



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA
Wednesday, February 8, 2012
Immediately Following Regular Council Meeting
Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

January 17, 2012 HRA Regular Meeting

New Business

1. Cons. Approval of Relocation Claim and Lease Termination, Renaissance Adult Day Care, 2996 111th Avenue:
 - a. Authorize Payment of Relocation Claim
 - b. Authorize Execution of Lease Termination Agreement

Other Business

Adjourn



AI-185

HRA Regular

Meeting Date: 02/08/2012

SUBJECT: Approval of Minutes from Previous Meeting(s)

Information

Attachments

1-17-12 Minutes

UNAPPROVED

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JANUARY 17, 2012

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 8:10 p.m. on January 3, 2012, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Melissa Larson, Paul Johnson, Jerry Koch, Bruce Sanders, and Scott Schulte

Members Absent: Commissioner Denise Klint

CALL TO ORDER

Chair Howe called the meeting to order at 6:57 p.m.

ROLL CALL

Commissioner Klint absent.

APPROVAL OF MINUTES OF JANUARY 3, 2012

Commissioner Koch noted a correction was needed in the adjournment motion with reference to Commissioner Sidoti.

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER KOCH, TO APPROVE THE MINUTES OF THE JANUARY 3, 2012, HRA MEETING AS CORRECTED. THE MOTION PASSED UNANIMOUSLY.

1. APPROVE AGREEMENT FOR PROFESSIONAL SERVICES WITH LEGACY HOMES INCORPORATED FOR 11635 XAVIS STREET NW (HOME FOR GENERATIONS)

Neighborhood Coordinator Kristin DeGrande stated Request for Proposals (RFPs) were sent to approximately 180 local contractors early in November 2011. The RFP was also posted on the City's website and ads were placed in the Anoka County Shopper and in the Herald. Attendance at one of three contractor open houses was required before a proposal could be submitted for consideration. Eight proposals were submitted by the December 5th deadline.

Contractors were asked to develop a proposal that places a high priority on curb appeal and creating a highly functional floor plan, all while paying careful attention to budget. The finished home was to have three bedrooms and two bathrooms and not exceed an estimated budget of \$40,000. Creative remodeling ideas and methods to get those projects done affordably were encouraged. Several staff reviewed and ranked the proposals. Categories for scoring included the proposed plan ideas and budget for the exterior, kitchen/living room, bedroom/bathrooms, basement, overall value and past performance in Building Inspections. The four contractors who submitted proposals with the highest scores were interviewed. Ultimately the proposal submitted by Legacy Homes Incorporated was selected based on their plan and qualifications.

Legacy Homes Incorporated has strong roots in Coon Rapids having built many homes in the

Wexford development and has extensive experience remodeling homes in the area since 1988. They demonstrated attention to detail, thorough understanding of the program's goals, and professionalism. Their proposal demonstrated innovative remodeling ideas that will appeal to the typical Coon Rapids homeowner, improve the functionality of the home's layout, provide value, and offered a unique scope of work that does not resemble any of the past *Home for Generations* projects. Based upon the content of Legacy's proposal, this year's focus will be to demonstrate a house full of many smaller projects that homeowners could work on over time as funds become available to them, rather than projects that are perceived as too large and cost prohibitive to the average homeowner. The HRA is asked to approve the agreement for Professional Services for 11635 Xavis Street NW with Legacy Homes Incorporated.

Chair Howe asked staff to confirm the purchase price of the home. Ms. DeGrande stated the purchase price was \$86,000, including closing costs.

Commissioner Johnson inquired if the City has used Legacy Homes in other projects. Ms. DeGrande stated Legacy Homes had not submitted a proposal before but has constructed homes in the Wexford area as well as remodeling projects throughout the City.

Commissioner Schulte noted a correction was needed on Page 2, Section D to remove the term "she" in the paragraph.

MOTION BY COMMISSIONER SCHULTE, SECONDED BY COMMISSIONER LARSON, TO APPROVE THE AGREEMENT FOR PROFESSIONAL SERVICES FOR 11635 XAVIS STREET NW WITH LEGACY HOMES INCORPORATED AS CORRECTED.

Commissioner Koch stated the last *Home for Generations* project went over budget and asked if the proposed contract's scope of work would address this potential. City Attorney Hiljus stated the proposed language outlines the scope of work more clearly. He added additional language has been included with regard to payment terms and retainages for subcontractors, including receipt of lien waivers prior to payment to the contractor.

THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

There was no other business to come before the HRA.

ADJOURN

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER SCHULTE, TO ADJOURN THE JANUARY 17, 2012, MEETING AT 7:05 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen
City Clerk



AI-178

1.

HRA Regular

Meeting Date: 02/08/2012

Subject: Consider Approval of Relocation Claim and Lease Termination – Renaissance Adult Day Care, 2996 111th Ave

From: Marc Nevinski, Community Development Director

Information

INTRODUCTION

The HRA is asked to consider a relocation claim by Renaissance Adult Day Care as well as an agreement terminating the lease.

