

**MINUTES  
OF THE JOINT MEETING OF THE  
EDINA HOUSING AND REDEVELOPMENT AUTHORITY  
HELD AT CITY HALL  
DECEMBER 18, 2001  
7:00 P.M.**

**ROLLCALL:** Answering rollcall were Commissioners Housh, Hovland, Masica and Chair Maetzold. Commissioner Kelly entered the meeting at 7:15 P.M.

**CONSENT AGENDA APPROVED** Motion made by Commissioner Masica and seconded by Commissioner Hovland approving the Edina Housing and Redevelopment Authority Consent Agenda as presented.

Rollcall:

Ayes: Housh, Hovland, Masica, Maetzold

Motion carried.

**\*MINUTES OF THE REGULAR MEETING OF DECEMBER 4, 2001, APPROVED** Motion made by Commissioner Masica and seconded by Commissioner Housh approving the Edina Housing and Redevelopment Authority Minutes of the December 4, 2001, meeting as presented.

Rollcall:

Ayes: Housh, Hovland, Masica, Maetzold

Motion carried.

**\*BID AWARDED FOR SENIOR CENTER PHONE SYSTEM** Motion made by Commissioner Masica and seconded by Commissioner Housh for award of bid for an integrated phone system for the Senior Center to sole bidder, Matrix Communications, at \$15,980.00.

Motion carried on rollcall vote - four ayes.

**\*BID AWARDED FOR LIBRARY/SENIOR CENTER SECURITY SYSTEM** Motion made by Commissioner Masica and seconded by Commissioner Housh for award of bid for library/senior center security system for the county-wide system recommended bidder, Pro-Tech Design at \$15,782.40.

Motion carried on rollcall vote - four ayes.

**\*CHANGE ORDER APPROVED FOR MECHANICAL CONTRACT** Motion made by Commissioner Masica and seconded by Commissioner Housh authorizing staff to process the change order exceeding ten percent for the mechanical contract on the Library/Senior Center.

Motion carried on rollcall vote - four ayes.

**HRA RESOLUTION 2001-07, APPROVING PUBLIC FACILITIES REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT** Affidavits of Notice were presented, approved and ordered placed on file.

Executive Director/Manager Hughes explained a series of actions are required by the City Council and the HRA in order to complete the sale of the Public Project Revenue Bonds Series 2002. As discussed in previous meetings, the bonds will be used to:

- Remodel and construct an addition to the library next door to City Hall in order to use it as a new police station; and
- Construct a new City hall located behind the existing building or remodel the existing facility for use by the departments that will remain in the building; and

In order to complete the sale of bonds, the following steps must be taken:

1. Conduct a public hearing on the establishment of a Public Facilities Redevelopment Plan and Redevelopment Project.
2. Award the sale of the Public Project Revenue Bonds Series 2002
3. Authorize execution of a ground lease and lease agreement for the public facilities project.

Chair/Mayor Maetzold opened the public hearing.

Mark Rupp, Ehlers and Association, 3060 Center Point Drive, Roseville, MN explained the City received three bids for the proposed bond sale. Mr. Rupp stated that since the proposed bonds were not General Obligation bonds they typically received a rate ½ step below the G.O. Bond rating. The low bid of 5.1725% True Interest was received from RBC Dain-Rauscher, Inc. The bonds have a projected closing date of January 16, 2002.

Mr. Hughes explained the interest rate would cause future years levy to need to be increased by \$25,000 each year since the debt service will actually be \$1,025,000 annually for the nineteen-year term of the bond.

Commissioner/Member Housh inquired if the difference between building a new facility versus a remodel would be \$1,500,000.00. Manager Hughes answered yes this would be on a gross cost basis.

Chair/Mayor Maetzold asked what the process would be. Manager Hughes said the finance portion is the beginning for the Police Department with bids being solicited for award at the February 19, 2002, meeting. Having the financing in place is extremely important. He added that refined cost estimates for a new City Hall would be presented to the Council at a work session.

