



**City of Newport
Newport Economic Development Authority Minutes
May 19, 2016**

1. CONVENE ECONOMIC DEVELOPMENT AUTHORITY MEETING

President Geraghty called the Regular NEDA Meeting to order at 6:14 P.M.

A. Roll Call

Commission Members Present – Tim Geraghty, Tom Ingemann, Bill Sumner, Tracy Rahm, Dan Lund

Commission Members Absent -

B. Review Agenda

Motion by Geraghty, seconded by Sumner, to approve the Agenda as presented. With 5 Ayes, 0 Nays, the motion carried.

- A. Approval of NEDA Minutes
 - 1. Minutes of April 07, 2016 NEDA Meeting

Motion by Geraghty, seconded by Sumner, to approve the April 07, 2016 NEDA Meeting Minutes. With 5 Ayes, 0 Nays, the motion carried.

2. NEW BUSINESS

- A. Joel Holstad, Preservation Alliance of Minnesota
 - 1. Discussion on Residential Lot

Joel Holstad with Preservation Alliance of Minnesota presented as outlined in the May 19 NEDA Meeting Packet.

Admin. Hill – Both Sherri Buss, our city planner, and Bob Vogel, our historian, shared some of their thoughts on this. I did send Joel the survey of the 2 lots that we are going to be having up for sale that we just vacated the alley on during our last meeting. Just knowing that the house across the street is similar in nature, would you agree with that?

Joel Holstad- Yes it's similar in nature. I think the house fits into the neighborhood because it's essentially from the same era.

Admin. Hill – It does fit. Actually I felt that the end of 7th would fit more so than the lot we have near the Marco house because we have a lot of newer homes there. This would be a really nice addition to it.

Mayor Geraghty – I haven't looked at what the house looks like or if it will fit or not. My interest is what it's going to be worth in the end. I would need an analysis done.

Joel Holstad- The question is very fair and not as deep as I would be asking the question. I am not aware of specific plans because they are still desperately trying to find places to put it. The buyer is a partner at Winthrop who's active in historic preservation and his interest is in preserving. He works in tax credit financing of historic assets which is primarily a commercial function but he's in the historic community and is interested in the historic aspect of the house. The fact that it's currently in the national historic register and has character is of high interest.

I would assume and he would assume that before anything would be finalized there would be very specific conditions. I would expect that this would be a development agreement whereas it's conditional upon a certain level of treatment and finish. I would also expect some financing questions which I don't think will be an issue but I expect to hear those questions.

Admin. Hill – Yes I did speak with Joel and Anne Katz from the Preservation Alliance about some things especially about it needing to be brought up to code. Are you planning on having a garage?

Joel Holstad - To broadly answer your question I would expect that the value is going to be significantly higher than \$150,000 because of the requirements of how to renovate, recondition, etc. The National Park Service which supervises properties within the register has very specific requirements as to what you do to make sure that it presents itself with a historic appearance. Relocating the house is significantly problematic in terms of keeping it within the register but it is the intent to maintain it as if it had been maintaining its historic property that's the only reason they want to do this. This is a more expensive way of creating a living unit than building a house. I can't give you a specific dollar estimate because they haven't put me in the room with the money conversation but if the other issues seem to be within the conversation I will report back to them saying that the City of Newport is interested in conversation but it's predicated on the final value and condition of the house and the treatment of the renovation. I can't imagine that it's going to be anything other than a highly finished presentation in a historic condition and the reason I thought of you guys is because I could see critical mass and creating a historic looking district. You have the core historic district but you don't have quite the elements of a historic district but it could be and I would expect that this would be a contributing asset towards an enhanced evaluation towards a historic look. There aren't that many historic registered properties around, unfortunately for this one it is in a spot that has high dollar value for other purposes.

Mayor Geraghty – If it is moved it would lose its registry value?

Joel Holstad – Most likely. It loses the registry but there's a question whether the registry itself has value other than the indication that the structure has maintained a certain level of historic integrity. They can't get registered if they've been significantly altered from their condition but moving it from its location jeopardizes the registration but the configuration of the house isn't expected to change significantly in terms of those features that allowed it to be registered in the first place.

Councilman Ingemann – It's going to cost an arm and a leg to move it.

Joel Holstad – It's going to cost a bundle. This isn't the easiest place to get to with a house move. You've got a nice defensive perimeter with the superstructure and the pedestrian bridge. I'm confident that the issue can be resolved, you can move anything anywhere if you really want to. They'll be able to get it moved if they can get through the other issues, I think the biggest issue is that it's currently an apartment building which you addressed and they're not intending on keeping it a multi-unit but they want to keep it a duplex because the structure is two significant residential components that have been physically separated and that in itself might be the biggest problem.

Admin. Hill – Yes it would be. Duplexes are not allowed in our R-1 district.

Joel Holstad – There was a hope that there could be conditions that could be put in place that would permit a duplex at least on a traditional basis. They haven't had the time yet to explore how to separate the units so that it can function as a single unit. If there isn't a possibility to have a variance for a duplex, they'll have to respond to that question and make that the basis of their response. I know that that will diminish their confidence in their ability to afford the move and rehabilitation cost if they can't have the two units.

Councilman Lund – Is the plan for it to be a rental?

Joel Holstad – One of the units yes.

Councilman Lund – Who’s going to occupy the other side?

Joel Holstad – It was my understanding that it was going to be owner occupied, the one unit. The house is right on 80th, they’re putting in a large senior center.

Councilman Lund – Newport has a growing percentage of rental and we have an opportunity where we’re the land owner which is very different from trying to decide what someone else should be doing with their land. We have an opportunity to decide whether it’s of value to current residents to use it as a place for a rental and I think “no” when we own the land.

Joel Holstad – I don’t have a problem simply telling them “no” based on the fact that it doesn’t work. If it can’t work it would be my preference to tell them that it’s possible but the conditions are going to be significant and let them engage directly in the conversation to get me out of the middle of the conversation. **58:12**

3. OTHER BUSINESS

4. AT THE REGULARLY SCHEDULED PUBLIC NEWPORT ECONOMIC DEVELOPMENT AUTHORITY MEETING OF MAY 19, 2016, THE COUNCIL WILL CLOSE A PORTION OF THE MEETING FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION WITH THE CITY’S LEGAL COUNSEL. THIS PORTION OF THE MEETING WILL BE CLOSED PURSUANT TO THE PROVISIONS OF THE MINNESOTA OPEN MEETING LAW RELATED TO ATTORNEY-CLIENT PRIVILEGED COMMUNICATIONS. MINN. STAT. §§ 13D.05, SUBDIVISION 1(d) AND SUBDIVISION 3(b).

Mayor Geraghty – Immediately following the closed meeting we will come out of the meeting and adjourn. At this time I will close the meeting.

The City Council closed the meeting to the public at 7:12 p.m.

The City Council discussed the pending litigation with the city’s legal counsel regarding an insurance claim by a former employee.

The City Council opened the meeting to the public at 7:58 p.m.

5. ADJOURN

Motion by Geraghty, seconded by Sumner to adjourn the regular NEDA meeting at 7:58 p.m. With 5 Ayes, 0 Nays, the motion carried.