

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

October 20, 2004

1.) Roll Call.

The regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, October 20, 2004, at the HRA Office. The meeting was called to order by Chairperson Jorgenson. Present were Commissioners Lang, Nordin, Chamberlain, and Pacholl. Also present were Executive Director Hurm, Deputy Director for Housing Volstad, Deputy Director for Community Development Smith, HRA Finance Director Detloff, and City of Austin Director of Community Development Hoium. Commissioners Nelson and Valerio were absent.

2.) Approval of the meeting minutes of September 15, 2004.

It was moved by Commissioner Nordin and seconded by Commissioner Pacholl to approve the minutes of the regular meeting of September 15, 2004. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

3.) Approval of the claims for payment.

It was moved by Commissioner Pacholl and seconded by Commissioner Nordin to authorize payment of the list of claims for payment dated October 20, 2004, as presented. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

4.) Public Housing:

a. Twin Towers exterior renovation progress report.

Gwen Volstad reported that exterior renovation at the Twin Towers is nearing completion. Installation of the EFIS system should be complete next week. The application of waterproofing is temperature sensitive. If weather permits the waterproofing will

be done before winter, if not, the work will be done in the spring.

b. Flood damage - 5 Scattered Site Houses. The September flood caused damages totaling approx. \$14,500 to five scattered-site housing units. The damage was due to ground water and sewer backup. A damage claim is being submitted to FEMA along with the City of Austin damage claim. If the claim is approved, up to 90% of the damages will be reimbursed.

5.) Market Rate Housing:

a. Review Lease Addendum for a Smoke-Free Building. A copy of the proposed lease addendum prohibiting smoking in the Austin Courtyard and Chauncey Apartments was presented. The clause under section 4 allowing smoking on attached balconies and patios was eliminated.

It was moved by Commissioner Nordin and seconded by Commissioner Pacholl to approve the lease addendum subject to final approval by the HRA attorney. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

6.) Community & Economic Development.

a. Railroad Property - Revise location for Vel-Ved Transportation. Craig Hoium presented a map of the Roundhouse Addition development area on the old railroad property along 11th. Street NE. Vel-Ved Transportation has signed purchase agreement for a parcel located near center of the Roundhouse Addition. Recent flooding has caused City officials to pursue funds to acquire flood damaged commercial property and encourage owners to redevelop on other property in the City. Roundhouse Addition could serve as a new site for Lakeside Shopping Center and a possible a new Eagles Club building. Vel-ved Transportation has agreed to relocate the site of their proposed development to the north end of Roundhouse Addition. Vel-ved has agreed to pay an assessment equal to that on the old site, but not the assessment for any road improvements along the north side of their new site. Without this concession Vel-Ved could build on the originally planned site. It was moved by Commissioner Pacholl and seconded by Commissioner Nordin to amend the purchase agreement with Vel-Ved Transportation to reflect the new location in the north end of Roundhouse Addition. All

present voted in favor of the motion, none in opposition thereto. The Chairperson declared the motion passed and carried.

It was moved by Commissioner Pacholl and seconded by Commissioner Nordin to amend the contract for private redevelopment with Vel-Ved Transportation to reflect the new location on the north end of Roundhouse Addition. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

Commissioner Lang expressed concern about forgiving assessments on the proposed road on the north side of Roundhouse Addition. The property owner on the north side of the road has already agreed to the potential assessment. Commissioner Lang believes it is important that all property owners abutting the proposed road be treated fairly with respect to assessments. Commissioner Lang further urged that the City Council pursue the effort to complete the planned improvements for an emergency crossing of the railroad tracks between 10th and 11th Street NE.

b. East Side Business Parking Lot. Commissioner Lang reaffirmed his concern about the lack of adequate parking for businesses along 10th St. NE. Funds to develop additional parking were included in the City capital improvement plans, but the funding was eliminated when budgets were cut. HRA Commissioners who also serve on the City Council agreed to bring the issue up at an upcoming City Council work session. Discussion of the emergency railroad crossing will also be on the agenda. Commissioner Lang requested an invitation to the meeting to explain the need for additional parking.

7.) Executive Director Reports:

a. Housing Needs Assessment-Authorization to submit joint grant application with Mower County HRA to MN Housing Partnership for \$10,000.00 to help pay for the Housing Needs Assessment. Director Hurm has worked with the Mower County HRA to prepare a request for proposals and share the cost of a housing needs assessment for Austin and Mower County. Bids have been solicited and a joint study will save \$8,000.00. Grant funds may be available to pay part of the cost of the study. It was moved by Commissioner Pacholl and seconded by Commissioner Nordin to authorize a joint application to the Minnesota Housing Partnership for \$10,000.00 to help pay the costs for the housing needs assessment. All present voted in

favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

b. Motions to approve Health Insurance Plan, VEBA Employee Account Amounts and Employee Premium Contribution.

Information on the health insurance monthly premium amounts for 2005, employee contribution towards premiums and the HRAs' claims experience for years 2002 and 2003 was presented to the Board. The premiums are increasing by 13.3% because of high claims for the years 2002 and 2003 (the HRA was under the old traditional plan for those years). The high deductible health plan coupled with VEBA account's for employees has been positive so far in it's first year of implementation for 2004.

It was moved by Commissioner Lang and seconded by Commissioner Nordin to stay with the existing high deductible health plan for 2005, contributions to employees VEBA accounts will remain the same for 2005 and the employee contribution towards premiums will be 0% for single coverage and 20% for family coverage. All present voted in favor of the motion, none in opposition thereto. The Chairperson declared the motion passed and carried.

c. Other Business. Dick Brekke of the Austin Eagles Club asked about efforts to provide buyouts for their repetitively damaged commercial property. Mr. Brekke was told that the HRA is submitting an application to DEED for funds for commercial buyouts. He was encouraged to send a letter to the City Council expressing the Eagles Club's interest in this program.

If the grant application is funded, no money will be available until late in the spring of 2005. If the Eagles decide to re-occupy their old clubrooms, they should do only the minimum rehab to make the club serviceable. Should a buyout be offered the purchase offer will be based on a pre-flood market appraisal. Any flood insurance proceeds that are not reinvested into the property will be deducted from the purchase price. It is important that any potential recipient of a buyout offer keep good records of where any flood insurance proceeds are spent.

8.) Adjourn: There being no further business it was moved

by Commissioner Nordin and seconded by Commissioner Pacholl to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

Michelle Jorgenson, Chairperson

SEAL

Gloria Nordin, Secretary