

SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY

323 South Naumkeag Street, Shakopee, MN 55379

Phone: (952) 402-9022 / Fax: (952) 496-2852

BOARD OF COMMISSIONERS

MINUTES - REGULAR MEETING

February 13, 2018

(1) CALL TO ORDER AND PLEDGE

Chair Croatt called the meeting to order at 3:58 p.m. and led the Pledge of Allegiance.

(2) ROLL CALL

Commissioners present:

District I, DeAnn Croatt
District II, Ben Zweber
District III, Kent Robbins
District IV, Patti Sotis
District V, Jane Victorey

Staff present:

Bill Jaffa, Executive Director
Terri Gulstad, Finance Director
Julie Siegert, Housing Director
Linda Janovsky, Recording Secretary

Others present:

Jon Ulrich, Scott County Commissioner
Lorien Mueller, Great Lakes Management
Ryan Schwickert, MWF Properties
Matt Yetzer, MWF Properties
Jason Palmby, Topaz Investments

Commissioner Victorey's role was discussed among Commissioners and it was determined that she will vote on matters brought forth.

(3) MINUTES SUBMITTED FOR APPROVAL

3.1) CDA Annual Meeting – January 9, 2018

Commissioner Robbins indicated that the motions for electing officers were in error as he believed he had made the motions. With this change made, Commissioner Robbins made a motion to accept the CDA Annual Minutes. Commissioner Sotis seconded the motion. Unanimous voice vote followed with Commissioner Victorey abstaining. Motion carried.

3.2) Greentree Development Corporation Annual Meeting – January 9, 2018

Commissioner Robbins made a motion to accept the Greentree Development Corporation Annual Meeting Minutes. Commissioner Sotis second the motion. Unanimous voice vote followed with Commissioner Victorey abstaining. Motion carried.

3.3) CDA Regular Meeting – January 9, 2018

Commissioner Robbins made a motion to approve the Regular Meeting Minutes. Commissioner Sotis seconded the motion. Unanimous voice vote followed with Commissioner Victorey abstaining. Motion carried.

(4) **AGENDA ACTION(S)**

4.1) Agenda Modifications

Finance Director Gulstad asked Commissioners to replace page 2 of the 4th Quarter financial report, which is attached hereto.

4.2) Consent Agenda (5.2, 5.7, 6.11, 6.12, 6.21, 6.4, 6.6, 6.7)

Commissioner Robbins made a motion to accept the Consent Agenda. Commissioner Sotis seconded the motion. Unanimous voice vote followed. Motion carried.

(5) **FINANCIAL REPORT**

5.1) Payment of Bills

Commissioner Victorey made a motion to approve the Check Registers in the amount of \$211,144.41. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

5.2)* Procurement Summary

[Consent item; no discussion]

5.3) Development Reports – FY2017 4th Qtr

Lorien Mueller presented the following information to the Board about the year-end financials for the 55+ buildings:

- Overall the buildings are doing well.
- There has been some unexpected repair and maintenance at some buildings.
- Appliances—try to fix older units if possible, otherwise a replacement may be needed.
- Weiss Construction agreed to cover 2/3rds of the cost for the elevator repair and concessions for Market Village.
- The vibration in one unit from the elevator continues to be monitored at The Henderson.

5.31) River City Centre – 100% leased/98% occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 558,405	\$ 578,079
Operating Expenses	\$ 283,652	\$ 367,376
Net Operating Income *	\$ 276,766	\$ 209,933

(not including retail or TIF income)

5.32) The Hamilton – 100% leased and occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 495,948	\$ 476,393
Operating Expenses	\$ 250,773	\$ 271,738
*Net Operating Income	\$ 247,046	\$ 207,982

*Does not incl. Retail Base Rent

5.33) Philipp Square – 100% leased/98% occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 611,183	\$ 626,187
Operating Expenses	\$ 282,199	\$ 356,408
Net Operating Income	\$ 355,259	\$ 278,384

5.34) Northridge Court – 100% leased/98% occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 708,454	\$ 745,169
Operating Expenses	\$ 270,680	\$ 327,450
Net Operating Income	\$ 437,774	\$ 423,057

5.35) Glendale Place – 98% leased and occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 793,841	\$ 771,754
Operating Expenses	\$ 373,314	\$ 301,092
Net Operating Income	\$ 409,252	\$ 505,329

5.36) Market Village – 100% leased/98% occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 596,205	\$ 591,581
Operating Expenses	\$ 283,352	\$ 280,009
Net Operating Income	\$ 307,229	\$ 309,465

5.37) Brentwood Court – 98% leased and occupied

Housing Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 545,100	\$ 555,470
Operating Expenses	\$ 247,375	\$ 281,683
Net Operating Income	\$ 294,666	\$ 286,570

5.38) The Henderson - 100% leased and occupied

Pro Forma vs. 4th Quarter 2017

	YTD Proforma	YTD Actual
Rental Revenue	\$ 504,614	\$ 634,958
Operating Expenses	\$ 209,861	\$ 232,326
Net Operating Income	\$ 259,917	\$ 402,968

5.4) Agency 4th Qtr Financials

Finance Director Gulstad indicated that page 2 of the narrative report is replaced. Finance Gulstad went over the narrative report and answered Commissioners' questions. Commissioner Robbins made a motion to accept the financial report. Commissioner Victorey seconded the motion. Unanimous voice vote followed. Motion carried.

5.5) RESOLUTION NO. 05-18: APPROVING PERMANENT TRANSFERS

Finance Director Gulstad presented this item and answered Commissioners' questions. Commissioner Zweber made a motion to approve Resolution No. 05-18. Commissioner Robbins seconded the motion. Unanimous roll call vote followed. Motion carried.