David Kroos, BKV Group, estimated they would need between one and one-half to two months to do a general layout and image sketches of a proposed building.

Director/Manager Hughes commented this could happen somewhat simultaneously when the Police Station bids are being awarded.

Commissioner/Member Housh inquired whether bidding both projects at the same time would allow better economy's of scale. Mr. Kroos said under normal circumstances that would be the case. He added currently a good bidding window exists for the Police Station. If it were put on hold to wait for the City Hall project to formulate, that window would be lost.

Chair/Mayor Maetzold said conversations he has had with residents lately express the wish that a new building would "fit-in" with the neighborhood.

Commissioner/Member Housh questioned the useful life of a renovated structure versus a new structure. He assumed if the renovation were done appropriately, the useful life would be substantial. He questioned whether the point was significant. Manager Hughes explained that no matter how good a job is done with the renovation, what remains is a 50 year-old infrastructure.

Mr. Kroos, concurred with Mr. Hughes that even the renovations completed in 1980 and 1988 are showing signs of deterioration. There would be significant on-going maintenance on the current building.

Mr. Housh asked if long-term operating expenses in a new structure would be much less, and asked what these costs would be. Mr. Hughes said however City Hall would be renovated, energy costs would be higher than with a new building. Mr. Housh asked if hard figures could come forward later in the process. Mr. Hughes said staff attempted to located a industry standard that compares energy costs with a renovated building versus a new building. They were unable to do so.

Commissioner/Member Hovland that the Council as a whole has the same concerns as Mr. Housh and if the process continues, they will have all the information necessary to make an informed decision when the time comes.

Chair/Mayor Maetzold opened the public hearing for public comment.

No public comments were received.

**Commissioner/Member Kelly made a motion closing the public hearing, seconded by Commissioner/Member Housh.**

Ayes: Housh, Hovland, Kelly, Masica, Maetzold  
Motion carried.

Commissioner/Member Kelly introduced the following resolution and moved its adoption:

**HRA RESOLUTION NO. 2001-07  
RESOLUTION APPROVING PUBLIC FACILITIES  
REDEVELOPMENT PLAN AND REDEVELOPMENT  
PROJECT**

BE IT RESOLVED, by the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority in and for the City of Edina, Minnesota (the "HRA"), as follows:

1. Proposed Redevelopment Plan and Redevelopment Project. To provide improved public facilities to be leased by the HRA to the City of Edina (the "City") it has been proposed that the HRA approve a redevelopment plan, as defined in Minnesota Statutes, Section 469.002, subdivision 16, designated as the Public Facilities Redevelopment Plan (the "Redevelopment Plan"), and a redevelopment project to be undertaken pursuant thereto, as defined in Minnesota Statutes, Section 469.002, subdivision 14 designated as Public Facilities Redevelopment Project (the "Redevelopment Project"). The Redevelopment Plan and Redevelopment Project authorize the acquisition, construction, renovation and remodeling by the HRA of a City Hall and public safety facility in the area subject to the Redevelopment Plan, and the lease of such facilities by the HRA to the City.

2. Approval of Redevelopment Plan and Redevelopment Project. The Redevelopment Plan and Redevelopment Project have been presented to this Board and are ordered placed on file in the office of the Executive Director of the HRA, and the Redevelopment Plan and Redevelopment Project are hereby approved. The Redevelopment Plan and Redevelopment Project serves the goals and objectives of the City and HRA by providing needed improved public facilities.

3. Presentation to City Council. The Redevelopment Plan and Redevelopment Project hereby approved shall be presented to the City Council for a public hearing thereon pursuant to Minnesota Statutes, Section 469.029, subdivision 6 and Section 469.175, subdivision 4.

Dated this 18<sup>th</sup> day of December, 2001.

Commissioner/Member Masica seconded the motion.

Rollcall:

Ayes: Housh, Hovland, Kelly, Masica, Maetzold

Motion carried.

