

AGENDA

1. MEETING CALL TO ORDER
2. MICROPHONE CHECK
3. ROLL CALL: Blackledge, Sutton, Parisian, Wagner, President Greenberg
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. Consider Approval of meeting minutes draft of June 10, 2025 REDA Meeting
5. PUBLIC HEARINGS
 - A. None
6. OLD BUSINESS
 - A. Resolution Approving Third Amendment to Predevelopment Agreement with 4orty 2wo Development, LLC
7. NEW BUSINESS
 - A. Resolution Authorizing Fund Transfers by the Executive Director
8. OTHER BUSINESS
 - A. Voucher Requests Pending Approval for Disbursement
9. INFORMATION ONLY
 - A. Broadway Court, Smoke Free Exterior Proposal
10. REDA GENERAL COMMUNICATIONS
11. ADJOURNMENT



TO: Mayor and City Council
PREPARED BY: Heather Rand, Community Development Director
APPROVED BY: Tim Sandvik, City Manager
DATE: July 8, 2025
RE: Consider Approval of meeting minutes draft of June 10, 2025 REDA Meeting

Background:

REDA Commissioners are asked to review and consider taking action to approve the draft of June 10, 2025 REDA Meeting Minutes.

Analysis:

Recommendation:

Attachments:

1. Draft REDA Minutes June 10, 2025

MINUTES

MEETING CALL TO ORDER

The Robbinsdale Economic Development Authority (REDA) meeting was called to order by President Greenberg at 7:04 PM.

MICROPHONE CHECK

Complete

ROLL CALL

Present: Blackledge, Sutton Greenberg, Parisian

Absent: Wagner

Staff: Tim Sandvik, Executive Director, Heather Rand, Community Development Director

CONSENT AGENDA

- A. Consider Approval of REDA Meeting Minutes of May 13, 2025

Member Parisian MOVED, seconded by Blackledge to approve regular meeting minutes of the May 13, 2025 EDA Meeting. The vote was 4-0 and the motion carried.

OLD BUSINESS

- A. Authorize Executive Director to execute a Fund Balance Transfer for Broadway Court Elevator Project.

Member Parisian Moved, seconded by Blackledge to approve up to a \$162,000 fund transfer for planned elevator repair project at Broadway Court. The vote was 4-0 and the motion carried.

- B. Year to Date Program Update: Home Energy Squad.

Tim Sandvik provided update to Commission, noting that the \$5,000 REDA approved for 2025 supported 44 Home Energy Squad visits for Robbinsdale residents, allowing them to learn of specific recommendation of energy efficient improvements they could choose to make. As a result, the \$5,000 in funds had almost been spent down and he recommended the Commissioner consider allocating another \$5,000 in EDA funds for this use.

After some discussion on the positive impacts of the program, commission members indicated unanimous support for allocating another \$5,000 in funds for use in this program.

- C. Year to Date Program Update: Robbinsdale Home Improvement Grants

Heather Rand provided update to commission, noting that the \$50,000 REDA approved for 2025 had successfully been applied year to date to 2 loans totaling \$6,100 and that those funds were leveraged to secure an additional \$43,000 in funds from the Mn Housing Finance Agency to make additional home improvements to low income qualified, owner-occupied single-family homes in the city. She noted further than there are 9 other applications pending final approval that would utilize approximately \$44,000 total of the \$50,000 of the 2025 funds being utilized year to date. As such, Ms. Rand suggested that the funds would be spent down by fall and that the Commission may want to consider a larger budget allocation in 2026.

Commissioner members commented that they valued the program and how it can leverage other state funds and support critical home improvements to our single-family property housing stock.

OTHER BUSINESS

A. Voucher Requests Pending Approval for Disbursement

Member Parisian MOVED, seconded by Sutton to approve Voucher Requests Pending Approval for Disbursement for June 10, 2025. The vote was 4-0 and the motion carried.

