



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, September 16, 2014

6:50 p.m.

Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

1. August 19, 2014 Worksession Minutes

New Business

2. Consider Adopting Resolution HRA No. 14-3 declaring the Memorandum of Understanding with Shamrock development, Inc. for the Port Riverwalk Redevelopment Project null and void.
3. Consider Adoption of the following:
 1. Adopt Resolution HRA 14-1 adopting the 2015 HRA budget.
 2. Adopt Resolution HRA 14-2 adopting the 2015 HRA tax levy.

Other Business

Adjourn



HRA Regular

1.

Meeting Date: 09/16/2014

SUBJECT: HRA Worksession Minutes of August 19, 2014

Attachments

August 19, 2014 HRA Worksession

COON RAPIDS HOUSING AND REDEVELOPMENT AUTHORITY WORKSHOP MEETING OF
AUGUST 19, 2014

A worksession meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 7:45 p.m.

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

Staff Present: Community Development Director Marc Nevinski, Assistant City Manager Matt Stemwedel, City Attorney Dave Brodie, Community Development Specialist Matt Brown.

1. DISPOSITION OF MEMORANDUM OF UNDERSTANDING WITH SHAMROCK
DEVELOPMENT FOR DEVELOPMENT AT PORT RIVERWALK

Mr. Nevinski presented the staff report.

Commissioner Sanders stated that he spoke with a representative from Shamrock and they either want a specific price for the land or to terminate the MOU.

Commissioner Manning stated that the City has given Shamrock 5 years more than they should have had. The HRA needs to aggressively market the land. The price will depend on the type of development proposed. Shamrock will still have an opportunity to propose a project.

Commissioner Wells stated that the HRA should make the MOU null and void.

Commissioner Koch asked what the legal implications are of canceling the MOU. City Attorney Brodie stated that a lawsuit would be unlikely.

Commissioner Klint asked if the master plan would be included in marketing efforts. Mr. Nevinski stated that it would.

Commissioner Sanders asked if we want an RFP process for disposing of Port Riverwalk or a real estate listing. Mr. Nevinski reviewed the options for selling the property.

Commissioner Manning stated that he would prefer to market the entire site.

Commissioner Klint asked if the HRA could sell the site all at once. She worries about the consistency of development if it is sold to several different parties.

Commissioner Johnson stated that he wants a good project. He would like to give shamrock a deadline. He acknowledges it would be hard to sell all the land at once. He also feels that Shamrock won't fight the HRA on canceling the MOU.

Commissioner Wells stated that the HRA doesn't owe Shamrock anything more and asked why the HRA shouldn't simply hire a broker to sell the land.

Chair Howe stated that he prefers to give Shamrock about a month and then cancel the MOU. Commissioner Sanders agreed.

Commissioner Manning stated that he doesn't want to wait a month and would rather tell Shamrock we are terminating the MOU. He stated that we can't give a developer a set price because price varies based on the type of development.

Commissioner Koch stated that he supports terminating the MOU on September 16. Last year was first year out of the recession, so it really hasn't been 5 years.

Mr. Nevinski asked the HRA about Shamrock's request to meet with the entire HRA or Council.

Chair Howe stated that it is okay for Shamrock to meet with staff and up to 3 Councilmembers. The HRA should terminate the MOU on September 16.

Commissioner Wells stated that the only reason to meet with Shamrock is if they have development plans.

Chair Howe adjourned the meeting at 8:30 p.m.

Respectfully submitted,
Matt Brown, Community Development Specialist



HRA Regular

2.

Meeting Date: 09/16/2014

Subject: Consider Resolution HRA No. 14-3 Declaring MOU with Shamrock Development Null and Void

From: Marc Nevinski, Community
Development Director

INTRODUCTION

The HRA is asked to consider Resolution HRA No. 14-3 declaring the Memorandum of Understanding with Shamrock Development, Inc. for the Port Riverwalk Redevelopment Project null and void.

DISCUSSION

In 2008, the HRA entered into the MOU with Shamrock Development which stated that Shamrock "has been selected as the primary developer to work with the HRA" to redevelop Port Riverwalk. The MOU resulted when Rottlund Homes and Shamrock Development terminated a purchase agreement for the Port Riverwalk property following Rottlund Homes' decision not to proceed with the approved project due to the declining economy. The MOU specified a process and timeframe for Shamrock to propose a new development plan for Riverwalk.

