



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Wednesday, August 6, 2014

6:50 p.m.

Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

New Business

1. Consider Approval of Amendment to the Purchase Agreement for Property at 9864, 9920, and 9950 East River Road to Extend Contingency Date to December 31, 2014.
2. Consider Approval of \$100,000 for Architectural Design Consultations, Incentive Grants and Building Permit Rebates Through the Home for Generations II Program.

Other Business

Adjourn



HRA Regular

1.

Meeting Date: 08/06/2014

Subject: Consider Amendment to Purchase Agreement, Palis Properties LLC, 9864-9950 East River Rd.

From: Matt Brown, Community Development Specialist

INTRODUCTION

The HRA is asked to consider an amendment to a purchase agreement for a multi-family property at 9864-9950 East River Road.

DISCUSSION

On November 19, 2013, the HRA approved a purchase agreement with Palis Properties LLC for multi-family properties at 9864, 9920, and 9950 East River Road in the Port Riverwalk redevelopment area. Upon acquisition, it is envisioned that the HRA will operate the properties for a period of time and prepare the property for redevelopment at a later date. Since last fall, Staff has been working with the HRA's title company, legal counsel, and the seller to resolve title issues with the property. An application for a Certificate of Possessory Title has been submitted to the Anoka County Title Examiner to address these issues. The HRA and seller had previously extended the purchase agreement's contingency date through August 15. Because the title issues will likely not be resolved by that date, Staff requests that the HRA approve an amendment to the purchase agreement extending the contingency date to December 31, 2014. The seller has agreed to this extension. Closing on the property could occur as soon as this fall.

RECOMMENDATION

Staff recommends that the HRA approve the amendment to the purchase agreement for the property at 9864, 9920, and 9950 East River Road extending the contingency date to December 31, 2014.

BUDGET IMPACT:

Because the purchase agreement requires that the seller provide clear title to the property, it is not expected that the HRA will incur costs associated with resolving the title issues.

Attachments

Amendment to Purchase Agreement

Location Map

AMENDMENT TO PURCHASE AGREEMENT

This Amendment to Purchase Agreement (“Amendment”) is made this ___ day of August, 2014 (“Date of Amendment”), by and between The Housing and Redevelopment Authority in and for the City of Coon Rapids, hereinafter referred to as “Buyer”, and Palis Properties, a Minnesota limited liability company, hereinafter collectively referred to as “Seller.”

WITNESSETH:

WHEREAS, by Purchase Agreement dated November 19, 2013 (“Purchase Agreement”), Seller agreed to sell to Buyer certain property located on East River Road and legally described on Exhibit B of the attached to the Purchase Agreement (“the Property”).

WHEREAS, unresolved title issues exist on the Property and the parties are working to resolve those issues.

WHEREAS, the Purchase Agreement provides that Buyer is to provide a notice to proceed by the Contingency Date as defined in the Purchase Agreement if it wishes to continue with the purchase of the property. Under the Purchase Agreement, the Contingency Date can and has been extended by the Buyer for 3 one month periods.

WHEREAS, Purchase Agreement does not provide for any additional extensions of the Contingency Date but both the Seller and Buyer desire if the title issues can be resolved to continue with the sale contemplated under the Purchase Agreement.

WHEREAS, on April 15, 2014, the Buyer and Seller agreed to extend the Contingency Date to August 15, 2014 and the title issues are not expected to be resolved by August 15, 2014.

WHEREAS, Buyer and Seller have agreed to extend the Contingency Date for the Buyer to December 31, 2014.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Seller and Buyer hereby agree, effective as of the Date of this Amendment, the Purchase Agreement is amended as follows:

1. Notice to Proceed Extension. Paragraph 4.6 of the Purchase Agreement is amended to change the Contingency Date to December 31, 2014.
2. Counterparts/Facsimile. This Amendment may be executed simultaneously in two or more counterparts each of which shall be deemed an original, but all of which shall constitute one and the same Amendment.

3. Defined Terms. All terms used herein, unless otherwise specified, shall have the meaning ascribed to them in the Purchase Agreement.
4. Remaining Terms. Except as specifically amended and modified herein, all of the terms, covenants or conditions of the Purchase Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Seller and Buyer have caused this Amendment to be executed as of the day and year first above written.

