City of ROSEVILLE Minnesota, USA

Minutes
Roseville Economic Development Authority (REDA)
City Council Chambers, 2660 Civic Center Drive
Tuesday, April 18, 2017 – 6:00 p.m.

1. **Roll Call**

President Roe called to order the regular 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: McGehee, Willmus, Laliberte, Etten and Roe

Present: President Dan Roe and Commissioners Tammy McGehee, Jason Etten, and Lisa Laliberte

Absent: Mayor Roe noted that Commissioner Willmus was likely unable to attend tonight due to a previously-scheduled family activity.

Others Present: Executive Director Patrick Trudgeon, Community Development Director Kari Collins, and Housing & Economic Development Program Manager Jeanne Kelsey, REDA Attorney Martha Ingram with Kennedy & Graven.

2. **Pledge of Allegiance**

3. **Approve Agenda**

McGehee moved, Etten seconded, approval of the REDA agenda as presented.

Ayes: 4
Nays: 0
Motion carried.

4. **Public Comment**

5. **Board and Executive Director Reports and Announcements**

6. **Items Removed from Consent Agenda**

7. **Business Items (Action Items)**

a. **Receive Presentation from Golden Shovel Agency about Developing an Economic Development Marketing Strategy and Consider a Professional Services Contract**

Community Development Director Kari Collins introduced John Marshall, Vice President of Sales, with the Golden Shovel Agency, a communications firm and software developer. As detailed in the staff report and related attachments, Ms. Collins advised that Golden Shovel is a national economic development marketing agency based in Little Falls, MN; and specifically tailored to cities and counties and EDA's targeting specific industries and enhancing business retention and expansion efforts.

John Marshall, Golden Shovel Agency
Mr. Marshall introduced his firm, and provided a bench handout, entitled, "Roseville Marketing and Communication Strategy Overview."

Mr. Marshall reviewed the goals and objectives for Roseville as a three-pronged approach: 1) Business Attraction; 2) Business Retention and Expansion; and 3) Workforce/Talent Attraction.

Mr. Marshall summarized their Proposal and Letter of Interest (Attachment A) and a specific Roseville marketing strategy.

At the request of Member Etten, Mr. Marshall confirmed that their firm would establish an independent website from that of the city to attract an audience differing from community constituents with a different user experience.

At the further request of Member Etten, Ms. Collins provided an example from the firm's client, Elk River, MN, using CivicPlus and incorporating the city's taglines and color palette. Ms. Collins advised that the firm would work with the City of Roseville's Communication Department to ensure the navigation was seamless and in keeping with Roseville branding efforts. Ms. Collins clarified that the city's current website included financial policies, economic development resources and technical expertise, while this site would serve to provide key information to businesses for site selectors and a jobs directory versus the city's transactional services on its main website.

Member Etten asked if businesses and/or property owners seeking tenants would be able to connect to the website and how they would connect with it.

Mr. Marshall noted that community engagement was critical, with public submission features and functionality built in to their website. As an example, Mr. Marshall advised that a local realtor could market their own properties on this website, or community members would be able to interface with the city as well. Since the website would not be automatically populated, Mr. Marshall advised that the EDA would retain a check and balance for their final approval for legitimacy of any input. As an example, a jobs module that had proven very popular addressed a common complaint by businesses that not enough prospective employees were available for hire; and allowed an employer to define the type of ability and skills being sought by their company. Mr. Marshall advised that by including that information in the jobs directory and tied into the city's marketing strategy, they and community demographics would be advertised nationwide.

Ms. Collins reported that this opportunity was attractive to the Community Development Department as an enhancement to its business visitations by the EDA and staff. As a follow-up to the recent School District No. 623 joint meeting with the City Council, Ms. Collins noted how it echoed with the interest expressed to link students with business professionals to retain and attract talent. While city staff would continue to visit area businesses, Ms. Collins noted that this program would be highlighted as a partnership by the city for a business to input information on the jobs directory themselves versus simply providing that information to the city.

