



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, December 3, 2013

6:50 p.m.

Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

November 19, 2013, Regular Meeting

New Business

1. HRA Budget and Tax Levy:
 - a. Cons. Resolution HRA 13-2 Adopting the 2014 HRA Budget
 - b. Cons. Resolution HRA 13-3 Adopting the 2014 HRA Tax Levy

Other Business

Adjourn



HRA Regular

Meeting Date: 12/03/2013

SUBJECT:

Attachments

11-19-13 HRA Meeting

UNAPPROVED

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF NOVEMBER 19, 2013

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:50 p.m. on November 19, 2013, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Paul Johnson, Ron Manning, Jerry Koch, Bruce Sanders, and Steve Wells

Members Absent: None

CALL TO ORDER

Chair Howe called the meeting to order at 6:50 p.m.

ROLL CALL

All present.

APPROVAL OF MINUTES OF NOVEMBER 6, 2013, REGULAR MEETING

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER SANDERS, FOR APPROVAL OF THE MINUTES OF THE NOVEMBER 6, 2013, REGULAR MEETING. THE MOTION PASSED UNANIMOUSLY.

1. PALIS PROPERTIES LLC, 9864, 9920, AND 9950 EAST RIVER ROAD:
 - A. APPROVE PURCHASE AGREEMENT
 - B. AUTHORIZE CHAIR AND SECRETARY TO EXECUTE PURCHASE AGREEMENT
 - C. AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY

Community Development Specialist Matt Brown shared the staff report.

Chair Howe clarified which parcel was being considered. Mr. Brown said the parcel being considered is 9864 East River Road.

Commissioner Koch stated that more than one appraisal was done with the first being for an investment most likely and valued higher than \$849,000. Mr. Brown said the reason for multiple appraisals is because of the period of time that went by. He said appraisals done include land value, sales comps, and income approach, and the results of which are averaged.

Chair Howe referred to the property lines and their accuracy. Mr. Brown said the current title information contains a lack of clarity and that staff has been working to complete title work for the other parcels to determine the correct property lines.

Chair Howe asked who owns the abutting property. Mr. Brown said the HRA owns the land to the west.

Commissioner Sanders asked if this area is tied by the old railroad property which went to condemnation. Mr. Nevinski said there are some title issues in this area so by acquiring this we can easily address any of those concerns. He said staff is working with Barna Guzy law firm and the title examiner to get certificates properly assigned so we do not anticipate any major title issues.

Commissioner Manning inquired about what is located on 9858 and 9838 East River Road. Mr. Brown said there are apartment buildings located on each of these parcels within Riverwalk.

Commissioner Klint said she was concerned that relocation costs will be very expensive. Mr. Nevinski said regardless we are responsible by federal law for relocation expenses but we can try to offset those costs as much as possible.

Commissioner Klint said she was hesitant to purchase this even though the property is a prime location. She said the price is fine now but after 20 units are dealt with it could be a lot of money, especially if a renter cannot find the right size unit. Mr. Nevinski said a premium is paid whether a unit is a one- or two-bedroom. He said staff is estimating relocation costs to be \$10,000-\$20,000 per unit so retaining ownership and collecting income to offset some costs in the interim would be a benefit.

Commissioner Sanders said he is in favor of accelerating the process but said his biggest concern is what we will do to develop Riverwalk. He said this action will speed up the process and we will have to bear that cost.

Commissioner Koch said he agreed that acquiring this parcel is important to the project but said he does not like taking property off the tax rolls.

Commissioner Sanders noted the property will not be off the tax rolls if leased.

Commissioner Koch agreed but said there will be some problems if we are the landlord in an older apartment complex.

Mr. Nevinski agreed there are some concerns but said this is an opportunity that has been discussed for years. He said staff was able to negotiate by half on the price point and that this is located in a defined redevelopment area. Mr. Nevinski said this action will help complete acquisitions in a prime location with views and that another interested party could continue to operate the property as it is today. He said the current owner is willing to sell to the HRA because there will be no issues with regard to financing.

Commissioner Johnson said it is critical we get this parcel as it will tie into the entire Riverwalk area. He said the parcel includes the majority of the creek bed which is a desirable amenity and

as other parcels become available it would fit onto that area. He stated the HRA has directed staff numerous times to follow up on this area and they have presented this for consideration.

