



Minutes

Roseville Economic Development Authority (REDA)

City Council Chambers, 2660 Civic Center Drive

Tuesday, May 8, 2017 – 6:00 p.m.

1. Roll Call

President Dan Roe, called to order the regular 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: Willmus, Etten, McGehee, Laliberte and Roe

Present: President Dan Roe and Commissioners 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.

2. Pledge of Allegiance

3. Approve Agenda

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

Ayes: 5

Nays: 0

Motion carried.

4. Public Comment

5. Items Removed from Consent Agenda

6. Business Items (Action Items)

a. Authorize Development Agreement for 196 S McCarrons through the Single-Family Housing Replacement Program

Housing & Economic Development Program Manager Jeanne Kelsey summarized this request as detailed in the staff report. Ms. Kelsey noted two corrected pages provided on the dais correcting page 6 (lin3 285 of the development agreement; and signature authorities revised from the inherited Housing & Redevelopment Authority (HRA) document (Exhibit C.c.1).

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

Etten moved, McGehee seconded, adoption of REDA Resolution No. 7 (Attachment B) entitled, "Resolution Ratifying Approval of a Purchase and Development Contract (Attachment A *as revised*) between the Roseville Economic Development Authority and Journey Home Minnesota."

Ayes: 5
Nays: 0
Motion carried.

- b. **Approve Resolution of Support for Use of Community Development Block Grant (CDBG) Funds, Tax Increment Financing (TIF), Ramsey County HOME Funds, and Application to the Livable Communities Demonstration Account (LCDA) for Proposed Multi-Family Lifestyle Development on Old Highway 8 by Sands Company, Inc.**

Housing & Economic Development Program Manager Jeanne Kelsey summarized this request as detailed in the staff report. Ms. Kelsey advised that the project developer was also present tonight with additional information. Ms. Kelsey noted the requested action included three separate resolutions of support from the REDA at their discretion; and the timelines involved for each resolution.

Ms. Kelsey advised that the item of most important note is the “Resolution in Support of Sand development, LLC’s Application for Ramsey County Community Development Block Grant (CDBG)/HOME Investment Partnership Funds for Development of Edison Apartments (f/k/a Arbor Rose Apartments);” scheduled for presentation to the Ramsey County Board of Commissioners at their formal meeting tomorrow night.

Ms. Kelsey noted the second requested action involved the “Resolution Identifying the Need for Livable Communities Demonstration Account (LCDA) Funding and Authorizing Application for Grant Funds;” with the pre-application for this funding having been presented May 4th; but clarified that this does not obligate the REDA to apply for funds if the pre-application came back inviting a full application, but other funding sources still unconfirmed and/or approved by the REDA.

Ms. Kelsey noted that the third resolution (Attachment E) entitled, “Resolution of Financial Support for the Creation and Administration of a Housing Tax Increment Finance (TIF) District and Commitment of Community Development Block Grant Funds (CDBG) in Connection with the Development of a Proposed Multi-Family Rental Housing Development;” would not need formal action by the REDA until June 15, 2017.

Ms. Kelsey recognized the development team available to update previous REDA questions and handouts showing further revisions to the concept plans; and to respond to any other questions of the REDA before they considered action on these requests.

President Roe clarified timing for the Metropolitan Council application due June 29th and the Minnesota Housing Finance Agency application due June

15th, allowing additional time if the REDA was unwilling to adopt a resolution of support at tonight's meeting.

Member Willmus asked if the public funding portions from the city had been addressed yet, including whether park dedication had been addressed.

Ms. Kelsey invited the development team to respond to that question.

Developer Representatives” Jamie Thelen, President/CEO of Sands Company and Derek Metz, Senior VP – Originations, WNC, Roseville

Mr. Thelen provided several updates since the last REDA meeting, including the HOME application requesting funds from the Ramsey County HRA in the amount of \$100,000 scheduled for consideration and award if approved on May 9, 2017.

Specific to the Metropolitan Council project concept plan application, Mr. Thelen reported that additional solar had been proposed for the project, allowing solar for all carports, which remained flexible depending on the funding, estimating 50% to 60% costs for that improvement.

