

March 7, 2019
HRA Meeting
Regular Meeting Agenda
8:15 p.m.

Call to order

Roll call.

Action Items

1. Approval of Expenditures
2. Approval of February 13, 2019 Meeting Minutes
3. Approval of Resolution - HRP Parcels - Anoka County Tax Forfeiture
4. Postponement of Approval of Land Sale – Sherman Associates – 6050 Main Street
5. Approval of Bid Solicitation – Demolition of 6431 University Ave
6. Postponement of Approval of Land Sale – Fridley Investments, LLC – 6431 University Ave

Informational Items

1. Housing Program Update

Adjournment



City of Fridley, MN

Check Report

By Check Number

Date Range: 02/01/2019 - 02/25/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-HRA-APBNK-HRA						
PPT: 107738	FRIDLEY HRA ICMA 401	02/08/2019	EFT	0.00	323.13	292
PPT: 307066	FRIDLEY HRA ICMA 457	02/08/2019	EFT	0.00	184.62	293
PPT: 107738	FRIDLEY HRA ICMA 401	02/22/2019	EFT	0.00	319.38	294
PPT: 307066	FRIDLEY HRA ICMA 457	02/22/2019	EFT	0.00	184.62	295
hra-623	FRIDLEY, CITY OF	02/06/2019	Regular	0.00	1,101.79	30265
hra-135	APA-MN ADMINISTRATORS	02/11/2019	Regular	0.00	499.00	30266
hra-334	CARLSON MCCAIN, INC	02/11/2019	Regular	0.00	1,250.00	30267
hra-623	FRIDLEY, CITY OF	02/11/2019	Regular	0.00	3,178.52	30268
hra-623	FRIDLEY, CITY OF	02/20/2019	Regular	0.00	964.01	30269
hra-1113	MONROE MOXNESS BERG PA	02/25/2019	Regular	0.00	5,113.50	30270
hra-112	ANOKA, COUNTY OF	02/25/2019	Regular	0.00	9,838.46	30271
hra-1317	MINN DEPT OF TRANSPORTATION	02/25/2019	Regular	0.00	667.37	30272
HRA-2621	JOHNSON, GREG	02/25/2019	Regular	0.00	337.50	30273
HRA-2622	LANDFORM PROFESSIONAL SERVICES	02/25/2019	Regular	0.00	15,360.60	30274
HRA-2640	YALE MECHANICAL	02/25/2019	Regular	0.00	3,551.41	30275

Bank Code APBNK-HRA Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	21	11	0.00	41,862.16
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	4	4	0.00	1,011.75
	25	15	0.00	42,873.91

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	21	11	0.00	41,862.16
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	4	4	0.00	1,011.75
	25	15	0.00	42,873.91

Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	2/2019	42,873.91
			42,873.91

**CITY OF FRIDLEY
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION
February 13, 2019**

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

MEMBERS PRESENT: William Holm
Elizabeth Showalter
Dave Ostwald

MEMBERS ABSENT: Gordon Backlund
Kyle Mulrooney

OTHERS PRESENT: Paul Bolin, HRA Assistant Executive Director

Action Items:

1. Approval of Expenditures

This item was removed from the Agenda.

2. Approval of January 3, 2019 Meeting Minutes

MOTION by Commissioner Showalter to approve the minutes as presented. Seconded by Commissioner Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM HOLM DECLARED THE MINUTES APPROVED.

3. Election of Officers

MOTION by Commissioner Ostwald to nominate William Holm as Chair. Seconded by Commissioner Showalter.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED.