ADJOURNMENT

Member Blackledge MOVED, seconded by Parisian, to adjourn the meeting at 7:18 PM. The vote was 4-0 and the motion carried.

Tim Sandvik, Executive Director

Aaron Wagner, President



TO: Mayor and City Council
PREPARED BY: Heather Rand, Community Development Director
APPROVED BY: Tim Sandvik, City Manager
DATE: July 8, 2025
RE: Resolution Approving Third Amendment to Predevelopment Agreement with 4orty 2wo Development, LLC

Background:

For the purpose of advancing proposed redevelopment on and around a REDA owned parcel of land located at 4205 W Broadway that is currently serving as public parking lot, REDA entered into a Predevelopment Agreement, approved on Oct 8th and executed on October 15, 2024, with 4orty 2wo Development, LLC (the "Developer"). As the Developer continues to work to acquire parcels of land surrounding REDA's lot for a larger redevelopment project, the Developer requested and received a few 90-day extensions with the agreement slated to expire July 15, 2025. Developer is now requesting one more 90-day extension by way of an amendment to the agreement (3rd amendment).

Analysis:

The parking lot continues to be utilized by the public as a parking lot, so a short-term delay in a redevelopment project of the proposed size and scope seems to be a reasonable ask from the Developer. The development team reports that they have made progress over the last 6 months with the acquisition of the Washburn-McReavy parcels on the block, having inked a Letter of Intent (LOI) to acquire property, which is similar to an option agreement, but allows Developer opportunity to perform further due diligence work on the land prior to scheduling formal sale closing.

The Developer team has also been encouraged by city/REDA staff these last 6 months, to acquire other parcels on the block. The Developer has paid REDA a \$5,000 escrow fee as required by the Pre-development Agreement to hold the REDA parking lot proposal from sale to others so long as a redevelopment agreement is in effect. While the city has incurred modest legal fees to draft the original agreement and amendments, these fees do not exceed the escrowed amount to date.

It should be noted that this is a smart time to acquire land. However, given national real estate market uncertainties for constructing high density and mixed-use redevelopment projects, due to financing, insurance, construction materials and labor costs. We remain hopeful the markets will become more favorable to construction in the upcoming year.

Representatives from the Development team will be present at the REDA meeting to provide further update on the status of their proposed redevelopment project.

Recommendation:

Staff recommend approval of a resolution approving the Third Amendment to the Predevelopment Agreement with 4orty 2wo Development, LLC and authorizes REDA President and Executive Director to execute on behalf of REDA. The amendment extends the agreement

90 more days (Oct 15, 2025).

Attachments:

1. 4orty 2wo Development LLC Prelim Dev Agreement 2024
2. Third Amendment to Preliminary Dev Agreement (4205 W Broadway)
3. Resolution - Third Amendment with 4orty 2wo Development

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (the “Agreement”), is made and entered into this 8th day of October, 2024 (the “Effective Date”) by and between the Robbinsdale Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“REDA”) and 4orly 2wo Development, a limited liability corporation under the laws of Minnesota (the “Developer”). The Effective Date is the date the Agreement is executed by the second party to sign.

RECITALS

WHEREAS, REDA desires to promote redevelopment of certain property near the intersection of West Broadway and 42nd Avenue (the “Property”), one parcel of which (4205 West Broadway) is owned by REDA (the “REDA Parcel”); and

WHEREAS, the Developer has requested REDA to explore the use of certain public financial and other assistance to facilitate the construction of a mixed-use project on the Property (the “Redevelopment”); and

WHEREAS, REDA has determined that it is in the best interest of REDA and the city of Robbinsdale (the “City”) that the Developer be designated sole developer of the Property during the term of this Agreement; and

WHEREAS, REDA and the Developer are willing and desirous to undertake the Redevelopment if (i) a satisfactory agreement can be reached regarding REDA’s commitment for public assistance necessary for the Redevelopment; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Redevelopment can be secured by the Developer; (iii) the economic feasibility and soundness of the Redevelopment can be demonstrated; (iv) satisfactory terms of conveyance of the REDA Parcel to the Developer can be negotiated; (v) satisfactory resolution of zoning, land use, site design, and engineering issues and other necessary preconditions can be reached to the satisfaction of the parties and the City; and (vi) the Developer is able to acquire the other parcels within the Property; and