The process outlined in the MOU required the City to develop an updated concept plan for Port Riverwalk. Once adopted, Shamrock would have three months to present a master plan for the area based on the adopted concept plan, and if the proposed plan was acceptable to the City, Shamrock would then have six months to submit an application for site plan and preliminary plat.

A revised concept plan for Port Riverwalk was adopted in November of 2013 following a market study of Coon Rapids Boulevard. In December of 2013, Staff met with Shamrock to present the revised plan and sent a letter in January requesting Shamrock submit a proposal. To date, despite numerous contacts and requests to Shamrock been January and June of this year, no proposal or concept has been submitted for the development of Port Riverwalk.

On August 19, the HRA met in a work session to consider its options with regard to the MOU. The HRA concluded that it would consider formally canceling the MOU on September 16, 2014 unless a plan for Port Riverwalk was proposed prior to that date. To date, no plan has been submitted by Shamrock for Port Riverwalk. Canceling the MOU would not preclude Shamrock from submitting a proposal for all or part of the property. Rather, doing so would enable the HRA to market Port Riverwalk and consider proposals from other developers.

RECOMMENDATION

Consider Adopting Resolution HRA No. 14-3 declaring the Memorandum of Understanding with Shamrock development, Inc. for the Port Riverwalk Redevelopment Project null and void.

Attachments

MOU

Resolution HRA 14-3

MEMORANDUM OF UNDERSTANDING
FOR
THE PORT RIVERWALK REDEVELOPMENT PROJECT

By and Between

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

and

SHAMROCK DEVELOPMENT, INC.

Dated

January 2, 2008

This document drafted by:

Stoney L. Hiljus
City Attorney
City of Coon Rapids
11155 Robinson Drive
Coon Rapids, MN 55433

(763)767-6495

PURPOSE:

The purpose of this Memorandum of Understanding (“MOU”) is to set forth an understanding of future responsibilities and obligations to be more fully described in a formal Purchase Agreement and Contract for Private Redevelopment for the property located on the south side of Coon Rapids Boulevard in the Port Riverwalk Redevelopment Project (“the Project Area”). The Housing and Redevelopment Authority in and for the City of Coon Rapids (the “HRA”) has acquired certain properties within the Project Area by negotiation or by the use of eminent domain, and has demolished all structures and abated environmental contamination in order to redevelop the site. Shamrock Development, Inc. (“the Developer”) is capable of developing Port Riverwalk with a desired mix of residential and commercial uses and has been selected as the primary developer to work with the HRA.

HISTORY:

The HRA identified the Project Area as prime for redevelopment as early as April 2002 and solicited requests for proposals from potential developers. On April 22, 2002, the HRA selected Developer’s proposal for redevelopment. Over the course of two years the HRA and the Developer explored concepts for the Project Area and the HRA began the process of acquiring property, demolishing buildings, and remediating contamination at the site. The HRA and the Developer entered into a MOU regarding Port Riverwalk on May 4, 2004 and developed a master plan for the project. The HRA and the Developer then entered into a purchase agreement on August 3, 2005 and the Developer applied for and was granted approval of a site plan and a preliminary plat for a residential town home development. Due to a rapid decline in the housing market the HRA and the Developer agreed that construction of the approved project was not in the best interests of either the HRA or the Developer. The approval of the preliminary plat was allowed to expire on October 31, 2007 and the purchase agreement was canceled by agreement on January 2, 2008. The HRA and the Developer agreed that the Port Riverwalk project should be re-examined to determine what redevelopment project best meets the desires of the parties. In that regard, the HRA and the Developer have agreed to forgo any legal rights they may have had under previous agreements and approvals in exchange for entering into this MOU.

MASTER PLAN:

The HRA will review the Coon Rapids Boulevard Framework Plan, the River Rapids Overlay Ordinance, the Port Riverwalk Zoning Ordinance and the current commercial and housing market conditions for the Project Area in order to produce an updated Port Riverwalk Concept Plan. It is anticipated that the HRA will engage the assistance of experts in market research in this process. Once the concept plan has been approved by the HRA, the Developer will have three months to formalize the concept plan into the Port Riverwalk Master Plan. The Port Riverwalk Master Plan will be reviewed for approval by the HRA. If approved, the HRA will make a recommendation to the City Council. Once the City Council has formally approved the Port Riverwalk Master Plan,

the Developer shall have six months to submit an application for a site plan and preliminary plat approval. If, at the end of said six-month period, the Developer has not made application for site plan and preliminary plat approval, the HRA may declare in writing that this MOU is null void, and choose to solicit proposals from other potential developers for the redevelopment project.

