

Worksession
April 28, 2014
Municipal Center

- Call to Order The Champlin City Council met in Worksession and was called to order by Mayor ArMand Nelson at 5:45 p.m.
- Roll Call Present were Mayor ArMand Nelson and Councilmembers Ryan Karasek, Bruce Miller and Kara Terry.
- Excused Absent: Councilmember Eric Johnson.
- Also present were City Administrator Bret Heitkamp, Community Development Director John Cox, City Planner Scott Schulte, Parks Facility Manager Charlie Lehn, City Engineer Tim Hanson, and City Attorney Darrell Jensen.
- Guests Attending: Peter Worthington, MWF Properties and Chris Stokka, MWF Properties.
- Approval of Agenda Motion by Councilmember Terry and seconded by Councilmember Miller to approve the agenda for
(April 28, 2014) the April 28, 2014 Worksession as presented. Voting in favor were Mayor Nelson, Councilmembers
Motion Karasek, Miller and Terry. Voting against: none. Motion carried.
- Workforce Housing The Community Development Director introduced the MWF Properties representatives present this
Project evening. He stated that they are requesting support for a workforce housing community in the
 Champlin Retail Centre (120th Avenue & Business Park Boulevard).
- Mr. Stokka, MWF Properties, provided an overview of their company, the project and a definition of
 workforce housing.
- Mayor Nelson asked if MWF Properties has sold any of the apartment buildings that they have built.
- Mr. Stokka stated that they have not sold any of the buildings they own.
- Mr. Worthington, MWF Properties, provided an overview of the project location and design elements.
 The project is divided into two phases, with 42-units per phase. There will be a mix of two and three
 bedroom units. The building will be three stories over an underground parking structure. The design is
 proposed to be urban in character. They are looking to the neighboring buildings for inspiration to
 develop a color palette.
- The MWF Properties Architect stated that they have reviewed the adjacent neighborhoods and this
 project will transition between the existing residential and commercial uses.
- Mr. Worthington stated that there will be a ratio of two to one for parking spaces. With 33 spaces
 located outside and the balance in the parking structure.
- Mayor Nelson asked what the square footage of the apartment units would be.
- Mr. Worthington stated that the two bedroom units would be 900 sq. ft. and the 3 bedroom units would
 be between 1,220 and 1,260 sq. ft. There will be some units with and some without balconies. All units
 will have washers and dryers.
- Mr. Stokka reviewed the identified timeline for financing approvals and construction.
- Councilmember Terry asked if it was a possibility that all units would be Section 8.
- Mr. Stokka stated that was not likely as the Section 8 vouchers are distributed widely.

Mr. Stokka reviewed the scoring factors that go into MHFA Tax Credit award decisions.

The Community Development Director asked if MWF Properties re-survey's the residents after determining their initial income meets the required guidelines.

Mr. Stokka stated that they are required to certify the income levels when a resident moves in but they do not need to re-certify. He stated that as a result a household's income could increase while living there without having to move out for going over the guideline amount.

Councilmember Terry asked if fully leasing the phase I building would automatically lead them to construct phase II.

Mr. Stokka stated that definitely would impact their decision to build phase II. He stated that they anticipate a high demand for this first building.

Councilmember Karasek asked if a household with an income at the high end of the scale could rent a unit that was priced at the low end of the scale.

Mr. Stokka stated that they could rent any price unit.

Councilmember Karasek asked for an explanation of the household income guidelines.

The Community Development Director reviewed the household guidelines and rent structure. He requested that MWF Properties explain why the rents are varied.

Mr. Worthington reviewed the tax credit application scoring and its impact on the building rents and target income levels.

Mayor Nelson stated that he was in favor of workforce housing to begin with. However, he questioned the change in the discussion from workforce housing being targeted at households with a combined income of \$60,000 to lower income level households. He stated that he would like additional time to educate the Council and the neighbors to the east of this project before granting approval. He was also concerned with the cost to the City for this project.

Mr. Worthington stated that the City financing would not be needed until next year.

Mayor Nelson stated that the additional time to budget for the City's portion of the financing helped.

Mayor Nelson stated that he appreciated the projects plan for long-term capital replacement funding.

Councilmember Terry asked if there was a limit on the number of people allowed to rent an apartment unit.

Mr. Stokka stated there is a limit of two people per bedroom.

Councilmember Karasek asked how they monitor who is living in an apartment unit and determine the income levels.

Mr. Stokka stated that determining the income level is extremely important to them as they could lose tax credits if not properly administered. He stated that the on-site manager monitors who is living in the units and will evict a tenant if necessary.

Council Consensus

It was the consensus of the Council not to move forward with the MWF Properties workforce housing project at this time. In order for this project to move forward there would need to be meetings with the neighboring property owners, refinement of the City's financial commitment and additional information on the project provided to the City Council.

Mayor Nelson thanked MWF Properties for their presentation and stated that the Council will review their materials further.

Mr. Stokka stated that MWF Properties is open to working with the neighboring property owners and that they typically host an open house as part of the process.

Andrews Park Phase III
Improvements

The Parks Facility Manager reported that Hoisington Koegler Group Inc. (HKGI), the professional services contractor for the Andrews Park Project has completed the plans and specifications necessary for the associated Phase III improvements. The engineer's estimate for completing Phase III, while slightly increased due to the lapsed construction time, was somewhat anticipated. The engineer's estimate is a way to gauge what the projected costs for Phase III may be. The only way to get exact costs however is to go out to bid.

The Parks Facility Manager stated that at the Regular Council meeting this evening the Council will be asked to approve the plans and specifications and order the advertisement of bids for the Andrews Park Improvements Phase III.

The Parks Facility Manager stated that after receiving competitive bids for the Phase III improvements, staff will make recommendations regarding various aspects of the project components for City Council consideration. This will take place prior to requesting action to approve a contractor and formally proceed with the Phase III of the project.

The City Council reviewed the aspects of the Phase III improvements and were in agreement with the proposal to seek bids for Phase III.

Adjournment

The Champlin City Council adjourned the Worksession at 6:54 p.m.

Attest:

ArMand Nelson, Mayor

Roberta Colotti, CMC, City Clerk