



## **Minutes**

### **Roseville Economic Development Authority (REDA) City Council Chambers, 2660 Civic Center Drive Monday, January 9, 2017 at 6:10 p.m.**

#### **1. Roll Call**

At the request of President Dan Roe, Executive Director Patrick Trudgeon called to order the regular meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:10 p.m. Voting and Seating Order: McGehee, Willmus, Laliberte, Etten and Roe

**Present:** President Dan Roe and Board Members Robert Willmus, Tammy McGehee, Jason Etten and Lisa Laliberte

**Others Present:** Executive Director Patrick Trudgeon, Community Development Director Kari Collins, and Housing Economic Development Program Manager Jeanne Kelsey; REDA Attorney Martha Ingram with Kennedy & Graven.

#### **Recess**

President Roe recessed the meeting at approximately 6:10 p.m. to allow those present for the council oaths of office to depart and reconvened at approximately 6:15 p.m.

#### **2. Pledge of Allegiance**

**President Roe acknowledged the Pledge had been recited as part of the Council Oaths of Office ceremony prior to the start of the meeting.**

#### **3. Approve Agenda**

Willmus moved, McGehee seconded, approval of the REDA agenda as presented.

**Ayes: 5**

**Nays: 0**

**Motion carried.**

#### **4. Public Comment**

#### **5. Board and Executive Director Reports and Announcements**

#### **6. Approve Consent Agenda**

At the request of President Roe, Executive Director Trudgeon reviewed the items on the consent agenda as detailed in the staff reports of today's date.

##### **a. Adopt Contract Services for 2017 with:**

##### **i. Kennedy & Graven, Chartered for Legal Services**

Etten moved, Willmus seconded, approval of a 2017 service contract for legal services with Kennedy and Graven (Attachment A) as presented.

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

**ii. Ehlers for Economic Development Consulting Services**

Etten moved, Willmus seconded, approval of a 2017 services contract for financial and economic development consulting with Ehlers & Associates, Inc. (Attachment B) as presented.

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

**iii. City of Roseville's Finance Department to Perform Accounting Services for REDA**

Etten moved, Willmus seconded, approval of a 2017 services contract for fiscal services with the City of Roseville (Attachment C) as presented.

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

**b. 4<sup>th</sup> Quarter 2016 EDA Staff Report**

Etten moved, Willmus seconded, receipt of the third quarter EDA staff activity reports (Attachments A, B and C) as presented

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

**7. Consider Items Removed from Consent Agenda**

**8. Public Hearing and Action Consideration**

**9. Action Items**

**a. Amend REDA By-laws**

At the request of President Roe, Executive Director Trudgeon reviewed this item as detailed in the staff report; and incorporating changes to those areas of concern previously expressed by the REDA members.

McGehee moved, Willmus seconded, approval of the amended REDA by-laws (Attachment B) as presented.

**Ayes: 5**

**Nays: 0**  
**Motion carried.**

McGehee moved, Laliberte seconded, adoption of REDA Resolution No. No. 5 (Attachment a) entitled, "A Resolution Authorizing Executive Director to Execute Certain Documents on Behalf of the Roseville Economic Development Authority" as presented.

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

Mayor Roe thanked staff for bringing back the revised edition of the by-laws.

**b. Election of Officers**

Etten moved, Willmus seconded, Roseville Mayor Dan Roe as President of the REDA for 2017.

McGehee moved a substitute motion, Willmus seconded, moving the 2016 slate of existing officers as is for 2017; and Mayor Roe declared the original motion withdrawn; with 2017 REDA officers continuing as follows:

President: Mayor Dan Roe  
Vice President: Member Robert Willmus  
Treasurer: Member Jason Etten  
Secretary/Executive Director: City Manager Patrick Trudgeon  
Assistant Treasurer: City Finance Director Chris Miller

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

**c. Consider Acquisition Policy**

At the request President Roe, Community Development Director Kari Collins and Jason Aarsvold of Ehlers, Inc. provided a revised update on the draft acquisition framework since last discussed by the REDA at their November 28, 2016 meeting.

Presentation

Mr. Aarsvold advised that the points made during the discussion at the previous meeting and additional changes as requested had been added to this iteration (Attachment B). Mr. Aarsvold reviewed those changes (pages 3 and 5) as redlined.

REDA Discussion/Deliberation

President Roe noted his intent (page 3, item 4.A.3) had been to address benefits to adjacent properties, similar to that used with Minnesota State Statutes, Chapter 429, for infrastructure improvements and an analysis based on the known

variables of those improvements on adjacent properties. President Roe advised that his thoughts with his requested language revisions had been along that concept. However, while requesting his colleagues to consider such language President Roe advised that he was amenable with the language as currently presented with one exception. President Roe asked that language in item 4.A.3 be revised to read: “Consideration of benefit to the surrounding properties *[and overall city tax base]* if his colleagues were in agreement.

Member McGehee asked for language to be revised and broadened with the word “impact” versus “benefit” since the impact may be either positive or negative, and therefore both should come to the REDA in the first pass with this acquisition framework.

As one of his considerations as well, President Roe spoke in support of such language.

Member Laliberte opined, through using a formula or analysis, the best scenario was intended for consideration; but noted that “impact” may depend on individual perspectives, with one person’s negative impact being another person’s benefit.

