

**EDA Members:**  
Dan Roe,  
President  
Wayne  
Groff,  
Vice  
President  
Robert  
Willmus,  
Treasurer  
Jason  
Etten  
Julie  
Strahan



**Economic Development Authority  
Meeting Agenda  
Monday, February 22, 2021  
6:00pm**

**Address:**  
2660 Civic Center Dr.  
Roseville, MN 55113

**Phone:**  
651-792-7000

**Website:**  
[www.growroseville.com](http://www.growroseville.com)

Following guidance from state health officials, EDA Members will participate in upcoming meetings electronically pursuant to Minn. Stat. § 13D.021.

Members of the public who wish speak during public comment or an agenda item during this meeting can do so virtually by registering at [www.cityofroseville.com/attendmeeting](http://www.cityofroseville.com/attendmeeting)

1. 6:00 P.M. Roll Call  
Voting & Seating Order: Willmus, Strahan, Etten, Groff, and Roe
2. 6:02 P.M. Pledge Of Allegiance
3. 6:03 P.M. Approve Agenda
4. 6:04 P.M. Public Comment
5. Business Items (Action Items)
  - 5.A. 6:05 PM Consider Establishing An Affordable Housing Tax Increment Financing District To Capture Increment To Assist With Future Acquisition And Rehabilitation Of Existing Multifamily Housing Located At 1720, 1721, 1736, 1740, 1746, 1750 Marion Street; 175 And 195 Larpenteur Avenue W; And 1722, 1725, 1735, And 1736 Woodbridge Court.

Documents:

[5A REPORT AND ATTACHMENTS.PDF](#)

6. 6:30 P.M. Adjourn To City Council



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: February 22, 2021  
Item No.: 5.a

Department Approval

Executive Director Approval

*Jamie Gundlach*

*Paul Trueman*

Item Description: Consider establishing an Affordable Housing Tax Increment Financing District in connection with a future acquisition and rehabilitation of existing multifamily housing located at 1720, 1721, 1736, 1740, 1746, 1750 Marion St.; 175 and 195 Larpenteur Ave. W; and 1722, 1725, 1735, and 1736 Woodbridge Court.

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## BACKGROUND

On June 22, 2020 the Roseville Economic Development Authority expressed support to provide financial assistance to Aeon (Attachment A) to acquire and rehabilitate the properties addressed at 1720, 1721, 1736, 1740, 1746, 1750 Marion St.; 175 and 195 Larpenteur Ave. W; and 1722, 1725, 1735, and 1736 Woodbridge Court, known as the Marion Street/The Brittany Apartments. These buildings consist of 277 units of existing multifamily rental housing owned by RSR Management, LLC (aka G & G Properties) and currently managed by Core Living. The City Council, on November 25, 2019, by Resolution 11653, revoked the rental license governing these properties due to pervasive City Code violations throughout the interior and exterior of the properties. The City Council has reinstated three of the licenses and will be considering reinstatement of one more license during its regularly scheduled meeting on February 22, 2021.

Aeon had a purchase agreement in place through the fall of 2020, but was not able to find an investor to partner with given the uncertainty of reliance on rent rolls during the ongoing pandemic. As these properties regain their rental licenses, it is believed the current owners intend to relist the properties for sale. Based on the investments made thus far to rehabilitate the units, and the owners likely interest to regain that investment, staff is concerned these properties may garner interest with buyers who are not mission-orientated to provide affordable housing, like the previous buyer in Aeon. A non-mission-orientated buyer would be more likely to raise rents and less motivated to ensure existing tenants can remain. As such, staff is recommending establishing an Affordable Housing Tax Increment Financing District to collect funds that would incentivize a future buyer to finish the rehabilitation and maintain the properties as long-term affordable housing. The City has 5 years from the date of the creation of the district to enter into a development agreement regarding affordable housing assistance. If a new buyer doesn't materialize and/or need any financial assistance within that 5 years, the District would be decertified and any increment collected would be returned to the three taxing jurisdictions.

When the REDA passed a Resolution to provide financial support to Aeon, staff brought forward a proposed TIF district boundary, which broadened the district to include three more parcels, addressed 210 and 196 S. McCarrons Blvd., and 1721 Marion Street. Staff is recommending this same boundary (Attachment B), which has the potential to capture increment estimated at over \$2 million from the redevelopment of 210 and 196 S. McCarrons Blvd. Including those parcels would not impede the sale

33 of new homes nor open the possibility to provide financial assistance to that developer, as that  
34 redevelopment would not meet affordability requirements for a for-sale project. Stacie Kvilvang, the  
35 REDA financial advisor with Ehlers, will review creation of this District and the benefits of doing so at  
36 this time during the REDA discussion. Establishing the District would cost approximately \$10,000-  
37 \$12,000 and would be paid for with TIF administration fees that the REDA receives from existing TIF  
38 districts.

