



Minutes

Roseville Economic Development Authority (REDA) City Council Chambers, 2660 Civic Center Drive Tuesday, June 5, 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 Tammy McGehee, Jason Etten, and Lisa Laliberte

Absent: President Roe announced that Vice President Robert Willmus had previously advised that he would be unable to attend tonight's meeting due to family and other obligations.

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

2. Pledge of Allegiance

3. Approve Agenda

President Roe suggested deferring public comment on non-agenda items to the start of the City Council meeting scheduled immediately after tonight's REDA meeting.

McGehee moved, Etten seconded, approval of the REDA agenda as amended.

Ayes: 4

Nays: 0

Motion carried.

4. Public Comment

5. Items Removed from Consent Agenda

6. Business Items (Action Items)

a. Authorize Contract for Services with CEE and CRF for Roseville Loan Program

Housing & Economic Development Program Manager Jeanne Kelsey summarized this request as detailed in the staff report. Ms. Kelsey introduced Mr. Jim Hasnick, representing the Center for Energy and Environment (CEE). Ms. Kelsey advised that this action is a result of direction from the REDA at their last meeting, authorizing staff to negotiate a contract (Attachment A).

Beyond a contract with the CEE, Ms. Kelsey noted further action in the near future to update the current contract with the Community Reinvestment Fund (CRF), the REDA's loan servicing agent; since the majority of those dated from 1998 and now with new software at CRF, would result in more efficiencies in programming and funds.

As detailed in the RCA, Ms. Kelsey reviewed the budget for 2017 as noted; and at the request of President Roe, advised that if terms differ significantly from those currently through the Greater Metropolitan Housing Corporation (GMHC), the contract would be brought to the REDA for approval.

Member Etten asked if the new arrangement allowed the REDA to continue current programs as well as offering any additional programs.

Jim Hasnick, CEE Representative

Mr. Hasnick reviewed some of the additional commercial lending programs available state-wide; and advised that while additional programs were not part of this proposed contract as presented, they were available for the REDA's consideration in the future, including through funding with other agencies (e.g. Department of Commerce) for home and energy improvements for homeowners.

Mayor Roe clarified tonight's action, for the REDA to be able to continue home improvement loans up to \$40,000 each, previously administered through the GMHC, and now switched to the CEE and resulting in a direct contract with the CRF.

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

Laliberte moved, Etten seconded, authorized entering into a standard agreement for professional services (Attachment A) contract with the Center for Energy and Environment (CEE) for loan origination services for the Roseville Housing Rehabilitation Loan Program and construction advisory services, authorizing execution of the contract by the REDA Executive Director and President; *amended to direct staff to bring back a negotiated contract with Community Reinvestment Fund, Inc. (CRF) for loan servicing.*

Since the CRF contract had not been negotiated since 1998, Member Laliberte expressed her interest in the REDA approving a new contract that may have significant changes in loan origination and other fees.

Member Etten concurred, noting the importance of these programs and this opportunity to keep them in place.

Member McGehee concurred, although noting that her first inclination was that if terms were approximately what they currently are, without substantial changes, there was no reason for staff to bring them back to the REDA for approval.

Member Laliberte disagreed, suggesting they could come back on the Consent Agenda if there were no substantial changes.

As a signatory of those contracts, President Roe agreed to have them come back to the REDA for approval.

Ayes: 4

Nays: 0

Motion carried.

b. Approve Resolution of Support for Use of Community Development Block Grant (CDBG) Funds and Tax Increment Financing (TIF) for a Proposed Multi-Family Lifestyle Development on Old Highway 8 by Sands Company, Inc.

Executive Director Patrick Trudgeon summarized this request as detailed in the staff report. Mr. Trudgeon noted additional information as requested previously by the REDA on community engagement related to the project and the public funding request for a portion of the project; and how to ensure the public's participation in that consideration.

As noted in the staff report, Mr. Trudgeon noted those funding sources have already been reviewed and receiving support from the REDA and those funding sources are still pending. Mr. Trudgeon reviewed the next steps for Sand Companies in their application to the MHFA for tax credits by June 15th and subsequent full application to the LCDA due by June 29, 2017.

Mr. Trudgeon briefly reviewed the process to be followed prior to the creation of any tax increment financing (TIF) district, and the pending amount and term for that funding at this time as noted.

Mr. Trudgeon clarified that tonight's presentation and requested action items did not constitute a formal development application at this point, but advised that would follow and involve a lengthy process; with tonight's action only related to the REDA's support of the financial aspects of the project. At the request of the REDA at their May 8, 2017 meeting, Mr. Trudgeon noted their interest in seeking community feedback on the potential for city financial participation from a variety of sources; and staff's subsequent involvement of a variety of media sources to garner that input. Mr. Trudgeon noted a number of interested parties in tonight's audience to speak to that purpose, as well as the written comments received prior to tonight, and included in the meeting materials and/or as bench handouts tonight.

President Roe clarified tonight's action, with the request for REDA support of Sands Company proceeding with the TIF process, conditional upon their approval of other funding sources.

Mr. Trudgeon concurred, advising that there would be no need to create a TIF district if the developer was unable to obtain other funding; and therefore there would be no need to start that process until more was known.

At the request of President Roe, Mr. Trudgeon referred to Attachment F showing the various funding sources; and advised that the first time any further action would occur before the REDA would be in December of 2017 (LCDA funding); and anticipated it would be 2018 before the actual development process would begin.

President Roe noted that those future discussions would include the land use issue in subdividing the property and ultimate negotiation and approval of developer agreements between the REDA and developer.

Mr. Trudgeon concurred, noting that he anticipated that could be tied in one package with the TIF process.

Regarding next steps, Member Laliberte noted that all funding from external entities should be known by the end of 2017; with subsequent project development, including open houses and the public process and traffic studies would happen after those approvals are granted.

Mr. Trudgeon asked the developer to respond, noting the limited utility moving forward in design until the project's certainty is known; and anticipated there may be some open houses held later this fall or early winter, while other things could be happening in the background.

