

TWO HARBORS CITY COUNCIL
SPECIAL MEETING AGENDA - AMENDED

July 18, 2022

6:00 P.M. Call to order special meeting of the City Council of the City of Two Harbors.

Roll call:

Pledge of Allegiance:

The purpose of the meeting is to consider the requests of the City HRA regarding proposed senior housing developments and to consider options for the acquisition of property and a request for proposals for architectural services for a proposed new liquor store.

1. Consider the recommendation of the Public Affairs Committee to approve the requests of the City HRA for the appropriation of certain parcels owned by the City, for the proposed low-income senior housing development.
2. Consider options for the acquisition of property for the proposed new liquor store including access easement for said property.
3. Consider authorizing a request for proposals for architectural services for a proposed new liquor store project.

Adjourn.



TWO HARBORS SENIOR HOUSING INITIATIVE

Senior Housing Development Proposal
Two Harbors City Council
July 11th, 2022



Introduction

Addressing the Need in Two Harbors

Since 1968, the HRA of Two Harbors (HRATH) has dedicated itself to ensuring that safe, affordable, and sustainable housing conditions are available to all residents of the community. However, HRATH experiences firsthand the realities of the strong senior population growth rate and the 1.1 % vacancy rate in the overall primary market area (and 0% for existing subsidized units within city limits). Applicants for the 58 existing senior units of Bayview Terrace, HRATH's current facility, often face extreme waits and occupy a waitlist with enough parties on it to fill an additional building of the same size. However, there are no vacant senior units available within the city limits and no additional senior housing projects planned or in any phase of development.

This need is substantiated by the update completed in 2022 to the active Comprehensive Needs Analysis from Maxfield Research, which indicates demand for 192 additional senior housing products of various types by the year 2036. The need for senior units is also identified in the City's active Comprehensive Plan.

As the only senior public housing provider in the city and one of the few senior housing unit owner/providers in the market area, HRATH is uniquely suited to operate additional units. To develop the capacity to take on this urgent need, HRATH has secured long-term technical assistance and guidance, development process training for its staff, and completed scoping work in preparation for a new senior unit development. Through this training and assistance and in partnership with the City, HRATH is prepared to lead in the development of a new multi-unit senior housing development project.

The HRATH Vision

Phased Development of a Conveniently Located Senior Campus

The core of the vision of HRATH and its partners is a development in-line with both the City's development goals and the Two Harbors way of life. This initiative has been developed by Two Harbors community members, with the support of the Two Harbors Community, and is dedicated to those Two Harbors residents who wish to age in place.

The proposed phase is a primary multi-unit facility to house those seniors with an existing urgent need. Though a final unit total and design will be informed by a Developer engaged via a request for qualifications (RFQ) procurement process, a unit target of sixty will be proposed in accordance with the Housing Needs Analysis. This building will include space for local service provider Community Partners to expand their operations and support residents.

As the development succeeds over time, HRATH will continue to support local efforts on the site that expand the spectrum of housing products, services, and programs the City is able to offer to residents. Once a site has been established and infrastructure has been extended to the site, HRATH is happy to continue collaboration with the City and reallocate unused property for future City projects. The development of new senior units will be a catalyst for the expansion of naturally occurring affordable housing in the city as seniors move into newly available units and make homes available to new homebuyers and young families. This campus can also support the broader City community through the addition of a community garden, generating or sustaining public parks, the use of a common space for community programs and meetings, and other collaborations.

