



Legislation Text

File #: Min 17-15, **Version:** 1

Approving the March 22, 2017 HRA Board Meeting Minutes **ROLL CALL**

Present 4 - Commissioners Noecker, Prince, Stark and Chair Brendmoen

Excused 3 - Commissioners Bostrom, Thao and Tolbert

CONSENT AGENDA

Note: Items listed under the Consent Agenda will be enacted by one motion with no separate discussion. If discussion on an item is desired, the item will be removed from the Consent Agenda for separate consideration.

1. Approving the February 22, 2017 HRA Board Meeting Minutes
Adopted as set forth in Min 17-12

Moved by Commissioner Stark, Consent Agenda is Adopted

VOTE: Yeas - 4 Nays - 0

FOR DISCUSSION

2. Approval of Third Amendment to the Phase III Development Agreement with the WSF Phase III LLC, District 3, Ward 2.

Kristin Guild, Acting HRA Executive Director, stated the item before the commissioners today is two actions related to a development proposal for HRA owned property in the West Side Flats area. The first is a third amendment to a development agreement with Sherman Associates and the second is authorization for HOME program loan financing of up to \$1.12 million. The City Council adopted the West Side Flats area redevelopment vision in 2015. The Sherman Associates proposal for a mixed-use mixed-income development is consistent with that adopted plan. The proposal is for two buildings with 264 apartments (24% will be affordable) and 5,000 SF of commercial space. One of the buildings will be constructed to a super energy efficient Passive House standard and the HOME financing requested would go to the Passive House cost. The remaining balance in the HOME Fund would be \$506, 736 if this is approved.

The amended resolution, available in Legistar as Version 2, extends the development agreement from September 30, 2017 to December 31, 2017 and adds progress benchmarks. The primary reason for the extension is timing related to a HUD Mortgage insurance application that is in process.

Commissioner Stark shared his support of this project and excitement about the Passive House multifamily development in St. Paul, the first of its kind in the region.

Moved by Commissioner Noecker, Resolution Approved as set forth in RES 17-474

VOTE: Yeas - 4 Nays - 0

3. Amend the 2017 HRA Budget to Reflect Changes to Budgets Placed in Contingency.

Ms. Guild, Acting HRA Executive Director, stated this is several different budget amendments to release contingency dollars, add to the budget and transfer HRA dollars to the 2017 Street Maintenance Services Program. On December 14, 2016 when the HRA & City Budgets were adopted, City staff and the Council hadn't evaluated options for how to cover the City's Right-of-Way Maintenance Program so dollars were budgeted in contingency. These contingency dollars are now being released to street maintenance; the sources included 2017 HRA budget appropriations, Parking Enterprise Fund equity and one-time sources from the sale of the Penfield.

Moved by Commissioner Prince, Resolution Approved as set forth in RES 17-341

VOTE: **Yeas - 4** **Nays - 0**

PUBLIC HEARINGS

4. Authorization to Acquire a Vacated Portion of Ayd Mill Road From City of Saint Paul and Subsequently Convey Same to the Owners of 1226 Goodrich Avenue for Use as a Side Yard, Macalester-Groveland, District 14, Ward 3

Ms. Guild, Acting HRA Executive Director, stated this item is requesting that the HRA act as a pass through agent for excess property. This vacated parcel would be acquired by the HRA from the City and then conveyed to the adjacent property owners at 1226 Goodrich Ave as a side yard. The City Council took action approving this sale on April 6, 2016.

Moved by Commissioner Chair Brendmoen, Resolution Approved as set forth in RES PH 17-92

VOTE: **Yeas - 4** **Nays - 0**

5. Resolution Authorizing the Issuance and Sale of Conduit Revenue Bonds of the HRA and the City of Minneapolis on Behalf of Allina Health System and the Execution of Related Documents, District 9, Ward 2

Ms. Guild, Acting HRA Executive Director, stated this is a Public Hearing and authorization to issue up to \$200,000,000 in conduit revenue refunding bonds, jointly with Minneapolis, for the Allina Health System. These conduit bonds would be used to refund bonds that were issued jointly by the HRA and the City of Minneapolis in 2007 & 2009 for the benefit of multiple facilities including United Hospital in Saint Paul. These are conduit bonds and do not in any way obligate either the City or the HRA. Health care is one of Saint Paul's largest employment sectors and providing access to bond financing is an important way that we can, as a City and HRA, support this sector.

Rose Roach, Executive Director of the MN Nurses Association, expressed that they are not asking the HRA to deny issuance of these conduit bonds and that they understand these bonds are not an indebtedness to the City, they are here to express their concerns with some of Allina's recent financial behavior including their for-profit financial activities, community investments not staying in the community and the composition of the board of directors.

C.T. Urban, Vice President of Treasury and Investments, Allina Health System, spoke specifically about the refunding consideration for today. Allina is seeking to refund 2007 and 2009 bonds to create a better economic condition through interest savings to then use for their operations and mission within the communities they serve..

Commissioner Stark shared his appreciation of the testimony today and stated that he will support the resolution, but would like the Council to keep an eye on our community partners and make sure that we are all working together to build a stronger Saint Paul.

Commissioner Prince shared her deep concern for the serious issues brought forward today. She looks forward to being able to work together with Allina to overcome some of the doubts raised in her mind today, but recognizes that Allina is an important health care provider, and that healthcare is a huge segment of our workforce, so she will support the resolution.

Moved by Commissioner Noecker, Resolution Approved as set forth in RES PH 17-91

VOTE: Yeas - 4 Nays - 0

ADJOURNMENT

HRA Board Meeting is Adjourned