



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

Tuesday, October 18, 2016

Immediately Following City Council Meeting

Coon Rapids City Center

Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

New Business

1. Adopt Resolution 16-1, Approving a First Amendment to the Redevelopment Agreement with Cottages of Coon Creek

Other Business

Adjourn



EDA Regular

1.

Meeting Date: 10/18/2016

Subject: Adopt Resolution 16-1, Approving a First Amendment to the Redevelopment Agreement with Cottages of Coon Creek

From: Grant Fernelius, Community Development Director

INTRODUCTION

The EDA is asked to adopt Resoution 16-1 which authorizes a First Amendment to the Contract for Private Redevelopment by and between the EDA and Cottage Homesteads of Coon Creek Limited Partnership.

DISCUSSION

For several months the owners of the Cottages at Coon Creek senior townhomes have been in discussions with the City about refinancing and remodeling their 47-unit development. The owners are seeking an allocation of housing revenue bonds (which the City will eventually issue through conduit financing) and federal tax credits. The next round of funding requests occurs in January 2017.

The owners have been requesting a modification to the tenant eligibility criteria, which would limit 80% of the units to seniors (age 55+) and make 20% of the units available to the open market. In either case, current and prospective tenants would still need to meet the income thresholds under the IRS Sec. 42 rules. The owners believe this change in the tenant age eligibility requirements would allow them to be considered for the first round of bond and tax credit funding in 2017.

When the project was initially constructed in 1998, the EDA and the developer entered into a development agreement which outlined various details of the project. That agreement remains in force to the present time. In talking with the City Attorney and our development counsel (Jenny Boulton at Kennedy & Graven), it was advised that we amend the contract to spell out this change in tenant eligibility. The current agreement does not specify an age restriction, however given the discussions at the September 13th work session there seemed to be consensus among the Council to keep the project focused primarily on seniors.

The attached resolution authorizes the First Amendment to Contract for Private Redevelopment by and between the EDA and the Cottage Homestead of Coon Creek Limited Partnership. It should be noted, this is the legal name of the current owner and the resolution also authorizes assignment of the agreement to the new partnership, once the bonds are issued.

RECOMMENDATION

The EDA is asked to adopt Resoution 16-1 which authorizes a First Amendement to the Contract for Private Redevelopment by and between the EDA and Cottage Homesteads of Coon Creek Limited Partnership

Attachments

EDA Resolution 16-1
First Amendment

**ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY
OF COON RAPIDS, MINNESOTA
CITY OF COON RAPIDS
ANOKA COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. _____

**APPROVING AMENDMENT TO DEVELOPMENT AGREEMENT WITH
COTTAGE HOMESTEADS OF COON CREEK LIMITED PARTNERSHIP**

WHEREAS, the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the “EDA”) has heretofore entered into a Development Agreement by and between the EDA and Cottage Homesteads of Coon Creek Limited Partnership (the “Developer”) dated August 5, 1997 (the “Development Agreement”);

WHEREAS, the Developer has requested that the EDA amend the Development Agreement, to among other things, clarify that the EDA is not requiring more than 80% of the units thereof to be restricted to persons age 55 or older (the “Development Agreement Amendment”);

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the “EDA”) as follows:

1. The Development Agreement Amendment as presented to the Board is hereby in all respects approved, in substantially the form submitted, together with any related documents necessary in connection therewith (collectively, the “Amendment Documents”) and the President and Executive Director (the “Authorized Officers”) are hereby authorized and directed to execute the Amendment Documents on behalf of the EDA and to carry out, on behalf of the EDA, the EDA’s obligations thereunder.
2. The approval hereby given to the Amendment Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the Authorized Officers to execute said documents prior to their execution; and said Authorized Officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.
3. In accordance with Section 8.7 of the Development Agreement, the EDA hereby consents to the assignment of the Developer’s right, title and interest in the Development Agreement, as amended to Coon Creek Senior Community, Limited Partnership, a Minnesota limited partnership or an affiliated entity to be created (the “Borrower”) which is the borrower under a loan agreement to be entered into with the City of Coon Rapids, Minnesota (the “City”) in connection with the issuance of the City’s conduit housing revenue bonds to finance the acquisition and rehabilitation of the approximately 47 unit senior housing facility and related amenities located at 2600 through 2689, inclusive, 110th Lane NW in the City known as the

Cottages of Coon Creek Apartments (the "Project"). Upon the issuance of the Bonds, the Authorized Officers are hereby authorized to execute a consent to an acceptable assignment and assumption agreement between the Developer and the Borrower and the execution of any such document by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof.

Approved by the Board on October 18, 2016.

President

ATTEST:

Executive Director

**FIRST AMENDMENT TO
CONTRACT FOR PRIVATE REDEVELOPMENT AGREEMENT**

By and Between

**ECONOMIC DEVELOPMENT AUTHORITY IN AND
FOR THE CITY OF COON RAPIDS
AND
COTTAGE HOMESTEADS OF COON CREEK LIMITED PARTNERSHIP**

Dated as of: August 5, 1997

First Amendment Dated as of: _____, 201__

This document was drafted by:

KENNEDY & GRAVEN, CHARTERED (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: (612) 337-9300

**FIRST AMENDMENT TO
CONTRACT FOR PRIVATE REDEVELOPMENT AGREEMENT**

This First Amendment to Contract for Private Redevelopment Agreement (the "First Amendment") is made as of the ___ day of _____, 201__, by and between the ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON RAPIDS, a body corporate and politic organized and existing under the laws of the State of Minnesota (the "EDA"), and COTTAGE HOMESTEADS OF COON CREEK LIMITED PARTNERSHIP, a Minnesota limited partnership (the "Developer").

WITNESSETH:

WHEREAS, the EDA and the Developer heretofore entered into a Development Agreement, dated August 5, 1997 (the "Original Agreement" and, together with this First Amendment, the "Development Agreement") in connection with the construction of the Project (as defined therein) in the EDA's Tax Increment Financing District Number 1-24 and providing for reimbursement of various costs; and

WHEREAS, capitalized terms used in this First Amendment and not otherwise defined herein have the meanings given to them in the Original Agreement; and

WHEREAS, in connection with the Original Agreement, the Developer agreed to construct the Project on the Development Property; and

WHEREAS, the Developer has requested that the EDA amend the Original Agreement, to among other things, clarify that the EDA is not requiring more than 80% of the units thereof to be restricted to persons age 55 or older;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, the parties agree as follows:

1. Section 8.2 of the Original Amendment will be deleted and replaced in its entirety with the following:

Section 8.2 Restrictions on Use. The Developer shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease or rental or in the use or occupancy of the Minimum Improvements erected or to be erected thereon, or any part thereof; provided that 80% of the units thereof will be leased to and occupied by only persons age 55 and older;

2. Except as hereby amended, all other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the EDA has caused this First Amendment to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

**ECONOMIC DEVELOPMENT
AUTHORITY IN AND FOR THE CITY
OF COON RAPIDS**

By _____
President

By _____
Executive Director

Signature pages to First Amendment to Development Agreement

**COTTAGE HOMESTEADS OF COON CREEK
LIMITED PARTNERSHIP**

a Minnesota limited partnership

By: _____

Its _____

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Signature pages to First Amendment to Development Agreement