

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
7:00 P.M.
TUESDAY, MARCH 13, 2018
COUNCIL CHAMBERS

1. MEETING CALLED TO ORDER
2. MICROPHONE CHECK:
3. ROLL CALL: Rogan, Blonigan, Murphy, Backen, President Selman
4. CONSENT AGENDA:
Pursuant to REDA policy, one motion, non-debatable, will approve the recommendation noted. Any member of the REDA Board may ask for an item to be taken from the Consent Agenda for discussion and separate action. Such items removed from the Consent Agenda shall be considered immediately following approval of the balance of the Consent Agenda:
 - A. **Motion** to approve and order placed on file minutes of the following:
 - **Regular Meeting Minutes** of February 13, 2018..... **2-3**
 - B. **Motion** to approve Disbursement Requests for period ending March 13, 2018..... **4**
5. CONTINUED PUBLIC HEARINGS:
 - A. 4530 Regent - Disposition of Land..... **5-15**
6. PUBLIC HEARINGS:
 - A. None scheduled.
7. OLD BUSINESS:
 - A. None scheduled.
8. NEW BUSINESS:
 - A. 4501 Orchard – First Right of Refusal..... **16**
 - B. 4131-35 West Broadway..... **17-18**
9. OTHER BUSINESS:
 - A. None scheduled.
10. INFORMATION ONLY:
 - A. No action required..... **19-20**
11. REDA GENERAL COMMUNICATIONS
12. ADJOURNMENT

Marcia E. Glick

Marcia Glick, Executive Director

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
7:00 P.M.
TUESDAY, FEBRUARY 13, 2018
COUNCIL CHAMBERS

AGENDA ITEM # 4A
March 13, 2018

CALLED TO ORDER

1. The Robbinsdale Economic Development Authority (REDA) meeting was called to order by President Selman at 7:00 p.m.

MICROPHONE CHECK

2. Complete.

ROLL CALL

3. Members Present: Backen, Blonigan, Murphy, Rogan, President Selman
Members Absent: None
Staff: Marcia Glick, City Manager

#3A-C: CONSENT AGENDA:

4. **MOTION** by Member Rogan, seconded by Member Murphy to approve Consent Agenda Items A - C. **All were in favor and the motion carried.**
 - A. Motion to approve and order placed on file minutes of the following:
 - **Regular Meeting Minutes** of January 9, 2018;
 - B. Motion to accept update regarding the **Open for Business** program;
 - C. Motion to approve **Disbursement Requests** for period ending February 13, 2018.

#5A. CONTINUED PUBLIC HEARING: 4530 Regent Ave N – Disposition of Land

5. Glick reported that a lot reservation deposit has been received from James Peterson who has completed several homes here.
6. President Selman opened the public hearing.
7. No one from the public spoke to this item.
8. **MOTION** by Member Murphy, seconded by Member Rogan to continue the public hearing to March 13, 2018 at 7:00 p.m. **All were in favor and the motion carried.**

#11. REDA GENERAL COMMUNICATIONS:

9. Member Murphy suggested Marnas not use on-site parking for commercial vehicles.
10. Member Murphy suggested staff check on Hy-Vee floor plans.
11. Member Blonigan announced the DNR agreed to usage of rip rap approved for under bridge repairs.
12. President Selman noted that the Hy-Vee security fence along Highway 81 is damaged.

REDA MEETING MINUTES

February 13, 2018

Page 2

12. ADJOURNMENT:

13. **MOTION** by Member Murphy, seconded by Member Blonigan to adjourn the meeting at 7:08 p.m. **All were in favor and the motion carried.**

Marcia Glick, Recording Secretary

George B. Selman, President



AGENDA ITEM # 4B
March 13, 2018

**CONSENT AGENDA: Disbursement Requests for period ending
March 13, 2018**

This information will be distributed at the meeting.



AGENDA ITEM # 5A
March 13, 2018

PUBLIC HEARING: Disposition of lot at 4530 Regent Ave. N. Possible Executive Session

BACKGROUND:

Jim Peterson paid a lot reservation for 4530 Regent Ave. N. on February 9 and is now presenting a house concept with an offer for \$28,000 for the lot. The asking price for the Regent lots had been \$40,000 because of the potential for buried foundations, or other rubble. His development proposal is included as **Attachment A**.

