City of East Bethel
Housing and Redevelopment Authority

Regular Meeting – 6:30 p.m.
Date: October 1, 2014

		Item
6:45 PM	**1.0**	**Call to Order**
6:46 PM Page 1	**2.0**	**Adopt Agenda**
6:47 PM Page 2-7 Page 8-19	**3.0**	**Approve Minutes –** **A. January 22, 2014** **B. August 20, 2014**
6:50 PM Page 20-27	**4.0**	**Use of HRA Funds**
7:10 PM Page 28	**5.0**	**CDBG Project update**
7:15 PM	**6.0**	**Adjourn**

City of East Bethel
Housing and Redevelopment Authority Annual Meeting
January 22, 2014

The Housing and Redevelopment Authority (HRA) met on January 22, 2014 for the annual meeting at City Hall at 6:30 PM.

MEMBERS PRESENT:	Bob DeRoche	Ron Koller	Heidi Moegerle
MEMBERS EXCUSED:	Tom Ronning		
ALSO PRESENT:	Jack Davis, City Administrator		

Call to Order	DeRoche called the annual meeting to order at 6:34 PM.
Adopt Agenda	**Koller made a motion to adopt the January 22, 2014 Housing and Redevelopment Authority (HRA) annual meeting agenda. DeRoche seconded; all in favor, motion carries.**
Minutes	**DeRoche made a motion to approve the October 2, 2013 HRA Meeting Minutes. Koller seconded. DeRoche and Koller, aye; Moegerle, nay; motion carries.**
Res. 2014-01 Appoint 2014 Officers	Davis explained that according to the HRA By-Laws, the Board is required to elect HRA Officers at its annual meeting. The officers of the authority shall consist of a Chairperson, Vice Chairperson, a Secretary and an Executive Director. The Chairperson, Vice Chairperson and Secretary shall be members of the Board and shall be elected annually, and no Commissioner may serve as Chair and Vice-Chair at the same time. The current HRA Officers are as follows: Bob DeRoche, Chairperson; Tom Ronning, Jr., Vice-Chairperson and Ron Koller, Secretary. Staff is recommending that the HRA adopt Resolution 2014-01 Appointing the 2014 HRA Officers. **DeRoche made a motion to nominate Ron Koller as the HRA Chair. Koller seconded; all in favor, motion carries.** **DeRoche made a motion to nominate Tom Ronning as the HRA Vice Chair. Koller seconded; all in favor, motion carries.** **DeRoche made a motion to nominate Heidi Moegerle as HRA Secretary.** Moegerle, "I would rather not accept." **Moegerle made a motion to nominate Robert DeRoche as the HRA Secretary.** DeRoche, "I would rather not accept." **DeRoche made a motion to adopt Resolution 2014-01 Appoint the 2014 HRA Officers, HRA Chair Ron Koller, HRA Vice Chair Tom Ronning and holding the Secretary position open until the open Council position is filled. Koller seconded; all in favor, motion carries.**

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Res. 2014-02 Designate Official Newspaper

Davis explained that State Statute requires that the East Bethel Housing and Redevelopment Authority publish its official notices in a newspaper that has general distribution throughout the City. The Housing and Redevelopment Authority is required to designate an official newspaper where legal notices will be published.

The Anoka County Union meets the publication and circulation requirements and it is also the City of East Bethel's official newspaper.

Resolution 2014-02 would designate the Anoka Union as the official newspaper for 2014. Staff is recommending the Housing and Redevelopment Authority Board adopt Resolution 2014-02 designating the Anoka County Union as the Official Newspaper for 2014.

Koller made a motion to adopt Resolution 2014-02 Designating the Anoka Union as the Official Newspaper for 2014 for the HRA. DeRoche seconded.

Moegerle, "I know that there are reasons why the Council has to have the Anoka Union be our official newspaper. Particularly how frequently it is published as well as the distribution it has. But, with regard to the HRA we seldom send out notices and is this a time when we could use the Anoka County Record in place of the Anoka Union? And, if not, why?" Davis, "We could. But, if we have to place a notice that doesn't fall within their publication dates we could face the same situation that we could as Council. As an example, I think it was in 2009 there was a public hearing that had to be published and it didn't even fall within the Anoka Union's publication deadlines. So, the Anoka Union had to be de-designated and the Star Tribune designated as the official newspaper and then the process reversed. I don't think last year we did any official notices on the HRA, but, I think it is better to keep everything together and consistent. And, also, the Anoka Union is published once a week. It does have a much wider circulation."

Moegerle, "Part of the reason I asked is John was here and we didn't allow him to make his speech. I do understand why the Anoka Union is the best fit, but, I think it is good that it be stated why the Record is not yet a good fit for us." Koller, "I believe next year when we do this again, we should hear both of them together." **All in favor, motion carries.**

Res. 2014-03 Designating Bank Depositories

Davis explained that Resolution 2014-03 identifies official depositories for East Bethel Housing and Redevelopment Authority funds. These agencies or institutions are the approved depositories for East Bethel Housing and Redevelopment funds to include checking, money market or investments.

Staff is recommending the Housing and Redevelopment Authority Board adopt Resolution 2014-03 designating the official depositories for 2014.

Moegerle made a motion to adopt Resolution 2014-03 Designating the Official Depositories for 2014. Koller seconded; all in favor, motion carries.

Res. 2014-04 Setting Meeting Dates

Davis explained that the Housing and Redevelopment Authority By-Laws require the HRA Board to hold an annual meeting preceding the second regular City Council meeting at 6:30 P.M. of the month of January in each year. The HRA must also hold regular meetings the first month of each quarter preceding the second regularly scheduled City Council meeting or at such other time as the Board may determine.

Staff recommends adoption of Resolution 2014-04 Setting the Meeting Dates for the

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Housing and Redevelopment Authority meetings.

Moegerle made a motion to adopt Resolution 2014-04 Setting the Meeting Dates for the Housing and Redevelopment Authority meetings. Koller seconded; all in favor, motion carries.

CDBG Grant Application Septic System Repair Coon Lake Beach

Davis explained that Resolution 2013-72 Approving CDBG Grant Application, as approved by City Council at the December 18, 2013 Council Meeting authorized Staff to submit an application for Community Development Block Grant Funds for the purpose of assisting individual qualified home owners to repair or replace non-compliant septic systems in the Coon Lake Beach Neighborhood.

The application was submitted to the Anoka County Community Development Department on January16, 2014. The time line and process for approval is outlined in your packet. We should receive notification by March or April as to the approval of this grant from the County. If we do get approved, then contracts can be signed and funding will be received by July. This is just an update to let you know the grant was submitted and the timeline for approval.

City SAC and WAC Loans

Davis explained that the City municipal project is complete and there are 13 businesses that are required to connect to the system. There is a substantial cost to these businesses owners for accessing the new utilities and City Council and the Economic Development Authority discussed ways to minimize the financial impact. As a result, "The Utility Infrastructure Loan Program" was approved by City Council on April 17, 2013 to address this situation. This program designated loan funds to qualified property owners for the purpose of paying SAC and WAC fees and up to $5,000 in connection costs. The terms of loans were to be for 5 years at 4% and the maximum loan amount was $37,800. December 31, 2013 was the deadline to apply for these funds.

In order to implement the program it was necessary to approve the transfer of up to $281,400 from the HRA to the EDA to make funds available for this purpose. Resolution 2013-05 enabled the transfer to be complete and funds made available for the loan program.

As was previously reported, we had two applicants for the Loan Program, Northbound Woodworks ($16,400) and Rickey Properties LLC ($21,400). The primary requirement for loan eligibility is that all eligible applicants must be in good standing with the City and all property taxes, applicable city licenses, and utilities must be current and paid.

Rickey's Properties did not meet the loan requirements. Their loan has not been approved as of this date. Unless this is a matter that Council wishes to discuss further, this loan application will remain in an unapproved status. The amount of loans approved is $16,400.

