



**HOUSING AND REDEVELOPMENT  
AUTHORITY AGENDA**

**Tuesday, April 19, 2016**

**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 Resolution HRA 16-1 Conveying Real Property, 9065 East River Road (Scattered Site)
2. Recess Meeting to be Reconvened after City Council Meeting
3. Reconvene Meeting and Consider Memorandum of Understanding and Term Sheet, Riverdale Station Development

**Other Business**

**Adjourn**



## **HRA Regular**

1.

**Meeting Date:** 04/19/2016

**Subject:** Consider Resolution HRA 16-1 Conveying Real Property, 9065 East River Road (Scattered Site)

**From:** Matt Brown, Economic Development Coordinator

---

## **INTRODUCTION**

The HRA is asked to consider a resolution to convey real property and correct title issues for a Scattered Site lot at 90xx East River Road.

## **DISCUSSION**

The property at 9065 East River Road was acquired through the Scattered Site Acquisition program in 2012. Funded primarily by the Coon Rapids Mortgage Assistance Foundation, the SSA program is intended to remove blighted houses and replace them with high-quality homes. On March 22, 2016 the HRA entered into a purchase and redevelopment agreement with Great Buy Homes, Inc., which will purchase the lot by April 30, 2016 and construct a new house.

In 2015, Staff completed a survey of the property in preparation for listing the property for sale. The survey identified a title problem, which involves overlapping legal descriptions between the HRA's property and the property immediately to the south. Staff worked with that property owner to agree on a new property line location that coincides with the existing privacy fence. The HRA has prepared a Registered Land Survey to establish the new property line and correct the title problem. The City Council approved the RLS at its April 5 meeting.

Quit claim deeds must be exchanged for the new lot line to be created. Once the deeds are recorded, the entire assemblage will be sold to Great Buy Homes. The HRA is asked to consider a resolution accepting a deed for a portion of the real property and authorizing the Chair and Secretary to execute a deed for another portion. Because the HRA is conveying property, state statutes require a public hearing.

## **RECOMMENDATION**

Staff recommends that the HRA:

1. Conduct a public hearing.
  2. Adopt Resolution HRA 16-1 accepting a quit claim deed and authorizing the Chair and Secretary to execute a quit claim deed for real property at 90xx East River Road.
-

## **Attachments**

Location Map

Resolution HRA 16-1

Survey

---



**RESOLUTION NO. HRA 16-1**

**RESOLUTION ACCPETING A QUIT CLAIM DEED AND AUTHORIZING THE  
CHAIR AND SECRETARY TO EXECUTE A QUIT CLAIM DEED**

**WHEREAS**, The Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota (the "HRA") is the owner of real property located at 9065 East River Road in Coon Rapids, Minnesota; and

**WHEREAS**, the property was acquired as part of the Scattered Site Acquisition Program; and

**WHEREAS**, Alan Grant and Bonita Bray are the owners of an adjacent property at 9055 East River Road in Coon Rapids, Minnesota; and

**WHEREAS**, survey work completed by the HRA in 2015 concluded that the recorded legal descriptions of the two properties overlap; and

**WHEREAS**, HRA Staff and Mr. Grant and Ms. Bray agreed on a lot line location that is mutually acceptable to both parties; and

**WHEREAS**, the HRA completed Registered Land Survey No. 270, which was approved by the City Council on April 5, 2016; and

**WHEREAS**, correction of the overlapping legal descriptions involves Mr. Grant and Ms. Bray conveying a portion of the land included in the Registered Land Survey No. 270 to the HRA and and the HRA conveying Tract A of Registered Land Survey No. 270 to Mr. Grant and Ms. Bray; and

**NOW, THEREFORE, BE IT RESOLVED** by the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota a quit claim deed is hereby accepted and the Chair and Secretary are hereby authorized to execute a quit claim deed for Tract A of Registered Land Survey No. 270.

Adopted by the Coon Rapids City Council this 19th day of April, 2016.

