

Minutes

Roseville Economic Development Authority (REDA)

City Council Chambers, 2660 Civic Center Drive

Monday, May 25, 2016 at 6:00 p.m.

1. Roll Call

President Roe called the meeting to order at approximately 6:00 p.m. Voting and Seating Order: Commissioners Laliberte, McGehee, Willmus, Etten and Roe. Executive Director Trudgeon and EDA Attorney Martha Ingram with Kennedy & Graven, were also present.

Other staff available in the audience included Interim Community Development Director Kari Collins, City Planner Thomas Paschke, Housing and Economic Development staff Jeanne Kelsey, GIS Technician Joel Koeppe, and Community Development Department Intern, Angela Riff.

2. Pledge of Allegiance

3. Approve Agenda

Additional information items made available as three bench handouts included a graph entitled, "united Types Built on Currently HDR Zoned Properties by Decade; a map entitled, "Existing Medium and High Density Residential; and a map entitled, "Existing High Density Residential."

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

Roll Call

Ayes: Laliberte, McGehee, Willmus, Etten and Roe.

Nays: None.

Motion carried.

4. Public Comment

5. Board and Executive Director, Reports and Announcements

Executive Director Trudgeon introduced EDA Attorney Martha Ingram, who in turn introduced her colleague Ms. Sarah Sonsalla also present tonight. Ms. Ingram summarized Ms. Sonsalla's expertise and specialty in real estate matters. Ms. Ingram advised that Ms. Sonsalla had served the Roseville Housing & Redevelopment Authority and other municipalities and EDAs in this capacity assisting with real estate matters.

Roe welcomed Ms. Sonsalla

Closed Session

President Roe announced the intent of the REDA to move into Closed Session, pursuant to Minnesota Statutes, Section 13D-05, Subd. 3(b) (3) to review confidential or protected nonpublic appraisal data under Section 13.44, Subd. 3 and to develop potential offers for the

1 purchase of property located at 196 S McCarrons' Boulevard and 210 S McCarron's
2 Boulevard.

3
4 For the record, Executive Director Trudgeon noted that the Closed Session would involve a
5 review of appraisals for the two properties as noted by President Roe, respectively owned by
6 Mrs. Evelyn Sands, represented by Ronald Sands, having her Power of Attorney and
7 represented by Matthias Schlosser, who is a City Parks & Recreation employee.

8
9 Willmus moved, Etten seconded, recessing the REDA at approximately 6:05 p.m. and
10 convening in Closed session, pursuant to Minnesota Statutes, Section 13D-05, Subd. 3(b)(3)
11 to review confidential or protected nonpublic appraisal data under Section 13.44, Subd. 3 and
12 to develop potential offers for the purchase of property located at 196 S McCarrons'
13 Boulevard and 210 S McCarron's Boulevard

14
15 **Roll Call**

16 **Ayes:** Laliberte, McGehee, Willmus, Etten and Roe.

17 **Nays:** None.

18 **Motion carried.**

19 **CLOSED SESSION**

20 President Roe convened the REDA in Closed Session at approximately 6:06 p.m. In
21 addition to REDA Members, REDA Executive Director Trudgeon, REDA Attorney
22 Martha Ingram, and Sarah Sonsalla were also present.

23
24 **RECONVENE OPEN SESSION**

25 At approximately 6:38 p.m., Willmus moved, Etton seconded, recessing the Closed
26 Session and reconvening in Open Session at approximately 6:40 p.m.

27
28 **Roll Call**

29 **Ayes:** Laliberte, Willmus, Etten and Roe.

30 **Nays:** McGehee.

31 **Motion carried.**

32
33 **6. Business Items (Action Items)**

34
35 **a. Receive Housing and Economic Development Report**

36 Interim Community Development Director Kari Collins introduced the
37 Community Development Department's administrative support staff present in
38 tonight's audience. Ms. Collins noted that recognized Senior Office Assistant
39 Jane Reilly, unable to attend to night's meeting. Ms. Collins thanked Ms. Riff,
40 a Graduate Student at the University of Minnesota Humphrey Institute, for her
41 part-time work as an Intern building the business database, setting up a
42 framework for future visitation programs.

43
44 Ms. Collins deferred to Jeanne Kelsey for the Housing and Economic
45 Development Report, previously presented to the Roseville Housing &

1 Redevelopment Authority (RHRA) on a quarterly basis and highlighting
2 housing, economic development and ongoing organizational support efforts.

3
4 Ms. Kelsey noted that a more in-depth analysis would be included as part of
5 Agenda Item 6.c tonight.

6
7 Member Laliberte stated that she found this report helpful and interesting, but
8 noted there was no information provided on attendance at various events and
9 activities.

10
11 Ms. Kelsey responded that this would be included as part of the educational
12 and outreach report for Item 6.c later tonight; and covered everything
13 supported by the former RHRA and current REDA, and would include
14 attendance, survey results and feedback, and mailing activities as applicable.

