

Special Joint Development Authority  
Monday, February 4, 2019  
Arden Hills City Council Chambers

**Minutes**

5:30 pm

Present:

Joint Development Authority: Chair Brian Holmes, Commissioner Blake Huffman,  
Commissioner Brenda Holden, Commissioner Brenda Holden, Commissioner Rafael Ortega

Also present: Dave Perrault, (Arden Hills); Josh Olson, (Ramsey County)

Roll call taken.

Approval of Agenda

Commissioner Huffman requested Item 9E be moved up on the agenda.

Commissioner Grant stated this was a Special Meeting and therefore the agenda could not be amended.

JDA Attorney \_\_\_\_\_ explained the subject matter on the agenda could not be amended, but noted the order in which the items were discussed could be amended.

Commissioner Huffman withdrew his motion.

Motion by Commissioner Grant seconded by Commissioner Holden to approve the agenda as presented. Motion carried.

Approval of January 7, 2019 Minutes

Commissioner Holden stated she would not make a motion or second on these minutes. She explained there was not a quorum at this meeting, so there could not be minutes. She requested comment from the JDA Attorney.

JDA Attorney \_\_\_\_\_ agreed a meeting was not held on January 7<sup>th</sup>. She advised the JDA to make a motion to accept the record of the January 7, 2019 meeting.

Motion by Commissioner Grant seconded by Commissioner Holden to accept the record of the January 7, 2019 meeting. Motion carried.

Election of 2019 Officers

Director Perrault requested confirmation of the Chair and Vice-Chair of the JDA.

Motion by Commissioner Huffman seconded by Commissioner Holden to confirm the appointment of Brian Holmes as Chair of the JDA for 2019. Motion carried.

Motion by Commissioner Huffman seconded by Commissioner Holden to confirm the appointment of Blake Huffman as Vice-Chair of the JDA for 2019. Motion carried.

#### Public Inquiries/Informational

Fran Holmes requested the JDA Commissioners speak up.

#### Consent Agenda

None

#### Old Business

##### Status of De-Listing TCAAP as Superfund Site

Director Olson stated the County continues to work with Federal and State agencies on the delisting process. He anticipated the Federal and State delisting process to be complete by the fall of 2019.

Commissioner Grant requested further information on this process. Carrie Collins explained the County Manager put this project (TCAAP) on hiatus last fall and reported resources have been dedicated elsewhere.

Commissioner Grant questioned if the County would wait to grade the site until the property was delisted. Director Olson commented on a memo drafted last fall which outlined the processes and tasks required for delisting the TCAAP property. He reported the site could be graded prior to the property being delisted.

Commissioner Holden asked if the County had heard from the EPA. Director Olson stated he has not heard from the EPA personally.

Commissioner Grant thanked Ms. Collins for introducing herself to the JDA. He requested the new County staff members introduce themselves to the JDA. Ms. Collins introduced Redevelopment Manager Martha Faust to the JDA.

##### Process of Approving County Invoices Related to the JDA

Director Perrault stated he does not have a formalized process in place for this topic. He explained in the interest of transparency between the City and the County, all City and County invoices were to come before the JDA for consideration.

Councilmember Holden commented on a document that had been presented to the JDA by Director Olson for expenses from 2013 through 2018. These expenses included public financial, consultant, meeting expenses, legal, economic development, communications, conferences, training, insurance and contingency. She requested the JDA be provided with invoices for these expenses. She stated she would like to see the contracts that are in place for County JDA consultants. She believed this would assist in providing a clear foundation for the JDA going forward.

Commissioner Grant reported certain JDA bylaws, policies and procedures are not being followed, as was discussed at a JDA meeting last fall.

Commissioner Huffman believed this was a fair point and stated the County has not been working to address this concern in the past three months.

Commissioner Grant asked if this meeting was a one-time deal for the County and questioned if they were still committed to this project.

Commissioner Huffman explained the County was committed to this project and was excited to reengage in conversations with the City to keep this project moving forward.

Commissioner Grant questioned how this group would work to follow its bylaws, policies and procedures moving forward. Ms. Collins stated the County has had new leadership coming on and noted Martha would be managing the Rice Creek Commons development project.