Commissioner Manning said it is prudent as people move and not re-rent. He asked if this site would be eligible for eminent domain if not purchased. Mr. Nevinski stated the laws have changed and that power has been almost eliminated for these types of purposes.

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER WELLS, TO APPROVE THE PURCHASE AGREEMENT FOR THE PROPERTY AT 9864, 9920, AND 9950 EAST RIVER ROAD WITH A SALE PRICE OF \$849,000, AUTHORIZE THE CHAIR AND SECRETARY TO EXECUTE THE PURCHASE AGREEMENT, AND AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY TO CLOSE ON THE PROPERTY.

Commissioner Koch said he would like to see more figures on a relocation package. He said he is not too concerned about the other buyer with title issues, adding he is not interested in being a landlord and that without acquiring the other site we cannot do the cul-de-sac.

Chair Howe agreed that we made a commitment to acquire these properties and that staff was prudent in negotiating for them and now is the time to take the next step. He said another interested party would want to see redevelopment too. Mr. Nevinski said that is possible but another party may just want the cash.

Commissioner Johnson said he would rather see the HRA have control than have another buyer come to us on a larger scale. He said while he is not sure of the exact distance this could still qualify for a cul-de-sac.

Councilmember Manning said this action could affect what is being lost on the higher taxable property that could be developed.

THE MOTION PASSED 6-1, COMMISSIONER KLINT OPPOSED.

OTHER BUSINESS

There was no other business to come before the HRA.

ADJOURN

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER KOCH, TO ADJOURN THE NOVEMBER 19, 2013, MEETING AT 7:11 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen
City Clerk



HRA Regular

1.

Meeting Date: 12/03/2013

Subject: HRA Budget and Tax Levy

From: Sharon Legg, Finance Director

INTRODUCTION

The Housing and Redevelopment Authority in and for the City of Coon Rapids (HRA) must approve the budget and tax levy for 2014.

DISCUSSION

The budget for the HRA is included in the 2014 City budget as Fund 69. Because the HRA is considered to be a separate entity, a budget and tax levy need to be adopted by the HRA.

RECOMMENDATION

Staff recommends adoption of the following:

- a. Adopt Resolution HRA 13-2 adopting the 2014 HRA budget.
- b. Adopt Resolution HRA 13-3 adopting the 2014 HRA tax levy.

Attachments

Resolution HRA 13-2

Resolution HRA 13-3

RESOLUTION HRA NO. 13-2

RESOLUTION ADOPTING THE 2014 HRA BUDGET

WHEREAS, the Housing and Redevelopment Authority Fund is included as a part of the City of Coon Rapids budget; and

WHEREAS, revenues of \$1,383,833 and expenditures and transfers of \$391,196 are proposed; and

WHEREAS, these funds support economic development efforts consistent with the Coon Rapids Housing and Redevelopment Authority, provide for reviews of major commercial, industrial and housing developments, manages the tax increment program and transfers funds for tax increment debt service payments; and

NOW, THEREFORE, BE IT RESOLVED that the Coon Rapids Housing and Redevelopment Authority hereby adopts the 2014 budget, a summary of which follows:

REVENUES

General property taxes	\$700,000
Tax increment collections	540,000
Investment income	79,679
Payment on notes	20,654
Other revenue	43,500

Total Revenues 1,383,833

EXPENDITURES

Personal services	\$148,312
Other charges and services	149,929
Administrative	5,631
Supplies	1,000
Interest on loan	86,324

Total Expenditures 391,196

Adopted by the Coon Rapids HRA this 3th day of December, 2013.

Tim Howe, Chair

ATTEST:

Bruce Sanders, Secretary

RESOLUTION HRA NO. 13-3

RESOLUTION ADOPTING THE 2014 HRA TAX LEVY

WHEREAS, the Housing and Redevelopment Authority Fund is included as a part of the City of Coon Rapids budget; and

WHEREAS, a preliminary levy of \$700,000 for the HRA was included in the 2014 Budget; and

WHEREAS, Minnesota Statute 469.033, Subdivision 6, limits the amount an HRA can levy to .018 percent of taxable market value which this levy is within; and

NOW, THEREFORE, BE IT RESOLVED that the Coon Rapids Housing and Redevelopment Authority hereby adopts the 2014 Tax levy for taxes payable in 2014 for the Housing and Redevelopment Authority.

Adopted by the Coon Rapids HRA this 3rd day of December, 2013.

Tim Howe, Chair

ATTEST:

Bruce Sanders, Secretary