15
16 Executive Director Trudgeon suggested this information be provided in the
17 future on a quarterly basis on the City Council consent agenda; and without
18 objection that future process was approved by the REDA

19
20 **b. Draft Economic Development Strategy**

21 President Roe welcomed Consultant Janna King, Economic Development
22 Services, Inc. for presentation of feedback she received from various
23 community development representatives and community stakeholders for the
24 purpose of developing an REDA strategy.

25
26 Ms. King's presentation included an overview of market conditions in
27 Roseville and the metropolitan area related, and options for economic
28 development strategies. Ms. King addressed the metropolitan industrial real
29 estate market and trends; vacancy rates; and Roseville's central location and
30 excellent transportation infrastructure to facilitate convenient distribution of
31 goods and products. Ms. King opined that this central location and
32 transportation hub was probably the reason for the numerous trucking
33 terminals in Roseville in the past.

34
35 Related to industrial development and Roseville serving as a transit point,
36 President Roe noted that he found that interesting, since there weren't great
37 transit connections within Roseville, beyond Rosedale Center. President Roe
38 used recent comments from Pizza Luce as an example of potential employees
39 unable to access the facility due to a lack of transportation options. President
40 Roe suggested that concern remain in the forefront in this region not only for
41 exurbs farther out but inner ring suburbs such as Roseville as well.

42
43 Ms. King agreed that last mile to get people to a site is critical, not only for
44 vehicular or bus transit, but also in providing for sidewalks and well-
45 maintained accesses. Ms. King suggested this may provide opportunities for
46 reasonable pilot programs with Metro Transit.

At the request of Member McGehee, Ms. King clarified that “industrial” refers, in her examples, to labor market and wage rates, but that some industrial type uses occur in areas of Roseville zoned for uses that also include retail, which has a lower wage rate. Ms. King reviewed the various wage levels based on types of businesses locally and exporting product outside the region, and where warehousing and distribution fit into that picture historically, current trending and other marketing parameters.

Discussion of other local markets as economic development options reviewed by Ms. Kin included medical office, metropolitan hotels, and metropolitan offices. Ms. King noted the challenges for most suburbs, including Roseville often involved marking; but addressed advantages of more tax base per acre for office environment uses versus retail uses.

Roseville Market Trends

Ms. King reviewed current trends specific to Roseville, including updating and some repurposing of office warehouse/office showroom uses; hotel construction along I-35W; some bulk warehouse uses due to Roseville’s excellent transportation access; continued retail strength and investment; strong and competitive transit assets plus the addition of the A-Line Bus Rapid Transit (BRT); and extension of the Twin Lakes Parkway with that construction likely to stimulate activity.

Ms. King reviewed local, regional and state-wide partners currently involved in Roseville’s economy and economic development or available to become involved. Overall, Ms. King noted that businesses and people prosper in Roseville. As identified in a Roseville study commissioned several years ago with the University of Minnesota, Ms. King noted that workforce was addressed as a priority issue.

President Roe noted the great and thought provoking information provided in this presentation; and thanked Ms. King for her research.

Ms. King noted deeper digging would provide more understanding with managers in Roseville as future strategies were developed, and as the REDA directed depending on their interest.

Economic Development Strategies and Options

Ms. King reviewed those options and strategies identified and for each compared the current status, possible next steps, and possible enhancements to achieve a higher level. Those options included:

- **Business friendly practices and reputation**
Member Laliberte noted her understanding of the positives of speed and certainty for developers of expedited approvals, but questioned how that impacted the public transparency process.

1 Ms. King noted that was a challenge, and would be critical pieces of the
2 discussion, and at the direction of the REDA, offered to address that further
3 based on how other municipalities handled it (e.g. City of Oakdale).

4
5 Regarding shovel-ready sites, Member Willmus asked if other local
6 government units (LGU) had control of some of the sites referenced in Ms.
7 King's presentation.

8
9 Ms. King responded that that was not consistent in the metropolitan area as
10 much as it was in greater Minnesota. As an example, Ms. King cited the
11 Ryan Companies, a private party, and their receipt of shovel-ready
12 designation through the Department of Education and Economic
13 Development (DEED); and involvement by some utilities in steeping up
14 and paying costs for the certification process. Ms. King noted that this
15 motivated developers when cost-sharing was available.

16
17 • Business retention and expansion

18 President Roe asked what type of referral was intended, and if that included
19 the city's business retention to-date.

20
21 Ms. King responded that it could involve a group of business owners
22 meeting frequently with city staff. Ms. King suggested that this was a
23 determination for the REDA and staff to determine who those stakeholders
24 should be to meet with to discuss opportunities and challenges for
25 Roseville's business community. Ms. King advised that bankers, real
26 estate brokers, certified public accountants, and lawyers all had the pulse of
27 a community; and as part of the process also built their ownership of the
28 community, enhancing community engagement beyond residential.

29
30 As an example, Ms. King shared information from the City of Vadnais
31 Height's Economic Development Corporation and how their organization
32 worked with various activities; and also referenced that of the City of
33 Shoreview having an Economic Development Authority and Economic
34 Development Commission, each having specific responsibilities for long-
35 term evolution of the communities.