Chair Holmes asked what a reasonable timeframe would be to get on process. Ms. Collins reported she would work with Arden Hills staff in order to address this issue.

Commissioner Grant requested this item be placed on the March meeting agenda in order for this item to be tracked.

#### Public Hearing

None

#### New Business

#### 2019 Meeting Schedule

Director Perrault reviewed the 2019 JDA meeting schedule with the Commission. He explained a meeting has been set for the first Monday of every month. These meetings will be held at the Arden Hills City Hall at 5:30 p.m.

Commissioner Ortega stated he would not be able to attend the March 4, 2019 JDA meeting as he would be in Washington DC.

Motion by Commissioner Huffman seconded by Commissioner Holden to approve the 2019 Meeting Schedule. Motion carried.

#### League of MN Cities Insurance Trust – Liability Coverage Waiver Form

Director Perrault discussed the League of Minnesota Cities Insurance Trust requirements. He stated in the past the JDA has chosen to not waive its monetary limits as set forth by Minnesota State Statute.

Commissioner Holden expressed concern with the fact the JDA was being asked to vote on this matter without having 2019 budget information. She questioned how the group could purchase insurance without a budget in place.

Commissioner Ortega asked when the current policy would expire. Director Olson stated the coverage runs through May.

Commissioner Ortega suggested this item be brought back to the JDA in March.

#### 2019 Budget

Director Olson reviewed the 2019 budget with the Authority. He stated the County has paid for JDA expenses since the JDA began in 2012. At this time, the County was not budgeting for JDA expenses in 2019.

Commissioner Grant questioned why the County had not budgeted for TCAAP in 2019. Ms. Collins stated the County has taken a hiatus since November 2018. She was hopeful that as resolution on the project is reached the budget would be restored.

Commissioner Huffman stated as conversations between the County and City continue and an MDA was reached, the budget would be reconsidered. Ms. Collins reported this was the case.

Chair Holmes questioned how the MDA and the budget were interconnected. Director Olson explained the TCAAP project budget was County approved and all JDA expenses were paid through this budget. At this point, the County has not been working on TCAAP since October or November of 2018. Therefore, those funds have not been going toward the JDA.

Commissioner Holden inquired how the JDA Attorney would be paid. Ms. Collins reported once the County identifies that it was moving forward towards a project, funds will be restored.

Commissioner Grant asked if the County had to get its way in order to move this project forward. Ms. Collins explained this matter would make more sense once the JDA received the Project Status Update. She reported there was no way for this project to move forward without the City of Arden Hills as a partner working shoulder to shoulder with the County.

Commissioner Huffman commented the County was 100% committed to working with the City of Arden Hills and Alatus on this project. He stated the County was sincere in getting all parties back to the table to move this project forward.

Commissioner Holden expressed concern with Commissioner Huffman's statement and their 100% commitment to this project. She did not believe Commissioner's Huffman and Ortega were showing their commitment to the project by being a no show at the last JDA meeting. She stated the City has been 100% in wanting to keep this project moving forward.

Commissioner Huffman discussed the letter the County sent to the City last fall requesting a cool down period. He reported the County has had some time now and would like to begin talking again.

#### Status of Hiring a JDA Attorney

Director Perrault stated he did not believe the County had a contract with an attorney at this time. He explained the contract with the previous Kennedy & Graven Attorney had expired.

Commissioner Grant stated he had never been able to locate a contract with Kennedy & Graven and stated this was a procedural problem for the JDA. He explained he supported the JDA having proper legal representation and questioned how the JDA could obtain an attorney.

Director Olson discussed how legal services with Kennedy & Graven have been managed in the past by the County. Ms. Collins commented further on the services that are provided to the County and the City by Kennedy & Graven.

Commissioner Grant questioned why the JDA had not put out a proposal for legal services instead of the County. Ms. Collins reported these were agreed upon services by the County and the City. She noted the majority of the revenues for the JDA were being provided by the County.

Commissioner Grant commented within the bylaws the JDA was to have separate accounts from the County. He questioned where these accounts were, with what bank, etc. Ms. Collins stated this got back to the policies and procedures that were addressed previously in the meeting.

