



COUNCIL WORK SESSION

Tuesday, February 17, 2015

6:30 p.m.

Coon Rapids City Center

Conference Room 1

Call to Order

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

1. Senior Housing Development, 110xx Crooked Lake Blvd.

Other Business

Adjourn



City Council Work Session

1.

Meeting Date: 02/17/2015

Subject: Senior Housing Development, 110xx Crooked Lake Blvd.

From: Matt Brown, Community Development Specialist

INTRODUCTION

The Council is asked to consider a senior housing development on land owned by the HRA and EDA east of the Coon Rapids Ice Center along Crooked Lake Boulevard.

DISCUSSION

The Port Campus Square Master Plan, adopted by the Council in 2013, recommends developing approximately 4.5 acres of land east of the Coon Rapids Ice Center with senior housing. Dominion proposes a 166-unit building oriented toward individuals age 55 and up. All of the units would be affordable to households at or below 60% of the area median income, which reflects the income level of many senior households in the City. The building would be similar to a property in St. Anthony that a few Councilmembers visited on a development tour in 2014. The Council considered a preliminary proposal by Dominion to develop a senior rental project in Port Campus Square at a work session on May 6, 2014. The Council also considered the land sale in a closed session on November 5, 2014. At both meetings, the Council directed Staff to continue negotiations.

Representatives from Dominion will attend the work session to provide information on the project. Dominion submitted a site plan application, which will be considered at the March 19 Planning Commission meeting and April 7 City Council meeting. Dominion and City staff have agreed on terms of the land sale and financing of the project. The Council will be asked to approve a non-binding term sheet, which outlines these terms, at its February 17 meeting. Staff expects to have the Council, HRA, and EDA consider a binding purchase agreement and development agreement on April 7. The non-binding term sheet simply provides an overall agreement on the terms of the project. The agreed-upon terms include:

1. Land sale price of \$1,100,000.
2. Begin construction by September 1, 2015 and complete construction by December 31, 2016.
3. Establish a new housing TIF district that would generate \$1,550,000. Dominion would receive incremental property taxes on a pay-as-you-go basis for approximately 25 years. These funds would be used to repay a note and would finance the project. Staff plans to discuss economic development tools, including TIF, in a work session on March 10. Staff can answer more detailed questions at that time.
4. The HRA will provide a \$300,000 deferred loan with an interest rate of 1.0% due three months after maturity of the developer's first mortgage. Dominion initially planned to use HOME funds from Anoka County, but later learned they were not available at this time.
5. Conduit bond financing will be provided at no risk to the City.

Staff has worked closely with the Ehlers', the City's financial advisor, on the financing structure of this project. Because the project's pro forma reflects those of similar senior housing projects in the metro area, Staff is comfortable with the proposed financial assistance. The term sheet to be considered at the February 17 Council meeting and Port Campus Square Master Plan are attached.

RECOMMENDATION

Staff and the developer will provide an overview of the project and answer any questions during the work session and prior to the Council's formal consideration of the term sheet at the February 17 Council meeting.

Attachments

Term Sheet

Port Campus Square Master Plan

Location Map

Site Plan and Elevations

Term Sheet

This Term Sheet is executed as of this ____ day of _____, 2015 by and between Owner and the City of Coon Rapids (the "City") and is intended to set forth the terms upon which the parties hereto may be willing to enter into a Development Agreement. Except for Section 9 below (which shall be binding upon the Developer), This Term Sheet shall not be deemed conclusive or legally binding upon either party and neither party shall have any obligations regarding the property defined below unless and until a definitive Development Agreement is approved by the City and executed by both parties.

1. Owner: Coon Rapids Leased Housing Associates IV, LLLP, an affiliate of Dominion.
2. Property: 110xx Crooked Lake Boulevard, Coon Rapids, MN
3. Developer Conditions:
 - a. Execution of Development Agreement
 - b. Acquisition of EDA- and HRA-owned property and payment of impact fees as stipulated by Development Agreement totaling \$1,100,000.
4. City Conditions:
 - a. Establishment of new Tax Increment Financing Housing District
 - b. City approval of Construction Plans
 - c. Execution of Development Agreement
 - d. City determination that Developer has sufficient financial means to construct Minimum Improvements
5. Minimum Improvements: Improvements to the property will include the construction of 166 units of independent senior housing.
6. Construction Schedule: Commence construction by September 1, 2015, and complete by December 31, 2016. For the purpose hereof, "Commence" shall mean beginning of physical improvement to the Property, including grading, excavation, or other physical site preparation work; and "Completed" shall mean that the Minimum Improvements are sufficiently complete for the issuance of a Certificate of Occupancy.
7. Public Assistance: Subject to all terms and conditions of the Development Agreement, the City will reimburse Developer from available tax increments for up to \$1,550,000 (present value) of qualified costs related to the Minimum Improvements (out of an estimated total of \$30,814,590). Payments will be issued on a pay-as-you-go basis over 25 years with interest at an assumed rate not to exceed 6.0% per annum. The actual interest rate may be adjusted downward based on the developer's actual rate of financing.