36
37 • Marketing and image

38 Member Willmus questioned where the Chambers of Commerce fit in to
39 marketing and image.

40
41 Ms. King stated she considered them a partner in many aspects, especially
42 a key partner in business retention efforts, as evidenced by group activities
43 in Roseville with the business council and providing opportunities to
44 engage at least one Chamber serving the area in those business retention
45 efforts. Since Roseville doesn't have its own Chamber, Ms. King

1 questioned if it was receiving the extent of services it wanted; and whether
2 the Chambers also served as a partners in workforce efforts.

3
4 President Roe noted the Chambers typically sent ambassadors to Roseville
5 events to make connections with businesses, and suggested that may serve
6 as a way to begin those connections (e.g. Twin Cities North Chamber of
7 Commerce).

8
9 Ms. King noted that Chambers could be proactive and strategic in
10 developing business retention; and serve to help the City know their
11 business community and future real estate trajectories. Ms. King noted that
12 other Chambers were more reactive welcoming new businesses and getting
13 to know them. Ms. King suggested Roseville talking through an approach
14 that included both proactive and reactive aspects.

15
16 President Roe noted there was an historical connection in Roseville with
17 both Chambers.

18
19 Ms. King advised that she had interviewed both Chambers before tonight's
20 presentation, and had provided marketing examples as referenced in
21 meeting packets.

22
23 • Financing and incentives

24 Member Willmus asked if site control came into the picture.

25
26 Ms. King responded affirmatively, noting she included it in the
27 redevelopment area should the city need to assemble parcels to create
28 developments wanted by the community. In the case of private owners,
29 Ms. King noted that it shaped what the city got; but site control by the city
30 allowed it to have greater control of the outcome.

31
32 Ms. King suggested setting up measurements upfront before economic
33 development investments and reporting; and when doing development
34 agreements write that information requirement into the agreement,
35 especially if receiving subsidies from the state that require that reporting
36 data.

37
38 • Workforce/talent

39 Ms. King noted that this was the highest need identified in the region's and
40 Roseville's business retention survey, and at business council meetings or
41 other public events where this is discussed. Ms. King noted that this was
42 one way the city could help make connections for employers (e.g. interns
43 or employees through connections with local colleges and universities).
44 Ms. King noted this involved knowing the resources and contact to call for
45 specific situations, and allowed the city to be responsive.

46

1 President Roe suggested knowing who in Roseville already used some of
2 those resources could also be helpful, to have that information or those
3 testimonials readily available.
4

5 Ms. King concurred, noting that information could be included in city
6 newsletters (e.g. success stories), promoting that Roseville is helping make
7 those connections.
8

9 **Redevelopment Areas**

10 Ms. King reviewed redevelopment strategies identified and for each compared
11 the current status, possible next steps, and possible enhancements to achieve a
12 higher level. Those areas included:

- 13 • **Brownfield Redevelopment**

14 Ms. King noted this area addressed Member Willmus' previous question on
15 site acquisition/assembly on a more sophisticated level; and may be part of
16 the long-term consideration for Roseville's future.
17

- 18 • **Resident Oriented/Neighborhood Commercial**

19 Member McGehee noted this was a recurring and frequent comment she
20 heard from older Roseville residents: the scale of retail options in Roseville
21 (e.g. Rosedale Center. Member McGehee noted that while the elderly may
22 find Rosedale nice, it wasn't shopper-friendly for a significant segment of
23 the city's current population. Member McGehee asked if there were other
24 communities looking at smaller retail areas within larger suburban areas.
25 Member McGehee noted this was especially important for those no longer
26 driving or having cars and dependent on public transportation. Member
27 McGehee referenced previous discussions that Roseville didn't have much
28 east/west connectivity for public transportation making it hard to get near
29 those more modest amenities.
30

31 Ms. King noted this was part of identifying areas in the community where
32 support was needed in declining areas or areas of opportunity, including
33 perhaps SE Roseville, the city's current poster child. Regarding other
34 communities, Ms. King stated that she had seen small area plans or
35 corridor plans, such as done by the City of Shoreview in various areas of
36 the community (e.g. Hodgson Road, Highway 96, Rice Street, etc.).
37

38 Ms. King referenced other efforts in the metropolitan area, including her
39 work with Minneapolis/St. Paul on Central Avenue, Broadway and the
40 node on the west side of St. Paul (Concord Street, Robert Street, Payne
41 Avenue). In those settings, Ms. King noted the use of an adaptation of the
42 Main Street model, with an organization primarily made up of business and
43 property owners, and perhaps some residents, working together on a plan
44 specific to them from a financial perspective. Ms. King noted that
45 residents often know what they want, but business owners know what will
46 or will not work economically or from a financial and market perspective.