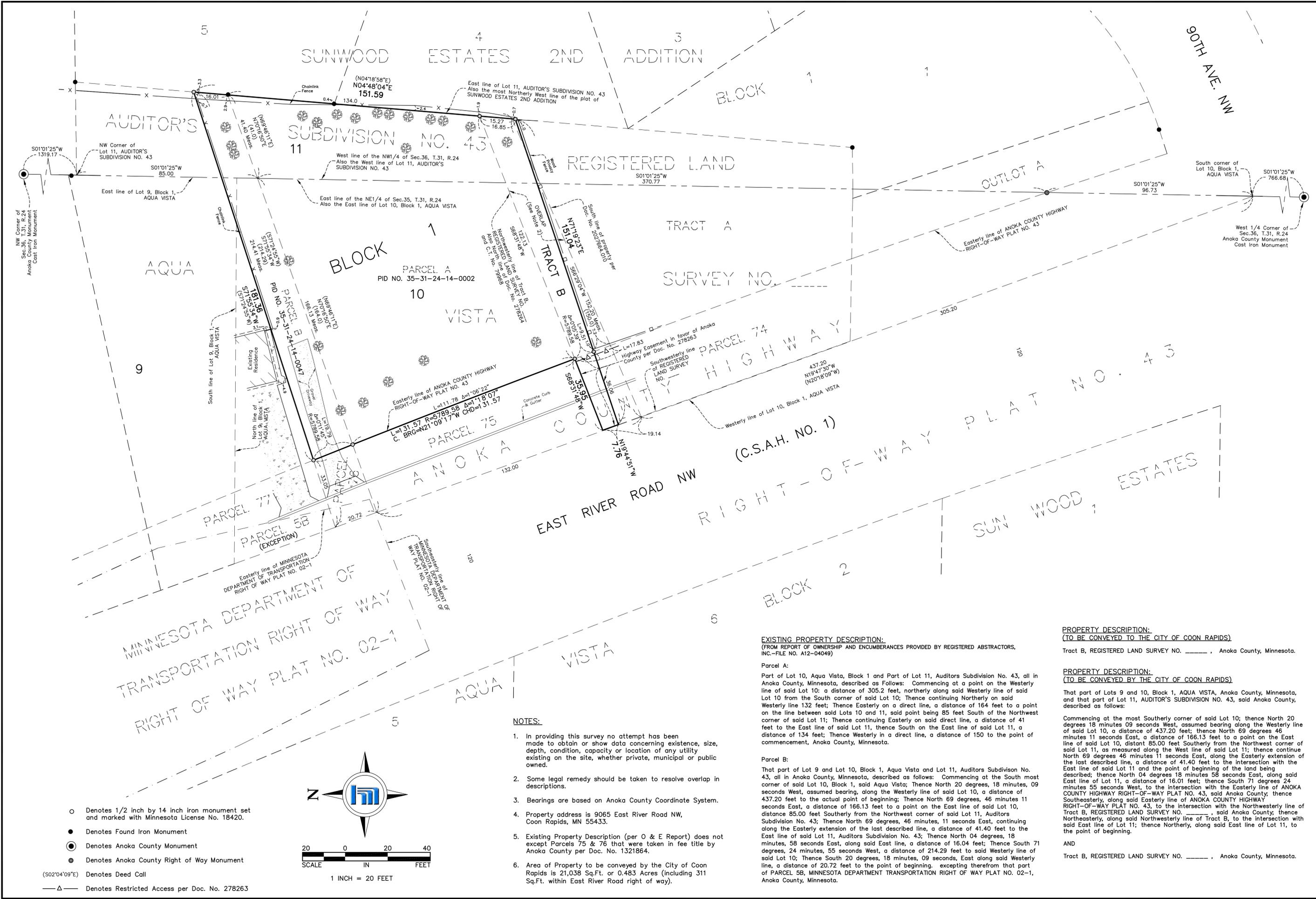
---

Jerry Koch, Mayor

ATTEST:

---

Joan Lenzmeier, City Clerk



DESIGNED BY	SMM
DRAWN BY	SMM
CHECKED BY	CRK
BOOK	
PAGE	1
SCALE	1"=20'
DATE	03/29/16
FILE NO.	CR127

REVISION	
DATE	

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Land Surveyor under the laws of the State of Minnesota.