In response to Member Etten's request for information on which sections the developer met in the city's public financing criteria and business subsidy policy, Mr. Thelen referenced additional narratives in tonight's meeting packet describing each and the number of criteria met in each section (Attachment B).

In response to Member McGehee's concerns raised at the last REDA meeting regarding affordable and market rate units in two different buildings rather than co-mingled, Mr. Thelen provided comparisons and increased costs, as well as implications for financing partners and their philosophy for integrating the units. Mr. Thelen advised that at this point in the concept plans, the affordable units were proposed at 60 units or 29% of the project. Mr. Thelen noted that cross parking and cross maintenance agreements as well as license agreements for use of common amenities by both market rate and affordable units would be recorded for perpetuity with Ramsey County.

Specific to the requested public funding (tax increment financing), with cost projections based on a long-term (30 year) affordability period, Mr. Thelen noted that they were only seeking a period of approximately five years for that funding.

Specific to the park dedication as requested by Member Willmus, Mr. Thelen revised the potential fee for the development at \$836,000, or \$4,000 per unit. Also, if the project was one building, Mr. Thelen noted there would be no need to replat the property, therefore not kicking in the park dedication fee in that case.

Also in response to Member Willmus at the last meeting regarding their typical ownership term, Mr. Thelen advised that the proposed affordable development portion proposed at fifteen years for funding purposes would be sought.

Mr. Metz reviewed his expertise with WNC and former roles with MHFA and tax credit affiliations and experience. Mr. Metz spoke directly to the inherent risks of mixed-income financing and the local/national perspective on mixed income financing, indicating separated projects for tax equity purposes. Mr. Metz provided examples of projects using economic integration of affordable and market rate projects.

Member Willmus asked if staff was aware of a park dedication history on the former Reiling property as part of their background research; with Ms. Kelsey responding that staff was unable to determine if the parcel had ever been subdivided in the past to trigger a park dedication process.

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

Etten moved, Laliberte seconded, adoption of REDA Resolution No. 8 (Attachment C) entitled, "Resolution in Support of Sand development, LLC's Application for Ramsey County Community Development Block Grant (CDBG)/HOME Investment Partnership Funds for Development of Edison Apartments (f/k/a Arbor Rose Apartments)."

Member Etten spoke in support of the project, noting its importance to the city and its residents.

Member Laliberte spoke in support of the project as presented. However as the project plays out, Member Laliberte stated that her overall support would depend on how financing changes during the project; but at this point could support moving forward seeking the support of Ramsey County.

Member McGehee spoke in opposition to the project, opining that she wasn't convinced it was the best project possible; and her continued opposition to separating market rate and affordable units in two separate buildings just because it was convenient. Member McGehee stated that this was not acceptable to her; and while many criteria of the project met the city's policy, opined that they could come to pass without additional public funding from the city. Member McGehee stated that she continued to have many reservations at this point, and felt it was inappropriate to ask for a lot of effort from many agencies and people for additional funding when in its current configuration she could not support the project.

Member Willmus spoke in opposition to the motion, stating that he continued to have concerns with the project. As far as the application, Member Willmus

opined that there were probably enough votes to move the project forward, but stated that he would continue to sit back and look closely as it moved forward. Member Willmus stated that as a clearer picture of what's involved was available, his position may change, but as of now he could not support moving forward.

President Roe spoke in support of the motion, stating that he believed that the project met the requirements set out by the city. President Roe further stated that he didn't share the concerns with separate buildings and understood the financing dictating it. President Roe opined that the city shouldn't punish projects due to use of an existing financing program that the city had no control over or hadn't established in the first place. President Roe agreed with the project in meeting part of the affordable housing needs of the community.

Ayes: 3

Nays: 2 (Willmus and McGehee)

Motion carried.

Etten moved, Laliberte seconded, adoption of REDA Resolution No. 9 (Attachment D) entitled, "Resolution Identifying the Need for Livable Communities Demonstration Account (LCDA) Funding and Authorizing Application for Grant Funds."

