



**HOUSING AND REDEVELOPMENT  
AUTHORITY AGENDA  
Tuesday, October 16, 2018  
Immediately Following Regular Council Meeting  
Coon Rapids City Center  
Council Chambers**

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**Call to Order**

**Roll Call**

**Approval of Minutes of Previous Meeting**

**New Business**

1. Consider Sale of Residential Lot, 9920 Olive St.

**Other Business**

**Adjourn**



## **HRA Regular**

1.

**Meeting Date:** 10/16/2018

**Subject:** Consider Sale of Residential Lot, 9920 Olive St.

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

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## **INTRODUCTION**

The HRA is asked to consider the sale of a single-family lot at 9920 Olive Street acquired as part of the Scattered Site Acquisition program.

## **DISCUSSION**

The property at 9920 Olive Street was acquired from the State of Minnesota as tax-forfeited property for \$57,300 in early 2018. 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. The HRA demolished the substandard house that was located on the site and performed a geotechnical evaluation to determine suitability for construction of a new house. The HRA marketed the lot on the City's web site and Tollberg Homes offered \$50,000 for the lot, which Staff believes reflects current market value. The buyer proposes to construct a house that generally meets the HRA's established design criteria. A purchase and redevelopment agreement for the property is attached. The agreement requires the buyer to construct the proposed house by October 31, 2019 and also provides for the return of title to the HRA if the buyer should fail to perform as agreed.

## **RECOMMENDATION**

Staff recommends that the HRA:

1. Conduct a public hearing.
  2. Approve the purchase and redevelopment agreement with Tollberg Homes, LLC for the lot at 9920 Olive Street.
  3. Authorize the Chair and Secretary to execute the deed.
  4. Authorize Staff to execute other closing documents as necessary to close on the property.
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## **Attachments**

Location Map

Purchase and Redevelopment Agreement

House Plan

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# PURCHASE AND REDEVELOPMENT AGREEMENT

9920 Olive St. NW

25-31-24-22-0046

**1. Parties.** This Purchase and Redevelopment Agreement is made on October 16, 2018 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON RAPIDS, a public body corporate and politic under the laws of Minnesota having its office located at 11155 Robinson Drive, Coon Rapids, Minnesota 55433 (Seller), and TOLLBERG HOMES, LLC, a Minnesota corporation (Buyer).

**2. Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property legally described as follows (the Property):

Lot 4 Block 7 Woodcrest, Anoka County Minnesota.

**3. Price and Terms.** The price for the Property is *Fifty Thousand Dollars (\$50,000)*, which Buyer shall pay as follows:

a. Earnest money in the total amount of \$1,500.00 by certified check payable to the Seller upon execution of this Agreement. All earnest money shall be applied towards the purchase price.

b. The balance of the purchase price by certified check on the date of closing

c. The Date of Closing shall be within thirty (60) days of the date of this agreement unless otherwise mutually agreed upon by the parties.

**4. Document to be delivered at closing.** On the closing date, Buyer shall deliver to Seller the balance of the purchase price and Seller shall deliver to Buyer:

a. A duly executed general warranty deed, conveying marketable title to the Property to Buyer, subject only to the performance of the Buyer as described in Section 12 and to:

- i. Building and zoning laws, ordinances, State and Federal regulations;
- ii. Utility and drainage easements which do not interfere with Buyer's intended use of the Property; and
- iii. Reservation of any minerals or mineral rights to the State of Minnesota.

b. A duly executed affidavit of Seller.

c. All documents necessary to establish marketable title to Buyer.

**5. Real Estate Taxes and Special Assessments.** On or before the Date of Closing, Seller will pay all delinquent real estate taxes, penalties, and interest, if any. Real estate taxes due and payable in the year of closing will be prorated between Buyer and Seller as of the Date of

Closing. Seller shall pay on Date of Closing all special assessments levied against the Property as of the date of this agreement. Seller represents that there are no special assessments pending as of the date of this agreement. If a special assessment becomes pending after the date of this agreement and before the Date of Closing, Buyer may, as Buyer's option:

- a. Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
- b. Require Seller to pay the pending special assessment and Buyer shall pay a commensurate increase in the purchase price of the Property, which increase shall be the same as the estimated amount of the assessment; or
- c. Declare this agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.

