

APPROVED MINUTES

**Housing and Redevelopment Authority
in and for the City of Bloomington**
1800 West Old Shakopee Road
Bloomington, Minnesota 55431

Tuesday, January 26, 2016
5:30 PM
Council Chambers

- 1 **Call to Order** Chairman Thorson called the meeting to order at 5:30 p.m.

Present: Commissioners: Thorson, Fossum, Carlson, Lewis, Coulter
Staff: Grout, Hartman, Zimmerman
Guest: Carla Pedersen, McGrann Shea Carnival Straughn & Lamb Chartered

- 2 **Approval of Agenda** M/Lewis, S/Carlson to approve the agenda. Motion carried, 5-0.

- 3 **Approval of Minutes**

- 3.1 **Approval of Minutes - January 12, 2016** M/Fossum, S/Carlson to approve the minutes of the January 12, 2016 HRA meeting. Motion carried, 5-0.

- 4 **Unfinished or Organizational Business** None.

- 5 **New Business**

- 5.1 **Public Hearing - Penn American Pre-Development Agreement**

Approval - Resolution approving Pre-Development Agreement and related documents between the Bloomington HRA and Knox & American I, LLC

Grout introduced Carla Pedersen, the HRA's legal counsel.

Thorson opened the public hearing. He explained that the Pre-Development Agreement would allow both the City and the developers to feel confident moving forward with initial redevelopment plans knowing that specific items are addressed in the agreement and will be followed by a final Development Agreement.

Grout stated this redevelopment addresses affordable housing and blight removal which are relevant to the HRA's mission. He indicated the risks involved include storm water management, security, and land value. The City has developed a storm water management plan which will be considered for approval by Council in 2016. The developer has requested a letter explaining the plan and expected approval process.

Based on preliminary assessed values of surrounding properties as well as other development districts within the City, the lots to be purchased are valued the same as or lower than other parcels in the district. The purchase price for the four parcels is \$8 million. The tax assessed value for 2016-2017 is \$8.6 million. The developer will purchase the two westerly parcels and the HRA will purchase the eastern two lots. The agreement allows the HRA to purchase the two parcels from developers for the same price they're paying if they cannot move forward with the plan. The developers as well as City staff feel this is possibly the last opportunity to purchase the land and continue development of this district.

Pedersen summarized the Pre-Development Agreement which provides for the purchase of the two parcels, the Preliminary Development Plan project, pre-development activities, contingencies that could trigger the requirement that the HRA purchase the site, and the Final Development Agreement which must be completed. She stated she has reviewed the Peerless purchase agreement and amendment, leases, title and survey, property documents and environmental site assessments.

Thorson asked for public comment. No members of the public were present.

M/Coulter, S/Lewis to close the public hearing.

M/Coulter, S/Lewis to approve the resolution approving the Pre-Development Agreement and all documents necessary to carry out the Pre-Development Agreement and acquisition of certain parcels between the Housing and Redevelopment Authority in and for the City of Bloomington, Minnesota and Knox & American I, LLC. Motion carried, 5-0.

5.2 Action Items

Redevelopment

HRA staff will work in conjunction with the Planning Division to prioritize areas for future redevelopment of neighborhood commercial centers. Staff is in negotiations with the property owners for the purchase of a lot referred by the Environmental Health Division.

Other

The Bloomington Home Improvement Fair will be held on February 20.

6 Adjournment

M/Lewis, S/Fossum to adjourn the meeting. The meeting adjourned at 6:11 p.m.