1 Ms. King noted it took collaboration and teamwork and needed to address
2 various issues, including crime and/or safety concerns. By engaging
3 businesses at the foundation and understanding the particular economic
4 niche, Ms. King noted it provided market demographics around a shopping
5 area and how things are trending or changing.
6

7 Ms. King suggested one way for the REDA to offer support would be for a
8 market study for one of those smaller areas, either through subsidizing
9 costs or cost-sharing, as most small business and property owners could not
10 afford such a study; but would identify marketing and promotion strategies
11 consistent with that niche.
12

13 • Redevelopment, Reuse, Revitalization

14 Ms. King noted that the REDA would need the capacity to accomplish this,
15 whether through staff, consultants or a combination of both, it took time
16 and support.
17

18 • Additional Research to Support development Strategy and Comp Plan

19 Ms. King provided an overview of economic competitiveness tools and
20 information available from the Metropolitan Council specific to Roseville,
21 and defining the Metropolitan Council's role under statutory control. With
22 the next cycle of comprehensive plan updates, Ms. King noted they would
23 be offering additional resources for communities to better understand their
24 role in the regional economy. Ms. King noted this would include a
25 community's competitive strengths/weaknesses versus trying to be
26 everything to everyone and should help inform economic development
27 strategies and the comprehensive plan update itself.
28

29 At the request of Member Laliberte, Ms. King identified seven different
30 sectors included in the Metropolitan Council example. Ms. King advised
31 that this information would be available to the city in September of 2016.
32

33 Executive Director Trudgeon advised that he had sat in on some of those
34 meetings in developing this city-specific information by the Metropolitan
35 Council, to provide feedback on ways this type of tool could work for and
36 assist cities, including Roseville.
37

38 Next Steps

39 Executive Director Trudgeon noted that a lot of great ideas had been presented
40 tonight, but recognized that it couldn't realistically all be done at once. Mr.
41 Trudgeon suggested next steps include discussion prioritizing and/or staging.
42

43 Ms. King concurred, noting that the REDA set the budget in August, and
44 advised that information would be available in June to obtain feedback about
45 potential resources to allow the REDA to process it between June and
46 September.

Recess

President Roe recessed the meeting at approximately 8:20 p.m., and reconvened at approximately 8:28 p.m.

Ms. King's overview asked the following questions:

- *What elements would you like especially like to see addressed in 2016? 2017?*
- *Are there any elements that should be added?*
- *Are there any elements that you feel are a low priority for the foreseeable future?*

President Roe suggested spending time clarifying questions about the presented information to help the REDA determine its priorities going forward. However, due to time constraints, President Roe suggested individual REDA members rank those strategies and submit them to staff in a reasonable time to get them to Ms. King for incorporation into the June REDA presentation/discussion.

Without objection, that process was approved.

Business Friendly Practices and Reputation

Specific to shovel-ready sites, Member McGehee opined there was a need to determine if that was reasonable as soon as 2017; and suggested that unlike an expedited review process, time was needed to think about what and where things were best expedited. Member McGehee opined that shovel-ready was something that could be done as a business concierge concept in the business community, perhaps starting with every business owner knowing about this assistance.

Ms. King noted the REDA could promote it or cost-share it without expending a lot of dollars. If the REDA was interested in that tool, Ms. King suggested a first step would be to start cost-share conversations with local utilities, which could be started in 2016; and then formalize the approach and think about increasing that dollar amount going forward.

Member Willmus opined this shovel-ready concept would apply across the board, and asked from a staff perspective, how much time would be needed to identify those parcels and get started.

Interim Community Development Director Collins noted one parcel came immediately to mind, the PIK parcel, opining that would be a prime site for this type of certification. As development is being discussed, Ms. Collins noted that is now very reactive from the city's perspective with no shovel-ready sites promoted to-date. Ms. Collins suggested preliminary discussions, with no immediate promotions for the city picking up costs at this time, but yet

1 not slowing things down. Ms. Collins noted developers have to provide
2 similar information for their Response Action Plans (RAP) anyway.

3
4 Member Willmus noted this was something requiring relatively little
5 expenditure of funds, but could provide an immediate impact (e.g. SE
6 Roseville).

7
8 Business Retention and Expansion

9 Discussion ensued regarding Economic Development Commissions or
10 Corporations and their various roles and differences either as advisory or
11 stand-alone corporations as developed in other communities; as well as the
12 involvement of staff liaisons to those boards; and various models to explore
13 advantages and/or disadvantages of those models as part of the REDA's
14 prioritization efforts going forward, calling that out as a work plan item in an
15 appropriate timeframe.

16
17 Member Laliberte asked for information from the two Chambers of Commerce
18 on what they offer to connect existing businesses with the city and enticing
19 new businesses to the area, and the services they provide.

20
21 Ms. King offered to obtain that information and define the functions of each
22 Chamber to engage the business community, suggesting a next step for the
23 REDA may be to formalize that relationship.

24
25 Member Laliberte opined it may be intimidating for small, independent
26 businesses to locate in Roseville when meeting with larger or national
27 businesses. If a personal connection was available to discuss needs, location,
28 and issues or struggles, Member Laliberte suggested that would be helpful, as
29 well as helping them decide whether to stay or expand in Roseville from that
30 smaller perspective.

