

**CITY OF FRIDLEY  
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION  
March 3, 2016**

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**CALL TO ORDER:**

**Chairperson Pro Tem Gabel** called the HRA Meeting to order at 7:02 p.m.

**ROLL CALL:**

**MEMBERS PRESENT:** William Holm  
Pat Gabel  
Stephen Eggert  
Gordon Backlund

**MEMBERS ABSENT:** Lawrence Commers

**OTHERS PRESENT:** Paul Bolin, HRA Assistant Executive Director  
Wally Wysopal, City Manager  
Paul Hyde, Hyde Development

**ACTION ITEMS:**

**1. Approval of Expenditures**

**MOTION** by Commissioner Holm to approve the expenditures as presented. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM GABEL DECLARED THE MOTION CARRIED UNANIMOUSLY**

**2. Approval of February 4, 2016 Meeting Minutes**

**MOTION** by Commissioner Eggert to approve the minutes as presented. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM GABEL DECLARED THE MOTION CARRIED UNANIMOUSLY**

**3. Approval of Resolution Supporting MCRLF Application – Northern Stacks**

**Paul Bolin**, HRA Assistant Executive Director, stated that MCRLF is a State of Minnesota Department of Employment and Economic Development (DEED) Cleanup Revolving Loan Fund. This program allows developers to apply directly to DEED for loan funds. Mr. Hyde and his project meet the requirements for eligibility for the loan program. All appropriate inquiries have been completed. Mr. Hyde owns the property and has a response action plan in place approved by MPCA. Mr. Hyde is not responsible for the contamination and has the ability to repay the loan. Loan dollars need to be spent on cleanup that has been identified in the response action plan (RAP). Funds can be spent on contaminated soils, installing vapor

barriers and treating ground water, asbestos abatement, environmental consulting fees and demolition. This loan process takes about 90 days for approval. Rates and terms are negotiable. There is a public comment period for each loan project and in last Friday's paper DEED published a notice in the Focus regarding this project for public comment through March 28. Information can be found on the internet and a printed copy is here at City Hall. Staff recommends approval of a resolution supporting the Hyde development efforts to obtain a low interest loan financing through Minnesota DEED MCRLF program.

**Chairperson Pro Tem Gabel** asked how many pages the RAP was.

**Mr. Bolin** replied that it is about 5" thick plus a cd because not all of it can be printed.

**Paul Hyde**, Hyde Development, noted that this development area is divided into 4 phases. Phase 1 is the southern 30 acres and the Northern Stacks was completed in January 2015 and has two tenants; the rest is over 1/2 full and it is anticipated that it will be 100% filled in the next 30-45 days. The cleanup implementation report has been approved by the MPCA and the 1<sup>st</sup> certificate of completion for that site has been received. The 2<sup>nd</sup> building in phase 1 is a 135,000 sq. ft. office building that will start construction as soon as it warms up and will be completed by the end of the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2016. There is great activity on this space and a positive momentum on the work completed to date. Once that building is filled up a cleanup report will be submitted the 1<sup>st</sup> quarter of 2017 and the completion report received the 2<sup>nd</sup> quarter 2017.

**Mr. Hyde** said that the BAE building is phase 2 which is finished and the lease started in December. The area that is subject of this loan application is phase 3 of this development; the area between northern stacks 1-2 and the BAE building. All the steel has been recycled and hauled off site. This project is fully funded with grant applications for the 3<sup>rd</sup> phase of the cleanup to begin mid-April. Mr. Hyde hopes to use the low interest loan program to fund part of the cleanup and redevelopment activity costs that will be repaid through tax increment that's been collected.

**Mr. Hyde** said that they plan to start another building in 2016-2017 on the phase 3 site. The last 30 acres on this site is phase 4 and they plan to start investigating the area this summer and apply for grants in November of 2016 for clean up to take place next year. There will be another ground breaking ribbon cutting ceremony this spring/summer.

**Chairperson Pro Tem Gabel** asked about the plating room and cleanup of that area.

**Mr. Hyde** replied that is in the phase to be cleaned up this summer. The US Navy is doing additional work on their own, and with their own dollars, as a result of the building being demolished. This could reduce their long term costs. BAE has also spent funds on their paint shop soils in phase 3.

