

**CITY OF FRAZEE**

SPECIAL COUNCIL MEETING

JANUARY 22, 2006

The special meeting of the Frazee City Council was called to order at 6:00 p.m. by Mayor Ludtke. Council members present were Miosek, Ouart, Trieglaff, and Dermody. The meeting was to consider submission of an application to the Minnesota Department of Employment and Economic Development requesting a Small Cities Development Program Grant.

The public hearing to receive comments regarding the submission of the grant application was opened. Jon Thomsen, Becker County Housing Director, provided an overview of the program and an explanation on how city property owners can submit for commercial, owner-occupied housing, and rental housing rehab funds.

Ray Meyhoff, 204 Maple Avenue East, was present to ask questions about the owner-occupied and rental housing rehab program. Meyhoff asked about the income limit; Thomsen provided some approximate figures of what the median household incomes would be.

Thomsen explained what would be eligible costs and projects for each of the types of funding.

Regarding rental rehab, Dermody asked if the landlord's income was considered in the application; Thomsen replied that only the tenant's income is reviewed.

Bryce Anderson, Frazee EDA President, asked Thomsen about writing rules about prioritizing projects and having local oversight on who receives funding. Thomsen explained that the city can create a committee to review funding applications and the city will need to draft guidelines if the grant is awarded.

Ludtke asked if the commercial rehab funds could be used outside of the target area if not all of the funds are used; Thomsen stated that the funds must be used within the target area; adding that DEED recommends that a defined commercial district be the focus so that the funds can have the greatest impact.

Ouart asked if churches could receive funding; Thomsen replied that they would not fit into any of the programs. Anderson asked if any non-profits could apply; Thomsen stated that it could be possible, for an example a VFW or Eagles could qualify, but no other governmental agency, including the city, could apply.

Jay Estenson, owner of the Yak-Shak Beauty Salon, asked if an individual could receive funding for more than one property; Thomsen stated that it depends how the local guidelines are drafted.

Karen Gray, owner of Frazee Auto Body, stated that is in unfortunate that businesses outside of the target area are excluded from the commercial rehab funds. Anderson provided that sometimes more funding could be requested for a different target area if this cycle is successful and more need is shown. Estenson supported the target area concept because downtown improvements will provide a city -wide boost.

Having no further comment, the public hearing was closed and the special city council meeting was re-opened.

MOTION by Dermody, seconded by Miosek, to approve Resolution No. 0122-07A (form FP-12) approving the submission of an application for a Small Cities Grant to DEED. All present in favor, motion carried.

MOTION by Ouart, seconded by Trieglaff, to approve Resolution No. 0122-07B identifying “slum and blighting” conditions. All present in favor, motion carried.

Having no further business, meeting was adjourned.

ATTEST:

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Kelcey Klemm, City Clerk/Treasurer/Administrator