**6. Marketability of Title.** Buyer shall have ten (10) days after the date of this Agreement to examine the title to the Property and to deliver written objections to title, if any, to Seller. Seller shall have thirty (30) days after receipt of written objections to cure title defects. Upon receipt of Buyer's title objections, Seller shall, within ten (10) business days, notify Buyer of Seller's intention to make title marketable within the 30-day period. Seller shall permit no additional encumbrances to be made upon the Property between the date of this Agreement and the Date of Closing.

**7. Title Clearance and Remedies.** In the event that title to the Property cannot be made marketable or is not made marketable by the Seller by the Date of Closing, then, at the option of the Buyer: this Purchase Agreement shall be null and void; neither party shall be liable for damages hereunder to the other; the Earnest Money, if any, shall be refunded to the Buyer; and Buyer and Seller agree to sign a cancellation of this Purchase Agreement.

- a. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:
  - i. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;
  - ii. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.
- b. If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:
  - i. Seek damages from Seller including costs and reasonable attorney's fees;
  - ii. Seek specific performance within six months after such right of action arises.

**8. Condition of Property.** Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees to accept the Property AS IS. Buyer has the right, at its own expense, to perform a geotechnical evaluation within 10 days of execution of this Agreement for the purpose of determining if the soil is suitable for construction of the dwelling noted in Section 12 below. If the geotechnical evaluation indicates that the soil corrections required to construct the dwelling would make construction cost-prohibitive, the Buyer may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void and all earnest money paid hereunder shall be refunded to the Buyer. Written notice of rescission must be served upon the Seller within 20 days of execution of this Agreement. Seller makes no warranties as to the condition of the Property, except that the Seller warrants that public water and public sewer services are available at the Property.

**9. Well Disclosure.**

Seller certifies that Seller does not know of any wells on the property; OR

Wells on the subject real property are disclosed by Seller on the Well Disclosure form attached to this agreement as Exhibit A.

**10. Individual Sewage Treatment System Disclosure.**

Seller certifies that there is no individual sewage treatment system on or serving the property; OR

Individual sewage treatment systems on or serving the property are disclosed by seller on the attached disclosure statement.

**11. Methamphetamine Disclosure.** To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

**12. Construction of Dwelling.** Buyer agrees that it will construct or pay for the construction of a new single family dwelling on the property. This covenant shall survive the delivery of the deed.

a. The single family dwelling constructed in accordance with this Section shall be referred to as the "Minimum Improvements".

b. The Minimum Improvements shall be those shown in the proposal which was submitted to and approved by the Seller on August 26, 2018 and which is attached to this Agreement as Exhibit B. The Minimum Improvements shall be built in accordance with the Site and Building Standards attached as Exhibit C.

c. **Deadline for Construction.** Construction of the dwelling on the property must be substantially completed by October 31, 2019. The dwelling shall be judged to have been "substantially completed" when the Minimum Improvements have been completed and

the final Certificate of Occupancy for the Minimum Improvements has been issued by the Building Official.

d. Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Buyer to construct such Minimum Improvements (including the date for completion thereof), the Seller will furnish the Buyer with a Certificate of Completion for such improvements. Such certification by the Seller shall be (and it shall be so provided in the deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of the Buyer and its successors and assigns, to construct the Minimum Improvements and the dates for completion thereof.

The certificate provided for in this Section of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Buyer, provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Seller for the Buyer to take or perform in order to obtain such certification.

The construction of the Minimum Improvements shall be deemed to be substantially completed when the Buyer has received a final certificate of occupancy from the responsible inspecting authority.

**13. Time is of the essence for all provisions of this contract.**

**14. Notices.** All notices required herein shall be in writing and delivered personally or mailed to the address shown in Section 1 above and, if mailed, are effective as of the date of mailing.

**15. Minnesota Law.** This contract shall be governed by the laws of the State of Minnesota.

**16. Nonassignable Agreement.** This Agreement may not be assigned. In the event of the death of the Buyer before the Date of Closing, this Purchase Agreement shall be null and void, and all Earnest Money shall be paid to the Buyer's estate.

**17. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer.** In the event that subsequent to conveyance of the Property or any part thereof to the Buyer and prior to receipt by the Buyer of the Certificate of Completion for of the Minimum Improvements, the Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from the Seller to the Buyer to do so,

then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in the Seller) the estate conveyed by the Deed to the Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Buyer and failure on the part of the Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the Property conveyed to the Buyer, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of a portion of the Property for which a Certificate of Completion has been issued.

