

**SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY**

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**BOARD OF COMMISSIONERS  
MINUTES - REGULAR MEETING  
July 13, 2021**

**(1) CALL TO ORDER**

This meeting was held at the Business Accelerator Conference Room, 4601 Dean Lakes Drive, Shakopee. Chair Croatt called the meeting to order at 2:08 p.m.

**(2) ROLL CALL**

Commissioners present: District I, DeAnn Croatt  
District II, Terri Gulstad  
District IV, Patti Sotis  
District V, Barry Stock

Staff present: Bill Jaffa, Executive Director  
Julie Siegert, Housing Director  
Adam Johnson, Finance Director  
Stacy Crakes, Business Development Director  
Jo Foust, Business Development Specialist  
Linda Janovsky, Recording Secretary

Others present: Bonnie Schwieger, Abdo Eick & Meyers  
Michael Pagh, Great Lakes Management  
Larry Wertheim, Attorney, Kennedy & Graven

**(3) MINUTES SUBMITTED FOR APPROVAL**

**3.1) CDA Regular Meeting – June 8, 2021**

Commissioner Stock made a motion to approve the minutes of June 8, 2021. Commissioner Gulstad seconded the motion. Unanimous voice vote followed. Motion carried.

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

**4.1) Agenda Modifications**

None were requested.

**4.2) Consent Agenda (5.3, 6.11, 6.12, 6.21, 6.7, 6.91)**

Commissioner Croatt asked that Item 6.7 be removed from the consent agenda. Commissioner Sotis made a motion to approve with that change.

Commissioner Stock seconded the motion. Unanimous voice vote followed.  
Motion carried.

**(5) FINANCIAL REPORT**

**5.1) Payment of Bills**

Commissioner Gulstad made a motion to approve check registers in the amount of \$178,099.27. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

**5.2) Agency Financial Audit 2020**

Bonnie Schwieger, Audit Manager with Abdo Eick & Meyers provided a summary of the management communication letter touching on key pieces of the budget including the CARES funding reporting. Ms. Schwieger indicated it was a clean audit and there were no audit findings. Finance Director Johnson answered Commissioner questions. Commissioner Sotis made a motion to accept the report. Commissioner Gulstad seconded the motion. Unanimous voice vote followed. Motion carried. Commissioners commented good job Finance Director Johnson.

**5.3)\* Procurement Summary**

[Consent; no discussion]

**OLD BUSINESS**

**6.1) Affordable Housing Programs**

**6.11)\* Affordable Housing Occupancy Report**

[Consent; no discussion]

**6.12)\* Housing Choice Voucher Utilization Report**

[Consent; no discussion]

**6.2) Home Ownership Programs**

**6.21)\* Homeownership Programs Report**

[Consent; no discussion]

**6.3) Liaison Report – Scott County Commissioner**

Not present; no report.

**6.4) First Stop Shop (FSS)**

Business Development Director Crakes provided an overview of program status including business starts, NextStage Entrepreneurship program, and the Great Scott website. Business Development Specialist Jo Foust reported

that the Business Accelerator program will be called the Scott County Center for Entrepreneurship. Branding and logo development is underway. The lease has been signed with SW Metro School district with payments starting in September and the Prior Lake City Hall lease is terminating. Business Development Specialist Foust also provided an update to changes in classroom space, and added cubicles. Business Development Foust will give a tour of the space after the meeting. Commissioner Gulstad has volunteered to be the liaison between the advisory board for the Center for Entrepreneurship and the CDA Board.

**6.5) FISH Update**

Bethany Tjornhom, Executive Director, was asked to come to a later meeting due to the heavy agenda. Commissioners requested that reports from FISH be twice a year instead of quarterly.

**6.6) River City Centre Retail Master Lease**

Bill asked that Commissioners and Attorney Larry Wertheim, Attorney, introduce themselves. Bill started the discussion by summarizing current status and asked Attorney Wertheim to start the discussion. Attorney Wertheim stated that there are two documents in place that regulate the retail component of the development---a Ground Lease between the Shakopee EDA and the Scott County CDA, and a Master Lease Agreement between the CDA and Shakopee River City Associates. There was also an addendum to the Master Lease Agreement in 2017 lowering the rent to \$8.50 from \$10.00 per square foot. The lease as in place now doesn't have much limitation on what types of businesses can locate in the center. In addition, the MLT is supposed to get consent on the sub-tenants from the CDA. This has mostly not happened. These two items are a technical violation of the Lease. The Master Lease stands separate from the Ground Lease. When the bonds are paid off rent goes to fair market value. To determine fair market rent the City, CDA, and the MLT would need to get an appraisal of the dirt only. It expected the TIF bond will be paid in 2023. The Ground Lease runs until 2025 at which point the MLT would only pay the cost of the ground (dirt). To be compliant, the Master Lease has to continue making their payments until 2025. When the lease with the MLT terminates in 2035 the building will convert to City EDA ownership.

Commissioners inquired about what has been communicated to the MLT. Executive Director Jaffa briefed the Board on his conversation with the MLT. Attorney Wertheim explained the communication that will be provided at this point to the MLT. A draft letter was handed out at the meeting which communicates that they CDA is denying the request of "skipping" one year of payments and that the rent will go back to the \$10/square foot. In addition, it addresses the technical violations of the lease that has occurred. It was agreed this letter will be sent to the MLT.

Executive Director Jaffa explained the role of the City in the agreement. The CDA will be meeting with the City on 7/29/2021, and Attorney Wertheim will be in attendance to provide this information.

Discussion ensued with Executive Director Jaffa, Michael Pagh, and Attorney Wertheim answering Commissioner questions.

**6.7) COVID-19 Updates**

This item was removed from the Consent Agenda. Staff answered Commissioner questions. It was asked that an update be provided in January.

**6.8) Workshop**

Housing Director Siegert reported that strategic planning activities will be kicked off at the staff meeting in July. It is expected that a report will be available to the Board to react to in a workshop in September. Commissioners were pleased that there will be staff involvement.

**6.9) SC-CDA Development Activities**

**6.91)\* Scott County Community Land Trust**  
[Consent; no discussion]

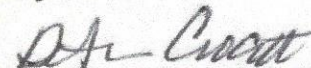
**(7) NEW BUSINESS**

Nothing at this time.

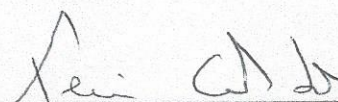
**(8) SET NEXT MEETING DATE, TIME AND PLACE**

- |      |  |                            |
|------|--|----------------------------|
| 8.1) | Regular Meeting  | August 10, 2021, 2:00 p.m. |
| 8.2) | Finance Committee Meeting<br>for annual budget development | TBD                        |
| 8.3) | Strategic Planning Workshop                                | September TBD              |
| 8.4) | SPECIAL Meeting  | as needed                  |

**(9) ADJOURN**

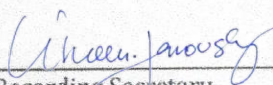
  
Chair DeAnn Croatt



  
Secretary Terri Gulstad

2021-07/13

Meeting Minutes

  
Recording Secretary

08/12/2021  
Date