31
32 Ms. King suggested that was part of business retention; and Ms. Collins noted
33 it also fell into the model and industry mentorship category.

34
35 Marketing/Image of Roseville

36 From her experience working in the area of marketing, Member Laliberte
37 noted the number of upfront decisions needed before actually marketing
38 yourself; and suggested the REDA needed a more refined message first to
39 define why they were inviting businesses into the community.

40
41 Financing and Incentives

42 Member McGehee asked for direction about what kind of tools needed to
43 evaluate purchasing/developing a site, whether financial or other evaluation
44 tools or guidance.

45
46 Ms. Collins suggested ways to measure the REDA's return on investment.

1
2 Ms. King suggested ways to help the REDA with that decision-making.
3

4 Member McGehee stated that a “cheat sheet” would prove helpful; and Ms.
5 King advised that development of criteria for evaluating such things and
6 setting up policies would prove helpful.
7

8 President Roe suggested clarifying what was trying to be achieved when
9 considering incentives.
10

11 Member Etten asked Ms. King if she thought the REDA was missing some
12 financing tools or if there were areas not being utilized by the cit.
13

14 Ms. King noted this was a concern voiced by Roseville staff, especially with
15 staff turnover, making sure all tools were known and if available brought to the
16 table.
17

18 Ms. Collins suggested a route to consolidate financial resources, and grouping
19 them to make a “one-stop shop” for making Roseville your business home,
20 providing something more official than currently available, and creating a
21 hierarchy of where to start and how to proceed down the list versus simply a
22 conversational effort.
23

24 Ms. King noted this would be the typical role of a business concierge to help
25 navigate things for business owners (e.g. real estate fixed assets, operating
26 capital, etc.) and advocate for them. Ms. King noted this allowed business
27 owners to keep running their business versus trying to be a developer. Ms.
28 King noted that most businesses may only expand once or twice in their
29 lifetime.
30

31 Since Ramsey County’s attempted legislation for creation of their own EDA
32 had been halted for this session, Member Laliberte anticipated their aspirations
33 may be to present to individual communities to talk about it more. Member
34 Laliberte asked Ms. King to provide information from Scott, Carver and Anoka
35 Counties so the right questions could be asked when Ramsey County
36 inevitably comes before the Roseville City Council.
37

38 Ms. King duly noted that request, noting it fell into the organizational
39 component regarding the various roles for EDAs, EDCs and other such
40 orchestrations.
41

42 President Roe opined that knowing the existing inventory of tools and how
43 future tools may fit in should not exclude another item being added to that list.
44 President Roe expressed interest in getting into that conversation without
45 adding more categories to these strategies, but simply incorporating them into
46 the five categories outlined by Ms. King. However, president Roe noted the

1 overall conversation was budget-related (e.g. assets, resources of money and
2 staff, etc.).

3
4 Workforce/Talent

5 Member Laliberte noted the School District was already somewhat engaged,
6 and recognized the strong resources surrounding Roseville with the colleges,
7 whether four-year, junior or technical. However, Member Laliberte asked how
8 to connect programs available at those various entities with local businesses
9 that may have a need but now know how to connect with it.

10
11 Ms. King advised this was a role the REDA could play, referencing some of
12 the efforts by other communities in having a lead person to visit with those
13 businesses to clearly understand their strengths and needs to make that
14 connection. Ms. King noted this could be tuned into a degree or certificate
15 program to provide customized training.

16
17 Member Laliberte questioned if Chambers served in that role; but also noted
18 some small business owners are too busy running their business to be involved
19 in Chamber activities.

20
21 Ms. King advised that there was always room for more involvement,
22 referencing recent information that had come to city staff and her about the
23 Karen Organization of Minnesota (KOM) receiving a DEED grant for job
24 training and placement. Ms. King noted this involved staffing capacities of the
25 city in serving in that role.

26
27 Redevelopment

- 28 • Brownfield Redevelopment (priority – Twin Lakes)
29 • Resident Oriented/Neighborhood Commercial (priority – SE Roseville)
30 • Redevelopment, Reuse, Revitalization
31 Mayor Roe noted there were many parallels with these three areas,
32 representing one category with three specific focus points.

- 33
34 • Additional research

35
36 Homework

37 President Roe reviewed how individual members could rank their strategies,
38 numerically from high to low or picking their top two in each area.

39
40 After further discussion, Ms. King suggested she and staff provide via email an
41 approach to use.

42
43 Without objection, President Roe noted that the board so directed; noting the
44 timeframe for individual members to turn that information around in order to
45 allow Ms. King to stay on target for the June REDA meeting.

Next Steps

Discussion ensued with Executive Director Trudgeon on meeting dates in June, whether separate REDA meetings or as part of regular City Council meetings.