Strategic Partnerships

Current and Future Stakeholders and Collaborators

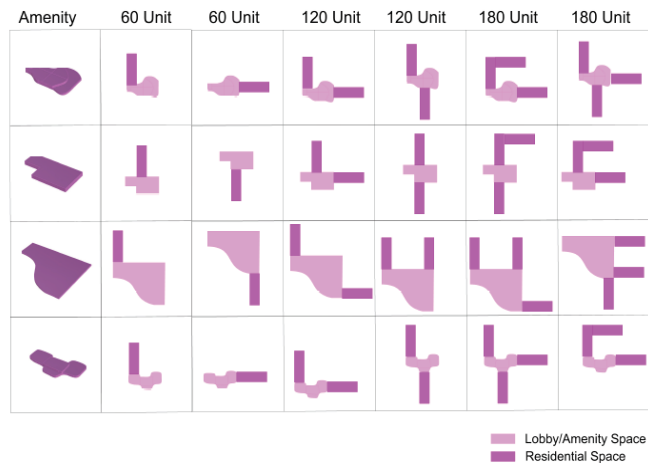
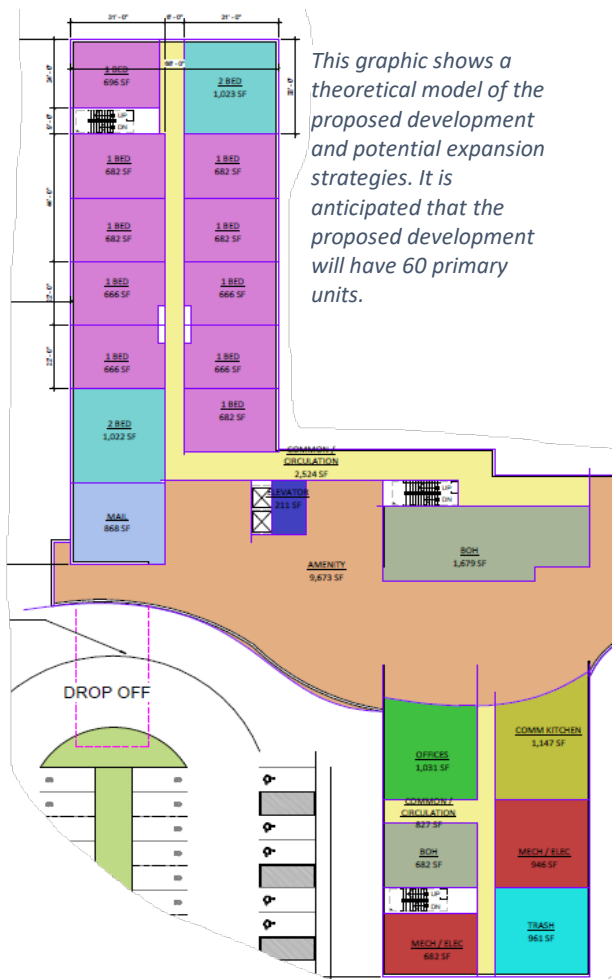
This initiative is fortunate to have significant regional support and partnerships. The HRA has a commitment of Technical and Financial Assistance from the Minnesota Housing Partnership through March of 2023, which will champion the project by increasing capacity and assisting with pre-development activities. Lake County HRA is also committed to supporting the project. HRATH has also had preliminary discussions with the City of Duluth HRA for potential project-based housing vouchers, and Community Partners for tenancy and supportive services.

The Process and Development Concept

The Benefits of Development, and It's Phases

Because the established need calls for immediate action, an initial building phase would generate urgently needed units for residents with immediate need. A community kitchen and office space would also be incorporated. These are designed for local non-profit Community Partners, who provide meals-

on-wheels and other critical services but are themselves experiencing a need for a new facility. Goals for this development would include a community-oriented and pedestrian friendly design utilizing sustainable building technology and strategies for expansion. These strategies may include a modular or flexible design allowing for flexible growth and expansion of the city to support more residents.



This project is designed to support a priority population, strives to fall in-line with the City's Comprehensive Plan and support future initiatives,

and the need is supported by the local Housing Study. Combined with a strategic location provided by the city, such a development should be competitive in applications for development resources and funding.

Moving Forward

Request to the City and the Next Steps

HRATH recognizes collaboration and partnership as critical to the success of the project and greatly appreciates the City's input to-date. In previous conversations, the City has indicated a willingness to provide one of several identified sites for the development of this senior housing project. HRATH is reviewing the following sites for the proposed development:

Exhibit	Description	Parcel Number(s)
A*	Fairgrounds Road Site	23-7600-31310
B*	Antonich Field Area	23-7600-36080
C*	South of Omtvedt Drive	23-7600-36370
D	17 th Ave Plot	23-7645-00080
E	2 nd Avenue Block	North 2 nd Ave Between 6 th Street and 7 th Street
F	Segog Plots	Several (See Site Map)

The HRA of Two Harbors formally requests of the City Council put into writing and provide HRATH with:

