

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

March 21, 2007

1.) Roll Call.

The regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, March 21, 2007 at the HRA Office. The meeting was called to order by Chairman Nelson. Present were Commissioners Lang, Dick Pacholl, Hecimovich, Christopherson, Schlieve, and Scott Pacholl. Also present were Executive Director Hurm, Deputy Director for Community Development Smith, Deputy Director of Housing Volstad, City of Austin Community Development Director Hoium, HRA Attorney Craig Johnson, Main Street Project Director Sarah Douty, and Tom Wobbrock of Muskie Realty.

2.) Approval of the meeting minutes of February 21, 2007.

It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to approve the minutes of the regular meeting of February 21, 2007. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

3.) Approval of Claims for Payment.

It was moved by Commissioner Christopherson and seconded by Commissioner Hecimovich to authorize payment of the list of claims for payment. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

4.) Other Business:

- a. **Cedars of Austin.** The Cedars of Austin has requested that the HRA agree to subordinate their mortgage on the Cedars of Austin bonds for one additional year to facilitate an extension of financing on the project. Craig Johnson has reviewed the request and discussed it with City Finance Director Tom Dankert. Johnson sees no negative consequences of the subordination extension and recommended approval.

It was moved by Commissioner Hecimovich and seconded by Commissioner Dick Pacholl to authorize execution of the "Acknowledgment and Reaffirmation of Subordination Agreement" for the Cedars of Austin as presented. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

- b. **Main Street Project.** Sarah Douty appeared before the HRA Commissioners to update them on the status of the Main Street Project. She said that good progress has been made. The Granle Framing and Art Gallery Building has undergone exterior renovation. Plans for renovation of the Silver Bullet Building are near finalization. The east half of the building will be remodeled and occupied by the B & J Bar. The west half of the building is to be the new location of South Central Athlete. Work on both projects is expected to commence soon.

Four buildings anchored by the old Curves property on the corner of Main Street and 2nd Ave. NE have been purchased by Patrick Bradley. He plans to renovate the buildings at a projected cost of \$1.5 million. Details of the financing package are being worked out. Committees of the Main Street Project continue to meet on a regular basis.

- c. **Murphy Creek.** In January, Tom Wobbrock of Muskie Realty expressed interest in land located in Murphy Creek. He plans to develop a twin-home project aimed at moderate income owners. Craig Hoium has worked with Mr. Wobbrock and has negotiated a purchase agreement for approximately 6 acres at Murphy Creek that will be the site for the 18-unit project. The sale price is 117,500.

It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to authorize execution of the purchase agreement between the HRA and Muskie Realty as presented. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

- d. **Oakland Ave. Street Project.** The bridges and underpass south of the Twin Towers and Chauncey Apartments are scheduled for removal. Director Hurm is advocating construction of a welcoming park-like display near the southwest corner of the Chauncey Apartment Building. A conceptual drawing of the project was presented. Cost of the project is estimated at \$50,000.00. Director Hurm requested authorization for a contribution to the project of \$18,000.00 from the HRA. The remainder of the cost will be covered from other sources.

It was moved by Commissioner Christopherson and seconded by Commissioner Dick Pacholl to authorize a contribution of approximately \$9,000.00 from the Courtyard/Chauncey Apartments budget and \$9,000.00 from the Tax Levy budget for the fiscal year 2008. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

Other Business:

- e. **Report on "High Performance".** Gwen Volstad reported that the HRA has consistently been rated as a "high performer" by HUD. HUD has increased the Capital Fund budget by 7.7% for "high performing" housing authorities for the budget year 2006. This translates to approx. a \$40,000.00 increase the Austin HRA's capital improvement budget for the 2006 grant year. Capital fund money needs to be spent in a five year time frame.
- f. **Economic Development.** Commissioner Christopherson said that he strongly supports centralization of economic development activities in the City of Austin. He asked for ideas on how this can be accomplished and invited input from board members on how economic development activities can be made more effective.

6.) Adjourn: There being no further business, it was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Jay Nelson, Chairman

SEAL

Shirley Schlieve, Secretary