

SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY

323 South Naumkeag Street, Shakopee, MN 55379

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**BOARD OF COMMISSIONERS
MINUTES - REGULAR MEETING
August 10, 2021**

(1) CALL TO ORDER

This meeting was held via Zoom videoconferencing due to the substantial transmission of the COVID delta variant in Scott County. Chair Croatt called the meeting to order at 2:00 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
Stacy Crakes, Business Development Director
Adam Johnson, Finance Director
Jo Foust, Business Development Specialist
Linda Janovsky, Recording Secretary

Others present: Lorien Mueller, Great Lakes Management
Camille Ritter, Great Lakes Management
Jody Brennan, Shakopee City Council
Paul Steinman, Baker Tilly
Joe Popp – unknown

(3) MINUTES SUBMITTED FOR APPROVAL

3.1) CDA Regular Meeting – July 13, 2021

Commissioner Stock made a motion to approve the Minutes of July 13.
Commissioner Sotis seconded the motion. Unanimous roll call vote followed.
Motion carried.

(4) AGENDA ACTION(S)

4.1) Agenda Modifications

An agenda modification was provided to request:

Add Resolutions 31-21 and 32-21 to Item 5.7) for Refunding Bonds.

Add Item:

6.13) RESOLUTION NO. AUTHORIZATION TO ENTER INTO A
GRANT AGREEMENT WITH MINNESOTA HOUSING FINANCE
AGENCY FOR HOUSING TRUST FUND RENTAL ASSISTANCE PROGRAM
AND EXECUTION OF GRANT DOCUMENTS

Commissioner Stock made a motion to approve these modifications.
Commissioner Gulstad seconded the motion. Unanimous roll call vote
followed. Motion carried.

4.2) Consent Agenda (6.11, 6.12, 6.21, 6.5)

Commissioner Sotis made a motion to approve the Consent Agenda.
Commissioner Gulstad seconded the motion. Unanimous roll call vote
followed. Motion carried.

(5) FINANCIAL REPORT

5.1) Payment of Bills

Commissioner Gulstad made a motion to approve the Check Registers
in the amount of \$285,166.32. Commissioner Stock seconded the
motion. Unanimous roll call vote followed. Motion carried.

5.2) Development Budget Reports – 2nd Quarter 2021

Lorien Mueller provided a brief overview of the reports. It was discovered
that some of the formulas in the reports were incorrect. Ms. Mueller sent
the correct numbers after the meeting and those are reflected here.

There has been some pent up turnover due to the pandemic and residents
not wanting to move at that time to a more congregate setting.

Unfortunately, there was a break in at Brentwood Court; however, not much
was stolen but the police are reviewing the camera footage.

Ms. Mueller went over the Resident Satisfaction Surveys. Eight out of the
Nine Buildings received the highest ratings, which is due to a great team at
the buildings for such a high rating during the pandemic.

5.21) River City Centre, Shakopee

100% leased/92% occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|------------------------|--------------|------------|
| Rental Revenue | \$ 302,218 | \$ 321,466 |
| Operating Expenses | \$ 165,342 | \$ 172,825 |
| Net Operating Income * | \$ 137,966 | \$ 245,544 |

(not including retail or TIF income)

5.22) The Hamilton, Savage

98% leased/93% occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|-----------------------|--------------|------------|
| Rental Revenue | \$ 275,355 | \$ 265,838 |
| Operating Expenses | \$ 145,984 | \$ 163,931 |
| *Net Operating Income | \$ 130,382 | \$ 89,270 |

*Does not incl. Retail Base Rent

5.23) Philipp Square, New Prague

100% leased and occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 330,783 | \$ 349,284 |
| Operating Expenses | \$ 166,009 | \$ 204,725 |
| Net Operating Income | \$ 178,846 | \$ 148,164 |

5.24) Northridge Court, Shakopee

100% leased/98% occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 375,964 | \$ 414,226 |
| Operating Expenses | \$ 152,326 | \$ 175,612 |
| Net Operating Income | \$ 223,638 | \$ 233,753 |

5.25) Glendale Place, Savage

100% leased/98% occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 429,640 | \$ 427,842 |
| Operating Expenses | \$ 216,513 | \$ 162,931 |
| Net Operating Income | \$ 207,025 | \$ 269,737 |

5.26) Market Village, Elko New Market

100% leased and occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 322,676 | \$ 328,257 |
| Operating Expenses | \$ 161,454 | \$ 146,824 |
| Net Operating Income | \$ 158,179 | \$ 190,413 |

5.27) Brentwood Court, Jordan

98% leased and occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 288,258 | \$ 309,161 |
| Operating Expenses | \$ 147,954 | \$ 143,039 |
| Net Operating Income | \$ 154,495 | \$ 167,301 |

5.28) The Henderson

100% leased/98% occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 329,666 | \$ 349,326 |
| Operating Expenses | \$ 134,842 | \$ 128,346 |
| Net Operating Income | \$ 189,787 | \$ 218,716 |

5.29) Brentwood Terrace

100% leased and occupied

Pro Forma vs. 2nd Quarter 2021

| | YTD Proforma | YTD Actual |
|----------------------|--------------|------------|
| Rental Revenue | \$ 294,452 | \$ 358,625 |
| Operating Expenses | \$ 150,214 | \$ 144,232 |
| Net Operating Income | \$ 156,418 | \$ 183,515 |

Commissioner Sotis moved to approve all reports. Commissioner Gulstad seconded the motion. Unanimous roll call vote followed. Motion carried.