DISCUSSION

Renaissance Adult Day Care (RAD) has relocated from the property at 2996 111th Ave NW as a result of the City's acquisition of properties around the new ice arena. RAD is eligible under the Federal Relocation Act and Minnesota Statutes to receive a relocation payment consisting of 1) actual moving costs (\$10,079) and 2) business reestablishment costs (\$50,000), up to certain limits. The claim totals \$60,079, although rent in the amount of \$4000 is being deducted by staff from the claim.

A spreadsheet detailing the eligible relocation costs is attached. Documentation supporting the relocation claim has also been submitted. ProSource Technologies, Inc. has facilitated the relocation claim on behalf of the HRA.

Additionally, the HRA is asked to consider a lease termination agreement with RAD, which memorializes the terms and conditions of the lease termination.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Community Development and Redevelopment** section of the 2030 Strategic Vision by facilitating the removal of blighted property and the occupancy of available commercial space on Coon Rapids Boulevard.

RECOMMENDATION

Staff recommends the HRA:

- a. Authorize the payment of Renaissance Adult Day Care's relocation claim in the amount of \$60,079 less \$4,000 for rent.
- b. Authorize the Chair and Secretary to execute the lease termination agreement.

Attachments

Claim Spreadsheet
Agreement

**RENAISSANCE ADULT DAY CARE
RELOCATION CLAIM**

Vendor	Total Amount Claimed	Description	Actual Move Claim	Actual Move Paid	URA	Business Reestablishment Claim	Business Reestablishment Paid	URA	Denied	Comments
UP Remodeling, LLC	\$ 2,800.00	Demolition				\$ 2,800.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,800.00	Plumbing - break & remove concrete for new plumbing				\$ 1,800.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 600.00	Plumbing - open existing walls for plumbing				\$ 600.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,600.00	Plumbing - installing the underground plumbing				\$ 2,600.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,800.00	Plumbing - pouring concrete				\$ 1,800.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 3,800.00	Framing walls				\$ 3,800.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 900.00	Removing ceiling panels				\$ 900.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 850.00	Removing construction debris				\$ 850.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 3,350.00	Electrical rough in				\$ 3,350.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,800.00	Installing the walls for soundproof				\$ 1,800.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,400.00	Installing sheetrock				\$ 2,400.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,300.00	Installing the rough in plumbing				\$ 1,300.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,300.00	Taping & mudding				\$ 2,300.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,150.00	Installing the ceramic tile in two bathrooms				\$ 2,150.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,700.00	Fire alarm update				\$ 2,700.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,800.00	Updating & fixing fire sprinkler system				\$ 2,800.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,750.00	Fixing the acoustical tile				\$ 1,750.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,700.00	Painting the entire interior				\$ 2,700.00		24.304 (a)(4)		
UP Remodeling, LLC	\$ 3,300.00	Install plumbing fixture				\$ 3,300.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,200.00	Installing interior doors				\$ 1,200.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 2,100.00	Installation of kitchen countertops				\$ 2,100.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 875.00	Kitchen island				\$ 875.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 925.00	Shelving in the closet				\$ 925.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,200.00	Wire shelving in the kitchen				\$ 1,200.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 1,200.00	Mens bathroom - higher ceiling, move water htr, move sprinkler head				\$ 1,200.00		24.304 (a)(1,2)		
UP Remodeling, LLC	\$ 850.00	Low voltage internet				\$ 850.00		24.304 (a)(1,2)	\$ 50.00	Maximum business reestablishment \$50,000
Home Depot	\$ 4,292.86	Purchase Carpet				\$ 4,292.86		24.304 (a)(1,2)	\$ 4,292.86	Maximum business reestablishment \$50,000
Excellent Quality Flooring	\$ 3,516.00	Carpet install				\$ 3,516.00		24.304 (a)(1,2)	\$ 3,516.00	Maximum business reestablishment \$50,000
Home Depot	\$ 982.98	Purchase Carpet				\$ 982.98		24.304 (a)(1,2)	\$ 982.98	Maximum business reestablishment \$50,000
UP Remodeling, LLC	\$ 4,919.00	reestablishment expenses - see file (Jan 9, 2012 receipt)				\$ 4,919.00		24.304 (a)(1,2)	\$ 4,919.00	Maximum business reestablishment \$50,000
City of Coon Rapids	\$ 6,840.00	SAC Charges	\$ 6,840.00		24.303 (c)					
Yipes Stripes	\$ 80.00	Relettering - building & car	\$ 80.00		24.301 (g)(13)					
Renaissance Adult Day Care	\$ 659.00	Moving Expenses	\$ 659.00		24.301 (g) (1,2,3)					
Renaissance Adult Day Care	\$ 2,500.00	Search Expense	\$ 2,500.00		24.301 (g) (17)					PENDING DOCUMENTATION
Total	\$ 73,839.84		\$ 10,079.00	\$ -		\$ 63,760.84	\$ -		\$ 13,760.84	
Total Approved Amount	\$ 60,079.00		\$ 10,079.00			\$ 50,000.00	Maximum Pmt			

**LEASE TERMINATION, SETTLEMENT, AND
RELOCATION ASSISTANCE AGREEMENT AND RELEASE**

THIS AGREEMENT AND RELEASE (this “Agreement”) is made as of the 3rd day of August, 2011 by and between the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota (“HRA”) and Genesis Adult Day Care Inc. d/b/a Renaissance Adult Day Care, A Minnesota S Corporation. (“ RADC”).