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40 **POLICY OBJECTIVE**

41 By creating an Affordable Housing TIF District it would further assist with the future acquisition and the  
42 rehabilitation of the properties addressed 1720, 1721, 1736, 1740, 1746, 1750 Marion St.; 175 and 195  
43 Larpenteur Ave. W; and 1722, 1725, 1735, and 1736 Woodbridge Court. In addition, would address  
44 the following policy objectives:

- 45 • The proposed project would sustain 277 NOAH units of affordable multi-family housing in the  
46 Rice & Larpenteur area, a priority area for the city,
- 47 • The project is located one block from the intersection of Rice & Larpenteur in SE Roseville,  
48 which has been identified as a priority in the City’s Policy Priority Plan, achieving economic  
49 investment in SE Roseville, improvement of quality of life in SE Roseville, and increased Public  
50 Safety in SE Roseville, and
- 51 • The project would meet affordable housing preservation goals outlined in the Vision Plan  
52 commissioned by the Rice & Larpenteur Alliance, which was adopted by the City of Roseville  
53 and made a part of the 2040 Comprehensive Plan.

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55 **STAFF RECOMMENDATION**

56 Staff recommends adoption of a resolution creating an Affordable Housing TIF District to assist in the  
57 future acquisition and the rehabilitation of the properties addressed 1720, 1721, 1736, 1740, 1746, 1750  
58 Marion St.; 175 and 195 Larpenteur Ave. W; and 1722, 1725, 1735, and 1736 Woodbridge Court.

59  
60 **REQUESTED REDA ACTION**

61 Adopt a resolution creating an Affordable Housing TIF District to assist with future acquisition and the  
62 rehabilitation of the properties addressed 1720, 1721, 1736, 1740, 1746, 1750 Marion St.; 175 and 195  
63 Larpenteur Ave. W; and 1722, 1725, 1735, and 1736 Woodbridge Court (Attachment C).

64 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

- Attachments
- A: Resolution adopted Jun 22, 2020 in support of TIF assistance to Aeon
  - B: Map of TIF district boundary
  - C: Resolution creating an affordable housing TIF district

**EXTRACT OF MINUTES OF MEETING  
OF THE  
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

\* \* \* \* \*

Pursuant to due call and notice thereof, a regular meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota was duly held on the 8th day of June, 2020, at 6:00 p.m.

The following members were present: Willmus, Laliberte, Groff, Etten, and Roe

and the following were absent: None.

Member Etten introduced the following resolution and moved its adoption:

**RESOLUTION No. 66**

**RESOLUTION EXPRESSING SUPPORT FOR TAX INCREMENT FINANCING ASSISTANCE REQUESTED IN CONNECTION WITH A PROPOSED MULTIFAMILY HOUSING REDEVELOPMENT AT 1720, 1721, 1736, 1740, 1746, 1750 MARION STREET; 175 AND 195 LARPENTEUR AVENUE WEST; AND 1722, 1725, 1735, AND 1736 WOODBRIDGE COURT**

WHEREAS, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794 (the “TIF Act”) and 469.090 to 469.1081 (the “EDA Act”), the Roseville Economic Development Authority (“REDA”) is authorized to create and administer tax increment financing districts within the City of Roseville (the “City”); and

WHEREAS, REDA is further authorized to identify and utilize other funds for the purpose of assisting redevelopment; and

WHEREAS, Aeon or an affiliate thereof (the “Redeveloper”) has requested tax increment financing assistance in connection with Redeveloper’s proposed redevelopment of certain property located at 1720, 1721, 1736, 1740, 1746, 1750 Marion Street; 175 and 195 Larpenteur Avenue West; and 1722, 1725, 1735, and 1736 Woodbridge Court in the City (the “Property”), in order to rehabilitate approximately 277 units of affordable rental housing on the Property at a cost of approximately \$45,000 per unit, along with the rehabilitation and/or reconstruction of associated parking and landscaping (the “Improvements”); and

WHEREAS, REDA is willing to explore tax increment and other financial assistance at a level to be determined, subject to a pro forma analysis by REDA’s

municipal advisor, Ehlers and Associates, to finance a portion of the extraordinary costs of the Improvements.

