019 as a result of good marketing efforts. The vacancies that occur are considered “natural attrition” in that they are primarily a result of tenants moving into assisted housing. Great Lakes Management is proposing a rental rate increase of 3%, given the current market conditions and rent structure. A schedule of proposed rates and other information is included as Exhibit 1.

Lorien Mueller, Camille Ritter and Todd Brunier from Great Lakes Management will be providing a presentation.

RECOMMENDATION:

1. Listen to the Annual Report from the Broadway Court Management team.
2. By motion, authorize Great Lakes Management to increase 2019 market rents by up to a maximum of 3% for Broadway Court Apartments.

Marcia Glick, Executive Director

Concurrence:

Larry Jacobson, Finance Director

Exhibit 1

REVENUE

APARTMENT RENT

\$773,864

Apartment rent is based on rents effective in 2018 with a 3% increase at lease renewals in 2019. (See attached Broadway Court 2019 Rent Matrix at 3%.)

Unit Code	Floor Plan	Sq.Ft.	Total Units	2018 Rent	2019 Rate
A	1BR	720	6	\$986	\$1,016
B	1BR/Den	999	3	\$1,173-1,242	\$1,208-1,280
C	1BR	727	3	\$976-987	\$1,005-1,017
D	1BR	710	7	\$946-978	\$974-1,007
E	1BR	703	3	\$995	\$1,024
F	1BR/HCP	741	4	\$1,027	\$1,058
G	1BR	713	4	\$961-991	\$990-1,021
H	2BR	920	8	\$1,115-1,228	\$1,148-1,265
J	2BR	963	4	\$1,190-1,203	\$1,226-1,239
K	2BR	976	6	\$1,173-1,385	\$1,208-1,427
L	2BR	952	6	\$1,130-1,231	\$1,164-1,268
M2	2BR	1042	1	\$1,226	\$1,263
M3	2BR	1067	1	\$1,255	\$1,292
M4	2BR	1134	1	\$1,490	\$1,535

Broadway Court Rent Increase History

Year	Increase
2019	3%
2018	2%
2017	2%
2016	2%
2015	2%
2014	1%
2013	1%
2012	1%
2011	2%
2010	2%
2009	2%

Average increase over
last 10 years 2%

Total increase over
the last 11 years 20%

Rent Comparables Summary

4600 W 41st Ave N

Property Name/Address	Rating	Yr Built	Property Size		Asking Rent Per Month Per Unit					Rent/SF
			Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed		
1 Minikahda Court 3504 Minikahda Ct	★ ★ ★ ☆ ★	1951	125	579	\$1,030	\$1,000	\$1,335	-	\$1.95	
2 Loring Park Apartments 1300 Yale Pl	★ ★ ★ ★ ★	2002	163	1,010	\$1,061	\$1,519	\$2,130	\$2,258	\$1.72	
3 Stradford Flats 16 E 15th St	★ ★ ★ ★ ★	1911	62	485	\$801	\$816	\$916	-	\$1.67	
4 Park Trails 4531 W 36 1/2 St	★ ★ ★ ★ ★	1969	120	685	\$888	\$1,050	\$1,168	-	\$1.58	
5 Valley Village Apartments 600 N Lilac Dr	★ ★ ★ ★ ★	1952	112	632	-	\$972	\$1,375	-	\$1.57	
6 The Point Apartments 3829 W Broadway Ave	★ ★ ★ ★ ★	1959	13	642	-	\$886	-	-	\$1.38	
7 Crystal Village Apartments 3016 Sumter Ave N	★ ★ ★ ★ ★	1967	460	790	-	\$955	\$1,136	-	\$1.27	
8 Broadway Court Senior Apts 4600 W 41st Ave N	★ ★ ★ ★ ★	1999	57	830	-	\$990	\$1,103	-	\$1.25	
9 Lake Pointe 3305-3433 53rd Ave N	★ ★ ★ ★ ★	1967	310	753	\$791	\$941	-	-	\$1.25	
10 Royal Oaks 8015 36th Ave N	★ ★ ★ ★ ★	1968	122	862	\$913	\$995	\$1,261	-	\$1.21	
11 At The Lake 2500 Nathan Ln N	★ ★ ★ ★ ★	1969	204	886	\$784	\$974	\$1,166	\$1,374	\$1.19	
12 Autumn Ridge Apartments 8500-8516 63rd Ave N	★ ★ ★ ★ ★	1969	366	798	\$759	\$843	\$1,021	\$1,366	\$1.17	
13 Plymouth Commons 3301 Highway 169 N	★ ★ ★ ★ ★	1971	213	995	-	\$1,190	\$1,104	-	\$1.14	
14 Hillsboro Court Apartments 2911 Hillsboro Ave N	★ ★ ★ ★ ★	1967	108	875	-	\$920	\$1,136	-	\$1.14	
15 Broadway Flats 2505 Penn Ave N	★ ★ ★ ★ ★	2016	102	854	\$833	\$938	\$1,025	-	\$1.11	
16 New Hope Village Apartments 5615 Xylon Ave N	★ ★ ★ ★ ★	1969	73	812	-	\$823	\$965	\$1,898	\$1.06	
17 The Willows 6232 65th Ave N	★ ★ ★ ★ ★	1979	724	1,039	-	\$798	\$957	\$1,395	\$1.00	
18 The Marshall 515 14th Ave SE	★ ★ ★ ★ ★	2014	314	1,323	-	\$1,230	\$695	\$805	\$0.59	

