

**CITY OF FRIDLEY**  
**HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION**  
**August 2, 2018**

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**Chairperson Gabel** called the Housing and Redevelopment Authority Meeting to order at 7:00 p.m.

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

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

**Action Items:**

**1. Approval of Expenditures**

**MOTION** by Commissioner Holm to approve the expenditures. Seconded by Commissioner Eggert.

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

**2. Approval of June 28, 2018 Meeting Minutes**

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

**Chairperson Gabel** noted the following:

Page 3, 2<sup>nd</sup> paragraph, 3<sup>rd</sup> sentence “determined that an extra \$3,000/unit ~~wild~~would assist...”

Page 4, “Commissioner Backlund asked if the housing would ~~be~~ all be at market rate or subsidized housing.” Mr. Bolin replied that Sherman *is* looking at building three separate buildings. *Two at market rate and one subsidized.*

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON GABEL DECLARED THE MINUTES APPROVED AS AMENDED**

**3. Approval of Contract for Exclusive Negotiations**

**Paul Bolin**, HRA Assistant Executive Director, stated that as the City was preparing to build a new Municipal Center, staff began planning for the eventual sale of the existing property. Discussions with Fairview, operator of the buildings south of City Hall, led to interest from Ebenezer Homes. Ebenezer is part of Fairview Health Services and is the State's largest senior housing operator with over 100 years of experience serving seniors. Ebenezer prefers to work with development/investment groups than to build and own the buildings. Steve Dunbar of Ivy Properties is heading up the group that will build and own the building.

**Mr. Bolin** said that there are a number of tasks that the Developer, City and Authority will need to complete over the next few months. Tasks include site design work financial analysis, engineering, obtaining marketable title and changes to parking lease agreements. Upon completion of the number of tasks, the Developer and Authority will be in a position to draft a full redevelopment agreement. In the interim, a Contract for Exclusive Negotiations has been drafted to protect both parties.

**Mr. Bolin** said that the current concept would be to construct a 134 unit senior "with services" building. The building would include assisted living as well as memory care units. The site of the current parking deck could become a second phase of the project. The agreement was drafted by Attorney Casserly and reviewed by Staff and the Redeveloper. The agreement is very straightforward and lays out the responsibilities for each party. The agreement will remain in effect until a Contract for Private Redevelopment is in place or until March 1, 2019. Staff recommends the Authority approve the Contract for Exclusive Negotiations. The agreement will provide Ivy Properties the protections they need to move forward with the project.

**Steve Dunbar**, Ivy Properties, has been working with Paul and his team since December of last year and working with Fairview next door to achieve the pieces moving forward.

**Sue Olson**, Ebenezer Homes, stated that their organization has helped seniors for over 100 years. They are known as the top senior housing leaders in the State of MN. Ebenezer homes has a passion and cares for the community they serve. This is the perfect location, right next to Fairview and their training/orientation facility.

**Chairperson Gabel** asked if this was an assisted living and memory care facility.

**Ms. Olson** replied it would be independent living, assisted living and memory care. Residents never have to move, they bring additional services to them rather than have them move to another part of the building. Services and meals are options for residents depending on the service contract or need. Meals are offered and is an important part of senior's life, to have a prepared and served meal. They refer to meals as culinary and have culinary chefs and servers to make that an important part of the day. They will bring meaningful activities to the lives of the people who live there.

**Commissioner Eggert** asked if a customer would start in independent care and then needed assisted or memory care in the future if that was available to them.

**Ms. Olson** replied yes but memory care would move to another part of the building.

**Commissioner Holm** asked for the breakdown of the 134 units.

**Link Wilson**, Coswell Architects, replied that there will be a mix of housing. 42 2 bedroom/2 bath; 16 one bedroom plus a den; 10 large one bedroom, 34 small one bedrooms, 14 studio and 18 apartment memory care units. There will be a lot of common space to bring in family and entertain within the building or outside.

**Jim Winkles**, Amcon Construction, added that this is a good site but a little complicated with different ownerships of the properties. There are a lot of moving pieces but there is time to get things worked out.