WHEREAS, REDA is willing to evaluate the Redevelopment and work toward all necessary agreements with the Developer if the Developer agrees to reimburse REDA for its costs relating to the Redevelopment even if the Redevelopment is abandoned or necessary agreements are not reached under the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

Section 1. Intention of Parties. It is the intention of the parties that this Agreement: (i) documents the present understanding and commitments of the parties; and (ii) will lead to negotiation

and execution of a mutually satisfactory Contract for Private Redevelopment (the "Contract") prior to the termination date of this Agreement. If and when executed, the Contract, together with any other agreements entered into between REDA and the Developer contemporaneously therewith, will supersede all obligations of the parties under this Agreement.

Section 2. Outline of Negotiations. Negotiations between the parties shall proceed in an attempt to formulate a definitive Contract based on the following:

- (a) the Developer's proposal for the Redevelopment (when submitted), together with any changes or modifications required by REDA;
- (b) such documentation regarding the economic feasibility of the Redevelopment as REDA may require during the term of this Agreement; and
- (c) other terms and conditions of this Agreement.

The parties agree and understand that negotiations regarding the Contract will proceed as soon as reasonably practicable after the Effective Date as sufficient details of the Redevelopment become available.

Section 3. Developer's Obligations. During the term of this Agreement, the Developer agrees to:

- (a) Within 90 days of the Effective Date, submit a development proposal to REDA (the "Proposal"), which Proposal must show the location, size, and nature of the proposed Redevelopment, including the building height and footprint and building renderings, elevations, and other graphic or written explanations of the Redevelopment. The Proposal shall also include the number of residential units and square footage of retail or other commercial space to be included in the Redevelopment. The Proposal shall be accompanied by a preliminary schedule for the starting and completion of the Redevelopment.
- (b) Submit a cost estimate for the design and construction of the Redevelopment.
- (c) Submit to REDA a financial pro forma showing income and expense projections, rates of return, and any other information requested by REDA that is reasonably necessary to demonstrate the need for public financial assistance and the amount of assistance required to make the Redevelopment financially feasible.
- (d) Furnish satisfactory financial data to REDA evidencing the Developer's ability to undertake the Redevelopment.
- (e) Submit zoning, platting, subdivision and any other applications required by the City for the Redevelopment.

- (f) Use its best efforts to secure purchase agreements or options for all parcels constituting the Property.

Section 4. REDA's Obligations. During the term of this Agreement, REDA agrees to:

- (a) Commence the process necessary to evaluate and undertake such public assistance as is necessary to facilitate the Redevelopment.
- (b) Proceed to seek all necessary information with regard to the anticipated public costs associated with the Redevelopment.
- (c) Request the City to begin a preliminary review of the zoning, planning, subdivision and other land use implications of the Redevelopment, as appropriate.
- (d) Analyze the Redeveloper's pro forma and estimate the amount of public financial assistance, if any, that is needed to make the Redevelopment feasible.

Section 5. Contingencies. It is expressly understood that execution and implementation of the Contract shall be subject to:

- (a) A determination by REDA that the Redevelopment, based on the Proposal, is in the best interests of REDA and the City.
- (b) A determination by REDA that any public financial assistance for the Redevelopment is feasible based on projected tax increment revenues or other public development revenues designated by REDA, and that financial assistance is warranted based on the Redeveloper's pro forma and any other information provided to REDA.
- (c) A determination by the Developer that the Redevelopment is feasible and in the best interests of the Developer, including but not limited to, the Developer's ability to acquire other parcels not owned by REDA but necessary for the Redevelopment.
- (d) The ability of REDA and Developer to agree upon terms for the conveyance of REDA Parcel to the Developer.

