

**MEETING OF THE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF LAKE ST CROIX BEACH
16455 20th STREET SOUTH
WASHINGTON COUNTY, MINNESOTA
February 8, 2016**

AGENDA

7:00 P.M.

1. **CALL TO ORDER**
2. **APPROVE AGENDA**
3. **NEW BUSINESS**
 - A. Resolution EDA 2016-01, Resolution Appointing Officers of the Economic Development Authority
 - B. Presentation, Melissa Taphorn, Deputy Executive Director Washington County Housing and Redevelopment Authority
4. **ADJOURNMENT**

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF LAKE SAINT CROIX BEACH, MINNESOTA
WASHINGTON COUNTY**

RESOLUTION NO. EDA 2016-01

**RESOLUTION APPOINTING OFFICERS
OF THE ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, on July 21, 2008, the City of Lake Saint Croix Beach, Minnesota, acting through its City Council, adopted an enabling resolution establishing the EDA pursuant to Minnesota Statutes, Sections 469.090 through 469.108; and

WHEREAS, the EDA Board of Commissioners may from time to time appoint or reappoint the persons or City positions appointed to serve as officers of the EDA, and wishes to do so as of the date of this resolution,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Economic Development Authority of the City of Lake Saint Croix Beach, that it appoints and approves the following officers of the EDA:

President	_____
Vice-President	_____
Secretary	_____
Treasurer	_____
Assistant Treasurer	_____

Adopted this 8th day of February, 2016.

Attest:

President

Secretary



Memo To: Lake St. Croix Beach Planning Commission
Lake St. Croix Beach City Council

From: Barbara Dacy, Executive Director
Melissa Taphorn, Deputy Executive Director

Date: January 26, 2016

RE: Proposed Legislation to Add Economic Development Powers to Washington County HRA

The Washington County Housing and Redevelopment Authority (HRA) has drafted legislation to amend its enabling law to add economic development powers and requests that the City of Lake St. Croix Beach support a proposed bill (Attachment A) to be introduced during the 2016 legislative session. The proposed bill to empower the HRA to undertake economic development activities has been identified as part of the 2016 legislative agendas for both Washington County and Washington County HRA.

Background

In 2014, Washington County developed an Economic Development Strategic Plan with the help of a work group consisting of city economic development practitioners and community representatives. The Plan defines the County's role in economic development, establishes guiding policy principles, and identifies specific strategies and goals. In 2015, the County Board determined the Washington County HRA to be the best organizational structure to be responsible for county-wide economic development activities. The Board recommended further that the agency should be renamed to the Washington County Community Development Agency (CDA) to reflect the full scope of responsibilities.

Implementing the Washington County Economic Development Strategic Plan

Guiding Principles

It is envisioned that the Washington County CDA will fill a vital role in coordinating county-level economic development activities and will support communities in the county in working towards their individual economic development goals. The Washington County CDA will also act as the contact with Greater MSP, while promoting and providing access to federal, state, regional, and local economic development programs. The Washington County CDA would adhere to the following economic development guiding principles identified in the Strategic Plan:

- The private sector is the lead that drives the economy.
- The county will not duplicate or replace the work of cities and other public agencies.
- The County supports a strong collaborative approach to economic development.
- Business attraction and business retention are essential policy objectives.
- The diversity of the County requires an adaptable and open-minded approach.
- A deliberate, purposeful and strategic plan is required.

Establishing the Washington County CDA

The Washington County HRA was created in 1980 under a special enabling law. In order to carry out the recommendation of the 20+ member work group and add economic development powers to the HRA, this enabling law must be amended. The proposed bill will add to the HRA the powers of an economic development authority and will formally establish the Washington County CDA. The proposed bill follows the same process taken by CDAs established in Dakota, Scott, and Carver counties.

