



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, March 5, 2013

Immediately Following Regular Meeting

Coon Rapids City Center

Council Chambers

Call to Order

Roll Call

Approval of Minutes from Previous Meeting(s)

February 19, 2013

New Business

1. Approve Contract of Services with Metropolitan Consortium of Community Developers for Participation in the Open to Business Program
2. Approve Revolving Loan Fund Management Agreement with Central Minnesota Development Company and Allocate Funds for Minnesota Investment Fund Loan Repayments
3. Cons. Purchase of Property at 2208 115th Avenue (Scattered Site Acquisition Program):
 - a. Approve Purchase Agreement
 - b. Authorize Chair and Secretary to Execute Purchase Agreement
4. Approve Professional Services Agreement with C*Walsh Enterprises, LLC for Grocery Market Study

Other Business

Adjourn



AI-1053

HRA Regular

Meeting Date: 03/05/2013

SUBJECT: Minutes

Attachments

2-19-13 Minutes

UNAPPROVED

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF FEBRUARY 19, 2013

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:50 p.m. on February 19, 2013, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Paul Johnson, Ron Manning, Jerry Koch, Bruce Sanders, Steve Wells

Members Absent: None

CALL TO ORDER

Chair Howe called the meeting to order at 6:50 p.m.

ROLL CALL

All present.

APPROVAL OF MINUTES

NOVEMBER 7, 2012, REGULAR MEETING

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER KOCH, FOR APPROVAL OF THE MINUTES OF THE NOVEMBER 7, 2012, REGULAR MEETING. THE MOTION PASSED 4-0-3, COMMISSIONERS MANNING, JOHNSON, AND WELLS ABSTAINED.

DECEMBER 4, 2012, REGULAR MEETING

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER SANDERS, FOR APPROVAL OF THE MINUTES OF THE DECEMBER 4, 2012, REGULAR MEETING. THE MOTION PASSED 5-0-2, COMMISSIONERS MAINNING AND WELLS.

JANUARY 7, 2013, REGULAR MEETING

MOTION BY COMMISSIONER JOHNSON, SECONDED BY COMMISSIONER WELLS, FOR APPROVAL OF THE MINUTES OF THE JANUARY 7, 2013, REGULAR MEETING. THE MOTION PASSED UNANIMOUSLY.

1. APPROVE PROGRAM GUIDELINES AND FUNDING FOR HOME FOR GENERATIONS PHASE II

Community Development Director shared the staff report.

Commissioner Klint inquired where the funding will be coming from. Mr. Nevinski said funding was not specified in the HRA budget but that adequate funding is available.

Commissioner Koch noted the proposed assessed market value greater than \$250,000 and suggested the cap be removed in order to capture more homes. He stated Coon Rapids has almost 12,000 homes with a market value of less than \$250,000 and removing the cap adds 488 additional homes that could qualify for this program. Commissioner Koch added there are approximately 108 modest homes on expensive lots that wouldn't qualify under this program and that we should encourage everyone with older homes to remodel which could be showcased outside Coon Rapids.

Commissioner Sanders agreed but said allowing \$20,000 from the HRA fund is not enough money for the interest we might receive. Mr. Nevinski said staff felt that with this being the first year and already entering March there likely won't be that much demand right away so we should have adequate funding to launch the program. He added that next year may be different.

Commissioner Sanders asked how much would each project cost. Neighborhood Coordinator Kristin DeGrande said there is a maximum of \$5,000 for each incentive grant but in addition there would be rebates of permit fees and architectural assistance. She said if maximum the amount is requested and assuming they are approved and marketed, disbursements wouldn't happen until completion in late summer or early fall.

Commissioner Klint said this program could be lead to other possible funding through the Mortgage Assistance Foundation (MAF) as well.

Chair Howe agreed that if the program was successful they have other options such as allocating more funding or utilizing the MAF.

Commissioner Johnson asked how we intend to prioritize projects if we receive more requests than anticipated. Mr. Nevinski said staff doesn't anticipate that occurring but if necessary will approach the HRA. He said the intent is to meet the objectives of program on a first come, first serve basis, adding the guidelines and structure are likely to change over time based on experiences.

Commissioner Manning asked if there was a funding surplus from the earlier Home for Generations program. Chair Howe said the intent of that program was to break even on the projects and that no surplus was realized.

Commissioner Koch said permits are revenue-neutral and wouldn't be there but for the program.

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER MANNING TO APPROVE PROGRAM GUIDELINES AS AMENDED REMOVING THE \$250,000 MARKET VALUE CAP REQUIREMENT AND FUNDING OF UP TO \$20,000 IN 2013 FOR HOME FOR GENERATIONS PHASE II. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

There was no other business to come before the HRA.

ADJOURN

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER WELLS, TO ADJOURN THE FEBRUARY 19, 2013, MEETING AT 7:06 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen
City Clerk



AI-981

1.

HRA Regular

Meeting Date: 03/05/2013

Subject: Consider Contract for Services with Metropolitan Consortium of Community Developers for Participation in Open to Business Program

From: Matt Brown, Community Development Specialist

INTRODUCTION

The HRA is asked to consider a Contract for Services with the Metropolitan Consortium of Community Developers for the City's participation in the Open to Business Program, which offers technical and financial assistance to small business owners.

DISCUSSION

At its February 5 work session, the Council considered the City's participation in MCCD's Open to Business program. The program provides prospective and existing entrepreneurs with free one-on-one counseling with a business advisor. This is an opportunity to help business owners with planning and organizing their business ideas, financial management, marketing, regulatory compliance and leasing or purchasing property. MCCD's business advisor would hold "office hours" at city hall once per month for walk-in appointments. Interested entrepreneurs could also schedule appointments at other times by contacting MCCD. In addition, participating in Open to Business would allow businesses in the City to access MCCD's small business loan program, which provides capital to start or grow a business. This loan program provides up to \$25,000 for start-up businesses, which can be used for working capital, inventory, building, equipment, and operations. MCCD can also draw on its partnerships with area banks to help businesses obtain bank loans and revolving lines of credit. MCCD's loan fund is generally geared toward businesses that have a legitimate business plan, but have difficulty securing traditional bank financing.

Based on the Council's input, Staff has negotiated a Contract for Services with MCCD for the City to participate in Open to Business for a period of one year. The contract requires that MCCD provide quarterly reports to the City on utilization of the program. The HRA and Council can then evaluate the effectiveness of the program after one year and consider continuation of the program at that time. In conjunction with the program's launch later this spring, Staff proposes several marketing techniques:

- Directly contact **local bankers** and **property managers** to market the program to their clients.
- Meet with **Metro North and Anoka Area Chambers of Commerce** to publicize Open to Business in their print, online, and television communications. Both organizations have agreed to help market the program.
- Develop a video about the program for **City Connections**, the **City's web site**, and **CTN News**.
- Create an Open to Business page on the **City's web site**.
- Include an article in the June edition of the **City newsletter**, which is mailed to all addresses, and **Business Update** newsletter, which is mailed to all businesses.
- Market to individuals who have conditional use permits for **home occupations**.
- Send information to **City email list** subscribers.
- Send an email to the **Minnesota Commercial Association of Realtors** membership.
- Contact reporters with the **Herald**, **Star Tribune**, and **Pioneer Press** to run stories.

Staff recommends that the City participate in Open to Business, since it would complement existing economic development programs and address a market segment that is somewhat under-served by existing programs. The annual cost for the City to participate in Open to Business is \$15,000.

RECOMMENDATION

Staff recommends the HRA approve the Contract of Services with the Metropolitan Consortium of Community Developers for participation in the Open to Business program.

Attachments

Contract for Services

Contract for Services
Between the Housing and Redevelopment Authority in and for the City
of Coon Rapids
&
Metropolitan Consortium of Community Developers
for the
Open to Business Program

THIS AGREEMENT, is made and entered into as of the 5th day of March, 2013, between the Housing and Redevelopment Authority in and for the City of Coon Rapids (herein called “HRA”) and **Metropolitan Consortium of Community Developers**, (herein called “MCCD”).

WHEREAS, the HRA wishes to retain an entity with the capacity to provide small business technical assistance to existing businesses and those parties interested in opening a business in Coon Rapids (the “Initiative”) and

WHEREAS, MCCD has represented itself as competent to provide the services required to administer and carry out the Initiative; and

WHEREAS, the HRA wishes to engage MCCD to provide said services necessary to carry out the Initiative;

NOW THEREFORE, it is agreed between the parties hereto that;

1. TIME OF PERFORMANCE

The service to be provided by MCCD shall commence on April 1, 2013 and shall terminate as of March 31, 2014. All services, documents, and information to be furnished or performed by MCCD in order to carry out the Initiative shall be furnished or performed as promptly as possible, and with the fullest due diligence.

2. COMPENSATION

Total compensation to MCCD shall be \$15,000 for the term of this Agreement (the Contract Amount) to manage the Coon Rapids Open to Business program. The Contract Amount will be paid in two equal installments: \$7,500 due and payable by the HRA upon execution of this Agreement, and \$7,500 invoiced and dated on or about 6 months from the agreement date, payable by the HRA.

3. SCOPE OF SERVICES

MCCD will use the Contract Amount to provide technical assistance to existing Coon Rapids businesses, residents and parties interested in starting a business in Coon Rapids; (See **Exhibit A** Scope of Services-Coon Rapids Open to Business Program).

4. REPORTING

MCCD agrees to submit quarterly reports related to its operation of the Coon Rapids Open to Business program. Items to be reported on include, but are not limited to, the following:

- Number of inquiries
- Hours of technical assistance provided
- Type of assistance provided
- Type of business
- Annual sales revenue
- Number of businesses opened
- Number of businesses expanded/stabilized and a description of the expansion/stabilization activities
- Number and amounts of financing packages
- Demographic information on entrepreneurs

The required reporting schedule is as follows:

2nd quarter April, 2013 – June, 2013 report due July 31, 2013

3rd quarter July, 2013 – September, 2013 report due October 31, 2013

4th quarter October, 2013 – December, 2013 report due January 31, 2014

1st quarter January, 2014 – March, 2014 report due April 30, 2014

MCCD will provide additional reports as requested by the HRA.

5. PERSONNEL

MCCD represents that it has secured, or will secure, at its own expense, all personnel required to perform the services to carry out the Initiative. Such personnel shall not be employees of or have any contractual relationship with the City of Coon Rapids. No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care, sick leave, vacation pay, severance pay, or any other benefits available to City of Coon Rapids employees shall accrue to MCCD or employees of MCCD performing services under this agreement. The MCCD is an independent contractor.

All of the services required to carry out the Initiative will be performed by MCCD, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

6. INTEREST OF MEMBERS OF THE AUTHORITY, CITY, EDA AND OTHERS

This paragraph applies to any officer, member, or employee of the City of Coon Rapids, or its governing body, and to any other public official or governing body of the locality in which the Initiative is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Initiative (“Official”). No Official shall participate in a decision relating to this Agreement, if the decision affects the Official’s personal interest or the interest of any corporation, partnership, or association in which the Official is directly or indirectly interested, or if the Official has any personal or pecuniary interest, direct or indirect, in this Agreement or proceeds thereof.

7. ASSIGNABILITY

MCCD shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written approval of the HRA thereto.

8. COMPLIANCE WITH LOCAL LAWS

MCCD agrees to comply with all federal and state laws, statutes and applicable regulations and the ordinances of the City of Coon Rapids.

9. INSURANCE

MCCD agrees to provide proof of workers’ compensation and comprehensive general liability insurance. Comprehensive general liability insurance shall be in the minimum amount of \$1,500,000.

10. HOLD HARMLESS

MCCD agrees to defend, protect, indemnify and hold harmless the HRA, their agents, officers and employees from and against all liabilities, losses, damages, costs, and expenses, whether personal, property, or contractual, including reasonable attorney’s fees, arising out of, or related to the performance of this Agreement by MCCD, its officers, employees, servants, agents, or contractors.

Subject to the limitations and defenses in Minnesota Statutes, Section 466, the HRA agrees to defend, protect, indemnify and hold harmless the MCCD, its agents, officers and employees harmless from and against all liabilities, losses, damages, costs, and expenses, whether personal, property, or contractual, including reasonable attorney’s fees, arising out of, or related to the performance of this Agreement by the HRA, its officers, employees, servants, agents, or contractors.

The obligations under this paragraph shall survive termination of this Agreement with respect to acts or omissions that occur prior to the termination of this Agreement.

11. NOTICES

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

(a) In the case of MCCD, is addressed or delivered personally to:

David Chapman, Director of Lending and Operations
Metropolitan Consortium of Community Developers
3137 Chicago Avenue South
Minneapolis, MN 55407

(b) In the case of the HRA:

Matthew Brown, Community Development Specialist
City of Coon Rapids
11155 Robinson Dr.
Coon Rapids, MN 55433

or at such other address with respect to any party as that party may designate in writing and forward to the other as provide in the Section.

12. MODIFICATION

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

13. TERMINATION. If a party commits a material breach of this Agreement and fails to cure such breach within 10 days after written notice by the other party, this Agreement shall be automatically terminated. All payments made or due under this Agreement shall be prorated as of the effective date of termination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

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

**METROPOLITAN CONSORTIUM
OF COMMUNITY DEVELOPERS**

By: _____
Tim Howe, Chair

By: _____
Jim Roth, Executive Director

By: _____
Bruce Sanders, Secretary

Approved as to Form:

David Brodie, City Attorney

Exhibit A

Scope of Services

Open to Business Technical Assistance Services

MCCD will provide intensive one-on-one technical assistance to Coon Rapids businesses, Coon Rapids residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Coon Rapids. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing,
- Cashflow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD will also provide technical assistance on a walk-in basis monthly in Coon Rapids City Hall or as requested at a place of business within Rapids.

Open to Business Access to Capital

MCCD provides access to capital to qualifying businesses through MCCD's Emerging Small Business Loan Program (see **Exhibit B** Small Business Loan Program Guidelines below). MCCD also provides its financing in partnership other community lenders, banks or both. MCCD is solely responsible for determining loan eligibility and providing loan funds. The Contract Amount paid to MCCD shall only be used for MCCD's technical assistance services and will not be used as loan funds.

EXHIBIT B

Small Business Loan Program Guidelines

Loan Amounts:

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

Eligible Projects:

- Borrowers must be a “for-profit” business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

Allowable Use of Proceeds:

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

Interest Rates:

- Loan interest rate is dependent on use, term and other factors, not to exceed 10%.

Loan Term Length:

- Loan repayment terms will generally range from three to five years, but may be substantially longer for major asset financing such as commercial property.

Fees and Charges:

- Borrowers are responsible for paying all customary legal and other loan closing costs.



AI-983

2.

HRA Regular

Meeting Date: 03/05/2013

Subject: Consider Revolving Loan Fund Management Agreement with Central Minnesota Development Company

From: Matt Brown, Community Development Specialist

INTRODUCTION

The HRA is asked to consider a Revolving Loan Fund Management Agreement with Central Minnesota Development Company (CMDC).

