



Minutes

**Roseville Economic Development Authority (REDA)
City Council Chambers, 2660 Civic Center Drive
Monday, July 19, 2021 – 6:00 p.m.**

1. Roll Call

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Groff, Willmus, Strahan, Etten, and Roe.

Present: President Dan Roe and Board Members Robert Willmus, Jason Etten, Wayne Groff, and Julie Strahan.

Others Present: Attorney Martha Ingram, Executive Director Pat Trudgeon, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey

2. Pledge of Allegiance

3. Approve Agenda

Willmus moved, Etten seconded, approval of the July 19, 2021 agenda as presented.

Ayes: 5

Nays: 0

Motion carried.

4. Public Comment

5. Business Items

a. Consider Adoption of Contract for Private Development with Roseville Housing Group II, LLC. (Edison Apartments Phase II)

Housing and Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated July 19, 2021.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Willmus seconded, adoption of REDA Resolution No. 93 (Attachment C) entitled, "Resolution Approving Contract for Private Development Between the Roseville Economic Development Authority and Roseville Housing Group II, LLC." and adoption of REDA Resolution No. 94

Member Willmus indicated one of his concerns relates to lending to a business in a multi-tenant building where they do not own the building, because the use of collateral, equipment, etc. can often times be difficult to obtain, if in the event of a default. He noted something along the line of a personal guarantee makes a lot more sense as most commercial property management firms will secure personal guarantees for people that are leasing space from them. He would not look at this any differently and thought it should be further up the list than further down the list when looking to secure these things.

Member Etten asked what gaps are being seen in the loan programs.

Ms. Kelsey explained that sometimes entrepreneurs are start-up businesses, which is who MCCD is hearing from because it is harder for those businesses to stretch any further than what they have already gotten in a loan from a bank and many times, the commercial lending industry is only 60 percent in conventional underwriting. She noted some of this could be some of that gap financing but not one hundred percent can be provided as the borrower needs to have 25 percent equity into the deal minimum.

Member Etten asked where the 4.5 percent interest rate sits in the market.

Ms. Kelsey indicated it is competitive at this point.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Groff seconded, authorizing the Contract for Professional Services with MCCD for a Roseville Business Assistance Program.

MEMBER COMMENTS

Member Etten stated the EDA was listening to what Member Groff talked about because it ensures the City is thinking about how it sets up the collateral system so the City will not lose out on this, which is the key to the system. He stated it was a good program to help businesses that need an additional boost.

Member Groff thought this was a balancing act, which will be reviewed within a year. He stated it was an important thing for small businesses as it helped them get the financing needed.

Ayes: 5

Nays: 0

Motion carried.

- d. Discussion Regarding the Budget and Preliminary Levy Collectible in 2022.**

Community Development Director Janice Gundlach provided a brief summary of this request as detailed in the staff report and attachments dated July 19, 2021.

Member Etten indicated he emailed Ms. Gundlach regarding an item coming up at the end of the City Council meeting tonight, the American Recovery Plan Act dollars. He noted the City is going to try to help with some programs and asked her to talk about how that works with the budget.

Ms. Gundlach explained staff did not include any of those program costs into the 2022 budget but certainly could do that. It would not affect the levy because it is neutral. She did talk to the Finance Director and because they have not fully understood what the total amount of funds the City will be receiving is and how it is all going to be allocated, it might be preliminary to actually put it into the budget at this time. But staff can come back if that is the best way to handle it, to actually amend the proposed 2022 budget. She clarified that some of the money used for that program will be spent in 2021.

President Roe noted the key for the City's statutory requirement is to pass a levy and have a not to exceed amount in September, noting the amount of the levy can be reduced but it cannot be increased after that point.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Member Willmus suggested the EDA keep with past practice and expectation on the part of the community that when they are looking at preliminary levies, etc., they are doing it in the timeframe which it is normally done, which would be the September timeframe versus tonight.

The EDA directed Staff to schedule a subsequent discussion on September 20th for consideration of the Resolution.

6. **Adjourn**

Groff moved, Willmus seconded, adjourning the REDA meeting at approximately 6:39 p.m.

Ayes: 5

Nays: 0

Motion carried.

ATTEST:



Patrick Trudgeon, Executive Director



Daniel J. Roe, President