

WEEKLY MEMO

Date: May 25, 2012

To: Mayor Lynn Stauss, Council President Craig Buckalew, Vice President Wayne Gregoire, Council Members Marc Demers, Ron Vonasek, Henry Tweten, Greg Leigh, and Mike Pokrzywinski.

From: Scott Huizenga

RE: Weekly Update

UPCOMING MEETINGS:

June 5, 2012 – 5:00 pm – Council Meeting – Council Chambers

June 12, 2012 – 5:00 pm – Work Session – Training Room

June 19, 2012 – 5:00 pm – Council Meeting – Council Chambers

June 26, 2012 – 5:00 pm – Work Session – Training Room

WEEKLY UPDATE:

Vacancy/Rent Survey

The EDHA Director presented on Tuesday the EDHA's annual vacancy and rent survey, which is attached. Overall, rental housing demand remains strong in the City with a vacancy rate of under two percent. The EDHA also provided a worksheet entitled "Impact of Building 100 Multifamily Units in a Typical Metro Area" from the National Association of Home Builders (http://www.nahb.org/fileUpload_details.aspx?contentID=120366).

City offices will be closed on Monday to observe Memorial Day. There is **no work session** on Tuesday. I will be out of the office next week.

DEPARTMENT REPORTS:

Public Works Department, Jason Stordahl

Public Works and Fire Department Staff installed the floating boat dock this week. It is located on the Red River just north of the boat ramp, and is ready for use.

Police Department, Chief Mike Hedlund

EGFPD Officer Serves in Croatia

Officer Aisso Schrage, who is a Staff Sergeant in the Minnesota National Guard, recently returned from a two week training exercise in Croatia. The Minnesota National Guard has training agreements with Croatia and Norway in which their soldiers come to Minnesota to train and ours go to their countries. Schrage was able to experience the Croatian lifestyle and gain valuable training experience during his deployment.

EGFPD Chief Visits With 5th Grade Students at South Point Elementary

In what has become an annual event, Chief Mike Hedlund spent the morning of May 18 talking to the 5th grade students at South Point Elementary. Hedlund spent some time discussing his career and what it takes to become a police officer and also spent time answering questions about law enforcement from the students.

EGFPD Works With EGF Sr. High School Students

On Tuesday May 22 Pine to Prairies Drug Task Force Officers visited with the health students of EGF Sr. High School teacher Jill Thompson. Task Force officers discussed the drug issues in the Red River Valley, displayed some of the drugs that have been seized and answered drug related questions from the students. On Wednesday May 23 Chief Mike Hedlund and EGFPD Intern Grant Holy and Jared Braaten assisted Mrs. Thompson's classes by running a driving course where the students drive golf carts while wearing Fatal Vision goggles. The goggles are designed to simulate the visual affects of different alcohol levels and the students get to experience how difficult and unsafe driving under the influence of alcohol (without actually drinking) can be while in a safe and controlled environment. This activity is designed to be enjoyable for the students while also reinforcing the serious problems that can come from drinking and driving. Chief Hedlund spoke to each class about the realities of dealing with fatal crashes and the negative effects that it has on the families of the victims and on the police officers.

EDHA

ECONOMIC DEVELOPMENT HOUSING AUTHORITY

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May 22, 2012

East Grand Forks Apartment Owners

RE: Vacancy/Rent Survey

Thank you for your cooperation in completing the rent/vacancy survey for the City of East Grand Forks. The following is a summary of the information obtained.

- a. The rent/rate/vacancy survey was conducted April 2, 2012 through April 20, 2012, and reflects rents/vacancies as of the date of this letter.
- b. There were 1042 rental units surveyed, and of those, there were 16 vacant for an overall vacancy rate of 2.0%. The survey at this time last year showed an overall vacancy of 2.0%.
- c. Comparing 2012 with 2011 and 2010 vacancies reflect:

	<u>Efficiency</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>	<u>5 Bedroom</u>	<u>TOTAL</u>
2012	0 in 16 (0%)	7 in 346 (2%)	8 in 508 (2%)	1 in 166 (1%)	0 in 4 (0%)	0 in 2 (0%)	16 in 1042 (2%)
2011	3 in 16 (19%)	2 in 343 (1%)	12 in 534 (2%)	2 in 170 (1%)	0 in 4 (0%)	0 in 1 (0%)	19 in 1068 (2%)
2010	2 in 18 (11%)	5 in 324 (2%)	37 in 539 (7%)	7 in 128 (5%)	0 in 4 (0%)		51 in 1013 (5%)