At the request of President Roe, Mr. Marshall advised that this website would be available both as a unique web address via URL that would be publicized elsewhere as well as accessible through the city's economic development web page on the city's website. Mr. Marshall noted that this included social media options, providing additional engagement from the community for followers of the EDA and City Council, but also publishing through their own channels. Mr. Marshall advised that each website's content was tailored accordingly, including video and images to correspondent with written content, including short interviews from staff business visits, proving very effective.

In reading Golden Shovel's proposal, President Roe expressed his appreciation for the measuring aspect allowing for flexibility over the course of a year with the plan.

At the request of Member Laliberte, Mr. Marshall reviewed how his firm's copywriters wrote the stories for video testimonies; but noted how much more effective they were when done internally during staff's and/or the EDA's business retention visits that were then provided to their copywriters to integrate into local contact development. While trade shows were shown as an example, Mr. Marshall acknowledged that they may not be part of the REDA's approach. For Roseville, Mr. Marshall suggested that the REDA focus more on its core goals for community engagement and outreach. For instance, Mr. Marshall advised that a marketing calendar would provide business visits and community events that could be highlighted and taken advantage of. As another example for this nationwide approach, Mr. Marshall referenced the upcoming Super Bowl as a regional event that could be used to the REDA's advantage.

At the request of Member Laliberte, Mr. Marshall clarified that the city would provide Golden Shovel with its marching orders that they would then react to, including sharing content back and forth with the Roseville Visitor's Association (RVA) as directed.

Ms. Collins advised that the goals and objectives of the city and RVA were definitely linked, and therefore staff had held preliminary discussions with Ms. Julie Wearn, Executive Director of the RVA. At that time, Ms. Collins noted that discussion had included a possible RVA banner across the bottom of the website opening page advertising their support of and partnership related to tourism and local businesses. While this would serve to collaboratively accomplish everyone's goals, Ms. Collins clarified that the city would still retain control of content, and marketing strategies.

Even though the Community Development Department would oversee this website, Member McGehee stated her hesitancy in ceding too much authority to Golden Shovel. As an example, Member McGehee noted that the city was seeing an interest by residents for local, smaller businesses; and questioned how this product and strategy could be crafted to reflect that interest and what the city had to offer beyond analytics.

Ms. Collins reiterated that the city would review all content to ensure Roseville's voice was heard; with the city's Communications Department also reviewing content to put Roseville's voice in and adjust content accordingly. Ms. Collins noted that Communications staff did so now for social media content; and that they would also take suggestions from Golden Shovel and adjust those advertisements accordingly.

President Roe noted that Golden Shovel's proposal was tailored to serve its clients by working together by being responsive to provide analysis on where best to focus its efforts.

Mr. Marshall concurred, advising that Golden Shovel was interested in a true partnership with the city, with final control given by the EDA. Mr. Marshall advised that they would make recommendations based on their expertise and what they were observing and build a strategy to create content based on that. However, Mr. Marshall assured that at the end of the day, nothing would be done without the city's approval. While Golden Shovel was available to build the website and content, Mr. Marshall confirmed that the city owned it and it would be customized to fit with what was and wasn't working.

In response, Member McGehee stated that if Golden Shovel was writing content (e.g. interviews with local business owners), she wanted to ensure that the verbiage sounded like it came from Roseville; as well as being able to be told if and when the city may be looking under the wrong rock.

President Roe noted it would depend on how involved the city organization chose to be and their responsibility in those write-ups.

Etten moved, Laliberte seconded, approval of a Professional Services Agreement (Attachment B) between the REDA and Golden Shovel for implementation and maintenance of an Economic Development Marketing Strategy; authorizing the REDA President and Executive Director to execute the document.

Member Etten stated that this was what the REDA had been looking for to support its business community by being more proactive. Member Etten opined that this was a great way to do so and provide a check-in as well to see how it was performing versus simply a static website.