MOTION by Commissioner Showalter to nominate Commissioner Mulrooney as Vice Chair. Seconded by Commissioner Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

4. Approval of Cooperation Agreement – Metro Transit - Northstar

Paul Bolin, HRA Assistant Executive Director, said that in 2008 a long term lease was negotiated with Metro Transit to provide access and parking for the station. Rather than define the lease geographically, the lease was designed to accommodate future development and was premised on continuing to provide 330 parking stalls. After being approached by Sherman Associates to develop a mix of market rate, senior and mixed income housing on the site, staff began discussions with Metro Transit staff to amend the lease. These conversations started in February of 2017 and due to a number of staff changes on their end, things have moved very slowly and caused Sherman to miss the 2018 construction season. This has led to a larger funding gap for their mixed income project. Staff will present more information on the gap and a potential solution at the March HRA meeting.

Mr. Bolin noted that one positive item that came from Metro Transit's delay, is that a study of the train stations parking needs was completed resulting in a reduced number of parking stalls. Based on the study, Metro Transit lowered the number of parking stalls required from 330 down to 80 stalls, providing additional land area for redevelopment. The Cooperation Agreement will allow the Authority to move forward with the Sherman development. The agreement terminates the existing lease, allowing Sherman to build their development and reconstruct a smaller parking area for Metro Transit. Staff recommends the Authority to approve the cooperation agreement with the Metropolitan Council. The agreement will allow Sherman development to move forward to ensure the reconstruction of the Northstar Parking lot is built to Metro Transit's specifications.

Commissioner Showalter asked if there would be 80 stalls between the two sides.

Mr. Bolin replied that the 80 stalls would be on the property that the HRA owns. 224 parking stalls would still be maintained on the other side. They anticipate changing that sometime down the road. There is a group within Met Council taking a look at the train stations and reducing parking at some of their sites.

Commissioner Holm noted that traffic isn't what we had anticipated at the train station but it fits with the plans to develop this site.

MOTION by Commissioner Ostwald to approve the Cooperation Agreement with Metro Transit. Seconded by Commissioner Showalter.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

Informational Items:

1. CEE Housing Programs Update

Paul Bolin, HRA Assistant Executive Director, said that residents should receive a postcard in the mail or information on social media about the City's upcoming community workshops to focus on community perceptions about University Avenue and Highway 65 corridor. Community members can come share thoughts about what they like or don't like about what is

happening along those corridors. This is a series of four workshops being led by Gretchen Nichols and Barbara Ray. The first meeting is February 21 from 6-8 at City Hall in the main entry in the Fire Room. Meetings will be every two weeks; March 7, March 21 and April 4th. The times conflict with the HRA Meetings so the March and April meetings will start at 8:15.

Mr. Bolin reported that in January three loans were closed, there were no remodel visits and six energy squad visits.

Adjournment:

MOTION by Commissioner Ostwald to adjourn. Seconded by Commissioner Showalter.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM EGGERT DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:18 P.M.



ACTION ITEM

HRA MEETING OF MARCH 7, 2019

Date: February 26, 2019

To: Wally Wysopal, City Manager

From: Paul Bolin, Asst. Executive HRA Director

Subject: Housing Replacement Program - Phase XIV Creation

Attached for Authority consideration is a resolution approving Phase XIV of the Housing Replacement Program's (HRP) scattered site tax increment-financing district. In late 2010, the Authority and the Council approved an amended and restated plan for the HRP. The restated plan gave the Authority the ability to add Phases (parcels) to the program by resolution.

The City Council recently adopted a resolution expressing their desire to obtain the attached forfeit properties from Anoka County. This past week, the County provided pricing, including all acquisition costs to the City. The total cost for both of the homes is \$187,065.97.

Once a parcel is included in the district, the HRA collects tax increment for a period of 15 years. The increment is used to help cover some of the costs of the program (ie. acquisition, demolition, property maintenance, etc.). Unlike a traditional tax increment district, the HRP is less cumbersome to administer.

Since the program originally began in 1995, the City has approved thirteen phases for a total of 40 properties. Under special legislation approved in April 2010, the City can designate up to 100 total parcels, inclusive of the 40 properties currently in the program.

