

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 8, 2022**

(1) CALL TO ORDER

The Regular meeting of the CDA was called to order at 1:58 p.m. and the pledge was recited.

(2) ROLL CALL

Commissioners present:

District I, DeAnn Croatt
District II, Terri Gulstad viz Zoom
District III, Dale Gade
District IV, Michelle Choudek
District V, Barry Stock via Zoom

Staff present:

Julie Siegert, Executive Director
Stacy Crakes, Business Development Director
Adam Johnson, Finance Director
Molly Link, Housing Director
Linda Janovsky, Recording Secretary

Others present:

Lorien Mueller, Great Lakes Management
Camille Ritter, Great Lakes Management
Lee Hall, NextStage
Jody Brennan, Shakopee
Michael Beard, Scott County Commissioner (liaison)

Executive Director Siegert announced the promotion of Molly Link to Housing Director. The Commissioners introduced themselves. Congratulations Molly!

(3) MINUTES SUBMITTED FOR APPROVAL

3.1) CDA Annual Meeting - January 11, 2022

Commissioner Gade made a motion to approve the Minutes of January 11, 2022, Annual Meeting. Commissioner Stock seconded the motion. Unanimous voice vote followed. Motion carried.

3.2) GTDC Annual Meeting - January 11, 2022

Commissioner Gade made a motion to approve the Minutes of the January 11, 2022, Annual Meeting. Unanimous voice vote followed. Motion carried.

3.3) CDA Regular Meeting – January 11, 2022

Commissioner Choudek made a motion to approve the Minutes of the January 11, 2022, Regular Meeting. Unanimous voice vote followed. Motion carried.

(4) AGENDA ACTION(S)

4.1) Agenda Modifications

None requested.

4.2) Consent Agenda (5.3, 7.11, 7.12, 7.21, 7.5, 7.71)

All items listed with an asterisk (*) are considered by the Executive Director to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Scott County CDA Commissioner so requests, in which case the item will be removed from the Consent Agenda and placed in its normal sequence.

(5) FINANCIAL REPORT

5.1) Payment of Bills

Commissioner Croatt made a motion to approve check registers in the amount of \$438,358.31. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.

5.2) Development Reports – FY2021 4th Qtr

Lorien Mueller and Camille Ritter were in attendance from Great Lakes Management. Ms. Mueller introduced herself and Camille Ritter and gave a brief introduction of Great Lakes Management, in that they have managed all the 55+ buildings starting with River City Centre. Ms. Mueller indicated that the financials were previously provided to the Board but on the table was a year-end review of financials and projects done. Ms. Mueller went over the larger renovation projects that occurred at the various buildings over the past year. Ms. Mueller also talked about the COVID world in how it affected residents and projects.

Ms. Mueller indicated that the elevator at Phillips Square will be occurring in August of this year, and resident meetings will be held periodically to answer any resident's questions. In addition, the building manager put together some opportunities for the residents during the elevator shut down.

A resident satisfaction survey is underway and will be provided to the CDA when they are complete. Ms. Mueller answered Commissioners' questions about the waiting lists. Ms. Mueller indicated that conversations will begin with the pharmacy and clinic as leases are coming due in 2022 for the pharmacy and 2023 for the clinic.

River City Centre Consolidated, 52 units – Opened 1998

- YTD NOI \$551,543 – ended \$3,666 above budget for 2021.
- December 2021 leased and occupied percentages: 98% leased, 92% occupied
- 2021 Projects: Every three-year magic pak inspections, one unit window replacement, percentage of units plumbing shut off valves replaced, installation of common area flooring, water softener equipment replacement, drain line jetting, exterior glass cleaning, common area carpet cleaning, garage cleaning, security fire safety inspections

The Hamilton Consolidated, 42 units – Opened 2000

- YTD NOI \$370,177 – ended \$4,808 above budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 98% occupied
- 2021 Projects: elevator modernization project, garage LED lighting installation, percentage of unit decks replaced and railings painting, landscaping, drain line jetting, glass cleaning, common area carpet cleaning, garage cleaning, security fire safety inspections

Philipp Square, 55 units – Opened 2002

- YTD NOI \$319,663 – ended \$12,545 above budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 100% occupied
- 2021 Projects: exterior painting project, percentage of common area LED lighting installations, every three-year unit and common magic pak furnace inspections by an HVAC vendor, drain line jetting, exterior glass cleaning, common area carpet cleaning, garage cleaning, security fire safety inspections

