



Legislation Text

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Approving the September 25, 2019 HRA Board meeting minutes **ROLL CALL**

Present 6 - Commissioners Brendmoen, Busuri, Jalali Nelson, Noecker, Prince, and Chair Tolbert

Absent 1 - Commissioners Thao

FOR DISCUSSION

Commissioner Thao Arrived

1. Resolution authorizing the issuance and sale of revenue refunding bonds of the HRA and the City of Minneapolis on behalf of Allina Health System and the execution of documents, District 9, Ward 2

Kristin Guild, Interim Executive Director, stated that Allina Health System submitted an application to the HRA to issue up to \$82,000,000 in conduit revenue refunding bonds, jointly with the City of Minneapolis. The proceeds of the bonds will be used to refund bonds issued jointly by the HRA and City of Minneapolis in 2009 for the benefit of multiple facilities throughout the metro including United Hospital in Saint Paul.

Allina owns and operates eleven hospitals and jointly owns and operates one other hospital. United Hospital is the largest hospital in the Twin Cities east metro area, providing a full range of health care services to more than 200,000 people each year. Allina has nearly 27,600 full and part-time employees, including 5,500 in its Saint Paul operations.

When the HRA issues conduit revenue bonds, the bonds are purchased by private investors as a debt instrument to be repaid by the borrower. Revenue bonds are not HRA dollars, or City or taxpayer dollars, and revenue bonds do not constitute debt obligation of the HRA or City of Saint Paul.

Moved by Commissioner Noecker, Resolution Adopted and set forth in RES 19-1644

VOTE: Yeas - 7 Nays - 0

2. Resolution of the Housing and Redevelopment Authority (HRA) Board of Commissioners approving a 2020 maximum property tax levy for the HRA

Kristin Guild, Interim Executive Director, stated that to comply with the State of Minnesota's Truth-In-Taxation laws, the HRA must certify to Ramsey County, by September 30, 2019, a maximum proposed property tax levy. The proposed maximum 2020 HRA levy is \$4,547,359. The final levy must be certified by December 31, 2019, and cannot be higher than this proposed maximum levy.

Saint Paul's tax base rose from \$24.1 billion to an estimated \$25.9 billion in the past year. The proposed increase in the HRA tax levy would tap a portion of this added tax capacity to support the ongoing investment work of the HRA and the Department of Planning and Economic Development including the Housing Trust Fund, commercial and residential real estate development, and business loans. State law caps the HRA levy at 0.0185% of the total market value of property. This increase,

which would bring the levy to 95% of the maximum allowed under State Law, is \$362,095 more than the final 2019 certified HRA tax levy.

At this early stage of the budget process, I recommend that the HRA maintain maximum flexibility for budget decisions by certifying the recommended maximum levy amount of \$4,547,359.

Commissioner Noecker shared that she supports the motion to preserve the flexibility in this budget but has a lot of questions still.

Moved by Commissioner Noecker, Resolution Adopted and set forth in RES 19-1586

VOTE: Yeas - 7 Nays - 0

ADJOURNMENT

Moved by Commissioner Noecker, the HRA Board Meeting is Adjourned

VOTE: Yeas - 7 Nays - 0