

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

**July 22, 2009**

**1.) Roll Call.**

The regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held July 22, 2009 at 4:30 P.M. at the HRA Office. The meeting was called to order by Chairman Nelson. Present were Commissioners Pacholl, Clennon, Lang, Schlieve, McAlister, and Martin. Also present were Executive Director Hurm, Deputy Director for Community Development Smith, Finance Director Detloff and City Attorney David Hoversten.

**2.) Approval of the meeting minutes of June 17, 2009.**

It was moved by Commissioner McAlister and seconded by Commissioner Pacholl to approve the minutes of the regular meeting of June 17, 2009. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

**3.) Approval of accounts payable.**

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

**4.) Public Housing:**

**a. Twin Towers - Change Order for Hanson Cabinets.**

It was moved by Commissioner McAlister and seconded by Commissioner Schlieve to authorize Change Order #1 for the Hanson Cabinets Contract at the Twin

Towers. The contract will be increased \$1,987.00 to provide an upper cabinet above the kitchen sink and install a new reception counter in the office. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

**5.) Market Rate Housing:**

**a. Resolution to adopt the budget and rent schedules for Austin Courtyard & Chauncey Apts. For FYE 9/30/2010.**

Sherrri Detloff presented the budgets for Austin Courtyard and Chauncey Apartments for the fiscal year 10/1/2009 to 9/30/2010. She explained several of the most significant line items changes to the commissioners. Net income is projected to increase over the current fiscal year and no rent increases will be required.

The following resolution was introduced by Commissioner Pacholl and seconded by Commissioner Schlieve.

**RESOLUTION #471**

**RESOLUTION APPROVING THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF AUSTIN BUDGET FOR THE AUSTIN COURTYARD  
AND CHAUNCEY APARTMENT BUILDINGS FOR THE  
FISCAL YEAR ENDING 9/30/2010**

All present voted in favor of the resolution, none in opposition thereto. The Chairman declared the resolution passed and adopted.

**6.) Other Business:**

**a. Cedars of Austin - Motion to sign an "Acknowledgment and Reaffirmation of Subordination Agreement" to extend date for the Letter of Credit.**

Lucinda Gardner, President of Pope Bucknell LLC a managing agent for the Cedars of Austin, has requested an "Acknowledgment and Reaffirmation of Subordination Agreement" be executed by the HRA to enable them to extend their Letter of Credit with the Bank of America. In response to questions from the commissioners, David Hoversten explained the history

of the original agreement between the HRA and Farr Development Corporation. The Letter of Credit would cover the outstanding bond debt if the Cedars of Austin defaulted on their bond payments. He was sure that neither the City of Austin or the HRA had any liability risk even in the case of bond default. Hoversten said Craig Johnson and Tom Dankert were the most knowledgeable about this transaction. Neither was available today to answer questions. The document must be approved and signed by the closing date of July 27, 2009.

It was moved by Commissioner Pacholl and seconded by Commissioner Clennon to authorize execution of the "Acknowledgement and Reaffirmation of the Subordination Agreement". Execution of the document is to be contingent on the opinion of Craig Johnson and Tom Dankert as reported to Chairman Nelson who will make the final determination. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

- b. **Welcome to Austin Sign.** Director Hurm said that it was originally planned to place a "Welcome to Downtown Austin" sign in the newly developed landscaping on Oakland Ave. south of the Chauncey Apartments. The new seating and bridge memorial railings are attractive and have been well received and a sign would detract from the beautiful landscaping. The City Council, during their tour several days ago concurred that the sign is not appropriate. There was a consensus of the HRA Board to not proceed with the sign.
  
- c. **Board Make-up of 7 Commissioners.** Commissioner McAllister asked why it was necessary to have four city council members serve on the HRA Board. He said that a busy meeting schedule made it difficult for him to attend HRA meetings. HRA by-laws state that the Authority shall consist of up to seven Commissioners. Commissioners are appointed by the Mayor. The Commissioners will review the by-laws and discuss whether any changes are required at the next meeting.

**Adjournment:** There being no further business it was moved by Commissioner McAllister and seconded by Commissioner Clennon to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

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Jay Nelson, Chairman

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Shirley Schlieve, Secretary