Member Laliberte agreed with member Etten's comments, also acknowledging the limitations of the city's in-house resources, with this allowing the REDA to make the most of its resources and leveraging what was available.

At the request of Member Laliberte, Mr. Marshall clarified that there were varying levels to the service agreement as an option that a future city council and REDA could consider for amending the agreement. Mr. Marshall advised that the agreement could be customized for what the city wanted to achieve and its budget. Mr. Marshall advised that this current proposal and agreement had been crafted based on discussions with staff on the REDA's needs and available budget.

Member McGehee stated that the contract seemed fine and opined that it was worth a try.

President Roe also noted the termination clause included in the agreement; and echoed the well-stated comments of Members Etten and Laliberte.

Ayes: 4
Nays: 0
Motion carried.

Recess

President Roe recessed the meeting at approximately 6:48 p.m. and reconvened at approximately 6:51 p.m.

b. Receive Introduction from Sands Company, Inc. for a Multi-Family Lifestyle Development on Old Highway 8

Community Development Director Collins introduced representatives from Sand Development, LLC to present a proposal for the Edison Multi-Family Lifestyle Community housing project on a site at Old Highway 8. Ms. Collins noted that this was the first request received by the REDA after it and the City Council's adoption of a Public Financing and Subsidy Policy (Attachment D). Three bench handouts were provided, consisting of three aerial concept plans of the development.

Prior to presenting their proposed project, introductions were provided by representatives of this Waite Park, MN development firm; and CivilSite Group architects based in St. Louis Park, MN.

<u>**Presentation**</u>

Jamie Thelen, President/CEO of Sand Development, LLC, and this firm's development and ownership of numerous multi-family developments whose core business is: development, construction, architecture, and property management.

Pat Sarver, Landscape Architect, CivilSite Group, whose core business is civil engineering, site development, landscape architecture and consulting.

Michael Krause, Business Development Specialist, Innovative Power Systems (IPS), a Roseville-based company in its twenty-fifth year of business, with fourteen years in working with Sands Development, LLC.

Mr. Thelen reviewed the development concept and site location along Highway 88 and its visibility to the I-35W freeway. Mr. Thelen noted the amenities available for residents at this location (e.g. employment, shopping or retail, schools/education, and transportation modes). Mr. Thelen displayed three concept views of the development: the building footprints, unit sizes, and site amenities.

Mr. Sarver addressed the connectivity of the site on the displayed map, including access transit, a 1700' pathway around the internal site and available for public access with fitness destination nodes included along the path. Mr. Sarver noted that a new walkway would also connect this site along the western side and north to transit and south to Sandcastle Park and any future new development to the south all within a half-mile loop of the site. In more detailed views of the site, Mr. Sarver addressed the positioning of buildings to the exterior of the site allowing for an internal common gathering/family space on the interior of the site. Mr. Sarver noted that this green area was intended to encourage pedestrian access to the north and south; and proposed solar carports for some parking stalls along with solar panels on the buildings themselves.

Mr. Krause advised that his firm's charge was to help the development team maximize the potential for solar energy technology on the site. Mr. Krause reviewed proposed solar energy intended to be structured under the relatively new Minnesota Solar Garden Law, of which they were a pioneer for installations. Mr. Krause stated that the proposal was for not only installing solar on site, but through twenty-five year contracts with Xcel Energy, allocate solar credits for residents in individual units on the site.

Mr. Sarver noted other possibilities included the harvesting of rainwater from roofs for re-use as part of the project's goal for creating sustainable development.

Mr. Thelen provided a concept breakdown and source of funds based on the 66-unit building. At this point, those sources included first mortgages with private lenders and owner/deferred fees: a Ramsey County HOME loan; energy rebates; Community Development Block Grant (CDBG); approximately $1 million in tax increment financing (TIF) for a term of 4.5

years; deferred loans with MN Housing and the Metropolitan Council; and use of federal housing tax credits. Mr. Thelen noted that with this proposed financing package, there were several time-sensitive grant and pre-grant applications due in May and June of 2017 for the project to proceed on schedule; and sought city support or interest in the project.

