



AGENDA
HOUSING & REDEVELOPMENT AUTHORITY
CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, DECEMBER 12, 2023
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL
MEETING IN THE COUNCIL CHAMBERS

- 1. CALL TO ORDER AND ATTENDANCE**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF THE MINUTES**
 - A. Minutes of the Housing & Redevelopment Authority Meeting on October 24, 2023
- 4. RESOLUTION NOT WAIVING THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY**
- 5. ADJOURNMENT**



**MINUTES
HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, OCTOBER 24, 2023
FOLLOWING THE REGULAR CITY COUNCIL MEETING
IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

The Housing and Redevelopment Authority (HRA) Chair Dan Jones convened the meeting at 8:45 p.m. The City Clerk took attendance for Members Kevin Edberg, Steven Engstran, Heidi Hughes, Dan Jones and Bill Walsh.

2. APPROVAL THE AGENDA

It was moved by Member **Hughes**, seconded by Member **Engstran**, to approve the agenda as presented. Motion carried unanimously.

3. APPROVAL OF MINUTES

A. Minutes of the Housing & Redevelopment Authority Meeting on January 10, 2023

It was moved by Member **Engstran**, seconded by Member **Hughes**, to approve the minutes. Motion carried unanimously.

B. Minutes of the Housing & Redevelopment Authority Work Session on February 21, 2023

It was moved by Member **Engstran**, seconded by Member **Hughes**, to approve the minutes. Motion carried unanimously.

4. DISCUSSION ITEMS

A. Housing Task Force Recommendations: Development Priorities

Community Development Director Lindahl, referencing the 2040 Comprehensive Plan and Housing Task Force Report, said the City Council and HRA identified the HRA-owned property located at 1755 Highway 96 as a priority to develop. Staff was directed to prepare and distribute a request for proposals, and it was sent to 15 local and regional real estate agencies and developers. One proposal was submitted by Cox Contracting & Real Estate, which would include a one single-unit dwelling on the northern end of the lot connected to a cul-de-sac and one four-unit dwelling on the southern end next to Highway 96. The proposal is aligned with the real estate market and the surrounding properties, and also aligns with the property's Future Land Use designation. The property would be rezoned from R-3, Low Density Residential to R-4, Single Family & Two Family Residential. Staff asked the HRA to designate Cox Contracting & Real Estate as the preferred developer, so the City can work exclusively with them for a more refined concept. Staff also asked for feedback on the rezoning proposal.

Member Hughes asked about the order of the process as it relates to rezoning or selecting a developer. Director Lindahl said the property could be marketed under the current zoning and see if a developer wants to buy it, or the City could choose to consider other zoning districts. He recalled earlier discussion from the HRA and the City Council that there was desire to market the property as soon as possible and get a developer that would fit the needs of the neighborhood, and that would include considering rezoning the property. The HRA would consider the proposal, consider the rezoning and designate Cox Contracting as the preferred developer, and the City would continue to work closely with them through the planning process. Director Lindahl shared information about the developer, noting that they have other properties in the City.

Director Lindahl acknowledged there isn't a refined plan with details available to share with the HRA, but he affirmed the developer's interest in creating a detailed plan. Staff plans to get more details from Cox Contracting if the HRA is interested in designating them as the preferred developer, which will allow staff to work exclusively with them. He reported that the developer noted their concern about the development of a single-unit dwelling, based on market, construction costs and interest rates. He said any proposed plan will take into account the direction of the HRA and City Council, the compatibility of the neighborhood, and the market.

Chair Jones asked about availability of neighboring lots. The adjacent property to the east was recently put on the market but was quickly sold. Member Walsh showed his support for designating the preferred contractor, and trusts that staff will negotiate appropriately. He encouraged the units be for sale, not for rent. When Member Edberg asked about the officiality of the contractor designation, Director Lindahl said the designation would indicate to the contractor that staff is interested in working exclusively with them, and would plan to move forward with the planning steps, including the Concept Plan Review. Chair Jones and Member Edberg made comments about putting a time limit for submitting a detailed concept plan to the City for consideration. Member Edberg shared his concern about the size of a four-unit dwelling. Member Hughes trusts the process of the Concept Plan Review ordinance and would expect any concerns from residents to be shared at that time. For rezoning, Director Lindahl requested HRA feedback. There was general consensus among HRA members that rezoning to R-4 may be supported, but there was concern about the four-unit dwelling.

