

The special meeting of the Rockford HRA was called to order at 6:00 p.m. by Chair Martinson.

Roll call

The following members were present: Martinson, Hafften, Kesanen, and Wenz. Also in attendance were attorney Couri, Jo Foust Economic Development Consultant and Carswell Executive Director.

Review Rockford Mall Information

Carswell presented information about the Rockford Mall at 8900 Walnut Street. The manager of the mall recently contacted Carswell and asked if the city would be interested in acquiring the property. The mall could be an option for the event center, city hall offices and the future food co-op. The mall owners provided some information about recent upgrades they have made to the roof, HVAC system, parking lot, sidewalk, etc. The mall also provided a summary of their revenues and expenses for the past year.

Staff discussed the mall with a local realtor and he suggested that the city first have someone check the roof, HVAC system, parking lot, open spaces, restrooms, and obtain actual revenue and expenses for the 2012 and year to date 2013.

The HRA reviewed the size of the building and acreage of the three parcels that make up the mall property.

Jo Foust provided information about what Welsh Companies is asking for a price which was \$2,000,000, however, Shawn Smith stated they may be willing to take a loss. There is a loss on the building each year which plays a part in the value of the property. Welsh provided a rent roll, lease agreements and cash flows at the end of 2012 which reflected a \$10,000 profit without any of the mortgage expenses taken into account.

David Drown and Associates consulted staff on how the HRA could finance the property with a GO tax abatement bond which are not exempt from the levy limits. A bond in the amount of \$700,000 would translate to annual payments of \$55,800 and a bond of \$1,500,000 would have annual payments of \$120,307 per year. Another option discussed was a lease purchase with Welsh Companies. Couri said that a lease would allow the city to buy it at the end of the term which could be ten or twenty years. There would be a lease purchase agreement drafted with the acquisition price agreed upon and the city would not have to borrow the large amount for the building but only the remodeling costs. It was suggested that the staff contact the building inspector to see if the building meets code.

Attorney Couri suggested that if the HRA is serious about the acquisition then we should obtain an appraisal. Kesanen suggested staff ask Bob Halverson of HVAC Company to look at the HVAC system.

MOTION was made by Hafften, seconded by Martinson to authorize staff to obtain an appraisal, and to have the roof, HVAC system list, sprinkler system, parking lot, and open spaces, public restrooms inspected for the property known as the Rockford Mall and out lots at 8900 Walnut Street.

VIF – Hafften, Wenz and Hafften
Abstained – Kesanen

Riverside Park

Carswell will submit plans and estimates for the picnic shelter and kitchen at the next meeting.

City Hall

Staff will research leasing or selling the existing city hall and present that information to the HRA.

Adjourn

Motion was made by Hafften, seconded by Wenz to adjourn.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, KESANEN, MARTINSON AND WENZ

The meeting was adjourned at 6:46 p.m.