Developer Representative Jamie Thelen, President/CEO of Sands Company

Mr. Thelen advised once the June 2017 applications are submitted, they may begin some pre-planning (e.g. site surveying, tree survey, etc.) but nothing major pending other city approval processes and funding confirmations from the state and other agencies in October of 2017. Mr. Thelen advised that the preliminary submission to the Metropolitan Council had already resulted in their suggestion to flip the buildings on the site. Otherwise, Mr. Thelen advised that Mr. Trudgeon's projected timetable was accurate.

President Roe asked Mr. Thelen if funding sources did not come through and it looked as if no affordable portion of the project was feasible, would the developer consider the make-up of the project to involve only market-rate rentals only.

Mr. Thelen responded that a market study was being conducted at this time, with the proposed project currently for 209 units. Mr. Thelen advised that any significant changes in potential funding sources would require another look, and possibly phasing the project; with his company's interest in how the project is currently laid on and without a second plan in place at this time. However, Mr. Thelen advised that there may be other developers interested in pursuing a project on the site other than his firm.

At the request of Member Etten, Mr. Thelen advised that while not completed yet, verbal confirmation of the market study indicated demand for the project as currently formatted, with the affordable portion specifically tied to his firm's presentation to their lender(s).

At the request of Member Laliberte, Mr. Thelen advised that he was well aware of the city's current tree preservation ordinance and had been in discussion with staff about it and had figured those costs into their financial projections accordingly.

At the request of President Roe, Mr. Thelen reviewed the proposed site plan for the benefit of the public, as well as proposed amenities.

At the request of Member McGehee, Mr. Thelen advised that his firm had not performed a tree survey at this point to determine the number of replacement trees and those that could be fit on the site or would need located elsewhere to meet city code requirements.

At the request of Member McGehee, Mr. Thelen reviewed his firm's first meeting with Metro Transit regarding bus connections and frequencies; and while not having the information available, with President Roe referencing the April and May REDA meeting packets that included that data.

At the request of Member Laliberte, Mr. Thelen reviewed the Metropolitan Council's request for re-orientating the buildings to provide resident access immediately accessible to the trail and green space, and recreation areas and the community building. Mr. Thelen advised that his firm had considered that layout early on, but preferred to keep the layout in a more circular community feel, as well as making the rights-of-way more enhancing and to have more of a prominence on Old Highway 8. While this suggestion from the Metropolitan Council had come from their in-house architects and staff, Mr. Thelen noted that it was a recommendation and not a mandate. Mr. Thelen advised that he welcomed feedback from the city and public on that orientation, but opined he and his development team differed in resident access to recreation areas versus the parking lot from their units. In general, Mr. Thelen reported that the Metropolitan Council supported the initial project and invited a full application.

Public Comment

Written comments were provided as bench handouts, attached hereto and made a part hereof, and in support of the Edison multi-family development from Cari Gell and Bruce Patrick.

Written comments were provided as bench handouts, attached hereto and made a part hereof, and in opposition of the Edison multi-family development or having various concerns from Rebecca Johnson, John Schumacher, Katie Dille, Cindy Petrie, Tom Brama, Roger Pastwa, Eric Bernhagen, and Laurie Starr.

President Roe reviewed protocol and efficiencies for public comment.

Bonnie Koch, 1910 Langton Lake Drive, #319, on behalf of the League of Women Voters (LWV)

Ms. Koch provided a written statement of support from the LWV in support of Sandy Development.

Ms. Koch noted a number of LWV were residents of Roseville and shared support of the project. Ms. Koch noted that a LWV study was in process in their review of fair and equal housing for all; and urged the REDA's approval of other financial resolution of support before them tonight.

Courtney Hubers, 2936 Old Highway 8

Ms. Hubers and her husband Kevin submitted written comments in opposition to more rental units in their neighborhood.

Ms. Hubers reported that fifteen of their neighbors had gathered over the weekend to discuss the project; and provided a list of seven points that those neighbors had been tasked with addressing tonight, all consistent in their desire that the REDA not offer City of Roseville funding of the project until the public had been heard from, resulting in the developer proposing a smaller project of less density. Those talking points included an introduction by Ms. Hubers of the goals for this evening, and concerns with traffic, overcrowding, needs of the homeless and low income, long-term impact on area homes, community involvement, and what is ultimately best for Roseville.

Margoe Hermes, 2935 Old Highway 8

As one of the neighbors tasked with addressing traffic, Ms. Hermes noted the long-time concern over the last 35 years with this 6 block stretch of roadway already overburdened with vehicles during peak hours. Ms. Hermes opined that traffic when backed up with additional development would divert to Troseth Road, creating additional safety concerns for pedestrians and bicyclers in that area. Ms. Hermes noted the number of semi-trucks currently using this narrow, one-lane road, and exceeding the posted 30 mph speed limits, frequently observing those semi-trucks at 50 mph. Ms. Hermes opined that it was imperative that a comprehensive traffic study be done before allocating

Roseville tax dollars to this project; questioning what possible changes could be made that would make this project workable.

Laurie Starr Pastwa, 2999 Troseth Road

Ms. Starr and her husband, Roger Pastwa, submitted written comments in opposition to the project, citing various concerns; expounded on during tonight's meeting.

Ms. Starr opined that it was imperative that the REDA not approve finances for this measure until input had been received from the neighborhood to determine the impact of such a development. Ms. Starr addressed crime in the neighborhood over the last ten years (burglaries, vandalism and possible drug deals from parked cars) and negative comments received from the police when reporting incidents without probable cause; potential increased noise pollution without the natural tree barrier; and inability of current businesses in supporting any additional jobs. Ms. Starr expressed further concerns with a need for a bigger police presence in the neighborhood if the project was approved; whether the fire department had sufficient equipment to handle a four-story building as proposed; lack of sidewalks and traffic diverting to residential roadways; how increased and unengaged youth in the area would be addressed given the limited space at Sand Castle Park; overwhelmed Roseville School District; increased water and sewer infrastructure and its adequacy; and other multi-family projects already in this area or being considered, whether in the City of Roseville or the Village of St. Anthony.

