

**CITY OF FALCON HEIGHTS**  
 Regular Meeting of the City Council  
 City Hall  
 2077 West Larpenteur Avenue  
**MINUTES**  
 March 10, 2021 at 7:00 P.M.

**NOTE: THIS MEETING WAS HELD BY WEB CONFERENCE**

- A. CALL TO ORDER: 7:01 PM
- B. ROLL CALL: ANDREWS   X   GUSTAFSON   X   LEEHY   X    
 MIAZGA   X   WEHYEE   X    
 STAFF PRESENT: THONGVANH   X
- C. PRESENTATION
- D. APPROVAL OF MINUTES:
  - 1. February 24, 2021 City Council Regular Minutes
  - 2. March 3, 2021 City Council Workshop Minutes

Motion by Leehy to approve the minutes;  
 Approved 5-0.

- E. PUBLIC HEARINGS:
  - 1. Conduit Bonding – New Harmony Care Center

Administrator Thongvanh  
 The City received a request from the New Harmony Care Center to issue a conduit bond to help finance their project. The City has done conduit bonding for a number of years, and we receive 0.25% of 1% of the total bond amount. Staff recommend approval of the resolution.

Catherine Courtney, Taft  
 We are the City’s bond counsel. New Harmony Care Center facility is aging and will be relocated to Maplewood, and will involve construction of a new nursing home as well as senior housing. Each City can issue up to 10 million of its own bonds and conduit 501c3 bonds in a calendar year. The City of Maplewood does not have the capacity to issue bonds for this project.

Mayor Gustafson  
 At this point we will open the public hearing.

Sue Majerus  
 Is there a standard for where the money goes? When is the last time we used the bonding money for the City?

Administrator Thongvanh  
 The money goes in the capital fund. The last time we used conduit bonding for the street project in the University Grove.

Steven Sunderland, 1906 Prior Ave N  
 What are the risks for conduit bonding for the City?

Catherine Courtney

There really are no risks, the obligation is on the borrower. New Harmony is responsible for paying the bonds. There is no liability to the City even if there is a default per MN Statute.

Steven Sunderland

Are we leaving enough bond authority for our own needs?

Administrator Thongvanh

We have about 2 million in capacity left. Our street project will require \$650K, and the park building cost will be under a million and a half and some of this could be financed through existing funds.

Steven Sunderland

How are the conduit bond fees determined?

Administrator Thongvanh

Limited negotiation, typically they will ask other jurisdictions about their fees and try to match them with the other entities involved in the bonding. Most communities charge a quarter of one percent.

Mayor Gustafson

Hearing no further comment, the public hearing is now closed.

Council Member Wehyee

Does this impact taxes?

Administrator Thongvanh

No.

Mayor Gustafson

The budget impact is the revenue we earn, about \$18,700.

Motion by Council Member Miazga to approve Resolution 21-13;  
Approved, 5-0.

## 2. Tax Increment Financing – Amber Union

Todd Hagen, Ehlers and Associates

We're considering the modification of the development program for the development district 1. We also have an adoption of an interfund loan agreement. Procedurally we have completed all the necessary steps that are required by statute. The TIF district has a maximum life of 26 years and the project appears to be consistent with the long-term economic development objectives of the City.

Pete Deanovic, Buhl Investors

Since the beginning my commitment has been to pursue all avenues for funding, and we have obtained funding for a variety of government sources outside the City.

Administrator Thongvanh

We're hoping that in 15 years this project will be done with TIF.

Council Member Wehyee

Could you speak a little bit to the timeline? When will the project be completed?

Pete Deanovic, Buhl Investors

Subject to establishing the TIF district, we are prepared to close financing that's required. The intent is to move forward before school is let out. We would like to begin prior to May 1, and we would like to have units available for rental in 2022 and we believe that by the end of 2022, it will be fully occupied.

Mayor Gustafson

We'll open the public hearing at this time.

Sue Majerus, 1381 Iowa Ave

I want to make sure that the taxes will still be received on the land value. I'd like to have more understanding on how much money you have gotten from other entities.

Todd Hagen, Ehlers

Right now, the county assessor has assigned a base value that will be distributed to all three tax jurisdictions.

Administrator Thongvanh

There will be improvements to the land and building, so the value will be frozen on both and the increment captured and distributed to Buhl Investors for the duration of the agreement.

Pete Deanovic, Buhl Investors

We obtained grant funding from TBA, Environmental Relief, a Community Development Block Grant, and DEED. One thing that can drive up expenses is material selection when working with the historical restoration requirements.

Sue Majerus, 1381 Iowa Ave

Has the building been registered as a historical building?

Pete Deanovic, Buhl Investors

It has been registered, the National Park Service issued a historical registration for the property in 2020. All of our plans have been reviewed by NPS for historical reference and to ensure that our work is consistent with preservation requirements.

Mayor Gustafson

Seeing no other attendees looking to speak, we will close the hearing and open discussion to the Council.

Council Member Miazga

This has been a long road, I'm excited to support this project.

Council Member Andrews

I think this is a great thing, I am glad we can participate.

Council Member Wehyee

I am excited as well. It's awesome that they will begin accepting residents as early as next year.

Council Member Leehy

I'm really appreciative of Pete and his team and their tenacity in finding grants.

Mayor Gustafson

I'd like to thank Buhl Investors for their work on this. Thank you for your vision.

Motion by Council Member Leehy to approve the Resolution and to authorize the City Administrator to execute any necessary documents;

Approved, 5-0.

F. CONSENT AGENDA:

1. General Disbursements through: 3/04/21 \$37,459.56  
Payroll through: 2/28/21 \$19,394.24
2. Post-Issuance Compliance Policy and Procedures

3. 6-Month Performance Evaluation for Administrative and Communication Coordinator  
Ashleigh Walter

Motion by Council Member Andrews to approve the Consent Agenda;  
Approved, 5-0.

G. POLICY ITEMS:


H. INFORMATION/ANNOUNCEMENTS:

I. COMMUNITY FORUM:

J. ADJOURNMENT: 8:13 PM

  
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Randall C. Gustafson, Mayor

Dated this 10th day of March, 2021

  
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Sack Thongvanh, City Administrator