TIMING

The HRA and the Developer have developed the following timeline as a guide for the development process. Other than the 6-month period of time between the City Council approval of the Port Riverwalk Master Plan and the application for site plan and preliminary plat approval, the timeline is intended only as an estimate of the timing of the project.

July 1, 2008	HRA Approval of the Port Riverwalk Concept Plan.
October 1, 2008	HRA Approval of the Port Riverwalk Master Plan
January 1, 2009	City Council Approval of the Port Riverwalk Master Plan.
July 1, 2009	Site Plan and Preliminary Plat Application. Approval of a Purchase Agreement and Contract for Private Redevelopment.
September 1, 2009	Begin Construction of Public Improvements
January 1, 2010	Begin Construction of Redevelopment Project Buildings
January 1, 2013	Complete Project Buildout

SALE OF PROPERTY

The HRA will sell the property within the Project Area at a price negotiated with the Developer and formalized in a Purchase Agreement and Contract for Private Redevelopment.

LAND REGISTRATION

The City has commenced a land title registration proceeding for the Project Area. The City shall complete in a timely fashion the registration proceeding.

FINANCING

The Developer will obtain the necessary private financing for the project, unless otherwise agreed by the parties.

TAX INCREMENT FINANCING

The HRA has incurred substantial costs in acquiring property and demolishing buildings within the project area. The HRA has established the Project Area as a Tax Increment Finance ("TIF") district to offset some or all of those costs. The HRA and the Developer will enter into a minimum assessment agreement based on the final site plan.

TAX ABATEMENT

The HRA may establish a Tax Abatement district to offset costs it has incurred or will incur as a result of the redevelopment project.

EMINENT DOMAIN

The HRA utilized its power of eminent domain to acquire some of the properties within the Project Area. However, in 2006 the Minnesota Legislature severely restricted the HRA's authority to use eminent domain for redevelopment purposes. The HRA would consider further use of eminent domain to acquire additional property, but only if the appropriate findings can be made under State and Federal law.

ENRIRONMENTAL ISSUES

The HRA has completed environmental remediation of various soil contamination at the site of 1350, 404-11410, and 14440 Coon Rapids Boulevard. Based upon this work the Minnesota Pollution Control Agency has issued to the HRA/City a "No Further Action Determination" letter. The HRA has no knowledge of any further contamination on the site. The Developer shall conduct any additional environmental testing necessary to determine whether further remediation is necessary for development. Should additional work be required, the cost of said work will be negotiated as necessary.

PUBLIC IMPROVEMENTS

Where the Developer agrees to install public infrastructure, the infrastructure shall be designed and installed in accordance with City plans and city, county and state specifications. The City shall design, inspect, and maintain the public improvements.

All public streets, sidewalks, and traffic signals throughout the Project Area will be constructed by the Developer per City plans and specifications. The public streets will be platted and will only become City Streets upon completion and acceptance by the City. The City will maintain all public streets as part of the street system. Private streets will be maintained by a Homeowner's Association.

The City and the Developer will negotiate the removal of the existing public utilities and infrastructure as necessary.

The City will consider assessing the cost of construction of public streets and traffic signals upon the request of the Developer. The City will assess these costs only upon the Developer's petition and waiver of public hearing and agreement to accept 100 percent of the assessment cost based upon the City's Assessment Policy. The term and interest rate for such assessment will be determined by the City Council.

UTILITIES

Utility connections from public easements or rights-of-way to each building will be the responsibility of the Developer. Metropolitan Council Sewer Access Connection (SAC) fees will be paid by the Developer.

LIGHTING

The Developer will be responsible for installing decorative street lighting on all public streets within the Project Area. All lighting will conform to design principles as agreed to by the HRA and the Developer and approved as part of the final site plan. Electrical costs for street lights on private streets will be the responsibility of the Homeowner's Association.

SIGNAGE

All signage shall comply with the requirements of the River Rapids Overlay District and design principles as agreed by the HRA and the Developer. Sign permits will be obtained by the Developer pursuant to City Code.

