

**Minutes of HRA City Board Meeting
Monday, September 12, 2022, at 12:00 pm**

CALL TO ORDER

Chair Ken Skaare called the meeting to order at 12:30 p.m. in the Council Chambers at City Hall.

ROLL CALL

Members present: Ken Skaare, Dan Mensing, Mark Maher and Kim Shaffer

Members absent: Rick Scholtes

Staff present: Mary Kennedy-City Administrator, Amy Schaefer- Economic Development Specialist, and Megan Hanson-Haase-Executive Director/Housing Manager

DETERMINATION OF QUORUM

A quorum was present. No public comment.

APPROVAL OF MINUTES

The minutes from the HRA City Board meeting of August 8, 2022, were provided in the HRA packet for the board to review.

MOTION BY MENSING, SECOND BY MAHER, TO APPROVE THE MINUTES OF THE HRA CITY BOARD MEETING OF AUGUST 8, 2022. THE MOTION WAS APPROVED UNANIMOUSLY.

BUDGET UPDATE AND APPROVAL OF BILLS

The bills were provided in the HRA packet for the board to review.

MOTION BY MAHER, SECOND BY MENSING, TO APPROVE THE BILLS AS PRESENTED TO THE BOARD. THE MOTION WAS APPROVED UNANIMOUSLY.

CORRESPONDENCE/COMMUNICATIONS

None

OLD BUSINESS

Sq2 Konstruktion Agreement

Kennedy shared a memo from City Attorney, David Frundt, referring to his suggested changes to the Construction Agreement provided with Sq2 Konstruktion, LLC. Kennedy shared that Sq2 Konstruktion was aware that changes could be made. The Board discussed these changes, including the owner's representative being the entire HRA Board instead of one person, the time frames being too short when working with a Board, and adding reduction of costs if prices decrease on materials. Kennedy will work with Frundt to implement these changes.

103 Bluestem rental

Skaare informed the Board that after the decision to list 103 Bluestem for sale, they have had conversations with the renters about this. In order to compromise with the renters, Skaare and Kennedy made the decision not to list the property for sale right now and revisit it after the 6 months.

SCDP Update

Schaefer reported that the project the HRA was planning to partner with CEDA, has had significant communication failures between CEDA and the Grants Department. To move forward they are requesting the HRA write their own grant and pay 15% administration fees, even though CEDA already is receiving administrative fees. Kennedy and Schaefer suggested not to move forward with the project and the money that was set aside for it, be allocated towards the fourplex project instead and the Board agreed. Schaefer agreed to let CEDA know that the HRA no longer will be participating in that option.

2023 Budget

Kennedy referred to the 2023 Budget that was presented. She asked the Board to review it and is looking for feedback in order to bring back the proposed budget to the next meeting.

Blight/Demo Properties

Kennedy reported that all four properties are now cleaned out and the asbestos abatement finished. Kennedy shared that Scholtes really wanted the Board members to do a walk through of all the properties before demolition in case any were salvageable. Skaare agreed that members should view them, before moving forward. Kennedy will send out a doodle poll to schedule the walk through.

NEW BUSINESS

Development Agreement

Kennedy shared that a California family of five is interested in buying the lot at 906 Valley Drive for the incentive package price of \$1.00 to build a new home. Kennedy shared the development agreement that states they must build a new single family residential structure over the next 18 months on this lot. Shaffer inquired if there was a certain square footage of the home required. Kennedy assured that the structure must be in accordance with the building and zoning codes. Mensing brought forth the suggestion of requiring some financial information such as proof of financing, equity, or cash on hand. The Board agreed they will need a pre-approval for a construction loan and to change the language of the agreement to new construction rather than the term redevelopment. Kennedy agreed to make the said changes and bring it back to the Board.

Demolition Grant Request

Kennedy brought forth a demolition grant request from Allen Childs for the house and accessory building at 223 W 10th Street. Childs also submitted 2 bids with the Board taking the lowest bid for the request. The grant program pays 50% of the demolition up to a \$3000.00 max per property.

MOTION BY SHAFFER, SECOND BY MAHER, TO APPROVE THE DEMOLITION GRANT APPLICATION FOR ALLEN CHILDS IN THE AMOUNT OF \$2,150.00. THE MOTION WAS APPROVED UNANIMOUSLY.

OTHER BUSINESS

Mensing brought back the conversation of the Construction Agreement for the fourplex, noting that he hopes they can get started as soon as possible on the project.

MOTION BY MENSING, TO APPROVE THE CONSTRUCTION AGREEMENT WITH SQ2 KONSTRUKTION, LLC, AFTER THE CHANGES THAT WERE DISCUSSED TODAY ARE MADE. THE MOTION WAS APPROVED UNANIMOUSLY.

DIRECTOR'S REPORT

City Administrator Mary Kennedy

Kennedy provided her update in the packet.

Economic Development Specialist Amy Schaefer

Schaefer provided her update in the packet.

ADJOURNMENT

The next City HRA Board meeting will be held on Monday, October 10, 2022.

MOTION BY MENSING, SECOND BY MAHER, TO ADJOURN THE MEETING. THE MOTION WAS APPROVED UNANIMOUSLY.

Skaare adjourned the meeting at 1:26 p.m.