Noting the next discussion would probably prove as equally involved as that of tonight, President Roe spoke in support of a separate REDA meeting; but reiterated the need for individual members to get their homework submitted to staff as soon as possible.

Member Etten suggested a one-week turnaround time for submission of that homework.

Member Willmus suggested at a minimum the turnaround provide that the information be available for inclusion for distribution in the meeting packet.

President Roe agreed, noting the significant amount of work to be done with that feedback by Ms. King.

Ms. King advised that she would work with staff, and plan by next week to have a ranking plan via email to members; allowing for turnaround within a week. Ms. King stated she anticipated late June for the next REDA meeting allowing several weeks to digest the information.

Whatever was done, Member Willmus expressed his interest in minimizing bench or last minute handouts, providing more time to review the information being discussed. Member Willmus opined the earlier the better from his perspective.

Moving forward, President Roe reviewed the intent for individual members to define strategies and tools for prioritization, and at the next meeting have that compiled information available to inform discussion and decision-making.

c. Housing Programs Discussion

Ms. Jeanne Kelsey provided an overview of three separate areas of REDA housing programs, as detailed in the staff report and numerous attachments.

Remodeling Resources and Incentives

Housing Resource Center (HRC) Construction Consultation - Attachment A

At the request of Member Laliberte, Ms. Kelsey reviewed the HRC process and availability for any participating community and its residents; at an annual budget amount of \$12,000 to \$20,000 depending on usage.

Roseville Energy Audit Program - Attachment B

1 Member Laliberte expressed interest in each category identifying whether this
2 is a program unique to Roseville, or if similar programs are available or
3 currently being duplicated by the REDA.
4

5 In this case, and as noted in the staff report, Ms. Kelsey noted the
6 Neighborhood Energy Connection (NEC) offered this program through Xcel
7 Energy, but it was difficult for residents to obtain the \$60 available to them of
8 the total \$200 cost when contacting Xcel Energy at their Denver, CO office.
9

10 Regarding home scoring and tying this to multiple listing services, Member
11 Willmus asked if there were other multiple listing services countrywide
12 performing this service.
13

14 Ms. Kelsey advised she would need to research that further, such as the Green
15 Star Certification, to determine how far that was being activated or
16 implemented. Ms. Kelsey noted that staff was working with the NEC as they
17 were more user-friendly for residents than other similar programs.
18

19 Regarding levy and budget impacts, Ms. Kelsey reported that the current
20 REDA budget provided for 200 audits per year, with a budget of \$12,000; with
21 residents able to upgrade the offer and receive more detailed information at
22 their expense.
23

24 Green Remodeling Plan Book (GRPB) Attachment C

25 Ms. Kelsey noted an HRA goal last year included updating this book, with a
26 commitment to do so every 3-4 years as technology, links, references and other
27 resources changed. Ms. Kelsey reported that Roseville was the leader on this
28 effort, and were called upon or emailed on a regular basis by other
29 communities to access this great information.
30

31 Due to the update last year, Ms. Kelsey reported a \$7,500 cost, but she didn't
32 see that expense again for another 3-4 years. Ms. Kelsey advised that
33 historically a University of Minnesota student studying in the field of
34 sustainability and architecture is engaged to review and update the information
35 to keep it up-to-date.
36

37 Remodeling Plan Books for Ramblers and Split Level Homes

38 Ms. Kelsey advised these are still available in one or more forms, but no longer
39 printed, creating no additional or annual expense for the REDA.
40

41 Roseville Redesign Program

42 Ms. Kelsey reported this program had been discontinued, and represented no
43 levy cost going forward.
44

45 Housing Replacement Program – Attachment C

1 Ms. Kelsey reported that this program been revised in 20134, and was
2 budgeted annually, the last time in 2-15, with no funding for 2016 due to
3 sufficient funds available now as homes may come up, but representing a zero
4 levy amount. Ms. Kelsey advised that there was \$600,000 available in the
5 HRP at this time, allowing for 1-2 homes that could be acquired depending on
6 other third party costs for demolition and site preparation.

7
8 Roseville Green Building/Remodeling Award – Attachment D (2)

9 Ms. Kelsey reported this represented an annual budget/levy amount of \$850;
10 and had yet to exceed three qualified applicants. Ms. Kelsey noted that more
11 may apply, but for one reason or another may be disqualified.

12
13 Home Improvement Workshops – Attachment E

14 Ms. Kelsey reviewed ongoing revisions to the workshops to meet interest
15 levels and logistics for participants.

16
17 Ms. Kelsey advised that the cost of this program was built into staff costs at
18 this time.

19
20 General Staff Direction

21 For these programs, President Roe noted the total REDA levy impact was less
22 than \$25,000 at this point.

23
24 Without objection, staff was directed to continue the programs as noted at their
25 current cost.

26
27 Member Etten noted this represented a good example of partnerships; and
28 represented a considerable amount of time by the former RHRA and current
29 City Council in designing the programs.