5.3) Development Budget Reports – FY2022 Operating Budgets

Lorien Mueller and Camille Ritter of Great Lakes Management were present to provide a report. Ms. Mueller stated that they will budget the standard vacancy loss of 5%, and the rent increase will be 2.5%. Last year rent increases were reduced because of the closing of some amenities and financial difficulties residents may have. Even with 2.5% NOI is flat or under what is budgeted. They try to strike a balance between keeping rents affordable and up keeping the property. Vendors/construction/lawn service are more expensive and have labor shortages so things are costing more. In

the comparison, you can see how last year compared. Residents would not be able to rent anywhere else and get the same amenities the properties offer. The rents would be much higher. Cost of living increase is projected to be 5-6% for Social Security so feel residents may feel more comfortable with a 2.5% rent increase.

**5.31) River City Centre, Shakopee
RESOLUTION NO. 19-21: ADOPTING FY2022 OPERATING BUDGET
FOR RIVER CITY CENTRE**

**5.32) The Hamilton, Savage
RESOLUTION NO. 20-21: ADOPTING FY2022 OPERATING BUDGET
FOR THE HAMILTON**

**5.33) Philipp Square, New Prague
RESOLUTION NO. 21-21: ADOPTING FY2022 OPERATING BUDGET
FOR PHILIPP SQUARE**

**5.34) Northridge Court, Shakopee
RESOLUTION NO. 22-21: ADOPTING FY2022 OPERATING BUDGET
FOR NORTHRIDGE COURT**

**5.35) Glendale Place, Savage
RESOLUTION NO. 23-21: ADOPTING FY2022 OPERATING BUDGET
FOR GLENDALE PLACE**

**5.36) Market Village, Elko New Market
RESOLUTION NO. 24-21: ADOPTING FY2022 OPERATING BUDGET
FOR MARKET VILLAGE**

**5.37) Brentwood Court, Jordan Residential
RESOLUTION NO. 25-21: ADOPTING FY2022 OPERATING BUDGET
FOR BRENTWOOD COURT**

**5.38) Brentwood Court, Jordan Clinic and Pharmacy
RESOLUTION NO. 26-21: ADOPTING FY2022 OPERATING BUDGET
FOR JORDAN CLINIC AND PHARMACY**

**5.39) The Henderson, Shakopee
RESOLUTION NO. 27-21: ADOPTING FY2022 OPERATING BUDGET
FOR The Henderson**

**5.40) Brentwood Terrace, Jordan
RESOLUTION NO. 28-21: ADOPTING FY2022 OPERATING BUDGET
FOR The BRENTWOOD TERRACE**

5.41) Operating and Capitalized Projects

Commissioner Stock made a motion to approve all development Resolutions with one Motion. Commissioner Gulstad seconded the motion. Unanimous roll call vote followed. Motion carried.

5.5) FY2021 – 2nd Quarter Agency Budget Summary

Finance Director Johnson provided an overview of his narrative report and indicated that he will note when items have larger variances. Finance Director Johnson answered Commissioners' questions as they arose. Commissioner Stock made a motion to approve the report. Commissioner Gulstad seconded it. Unanimous roll call vote followed. Motion carried.

5.6) RESOLUTION NO. 29-21: AUTHORIZING 2022 GENERAL ADMINISTRATIVE OPERATING BUDGET AND 2022 (PAYABLE) SPECIAL BENEFITS TAX LEVY OF SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY AND CERTIFYING LEVY TO SCOTT COUNTY BOARD

Executive Director Jaffa stated that the Finance Committee met to discuss the budget, and explained how the special benefits tax levy is calculated. Finance Director Johnson went over his narrative report with additional detail, answering Commissioners' questions as they arose. With public housing being converted to a Project Based Voucher program, that will still be called Prior Manor to differentiate from the PBV program. Finance Director Johnson discussed the General Fund and what shortfalls the account may need to cover. There will be two added positions in 2022—an additional Housing Choice Voucher Housing Specialist and an IT Technician. Commissioner Gulstad made a motion to approve Resolution No. 29-21. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.

5.7) Governmental Development Refunding Bonds

Paul Steinman, Baker Tilly, was in attendance to provide information on the refunding bonds. The present value for the Brentwood Project is \$1,094,000 and the Hamilton Project has a present value of \$264,000. Baker Tilly has had Preliminary discussion with the County or City and they've authorized their general obligation for these bonds. October 12, 2021, the pricing committee will award the sale. October 20, 2021, will be the sale date.