Commissioner Grant stated he supported the JDA putting out a public RFP for an attorney.

Commissioner Huffman suggested staff complete an audit on the bylaws and that this item be addressed at a future meeting after this audit has been completed.

Commissioner Grant requested this item be brought back to the JDA in March.

#### Project Status Update

Director Perrault stated the County had a prepared statement regarding the Project Status Update.

Commissioner Huffman read a prepared statement to the JDA. He explained on January 22<sup>nd</sup> the County Board met in a closed session to discuss future negotiations for the sale of Rice Creek Commons to Alatus. He reported the County has been working to negotiate a Master Development Agreement but has reached an impasse. He indicated Rice Creek Commons was a shovel-ready, prime development opportunity that will benefit the community with jobs, housing and economic growth. He anticipated that all parties want to move forward toward a development solution but stated the County was losing momentum and development opportunities as negotiations have not led to an MDA that was appropriate for all parties. As the property owner, the County had a responsibility to its tax payers to develop this site. He feared a construction season would be lost given the fact infrastructure plans were not in place. He explained funding sources and financial tools are set to expire in 2019. He commented the County would lose State approved funding for the spine road. He reported the County has invested \$40 million in the site, Alatus has invested millions in development plans and now the project is stalled. Per Section 2.3.11 of the Joint Powers Agreement, the County would like to resolve outstanding issues through a dispute resolution via mediation to move the project forward. He stated appropriate housing, job and economic growth were very important to the community. He explained the County wanted to ensure this project was done right. He commented successful mediation may be the best option to move this project forward. He stated he was not looking for JDA approval regarding mediation, but rather the County and the City would have to approve this.

Commissioner Grant requested further information regarding the State approved funding for the spine road. Ms. Collins reported the County had several million dollars allocated from the State to assist with completing the spine road in 2019.

Commissioner Grant questioned who paid for the thumb roadway. Director Olson commented this was paid for by Ramsey County. He noted there may have been some expenses that were eligible for State funding.

Commissioner Holden stated she took offense to the statement, "the County has been negotiating in good faith". She reported the City has been negotiating with the County since 2012 on this project. She explained she had attended heated meetings where County staff was yelling at Councilmembers. She commented on all of the concessions the City had made in order to meet the County's wishes. She stated the City has been negotiating on phasing, density, building heights and flexibility issues with TCAAP since 2012. She indicated the City has been working with the County, shoulder to shoulder to give them what they want. She stated bullet three was a problem for her.

Commissioner Huffman stated by “we” the County meant all parties involved. He commented there has been no resolution to the MDA after years of negotiations which led the County to suggest mediation be considered.

Commissioner Holden explained she was frustrated by the fact the County had chosen not to include the City in all of their negotiations with Alatus. She reported the City was only included in the negotiations process since last April.

Commissioner Grant questioned if the agreed to sale price was \$62.7 million for the TCAAP site.

Commissioner Huffman deferred this question to staff.

Amy Schmidt, County Attorney’s Office, commented on the closed session the County held. She explained the price Louis Jamborn cited within the MDA and the agreement had not been executed. She reported the County Attorney needed to meet with the Board of Commissioners to discuss this in order to finalize the sale of the property.

Commissioner Holden expressed frustration that the County supported the City’s plan, voted to approve the plan, and now was not going forward with the City plan. She questioned what the issues were at this time.

Commissioner Huffman stated both City and County staff had been meeting on a weekly basis through the hiatus to address these issues.

Director Perrault explained the issues at hand was the fact the County and City fell out alignment on affordable housing and density.

Ms. Collins indicated affordable housing and density were the main concerns, along with financing for the project.

Commissioner Grant commented SAC credits had been resolved. Further discussion ensued regarding planning costs and negotiations with the County.

Commissioner Holden stated the City never received information from the County on the last negotiations.

Director Perrault reported the City Council met in October to provide direction regarding the status of the Cooperative Agreement between the City and the County. This information was provided to the County and shortly after that time, the City received a letter from the County stating TCAAP had been put on hold.

Commissioner Grant questioned if it was the developer who was reimbursing the planning costs.

Director Perrault reported this was the case.

