



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, July 16, 2013

6:50 p.m.

Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

July 2, 2013, Regular Meeting

New Business

1. Consider Lease Agreement AAAA Bail Bonds, 1425 Coon Rapids Boulevard:
 - a. Approve Lease Agreement
 - b. Authorize Chair and Secretary to Execute Lease

2. Cons.Resolution HRA 13-1 Authorizing the Executive Director to Execute Purchase Agreements and All Related Instruments for Up to Three Properties for the Scattered Site Acquisition Program

Other Business

Adjourn



HRA Regular

Meeting Date: 07/16/2013

SUBJECT: Minute Approval

Attachments

7-2-13 HRA Meeting

UNAPPROVED

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JULY 2, 2013

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:55 p.m. on July 2, 2013, in the Council Chambers.

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

Members Absent: None

CALL TO ORDER

Chair Howe called the meeting to order at 6:55 p.m.

ROLL CALL

All present.

APPROVAL OF MINUTES OF MAY 7, 2013, REGULAR MEETING

MOTION BY COMMISSIONER JOHNSON, SECONDED BY COMMISSIONER KLINT, FOR APPROVAL OF THE MINUTES OF THE MAY 7, 2013, REGULAR MEETING. THE MOTION PASSED 6-0-1, COMMISSIONER SANDERS ABSTAINED.

1. HOME FOR GENERATIONS II FUNDING REQUEST

Neighborhood Coordinator Kristin DeGrande shared the staff report.

Chair Howe said he supported the funding request but said the Coon Rapids Mortgage Assistance Foundation (Foundation) should be approached for the funding. He also suggested researching alternatives through City-controlled funds and not the HRA, although he said this will take some time. He said he supported moving forward as he didn't want to lose the current prospects for this program but said more is needed to back up the funds paid from the HRA. Chair Howe said he felt this program fits the goals and vision of the Foundation and asked how the figure of \$80,000 was selected. Ms. DeGrande said the figure was based on the current 26 unfunded applications and that while an exact dollar amount is not available for scope of work or eligibility this is a good estimate.

Commissioner Koch asked if these homes will be featured on CTN or other methods to help highlight Coon Rapids. Ms. DeGrande said staff had included that aspect in the initial application if homeowners would consider showcasing their finished project either through an open house or CTN videography. She noted this concept is discussed in more detail when

homeowners sign the participation agreement.

MOTION BY CHAIR HOWE, SECONDED BY COMMISSIONER SANDERS, TO ALLOCATE AN ADDITIONAL \$80,000 TO BE USED FOR ARCHITECTURAL DESIGN CONSULTATIONS, INCENTIVE GRANTS AND BUILDING PERMIT REBATES THROUGH THE *HOME FOR GENERATIONS II* PROGRAM WITH THE DIRECTION TO SEEK FUNDING FROM THE COON RAPIDS MORTGAGE ASSISTANCE FOUNDATION.

Commissioner Johnson asked if the Foundation would match those funds. Chair Howe said he believed that would be the direction the Foundation may take.

THE MOTION PASSED UNANIMOUSLY.

2. CONS. ACQUISITION OF PROPERTIES AT 2285, 2335, AND 2245 MAIN STREET

Community Development Specialist Matt Brown shared the staff report.

Chair Howe asked if the homes were occupied. Mr. Brown said all homes were currently unoccupied and in need of a fair amount of work.

Chair Howe inquired about the long-term use if the properties were acquired. Mr. Brown said the properties could be incorporated into Bison Creek Park which would provide an opportunity to connect to the existing trail. He noted this is one of the options included in Parks Master Plan.

Commissioner Manning asked if the properties were non-conforming making it so no other party would purchase them. Mr. Brown said two properties most recently vacated could be reoccupied as they have not been vacant very long but that is not the case with 2245 Main Street.

Community Development Director Nevinski said they could be reoccupied and continued as single family assuming this is done within the one-year period of use ceasing as a single family.

Commissioner Manning said that even though the properties are non-conforming they can be sold and continued as non-conforming. Mr. Nevinski said that is correct as it is part of the non-conforming statute change.

Commissioner Koch said 2245 Main Street has been vacant for more than one year and is non-conforming and can't be reoccupied. He asked about the zoning designation. Mr. Brown said the Conservancy District zoning allows for limited agricultural or parks use.

Commissioner Koch said that although Conservancy allows for development of 10 % we would want to know the long-range plan because if it is not good for single family why would we want to own it as part of the Scattered Site Program. Mr. Nevinski said the properties are zoned Conservancy and are in poor condition and therefore will not improve. He stated road access is substandard and the properties do not have City water and sewer service so staff is suggesting the

HRA acquire and clean up the properties. He said there will be further discussions on use, etc., with opportunities with Main Street for Moderate Density but given the current market conditions now may be a good time to acquire.

