

**MINUTES
OF THE
EDINA HOUSING AND REDEVELOPMENT AUTHORITY
MARCH 3, 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 Masica 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 FEBRUARY 19, 2008, APPROVED** Motion made by Commissioner Masica and seconded by Commissioner Swenson approving the Minutes of the Regular Meeting of the Edina Housing and Redevelopment Authority from February 19, 2008

Motion carried on rollcall vote – five ayes.

CALVIN CHRISTIAN SCHOOL REQUEST FOR REVENUE BONDS DENIED Affidavits of Notice were presented approved and ordered placed on file.

Executive Director Hughes noted the HRA on February 4, 2008, set a public hearing date to consider the issuance of revenue bonds on behalf of the Calvin Christian School. If approved the proceeds of the bond issue will be used by the Calvin Christian School to finance the addition to their school.

Mr. Hughes noted that according to the City's tax exempt revenue bond financing guidelines the City will be paid an issuance fee of 1/2% of the principal amount of the bond issue. He said other out-of-pocket costs of the City will be reimbursed if the HRA authorizes the bond sale. Mr. Hughes also said if the HRA authorized the sale, the City Council must also adopt a resolution authorizing the issuance.

Mr. Hughes noted receipt of a letter from Teresa Nelson of the American Civil Liberties Union of Minnesota maintaining that issuance of the requested bonds would violate the establishment of religion clauses of both the Constitution of the United States and the Minnesota Constitution.

Mr. Hughes introduced Dick Helde, of Dorsey & Whitney LLP, the City's bond counsel for this issue. Mr. Helde answered questions of the Council regarding whether or not the issuance of the bonds violate the religious clauses of the state and federal constitutions, who would pay for litigation, and who would benefit from the bond sale. Mr. Helde said he was satisfied that all legal requirements have been met after review of the pertinent constitutional provisions. He referred to the Hawk case on which the Minnesota Supreme Court upheld the sale of the bond. Mr. Helde said bond purchasers could lose the tax exempt status of their bonds and that Calvin Christian School would have some liability in a lawsuit. He added that Minnesota revenue bond statutes were neutral as to religion.

Public Comment

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Steve Fenlon, Midwest Healthcare Capital, 665 Woodridge Drive, Mendota Heights, listed several schools with religious affiliations with which he had been involved regarding the issuance of revenue bonds. He said the academic spaces of Calvin Christian School had been studied and would be kept from the religious areas of the buildings. Mr. Fenlon urged approval of the bonds.

Caroline Jackson, 5716 Continental Drive, requested the HRA deny the request.

Jonathan Gross, 4208 Grimes Avenue, opposed the issuance of the revenue bonds.

Steve Timmer, 5348 Oaklawn Avenue, opposed the issuance of the revenue bonds.

Steve Groen, 5736 Drew Avenue, Calvin Christian School Superintendent, said the School has been a positive member of the community since 1961. Mr. Groen urged approval of the requested bonds adding the addition to the School will enhance the community.

Commissioner Swenson made a motion, seconded by Commissioner Housh to close the public hearing.

Ayes: Bennett, Housh, Masica, Swenson, Hovland
Motion carried.

Following the closure of the public hearing, the HRA continued their discussion of the requested revenue bonds. Concerns were expressed that included: whether academic and religious spaces could be kept separate, other revenue bond issues such as Fairview Hospital and the Volunteers of America clearly had public benefits to community of a non sectarian nature, and the possible precedential nature of issuing bonds for a religious institution. The Council asked additional questions of the bond counsel, Mr. Helde. Following the discussion, **Commissioner Housh made a motion introducing Resolution No. 2008-03 and moved its adoption authorizing the sale of a revenue note pursuant to Minnesota Statutes, Section 469.152 to 469.1651, as amended at the request of Calvin Christian School in the principal amount of \$1,500,000, and approving forms of documents in connection therewith.** Commissioner Swenson seconded the motion.

Ayes: Housh
Nays: Bennett, Masica, Swenson, Hovland
Motion failed.

There being no further business on the HRA Agenda, the Chair declared the meeting adjourned at 7:45 p.m.

Executive Director