Northridge Court, 58 units – Opened 2004

- YTD NOI \$460,881 – ended \$2,558 below budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 95% occupied
- 2021 Projects: elevator padding equipment, common hallway repair and painting, unit HVAC inspections, percentage of common area LED lighting installations, drain line jetting, exterior glass cleaning, common area carpet cleaning, garage cleaning, security fire safety inspections

Glendale Place, 62 units – Opened 2008

- YTD NOI \$548,292 – ended \$62,029 above budget for 2021.
- December 2021 leased and occupied percentages: 98% leased, 98% occupied
- 2021 Projects: common area painting projects, garage LED lighting installations, every three-year unit HVAC equipment

inspections, security system upgrades/modernization and inspections, exterior basin de-weeding, drain line jetting, exterior glass cleaning, common area carpet cleaning, garage cleaning, fire alarm and sprinkler inspections, second floor common hallway carpet replacement.

Market Village, 49 units – Opened 2012

- YTD NOI \$381,258 – ended \$55,481 above budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 100% occupied
- 2021 Projects: every three-year unit HVAC equipment inspections, common area wall repair and painting, soil for raised garden beds, drain line jetting, exterior glass cleaning, common area carpet cleaning, garage cleaning, replacement of exterior, added a new picnic table for common area exterior use, added interior high efficiency lightbulbs in common areas.

Brentwood Court Consolidated, 50 units – Opened 2013

- YTD NOI \$435,125 – ended \$23,697 above budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 98% occupied
- 2021 Projects: fire system monitoring access and upgrades project, antennae for free basic channels for residents, cleaning of HVAC venting in the garage, tamper proof safety elevator buttons installed, security and fire safety inspections, drain line jetting, exterior glass cleaning, common area carpet cleaning, garage cleaning

The Henderson, 51 units – Opened 2016

- YTD NOI \$431,235 – ended \$38,516 above budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 100% occupied
- 2021 Projects: drain line jetting, common area carpet cleaning, vendor garage cleaning, cleaning/inspecting water heaters, tree trimming, grass replacement at dog walking area, fire safety and prevention inspections

Brentwood Terrace, 59 units – Opened 2020

- YTD NOI \$377,675 – ended \$1,784 above budget for 2021.
- December 2021 leased and occupied percentages: 100% leased, 98% occupied
- 2021 Projects: property under warrant December 2020 – November 2021, on-site maintenance staff prepared spreadsheet reports on a weekly basis the first year, providing repairs under warranty in appliances, surfaces, flooring, cabinets, HVAC, electrical, and infrastructure. An automatic door

was installed between the garage and lobby; the garage was professionally deepcleaned; larger microwaves were purchased for all fourteen two-bedroom apartment homes.

5.3)* Agency 4th Quarter Financials

[Consent; no discussion]

5.4) RESOLUTION NO. 05-22: ADOPTING RESOLUTION OF CREATION OF BUSINESS REVOLVING LOAN FUND PROGRAM AND AUTHORIZING AGREEMENT WITH NEXTSTAGE TO ADMINISTER PROGRAM

Finance Director Johnson summarized the work that has been done on this program so far. Meetings were held with the Finance Committee and some areas of areas of concern were resolved with our attorney and NextStage (loan originator). Lee Hall, NextStage, was in attendance to provide information on the administration of the Revolving Loan Fund (RLF). Mr. Hall stated that NextStage is a non-profit and also does lending for state programs. The typical loan size they administer is \$35,000 for startup businesses. Requests for larger amounts are for Commercial projects and those usually occur 2-3 times per year. His company usually does gap funding for those businesses where conventional financing won't cover it, so NextStage programs, and specifically our RLF fills that need rather than competes with other funding sources. The CDA is not taking risk in any particular loan, rather risk is mitigated over many different loans. This program is an additional tool in the toolbox for small business financing. Finance Director Johnson indicated that amounts that may be available for loan from the 2021 and 2022 budgets. Through Board discussion, it was agreed that we will fund this program, and if it is not used, the CDA can reallocate the funds. Since Next Stage is in the business of helping small businesses find funding, they will market this tool to small businesses in Scott County.

Commissioner Stock made a motion to adopt Resolution No. 05-22. Commissioner Gade seconded the motion. Unanimous roll call vote followed. Motion carried.

(6) EXECUTIVE DIRECTOR REPORT

6.1) The Executive Director will provide an update on activities.

Executive Director Siegert stated there should be a draft of the Housing Demand Study from Maxfield Research soon and hopefully it can be presented to SCALE in April. The receipt of the Commercial/Industrial Study is expected within the next few months. We share the cost of these studies with SCALE and this data is widely used by cities, developers, appraisers, etc. We are requesting that Maxfield give us intermediate updates between full

studies so the information stays current. Assistant to Executive Director Janovsky is working on the Compensation Study with Baker Tilly. A meeting with the Personnel Committee (Commissioners Choudek and Stock) will be held soon.