Chair Howe asked if we wait awhile and the time goes over one year does the value drop much or is there a risk of others purchasing the properties. Mr. Nevinski said they do run that risk as the market is improving.

Commissioner Klint said she knows these properties very well and noted they are in very poor condition. She said with the park land behind them and the Lawrence property there will be some development proposed someday and she would hate to risk losing the use and having these still present with a new development around them. She said she could see the trail option or a future development as whole.

Chair Howe asked if these are the only properties without City sewer/water. Mr. Nevinski said these properties total half of all that don't have City sewer/water.

Commissioner Sanders asked if the properties are currently listed for sale. Mr. Brown said they are currently listed.

Commissioner Sanders inquired about any environmental issues that would affect the value. Mr. Brown said once the Land Bank has a purchase agreement with a seller we are committed to that price so we would want to be sensitive to price but ultimately the purchase agreement would come before the Board.

Commissioner Klint referred to the outlined prices, adding that one septic system has failed already.

Commissioner Manning asked if there is an EPA check before a purchase is made. Mr. Nevinski said we would conduct Phase I or II environmental assessments if necessary.

MOTION BY COMMISSIONER KLINT, SECONDED BY COMMISSIONER SANDERS, TO DIRECT STAFF TO WORK WITH THE TWIN CITIES COMMUNITY LAND BANK TO NEGOTIATE PURCHASES OF THE PROPERTIES AT 2285 MAIN STREET AND 2335 MAIN STREET AND WORK WITH THE SELLER OF 2245 MAIN STREET TO NEGOTIATE A PURCHASE AGREEMENT FOR CONSIDERATION AT FUTURE MEETINGS.

Commissioner Wells inquired about the status of the other two properties in the middle. Mr. Nevinski said one is owned by Anoka County and is used for a water retention pond as part of Main Street and the other is privately owned.

Commissioner Koch noted that 2285 Main Street is currently listed for \$125,000.

THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

There was no other business to come before the HRA.

ADJOURN

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER KOCH, TO ADJOURN THE JULY 2, 2013, MEETING AT 7:16 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen
City Clerk



HRA Regular

1.

Meeting Date: 07/16/2013

Subject: Consider Lease Agreement for 1425 Coon Rapids Boulevard - AAAA Bail Bonds

From: Marc Nevinski, Community
Development Director

INTRODUCTION

The HRA is asked to consider a lease with AAAA Bail Bonds to lease approximately 450 square feet of space at 1425 Coon Rapids Boulevard.

DISCUSSION

AAAA Bail Bonds wishes to lease Suite 202. The proposed lease is for \$450 per month for one year, with a one-year renewal option. Rent will increase by three percent annually. The lease will be effective August 1, 2013.

The company has agreed in the lease to conduct only administrative functions on the premises, such as accounting and phone calls. This work is currently being done out of a home office. Clients will not visit the site and no exterior signage will be allowed.

RECOMMENDATION

Staff recommends the HRA:

- a. Approve the lease with AAAA Bail Bonds.
- b. Authorize the Chair and Secretary to execute the lease.

Attachments

Lease AAAA

**LEASE
1425 COON RAPIDS BOULEVARD**

THIS LEASE is made this first day of August, 2013, between The Housing and Redevelopment Authority in and for the City of Coon Rapids, a municipal corporation (the "Landlord") and Michael A. Knispel, AAAA Bail Bonds. (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 202 (Approximately 450 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 August 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 may be delivered or mailed to:

City of Coon Rapids
Attn: Laurie Tornquist
11155 Robinson Drive
Coon Rapids, MN 55433

The fixed monthly minimum rent during the first lease period of this lease will be \$450 per month for each month after the Lease Term Commencement Date. The Lease Term expires at the end of a month twelve months after the Lease Term Commencement Date, after which the tenant shall retain a month-to-month tenancy.

Tenant has the option to renew this lease for a twelve month period by providing written notice to the Landlord no less than 60 days prior to the expiration of the Lease. If Tenant and Landlord agree, Tenant may renew this lease for an additional twelve month period by providing written notice to the Landlord no less than 60 days prior the expiration of the Lease. After any optional renewal period expires, the tenant shall retain a month to month tenancy.

Regardless of whether the Tenant renews the lease, or retains a month to month tenancy, monthly rent shall increase by three percent annually on 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.
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 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. Tenant agrees that only administrative functions of its business will occur on the premises, and that no clients will be serviced at or will visit the premises.
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. 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
 Community Development Dir
 11155 Robinson Drive
 Coon Rapids, MN 55433
 (763) 767- 6451

If to Tenant:

Michael A. Knispel,
 c/o Marcie Sparks
 Coon Rapids, MN 55448-5040
 612- Primary
 763- Secondary

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: _____
 Its: Secretary

AAAA Bail Bonds

Tenant

By: Michael A. Knispel
 Its: Owner
 Date: _____



HRA Regular

2.