Jane Bates, 2980 Old Highway 8

As a social worker for over 35 years, Ms. Bates spoke to the long-term versus short-term needs of homeless individuals, of considerable interest to her with this project. With homeless and low income residents, Ms. Bates noted the frequent extensive health and mental health issues involved; with many discharged from jails, foster care or treatment facilities and without adequate resources provided those repeat issues would become evident. Ms. Bates encouraged the city to move with caution with this proposed development, noting the severe implications involved with public safety and the economic impact on emergency and public safety services.

Kurt Bachmeyer, 3045 Patton Road

Mr. Bachmeyer addressed concerns with the long-term impact of the project on area homes and property values given increased traffic and diminished aesthetics of the neighborhood. Mr. Bachmeyer cautioned that he was aware of several residents seriously considering moving away or not making improvements to their homes as planned if the project goes through. Mr. Bachmeyer opined that the project didn't fit with the character of the neighborhood and would overwhelm the neighborhood due to its proposed height/density, additional noise and light pollution, and removal of the dense tree forest that currently acted as a natural sound barrier. Mr. Bachmeyer stated that the neighborhood already felt encroached upon by other multi-

family buildings and major highways, when the current owners had purchased their homes and land based on the spacious character of the area, and while a building even half the size would still impact them, it wouldn't be as negative as that proposed. Even though this neighborhood may seem insignificant to the broader community, they were becoming more proactive, and expressed their interest in participating in the comprehensive plan update and asked that the city halt this current project to allow them to become involved. Mr. Bachmeyer stated that the neighbors were not opposed to an LDR project, but wanted the appropriate traffic and environmental studies done before hand.

Michael O'Brien, 2940 Old Highway 8

Mr. O'Brien and his wife Amy submitted written comments via email in opposition to the proposed project, in order to protect this pocket of Roseville to maintain a quiet, secluded feel desired and the value of their home.

As a three-year resident of Roseville, formerly from the Village of St. Anthony, Mr. O'Brien noted his and his neighbors' concern with the lack of a voice given them by the city now and when this property was rezoned in 2010 for HDR, which had apparently come as a surprise to identify it as HDR and not seek public comment at that time. Mr. O'Brien noted that such a history helped the neighborhood understand today's concerns, and questioned what studies had been done in 2010 before making that decision and if the character and needs of the neighborhood had been involved in that decision-making. Given the significant amount of public funding being requested for this project, Mr. O'Brien asked that those neighborhood interests be considered.

Mr. O'Brien displayed a map of Roseville, and specifically this triangle highlighting the uniqueness of the neighborhood that was essentially isolated from Roseville proper, surrounded by highways, I-35W, New Brighton industries and other HDR housing in several communities, and isolating it from other areas in Roseville. Mr. O'Brien noted that to-date, the neighbors had no vote in this process, and had only learned about the proposed project when a concerned neighbor had distributed flyers and set up a meeting to discuss it. Mr. O'Brien opined that it may be understandable why certain parties want the project to fly under the radar, the neighbors were concerned that there had been no dialogue with residents to determine impacts when public funds were being requested. Mr. O'Brien stated that he had yet to meet anyone in favor of this project, and instead was aware of a significant number who had organized and come tonight on short notice to voice their concerns, and with additional lead time, opined there would have been more neighbors present.

Mr. Bachmeyer referenced comments of Ms. Hermes regarding the drag strip involving Troseth Avenue, and asked - with the addition of more HDR, whether in Roseville or adjacent communities – what level of diversification could be provided in the area; and asked to what extent adjacent communities

and/or the Mounds View School District had been consulted as an important and considerate part of any resulting impacts.

Mr. Bachmeyer opined that the city needed to do its homework on the proposed project, and entertain proactive, honest dialogue with all stakeholders, and adjacent communities that would all be involved in supporting the influx of people and the opinion of other Roseville residents in providing public financing for a project of questionable benefit to Roseville. Mr. Bachmeyer stated that their neighborhood was united in their strong opposition of the project, based on their concerns with safety, home and property values, and viability of their neighborhood and asked that the city work with the neighbors toward addressing those concerns.

Bryan Jones, 3085 Old Highway 8 (Not a Roseville resident, but owner of 40-unit townhome property directly across from project site)

Having purchased his development property in 1988, and redeveloped and significantly rehabilitated the entire property ten years later, Mr. Jones opined that this project should provide its own financing as he had done. Mr. Jones opined that the proposed TIF district created an unfair playing field for other developers including him and several other small property owners who've invested in their properties.

Mr. Jones stated that he wasn't opposed to more density and new development, but for him the TIF funding was problematic when the economy was still recovering and the situation may recur with a project of this magnitude no longer being feasible with no recovery of the public financing used to construct it and no longer of any value to the city. Mr. Jones referenced a recent study about HDR in the Twin Cities area and first-ring suburbs showing signs that concessions were creeping back into the rental market to address vacancies and other articles addressing negative rental markets and related economic issues. Also Mr. Jones questioned if there was sufficient demand for an additional 209 units in this area; and urged the city not to consider using TIF on this site.

Roger Pastwa, 2999 Troseth Road

Mr. Pastwa and his wife, Laurie Starr, submitted written comments in opposition to the project, citing various concerns; expounded on during tonight's meeting.

As a resident since 1954 and commercial/residential builder since 1975, Mr. Pastwa stated that the reason he chose this area was due to the big lots and park-like atmosphere, but expressed concern that this area continued to move from a suburban to an apartment community, which he found sad to see. Mr. Pastwa also addressed the traffic speed problem on Troseth Road coming off Old Highway 8 that he had talked to Roseville Police officers about. Mr. Pastwa opined that this wasn't a good fit for the neighborhood, and could be designed to fit in rather than stand out.

