



**HOUSING AND REDEVELOPMENT AUTHORITY  
WORK SESSION  
Tuesday, August 19, 2014  
Immediately Following City Council Meeting  
Coon Rapids City Center  
Conference Room 1**

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**Call to Order**

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. The HRA is asked to consider the disposition of the Memorandum of Understanding (MOU) regarding Port Riverwalk, which it entered into with Shamrock Development in 2008.

**Other Business**

**Adjourn**



**HRA Work Session**

**1.**

**Meeting Date:** 08/19/2014

**Subject:** Consider Port Riverwalk MOU with Shamrock Development

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

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**INTRODUCTION**

The HRA is asked to consider the disposition of the Memorandum of Understanding (MOU) regarding Port Riverwalk, which it entered into with Shamrock Development in 2008.

**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.

A revised master 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 master plan and sent a letter in January requesting Shamrock submit a proposal. To date, despite numerous contacts and requests to Shamrock, no proposal or concept has been submitted for the development of Port Riverwalk.

At this point, the HRA should consider how it wishes to proceed with regard to the MOU and Port Riverwalk. Options include continuing to work with Shamrock under the terms of the MOU, or seeking proposals from other developers. If the HRA chooses the latter option, it should formally declared the MOU null and void at a regular meeting. Nullifying the MOU would not preclude Shamrock from submitting a proposal for all or part of the property.

**RECOMMENDATION**

Staff requests the HRA provide direction regarding the MOU. If the HRA wishes to void the MOU, it should do so formally at a regular meeting.

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**Attachments**

MOU

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**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**

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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**

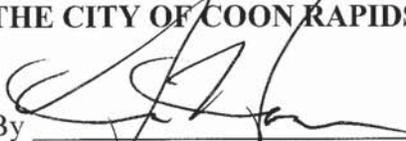
The Developer is responsible for park dedication fees wholly or partially in lieu of the dedication of land for use as public parks per City Code.

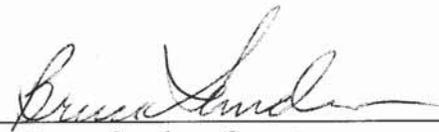
**EFFECT OF MOU**

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.

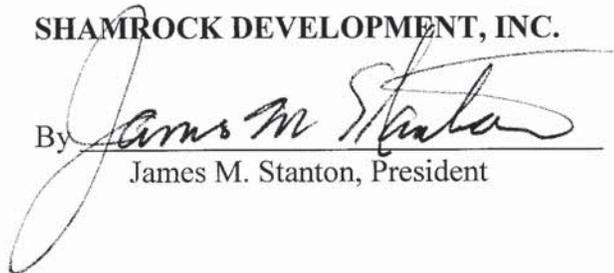
IN WITNESS WHEREOF, the HRA and the Developer have caused this MOU to be duly executed as of the date first above written.

**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.