Meeting Date: 07/16/2013

Subject: Property Acquisition for Scattered Site Acquisition Program

From: Matt Brown, Community Development
Specialist

INTRODUCTION

The HRA is asked to consider a resolution authorizing staff to acquire certain residential properties for the Scattered Site Acquisition program.

DISCUSSION

For the last several years, the HRA has approved resolutions authorizing staff to acquire a certain number of properties for the Scattered Site Acquisition program, which involves purchasing and demolishing blighted or structurally substandard houses and replacing them with higher quality homes. The resolutions have enabled staff to acquire bank-owned properties in a timely manner through the First Look program, which allows local governments and qualified developers to purchase properties owned by participating financial institutions at a discounted price before they are marketed. Because the HRA must react quickly when properties become available, there is not sufficient time to have the HRA consider individual purchase agreements at scheduled meetings. Therefore, staff recommends that the HRA renew a resolution authorizing staff to negotiate purchases of properties meeting certain criteria, including:

1. The purchase price of each property does not exceed \$70,000.
2. The properties are blighted and in substandard condition and the cost of correcting deficiencies exceeds the value of the property.
3. Prior to the acquisition of each property, staff will conduct appropriate due diligence to protect the HRA's interest.

In the last year, the HRA has acquired and demolished one property, 8554 East River Road, through the program and is currently pursuing acquisition of a second property. Over the last year, the HRA also sold Scattered Site lots at 9943 Ibis Street, 12490 Thrush Street, and 10223 Hanson Boulevard. The HRA now owns just two single-family lots--8554 East River Road and 9065 East River Road. Because the resolution authorizing acquisition of Scattered Site properties will expire on July 17, 2013, staff proposes that the HRA extend it for another year. The extension would give staff the authority to acquire up to three more Scattered Site properties meeting specific criteria.

RECOMMENDATION

Staff recommends that the HRA adopt Resolution HRA 13-1 authorizing the Executive Director to execute purchase agreements and execute all related instruments for up to three properties for the Scattered Site Acquisition Program.

Fiscal Impact

BUDGET IMPACT:

Sufficient funds exist in the Scattered Site and HRA accounts for these acquisitions.

Attachments

Resolution 13-1

RESOLUTION HRA NO. 13-1

RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN PROPERTIES WITHIN THE CITY FOR THE SCATTERED SITE ACQUISITION PROGRAM AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 (the “HRA Act”) the City Council of the City of Coon Rapids, Minnesota (the “City”) has created the Housing and Redevelopment Authority in and for the City of Coon Rapids (the “Authority”) and provided it with the duties and powers in the HRA Act; and

WHEREAS, the HRA Act authorizes the Authority to acquire, improve, own, hold, sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property; and

WHEREAS, the Authority has undertaken a multi-faceted program known as the Scattered Site Acquisition Program to purchase dilapidated and/or blighted properties that are best demolished and the land resold; and

WHEREAS, in order to maximize the effectiveness of the Scattered Site Acquisition Program the Authority wishes to directly purchase dilapidated and blighted properties in a timely manner and without specific Board approval of each individual transaction; and

WHEREAS, it is the desire of the Authority Board of Commissioners to establish certain parameters for such acquisitions and to authorize the Chair and Secretary of the Board to execute legal documents for property acquisition for properties that fall within those parameters.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota:

1. That the Chair and Secretary, with the assistance of Authority legal counsel and Authority Staff, are hereby authorized to execute purchase agreements and acquire in the name of the Authority up to three single-family homes (the “Properties”) as part of the Scattered Site Acquisition Program that meet the following criteria:
 - a. The purchase price of each property will not exceed \$70,000.
 - b. The Property is a blight on the neighborhood, dilapidated and substandard.
 - c. The cost of correcting the deficiencies on the Property exceeds the value of the Property such that correcting the deficiencies is not reasonable.
 - d. Prior to the acquisition of each property, HRA Staff will conduct appropriate due diligence to protect the HRA’s interests.
2. That Properties acquired for the Scattered Site Acquisition Program meeting the above criteria are hereby declared a blight on the community in that they are obsolete, dilapidated, with faulty arrangement or design, have an obsolete layout, or any combination of these or other factors.
3. That allowing the property to exist in its current condition would be detrimental to the safety, health, morals, or welfare of the community.

4. That HRA Staff shall report the acquisition of property at the next regular Board meeting after a purchase agreement is executed.
5. That the authorization to purchase property pursuant to this resolution shall expire one year from the date of passage, unless extended by Board action.
6. That disposition of the acquired properties at the end of their demonstration period shall be only by action of the HRA Board.

Adopted this the 16th day of July, 2013

Tim Howe, Chair

Attest:

Bruce Sanders, Secretary