

**ST. LOUIS COUNTY  
HOUSING AND REDEVELOPMENT AUTHORITY**

**AGENDA**

**July 13, 2021  
9:40 a.m.**

1. Call to Order
2. Approve minutes of July 6, 2021 meeting
3. City of Buhl – Burnette Addition Development (21-05)

Adjourn:

**ST. LOUIS COUNTY HOUSING AND REDEVELOPMENT AUTHORITY (HRA)  
PROCEEDINGS**

Tuesday, July 6, 2021

The St. Louis County Housing and Redevelopment Authority (HRA) met this 6<sup>th</sup> day of July 2021, at 9:58 a.m., at the St. Louis County Government Services Center, Duluth, Minnesota, with the following members present: Commissioners Ashley Grimm, Paul McDonald, Keith Musolf and Mike Jugovich - 4. Absent: Commissioners Frank Jewell, Patrick Boyle and Chair Keith Nelson - 3.

Commissioner Jugovich Chaired the meeting in the absence of Chair Nelson.

Commissioner McDonald, supported by Commissioner Musolf, moved to approve the minutes from the May 4, 2021, HRA meeting. The motion passed; four yeas, zero nays, three absent (Jewell, Boyle, Nelson).

Commissioner Musolf, supported by Commissioner McDonald, moved that the HRA determines that the redevelopment request from the Hibbing HRA constitutes part of an urban renewal project and authorizes the Executive Director and County Attorney to negotiate a \$150,000 grant funding agreement contingent upon commitment of the additional project funding sources by May 1, 2023; that the appropriate HRA officials and a representative of the County Attorney are authorized to execute the grant funding agreement on behalf of the HRA, along with all the necessary documents related thereto; and further, that funds as needed be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001. St. Louis County HRA Director Matt Johnson commented that the apartments were built in 1953 by the Hibbing HRA under the HUD's Public Housing Authority program and currently provide 102 subsidized public housing units. The proposed New Haven Court Apartments project combines the rehabilitation of 42 existing units and the reconstruction of 60 units. The current HRA uncommitted fund balance is \$619,836 and there are additional requests that are in the process of review; because of this, the County HRA is unable to fund the requested \$300,000 - \$500,000 forgivable loan request. Nancy Cashman, Executive Director of Center City Housing Corp., said that the total development cost of the project is over \$36 million. Jackie Prescott, Executive Director of the Hibbing HRA, thanked the Board for their support. After further discussion, the motion passed; four yeas, zero nays, three absent (Jewell, Boyle, Nelson). HRA Resolution No. 21-04.

**HRA RESOLUTION No. 21-04**

WHEREAS, The Housing and Redevelopment Authority of Hibbing (Hibbing HRA) has requested financial assistance from the St. Louis County Housing and Redevelopment Authority (HRA) for the New Haven Court Apartments project; and

WHEREAS, The Hibbing HRA has determined its current Haven Court Apartments require improvements ("redevelopment project") to protect resident health and safety and preserve the units ("redevelopment plan"); and

WHEREAS, The HRA desires to fund a portion of the redevelopment project pursuant to Minn. Stat. § 469.012, Subd. 1d; and

WHEREAS, The HRA has available funding for such projects and a limited fund balance available for the request.

THEREFORE, BE IT RESOLVED, That the HRA determines that the redevelopment request from the Hibbing HRA constitutes part of an urban renewal project and authorizes the

Executive Director and County Attorney to negotiate a \$150,000 grant funding agreement contingent upon commitment of the additional project funding sources by May 1, 2023.

RESOLVED FURTHER, That the appropriate HRA officials and a representative of the County Attorney are authorized to execute the grant funding agreement on behalf of the HRA, along with all the necessary documents related thereto.

RESOLVED FURTHER, That funds as needed be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001.

Unanimously adopted July 6, 2021.

At 10:05 a.m., July 6, 2021, Commissioner Musolf, supported by Commissioner Grimm, moved to adjourn the meeting. The motion passed; four yeas, zero nays, three absent (Jewell, Boyle, Nelson).

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Keith Nelson, Chair of the St. Louis County HRA

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Phil Chapman, Deputy Auditor/Clerk of the St. Louis County HRA

# HRA BOARD LETTER NO. 21 - 05

**DATE:** July 13, 2021

**RE:** City of Buhl – Residential  
Development

**FROM:** Matthew E. Johnson  
Planning and Community Development Director  
HRA Executive Director

## **RELATED DEPARTMENT GOAL:**

To encourage, maintain, and expand economic and housing development opportunities, maximizing financial resources, and promoting strategies that result in an expanded tax base.