*Charles R. Christopherson*  
 Charles R. Christopherson,  
 MN License No. 18420, Date 03/29/16

**Hakanson Anderson**  
 Civil Engineers and Land Surveyors  
 3601 Hennepin Avenue, Minneapolis, MN 55412  
 763-427-5860, FAX 763-427-0520  
 www.haa-inc.com

Part of Lots 9 & 10, Block 1, AQUA VISTA, Part of Lot 11, AUDITOR'S SUBDIVISION NO. 43, and Tract B, REGISTERED LAND SURVEY NO. \_\_\_\_\_, Anoka County, Minnesota

**Certificate of Survey**  
 for ~  
 City of Coon Rapids

SHEET NUMBER  
**1**

**EXISTING PROPERTY DESCRIPTION:**  
 (FROM REPORT OF OWNERSHIP AND ENCUMBRANCES PROVIDED BY REGISTERED ABSTRACTORS, INC.-FILE NO. A12-04049)

**Parcel A:**  
 Part of Lot 10, Aqua Vista, Block 1 and Part of Lot 11, Auditors Subdivison No. 43, all in Anoka County, Minnesota, described as Follows: Commencing at a point on the Westerly line of said Lot 10; a distance of 305.2 feet, northerly along said Westerly line of said Lot 10 from the South corner of said Lot 10; Thence continuing Northerly on said Westerly line 132 feet; Thence Easterly on a direct line, a distance of 164 feet to a point on the line between sold Lots 10 and 11, said point being 85 feet South of the Northwest corner of said Lot 11; Thence continuing Easterly on said direct line, a distance of 41 feet to the East line of said Lot 11, thence South on the East line of said Lot 11, a distance of 134 feet; Thence Westerly in a direct line, a distance of 150 to the point of commencement, Anoka County, Minnesota.

**Parcel B:**  
 That part of Lot 9 and Lot 10, Block 1, Aqua Vista and Lot 11, Auditors Subdivison No. 43, all in Anoka County, Minnesota, described as follows: Commencing at the South most corner of said Lot 10, Block 1, said Aqua Vista; Thence North 20 degrees, 18 minutes, 09 seconds West, assumed bearing, along the Westerly line of said Lot 10, a distance of 437.20 feet to the actual point of beginning; Thence North 69 degrees, 46 minutes 11 seconds East, a distance of 166.13 feet to a point on the East line of said Lot 10, distance 85.00 feet Southerly from the Northwest corner of said Lot 11, Auditors Subdivison No. 43; Thence North 69 degrees, 46 minutes, 11 seconds East, continuing along the Easterly extension of the last described line, a distance of 41.40 feet to the East line of said Lot 11, Auditors Subdivison No. 43; Thence North 04 degrees, 18 minutes, 58 seconds East, along said East line, a distance of 16.04 feet; Thence South 71 degrees, 24 minutes, 55 seconds West, a distance of 214.29 feet to said Westerly line of said Lot 10; Thence South 20 degrees, 18 minutes, 09 seconds, East along said Westerly line, a distance of 20.72 feet to the point of beginning, excepting therefrom that part of PARCEL 5B, MINNESOTA DEPARTMENT TRANSPORTATION RIGHT OF WAY PLAT NO. 02-1, Anoka County, Minnesota.

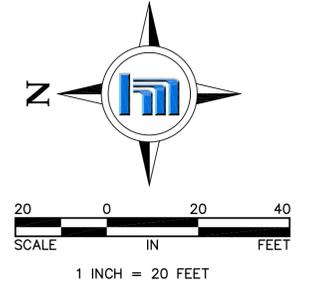
**PROPERTY DESCRIPTION:**  
 (TO BE CONVEYED TO THE CITY OF COON RAPIDS)  
 Tract B, REGISTERED LAND SURVEY NO. \_\_\_\_\_, Anoka County, Minnesota.

**PROPERTY DESCRIPTION:**  
 (TO BE CONVEYED BY THE CITY OF COON RAPIDS)  
 That part of Lots 9 and 10, Block 1, AQUA VISTA, Anoka County, Minnesota, and that part of Lot 11, AUDITOR'S SUBDIVISION NO. 43, said Anoka County, described as follows:

Commencing at the most Southerly corner of said Lot 10; thence North 20 degrees 18 minutes 09 seconds West, assumed bearing along the Westerly line of said Lot 10, a distance of 437.20 feet; thence North 69 degrees 46 minutes 11 seconds East, a distance of 166.13 feet to a point on the East line of said Lot 10, distant 85.00 feet Southerly from the Northwest corner of said Lot 11, as measured along the West line of said Lot 11; thence continue North 69 degrees 46 minutes 11 seconds East, along the Easterly extension of the last described line, a distance of 41.40 feet to the intersection with the East line of said Lot 11 and the point of beginning of the land being described; thence North 04 degrees 18 minutes 58 seconds East, along said East line of Lot 11, a distance of 16.01 feet; thence South 71 degrees 24 minutes 55 seconds West, to the intersection with the Easterly line of ANOKA COUNTY HIGHWAY RIGHT-OF-WAY PLAT NO. 43, said Anoka County; thence Southeasterly, along said Easterly line of ANOKA COUNTY HIGHWAY RIGHT-OF-WAY PLAT NO. 43, to the intersection with the Northwesterly line of Tract B, REGISTERED LAND SURVEY NO. \_\_\_\_\_, said Anoka County; thence Northeasterly, along said Northwesterly line of Tract B, to the intersection with said East line of Lot 11; thence Northerly, along said East line of Lot 11, to the point of beginning.