Moegerle, "What is the nature of failure of Rickey's property?" Davis, "They are in arrears on their taxes. They are not currently paid for 2013 for the second half and they are past due for 2009 and 2013." Moegerle, "Have you discussed this with them and do they have plans to bring this current?" Davis, "They have signed an agreement with the County where they are working on their 2009 and 2012. They haven't indicated when the second half of the 2013 taxes will be paid." Moegerle, "Is there any reason we could extend this out longer without causing problems with other people that could have applied and didn't?" Davis, "December 31st was kind of the arbitrary date because we were trying to get the

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connections made by that time because the SAC fees were due by then. If we wanted to extend it further as long as they met the requirements, I would have no issue with that." DeRoche, "I would have no problem with that." Moegerle, "Did Rickey's Properties know this was going to come up on our agenda?" Davis, "No, they did not." Moegerle, "Because we would have to meet again if they became eligible, wouldn't we? The HRA would need to take action with regard to their loans?" Davis, "No. The loans as long as they meet the program eligibility, we submit everything to you, but it was set up that staff would review this." DeRoche, "What kind of time would be appropriate to extend?" Davis, "I would think 90 days and then review at that time."

DeRoche made a motion to extend the City SAC and WAC Loan Program for 90 days. Koller seconded. Moegerle, "Clarification, for all of the businesses? Or for just Rickey's Properties?" Davis, "I think it would have to be for all of the properties that owe SAC and WAC fees. And, I think this would have to be a Council action since it was originally approved by the Council." Vierling, "That is correct. But you can pass a recommendation from the HRA to the Council." **DeRoche amended his motion to a recommendation to Council. DeRoche and Koller, aye; Moegerle, nay; motion carries.**

HRA Project Goals

Davis explained that we have discussed these many times and staff would like the opinion of the HRA Board as to developing a project to submit for consideration. One of the things we want to do is look at two of these in particular. The East Side Utilities Project and/or the Our Savior's Utilities Extension Project. We haven't heard anything more from Our Saviour's yet; however, the interest in the project is much greater than it has been in the past. We just want to know if you want us to develop a project breakdown of funding sources and present that. Is that something you wish to pursue?

Moegerle, "Where would our portion of these funds come from?" Davis, "That depends on the project. If it was the East Side project it would come from a multitude of sources. We would have to try to get cooperative agreement grants from MnDOT, utilize HRA funds, some of our Street Capital funds and try to bundle those together to come up with something that would meet the project cost estimates." Moegerle, "Why isn't there anyone here from either the East Side Redevelopment side or Our Saviour's urging us to do this?" Davis, "We have been working with Our Saviour's for the past three months on this. With the East Side people we have had two meetings in the past. This is something that the Council kind of expressed an interest in." Moegerle, "Why aren't we seeing this from the residents and business owners? If this was my business and it would positively impact it, I would be here championing it. And, this is empty once again, so I am doubtful that there is a real interest." Davis, "There may not be. We want to have a meeting with that group again to see what the interest is. We would have to come up with an actual project and take it to them and have the cost and see if there is any interest."

DeRoche, "For clarification, the $600,000 and some odd dollars can go back to the taxpayers and doesn't have to be used for HRA projects. It is my understanding that we can't give that money back to the residents in tax relief, it has to be used for HRA projects." Vierling, "I am not aware of any authority that allows the County or City to take HRA funding and pass it back to the taxpayer. It was collected for HRA purposes under a separate levy; it has to be used for HRA purposes. You could stop the levy. If you disband the HRA, at some point there is a process that those funds can come back into the City but you would have to follow that protocol and procedure to get there."

DeRoche, "We can't force the businesses to want to do it. I was going to ask when there is

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going to be another business breakfast. Get everyone together and find out where they are at. We can't force the people." Moegerle, "And we can't do all the work. There is a certain point that they have to do the work." Davis, "I don't think as a group they will come to us and request this. There are other impacts and benefits to it and it will be easier to extend the services to potential developable properties on the east side is this should go in. I think this group should definitely be involved in it. Until we get some definite numbers and can show them the costs, those questions will remain unanswered. I am curious if you want us to pursue this or not."

DeRoche, "They are still bitter about how the water and sewer came in. And how the businesses on the west side are being forced to hook-up." Koller, "The people I have talked to on the east side don't want it." Davis, "If this is something we don't want to do, we aren't pushing it." DeRoche, "I think staff should make some calls and have another breakfast." Moegerle, "I think this is it. And you guys, when you are ready, you come to us. Then if there is nothing, fine, if there is something, great. We need the hook-ups on that side, we really do, but we can't force them." Davis, "We need to come up with a package to fund this. We would need to be creative to find outside sources and some of this might be grant sources, but we need to give them some information." Koller, "I think we should find out what Walt Osborne wants to do. I know he has been looking for a developer to take over that property and then he is going to need it." Davis, "We do have two stubs on that side of the road. It could be serviced in the future. And looking at trying to provide some other kind of things. I don't want to do the road and then come back two years later and tear it up. I would recommend you give us direction if you see fit to contact the businesses and prepare some numbers and see if they want to pursue it."

Koller made a motion to have City staff prepare some numbers of costs for the East Side Project and the Our Saviour's Project and talk to the businesses and see if they are interested. DeRoche seconded. Moegerle, "How much of a time commitment are we talking, is this going to be a quick and dirty?" Koller, "I wouldn't spend a lot of time on it. Just make up the paperwork and have a breakfast with them and see if they are interested. DeRoche, "I think the term quick and dirty is a lame term to use. If the concern is staff time, I think it is important that staff doesn't just throw something quick together and throw it at them and say, "Here you go." Moegerle, "It just means you don't spend a lot of time on it. I am sure it will be a fair work product." **All in favor, motion carries.**

Moegerle, "What about the Storefront Renovation Project, Village Green and Citywide Septic Improvement Project?" Davis, "Those were just some examples of other projects we can pursue. I think we can go ahead and make a presentation to the East Side Businesses and see if they are interested. If not we can look at those other projects." Moegerle, "With regard to the Storefront, I think that goes hand and hand with an education issue and it seems to make good sense. What about the water line extension to Village Green?" Davis, "There will be no hook-up from Village Green to Met Council. The only way that hook-up could happen was if the City assumed ownership of the Village Green water treatment facility for two weeks to one month. The proposal was it would be transferred to us and then to Met Council. And there will be no extension to the water line to them. And, it was decided that we did not want to take that risk." Moegerle, "What about the Septic System Improvement Loan?" Davis, "We do have an application in to Anoka County for CDBG funds and if that is not successful we can look at that as an alternative program."

Koller, "I think the Our Saviour's project is ongoing." Davis, "There is still interest in that and it is ongoing. Colleen has put them in touch with developers." Koller, "So they are still

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discussing the senior housing then?" Davis, "That is correct."

Adjourn **Moegerle made a motion to adjourn the HRA meeting at 7:08 PM. Koller seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk

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City of East Bethel
Housing and Redevelopment Authority Special Meeting
August 20, 2014

The Housing and Redevelopment Authority (HRA) met on August 20, 2014, for a special meeting at City Hall at 6:30 p.m.

MEMBERS PRESENT:	Bob DeRoche	Ron Koller	Tim Harrington
	Heidi Moegerle	Tom Ronning	

MEMBERS EXCUSED: None.

ALSO PRESENT: Jack Davis, City Administrator
Mark Vierling, City Attorney

1.0 Call to Order

Koller called the regular meeting to order at 6:30 p.m.

2.0 Adopt Agenda

Moegerle made a motion to adopt the August 20, 2014, Housing and Redevelopment Authority (HRA) meeting agenda. Harrington seconded. All in favor, motion carries.

3.0 Approve Minutes

This item was considered following Item 4.0, Future of the HRA.