- d. Comparing the 2012 average monthly rents (INCLUDING TENANT PAID UTILITY COSTS) to 2011:

	<u>Efficiency</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>	<u>5 Bedroom</u>
2012	\$491 (+3%)	\$574 (+2%)	\$714 (+3%)	\$886 (+3%)	\$1174 (+9%)	\$1450 (-3%)
2011	\$475 (+17%)	\$560 (+3%)	\$690 (+1%)	\$856 (-1%)	\$1081 (+7%)	\$1500
2010	\$405	\$546	\$680	\$863	\$1011	

- e. **Utility and heating costs for tenants added to rent amounts surveyed are based on the EDHA Utility Allowance Schedule for its Section 8 Rental Assistance Program.**

The specific rents you charge for your rental units are confidential. They are used in consolidated data in regard to rent on particular size units to establish Fair Market Rents for our Section 8 Housing Choice Voucher Rental Assistance Program.

Sincerely,



Kim Nelson
Housing Program Coordinator I

cc: EDHA Commissioners, Mayor Lynn Stauss and East Grand Forks City Council; Dexter J. Sidney, Field Office Representative (HUD), Lucia M. Clausen, Director of Public Housing (HUD), Polk County Assessor

Impact of Building 100 Multifamily Units in a Typical Metro Area

Summary

Total One-Year Impact: Sum of Phase I and Phase II:

Local Income	Local Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$7,889,000	\$2,300,800	\$5,587,900	\$826,800	122

Phase I: Direct and Indirect Impact of Construction Activity:

Local Income	Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$5,317,500	\$1,450,500	\$3,866,700	\$501,800	80

Phase II: Induced (Ripple) Effect of Spending the Income and Taxes from Phase I:

Local Income	Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$2,571,500	\$850,300	\$1,721,200	\$325,000	42

Phase III: Ongoing, Annual Effect that Occurs When New Homes are Occupied:

Local Income	Local Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$2,273,900	\$972,400	\$1,301,700	\$395,000	32

¹ The term local taxes is used as a shorthand for local government revenue from all sources: taxes, fees, fines, revenue from government-owned enterprises, etc.

**Impact of Building 100 Multifamily Units in a Typical Metro Area
Phase I—Direct and Indirect Impact of Construction Activity**

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$3,707,200	\$956,000	\$2,751,100	\$49,000	56
Manufacturing	\$500	\$0	\$500	\$51,000	0
Transportation	\$8,400	\$1,100	\$7,300	\$42,000	0
Communications	\$55,000	\$16,800	\$38,200	\$75,000	1
Utilities	\$15,500	\$6,000	\$9,500	\$84,000	0
Wholesale and Retail Trade	\$536,800	\$98,200	\$438,600	\$37,000	12
Finance and Insurance	\$118,500	\$9,600	\$108,800	\$83,000	1
Real Estate	\$172,900	\$152,200	\$20,700	\$51,000	0
Personal & Repair Services	\$37,600	\$14,200	\$23,400	\$33,000	1
Services to Dwellings / Buildings	\$21,000	\$4,200	\$16,800	\$33,000	1
Business & Professional Services	\$517,900	\$154,500	\$363,400	\$58,000	6
Eating and Drinking Places	\$17,700	\$2,400	\$15,300	\$20,000	1
Automobile Repair & Service	\$17,800	\$5,500	\$12,300	\$33,000	0
Entertainment Services	\$3,100	\$600	\$2,400	\$45,000	0
Health, Educ. & Social Services	\$700	\$200	\$500	\$38,000	0
Local Government	\$6,400	\$0	\$6,400	\$54,000	0
Other	\$80,500	\$29,000	\$51,500	\$44,000	1
Total	\$5,317,500	\$1,450,500	\$3,866,700	\$48,000	80

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$17,400	Residential Permit / Impact Fees	\$304,300
Residential Property Taxes	\$0	Utilities & Other Govt. Enterprises	\$54,100
General Sales Taxes	\$38,400	Hospital Charges	\$23,400
Specific Excise Taxes	\$2,400	Transportation Charges	\$9,800
Income Taxes	\$10,400	Education Charges	\$10,300
License Taxes	\$600	Other Fees and Charges	\$28,500
Other Taxes	\$2,300	TOTAL FEES & CHARGES	\$430,400
TOTAL TAXES	\$71,400	TOTAL GENERAL REVENUE	\$501,800