AND  
 Tract B, REGISTERED LAND SURVEY NO. \_\_\_\_\_, Anoka County, Minnesota.

- NOTES:**
- In providing this survey no attempt has been made to obtain or show data concerning existence, size, depth, condition, capacity or location of any utility existing on the site, whether private, municipal or public owned.
  - Some legal remedy should be taken to resolve overlap in descriptions.
  - Bearings are based on Anoka County Coordinate System.
  - Property address is 9065 East River Road NW, Coon Rapids, MN 55433.
  - Existing Property Description (per O & E Report) does not except Parcels 75 & 76 that were taken in fee title by Anoka County per Doc. No. 1321864.
  - Area of Property to be conveyed by the City of Coon Rapids is 21,038 Sq.Ft. or 0.483 Acres (including 311 Sq.Ft. within East River Road right of way).



- Denotes 1/2 inch by 14 inch iron monument set and marked with Minnesota License No. 18420.
- Denotes Found Iron Monument
- ⊙ Denotes Anoka County Monument
- ⊙ Denotes Anoka County Right of Way Monument
- (S02°04'09"E) Denotes Deed Call
- △— Denotes Restricted Access per Doc. No. 278263



**HRA Regular**

**2.**

**Meeting Date:** 04/19/2016

**Subject:** Recess Meeting to be Reconvened after City Council Meeting

**From:** Joan Lenzmeier, City Clerk

---

**INTRODUCTION**

**DISCUSSION**

**RECOMMENDATION**

---



**HRA Regular**

**3.**

**Meeting Date:** 04/19/2016

**Subject:** Reconvene Meeting and Consider Memorandum of Understanding and Term Sheet, Riverdale Station Development

**From:** Matt Brown, Economic Development Coordinator

---

## **INTRODUCTION**

The HRA is asked to consider a Memorandum of Understanding with the Anoka County Regional Rail Authority and a Term Sheet with Sherman Associates for a transit-oriented development project adjacent to the Riverdale Transit Station along Northdale Boulevard.

## **DISCUSSION**

The City and the Anoka County Regional Rail Authority have been seeking development interest at the Riverdale Station site, which is adjacent to the Northstar commuter rail station, since 2014. Discussions with Minneapolis-based Sherman Associates have occurred over the last year or so. Sherman proposes a first phase of approximately 239 apartments in 2 buildings on about 8 acres of the 16 acre site. Approximately 48 of the units (20%) are affordable to households earning 50% of AMI in order to qualify for tax credits and a housing TIF district. The remaining 80% of units would be market-rate apartments. All apartments will be more contemporary than existing apartment offerings in the City and are expected to have a high level of finish and amenity. A small retail component may be included in one of the buildings. A second phase would likely include senior housing on the balance of the site and would be constructed within a few years of the completion of the first phase.

Because Sherman intends to submit funding applications for the project this spring, it needs to demonstrate site control. The HRA and City Council are asked to enter into a non-binding Memorandum of Understanding (MOU) with the Anoka County Regional Rail Authority outlining the terms of the real estate transaction, as well as a Term Sheet with Sherman outlining the overall terms of the project. It is expected that the Rail Authority will consider the MOU at its April 26 meeting. Binding purchase agreements and a development agreement will be drafted at a later date. A summary of the basic project terms is as follows:

**Land.** Because the HRA has more flexibility with respect to acquisition and sale of property than the Rail Authority, the HRA will purchase property from the Rail Authority and then sell it to the developer. The HRA would purchase the land for Phase I for \$1,500,000 and immediately sell it to Sherman for \$1,500,000, with the two closings occurring simultaneously. The HRA would purchase the land for Phase II from the Rail Authority for \$800,000 and hold it for a period of up to three years. Sherman would enter into an option with the HRA to purchase the land for Phase II

for \$800,000 from the HRA within three years of closing on the land for Phase I.