The HRA will also provide a deferred loan in the amount of \$300,000 from existing funds. The deferred loan will carry an interest rate of 1.0% simple interest and will become due 3 months after maturity of the Developer's first mortgage.

8. Building Value: The building to be constructed upon the Property is anticipated to have a value of approximately \$100,000 per unit.
9. Fees: The City acknowledges that the Developer submitted a \$12,000 TIF application fee to pay for the costs of establishing a housing TIF district. The Developer shall submit, in addition to the application fee, the sum of Ten Thousand Dollars (\$10,000.00) to pay for the reasonable out-of-pocket legal, financial consultant and administrative fees associated with this transaction.
10. Miscellaneous:
 - a. No transfer of Property or Development Agreement without City consent, which consent rights will be subject to investor and lender requirements.
 - b. Developer covenants to pay property taxes and maintain customary insurance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

COON RAPIDS LEASED HOUSING ASSOCIATES IV,
LLLP

By: _____
Its: _____

CITY OF COON RAPIDS

By: _____
Its: Mayor

By: _____
Its: City Manager

Legend

-  Institutional
-  Commercial
-  Public
-  Mixed-use
-  Residential
-  Open space



Campus gateway buildings
-Private/public partnership opportunities

Relocated athletic field

New roundabout

Extension of Pheasant Ridge Dr.

New public conference center
-Restaurant
-Hotel
-Riverfront plaza

Enhanced pedestrian promenade along river
-connect to enhanced open space

New College structured parking ramp

New College "green"

Enhanced open space
-Trail connection to community center
-Stormwater management

New Mixed-Use & Residential along 111th Ave.

Campus residential
-Underground and surface parking

Enhanced streetscape along 111th Ave.

Linear greenway along 111th Ave.
-Stormwater management area
-Passive and active recreation
-Bike and pedestrian connection

Enhanced pedestrian connection along Crooked Lake Blvd.

Mixed-use residential
-Apartments, condos, townhomes, etc.

Commercial "Main Street"

Mixed-Use buildings

Commercial infill along Coon Rapids Blvd.

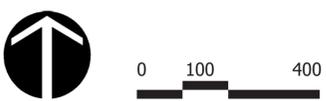
Mixed-Use building
-Shared parking

Linear greenway extends from Mall site to college along 111th Ave.