4.0 Future of the HRA

Davis presented the staff report, indicating that the Council is requested to discuss the future of the HRA and any interest in disbanding this Authority. As we are continually searching for funds to pay down bond debt or finance needed water and sewer extensions, HRA funds were relegated to a secondary option and were considered to be only available if a housing component were to be incorporated into a project. At this time, we may want to consider disbanding the HRA, especially if we have no definite projects or use of funds from this account to assist in financing improvements or debt reduction. The current balance of this fund is $770,000 less the encumbrance of the loan for the SAC and WAC connections and the $200,000 required as working capital for the CDBG program. The $200,000 will be reimbursed upon the completion of the project in 2015.

Our City Attorney has rendered an opinion on the matter of disbandment and has confirmed Staff's interpretation of Minn. Stat. 469.033, subd. 7, which allows for the disbandment of the HRA and the transfer of its (HRA) assets to the City. However, those assets may only be used 'for permanent improvements in the City or the retirement of debts or bonds incurred for permanent improvements in the City.' Utilizing these monies to pay utility bond issues certainly would qualify and utilities extension would also qualify for use of the funds.

In order to proceed, if this is Council's wishes, this Council would have to adopt an ordinance or resolution to disband the HRA after a public hearing. Upon adoption, the Council would submit the ordinance to the Department of Employment and Economic Development (DEED). If the HRA has any contracts with the federal government for redevelopment or low-rent housing (which we don't), it cannot be dissolved.

Another option would be for the EDA to absorb the HRA. Then all funds and assets of the HRA would be transferred to the EDA, and theoretically, those funds and assets could then be transferred to any fund of the City. This would require a modification of the EDA's

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enabling resolution, which also requires a notice and public hearing. By doing this, the EDA would be taking on the HRA's powers, which we can specify in the enabling resolution. Once this is done, the EDA would theoretically be able to extend two tax levies (if approved by Council): one for the EDA and one for the HRA. Our EDA may already have HRA powers and we are checking to verify the status of this situation.

Under either method, the HRA, as a separate Authority, would cease to exist. If you have any desire to consider this action, the first option is relatively uncomplicated. However, absorbing the HRA into the EDA could be a preferable option in that a structure of an HRA would still exist (but have no funding) and would be available should the need for this type of legal entity be required for future use.

Attached also is a section of the Code that relates to this matter. Options for consideration, if disbandment is chosen or we wish to pursue this, would be:

- Utilize the HRA to pay down our bond fund balance and make it more attractive to refinance the 2010A Bond. Savings could range from $840,000 to $2.7 million. In some bond runs that we have provided for your review, there are many other permutations that can be done on bond runs. We have a couple more that are still coming in that would need to be considered.
- The HRA could be disbanded and the account balance utilized to fund utility extensions with the potential for tax generation of anywhere from $87,000 to $111,000 per year upon build out of the properties.
- Disband the HRA and utilize a mix of bond pay downs and projects to optimize bond payment savings and implement project(s) to stimulate growth.

At this time, staff is seeking direction as to Council's desires for disbandment or continuance of the HRA.

Ronning made a motion for continuance of the HRA.

DeRoche, "Well, some of the concerns I have are…" Ronning, "We're not entertaining motions at this…" Moegerle, "Well, there wasn't a second so it must have failed."

DeRoche seconded.

Koller, "Open for discussion." DeRoche, "One of the things I think needs to be looked at if it were to be disbanded on the premise that we're going to be able to pay down the bonds, save money, I don't want to do it on speculation. I think there's been too much done on speculation. I think we have to be pretty sure on the numbers, or pretty dog-gone close. You know, come 2016…2020, our payments are going to be about one-half a million dollars a year. Can whoever's in office raise another levy or taxes? Well, sure you can but to me, if we're going to do it, we need to make sure that we're going to, it's not going to be just a 'band-aid' for right now, but, it's going to be long-term."

Ronning, "I was going through these bond documents, fairly quickly, but did I see in there that we have to 'cough up' some extra money? $200,000 or something?" Davis, "In all the proposals there will be principal payments that start in 2020. Depending on how these are structured, there could be significant increases in 2020. I think what Bob is referring to, there's one of them, I think, that achieves one of the maximum savings with the $500,000 buy down. Our payments would go up about $500,000 in 2020. The reason is, we're

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paying a lot more principal early. We're achieving more savings but then we're either going to have to ratchet the levy up significantly in that year or start now and start gradually bringing it up to that level or find a way to allocate the savings to the payments. What I've requested that ours do, is give us another bond run that will reflect what we've discussed in our previous budget discussions about increasing the payments for the 2010A Bond by 3% a year and adding $30,000 to do the C Bond. The C Bond won't be part of this but the A Bond going 3% to see what that would yield and what impact it would have when we start principal payments in 2020."

Moegerle, "Mr. Chairman, I have a concern. First of all, I think we should pay this down. I think that if that's at all possible, if we're not going to have projects that the HRA is going to do, then paying down this debt is very important. However, my understanding is that we can't pay down this debt this year because we'd go over the $10 million limit. So, if we disband the HRA for the purposes of paying down the debt, some of us may not be here. It could be that Tom and Ron are the only people who are left due to the election. So, we couldn't do it as a 'lame duck' because we've all objected to 'lame duck' rebonding. So, what this may mean is that we disband but whoever replaces us chooses not to pay down the debt. I guess my question is, how soon after the HRA would be disbanded can the money be refinanced? Can you do this almost seamlessly? In the same meaning that we put the money into the allocation to pay down the debt?" Davis, "All we have to do is do our typical advertising for a public hearing, hold a public hearing, and this could be done by the end of September."

Moegerle, "Yes, but we cannot refinance this year because of the $10 million limit." Davis, "Even without the $10 million limit, by the time we have the funds and authorize Ehlers to proceed with the bond issuance, that takes anywhere from 6-8 weeks because we have to go through a new rating and all the work they'll have to do to get ready to sell the bonds. It would probably be some time, maybe, in late November, early December, before we had any chance to act on it."

Moegerle, "But, that could be a 'lame duck' group and then…I think we have all said we would not refinance a bond in a 'lame duck' session. So there's that real chance that all that effort has gone to and then it wouldn't follow through. I really like the idea of paying down. I think the savings is great and I think that the HRA has been underutilized and there has not been a real desire to do a lot of HRA things. I would almost make a motion to table this until the first meeting in January and see what the new Council wants to do, unless we don't have a 'lame duck' Council."

DeRoche, "Another one of the pieces to this 'puzzle,' I guess, is that in November of 2012 there was a modification made to the MCES contract and it was requested to hold off until January when two new people came in to make a decision. It was passed anyway on a 2-1 vote. Jack, you know what I'm talking about, right? It was a modification that Met Council said that we had to do because we really couldn't do anything else. Part of it was that they would extend payments out to 2013, from 2012. But, there was also going to be an increase in interest on SAC charges. I'm looking it up here."

Davis, "If I recall correctly on what you're speaking of, is we did approve to lessen our initial SAC charge to give us a little 'breathing room' or competitiveness upfront so our SAC charges were reduced from $3,300 a year to $2,600 year for the first year. But, the rating which they increased was increased from 3.6% to 4.9%. So that annual increase, at some point in the life of those that go through 2040, will be higher at the back end than they

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are at the front end."

DeRoche, "Correct. But, over a five-year period, it was going to be $260,000 and over a ten-year period about $580,000 or more added to what the cost is. Let me see if I can find it here. I know that it was right after the election and it may have been December's first meeting."

Ronning, "Some of these comments, there aren't any HRA projects that I'm aware of because there hasn't been interest. Not a group interest. I have some thoughts about it. But, to make this for what it is, how much is it, $778,000?" Davis, "Approximately $770,000." Ronning, "$770,000. How much of that is available?" Davis, "Well, actually, all of it can be available. We have loaned out approximately $38,000 for the SAC and WAC and Extension Loan Program. We did have one gentleman that came in today and I think he did apply for the loan. I don't know how much that would be. I'm assuming it's probably for two SAC units so that's probably another $16,000. Approximately $60,000 in the loans. But, one of the things we could do there, we could actually transfer that loan to the General Fund. It would probably make more sense because we're making much more interest on that than we would if we had it invested at .05%. Also, too, we're using the HRA funds to give us the working capital to do the Coon Lake Beach Septic Repair Project. We could also temporarily either take that out of the General Fund or take it out of the Equipment Replacement Fund because those funds will be paid back by the County to us when we send our reimbursement request in."