Executive Director Siegert opened up discussion on the strategic plan updating. She stated that each objective had tasks/work plan assigned to it. The goal would be to report on the outcomes of each objective on a regular basis. Executive Director Siegert used the “office expansion” example. The Wold Architect study of CDA space needs occurred in 2019 so we need to relook at our needs, and those items will come back to the board for discussion. Commissioner Stock raised some questions for discussion. For example, descriptions of some of the objectives were not clear. Executive Director Siegert gave an example of preserving housing that may have subsidy ending and may go to market rate rents. Staff and Board discussion ensued. The tasks or work plans are day to day—at what level does the Board want to be involved? After some discussion, it was agreed that CDA Staff will continue working on how to best report outcomes/achievements.

(7) OLD BUSINESS

7.1) Affordable Housing Programs

7.11)* Affordable Housing Occupancy Report

[Consent; no discussion]

7.12)* Housing Choice Voucher Utilization Report

[Consent; no discussion]

7.2) Home Ownership Programs

7.21)* Homeownership Programs Report

[Consent; no discussion]

7.3) Liaison Report – Scott County Commissioner

Commissioner Beard attended via zoom. Commissioner Beard indicated that the public hearing regarding the ½ cent sales tax will be soon. In addition, the grand opening for the new government center space will occur in March. Commissioner Beard discussed the road projects that may be constructed from sales tax funds.

7.4) First Stop Shop (FSS)

Business Development Director Crakes commented on the CARES funds that were allocated with program development by the CDA Economic Development team and administration through NextStage. A total of \$3.4M in grants were awarded to 170 small businesses, 92 daycare providers, and

41 farmers. Business Development Director Crakes went over some items on her report and indicated that the CFE was awarded \$105,000 in Small Business Partnership Grant funds. She also provided an update on leases for the CFE—about 18000 square feet leasing at \$12.5. The base rate to rent to businesses is \$15-20 per foot depending on what stage the business is in (start-up, growth). Business Development Director Crakes handed out the “CDA by the Numbers” which provides a snapshot of several data points for 2021 and explained the Economic Development data and housing program data.

7.5)* River City Centre Retail Master Lease

[Consent; no discussion]

7.6) INVEST Deferred Loan Program Awards

Executive Director Siegert handed out a scoring map for reference. She indicated that Scott County did not have any projects that were selected for funding by Minnesota Housing for the 2022 round. The CDA has leveraged \$300,000 per year for the last several years in order for developers to get additional points for having a local match. Prairie Point (Beacon Interfaith) and Main Street Lofts (MWF/Joseph Development) were awarded \$150,000 of CDA INVEST funds last year. Neither one was funded by the MHFA. The map shows how competitive the tax credit applications are. Developers in Scott County enter the highly competitive process with a disadvantage due to location. It should be noted that applicants do not always receive funds on their first try at applying. Housing Director Siegert indicated that the County may allocate some money for disability units in workforce housing, which would help the developer gain points. With existing projects, we have been able to add 30 disability units in past 4 years. In 2020, no Scott County applicant was awarded tax credits. Executive Director Siegert will request the Board consider increasing funding from \$300,000 to \$500,000 which would match funding from the County in ARPA funds, and allow developers to gain more points on their application. The CDA Finance Committee will review submitted applications for INVEST funding in May.

7.7) SC-CDA Development Activities

7.71)* Scott County Community Land Trust

[Consent; no discussion]

7.8) Strategic Planning Report

Commissioner Stock made a motion to approve Strategic Planning Report. Commissioner Choudek seconded the motion. Unanimous voice vote followed. Motion carried.

(8) NEW BUSINESS


Finance Director Johnson indicated that a payroll fraud occurred last February 4 as a direct deposit change was requested via spam email. All steps are being taken to mitigate this issue and ensure it doesn't happen again.


(9) SET NEXT MEETING DATE, TIME AND PLACE

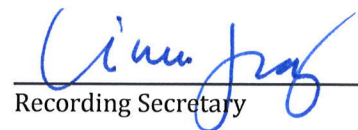
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|------|-----------------|--|
| 9.1) | Regular Meeting | 2:00 p.m., March 8, 2022
CDA Office |
| 9.2) | SPECIAL Meeting | as needed |

(10) ADJOURN

Commissioner Gade made a motion to adjourn at 3:48 p.m. Commissioner Choudek seconded the motion. Unanimous voice vote followed. Motion carried.


Chair


Secretary

 4/13/22
Recording Secretary Date