For the purposes of this Agreement, the term "Unavoidable Delays" means delays beyond the reasonable control of the Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

**18. Resale of Reacquired Property; Disposition of Proceeds.** Upon the re-vesting in the Seller of title to and/or possession of the Property or any part thereof as provided in Section 17, the Seller shall apply the purchase price paid by the Buyer under Section 3 of this Agreement as follows:

- (a) First, to reimburse the Seller for all costs and expenses incurred by the Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of re-vesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of

the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the Seller by the Buyer and its successor or transferee; and

(b) Second, to reimburse the Buyer for the balance of the purchase price remaining after the reimbursements specified in paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

**19. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

Dated: \_\_\_\_\_

**SELLER:**

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

By: \_\_\_\_\_  
Jerry Koch, Chair

By: \_\_\_\_\_  
Brad Johnson, Secretary

Dated: \_\_\_\_\_

**BUYER:**

**TOLLBERG HOMES, LLC**

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

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

Approved as to form:

\_\_\_\_\_  
David Brodie  
City Attorney

Exhibit A: Well Disclosure  
Exhibit B: House Plans  
Exhibit C: Site and Building Standards

**Exhibit A - Well Disclosure**  
**(none)**

## **Exhibit B - House Plans**

## **Exhibit C - Site and Building Standards**

## Site and Building Standards:

### 1. Interior Building Design

- The home shall be single-family and owner-occupied.
- Minimum of three bedrooms and two full bathrooms, and a full basement, unless precluded by soil conditions.
- Value added amenities such as greatrooms, dens or porches are required.
- Energy efficient products and construction techniques are encouraged. The HRA will consider a reduced sale price for construction of a house meeting the requirements of the LEED-H rating system.

### 2. Exterior Building Design

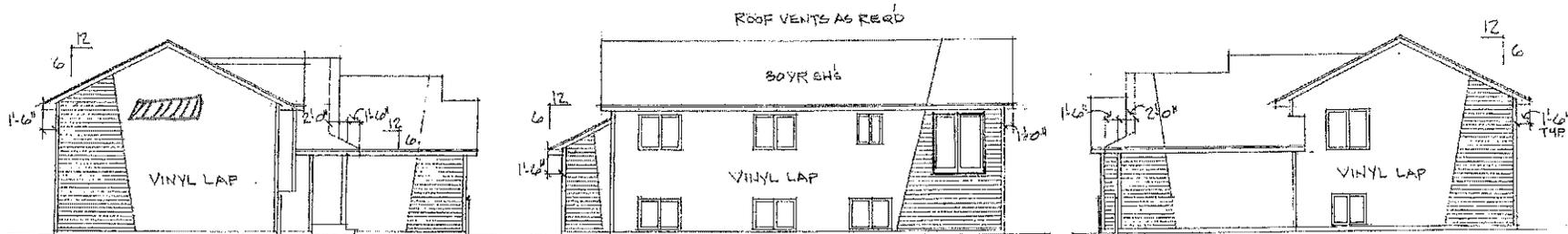
- The new structure shall be constructed in a manner, quality, and value equal to or better than the surrounding structures. Height and mass should be as compatible with the scale of the surrounding neighborhood as possible. Two story homes on a block of one story homes can be designed with compatible style and finishes. Architectural details such as roofline, gables, and window detailing shall be as compatible with existing buildings in the neighborhood as possible given the other objectives of this program.
- Windows shall be presented on all building elevations. The front elevation should contain a “feature window” (i.e. large picture window, shutters) to add interest.
- A variety of different exterior materials should be used, such as wood, brick, or stucco, to add contrast. Vinyl siding and similar low maintenance materials are acceptable only in combination with other natural materials.
- The building’s design should emphasize the front door as the focal point, possibly by including a front porch.

### 3. Garage Design

- The appearance of the garage door should be minimized as much as possible (i.e. separate doors for each stall) and the garage should be located no closer to the street than the house’s front façade line. If a three-car garage is proposed, each stall should have a separate door.