Member McGehee asked about the different amenities in the proposed buildings.

Mr. Thelen advised that the goal as displayed in this rendering was to ensure the buildings were similar in appearance, with affordable building tenants having access to all amenities.

Member McGehee questioned why it was then necessary to segregate the affordable units in a separate building.

Mr. Thelen responded that it was related to funding sources, with certain sources only tied to affordable housing (e.g. MHFA) making it impossible to record mortgages and loans on different parcels versus one distinct parcel. Unfortunately, Mr. Thelen advised that was how financing was currently structured. Mr. Thelen further noted that on the affordable side, there were different requirements for affordable mixes (e.g. family housing providing for more bedrooms). With his firm's goal for a 209-unit project, Mr. Thelen stated that it would be impossible to accomplish in the development world without that separation of affordable and market rate units.

As she had frequently stated, Member McGehee stated that she didn't think it was impossible, and that she was aware of developers who made it work. While liking the proposed amenities, Member McGehee stated that she didn't like the "have" and "have not" buildings.

At the request of Member Laliberte, Mr. Krause reviewed past use of solar panel carports even though it was a newer part of solar technology especially in the Minnesota market. However, Mr. Krause advised that they had done 7-8 applications similar to this across the country. Mr. Krause noted that the challenge was to provide a structure sufficient to hold the panel off the ground while also conserving parking capacity. Mr. Krause noted that it created an attractive parking space with some shade from sun in summer and protection in winter from snow, ice, and rain, making these parking spaces better and more sought after.

While agreeing that initially they appeared unique and more attractive, Member Laliberte asked how the building materials for these supports weathered over time (e.g. their supports) or whether this technology had been in place long enough for such an analysis.

Mr. Krause advised that, as an example, solar car ports were used on the top floor at the International Airport's red and blue ramps, directly off the elevator, and as custom-designed with FAA requirements, were serving well. Mr. Krause advised that the panels were structurally engineered as an integrated kit for this type of application.

Member Etten asked how this project met the city's TIF policies from their perspective.

Mr. Thelen advised that they had filled out the full TIF application form and a full narrative, and reviewed the criteria from the application itself.

For the benefit of the developer, Member Etten advised that in general he supported the proposal and appreciated their attempts to make connections within and from the site. While he agreed that the project met most of the TIF policy criteria, Member Etten noted one exception being Section 4.2.4.d, questioning if and how the proposal supported workforce housing. Member Etten also asked that the developer speak to Member McGehee's concerns and the structural design and units related to the number of bedrooms in each building and family versus individual units. Member Etten referenced an email last week about some cost differences if workforce units were spread out into three buildings; and asked the developer to define a parameter with those increased costs and impacts to the city or other funders in meeting that gap.

As a design aspect, Mr. Thelen noted affordable designed housing for workforce family housing was typically a mix of larger 2-3 bedroom units, a standard for affordable housing definitions; with 75% of those units of 2-3 bedroom and providing a larger footprint as those units increased. For market rate units, Mr. Thelen advised that they provided more one-bedroom and studio units, including corporate suites for rent or for businesses to rent for six months or less. Mr. Thelen advised that his firm had done a number of those type of units over the years and typically in their projects didn't provide 3-4 bedroom units in their projects, but instead would move to twin homes at that point. As to related cost issues, Mr. Thelen advised that by integrating affordable and market rate units in a building, it would definitely impact and/or eliminate some sources, including tax credits that served as a big portion of the owner equity component. Mr. Thelen reviewed some scenarios to fill in market rate and supporting loans for mixed-income units based on 209 units; and potential financing gap and additional need for TIF and longer terms to fill part of the financial gap.

