

A G E N D A

<p>MOUND HOUSING & REDEVELOPMENT AUTHORITY REGULAR MEETING TUESDAY, SEPTEMBER 23, 2025 6:00 P.M. MOUND CENTENNIAL BUILDING CITY COUNCIL CHAMBERS</p>

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|----|---|----------|
| 1. | Open the meeting | |
| 2. | Action approving agenda, with any amendments | |
| 3. | Action approving minutes: September 24, 2024 | 1-2 |
| 4. | Finance Director Noah Iverson requesting action
on Resolution Authorizing the Levy of a Special Benefit
Levy Pursuant to Minnesota Statutes, Section 469.033, Subdivision
6, and Approval of a Budget for Fiscal Year 2026 | 3-5
5 |
| 5. | Adjourn | |

MOUND HOUSING AND REDEVELOPMENT AUTHORITY

Tuesday, September 24, 2024

The Mound Housing and Redevelopment Authority in and for the City of Mound, Minnesota, met in regular session on Tuesday, September 24, 2024, at 7:30 p.m. in the Council Chambers.

Members present: Chair Jason Holt, Commissioners, Kathy McEnaney and Kevin Castellano.

Members absent: Commissioners Paula Larson and Sherrie Pugh.

Others present: City Manager Jesse Dickson, Deputy City Manager Maggie Reisdorf, Finance Director Noah Iverson, and City Attorney Scott Landsman.

1. Open meeting

Chair Holt called the meeting to order at 7:30 p.m.

2. Approve agenda

MOTION by Commissioner Castellano, seconded by Commissioner McEnaney, to approve the agenda. All voted in favor. Motion carried.

3. Approve minutes

MOTION by Commissioner Castellano, seconded by McEnaney, to approve the minutes of the September 26, 2023 regular meeting. All voted in favor. Motion carried.

4. Deputy City Manager Maggie Reisdorf requesting action on Resolution Authorizing the Levy of a Special Benefit Levy Pursuant to Minnesota Statutes, Section 469.033, Subdivision 6 and Approval of a Budget for Fiscal Year 2025

Reisdorf introduced this item to the Housing and Redevelopment Authority (HRA). She stated that the Mound HRA exists to support redevelopment activity within the City of Mound. She informed that State Statute allows for the HRA to levy a special tax (not to exceed 0.0185 percent) of the city's taxable market value. Reisdorf explained that the City has levied funds for Fund 285 (HRA) that supports payments for a debt service on the transit center bonds (2015B Tax Abatement Bonds) and for other operating and capital expenses for the Transit/Harbor District.

Reisdorf said that staff is recommending approval of a resolution that would authorize the special levy in the amount of \$250,000; the same as the 2024 levy.

MOTION by McEnaney, seconded by Castellano, to approve the following resolution. All voted in favor. Motion carried.

RESOLUTION NO. 24-01H: AUTHORIZING THE LEVY OF A SPECIAL BENEFIT LEVY PURSUANT TO MINNESOTA STATUTES, SECTION 469.033, SUBDIVISION 6 AND APPROVAL OF A BUDGET FOR FISCAL YEAR 2024

5. Deputy City Manager Maggie Reisdorf requesting action on a Resolution Authorizing the Partial Call of Certain Outstanding Bonds

MOTION by Castellano, seconded by McEnaney, to approve the following resolution. All voted in favor. Motion carried.

RESOLUTION NO. 24-02H: RESOLUTION AUTHORIZING THE PARTIAL RECALL OF CERTAIN OUTSTANDING BONDS

6. Adjourn

MOTION by Castellano, seconded by McEnaney, to adjourn at 7:40 PM. All voted in favor. Motion carried.

Chair Jason R. Holt

Attest: Kevin Kelly, City Clerk



MEMORANDUM

Date: September 18, 2025

To: HRA Board Chair and Commissioners

From: Noah Iverson, Finance Director

Subject: Special Benefit Levy for HRA activities

BACKGROUND

The Housing and Redevelopment Authority (HRA) in and for the City of Mound exists to support redevelopment activity within the City of Mound.

State Statute, specifically the HRA Act, allows for a special tax to be levied in an amount not to exceed 0.0185 of a city's taxable market value.

Mound utilizes these levied funds for two purposes:

1. Debt service on the transit center bonds 2015B Tax Abatement Bonds
2. Operating and maintenance expenses: Fund 285 Transit/Harbor District/HRA

Fund	Description	Type	2022	2023	2024	2025	2026
285	HRA - Operating	HRA	72,405	71,150	68,550	67,300	66,200
350	HRA - Transit 2015B Tax Abate	HRA	176,150	178,850	181,450	182,700	183,800
	TOTAL LEVY		248,555	250,000	250,000	250,000	250,000
	LESS: FISCAL DISPARITIES LEVY		(17,621)	(15,825)	(12,166)	(12,062)	(11,754)
	NET LEVY		230,934	234,175	237,834	237,938	238,246
	CHANGE FROM PRIOR YEAR		0.63%	1.40%	1.56%	0.04%	0.13%

Fund 285's purpose is to support the ongoing maintenance and operations of city owned assets that were developed as part of the Harbor District redevelopment. These assets include the parking deck, the Lost Lake slips and navigation, the greenway, the pier, and the Veterans Memorial.