Tom Key, 3054 Highcrest Road

Mr. Key noted his location on the other side of the triangle, directly across from a Village of St. Anthony grade school, which was also set to do an expansion, creating even more traffic in the triangle than just with this proposed project in Roseville. Mr. Key noted that his family had initially chosen this area due to the Mounds View School District, but having recently toured the Highview Middle School had found kids already having class in the hallways, with a bond referendum in the works that will raise taxes even more. Due to these unknowns, Mr. Key advised that his family had delayed a major home remodel, and questioned what this proposed project would further do to him home value. Mr. Key questioned what the payback would be for the city and its taxpayers for the city's use of public monies for the project, and how the construction business cycle looked long-term and whether this project would proceed without public financing, and if put off for a year would it still be a viable project.

Sue Watlow-Phillips, Representative of MICAH, St. Paul, MN

Ms. Phillips reviewed the purpose of her organization made up of area congregations supporting home ownership and housing for all people, and equal treatment for all residents. Ms. Phillips noted that most all in the room had been renters at some point in time, and assured all that there remained a need for rental properties, with only the predicted 6,500 units currently coming on line serving only 1/6 of the need for those with incomes of \$30,000 or less.

Ms. Phillips noted that there had been a housing crisis for the last four decades in this country, an issue that long has needed addressing. Ms. Phillips noted that there was not a lot of affordable housing available in Roseville or the entire metropolitan area, actually less than 1% for units with rents starting at \$900 to \$1,000 monthly. Ms. Phillips asked if there was sufficient housing stock in each community for equity and opportunities for all. Ms. Phillips advised that her organization had worked with the Sands Company in other communities who had the same legitimate and similar questions, and asked that the city consider their response, opining that Sands listens to the community; and encouraged continued community engagement to make sure everyone understands the project. Ms. Phillips suggested that the city provide some studies on what happens to home values when a project receives tax credits, and a review of values of those homes when in the proximity of affordable housing, that would provide accurate facts for the community to understand.

Ms. Phillips stated that she was glad to hear community members express an interest in the 2010 comprehensive plan update. However, Ms. Phillips opined that this project would help Roseville achieve Metropolitan Council goals and provide additional housing units that were sorely needed.

Tom Brama, 2994 Old Highway 8 (home) and 3020 Old Highway 8 (11-unit apartment complex)

Mr. Brama submitted written comments in opposition to the project, and expounded on his concerns verbally at the meeting.

With everyone talking from a residential perspective, Mr. Brama stated his interest as a developer with 480 units in a complex on the other side of Old Highway 8, the Brighton Village apartments built between 1968 and 1971. Mr. Brama advised that those had been constructed without any public subsidy, and his rents still supported workforce housing, as most older housing stock did other than this proposed project.

Using information from the developer's submittals, Mr. Brama addressed the proposed number of subsidized units based for those at 60% of the area median income, the proposed rent to be charged for an affordable housing unit. Mr. Brama also noted that the building's height would be four stories, not three, and would tower over Roseville Eight Estates immediately next door, currently at 2.5 stories, and would therefore be totally out of character in the neighborhood.

Even with the extensive new building at Sand Castle Park, Mr. Brama noted the current graffiti removal required, and opined that with an influx of 500 to 600 more people, that could be expected to go up, creating additional city expenses. Mr. Brama asked if Sand Castle Park was big enough to handle an additional influx of young people using it.

By the city giving away tax money for a number of years, Mr. Brama opined it would hamstring the city, and also as pointed out by other speakers, this area of Roseville was the forgotten corner where none of the council members lived.

Mr. Brama asked that the REDA consider multi-family construction in adjacent communities to this northwest corner of Roseville, and on the other side of the intersection, with 1,000 units in the City of New Brighton within a half mile of this site required to share infrastructure and massive traffic issues. Mr. Brama asked if the developer would be asked to widen Old Highway 8 to handle increased traffic, or if eminent domain would be used to take over adjacent properties in order to do so.

Mr. Brama opined that taking action tonight to continue supporting the developer seeking tax credits would be unfair when the question remained whether the parcel could or should handle HDR to the detrimental affect of the neighborhood.

Mr. Brama noted that one of the members of the REDA in opposition to supporting the project was not present tonight; and while he wasn't saying this developer was not welcome in the community or that additional housing was needed, by simply lowering the parcel for MDR, an additional 30-40

townhomes could be built in a livable style rather than stacking them four stories. Mr. Brama also opined that by segregating all the workforce housing into one building, it was unfair and defined the “haves” and the “have nots.” Mr. Brama asked for a pause at this point and not to encourage the developer to proceed until these matters were reviewed and zoning change considered to MDR rather than HDR.

Mindy Greiling, 2495 Marion Street

Ms. Greiling had submitted written comments urging inclusion of affordable lifecycle housing as part of this project, especially if using public funds for the public goods.

While speaking as a Roseville resident rather than on behalf of the LWV spoken for by others tonight, Ms. Greiling’s noted the availability of the League’s study on affordable housing due next month. However, Ms. Greiling noted that there were other members of the LWV present tonight supporting this resolution of support, including some living in the triangle area and supporting more lifecycle housing in Roseville.

Ms. Greiling referenced an email offering support and welcome for this project from Senator John Marty, who lives within two blocks of the proposed project.

Ms. Greiling noted the variety of opinions on any project, especially one with as many units as this, but again referencing the LVW study, without density projects couldn’t afford to be built in today’s market.

When first moving to Roseville, Ms. Greiling noted that her family had been renters, and were now in their second home in Roseville, two blocks from Rice Street, and adjacent to a large mobile home park, and Caliber Ridge all affordable housing and the remainder workforce housing. Ms. Greiling addressed the value of the diverse neighborhood; and expressed concern with the comments indicated earlier during public comment inferring that renters and this type of unit created more crime. Ms. Greiling noted that two African American members of the LWV had been present tonight, but had left after being offended by those inferences.