### 4. Site and Grounds

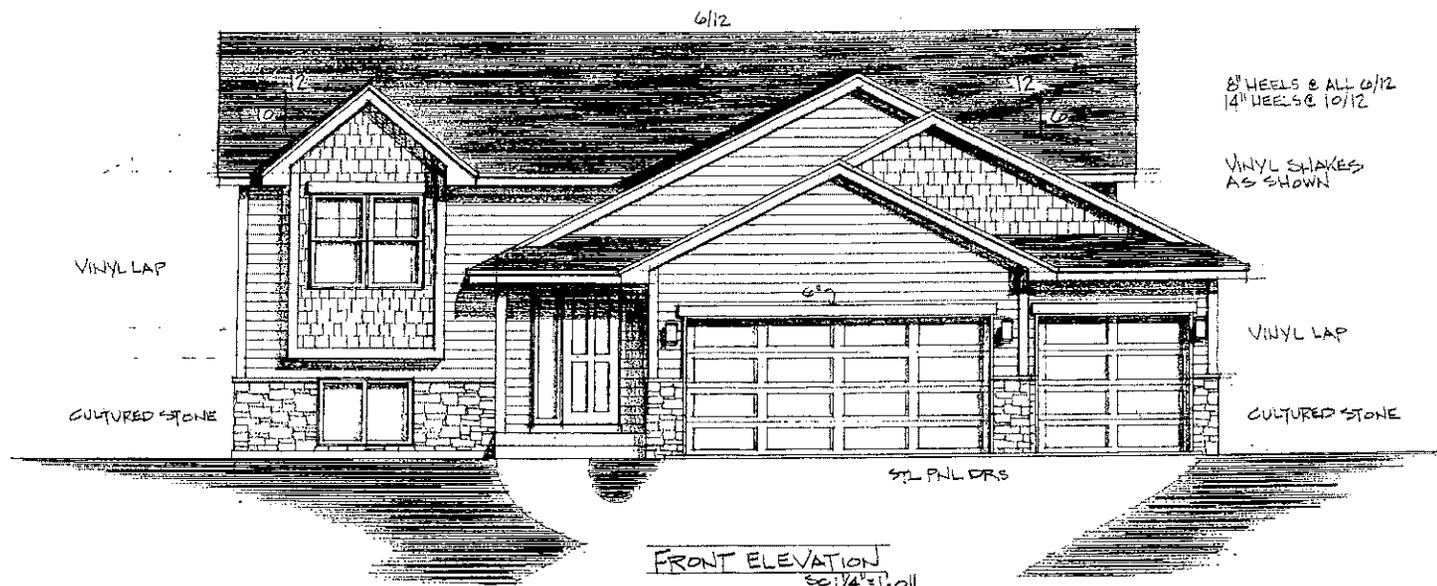
- The entire ground shall be landscaped to be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend with the adjoining property. Landscaping should shade hardscapes and erosion controls should be installed.
- On lots that contain several mature trees, as many trees as possible should be preserved. Tree wrap reinforcement shall be used on trees directly adjacent to active grading and construction areas.
- If the existing curb cut is not used for a new driveway, it must be removed and replaced with curb.
- Air conditioning units should be located in the rear yard of the house and utility meters should be screened from public view.



LEFT ELEV  
SC: 1/8" = 1'-0"

REAR ELEV  
SC: 1/8" = 1'-0"

RIGHT ELEV  
SC: 1/8" = 1'-0"



FRONT ELEVATION  
SC: 1/4" = 1'-0"