STORM WATER

The Developer will be responsible for the construction of a storm water system to handle runoff from the Project Area. The Developer will prepare final grading, drainage and erosion control plans and ponding design elements and will obtain all necessary approvals and permits.

EMERGENCY ACCESS

To the extent feasible, the Developer will, on terms acceptable to the City's public safety officials, maintain emergency vehicle access during construction.

SITE PLAN REVIEW

The Developer will comply with normal and customary site and building plan requirements and procedures as set by City Code.

PERMITS

The Developer will pay permit and plan review fees, utility access fees and obtain necessary building and other permits for the construction of the Project.

PARK DEDICATION

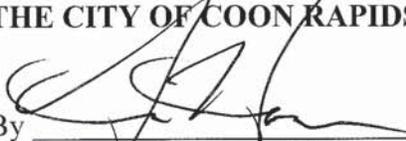
The Developer is responsible for park dedication fees wholly or partially in lieu of the dedication of land for use as public parks per City Code.

EFFECT OF MOU

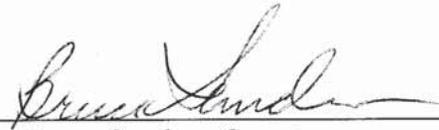
This Memorandum of Understanding is not intended to be a development agreement or other binding contract for the purchase of land, nor is it intended as evidence of such agreement. This MOU constitutes only a summary of the key elements of a proposed future transaction. It does not contain all matters upon which agreement must be reached in a definitive Purchase Agreement and Contract for Private Redevelopment. Any obligation on either party's part to proceed with the proposed transaction will only arise from the negotiation of the Purchase Agreement and Contract for Private Redevelopment in a form and substance acceptable to each party, and containing terms and conditions described in this MOU, as well as such other terms and conditions which may be mutually agreed to.

IN WITNESS WHEREOF, the HRA and the Developer have caused this MOU to be duly executed as of the date first above written.

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

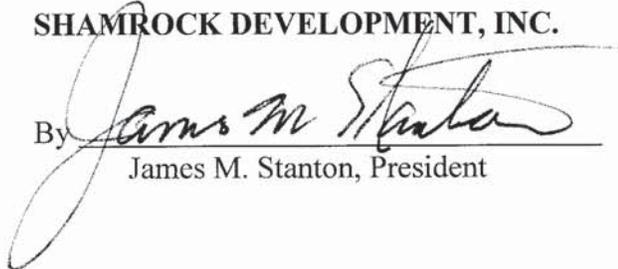
By 

Tim Howe, President

By 

Bruce Sanders, Secretary

SHAMROCK DEVELOPMENT, INC.

By 

James M. Stanton, President



TO: Chair, Members of the HRA, and
City Manager

FROM: Stoney Hiljus, City Attorney

SUBJECT: Port Riverwalk Redevelopment Project

DATE: January 2, 2008

INTRODUCTION

The HRA is asked to approve an agreement to cancel the August 3, 2005 purchase agreement with Shamrock Development, Inc. and approve a Memorandum of Understanding that provides Shamrock with the right to develop the Riverwalk project once the City Council approves a new Riverwalk Master Plan.

DISCUSSION

The Housing and Redevelopment Authority (HRA) was updated on December 18, 2007 regarding the status of negotiations with Shamrock Development over the Riverwalk Project. At that meeting the HRA was informed that Shamrock had agreed to cancel the previous purchase agreement in exchange for being granted the right to develop the new Riverwalk project, once it is identified. The formal documents were not yet ready for the December 18 meeting. Those documents have now been finalized and are attached to this staff report.

RECOMMENDATION

1. Remove from table.
2. Approve an Agreement to Cancel the Purchase Agreement.
3. Approve a Memorandum of Understanding between the HRA and Shamrock.

RESOLUTION HRA NO. 14-3

**DECLARATION OF THE MEMORANDUM OF UNDERSTANDING WITH
SHAMROCK DEVELOPMENT, INC. FOR THE PORT RIVERWALK
REDEVELOPMENT PROJECT NULL AND VOID**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota ("HRA") and Shamrock Development, Inc. ("Developer") entered into a Memorandum of Understanding ("MOU") on January 2, 2008 for the Port Riverwalk Redevelopment Project; and

WHEREAS, the MOU designated the Developer as the "primary developer to work with the HRA" on the Port Riverwalk Redevelopment Project; and

