

MOUND HOUSING AND REDEVELOPMENT AUTHORITY

April 26, 2016

The Mound Housing and Redevelopment Authority in and for the City of Mound, Minnesota, met in regular session on Tuesday, April 26, 2016, at 6:50 p.m. in the council chambers of the Centennial Building.

Members present: Chair Mark Wegscheid, Ray Salazar, Kelli Gillispie, Heidi Gesch, and Jennifer Peterson

Members absent: none

Others present: City Manager and Public Works Director Eric Hoversten, Community Development Director Sarah Smith, Administrative Assistant Mary Mackres, Director of Finance and Administration Catherine Pausche, City Engineer Dan Faulkner

Public Present: Jeanne Brustad, Joleen Stadskev, Linda Olson, Mary Perbix, Peg Heilman, Laura Lloyd, Tim Litfin

1. **Open meeting**

Chair Mark Wegscheid called the meeting to order at 6:51 p.m.

2. **Approve agenda**

MOTION by Salazar, seconded by Gesch, to approve the agenda.

All voted in favor. Motion carried.

3. **Approve claims**

MOTION by Salazar, seconded by Gesch, to approve the claims in the amount of \$8,857.98.

All voted in favor. Motion carried.

4. **Catherine Pausche, Director of Finance and Administrative Services, requesting action on a proposal from Ehlers Financial Advisors to perform TIF analysis**

Pausche stated that TIF 1-3 comprises the Harbor District and the Lost Lake Development, including Caribou and the Lost Lake townhomes. Pausche showed a spreadsheet with assumptions for debt service on the "dump bonds." The City issued \$4 million in bonds and received grants and aids to help with dredging Lost Lake and making the townhome project possible. Pausche stated the City also purchased properties and the City now owns 85% of the Harbor District. These properties were bought in anticipation of redevelopment in 2007 when the market was still active and before the recession hit. These dump bonds will mature in 2031 when the TIF district decertifies but are callable in 2019. Hennepin County has a knock-down rule for TIF that requires development to occur in the first five years, noting that due to the recession, the deadline was extended until 2018. Pausche stated there will be no more extensions since the recovery has begun.

Pausche says it is now time to revisit the assumptions on the bonds and different scenarios for the TIF based on what more development may occur and stated Ehlers has provided a proposal to do this analysis, noting properties in Lost Lake have begun to sell which will allow Ehlers to determine a realistic baseline if nothing further happens. This analysis will lay out the options for meeting the bond obligations, once again noting the City has until 2018 for improvements to qualify for TIF.

The cost of the Ehlers analysis is at a not-to-exceed amount of \$4,000. Ehlers will document assumptions and the City can use this to guide decisions. Pausche asks the Council to approve the proposal.

MOTION by Wegscheid, seconded by Gillispie, to approve proposal allowing staff to engage with

Ehlers for the purpose of the TIF analysis study. All voted in favor. Motion carried.

5. Catherine Pausche, Director of Finance and Administrative Services, requesting a discussion on the Contract for Property Management Services with Common Bond Housing

Pausche stated that AEON secured all of the funding and will be moving forward with the planning approval process, noting the closing should occur in September/October/November, with construction beginning immediately thereafter.

Pausche said AEON and staff met with IKM residents last week and the residents were very excited about the change and noted there will be a neighborhood meeting held on Thursday, April 28, in the Council Chambers. Residents who live within 350 feet of Indian Knoll Manor were invited to attend.

Pausche said she received a resignation notice from the current property manager from Common Bond and noted that this position took four months to fill last year so she approached Aeon about assuming property management duties prior to the closing. Pausche added Common Bond has been a great partner for the last five years and that she has discussed giving notice with them and they understand.

Pausche wanted to let the HRA commissioners know that she planned to give Common Bond their 60-days' notice. She stated that AEON will take over management on July 1st and sees it as a way to start building relationships and making the conversion successful. Pausche said that during the next 60 days, the wait list for new residents is closed and no new residents will be admitted, so administration issues will be less. Staff has requested permission from HUD to leave the currently vacant units unoccupied as AEON will need to have those units vacant to allow the flexibility to move residents around during construction. Pausche stated that during the next two months she will be helping with the transition.

Mayor Wegscheid asked if Common Bond would still have some participation in the transition process. Pausche said yes that Common Bond will still be managing existing resident recertifications for HUD, accounts receivables, deposits, and work orders. The 60 days will be used to transition from Common Bond management to AEON management.

MOTION by Wegscheid, seconded by Salazar, to approve giving Common Bond their 60 days notice. All voted in favor. Motion carried.

6. Adjourn

MOTION by Gesch, seconded by Salazar, to adjourn at 7:02 p.m. All voted in favor. Motion carried.

Chair Mark Wegscheid

Attest: Catherine Pausche, Clerk