Goals and Benefits of Proposed Bill

Goals

The proposed bill to amend the HRA's enabling law was drafted to fulfill the following goals:

- Add powers to enable the County to address economic needs.
- Provide flexibility to determine the nature and extent of economic development activities given the diversity of municipalities, large and small.
- Maintain current level of control by County Board over levy authorization.
- Complement programs of municipal economic development authorities and not impede their activities.
- Confer consistent geographic jurisdiction, defined as the boundaries of Washington County, for both HRA and EDA activities.

Benefits

Adoption of the proposed bill will empower the HRA with the authority necessary to undertake the following Economic Development Strategic Plan goals, which are not currently provided in its existing enabling law:

- Implement county marketing and public relations programs.
- Implement any economic development studies needed as a basis to document need for financial assistance programs.
- Implement financial assistance programs for economic development purposes.

Key Aspects of the Proposed Bill

Key aspects of the proposed bill include naming of the agency, determining levy authority, establishing relationship to municipal economic development authorities, offering tax-forfeited lands to the CDA, and identifying limitations requiring County Board approval.

Agency Renaming

In order to adequately represent the combined housing, redevelopment and economic development powers to be bestowed, it is proposed the HRA be renamed the Washington County Community Development Agency (CDA). While this term is not defined in statute, the CDA nomenclature has been adopted by Dakota, Carver and Scott counties in their respective enabling laws. The consistency in terminology across the Minneapolis-St. Paul metropolitan area provides for greater recognition and understanding of a county CDA.

Levy Authority

State Statute permits special levying authority for housing and redevelopment authorities up to 0.0185% upon all taxable property, subject to the consent by resolution of the governing body. In addition, a county may, at the request of an economic development authority, levy a tax of up to 0.01813% upon all taxable property. The EDA levy rate may be increased upon following a procedure detailed in state statutes. The proposed bill, however, retains the County Board consent process currently in place for establishing the levy rate and amount under the HRA limits in section 469.033, subd. 6, and, it waives EDA tax levying authority under section 469.107. But, the proposed language reserves the right to levy the higher of the HRA or EDA permissible rates, as they may be determined by the legislature. This provides the County with future flexibility should there be a program or issue that the County determines is appropriate for this purpose.

On an annual basis, the HRA Board has prepared a levy request, within its annual budget, of sufficient size to complete its strategic priorities and financial obligations for approval from the County Board. Under the amended enabling law, the CDA would follow the same process in proposing an annual levy request and obtaining the consent of the County Board.

Municipal Economic Development Authorities

The HRA's current enabling law requires municipal approval prior to the HRA undertaking a housing development. The proposed bill maintains this requirement and adds the municipal approval requirement prior to exercising economic development powers.

Offer of Tax Forfeited Land

When the County receives real property through the tax forfeiture process, it may determine the property to be appropriate for a housing, redevelopment, or economic development purpose. Currently, the HRA must purchase forfeited parcels in the same process as the general public. The proposed bill adds that such parcels "may" be offered to the CDA in the same manner it would be offered to a County department with justification of public purpose.

Composition of CDA Board

The proposed bill offers no change in board composition. The HRA Board is currently composed of seven members: five appointees representing each County district, a representative of the County Board of Commissioners, and a representative of the HRA's public housing and/or rental assistance residents.

Next Steps

Staffing

The HRA will hire a full-time Economic Development Director. The director will work closely with municipalities to supplement and complement their economic development programs and projects. The director will lead county-wide economic development efforts and manage county-wide financial assistance programs.

Passage of the Proposed Bill

The HRA and County are in the process of identifying authors in the both the Minnesota Senate and House of Representatives. The proposed bill is not expected to be controversial if supported by municipalities in Washington County.

County Resolution

Upon passage of the proposed bill, the County Board will need to pass a resolution to formally confer the EDA powers on the HRA. The resolution will further identify any limitations of EDA powers the County may wish to impose on the CDA.

Recommendation

The HRA requests support for the proposed bill by adopting the attached resolution.

