



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

Wednesday, July 5, 2017

6:50 p.m.

Coon Rapids City Center

Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

1. Approve Minutes of January 17, 2017

New Business

2. Adopt Resolution 17-1 Approving Second Amendment to Development Agreement with Cottage Homesteads of Coon Creek Limited Partnership

Other Business

Adjourn



EDA Regular

1.

Meeting Date: 07/05/2017

Subject: Approve Minutes of January 17, 2017

From: Joan Lenzmeier, City Clerk

INTRODUCTION

DISCUSSION

RECOMMENDATION

Attachments

January 17, 2017

ECONOMIC DEVELOPMENT AUTHORITY MEETING OF JANUARY 17, 2017

A meeting of the Coon Rapids Economic Development Authority was called to order by President Jerry Koch at 6:57 p.m. on January 17, 2017 in the Council Chambers.

Members Present: President Jerry Koch, Commissioners Brad Greskowiak, Bill Kiecker, Wade Demmer, Jennifer Geisler, Brad Johnson and Steve Wells

Members Absent: None

CALL TO ORDER

President Koch called the meeting to order at 6:57 p.m.

ROLL CALL

All Present.

MINUTES OF PREVIOUS MEETING

1. Approve Minutes of the October 18th, 2016 HRA Meetings

MOTION TO APPROVE BY COMMISSIONER JOHNSON, SECONDED BY COMMISSIONER WELLS. COMMISSIONERS GEISLER, GRESKOWIAK AND KIECKER ABSTAINED. THE MOTION PASSED UNANIMOUSLY.

NEW BUSINESS

2. Selection of EDA Officers for 2017

COMMISSIONER GEISLER WAS APPOINTED AS EDA SECRETARY AND COMMISSIONER GRESKOWIAK AS ASSISTANT SECRETARY. MOTION TO APPROVE BY COMMISSIONER JOHNSON, SECONDED BY COMMISSIONER WELLS.

OTHER BUSINESS

ADJOURN

MOTION BY COMMISSIONER WELLS, SECONDED BY COMMISSIONER JOHNSON, TO ADJOURN THE JANUARY 17, 2017 EDA MEETING AT 6:59 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:
Joan Lenzmeier, City Clerk



EDA Regular

2.

Meeting Date: 07/05/2017

Subject: Adopt Resolution 17-1 Approving Second Amendment to Development Agreement with Cottage Homesteads of Coon Creek Limited Partnership

From: Grant Fernelius, Community Development Director

INTRODUCTION

The EDA is asked to adopt Resolution 17-1 which authorizes a Second Amendment to the Development Agreement with the 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 first round of funding requests for 2017 occurred this past January and the developer was unsuccessful in securing an allocation. One of the primary issues is that projects with age restrictions do not score well under the State's ranking system.

There has been a long history with this project. As you might recall, at the developer's request last fall the EDA approved a First Amendment to the original development agreement which modified the tenant eligibility criteria. The amendment put in place partial age restrictions, which limits 80% of the units to people age 55+. The remaining 20% of the units are available to the open market. The developer believed that the partial age restriction would allow them to preserve the senior housing character of the project, while also improving their scoring chances under the MHFA system. Unfortunately, that turned out not to be case and the owner has since learned that the partial age restriction lowered their ranking. They are now seeking to reverse the partial age restriction and restore the development agreement to the language from the original 1998 agreement. That agreement had no specific age-related restrictions. The City Council did discuss this request on two occasions earlier this year at Council Work Sessions on February 21st and April 18th.

RECOMMENDATION

Staff recommends that the EDA adopt Resolution 17-1 which authorizes a Second Amendment to the Development Agreement with the Cottage Homesteads of Coon Creek Limited Partnership.

Attachments

EDA Resolution 17-1
Second Amendment to Development Agreement

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

RESOLUTION NO. 17-1

**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 any units of the 47 unit housing facility located at 2600 – 2689 and 110th Lane NW (the “Facility”) 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 Facility.

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 July 5, 2017.

President

ATTEST:

Executive Director

**SECOND 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**

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

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

This Second Amendment to Contract for Private Redevelopment Agreement (the “Second Amendment”) is made as of the 5th day of July, 2017, 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 as amended (the “Original Agreement” and, together with this 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 Second 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 any units of the 47 unit housing facility located at 2600 – 2689 and 110th Lane NW (the “Facility”) 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;

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 Second 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 Second Amendment to Development Agreement

**COTTAGE HOMESTEADS OF COON CREEK
LIMITED PARTNERSHIP**

a Minnesota limited partnership

By: _____
Its _____

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Signature pages to Second Amendment to Development Agreement