NOW, THEREFORE, BE IT RESOLVED, that subject to (i) further verification of Redeveloper's need for financial assistance and (ii) negotiation and approval of a Contract for Private Redevelopment that addresses (among other things) the terms under which the Redeveloper will construct the Improvements on the Property, the terms and conditions under which REDA will provide financial assistance, and the sources of such financial assistance, REDA agrees to create a housing tax increment financing district for the purpose of financing a portion of the extraordinary costs of the Improvements in compliance with the TIF Act and the EDA Act.

The motion for the adoption of the foregoing resolution was duly seconded by Member

Willmus, and upon a vote being taken thereon, the following voted in favor thereof:

Willmus, Laliberte, Groff, Etten, and Roe

and the following voted against the same: None.

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regular meeting thereof on June 8, 2020.

I further certify that Commissioner Etten introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner Willmus, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

Willmus, Laliberte, Groff, Etten, and Roe

and the following voted against the same: None.

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 22<sup>nd</sup> day of June, 2020.



Patrick Trudgeon, Executive Director  
Roseville Economic Development  
Authority



# Proposed TIF #23 Affordable Housing for Marion/Brittany Apartments





**EXTRACT OF MINUTES OF MEETING  
OF THE  
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

\* \* \* \* \*

Pursuant to due call and notice thereof, a special meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota was duly held on the 22nd day of February, 2021, at 6:00 p.m.

The following members were present:

and the following were absent: .

Member introduced the following resolution and moved its adoption:

**RESOLUTION No. XX**

**RESOLUTION EXPRESSING SUPPORT FOR TAX INCREMENT FINANCING ASSISTANCE REQUESTED IN CONNECTION WITH A PROPOSED MULTIFAMILY HOUSING REDEVELOPMENT AT 1720, 1721, 1736, 1740, 1746, 1750 MARION STREET; 175 AND 195 LARPENTEUR AVENUE WEST; AND 1722, 1725, 1735, AND 1736 WOODBRIDGE COURT**

WHEREAS, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794 (the “TIF Act”) and 469.090 to 469.1081 (the “EDA Act”), the Roseville Economic Development Authority (“REDA”) is authorized to create and administer tax increment financing districts within the City of Roseville (the “City”); and

WHEREAS, REDA is further authorized to identify and utilize other funds for the purpose of assisting redevelopment; and

WHEREAS, REDA recognizes that tax increment financing assistance may be requested by a future developer in connection with certain property located at 1720, 1721, 1736, 1740, 1746, 1750 Marion Street; 175 and 195 Larpenteur Avenue West; and 1722, 1725, 1735, and 1736 Woodbridge Court in the City (the “Property”), for the purpose of rehabilitating approximately 277 units of affordable rental housing on the Property, along with the rehabilitation and/or reconstruction of associated parking and landscaping (the “Improvements”); and

WHEREAS, REDA is willing to explore tax increment and other financial assistance at a level to be determined, subject to a pro forma analysis by REDA’s



46 municipal advisor, Ehlers and Associates, to finance a portion of the  
47 extraordinary costs of the Improvements; and

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49 WHEREAS, REDA recognizes that rehabilitation of the Property may require any  
50 developer to incur significant extraordinary costs; and

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52 WHEREAS, REDA finds that it is in the best interest of the City to consider the creation  
53 of a housing tax increment financing district of a larger geographic area than  
54 the Property, to allow additional tax increments to be captured from within  
55 such district for purposes of reimbursing such extraordinary costs.

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57 NOW, THEREFORE, BE IT RESOLVED, that subject to (i) the verification of any  
58 developer's need for financial assistance and (ii) negotiation and approval  
59 of a Contract for Private Redevelopment that addresses (among other  
60 things) the terms under which any developer will construct the  
61 Improvements on the Property, the terms and conditions under which  
62 REDA will provide financial assistance, and the sources of such financial  
63 assistance, REDA agrees to explore the creation of a housing tax increment  
64 financing district for the purpose of financing a portion of the extraordinary  
65 costs of the Improvements in compliance with the TIF Act and the EDA  
66 Act.

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69 The motion for the adoption of the foregoing resolution was duly seconded by Member

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71 , and upon a vote being taken thereon, the following voted in favor thereof:

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73 and the following voted against the same:

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75 WHEREUPON said resolution was declared duly passed and adopted.

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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and special meeting thereof on February 22, 2021.

I further certify that Commissioner \_\_\_\_\_ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner \_\_\_\_\_, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this \_\_\_ day of February, 2021.

\_\_\_\_\_  
Patrick Trudgeon, Executive Director  
Roseville Economic Development  
Authority