**Financial Assistance.** A new housing TIF district will be established. For Phase I, a total of 90% of the available increment will be paid to developer on a pay-as-you-go basis for no more than 10 years of the 26 year maximum and totaling not more than \$1,776,698. For Phase II, a total of 90% of the available increment will be paid to developer for no more than 10 years. The Rail Authority and City would enter into a binding agreement that would memorialize the time limit for the TIF districts. The development agreement will include a "lookback" provision that will require the developer to submit audited financials to the City for review. Based upon actual costs, sources of funding and revenues generated, the TIF note may be adjusted downward if a pre-determined rate of return is exceeded. The City and developer will also apply for Metropolitan Council funding for an estimated \$1,000,000 of project costs.

Staff, in consultation with the City's financial advisor, feels that this level of assistance falls well within industry standards for a project of this size. The next steps in the process involve drafting purchase agreements for both transactions and preparing funding applications. Provided the project receives tax credit funding, construction could begin by early 2017. Staff expects that there will be several opportunities for public input on the project as more detailed plans are prepared.

It should be noted that the attached MOU has a provision highlighted in red (2.a) which was unresolved at the time of this report. The issue concerns the date upon which tax increment is first collected and thus when the 10 year clock begins. This is essentially a technical issue already governed by statute, however the County will provide clarification on this point before Tuesday so that the final draft reflects the parties intentions. Final versions of both the MOU and Term Sheet to be considered will be provided at Tuesday's meeting.

### **RECOMMENDATION**

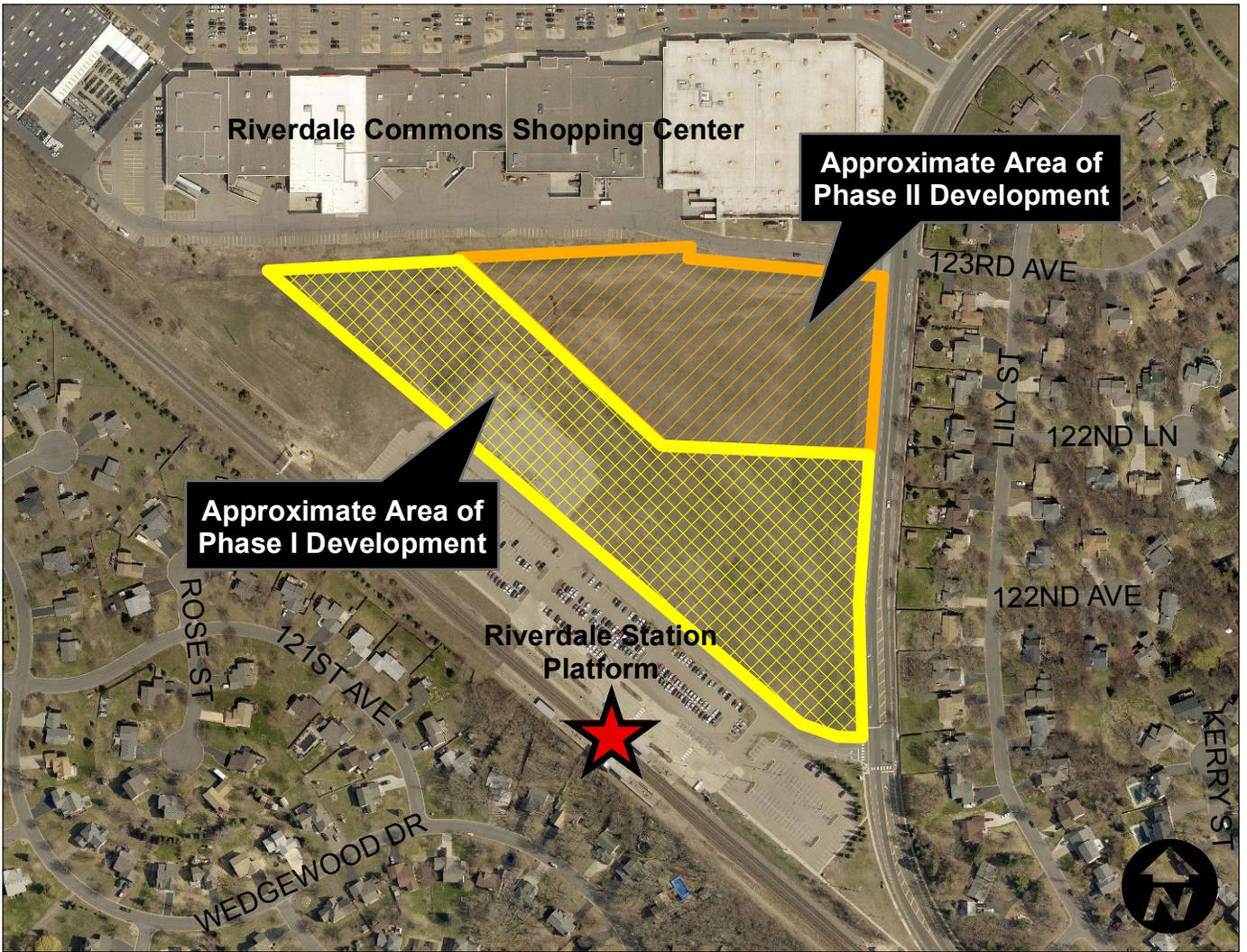
Approve the Memorandum of Understanding with the Anoka County Regional Rail Authority and Term Sheet with Sherman Associates for a development project at Riverdale Station.

