

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, APRIL 22, 2020**

The meeting was called to order at 3:30 p.m. via conference call by Mayor Mike Kuhle with the following Council Members present: Alan Oberloh; Amy Ernst; Mike Harmon; Larry Janssen; Chad Cummings.

Staff present: Participating via conference call, Steve Robinson, City Administrator, Jason Brisson, Assistant City Administrator/Director of Economic Development, Mindy Eggers, City Clerk.

Others present: Participating via conference call, Ryan McGaughey, The Globe.

HOUSING DEVELOPMENT DISCUSSION

Staff introduced Bob Roepke and Dave Pokorney working with the Community Development Asset Group. City staff explained they have been working Mr. Roepke and Mr. Pokorney on developing a multifamily housing project in the City of Worthington and that the purpose of today's meeting was to let Mr. Roepke and Mr. Pokorney introduce their development plans to Council and answer any questions they might have.

Mr. Pokorney introduced himself and Mr. Roepke and gave a presentation of their project they would like to develop east of Grand Avenue and south of an easterly extension of Darling Drive. The multifamily development would consist of approximately 40 units. They will feature one indoor parking space for every two units. The indoor parking spaces will be located on the first floor of the building. They presented some drawings and an elevation from a similar project they have underway in Saint Peter. They anticipate the proposed project in Worthington will look similar.

Council Member Janssen inquired about any income requirements for the project. Mr. Pokorney explained that to be eligible for the TIF assistance for this project, 20% of the units would need to meet the income requirements for affordability for those with incomes no more than 50% of the area median income. Mr. Pokorney remarked that the proposed market rate rents are not drastically different than these income requirements. Staff commented that the proposed rent of \$1,125 would require an income of at least \$45,000 to ensure that the market-rate tenants are not "cost burdened" as defined by the H.U.D.

Council Member Oberloh inquired about if the parking spaces would enter directly into the building. Mr. Pokorney explained that they would enter directly into a hallway but not directly into a residential unit. Council Member Ernst commented that she was very supportive of the fact that the development would include Wi-Fi internet access for the building's residents.

Mr. Pokorney explained the responsibilities of the Community Asset Development Group, including all the tasks required for the development and management of the project. Mr. Pokorney then explained that from the City they would like community support for the project, the land for the project to be sold to the developer for \$1, and 90% of the TIF proceeds from a pay-as-you-go TIF

housing district for the project.

Council Member Cummings inquired about whether the developer would be open to an arrangement where the City received compensation for its property as an eligible TIF expense. He explained his concern about writing down the cost of land for a multifamily project when the City intends to sell the abutting single-family lots for market value. Mr. Pokorney explained that they would be open to exploring options of how this may be accomplished. Mr. Roepke explained that they will need community support to make this project work. Tax increment financing and writing down the cost of land are two tools that a community can offer to show its support for a project.

Council Member Oberloh inquired about stormwater retention on the site. Mr. Pokorney explained that he expects the site will require a pond but that they had not run any engineering calculations yet. Council Member Oberloh discussed the possibility of utilizing the property from two future single-family lots on the north side of Cecilee to create additional space for stormwater retention.

Council Member Cummings added that purchasing property to the east may also be an option to add additional land to assist with the site's stormwater retention.

Staff commented that the purpose of today's meeting was to get Council's feedback on the proposed project, site, and the developer's request for assistance.

Staff further clarified that they would like to work with Ehlers to analyze the project's proforma before determining the maximum TIF amount the City would commit to the project.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon, to direct staff to prepare an MOU between the City and the developer to explore this project further. Those voting in favor of the motion by roll call vote were: Oberloh, Harmon, Ernst, Cummings. Council Member Janssen was no longer present. Motion passed.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to adjourn the meeting at 4:29 p.m. by a roll call vote: Ayes: Cummings, Ernst, Harmon, Oberloh. Council Member Janssen was no longer present. Motion passed.

Jason Brisson
Assistant City Administrator/Director of Economic Development

Mindy L. Eggers MCMC
City Clerk