Section 6. Reimbursement of Costs. The Developer shall be solely responsible for all costs incurred by the Developer. In addition, the Developer shall reimburse REDA for the following costs:

- (a) Upon execution of this Agreement, the Developer shall deposit with REDA funds in the amount of \$5,000. REDA may apply such deposit to pay any of its administrative costs, which means reasonable and necessary out-of-pocket-costs incurred by REDA leading up to and in preparation of this Agreement until submission of the Proposal.

- (b) If at any time during the term of this Agreement REDA determines that the amount deposited by Developer is insufficient to pay the administrative costs, REDA may notify the Developer in writing as to any additional amount required to be deposited. The Developer must deposit such additional funds within 10 days after receipt of REDA's notice.
- (c) Upon termination of this Agreement in accordance with its terms, REDA will return to the Developer the balance of any funds deposited under this section that are on hand as of the date of receipt of the notice of termination, and less any administrative costs incurred through the date of receipt of the notice of termination. For the purposes of this paragraph, administrative costs are considered to be incurred if they have been paid, relate to services performed, or are payable under a contract entered into, on or before the date of receipt of the notice of termination.
- (d) At the time of submission of the Proposal, the Developer will make an additional deposit with REDA. The Deposit submitted with the Proposal shall be used for (i) REDA's financial advisor in connection with evaluating REDA's financial participation in the Redevelopment, (ii) the City's and REDA's legal counsel in connection with negotiation and drafting of the Contract and any related agreements or documents, and any legal services related to REDA's or City's participation in redevelopment of the Property; (iii) any appraiser retained by REDA in connection with conveyance of any portion of the REDA Property to the Developer; and (iv) consultants retained by the City or REDA for planning, environmental review, traffic engineering and evaluation of the physical condition of buildings on the Property in connection with establishment of a tax increment financing district in support of the Redevelopment. At Developer's request, but no more often than monthly, REDA will provide Developer with a written report on current and anticipated expenditures for the administrative costs, including invoices or other comparable evidence.

This Section 6 shall survive termination of this Agreement and shall be binding on the Developer regardless of the enforceability of any other provision of this Agreement.

Section 7. Designation As Sole Developer of Property. REDA hereby agrees that for the term of this Agreement it will not:

- (i) provide or enter into any agreement for the provision of financial assistance to any third party in connection with any proposed development of the Property; and
- (ii) condemn or agree to proceed with the condemnation of the Property to assist or facilitate development within such area by a third party.

During such period the Developer shall have the exclusive right to work with REDA in negotiating a definitive Contract for the Property.

The Developer may not assign its rights or obligations under this Agreement to any person or entity without prior written approval by REDA.

Section 8. Term of Agreement. This Agreement is effective for 90 days from the Effective Date. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon 10 days written notice by REDA to the Developer if:

- (a) an essential precondition to the execution of the Contract cannot be met; or
- (b) if, in the sole discretion of REDA, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract; or
- (c) REDA determines that REDA's administrative costs will exceed the amount on deposit for such purpose under Section 6 and the Developer does not deliver additional funds to REDA.

If REDA terminates the Agreement under this Section 8, the Developer shall remain liable to REDA under Section 6 of this Agreement for administrative costs incurred by REDA through the effective date of termination.

Section 9. Remedies. In the event that the Developer, or its heirs, successors or assigns, fails to comply with any of the provisions of this Agreement, REDA may proceed to enforce this Agreement by appropriate legal or equitable proceedings, or other similar proceedings, and the Developer, its heirs, successors or assigns, agree to pay all costs of such enforcement, including reasonable attorneys' fees.

Section 10. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

Section 11. Amendment and Waiver. In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by REDA and the Developer.

Section 12. Notice. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

- (a) As to REDA: Robbinsdale Economic Development Authority
4100 Lakeview Avenue North
Robbinsdale, MN 55422
Attn: Tim Sandvik, Executive Director

- (b) As to the Developer 4orty 2wo Development, LLC
4529 York Avenue North
Robbinsdale, MN 55422


Section 13. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

Section 14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

* * * * *

IN WITNESS WHEREOF, REDA and the Developer have each caused this Agreement to be duly executed in its name and behalf as of the day and year so indicated.