To make the Harbor District redevelopment possible, the city established a Tax Increment Financing (TIF) District and issued debt to fund the improvements. The expectation was that new private development within the district would increase property values, generating additional property tax revenue known as tax increment revenue. This revenue, which is restricted, is designated to repay the debt and other eligible costs.

However, following the financial crisis, new development in the area was delayed. As a result, the tax increment revenues were not sufficient to cover the debt service. To meet these obligations, the city had to rely on unrestricted revenues, including funds from the general property tax levy and revenue generated from the Lost Lake slips.

Tax increment revenue from the Villas and Artessa has since grown to a level that now fully supports the debt service from the redevelopment completed by the city. As tax increment continues to grow, there could be additional funds available to support navigation maintenance.

Fund 285 operated at a deficit for many years. In 2019, the City Council approved the inclusion of Lost Lake slip revenues in the fund and increased the HRA levy to support the operation of public assets in the Harbor District.

In 2024, Lost Lake slips generated \$90,650 in revenue. Approximately \$16,000 was spent on maintenance for the slips and navigation. This left more than \$74,000 in net revenue to help build reserves within the fund.

The Lost Lake area has a total of 47 slips for rent. There are 27 slips designated for Villa residents. The Artessa Co-op Condominium has use of 10 slips, which are reserved exclusively for Artessa residents. The general public is eligible to rent a minimum of 10 slips, including any extra slips not rented by Villa residents.

Below is a history of the Lost Lake slip fees since 2014:

LOST LAKE SLIP FEE HISTORY		
Category	2014-2021	2022-2025
Villas on Lost Lake Residents	\$ 1,148	\$ 1,300
Mound residents who are not Villa residents	\$ 1,950	\$ 2,500
Non-Mound residents	\$ 2,050	\$ 2,800

The City has not rented a Lost Lake slip to a non-Mound resident since 2021. The City expects this trend to continue into the future.

Significant reserves will need to be built in this fund to cover future maintenance costs for the parking deck and navigation.

Below is a history of 285's Fund Balance:

285 FUND BALANCE HISTORY				
ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED
2018	2019	2024	2025	2026
\$(80,720)	\$ (9,082)	\$328,581	\$ 395,905	\$ 464,346

In 2024, Fund 285 covered the cost of repairs to the Transit Center parking lot, marking the first major repair project completed within the Transit District in many years. The updated Capital Improvement Plan does not identify any significant projects in the district, suggesting that the fund balance is expected to continue grow.

RECOMMENDATION

Staff is recommending that the HRA Board approve the attached resolution authorizing the levy of a special benefit levy pursuant to Minnesota Statutes Section 469.033, Subdivision 6 with no increase from the prior year's amount.

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF MOUND**

RESOLUTION NO. 25-01H

**AUTHORIZING THE LEVY OF
A SPECIAL BENEFIT LEVY PURSUANT TO MINNESOTA STATUTES,
SECTION 469.033, SUBDIVISION 6 AND APPROVAL
OF A BUDGET FOR FISCAL YEAR 2026**

WHEREAS the Housing and Redevelopment Authority in and for the City of Mound (the “HRA”) has been duly established and operates under Minnesota Statutes, Sections 469.001 to 469.047 (the “HRA Act”); and

WHEREAS, Section 469.033, Subdivision 6, of the HRA Act permits the HRA to levy and collect a special benefit levy of up to .0185 percent of taxable market value in the City upon all taxable real property within the City in order to finance housing and redevelopment activities authorized under the HRA Act; and

WHEREAS, the HRA has reviewed a budget for its operations for fiscal year 2026, which budget earmarks the special benefits levy to pay debt service for the Mound Transit Center bonds and any other costs related to HRA administrative, operating and/or capital expenses;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Mound as follows:

1. The budgets for the Mound Transit Center debt service and maintenance costs for fiscal year 2026 are hereby in all respects approved.
2. Staff of the HRA are hereby authorized and directed to file the budget with the City in accordance with Minnesota Statutes, Section 469.033, Subdivision 6.
3. The Board approves a special benefit levy for taxes payable in 2026 pursuant to Minnesota Statutes, Section 469.033, Subdivision 6, in an amount not to exceed \$250,000, subject to the consent of the City Council of the City.
4. Staff of the HRA are hereby authorized and directed to seek the approval by resolution of the City Council of the City of the levy of special benefit taxes in 2026, certify such proposed special levy with the Hennepin County Auditor by September 30, 2025, certify the final levy with the County Auditor by the specified date and take such other actions as are necessary to levy and certify such levy.

Approved this 23rd day of September, 2025 by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Mound.

Chair, Jason R. Holt

Attest: Kevin Kelly, City Clerk