Commissioner Willmus arrived at approximately 7:25 p.m.

From a design standpoint with similar projects, Mr. Sarver noted that without more market rate units as proposed, the project wouldn't be able to support the higher quality amenity package afforded with this site, including those available for affordable units that may not be part of the project if spread out across buildings. Mr. Sarver noted that the higher amenity packages attracted higher market rate unit renters, allowing for financing the affordable units.

Member Laliberte asked for a definition or comparison for "affordable" and "workforce" housing and whether they were interchangeable or qualified for different funding.

Mr. Thelen advised that the terms were frequently used interchangeably; but by definition, affordable/workforce housing was at 60% of are median income, with Ramsey County at $81,000 to $82,000. Mr. Thelen estimated that a family of four was about $51,000 annually.

At the request of President Roe, Mr. Thelen reviewed the proposed financing package slide and application processes, including addressing contingencies if one or more of those funding sources (e.g. grant applications) didn't come to fruition.

President Roe expressed his appreciation for the minimal amount of TIF (2%) proposed, and based on the city's criteria, offered his preliminary consideration of TIF use in this case. President Roe thanked the developer for doing their homework and addressing the whole picture versus only receiving bits and pieces at a time.

Mr. Thelen advised that the REDA could see more detail in their full application filed with staff.

With the proposed pathway amenity available for public use and similar to city park amenities, specific to safety issues, President Roe asked who would enforce those rules and if the amenity would be available all year or only during the non-snow season.

Mr. Thelen advised that early discussions had intended that the pathway would be plowed in winter. However, with the later determination to have a gravel versus bituminous surface for walkers and to discourage skateboarders and similar faster uses that could intimidate or affect pedestrian safety, Mr. Thelen advised that the path would not be plowed during winter months and its hours would be posted accordingly at kiosks. Mr. Thelen advised that the pathway would not be lighted; and not intended for active patrol by their staff and/or city police, and with its proximity adjacent to Highway 88 would not be visible to any great extent by the public.

Member Willmus noted his previous questions provided to Community Development Director Collins focusing on his personal evaluation of proposals based on city subsidies. Member Willmus expressed curiosity related to the developer's past projects and asked for a background on whether or not they retained management and ownership or split portions of the development off in the future.

Mr. Thelen advised that while past practice was to separate buildings and mortgages, of they twenty-four projects developed to-date in Minnesota, they own and operate all of them with the exception of one in Hutchinson, MN which is outside their immediate management area. Mr. Thelen noted that their first project developed in 1995 was still owned/operated by Sands; emphasizing their philosophy and commitment without intention to flip and sell projects.

At the request of Member Willmus, Mr. Thelen clarified that the development would be titled as two separate entities, with one legal lot for sixty-six units and community and the two apartment buildings on a separate lot to record separate mortgages.

At the request of Member McGehee, Mr. Thelen confirmed that each unit included one underground parking stall per unit. At the further request of Member McGehee, Mr. Sarver advised that the project followed the parking requirements of the city; with no ownership of the solar car ports. However, Mr. Thelen clarified that the covered stalls would be designated for residents first and signed accordingly for their advantage; with potential hook-up in the future for solar-powered vehicles.

With Member McGehee reiterating her concerns with segregation of affordable and market rate units and her concern with proposed financing and opinion that it could be made to work to mix the units; Mr. Thelen addressed their history with other developments sharing amenities and recorded license agreement providing for long-term sharing of those assets by all units. Mr. Thelen noted that some amenities were related to affordable units and therefore, shared ongoing costs and operations. Specific to Member McGehee's comments that the financing could work by mixing affordable and market rate units in one building, Mr. Thelen encouraged her to provide ideas on how it could work.

Member McGehee responded that she knew it was possible and that there were private lenders available and willing to fund such projects, using that housing mix as their compass. Member McGehee noted that the segregation by building was not mandated by state law but was simply a matter of a developer's willingness to balance that with their own financial desires; and encouraged the developer to think about it more.