**HRA RESOLUTION 2001-06 SALE OF PUBLIC PROJECT REVENUE BONDS SERIES 2002 APPROVED** Commissioner/Member Kelly introduced the following resolution and moved its adoption:

**HRA RESOLUTION 2001-06  
RESOLUTION RELATING TO PUBLIC PROJECT  
REVENUE BONDS, SERIES 2002 (CITY OF EDINA)**

**ANNUAL APPROPRIATION LEASE OBLIGATIONS);  
AUTHORIZING THE ISSUANCE, AWARDED SALE,  
PRESCRIBING THE FORM AND DETAILS AND  
PROVIDING FOR THE PAYMENT THEREOF**

BE IT RESOLVED by the Board of Commissioners of the Edina Housing and Redevelopment Authority (the "Authority"), as follows:

**Section 1. AUTHORIZATION AND SALE.**

1.01. Authorization. The City of Edina, Minnesota (the "City") desires to provide adequate City hall and public safety facilities and has determined that the most efficient way to do so is to lease-purchase the facilities pursuant to the authority granted by Minnesota Statutes, Section 471.65. Acting pursuant to the provisions of Minnesota Statutes, Section 469.012, subdivision 1(7), the Authority would have the power to acquire real property, by lease or otherwise, and construct the proposed facilities for lease to the City. Pursuant to Minnesota Statutes, Section 469.033, and Chapter 475, the Authority would further have the power to issue revenue bonds to provide the funds necessary for the acquisition, remodeling, renovation and furnishing of the facilities. Pursuant to the foregoing authority, the Authority proposes to undertake the acquisition, renovation, remodeling and furnishing of a city hall and a public safety facility as more fully described in the plans and specifications therefore (herein the "Facilities") and to finance the cost thereof by the issuance of its revenue bonds (the "Bonds") under this Resolution and a Trust Indenture, to be dated as of January 1, 2002 (the "Indenture"), between the City and U.S. Bank Trust National Association, in St. Paul, Minnesota, as trustee (the "Trustee"). The Facilities will be located on land ground leased by the City to the Authority pursuant to a Ground Lease, to be dated as of January 1, 2002 (the "Ground Lease"). The Authority proposes to lease the Facilities to the City pursuant to a Lease Agreement, to be dated as of May 1, 2001 (the "Lease"), between the Authority, as lessor, and the City, as lessee. All bonds issued under this Resolution and the Indenture will be secured solely by rental payments to be made by the City pursuant to the Lease, and funds held by the Trustee under the Indenture, and said bonds and the interest on said bonds shall be payable solely from the revenue pledged therefore under the Indenture and no such bonds shall constitute a debt of the Authority or the City within the meaning of any constitutional or statutory limitation nor shall constitute nor give rise to a pecuniary liability of the Authority or City or a charge against their general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority or City, other than the revenues pledged to the payment of the bonds under the Indenture.

Under the Lease, and subject to the right of termination by the City at the end of each fiscal year of the City as provided in the Lease, the City is to pay to the Authority sufficient money each year to pay the principal of, premium, if any, and interest on the Bonds issued under this Resolution and the Indenture, and the City is to provide the cost of maintaining the Facilities in good repair, the cost of keeping the Facilities properly insured, and any payments required for taxes and any expenses incurred by the Authority in connection with the Facilities.

1.02. Sale of Bonds. Pursuant to the provisions of Minnesota Statutes, Section 475.60, subdivision 2(9), the public sale requirements do not apply to the sale of the Bonds since the Authority has retained Ehlers & Associates, Inc. as independent financial advisors. The Board has received an offer from \_\_\_\_\_, in Minneapolis, Minnesota (the Purchaser), to purchase the Bonds at a price of \$\_\_\_\_\_ plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth and set forth in the Indenture. The offer is hereby accepted, and the Chair and the Secretary are hereby authorized and directed to execute a contract on the part of the Authority for the sale of the Bonds with the Purchaser.