Mr. Peterson's other reasons are that trees need to be removed including a large silver maple; a sewer lift station is required; water service goes to Regent and the sewer goes to the alley. He also cited: he will be putting LP siding on all sides of the house; the upper level will overlook County Road 81 and that it is on the edge of the Quail Ridge neighborhood.

A notice has been sent to the Quail Ridge neighborhood.

ANALYSIS/CONCLUSION:

The site plan and house concept are included as **Attachment B**. It shows a 2-story house with a front porch and attached 2-car garage oriented towards the alley. The house is comparatively narrow at 22 feet, but is 66 feet long.

Main Floor 956 finished square feet includes:

- 9 ft. ceiling and hardwood floors throughout.
- Open floor plan with 2 ft. fireplace bump-out with shelves and "piano" windows; kitchen island, walk-in pantry; white cabinets and granite counter tops.
- Front entry closet, Garage entry into mud room, ½ bath powder room, and walk-in closet. Rear area leading to the garage will have ceramic flooring.
- 22' x 22' garage (not included on floor area calculation).
- 6 ft. sliding door for future patio.

Second Floor 1,100 finished square feet includes:

- Owner's suite with private ¾ bathroom & walk-in closet.
- 2 additional bedrooms which share a full bath.
- Laundry.

Basement Unfinished.

- Future ¾ bathroom.
- Egress window well for future bedroom.

Other required Quail Ridge development area housing amenities not addressed (Builder's response is in bold italics):

- Cove moldings (***No crown molding.***)
- Masonry on the front not shown.

- Main floor area less than 1,100 sq. ft. (-144 sq. ft.) *(If I add 144 sq. ft. that adds 7 to 9 thousand to the price. I would have to go to a totally new plan. I'm pushing \$385,000 right now.)*
- Garage is not oversized *(I can enlarge the garage to 24 ft.)*.
- 6 panel doors *(The latest trend is 2 panel doors which will be provided).*

Staff has provided the Quail Ridge performance expectations to Mr. Peterson. If approved, the 2,056 finished square feet as proposed would be the second smallest Quail Ridge House. 4500 Perry (a rambler with a partially finished walk-out basement had 2,012 finished square feet. The Quail Ridge Floor Area Study is included as **Attachment C**.

Mr. Peterson expects the selling price for the home to be \$370,000. The plans have been sent to the Hennepin County Appraiser for an estimated market value range.

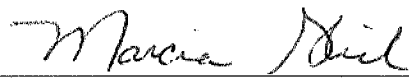
The REDA may choose to discuss the offer for the lot in executive session.

RECOMMENDATION:

1. Open the public hearing.
- 2a. If the REDA accepts the lot development proposal, then Motion to adopt the resolution shown in **Attachment D** and authorize the Executive Director to execute a development agreement with James C. Peterson & Assoc., Inc for the development of 4530 Regent Ave. N.

Or

- 2b. Continue the public hearing until April 10, 2018 at 7 pm.


 Marcia Glick, Executive Director

CONCURRENCE:


 Rick Pearson, Community Development Coordinator



Robbinsdale Economic Development Authority Development Proposal for:

4530 Regent Ave N

Address Proposed for Development

Name: James C. Peterson & Assoc., Inc James Peterson

Address: 5711 Oakview Lane N, Plymouth, MN 55442

Daytime Phone/Fax Numbers/email address: Jcpetersonhomes@gmail.com 763-670-3981

Please attach a description of the home you would like to build on this lot- note that we require at minimum:

1. front elevation of the home as you envision it – this should show finishing details where possible.
2. scaled floor plans indicating the areas that would be finished and type of room (bedroom, dining room, ..)
3. site plan showing the proposed home and garage location on the lot and the number of garage stalls.

[NOTE: Two surveys enclosed – Awaiting final legal description for Toledo from MNDOT – see note below]

How many square feet of **finished** living space would there be in your proposed home?

<u>956</u> First Level	<u>1100</u> Second Level	<u>un-finishe at this point</u> Basement
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What exterior materials would be used? (brick, steel siding, window type, roofing, type of foundation, etc.)