As the parent of a son with mental illness, who wanted to live in Roseville but was unable to find housing, Ms. Greiling advised that he was now living in a beautiful unit similar to that proposed with this project; and noted that he would not be concerned if workforce housing was confined to one building or three, but was simply interested in having a place to live. Ms. Greiling stated that she and her family wanted their son to live in Roseville, and asked that the REDA please support this resolution.

Deborah Mosby, 935 Sherren Street

Having been born and raised in Roseville, Ms. Mosby expressed how lucky she had been to come from this community and to be raised with warm hearts

and open arms. After living in Texas for a time and then returning to Roseville, Ms. Mosby noted the changing demographics she'd found, and expressed her thrill in the diverse and wonderful learning experiences and friendships gained in the community and schools. As a single mother of two children upon her return, Ms. Mosby advised that she had no income to speak of and had rented an apartment initially until able to purchase a house. Ms. Mosby noted the benefits she'd received from the community education and park and recreation opportunities, and other gifts living in Roseville. Being a lower income, single mom, Ms. Mosby noted the many people she'd met and continued to meet in her multi-cultural neighborhood over the last twenty-five or more years, providing for a wonderful experience.

Therefore, Ms. Mosby asked that the community keep their hearts open to this project, and while understanding there were serious business logistics to consider, to base things on facts not supposition, such as stating that people with mental illnesses or additions or "those people" are criminals. Ms. Mosby noted that every family experienced one or more of these issues.

Maria Herrera, 2453 Brenner Street

Ms. Herrera stated that she was speaking as a homeowner, single mom, and property owner. Ms. Herrera addressed safety concerns with traffic speed and back-ups at County Road D and 33rd Avenue at the five-way stop, and the need for more patrol cars to issue citations, not just putting up a speed board. Ms. Herrera also addressed the lack of transparency to-date for this project, opining that it left the impression that the city was trying to keep it a secret to avoid opposition.

Ms. Herrera opined that no one was opposed to providing some type of housing for everyone, but this 200 units as proposed would severely impact this triangle neighborhood and affect home values with the additional traffic created by it. As a single mom, Ms. Herrera advised that her home was her biggest asset and important to her; with the trees serving as a sound barrier from adjacent highways; and asked when the city was going to start thinking about its residents in this neighborhood.

Clare Keen-Jordan, 2595 Cohansey Street

As a twenty-five year resident, Ms. Jordan spoke to the affordable housing component. Ms. Jordan noted that everyone moved to Roseville for its opportunities, including parks, schools, and neighbors. Ms. Jordan asked the stated that her purpose tonight was to enthusiastically encourage the REDA to support this project in meeting the needs of the broader community.

As to comments about the face of those who might live in this complex, Ms. Jordan expressed her offense with some of tonight's comments. As the mother of two adult sons, one with mental illness needing affordable housing, Ms. Jordan noted that according to the Stewart-McKinney Act, he would be

considered homeless, and for the last eighteen months, advised that she had driven around the community seeking housing opportunities for him, with only three identified as such, and for one reason or another not suitable. Ms. Jordan expressed concern that some in the greater Roseville community may have been offended by some of the inferences or comments made during tonight's public comment.

As a clinical social worker, in practice since 1983, Ms. Jordan noted that housing was the key to stability for families, including those labeled as homeless or with mental illness issues. With a 1% to 3% vacancy rate for rentals in this area, and a lack of landlords who accept Section 8 vouchers, Ms. Jordan emphasized the need for affordable housing and encouraged the REDA to support this project allowing others to enjoy the same quality of life as others did.

Justin Brama, 2986 Old Highway 8

As a first-year teacher having purchased a home in Roseville, Mr. Brama opined that he saw those living outside this triangle telling them of their needs and stating that they could handle this project. However, for those living in the triangle and fully aware of current traffic issues, Mr. Brama opined that there was already too much of it and at too high of a speed.

Mr. Brama also addressed crime in the area that already existed, and without question agreed with social workers in vouching that not all of that criminal history came from low-income people, but opined that long-term homeless issues frequently went along with that crime. Mr. Brama clarified that this didn't mean that people in the community didn't support those with needs, and recognizing the need for housing for them, but stated the concern is the impact of 200 plus units to area home values.

Mr. Brama advised that he had been planning to put considerable money into a remodel of his home, but at this point had put that on hold until this project's future is determined; and if it does go through, his intent would be to sell the home almost immediately.

Rita Mix, 3207 Old Highway 8

Ms. Mix spoke to her involvement in the recent past in reducing density of a project located further south at County Road C-2; and her current meeting today with those residents now activated on this northern County Road D project and her introduction to them and the materials provided to her by them.

Ms. Mix recognized that their opposition had nothing to do with low- or moderate-income subsidized development, but more to do with density which she understand completely. Ms. Mix suggested that if the REDA could financial support a low- to moderate-income housing option while at the same time reducing density, she thought the community would accept that versus all

market rate units at a lower density. Ms. Mix stated that, as a resident in this area, there was no problem with a diverse population, noting the mosque located in New Brighton and immediately adjacent to this area; as well as another MDR project pending pertaining to the particular demographic being considered within the Old Highway 8 community. Ms. Mix stated that the intent was not to shut out an opportunity for diversity or race or income, but simply asking that density be adjusted to accommodate the needs of the broader community.

Ms. Mix noted that each year this area feels more encroached upon by development in surrounding communities (City of New Brighton and Village of St. Anthony), including ever-growing industrial uses in the City of Roseville. Ms. Mix advised that the hope is to preserve this small enclave as an important part of the community, and thereby reduce density and deal with current an increased traffic concerns. Ms. Mix addressed some of those traffic concerns and their impacts to feeder streets, with additional traffic negatively impacting the way of life and peace of mind for those living in this area. Ms. Mix asked that the REDA give more thought to density of the project and how to achieve better control of access onto Highway 88 or other mechanisms to address these major issues. Ms. Mix stated that the neighborhood encouraged low- to moderate-income units if there was a way to incorporate them into the community, and stated that the neighborhood would be happy to do so under those circumstances.