- Support of the project and commitment of the provision of land at no cost to HRATH
- Confirmation that the three city owned parcels* listed above are available and reserved for HRATH through the RFQ period
- Commitment to drafting and entering into a property agreement or similar legal contract effecting transfer of ownership for a period of five years, made permanent when development commences
- Commitment to waiving water and sewer access fees for the development
- Commitment to extending the existing Payment In Lieu of Taxes arrangement *or* Tax Increment Financing to the proposed development as long as it meets the existing precedent
- Re-zone and/or replat development sites if necessary. Partners may support this work.
- Commit to license agreements effecting site access for HRATH and Potential Developers

Conclusion

Commitments, Timeline, and Final Thoughts

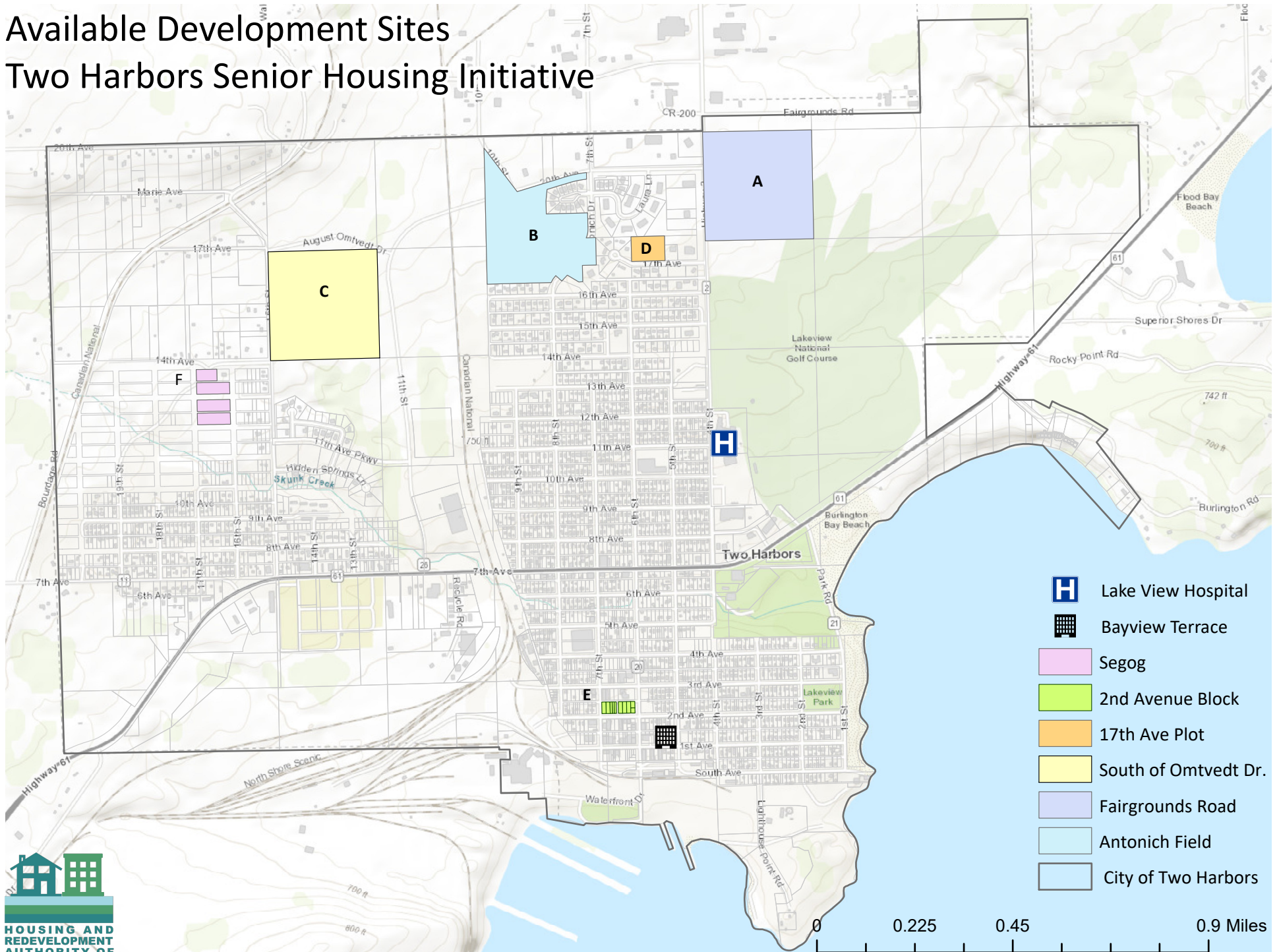
HRATH will incorporate this letter of support and commitment into the distribution process of an RFQ to secure a Developer for the project. HRATH will facilitate the review process, engage with a legal specialist with expertise on statutory law and mixed-subsidy financing, pursue permanent HRATH ownership/management, and commit to a public information session(s) allowing for community input. It is anticipated that an RFQ period will be roughly 90 days.