LP Smart siding, Arch shingles, poured foundation, fireplace, wood fl on 1st lwwl

What special features/upgrades would the home have? (fireplace, built-ins, WIC, 3 season porch, deck, etc.)

wood fl on 1st lwwl, white cab, pantry, granite kit counters, front porch

What price would you pay for the lot? \$28,000 for lot at _____

What would you estimate the selling price of the home to be? \$370,000

When would you plan to start construction? ASAP

When would you expect the home to be completed? NOV 2018

Are you building for an identified buyer? no

What else distinguishes your proposal from others we may consider?

Reasons for lot deductions:

Trees to be removed

Probable an old fonadtion

Needs a sewer lift system installed

Water has to go to Regent (\$7500 est)

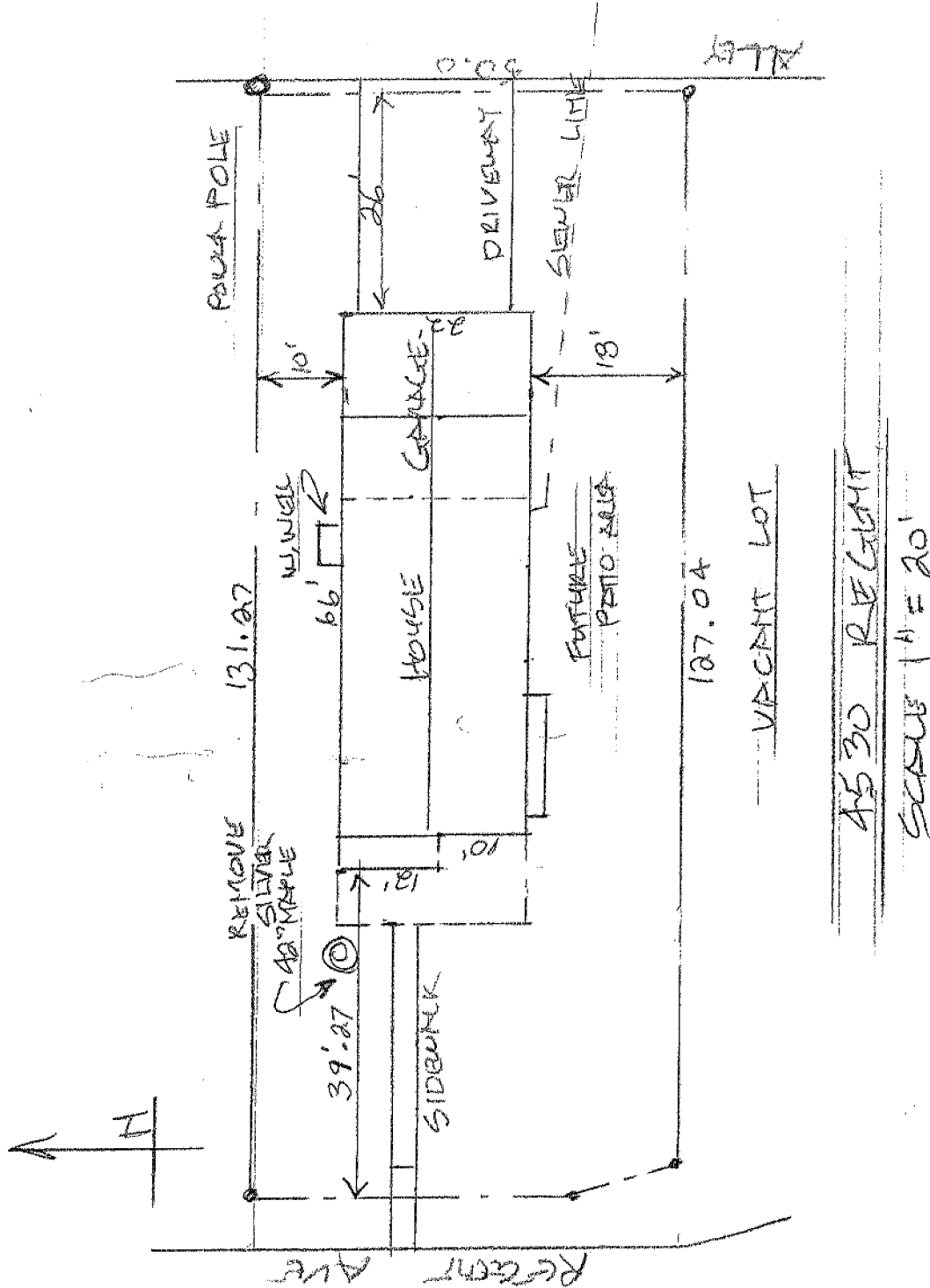
Sewer goes to the alley and replace large concrete slab (est \$7500