DeRoche, "I don't think it's been so much noninterest in looking for projects but most of the projects that we have discussed at all are going to require more than what's in the HRA. Such as the refurbishing of the businesses on the east side, maybe doing some sewer connections over there, looking at redoing the road. So there have been things but it's, you know, extra money."

Davis, "One of the things and I don't know if you've had an opportunity to look at but I e-mailed those out this morning and put a copy on your desk, is a summary of uses of what we could do with the three options: bond pay down, project extension, or a mix. With the project extensions, if we wanted to do both the east side and whatever form the 189th Avenue Road Project takes, if any, we could do almost both of those if we used the HRA funds in a combination of other funds that are listed. If we wanted to do a mix, we could do a $500,000 buy down on the bonds and allocate the rest of the money for either the east side or another appropriate project and be able to do it. From a true number's standpoint though, the bond buy down, there's more savings in it. If we do a project, how do you justify what the merits of it are? We tried to figure out what the increase in taxes would be but based on what the land is used for now as opposed to what it would be if it was developed, and we came up with about $1.7 million from 2025 to 2040. Here again, we're making a lot of assumptions. One of the key assumptions that's made, and you have to answer this question, would this development occur if you didn't do it? At some point, the answer is that it would probably occur without this. The question is, what is the timing? We just provided some of those examples for you to take a look at to see if there's any interest in any of those three options."

Koller, "We've got the water and sewer bonds. Aren't there a couple other bonds the City has?" Davis, "Yes, there are but all of those are programmed and most of those are smaller amounts. Some of them aren't even callable. The 'big one in the room' is the 2010A Bond. That's the one that's +$11 million and if we are able to apply some buy down there, it does make it attractive to refinance. On its own, it's probably not going to be attractive to do it

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to investors."

Koller, "So, the other bonds are small?" Davis, "They are small. Again, most of those are not even callable so we can't refinance them even if we wanted to." Koller, "Would they be small enough to pay off?" Davis, "There may be one or two that may be small enough to pay off. But, I think, probably in terms of interest savings though, we're going to get more 'bang for the buck' if we apply this to the 2010A."

Moegerle, "And, all of those are capital expenses aren't they? Is the sirens a capital expense? Sort of, kind of, but there's another, I think, that wasn't a capital." Davis, "The outstanding bonds we have, we have one for the sirens and Fire Department improvements that is rolled into one bond. The only bigger one outstanding is the one for the Castle Towers Wastewater Treatment Plant. There's a PFA loan bond out but that's covered by a loan agreement, which we pay almost no interest at all on. There's still a few little small bonds out for some road improvements but some of those are being paid by assessments. If you want a total comparison, here again, I don't think the question tonight is which bond are we going to do, but what are we going to do with the HRA. If the answer is to disband it, then we need to look at where is it going to be most beneficial to place that money."

Koller, "I'm thinking the Castle Towers Sewer Treatment Plant is going to be torn down soon and we still have a loan on it. I think it would probably be good to pay that off." Davis, "Here again, we'd have to look and see what the interest savings are. Depending on how we want to do this, on some of these A Bonds we can save over $2 million worth of interest. I don't think that interest on the Castle Towers thing would even come close to approximating that. We will check and that will be one of the options we'll have for consideration."

Koller, "I hate to keep making payments on a building that we already tore down." Davis, "I agree, it's not the best thing to do but it will be an option that we'll be…" Koller, "It depends on how much the bond is, how much is left on it."

Moegerle, "Here's a question I have. Can the HRA be dissolved but the Council still have the authority? I hate to see it going to the EDA for the standpoint of that right now, the EDA has only advisory abilities. They are kind of impotent and this Council can wipe out anything they say 'at a hat.' And, if that's what it's going to be, why do the pretense of sending it to the EDA to make any kinds of decisions at all? But, just have this Council have those powers as opposed to the EDA." Davis, "If it were sent to the EDA, I would imagine then it would be transferred to whatever account we're going to put this to."

Moegerle, "No, I mean the way you were saying you were going to combine the EDA powers with the HRA. I'm saying let's not transfer them to the EDA but transfer them to the Council. Is that a possibility?" Davis, "Well, my only reason for doing that is that we still would have an HRA as a legal entity in existence if that entity is ever needed."

Moegerle, "And, it costs money to make a new EDA, or HRA? Or, does that put us back under Anoka County's HRA if we close out our HRA?" Davis, "No, it does not."

Moegerle, "Can I have a legal opinion on that? Since we litigated that one?" Vierling, "We'll have to take a look at that one and come back with an opinion." Moegerle, "Yes, that would be a scary thing."

Ronning, "If I'm not mistaken, I believe the HRA funds are for blight or housing." Davis,

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"That's correct, they are to be used for anything related to housing. There are some programs where there's some things that they can be used for, economic development provided it provides jobs for certain income groups. Those generally aren't looked upon as approving, as doing something that is directly related to housing or improvement of the housing stock. Even things to address blight issues probably, if you're applying for a grant from the County for their funds, then they're going to probably be a less priority. We can establish what we want to here. That's one of the reasons we want control of our own HRA."

Ronning, "One of the reasons I'm advocating for HRA and using it for that, this is probably the only time in the last 50 years or the next 50 years where money like that's available to try and do something, like for the east side. It won't happen if there isn't some initiative. It's been like that since the 60s. That's 50 years. There's a couple new buildings put up in the 70s but there's a 'chunk of change,' there's extra money that has to go into every piece of it, every element of this thing. If you refinance the bonds, you have to put extra money in, like $200,000 I believe. Am I mistaken?" Davis, "Would you repeat the question Tom?"

Ronning, "If you go to refinance, it seems to me when I went through this bond package, that it takes about an extra $200,000 out of the General Fund or someplace, with this example." Davis, "With those examples, what we would be doing is there's three examples, three monetary amounts to consider to pay down. One was $500,000, one was $750,000 that would be covered by the HRA funds. There was also a $1 million example. If we chose the $1 million one, then we're going to have to find out where that extra $250,000 is coming from."

Ronning, "That's my whole interest. This is probably the only chance in our lifetime that we will see to do something for that east side."

Moegerle, "But, is there interest in it? There was a meeting that I heard about where 11 out of 13 wanted the sewer and water connections. At least one of those. Are they amenable to redevelopment? Because in the four years, three years and eight months, there's nobody here that's really put in a permit request for significant redevelopment. If there was active interest, I would be inclined to agree with you Tom."

Ronning, "If I had a house and there was Jellison's junkyard on one side and there was John's Auto Parts on the other side, I don't think I'd try to improve anything either." Davis, "And the thing about addressing blight issues is generally those things are loaned monies. You could set it up as a grant but I think you're opening yourself up for requests from every business in the City to get in and we don't have enough money to go around. It almost would have to be a loan program. I agree with you, I don't know how many people would actually apply and want a loan for that."

