

**CITY OF FRIDLEY
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION
January 4, 2018**

Chairperson Pro Tem Eggert called the Housing and Redevelopment Authority Meeting to order at 7:00 p.m.

MEMBERS PRESENT: William Holm
Stephen Eggert
Kyle Mulrooney
Gordon Backlund

MEMBERS ABSENT: Pat Gabel

OTHERS PRESENT: Paul Bolin, HRA Assistant Executive Director
Wally Wysopal, City Manager

Action Items:

1. Approval of Expenditures

MOTION by Commissioner Holm to approve the expenditures. Seconded by Commissioner Mulrooney.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY

2. Approval of December 7, 2017 Meeting Minutes

MOTION by Commissioner Holm to approve the minutes as presented. Seconded by Commissioner Mulrooney.

Commissioner Backlund asked to correct the adjourn motion as it was made by Commissioner Mulrooney, not Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MINUTES APPROVED AS AMENDED

3. Approval of Resolution Designating Official Depositories

Paul Bolin, HRA Assistant Executive Director, stated that the City and HRA annually designate an official bank. Wells Fargo has been the official bank for the both the City and HRA for a number of years. They have been responsive, easy to work with and flexible with investment management.

Staff recommends approval of the resolution designating Wells Fargo as the official depository for the Authority.

MOTION by Commissioner Backlund to approve the resolution designating Wells Fargo as the official depositories. Seconded by Commissioner Holm.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY

4. Approval of Resolution Designating Official Newspaper

Paul Bolin, HRA Assistant Executive Director, stated that the Fridley Sun Focus News and the Minneapolis Star Tribune have been the official newspapers for a number of years. Both are available locally and meet the requirements found in MN Statutes. Staff recommends approval of the resolution designating these official newspapers.

MOTION by Commissioner Holm to approve the resolution designating Fridley Sun Focus News and Minneapolis Star Tribune as the official newspaper. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY

5. Public Hearing & Approval of Sale – 5875 2nd Street NE

MOTION by Commissioner Mulrooney to open the public hearing. Seconded by Commissioner Holm.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING OPENED AT 7:05 PM

Paul Bolin, HRA Assistant Executive Director, stated that Tollberg Homes has submitted a lot reservation agreement to build a new home on the lot located at 5875 2nd Street. The three-level split design will have approximately 2,500 sq. ft. of living area. The home will have three finished bedrooms and two bathrooms on the upper level, with room for two additional bedrooms and one bathroom on the lower level.

Mr. Bolin noted that the exterior of the home will be a mix of stone, shakes and siding. The home will be identical to one that Tollberg built on Ironton Street in 2015. Staff recommends approval of the resolution authorizing the sale of the lot to Tollberg Homes, as the proposed home meets the criteria of the Authority's Housing Replacement Program.

Commissioner Backlund asked what the process was to transfer the lot to the builder.

Mr. Bolin replied that the builder can come in, reserve the lot and put \$1,000 down. Then the public hearing would be published to authorize the sale. There is a 30-page redevelopment-purchase agreement that will be used, and closing will happen sometime in this next month. The property is transferred to the builder to secure financing to build the home. There are provisions in the agreement if they don't start building or complete the project within a certain time frame the Authority could take the property back.

Commissioner Backlund asked if the Authority would get reimbursed for the funds spent to get the property ready for development.

Mr. Bolin replied that special legislation allows the HRA to purchase properties, tear the buildings down and collect tax increment for 15 years after the new building is on the property to recover a good portion of those costs.

Chairperson Pro Tem Eggert asked what the sale price was.

Mr. Bolin answered \$36,000 for the lot.

Chairperson Pro Tem Eggert asked if there were any lots left for the Authority to sell.

Mr. Bolin said there is only one lot left in the Riverview Heights area in the flood fringe zone. This lot will be difficult to build on and will take some creative architects to come up with a design.