5.6) RESOLUTION NO. 06-18: DESIGNATING NET ASSETS

Finance Director Gulstad presented this item and answered Commissioners' questions. Commissioner Robbins made a motion to approve Resolution No. 06-18. Commissioner Victorey seconded the motion. Unanimous roll call vote followed. Motion carried.

5.7)* Cash Flow Projection Worksheet

[Consent item; no discussion]

(6) OLD BUSINESS

6.1) Affordable Housing Programs

6.11)* Affordable Housing Occupancy Report

[Consent item; no discussion]

6.12)* Housing Choice Voucher Utilization Report

[Consent item; no discussion]

6.13) RESOLUTION NO. 07-18: AUTHORIZING SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION SUBMISSION FOR FISCAL YEAR ENDING DECEMBER 31, 2017

Commissioner Robbins made a motion to approve Resolution No. 07-18. Commissioner Croatt seconded the motion. Unanimous roll call vote followed. Motion carried.

6.14) Family Self Sufficiency Coordinator Funding

Commissioner Sotis provided some information on this program historically.

6.2) Home Ownership Programs

6.21)* Homeownership Programs Report

[Consent item; no discussion]

6.3) Liaison Report – Scott County Commissioner

Commissioner Ulrich was in attendance and briefed the Board on FISH activities, road/highway projects occurring, as well as the progress of Live~Learn~Earn.

6.4)* First Stop Shop (FSS)

[Consent item; no discussion]

6.5) SC-CDA Development Activities

6.51) Louisiana Lofts, Savage–MWF Properties

Ryan Schwickert and Matt Yetzer were here from MWF Properties. Mr. Schwickert stated that for this project the permits are ready to submit to the City and they are expecting to break ground in mid-April. Eagle Building is the construction contractor and Miller-Hanson is the architect.

6.52) Sarazin Flats, Shakopee–MWF Properties

Mr. Schwickert stated that this property is located by Marschall and 169, near Target and close to transit. He stated that MWF did not expect Louisiana Lofts and Sarazin Flats to both receive tax credit financing and they are excited they did.

He stated that they did not receive the entire amount needed in tax credits for this project. Because of this, they are asking the CDA for a deferred loan to assist. He and Mr. Yetzer explained that to reduce the gap funding needed, MWF has reduced construction expenses, deferred some developer fees, were allowed by their financier to reduce operating reserves and were able to get more favorable financing terms because of the multiple projects they are working on.

This has left them with a gap of \$300,000. Mr. Schwickert requested this amount for a deferred term of 30 years with 2% interest. Executive Director Jaffa indicated that at a previous Board Meeting it was discussed that the CDA would favor a term of 17.5 years, so that the CDA loan could be paid off at the time of the first re-financing of the project for MWF and that the amount set aside for the Jordan tax credit project (that was not awarded), could be used for this project instead.

Mr. Schwickert was grateful for this assistance and thanked the Board. Commissioner Robbins made a motion to approve the \$300,000 deferred loan, for a term of 17.5 years, with 2% simple interest. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried. Official action to enter into a loan agreement will occur at March Board Meeting.

6.6)* Families and Individuals Sharing Hope (FISH)

[Consent item; no discussion]

6.7)* River City Centre Master Lease Tenant (MLT)

[Consent item; no discussion]

6.8) Residential Chemical Dependency-Mental Health Treatment Center – Shakopee

Mr. Palmby, Topaz Investments, was in attendance and gave an overview of the project. He stated there is a great need in the County and Pam Selvig, County Human Services, has written a letter in support of the project. Executive Director Jaffa explained the site and that the city had moved up a road project to accommodate the construction of this facility.

Mr. Palmby asked for a \$600,000 loan at 5.25% interest, with a 10 year note, with a one-time reset at 5 years, amortized over 25 years, and a 2% origination fee. Mr. Palmby asked if the CDA would consider reducing the origination fee. Finance Director Gulstad

6.9) RESOLUTION NO. 08-18: RESCINDING RESOLUTION NO. 28-17: AUTHORIZING THE SALE OF PUBLICALLY OWNED HOUSING LOCATED AT 1285-1287 SHAKOPEE AVENUE EAST, SHAKOPEE, MN

(7) NEW BUSINESS

(8) SET NEXT MEETING DATE, TIME AND PLACE

8.2) SPECIAL Meeting: as needed

(9) ADJOURN


DeAnn Croatt, Chair



Ben Zweber
Ben Zweber, Secretary

Cheung
Recording Secretary

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Replacement Page
02/13/2018

**Board of Commissioners
February 13, 2018
4th Quarter 2017**

General Fund

Net Income (Loss)		
Actual	Budget	Variance
343,207	559,101	(215,894)

IS – Page 2 The General Fund did not meet expectations for the year. Our sale of the house in New Prague resulted in a loss. Personnel issues in form of a severance package and outside consultant/coach were unexpected. EDI grants are paid and recorded as cities submit proper documentation and there were quite a number of payouts this year.

For the line items under “Other Income/Expenses”, some cash transfers to Great Lakes Management were not budgeted. Lastly, the Board approved \$30,000 in Homebuyers Grants above the budgeted amount.

If the Board approves the 2017 Designated for Capital Expenditures found elsewhere in the board packet, the final presentation of the General Fund in the financials will be as follows:

Designated for Capital Expenditures	2,359,602
Designated for City of New Prague	106,337
Unrestricted Reserve	2,720,258
Re-Investment Reserve	106,725
Facility Rehab/Replacement	227,944
Invested in Capital Assets	273,098
Total Owners Equity 12-31-17	5,793,964