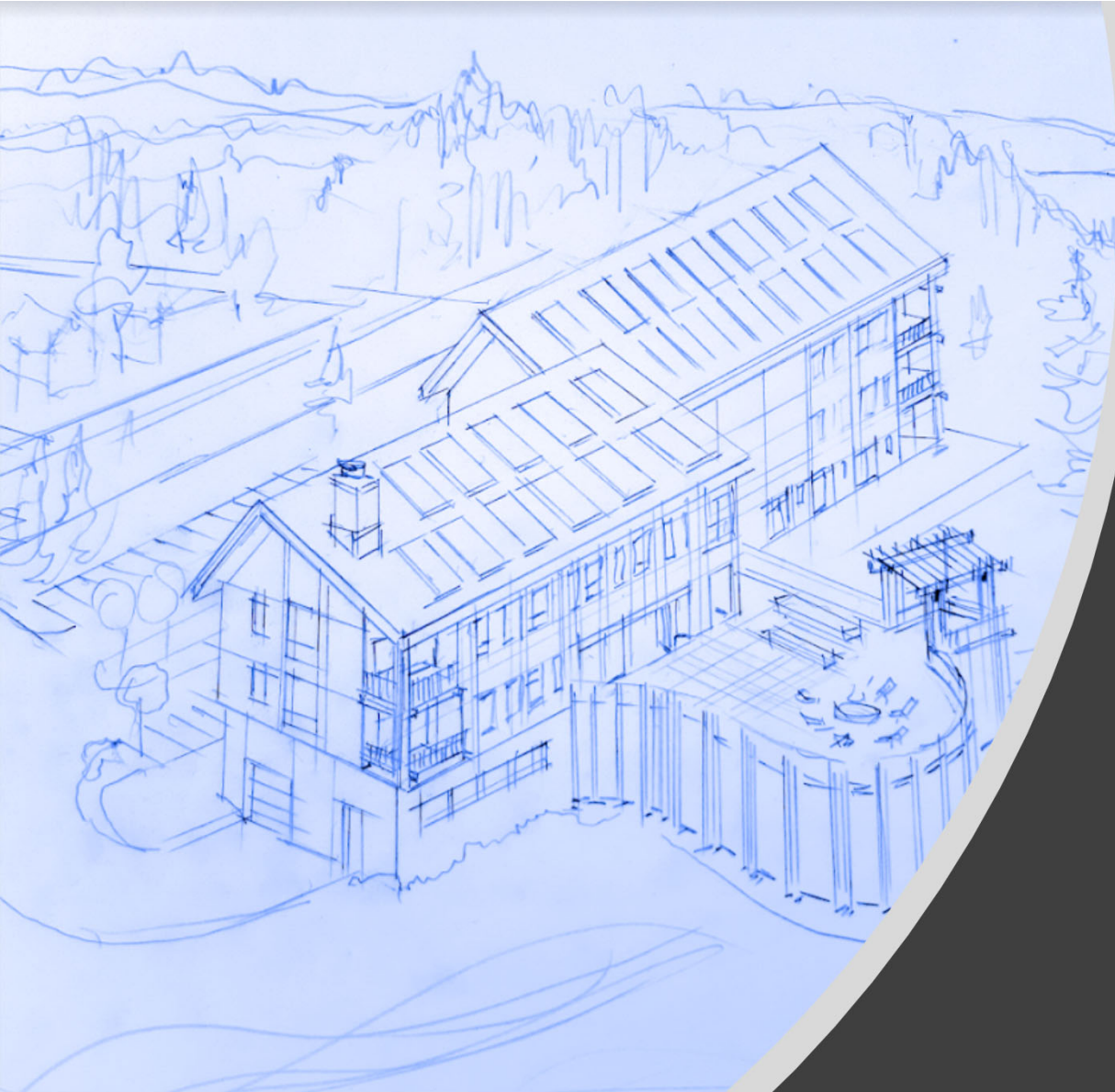
HRATH is very eager to work with all parties to house seniors in need and continues to be open to input, suggestions, and proposals. Should the City agree to move forward, HRATH will be happy to present to the council on progress whenever updates are requested, including Developer selection. The RFQ is anticipated to be released imminently. An updated project timeline will be produced when a developer is selected. Questions regarding the project are welcome and can be directed to Tom Furman. Thank you for your time and consideration.