MOTION by Commissioner Holm to close the public hearing. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING CLOSED AT 7:12 PM

MOTION by Commissioner Holm to approve the sale of 5875 2nd Street NE to Tollberg Homes. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY

6. Approval of Phase 1 Builder – Locke Park Pointe

Paul Bolin, HRA Assistant Executive Director, stated that the Authority issued RFP's for the first phase of the Locke Park Pointe project on November 22nd. A total of 13 different groups requested copies of the RFP. On December 15th, three different groups submitted responses for this phase of the project. HRA and City Staff reviewed all three responses and unanimously agreed that the proposal submitted by the Pulte Group was the best.

Mr. Bolin said that Pulte Homes has been reviewing and working with the site for more than six months and had planned to partner with Landform/Flaherty & Collins. Their proposed site plan incorporates the street and trail design, as well as park features that the neighborhood to the south wanted. Darren Lazan and Landform are continuing to work with Pulte on design and engineering work for the site. Pulte has proposed up to 25 homes ranging in size from 1,600 sq. ft. up to 1,950 sq. ft. and having up to 3 bathrooms and 4 bedrooms. Anticipated sale prices range from the low \$300k's up to mid \$400k's. Pulte is ready to start construction this spring.

Mr. Bolin said that staff recommends the Authority approve a motion authorizing staff to negotiate a redevelopment agreement with Pulte Homes for the first phase (patio homes) of the Locke Park Pointe project.

Commissioner Holm asked if Pulte Homes was comfortable with the price points for this site and prices of the homes.

Mr. Bolin answered yes; original thoughts were to start at \$240,000-250,000 but these homes will be a minimum of \$300,000 up to 450,000.

Commissioner Holm asked if the price points were similar to other bidders.

Mr. Bolin replied that the other respondents weren't comparable.

Commissioner Backlund asked if the design shown could adjust the lot size based on what buyers would like to build.

Mr. Bolin replied that the layout of the development with the proposed lot configuration and the street pattern is somewhat certain. This is a well thought out concept. Once Rice Creek Watershed District reviews what may be needed for additional storm ponding there may be a potential for the number of lots to change. The proposed layout addresses concerns the neighbors had and takes into account the things that the county park board had concerns with. He doesn't anticipate a drastic change to this layout.

Commissioner Backlund asked why storm water areas were needed when they are building ponding areas for the city offices.

Mr. Bolin replied that there are rules that require management of storm water on each site. Based on the density of the area the city hall ponding area isn't large enough to take in the water from the homes developed south of the parkway.

Chairperson Pro Tem Eggert asked if the land was platted for sale.

Mr. Bolin replied yes, once the business terms are developed it will go through another plat to create individual lots and separate out city well areas.

Chairperson Pro Tem Eggert asked when construction would start.

Mr. Bolin replied that homes will be built this fall. Pulte would like to start the earth work as quickly as possible.

Commissioner Backlund asked if some homes will have basements and if a spec home would be built on site.

Mr. Bolin replied that Pulte will work with potential buyers and if they want a basement, they would likely be able to build a basement. This is something the Authority won't be involved

with and Pulte will negotiate with buyers. If a spec home is built, it will probably not have a basement.

Commissioner Mulrooney asked if phase two would be working with Pulte Homes so there is a consistency feel for both phases.

Mr. Bolin replied that Pulte would like to be part of the second phase construction.

MOTION by Commissioner Holm to approve Pulte Homes as the Phase 1 Builder – Locke Park Pointe. Seconded by Commissioner Mulrooney.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY

Informational Items:

1. Housing Program Update

Paul Bolin, HRA Assistant Executive Director, noted that Fridley issued the second highest number of loans this year and CEE is looking at offering a few new programs for 2018. One is providing up to \$20,000 for energy improvements and the customer would pay through their utility bill rather than send to the community reinvestment fund. It will be toward the end of 2018 before that program is ready to be offered. For December one loan was closed, one Remodel Advisor Visit was held and there were 12 Home Energy Squad visits.

Mr. Bolin noted that the Home and Garden show is coming up, January 27th from 9-3 at the Schwan Event Center. There is an Ugliest Room Contest with \$1000 in gift cards for the winner. Information can be found on the website.

Adjournment:

MOTION by Commissioner Mulrooney to adjourn. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:43 P.M.

Respectfully submitted,

Krista Peterson
Recording Secretary