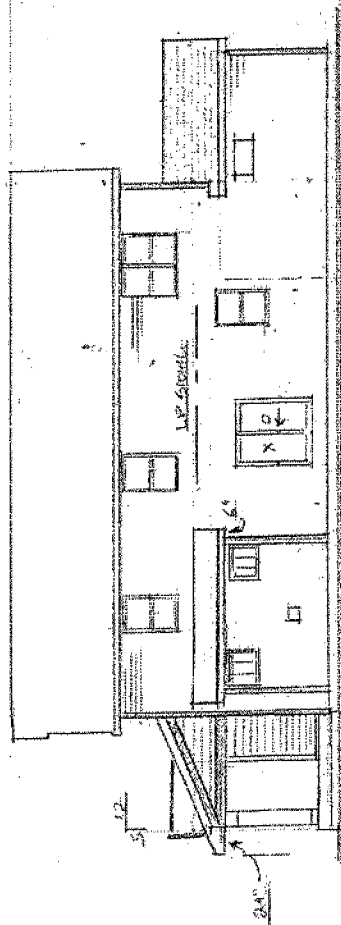
Up-graded siding

Next to older home

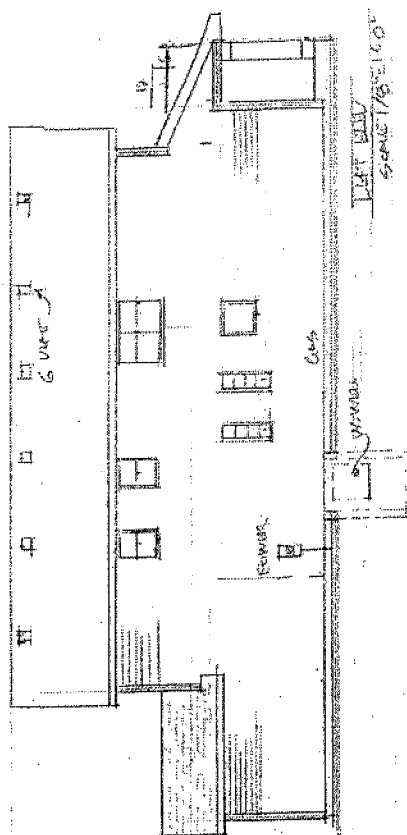
Upper level will overlook Hwy 81

3-5-808

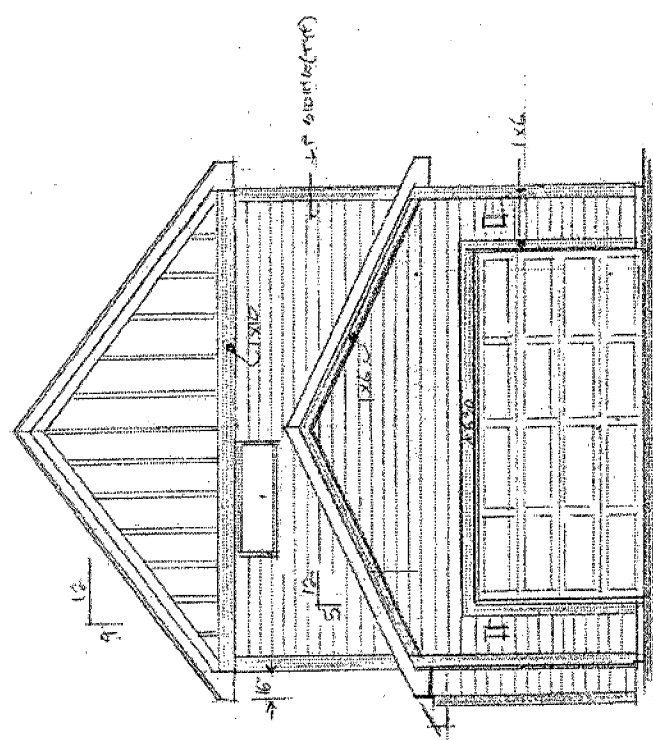




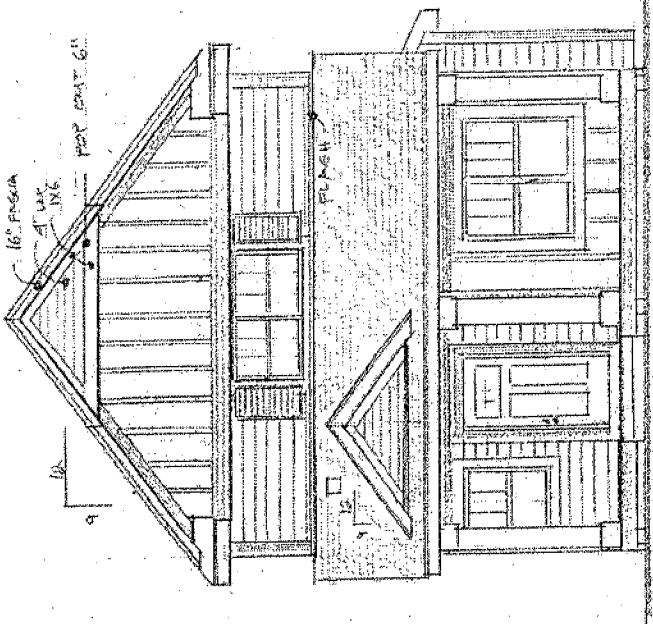
RIGHT ELEV. SCALE 1/8"=1'-0"



LEFT ELEV. SCALE 1/8"=1'-0"



REAR ELEV. SCALE 1/8"=1'-0"



FRONT ELEV. SCALE 1/8"=1'-0"