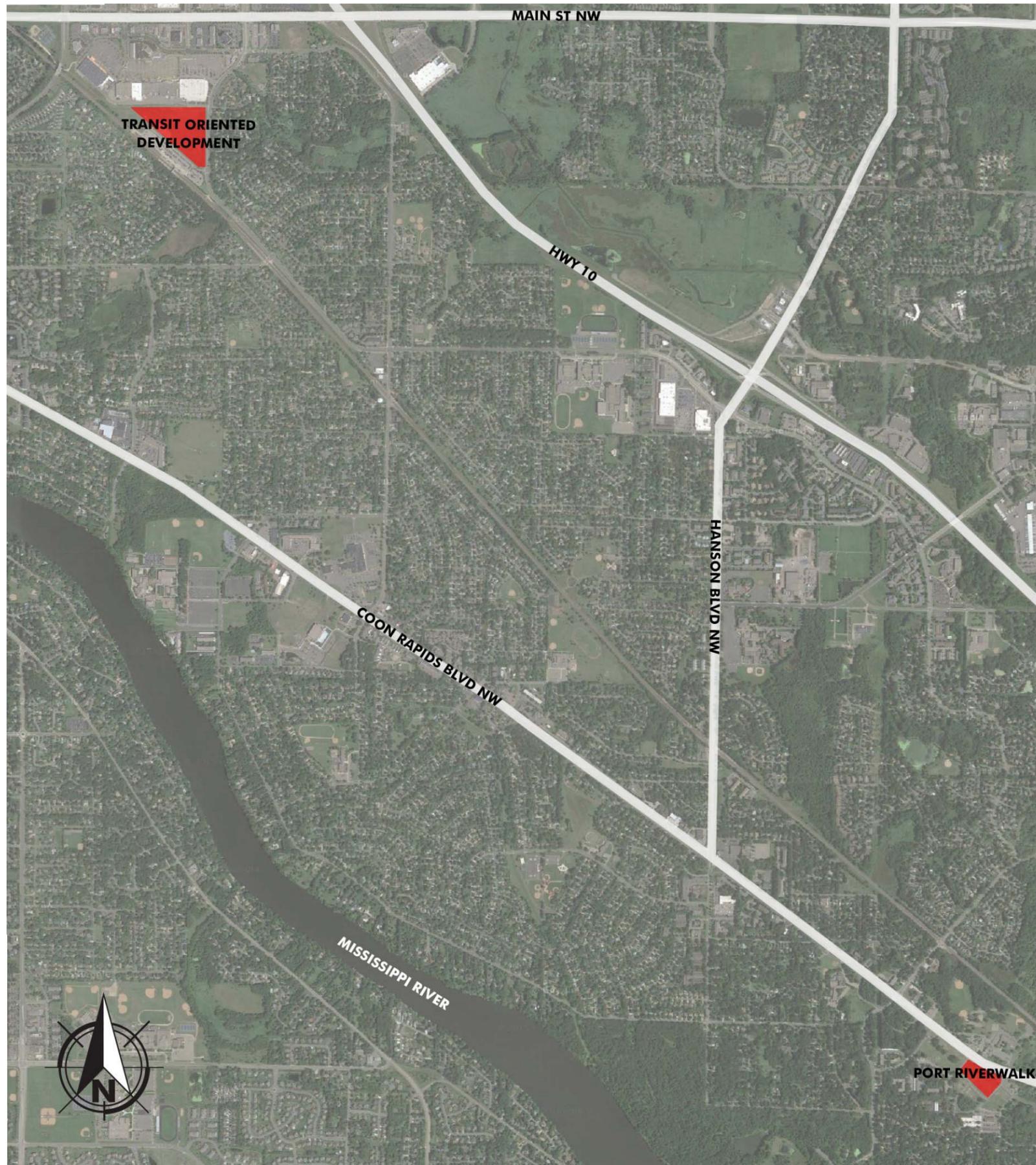
---

### **Attachments**

Location Map  
Concept Plan  
Term Sheet  
MOU (4.14.16)

---





kaas  
wilson  
architects

SHERMAN - COON RAPIDS  
COON RAPIDS, MN



## Term Sheet

This Term Sheet is executed as of this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between Owner, the Housing and Redevelopment Authority in and for the City of Coon Rapids (the "HRA"), 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 10 below (which shall be binding upon the Owner), 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: Sherman Associates, Inc. and/or its permitted successors and assigns.
2. Property: approximately 15.9 acres of land near the intersection of 123rd Avenue NW and Northdale Boulevard in Coon Rapids, Minnesota, adjacent to the Coon Rapids-Riverdale Station on the Northstar commuter rail line. A map showing the approximate boundaries is attached as Exhibit A.
3. Minimum Improvements: Phase I of the project, covering approximately 8 acres, will include the construction of 191 market rate apartments and 48 affordable apartments. Phase II of the project, covering the remainder of the 15.9-acre property, will include the construction of additional housing units, including senior apartments. A concept plan for Phase I is attached as Exhibit B.
4. Key Business Terms – Owner:
  - a. Execution of Development Agreement
  - b. Acquisition of property currently owned by the Anoka County Regional Rail Authority and to be conveyed to the HRA as stipulated by Development Agreement. The sale price for the land for Phase I of the project, covering approximately 8 acres, shall be \$1,500,000. The Owner shall enter into an option to purchase the remainder of the site from the HRA for Phase II of the project for a sale price of \$800,000. The closing on the site for Phase II shall occur within 3 years of the closing date of Phase I.
5. Key Business Terms – City:
  - a. Establishment of new Tax Increment Financing Housing District
  - b. City approval of Construction Plans
  - c. Execution of Development Agreement
  - d. City determination that Owner has sufficient financial means to construct Minimum Improvements