4ORTY 2WO DEVELOPMENT, LLC

By 
Brian Ranallo

Its: Principal

Date: 11/7/2024

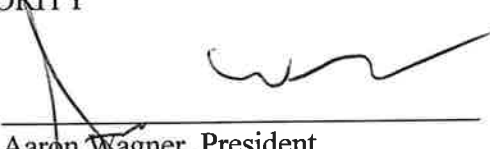
By 
Mike Opat

Its: Principal

Date: 10/17/24

ROBBINSDALE ECONOMIC DEVELOPMENT
AUTHORITY

By



Aaron Wagner, President

Date: 10.8.2024

By



Tim Sandvik, Executive Director

Date: 10/17/24

This Instrument Drafted By:

KENNEDY & GRAVEN, CHARTERED (RHB)
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
(612) 337-9300

THIRD AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS THIRD AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (the “Third Amendment”), is made this ___ day of July, 2025, by and between the Robbinsdale Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“REDA”) and 4orty 2wo Development, LLC, a limited liability company under the laws of Minnesota (the “Developer”).

RECITALS

WHEREAS, REDA and the Developer entered into a Preliminary Development Agreement (the “Preliminary Agreement”) regarding the redevelopment of property owned by REDA located at 4205 West Broadway (the “Property”); and

WHEREAS, the Preliminary Agreement required certain performance by the Developer by January 15, 2025; and

WHEREAS, on January 14, 2025, REDA approved the First Amendment to Preliminary Development Agreement, which extended the term of the Preliminary Agreement to April 15, 2025; and

WHEREAS, on April 8, 2025, REDA approved the Second Amendment to Preliminary Development Agreement, which extended the term of the Preliminary Agreement to July 15, 2025; and

WHEREAS, REDA and the Developer again wish to extend the term of the Preliminary Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations in this Third Amendment, REDA and the Developer agree as follows:

1. The first sentence of Section 3(a) of the Preliminary Agreement is amended to read as follows:

By no later than October 15, 2025, submit a development proposal to REDA (the “Proposal”), which Proposal must show the location, size, and nature of the proposed Redevelopment, including the building height and footprint and building renderings, elevations, and other graphic or written explanations of the Redevelopment.

2. The first sentence of Section 8 of the Preliminary Agreement is amended to read as follows:

This Agreement is effective until the date indicated in Section 3(a) hereof.

3. Except as amended in this Third Amendment, all terms and conditions of the Preliminary Agreement remain unaltered and in full force and effect.

IN WITNESS WHEREOF, REDA and the Developer have each caused this Third Amendment to Preliminary Development Agreement to be duly executed in its name and behalf as of the day and year so indicated.

4ORTY 2WO DEVELOPMENT, LLC

By _____
Brian Ranallo

Its: Principal

Date: _____

By _____
Mike Opat

Its: Principal

Date: _____

ROBBINSDALE ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Jason Greenberg, President

Date: _____

By _____
Tim Sandvik, Executive Director

Date: _____

This Instrument Drafted By:

KENNEDY & GRAVEN, CHARTERED (RHB)
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
(612) 337-9300

Member _____ moved and Member _____ seconded a motion that the following resolution be read and adopted this 8th day of July, 2025

REDA RESOLUTION NO. 2025-__

A RESOLUTION APPROVING THIRD AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT WITH 4ORTY 2WO DEVELOPMENT, LLC.

WHEREAS, the Robbinsdale Economic Development Authority (REDA) has entered into a Preliminary Development Agreement regarding the redevelopment of property owned by REDA located at 4205 W Broadway; and

WHEREAS, REDA approved a first amendment to such agreement in January 2025, that provided an extension of agreement terms until April 15, 2025, and a second amendment was approved in April that extended the preliminary development agreement terms until July 15, 2025; and

WHEREAS, REDA has reviewed a proposed Third Amendment to a Preliminary Development Agreement with 4orty 2wo Development, LLC., and find that the Third Amendment to the agreement advances REDA goals.