J.C. ROBINSON ARCHT.
5711 OAKVIEW LN
BETHLEHEM, PA 18010
763-670-3981
LIC # BCOO 2579

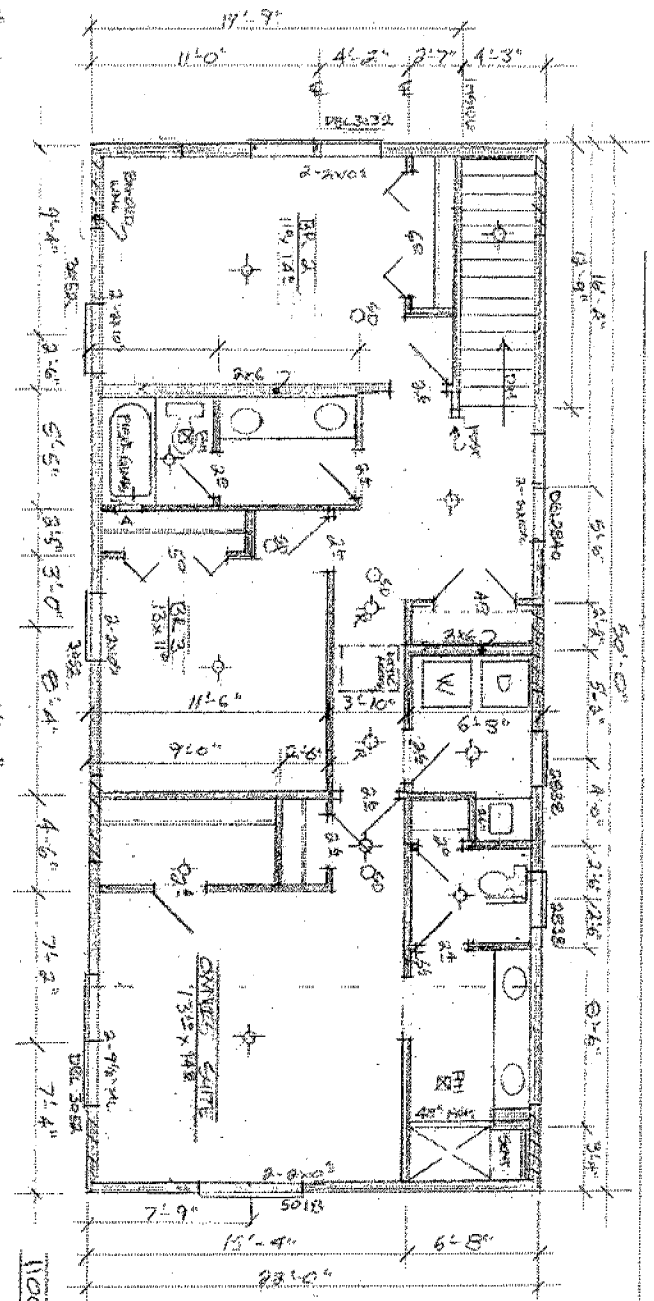
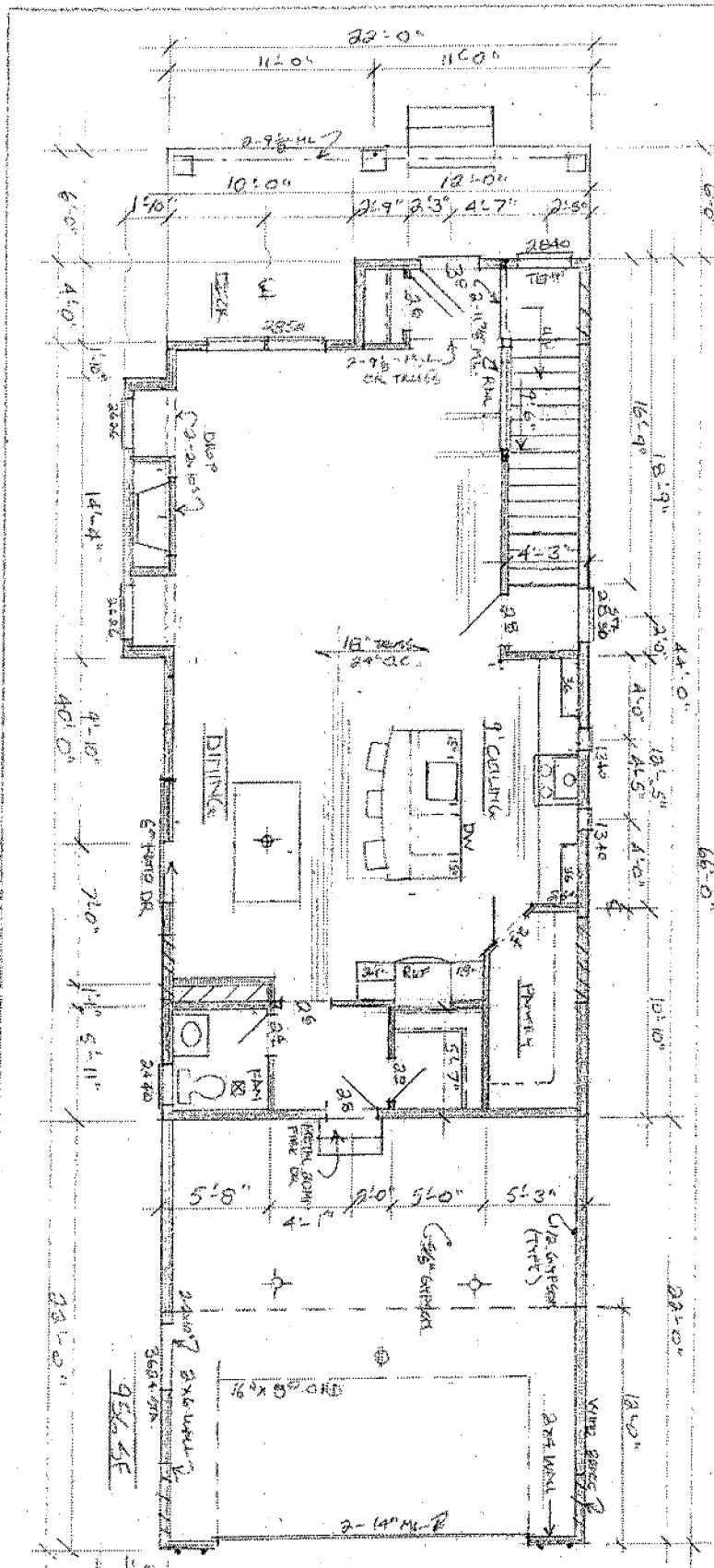
PROJECT 4530 REGENT AVE
ROBBINS DALE, PA