President Roe opined that any change in property value included a certain degree of constant variables that could be included in the analysis.

Member Laliberte suggested saying “value” rather than “benefit” to surrounding properties.

Member McGehee opined that she preferred language not to be so proscribed, and welcomed differing points of view to provide broader information for their decision-making.

Member Willmus questioned what the ultimate goal of the REDA was and whether they were trying to discern the effect the surrounding property and their market value with respect to item 4.A.3.

President Roe agreed that had been his primary thought. President Roe referenced the city’s tax increment financing (TIF) policy that includes a requirement for a cost-benefit analysis, not specifically a “but for” test, but specific and broader city language related to cost benefit. President Roe clarified that had been his interest to provide more specificity in determining if a project was of benefit to the community and how to quantify that, especially if the project was seeking public assistance of any kind.

Member Willmus suggested item 4.A.3 be revised as follows: “Consideration of *[effect] [benefit]* to *[market value and tax capacity of surrounding properties and overall city tax base]*.

On item 4.a.5, President Roe asked the intent of the word “seek” for sources as they fit; with Mr. Aarsvold advising that the intent was to maximize any outside funding opportunities that fit within the city’s goals, but to ensure a project was not driven by that alone.

President Roe offered an opportunity for public comment, with no one appearing to speak for or against.

McGehee moved, Willmus seconded, adoption of the City of Roseville and Roseville Economic Development Authority Acquisition Framework dated January 2017 (Attachment B) with Item 4.A.3 amended as follows:

***“Consideration of effect to market value and tax capacity of surrounding properties and overall city tax base.***

Additional discussion included Mr. Aarsvold’s concern for staff in attempting to estimate market values as a result of a proposed development project as the REDA had now requested to include an estimate prior to acquiring property for a development project, as well as staff attempting to determine impacts to the assessed value of those adjacent properties. While recognizing the REDA’s comparison to the Chapter 429 assessment process, Mr. Aarsvold noted this was of a different nature and could not be determined in the same way as improvements to public infrastructure, when those improvements may be on a private parcel only and difficult for a line to be drawn accordingly. Mr. Aarsvold expressed concern whether staff could provide information of a quality that would prove helpful or of the nature expected by the REDA.

President Roe expressed his personal interest in leaving the language as proposed for now, since it said ‘consideration of’ and to that extent the information would at least be available. If it was found not to be working after implementation, President Roe noted that the policy could then be revised.

REDA Attorney Ingram stated that she shared Mr. Aarsvold’s concerns with the difficulty in quantifying that information. Ms. Ingram referenced the comments of Member McGehee about the positive and negative impact providing that qualitative analysis. While not cut and dried, Ms. Ingram added her cautionary note to that of Mr. Aarsvold about how feasible this language may prove in practice and in evaluating projects in the long-run.

Community Development Director Collins stated that she saw staff able to provide comparables for site development for a specific use versus being able to come up with real time benefits or impacts. However, Ms. Collins opined that may be what was needed for the REDA for their decision-making.

President Roe agreed with Ms. Collins, noting that appraisal firms may be able to provide general feedback along those lines.

**Ayes: 5**

**Nays: 0**

**Motion carried.**

President Roe noted that this item would also come before the City Council for action later tonight.

**d. Greater Metropolitan Housing Corporation (GMHC) for Housing Resource Center (HRC) 2017 Services**

At the request of President Roe, Housing and Economic Development Program Manager Jeanne Kelsey briefly summarized this proposed quarterly contract versus an annual contract as detailed in staff report and Attachment A.

REDA Discussion/Deliberation

At the request of President Roe, Ms. Kelsey advised that staff had received no direction at this point from the GMHC Board as to extending the contract at a later date. However, Ms. Kelsey noted that, from its inception, the GMHC had never been able to stand alone without funding assistance from grants and single-family loan programs.

At the request of Member Willmus, Ms. Kelsey reported that there were no loan originations in process at this point, with most applications received in the spring or summer; and of a total of 11 applicants, two had decided to not pursue their loan, and 9 had closed in 2016.

Member Willmus stated he was concerned with the spike in fees and costs for the REDA with the GMHC going forward, opining that was not a pattern he'd want to consider long-term.

Ms. Kelsey advised that if a smaller loan was sought (e.g. roofs) versus the maximum loan amount of \$40,000, it was difficult for the GMHC to devise a percentage-based fee.

President Roe offered an opportunity for public comment, with no one appearing to speak for or against.

McGehee moved, Etten seconded, approval of the contract for construction and loan services with GMHC for HRC services (Attachment A) for the first quarter of 2017 as presented.

President Roe and Member McGehee asked staff to research a "Plan B" option for the City of Roseville.

**Ayes: 5**

**Nays: 0**

**Motion carried.**

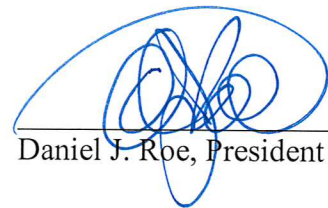
**10. Adjourn and Convene as City Council**

Willmus moved, Etten seconded, adjourning the REDA meeting at approximately 6:48 p.m. and reconvening as the Roseville City Council.

**Ayes: 5**

**Nays: 0**

**Motion carried.**

  
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Daniel J. Roe, President

ATTEST:

  
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Patrick J. Trudgeon, Executive Director