Broadway Court 12 Month Occupancy Review

	# Vacant	Percentage	1 BR	1+ DEN	2 BR
October	2	96.0%	0	0	2
November	1	98.0%	1	0	0
December	2	96.0%	2	0	0
January	2	96.0%	2	0	0
February	1	98.0%	1	0	0
March	1	98.0%	1	0	0
April	1	98.0%	1	0	0
May	4	93.0%	4	0	0
June	2	96.0%	1	0	1
July	2	96.0%	1	0	1
August	1	98.0%	0	0	1
September	4	91.0%	0	1	3

YTD Average Occupancy	96.17%
Budgeted Vacancy Loss	5.00%

Broadway Court LED Lighting Upgrade

Project Completed in the 4th Quarter of 2017

Cost of Project	\$20,349.07
Electricity Expense in 2017	\$22,332
Electricity Expense 2018 YTD	\$11,015
Electricity Expense 2018 Annualized	\$16,523
Annual Savings in 2018 compared to 2017	\$5,809
Return on Investment	3.5 Years

Broadway Court 2019 Budget

Major Expense Items reflected in the Operating Budget

Project	Estimate	Explanation	Budget Notes
Unit Flooring	\$ 26,400	Average replacement cost of carpet and vinyl in units. The budget reflects approximately twelve units annually will incur flooring replacement	Budgeted under General Repairs and Maintenance
Appliance Repair/Replace	\$ 26,400	Replacement of unit appliances and AC units as needed. The budget reflects annualized costs allocated over 12 months for the following: microwaves, dishwashers, refrigerators, washing machines, clothes dryers, AC units, and stoves.	Budgeted under Appliance Repair
Cement curb work	\$ 3,200	Repairs to "island" in parking lot.	Budgeted under Parking Maintenance
Balcony Railing Maintenance/Painting	\$ 5,500	Resurface, paint, maintain balcony railings	Budgeted under Painting
Total Major Expense Items	\$ 61,500		

Major Expense/Capital Items not reflected in the Operating Budget

Project	Estimate	Explanation
Front Entry Panel	\$ 17,000	Replace front entry panel
Window Replacement	\$ 5,600	Replace 7 windows at \$800 each if needed
Parking Lot	\$ 8,000	Crack fill, mill and patch as needed, sealcoat, restripe.

Total Major Expense Projects **\$ 30,600**



AGENDA ITEM # 6A
October 9, 2018

Continued PUBLIC HEARING: Disposition of land at 3650 France Ave. N.

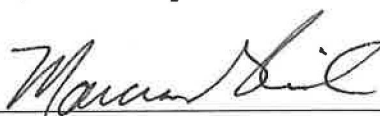
The property development proposed for 3600 France includes use of the property owned by REDA at the north end of the project area.



The developer was notified that REDA was willing to sell the property for \$55,000. The developer is considering the offer as the rest of the financing comes together

RECOMMENDATION:

1. Open the public hearing.
2. Continue the public hearing to November 13, 2018 at 7:00 p.m.



Marcia Glick, Executive Director



AGENDA ITEM # 8A
October 9, 2018

Old Business: Downtown Mural Proposal

BACKGROUND:

At the July 10 REDA meeting REDA approved a 1-1 match for up to \$3000 for the design previously approved by REDA. The total budget is \$7500.

There is \$1,834.78 in donations on hand, including recent contribution from the Robbinsdale Half Marathon and others. A gofundme funding request has been started.

Budget

	125 Year Mural
Labor/Artist Commission	\$6000
Wall preparation	\$980
Lift rental	\$280 week \$109 day \$545 month
Paint	5 gallons/3 quarts Donation from Ace
Anti-graffiti Coating	Not used last mural

RECOMMENDATION:

An update will be provided on progress in raising funds.