DeRoche, "I think, first off, one reason that for the three years and 'x' amount of months that people haven't done anything yet is that maybe they've been waiting to see how this thing is going to 'flop out.' Because, there were certain comments and statements made that, number one, the system, 'If you don't want it you don't have to hook up' to 'Well, gee whiz, now you gotta hook up on the west side' to 'Well, are they going to make us hook up on the east side or not?' I think it was 10 out of the 13 businesses, Jack if I'm not mistaken, that showed some interest in that. As far as, well let's not put the money in the EDA because the Council's just going to 'slap it down,' I don't think the Council's 'slapped down' anything that hasn't had a pretty good explanation behind it. Other than somebody's

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idea of a water park that came up." Moegerle, "No, that died in EDA." DeRoche, "I'm speaking right now, okay? And, it was not sanctioned by the EDA. In fact, they didn't even want it to come to Council, for the record. But, beyond that, if you look around to other cities that the EDA can just spend, I think that's a dangerous thing to do. The EDA is a commission." Moegerle, "It's an Authority." DeRoche, "Okay, there you go, that makes it even worse because then that can take the money and just spend it on whatever it wishes to. I think it needs to come before Council because at the 'end of the day,' the five people up here are the ones that are accountable to the residents. The taxpayers that live in this City, not the people necessarily on the EDA because a lot of them don't live in the City."

Moegerle, "I beg your pardon. Who doesn't…" DeRoche, "Okay, what would you like to say?" Moegerle, "Who on the EDA does not live in the City? John Landwehr?" DeRoche, "Does Julie Lux?" Moegerle, "Yes." DeRoche, "Oh, well." Moegerle, "Mike Conner?" DeRoche, "I stand corrected, sorry." Moegerle, "Dan Butler? Who are we talking about here? You?" DeRoche, "Maybe. So, are we going to keep acting out? Or can we continue on here?" Moegerle, "You are not the Chair of this meeting." DeRoche, "I'm speaking Heidi, I have the floor. All right?"

DeRoche, "So, to say, 'Well, no we're not going to make them,' I think every Authority or Commission needs to be accountable to the City Council. I don't think it's a political thing. I think that at the 'end of the day,' we're accountable for the money. If the EDA has 'x' amount of money and spending authority to go do whatever they want, then I think it could lead into big problems."

Moegerle, "Mr. Chairman, may I have the floor?" Koller, "Yes." Moegerle, "My suggestion was that the money not go to the EDA and that the HRA's authority not be given to the EDA. That the HRA's authority be retained by the Council because at this point, the EDA is merely advisory to the Council. They have no spending authority. They have a budget. Anything that is spent is spent by the Council so the EDA has no spending authority whatsoever. So, to send HRA's authority to the EDA is rather illusory. It is not any authority because, again, the Council retains the right to agree or not agree to spending of any money. The point is that if we're going to ultimately, as a Council, approve or disapprove spending of monies, then transfer the authority of the HRA here to the Council and not to the EDA. Why complicate matters? It simplifies it to get rid of the HRA that way."

DeRoche, "I don't agree with that. I think we heard a lot of words but I think it kind of went in circles."

Moegerle, "Well, let me restate it." DeRoche, "Would you please." Moegerle, "Yes. I think the HRA should be closed out as an independent entity, the powers be transferred to the Council. The EDA should not be involved with HRA powers, they can't spend any money, they can only make recommendations even though they have a budget. So, since this Council is effectively the HRA, we're sitting in our HRA capacity, get rid of the HRA as a separate entity. Combine it with the Council, that's what it is anyway, and save us all the extra meetings. Simplify, easy."

Davis, "That's another legal issue we'd have to look out for because we would be disbanding the HRA so the HRA as an entity would no longer be in existence, whether it be a function of Council or not. The only way that I could see, and correct me if I'm wrong

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Mr. Vierling, that the HRA would have to be rolled over into the EDA to keep it as a legal entity as part of the City, if we choose to disband it." Vierling, "That's one option but I think the suggestion from the Councilperson was simply to disband it period under the assumption that the City Council would have ultimately the same authority to do whatever it is doing now."

Moegerle, "Transfer the powers. Disband the HRA." Vierling, "Transfer the powers to the City Council." Moegerle, "But, we could transfer them to the EDA." Vierling, "That's one of the options."

Koller, "On one side of it here, we've got three members of this Council up for reelection in less than four months. Do we really want to make a major change right before another coup could take over? Or, should we table this until early next year?"

Moegerle, "I would agree with you but there's a motion pending."

Ronning, "Option 1, continuing the HRA as it currently exists and focus on housing and housing-related programs. That's essentially what the motion is."

DeRoche, "Well, let me ask this. So, then seeing how three of us are up for reelection in three months or so, so now we're not going to make any decisions because three of us are up? Or, is it a matter of well, we don't want to 'stick' somebody like we were 'stuck' in 2011? Or, was it that there were decisions made in 2012 after there were two new people elected but there was a pretty serious decision made anyway to go ahead prior to them coming into office? So, I guess I want to know where do you really stand on it? I would agree with Tom. If we're not going to change anything, why table it? If another Council comes in and they decide that they want to do it, then they can bring it back up. Why table an issue that, if it's going to be tabled indefinitely, we're not going to be here to deal with it anyway so why tie them up? Just leave it as it is and they can bring it up after the new year and see what they want to do."

Koller, "That makes sense."

Moegerle, "Or, we could bring it up again after the election. I'm interested in knowing more of our options, however, because, I'd like to pay down the debt."

Ronning, "I agree with the philosophy. My almost entire life, if I have some debt I pay extra towards it, get rid of it, eliminate the interest. However, there are times when I invest in the future other than interest tradeoff." Moegerle, "That's why we need more options." Ronning, "More information with options. So some collective suggestions for options or something and see if we get anything back regarding that. Otherwise, we should be doing business as usual."

DeRoche, "I can't believe that somebody up here wouldn't want to try and pay it down and save the City money. However, that decision comes with a little hypocrisy, I see, because there's been decisions made in the past contrary to that. So, to say, 'Well, geez, I want to save money.' Yeah, I wanted to save a lot of money too, back before the thing was passed. However, that didn't happen so here we are now trying to decide. Now, as far as I'm concerned, in my argument, when the Met Council modification was up, was looking at, 'Okay, yeah, this is going to be a quick fix now but how about later on?' That didn't matter at the time. I'll go with Tom's motion to just leave it alone and wait until after, see who's

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sitting up here. I just don't think we can do that with all of our decisions." Ronning, "And, this is not enough information without something from Ehlers." DeRoche, "Right." Ronning, "Ehlers, with some reasonable forecast. There's no idea of how much you are going to save, how much extra it's going to cost if anything, or how much less it's going to cost to even get into it. The credit rating was like $65,000, I think." Davis, "Yes." Ronning, "So that piece of the money is gone, that's just plain gone. The cost of doing this gets you back down to about $690,000, or less."

Davis, "What would you like to see in terms of bond run? What are you looking at in terms of money buying down and also how does it effect how our budget and our future levies as we go forward. Not only through next year but starting in 2020 when principal payments really kick in."

Ronning, "The concept is great. I think we all like that. It's not as 'pure' as it sounds unless I'm mistaken and then somebody correct me. There's cost to refinance. There's cost for the rating. The rating was $65,000." Davis, "There's probably at least $100,000 in issuance costs." Ronning, "Sure. So, it's not going to go quite as far as we think. We don't have any real numbers to think about what the savings are. If we could save $2 million, that would be great. I'd hope we could put some money back into something like this again and do something for the community. I really have do doubt that…and I hope that we don't die on the way home too…this opportunity with some funds to try and do something in the City will never happen in our lifetime."

Davis, "Here's two other things to consider as far as refinancing, though, is that the numbers you have before you are last week's numbers. The only numbers that are going to matter are the ones that we get when we actually do the bid. That could be an increase of $1 million or we could even go into negative savings. The other thing with the 2010A Bond, if we refinance it, we get out of the uncertainty of the federal tax credits that are attached to it. I think that bears some consideration too because we've seen what they've done with the sequestering, our federal tax credit was reduced from 45% to 42%. Each year we'll always be at the mercy of 'what are they going to do with this tax credit rate.' It could be lowered again in the future. So, there's a lot of considerations. Again, my thought tonight wasn't to come up with saying 'this is what we're going to do.' But, what direction are we going to go."