DISCUSSION

Background

The City's *Economic Development Strategy*, approved by the City Council in 2010, recommends creating a Revolving Loan Fund (RLF) to provide gap financing for capital improvements that result in job creation, redevelopment, or investment in older commercial districts. In recent years, the HRA and EDA have provided loans for a few projects, including BioVest International's expansion on Evergreen Boulevard and Wellington Management's construction of a Goodwill store at Coon Rapids Square. These loans have been administered by City Staff, while CMDC has provided credit analysis services for a fee covered by the applicant. Rather than continuing to use this approach, Staff recommends developing a more aggressive and effective RLF administered by CMDC. Staff recommends this arrangement because:

- CMDC is a major Small Business Association (SBA) lender in the area and administers other loan programs, such as the state's Urban Initiative Fund, that could be used in conjunction with the HRA's loan fund. This would streamline the application process for many applicants and allow for joint marketing of loan programs.
- CMDC has a positive track record working with City staff on various development projects, since CMDC has completed credit analysis for various City financial assistance packages.
- CMDC has relationships with lenders outside of the City who may be working on projects in Coon Rapids.
- CMDC has experienced lending staff who can provide applicants with continuity and a professional experience.
- CMDC currently administers loan funds for other cities, including the City of Brooklyn Park.
- Such an arraignment would be similar to arraignments the City and Mortgage Assistance Foundation has for various home loan products with other non-profit entities.

RLF Structure

Staff proposes retaining the City's existing revolving loan fund policy, which provides funds for industrial projects and redevelopment projects in older commercial areas, such as Coon Rapids Boulevard. Loans will be designed to leverage other private financing. Key criteria include:

- Projects must be located in Coon Rapids and be a for-profit business.
- Maximum loan amount of \$100,000, with certain exceptions.

- At least 50% of project financing must come from a private lender or private equity.
- Borrowers must have equity injection as determined by fund management.
- Loan proceeds can be used for fixed assets, including land, building, machinery, and equipment. Working capital is not an allowed use.
- Interest rates will be determined by market conditions at loan closing.
- Loan documents will be prepared by local business attorney Bill Goodrich at the expense of the applicant.
- The HRA will consider all loan documents at its regular meetings and will make the final decision on all loans.

Costs

Because application and processing costs will be incurred by borrowers and administrative fees will be offset by interest income, there is no cost to the HRA. CMDC will assess an administrative fee of 2% of the balance of all loans outstanding in the portfolio per year. This fee will offset the cost of meetings with clients and City Staff. CMDC will also charge a packaging/processing fee of 1.5% on all loans plus an ongoing 0.5% servicing fee. These fees are consistent with the SBA 504 loan program. Below is an example of the fees in relation to the interest income:

Principal:	\$100,000 loan for industrial expansion project
Interest Rate:	4% per year, paid by borrower
Packaging Fee:	1.5% paid by borrower
Servicing Fee (.5% of outstanding loan balance per month, paid by HRA)	\$499.92
Portfolio Management Fee (2% of outstanding loan balance per quarter, paid by HRA)	\$2,000.00
Annual Interest Income:	\$4,000.00
Net Income going back into RLF:	\$1,500.08

Funding Sources

Staff proposes allocating \$103,444 from the City's Development Fund, which was funded by previous loan repayments on Minnesota Investment Fund loans to Industrial Door Company, Steinwall Incorporated, and BioVest International. State law restricts the use of these funds to commercial loans. Provided the HRA approves creation of the RLF, Staff will request that the Council adopt a resolution authorizing the HRA to make loans using these funds. Staff also proposes that the HRA allocate an additional \$250,000 for the initial RLF. These funds will remain in the City's possession until a loan is authorized.

Agreement

Staff recommends that the HRA approve the RLF Management Agreement with CMDC, which covers marketing to local banks, loan packaging, loan underwriting, loan servicing, quarterly portfolio reporting to the City, and attendance at City meetings as necessary.

RECOMMENDATION

Staff recommends that the HRA approve the Revolving Loan Fund Management Agreement with Central Minnesota Development Company and allocate an initial \$250,000 from the HRA account for the Coon Rapids RLF to supplement funds from Minnesota Investment Fund loan repayments.

Fiscal Impact

BUDGET IMPACT:

Sufficient funds exist in both the Development and HRA accounts for an initial allocation for the RLF.

Attachments

RLF Management Agreement

City Economic Development Strategy

**REVOLVING LOAN FUND MANAGEMENT AGREEMENT BY AND BETWEEN
THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE
CITY OF COON RAPIDS
AND
CENTRAL MINNESOTA DEVELOPMENT COMPANY**

This agreement is entered into this ____ day of _____, 2013, by and between the Housing and Redevelopment Authority in and for the City of Coon Rapids, a public body corporate and politic under the laws of Minnesota, 11155 Robinson Drive, Coon Rapids, MN 55443 (“HRA”) and Central Minnesota Development Company, a Minnesota non-profit corporation (“CMDC”), 1885 Station Parkway NW, Suite A, Andover, MN 55304.

RECITALS

WHEREAS, the HRA has established a Revolving Loan Fund (“RLF”) for the purposes of promoting the economic development of the City for its residents; and

WHEREAS, the RLF is designed to leverage other financing programs as well as private financing provided by the commercial banking community; and

WHEREAS, the HRA is in need of Revolving Loan Fund Management Services to administer the RLF including origination of loans, transactional loan closings, and loan services (the “Management Services”).

WHEREAS, CMDC has the expertise and personnel to adequately provide the Management Services; and

WHEREAS, CMDC can provide RLF Management Services to the HRA.

NOW THEREFORE, upon reasonable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. SERVICES

CMDC agrees to provide and perform Management Services for the HRA which shall include the following:

- a. Revolving Loan Fund Marketing to Coon Rapids area banks;
- b. Loan Packaging;
- c. Loan Underwriting Services;
- d. Loan Servicing;
- e. Portfolio reporting on a quarterly basis; and
- f. Attendance at City staff meetings on an as needed basis.

Loan approvals shall be the sole responsibility of the HRA. CMDC shall be empowered to service and manage the HRA loan portfolio in the ordinary course of its business in the same manner as it services similar loans in its own portfolio. CMDC shall have the exclusive right to collect from the Borrower or any Guarantors, third parties, or otherwise on account of the Loan, including, without limitation, principal, interest, fees, and other payments whether such sums are received directly from Borrower, any Guarantors, or any other persons.

2. TERM OF AGREEMENT

This Agreement is effective commencing the date of execution and shall continue until terminated as provided herein.

3. PAYMENT

In consideration for its Management Services, the HRA agrees to compensate CMDC as follows:

a. Direct Payment

An administrative fee at the annual rate of two percent (2%) of the balance of all outstanding loans. Said 2% shall be paid monthly to CMDC on a pro rata basis at the rate of 1/12 of 2% per month. By way of example, if the outstanding loan balance is \$100,000.00, CMDC will be paid \$166.67 per month commencing on the first day of the month and thereafter during the term of the loan.

b. Indirect Payment

In addition to the direct payment described above, CMDC shall also be entitled to receive indirect payment from RLF borrowers as follows:

- A 1.5% loan packaging/processing fee will be charged to all Borrowers.
- A servicing fee of .5% of the outstanding loan balance.

- Borrowers will be required to pay all legal and other loan closing costs.

4. CONFIDENTIALITY

Subject to the State of Minnesota Data Practices laws, the HRA agrees that it will not reveal, divulge or make known to any person, the firm, or corporation any secret or confidential information during or after the term of this Agreement. Confidential information shall be defined as knowledge, systems, practices or other information submitted in writing or other tangible form designated as confidential by CMDC. The HRA shall use such confidential information for the limited purposes of the Agreement.

5. RELATIONSHIP

Nothing in this Agreement shall be construed to create an employment, partnership, joint venture, license or agency relationship and neither party shall have the right or authority to bind the other. For purposes of this Agreement, CMDC shall be deemed an independent contractor. CMDC's employees shall not be entitled to any employment benefits customarily given to City employees.

6. TERMINATION

This Agreement may be terminated by either party upon thirty (30) days written notice to the other. Such termination shall not affect the rights and obligations of the parties accrued prior to the termination date or rights under paragraphs 3 and 4 herein.

7. ASSIGNABILITY

This Agreement shall not be assignable by either party without the prior written consent of the non-assigning party.

8. LAW

The laws of the State of Minnesota shall govern this Agreement. The parties agree that the venue of any legal action arising under this Agreement shall be Anoka County, Minnesota.

9. SEVERABILITY

If any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall be construed and enforced as it had been more narrowly drawn so as to be legal, valid or enforceable. Such illegality, invalidity or unenforceability shall not have effect upon or impair enforceability or any other provision of this Agreement.

10. INSURANCE

CMDC agrees to provide proof of workers' compensation and comprehensive general liability insurance and errors and emissions insurance. Comprehensive and general liability insurance shall be in the minimum amount of \$1,000,000.00. The general liability insurance policy shall name the HRA as an additional insured.

11. INDEMNIFICATION

CMDC's Indemnity. To the fullest extent permitted by law, CMDC will indemnify, protect and hold HRA and its assigns and its mortgagees harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including attorneys' fees) arising out of or relating to the performance of work under this Agreement; but only to the extent caused in whole or in part by the negligent acts, errors or omissions of CMDC, CMDC's subcontractor(s), or anyone directly or indirectly employed or hired by CMDC, or anyone for whose acts CMDC may be liable. CMDC agrees this indemnity obligation shall survive the completion or termination of this Agreement.

HRA's Indemnity. To the fullest extent of the law, HRA will indemnify, protect and hold CMDC and its employees, consultants or agents harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including attorneys' fees) arising out of or relating to the gross negligence or willful misconduct of HRA, its agents, contractors or employees. HRA agrees that this indemnity obligation survives the completion or termination.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties. This Agreement may be amended only by written agreement of both the HRA and CMDC.

13. NONDISCRIMINATION

CMDC in performing duties under this Contract shall not discriminate against any person upon the basis age, race, creed, color, religion, gender, sexual orientation, national origin, veteran status, or physical or mental disability.

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

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

**CENTRAL MINNESOTA DEVELOPMENT
COMPANY**

By: _____
Tim Howe, Chair

By: _____
Mike Mulrooney, President

By: _____
Bruce Sanders, Secretary

Approved as to Form:

David Brodie, City Attorney



Economic Development Strategy

City of Coon Rapids, June 2010





This Economic Development Strategy is intended to assess the City's current employment situation, set goals for economic development, and establish policies and actions to stimulate business retention and attraction. While achieving goals of job growth and wealth creation largely occurs outside of the influence of government, the City can play a role by creating a climate conducive to achieving these goals. This Strategy includes the following sections:

- I. Existing Conditions
- II. Vision and Goals
- III. Economic Development Policies
- IV. Implementation

I. Existing Conditions

I. EXISTING CONDITIONS

This section reviews Coon Rapids' employment characteristics and compares them with those of peer cities within the metro area.

Business Distribution. Coon Rapids has 1,214 private employers. The City's Health Care and Retail Trade sectors represent the largest proportions of establishments. Its Manufacturing and Finance and Insurance sectors have the highest weekly wages.

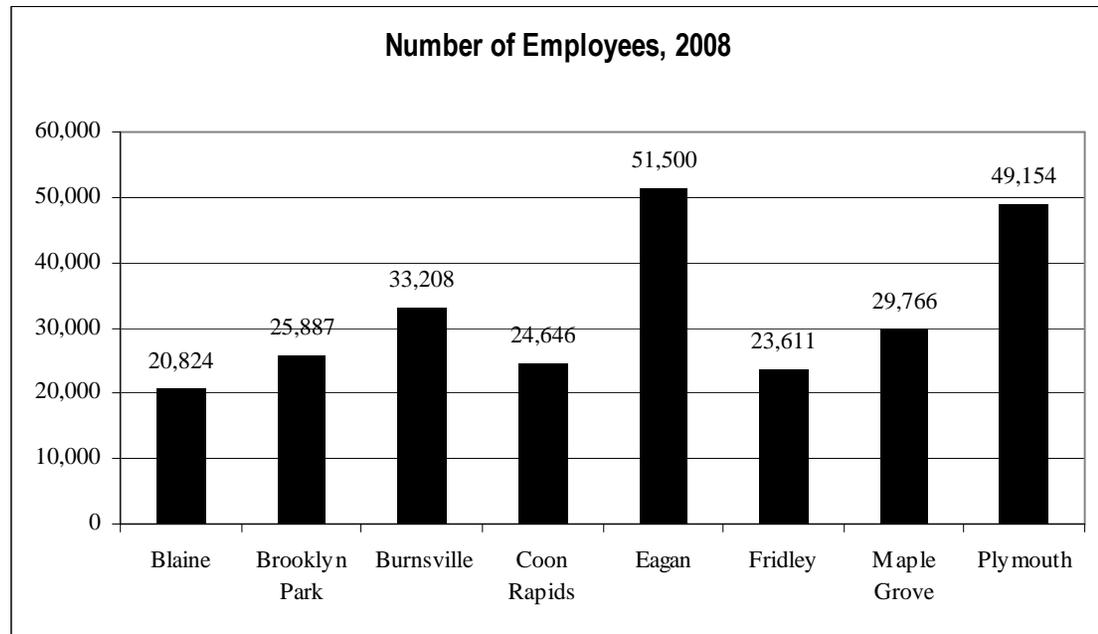
Employment. Coon Rapids has 24,646 employees, which translates into 0.39 employees per resident. Among comparable cities in the metro area, only Blaine and Brooklyn Park have fewer employees per capita. Burnsville, Eagan, Fridley, Maple Grove, and Plymouth have higher proportions. Coon Rapids has a much higher percentage of its employees working in the health care industry and a lower percentage working in the manufacturing industry than its peer cities.

Wages. The average weekly wage for private sector employees in Coon Rapids,

Employment by Industry, Coon Rapids, 2008

	# Establishments	# Employees	Avg. Weekly Wage
Manufacturing	62	2,980	\$1,256
Retail Trade	193	4,644	\$436
Finance and Insurance	100	485	\$1,095
Real Estate and Rental and Leasing	69	201	\$520
Administrative and Waste Services	68	1,562	\$412
Educational Services	34	2,643	\$760
Health Care and Social Assistance	131	5,294	\$1,038
Arts, Entertainment, and Recreation	18	315	\$333
Accommodation and Food Services	114	2,851	\$250
Other Services, Except Public Admin.	99	933	\$420
Public Administration	1	359	\$1,032

Source: Minnesota Department of Employment and Economic Development



I. Existing Conditions

Employment, 2008

	Blaine	Brooklyn Park	Burnsville	Coon Rapids	Eagan	Fridley	Maple Grove	Plymouth
Total Number of Employees	20,824	25,887	33,208	24,646	51,500	23,611	29,766	49,154
Population Estimate, 2007	56,757	72,724	61,393	63,082	67,106	26,459	59,458	71,147
Employees Per Capita	0.37	0.36	0.54	0.39	0.77	0.89	0.50	0.69
Land Area, Square Miles	34	27	27	23	33	11	35	35
Employees per Square Mile	616	976	1,231	1,052	1,538	2,167	849	1,393
Percent of Employees by Business Type:								
Manufacturing	17%	21%	11%	12%	11%	37%	19%	22%
Wholesale Trade	5%	6%	8%	NA	7%	9%	8%	11%
Retail Trade	21%	15%	20%	19%	6%	10%	16%	8%
Information	NA	0%	NA	1%	14%	0%	2%	3%
Finance and Insurance	NA	1%	3%	2%	11%	1%	4%	7%
Real Estate and Rental and Leasing	NA	1%	1%	1%	2%	1%	1%	1%
Professional and Technical Services	NA	9%	5%	3%	8%	2%	4%	11%
Management of Companies and Enterprises	NA	1%	NA	1%	2%	0%	1%	4%
Administrative and Waste Services	4%	8%	NA	6%	2%	6%	4%	7%
Educational Services	5%	9%	NA	11%	4%	3%	6%	5%
Health Care and Social Assistance	8%	7%	14%	21%	5%	13%	9%	6%
Arts, Entertainment, and Recreation	1%	2%	2%	1%	1%	1%	1%	1%
Accommodation and Food Services	11%	7%	8%	12%	7%	3%	10%	5%
Other Services, Ex. Public Admin	5%	3%	3%	4%	3%	2%	3%	2%

Source: Minnesota Department of Employment and Economic Development; Metropolitan Council

Per Capita Tax Capacity, 2008

	Blaine	Brooklyn Park	Burnsville	Coon Rapids	Eagan	Fridley	Maple Grove	Plymouth
Total Tax Capacity, 2008	\$67,843,929	\$79,075,807	\$79,736,357	\$64,469,777	\$96,675,119	\$35,556,469	\$98,260,891	\$122,238,410
Population Estimate, 2007	56,757	72,724	61,393	63,081	67,106	26,459	59,458	71,147
Per Capita Tax Capacity	\$1,195	\$1,087	\$1,299	\$1,022	\$1,441	\$1,344	\$1,653	\$1,718

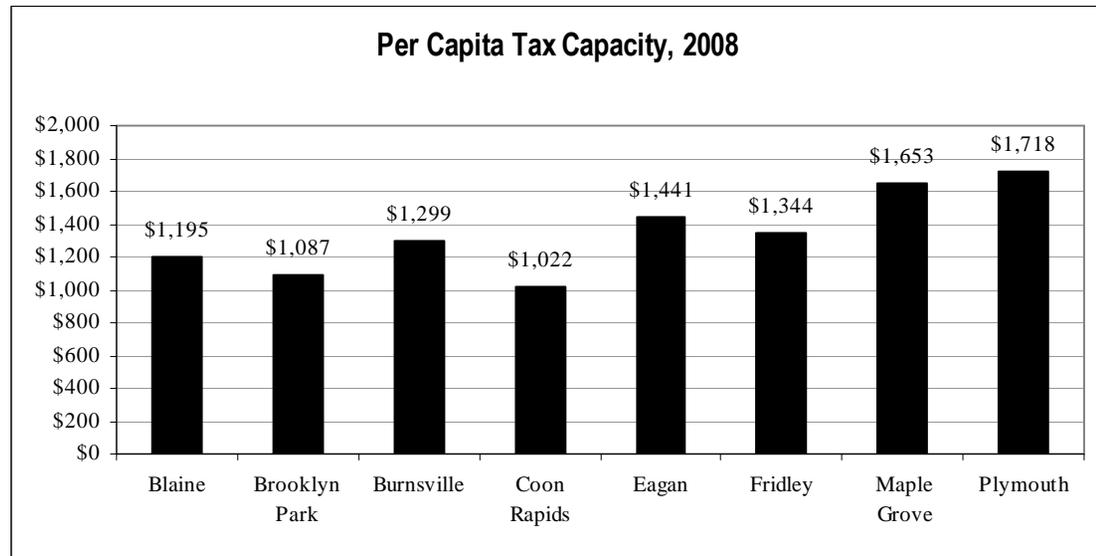
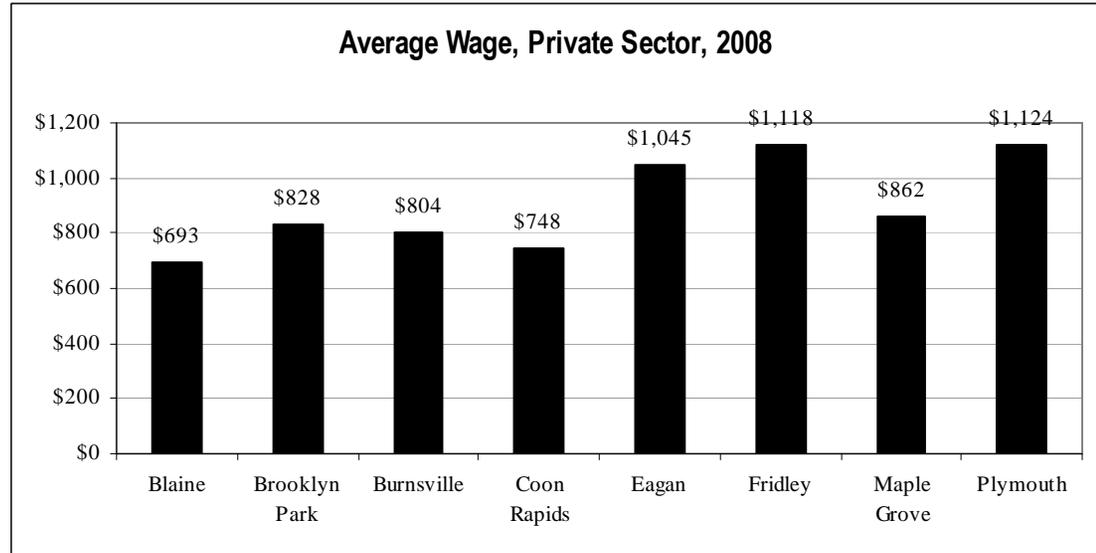
Source: League of Minnesota Cities

I. Existing Conditions

\$748, is generally lower than that of its peer cities and the metro area as a whole. Blaine has a lower average wage, while Fridley and Plymouth have much higher wages. The metro area average, \$1,008, is nearly 25% higher than that of Coon Rapids.

Tax Capacity. Coon Rapids has an aggregate tax base of \$64,469,777. When compared with its peer cities, Coon Rapids has the lowest per capita tax capacity. The per capita tax capacities of Plymouth and Maple Grove are over 150% of Coon Rapids' figure.

Conclusion. This analysis suggests that Coon Rapids currently has fewer jobs, generally lower wages, and less tax capacity per capita than its peers. An economic development strategy should therefore focus on increasing the City's employment base and further enhancing wealth, making the City more competitive with its peers. While it may take many years to achieve this goal, it should be a component of the overall strategy.



Competitive Advantages and Disadvantages

An economic development strategy must consider the City's competitive advantages and disadvantages of its location within the region.

Competitive Advantages

Location and Transportation Facilities. Coon Rapids has relatively good regional freeway access, with Highways 10 and 610 serving the community and Interstates 35W and 694 nearby. Metro Transit bus service and Northstar Commuter Rail provide residents with access to other parts of the metro area, including both Minneapolis and St. Paul.

Variety of Businesses. Coon Rapids has two major industrial areas that have been developed since the 1970s. Both include a variety of manufacturing and warehousing businesses and are generally attractive in appearance.

Labor Pool. Coon Rapids has a large number of employees, a majority of whom presently work outside of the City.

Housing Supply. The City offers a variety of housing types and a relatively affordable housing stock.

Property Tax Rate. Coon Rapids currently has a lower property tax rate than most comparable cities.

Other Amenities. Coon Rapids offers a variety of shopping and dining opportunities and attracts a significant amount of retail spending from surrounding communities.

II. Vision and Goals

Coon Rapids' Economic Development Vision

In light of its competitive advantages and disadvantages, the City of Coon Rapids will incite employment opportunities for City residents, enhance prosperity, and improve the community's overall quality of life. City government must play a role in encouraging economic development, redevelopment, and ongoing business activity by stimulating private investment, ensuring an adequate housing supply for employees, and investing in infrastructure. The City will capitalize on its strengths by targeting life sciences, health care, and advanced manufacturing businesses.

Competitive Disadvantages

Land Supply. Because it is almost fully developed, Coon Rapids has a minimal supply of vacant office and industrial land. Other cities have large supplies of vacant, developable land.

Land Costs. Most economic development opportunities in the City involve redeveloping existing commercial and industrial properties, which increases development costs. Some neighboring communities offer land at below-market prices in publicly developed industrial parks.

Traffic Congestion. Traffic bottlenecks on Highway 10 both within Coon Rapids and farther west hinder accessibility.

Geographic Constraints. The Mississippi River acts as a barrier, making it difficult to attract employees from across the river.

Housing Options. While the City has a variety of housing styles and an affordable housing supply, relatively few high-end housing options exist. This makes it difficult to attract certain types of employers and negatively affects the City's tax base.

II. VISION AND GOALS

This Strategy establishes the following vision for economic development:

In light of its competitive advantages and disadvantages, the City of Coon Rapids will incite employment opportunities for City residents, enhance prosperity, and improve the community's overall quality of life. City government must play a role in encouraging economic development, redevelopment, and ongoing business activity

II. Vision and Goals

by stimulating private investment, ensuring an adequate housing supply for employees, and investing in infrastructure. The City will capitalize on its strengths by targeting life sciences, health care, and advanced manufacturing businesses.

The following goals are set to achieve the economic development vision:

- Incite a wide range of employment opportunities for residents within the City's targeted industries.
- Foster a high-quality, diverse business climate that is sustainable and resilient to short-term economic trends.
- Promote the retention and expansion of existing businesses and the attraction of new businesses within the targeted industry categories.
- Ensure that average wages increase to a level at or above the metro area average.
- Promote efficient land use and increase the City's tax base with a maximum of 12% of the tax base in tax-increment financing districts.
- Ensure availability of commercial and industrial land that meets the City's projected demands, with employment centers concentrated at Port Wellness, Port Evergreen, Evergreen Industrial Park, Coon Rapids Industrial Park, and the Northstar Business Park.
- Encourage high-intensity use of remaining industrial land to promote efficient land use and increase the City's tax base. Discourage new industries with nuisance characteristics, low employment density, and low taxable values or cause deterioration of infrastructure.

II. Vision and Goals

- Eliminate blighting characteristics in the City's business districts by means of various financial incentives and land assembly in appropriate instances.
- Maintain strong relationships with local and regional economic development agencies, educational institutions, and the business community to share resources and achieve common goals.
- Ensure that Coon Rapids' jobs/housing balance, tax capacity, wage levels, and employment levels remain comparable to those of its peer cities.
- Ensure that the City's regulations, tax levels, and incentives are competitive with those of peer cities.
- Maintain a streamlined and effective development review process.
- Advocate for regional multi-modal transportation investments that encourage business development and allow for easy access to employment centers. Maintain adequate infrastructure to support business growth.
- Ensure that the City's housing stock supports the needs of local employees and targeted businesses. Ensure adequate marketing of the City's housing amenities.
- Attract large corporate users to develop a campus.
- Continue to attract retail spending and support business districts with a variety of retail options.
- Ensure adequate dispersal of retail districts throughout the City.

III. Economic Development Policies

III. ECONOMIC DEVELOPMENT POLICIES

A balanced economic development strategy addresses both retention of existing businesses and attraction of new businesses. Providing high-quality basic services and appropriate regulations are the most important roles of local government in encouraging economic development. Additional actions, such as those discussed in this section, may be considered in appropriate instances. This section addresses policies for encouraging business retention and attraction.

Annual Indicators

City Staff has begun tracking data on the number and types of businesses in the City, number of employees, wages, taxable value of commercial property, commercial construction, and retail sales data. This data should be updated annually to identify trends. The overall economic development strategy may be adjusted to account for changes in the City's key indicators.

Business Outreach

Because the City's existing businesses are an important source of growth, they should also be a priority for economic development service efforts. If local firms are satisfied, they are more likely to expand within the community and spur additional economic development. City Staff began visiting industrial businesses in 2007 to understand the nature of their operations and build relationships with the business community. Staff should continue to conduct business retention visits every two or three years to identify concerns and adjust policies accordingly. These visits also help to communicate City initiatives to the business community. The City should also consider organizing business retention meetings.

Coon Rapids' Economic Development Policies

- *Track Annual Economic Indicators*
- *Engage in Business Outreach*
- *Encourage Establishment of Business Organizations*
- *Define Business Targets*
- *Provide Financial Resources for Existing and New Businesses*
- *Encourage Workforce Development*
- *Market to Prospective Businesses and Commercial Real Estate Community*
- *Provide an Adequate Land Supply*
- *Establish Business Subsidy Policies*
- *Garner Legislative Support*

III. Economic Development Policies

Business Organizations

Because infrastructure and public improvements are critical to economic growth, the City may encourage formation of business associations to advocate for and create mechanisms for maintaining improvements. Particularly along Coon Rapids Boulevard, a well-organized business community could be instrumental in encouraging improvements.

Business Targets

City resources should be directed toward industries that have the greatest potential for creating wealth, based on the existing business base. This involves capitalizing on its existing business clusters, yet maintaining a diverse business base to ensure resilience to short-term economic trends. While the City should provide a positive business climate for a wide array of businesses, priority should be given to industries that have high potential for unsubsidized spin-off businesses. While support businesses, such as warehousing, wholesaling, and transportation, are an important part of the local economy, these types of businesses should not be priorities for financial assistance.

Primary Targets. A majority of the City's economic development resources should be directed toward the Primary Targets. These industries have relatively high wages, high employment density, potential for spin-off businesses, and potential for growth in the metropolitan area. The City's tax increment/tax abatement policies should target these types of businesses, in addition to other City financial resources. These industries include:

- Medical equipment and supplies manufacturing

III. Economic Development Policies

- Pharmaceutical and medicine manufacturing
- Scientific research and development services
- Computer and electronic product manufacturing, including communications equipment, measuring instruments, and electronic components.

Secondary Targets. While City resources should be largely directed toward the Primary Targets, some resources should be made available to the following business types. Although these industries generally have lower starting wages than the Primary Targets, they create basic employment and have potential for spin-off businesses. While tax-increment financing and tax abatement should generally not be directed toward Secondary Targets, other resources, such as revolving loans and industrial revenue bonds, are appropriate.

- Other types of “clean” manufacturing not listed as Primary Targets.
- Businesses creating skilled jobs at wage levels in excess of the metro area median.

Financial Resources

The City should market available resources to both existing and new businesses.

Resources for Existing Businesses. The City should market available resources to businesses, including Small Business Administration Loans and revolving loans. The City may consider establishing a loan fund for smaller scale exterior improvements to older commercial properties, such as landscaping, signs, awnings, and façade improvements in the City’s older commercial districts, such as the Coon Rapids Boulevard corridor and Foley-Northdale area. This fund could be leveraged with private sector resources.

III. Economic Development Policies

Revolving Loan Fund. Through its Economic Development Authority, the City should consider offering loans to industrial businesses at below market rates for construction, real estate, and equipment purchases creating a substantial number of jobs. The EDA should adopt guidelines to ensure that projects receiving City financing provide maximum benefit to the community. Loans should be directed toward businesses in the primary target areas, as well as redevelopment projects in older commercial districts.

Industrial Revenue Bonds. The City has traditionally offered conduit financing through revenue bonds for industrial construction projects. The City should maintain and market this resource.

Tax Increment Financing/Tax Abatement. In the past, the City has used TIF for redevelopment projects that meet state requirements and economic development projects that meet state job creation requirements. The City should continue to offer these resources, but also adopt specific policies for their use. For instance, subsidies for new development projects should be directed toward targeted business types and those with the highest potential for high-paying jobs and “spin-off” jobs.

State Resources. The City should utilize and market relevant programs offered by the state’s Department of Employment and Economic Development (DEED). These programs, such as grants offered through the Minnesota Investment Fund, may be appropriate for some local projects. The City should also monitor the development of DEED’s “shovel-ready” site registry and either participate or create its own registry.

Workforce Development

Access to workforce education and training programs is important to encouraging economic development. Anoka-Ramsey Community College partners with several local businesses to provide customized training for employees. It has successfully received Job Skills Partnership grants from the State of Minnesota to assist with the cost of providing training. The City should maintain connections with Anoka-Ramsey and other education resources and market available resources to local businesses. The City should also advocate for additional community resources.

Marketing

A community's ability to attract business is largely founded in its quality of life amenities, reasonable taxes, educational opportunities, transportation, and access to markets. However, the City can play an important role in encouraging business growth through specific actions. Because a large number of economic development organizations compete for a comparatively small number of business relocations, Coon Rapids must be strategic in targeting its economic development resources. This means directing incentives toward types of businesses most likely to create jobs that enhance the community's wealth.

While the City's economic development strategy should not rely on mass marketing, some targeted marketing is appropriate. The City should market office and industrial properties differently and to targeted audiences. Recommended marketing strategies include:

- Maintaining relationships with real estate brokers throughout the metro area and maintaining regular contact with key brokers. Consider arranging periodic meet-

III. Economic Development Policies

ings among brokers.

- Continuing involvement with the Minnesota Commercial Association of Realtors to increase awareness of Coon Rapids' amenities and available properties.
- Continuing awareness of available commercial and industrial properties and relaying that information to interested parties.
- Advertising key sites on the City's web site and marketing "shovel-ready" sites either through the State of Minnesota program or a City program.
- Using the MetroMSP regional economic development web site as an information resource and promoting its use.
- Maintain contact with local and regional chambers of commerce, economic development organizations, convention and visitors bureaus, and educational institutions. Ensure that the City's economic development message is consistent with those of other organizations.
- Maintain ties with local residential real estate agents to ensure adequate marketing of higher-end homes to attract executives.

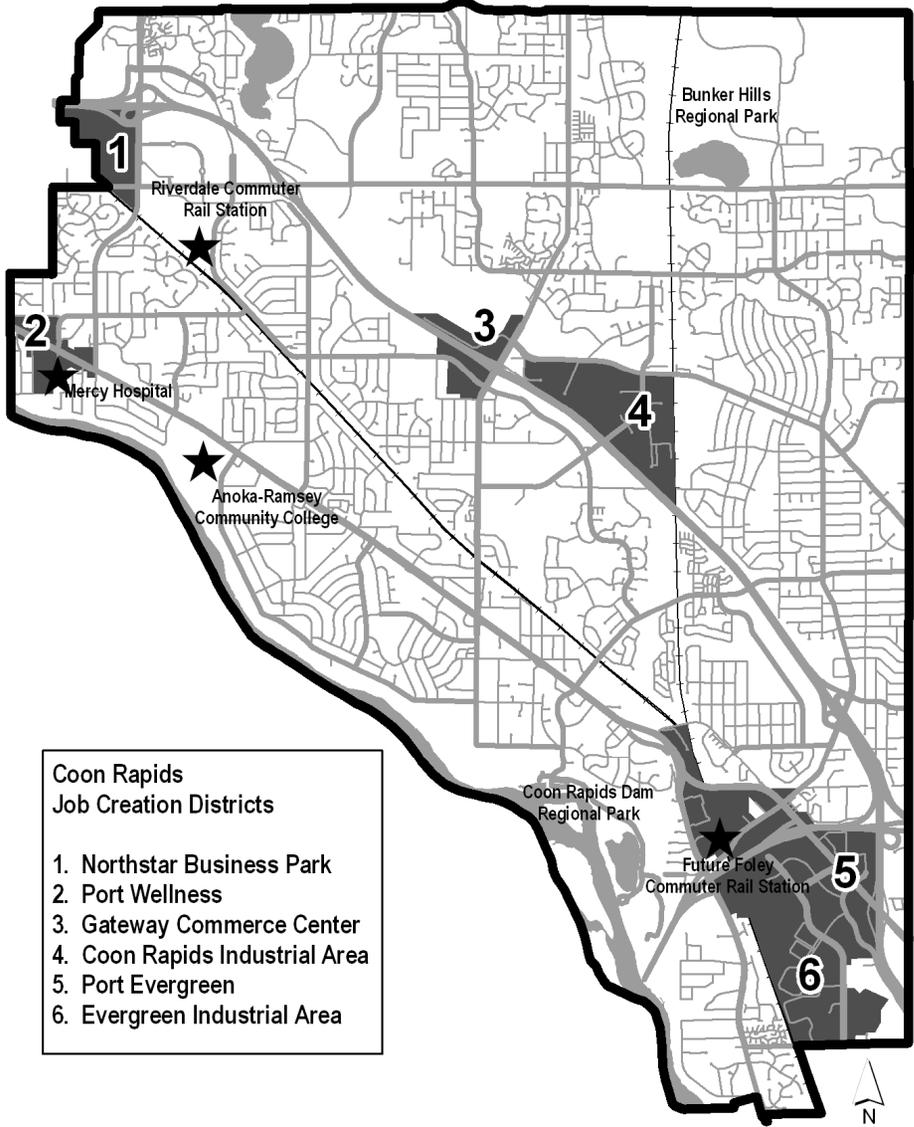
Land Supply

Because Coon Rapids is a developed community, very little vacant land exists for new commercial and industrial development. Most new development in the City will involve redeveloping underutilized land and encouraging development of vacant infill parcels. The City should periodically assess its supply of available land and facilitate land assembly in appropriate instances. Adopting small-area plans for

III. Economic Development Policies

these districts into the City’s Comprehensive Plan may help to ensure efficient land use. The City should also ensure top-quality appearance of these areas by periodically reviewing and updating its zoning regulations. This section discusses the locations within Coon Rapids where job growth will be concentrated.

Coon Rapids and Evergreen Industrial Parks. Coon Rapids Industrial Park (generally along Xeon Street between Highway 10 and Northdale Boulevard) and Evergreen Industrial Park (generally along Evergreen Boulevard south of Highway 610) provide important employment opportunities for City and regional residents. Both areas contain a variety of manufacturing, warehousing, office, and research businesses and are almost completely developed. In the long term, some of the existing low-yield industrial uses may become obsolete and their redevelopment will become necessary. As redevelopment occurs, new businesses in the industrial parks should provide quality jobs and fall within the following sectors: light manufacturing with minimal outdoor storage, medical and pharmaceutical industries, information technology (computer and telecommunica-



III. Economic Development Policies

tion), environmental technology, and office/research and development. The City may consider financial incentives to encourage these types of businesses.

Port Evergreen. The area along Coon Rapids Boulevard between Highways 610 and 47 includes the City's largest concentration of office development, with nearly 300,000 square feet of office space. While some commercial and residential development is planned, the City's Comprehensive Plan envisions that office will continue to be the predominant land use as redevelopment occurs. While substantial City involvement in land assembly is not anticipated in Port Evergreen, the City should monitor the condition of properties and consider strategic acquisitions. The City may consider financial incentives to stimulate redevelopment.

Port Wellness. The area along Coon Rapids Boulevard between Round Lake Boulevard and the west City limits includes Mercy Hospital and about 175,000 square feet of primarily medical office space. The Comprehensive Plan calls for primarily office and institutional uses on both sides of Coon Rapids Boulevard to accommodate future expansions of the hospital and additional medical office development. While City involvement in land assembly is not anticipated, financial incentives to encourage redevelopment may be considered.

Gateway Commerce Center. Currently undeveloped, an approved development plan for the northwest corner of Highway 10 and Hanson Boulevard proposes at least 86,000 square feet of office space and an additional 240,000 square feet of retail, hotel, restaurant, and service uses. Because specific tenants have not been determined, the plan may be modified in the future. This area represents one of the largest undeveloped parcels in the City and therefore one of the greatest opportunities for job growth.

Foley Transit Station Area. While not currently programmed, eventual construction of a commuter rail station is anticipated at Foley Boulevard at the BNSF rail-

III. Economic Development Policies

road tracks. A small-area plan the City has completed for the station area envisions increasing employment density near the station, including redevelopment with office, limited commercial, and some light industrial development. Tax-increment financing and tax abatement should be considered to assist with site preparation and infrastructure associated with redevelopment of certain sites within the station area. The City should also consider additional tools, such as transit improvement areas and grant dollars, as the state makes them available. Establishing a Business Improvement District would also generate additional funds for public improvements.

Northstar Business Park. While it is unlikely that Federal Cartridge will vacate its site at Highway 10 and Round Lake Boulevard in the near future, the City should plan for its redevelopment if a portion of the site becomes available. The City recently rezoned the property to encourage attractive office park development if the site is redeveloped.

Business Subsidy Policies

Tax increment financing (TIF) and tax abatement are important resources for encouraging private development projects that may not otherwise occur. The City should promote use of these subsidies to facilitate development of sites that are difficult to develop due to soil conditions or land assembly requirements. If these resources are used for job creation projects, they should be directed toward business types identified as “Primary Targets.” Projects receiving these subsidies are subject to Minnesota State Statute 116J.993 (Minnesota Business Subsidy Law) and the City’s Business Subsidy Policy. The City maintains guidelines for the use of TIF and tax abatement and should update these policies as necessary.

IV. Implementation

Legislative Support

City Staff should stay informed of state legislation affecting economic development and seek legislative support. This may include advocating for:

- Changes to tax abatement and tax increment financing laws to benefit the City.
- Changes to laws affecting use of eminent domain for redevelopment.
- Funding for Transit Improvement Areas and other tools to encourage transit-oriented development
- Establishing Business Improvement Districts to help fund public improvements.
- Special legislation to enable certain economic development projects.

IV. IMPLEMENTATION

This section summarizes the Economic Development Strategy's recommendations. The policies and actions listed address both business attraction and retention. Recommendations are categorized as short-term (within 1-3 years), medium-term (3-5 years), long-term (more than 5 years), or ongoing policies.

IV. Implementation

Implementation Item	Attraction	Retention	Short	Medium	Long	Ongoing
1. Annual Indicators. Produce annual report on number/types of businesses, employees, wages, tax capacity, construction, retail sales, and other indicators of economic activity. Modify economic development policies to address the City’s shortcomings.	●	●				●
2. Business Outreach. Visit existing industrial businesses to identify concerns and communicate City initiatives to the business community. Consider other outreach activities, such as periodic meetings, to maintain ties between the City and business community.		●				●
3. Business Organizations. Facilitate creation of business organizations to advocate for improvements, particularly along Coon Rapids Boulevard.		●		●		
4. Business Targets. Target resources toward businesses with the greatest potential for creating wealth. Direct the majority of City resources toward the “Primary Targets.” Document targeted industries in business subsidy policies.	●					●
5. Financial Resources. Market available financial resources, such as SBA loans, revolving loan funds, industrial revenue bonds, tax abatement/tax increment financing, and state resources, to existing and new businesses. Consider business incubator project.	●	●				●
6. Fix-Up Fund. Explore creating a loan fund for exterior improvements to existing businesses, such as landscaping, signs, awnings, and facades in the City’s older commercial districts.		●	●			
7. Revolving Loan Fund. Establish a revolving loan fund for business capital costs using payments from past economic development loans. Loans should be directed toward businesses in the primary target areas and redevelopment projects in older commercial districts.	●	●	●			●
8. Workforce Development. Stay informed of workforce education and training programs and make connections between Anoka-Ramsey Community College and local businesses.	●	●				●

IV. Implementation

Implementation Item	Attraction	Retention	Short	Medium	Long	Ongoing
9. Land Supply. Assess the City’s land supply for job growth and facilitate land assembly in appropriate instances. Adopt small-area plans for redevelopment areas to ensure efficient land use and employment density. Periodically review zoning regulations to reflect changing business needs and ensure compatibility with surrounding properties.	●			●	●	●
10. Tax-Increment Financing/Tax Abatement. Promote use of tax-increment financing and tax abatement to assist with development and redevelopment of sites that are otherwise difficult to develop. Maintain business subsidy policies to guide use of TIF and tax abatement.	●	●				●
11. Real Estate/Economic Development Connections. Maintain relationships with key real estate brokers and regional business and economic development organizations.	●					●
12. MNCAR. Maintain membership in the Minnesota Commercial Association of Realtors.	●					●
13. Marketing. Advertise available commercial and industrial land and business resources on the City’s web site. Promote “shovel-ready” sites through either the State of Minnesota program or a City program.	●					●
14. MetroMSP. Use the MetroMSP web site as an information resource and promote its use as a site selection tool.	●					●
15. Legislative Support. Seek support for legislation that would positively influence economic development in the City.	●	●				●



AI-1001

3.

HRA Regular

Meeting Date: 03/05/2013

Subject: Consider Purchase Agreement for Single-Family House at 2208 115th Ave, Scattered Site Acquisition

From: Matt Brown, Community Development Specialist

INTRODUCTION

The HRA is asked to consider the purchase of a property at 2208 115th Avenue for \$85,000 as part of the Scattered Site Acquisition (SSA) program.

DISCUSSION

The property at 2208 115th Avenue, adjacent to Peppermint Stick Park, is in poor condition and has been on the market for several months. Given its condition, Staff feels that the property is an appropriate candidate for the SSA program, which involves acquisition and demolition of "bad apple" houses. Staff has negotiated a sale price of \$85,000 for the property, which was most recently listed at \$99,900.

In July 2012, the HRA approved Resolution 12-1, which authorized Staff to initiate purchases of properties for the SSA program meeting certain parameters, including a sale price of no more than \$70,000 and having gone through a foreclosure process. The property at 2208 115h Avenue is not in foreclosure and because of its large lot size (one acre) has a fair market value of more than \$70,000. Staff feels that the negotiated sale price of \$85,000 reflects current market value.

Staff proposes that the HRA hold the lot at 2208 115th Avenue until specific improvements to Peppermint Stick Park are identified. If it is determined that the lot should be incorporated into the park, it could be deeded to the City. The most recent draft of the City's Parks Master Plan states that Peppermint Stick Park does not currently function at an acceptable level and recommends major upgrades. Adding land to the park could resolve the issues of poor access and lack of parking. The portion of the Parks Master Plan addressing Peppermint Stick is attached. Staff recommends holding the lot at 2208 115th Avenue until a more detailed improvement plan for the park is completed. If it is determined that adding land is not necessary to improve the park, the HRA could sell the lot for construction of a house. Despite its large size, the lot could not be subdivided due to its small amount of street frontage. However, it would be possible to create a smaller lot and transfer a portion of the land to the City for incorporation into the park.

RECOMMENDATION

Staff recommends that the HRA:

- a. Approve the purchase agreement for the property at 2208 115th Avenue with a sale price of \$85,000.
- b. Authorize the Chair and Secretary to execute the purchase agreement.

Fiscal Impact

BUDGET IMPACT:

Sufficient funds exist in the Scattered Site Acquisition account for this purchase.

Attachments

Location Map

Parks Master Plan Excerpt

Purchase Agreement



Peppermint Stick Park

Classification: Neighborhood Park

Location: 11480 Raven Street

Size: 4.0 acres

Rating: 3 out of 30 (refer to Appendix E for detailed park assessment)

Park Function and Overview

This park provides the neighborhood area with barely the basic park amenities for recreation. Overall park quality is ranked at 3 out of 30 points which means it is not currently at an acceptable service level. Overall park design was ranked low to medium as it is not inviting, but it has some potential. The park has a low to medium ranking for maintenance as some areas are maintained to a decent level, but most of the park is not.

Park Features/Amenities

As illustrated by the aerial photograph, current park features include:

1. *Playground area*
2. *Open space*
3. *Sledding hill*



Peppermint Stick Park Aerial Image



Safety issues such as the the examples above should be addressed immediately

Assessment and Recommendations

This park has a very run-down and uninviting feel to it with amenities that are in need of complete replacement and chain link fencing separating the park from the school site. The street that accesses the park on the NW side dead ends into peppermint stick bollards.

An odd-shaped sledding hill that looks like extra fill was dumped at the park site sits at the end of the dead-end street and if it is used for sledding, has mainly poor orientation. The layout of the loop trail system is decent, but the trails are mainly degraded and should link to the school parking lot. The playground has older equipment, some that is in fair condition, other pieces that are dangerous.

Recommendations include a complete renovation of the park to provide the neighborhood with some basic recreational amenities in a pleasing and inviting park setting. This could include the possible removal of the sledding hill, providing a small parking area and turn-around and a new playground in a more interesting design with adjacent arbor and plaza feature for some shade and aesthetic enhancements. Other recommendations include new trails, possibly adding in a small hard court and providing amenities such as benches, tables, receptacles, etc. with a consistent style.

Interrelationship with Other Parks

This park is directly adjacent to Coon Rapids Middle School and in close proximity to Rockslide Park which provides a broad range of recreational amenities, including a sledding hill so that may need to be duplicated here.

Trail & Accessibility Issues

The park trails create nice internal loops and some neighborhood connections, but are in need of replacement. A trail link to the school parking lot should be added. Trails need a pedestrian ramp with truncated dome where pedestrian trails meet up to vehicular areas.

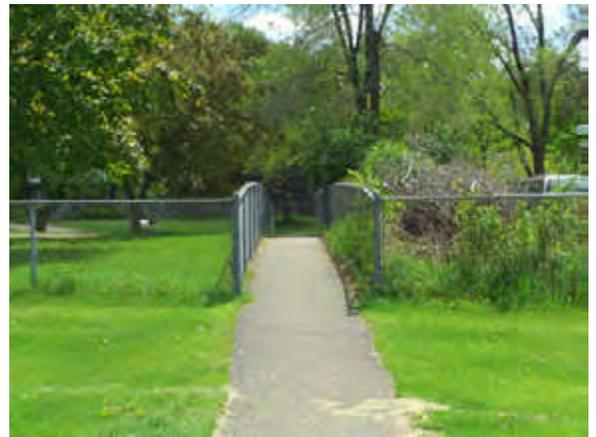
Add in accessible seating, provide access to all recreational amenities and all recreational amenities should meet ADA guidelines.

Ecological/Natural Resource Issues

The park contains a nice stand of trees by the playground, but additional tree plantings should be implemented over time to allow for wider tree age distribution and to screen/soften the park perimeter. Unhealthy or poor trees should be removed and replaced with more suitable plant materials.



View A - Park entrance



View B - Neighborhood park entrance



View C - Playground area

PURCHASE AGREEMENT

2208 115th Avenue NW

15-31-24-23-0001

1. Parties. This Purchase Agreement is made on March 5, 2013, between MICHAEL J. SCHNEIDER, a single person, (Seller) and THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON RAPIDS, a public body corporate and politic under the laws of Minnesota having its office located at 11155 Robinson Drive, Coon Rapids, Minnesota 55433 (Buyer).

2. Offer/Acceptance. Buyer offers to purchase and Seller agrees to sell real property legally described as follows (the Property):

Commencing at the Northeast corner of the Southwest Quarter of the Northwest Quarter of Section 15, Township 31, Range 24, Anoka County, Minnesota; thence South on the East line of said Southwest Quarter of the Northwest Quarter a distance of 33 feet to actual point of beginning of the tract to be described; thence continuing South on said East line a distance of 209.69 feet; thence West and parallel with the North line of said Southwest Quarter of the Northwest Quarter a distance of 203.345 feet; thence North and parallel with the East line of said Southwest Quarter of the Northwest Quarter a distance of 212.69 feet; thence East and parallel with the North line of said Southwest Quarter of the Northwest Quarter a distance of 170.345 feet; thence South and parallel with the East line of said Southwest Quarter of the Northwest Quarter a distance of 3 feet; thence East and parallel with the North line of said Southwest Quarter of the Northwest Quarter a distance of 33 feet to the actual point of beginning.

3. Price and Terms. The price for the Property is *Eighty-Five Thousand Dollars and 00/100 (\$85,000)*, which Buyer shall pay as follows:

- a. Earnest money in the total amount of \$500.00 by certified check payable to the Seller upon execution of this Agreement. All earnest money shall be applied towards the purchase price.
- b. The balance of the purchase price by certified check on the date of closing
- c. The Date of Closing shall be on or before April 19, 2013 unless otherwise mutually agreed upon by the parties.

4. Document to be delivered at closing. On the closing date, Buyer shall deliver to Seller the balance of the purchase price and Seller shall deliver to Buyer:

- a. A duly executed general warranty deed, conveying marketable title to the Property to Buyer, subject only to:

- i. Building and zoning laws, ordinances, State and Federal regulations;
 - ii. Utility and drainage easements which do not interfere with Buyer's intended use of the Property; and
- b. All documents necessary to establish marketable title to Buyer.

5. Real Estate Taxes and Special Assessments. On or before the Date of Closing, Seller will pay all delinquent real estate taxes, penalties, and interest, if any. Real estate taxes due and payable in the year of closing will be prorated between Buyer and Seller as of the Date of Closing. Seller shall pay all special assessments levied against the Property on or before the Date of Closing. Buyer shall pay all special assessments levied against the Property after the Date of Closing.

6. Marketability of Title. The Seller shall, on or prior to the date of this Agreement, deliver to the Buyer all unrecorded instruments relating to the interest of the Property, and an abstract of title or registered property abstract as applicable. Buyer shall, at its cost, have the abstract certified to a current date or if necessary, have a registered property abstract prepared. In the alternative, Buyer may have Seller deliver an owner's title insurance policy, at the Seller's expense in lieu of an abstract of title. After the date of delivery of the abstract or registered property abstract or the date of this Agreement, whichever is later, Buyer shall have up to ten (10) days to examine the title to the Property and to deliver written objections to title, if any, to Seller. Seller shall have thirty (30) days after receipt of written objections to cure title defects. Seller shall permit no additional encumbrances to be made upon the Property between the date of this Agreement and the Date of Closing.

7. Title Clearance and Remedies. In the event that title to the Property cannot be made marketable or is not made marketable by the Seller by the Date of Closing, then, at the option of the Buyer: this Purchase Agreement shall be null and void; neither party shall be liable for damages hereunder to the other; the Earnest Money, if any, shall be refunded to the Buyer; and Buyer and Seller agree to sign a cancellation of this Purchase Agreement.

- a. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:
 - i. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;
 - ii. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.
- b. If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:

- i. Seek damages from Seller including costs and reasonable attorney's fees;
- ii. Seek specific performance within six months after such right of action arises.

8. Condition of Property/Inspection Contingency. Buyer agrees to accept Property "AS IS." Seller makes no warranties as to the condition of the property. Personal property, excluding fixtures, built-ins, and appliances, must be removed prior to closing. Buyer has the right prior to closing date, at its own expense to inspect the property and any building on the property, including but not limited to environmental investigation and taking soil samples, for the purpose of determining whether any environmental or soil conditions exist that would materially affect the value of the Property or that would interfere with the Buyer's proposed use of the property. If the Buyer is not satisfied with the results of the property inspection, Buyer, at its sole discretion, may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void and all earnest money paid hereunder shall be refunded to the Buyer.

9. Condition to Closing. The closing of the transaction contemplated by this Agreement and the obligation of the Buyer to purchase the Property shall be subject to the following conditions:

- a. Buyer shall have determined on or before the closing date that it is satisfied, based upon the results of any matters disclosed by any building, environmental or soil investigations or testing of the property that there are no structural or environmental or soil conditions that would materially affect the value of the Property or that would interfere with Buyer's proposed use of the property.
- b. Buyer shall have reviewed and approve title to the property pursuant to Section 6 of this Agreement.

10. Well Disclosure.

Seller certifies that Seller does not know of any wells on the property; OR

Wells on the subject real property are disclosed by Seller on the Well Disclosure form attached to this agreement as Exhibit A.

11. Individual Sewage Treatment System Disclosure.

Seller certifies that there is no individual sewage treatment system on or serving the property; OR

Individual sewage treatment systems on or serving the property are disclosed by seller on the attached disclosure statement.

12. Methamphetamine Disclosure. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

- 13. Lead Paint Disclosure.** Seller has no knowledge of lead-based paint or lead-base paint hazards in the house. Buyer acknowledges that housing built prior to 1978 and may contain lead paint.
- 14. Time is of the essence for all provisions of this contract.**
- 15. Notices.** All notices required herein shall be in writing and delivered personally or mailed to the address shown at paragraph 1 above and, if mailed, are effective as of the date of mailing.
- 16. Minnesota Law.** This contract shall be governed by the laws of the State of Minnesota.
- 17. Buyer Not Represented by Broker.** The Buyer is not represented by a broker and assumes no responsibility for paying brokerage commissions or finders' fees.
- 18. Nonassignable Agreement.** This Agreement may not be assigned.
- 19. Specific Performance.** This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.
- 20. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
- 21. Purchase not an act of Eminent Domain / Waiver of Relocation Benefits.** Seller acknowledges and understands the purchase of the Property is not an act of eminent domain by Buyer nor has eminent domain been threatened. Seller acknowledges and understands Seller is not entitled to damages or any other claim as a result of Buyer's purchase of the Property. Seller acknowledges and understands Seller is not entitled to relocation benefits pursuant to Minnesota Statutes Section 117.521. Seller hereby waives any possible claim that (he/she) may have for relocation benefits pursuant to Minnesota and federal law. Seller represents that no other party has an ownership or commercial tenant interest in the Property and agrees to indemnify and defend Buyer from any claim made by any other party for damages by eminent domain or for relocation benefits.
- 22. Minnesota Data Practices Act.** Seller understands that the sale of the Property to Buyer may be public information under the Minnesota Data Practices Act. Seller agrees to cooperate with Buyer if a request for public data is received by Buyer and Buyer determines information necessary to respond to such a request may be in the possession of Seller.

23. Waiver. Seller and Buyer hereby waive any and all claims they may have made against each other related to Seller's ownership, use or intended use of the Property.

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

Dated: 2-19-13

SELLER:
MICHAEL J. SCHNEIDER

Michael J. Schneider

Dated: _____

BUYER:
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:

David Brodie
David Brodie
City Attorney



**ADDENDUM TO PURCHASE AGREEMENT
DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND LEAD-BASED
PAINT HAZARDS**

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1. Date 11-16-2012
2. Page 1 of 2

3. Addendum to Purchase Agreement between parties, dated 11-16, 20 12,
4. pertaining to the purchase and sale of the property at 2208, 115th Ave NW
5. COON RAPIDS, MN 55433

6. Section I: Lead Warning Statement

7. Every buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified
8. that such property may present exposure to lead from lead-based paint that may place young children at risk of
9. developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including
10. learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also
11. poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide
12. the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's
13. possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible
14. lead-based paint hazards is recommended prior to purchase.

15. Seller's Disclosure (Initial)

16. MS (a) Presence of lead-based paint and/or lead-based paint hazards.
17. (Check one below.)

18. Known lead-based paint and/or lead-based paint hazards are present in the housing
19. (explain):
20. _____

21. Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

22. MS (b) Records and reports available to the seller.
23. (Check one below.)

24. Seller has provided Buyer with all available records and reports pertaining to lead-based paint
25. and/or lead-based paint hazards in the housing (list documents below):
26. _____

27. Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards
28. in the housing.

29. Buyer's Acknowledgment (Initial)

30. _____ (c) Buyer has received copies of all information listed under (b) above.

31. _____ (d) Buyer has received the pamphlet, *Protect Your Family from Lead in Your Home*.

32. _____ (e) Buyer has (check one below):

33. Received a 10-day opportunity (or mutually agreed-upon period) to conduct a risk assessment
34. or inspection for the presence of lead-based paint and/or lead-based paint hazards (if checked,
35. see Section II on page 2); or

36. Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-
37. based paint and/or lead-based paint hazards.

**ADDENDUM TO PURCHASE AGREEMENT
DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND LEAD-BASED
PAINT HAZARDS**

38. Page _____

39. Property located at 2208 115th Ave NW

40. **Real Estate Licensee's Acknowledgement** *(initial)*

41. CRJ (f) Real estate licensee has informed Seller of Seller's obligations under 42 U.S.C. 4852(d) and is aware
42. of licensee's responsibility to ensure compliance.

43. **Certification of Accuracy**

44. The following parties have reviewed the information above and certify, to the best of their knowledge, that the information
45. provided by the signatory is true and accurate.

46. Mike Schmidt 11-16-12 _____
(Seller) (Date) (Buyer) (Date)

47. _____
(Seller) (Date) (Buyer) (Date)

48. [Signature] 11/16/12 _____
(Real Estate Licensee) (Date) (Real Estate Licensee) (Date)

49. **Section II: Contingency** *(Initial only if first box under (e) is checked in Buyer's Acknowledgment above.)*

50. This contract is contingent upon a risk assessment or an inspection of the property for the presence of lead-
51. based paint and/or lead-based paint hazards to be conducted at Buyer's expense. The assessment or inspection

52. shall be completed within ten (10) _____ calendar days after Final Acceptance of the Purchase Agreement.
(Check one.)

53. This contingency shall be deemed removed, and the Purchase Agreement shall be in full force and effect, unless Buyer or
54. real estate licensee representing or assisting Buyer delivers to Seller or real estate licensee representing or assisting
55. Seller, within three (3) calendar days after the assessment or inspection is timely completed, a written list of the specific
56. deficiencies and the corrections required, together with a copy of any risk assessment or inspection report. If Seller
57. and Buyer have not agreed in writing within three (3) calendar days after delivery of the written list of required corrections
58. that: (A) some or all of the required corrections will be made; or (B) Buyer waives the deficiencies; or (C) an adjustment to
59. the purchase price will be made; this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a
60. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid hereunder to
61. be refunded to Buyer. It is understood that Buyer may unilaterally waive deficiencies or defects, or remove this contingency,
62. providing that Buyer or real estate licensee representing or assisting Buyer notifies Seller or real estate licensee
63. representing or assisting Seller of the waiver or removal, in writing, within the time specified.



SELLER'S PROPERTY DISCLOSURE STATEMENT

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- 1. Date 11-16-12
2. Page 1 of _____ pages

3. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

4. NOTICE: This Disclosure Statement satisfies the disclosure requirements of MN Statutes 513.52 through 513.60.
5. Under Minnesota law, sellers of residential property, with limited exceptions listed on page eight (8), are obligated to disclose to prospective buyers all material facts of which Seller is aware that could adversely and significantly affect an ordinary buyer's use or enjoyment of the property or any intended use of the property of which Seller is aware.
6. MN Statute 513.58 requires Seller to notify buyer in writing as soon as reasonably possible, but in any event before closing, if Seller learns that Seller's disclosure was inaccurate. Seller is obligated to continue to notify Buyer, in writing, of any facts disclosed herein (new or changed) of which Seller is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property or any intended use of the property that occur up to the time of closing.
7. Seller has disclosure alternatives allowed by MN Statutes. See Seller's Disclosure Alternatives form for further information regarding disclosure alternatives. This disclosure is not a warranty or a guarantee of any kind by Seller or licensee(s) representing or assisting any party in the transaction.

15. For purposes of the seller disclosure requirements of MN Statutes 513.52 through 513.60:

16. "Residential real property" or "residential real estate" means property occupied as, or intended to be occupied as, a single-family residence, including a unit in a common interest community as defined in MN Statute 515B.1-103, clause 10, regardless of whether the unit is in a common interest community not subject to chapter 515B.

19. The seller disclosure requirements of MN Statutes 513.52 through 513.60 apply to the transfer of any interest in residential real estate, whether by sale, exchange, deed, contract for deed, lease with an option to purchase or any other option.

22. INSTRUCTIONS TO BUYER: Buyers are encouraged to thoroughly inspect the property personally or have it inspected by a third party, and to inquire about any specific areas of concern. NOTE: If Seller answers NO to any of the questions listed below, it does not necessarily mean that it does not exist on the property. NO may mean that Seller is unaware that it exists on the property.

26. INSTRUCTIONS TO SELLER: (1) Complete this form yourself. (2) Consult prior disclosure statement(s) and/or inspection report(s) when completing this form. (3) Describe conditions affecting the property to the best of your knowledge. (4) Attach additional pages, with your signature, if additional space is required. (5) Answer all questions. (6) If any items do not apply, write "NA" (not applicable).

30. Property located at 2208 115th Ave NW
31. City of COONRAPIDS, County of ANOKA, State of Minnesota.

A. GENERAL INFORMATION:

33. (1) What date 1992 did you [X] Acquire [] Build the home? (Check one.)

34. (2) Type of title evidence: [] Abstract [] Registered (Torrens)
35. Location of Abstract: RECORDED WITH THE COUNTY.

36. To your knowledge, is there an existing Owner's Title Insurance Policy? [] Yes [X] No

37. (3) Have you occupied this home continuously during your ownership? [X] Yes [] No

38. If "No," explain: _____

39. (4) Is the home suitable for year-round use? [X] Yes [] No

40. (5) Are you in possession of prior seller's disclosure statement(s)? (If "Yes," please attach.) [] Yes [] No

41. (6) To your knowledge, does the property include a manufactured home? [] Yes [X] No

42. If "Yes," HUD #(s) is/are _____

43. _____

44. Has the title been surrendered to the Registrar of Motor Vehicles for cancellation? [] Yes [X] No



46. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

47. Property located at 2208 115TH ALENW
48. (7) Is the property located on a public or a private road? Public Private
49. (8) For property abutting a lake, stream or river, does the property meet the minimum local government lot size requirements? Yes No Unknown
50. If "No," or "Unknown," Buyer should consult the local zoning authority.
51. (9) To your knowledge, is the property located in a designated flood plain? Yes No
52. Are you aware of any
53. (10) encroachments? Yes No
54. (11) association, covenants, historical registry, reservations or restrictions that affect or may affect the use or future resale of the property? Yes No
55. (12) easements, other than utility or drainage easements? Yes No
56. (13) Please provide clarification or further explanation for all applicable "Yes" responses in Section A:
- 57.
- 58.
- 59.
- 60.
61. **B. GENERAL CONDITION:** To your knowledge, have any of the following conditions previously existed or do they currently exist?
62. (1) Has there been any damage by wind, fire, flood, hail or other cause(s)? Yes No
63. If "Yes," give details of what happened and when:
- 64.
- 65.
66. (2) Have you ever had an insurance claim(s) against your Homeowner's Insurance Policy? Yes No
67. If "Yes," what was the claim(s) for (e.g., hail damage to roof)? HAIL
- 68.
- 69.
70. Did you receive compensation for the claim(s)? Yes No
71. If you received compensation, did you have the items repaired? Yes No
72. What dates did the claim(s) occur? 5 YRS AGO.
- 73.
- 74.
75. (3) (a) Has/Have the structure(s) been altered? Yes No
76. (e.g., additions, altered roof lines, changes to load-bearing walls)
77. If "Yes," please specify what was done, when and by whom (owner or contractor):
- 78.
79. (b) Has any work been performed on the property? (e.g., additions to the property, wiring, plumbing, retaining wall, general finishing.) Yes No
80. If "Yes," please explain:
- 81.
- 82.
83. (c) Are you aware of any work performed on the property for which appropriate permits were not obtained? Yes No
84. If "Yes," please explain:
- 85.
- 86.

88. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

89. Property located at _____

90. (4) Has there been any damage to flooring or floor covering? Yes No

91. If "Yes," give details of what happened and when:

92.

93. (5) Do you have or have you previously had any pets? Yes No

94. If "Yes," indicate type CAT and number 1

95. (6) Comments:

96.

97.

98. **C. STRUCTURAL SYSTEMS:** To your knowledge, have any of the following conditions previously existed or do they
99. currently exist?

100. (ANSWERS APPLY TO ALL STRUCTURES, SUCH AS GARAGE AND OUTBUILDINGS.)

101. (1) **THE FOUNDATION:** To your knowledge, the type of foundation is (i.e., block, poured, wood, stone, other):

102. BLOCK

103. (2) **THE BASEMENT, CRAWLSPACE, SLAB:**

104. (a) cracked floor/walls Yes No (e) leakage/seepage Yes No

105. (b) drain tile problem Yes No (f) sewer backup Yes No

106. (c) flooding Yes No (g) wet floors/walls Yes No

107. (d) foundation problem Yes No (h) other Yes No

108. Give details to any questions answered "Yes":

109.

110.

111.

112. (3) **THE ROOF:** To your knowledge,

113. (a) what is the age of the roofing material? 5 years

114. (b) has there been any interior or exterior damage? Yes No

115. (c) has there been interior damage from ice buildup? Yes No

116. (d) has there been any leakage? Yes No

117. (e) have there been any repairs or replacements made to the roof? Yes No

118. Give details to any questions answered "Yes":

119.

120.

121.

123. **THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.**

124. Property located at _____

125. D. APPLIANCES, HEATING, PLUMBING, ELECTRICAL AND OTHER MECHANICAL SYSTEMS:

126. **NOTE:** This section refers only to the working condition of the following items. Answers apply to all such
127. items unless otherwise noted in comments below. Personal property is included in the sale **ONLY IF**
128. specifically referenced in the *Purchase Agreement*.

129. **Cross out only those items not physically located on the property.**

		In Working Order		In Working Order		In Working Order	
		Yes	No	Yes	No	Yes	No
131.							
132.	Air conditioning	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Trash Compactor	<input type="checkbox"/> <input checked="" type="checkbox"/>
	<input type="checkbox"/> Central <input type="checkbox"/> Wall <input type="checkbox"/> Window					TV antenna system.....	<input type="checkbox"/> <input checked="" type="checkbox"/>
133.						TV cable system.....	<input type="checkbox"/> <input type="checkbox"/>
134.	Air exchange system	<input type="checkbox"/>	<input type="checkbox"/>	Incinerator	<input type="checkbox"/> <input type="checkbox"/>	TV satellite dish	<input type="checkbox"/> <input type="checkbox"/>
135.	Carbon Monoxide Detector.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Intercom	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned	
136.	Ceiling fan	<input type="checkbox"/>	<input type="checkbox"/>	Lawn sprinkler system	<input type="checkbox"/> <input type="checkbox"/>	TV satellite receiver.....	<input type="checkbox"/> <input type="checkbox"/>
137.	Dishwasher	<input type="checkbox"/>	<input type="checkbox"/>	Microwave.....	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned	
138.	Doorbell	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Plumbing.....	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned	
139.	Drain tile system	<input type="checkbox"/>	<input type="checkbox"/>	Pool and equipment	<input type="checkbox"/> <input type="checkbox"/>	Washer	<input type="checkbox"/> <input type="checkbox"/>
140.	Dryer.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Propane Tank	<input type="checkbox"/> <input type="checkbox"/>	Water heater.....	<input checked="" type="checkbox"/> <input type="checkbox"/>
141.	Electrical system.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned		Water softener	<input type="checkbox"/> <input type="checkbox"/>
142.	Exhaust system	<input type="checkbox"/>	<input type="checkbox"/>	Range/oven	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned	
143.	Fire sprinkler system	<input type="checkbox"/>	<input type="checkbox"/>	Range hood?	<input type="checkbox"/> <input type="checkbox"/>	Water treatment system	<input type="checkbox"/> <input type="checkbox"/>
144.	Fireplace	<input type="checkbox"/>	<input type="checkbox"/>	Refrigerator.....	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned	
145.	Fireplace mechanisms	<input type="checkbox"/>	<input type="checkbox"/>	Security system	<input type="checkbox"/> <input type="checkbox"/>	Windows.....	<input checked="" type="checkbox"/> <input type="checkbox"/>
146.	Furnace humidifier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned		Window treatments.....	<input type="checkbox"/> <input type="checkbox"/>
147.	Freezer	<input type="checkbox"/>	<input type="checkbox"/>	Smoke detectors (battery).....	<input checked="" type="checkbox"/> <input type="checkbox"/>	Wood burning stove	<input type="checkbox"/> <input type="checkbox"/>
148.	Garage door opener (GDO)	<input type="checkbox"/>	<input type="checkbox"/>	Smoke detectors (hardwired)	<input type="checkbox"/> <input type="checkbox"/>	Other.....	<input type="checkbox"/> <input type="checkbox"/>
149.	Garage auto reverse	<input type="checkbox"/>	<input type="checkbox"/>	Solar collectors	<input type="checkbox"/> <input type="checkbox"/>	Other.....	<input type="checkbox"/> <input type="checkbox"/>
150.	GDO remote	<input type="checkbox"/>	<input type="checkbox"/>	Sump pump?	<input type="checkbox"/> <input type="checkbox"/>	Other.....	<input type="checkbox"/> <input type="checkbox"/>
151.	Garbage disposal	<input type="checkbox"/>	<input type="checkbox"/>	Toilet mechanisms	<input type="checkbox"/> <input type="checkbox"/>	Other.....	<input type="checkbox"/> <input type="checkbox"/>

152. Comments: _____

153. _____

154. E. SUBSURFACE SEWAGE TREATMENT SYSTEM DISCLOSURE:

155. (A subsurface sewage treatment system disclosure is required by MN Statute 115.55.) (Check appropriate box.)

156. Seller certifies that Seller DOES DOES NOT know of a subsurface sewage treatment system on or serving
(Check one.)

157. the above-described real property. (If answer is **DOES**, and the system does not require a state permit, see
158. *Subsurface Sewage Treatment System Disclosure Statement*)

159. There is a subsurface sewage treatment system on or serving the above-described real property.
160. (See *Subsurface Sewage Treatment System Disclosure Statement*.)

161. There is an abandoned subsurface sewage treatment system on the above-described real property.
162. (See *Subsurface Sewage Treatment System Disclosure Statement*.)

164. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

165. Property located at _____

166. **F. PRIVATE WELL DISCLOSURE:** (A well disclosure and Certificate are required by MN Statute 103I.235.)

167. (Check appropriate box.)

168. Seller certifies that Seller does not know of any wells on the above-described real property.

169. Seller certifies there are one or more wells located on the above-described real property.

170. (See Well Disclosure Statement.)

171. Are there any wells serving the above-described property that are not located on the property? Yes No

172. Yes No

173. To your knowledge, is this property in a Special Well Construction Area?

174. **G. PROPERTY TAX TREATMENT:**

175. **Valuation Exclusion Disclosure** (Required by MN Statute 273.11, Subd. 16.)

176. (Check appropriate box.)

177. There IS IS NOT an exclusion from market value for home improvements on this property. Any
(Check one.)

178. valuation exclusion shall terminate upon sale of the property, and the property's estimated market value for
179. property tax purposes shall increase. If a valuation exclusion exists, Buyers are encouraged to look into the
180. resulting tax consequences.

181. Additional comments:

182.

183.

184. **Preferential Property Tax Treatment**

185. Is the property subject to any preferential property tax status or any other credits affecting the property?

186. (e.g., Disability, Green Acres, CRP, RIM, Rural Preserve) Yes No

187. If "Yes," would these terminate upon the sale of the property? Yes No

188. Explain:

189.

190.

191. **H. METHAMPHETAMINE PRODUCTION DISCLOSURE:**

192. (A Methamphetamine Production Disclosure is required by MN Statute 152.0275, Subd. 2 (m).)

193. Seller is not aware of any methamphetamine production that has occurred on the property.

194. Seller is aware that methamphetamine production has occurred on the property.

195. (See Methamphetamine Production Disclosure Statement.)

196. **I. NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The property may be in or near an airport safety
197. zone with zoning regulations adopted by the governing body that may affect the property. Such zoning regulations
198. are filed with the county recorder in each county where the zoned area is located. If you would like to determine
199. if such zoning regulations affect the property, you should contact the county recorder where the zoned area is
200. located.

201. **J. NOTICE REGARDING CARBON MONOXIDE DETECTORS:** MN Statute 299F51 requires Carbon Monoxide
202. Detectors to be located within ten (10) feet from all sleeping rooms. Carbon Monoxide Detectors may or may not
203. be personal property and may or may not be included in the sale of the home.

205. **THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.**

206. Property located at _____

207. **K. CEMETERY ACT:**

208. MN Statute 307.08 prohibits any damage or illegal molestation of human remains, burials or cemeteries. A person
209. who intentionally, willfully and knowingly destroys, mutilates, injures, disturbs or removes human skeletal remains
210. or human burial grounds is guilty of a felony.

211. To your knowledge, are you aware of any human remains, burials or cemeteries located
212. on the property? Yes No

213. If "Yes," please explain: _____

214. _____
215. All unidentified human remains or burials found outside of platted, recorded or identified cemeteries and in
216. contexts which indicate antiquity greater than 50 years shall be dealt with according to the provisions of MN
217. Statute 307.08, Subd. 7.

218. **L. ENVIRONMENTAL CONCERNS:**

219. To your knowledge, have any of the following environmental concerns previously existed or do they currently exist
220. on the property?

221. Animal/Insect/Pest Infestations?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Lead? (e.g., paint, plumbing)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
222. Asbestos?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Mold?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
223. Diseased trees?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Radon?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
224. Formaldehyde?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Soil problems?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
225. Hazardous wastes/substances?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Underground storage tanks?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
226. Other? _____				<input type="checkbox"/> Yes	<input type="checkbox"/> No

227. Are you aware if there are currently, or have previously been, any orders issued on the property by any governmental
228. authority ordering the remediation of a public health nuisance on the property? Yes No

229. If answer above is "Yes," seller certifies that all orders HAVE HAVE NOT been vacated.
(Check one.)

230. Give details to any question answered "Yes":

231.

232.

233.

234.

235. **M. OTHER DEFECTS/MATERIAL FACTS:**

236. Are you aware of any other material facts that could adversely and significantly affect an ordinary buyer's use or
237. enjoyment of the property or any intended use of the property? Yes No

238. If "Yes," explain below:

239.

240.

241.

242.

243.

245. **THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.**

246. Property located at _____

247. **N. WATER INTRUSION AND MOLD GROWTH:** Recent studies have shown that various forms of water intrusion
248. affect many homes. Water intrusion may occur from exterior moisture entering the home and/or interior moisture
249. leaving the home.

250. Examples of exterior moisture sources may be

- 251. • improper flashing around windows and doors,
- 252. • improper grading,
- 253. • flooding,
- 254. • roof leaks.

255. Examples of interior moisture sources may be

- 256. • plumbing leaks,
- 257. • condensation (caused by indoor humidity that is too high or surfaces that are too cold),
- 258. • overflow from tubs, sinks or toilets,
- 259. • firewood stored indoors,
- 260. • humidifier use,
- 261. • inadequate venting of kitchen and bath humidity,
- 262. • improper venting of clothes dryer exhaust outdoors (including electrical dryers),
- 263. • line-drying laundry indoors,
- 264. • houseplants—watering them can generate large amounts of moisture.

265. In addition to the possible structural damage water intrusion may do to the property, water intrusion may also result
266. in the growth of mold, mildew and other fungi. Mold growth may also cause structural damage to the property.
267. Therefore, it is very important to detect and remediate water intrusion problems.

268. Fungi are present everywhere in our environment, both indoors and outdoors. Many molds are beneficial to
269. humans. However, molds have the ability to produce mycotoxins that may have a potential to cause serious health
270. problems, particularly in some immunocompromised individuals and people who have asthma or allergies to
271. mold.

272. To complicate matters, mold growth is often difficult to detect, as it frequently grows within the wall structure. If you
273. have a concern about water intrusion or the resulting mold/mildew/fungi growth, you may want to consider having the
274. property inspected for moisture problems before entering into a purchase agreement or as a condition of your
275. purchase agreement. Such an analysis is particularly advisable if you observe staining or musty odors on the
276. property.

277. For additional information about water intrusion, indoor air quality, moisture or mold issues, please view the
278. Minnesota Association of REALTORS® Desktop Reference Guide at www.mnrealtor.com.

279. **O. NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory
280. offender registry and persons registered with the predatory offender registry under MN Statue 243.166
281. may be obtained by contacting the local law enforcement offices in the community where the property
282. is located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of
283. Corrections web site at www.corr.state.mn.us.

284. **P. ADDITIONAL COMMENTS:**

285.

286.

287.

288.

289.

290. **THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.**

292. Property located at _____

293. **Q. MN STATUTES 513.52 THROUGH 513.60:**

294. **Exceptions**

295. The seller disclosure requirements of MN Statutes 513.52 through 513.60 **DO NOT** apply to

- 296. (1) real property that is not residential real property;
- 297. (2) a gratuitous transfer;
- 298. (3) a transfer pursuant to a court order;
- 299. (4) a transfer to a government or governmental agency;
- 300. (5) a transfer by foreclosure or deed in lieu of foreclosure;
- 301. (6) a transfer to heirs or devisees of a decedent;
- 302. (7) a transfer from a cotenant to one or more other co-tenants;
- 303. (8) a transfer made to a spouse, parent, grandparent, child or grandchild of Seller;
- 304. (9) a transfer between spouses resulting from a decree of marriage dissolution or from a property agreement incidental to that decree;
- 306. (10) a transfer of newly constructed residential property that has not been inhabited;
- 307. (11) an option to purchase a unit in a common interest community, until exercised;
- 308. (12) a transfer to a person who controls or is controlled by the grantor as those terms are defined with respect to a declarant under section 515B.1-103, clause (2);
- 310. (13) a transfer to a tenant who is in possession of the residential real property; or
- 311. (14) a transfer of special declarant rights under section 515B.3-104.

312. **Waiver**

313. The written disclosure required under sections 513.52 to 513.60 may be waived if Seller and the prospective
314. Buyer agree in writing. Waiver of the disclosure required under sections 513.52 to 513.60 does not waive, limit or
315. abridge any obligation for seller disclosure created by any other law.

316. **No Duty to Disclose**

- 317. A. There is no duty to disclose the fact that the property
- 318. (1) is or was occupied by an owner or occupant who is or was suspected to be infected with Human
- 319. Immunodeficiency Virus or diagnosed with Acquired Immunodeficiency Syndrome;
- 320. (2) was the site of a suicide, accidental death, natural death or perceived paranormal activity; or
- 321. (3) is located in a neighborhood containing any adult family home, community-based residential facility or
- 322. nursing home.
- 323. B. **Predatory Offenders.** There is no duty to disclose information regarding an offender who is required to
- 324. register under MN Statute 243.166 or about whom notification is made under that section, if Seller, in a timely
- 325. manner, provides a written notice that information about the predatory offender registry and persons registered
- 326. with the registry may be obtained by contacting the local law enforcement agency where the property is
- 327. located or the Department of Corrections.
- 328. C. The provisions in paragraphs A and B do not create a duty to disclose any facts described in paragraphs A
- 329. and B for property that is not residential property.
- 330. D. **Inspections.**
- 331. (i) Except as provided in paragraph (ii), Seller is not required to disclose information relating to the real
- 332. property if a written report that discloses the information has been prepared by a qualified third party
- 333. and provided to the prospective buyer. For purposes of this paragraph, "qualified third party" means a
- 334. federal, state or local governmental agency, or any person whom Seller or prospective buyer reasonably
- 335. believes has the expertise necessary to meet the industry standards of practice for the type of inspection
- 336. or investigation that has been conducted by the third party in order to prepare the written report.
- 337. (ii) Seller shall disclose to the prospective buyer material facts known by Seller that contradict any information
- 338. included in a written report under paragraph (i) if a copy of the report is provided to Seller.

340. **THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.**

341. Property located at _____

342. **R. SELLER'S STATEMENT:**

343. *(To be signed at time of listing.)*

344. Seller(s) hereby states the material facts as stated above are true and accurate and authorizes any licensee(s)
345. representing or assisting any party(ies) in this transaction to provide a copy of this Disclosure to any person or
346. entity in connection with any actual or anticipated sale of the property.

347. Mike Achmeida 11-16-12 _____
(Seller) (Date) (Seller) (Date)

348. **S. BUYER'S ACKNOWLEDGEMENT:**

349. *(To be signed at time of purchase agreement.)*

330. I/We, the Buyer(s) of the property, acknowledge receipt of this Seller's Property Disclosure Statement and agree
351. that no representations regarding material facts have been made other than those made above.

352. _____
(Buyer) (Date) (Buyer) (Date)

353. **T. SELLER'S ACKNOWLEDGMENT** *(To be signed at time of purchase agreement.):* Seller is obligated to continue
354. to notify Buyer, in writing, of any facts which differ from the facts disclosed herein (new or changed) of which Seller
355. is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property or any intended
356. use of the property that occur up to the time of closing.

357. **AS OF THE DATE BELOW**, I/we, the Seller(s) of the property, state that the material facts stated above are the
358. same, **except for changes and/or new disclosures as indicated below, which have been signed and dated.**

359.

360.

361.

362.

363.

364.

365.

366.

367. _____
(Seller) (Date) (Seller) (Date)

368.

369.

**LISTING BROKER AND LICENSEES MAKE NO REPRESENTATIONS AND ARE
NOT RESPONSIBLE FOR ANY CONDITIONS EXISTING ON THE PROPERTY.**



AI-1015

4.

HRA Regular

Meeting Date: 03/05/2013

Subject: Consider Professional Services Agreement with C*Walsh Enterprises, LLC for Coon Rapids Boulevard Grocery Market Study

From: Matt Brown, Community Development Specialist

INTRODUCTION

The HRA is asked to consider a Professional Services Agreement with C*Walsh Enterprises, LLC for completion of a market study and assistance in securing a food retailer along the Coon Rapids Boulevard corridor.

DISCUSSION

At its work plan retreat earlier this year, the Council indicated interest in completing a grocery market study for the Coon Rapids Boulevard corridor. The *Coon Rapids Boulevard Framework Plan* and other City policy documents have established the concept that while large-format retail businesses will generally not be viable along Coon Rapids Boulevard in the future, a market exists for smaller scale retail concentrated in certain areas along the corridor. In the past, most grocery retailers preferred larger "warehouse" spaces located in regional shopping areas. More recently, however, competition from retailers like Wal-Mart and Costco has forced traditional grocers to alter their formats. Newer grocery store formats have included smaller, neighborhood-oriented stores. Staff has spoken with property managers, developers, and retail consultants who believe that older commercial corridors such as Coon Rapids Boulevard could support certain types of grocery retailers. An anchor tenant, such as a food retailer, has potential to spin off additional retail business. Staff proposes that Christine Walsh, a grocery industry consultant, complete a market study. The scope of work, which is attached, includes the following components:

- Visit similar sites throughout the metro area and talk with retailers and wholesalers to gain insight.
- Conduct in-depth interviews with 20 to 25 national and regional retailers and wholesalers to gain understanding of market motivators when expanding into new markets and retail formats.
- Conduct a survey of 150 local shoppers to understand shopping habits and motivators of local grocery store customers.
- Develop a targeted retailer list based on market analysis and consumer research results.

A more detailed proposal and Professional Services Agreement with C*Walsh Enterprises, LLC are attached. The market analysis and survey research components of the project are expected to take eight or nine weeks and the total cost of the project is \$22,750. Upon completion of the work, the HRA could opt to retain Ms. Walsh for an additional fee to secure meetings with food retailers and City Staff on an ongoing basis until a project has been secured. Staff believes that because this study includes primary information from both retailers and shoppers, it will be a valuable resource in securing new retail businesses along Coon Rapids Boulevard. The data would be made available to developers and retailers to help attract investment along the Coon Rapids Boulevard corridor.

RECOMMENDATION

Staff recommends that the HRA approve the Professional Services Agreement with C*Walsh Enterprises, LLC for a grocery market study.

Fiscal Impact

BUDGET IMPACT:

Sufficient funds exist in the HRA account for this expenditure.

Attachments

C Walsh Enterprises Proposal
Professional Services Agreement

Proposal for

City of Coon Rapids
Community Development Department

Coon Rapids Boulevard Project
Securing a Grocery Retailer

December 17, 2012
Updated February 21, 2013

Proposal presented by:

Christine Walsh representing
*C*Walsh Enterprises, LLC*

INTRODUCTION

Thank you for this opportunity to submit a proposal to support your efforts in securing a qualified, successful and relevant food retailer for your Coon Rapids Redevelopment project. The goal of this proposal is to identify one or more retail organizations who can provide the products and services necessary to meet the needs of the customers in the trade areas they will serve.

This proposal provides two levels of insights – that when combined will provide the city of Coon Rapids with the most effective information gathering services at the lowest possible price. A recap of the scope includes:

• **C*Walsh Enterprises, LLC**; principal Christine Walsh who has been an active part of the local, regional and national grocery industry for the past thirty years. In this capacity, I will act as the consultant who works with the members of the Coon Rapids development team to identify the different trade areas within the project and to introduce and solicit interest from potential food retailers.

- I will also meet with national, regional and local retailers as well as wholesalers to understand the primary motivators for expansion into new markets and new formats.
 - This information will provide direction when identifying potential retail candidates and formats.
 - This information will also provide direction when gathering shopper insights and behaviors.

Marc, it was a pleasure to meet with you, Matt and Todd to review this project in more detail and I look forward to working with you to identify and secure long-term food retailers for your Coon Rapids Boulevard Redevelopment project.

Sincerely,

Christine Walsh

PROPOSAL SCOPE

The scope of this proposal is based on our meetings on December 14, 2012 and February 21, 2013. As with any project, the scope can alter throughout the course of the project if situations arise and if expectations are adjusted.

Phase 1: Discovery

- Review all documents pertaining to the Coon Rapids Boulevard Redevelopment project
- Visit similar sites / projects throughout the Twin Cities - talk with retailers / wholesalers
- Gain additional insights from Coon Rapids project team – two meetings planned

Phase 2: Retailer and Shopper Insights

•Conduct in-depth interviews with 20 – 25 national, regional and local retailers / wholesalers to better understand the business and market motivators when expanding into new markets and new retail formats. These retailer results will drive the shopper insights activities.

- Shopper insights will be captured to better understand shopping habits and motivators of local grocery store customers. Assumptions: total population = 17,500 / total households = 6,900. Sample size: 150 respondents using telephone and in-store interviews to achieve a 93% confidence level with a +/- 7% margin of error.
 - Develop questionnaires – present to Coon Rapids team for approval
 - Deploy retailer interviews and monitor responses; tabulate and analyze results
 - Deploy shopper interviews and monitor responses; tabulate and analyze results
 - Develop and present research report of findings

Phase 3: Identify and Secure Retailer: Pending Results from Phase 2

- Based on retailer and shopper insights, develop targeted / potential retailer list and present to Coon Rapids team for approval
- Meet with retailers – and / or secure meetings with Coon Rapids team
- Be available for retailer meetings as needed
- Continue to identify and meet with potential food retailers until one or more organizations have been secured for this project

PROPOSED PROJECT SCHEDULE											
	Contract Approval	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	On-going
Project Start	X										
Phase 1		X	X	X							
Phase 2			X	X	X	X	X	X	X	X	Target July 4
Phase 3											Pending
TOTAL	Phases 1 and 2: 12 to 16 weeks depending on start date of Project										

PROPOSAL FEE STRUCTURE

The fees associated with this project are based on our meetings on December 14, 2012 and February 21, 2013 and on the details specified in each Phase detailed on page 3 of this proposal. As with any project, the scope and related fees can alter throughout the course of the project if situations arise and expectations are adjusted.

FEE ESTIMATE BASED ON HOURS BY STAFF				
	Principal-In-Charge	Development Team	Hours	Fee
	\$125 per hour	Average rate \$110 per hour Various staff members including survey designers, call center, analysts, report writers		
Phase 1	18 hours	--	18	\$2,250
Phase 2	20 hours	150 hours depending on response rate at average rate of \$110 per hour + Respondent Incentive: \$25 Gift Cards for Retailers and 1 - \$500 Gift Card for Shoppers	170	\$2,500 \$16,500 + \$1,000
Phase 3	Pending Results of Research Can be charged on an hourly basis	--	Pending	Pending
Reimbursable Expenses	--	--	--	\$500 maximum
Total Proposed Fee			188	\$22,750 + work required to complete Phase 3

Survey Records and Data Protection

C*Walsh Enterprises, LLC and Client agree that they will duly observe all of their obligations under marketing and research guidelines and applicable data protection legislation arising out of or in connection with the processing of personally identifiable information under this Agreement.

Respectfully submitted by:

Christine Walsh - Principal

*C*Walsh Enterprises, LLC*

3512 Willow Beach Trail SW

Prior Lake, MN 55372

612-309-4007

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made on the 5th day of March, 2013, between the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota (hereinafter "HRA"), whose business address is 11155 Robinson Drive, Coon Rapids, MN 55433, and C*Walsh Enterprises LLC, a Minnesota hereinafter "Consultant") whose business address is 3512 Willow Beach Trail SW, Prior Lake, MN 55372.

Preliminary Statement

The HRA has adopted policies regarding the selection and hiring of consultants to provide a variety of professional services for HRA projects. The policies and practices of the HRA require that persons, firms or corporations providing such services enter into written agreements with the HRA. The purpose of this Agreement is to set forth the terms and conditions for the provision of professional services by Consultant for Securing a Grocery Retailer hereinafter referred to as the "Work".

The HRA and Consultant agree as follows:

1. Scope of Work/Proposal. The Consultant agrees to provide the professional services shown in Exhibit "A" in connection with the Work. The terms of this standard agreement shall take precedence over any provisions of the Consultants proposal and/or general conditions that conflict with this agreement.
2. Term. The term of this Agreement shall be from March 6, 2013 through September 6, 2013, the date of signature by the parties notwithstanding. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the terms and conditions as herein stated.
3. Compensation for Services. HRA agrees to pay the Consultant on an hourly basis in a total amount not to exceed \$22,750 plus expenses for the services as described in Exhibit A.
 - A. Any changes in the scope of the work which may result in an increase to the compensation due the Consultant shall require prior written approval by an authorized representative of the HRA. The HRA will not pay additional compensation for services that do not have prior written authorization.
 - B. Special Consultants may be utilized by the Consultant when required by the complex or specialized nature of the Project and when authorized in writing by the HRA.
 - C. If Consultant is delayed in performance due to any cause beyond its reasonable control, including but not limited to strikes, riots, fires, natural acts, governmental actions, actions of a third party, or actions or inactions of HRA, the time for performance shall be extended by a period of time lost by reason of the delay. Consultant will be entitled to payment for its reasonable additional charges, if any, due to the delay.

4. HRA Information. The HRA agrees to provide the Consultant with the complete information concerning the Scope of the Work and to perform the following services:

A. Access to the Area. Depending on the nature of the Work, Consultant may from time to time require access to public and private lands or property. As may be necessary, the HRA shall obtain access to and make all provisions for the Consultant to enter upon public and private lands or property as required for the Consultant to perform such services necessary to complete the Work.

B. Consideration of the Consultant's Work. The HRA shall give thorough consideration to all reports, sketches, estimates, drawings, and other documents presented by the Consultant, and shall inform the Consultant of all decisions required of HRA within a reasonable time so as not to delay the work of the Consultant.

C. Standards. The HRA shall furnish the Consultant with a copy of any standard or criteria, including but not limited to, design and construction standards that may be required in the preparation of the Work for the Project.

D. Owner's Representative. A person shall be appointed to act as the HRA's representative with respect to the work to be performed under this Agreement. He or she shall have complete authority to transmit instructions, receive information, interpret, and define the HRA's policy and decisions with respect to the services provided or materials, equipment, elements and systems pertinent to the work covered by this Agreement.

5. Method of Payment. The Consultant shall submit to the HRA, on a monthly basis, an itemized invoice for professional services performed under this Agreement. Invoices submitted shall be paid in the same manner as other claims made to the HRA for:

A. Progress Payment. For work reimbursed on an hourly basis, the Consultant shall indicate for each employee, his or her name, job title, the number of hours worked, rate of pay for each employee, a computation of amounts due for each employee, and the total amount due for each project task. Consultant shall verify all statements submitted for payment in compliance with Minnesota Statutes Sections 471.38 and 471.391. For reimbursable expenses, if provided for in Exhibit A, the Consultant shall provide an itemized listing and such documentation as reasonably required by the HRA. Each invoice shall contain a progress summary showing the original (or amended) amount of the contract, current billing, past payments and unexpended balance of the contract.

B. Suspended Work. If any work performed by the Consultant is suspended in whole or in part by the City, the Consultant shall be paid for any services performed prior to receipt of written notice from the City of such suspension, all as shown on Exhibit A.

C. Payments for Special Consultants. The Consultant shall be reimbursed for the work of special consultants, as described in Section 3B, and for other items when authorized in writing by the HRA.

D. Claims. To receive any payment on this Agreement, the invoice or bill must include the following signed and dated statement: "I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid."

6. Project Manager and Staffing. The Consultant has designated Christine Walsh to serve on the Project. They shall be assisted by other staff members as necessary to facilitate the completion of the Work in accordance with the terms established herein. Consultant may not remove or replace these designated staff from the Project without the approval of the HRA.

7. Standard of Care. All Work performed pursuant to this Agreement shall be in accordance with the standard of care in Anoka County, Minnesota for professional services of the like kind.

8. Audit Disclosure. Any reports, information, data, etc. given to, or prepared or assembled by the Consultant under this Agreement which the HRA requests to be kept confidential, shall not be made available to any individual or organization without the HRA's prior written approval. The books, records, documents and accounting procedures and practices of the Consultant or other parties relevant to this Agreement are subject to examination by the HRA and either the Legislative Auditor or the State Auditor for a period of six (6) years after the effective date of this Contract. The Consultant shall at all times abide by Minn. Stat. 13.01 et seq., the Minnesota Government Data Practices Act, to the extent the Act is applicable to data and documents in the possession of the Consultant. The Consultant shall immediately inform the HRA if the Consultant receives a request for information under the Data Practices Act. The HRA will cooperate with the Consultant in responding to the request for information.

9. Termination. This Agreement may be terminated by either party by seven (7) days written notice delivered to the other party at the address written above. Upon termination under this provision, if there is no fault of the Consultant, the Consultant shall be paid for services rendered and reimbursable expenses until the effective date of termination. If however, the HRA terminates the Agreement because the Consultant has failed to perform in accordance with this Agreement, no further payment shall be made to the Consultant, and the HRA may retain another consultant to undertake or complete the work identified in Paragraph 1.

10. Subcontractor. The Consultant shall not enter into subcontracts for services provided under this Agreement except as noted in the Scope of Work, without the express written consent of the HRA. The Consultant shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Consultant's receipt of payment by the HRA for undisputed services provided by the subcontractor. If the Consultant fails within that time to pay the subcontractor any undisputed amount for which the Consultant has received payment by the HRA, the Consultant shall pay interest to the subcontractor on the unpaid amount at the rate of 1.5 percent per month or any part of a month. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the Consultant shall pay the actual interest penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Consultant shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

11. Independent Consultant. At all times and for all purposes herein, the Consultant is an independent contractor and not an employee of the HRA. No statement herein shall be construed so as to find the Consultant an employee of the HRA.

12. Non-Discrimination. During the performance of this Agreement, the Consultant shall not discriminate against any employee or applicants for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation or age. The Consultant shall post in places available to employees and applicants for employment, notices setting forth the provision of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Consultant shall incorporate the foregoing requirements of this paragraph in all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work. The Consultant further agrees to comply with all aspects of the Minnesota Human Rights Act, Minnesota Statutes 363.01, et. seq., Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990.

13. Assignment. Neither party shall assign this Agreement, nor any interest arising herein, without the written consent of the other party.

14. Services Not Provided For. No claim for services furnished by the Consultant not specifically provided for herein shall be honored by the HRA.

15. Severability. The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.

16. Entire Agreement. The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

17. Compliance with Laws and Regulations. In providing services hereunder, the Consultant shall abide by statutes, ordinances, rules and regulations pertaining to the provisions of services to be provided. The Consultant and HRA, together with their respective agents and employees, agree to abide by the provisions of the Minnesota Data Practices Act, Minnesota Statutes Section 13, as amended, and Minnesota Rules promulgated pursuant to Chapter 13. Any violation of statutes, ordinances, rules and regulations pertaining to the services to be provided shall constitute a material breach of this Agreement and entitle the HRA to immediately terminate this Agreement.

18. Waiver. Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.

19. Indemnification. Consultant agrees to defend, indemnify and hold the HRA, its officers, and employees harmless from any liability, claims, damages, costs, judgments, or expenses, including reasonable attorney's fees, resulting directly or indirectly from a negligent act or omission (including without limitation professional errors or omissions) of the Consultant,

its agents, employees, or subcontractors in the performance of the services provided by this Agreement and against all losses by reason of the failure of said Consultant fully to perform, in any respect, all obligations under this Agreement.

20. Insurance.

A. Consultant shall procure and maintain the following minimum insurance coverages and limits of liability on this Project:

Comprehensive Automobile Liability	\$1,000,000 combined single limit (shall include coverage for all owned, hired and non-owned vehicles.)
------------------------------------	---

B. Professional Liability Insurance. The Consultant agrees to provide to the HRA a certificate evidencing that they have in effect, with an insurance company in good standing and authorized to do business in Minnesota, a professional liability insurance policy. Said policy shall insure payment of damage for legal liability arising out of the performance of professional services for the HRA, in the insured's capacity as the Consultant, if such legal liability is caused by an error, omission, or negligent act of the insured or any person or organization for whom the insured is legally liable. Said policy shall provide an aggregate limit of ~~\$2,000,000~~. \$500,000 Said policy shall not name the HRA as an insured.

C. Consultant shall maintain in effect all insurance coverages required under this Paragraph at Consultant's sole expense and with insurance companies licensed to do business in the state in Minnesota and having a current A.M. Best rating of no less than A-, unless specifically accepted by HRA in writing. In addition to the requirements stated above, the following applies to the insurance policies required under this Paragraph:

- i. All policies, except the Professional Liability Insurance policy, shall be written on an "occurrence" form ("claims made" and "modified occurrence" forms are not acceptable);
- ii. All policies, except the Professional Liability Insurance policy, shall be apply on a "per project" basis;
- iii. All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall contain a waiver of subrogation naming "the Housing and Redevelopment Authority in and for the City of Coon Rapids";
- iv. All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall name "the Housing and Redevelopment Authority in and for the City of Coon Rapids" as an additional insured;
- v. All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall insure the defense and indemnity obligations assumed by Consultant under this Agreement; and
- vi. All policies shall contain a provision that coverages afforded there under shall not be canceled or non-renewed or restrictive modifications added, without thirty (30) days prior written notice to the HRA.

A copy of the Consultant's insurance declaration page, Rider and/or Endorsement, as applicable, which evidences the compliance with this Paragraph 20, must be filed with HRA prior to the start of Consultant's Work. Such documents evidencing Insurance shall be in a form acceptable to HRA and shall provide satisfactory evidence that Consultant has complied with all insurance requirements. Renewal certificates shall be provided to HRA prior to the expiration date of any of the required policies. HRA will not be obligated, however, to review such declaration page, Rider, Endorsement or certificates or other evidence of insurance, or to advise Consultant of any deficiencies in such documents and receipt thereof shall not relieve Consultant from, nor be deemed a waiver of, HRA's right to enforce the terms of Consultant's obligations hereunder. HRA reserves the right to examine any policy provided for under this paragraph.

D. Effect of Consultant's Failure to Provide Insurance. If Consultant fails to provide the specified insurance, then Consultant will defend, indemnify and hold harmless the HRA, the HRA's officials, agents and employees from any loss, claim, liability and expense (including reasonable attorney's fees and expenses of litigation) to the extent necessary to afford the same protection as would have been provided by the specified insurance. Except to the extent prohibited by law, this indemnity applies regardless of any strict liability or negligence attributable to the HRA (including sole negligence) and regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the specified insurance) is attributable to the negligent or otherwise wrongful act or omission (including breach of contract) of Consultant, its subcontractors, agents, employees or delegates. Consultant agrees that this indemnity shall be construed and applied in favor of indemnification. Consultant also agrees that if applicable law limits or precludes any aspect of this indemnity, then the indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

If a claim arises within the scope of the stated indemnity, the HRA may require Consultant to:

- i. Furnish and pay for a surety bond, satisfactory to the HRA, guaranteeing performance of the indemnity obligation; or
- ii. Furnish a written acceptance of tender of defense and indemnity from Consultant's insurance company.

Consultant will take the action required by the HRA within fifteen (15) days of receiving notice from the HRA.

21. Ownership of Documents. All plans, diagrams, analyses, reports and information generated in connection with the performance of the Agreement ("Information") shall become the property of the HRA, but Consultant may retain copies of such documents as records of the services provided. The HRA may use the Information for its purposes and the Consultant also may use the Information for its purposes. Use of the Information for the purposes of the project contemplated by this Agreement ("Project") does not relieve any liability on the part of the Consultant, but any use of the Information by the HRA or the Consultant beyond the scope of the

Project is without liability to the other, and the party using the Information agrees to defend and indemnify the other from any claims or liability resulting therefrom.

22. Dispute Resolution/Mediation. Each dispute, claim or controversy arising from or related to this Service Agreement or the relationships which result from this Agreement shall be subject to mediation as a condition precedent to initiating arbitration or legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the Commercial Mediation Procedures of the American Arbitration Association then currently in effect. A request for mediation shall be filed in writing with the American Arbitration Association and the other party. No arbitration or legal or equitable action may be instituted for a period of 90 days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties. Mediation shall be held in the City of Coon Rapids unless another location is mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a Mediated Settlement Agreement, which Agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

23. Governing Law. This Agreement shall be controlled by the laws of the State of Minnesota.

24. Conflicts. No salaried officer or employee of the HRA and no member of the Board of the HRA shall have a financial interest, direct or indirect, in this Contract. The violation of this provision renders the Contract void. Any federal regulations and applicable state statutes shall not be violated.

25. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original.

Executed as of the day and year first written above.

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

By: _____
Tim Howe, Chair

By: _____
Bruce Sanders, Secretary

APPROVED AS TO FORM:

David J. Brodie, City Attorney

C*WALSH ENTERPRISES, LLC

By: _____
Christine Walsh, Owner / Principal

By signing above, the official of the Contractor certifies that he/she is duly authorized to bind the Contractor to the terms of this agreement.