The Properties:

Anoka County recently made two tax-forfeit properties available to the City. Both properties are vacant, dilapidated and meet the requirements for the Housing Replacement Program. The properties are located at 6209 Baker Avenue NE and 4733 2 ½ Street NE.

The property at 6209 Baker Avenue appears to be repairable and its visible location would lend itself well to be used as a home remodeling demonstration through our "Fridley Foundations" program. It has been over 8 years since the Authority has been able to acquire a property that would be suitable for that program.

The property at 4733 2 ½ Street NE is a teardown. Staff will have the home demolished and place the lot for sale later this spring. Based on demand for Fridley lots, this site is likely to have a new home in place by Halloween.



4733 2 1/2 Street NE

26-30-24-32-0104

Purchase Price: \$79,400

Deed Tax: \$262.02

3% State Fee: \$2,382.00

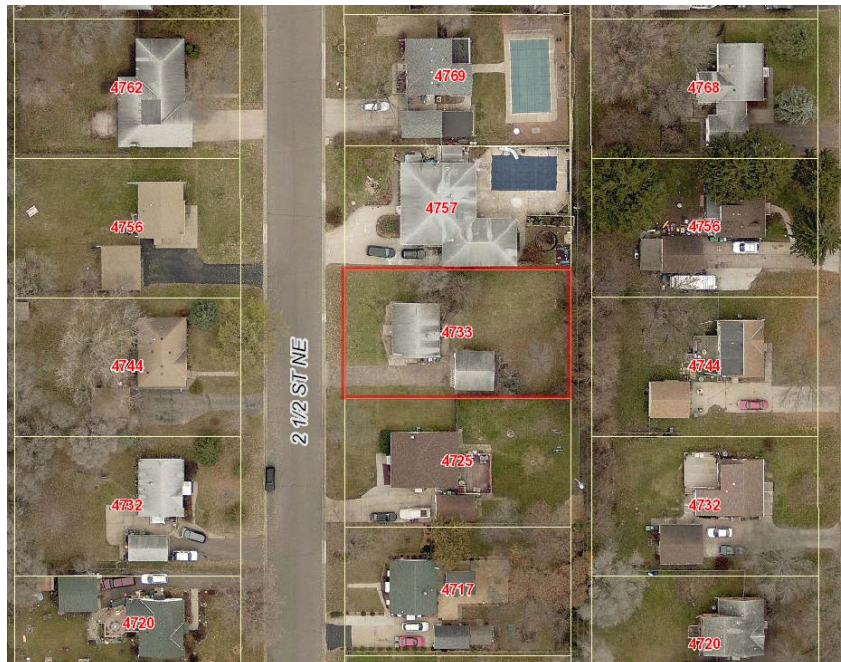
Deed Fee: \$25.00

Recording fee \$46.00

Total \$82,115.02

Lot Size – 75x130 = 9,750 sq. feet

2019 – Estimated Market Value of Land - \$158,800



4733 2 1/2 Street NE





6209 Baker Avenue NE

13-30-24-33-0032

Purchase Price: \$101,500

Deed Tax: \$334.95

3% State Fee: \$3,045.00

Deed Fee: \$25.00

Recording Fee: \$46.00

Total \$104,950.95

Lot Size – $90 \times 135 = 12,150$ sq. feet

2019 – Estimated Market Value of Land - \$203,000



6209 Baker Avenue NE



Recommendation:

Staff recommends that the Authority approve the attached resolution amending the Housing Replacement Program to include Phase XIV, adding the properties at 6209 Baker Avenue NE and 4733 2 ½ Street NE into the HRP.

Staff further recommends the Authority adopt a motion authorizing staff to move forward with demolishing the property located at 4733 2 ½ Street NE.

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF FRIDLEY
COUNTY OF ANOKA
STATE OF MINNESOTA

HRA RESOLUTION NO. 2019- ____

**RESOLUTION APPROVING AND ADOPTING THE ADDITION OF
PHASE XIII TO HOUSING REPLACEMENT DISTRICT NO. 1**

BE IT RESOLVED by the Board of Commissioners (the “Commissioners”) of the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota (the “Authority”) as follows:

Section 1. Recitals.

