



Minutes

Roseville Economic Development Authority (REDA)
City Council Chambers, 2660 Civic Center Drive
Monday, January 24, 2022 – 6:00 p.m.

*Pursuant to Minn. Stat. 13.D.021,
Economic Development Authority members, City Staff, and members of the
public participated in this meeting electronically
due to the COVID-19 pandemic.*

1. Roll Call

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Strahan, Groff, Willmus, Etten, and Roe.

Present: President Dan Roe and Board Members Robert Willmus, Jason Etten, Wayne Groff, and Julie Strahan.

Others Present: Attorney Gina Fiorini, Executive Director Pat Trudgeon, Assistant City Manager Rebecca Olson, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey

2. Pledge of Allegiance

3. Approve Agenda

Executive Director Trudgeon announced the addition of item 6.e, Adopt a Resolution Ratifying Approval of Loan Programs Administered by CEE and Authorizing Execution of Loan Documents in Connection with Said Programs

Groff moved, Willmus seconded, approval of the January 24, 2022 agenda as amended.

Ayes: 5

Nays: 0

Motion carried.

4. Public Comment

5. Recognitions

a. **Farewell to Martha Ingram and Introduction of Gina Fiorini from Kennedy & Graven**

6. Business Items

a. Election of Officers

President Roe provided a brief summary of this request as detailed in the staff report and attachments dated January 24, 2022.

Groff moved, Willmus seconded, to designate Roe as President, Willmus as Vice President, Strahan as Treasurer, Trudgeon as Secretary and Pietrick as Assistant Treasurer of the Roseville Economic Development Authority.

Ayes: 5

Nays: 0

Motion carried.

b. Receive Update on Choose Roseville Campaign

Housing Economic Development Program Manager Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 24, 2022.

Mr. Darren Varley and Ms. Bethany Quinn from Golden Shovel provided an update. Mr. Ruben Dominguez, City Intern working on the Choose Roseville campaign was also at the meeting.

President Roe thanked Golden Shovel for the presentation that showed there had been a lot of connection and benefit made to businesses in the community.

Member Willmus thought the presentation was great and asked for elaborations on continuing assistance.

Ms. Quinn explained the campaign is slated to run for eighteen months and Golden Shovel will be offering continued support to the businesses that have signed up. Long term, if the City wanted to continue to engage on a limited basis support, Golden Shovel would be happy to provide it. Otherwise, they are hoping over the course of a year they are able to empower the businesses to have the tools to continue on their own should Golden Shovel no longer be there for ongoing support.

Member Strahan stated this was very exciting and has come a long way since the information gathering last summer and fall. She thought it was great to see how much impact this had made and wondered how much longer Mr. Dominguez will be around because if he is departing soon, then it will be a start over process.

Ms. Kelsey explained the City had Mr. Dominguez through the end of his semester, which was this last year, he has not taken any other internship, and would like to continue with the EDA, at least through the next semester. Staff

has been taking this one semester at a time to see how far they get through this campaign.

Member Groff saw that the work of Mr. Dominguez as being crucial to the whole picture and a couple of things stood out to him. One was the way Mr. Dominguez revamped, immediately realizing things were not working and redirected it. The other part he liked is that Mr. Dominguez indicated the businesses were not convinced this was free and he understood that totally because businesses are bombarded with things and there is always some catch to it. That is why the businesses are so skeptical. He thought getting through that hurdle really takes a talent and it sounds like Mr. Dominguez has done a good job on that. He also thought this program would continue to grow and thanked them for the good work.

Member Etten thanked everyone for the good work and the successful campaign so far. He asked if the contract was for up to twenty-five businesses and currently at nineteen or if they pass twenty-five does this keep going. He wondered how that worked.

Ms. Kelsey explained what was authorized in the contractual agreement and brought forward to the Board was initially twenty-five businesses and then from that going forward the City would determine the resources in order to continue it for how many more businesses do have interest in it.

President Roe noted the next phase of the plan was to look at how the City can continue with the campaign.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

c. Consider Amendments to the Land Trust Program Guidelines & Adopt a Resolution of Support to Apply for Ramsey County Funding

Housing Economic Development Program Manager Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 24, 2022.

Member Willmus indicated he reached out after reviewing the packet and spoke to Ms. Gundlach about this. He explained when Habitat goes forward and makes offers, certainly one component is the price and it is great to hear that their non-contingent offer is accepted. He wondered if Habitat does any inquiry with the seller to determine if there are things other than price that might be looked favorably on the part of the seller in terms of closing time or assisting the seller with some of their expenses related to the transaction. He also wondered if some of those things come in to play in lieu of offering a higher price on the front end for the homes. He supported the approach offered but was also interested to

know and learn if they have explored some of the other strategies when seeking out these homes.

Ms. Kelsey indicated it was her understanding that the agent representing Habitat does make the seller aware that it is a Habitat and affordable housing for the first time home buyer program. The two offers made were purely a price situation and the consideration the seller went for.

President Roe asked if there are other factors that Habitat can use when it may not just be price, to sweeten the deal.

Ms. Kelsey indicated Mr. Chad Dipman from Habitat for Humanity was at the meeting and deferred to him to make comments.

Mr. Chad Dipman, Habitat for Humanity, explained the offers they have been making have been at list price or slightly below. The houses in Roseville are not cheap so they have not yet gone above list price. He noted his colleague has been doing all of the search work. They are offering no contingencies and thirty day close. They do not write into those initial offers any expectations of work to be done. He thought these were pretty clean offers as far as the amount of money goes and was not sure what else might sweeten the deal for them.

