

**MINUTES
OF THE
EDINA HOUSING AND REDEVELOPMENT AUTHORITY
FEBRUARY 4, 2008
7:00 P.M.**

ROLLCALL Answering rollcall were Commissioners Bennett, Housh, Masica, Swenson and Chair Hovland.

CONSENT AGENDA ITEMS APPROVED Motion made by Commissioner Housh and seconded by Commissioner Swenson approving the Consent Agenda for the Edina Housing and Redevelopment Authority as presented.

Rollcall:

Ayes: Bennett, Housh, Masica, Swenson, Hovland

Motion carried.

***MINUTES OF THE REGULAR MEETING OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY JANUARY 15, 2008 APPROVED** Motion made by Commissioner Swenson and seconded by Commissioner Housh approving the Minutes of the Regular Meeting of the Edina Housing and Redevelopment Authority from January 15, 2008.

Motion carried on rollcall vote - five ayes.

RESOLUTION NO. 2008-02 ADOPTED SETTING MARCH 3, 2008, PUBLIC HEARING FOR ISSUANCE OF TAX EXEMPT REVENUE BONDS FOR CALVIN CHRISTIAN SCHOOL Executive Director Hughes explained Calvin Christian School has requested that the Edina Housing and Redevelopment Authority (HRA) issue \$1.5 million in non-profit revenue bonds to facilitate the expansion of their facility at 4015 Inglewood Avenue. These bonds would be similar to those issued on behalf of Volunteers of America late last year.

Mr. Hughes explained the note has been proposed to be issued in a principal amount of up to \$1,500,000 and the purchaser of the note will be Anchor Bank Woodbury. The reason that the HRA rather than the City has been requested to issue the note is in order that the note can be "bank qualified" under Section 265(b) of the Internal Revenue Code of 1986, as amended. Having the note bank qualified allows a bank to own the note and receive the tax-exempt interest thereon without losing an interest deduction. The HRA and the City may issue bank qualified bonds if such entity and any subordinate entities will not issue more than \$10 million of tax-exempt bonds in a calendar year. At this time it is anticipated that the City will issue bonds in excess of \$10 million in 2008, so if the City were to issue the note it could not be bank qualified. However, the HRA does not expect to issue any tax-exempt obligations in 2008 and the City's tax-exempt bonds are not taken into account in determining whether the HRA is eligible to issue bank qualified bonds.

Mr. Hughes said the debt service on the note will be payable solely from payments to be made by CCS, and the HRA will not have any liability with respect to the note. CCS will pay all HRA expenses with respect to the note and upon issuance of the note will pay the HRA a fee in accordance with the City's policy for the issuance of revenue bonds (1/2 of 1% of the

original principal amount of the note). He added, in 1995, the City adopted guidelines for the consideration of tax exempt revenue bonds. The proposed use of the bond proceeds appears to comply with the guidelines in that a significant amount of the proceeds will be used for property improvements.

Mr. Hughes stated the revenue bonds were not backed by the general obligations of the City and repayment would be the sole obligation of Calvin Christian School. He suggested if the HRA wished to consider this request, a hearing be scheduled for March 3, 2008.

Following a brief discussion, **Commissioner Housh made a motion to adopt Resolution No. 2008-02 setting March 3, 2008, as the hearing date for the Calvin Christian School Tax Exempt Revenue Bonds.** Commissioner Swenson seconded the motion.

Rollcall:

Ayes: Commissioners Bennett, Housh, Masica, Swenson, Hovland

Motion carried.

There being no further business on the HRA Agenda, the Chair declared the meeting adjourned at 7:05 p.m.

Executive Director