SELLER:

PALIS PROPERTIES

By: _____

Its: _____

By: _____

Its: _____

BUYER:

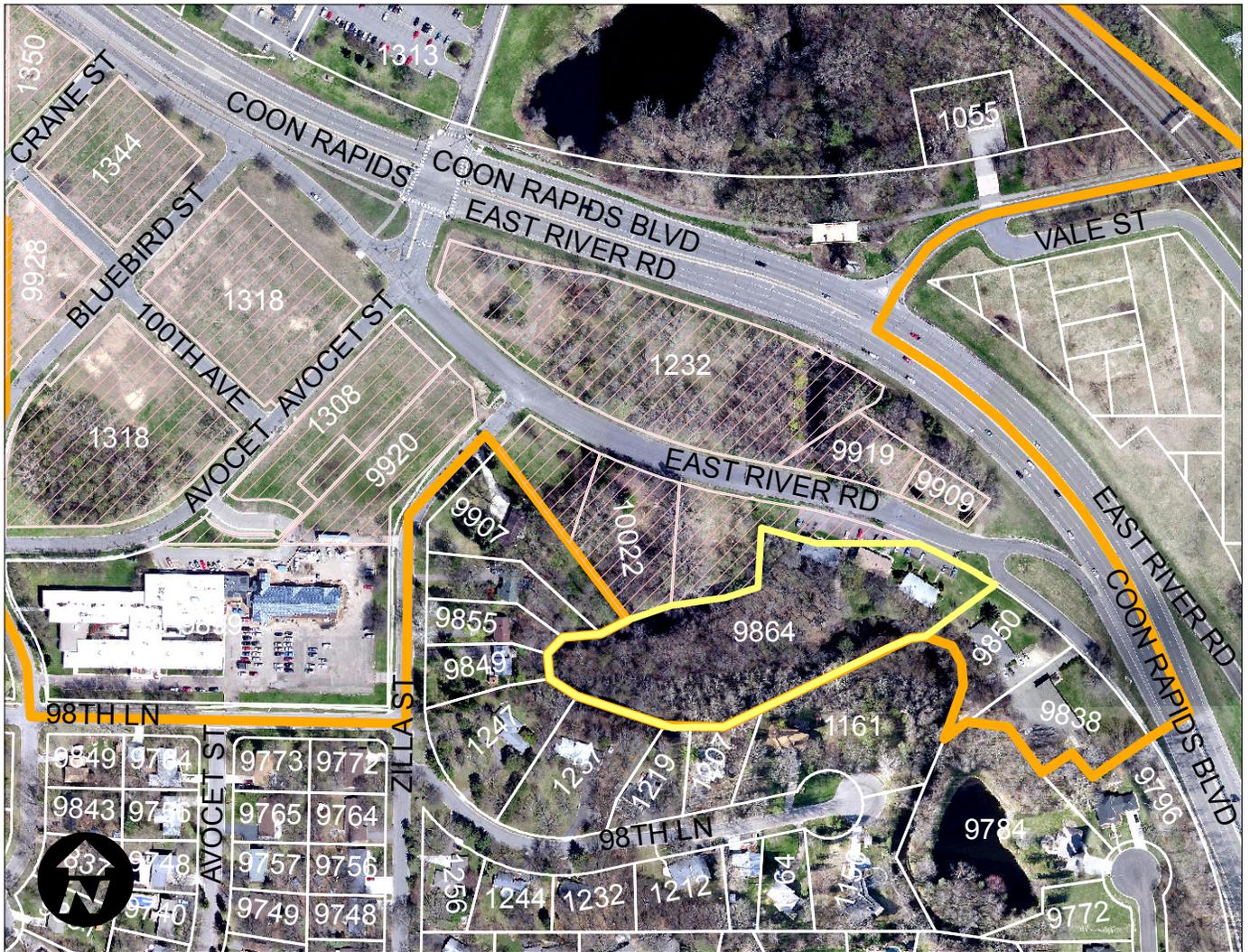
THE HOUSING AND
REDEVELOPMENT AUTHORITY IN
FOR THE CITY OF COON RAPIDS

By: _____

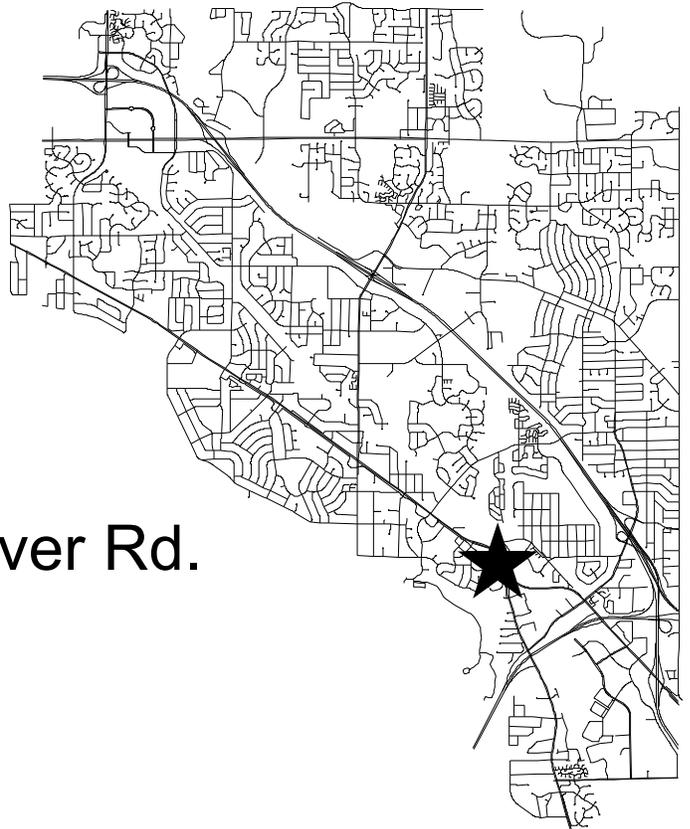
Tim Howe, Chair

By: _____

Bruce Sanders, Secretary



-  HRA-Owned Property
-  Port Riverwalk Boundary



Palis Properties
9864, 9920, 9950 East River Rd.



HRA Regular

2.

Meeting Date: 08/06/2014

Subject: Home for Generations II Funding Request

From: Kristin DeGrande, Neighborhood
Coordinator

INTRODUCTION

The *Home for Generations II* program was approved at the February 19, 2013 HRA meeting with a modest budget of \$20,000. The HRA added an additional \$80,000 in July 2013. Additionally, the Coon Rapids Mortgage Assistance Foundation has contributed a total of \$12,500 for the architectural consultations required through this program. The HRA is now asked to consider allocating more funds into this program.

DISCUSSION

Home for Generations II is structured to provide resources and financial incentives to homeowners to complete large, value-added remodels at their own home. It is the intent of this program to spur private investment updating the City's aging housing stock at a time when the housing economy is starting to rebuild and stabilize. Since the program's inception in May 2013, *Home for Generations II* has received great interest from Coon Rapids homeowners. Seventy-six applications have been submitted for consideration for these grants and rebates. To be eligible, each project must total at least \$35,000. Fifty-four architectural consultations have been performed. The City has approved nineteen participation agreements which commits funds towards the particular projects. The total value of these nineteen projects totals over \$1.4M worth of private investment. Twelve of those projects have already been completed. Projects ranged in size from \$35,000 - \$200,000 with an average project cost of just over \$75,000. The maximum grant per household is \$5,000 and the building permit rebates are 50% of the total value of building permit fees paid for the entire project. Of the \$100,000 allocated for the program, approximately 9,000 remains available to date. There remains a considerable demand and more funding is requested at this time.

Approve an additional \$100,000 to be used for architectural design consultations, incentive grants and building permit rebates through the *Home for Generations II* program.

RECOMMENDATION

Approve an additional \$100,000 to be used for architectural design consultations, incentive grants and building permit rebates through the *Home for Generations II* program.