6. Construction Schedule: Closing on Phase I of the project is anticipated to occur on or about June 30, 2017. Construction on Phase I shall commence by June 30, 2017, and be completed by December 31, 2019. Construction on Phase II shall commence by June 30, 2020, and be completed by December 31, 2022. 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. Project Assistance: Subject to all terms and conditions of the Development Agreement, for Phase I of the project, the City will reimburse Owner a total of 90 percent of available tax increments generated by Phase I for a period of not more than 10 years. The assistance is subject to a review of the Owner's pro forma and demonstration of need.

For Phase II of the project, the City will reimburse Owner a total of 90 percent of available tax increments generated by Phase II for a period of not more than 10 years. The assistance is subject to a review of the Owner's pro forma and demonstration of need.

8. Lookback Provision: The Development Agreement shall include a "lookback" provision that will require the developer to submit audited financials to the City and its financial advisor at a specified time for review. Based upon actual costs, sources of funding and revenues generated, a portion of Owner's revenues may be distributed to the City if a pre-determined rate of return is exceeded.
9. Project Cost: Total development cost is estimated at \$51,500,000.00.
10. Fees: The Owner shall submit a \$12,000 TIF application fee to pay for the costs of establishing a housing TIF district. The Owner shall submit, in addition to the application fee, the sum of \$10,000 to pay for the reasonable out-of-pocket legal, financial consultant and administrative fees associated with this transaction.
11. Miscellaneous:
- a. No transfer of Property or Development Agreement without City consent, which consent rights will be subject to investor and lender requirements and will not be unreasonably withheld.
  - b. Owner covenants to pay property taxes and maintain customary insurance.
  - c. The financial assistance provided is assistance for housing and thus not subject to the Business Subsidy Act per Minnesota Statutes.