30
31 Inspection and Abatement Initiatives

32 Neighborhood Enhancement Program (NEP) – attachment F

33 Ms. Kelsey reported that the REDA levy was impacted by the NEP, including
34 staff time and marking/research, and needed modification or revision on a
35 regular basis.

36
37 Rental Licensing and Rental Registration

38 Ms. Kelsey reported that this program is now self-supporting through license
39 fees, and therefore no longer had a levy impact.

40
41 Ms. Kelsey reported that the registration program's only cost was for staff
42 time, but should further decline with deadlines now in place for registration
43 and implications for penalties if late. Therefore, Ms. Kelsey noted that staff
44 could now determine what it actually took to manage the program and outreach
45 required to get responses.

At the request of President Roe, Ms. Kelsey advised that Ms. Reilly's time is spent 50/50 with 50% billed to the RHRA for this program.

Roseville Abatement Program

Ms. Kelsey noted that there are no long-term additional levies, but as indicated, upfront abatement costs were provided until properties could be assessed. However, Ms. Kelsey advised that no additional funding beyond that initial \$105,000 was needed.

General Staff Direction

Ms. Kelsey noted that the overall levy/budget impact in this section was \$54,000.

Home Improvement Loans

Roseville Home Improvement Loan Programs

As detailed in the staff report, Ms. Kelsey reviewed the establishment and modifications in 2015 to this program due to lack of use and current needs in targeting certain areas or home values. Ms. Kelsey reviewed the current activity level of seven loans, with three closed, and four others having dropped out for various reasons. With little activity so far in 2016, Ms. Kelsey advised that last year saw an uptick of loan applications in May, and she anticipated that occurring again this year, with one loan already having closed this month.

Ms. Kelsey noted that the RHRA had increased the program from \$20,000 to \$40,000 in consideration of average building permits being pulled over \$25,000 for home remodels, which she opined had made a difference in the interest level. Ms. Kelsey reported that the program is self-sustaining now, with no more money infusions since 2009, and funds being returned perpetually and revolving with loans issued for a maximum of ten years. Ms. Kelsey suggested no further discussions were warranted, other than an annual review of activity or to determine if further modifications are indicated.

Ms. Kelsey suggested another downtick in loan program activity may be due to no active marketing outreach since the past packets prepared for homeowners newly hooking up to the city's water service. Ms. Kelsey advised that this had been discontinued when the Living Smarter Home & Garden Fair had been discontinued, advising it was a very expensive mailing anticipating it may actually be thrown away upon receipt. Ms. Kelsey advised that those mailing costs of \$3/each at the time, in addition to printing, stocking them and other costs had put a halt to the packets until they could be redesigned or until the REDA directed staff how to market their programming. Ms. Kelsey noted that the entire packet needs refreshing to meet the city's vision and incorporate it on the city's website, since a majority of the current material referenced "Living Smarter."

Member Willmus asked if the Community Engagement Commission was working on something similar to this packet.

1 Ms. Kelsey advised that they asked Community Development Department staff
2 what they did, at which time staff provided them a copy of this packet, noting
3 they were no longer distributing it.
4

5 Executive Director Trudgeon advised that the Community Engagement
6 Commission still had this on their list of things to discuss, but had not taken it
7 under consideration yet.
8

9 Ms. Kelsey reported that since the loan program had been changed in January
10 of 2015, these programs were specific to Roseville and not duplicative of other
11 loan offerings. Ms. Kelsey noted that state and county programs are typically
12 income-limited in addition to other restrictions, with variable interest rates
13 based on collateral levels.
14

15 As far as the annual budget/levy, Ms. Kelsey reported that for marketing
16 impacts of these programs, the cost was less than \$10,000 annually for printing
17 and mailing costs, with a post card sent to all homes in Roseville that may
18 qualify under current loan guidelines, directing them to the HRC for more
19 information, or for another program that may be better suited based on their
20 income level.
21

22 At the request of Member Laliberte, Ms. Kelsey advised that 4,000 post cards
23 were printed and mailed, representing approximately half the single-family
24 homes in Roseville based on home values. Ms. Kelsey noted that this excluded
25 townhomes and condominiums that qualified for interior but not exterior loan
26 funds.
27

28 Roseville Multi-Family Housing Loan Programs

29 Prior to the city's rental licensing program going into effect in 2008 using levy
30 funds, Ms. Kelsey advised that this program represented a budget/levy amount
31 of \$200,000 to \$300,000 annually to build up this loan fund. Ms. Kelsey
32 reported that one development having taken advantage of this assistance was
33 the Sienna Green Apartments for gap financing, approved by the RHRA and
34 City Council. While the program has some limitations, Ms. Kelsey noted that
35 it was somewhat flexible.
36

37 Ms. Kelsey reported that \$1.5 million was available right now, with the most
38 recent use being the Dale Street project for higher density, since paid back/
39

40 At the request of President Roe, Ms. Kelsey reviewed the program's history
41 and annual levy option versus setting it up as a revolving loan program,
42 depending on the REDA's direction. Ms. Kelsey noted this could provide an
43 incentive to obtain the right development, referencing the City of Bloomington
44 having used a similar program to obtain market rate apartments.
45

1 At the request of Member Willmus, Ms. Kelsey confirmed that this fund had
2 been used to acquire properties on Cope Avenue, with the city having accrued
3 funds from the RHRA, creating the current account balance from that
4 transaction.