**Impact of Building 100 Multifamily Units in a Typical Metro Area
Phase II—Induced Effect of Spending Income and Tax Revenue from Phase I**

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$119,000	\$46,100	\$72,900	\$49,000	1
Manufacturing	\$500	\$0	\$500	\$51,000	0
Transportation	\$8,700	\$1,200	\$7,500	\$38,000	0
Communications	\$153,100	\$52,300	\$100,800	\$74,000	1
Utilities	\$73,800	\$29,100	\$44,600	\$84,000	1
Wholesale and Retail Trade	\$430,900	\$81,100	\$349,800	\$32,000	11
Finance and Insurance	\$108,300	\$9,800	\$98,500	\$74,000	1
Real Estate	\$453,700	\$399,400	\$54,300	\$51,000	1
Personal & Repair Services	\$92,200	\$42,400	\$49,900	\$33,000	2
Services to Dwellings / Buildings	\$22,200	\$4,400	\$17,800	\$33,000	1
Business & Professional Services	\$243,900	\$72,400	\$171,500	\$52,000	3
Eating and Drinking Places	\$126,300	\$17,000	\$109,300	\$20,000	5
Automobile Repair & Service	\$62,100	\$18,900	\$43,200	\$33,000	1
Entertainment Services	\$29,700	\$8,200	\$21,500	\$37,000	1
Health, Educ. & Social Services	\$346,900	\$43,700	\$303,200	\$49,000	6
Local Government	\$232,000	\$0	\$232,000	\$50,000	5
Other	\$68,200	\$24,300	\$43,900	\$35,000	1
Total	\$2,571,500	\$850,300	\$1,721,200	\$41,000	42

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$88,000	Residential Permit / Impact Fees	\$0
Residential Property Taxes	\$0	Utilities & Other Govt. Enterprises	\$98,000
General Sales Taxes	\$28,000	Hospital Charges	\$37,000
Specific Excise Taxes	\$12,000	Transportation Charges	\$5,000
Income Taxes	\$7,000	Education Charges	\$5,000
License Taxes	\$1,000	Other Fees and Charges	\$34,000
Other Taxes	\$11,000	TOTAL FEES & CHARGES	\$178,000
TOTAL TAXES	\$147,000	TOTAL GENERAL REVENUE	\$325,000

**Impact of Building 100 Multifamily Units in a Typical Metro Area
Phase III—Ongoing, Annual Effect That Occurs Because Units Are Occupied**

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$72,000	\$23,200	\$48,800	\$49,000	1
Manufacturing	\$400	\$0	\$400	\$51,000	0
Transportation	\$6,500	\$900	\$5,600	\$39,000	0
Communications	\$116,100	\$39,700	\$76,500	\$74,000	1
Utilities	\$30,300	\$11,900	\$18,400	\$84,000	0
Wholesale and Retail Trade	\$370,300	\$69,800	\$300,500	\$32,000	9
Finance and Insurance	\$77,400	\$6,900	\$70,500	\$75,000	1
Real Estate	\$736,500	\$648,400	\$88,200	\$51,000	2
Personal & Repair Services	\$52,400	\$24,400	\$28,000	\$33,000	1
Services to Dwellings / Buildings	\$17,300	\$3,400	\$13,800	\$33,000	0
Business & Professional Services	\$195,000	\$59,200	\$135,900	\$52,000	3
Eating and Drinking Places	\$122,600	\$16,500	\$106,100	\$20,000	5
Automobile Repair & Service	\$48,000	\$14,600	\$33,400	\$33,000	1
Entertainment Services	\$25,400	\$7,100	\$18,300	\$42,000	0
Health, Educ. & Social Services	\$230,900	\$31,300	\$199,600	\$49,000	4
Local Government	\$128,400	\$0	\$128,400	\$50,000	3
Other	\$44,400	\$15,100	\$29,300	\$35,000	1
Total	\$2,273,900	\$972,400	\$1,301,700	\$40,000	32

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$87,000	Residential Permit / Impact Fees	\$0
Residential Property Taxes	\$108,000	Utilities & Other Govt. Enterprises	\$67,000
General Sales Taxes	\$28,000	Hospital Charges	\$34,000
Specific Excise Taxes	\$12,000	Transportation Charges	\$4,000
Income Taxes	\$6,000	Education Charges	\$4,000
License Taxes	\$0	Other Fees and Charges	\$32,000
Other Taxes	\$11,000	TOTAL FEES & CHARGES	\$142,000
TOTAL TAXES	\$253,000	TOTAL GENERAL REVENUE	\$395,000