**Commissioner Holm** drove by the area today and noted that a lot of cleanup has been done in the last 6 mos. He asked if there was still part of main building to be demolished.

**Mr. Hyde** replied that what's left of main building is the floor to come up this summer and there are also three smaller out buildings. The boiler room which designs are being worked on to rent out this space to an art studio or bike shop; and two other buildings which are the

electrical station and the Navy's ground mediation system. These buildings will stay but will be cleaned up to match the rest of the project. The only other building on site is the long skinny metal building that will come down in phase 4.

**Commissioner Backlund** asked if the plating material would be removed or encapsulated when the floor is removed.

**Mr. Hyde** replied that when the floor is removed they will address any impacted soils and treat according to industrial standards. Once the soils are treated they will be placed under the parking lot. If the soil can't get to industrial standards it will be hauled offsite.

**Commissioner Backlund** asked how the soils would be treated.

**Mr. Hyde** replied that they are still working on how to treat the soils. Most of it will dissipate into the air but they will figure out the details this summer.

**Commissioner Backlund** asked if there were heavy metals in the soil.

**Mr. Hyde** replied that the soil is less impacted than what they thought with heavy metals.

**Commissioner Backlund** asked about the asbestos; if it's mainly in the boiler room.

**Mr. Hyde** replied that all the asbestos is gone; that was removed last spring.

**Commissioner Eggert** noted that there will be some modifications to the traffic control on East River Road; he asked when that would happen.

**Mr. Hyde** replied that with the guidance from staff they received final approvals for the relocation of the traffic light. The old traffic light will be removed and a new one installed by August of this year.

**MOTION** by Commissioner Holm to approve the Resolution Supporting MCRLF Northern Stacks. Seconded by Commissioner Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM GABEL DECLARED THE MOTION CARRIED UNANIMOUSLY**

#### **4. 2016 Mowing Contract**

**Paul Bolin**, HRA Assistant Executive Director, stated that like any other property owner in the city we are required to maintain our properties. Since 2011 the HRA has contracted with Passau Inc. Land Care to do the mowing on our properties. In 2011 an extensive bidding process was completed and Passau Inc. were the lowest bidders. In 2013 staff did another bidding process with the Planning Department and Passau Inc. was the lowest bidder again. The contract can be extended if there are no changes in price. Passau Inc. would like to continue through the 2016 season with the same prices charged since 2013. Over the past few years a number of properties have been sold off so there has been a decrease in the mowing expenses. This year there are 7 properties to be mowed. In 2014 mowing all the

properties one time cost \$1,000 per cycle, last year was \$750 and this year will be \$540 per mowing cycle.

**Commissioner Holm** asked if the mowing would be expanded because of Columbia Arena.

**Mr. Bolin** replied that last year part of the arena was mowed but this year, Public Works plans to take over the mowing. That grass will be left a little taller so people don't think this area is an extension of the park. Signs will be put up to warn people it may be dangerous or unsafe to play/walk in that area.

**MOTION** by Commissioner Eggert to approve the 2016 Mowing Contract with Passau Inc. Land Care. Seconded by Commissioner Holm.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM GABEL DECLARED THE MOTION CARRIED UNANIMOUSLY**

### **HOUSING PROGRAM UPDATE**

**Paul Bolin**, HRA Assistant Executive Director, reported that one loan closed last month making a total of one year-to-date. A number of contacts were made at the Home and Garden Show and a post card is going out to residents to promote these programs. Also word will be going out to realtors now that they can borrow up to 115% of the loan so homeowners can do repair or upgrades to the home when they purchase. The city now has a full time communications staff person with good ideas on how to get word out through Twitter and Facebook. There were no remodel visits in February and there were five Home Energy Squad visits in February.

### **ADJOURNMENT**

**MOTION** by Commissioner Backlund to adjourn. Seconded by Commissioner Holm.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON PRO TEM GABEL DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:31 P.M.**

Respectfully Submitted,

Krista Peterson, Recording Secretary