5
6 Housing Improvement Areas (HIA) (attachment J)

7 Ms. Kelsey reported that Ramsey County now has this ability, but they had no
8 money available to fund HIAs, part of their rationale for seeking EDA status in
9 the last legislative session.

10
11 Discussion ensued as to options for an HIA such as bonding even though
12 complicated for residents to pay off an assessment if selling their home as the
13 assessment needed to run for the full bonding period.

14
15 EDA Attorney Ingram clarified that the program's sunset clause had been
16 eliminated all together now.

17
18 Member Willmus stated he wasn't very interested in providing this duplicative
19 service. Member Willmus noted his difficulty in advocating the program,
20 particularly due to impacts to individual property owners within these
21 developments. Member Willmus stated his concern with the realistic operation
22 of an HIA.

23
24 President Roe noted that the intent was that associations should have their
25 finances in sufficient order that such a program wasn't needed, and this was
26 intended as a safety net for those older associations without sufficient financial
27 upgrades, since new requirements were now in place in establishing
28 associations.

29
30 Member McGehee agreed with Member Willmus on HIA's.

31
32 Member Laliberte agreed she wasn't a big fan of this program, especially if
33 Ramsey County had the ability to use the program.

34
35 Ms. Kelsey advised that there was no money involved, other than as another
36 financing tool available; and it involved a case-by-case determination based on
37 economies of scale (e.g. bonding), and required audited financial statements,
38 creating an extra cost for associations, as well as a study for long-term
39 expenses or improvements and how to address those costs.

40
41 At the request of Mayor Roe, Ms. Kelsey advised that associations do not have
42 to provide an annual financial condition reporting to the City.

43
44 County and State Home Improvement Loan Programs (Attachment K)

45 Ms. Kelsey reported that changes had been made in the program based on
46 lower bank interest rates; with an annual review typically done, and now at the

1 discretion of the REDA. Ms. Kelsey noted that the only place the program was
2 marketed was at the Home and Garden Fair rather than tied to any direct
3 mailing efforts to make people aware of the opportunities available.
4

5 Member Willmus suggested tying the fixed interest rates of the Roseville
6 housing loan program to some type of index, with President Roe suggesting it
7 be tied to home values as well.
8

9 Ms. Kelsey advised that the rates were reviewed annually at this point, and
10 adjusted to median home values, with material updated to reflect that annual
11 review.
12

13 Upon clarification that Member Willmus didn't intent this to be an Adjusted
14 Rate Mortgage (ARM) program, but a fixed rate for ten years, Member
15 McGehee noted the rate may vary for each new loan based on annual review
16 and revisions.
17

18 Member Etten reported that the RHRA had discussed that when revising the
19 loan rate felt at that point a clear and straightforward 3%. This is still below
20 bank rates and provides that the city isn't losing money but the program is
21 easily understandable by citizens.
22

23 Member Willmus noted that was easy to do when interest rates were at a
24 historic low, but noted that could easily change in the future.
25

26 Member Etten noted that was the rationale for the annual review.
27

28 Ms. Kelsey advised that she would consult with the HRC since they had to
29 perform the loan originations on more loans than just those of Roseville, and
30 involving other municipalities, counties, and the state; to determine if an index
31 basis would add complexity to their process or to determine how best to
32 manage it.
33

34 Noting that there appeared to be little REDA levy impact from these specific
35 programs, President Roe sought feedback from members as to any changes in
36 these programs.
37

38 Ms. Kelsey referenced the spreadsheet (Attachment K) providing loan program
39 comparisons; and asked if the REDA wanted further staff research of other
40 community programs or any further evaluation.
41

42 Without objection, staff was directed to return at a future REDA meeting with
43 this topic for further discussion on loans.
44

45 **d. Move-up Housing Discussion**

Due to time constraints, without objection this item was moved to the June REDA meeting.

e. Medium Housing Density Discussion

Due to time constraints, without objection this item was moved to the June REDA meeting.

Etten moved, Willmus seconded reopening the Closed Session at this time, approximately 9:56 p.m.

Roll Call

Ayes: Laliberte, McGehee, Willmus, Etten and Roe.

Nays: None.

Motion carried.

Etten moved, Willmus seconded adjourning the Closed Session at this time and returning to Open Session.

Roll Call

Ayes: Laliberte, McGehee, Willmus, Etten and Roe.

Nays: None.

Motion carried.

7. Adjourn

Etten moved, McGehee seconded, adjourning the meeting at approximately 9:56 p.m.

Roll Call

Ayes: Laliberte, McGehee, Willmus, Etten and Roe.

Nays: None.

Motion carried.

Daniel J. Roe, President

ATTEST:

Patrick J. Trudgeon, Executive Director