

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CDC)
TUESDAY, OCTOBER 25, 2011 – 6:00 P.M.
CITY COUNCIL CHAMBERS – DULUTH CITY HALL**

Present: Debra Branley, Daniel Nyquist, Jim Gaylord, Kristi Gordon, Bill Kimbler, Patricia Tyler, and Darryl Yankee,

Absent: Rita Tercero, Scott Wallschlaeger, and Michael Ramsey

Staff: Keith Hamre, Char McLennan, Ben Van Tassel, Karen Olesen, Suzanne Kelley, and Charles Froseth.

Others Present: Mike Lattery (Entrepreneur Fund) Rebecca Ellenson (SOAR), , Kim Crawford (Life House), Dave Schaeffer (YMCA), Dave Benson (Damiano Center), Sarah Priest and Kate Wigren (Community Action Duluth), Todd Johnson (Boys & Girls Club), Cynthia Finley (MAC-V), Dave Mattson (SOAR), Tine Riley (TSA) and Pam Kramer (Duluth LISC)

Roll Call: 7 present and 3 absent
There being a quorum Chair Tyler called the meeting to order at 6:00 p.m.

1. Approve Resolution 11-C-02 to Reprogram “Old” Funds into FY 2012 Community Development Program (Handed out at the meeting)

Community Development (CD) Manager Keith Hamre reviewed the reason and purpose of the resolution along with the handout which included specifics to the resolution. This action would reprogram unspent funds from 2007, 2008 and 2010 and move these funds into the 2012 program. The total amount of this transfer is \$151,659. This action complies with the Citizen Participation Plan and the transfer of these funds will be subject to a public hearing scheduled for December 6, 2011 prior to reprogramming. Motion by Gaylord, second by Branley to approve the reprogramming of funds from previous years into the 2012 program year. Motion passed 7-0.

2. Approve Meeting Summaries from August 23, September 27, and October 11, 2011

Motion by Kimbler, seconded by Gaylord to approve the minutes of the August 23. Motion passed 7-0.

Motion by Yankee, seconded by Branley to approve the minutes of the September 27. Motion passed 7-0.

Motion by Gaylord, seconded by Kimbler to approve the minutes of the September 27. Motion passed 7-0.

3. Review of Community Development Manager's Funding Recommendations

Community *Development* (CD) Manager Keith Hamre reviewed the eight page spread sheet of 2012 recommendations starting with page 1. Included was a reduction scenario. Recommended for CDBG funding: Affordable Housing - \$976,979, Economic Development – \$384,000, Public Facilities - \$460,000, Public Services - \$385,000 and Planning / Administration - \$513,580 for a total of \$2,719,559. Home funding recommendations; CHDO - \$30,000, TBRA - \$104,500, Home Owner Development - \$313,500, CHDO Development - \$513,500, and Administration - \$71,900 for a total of \$719,800. Funding recommendations for ESG: Operations - \$119,978 and Administration - \$5,000 for a total of \$124,978.

Review of Economic Development recommendations. Growing Neighborhood Businesses at a previous discussion was considered to be a High priority, but no action was taken. Plan to move this from a Medium to a High priority at tonight's meeting.

Review of Public Service recommendations. IDA is just considered in the Housing funding category. As has been in the past this category has a considerable number of requests for funding and all of these are considered a High priority. If there is a reduction PS-09, PS-10, PS-11, PS-12 and PS- 13 would have a cut of 50 percent.

Review of Planning and Administration recommendations. If there is a cut AD-01 and AD-02 would be reduced by a total of \$51,358.

Review of HOME recommendations. If there is a cut in funding the total would be reduced by \$179,975.

Review of ESG recommendations. This category has a hold harmless cap of \$120,000.

Hamre noted the targeted amounts on page 1 and these may change during the 30 day comment period which starts on November 1 and ends on December 2, 2011. Following the public comment period the Committee meets on December 6 for a Public Hearing on the 2012 Action Plan which may see changes to the current funding recommendations.

Committee discussion on funding recommendations as proposed. Ramsey had a noted that Lincoln Park School has a four year proposal and wondered what happens if funding from the federal sources are reduced. Would they be able to continue to implement their development with reduced funds? He noted this proposal does not meet our Mission Statement and is a medium priority.

Kimble asked how well developed is the funding plan for Lincoln Park School. Hamre noted this project has been under discussion for the past two years with considerable neighborhood input, has multiple goals, and various partners have been working closely with the School District. Tyler asked who owned the building and land. Hamre responded that at this point in time it is not clear and suggested the Committee ask this question, and other questions as appropriate, to the applicant. Nyquist had several questions regarding the Lincoln Park School proposal. Who pays taxes, is a redevelopment plan in place, and can CDBG funds for the hearing plant be used for all buildings. Hamre noted that if it is a non-profit the building and land is taxed differently, as for a redevelopment plan they are looking at selective demolition of some parts of the building, and as for the heating plant this maybe a question for the applicant. He noted the parking lot will likely be shared with other users, demolition is a shared cost, and reviewed which sections of the school maybe removed. Kimbler, Yankee and Branley are in agreement that we should consider projects that basic needs, meet the Mission Statement, and are a high priority.

