



308 Second Ave. NE, Austin, MN 55912
Phone 507-433-1866 Fax 507-433-8317
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REGULAR MEETING AGENDA

THURSDAY, SEPTEMBER 28, 2017 @ 4:30 PM

Please let Jon or Sherri know if you cannot attend this meeting.
Four Commissioners must be present to constitute a quorum.

NOTE CHANGE OF REGULAR BOARD MEETING DATE

1. **Roll Call.**
2. Approve **Meeting Minutes** of August 17, 2017.
3. Review **Accounts Payable**.
4. **Public Housing:**
 - a. Resolution to approve operating budgets for Twin Towers, Scattered Sites and Pickett Place for FYE 9/30/2018.
 - b. Resolution to write-off vacated tenant's bad debts.
 - c. Scattered Site – Resolution to demo house at 1608 4th St. SW destroyed by fire.
 - d. Twin Towers – Award bid for kitchen remodeling/new cabinets.
5. **Executive Director Reports:**
 - a. Fox Pointe Townhomes
 - 1.) Execute Contract for Private Redevelopment with Three Rivers Community Action.
 - 2.) Resolution to establish a Reimbursement Agreement for Allowable Costs For Tax Increment Financing District #14.
 - b. St. Mark's conduit debt bond refinancing – Public Hearing and Resolution.
 - c. Employee Larry Iverson is retiring 10/25/17 and employee Patrick Edwards is leaving 10/26/17.
6. **Adjourn.**



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**MINUTES OF A REGULAR MEETING
OF THE HOUSING AND REDEVELOPMENT
AUTHORITY OF AUSTIN, MINNESOTA**

1.) Roll Call.

Date & Time: September 28, 2017 at 4:30 PM

Commissioners Present: Jerome McCarthy, Secretary
David Hagen
Marvin Repinski
Carole Granholm
Vernon Lippert

Commissioners Absent: Judy Enright, Chair
Janet Anderson, Vice-Chair

HRA staff Present: Jon Erichson, Executive Director
Patrick Edwards, Assistant Finance Director

Others Present: Cindy Mowan, Ecumen Mgmt. Co.
Nathan Canova, Dorsey & Whitney Bond Lawyers
Marty Helle, St. Mark's Lawyer

There being a quorum, the meeting was called to order by Secretary McCarthy.

2.) Approval of Minutes.

It was moved by Commissioner Lippert and seconded by Commissioner Repinski to approve minutes of the regular meeting held on August 17, 2017. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

3.) Approval of Accounts Payable.

It was moved by Commissioner Repinski and seconded by Commissioner Lippert to authorize payment of the list of accounts payable. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

4.) Public Housing:

a. Resolution to approve Operating Budgets for Twin Towers, Scattered Sites & Pickett Place for FYE 9/30/2018.

The budgets for Twin Towers, Pickett Place and Scattered Sites for the fiscal year 10/1/17 to 9/30/2018 were presented to the board along with comparative columns showing last year's budget figures. No major projects affecting the budget were reported. A shift of employees resulted in each location reflecting a positive end of the year budget

The following Resolution was introduced by Commissioner Lippert and seconded by Commissioner Granholm.

**RESOLUTION #593
RESOLUTION APPROVING THE BUDGET FOR THE
TWIN TOWERS, SCATTERED SITES AND PICKETT PLACE FOR THE
FISCAL YEAR ENDING 9/30/2018**

All present voted in favor thereof, none in opposition thereto. The resolution was declared passed and adopted.

b. Resolution to write off vacated tenant's bad debts.

At fiscal year- end, vacated tenants that owe balances are written off the tenant accounts receivable books and expensed out. The HRA continues efforts to collect the debts after they are written off through the Minnesota Dept. of Revenue's Revenue Recapture Program. There are 35 Public Housing vacated tenants to be written off this fiscal year totaling \$32,996.44.

The following Resolution was introduced by Commissioner Lippert and seconded by Commissioner Granholm.

**RESOLUTION #594
RESOLUTION TO WRITE OFF COLLECTION LOSSES**

All present voted in favor thereof, none in opposition thereto. The resolution was declared passed and adopted.

c. Scattered Site - Resolution to demolish house at 1608 4th St. SW destroyed by fire.

On August 24, 2017 there was a house fire at a scattered site located at 1608 4th with HUD requires a resolution to demolish the house. The following resolution was introduced by Commissioner Repinski and seconded by Commissioner Lippert.

**RESOLUTION #595
RESOLUTION TO DEMOLISH A SCATTERED SITE HOUSE DUE TO FIRE**

All present voted in favor thereof, none in opposition thereto. The resolution was declared passed and adopted.

d. Twin Towers - Award bid for Kitchens Remodeling w/new cabinets.

Bids to replace the kitchen cupboards in the Twin Towers were received on September 26, 2017 by the following contractors: Their bids were for labor only as the HRA will be buying the cabinets directly from the Faribault Prison which will be made by the prisoners just like we did at Pickett Place.