- 1.01. It has been proposed that the Authority approve and adopt the addition of Phase XIII to Housing Replacement District No. 1 (the “District”), pursuant to and in accordance with Minnesota Statutes, Sections 469.001 to 469.047 and 469.174 to 469.1799, as amended; Laws of Minnesota 1995, Chapter 264, Article 5, Sections 44 through 47; Laws of Minnesota 1996, chapter 471, article 7, section 22; Laws of Minnesota 1997, chapter 231, article 10, section 13; Laws of Minnesota 2002, chapter 377, article 7, section 6; Laws of Minnesota 2008, chapter 154, article 9, section 19, and Laws of Minnesota 2010, Chapter 216, Section 42 (collectively “The Act”).
- 1.02. By City Resolution 66-1995 adopted October 23, 1995, the City Council of the City (the “Council”) adopted a resolution approving a Housing Replacement District Plan and creating Housing Replacement District No. 1.
- 1.03. By City Resolution 2010-99 adopted December 13, 2010, the Council approved a Restated Housing Replacement District Plan (the “Plan”) enabling the Authority to add parcels to or delete parcels from the District.
- 1.04. The Act and the Plan specify the procedures whereby parcels may be added to and deleted from the District.
- 1.05. It has been proposed that the parcel to be included in Phase XIV be added to the District.

Section 2. Findings.

- 2.01. The Authority hereby finds that it is necessary and in the best interests of the City and the Authority at this time to approve and adopt Phase XIV to the District to achieve the Authority’s and City’s goal for acquiring blighted, undeveloped, or underdeveloped parcels for redevelopment or rehabilitation, and for resale as market rate housing.
- 2.02. The Authority hereby finds, determines and declares that the parcel in Phase XIV qualify for inclusion in the District pursuant to the Act and the Plan; and that the reasons and supporting facts for this determination are retained and available at the Authority Offices.

2.03. The Authority further finds, determines and declares that the parcels to be added to and certified within the District includes two vacant single-family dwellings located at:

Parcel 1	4733 2 ½ Street NE	PIN 26-30-24-32-0104
Parcel 2	6209 Baker Ave. NE	PIN 13-30-24-33-0032

2.04. The Authority further finds, determines and declares that the intended reuse of these properties is market-rate, owner-occupied housing, pursuant to the Act and the Plan.

2.05. The Authority further finds, determines and declares that there are now 42 parcels in the District with the inclusion of the Phase XIV parcels. The maximum number of parcels that can be included in the District is 100 parcels.

Section 3. Approval of Phase XIV to the District.

3.01. The inclusion of the Phase XIV parcel to Housing Replacement District No. 1 is hereby approved and adopted by the Commissioners of the Authority.

Section 4. Certification of Parcels.

4.01. The Authority shall cause this Phase to be filed with the Minnesota Department of Revenue, the Office of State Auditor and request that the parcels be certified with Anoka County.

PASSED AND ADOPTED BY THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF FRIDLEY THIS 7th DAY OF MARCH, 2019.

William B. Holm, Chairperson

ATTEST:

Walter T. Wysopal, Executive Director



AGENDA ITEM
HOUSING & REDEVELOPMENT AUTHORITY
MARCH 7, 2019

DATE: March 7, 2019
TO: Wally Wysopal, City Manager
FROM: Paul Bolin, Assistant Executive HRA Director

SUBJECT: Postponement of Public Hearing – Land Sale – NS Rail Redevelopment

Staff and Sherman Associates have spent a great deal of time over the past 2 months to help fill a \$600,000 funding gap on the mixed income portion of their development project. We are very close to having a solution that works well for both parties, but that will required an amendment to the existing redevelopment agreement. The amendment will be ready for Authority approval on April 4th. We ask that the public hearing on the land sale be postponed until April 4th, to be approved at the same time as the amendment to the redevelopment agreement.