DeRoche, "Well, I think we've got to be cautious here when we're dealing with speculation, speculative numbers. My experience is that we've gotten 'burned' on it." Davis, "We do. But, if you're trying to make a projection for what's going to happen if you do a project, you have to make certain assumptions. I've listed those. We have to go with the acknowledgement that there are certain assumptions made. You, hopefully, make assumptions that are based on fact and real possibilities. However, no one has a 'crystal ball.' You can analyze it two ways. The other thing about investing in projects as opposed to bond pay down, is that at some point there will be a huge difference in the amount of tax paid on the property. The big questions is, even if you invest in a project, when's the build out going to occur? Would it be five years? Ten years? Or, maybe twenty years? So, you really have no way of knowing that but there's still other intangibles with investing in a project is that you have something real, something to 'wrap your arms around.' Maybe some improvements that show. So, those are other considerations. There're a lot of questions to answer before a specific route is taken on this."

DeRoche, "And again, it would be nice to pay it down but, you know, we've been kind of

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telling people on the east side of the highway that, in fact that's part of the Ady Voltedge study that was brought up. It's a blighted area so what, it needs to be cleaned up and if they need help to do that…we've been saying we're going to do that for how long?"

Ronning, "Realistically, we don't have the money to do it. What we would have to do is try to see if there are any grants. The easement right-of-way, or whatever, for the Highway 65 is part of the frontage road, I think." Davis, "Excuse me?" Ronning, "The easement, right-of-way, whatever it is, for Highway 65 extends into the service road?" Davis, "Actually, there's only a 30-foot easement there, for where our road is. We have no additional right-of-way on either side. Road improvements would have to be done with some agreement with Mn/DOT for right-of-way sharing, which may be very difficult to achieve. They did mention that they would consider it at one time but I think they've backed off on that idea. Or, the other would be to try to purchase some additional right-of-way from the property owners on the east side of that service road. But, that's going to be difficult too because some of those businesses front almost up to the edge of the easement. You could still do a road improvement but it couldn't use any kind of State funds because it wouldn't qualify because it wouldn't meet their design standards." Ronning, "Because what?" Davis, "It wouldn't meet their design standards. It's an MSA street but if we do an MSA project, we have to meet Mn/DOT design standards to do the funding."

Ronning, "There's certainly not enough money to do the whole thing by yourself. It takes participation. It takes, if there's any kind of MSA, or something, money. Any grant monies to make some of the development possible on the south end of the east side?" Davis, "In the handout that I gave you, we could do the east side project and it would involve a combination of funds plus assessments and pledging the SAC and WAC fees we collect to the project. So, we would have enough money to do the funds with things we have on hand plus assessments and SAC and WAC fees if we had the HRA funds to commit to it. But, here again, then once those are gone, it would take just about all of it to do it."

Moegerle, "Have you heard anything from the east side owners about interest in an HRA redevelopment program whatsoever? That's sort of been kicked around for the past three-some years. I don't think we've heard that." Davis, "Nobody's specifically said, you know, they'd like money for storefront renovations. I think their primary interest in the project, number one, is the road improvements. There are a few of them that were interested in the sewer because they could get rid of some of their septic systems, which would give them room for additional parking or whatever for their businesses. The issue of storefront renovation was probably lower on their priority list. So, again, it's something that's still out there and if you want to wait to consider it, we'll open it up at another time. I do think it is something that bears further discussion. We can refine some things, maybe, that we could potentially do with the money. Or, find out what the interest is, as opposed to total dedication to refinancing, or projects, or a mix, and continue this discussion and refine it more. If you want to wait until after the election, I don't think that's going to hurt anything."

Koller, "What is the motion?" Vierling, "The motion on the table is to continue the HRA." Koller, "Is there a second?" Vierling, "There was a second." Koller, "Okay. Should we take a vote on it?" Ronning, "Any more discussion?" Koller, "Any more discussion?"

Moegerle, "Would you just clarify whether that precludes any further discussion about future disbandment?" Vierling, "That wouldn't preclude that." Moegerle, "Okay, okay."

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Ronning, "It makes it on-going as is. This isn't a real simple thing to just come in and say, 'I'm not going to do anything with it on a hunch.' That is the last thing I'm going to do, a hunch that this will work this way and that will work that way. I don't see enough information that you could make an intelligent decision other than a hunch."

Koller, "Okay, well, the motion was made and seconded. All in favor?"

DeRoche, Harrington, Koller, and Ronning, aye; Moegerle, nay; motion carries.

3.0 Approve Minutes

Moegerle, "You missed 3, the minutes." Koller, "Oh, Item 3, approve the minutes."

DeRoche made a motion to approve the July 2, 2014, HRA Meeting Minutes. Koller seconded. All in favor, motion carries.

5.0 CDBG Project Update

Davis presented the staff report, indicating we have received 14 applications for the Community Development Block Grant (CDBG) program. The deadline for receiving applications was closed on July 18, 2014. In order to insure that all parties were notified of the program, we contacted all the persons who had originally expressed an interest in applying for this grant.

The County is still in the waiting/comment period for the environmental review from the DNR and Minnesota Historical Society. That review period will end on August 26, 2014.

In the meantime, staff has requested proposals from septic system designers for costs for the preparation of septic design. To date, there has been a reluctance on the part of the designers to submit a collective cost for design due to the number of variables and unknowns in this area. Staff will begin work to obtain individual reviews from the designers for the applicants' properties.

A meeting has been scheduled at the Coon Lake Beach Community Center, for Thursday, August 28th, to meet with the applicants and provide them direction as to the selection of designers and a schedule for the project.

Moegerle, "I have a question. This week I heard from a septic system contractor who said that for properties in the Shoreland Overlay District, that is regulated by the County for all of the permits but that the City also requests a permit fee. Is that correct? Because, if that's not correct, that needs to be clarified with them because they are very reluctant to come in if they're going to be hit with a double permit fee which is like $1,200." Davis, "I'm not aware of anything that the County had for permit fees there within the City."

Moegerle, "The Shoreland Overlay District requires that the permits for septic systems go through the County. So, they are under the impression that the City wants a permit fee and the County wants a permit fee. The County permit fee is $1,000, I think. He said that the City's is $200. So, maybe clarification of that and getting that information to them might get rid of some reluctance." Davis, "We'll check that out and see. If that's the case, then that will be part of the cost for the project too." Moegerle, "It's the paperwork too."

Ronning, "Once the answer is available, it's a very interesting, reasonable question. Once the answer is available, pass it on?" Davis, "Sure will." Ronning, "Please. Thank you."

Informational; no action required.

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6.0 Adjourn **Moegerle made a motion to adjourn the HRA meeting at 7:21 p.m. Koller seconded. All in favor, motion carries.**

Attest:

_____

Submitted by:
Carla Wirth
TimeSaver Off Site Secretarial, Inc.

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City of East Bethel
Housing and Redevelopment Authority
Agenda Information

* *

Date:
October 1, 2014

* *

Agenda Item Number:
Item 4.0

* *

Agenda Item:
HRA Projects

* *

Requested Action:
Information Item - Potential Use of HRA Funds as Supplemental Sources for Project Funds

* *

Background Information:

At the August 20, 2014 HRA meeting, there was a discussion regarding the disbandment of the HRA and using the HRA fund balance of approximately $770,000 for bond debt reduction for refinancing purposes or for development projects.

There may have been some misunderstanding as to the use of this balance for projects and if this amount could support a development or utility extension project (See attachment 1).

The $770,000 that could be available from de-committed HRA funds <u>would be sufficient</u>, when combined with other existing City and MnDOT funding sources, to enable either the project to extend utilities and improve the service road on the east side of Hwy. 65 between 187th Lane and Briarwood or construct either of the three options for secondary access with utilities from the Classic Commercial Park (See attachments 2 and 3).

The question to be considered, should the HRA be disbanded, would be how to use the fund balance to achieve the maximum benefits for the re-allocation of these monies. The choice of interest savings or project development can be deliberated and decided once the future status of the HRA is determined.

