

**MINUTES OF THE HRA REGULAR MEETING PROCEEDINGS
TUESDAY, SEPTEMBER 6, 2022**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins Housing and Redevelopment Authority was held on Tuesday, September 6, 2022 at 6:30 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Patrick Hanlon called the meeting to order and conducted roll call with Council Members Beck, Garrido and Hunke attending. Council Member Balan participated via interactive technology pursuant to Minn. Stat. Section 133.02. Others attending included Executive Director Mornson, Executive Director Mohamed, Assistant Executive Director Elverum, City Attorney Riggs, and representatives from Enclave Companies.

ADOPT AGENDA

Motion by Hunke. Second by Garrido.

Motion to Adopt the Agenda.

Ayes: Beck, Hanlon, Hunke, Garrido, Balan.

Nays: None. Motion carried.

CONSENT AGENDA

Motion by Hunke. Second by Garrido.

Motion to approve the Consent Agenda.

1. Approve Minutes of the August 1, 2022 regular meeting
2. Approve Minutes of the August 16, 2022 special meeting
3. Approve Disbursements through August 24, 2022

Ayes: Beck, Hanlon, Hunke, Garrido, Balan.

Nays: None. Motion carried.

NEW BUSINESS

1. MHFA POHP Loan Repayment Agreement

Executive Director Mohamed summarized HRA Report 2022-04 related to this item. The Minnesota Housing Finance Agency (MHFA) committed \$393,005 to Dow Towers from the program to improve exterior doors, building ventilation system, a portion of the building plumbing, addressing existing lead-based paint, and water softeners. The overall cost of the project was \$644,721 and was completed in October of 2019. With approval of the motion, staff would be able to close on the end loan amount of \$393,005 with MHFA.

Motion by Beck. Second by Hunke.

Motion to adopt Resolution 546, approving to borrow a zero-interest forgivable loan from the Minnesota Housing Finance Agency (MHFA) regarding the building system improvements for Dow Towers.

Ayes: Balan, Beck, Hanlon, Hunke, Garrido.

Nays: None. Motion carried.

2. Business Subsidy Agreement – Ovation Apartments

Assistant Executive Director Elverum provided one summary presentation of HRA Reports 2022-03 and 2022-05, which are related items with two separate actions. Enclave Companies has proposed redevelopment of the former Hopkins Cinema 6 movie theater. Due to the costs of land acquisition, demolition, site preparation and construction, the redevelopment is not financially feasible without public assistance. The Agreement commits the Housing and Redevelopment Authority (HRA) to a one-time forgivable loan utilizing excess Tax Increment Financing (TIF) from District 2-11 in the maximum amount of \$1,250,000. The loan will be utilized as follows: \$750,000 for demolition, \$350,000 for exterior improvements to the existing retail and \$150,000 for outdoor public space. The loan will be reduced dollar for dollar should the actual costs be less overall. The goal for the subsidy is to secure completion of the proposed improvements. The project is contingent upon successful rezoning and Planned Unit Development (PUD) approvals.

Council Member Hunke commented in support of the assistance being used for exterior improvements to the existing retail and outdoor public space.

Mayor Hanlon requested more information on how redevelopment of this site will be for the public good. Ms. Elverum responded that many of the benefits come through the Planned Unit Development including a higher level of design, three locations that will feature public art, and rooftop solar. The redevelopment will be removing a building that has been vacant for over two years. Mayor Hanlon invited Brian Bochman of Enclave Companies to further discuss the benefit of the development to the community. Discussion continued regarding the difficulty in including affordable units in the project and affordable housing policies in surrounding communities.

Motion by Beck. **Second** by Hunke.

Motion to approve the Business Subsidy Agreement between Ovation Apartments, LLC and the Housing and Redevelopment Authority of the City of Hopkins.

Ayes: Balan, Beck, Hanlon, Hunke, Garrido.

Nays: None. Motion carried.

3. Loan Agreement – Ovation Apartments

The item was presented and discussed as part of the previous item related to Ovation Apartments.

Motion by Beck. Second by Hunke.

Motion to approve the Loan Agreement between Ovation Apartments, LLC and the Housing and Redevelopment Authority of the City of Hopkins.

Ayes: Balan, Beck, Hanlon, Hunke, Garrido.

Nays: None. Motion carried.

4. Loan Agreement – Blake Road Station

Assistant Executive Director Elverum presented a summary of HRA Report 2022-06.

The Loan Agreement is a continuation of the Blake Road Station project. Phase I of the project is currently under construction and demolition on Phase II has begun. Due to the high cost of land and construction, the developer indicated it is not financially feasible to undertake the project without City assistance. Staff is recommending \$685,000 in financial assistance be limited to environmental remediation.

Motion by Beck. Second by Garrido.

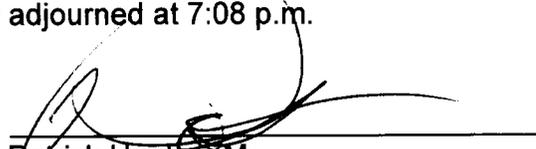
Motion to approve the Loan Agreement between the Hopkins Housing and Redevelopment Authority and TF Hopkins, LLC.

Ayes: Balan, Beck, Hanlon, Hunke, Garrido.

Nays: None. Motion carried.

ADJOURNMENT

There being no further business to come before the HRA and upon a motion by Beck, second by Hunke, the meeting was unanimously adjourned at 7:08 p.m.



Patrick Hanlon, Mayor



Michael J. Mornson, Executive Director