Motion by Member **Walsh**, seconded by Member **Hughes** to designate Cox Contracting & Real Estate as the preferred developer. Motion carried 4-1. Member Edberg voted in opposition.

5. ADJOURNMENT

There being no further business before the HRA, it was moved by Member **Walsh**, seconded by Member **Hughes**, to adjourn the meeting at 9:22 p.m. Motion carried unanimously.

Dan Jones, Chairperson

ATTEST:

Caley Longendyke, City Clerk



City of White Bear Lake
Finance Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Kerri Kindsvater, Finance Director
Date: December 12, 2023
Subject: **HRA Municipal Tort Liability**

SUMMARY

The HRA Board will consider approving a resolution not to waive the statutory limits set by Minnesota Statutes.

BACKGROUND INFORMATION

Minnesota Statute Section 466.04 caps municipal tort liability at a maximum of \$500,000 for any individual and \$1.5 million per occurrence in which the statutory tort limits apply. These limits apply whether the claim is against the covered entity, an individual officer or employee, or both.

Entities obtaining liability coverage through the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased.

The HRA's insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) provides a standard limit of \$2 million per occurrence with annual aggregate amounts that limit the total amount of coverage for the year regardless of the number of claims for certain specific risks. A \$3 million aggregate limit applies to claims involving failure to supply utility services, data security breaches, and limited contamination issues.

The coverage limits provided through the LMCIT policy are higher than the statutory limits to recognize that some types of liability claims are not subject to the statutory tort caps and that contracts typically require more coverage than the statutory limit, with \$2 million being the common figure.

If the HRA chooses not to waive the statutory limits, the statutes limit liability at the amounts listed above, no more than \$500,000 per claimant and \$1.5 million per occurrence. The higher coverage limit of \$2 million only applies to those types of claims not covered by the statutory limit. Exceptions to the statutory tort caps are situations such as claims under federal civil rights laws, claims of tort liability that the city assumed by contract, claims for actions in another state, claims based on liquor sales, and claims challenging land use regulations.

If the HRA chooses to waive the statutory limits, any claimant could recover up to the \$2 million insurance policy coverage amount, or higher if the HRA purchases excess liability coverage. Waiving the statutory liability limits does not give the HRA better insurance protection it only grants a better benefit to the party making the liability claim against the HRA. Because the waiver increases the exposure to higher claim costs, the premium is higher for coverage if the statutory limits are waived.

LMCIT does offer excess liability insurance that provides umbrella coverage for instances where a HRA might need coverage greater than \$2 million. Example situations are: claims not limited by statutory tort caps, a loss or claim in one of the areas when there might not be enough aggregate limit to cover the HRA's full exposure if a second similar event occurs within the same year, contracts may require higher coverage limits, more than one political subdivision is covered by the one policy. The White Bear Lake HRA has not purchased excess liability insurance coverage in previous years since there have been no situations where any claims have exceeded the statutory limit during a year and the extra premium charge was not cost effective.

RECOMMENDATION

Staff recommends the HRA Board adopt the attached resolution not to waive the statutory limits set by the Minnesota Statutes. This decision remains consistent with prior years' coverages and provides statutory tort liability payment limit of \$500,000 to individual claimants and \$1,500,000 to all claimants for a single occurrence claim against the HRA.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION NOT WAIVING THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY
ESTABLISHED BY MINNESOTA STATUTES 466.04
FOR THE HOUSING AND REDEVELOPMENT AUTHORITY**

WHEREAS, Minnesota Statutes 466.04 caps municipal tort liability to a maximum of \$500,000 per claimant on any claim to which the statutory tort limits apply; and

WHEREAS, Minnesota Statutes 466.04 caps the municipal tort liability to a maximum of \$1,500,000 for the total claimants for a single occurrence to which the statutory tort limits apply.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority (HRA) of the City of White Bear Lake that the HRA does not waive the statutory liability limits for the Fiscal Year January 1, 2024 – December 31, 2024:

The foregoing resolution, offered by Member _____ and supported by Member _____, was declared carried on the following vote:

Ayes:

Nays:

Passed:

Dan Jones, HRA Chair

ATTEST:

Lindy Crawford, Executive Director