Discussion and action on 12-ED-04. Removed from table action on motion by Kimbler, second by Branley. Discussion the program has had great success on job creation, new businesses have been established, and Northeast Entrepreneur has been a good steward of funds. Recommended funding at \$64,000 and this be moved to a High priority on motion by Kimbler, second by Gaylord. Motion passed 7-0.

Continued discussion on Lincoln Park School proposal. Several members noted we should only fund high priorities. Nyquist felt this is a high priority for the neighbors, Boys & Girls Club offers after school programming, and funding the request shows good will to developer. He did feel there is a need for more information on the request and suggested funding at \$100,000. Gaylord noted this is a multiyear request. Hamre felt that a multiyear lock in is too early, there has been neighborhood input on this project, the time frame between the pre-application and final application was too short given complexity of the project and the Committee may want to wait to see what comments are received during the comment period and comments at the December 6 public hearing. Yankee noted this is not a high priority and made a motion to *fund only high priorities* ~~make this a high priority~~. Discussion. Tyler wants to see more information. Yankee withdrew his motion.

Affordable Housing recommendations. Kimbler moved, second by Gordon to recommend the funding allocations as presented. Motion passed 7-0.

Economic Development recommendations. Gaylord moved to accept the funding recommendations as presented. Second by Gordon. Motion passed 7-0.

Public Facilities recommendations and discussion. Yankee moved to fully fund the soup kitchen request from Damiano at \$325,500 by taking \$125,500 from the

Lincoln Park School request. Second by Kimbler. Discussion that this could change from comments received during the comment period and at the public hearing. Kimbler noted the soup kitchen has a plan, while the School request does not seem to have one. Also the School is a multiyear request and fund may not be available in future years. Motion passed 6-1-0 to fully fund the Soup Kitchen. Discussion on the Lincoln Park School request resulted in a list of questions to send onto the applicant. Questions are; Does the B&G Club have funds to maintain the building, is there a maintenance plan and have they considered other buildings. Who owns the building. Budget needs to be clarified/what are other sources of funding. Heating the building would increase overhead costs –what are the source of funds for increased overhead costs. What is the minimum needed from CDBG - \$100,000 / \$55,000. Motion by Yankee, second by Branley to forward these questions to the applicant as soon as possible. Motion by Yankee, second by Nyquist to fully fund street assessments at \$105,000. By taking \$45,000 from the Lincoln Park School request. Motion passed 7-0.

Hamre noted we are now over budget by \$170,500. Motion by Kimbler, second by Gaylord to reduce the Lincoln Park School request to \$29,500. Discussion that this may change by December 6. Motion passed 7-0.

Public Services recommendations and discussion. Why has health care services increased? Increase is due to dental care. Motion by Gaylord, second by Branley to approve the proposed public service requests as presented. Motion passed 7-0.

Administration recommendations and discussion. Kimbler moved to approve the recommendations as presented, second by Gaylord. Motion passed 7-0.

HOME recommendations and discussion. CH-01 / Fourth Street Development. Minnesota Housing Finance will decide on tax credits later. All of the properties are now secured. This project is in our pipeline for future funding allocations. Motion by Kimbler, second by Branley to approve the funding as recommended for HOME as presented. Motion passed 7-0.

ESG recommendations and discussion. Yankee moved to approve the recommendations as presented. Second by Kimbler, Motion passed 7-0.

4. Prepare Preliminary FY 2012 Community Development Program Budget for 30-day Public Comment Period and December 6th Public Hearing at 6:30 p.m.

Motion to start the public comment period on Tuesday, November 1 and end on Friday, December 2 and to hold the public hearing on the 2012 Community Development Program Budget on Tuesday, December 6.

5. Announcements

Kelley reminded the Committee and Audience the annual Connect the Dots is scheduled for Saturday, November 5 from 8:30 to Noon at Clyde Iron on W. Michigan Street. This is an opportunity to celebrate accomplishments and successes.

Hamre advised the Committee that Joyce Ellingsen is retiring. By unanimous action the Committee passed a resolution of recognition and appreciation for Joyce's seventeen years of service and wishes her well in all future endeavors. A copy of resolution will be presented to Joyce at her retirement party on October 27.

Next Meeting

The next meeting of the Community Development Committee meeting will be Tuesday, December 6, 2011 at 6:30 p.m. The Committee will develop FY 2012 recommendations following the 30-day Public Comment period which ends on Friday, December 2 and public hearing of that same evening.

Meeting adjourned at 7:32 p.m.

Submitted:
Charles Froseth