Public hearing notices are required to be published in one of the official newspapers, a number or days before the meeting. Because we had placed the ad, prior to making the determination that an amendment would be needed to accommodate the gap financing, the public hearing was scheduled for March 7th. We are now asking that the Authority simply adopt a motion postponing the public hearing on the land sale until April 4th, so it can be acted upon with the redevelopment agreement.

RECOMMENDATION

Staff recommends the Authority adopt a motion postponing the public hearing on the sale of the Northstar Rail property until April 4th, 2019.



AGENDA ITEM
HOUSING & REDEVELOPMENT AUTHORITY
MARCH 7, 2019

DATE: March 7, 2019

TO: Wally Wysopal, City Manager

FROM: Paul Bolin, Assistant Executive HRA Director

SUBJECT: Authorization to Solicit Bids for Demolition of 6431 University Avenue

When staff was developing the contract for the redevelopment of the former City Hall site, it was envisioned that it would be advantageous for the Authority to have the developer be responsible for the demolition. The deal was structured such that the demolition costs would be deducted from the sales price. As we have moved forward, the demolition has become more complicated and it may be advantageous for the Authority to complete the demolition prior to the closing.

In discussions with the developer and separate discussions with demolition contractors, we believe the Authority can do the demolition for less than what we would pay the developer to take on the demolition.

Staff will work to solicit bids in anticipation of awarding the demolition contract on April 4th.

RECOMMENDATION

Staff recommends the Authority authorize Staff to begin the bid solicitation process for the demolition of the former City Hall building located at 6431 University Avenue NE.



AGENDA ITEM
HOUSING & REDEVELOPMENT AUTHORITY
MARCH 7, 2019

DATE: March 7, 2019
TO: Wally Wysopal, City Manager
FROM: Paul Bolin, Assistant Executive HRA Director

SUBJECT: Postponement of Public Hearing – Land Sale – 6431 University Avenue

As mentioned in the prior memo, the Authority is considering taking on the demolition of the old City Hall site. This may cause some minor changes to the redevelopment agreement, that if required, we would bring forward on April 4th.

Public hearing notices are required to be published in one of the official newspapers, a number of days before the meeting. Because we had placed the ad, prior to making the determination that it was in the HRA's best interest to take on the demolition, the public hearing was scheduled for March 7th. We are now asking that the Authority simply adopt a motion postponing the public hearing on the land sale until April 4th, so it can be acted upon with any changes deemed necessary to the redevelopment agreement.

RECOMMENDATION

Staff recommends the Authority approve a motion postponing the public hearing on the sale of the former City Hall, until April 4, 2019.

Fridley Loan Summary Report

Activity for Period 1/16/2019 - 2/15/2019



Application packets requested/mailed:	This period:	1	Year-to-Date:	1
---------------------------------------	--------------	---	---------------	---

Residential Advisor Visits:	This period:	0	Year-to-Date:	0
-----------------------------	--------------	---	---------------	---

Loans currently in process for residents in your City/Neighborhood:	3
---	---

Closed Loans	This period:	Units	Year-to-Date:	Units
Fridley		0		0
Closed End	30,930.00	1	40,213.57	2
Last Resort	0.00	0	0.00	0
Last Resort Emergency Deferred	0.00	0	0.00	0
Mobile Home Closed End		0		0
Senior Deferred	0.00	0	16,841.00	1
Total	30,930.00	1	57,054.57	3

Leveraged Funds	This period:	Units	Year-to-Date:	Units
		0		0
Total		0		0

Types of Improvements Financed YTD	# of Projects	% of Total
Flooring/Carpet/Tile	2	33.33
Garage	1	16.67
Other Exterior Improvements	2	33.33
Other Interior Improvements	1	16.67

Types of Properties Financed YTD	#	% of Total
Single Family Residence	3	100.00