Available Development Sites

Two Harbors Senior Housing Initiative





Proposal: Two Harbors City Council

Thomas Furman, Executive Director

HRATH

7 / 11 / 2022

7/11/2022 Proposal



HRATH formally requests the City of Two Harbors put into writing and provide:

- A commitment to providing one of three available parcels
- A commitment to drafting and entering into a property agreement
- A commitment to completing wetland delineation for one of the proposed sites
- A commitment to waiving water and sewer access fees
- A commitment to extending existing PILOT arrangement or TIF
- A commitment to re-zone and/or replat if necessary
- A commitment to providing license agreements effecting site access

Potential Development Sites



Ex.	Name	Parcel #	Partner / Owner	Area
A	Fairgrounds Road	23-7600-31310	City of Two Harbors	Part of 40 Parceled Acres
B	Antioch Field	23-7600-36080	City of Two Harbors	Part of 32.5 Parceled Acres
C	North of Harbor Hills	23-7600-36370	City of Two Harbors	Part of 40 Parceled Acres
D	17 th Ave	23-7600-00080	Lake County	2.79 Parceled Acres
E	2 nd Ave Block	23-7660-Multi	Several	Roughly 1 Acre
F	Seagog Sites	Several	Lake County, One Roof, High School	Several Plots roughly 1 Acre Additional Partial Plots

Exhibit A: Fairgrounds Road



Site Attributes

Parcel ID	23-7600-31310
Available Area	A portion of 40 Acres
Current Zoning	R3- MF Permitted
Utility Status	Along Highway 2, not to site
Ownership	City Owned, Available
Wetland Delineation	Approved and Pending
Notes:	Closest in proximity to Hospital Sustain the Golf Course, Ski Trail Can utilize an agreeable portion of this parcel and be creative with layout to extend utilities along Fairgrounds Rd. in line with Comp Plan.

