



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

August 16, 2021

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. in the Council Chambers.

HRA Members

Present: Mary Supple, Chair; Sue Sandahl and Lee Ohnesorge

HRA Members

Absent: Maria Regan Gonzalez and Erin Vrieze Daniels

Staff Present:

John Stark, Community Development Director/Executive Director; Melissa Poehlman, Assistant Community Development Director; and LaTonia DuBois, Administrative Assistant.

Others Present:

Sam Nelson, Benefactor Brewing and Brian Bochman, Enclave Development/Lynk65, LLC

OPEN FORUM

No callers.

APPROVAL OF THE MINUTES

M/Sandahl, S/Ohnesorge to approve the minutes of the regular Housing and Redevelopment meeting of July 19, 2021.

Motion carried 3-0

Item #1	2022 HRA BUDGET PRESENTATIONS
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Executive Director Stark presented the HRA budget

Chair Supple thanked staff and expressed appreciation for the flexibility of Section 8 staff members.

Item #2	APPROVAL OF THE AGENDA
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M/Sandahl, S/Ohnesorge to approve the agenda.

Motion carried 3-0

Item #3	CONSENT CALENDAR
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Executive Director Stark presented the Consent Calendar:

- A. Consider a resolution of support for the expansion of the Minnesota Independence College and Community in the City of Richfield. (Staff Report No. 22)

HRA RESOLUTION NO. 1399

RESOLUTION SUPPORTING THE DEVELOPMENT OF AFFORDABLE,
ACCESSIBLE MULTIFAMILY HOUSING IN THE VICINITY OF
2000, 2006, AND 2018 - 76TH STREET WEST

- B. Consideration of the adoption of a resolution approving the issuance of, and providing the form, terms, covenants and directions for the issuance of its Tax Increment Financing Limited Revenue Note, Series 2021 (Phase I) in an aggregate principal amount not to exceed \$900,000. (Staff Report No. 23)

HRA RESOLUTION NO. 1400

RESOLUTION APPROVING THE ISSUANCE OF, AND PROVIDING THE
FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF
ITS TAX INCREMENT LIMITED REVENUE NOTE, SERIES 2021 (PHASE I), IN
AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$900,000

M/Sandahl, S/Ohnesorge to approve the Consent Calendar.

Motion Carried 3-0

Item #4	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR
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None

Item #5	CONSIDERATION OF A RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT WITH BENEFACOR BREWING. (S.R. NO. 24)
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Executive Director Stark presented Staff Report No. 24.

Commissioner Sandahl commented on the interest of the community to have such a business in a good area for it.

Chair Supple also mentioned it being a good area for a brewery, and requested the owner to be a good neighbor when it comes to noise from the amphitheater.

M/Ohnesorge, S/Sandahl to cancel a Public Hearing specific to the Business Subsidy Agreement contained within the Contract for Private Development, and; Approve a resolution to enter into a Contract for Private Development with Benefactor Brewing LLC (contingent on City Council approval of the Business Subsidy Agreement and/or Plan).

Motion carried 3-0

HRA RESOLUTION NO. 1401

RESOLUTION APPROVING A LOAN IN THE AMOUNT OF APPROXIMATELY \$500,000 TO BENEFACTOR BREWING LLC AND THE CORRESPONDING CONTRACT FOR PRIVATE DEVELOPMENT

Item #6	CONSIDER THE ADOPTION OF A RESOLUTION APPROVING AN AMENDMENT TO THE AMENDED AND RESTATED CONTRACT FOR PRIVATE DEVELOPMENT WITH LYNDALE GARDENS, LLC TO ADJUST THE INTEREST RATE ON THE MASTER DEVELOPER TAX INCREMENT FINANCING NOTE. (S.R. NO. 25)
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Assistant Community Development Director Poehlman presented Staff Report No. 25

Chair Supple asked if the HRA has ever changed the interest rate on a Tax Increment Financing Note in the past.

Executive Director Stark explained the HRA has made interest rate adjustments in the past.