Possible library location at community center

Senior assisted or cooperative living

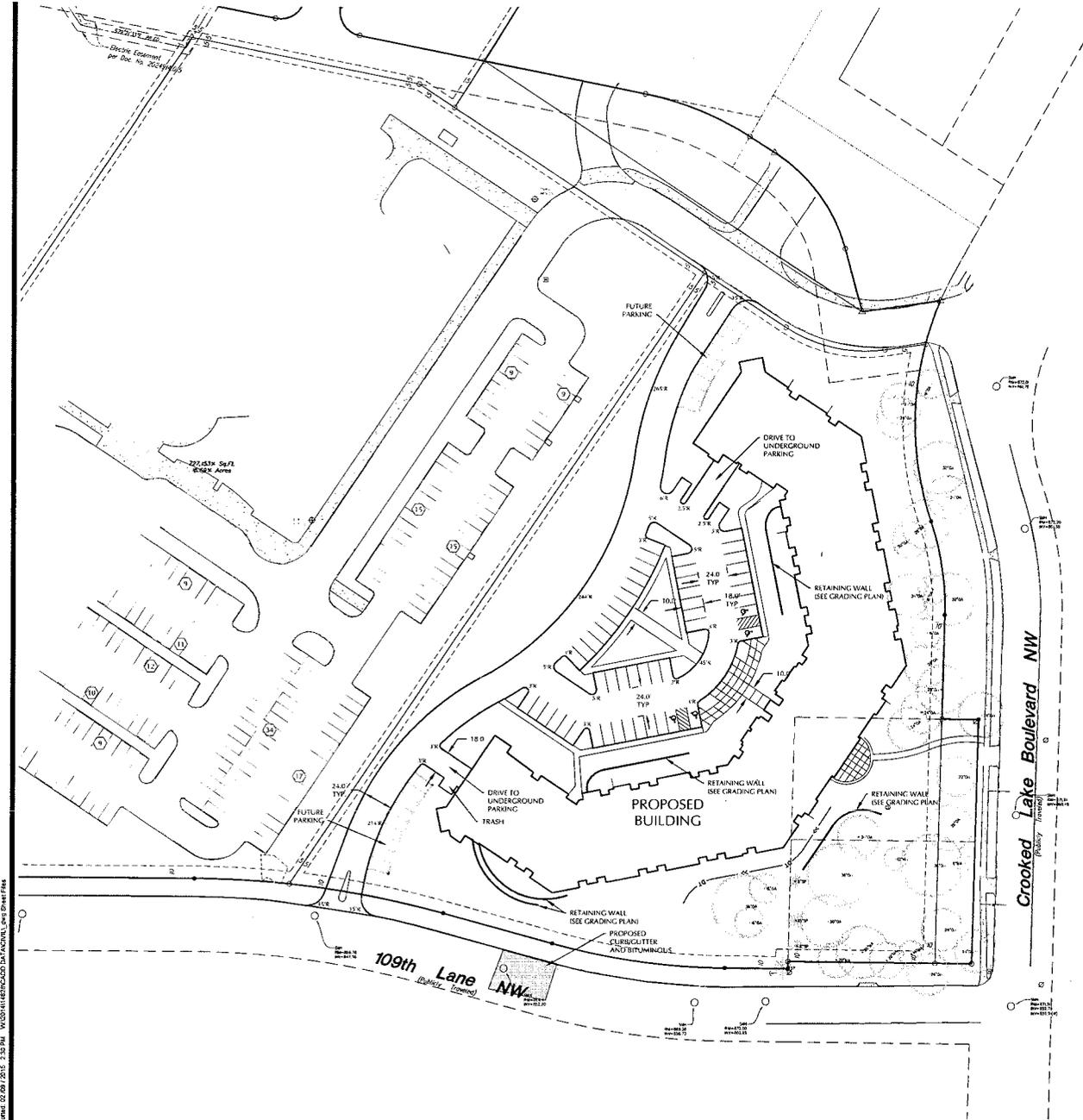
New City parking structure



Coon Rapids Planning Study

Concept D
5.15.2012





CALL BEFORE YOU DIG!
Gopher State One Call
 TWIN CITY AREA: 651-454-0902
 TOLL FREE: 1-800-252-1855