Member Etten spoke in support of this motion, but expressed his preference to hold off on the tax increment financing resolution at this point.

Member Laliberte spoke in support of the motion, and in delaying any further action at this point. Member Laliberte noted that in the end, she may agree with Member Willmus that she may or may not support the final project, however at this point stated that she was comfortable continuing to provide information as needed. Until the full picture is known as this plays out, Member Laliberte stated that she would withhold her full support of the project until all the facts were before her.

Member McGehee reiterated her comments as made with the last motion, opining there was no point to move forward at this point; and while she and Member Willmus may change their minds at a later date, there was no need to move on at this point.

In general, Member Laliberte questioned if there would be another opportunity for discussion; and spoke in support of these first two requested actions to authorize staff to work with outside groups. However, Member Laliberte asked that in the future, staff provide information to the REDA sooner and before application deadlines are looming and require immediate action.

Member Laliberte also noted her continued interest in community engagement early in the project and asked that as a separate discussion the REDA discuss that in general in order to provide staff direction in how many policy criteria items the REDA was looking a project meeting in various sections of the policy and what would trigger what was or was not subsequently presented to the REDA.

Member Willmus agreed that when a tentative project comes before the REDA or City Council and applicants are seeking to publicly engage with them, the setting should involve staff earlier in the process for pending action items coming before various bodies rather than approaching individual REDA Members and/or Councilmembers.

President Roe agreed with Member Willmus, especially to make sure staff is in the loop and provide some guarantee of the continuity of discussions. President Roe agreed with Member Laliberte in seeking public input for the city financing portion and appreciated the clarification and need to seek input from the broader community beyond residents within the 500' adjacency to the subject parcel. Between now and needed action on City public financing, President Roe asked that staff review ideas to further promote that community engagement beyond a required tax increment financing public hearing; and offered his support for other community-wide outreach efforts.

Member McGehee offered her support for both of those suggestions; as well as giving staff the authority beyond the public financing policy checklist to expound on how the checklist items are being achieved with staff readily able to speak to that finer detail.

President Roe opined that the developer's narrative was an attempt to do as suggested by Member McGehee. However, since the different boxes on the checklist have different purposes based on the particular development, President Roe noted that the quality of information provided in the narrative was an important piece. President Roe stated his confidence that staff would err on the side of caution in reviewing the criteria.

Member Etten stated his appreciation to the developer for providing the narrative and while they would obviously bring their perspective to that component, opined that it was up to the REDA as to whether they agreed that the criteria were being met or not rather than relying on staff to filter development information for the REDA.

In exchange for having had to ask for more detailed information at the last REDA meeting, Member Laliberte reiterated her preference that the information is provided early in the process; but expressed her confidence that staff had clearly received that message during the last discussion.

Ayes: 3
Nays: 2 (Willmus and McGehee)
Motion carried.

Executive Director Trudgeon asked what additional information the REDA needed before the next step in considering public financing of the project.

President Roe requested information on how staff proposed to get word to the community about the project and the public funding request for a portion of the project; and how to ensure the public's participation in that consideration.

8. Approve Minutes

Comments and corrections to draft minutes had been submitted by the REDA prior to tonight's meeting and those revisions were incorporated into the draft presented in the Council packet.

a. Approve EDA Minutes – April 18, 2017

McGehee moved, Etten seconded, approval of the April 18, 2017 REDA Meeting Minutes as presented.

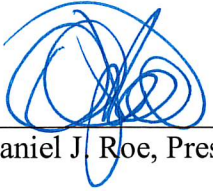
Ayes: 5
Nays: 0
Motion carried.

9. Approve Consent Agenda

10. Adjourn to City Council Meeting

Laliberte moved, Etten seconded, adjourning the REDA meeting to convene the regular City Council meeting at approximately 6:35 p.m.

Ayes: 5
Nays: 0
Motion carried.



Daniel J. Roe, President

ATTEST:



Patrick J. Trudgeon, Secretary/Executive Director