## **ACTION REQUESTED:**

The St. Louis County Housing and Redevelopment Authority (HRA) Board is requested to authorize \$75,000 in funding to the City of Buhl to assist in the Burnett Addition development of eight (8) residential lots adjacent to Burton Park.

## **BACKGROUND:**

The City of Buhl owns land between Memorial Drive and Monroe Drive that it would like to develop into eight (8) buildable sites targeted towards single family or multi-unit townhomes. The proposed development includes the creation of a new road – Memorial Lane and necessary infrastructure.

The project is being developed to support the increasing demand for residential lots within the city. The recent Stubler Development has seen success with its original 13 lots. Two (2) new homes have already been built and construction of eight (8) others will begin shortly.

The available Burnette Addition lots will be marketed on the City's website as well as local newspapers. The City will advertise the lots for sale between \$500 - \$7500. The buyers will agree to build a home (minimally 1,200 square feet) using stick built or modular construction within two (2) years.

The total project budget is approximately \$287,000 with St. Louis County providing \$75,000 and the remaining funds coming from other sources.

The HRA has the statutory authority to fund an urban renewal project. "The term 'urban renewal project' may include undertakings and activities for the elimination or for the prevention of the development or spread of slums or blighted or deteriorating areas and may involve any work or undertaking for that purpose constituting a redevelopment project or any rehabilitation or conservation work." Under Minn. Stat. § 469.002, Subd.

14, (5)(i), redevelopment work can include “carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements.”

The current available HRA fund balance is \$469,836.81. If the City of Buhl project is approved, the remaining HRA fund balance will be \$394,836.81.

**RECOMMENDATION:**

It is recommended that the HRA Board authorize the Executive Director and County Attorney to negotiate a funding agreement with the City of Buhl for \$75,000 for the development of the Burnette Addition. Transfer of funds from the HRA fund balance to be authorized as needed and payable from HRA Fund 250, Agency 251001. The resolution also authorizes appropriate HRA and county officials to execute the funding agreement and documents related thereto.

**HRA BOARD RESOLUTION NO.**

**City of Buhl – Residential Development**

BY COMMISSIONER \_\_\_\_\_

WHEREAS, The City of Buhl has requested \$75,000 from the St. Louis County Housing and Redevelopment Authority (HRA) for the development of the Burnette Addition; and

WHEREAS, The City of Buhl has determined it needs additional residential lots for development purposes (“redevelopment project”) and have developed the Burnette Addition (“redevelopment plan”); and

WHEREAS, The HRA desires to fund a portion of the redevelopment project pursuant to Minn. Stat. § 469.012, Subd. 1d; and

WHEREAS, The HRA has available funding for such projects.

THEREFORE, BE IT RESOLVED, That the HRA determines that the redevelopment request from the City of Buhl constitutes part of an urban renewal project and authorizes the Executive Director and County Attorney to negotiate a \$75,000 grant funding agreement.

RESOLVED FURTHER, That the appropriate HRA officials and a representative of the County Attorney are authorized to execute the grant funding agreement on behalf of the HRA, along with all the necessary documents related thereto.

RESOLVED FURTHER, That funds as needed be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001.



# CITY OF BUHL

*"Finest Water in America"*

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Commissioner Mike Jugovich  
Chair- St. Louis County Board  
1810 12<sup>th</sup> Ave, E  
Hibbing, MN 55746

Dear Commissioner,

On behalf of the City of Buhl I am requesting assistance from St. Louis County to assist with an upcoming residential development project. The City of Buhl does not have an HRA which limits our ability to secure funds for this type of project. Anything you may be able to do on our behalf would be greatly appreciated.

Our project consists of creating eight (8) residential lots in an area adjacent to Burton Park. On these lots we anticipate the construction of both single-family homes as well as multi-unit townhomes. In recent years Buhl has seen a significant increase in demand for housing. Currently the City only has six (6) remaining lots for residential development and recognizes the need to continue building our residential tax base to support our community.

In the past few years Buhl has been extremely busy with projects that will improve services for our residents and boost our local economy. Buhl is in the middle of a \$5,700,000 water & sewer project and will likely add an additional \$1,000,000 in upgrades to streets & storm sewer to our existing project soon. The City also has a committee in place to explore options for upgrades to Burton Park that will benefit all our residents.

The City of Buhl is very grateful for all your past and continued support. We would appreciate anything you may be able to do in assisting us with this project. The City of Buhl is committed to the continued investment in our Community and economic development across the Iron Range.

