

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

May 21, 2008

1.) Roll Call.

The regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held May 21, 2008 at 4:30 PM at the HRA Office. The meeting was called to order by Chairman Nelson. Present were Commissioners Hecimovich, Christopherson, Dick Pacholl, Scott Pacholl, and Schlieve. Also present were Executive Director Hurm, Deputy Director for Community Development Smith, Deputy Director of Housing Volstad, Craig Hoium and Jim Springborg.

2.) Approval of the meeting minutes of April 16, 2008.

It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to approve the minutes of the regular meeting of April 16, 2008. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

3.) Approval of the list of Accounts Payable.

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

4.) Railroad Yard - Vel-Ved Transportation:

City of Austin Community Development Director Craig Hoium presented and opinion from Attorney Craig Byram on the HRA's options with regard to requiring Vel-Ved Transportation

complete hard surfacing of their parking areas. Hard surfacing is required in the Contract for Private Redevelopment.

Hoium said that he has discussed the situation with the owner, Mr. Pejic. Mr. Pejic is willing to complete the surfacing, but currently lacks the finances to do so. It was moved by Commissioner Hecimovich and seconded by Commissioner Schlieve to table action on the Vel-Ved situation until HRA Director Hurm, Craig Hoium and Chairman Nelson have had a meeting with Mr. Pejic to review his finances and determine if he has the ability to finance the hard surfacing. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

5.) Housing Business:

a. Pickett Place - Award Bid for Brick Restoration Project. In 2002 the east and south faces of Pickett Place were tuck-pointed, caulked and restored. Bids have been solicited to complete the restoration project on the north and west elevations, the community room and penthouse. Funds for the project are available in the Capital Grant budget. Bids were opened on May 8, 2008, and a tabulation of the bids was presented to the HRA Board. Seven bids were received. The bid from A.J. Spanjers was rejected because their submitted bid did not include all required documents.

Jim Springborg, of TSP, recommended that the board accept the low bid from the Caulker's Company of Fridley, Minnesota for their base bid plus alternates one through six. It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson accept the bid from the Caulker's Company for their base bid plus alternates one through six for a total of \$671,275.00. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

b. Twin Towers, Pickett Place, Austin Courtyard & Chauncey Apartments Elevator Contracts. Gwen Volstad presented the elevator service bids for a five-year full service contract for each of the HRA housing projects. It was moved by Commissioner Hecimovich and seconded by Commissioner Schlieve to follow staff recommendations and award the service contract for the Twin Towers to Schumacher

Elevator and the contracts for Pickett Place, Austin Courtyard, and Chauncey Apartments to Minnesota Elevator. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

6.) Executive Director Reports:

a. Cedars of Austin. Farr Development, owners of the Cedars of Austin requested an "Acknowledgement and Reaffirmation of Subordination Agreement" to enable and extension of their Letter of Credit with LaSalle Bank. The HRA has no financial stake or risk in the transaction. It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to authorize execution of the "Acknowledgement and Reaffirmation of Subordination Agreement". All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

b. Geothermal Testing - Jail Project. Director Hurm reported that drilling is underway by the County to determine the feasibility of a geothermal system for the new justice center. The drilling is being done just out of the northwest corner of the HRA parking lot for the Twin Towers. The drillers were allowed to use a small portion of the HRA lot for the work. No drilling will take place on the HRA property.

c. TIF Reimbursement - Railroad. State legislation has been passed that will enable the HRA to recapture \$139,788.00 spent in the environmental cleanup of the Railroad Redevelopment site. The funds will be reimbursed from TIF District 9.

Adjournment: 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