Member Willmus asked if Habitat for Humanity does any outreach to the seller to see what their needs may be, noting a thirty-day close might be too fast for them so some of those aspects might need to be explored.

Mr. Dipman explained they are always open to anything that can help make the deal move forward.

Member Groff explained for clarification, when a property is listed on MLS, Habitat for Humanity cannot go directly to the owner, it would need to go through the seller's agent to have any of those conversations. He thought this was a long-term project where the Board will have to look at this as a long-term project. The market right now is extremely tight and the prices have gone up but markets change and when things change, then they will be able to do that. It is hard for the EDA Board and Habitat to get into bidding wars that can sometimes go way over the price and not what their goal is. He noted they need to have a little perspective on where the market is now and they may have to be patient and wait for prices to go down but they have the tools in place and at some point, they are going to be able to get homes for people that are affordable.

Member Etten asked if other communities are doing these programs and is Habitat seeing success there or changes compared to what Roseville is doing that Habitat is finding successful.

Mr. Dipman explained Habitat does not have a program like this in other cities, at least not the exact same format. He was hopeful that the City of New Hope will allocate some CBDG funding for one house. He noted Habitat is working with the City of Richfield on lot acquisition as well. This is a unique opportunity for them and are grateful for the partnership with Roseville.

Member Etten appreciated the partnership on this. He asked if land acquisition at this time a better bang for the buck than trying to buy a home in a market like this.

Mr. Dipman explained they have to be patient in this market but Habitat is also exploring other avenues, looking at tax forfeitures, and other possibilities that come to Ms. Kelsey's attention. A letter was sent out to current owner occupants of \$250,000 or less valued houses which the City did get some responses to that.

Member Groff thought it was better to stay in the market because they never know when that property is going to come on the market.

Member Strahan knew, at one point, that the City had its own equivalent to "We buy ugly houses" and spent a lot of marketing time but she thought it might be more preemptive to not wait for someone ready to sell but maybe someone that needs a "1-800-got-junk" to get the home.

Ms. Kelsey explained they wanted to wait until after the holidays to send out a direct mailing. After the first of the year, they sent out a proactive letter and addressed to all homes with a value of \$250,000, including the land and home structure in Roseville, which is 893 single family homes that the letter went to. The letter just got on the doorstep of the individuals as of this last Wednesday and since that time, she has had over a half a dozen conversations with individuals who are interested in pursuing this program and want to have more information. Some of the next steps for Habitat are to visit homeowners, see what the homes are, and what is available. Some of the people she has talked to are elderly who want to move but they also do not want to be forced to move and make a decision within a matter of a time periods. She noted Habitat is a patient buyer and will work with the seller in order to find out what the right time is for them to move over the next year or so.

Member Willmus thought it was important for them to have a foot in the door with this strategy. The direct marketing piece and identifying properties before they are on the MLS is an excellent strategy and works well. This also gives them the opportunity to have a conversation on the front end with a potential buyer and discuss their motives and be able to tailor and offer what aligns more closely with their motive for selling.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Strahan moved, Etten seconded, adoption of REDA Resolution No. 103 (Attachment C) entitled, “Resolution Approving Modified Guidelines for Allocation of REDA Funds for Community Land Trust Properties” and adoption of REDA Resolution No. 104 (Attachment D) entitled, “Resolution Authorizing Application For Ramsey County Funds in Connection with Acquisition of Land Trust Properties.”

Ayes: 5

Nays: 0

Motion carried.

d. Authorize Resolution to Acquire 939 County Road B2 West as a Ramsey County Tax Forfeiture Property

Housing Economic Development Program Manager Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 24, 2022.

President Roe asked if the owner is able to go through the process successfully is this a property that might be eligible for some of the EDA’s other assistance programs so would they want to follow up with the owner.

Ms. Kelsey explained currently the EDA does not have a program to assist anyone to demolish their home and that is the Code violation and why it has been posted for condemnation.

Member Willmus asked at what point in time does that assessed valuation get fixed. Looking at evaluations the County put on it, he thought the value was up to \$183,000.

Ms. Kelsey explained this is the modified one based on the owner being in the home. What is seen on the County records, the owner had not been in the home since then and is what the County has come to the conclusion with.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Strahan seconded, adoption of REDA Resolution No. 105 (Attachment B) entitled, “Resolution Ratifying a Memorandum of Understanding and Authorizing the Purchase of Property Located at 939 County Road B2 West.”

Ayes: 5

Nays: 0

Motion carried.

e. Adopt a Resolution Ratifying Approval of Loan Programs Administered by CEE and Authorizing Execution of Loan Documents in Connection with Said Programs

Housing Economic Development Program Manager Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated January 24, 2022.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Strahan seconded, adoption of REDA Resolution No. 106 (Attachment B) entitled, “Resolution Ratifying Approval of Loan Programs Administered by Center for Energy and Environment, and Authorizing Execution of Documents in Connection Therewith.”

Ayes: 5

Nays: 0

Motion carried.

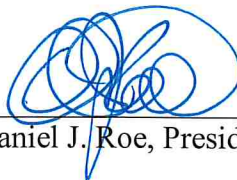
7. Adjourn

Strahan moved, Etten seconded, adjourning the REDA meeting at approximately 7:24 p.m.

Ayes: 5

Nays: 0

Motion carried.



Daniel J. Roe, President

ATTEST:



Patrick Trudgeon, Executive Director