RESOLUTION NO. 31-21: PROVIDING FOR THE SALE OF GOVERNMENTAL DEVELOPMENT REFUNDING BONDS (SCOTT COUNTY, MINNESOTA UNLIMITED TAX GENERAL OBLIGATION – BRENTWOOD PROJECT), SERIES 2021A

Commissioner Stock made a motion to approve Resolution No. 31-21. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

RESOLUTION NO. 32-21: PROVIDING FOR THE SALE OF GOVERNMENTAL DEVELOPMENT REFUNDING BONDS (CITY OF SAVAGE, MINNESOTA GENERAL OBLIGATION – HAMILTON APARTMENTS PROJECT), SERIES 2021B

Commissioner Stock made a motion to approve Resolution No. 32-21. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

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]

6.13) This item was added to the Agenda:

RESOLUTION NO. 33-21: AUTHORIZATION TO ENTER INTO A GRANT AGREEMENT WITH MINNESOTA HOUSING FINANCE AGENCY FOR HOUSING TRUST FUND RENTAL ASSISTANCE PROGRAM AND EXECUTION OF GRANT DOCUMENTS

Housing Director Siegert described the program and answered Commissioner questions. Commissioner Sotis made a motion to approve Resolution No. 33-21. Commissioner Gulstad seconded the motion. Unanimous roll call vote followed. Motion carried.

6.2) Home Ownership Programs

6.21)* Homeownership Programs Report

[Consent; no discussion]

6.3) Liaison Report – Scott County Commissioner

Commissioner Ulrich indicates the County is still working through the use of ARP funds, wants it to be legacy projects – transitional housing, workforce match for INVEST program, housing partnership with Savage. Commissioner Ulrich stated the County is in the budget process now and looking at some big road projects and at transportation sales tax. Live~Learn~Earn groups have been presenting to the County in a workshop, also updated on the HOP Scott bus system.

6.4) First Stop Shop (FSS)

Business Development Director Crakes asked to get a motion of approval for the logos for the Center for Entrepreneurship and the Business Accelerator programs. There are three for each. The Advisory Board had input as well as the business partners and CDA staff. Commissioner Stock recommended the combination below with Commissioner Gulstad seconding the motion. Unanimous roll call vote followed. Motion carried.



6.5)* FISH Update

[Consent; no discussion]

6.6) River City Centre Retail Master Lease

Executive Director Jaffa shared information about the City of Shakopee meeting. Michael Kerski indicated that he would invite SRCCA to discuss options. In addition, County Administrator Vermillion is updated on the subject. SRCCA's attorney has reached out to CDA. Bill directed him to our attorney. SRCCA's attorney is looking for financial information back to 1997. The City is not interested in the senior portion of the building but is interested in the retail piece. As long as SRCCA is making payments, there is nothing to do at this time.

6.7) SC-CDA Development Activities

6.71) Scott County Community Land Trust

6.71.1)First Community Land Trust Owner

Assistant to Executive Director Janovsky indicated that we have our first Land Trust homeowner!

6.71.2)Single Family Properties

Assistant to Executive Director Janovsky indicated that the Land Trust is under contract for a 4 bedroom/2 bathroom home in Shakopee.

6.71.3) RESOLUTION NO.: 30-21: RECEIVING AND REJECTING BID FOR COMMUNITY LAND TRUST PROGRAM, SINGLE FAMILY HOMES - NEW CONSTRUCTION PROJECT, 4 SITES, WENCEL AVE NE, NEW PRAGUE

Assistant to Executive Director Janovsky provided details on the bidding for this project. Commissioner Croatt made a motion to approve Resolution No. 30-21. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.

(7) NEW BUSINESS

7.1) Agency Annual Plan – Public Notice Period and Hearing

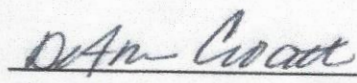
Commissioner Gulstad made a motion to hold the Public Hearing on October 12, 2021. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

(8) SET NEXT MEETING DATE, TIME AND PLACE

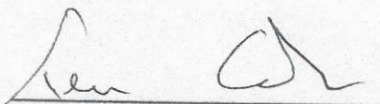
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|--|-------------------------------|
| 8.1) Regular Meeting | September 14, 2021, 2:00 p.m. |
| 8.2) Scott County Board Levy presentation | September 7, 2021 (tentative) |
| 8.3) Strategic Planning Workshop | September TBD |
| 8.4) SPECIAL Meeting | as needed |

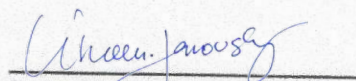
(7) ADJOURN

Commissioner Sotis made a motion to adjourn the meeting at 3:49 p.m. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.


Chair DeAnn Croatt




Secretary Terri Gulstad


Recording Secretary

09/15/2021
Date