Sec. 1 Laws 1974, Chapter 475, section 1, is amended to read:

Section 1. **WASHINGTON COUNTY; COMMUNITY DEVELOPMENT AGENCY HOUSING AND REDEVELOPMENT AUTHORITY.** There is created in Washington county a public body corporate and politic, to be known as the Washington county ~~housing and redevelopment authority~~ community development agency, having all the powers and duties of a county authority under the provisions of Minnesota Statutes, Sections 469.001 to 469.047, and all powers of a county housing and redevelopment authority under any other provisions of Minnesota law. ~~and Sections 469.001 to 469.047 and 469.090 to 469.1081~~ apply to the county of Washington. For purposes of applying sections 469.090 to 469.1081 to Washington county, the county is considered to be the city and the county board is considered to be the city council.

Sec. 2. Laws 1974, chapter 475, section 2, subdivision 1, is amended to read:

Subdivision 1. This act shall not limit or restrict any existing housing and redevelopment authority or city economic development authority. The jurisdiction and area of operation of the Washington county community development agency ~~housing and redevelopment authority~~ includes all of the area within the territorial boundaries of the county and includes the areas within the boundaries of every city in the county and the areas of operation of city housing and redevelopment authorities and city economic development authorities in the county, whenever created, and notwithstanding any provision of Minnesota Statutes, sections 469.005, subdivision 1, or 469.008, subject, however, to Section 3. The jurisdiction and area of operation of the Washington county community development agency ~~housing and redevelopment authority~~ shall not be affected by any concurrence by the Washington county community development agency ~~housing and redevelopment authority~~ under section 469.004, subdivision 5.

Sec. 3. Laws 1974, chapter 475, section 2, subdivision 2, is amended to read:

Subdivision 2a. A municipal housing and redevelopment authority may request the Washington county community development agency ~~housing and redevelopment authority~~ to handle the housing duties of the authority and, in such an event, the Washington county community development agency ~~housing and redevelopment authority~~ shall act and have exclusive jurisdiction for housing in the municipality pursuant to the provisions of the municipal housing and redevelopment act, Minnesota Statutes, Sections 469.001 to 469.047 ~~462.411 to 462.711~~, and acts amendatory thereof. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Subdivision 2b. A municipal economic development authority may request the Washington county community development agency to handle the economic development, housing or redevelopment, duties of the authority and, in such an event, the Washington county community development agency shall act and have exclusive jurisdiction for such duties in the municipality pursuant to the provisions of the economic development authorities act, Minnesota Statutes, Sections 469.090 to 469.1080 ~~462.411 to 462.711~~, and acts amendatory thereof.

Sec. 4. Laws 1974, chapter 475, section 3 is amended to read:

Sec. 3. MUNICIPAL APPROVAL.

Subdivision 1. **Housing and redevelopment projects.** If any housing or redevelopment project is undertaken in Washington county pursuant to this authorization, and the project is within the boundaries of any statutory or home rule charter city or township, the project and the location of the project shall be subject to approval by the governing body of the city or township. The procedures in section 469.007, subdivision 2, shall apply to the governing body project and location approvals required by this section.

Subdivision 2. **Economic development projects.** If any development district or economic development project is undertaken in Washington county pursuant to this authorization, and the project is within the boundaries of any statutory or home rule charter city or township, the project shall be subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the project is situated, and, in addition, prior to the exercise of any powers under Minnesota Statutes, Sections 469.090 to 469.1080 within the boundaries of the city or township with respect to a proposed project or the proposed site thereof, the project and the location of the project must receive prior authorization by resolution of the governing body of the city or township.

Sec. 5. Laws 1974, chapter 475, section 2 is amended by adding a subdivision to read:

Subdivision 4. **Washington county community development agency.**

(a) After December 31, 2016, the Washington county housing and redevelopment authority shall be known as the Washington county community development agency. In addition to the other powers granted in this section, the Washington county community development agency shall have the powers of an economic development authority under sections 469.090 to 469.1081 that are granted to the agency by resolution adopted by the Washington county board of commissioners, except as provided in paragraph (b). The enabling resolution may impose the limits upon the actions of the agency that are listed in paragraph (c). The agency may exercise any of the powers granted to it under sections 469.001 to 469.047 and any of the powers of an economic development authority granted to it by the Washington county board of commissioners for the purposes described in these sections.