Mike Amand, 2926 Old Highway 8

As a retired roofer, and thirty-two resident of Roseville, Mr. Armand noted that the triangle area of Roseville was unique with a country or rural atmosphere to it, even though located close to the city with all of its amenities.

With 209 units as proposed with this project when at maximum occupancy of the combined units, Mr. Amand questioned how that would preserve that quality of life along Old Highway 8, and shared the concerns expressed by previous speakers as to traffic and changing the atmosphere and character of this neighborhood. Mr. Amand urged the REDA to give more consideration to this project before agreeing to fund it.

Also, with other HDR immediately adjacent in the Village of St. Anthony, Mr. Amand questioned how the school system could absorb more students or how the previous natural resources could be preserved with more demand, already at the maximum limit for this area. Mr. Amand stated that he wasn't opposed to low-income housing, but that he was opposed to HDR on this site and asked that the REDA study all the different points raised tonight.

Ann Borgstrom, 2962 Manson Street

With her parents having moved to Roseville in 1956, and as an architectural designer working in the seven county metropolitan area, Ms. Borgstrom noted

the easy life in suburbs, especially in Roseville with its modest and sturdy homes built in the 1950's and 1960's. Ms. Borgstrom referenced a national real estate survey that listed Roseville as the #1 "Minneapolis" suburb, which she didn't surprise her, expressing her love of Roseville.

Ms. Borgstrom noted that her backyard was along Old Highway 8, and opined that these issues could be worked out. However, Ms. Borgstrom stated that her main concern is the ratio of these units in comparison to the residents already living in the boundaries of this forgotten Roseville triangle, and whether that ratio was tangible or intangible with increased density.

Since 1972, Ms. Borgstrom noted the steadily increasing traffic in the area, especially at rush hour for those traveling north on those arteries and specially in that triangle; an opined that the ratio was off as far as how many people and drivers would ultimately be involved and what it would do to the environment with back-upped traffic and emissions effecting the health of residents in the immediate area.

Ken Florian, 440 Glenwood Avenue

While living further away form this area, Ms. Florian spoke in support of those in opposition, suggesting that President Roe and Member Etten were even further away form this area and therefore less affected by the proposed project. Ms. Florian questioned who this affordable housing would be for, and while all may begin in an apartment or starter home, it was not the job of government to provide affordable housing, and while it may be nice it was not a right.

Since there were more telling the REDA that they didn't want it in their area, Mr. Florian opined that if the REDA truly represented its voters, it would not let the development happen in a neighborhood that didn't want it.

Tom Key

Mr. Key offered additional comments about how Highcrest Road served as the west boundary for north/south traffic and the current traffic patterns for semis and other vehicles diverting directly in front of his home to eliminate or reduce back-ups in traffic. While the Village of St. Anthony has "no parking" there in their area of jurisdiction, Mr. Key noted the number of children crossing the street; and negative impacts if it was found that Old Highway 8 couldn't accommodate the additional traffic from this project, how housing would be ruined if Highcrest Road was widened. Mr. Key noted the difficulties with Highways 8 and 88 involving both Ramsey and Hennepin Counties.

Sue Watlow-Phillips

Ms. Phillips sought to clarify a point made tonight about housing subsidies, noting that the largest subsidy was for homeowners through capital gains, with most homeowners at mid-income levels receiving that subsidy through state and federal levels above and beyond affordable housing as addressed tonight.

Specific to low income housing tax credits and long-term homeless units, Ms. Phillips advised that the program was designed to allow people to live throughout the metropolitan area; with all homeless units providing a case manager, and developer contacts with social service providers and other resources to work with families or individuals in those units.

Laurie Starr Pastwa

Ms. Starr noted that many had been single parents and/or lived in apartments before purchasing a home and clarified that previous comments had not been intended to offend anyone, but simply to consider an additional number of 60 out of 100 units built in Roseville in this area as being too much on that small of an area, creating overload in her opinion. Ms. Phillips stated that to be accused of racism was totally inaccurate, and clarified that any crimes she'd seem committed in her neighborhood had been done by local, white teenagers, and not racist-related.

REDA Deliberation

President Roe reiterated the suggested action under consideration tonight, to support creation of a TIF district and dedicate Roseville CBDG funds. President Roe first sought to address some of the questions raised during public comment.

TIF

President Roe clarified misunderstandings raised about TIF and how that funding applied to parcels as they were developed to a greater value and use, and that differential in value captured for a period of time. In this case, President Roe advised that the district was proposed at five years, significantly less than the typical 15-20 year TIF district, and a minimal investment in the overall funding than typically sought by developers.

CDBG Funds

President Roe advised that these funds had been allocated to the city from the federal government over years and intended for a purpose such as this.

Process/Community Engagement

President Roe noted the interest expressed at the last REDA meeting in getting the word out early on with this project even though in the preliminary stages, and resulting community interest shown tonight, indicating that those efforts apparently worked. While many may feel that no outreach effort had been undertaken, President Roe noted that outreach was intended before the process continues.

Familiarity of the Area by Individual Members

President Roe stated that he personally traveled in the Old Highway 8 vicinity frequently.

Aquifer and Water Issues

President Roe clarified that the City of Roseville got their water from the City of St. Paul and the Mississippi River; and assured all that it was in a good position to handle the water needs of the community.

Ratio of Residents

President Roe admitted that was an interesting question, and advised that additional information would be sought to respond.

Existing Issues in the Area

President Roe noted that the city was well aware of the issues needing improvement in this area, as having been addressed with Ms. Mix previously, in addition to those issues involving adjacent cities (City of New Brighton). President Roe advised that the message was clear that, regardless of this project, those issues needed improvement.