Attachments:

Attachment 1--Funding Sources for Projects
Attachment 2--Location Map-Access Road Options, Classic Commercial Park
Attachment 3--Location Map-Hwy. 65 East Side Project
Attachment 4--Hwy. 65 East Side Project Cost Estimates

* *

Fiscal Impact:
Should the HRA be disbanded, there are sufficient amounts in that fund balance, when combined with existing funds and potential assessments, to pay for development projects or for use to pay down bond debt for the purpose of refinancing to achieve interest savings. None of these sources of funds would have to be borrowed or bonded.

* * * *

Attachment 1-Funding Sources for Projects

Hwy. 65 East Side Water, Sewer and Street Improvement Project

Street Capital……..$ 400,000 (this would still leave approximately $148,662 in the account)

Cooperative Agreement Funds…….$ 400,000 (Close median crossings at 217th and/or 219th Ave.)

HRA Funds…….$ 770,000

Assessments-Utilities……$ 250,000

Assessments-Project……$ 200,000 (Street Improvement)

SAC and WAC fees (City only)……$ 230,000

Estimated Available Project Funds……$2,250,000

East Side Project Costs……$2,250,000

Service Road Extension Project with Utilities

MSA Funds…….. $1,700,000

Street Capital Funds…….. $ 400,000

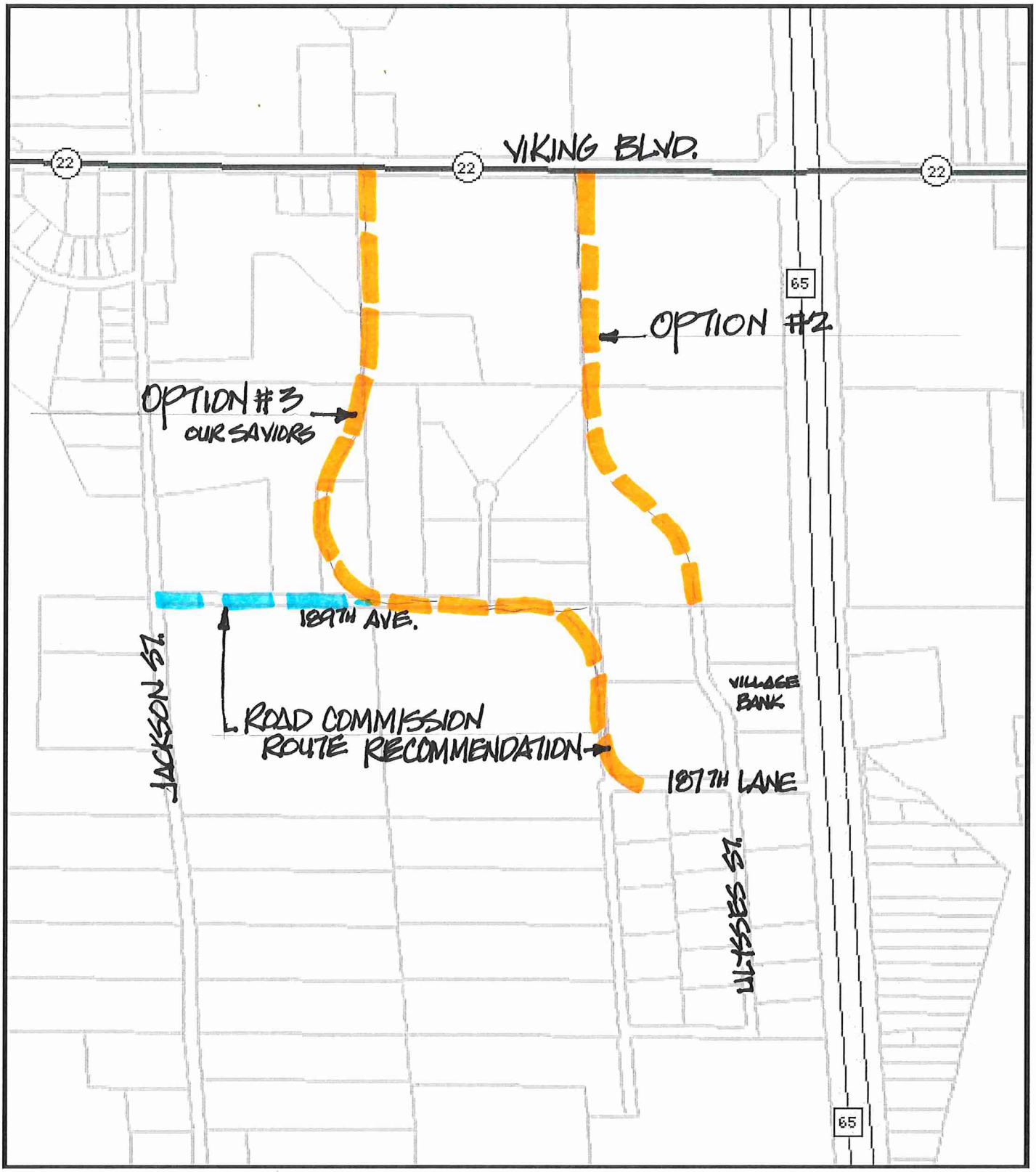
Cooperative Agreement Funds…….. $ 400,000

HRA Funds……. $ 770,000

Estimated Project Funds…….. $3,270,000 *

*this amount would finance Options 1, 2 or 4 (See attachment 2-Projects and Summary of Options)

Map



Disclaimer: Maps and documents made available to the public by the City of East Bethel are not legally recorded maps or surveys and are not intended to be used as such. The maps and documents are created as part of the Geographic Information System (GIS) that compiles records, information, and data from various city, county, state and federal resources.
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Printed 09/25/2014

SUMMARY OF OPTIONS

Option Number	Project Description	New Street Length (Feet)	Total Construction Cost	Contingency and Overhead Cost	Right of Way Cost	Total Estimated Project Cost	Comments
Road Commission Recommendation	This option includes the extension of Buchanan Street north of 187th Lane to 189th Avenue and 189th Avenue to Jackson Street.	3,830	$981,871	$196,374	$306,480	$1,484,725	To reconstruct the existing segment of 187th Lane with new concrete curb and gutter and bituminous add $342,000.
1	This option includes the extension of 185th Avenue east of Ulysses Street to Trunk Highway 65. This option also includes a acceleration lane on TH 65.	525	$212,287	$42,457	$42,000	$296,744	This option includes an acceleration lane on Trunk Highway 65.
2	This option includes the extension of Buchanan Street north of 187th Lane to Viking Boulevard.	3,940	$1,969,345	$393,869	$315,440	$2,678,654	This option includes a signal light at Viking Boulevard. Deduct $348,000 if signal is not needed. To reconstruct the existing segment of 187th Lane with new concrete curb and gutter and bituminous add $342,000.
3	This option includes the extension of Buchanan Street south of 185th Avenue to 181st Avenue.	2,000	$555,712	$111,142	$160,000	$826,854	
4	This option includes the extension of Buchanan Street north of 187th Lane to 189th Avenue and 189th Avenue to Viking Boulevard Via Taylor Street.	5,030	$1,637,908	$327,582	$402,320	$2,367,810	This option includes a signal light at Viking Boulevard. Deduct $348,000 if signal is not needed. To reconstruct the existing segment of 187th Lane with new concrete curb and gutter and bituminous add $342,000.

GENERAL NOTES:
1. PROPERTY LINES ARE FROM THE ANOKA COUNTY GIS DATABASE AND ARE CONSIDERED APPROXIMATE.