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

SHERMAN ASSOCIATES, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

CITY OF COON RAPIDS

By: \_\_\_\_\_

Its: Mayor

By: \_\_\_\_\_

Its: City Manager

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

By: \_\_\_\_\_

Its: Chair

By: \_\_\_\_\_

Its: Secretary

**Term Sheet**  
**Memorandum of Understanding**

This Term Sheet and Memorandum of Understanding ("**MOU**"), is entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, between the Anoka County Regional Railroad Authority (**the "ACRRA"**), and the City of Coon Rapids (**the "City"**), Minnesota, and the Housing and Redevelopment Authority in and for the City of Coon Rapids (**the "HRA"**), Minnesota.

WHEREAS, the ACRRA purchased property in the City of Coon Rapids adjacent to the Northstar commuter rail station (**the "Riverdale Site"**) for the purposes of facilitating transit oriented development, increasing Northstar ridership and reducing the net operating subsidy of the line; and

WHEREAS, the Riverdale Site is approximately 15.9 acres and is located at Northdale Boulevard and 123<sup>rd</sup> Avenue, adjacent to the Riverdale Commuter Rail Station; and

WHEREAS, the ACRRA and the City have worked to identify an appropriate development for the site that meets the public goals of the City and the ACRRA; and

WHEREAS, the City intends to enter into a development agreement with Sherman Associates (**the "Developer"**) and would like to purchase the Riverdale Site from the ACRRA for the purposes of developing a market rate apartment building, an affordable family apartment building, and potentially a senior housing facility (**collectively, the "Riverdale Development"**); and

WHEREAS, the City intends to create a Tax Increment Financing District for housing (**the "Housing District"**) for the Riverdale Development; and

WHEREAS, the ACRRA desires to sell the Riverdale Site to the HRA for such purposes, subject to certain conditions enumerated below.

NOW, THEREFORE the parties hereto agree as follows:

1. Subject to the negotiation of a definitive purchase and sale agreement, the ACRRA will sell, and the HRA will buy, the following real estate interests for the transit-oriented development on the Riverdale Site: PIN 08-31-24-14-0030 described as Tract A, registered Land Survey No. 209, Anoka County, Minnesota, subject to restrictions, reservations and easements of record, if any.
  
2. The ACRRA's sale of the property is subject to the following conditions:
  - a. The City will agree that it will limit the maximum life of the Housing District to 10 years from the receipt of first increment, provided that the applicable authority **[may/may not]** elect to defer the receipt of first increment as provided in Minnesota Statutes, Section 469.175, subd. 1(b).
  - b. The City will agree that it will not approve the extension of the term of the Housing District beyond the initial 10-year term.
  - c. If the City or the Developer succeeds in securing any grants in excess of \$1,000,000 for the Riverdale Development, the term of the District will be shortened commensurately.
  - d. The City's agreements with respect to the duration of the Housing District will be evidenced by an enforceable binding agreement ("TIF Agreement") obligating the City to pay to Anoka County in each and every year that the tax increment district remains in effect beyond the permitted 10-year term, a payment in the amount of the county's portion of the tax increment generated by the property in such year.
  - e. The ACRRA acknowledges that the City may decide to undertake the Riverdale Development in two phases. Phase 1 would include the market rate apartment building and the affordable family apartment building. Phase 2 would include the senior housing facility. In the event that the Riverdale Development is implemented in two phases, the ACRRA would agree that a Housing District may be established for each phase; however, the conditions set forth in this MOU would apply to each Housing District including the ten-year limitation on duration of the District.
  - f. Moreover, the ACRRA acknowledges that if the Riverdale Development is implemented in two phases, the City may utilize the services of the Developer or may contract with another developer to complete the project.
  
3. The HRA will pay the ACRRA the amount of \$2,300,000 for the Riverdale Site, payable at closing.

4. The closing for the sale of the Riverdale Site is anticipated to occur on or about June 30, 2017.
  
5. The parties agree to negotiate in good faith to finalize and enter into the definitive Purchase and Sale Agreement and TIF Agreement before June 30, 2016. This memorandum is only an expression of the parties' present mutual intent regarding the proposed transaction and does not constitute a legal binding and enforceable agreement of the ACRRRA and the City.

IN WITNESS HEREOF, the ACRRRA and the City have executed this Memorandum of Understanding on the day and date indicated immediately below their respective signatures.

**ANOKA COUNTY REGIONAL RAILROAD AUTHORITY**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**CITY OF COON RAPIDS**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**COON RAPIDS HOUSING AND REDEVELOPMENT  
AUTHORITY**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_