Member Laliberte commended the developer for putting the 66-unit affordable building as close to the community park as possible for use by families.

At the request of President Roe, Ms. Collins confirmed that the action sought by the REDA tonight was to provide guidance for the conceptual project to continue, but not for any specific project approval; and directing staff to work within a timeline for approvals and deadlines, each needing a resolution of support from the REDA or City Council before proceeding.

Etten moved, Laliberte seconded, initial support of the project and initial funding as presented, directing staff to work within a timeline for approvals and deadlines, for future review and approval by the REDA.

Member Etten stated his appreciation of the time and work having gone into this proposal already, opining that it represented a quality project that served to meet community needs and provided a broad diversity of needed housing. Member Etten spoke in support of the project's proximity to transit and the amenities for family affordable units; but suggested reconsidering a paved versus gravel pathway. Member Etten offered his support in moving forward to learn more details of the project.

Member Laliberte offered her conceptual support of the project and moving forward with its pre-application process. However, Member Laliberte stated that she would need to understand the financial package proposed in much more detail before committing any city dollars.

Member McGehee commended the developer on the creativity of the plan, and reviewed the amenities and features she appreciated. However, Member McGehee stated her concern that any failures by one of the funding sources would begin to remove the amenities that made the project attractive for her in the first place, and would require the city to pick up any slack to retain their feasibility. Member McGehee reiterated her financial and ethical issue with separating affordable and market rate units in general. While this is the type of development being sought for Roseville, Member McGehee opined that as a community and city council, discussion had been to seek more twin homes versus apartment complexes that were also in demand in the same market. With well over 30% rentals in Roseville at this time and adjacent communities without as much, Member McGehee stated that it gave her pause. Before offering her full support, Member McGehee stated her need to feel more confident of the project in general.

Member Willmus stated that he was unable to commit municipal dollars without additional information provided, including the mortgage line across park property and affordable component on one side and market rate on the other side of the development. Member Willmus opined that when affordable housing was introduced into a community it should not be segregated, making it easier for a developer to split that parcel off in the future.

President Roe spoke in support of proceeding, opining that the proposal had met what the REDA had asked for in terms of a complete financial picture upfront. President Roe also recognized the rationalization in structuring the affordable element, noting the number of factors that went into distributing affordable housing into a community in other ways, therefore not causing him as much concern as that expressed by some of his colleagues. Given the location of the project, President Roe opined that he didn't see 2-3 bedroom family units being considered a negative or causing awareness for singling them out by income or financing. President Roe recognized the parameters of financing for this type of housing, noting that developers were working within an existing system and should not be penalized accordingly. President Roe noted that a mixed unit approach would also result in fewer affordable units in the development, defeating the city's preference and need for that affordable housing unit.

Ayes: 3
Nays: 2 (McGehee, Willmus)
Motion carried.

Ms. Collins, along with Mr. Thelen, briefly reviewed the next steps; with Housing & Economic Development Program Manager Jeanne Kelsey reviewing those steps in more detail for near future action by the REDA and/or City Council and their individual application processes. Ms. Kelsey anticipated June as the opportunity to receive public comment on a more defined project and to determine community support for the project.

c. **Consider Application for Purchase of 196 S McCarrons through the Single-Family Housing Replacement Program**

Housing & Economic Development Program Manager Jeanne Kelsey summarized this request based on previous REDA direction to staff to look into options for a Habitat for Humanity or Journey Home MN project on this site. Ms. Kelsey noted the application received from Journey Home MN, representing partnerships as discussed at last night's joint meeting of the City Council and I.S.D. No. 623 Board.

Ms. Kelsey reviewed the status of the city's $115,000 as a first or second mortgage as outlined and rationale for each position. Ms. Kelsey further reviewed next steps, including holding a public hearing before authorizing the sale and formalization of a Developer's Agreement (Attachment B draft) to cover the positions of the REDA and developer.