SITE PLAN GENERAL NOTES

- PARKING SUMMARY**
 UNDERGROUND REGULAR STALLS = 129
 UNDERGROUND HANDICAPPED STALLS = 2
 SURFACE REGULAR STALLS = 47
 SURFACE HANDICAPPED STALLS = 4
- ALL PAVING, CONCRETE CURB, CUTTER AND SIDEWALK SHALL BE FURNISHED AND INSTALLED IN ACCORDANCE WITH THE DETAILS SHOWN PER SHEET C8-1 AND THE REQUIREMENTS OF THE CITY. SEE LANDSCAPE AND ARCHITECTURAL PLANS FOR ANY ADDITIONAL HARDSCAPE APPLICATIONS.
- THE CITY DEPARTMENT OF ENGINEERING AND BUILDING INSPECTIONS DEPT. AND THE CONSTRUCTION ENGINEER SHALL BE NOTIFIED AT LEAST 48 HOURS PRIOR TO ANY WORK WITHIN THE STREET RIGHT OF WAY SIDEWALK STREET OR DRIVEWAY.
- MINNESOTA STATE STATUTE REQUIRES NOTIFICATION PER "GOPHER STATE ONE CALL" PRIOR TO COMMENCING ANY GRAVING, EXCAVATION OR UNDERGROUND WORK.
- SEE CONTRACT SPECIFICATIONS FOR ANY REMOVAL DETAILS.
- ANY SIGN OR FIXTURES REMOVED WITHIN THE RIGHT OF WAY OR AS PART OF THE SITE WORK SHALL BE REPLACED BY THE CONTRACTOR IN ACCORDANCE WITH THE CITY REQUIREMENTS. THE CONTRACTOR SHALL PRESERVE AND MAINTAIN ANY EXISTING STREET LIGHTS AND TRAFFIC SIGNS PER THE REQUIREMENTS OF THE CITY.
- CLEAR AND GRUB AND REMOVE ALL TREES, VEGETATION AND SITE DEBRIS PRIOR TO GRAVING. ALL REMOVED MATERIAL SHALL BE HAULED FROM THE SITE BULKY. ALL CLEARING AND GRUBBING AND REMOVALS SHALL BE PERFORMED PER THE CONTRACT SPECIFICATIONS. EROSION CONTROL MEASURES SHALL BE IMMEDIATELY ESTABLISHED UPON REMOVAL. SEE SHEET C2-3.
- THE CONTRACTOR SHALL BE REQUIRED TO OBTAIN ALL PERMITS FROM THE CITY AS REQUIRED FOR ALL WORK WITHIN THE STREET AND PUBLIC RIGHT OF WAY.
- A SIGNIFICANT PORTION OF SITE IMPROVEMENTS NOT SHOWN ON THIS SHEET ARE DESCRIBED AND PROVIDED IN FURTHER DETAIL ON THE ARCHITECTURAL AND LANDSCAPE PLANS. THIS INCLUDES LANDSCAPING, LIGHTING AND OTHER FIXTURES.
- RAI 2 CONCRETE CURB AND CUTTERS SHALL BE INSTALLED AT THE EDGE OF ALL COMMON DRIVES AND PARKING LOTS.
- CONSTRUCTION NOTES**
 A. PEDESTRIAN RAMPS SHALL BE PROVIDED AT THE LOCATIONS SHOWN AND AS SHOWN FOR THE LANDSCAPE SITE PLANS.
 B. THE CONTRACTOR SHALL SAW-CUT BITUMINOUS AND CONCRETE PAVEMENTS AS REQUIRED PER THE SPECIFICATIONS. REMOVE EXISTING CURB AND CUTTER AND INSTALL BARK OR SUE TO MATCH EXISTING CONCRETE CURB AND CUTTER.
- SEE SHEETS C8-1 AND C4-1 FOR GRAVING AND UTILITIES.
- THE INTENT OF THE PROPOSED CONSTRUCTION IS TO PRESERVE AS MUCH OF THE EXISTING STREET PAVEMENT AS POSSIBLE. AND TO MILL AND OVERLAY, REMOVE PAVEMENT AREAS AND PATCHING SHALL BE INSTALLED PER PAVEMENT SECTION PROVIDED FOR DETAIL SHEET.

WARNING:
 THE CONTRACTOR SHALL BE RESPONSIBLE FOR CALLING FOR LOCATIONS OF ALL EXISTING UTILITIES. THEY SHALL COOPERATE WITH ALL UTILITY COMPANIES IN MAINTAINING THEIR SERVICE AND/OR RELOCATION OF LINES.
 THE CONTRACTOR SHALL CONTACT GOPHER STATE ONE CALL AT 651-454-0902, AT LEAST 48 HOURS IN ADVANCE FOR THE LOCATIONS OF ALL UNDERGROUND WIRES, CABLES, CONDUITS, PIPES, MANHOLES, VALVES OR OTHER BURIED STRUCTURES BEFORE DIGGING. THE CONTRACTOR SHALL REPAIR OR REPLACE THE ABOVE WHEN DAMAGED DURING CONSTRUCTION AT NO COST TO THE OWNER.

Project Name:
SENIOR HOUSING FACILITY

Coon Rapids, MN
 Client/Developer:
DOMINIUM

Professional Services:
LOUCKS ASSOCIATES
 Planning • Civil Engineering • Land Surveying
 Land Use • Architecture • Environmental
 7300 Woodland Ave., Suite 300
 Maple Grove, MN 55128
 Telephone: (763) 426-5555
 www.loucksassociates.com

Submittal:
 03/06/15
 03/06/15

Professional Signature:
 Michael S. Austin, P.E.
 3240
 License No.
 Date
 Quality Control:
 MJS DDL
 MJS 03/06/15

Sheet Index:

C1-1	EXISTING CONDITIONS/AS-BUILT
C2-1	SITE PLAN
C3-1	GRADING PLAN
C4-1	PAVING PLANS
C4-2	UTILITY PLANS
C5-1	CONCRETE DETAILS
C6-1	FINISH DETAILS

Sheet Title:
SITE PLAN

Project No.:
14628.0A
 Sheet No.:
C2-1

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NORTH ELEVATION



EAST ELEVATION

EXTERIOR ELEVATIONS - OPTION I

Coon Rapids Senior Apartments

Coon Rapids, MN

2-9-2015





WEST ELEVATION



NORTH ELEVATION

EXTERIOR ELEVATIONS - OPTION 2

Coon Rapids Senior Apartments

Coon Rapids, MN

2-9-2015

