

# BLUFF COUNTRY MINNESOTA MULTI-COUNTY HRA

Monday, July 19, 2010  
10:00 a.m.

Semcac Office  
Rushford, MN

## I. CALL TO ORDER

Tom Falbo called the meeting to order.

## II. ROLL CALL

Present: Tom Falbo, Bob Carlson, Tom Kaase and Sandy Wright  
Absent: None  
Staff Present: Gerry Krage, Cindy Vitse and Vonda Budde  
Guest Present: None

## III. APPROVAL OF MINUTES (June 2010)

Sandy made a motion to approve the minutes, second by Tom K. Motion carried.

## IV. BUSINESS

**A. Financial Report** – Vonda reviewed the financial report. She pointed out that after the 2<sup>nd</sup> half of the taxes are paid that the TIF District should be in the black. Houston County Levy funds have earned \$80.37 so far and Fillmore County Levy funds have earned \$80.50. Vonda asked the board to start thinking about how they plan on covering expenses if/when the levy money is depleted. Tom F. said maybe in a year or two the board could approach the counties and ask for financial assistance. Tom K. made a motion to approve the financial report, seconded by Sandy. Motion carried.

**B. Loan Progress Report** – No activity to report.

**C. Minnesota City Participation Program** – Cindy reported that Fillmore County has utilized 22.82% of the funds allocated (1 loan for \$72,522). Houston County has utilized 39.06% of the funds allocated (1 loan for \$115,938).

**D. Vesterheim Update** – Gerry talked to Dan C. a couple times. Dan explained to Gerry that there are 7 partners involved with this project and that he is the one who represents them. Chuck R. from MN Housing completed the review and will be giving options to the partners. Gerry said he would contact Dan to see if we could go directly to Chuck for information. Tom F. said to talk to him. Tom K. said he'd like to have Gerry contact Dan to see if

he could talk directly to Chuck and if Dan hesitates then to tell Dan to get back to us when they are ready to discuss this project. If it is left in Dan's court then the staff will not incur more time and expenses with this potential project and would be able to research other projects.

**E. Old Hospital/Sunrise Care Spring Grove Update** – Gerry has been trying to contact Lori Wendell, person who has Old Hospital Apartments in Spring Grove, to inquire about the property. Gerry has had no response to his phone calls. Since Lori lives in the Mabel area, Vonda will try contacting her regarding the Old Hospital. Gerry and Vonda visited with Chris at Sunrise and discussed the possibility of the Old Hospital. Chris is still very interested in partnering with the HRA. The apartments are all full at this time. Chris informed them this building would need a lot of work done to it to meet requirements for a Group Residential property. Gerry wasn't sure what that all consisted of.

**F. Houston Habitat Update** – Gerry talked to Corey Stalaski, Habitat contact person for Houston County, and she told him they work a lot with Coulee CAP in Wisconsin. He asked Corey what she was hoping the HRA could do for them. She said at this time she just wanted us to know what they were doing in our service area. She said they did a media splash and only ended up with 3 interested parties. This is very low compared to the interest they receive in the LaCrosse area.

**G. Rushford Habitat Donation Resolution** – Tom K. made a motion to approve the resolution, seconded by Sandy. Motion carried.

**H. PACE Bonds (Property Assessed Clean Energy)** – Gerry informed the board that at this time it doesn't appear to meet the goals for the HRA or Semcac but is worth further investigation. He is going to be meeting with Lucy McMartin, City of Winona, since he knows they are looking into it too. The bond rates are between 6-8%. Mike Bubany from David Drown and Associates feels it is a good thing while Sprinstead doesn't feel it is a good idea because the rates seem too high. Gerry will report back to the board at the next meeting with further information.

**I. Liability Insurance** – Vonda submitted payment but has not yet received the Binder. She will follow up with insurance company.

Disclaimer in regards to Krage Insurance Company: Gerry Krage would like it annotated in the minutes that he has no financial or conflict of interest in Krage Insurance. The owners of that insurance agency are distant relatives whom he may have never met, and has never done business with.

**J. Open Discussion** – Cherry Wood Estates – Gerry heard that these units may be for sale. They are located in Mabel. One building is senior housing and the other is multi-family. Both Rural Development projects. The senior building has approximately 4 units and the multi-family has approximately 8 units. Gerry will get more information for the next board meeting.

Tom F. asked when the income may start coming in from the two apartments the HRA is part owners of through Springstone LLC (Harmony and Spring Grove). Tom K. said he'd check into this and report back to the board.

Other potential ideas for the board to consider: Neighborhood Revitalization would consist of purchasing foreclosed homes, rehabbing them and then selling them to a first time homebuyer. Three Rivers from Zumbrota is doing this and says that it barely pays for itself, but has great benefit to the surrounding neighborhoods. Foreclosed homes in this area have dropped per Bob but Short Sales have grown. He said it is a lot cheaper for banks to do a Short Sale than it is for them to foreclose. Gerry will check into this further and report back to the board.

## **V. ADJOURN**

The next meeting will be held on Monday, August 16, 2010 at 10 a.m. at the Semcac Office in Rushford.

Sandy made a motion to adjourn the meeting, seconded by Tom K.  
Motion carried.