RECITALS

WHEREAS, the HRA purchased certain real property located generally at 2996 111th Avenue, Coon Rapids, MN from Coon Rapids FS, LLC. The property includes multi-tenant commercial property in which RADC is an existing tenant.

WHEREAS, the HRA purchased the property with the intent to redevelop the site. The property is currently included in a master plan that includes the newly constructed Coon Rapids Ice Center. The master plan also includes future public park areas and public community buildings and excess property with future undetermined uses.

WHEREAS, the HRA has the power to take property for public use through the exercise of eminent domain found in Minnesota Statutes Chapter 117; however, the property was purchased prior to filing a formal eminent domain action.

WHEREAS, RADC operates a medical service business generally referred to as an adult day care on a portion of the property (the “Property”) under a business lease originally negotiated between RADC and Coon Rapids F.S. Partnership (Coon Rapids FS, LLC), dated February 11, 2004 (the “Lease”). Said Lease had a term of five (5) years and was amended on November 11, 2007 to expire on June 30, 2012. Paragraph 10 of said Lease contains what is referred to as a “condemnation clause” stating the Lease shall automatically terminate as of the date possession shall be taken by the public authority.

WHEREAS, Minnesota Statutes Chapter 117 provides RADC, as a business lessee, certain rights in an eminent domain proceeding and rights to relocation assistance, services, payments and other benefits.

WHEREAS, under Minnesota Statute § 117.52, RADC may be eligible for the following types and amounts of relocation assistance, services, payments and benefits as described in the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. §§ 4601-4655:

1. Transportation of the displaced person and personal property;
2. Packing, crating, unpacking, and uncrating of the personal property;

3. Disconnecting, dismantling, removing, reassembling and reinstalling relocated household appliances and other personal property;
4. Storage of the personal property for a period not to exceed 12 months;
5. Insurance for the replacement value of the property in connection with the move and necessary storage;
6. The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault of negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available; and
7. Other moving-related expenses that are not listed as ineligible under any federal regulations as determined to be reasonable and necessary.

WHEREAS, in the spirit of cooperation and pursuant to Minnesota Statute § 117.036, subd. 3., the HRA and RADC entered into good faith negotiations to settle all claims related to RADC's Lease prior to and instead of the use of eminent domain proceedings. These claims include the termination of RADC's Lease, damages as a result of eminent domain proceedings, relocation assistance, and any and all other claims arising out of RADC's Lease and leasehold interest in the Property. The HRA also provided relocation assistance services to RADC via an independent relocation consultant paid for by the HRA.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged, the parties agree as follows:

1. The HRA will pay to RADC the sum of \$60,079 less \$4000 for unpaid rent within 30 days of the execution of this agreement. In consideration for this payment RADC forever releases the HRA from any and all claims for damages and waives any and all rights it may have for any additional relocation assistance or any other monetary payment or nonmonetary benefit that may exist under the Lease or state or federal law.
2. The HRA, as a result of the termination of the Lease, will abate and forgive RADC's rent payments from August 1, 2011 until the termination date as stated in the Lease. RADC will be responsible for paying for any outstanding rent or utilities consumed at the property prior to August 1, 2011, and will pay any taxes levied that may be payable due to the tenancy of RADC until December 31, 2011.
3. RADC will be allowed to remove any tenant improvements and fixtures at the property, including any signage. RADC may also remove any landlord-installed improvements to the property after consulting with the HRA. RADC will obtain any permits that may be necessary as a result of removing said fixtures, provided, however, that the HRA shall be obligated to cooperate and assist RADC in obtaining any such permits. Any fixtures not removed by February 10, 2012 will become the property of the HRA. RADC shall not

have any obligation to repair or restore the Property as may be needed as a result of the removal of improvements, including without limitation the removal of the signage on the Property. RADC shall not place anything on or in the property that did not exist prior to August 1, 2011 or cause any garbage, refuse or other scrap material to be placed at the property. The HRA agrees to accept the condition of the Property in its "as-is" condition as of February 8, 2012.

4. RADC will sign any recordable instruments that may be necessary to extinguish any rights RADC may have to the property.
5. The Lease shall terminate effective immediately upon execution of this Agreement. If there is any conflict between the terms and provisions of this Agreement and the terms and provisions of the Lease, this Agreement shall control and supersede all pertinent provisions in the Lease.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day first written above.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
COON RAPIDS

By _____
Tim Howe, Chair

By _____
Bruce Sanders, Secretary

APPROVED AS TO FORM AND CONTENT

By _____
Stoney Hiljus, City Attorney

GENESIS ADULT DAY CARE, INC.
d/b/a Renaissance Adult Day Care

By _____
Its _____

By _____
Its _____