Jamie Thelen, Sands Development

Member Laliberte noted the concerns brought up tonight from this neighborhood, and as a frequent traveler of this area, recognized that tonight's action at this stage of the process only involved the funding pieces. Member Laliberte noted the proposed project seemed in direct opposition to what this area of the community wanted as part of that process. Therefore, Member Laliberte questioned if the developer had done a traffic study at this point, and what answers they could provide specific to traffic at this point. In the real world, Member Laliberte noted that it doesn't work in today's market to talk about financing later after a project had been fully developed; but stated her understanding from the community's perspective in feeling that the process was not transparent enough. Member Laliberte clarified that the REDA's actions to-date had been solely around funding aspects, and not about the feasibility and livability of the project itself, with that piece yet to come. Under these circumstances, Member Laliberte sought the developer's response to those questions and issues raised.

Traffic Access Onto Old Highway 8, Possibly Highway 88

Mr. Thelen responded that a traffic study was typically required as part of a development, but not early on, and involved the number of vehicles a project would increase, how they traveled, the number of proposed units and their size; and how many people were proposed to be living on a site. Mr. Thelen noted that this was a legitimate question and advised that he foresaw a traffic study in the near future.

Member Laliberte noted that she would certainly be interested in the results of a traffic study; and asked about the feasibility of the project if a traffic study determined that the existing roadways would not support the proposed density.

Mr. Thelen responded that depending on those results, it would determine their next steps and how many units the site would support. Mr. Thelen advised that their development team typically looks at how a property is zoned and the density allowed; and clarified that they typically didn't come to a site and seek to rezone it to make land use changes to do so. Mr. Thelen advised that instead, the team reviews a city comprehensive plan and their zoning ordinance well ahead of considering a project site, in this case over one year ago, and then attempted to follow that guidance. As the project got more refined, Mr. Thelen advised that it could be tweaked, including density depending on related studies. However, Mr. Thelen opined that it would be difficult to specify a change in the number of units and what that density could be. Mr. Thelen did note that they did know that the market would support the proposed 209 units as a feasible project, and therefore had based their funding sources accordingly, and advised that it would be reviewed accordingly as the process continues.

Target Number of Residents/Unit

At the request of Member Etten, Mr. Thelen advised that typical occupancy of the 108 studio or one-bedroom units, representing 50% of the total units, would house 1 to 2 people; while the 3 to 4 bedroom units would obviously house more residents. Mr. Thelen advised that their 2 bedroom unit floor plans were designed to house two people, with one bathroom and bedroom on each side of the unit. In the affordable family side, Mr. Thelen noted that there would be more children in that family housing, but estimated that it would be reasonable to project that on average there would be two people per unit, thus their parking plan.

At the request of Member McGehee, Mr. Thelen clarified that all their buildings had similar layouts, whether affordable- or market-rate units.

Motion

McGehee moved, Laliberte seconded, to not approve the proposed resolution.

Member McGehee advised that she had yet to hear a single comment in opposition to developing this parcel or having affordable housing as part of such a development. Member McGehee noted that while she heard people stating that they would welcome new residents, residents were concerned with traffic and density issues in the area. She noted that Roseville has an opportunity to offer good, affordable, quality housing by the REDA and the community agreeing and making investments accordingly. Member McGehee stated that she was happy to make such an investment, but not through the use of TIF. Instead she supported direct financial aid which would include a caveat that the City retains some input and control in exchange for the City's financial contributions.

Member McGehee stated that she had opposed the project in the first place and would continue to do so, based in part on the segregation of the “haves” and “have nots” that she was morally and ethically opposed to funding, opining that Roseville was better than that and could build a community by mixing units. Member McGehee stated that she would personally like the city to take a big leap in saying what the community wanted related to affordable housing, but questioned the willingness of anyone else on the bench in doing so. Member McGehee noted her attendance at the recent affordable housing workshop, and her research on affordable housing subsequent to that, with her conclusion that what worked best was when the community was behind what was being proposed and its location. With over 35% of Roseville’s housing stock in the rental area, Member McGehee stated that the community was not suffering from a lack of it, even though there were more senior than family units available.

Member McGehee stated her pride in this cohesive neighborhood appearing tonight; and noted the apparent willingness of the developer to work with the community to find a solution and come back before the REDA to allow residents to be invested and feel they have a stake in their community while protecting their children, values and investments. Member McGehee opined that it wasn’t fair for a developer to come into a community and negatively impact those already living there.

Member Laliberte reiterated that for anyone following this particular project, discussions to-date have been solely involved in the financial components and not the feasibility and livability issues, with no project plans formally submitted to the city at this point. Therefore, Member Laliberte noted her support of the previous two discussions supporting the developer’s application for funding mechanisms available from outside entities other than the city.

For the record, Member Laliberte stated her comfort level with the minimal amount and term of TIF requested for this mixed project. While not a council member at the time the 2010 rezoning and comprehensive plan guidance was approved, Member Laliberte noted that she was disappointed and surprised about the parcels identified as HDR; and since her election to the City Council in 2010, noted her continued argument for a review of that HDR density. Member Laliberte noted changes made with the project referenced by Ms. Mix in this same area resulting in a reduction in zoning density from HDR to MDR; with other changes in order from her perspective. Agreeing that the city’s infrastructure may not bear that density that the Metropolitan Council recommends, Member Laliberte noted that remained a concern to her and would remain part of ongoing discussions whatever project was being considered.

Whether or not this is the right project for this site should the process continue, Member Laliberte stated her support for affordable housing, but was unsure

whether she was morally or ethically concerned with buildings being segregated as long as workforce housing was provided.

Member Etten agreed with the comments of Member Laliberte, noting that the recurring theme brought up tonight during testimony was traffic. However, Member Etten opined that obviously not enough was being done toward that concern, with ongoing back-ups in some spots, as well as other points in the city. Member Etten stated his interest in a traffic study, and expressed appreciation to the developer for being willing to have one done. Member Etten advised that he was supportive of mixed development and noted his interest in continuing to invest in this area would depend on the results of a traffic study and recommendations to improve traffic flow in that area. As a teacher at Irondale High School, Member Etten noted his familiarity with this area where a number of his students live. Since the city needs to address those issues whether or not this project moves forward, Member Etten questioned what a delay would accomplish, and suggested not pausing the process to deal with neighborhood concerns at this early stage of the process.