Sincerely,

Mayor John Klarich  
City of Buhl

St. Louis County  
Housing Development Project Profile

Applicant and contact information:

City of Buhl  
John Klarich, Mayor  
Ryan Pervenance, City Administrator  
PO Box 704, 300 Jones Avenue  
Buhl, MN 55713  
218-258-3226

Describe the proposed development (include land ownership, location, site map, and housing type):

- Creation of Burnett Addition adjacent to Burton Park in Buhl
  - Land is owned by the city
  - Located between Memorial Drive and Monroe Drive
    - Includes creation of new road – Memorial Lane
- 8 residential lots, approximately .75 acre each
- Single family or multi-unit townhomes
- Maps of proposed site attached

Describe the target households:

- Single family or multi-unit townhomes
- Market rate housing

What sort of market analysis supports the development of these units?

- Buhl has seen real estate in town sell very quickly over the past years including lots in our Stubler Development in which only three of the original thirteen remain. Two new homes have already been built at Stubler with construction on eight more beginning shortly.
- Buhl has 6 remaining lots for residential development

How will the lots be marketed?

- Lots would be marketed on the City's website as well as local newspapers to begin with.
- In the past, the City has advertised City owned lots for sale between \$500 - \$7,500. Our goal is to have people build new homes so we can expand our residential tax base. This, in the long run, will benefit all residents/visitors to Buhl.
- Proceeds although they will be limited would offset City costs for the development.



Will there be any covenants or restrictions on the lots? (such as requiring a current size of home or style, must be built on within a certain time, other)

- We have general guidelines in place that we have used for our Stubler Development that the City will put in the place such as requiring that a home be built within 2 years, minimum 1200 square feet, and that homes need to be stick built or modular. I would anticipate that the Council will adopt some of these standards with the goal being neighborhood conformity. The lots would not be sold for individuals just to build a garage for example.

How will St. Louis County funding be used?

- Water/sanitary sewer/storm sewer/street infrastructure

What is the development cost? What other funding is needed and what is its commitment status?

- Development estimate \$287,800
- The City included this development in our phase 2 grant application to the IRRR for our City Wide Infrastructure project. The IRRR awarded \$250,000, but there is not sufficient funding for Burnett Addition.
- The City was not able to apply for CDBG funding because updated guidelines eliminated Buhl from eligibility.
- The City would use reserves to cover the remaining cost.



# CITY OF BUHL

## BURNETT ADDITION

December 1, 2020

### PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST

NO.	ITEM	ESTIMATED QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
2101	CLEARING AND GRUBBING	0.75	ACRE	\$2,000.00	\$1,500.00
2104	REMOVE BITUMINOUS PAVEMENT	500	SQ. YD.	\$2.50	\$1,250.00
2105	COMMON EXCAVATION	1,582	CU. YD.	\$8.00	\$12,656.00
2105	SELECT GRANULAR BORROW (CV) - 6"	500	CU. YD.	\$18.00	\$9,000.00
2112	GEOTEXTILE SEPARATION FABRIC	2,847	SQ. YD.	\$2.00	\$5,693.78
2211	AGGREGATE BASE, CLASS 5 (CV) - 8"	650	CU. YD.	\$22.00	\$14,300.00
2360	TYPE SP WEARING COURSE -1.5"	250	TON	\$72.00	\$18,000.00
2360	TYPE SP NON-WEARING COURSE -2"	330	TON	\$72.00	\$23,760.00
2503	STORM SEWER	167	LIN. FT.	\$50.00	\$8,350.00
2506	CONSTRUCT SANITARY MANHOLE	3	EACH	\$4,000.00	\$12,000.00
2521	CONSTRUCT CATCH	2	SQ. FT.	\$2,000.00	\$4,000.00
2573	SILT FENCE	1,475	LIN. FT.	\$2.50	\$3,687.50
2573	STORM DRAIN INLET PROTECTION	1	EACH	\$200.00	\$200.00
2575	TEMPORARY MULCH / EROSION CONTROL	1	L.S.	\$3,000.00	\$3,000.00
2575	SEEDING, LAWN TYPE	52,645	SQ. FT.	\$0.10	\$5,264.50
2611	WATER MAIN AND FITTINGS	1,120	LIN. FT.	\$50.00	\$56,000.00
2611	COPPER WATER SERVICE PIPE	300	LIN. FT.	\$30.00	\$9,000.00
2611	CORPORATION STOP	8	EACH	\$300.00	\$2,400.00
2611	CURB STOP AND BOX	8	EACH	\$350.00	\$2,800.00
2611	GATE VALVE AND BOX	4	EACH	\$1,200.00	\$4,800.00
2611	HYDRANT	1	EACH	\$4,000.00	\$4,000.00
2611	CONNECT TO EXISTING WATER SERVICE	2	EACH	\$1,000.00	\$2,000.00
2621	SANITARY SEWER	639	LIN. FT.	\$50.00	\$31,950.00
2621	SANITARY SERVICE LINE	242	LIN. FT.	\$30.00	\$7,260.00
2621	SANITARY SERVICE WYE	8	EACH	\$200.00	\$1,600.00
2621	CONNECT TO EXISTING MH	1	EACH	\$1,000.00	\$1,000.00
2625	PIPE INSULATION	50	SQ. YD.	\$40.00	\$2,000.00