NOW THEREFORE, BE IT RESOLVED by the Robbinsdale Economic Development Authority that a Third Amendment to the Preliminary Development Agreement with 4orty 2wo Development, LLC., is hereby approved and adopted, and be it further resolved that the REDA President and Executive Director, are hereby authorized and directed to execute the Third Amendment agreement on the behalf of REDA.

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 8TH DAY OF July 2025.

ATTEST:

Tim Sandvik
Executive Director

Jason Geenberg, REDA President



TO: Mayor and City Council
PREPARED BY: Tim Sandvik, City Manager
APPROVED BY: Tim Sandvik, City Manager
DATE: July 8, 2025
RE: Resolution Authorizing Fund Transfers by the Executive Director

Background:

At a recent REDA meeting, staff discovered that the Executive Director may have inherent authority for certain spending, there is no formal document authorizing certain fund transfers.

Analysis:

As a part of routine operations, Broadway Court requested the Executive Director authorize a transfer for a budgeted item in May. As the Executive Director researched bylaws and past resolutions, no formal documentation was discovered that formally authorized the execution of routine fund transfers.

Staff recommends approval of the attached resolution, and a limit of \$50,000 in line 1 (currently blank), as this matches the spending authority of the City Manager (by the City Charter and City Code).

Recommendation:

Waive the reading of, and approve the attached Resolution authorizing the fund transfers by the Executive Director.

Attachments:

1. DOCSOPEN-#1035612-v1

Member _____ moved and Member _____ seconded a motion that the following resolution be read and adopted this 8th day of July, 2025.

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING FUND TRANSFERS
BY THE EXECUTIVE DIRECTOR**

Be It Resolved by the Board of Commissioners of the Robbinsdale Economic Development Authority as follows:

WHEREAS, the Robbinsdale Economic Development Authority (“REDA”) is an economic development authority under Minnesota Statutes, sections 469.090 through 469.108 (the “EDA Act”); and

WHEREAS, pursuant to the EDA Act and the Enabling Resolution adopted by the City of Robbinsdale, REDA has adopted bylaws and rules of procedure; and

WHEREAS, section 2.8 of the bylaws authorizes the appointment of an Executive Director who shall have such responsibilities and authority as the Board may prescribe by resolution; and

WHEREAS, for the efficient operation of REDA, it is important that the Executive Director have the authority to transfer REDA funds between accounts to the extent hereby authorized.

Now, Therefore, Be It Resolved by the Board of Commissioners of REDA as follows:

1. The Executive Director is authorized to transfer funds between REDA accounts in amounts not to exceed \$ _____ whenever in the Executive Director’s judgment such transfers are appropriate.

2. The Executive Director shall have such additional authority as may be necessary or convenient to carry out the intent of this resolution.

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 8th day of July, 2025.

Jason Greenberg, President

Attest:

Tim Sandvik, Executive Director



TO: Mayor and City Council
PREPARED BY: Chase Peterson-Etem, City Clerk/Assistant to City Manager
APPROVED BY: Tim Sandvik, City Manager
DATE: July 8, 2025
RE: Voucher Requests Pending Approval for Disbursement

Background:

None

Analysis:

None

Recommendation:

Motion to approve Disbursement Requests for the period ending July 8, 2025.

Attachments:

None



TO: Mayor and City Council
PREPARED BY:
APPROVED BY: Tim Sandvik, City Manager
DATE: July 8, 2025
RE: Broadway Court, Smoke Free Exterior Proposal

Background:

NA

Analysis:

Staff will present, and discuss the attached letter.

