

**Minutes of HRA City Board Meeting  
Monday, November 14, 2022, at 12:00 pm**

**CALL TO ORDER**

Vice Chair Mensing called the meeting to order at 12:15 p.m. in the Council Chambers at City Hall.

**ROLL CALL**

Members present: Dan Mensing, Mark Maher, and Rick Scholtes

Members absent: Ken Skaare and Kim Shaffer

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

**DETERMINATION OF QUORUM**

A quorum was present.

**APPROVAL OF MINUTES**

The minutes from the HRA City Board meeting of October 10, 2022, were provided in the HRA packet for the board to review.

***MOTION BY SCHOLTES, SECOND BY MAHER, TO APPROVE THE MINUTES OF THE HRA CITY BOARD MEETING OF OCTOBER 10, 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 SCHOLTES, TO APPROVE THE BILLS AS PRESENTED TO THE BOARD. THE MOTION WAS APPROVED UNANIMOUSLY.***

**CORRESPONDENCE/COMMUNICATIONS**

None

**OLD BUSINESS**

**103 Bluestem**

Kennedy explained that the property located at 101/103 Bluestem has only one watermain and one sewer line for the entire structure. The main waterline and shutoff is in 101 Bluestem which makes it possible for 101 Bluestem to shut off 103 Bluestem's water and if there is a sewer backup, it will affect both properties as well. Kennedy explained that there are many layers to this because when it was built it was one parcel, met code and was legally built, and was intended to be a rental. In the end, by selling the properties and splitting the lot, this issue fell under the radar as a problem. Since 101 Bluestem has been sold, this issue needs to be taken care of before the sale of 103 Bluestem. Kennedy explained there are some options to correct the issue; one being to install a new watermain and sewer line including cutting into the street. The infrastructure is 17 feet deep and would cost a minimum of \$55,000. The Public Works Director and the City Engineer are advising finding an alternative solution. Another option is to combine the lots again, making it one property, and a final option would be to sell 103 Bluestem to the owner of 101 Bluestem, JR Hanson, and let him be the manager of the property. Kennedy suggested that cutting the street would be the least desirable of options and the most expensive. Kennedy also brought forth that the new fourplex on 8<sup>th</sup> and Rice Street is being built the same way and they should look into changing that to separate lines before it goes any further, to avoid

this issue on that property in the future. Frundt suggested to split the lot for the fourplex, variances would be needed due to the size of the lots. Mensing suggested that be a condo association, like other apartment complexes, and that this would not be an issue in the future, indicating there wouldn't be a concern for this problem at this property.

Mensing inquired if just the shut off can be moved out of 101 Bluestem, instead of the entire water line. Frundt advised that cannot be done without an agreement with the owner. Scholtes suggested adding a mainline split before it goes into the building at 101 Bluestem, putting shut offs in both units. Frundt advised that agreements need to be in place with the Hanson's with whatever option is planned, as access to get to the shut off is through his property and selling 103 Bluestem will only happen after having agreements with the Hanson's. Frundt inquired if he should prepare a letter to the Hanson's proposing an agreement or if Board members would like to contact him. The board decided since Hanson's are already aware of the situation, Frundt should draft a letter with an agreement, but first Frundt needs the information on where the sewer line runs. Frundt will work with City Staff to make these determinations.

Kennedy shared that the realtors have had 2 showings of 103 Bluestem so far.

### **Demolition RFP**

Kennedy brought forth the demolition of the two HRA properties and inquired if she should put together an RFP for the demolition to take place in 2023. Mensing shared that he would like to move forward on that project.

***MOTION BY MAHER, SECOND BY SCHOLTES, TO HAVE KENNEDY PREPARE THE RFP FOR THE DEMOLITION OF THE HRA HOUSES ON 5<sup>TH</sup> STREET AND SOUTH GORMAN STREET. THE MOTION WAS APPROVED UNANIMOUSLY.***

### **NEW BUSINESS**

#### **MCPP**

Kennedy brought forth the Minnesota City Participation Program Application and inquired if the Board wants to apply in January, with this being the 3<sup>rd</sup> year that the application requirements are met.

***MOTION BY SCHOLTES, SECOND BY MAHER, TO APPLY FOR THE MCPP FOR 2023. THE MOTION WAS APPROVED UNANIMOUSLY.***

### **OTHER BUSINESS**

None

### **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, December 12, 2022.

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

Mensing adjourned the meeting at 12:35 p.m.