**Section 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.**

2.01. Issuance of Bonds. For the purpose of paying the costs of the acquisition, construction and furnishing of the Facilities, this Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$\_\_\_\_\_. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, existing, having happened and having been performed, it is now necessary for this Board to establish the form and terms of the Bonds, to provide security therefore and to issue the Bonds forthwith.

2.02. Terms of the Bonds. The Bonds shall be designated "Public Project Revenue Bonds, Series 2002 (City of Edina Annual Appropriation Lease Obligations)". The terms of the Bonds, including without limitation, the date of original issue, interest payment dates, maturity dates and principal amounts, interest rates, redemption provisions, and provisions for registration and exchange shall be as set forth in Articles II and III of the Indenture which are incorporated herein by reference.

2.03. Execution, Authentication and Delivery. The Bonds shall be executed by the Authority, and authenticated and delivered by the Trustee, in accordance with the applicable provisions of Article II of the Indenture which are incorporated herein by reference.

2.04. Form of Bonds. The Bonds shall be printed in substantially the form set forth in Section 2.01 of the Indenture.

**SECTION 3. APPROVAL OF GROUND LEASE; LEASE AGREEMENT; INDENTURE.** The form of the Ground Lease, and the form of the Lease Agreement and the Indenture, are hereby approved. The Chair and Secretary are hereby authorized and directed to execute and deliver said documents in the name and on behalf of the Authority with such variations, omissions and insertions as the Chair and Secretary shall approve, which approval shall be conclusively presumed by the execution and delivery of said documents by the Chair and Secretary.

**SECTION 4. REGISTRATION OF BONDS.** The Secretary is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Hennepin County, together with such additional information as required, and to obtain from the County Auditor a certificate that the Bonds have been duly entered upon the County Auditor's bond register.

**SECTION 5. AUTHENTICATION OF TRANSCRIPT.** The officers of the Authority are hereby authorized and directed to prepare and furnish to the Purchaser, and to Dorsey & Whitney LLP, the attorneys rendering an opinion as to the legality thereof, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the Authority as to the correctness of all statements contained therein.

**SECTION 6. OFFICIAL STATEMENT.** A Preliminary Official Statement relating to the Bonds, prepared and delivered on behalf of the Authority by Ehlers & Associates, Inc., has been received and is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the Authority to prepare and distribute to the Purchaser a supplement to the Preliminary Official Statement, or a final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Act of 1934. Within seven business days from the date hereof, the Authority shall deliver to the Purchaser sufficient copies of the Official Statement and such supplement. The officers of the Authority are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency thereof.

**Section 7. TAX MATTERS.**

**7.01. General Tax Covenant.** The Authority agrees with the Holders from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund established pursuant to the Indenture will be expended solely for the payment of the costs of acquisition, remodeling, renovation and furnishing of the Facilities as set forth in the Indenture. So long as any Bonds are outstanding, the Authority shall not enter into any contract for the sale of all or a portion of the Facilities or enter into any lease, management contract, use agreement or other agreement with any non-governmental person relating to the use of all or a portion of the Facilities or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

**7.02. Certification.** The Chair and Secretary, being the officers of the Authority charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations,

stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

7.03. Arbitrage Rebate. The Authority acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Authority covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

7.04. Reimbursement. The Authority certifies that the proceeds of the Bonds will not be used by the Authority to reimburse itself for any expenditure with respect to the Facilities which the Authority paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the Authority shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Facilities meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Central Maintenance and Public Safety Facility as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

Passed and adopted this 18<sup>th</sup> day of December, 2001.

Commissioner/Member Masica seconded the motion.

Rollcall:

Ayes: Housh, Hovland, Kelly, Masica, Maetzold

Motion carried.

**\*CONFIRMATION OF CLAIMS PAID Motion made by Commissioner Masica and seconded by Commissioner Housh approving payment of claims dated December 6, 2001, and consisting of two pages totaling \$810,819.95.**

Motion carried on rollcall vote – four ayes.

There being no further business on the Edina Housing and Redevelopment Authority Agenda, Chair Maetzold declared the meeting adjourned.

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Executive Director