Recommendation:

NA

Attachments:

1. 20250702084007494

July 2, 2025

Broadway Court Exterior Smoking History, Conditions, Sustainability, Long Range Planning, Management Recommendations

History of outdoor smoking at Broadway Court:

Broadway Court has smoking on the exterior at the underpass area. Residents and retail staff are permitted to smoke at this area, standing, seating on the bench. This practice has been in place for many years.

Four to five years ago the “urn” was removed at this area as reports were coming in of vandalism of the urn, tipping over of the urn, which required clean up of the cigarette butts. Four to five years ago discussions were on properties becoming smoke free with their exterior areas and grounds and Broadway Court sought to move in that direction, rather than move in the direction of further emphasis on having a “designated outdoor smoking area” with all of its accompaniments. Management at that time sought to minimize the purchase needs of an urn and clean up of this area as the complaint from staff at that time was of the burden of cleaning this area, which was considered hazardous, there was defecating and urinating at this area as well, with hazardous waste vendors brought in to sanitize the underpass area. Retail owners reported seeing feces on the cement of the underpass. Management has brought in COIT cleaning to sanitize the area at the underpass, which can cost \$600 - \$800 per cleaning occurrence.

Previous staff and current staff have expressed and continue to express the need for cleaning/sanitizing and ensuring safety of the outdoor areas. There have been instances of persons found sleeping in the vestibule of the property. IFS was hired to install locking on the outside of the building so there can be no access to the front vestibule from the exterior after late in the evening and up to early morning hours. With the added duties of monitoring and maintaining the cleanliness of exterior common areas with the smoking area there is the need to maintain the outdoor smoking area. T

Over the years, there have been management provided resident surveys asking residents what their views are on having an outdoor smoking area. Residents respond that they want to see a safe, clean smoking area for residents, some residents are in favor of a smoke free exterior. Generally, residents who are non-smokers want to see a location outdoors for the smokers of the property. The majority of residents are non-smokers. The approximate total population of Broadway Court is 67 residents. There are currently approximately six residents who are smokers who utilize the outdoor smoking area. Residents have expressed strong disapproval of non-residents and the occurrence of vandalism, persons found sleeping within the building in lobbies who have gotten into the building, and that of excrement and outdoor urination on the property. Residents have expressed strong views on management needing to do more to ensure and provide a safe environment. Management has had on a regular basis that of resident safety talks with City of Robbinsdale police, safety staff of the city.

Residents in apartments above the underpass drive through have complained about smelling smoke within their apartment homes and that of the odor of trash as trash containers are below this area. When the cement trash corral became where containers were not stored there, it was considered that this could be the smoking area. A memo went out to residents that effective 7/1/25 the outdoor smoking area would now be the cement, former trash corral. Residents responded that they are not in favor of this area as they feel unsafe there, residents saying there should be cover overhead for a smoking area (thus, back to the underpass as this is “close to the building” and has an “overhead.”

A memo was drafted to retail on this change to the cement corral area that stated it was up to the user to maintain and keep this area clean. This memo was not approved for sending. If management is having a smoking area, it is management that needs to maintain the area, maintain the cleanliness and the safety. We would not want to state to residents and retail that it is up to the user to maintain the area and keep it clean. This would be the responsibility of the property.

Underpass area, maintaining:

Management views include that maintaining a safe, clean, well-managed outdoor smoking area requires funding for providing the seating, covering, cleaning, vendors and staffing to clean, and safety issues, that this is an expense for the property. Providing a safe, accessible outdoor smoking area that does not have cigarette smoke penetrate into resident units may not be possible if the smoking area is up close to the building, which it currently is. Additionally, there are gas meters at the underpass area that present an issue if there are smokers also in this area. These meters have been known to leak gas where Center Point Energy is summoned to the property and a gas shut down is ordered requiring after hours HVAC vendors to repair and restore gas. An emphasized expectation from the salon retail owner is that providing hot water to the salon is a state requirement by the owner of the property.