President Roe stated that there was no question that this was a challenging situation in being faced with his support of the affordable component and current HDR zoning. President Roe suggested that one way to proceed would be to approve the resolution for this next round of funding and perform additional studies concurrent with that to find out answers to traffic questions, which may result in changing the development's scope or to not proceed no matter if funding is in place.

President Roe opined he found that the most constructive way forward, but also understood the perspective to say this project doesn't fit and say so now. However, President Roe advised that he wasn't quite there yet, and was curious as to the perspective of individual REDA members on a specific question to support the application for funding concurrent with this type of study to receive answers as a legitimate option to the motion currently before the body.

Member McGehee stated that the only way she could be comfortable with this is for a real discussion to occur between the developer and community, to address their real and appropriate concerns, as well as a traffic study. Member McGehee stated that she didn't care how many units were involved if the city needed to provide financial assistance to make a project happen, but stated her opposition to any use of public monies for something that residents and the REDA's constituency didn't support and caused them to feel disenfranchised or that their quality of life was being ruined.

Member McGehee referenced an example from another community, where three representatives of the developer and the neighborhood got together to

develop a plan that would work; and if that could be achieved here as well, she would be supportive.

Regarding President Roe's suggested alternate motion, Member Laliberte spoke in support of that concurrent work; but expressed her preference for making it conditional upon award of MHFA dollars and verified maximum amount and term for a TIF district beyond verbal presentations.

For clarification purposes, Attorney Ingram advised that the intent of this proposed resolution before the REDA for action tonight was not committing any funding whatsoever by the REDA and city, but simply said that the resolution supported the developer's application for tax credits. Ms. Ingram noted that the MHFA required a resolution of support and certain language now showing that in concept the REDA would support the developer's application. Ms. Ingram stated that she wanted to make it clear that there is no requirement under the language of this resolution that the REDA has to move forward, but would allow for a concurrent process. If the tonight's action is to deny the resolution, Ms. Ingram advised that this would essentially kill the project, opining that the developer was unlikely to move forward without those tax credits.

At the request of President Roe, Ms. Ingram confirmed that the REDA could pass a motion separate from this proposed resolution describing the concurrent process beyond the resolution required for the developer to move forward in applying for tax credits.

Member McGehee asked whether the REDA could attach strings to the resolution allowing the developer to seek additional funding, and requiring them to meet with the neighborhood and at some point provide for majority support of their project. Even though the developer had indicated their willingness to look into it, Member McGehee noted that they hadn't offered any options to do so. Since the primary concerns is one of density, Member McGehee questioned what would happen if the results were for a less dense version of the project or a different layout, and how that would impact funding applications already in place or pending.

Attorney Ingram deferred to the developer for their response based on their experience in the past with similar situations.

Executive Director Trudgeon advised that there would be impacts, since the developer and REDA were promoting the project with a certain configuration, with lower density dramatically affecting the economics and use of the proposed project.

At the request of President Roe, Mr. Thelen advised that with all developments done to-date, they had held neighborhood meetings, clarifying that the project

simply hadn't reached that stage at this point. As to how and whether developments had significantly changed based on those meetings, Mr. Thelen noted there were certain hot buttons (e.g. traffic engineering study) and while they may have lowered density in some projects, the conversations could be held even though it would impact certain pieces.

As to the pending applications, Mr. Thelen advised that all TIF and CDBG funding was related to the 60 affordable units on a separate legal lot; and therefore would affect those applications. However, specific to the MHFA application, Mr. Thelen noted that they would consider the larger project, with certain representations made by the developer and supported by the REDA in previous resolutions of support that may be of concern for all parties if changed significantly from that initial representation.

John Belisle, Developer

Mr. Belisle noted that TIF was intended to be collected from the entire site, but if units were reduced in number it may impact the term of the TIF, possibly by doubling the term, and asked that the REDA keep that in mind.

Mr. Thelen

At the request of Member McGehee, Mr. Thelen advised that the Ramsey County HOME funds were specific to the 60 affordable units; and while the Metropolitan Council pre-application was not tied to a specific number of units at this point, they would prefer higher density projects.

While Member McGehee stated that that the issue of most concern she heard from the neighbors was density not traffic, Mr. Thelen and President Roe concurred that traffic is a significant issue for the neighborhood in addition to density.

Motion (restated)

McGehee moved, Laliberte seconded, to not approve the proposed resolution.

Discussion ensued regarding this motion and its impacts, including interest in pursuing developer/neighborhood discussions; the developer missing this round of applications if the resolution of support isn't approved tonight; and potential tie vote with only four members available tonight.

Member McGehee stated her continued support of the motion.

With the opportunity to review zoning designations and density as part of the 2040 comprehensive plan process currently underway, President Roe spoke in support of the motion to take a step back. President Roe clarified that he had no issue with the affordable housing being segregated; and opined that a lot of the project made sense, but further opined that the site may be problematic.

Ayes: 3
Nays: 1 (Etten)
Motion carried.

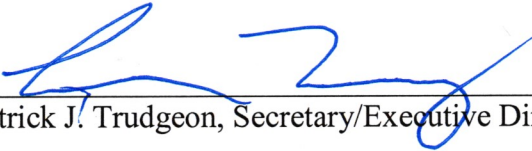
8. **Approve Minutes**
9. **Approve Consent Agenda**
10. **Adjourn to City Council Meeting**
Etten moved, McGehee seconded, adjourning the REDA meeting.

Ayes: 4
Nays: 0
Motion carried.



Daniel J. Roe, President

ATTEST:



Patrick J. Trudgeon, Secretary/Executive Director