WHEREAS, the MOU set forth specific actions for the Developer and the HRA to take regarding the redevelopment of Port Riverwalk, which included adoption of a Concept Plan by the HRA, thereafter followed by the submission of a Master Plan by the Developer within three months, and the submission of an application for site plan and preliminary plat consideration six months after that; and

WHEREAS, the HRA completed and adopted an updated Port Riverwalk Concept Plan in November 2013; and

WHEREAS, the HRA shared the Concept Plan with the Developer in December of 2013, and requested the Developer submit a Master Plan on multiple occasions between January and June of 2014; and

WHEREAS, the Developer has not submitted a Port Riverwalk Master Plan within the three month period following approval of the Concept Plan by the HRA, as specified in the MOU; and

WHEREAS, the HRA met in a work session on August 19, 2014 to discuss the status of the MOU, concluded it would cancel the MOU on September 16, 2014 unless the Developer submits a Master Plan before that date, and communicated this determination to the Developer by U.S. Mail on August 20, 2014; and

WHEREAS, the Developer has failed to submit a Master Plan as of the date of this Resolution.

NOW THEREFORE, BE IT RESOLVED, in consideration of these facts, the Housing and Redevelopment Authority in and for the City of Coon Rapids hereby declares the Memorandum of Understanding with Shamrock Development, Inc. for the Port Riverwalk Redevelopment Project null and void.

Adopted this 16th day of September 2014.

Tim Howe, Chair

Attest:

Bruce Sanders, Secretary



HRA Regular

3.

Meeting Date: 09/16/2014

Subject: HRA Budget and Tax Levy

Submitted For: Sharon Legg, Finance Director

From: Dianne Nelson, Advanced Accounting Technician

INTRODUCTION

The Housing and Redevelopment Authority in and for the City of Coon Rapids (HRA) must approve the budget and tax levy for 2015.

DISCUSSION

The budget for the HRA is included in the 2015 Adopted City budget as Fund 69. Because the HRA is considered to be a separate entity, a budget and tax levy need to be adopted by the HRA.

RECOMMENDATION

Consider Adoption of the following:

1. Adopt Resolution HRA 14-1 adopting the 2015 HRA budget.
 2. Adopt Resolution HRA 14-2 adopting the 2015 HRA tax levy.
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Attachments

Resolution 14-1 Levy

Resolution 14-2 Budget

RESOLUTION HRA NO. 14-1

RESOLUTION ADOPTING THE 2015 HRA TAX LEVY

WHEREAS, the Housing and Redevelopment Authority Fund is included as a part of the City of Coon Rapids budget; and

WHEREAS, a preliminary levy of \$725,000 for the HRA was included in the 2015 Budget; and

WHEREAS, Minnesota Statute 469.033, Subdivision 6, limits the amount an HRA can levy to .018 percent of taxable market value which this levy is within; and

NOW, THEREFORE, BE IT RESOLVED that the Coon Rapids Housing and Redevelopment Authority hereby adopts the 2015 Tax levy for taxes payable in 2015 for the Housing and Redevelopment Authority.

Adopted by the Coon Rapids HRA this 16th day of September, 2014.

Tim Howe, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION HRA NO. 14-2

RESOLUTION ADOPTING THE 2015 HRA BUDGET

WHEREAS, the Housing and Redevelopment Authority Fund is included as a part of the City of Coon Rapids budget; and

WHEREAS, revenues of \$1,371,861 and expenditures and transfers of \$4,392,704 are proposed; and

WHEREAS, these funds support economic development efforts consistent with the Coon Rapids Housing and Redevelopment Authority, provide for reviews of major commercial, industrial and housing developments, manages the tax increment program and transfers funds for tax increment debt service payments; and

NOW, THEREFORE, BE IT RESOLVED that the Coon Rapids Housing and Redevelopment Authority hereby adopts the 2015 budget, a summary of which follows:

REVENUES

General property taxes	\$725,000
Tax increment collections	227,600
Investment income	269,837
Payment on notes	105,924
Other revenue	43,500

Total Revenues 1,371,861

EXPENDITURES

Personal services	\$163,856
Other charges and services	318,849
Administrative	5,065
Supplies	1,000
Interest on loan	87,153

Total Expenditures 575,923

TRANSFERS

Transfers in	3,816,781
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Adopted by the Coon Rapids HRA this 16th day of September, 2014.

Tim Howe, Chair

ATTEST:

Bruce Sanders, Secretary