(b) The Washington county community development agency may not levy the tax described in section 469.107, but with the approval of the Washington county board may increase its levy of the special tax described in section 469.033, subdivision 6, to any higher limit authorized under section 469.107. The money in the housing and redevelopment project fund under section 469.033, subdivision 6, may be expended by the Washington county community development agency for the purposes of sections 469.001 to 469.047 or sections 469.090 to 469.1081.

(c) The enabling resolution may impose the limits upon the actions of the agency as may be imposed by a municipality under section 469.092, except that the resolution adopted under

paragraph (a) may not impose any limitations on the authority's exercise of its powers under sections 469.001 to 469.047.

(d) Section 469.1082 does not apply to the county of Washington.

Sec. 6. Laws 1974, chapter 475, section 2, is amended by adding a subdivision to read:

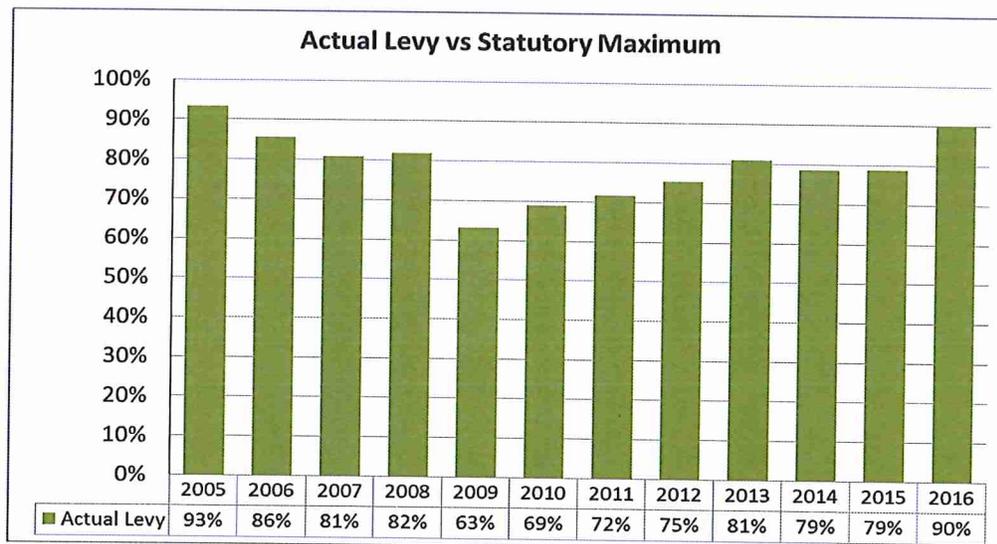
Subdivision. 5. **Offers of tax-forfeited lands.** Notwithstanding any other law, Washington county may offer to the Washington county community development agency, under the conditions and policies established by the county, nonconservation tax-forfeited land prior to making the properties available to cities in Washington county.

Sec. 7. **EFFECTIVE DATE.** This section is effective the day after the governing body of Washington county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 654.021, subdivisions 2 and 3.

DRAFT

Washington County HRA 2016 Levy

Economic Development	\$ 215,000
HRA Affordable Housing Properties	
1.25 Debt Service Coverage and Operating Expenses	1,109,000
HRA Capital Improvement Program	1,397,000
	2,506,000
Community Development Programs	
<u>Redevelopment Programs</u>	
Red Oak Preserve	174,000
Red Rock Crossing - Newport	397,000
Piccadilly Square	-
<u>Housing Construction Programs</u>	
Senior Housing	250,000
GROW Program	424,000
<u>Development Fund</u>	
Housing counseling and homeownership programs	52,000
Services and technical expertise provided to communities	317,000
	1,614,000
HRA General Fund	
Technical and project support provided within the Agency	266,000
	266,000
Total Agency Levy	\$4,601,000



2016 includes Economic Development, which accounts for 4% of the of the increase.