M/Sandahl, S/Ohnesorge to adopt a resolution approving an amendment to the Amended and Restated Contract for Private Development with Lyndale Gardens, LLC to adjust the interest rate on the Master developer Tax Increment Financing Note.

Motion carried 3-0

HRA RESOLUTION NO. 1402

RESOLUTION APPROVING AMENDED TAX INCREMENT LIMITED REVENUE NOTE

Item #7	CONSIDER A RESOLUTION APPROVING A LOAN TO LYNK65, LLC FOR \$500,000 TO HELP FINANCE A MIXED USE PROJECT AT 65TH STREET AND LYNDALE AVENUE SOUTH. (S.R. NO 26)
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Assistant Community Development Director Poehlman presented Staff Report No. 26

Chair Supple asked Brian Bochman, Lynk65 LLC (Developer) to speak about the concerns he has with the feasibility of the commercial portion without the cash infusion and going straight to residential.

The Developer spoke of the impact Covid has had on retail spaces that go into store fronts and a massive increase in development costs such as lumber, steel and appliances. He also spoke to supply chain issues they've been experiencing. In regards to eliminating or reducing the commercial space, he spoke of difficulties with predicting if tenants would occupy the space and with receiving financing due to the way commercial space is appraised.

Chair Supple inquired about new Planning Commission permissions that may be required.

Assistant Community Development Director Poehlman explained the removal of retail space and replacement with housing would require the project to go to the Planning Commission and City Council for amendments.

Commissioner Sandahl stated that this would be an opportunity to use funds that might otherwise have to be returned to the County and she would recommend the proposal.

Chair Supple stated that she has not decided if she feels the development should be full residential or include the originally proposed commercial space.

Assistant Community Development Director Poehlman explained the area is guided for a mix of uses and explained the need for commercial spaces in the area.

Commissioner Sandahl spoke of the benefits of the commercial space.

M/Sandahl, S/Ohnesorge to approve a resolution approving a \$500,000 loan to Lynk 65, LLC and the execution and delivery of documents in connection therewith.

Motion carried 3-0

HRA RESOLUTION NO. 1403

RESOLUTION APPROVING A LOAN TO LYNK 65 LLC AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH

Item #8	CONSIDER RESOLUTIONS APPROVING PROPOSED 2022 PROPOSED HOUSING AND REDEVELOPMENT AND AUTHORITY BUDGET AND TAX LEVY AND 2021 REVISED HOUSING AND REDEVELOPMENT AUTHORITY BUDGET. (S.R. NO. 27)
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Executive Director Stark Presented Staff Report No. 27

Chair Supple inquired about the percentage the levy is increasing.

Executive Director Stark explained.

M/Sandahl, S/Ohnesorge to adopt the attached resolutions approving the 2022 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2021 Revised Housing and Redevelopment Authority Budget.

Motion carried 3-0

HRA RESOLUTION NO. 1404

RESOLUTION APPROVING PROPOSED 2022 HOUSING AND REDEVELOPMENT AUTHORITY BUDGET AND CERTIFYING THE 2022 TAX LEVY

HRA RESOLUTION NO. 1405

RESOLUTION AUTHORIZING REVISION OF THE 2021 BUDGET OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD

Item #9	HRA DISCUSSION ITEMS
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None

Item #10	EXECUTIVE DIRECTOR'S REPORT
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Executive Director Stark notified commissioners about an upcoming tour at Woodlawn Terrace.

Executive Director Stark thanked HRA staff member Myrt Link for managing the HRA and EDA budgets along with the Bi-Annual TIF litigations. He also thanked Chris Regis and Pam Dmytrenko for their years of service and mentioned that they are leaving the City of Richfield.

Item #11	CLAIMS
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M/Sandahl, S/Ohnesorge that the following claims be approved:

U.S. BANK	8/16/2021
Section 8 Checks: 133019 - 133102	\$178,317.94
HRA Checks: 34058 - 34071	\$55,450.87
TOTAL	\$233,768.81

Motion carried 3-0

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Item #12	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 8:07 p.m.

Date Approved: September 20, 2021

Mary B. Supple
HRA Chair

LaTonia DuBois
Administrative Assistant

John Stark
Executive Director