Member Willmus stated that this was everything he had envisioned when the REDA acquired this site; and offered his support, commending the work of Journey Home MN, opining that with the City of Roseville's support, a lot could be accomplished, including the benefit of future residents and partnering with schools.

Member McGehee also offered her support; and sought clarification on several design aspects of the home and lot related to the level of access for the garage and whether or not a storm shelter was available and accessible for one with disabilities.

Applicant Blake Huffman, Journey Home MN
Mr. Huffman noted that the proposed detached garage access had caught his attention as well; and advised that he would discuss it further with REDA staff as the development agreement process continued. Specific to a shelter, Mr. Huffman advised that an accessible safe room would be installed.

Member Etten expressed appreciation for and agreement with the overall proposal. Member Etten asked for more detail on the $115,000 financing piece.

Mr. Huffman advised that the mortgage would initially be first and intended to facilitate ongoing work with the veteran and family to seek private financing and encourage home ownership that would ultimately determine the city's mortgage interest.

Ms. Kelsey clarified that with the considerable amount of sweat equity in the home for potential long-term homeowners, the intent was to ensure that the participants didn't turn around and make money on the home, making it no longer considered affordable and walking away with Journey Home MN's equity. With the REDA remaining in a second mortgage position, Ms. Kelsey advised that the intent and opportunity was that the REDA regained their original investment of $115,000 at the sale and Journey Home MN would regain their initial investment as well.

President Roe opened and closed the public hearing at approximately 8:06 p.m., with no one appearing for or against.

Willmus moved, Etten seconded, adoption of REDA Resolution No. 6 (Attachment D) entitled, "Resolution Authorizing Negotiation of a Purchase and Redevelopment Contract between the REDA and Journey Home USA, and the Conveyance of Land in Connection with the Contract;" and approval of an application (Attachment B) from Journey Home MN, for sale of 196 S for construction of a single-family home on the site.

Ayes: 5
Nays: 0
Motion carried.

d. Consider Contract Options for Housing Loan Program Services and Construction Consulting Services
Housing & Economic Development Program Manager Jeanne Kelsey noted that at the last REDA meeting, staff was directed to hold subsequent

discussions with the Housing Resource Center (HRC) to define their financial status moving forward and ongoing interest at the Greater Minnesota Housing Corporation (GMHC). As part of that REDA direction, Ms. Kelsey noted that staff was tasked with coming up with alternate options to identify other loan originators already existing in the area. At this time, Ms. Kelsey reported that staff had identified only three as detailed in the staff report.

Ms. Kelsey advised that the request before the REDA at this time would maintain loan program and construction advisory services, as offered by the GMHC through the second quarter of 2017; and direct staff to negotiate a contract with the Center for Energy and Environment (CEE). Ms. Kelsey opined that the other loan programs offered by the CEE and as detailed in the staff report (Attachment A) may prove a better fit for the REDA's energy improvements for businesses and related advisory services for energy improvements at those businesses.

Ms. Kelsey advised that staff was seeking direction from the REDA; and didn't want to proceed with any further negotiations without that direction. If so directed, Ms. Kelsey advised that staff would provide a contract to the REDA at a future meeting for their consideration and whether or not to continue the current contract with the GMHC over the next quarter. Ms. Kelsey noted that there were many complications, but with changes made in 2014, it had allowed the city to target market those homes meeting value or less and allowing for reinvestment in them and for the REDA to make funds available to assist them in accomplishing those improvements. As of year-end 2016, Ms. Kelsey reported on nine such loan applications closed, with the specifics of each.

At the request of Member McGehee, Ms. Kelsey reviewed the fees involved in a loan from the CEE, especially after its merger with the former Neighborhood Energy Connection (NEC). Ms. Kelsey advised that staff could seek further negotiations if so directed.