Property financial considerations:

In addition to the financial expenses related to maintaining a safe and sanitized exterior smoking area along with general safe and sanitary exterior areas, the property also is under significant review and monitoring in terms of expenses and accounting for expenses that are incurred at the property. Unit turnover costs are estimated to cost upwards of \$5,000 - \$10,000 per turn on average with units that have been resided in for many years to bring the unit to a condition of re-rental, that includes counter and cabinet rehab, flooring, wall repairs and painting, appliances, windows, surfaces, restorations. We are seeing occupied unit requests for replacement of flooring, counter rehab, cabinet rehab, and upgrades. There are projects such as screen replacement, roofing leaks that require repairs, plumbing repairs, water heaters, HVAC, and other projects. Adding to the mix of general property improvements along with providing and maintaining a safe and usable outdoor smoking location and environment is an added expense for the property.

Marketing considerations:

There are marketing considerations as well for the property. Broadway Court carries 2-4 vacant units per month, which is a revenue loss for the property that averages \$2,400 - \$5,000 per month in revenue lost due to early move-outs. The majority reason that residents move from the property is due to death or needing more care in their housing. Having an outdoor smoking area is a marketing deterrent, in that it caters to existing households of the property who smoke, however, to potential incoming prospects who management seeks as future residents, the existence of an outdoor smoking area can be unattractive to the prospect in this marketing environment when the issue of smoking v. non-smoking is one that is well established now that a non-smoking community both inside the units and on the exterior grounds is not desirable in housing. Management views that there needs to be consideration toward expenses specific to maintaining and keeping safe an outdoor smoking area.

A Google Search on the marketing question of providing an outdoor smoking area finds:

“Generally, a non-smoking exterior for rental communities is more desirable than a property that allows outside smoking, especially for non-smokers. This is because:

Majority Preference: A large majority of renters, particularly non-smokers, prefer smoke-free buildings. For example, a survey of Minneapolis renters found that 79% of non-smokers preferred a smoke-free building.

Reduced Secondhand Smoke Exposure: Smoke from cigarettes can drift into other units, even when smoking occurs outdoors. This can be bothersome and a health concern for non-smoking residents, especially those with respiratory issues or young children.

Improved Property Health and Maintenance:

Less Fire Risk: Smoking, even outdoors, presents a fire hazard, especially if proper disposal is not practiced.

Lower Maintenance Costs: Properties that allow smoking, indoors or out, can incur higher maintenance costs due to smoke residue buildup and potential damages like cigarette burns.

Reduced Litter: Cigarette butts are a significant source of litter, and prohibiting smoking can help reduce the amount of cleanup needed.

Increased Market Appeal: Smoke-free policies can broaden the appeal of a rental property to a larger pool of potential renters, which can help reduce vacancy rates.”

Recommendations:

Management reached out to the retail owners on the question of a recommendation that the property is smoke free on the exterior and if by doing so would the retail owners let management know if they have any concerns on doing this, if they would be negatively impacted. Both Go Health and Halo Salon responded that they have no concerns or issues with doing this.

A recommendation is to announce to the property with a memo and resident meeting that in one year the property would be smoke free on the exterior, that the exterior grounds would not permit smoking, that the current smoking area at the underpass stays in place until 6/30/26 and on 7/1/26 the exterior grounds are smoke free.

This recommendation recognizes the trends in housing, what prospective residents are seeking, the financial constraints of the property which is aging and in need of upgrades, projects, improvements; and staffing limitations and preferences.

By having a continuation of an outdoor smoking area and moving in the direction of designating an outdoor smoking area as such, we depart from a desire to have gone in the direction of transitioning to a smoke free exterior, which sets the property back in terms of current market trends. The issue of the sustainability of having an outdoor smoking area over time needs to be considered, the damage to the property of having an outdoor smoking area in appearance, marketing, expenses, safety, and sanitation, these considerations would be incorporated into long range planning for the property. Management's recommendation is to provide a twelve month notice to the effect that the exterior of the property would be smoke free with an effective date of August 1, 2026. By giving a twelve month notice this provides time for residents to absorb this upcoming change.