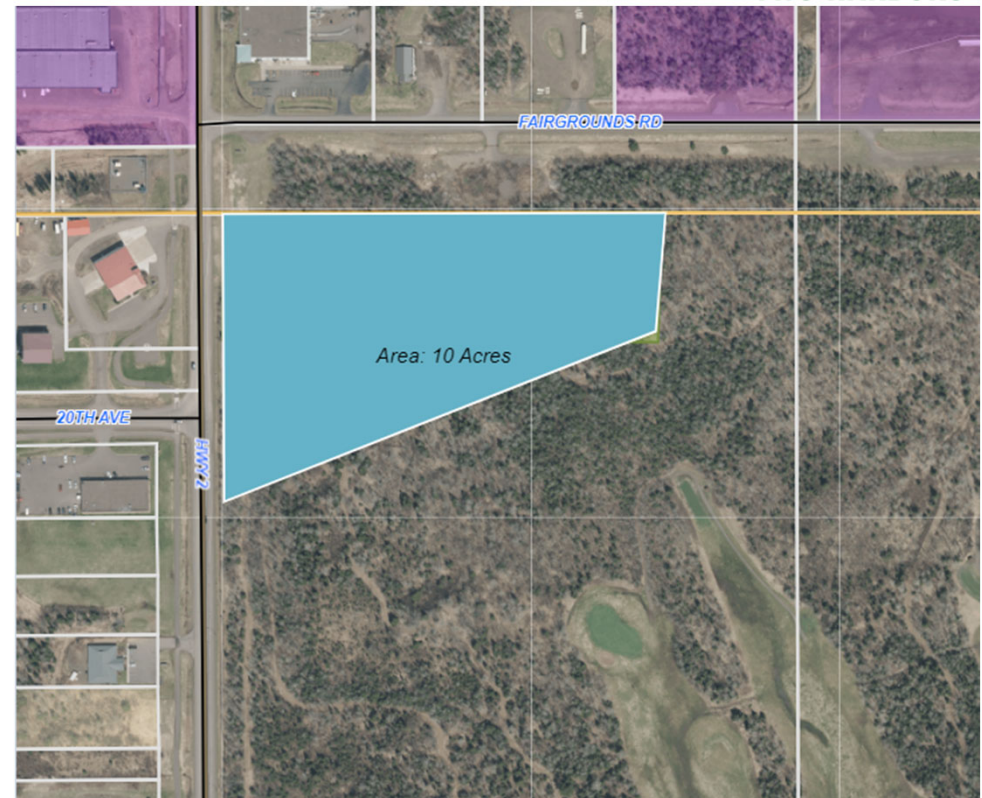


Exhibit B: Antonich Field Site



Site Attributes

Parcel ID	23-7600-36080
Available Area	A portion of 32.5 Acres
Current Zoning	Mixed; R-3 and R-2; earmarked for development
Utility Status	Utilities not to site
Ownership	City Owned, Available
Wetland Delineation	Completed on South Half Only
Notes:	Development should sustain the soccer fields



Exhibit C: North of Harbor Hills



Site Attributes

Parcel ID	23-7600-36370
Available Area	A portion of 40 Acres
Current Zoning	R-3; Multi-Family Ready
Utility Status	None currently
Ownership	City of Two Harbors, Available
Wetland Delineation	Approved and Pending
Notes:	Development farther north on the parcel would be more agreeable to a small contingent of neighbors



Exhibit D: 17th Ave



Site Attributes

Parcel ID	23-7645-00080
Available Area	2.79 Acres
Current Zoning	R-3; Multi-Family Ready
Utility Status	Utilities to Site
Ownership	Lake County HRA
Wetland Delineation	No wetland
Notes:	Tax Forfeiture



Exhibit E: The Second Ave Block



Site Attributes

Parcel ID(s)	23-7600-10090 block
Available Area	1 Acres
Current Zoning	B-2; Multi-Family Ready
Utility Status	Present and available
Ownership	Multiple; Not All Engaged
Wetland Delineation	Completed
Notes:	CUP Required. Formerly an industrial site so remediation may be required.

