

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.

Res. 2014-
02
Designate
Official 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.

Newspaper

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 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 January 16, 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 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 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 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