8" HEELS @ ALL 6/12  
14" HEELS @ 10/12

VINYL SHAKES  
AS SHOWN

VINYL LAP

CULTURED STONE

VINYL LAP

CULTURED STONE

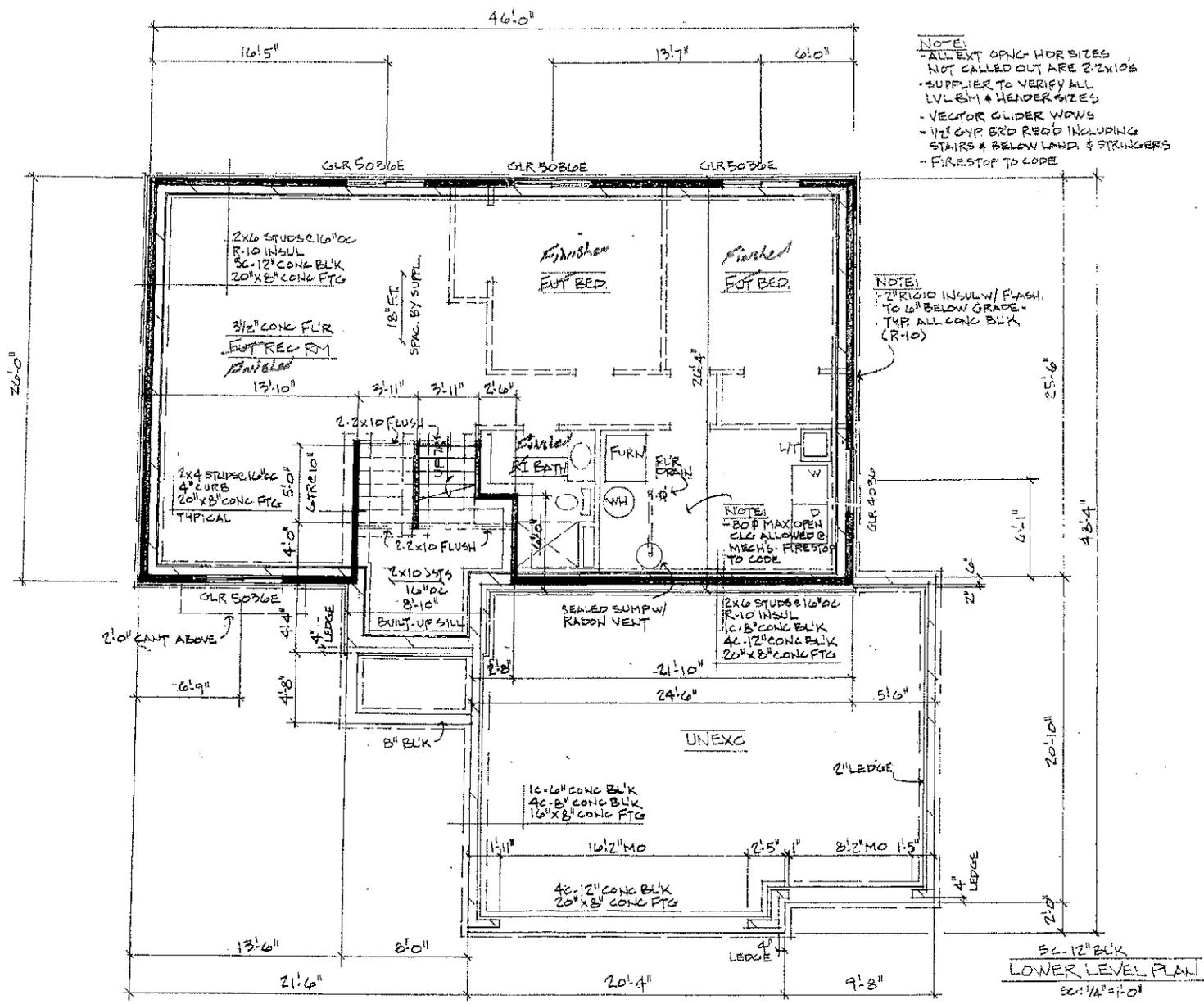
STL PAL DRS

NORTHWEST DESIGN INC. ASSUMES NO RESPONSIBILITY FOR ERRORS OR OMISSIONS. THE CONTRACTOR MUST VERIFY ALL NOTES, DIMENSIONS AND CONDITIONS PRIOR TO THE START OF CONSTRUCTION AND BE RESPONSIBLE FOR THE SAME THROUGH COMPLETION. NO GUARANTEE EXPRESSED.



NEW HOME BY:  
TOLLBERG HOMES

PLAN: 218.041  
7.1.12



NOTE:  
 - ALL EXT. OPNG. HOR. SIZES NOT CALLED OUT ARE 2"x10"  
 - SUPPLIER TO VERIFY ALL LVL. BM. & HEADER SIZES  
 - VECTOR GLIDER W/WS  
 - 1/2" GYP BRD. RECD. INCLUDING STAIRS & BELOW LAND. & STRINGERS  
 - FIRESTOP TO COPE

NOTE:  
 - 2" RIGID INSUL. W/ FLASH TO 1" BELOW GRADE.  
 - TYP. ALL CONC. BLK. (R-10)

NOTE:  
 - 80% MAX. OPEN. CLR. ALLOWED FOR MECH'S. FIRESTOP TO CODE

5c-12" BLK  
 LOWER LEVEL PLAN  
 1/8" = 1'-0"