Marcia E. Glick

Marcia Glick, Executive Director



AGENDA ITEM # 11A
October 9, 2018

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
Twin Oak cul-de-sac (<i>Beckmann</i>)	4316 Twin Oak Lane: sheet rocking interior 4317 Twin Oak Lane: looking for new buyer
3807 Major (<i>Hyland</i>)	TIF 2000-8. Homeowners moved in 12.16.17. Certificate of Completion being held pending completion of landscaping. Irrigation installed in early September. Hydroseeded lawn. Needs to have final inspections.
4629 France (<i>Carlyle</i>)	Owners have moved in- some punch list items remain. Certificate of Completion being held pending completion of landscaping. Main driveway was installed.
4524 Regent (<i>Peterson</i>)	Property sold. Rain making work on foundation challenging. Anticipate exterior to be completed before winter. Expect home other than landscaping to be complete 5/19.
4530 Regent (<i>Peterson</i>)	Waiting for call on final inspections.
3912 Quail (<i>Beckmann</i>)	TIF 2000-9. No activity. Completion Deadline 12/31/2018.
3905 Quail (<i>Beckmann</i>)	TIF 2000-9. Framing inspection passed. Completion Deadline 12/31/2018.
3606 Lake Drive	Considering Park option.
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.
37xx W Broadway- Birdtown Flats (<i>Bill Beard</i>)	Construction underway. TIF note when completed.
3650 France	Property REDA owns this parcel north of St Petersburg. Developer informed of purchase price offer of \$55,000 on 8/17. <i>See Agenda Item</i>
3600 France (<i>Inland</i>)	REDA authorized proceeding with TIF analysis. Planning application received. Planning Commission public hearing tabled in July and August awaiting plan corrections. Developer planning to apply for grants. TIF hearing not yet scheduled.
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. <u>Easement Only</u> – aging title commitment – on hold: 38 th & Vera Cruz
3760 Lee	Possible sale to City for water treatment plant.
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 expected to be under construction after the rain stops. Hold pending future redevelopment.
4614 41 ½ Ave N (<i>Soul Brothers</i>)	Building leased for office, meeting space, and catering office.
Terrace Redevelopment TIF Agt.	Hy-Vee construction underway. Future action on TIF Note, etc.
4165 Hubbard N Side Oriental Mkt	Lease payments on schedule
4501 Orchard	REDA has right to review plans for through 2028. Property posted for sale.
4131-35 W Broadway	REDA approved development agreement. Financing is in place. Waiting on signed construction statement. Parking lot agreement signed.
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. REDA approved plan; working on financing. <i>See agenda item.</i>
Business District Initiative	See Detail on next page. Completion required by October 2018.

Marcia E. Glick

Marcia Glick, Executive Director

Business District Initiative - \$35,000 Project deadline October 2018		
	Total Budget	Grant
Ace Hardware		
- Awning	\$3,433.20	\$1,144.40 complete
- Tuckpointing and parapet cap	\$27,000 bid	\$ 9,000 complete
Straight Stuff		
- awning & paint	\$3,029.62	\$1,010 complete
Performance Meals		
- awning	\$2,900	\$ 966.77 complete
- window and other façade update	\$22,104	\$7,367 plan changed
4180 W Broadway		
- awnings & paint	\$6,200	\$1,111.29 complete
Lions Gym		
- Hubbard window/door also doing window on N side	\$5,842 grant elig. \$ 7,368 total	\$1,947.70 complete
Wickedly Charming		
- Windows, stucco repairs, signs	\$4,746.68	\$1,582.22 complete
Golden Age Design		
- Hubbard side sign, lights, paint	\$5812 total project	\$ 1,937.33 complete
- Loan on WB side	- \$3,874.67 loan	
- Decided not to do lighting addition		
P & D Mechanical (early 2018)	<i>Nothing submitted</i>	
- Confirmed interest in N side stucco		
Nonna Rosa's		
- Awnings	\$2,670 est. plus permits included rear entrance not eligible for grant.	\$ 769.33 awnings complete
- Considering window updates	<i>Nothing submitted</i>	
Broadway Court		
- Commercial Space awning and lighting updates	\$5034	\$1,678 complete
Wicked Wort		
- Time/Temp Sign Update	\$29,661.07	\$9,887.02 complete
Marnas		
- Awning- <u>business sign</u>	\$3650	\$1,216.66 complete
- Lights replacement	\$4150	\$1383.33 complete
	Total Investment \$105,654.57	Total Complete \$33,634.05
		Remaining \$ 1,365.95
	Incentive Budget \$35,000	Total \$ 35,000