



MINUTES

MEETING CALL TO ORDER

President Greenberg called the meeting to order at 6:11 PM.

ROLL CALL

Present: Commissioner Parisian, President Greenberg, Commissioner Sutton, Commissioner Blackledge

Absent: Commissioner Wagner

Staff: Tim Sandvik, City Manager; Heather Rand, Community Development Director; Rachel Leen, Communications Coordinator

DISCUSSION

A. Current REDA Leases - Discussion

Sandvik provided Council with an update on three REDA-owned properties: 4100 41st Ave N (Broadway Court), 4616 41st Ave North (Mitchell Realty leased property), and 4165 Hubbard Ave (Northside Oriental leased property).

Sandvik shared that the idea for Broadway Court began when a private developer was looking to create a market-rate 55+ independent living community, and the City became a partner in this to make it all work. A few months in the developer backed out, so REDA took out bonds to finish up the project. He added that once the bond is paid off in 2029, Broadway Court could eventually lead to some passive income. However, Sandvik shared that we are starting to see wear and tear in the building. He concluded that it is ultimately up to EDA to determine if it is in their best interest to act as a "landlord" for the foreseeable future.

Sandvik provided an overview of the property at 4616 41st Ave North and shared that Mike Mitchell has been renting the buildings there and subleasing for a while. The property has been a great space for temporary businesses who need a small workplace. Sandvik noted that REDA acquired this building in anticipation of the light rail project coming nearby. Sandvik walked through a few options for the property including tear down, remodel, improve connectivity from east to west, and more. He stated that Mitchell has notified us that he will be leaving the building in September.

Sandvik provided an overview of the property at 4165 Hubbard Ave, which is currently being leased by Northside Oriental. Sandvik explained that the renter has come to the City multiple times indicating an interest in discontinuing the business to move onto other projects. The renter has also recently asked for a reduction in rate, which Sandvik does not recommend. He mentioned that there is a long-term goal of moving City Hall downtown, so this property could potentially serve as a new location for the DMV. He emphasized that having the DMV downtown would allow us to potentially add more services to our DMV as well as lead to more people downtown, which would benefit businesses.

Commissioner Blackledge expressed interest in moving the DMV to the 4165 Hubbard Ave property. President Greenberg agreed and expressed excitement about further developing Hubbard Avenue. Commissioner Sutton agreed that moving the DMV up to the Hubbard property would be great for attracting people to downtown. He shared apprehension about giving up the property due to a loss of control of what would go on Hubbard Ave.

Sandvik mentioned that the Hennepin Railroad Authority owns some property behind Hubbard Ave and Metro

Transit owns Hubbard Marketplace, so REDA should consider acquiring those at some point. Commissioner Parisian shared interest in a tear-down pocket park project on 4616 41st Ave North property, but that she would prioritize any business interest at the site first. She explained that it is tough for her to plan regarding Broadway Court with the current information provided. She asked if staff could do analyses to determine financial and staff resource costs when acting as "landlords," for the property. Commissioner Blackledge wondered if spaces for youth could be incorporated into these conversations.

Rand shared that we should look at how properties like the 4616 41st Ave North lot correlate with the downtown station plan, as well as consider the bigger picture of a Civic Campus in the future. In regard to Broadway Court, Rand explained that in other cities, when bonds are close to being paid, cities often sell and take that revenue to reinvest in something else, which leads to continual growth.

Sandvik explained that Great Lakes Management annually comes in to provide an update on the finances for Broadway Court, and Council will get an update on some of the big maintenance items coming up. He shared that the City is currently close to breaking even on the property and will continue to stay around that mark. He asked the central question of whether maintaining control of the property is worth breaking even. Sandvik summarized that staff will get an assessment of the 4616 41st Ave North property to determine best options. For the 4165 Hubbard Ave property, Sandvik shared that he is happy to continue to meet with the renter to determine his plans, and if he does vacate, then an assessment would be done on the building to determine its state.

Sandvik shared that he has good direction on 4616 41st Ave North and 4165 Hubbard Ave, but he'd like to continue to discuss Broadway Court after Council hears the annual presentation from Great Lakes Management in October. President Greenberg shared that his initial opinion would be to continue managing Broadway Court since things are currently going so well.

STAFF UPDATES

None.

COMMISSIONER UPDATES

None.

ADJOURNMENT

President Greenberg adjourned the meeting at 7:00 PM.

Signed by:

Tim Sandvik

B3975682B7004CB...

Tim Sandvik, Executive Director

Signed by:

Jason Greenberg

5E097EAFBED442E...

Jason Greenberg, President