Member McGehee stated that she just wanted to make sure she understood, opining that it was an important program and provided resources for someone to talk to. Member McGehee stated that she wasn't interested in discontinuing the service, and stated appreciation that the new agreement provided opportunities for the business as well as housing components.

Even if the REDA decided not to utilize the services of CEE, Ms. Kelsey advised that the REDA could still advise businesses of the services offered by the CEE. If the HRC may perchance not operate over the next quarter, Ms. Kelsey noted that the CEE may be required to provide additional services to those it currently provided and serve as agents. However, at this point, Ms. Kelsey advised that the proposed agreement guaranteed that the CEE would work with the REDA prior to any potential future situation with the HRC and their potentially increased client loan commitments.

Member Willmus asked for the financial health of CEE.

Ms. Kelsey responded that the CEE had been around for a long time and was still supported by energy companies, similar to the former NEC. NEC merged with CEE however they have a partnership with Xcel for rebate management and energy programs. Ms. Kelsey stated that she considered their status long-term. Ms. Kelsey reviewed the background of the CEE's discontinuance with several loan programs and subsequent involvement by the GMHC in picking up those loan originations, creating some of the current difficulties for them.

At the request of Member Willmus, Ms. Kelsey advised that U. S. Bank would underwrite the city's involvement and protection; and offered to have their finance representative address the REDA at a future meeting to provide more detail.

Member Laliberte questioned what could be considered beyond energy improvements.

Ms. Kelsey advised that the REDA's loan program provided for whatever that policy stipulated – essentially any home improvement. As with any loan application, Ms. Kelsey advised that the applicant must first complete an energy audit to ensure they were aware of ways to improve or enhance the environment upfront; and while not a requirement to make those improvements, it served as an educational component.

Member Laliberte stated that she was comfortable with the current program, but not with any further limitations.

At the request of President Roe, Ms. Kelsey reviewed the current cost of the HRC's advisory and construction services and how they would continue under an agreement with the CEE; and how the individual components would be tracked going forward.

Etten moved, McGehee seconded, approval of extending a contract with the Greater Minnesota Housing Corporation (GMHC) Housing Resource Center (HRC) through the second quarter of 2017; and directing staff to negotiate a contract with Center for Environment and Energy (CEE) for Home Loan and Construction Advisory Services for the REDA in maintaining the Roseville Housing Rehabilitation Loan Program, including construction advisory services.

Members Etten and McGehee stated that this was a great way for the REDA to encourage positive investment in the community and add value back in to improve not only the city's tax base but its quality of housing.

While wanting to receive additional information about the financial structure of CEE going forward, Member Willmus spoke in support of the motion.

President Roe offered an opportunity for public comment at this time, with no one appearing to speak for or against.

Ayes: 5
Nays: 0
Motion carried.

8. Approve Minutes

Comments and corrections to draft minutes had been submitted by the REDA prior to tonight's meeting and those revisions were incorporated into the draft presented in the Council packet.

a. Approve EDA Minutes – January 17, 2017

McGehee moved, Willmus seconded, approval of the January 17, 2017 REDA Meeting Minutes as amended with President Roe's corrections via email dated April 12, 2017.

Ayes: 5
Nays: 0
Motion carried.

9. Approve Consent Agenda

At the request of President Roe, Executive Director Trudgeon reviewed the items on the consent agenda as detailed in the staff reports of today's date.

a. **Receive EDA First Quarter Report**

McGehee moved, Etten seconded, receipt of the first quarter 2017 REDA staff activity report.

Ayes: 5
Nays: 0
Motion carried.

b. **Receive Garden Station Update**

McGehee moved, Etten seconded, receipt of an update on the Garden Station project.

Ayes: 5
Nays: 0
Motion carried.

10. Adjourn

Laliberte moved, Etten seconded, adjourning the REDA meeting at approximately 8:28 p.m.

Ayes: 5
Nays: 0
Motion carried.

Daniel J. Roe, President

ATTEST:

Patrick J. Trudgeon, Secretary/Executive Director