Commissioner Grant asked why the County would stand in the way of the developer reimbursing these costs.

Commissioner Huffman stated this would lead to a broader conversation that would not be held this evening. He commented at this time, the County would like to get back to the table with the City and understood there may need to be some clarification from both parties may be needed as to what the issues were.

Commissioner Grant discussed the history of the density concerns for this project noting how the City and County have been going back and forth on this matter for quite some time. He questioned why the County was proposing to change these numbers at the 11<sup>th</sup> hour. He reported the City has been marching with the County for some time, arm and arm with the County. He commented on how the economy has changed over the years and how further delays would impact the development.

Chair Holmes questioned what the process was going forward.

Commissioner Huffman stated the mediation process going forward would be between the City and the County.

Commissioner Holden commented if the plan changes in any way, the City would be required to complete a Comprehensive Plan Amendment. She reported this would take six to twelve months to complete.

Commissioner Grant encouraged the County Commissioners to think back on how the City has worked to amend the plan in place to meet the County's needs. He stated he would hate to have to unpack this issue again. He suggested all parties involved get together and see where they are at. He commented the County has had conversations during the hiatus, as well as the City. He questioned if the best action moving forward after the hiatus was to jump into mediation.

Commissioner Holden asked when the AUAR expired for this property.

Commissioner Grant stated the AUAR expired in June of 2019. He stated this alone would be a good reason to keep this project moving forward.

Commissioner Huffman summarized the comments that had been made thus far stating the group would like the project to move forward and that there was a need to better understand what the issues were at this time. He reported the County would recommend this be completed through mediation.

Chair Holmes supported this recommendation.



Commissioner Holden encouraged the County to consider a list of pros and cons for delaying this project, along with the financial implications.

Commissioner Huffman stated this was a good recommendation.

Chair Holmes suggested the JDA hold one or two worksession meetings prior to the March JDA meeting.

Commissioner Holden commented she would like to see City and County staff meet to discuss the outstanding issues prior to additional JDA meetings being held.

Ms. Collins suggested the mediation process commence and that discussions between the City and the County continue in the meantime.

Commissioner Holden feared that there would be less incentive for the County to come to an agreement with the City if mediation was right around the corner.

Commissioner Huffman did not agree with this comment.

Commissioner Grant encouraged the County to respond to the City's previous negotiation efforts from last October.

Director Perrault summarized the discussion held by the JDA stating staff has been directed to compile a list of outstanding issues, and City and County staff are to meet together to discuss these issues.

Chair Holmes stated he would prefer the JDA to review these issues in order to bring about collective understanding prior to discussing mediation.

Commissioner Ortega supported a list of issues being drafted. He stated the intent of the County Board was to move forward with mediation and explained he was prepared to move in this direction in order to address the outstanding issues.

Commissioner Grant commented the mediation would be between the City and the County. He questioned if the County was coming forward with mediation because they have finished their negotiations with the developer.

Ms. Collins stated per the hand out, the County was proposing to move forward with mediation to help the two parties get unstuck.

Commissioner Holden asked if the MDA with Alatus was complete. She questioned if the redlines had been agreed to.

Ms. Collins reported the goal of mediation was to get the City and County closer to an MDA with the developer.

Commissioner Huffman deferred this question to the developer.

Bob Lux, Alatus, commented the agreement between the County and Alatus stopped during the hiatus. He explained there were minor items that needed to be addressed but noted the major points had been established between the two parties.

Commissioner Grant stated he would like the JDA to meet again in two weeks to discuss where the group was at to address the sticking points.

Chair Holmes explained this would be his preference.

Director Perrault suggested the JDA meet next on Wednesday, February 20<sup>th</sup> at 5:30 p.m.

Communications

None

Development Director's Report

Director Perrault stated he had nothing additional to report.

Administrative Director's Report

Director Olson stated he had nothing additional to report.

Commissioner Updates

Commissioner Grant introduced newly hired City Planner Mike Mrsola to the JDA.

Future Meeting Schedule

The next meeting will be Wednesday, February 20, 2019, at Arden Hills City Hall.

Meeting adjourned at 7:10 pm.

Approved \_\_\_\_\_  
Brian Holmes, Chair

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Date