TOTAL PROBABLE CONSTRUCTION COST

\$245,971.78

CONTINGENCIES

\$12,298.59

LEGAL, FISCAL, AND ENGINEERING

\$29,516.61

TOTAL PROBABLE PROJECT COST

\$287,786.98

SAY	\$287,800
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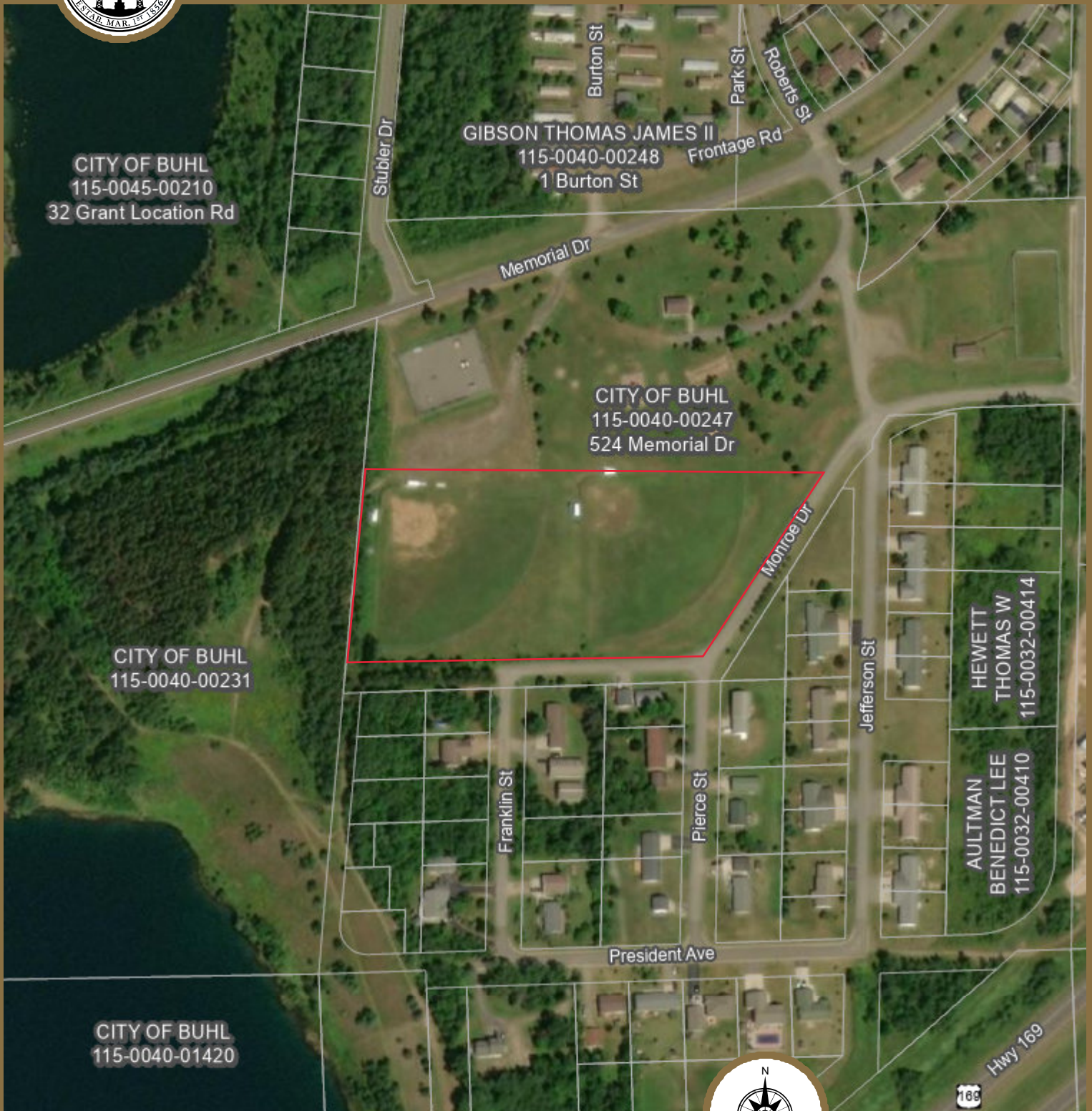






# Land Information Portal

St. Louis County, Minnesota



## Buhl - Burnett Addition

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### Land Information Portal

St. Louis County

[www.stlouiscountymn.gov](http://www.stlouiscountymn.gov)

Minnesota

### Disclaimer

This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein

