



## HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, March 19, 2013

6:50 p.m.

Coon Rapids City Center  
Council Chambers

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### Call to Order

### Roll Call

### Approval of Minutes from Previous Meeting(s):

March 5, 2013

### New Business

1. Cons. Lease Agreement with Tuned Up Custom Rods LLC, 1425 Coon Rapids Boulevard

### Other Business

### Adjourn



**AI-1088**

**HRA Regular**

**Meeting Date:** 03/19/2013

**SUBJECT:** Minutes

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**Attachments**

**3-5-13 HRA Minutes**

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**UNAPPROVED**

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF MARCH 5, 2013

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 7:52 p.m. on March 5, 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 7:52 p.m.

ROLL CALL

All present.

APPROVAL OF MINUTES

FEBRUARY 19, 2013, REGULAR MEETING

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER SANDERS, FOR APPROVAL OF THE MINUTES OF THE FEBRUARY 19, 2013, REGULAR MEETING. THE MOTION PASSED UNANIMOUSLY.

1. APPROVE CONTRACT OF SERVICES WITH METROPOLITAN CONSORTIUM OF COMMUNITY DEVELOPERS FOR PARTICIPATION IN THE OPEN TO BUSINESS PROGRAM

Community Development Specialist Brown shared the staff report.

Commissioner Koch thanked staff for providing the information on marketing strategies.

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER SANDERS TO APPROVE CONTRACT OF SERVICES WITH METROPOLITAN CONSORTIUM OF COMMUNITY DEVELOPERS FOR PARTICIPATION IN THE OPEN TO BUSINESS PROGRAM.

THE MOTION PASSED UNANIMOUSLY.

**2. APPROVE REVOLVING LOAN FUND MANAGEMENT AGREEMENT WITH  
CENTRAL MINNESOTA DEVELOPMENT COMPANY AND ALLOCATE FUNDS FOR  
MINNESOTA INVESTMENT FUND LOAN REPAYMENTS**

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Community Development Specialist Brown shared the staff report.

Commissioner Manning asked if \$250,000 is the upper limit for a grant per year. Community Development Specialist Brown confirmed the amount, stating that in addition to funds given by the State they felt this was a good initial contribution.

Commissioner Manning inquired about the additional funding. Community Development Specialist Brown said with the additional State funding the amount would be \$350,000.

Chair Howe said he liked the idea of tying this with the Central Minnesota Development Company, formally Coon Rapids Development Company. He said this group is more regional now and he is pleased we are solidifying a partnership again as they are a great source for business expansion and new businesses as well.

Commissioner Koch agreed that this was a good tie in, adding the group ensures that Coon Rapids residents are still involved.

**MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER SANDERS TO  
APPROVE REVOLVING LOAN FUND MANAGEMENT AGREEMENT WITH CENTRAL  
MINNESOTA DEVELOPMENT COMPANY AND ALLOCATE FUNDS FOR MINNESOTA  
INVESTMENT FUND LOAN REPAYMENTS.**

**THE MOTION PASSED UNANIMOUSLY.**

**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**

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Community Development Specialist Brown shared the staff report.

Commissioner Johnson asked that staff look at the inclusion for Peppermint Stick Park.

Commissioner Klint said she agreed with considering purchasing this parcel but said the price seems high as it has not been on the market very long. She said she was not sure about including the parcel with the park as they had not made any plans to redo this park yet and there are other houses we could do more with.

Commissioner Sanders said this is a very visible home that is in need of assistance, adding the price is what it is and that it is a good piece of property whether or not we use it in redeveloping Peppermint Stick Park.

Commissioner Johnson said we'd have access from the park from 115<sup>th</sup> Avenue while now the only access is from Swallow Street. He said this purchase would allow opportunities for the school's parking lot especially during off hours, adding the price is within their range.

Commissioner Manning said he would be open considering both possibilities but that this action now would be to remove some blight.

Commissioner Klint agreed then asked if this concept has been presented to the Parks and Recreation Commission yet. She said the park isn't very visible but that trees have to be removed or rearranged throughout the entire park.

Executive Director Gatlin said the park is included in the Master Plan but is not included in the first two tiers because Rockslide Park had been recently redone which is nearby and this is a smaller scale park.

Chair Howe asked if there were two homes included on the lot. Commissioner Koch said the lot contains one home, one garage, and an outbuilding.

Community Development Specialist Brown said there are a couple outbuildings but that they are in poor condition.

Chair Howe asked if the lot was fenced. Community Development Specialist Brown said the lot was fenced but that he is not sure if it is the City's fence.

Commissioner Koch said the price is close to market as it sold in 1993 for \$69,000 and is a full acre. He said he doesn't want to commit the parcel to becoming part of the park yet and would like to keep the options open but would consider this later.

Chair Howe asked if the parcel had access on the corner. Community Development Specialist Brown said the parcel did have access on the corner.

Commissioner Sanders noted this is a highly traveled area.

**MOTION BY COMMISSIONER JOHNSON, SECONDED BY COMMISSIONER WELLS TO APPROVE PURCHASE AGREEMENT AND AUTHORIZE CHAIR AND SECRETARY TO EXECUTE PURCHASE AGREEMENT FOR PROPERTY AT 2208 115TH AVENUE AS PART OF THE SCATTERED SITE ACQUISITION PROGRAM.**

**THE MOTION PASSED 6-1, COMMISSIONER KLINT OPPOSED.**

**4. APPROVE PROFESSIONAL SERVICES AGREEMENT WITH C\*WALSH ENTERPRISES, LLC FOR GROCERY MARKET STUDY**

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Community Development Specialist Brown shared the staff report.

Commissioner Koch said this has been discussed earlier and that based on the price the concept seems premature as the demand will change as we move developments along.

Commissioner Manning asked if this will really do any good with possible developers and if we are gaining anything more than we already know. Community Development Specialist Brown said the reason this is being brought forward is that one property owner along Coon Rapids Boulevard is interested in attracting a grocery tenant and that staff knows of others. He said the thought is that the City could be a partner in making these connections and having background data ready would be good as the grocery business has changed significantly in the last 10 years. He said the study would not only look at feasibility costs but also would create connections with consumers and retailers and possible grocer connections.

Commissioner Klint said she didn't feel like we would learn anything new and is not in favor of this study. She said development has moved and we won't be able to attract any major grocers.

Commissioner Sanders agreed, adding that any potential grocer would likely do their own study anyway. He said as Coon Rapids Boulevard develops there may be more interest.

Chair Howe asked how this study came about. Community Development Specialist Brown said the topic was discussed at the annual work plan retreat as a potential project.

Chair Howe said a grocer could happen with redevelopment and increased housing density as well as a consistent form of transportation as all is needed and that this will likely occur in the future.

Commissioner Koch said residents will say a grocery store is needed but he believes that we can't support one currently.

**MOTION BY COMMISSIONER KLINT, SECONDED COMMISSIONER WELLS TO DENY APPROVAL OF THE PROFESSIONAL SERVICES AGREEMENT WITH C\*WALSH ENTERPRISES, LLC FOR GROCERY MARKET STUDY.**

**THE MOTION PASSED UNANIMOUSLY.**

**OTHER BUSINESS**

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There was no other business to come before the HRA.

ADJOURN

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MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER JOHNSON, TO ADJOURN THE FEBRUARY 19, 2013, MEETING AT 8:15 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen  
City Clerk



AI-1078

1.

**HRA Regular**

**Meeting Date:** 03/19/2013

**Subject:** Consider Lease Agreement with Tuned Up Custom Rods LLC for Space at 1425 Coon Rapids Boulevard

**From:** Marc Nevinski, Community Development Director

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**INTRODUCTION**

The HRA is asked to consider approval of a lease with Tuned Up Custom Rods, LLC for a suite at 1425 Coon Rapids Boulevard in Port Riverwalk.

**DISCUSSION**

Tuned Up Custom Rods is a manufacturer of custom made fishing rods. Owners John Burback and Adam Audette are residents of Coon Rapids and Brooklyn Park, respectively, and wish to move their small but growing business out of their homes and into commercial space. Their operation will include assembly, packaging, shipping, and administrative functions with a small number of employees.

The proposed lease term is for one year at a rate of \$500/month. This is a below-market rate, but provides a start-up company a period of time to transition into commercial space and further establish itself. After the one-year term, the lease becomes a month-to-month lease, but the rate increases to a market rate of \$850/month with an annual inflation adjustment. As with the other tenants in the building, this is a gross lease, which means the landlord pays the building's expenses.

**RECOMMENDATION**

Staff recommends the HRA approve the lease with Tuned Up Custom Rods, LLC.

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**Attachments**

Tuned Up Custom Lease

Location Map

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**LEASE  
1425 COON RAPIDS BOULEVARD**

THIS LEASE is made this day of March 19, 2013, between The Housing and Redevelopment Authority in and for the City of Coon Rapids, a municipal corporation (the "Landlord") and John Burback and Adam Audette, Tuned Up Custom Rods, LLC. (the "Tenant").

In consideration of the payment of the rent and the performance of the covenants and agreements by the Landlord set forth below, the Landlord does hereby lease to the Tenant the following described property situated in the County of Anoka, in the State of Minnesota, the street address of which is 1425 Coon Rapids Boulevard, Coon Rapids, Minnesota 55433, Suite 103 (Approximately 850 square feet) and is hereinafter called the "Leased Premises". The legal description of the property is Lot 1, Block 1, Coon Creek Park.

**LEASE TERM**

The Lease Term and rent will commence on April 1, 2013 ("the Lease Term Commencement Date"). The fixed annual minimum rent during the term of this lease shall be payable by Tenant in monthly installments, on or before the first day of each month, in advance, at the office of Landlord or at such other place as is designated by Landlord, without prior demand therefore, and without any deduction or setoff whatsoever. Rent shall be mailed or delivered to:

Coon Rapids City Center  
**Attn: Finance Dept – L. Tournquist**  
11155 Robinson Drive  
Coon Rapids, MN 55433

The fixed monthly minimum rent shall be as follows:

April 1, 2013 – March 31, 2014                      \$500

After March 31, 2014, tenant may retain a month-to-month tenancy. Rent shall reset to \$850 per month and increase annually by three percent of the prior twelve month's rent on the anniversary of the Lease Term Commencement Date.

Tenant may terminate this lease at any time without penalty upon 60 day written notice to Landlord. During the month to month tenancy Landlord may terminate the lease with no less than 90 days notice to tenant.

**TENANT AGREEMENT**

The Tenant, in consideration of the leasing of the premises agrees as follows:

1. To pay the rent for the premises above-described. Rent includes heating, cooling, sewer and water, lights, taxes, and cleaning, which shall include vacuuming once a week, emptying of wastebaskets twice a week, and spot cleaning of windows twice a week. Landlord shall furnish cleaning,

maintenance, and snow removal as needed and complete janitorial services for the Common Areas of the Building.

2. To keep the improvement upon the premises, including sewer connections, plumbing, wiring and glass in good repair, all at Tenant's expense, and at the expiration of the Lease to surrender the premises in as good a condition as when the Tenant entered the premises, loss by fire, inevitable accident, and ordinary wear excepted.
3. To the extent that personal property taxes or taxes in lieu of or as a substitute for real estate taxes are imposed with respect to the Leased Premises or directly on Tenant during the term of this Lease, Tenant shall pay such taxes (and any installments of special assessments allocable to the Leased Premises) before delinquency and shall indemnify and hold harmless Landlord from such taxes (and special assessments). Without limiting the foregoing, in the event that the Leased Premises is deemed or classified as a separate tax parcel or separate sub-tax parcel by Anoka County, Tenant shall pay before delinquency all taxes and installments of special assessments for such tax parcel or sub-tax parcel during the term of this Lease. If Tenant pays property taxes or taxes in lieu under this paragraph, the Tenant's rent shall be reduced by the amount of taxes actually paid.
4. That the Tenant shall not paint, wallpaper, nor make alterations to the property without the Landlord's prior written consent. Such consent shall not be unreasonably delayed. All such work shall comply with all applicable governmental laws, ordinances, rules and regulations. The Landlord, as a condition to said consent, may require a surety performance and/or payment bond from the Tenant for said actions. Tenant agrees to indemnify and hold Landlord and its agents free and harmless from any liability, loss, cost, damage or expense (including attorneys' fees) by reason of any said alteration, repairs, additions or improvements.
5. Tenant shall not erect or install any interior window or door signs, advertising media or window or door lettering or placards or other signs without Landlord's prior written consent. Tenant shall not erect or install any exterior signs at any time without Landlord's prior written consent. It is agreed by Tenant that all of Tenant's signs shall conform when installed to the Center's Sign Criteria, which Sign Criteria Landlord reserves the right to modify. In addition, the Landlord will allow Tenant a marquee sign, purchased by Tenant to contain a removable nameplate that identifies the Tenant (to be co-located along with other Center Tenants) on the existing pylon sign.
6. To sublet no part of the premises, and not to assign the lease or any interest therein without the written consent of the Landlord.
7. To use the premises only as an insurance office and to use the premises for no purposes prohibited by the laws of the United States or the State of Minnesota,

or of the ordinances of the City of Coon Rapids, and for no improper or questionable purposes whatsoever, and to neither permit nor suffer any disorderly conduct, noise or nuisance having a tendency to annoy or disturb any persons occupying adjacent premises. Specifically the tenant shall comply with all Federal, State and Local regulations.

8. To comply with all reasonable rules or regulations posted on the premises or determined mutually between tenants and Landlord.
9. To neither hold nor attempt to hold the Landlord liable for any injury or damage, either proximate or remote, occurring through or caused by the repairs, alterations, injury or accident to the premises, or adjacent premises, or other parts of the above premises not herein demised, or by reason of the negligence or default of the owners or occupants thereof or any other person, nor to hold the Landlord liable for any injury or damage occasioned by defective electric wiring, or the breakage or stoppage of plumbing or sewerage upon said premises or upon adjacent premises, whether breakage or stoppage results from freezing or otherwise; to neither permit nor suffer said premises, or the walls or floors thereof, to be endangered by overloading, nor said premises to be used for any purpose which would render the insurance thereon void or the insurance risk more hazardous, nor make any alterations in or changes in, upon, or about said premises without first obtaining the written consent of the Landlord therefore. Tenant agrees to indemnify, hold harmless and defend Landlord, its agents, employees, and officers from any liability or damages arising out of Tenant's operations or any act or omission of Tenant, its agents, employees, invitees, or guests in either the Leased Premises or the Center.
10. Tenant agrees to carry during the term hereof public liability insurance for the Premises, providing coverage in the minimum amount of Five Hundred Thousand Dollars (\$500,000) against liability for injury to or death of any one person and One Million (\$1,000,000) Dollars against liability arising out of any one accident or occurrence, and also One Hundred Thousand Dollars (\$100,000) against liability arising out of any property damage; said insurance shall include Landlord, its agents, beneficiaries, and employees as assured parties and shall provide that Landlord shall be given a minimum of thirty (30) days notice by the insurance company prior to cancellation, termination, or change of such insurance. Tenant shall provide Landlord with copies of the policies or certificates evidencing that such insurance is in full force and effect and stating the terms thereof.
11. Tenant agrees to permit Landlord or its agents and/or representatives to enter into and upon any part of the Leased Premises during all suitable hours to inspect the same, clean, make repairs, alterations or additions thereto or show the Leased Premises to others, or for any other reasonable purposes as Landlord may deem necessary or desirable. Landlord shall, except in an emergency, give Tenant reasonable notice prior to such entry. No such entry

shall constitute an eviction or entitle Tenant to any abatement of rent, operating costs, or any sums due under said Lease.

12. Landlord agrees to keep the air-conditioning and heating systems operating at levels sufficient to satisfy the requirements of the Leased Premises.

IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN LANDLORD AND TENANT AS FOLLOWS:

13. No assent, express or implied, to any breach of any one or more of the agreements hereof shall be deemed or taken to be a waiver of any succeeding or other breach. Any payment by Tenant, or acceptance by Landlord, of a lesser amount than due shall be treated only as a payment on account. Further, failure of the Landlord to timely bill for taxes, insurance or repairs, as required herein, shall not be deemed a waiver of the Tenant's liability to pay same.
14. If, after the expiration of this Lease, the Tenant shall remain in possession of the premises and continue to pay rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rental, payable in advance, equivalent to the last month's rent paid under this lease, and subject to all the terms and conditions of this lease.
15. If the premises are left vacant and any part of the rent reserved hereunder is not paid, then the Landlord may, without being obligated to do so, and without terminating this Lease, retake possession of the said premises and rent the same for such rent, and upon such conditions as the Landlord may think best, making such change and repairs/as may be required, giving credit for the amount of rent so received less all expenses of such changes and repairs, and the Tenants shall be liable for the balance of the rent herein reserved until the expiration of the term of this Lease.
16. If any part of the rent provided to be paid herein is not paid when due, or if any default is made in any of the agreements by the Tenant contained herein, it shall be lawful for the Landlord to declare the term ended, and to enter into the premises, either with or without legal process, and to remove the Tenant or any other person occupying the premises, using such force as may be necessary, without being liable to prosecution, or in damages therefore, and to repossess the premises free and clear of any rights of the Tenant. If, at any time, this lease is terminated under this paragraph, the Tenant agrees to peacefully surrender the premises to the Landlord immediately upon termination, and if the Tenant remains in possession of the premises, the Tenant shall be deemed guilty of forcible entry and detainer of the premises, and, waiving notice, shall be subject to forcible eviction with or without process of law.

17. In the event of any dispute arising under the terms of this Lease, or in the event of non-payment of any sums arising under this lease and in the event the matter is turned over to an attorney, the party prevailing in such dispute shall be entitled, in addition to other damages or costs, to receive reasonable attorney's fees from the other party.
18. In the event any payment required hereunder is not made within five (5) days after the payment is due, a late charge in the amount of five percent (5%) of the payment will be paid by the Tenant.
19. In the event of a purchase by, condemnation or other taking by any governmental agency, all proceeds shall be paid to the Landlord hereunder, the Tenant waiving all right to any such payments. Tenant and Landlord understand and agree that Tenant is incorporated as Tuned Up Custom Rods LLC, a new and distinct entity from any previous tenant. Therefore, and as consideration for this lease, tenant shall waive any and all rights to relocation benefits under State and Federal law and shall sign all necessary legal documents to bind Tenant to such waiver. Because Tenant is not entitled to relocations benefit, legal notice of relocation benefits has not been provided and no further notice of benefits will be required now or in the future, as a result of this lease.
20. This Lease is made with the express understanding and agreement that, in the event the Tenant becomes insolvent, or is declared bankrupt, then, in either event, the Landlord may declare this Lease ended, and all rights of the Tenant hereunder shall terminate and cease.
21. Any notices required or permitted to be given hereunder shall be in writing and shall be personally delivered, delivered via overnight delivery or deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to Landlord or Tenant, as the case may be, as follows:

*If to Landlord:*

Coon Rapids HRA  
Attn: Marc Nevinski  
11155 Robinson Drive  
Coon Rapids, MN 55433  
(763) 767- 6451

*If to Tenant:*

Tuned Up Custom Rods, Inc.  
Attn: Adam Audette  
7864 Penn Ave N  
Brooklyn Park, MN 55444  
or  
John Burback  
10606 Drake Street NW  
Coon Rapids, MN 55433

THIS LEASE shall be binding on the parties, their personal representatives, successors and assigns.

ADDITIONAL PROVISIONS:

- 1. Tenant hereby accepts the Leased Premises in an "as is" condition. All interior finishing work will be at the sole expense of the Tenant.

*IN WITNESS WHEREOF*, Landlord and Tenant have signed this lease as of the day and year first above written.

**The Housing and Redevelopment Authority in and for the City of Coon Rapids  
*Landlord***

\_\_\_\_\_  
By: Tim Howe  
Its: Chair

\_\_\_\_\_  
By: Bruce Sanders  
Its: Secretary

\_\_\_\_\_  
***Tenant***  
By: Adam Audette  
Its: President & Owner  
Date: \_\_\_\_\_

\_\_\_\_\_  
***Tenant***  
By: John Burback  
Its: CEO & Owner  
Date: \_\_\_\_\_