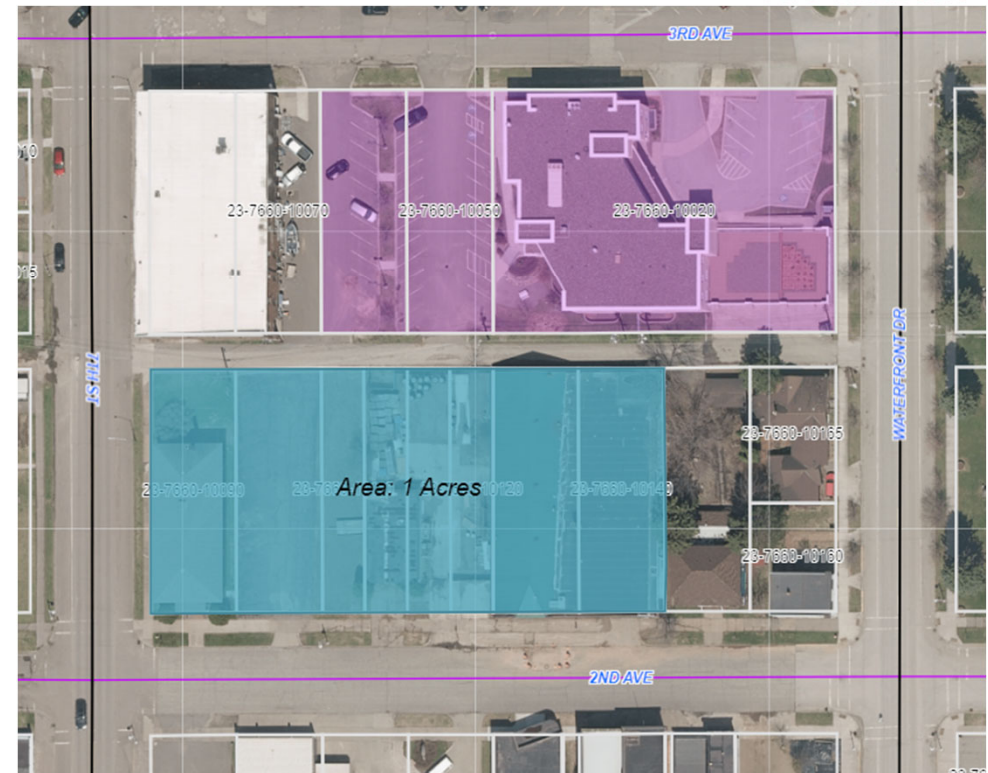
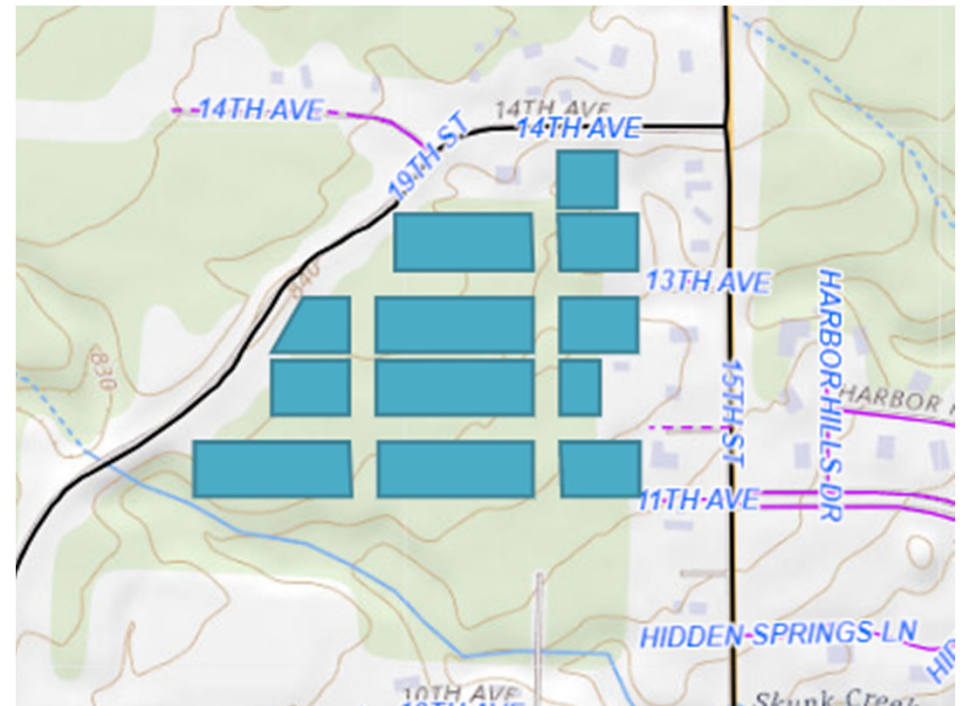


Exhibit F: Seagog Sites



Site Attributes

Parcel ID(s)	23-7600-10090 block
Available Area	Many individual sites roughly
Current Zoning	Municipal – R3 (MF Ready)
Utility Status	Utilities adjacent to site
Ownership	Lake County HRA
Wetland Delineation	Unknown
Notes:	Tax Forfeiture Sites Depending on Delineation / ESA these sites may be better utilized for single family or duplexes/twin homes





The Benefits

A 60 Unit* Mixed Use Senior Housing Development Project

- Alleviates urgent and dire need for senior housing, alleviating a substantial wait list
- Houses Two Harbors Community Members Aging In Place
- Developing units called for by the recent update to the Housing Study
- Builds capacity for local service provider Community Partners
- Builds capacity to plug in to local programs, enhance services, and free up housing stock
- Potential for more community partnerships and resources (public parks, community gardens, recreational facilities)

Thank You!

Questions,
Comments, and
Requests are
welcome!



Thomas Furman
Executive Director
Two Harbors HRA
thomasf@twoharborshra.org
218-834-2728