Wagner Construction \$449,333

Joseph Construction \$730,700

It was moved by Commissioner Lippert and seconded by Commissioner Granholm to award the low bid to Wagner Construction in the amount of \$449,333. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

5.) Executive Director Reports:

a. Fox Pointe Townhomes.

1. Execute Contract for Private Redevelopment with Three Rivers Community Action for Fox Pointe Development.

A memo outlining the important requirements that are included in the Contract for Private Redevelopment was presented to the Board. This contract outlines the requirements for the HRA, City of Austin and Fox Pointe Townhomes LP and was drafted by the Hoversten Law Office representing the HRA. Items addressed are as follows:

- Conveyance of Property from the HRA to Fox Pointe Townhomes for \$1.
- HRA is responsible for Environmental monitoring during construction.
- Construction of minimum improvements to the property.
- Reversionary clause that if the Developer fails to proceed within 1 year, the property reverts back to the HRA.
- Performance Bond that includes the HRA that if the Developer fails part way through the project, the performance bond can be used to complete the project.
- Insurance Requirements.
- Language identifying how the Tax Increment Financing gets distributed.

It was moved by Commissioner Repinski and seconded by Commissioner Hagen to authorize the Executive Director to approve and execute the final Contract for Private Redevelopment with Three Rivers Community Action. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

2. Resolution to establish a Reimbursement Agreement for Allowable Costs for Tax Increment Financing (TIF) District #14.

The City of Austin has approved a TIF District #14 which provides a mechanism to reimburse eligible development costs over the life of the District. The TIF District is projected to generate a maximum of \$896,895 of which Fox Pointe Townhomes is to receive an amount not to exceed \$434,200. The balance of \$462,695 is available to reimburse the HRA's eligible costs which include administration, land acquisition and environmental work.

The following Resolution was introduced by Commissioner Hagen and seconded by Commissioner Lippert.

**RESOLUTION #597
RESOLUTION TO ESTABLISH A REIMBURSEMENT AGREEMENT
FOR ALLOWABLE COSTS FOR
TAX INCREMENT FINANCING DISTRICT #14.**

All present voted in favor thereof, none in opposition thereto. The Resolution was declared passed and adopted.

b. St. Mark's Conduit Debt Bond Refinancing – Public Hearing and Resolution.

St. Mark's is in default of their current bond issue and would like to reissue 2017 bonds at a lower rate and longer term to replace the current 2011 bonds with the current bondholders. The 2017 bonds will not be rated because they are a 1 to 1 exchange with the current bondholders and not a new issuance. Further, 51% of the current bondholders also have to approve of this deal. The HRA would again act as a conduit for the bond issue like we did previously in 2011. There would be no financial liability to the HRA same as in 2011. As part of this process, a Public Hearing is required to solicit public comment on the proposed deal.

Commissioner McCarthy opened the Public Hearing. The following people were in attendance to answer questions:

- Cindy Mowan – V.P. of Finance for Ecumen Management Co.
- Nate Conova – Lawyer for Dorsey and Whitney representing the HRA.
- Marty Helle – Lawyer for Hovertsten, Johnson, Beckman and Hovey representing St. Mark's.

Questions were raised by the HRA Board as to the financial stability of St. Mark's and what steps have been taken to ensure that they can meet the obligation of this new bond issue. There was no one from the public to speak for or against the project. Commissioner Hagen motioned to close the Public Hearing and Commissioner Lippert seconded the motion.

After Board discussion, it was moved by Commissioner Hagen and seconded by Commissioner Lippert to move forward with refinancing the bonds with the following Resolution:

**RESOLUTION #596
RESOLUTION RELATING TO A REFUNDING AND THE ISSUANCE OF
HOUSING AND HEALTHCARE FACILITIES REVENUE BONDS
(ST. MARK'S LUTHERAN HOME PROJECT), SERIES 2017;
AUTHORIZING THE ISSUANCE THEREOF PURSUANT TO
MINNESOTA STATUTES, CHAPTERS 462A AND 462C.**

All present voted in favor thereof, none in opposition thereto. The Resolution was declared passed and adopted.

c. Employee Retiring and Employee Leaving.

Executive Director Erichson announced that Larry Iverson, the Maintenance Specialist at Pickett Place will be retiring 10/25/17. Another employee, Patrick Edwards the Assistant Finance Manager, will also be moving out of town and will be leaving the HRA on 10/26/17.

Commissioner Repinski motioned to fill both positions and Commissioner Lippert seconded the motion. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

6.) Adjourn:

There being no further business it was moved by Commissioner Repinski and seconded by Commissioner Lippert to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The motion was passed and carried. The meeting was adjourned at 6:25 PM.

SEAL

Judy Enright, Chair

Jerome McCarthy, Secretary