**Chairperson Gabel** asked if there was anything in the contract that was unusual or unique.

**Jim Casserly**, Development Consultant, replied that the tentative agreement is on the purchase price. There are still some things for the Authority to do to convey the site. The title is complicated, but we will get all the parcels in one place to have one agreement.

**MOTION** by Commissioner Eggert to approve the Contract for Exclusive Negotiations. Seconded by Commissioner Mulrooney.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON GABEL DELCARED THE MOTION CARRIED UNANIMOUSLY**

#### **4. Approval of Resolution Supporting Grant Application – Northern Stacks**

**Paul Bolin**, HRA Executive Assistant Director, stated that Hyde Development has requested the Authority's assistance to obtain a grant through the Minnesota Department of Employment and Economic Development's Redevelopment grant program, for Northern Stacks VIII. This is the building located at 5101 Industrial Boulevard, adjacent to Northern Stacks.

**Mr. Bolin** noted that prior to being used as a warehouse, the property was owned by a printing and binding company. The binding required the use of solvents for cleaning glue from equipment and prior to stricter environmental standards, the solvent was often times dumped out the back door. The testing done on the site indicates that there is quite a bit of environmental cleanup necessary that will require new infrastructure, demolition and ponding. This application is seeking \$250,000 to assist in demolition, ponding and environmental infrastructure. Staff recommends approval of the resolution supporting Hyde Development's application for a grant through DEED's Redevelopment Grant Fund.

**Commissioner Holm** noticed there was some reference to demolition of the current building and asked if this cleanup included demolition.

**Mr. Bolin** replied that minor demolition will happen, but the bulk of the building will remain. They will demolish the loading docks and some inside the building to make a more open environment.

**MOTION** by Commissioner Backlund to approve the resolution supporting grant application – Northern Stacks VIII. Seconded by Commissioner Eggert.

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

**5. Public Hearing – HRP Lot Sales**

**MOTION** by Commissioner Eggert to open the public hearing. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON GABEL DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING OPENED AT 7:38 PM**

**Mr. Bolin** stated that the Authority placed two tax-forfeited properties into the Housing Replacement Program. The properties are located at 509 Cheri Lane and 8295 Broad Avenue. Tollberg Homes has submitted lot reservation agreements for purchasing both properties for the full asking price.

**Mr. Bolin** said that Tollberg Homes is a custom home builder's office is in Anoka. They have previously participated in the Authority's Housing Replacement Program, constructing the new home at 5875 2<sup>nd</sup> Street. They have been easy to work with and their craftsmanship is far above par. Prior to closing, they will submit plans meeting the criteria of the program. Staff recommends holding a public hearing and approving the resolutions authorizing the sale of the lots to Tollberg Homes.

**Commissioner Holm** asked if the demolition costs would be absorbed by the Authority.

**Mr. Bolin** replied that those costs would be reimbursed through the land sales and the HRP program allows increment for 15 years on the parcels to help reimburse that cost.

**MOTION** by Commissioner Holm to close the public hearing. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON GABEL DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING CLOSED AT 7:42 PM**

**MOTION** by Commissioner Holm to Adopt the Resolution at 509 Cheri Lane as outlined by staff for \$50,000. Seconded by Commissioner Eggert.

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

**MOTION** by Commissioner Holm to Adopt the Resolution at 8295 Broad Avenue NE. Seconded by Commissioner Mulrooney.

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

**Informational Items:**

**1. Housing Programs Update**

**Paul Bolin**, HRA Executive Assistant Director, reported that three CEE loan closed in July making seven year to date; there was one remodel advisor visit for a total of seven year to date. There are no Home Energy Squad numbers to share this month. That will be brought forward at the September meeting.

**Wally Wysopal**, City Manager, announced the new Finance Director, Dan Tietner.

**Adjournment:**

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

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON GABEL DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:49 P.M.**

Respectfully submitted,

Krista Peterson  
Recording Secretary