LEGEND

- PROPOSED SANITARY SEWER
- PROPOSED SANITARY SEWER MANHOLE
- PROPOSED WATERMAIN
- PROPOSED HYDRANT
- PROPERTY LINE

N

SCALE 100 0 100 200 IN FEET

DATE	REVISION	DATE	REVISION

DESIGNED BY: TAE
DRAWN BY: JMB
CHECKED BY: CJJ

Hakanson Anderson
Civil Engineers and Land Surveyors
3601 Thurston Ave., Anoka, Minnesota 55303
763-427-5860 FAX 763-427-0520
www.hakanson-anderson.com

TRUNK HIGHWAY 65 EAST FRONTAGE ROAD
SANITARY SEWER AND
WATERMAIN EXTENSION

EXHIBIT 1

CITY OF EAST BETHEL, MINNESOTA

SHEET 1 OF 1 SHEETS

EB606

Aug 28, 2014 - 10:23am
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ENGINEER'S ESTIMATE
T.H. 65 EAST FRONTAGE ROAD
CITY OF EAST BETHEL

Schedule "A" - Removals

Item No.	Description	Unit	Unit Cost	Estimated Quantity	Estimated Cost
1	Remove Bituminous Pavement	SQ FT	$1.16	14,600	$16,936
2	Remove Concrete Curb & Gutter	LIN FT	$2.15	2,300	$4,945
3	Romove Storm Sewer - 15" RCP	LIN FT	$8.40	89	$748
4	Romove Storm Sewer - 27" RCP	LIN FT	$10.00	220	$2,200
5	Romove Storm Sewer - 36" RCP	LIN FT	$10.50	112	$1,176
6	Romove Storm Sewer Structures	EACH	$360.00	4	$1,440
7	Private Utility Removal, Relocation, Support	ALLOWANCE	$100,000.00	1	$100,000
				Total Schedule "A" - Removals	$127,445

Schedule "B" - Sanitary Sewer

Item No.	Description	Unit	Unit Cost	Estimated Quantity	Estimated Cost
1	Core Drill Existing Manhole	EACH	$3,000.00	2	$6,000
2	48" Diameter Manhole	LIN FT	$371.25	173	$64,226
3	48" Diameter Manhole Buoyancy Collar	EACH	$436.00	10	$4,360
4	8" PVC SDR 35 Sewer Pipe (10-15')	LIN FT	$38.00	1,010	$38,380
5	8" PVC SDR 35 Sewer Pipe (15-20')	LIN FT	$38.00	800	$30,400
6	24" PVC PS 115/CCFRPM SN 72 (15-20')	LIN FT	$85.00	400	$34,000
7	24" PVC PS 115/CCFRPM SN 72 (20-25')	LIN FT	$90.00	1,290	$116,100
8	6" PVC SDR 26 Service Pipe	LIN FT	$19.00	460	$8,740
9	6" PVC SDR 26 Service Riser	LIN FT	$13.30	230	$3,059
10	8" X 6" PVC SDR 26 Wye	EACH	$145.00	15	$2,175
11	24" X 6" PVC SDR 26 Wye	EACH	$200.00	8	$1,600
12	Dewatering (10-15')	LIN FT	$45.00	1,010	$45,450
13	Dewatering (15-20')	LIN FT	$50.00	1,200	$60,000
14	Dewatering (20-25')	LIN FT	$65.00	1,290	$83,850
15	Pipe Subgrade Excavation (EV) - Type A Bedding	CU YD	$7.35	860	$6,321
16	Aggregate Bedding - Type A Bedding	TON	$24.00	1,390	$33,360
17	Sanitary Sewer Standard Casting	EACH	$280.00	9	$2,520
18	Water Tight Casting	EACH	$1,470.00	1	$1,470
19	Chimney Seal	EACH	$252.00	9	$2,268
20	Manhole Marker Sign	EACH	$57.00	1	$57
				Total Schedule "B" - Sanitary Sewer	$544,336

Schedule "C" - Watermain

Item No.	Description	Unit	Unit Cost	Estimated Quantity	Estimated Cost
1	Connect to Existing Watermain	EACH	$1,000.00	1	$1,000
2	16" PVC C905 DR 21 Watermain	LIN FT	$44.00	3,500	$154,000
3	6" PVC C900 DR 18 Water Service	LIN FT	$22.00	460	$10,120
4	6" PVC C900 DR 18 Hydrant Lead	LIN FT	$22.00	180	$3,960
5	6" Gate Valve	EACH	$1,100.00	31	$34,100
6	16" Butterfly Valve	EACH	$3,000.00	2	$6,000
7	Hydrant	EACH	$3,320.00	7	$23,240
8	Hydrant Extension	LIN FT	$500.00	7	$3,500
9	Watermain Fittings	POUND	$9.00	18,995	$170,955
				Total Schedule "C" - Watermain	$406,875

Schedule "D" - Street and Storm Sewer

Item No.	Description	Unit	Unit Cost	Estimated Quantity	Estimated Cost
1	Common Excavation	CU YD	$8.00	1,880	$15,040
2	Subgrade Preparation	SQ YD	$0.70	11,280	$7,896
3	Aggregate Base Class 5	TON	$15.50	3,450	$53,475
4	Type MV 3 Bituminous Wearing Course Mixture (B)	TON	$71.00	1,575	$111,825
5	Type MV 4 Bituminous Non Wearing Course Mixture (B)	TON	$68.00	2,360	$160,480
6	Bituminous Material for Tack Coat	GALLON	$3.00	715	$2,145
7	Concrete Curb & Gutter Design B618	LIN FT	$13.50	7,000	$94,500
8	6" Concrete Driveway Pavement	SQ YD	$54.00	300	$16,200
9	4" Double Solid Line Yellow - Epoxy	LIN FT	$0.75	3,500	$2,625
10	Sign Panels Type C	SQ FT	$32.00	100	$3,200
11	15" RCP Storm Sewer Class V	LIN FT	$30.00	2,000	$60,000
12	18" RCP Storm Sewer Class V	LIN FT	$34.00	1,000	$34,000
13	21" RCP Storm Sewer Class V	LIN FT	$39.00	500	$19,500
14	27" RCP Storm Sewer Class III	LIN FT	$45.00	220	$9,900
15	36" Culvert Class III	LIN FT	$55.00	96	$5,280
16	15" RC Apron	EACH	$325.00	1	$325
17	21" RC Apron	EACH	$365.00	1	$365
18	27" RC Apron	EACH	$425.00	1	$425
19	36" RC Apron	EACH	$500.00	1	$500
20	Storm Sewer Structure Design H	EACH	$1,000.00	1	$1,000
21	48" Storm Sewer Structure	EACH	$1,200.00	15	$18,000
22	60" Storm Sewer Strucutre	EACH	$1,600.00	2	$3,200
23	Casting Assembly	EACH	$562.00	18	$10,116
24	Random Riprap Class III	CU YD	$100.00	40	$4,000
				Total Schedule "D" - Street and Storm Sewer	$633,997

Schedule "E" - Erosion Control and Restoration

Item No.	Description	Unit	Unit Cost	Estimated Quantity	Estimated Cost
1	Silt Fence, Type Machine Sliced	LIN FT	$1.80	4,000	$7,200
2	Storm Drain Inlet Protection	EACH	$205.00	18	$3,690
3	Rock Construction Entrance	EACH	$1,100.00	1	$1,100
4	Erosion Control Blanket Category 3	SQ YD	$1.25	2,000	$2,500
5	Topsoil Borrow (LV)	CU YD	$13.75	562	$7,728
6	Turf Establishment	ACRE	$1,500.00	1.0	$1,500
				Total Schedule "E" - Erosion Control and Restoration	$23,718

Total Schedule "A" - Removals	**$127,445**
Total Schedule "B" - Sanitary Sewer	**$544,336**
Total Schedule "C" - Watermain	**$406,875**
Total Schedule "D" - Street and Storm Sewer	**$633,997**
Total Schedule "E" - Erosion Control and Restoration	**$23,718**
Total Estimated Construction Cost	**$1,736,370**
Overhead & Contingency (25%)	**$434,093**
Total Estimated Project Cost	**$2,170,463**

City of East Bethel
Housing and Redevelopment Authority
Agenda Information

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