LOT 1

3/13/2018

FIRST FL. 456 SF
SECOND FL. 1100 SF
TOTAL 2056 SF

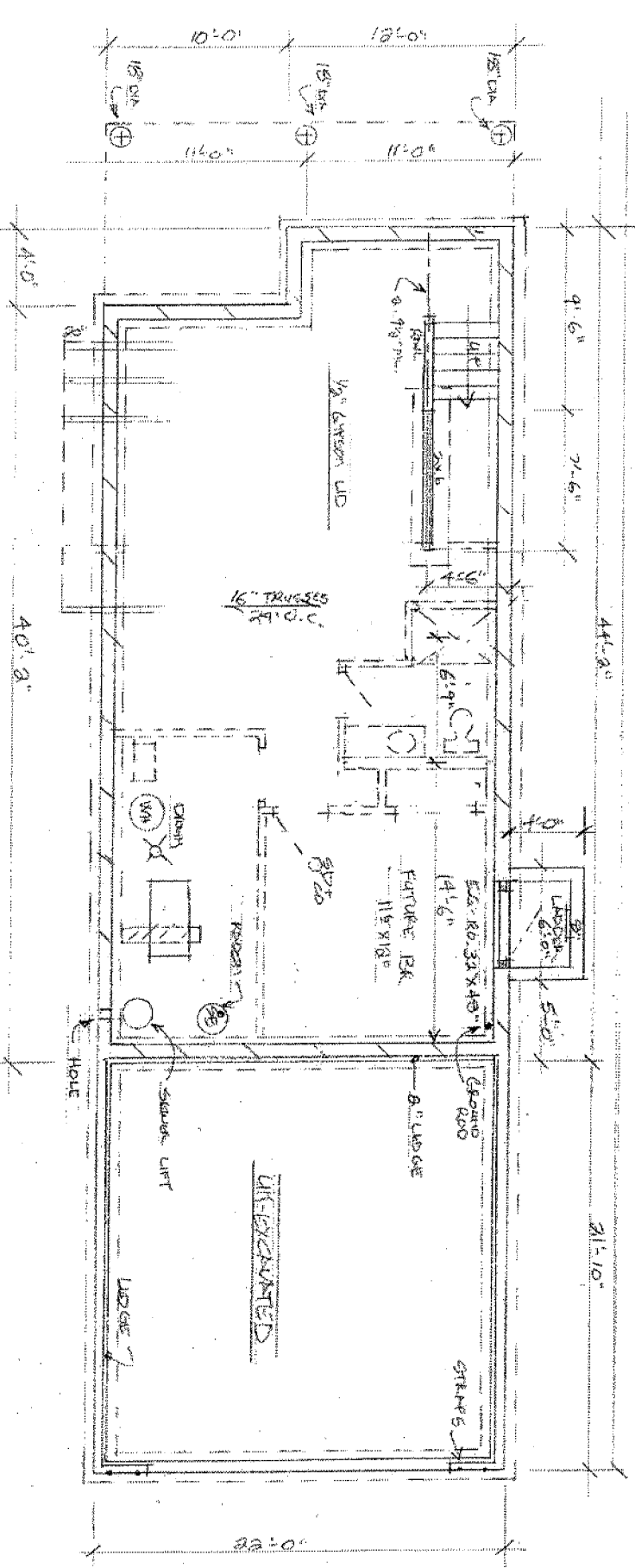
4530 REGENT AVE



SECOND FL.
FIRST FL.

4130 RESIDENT

3/4



BASMENT PLAN
 SCALE 1/4" = 1'-0"
 4530. RECEIPT NO. 3/4

Member _____ and Member _____ seconded a motion that the following resolution be read and adopted this 13th of March, 2018

REDA RESOLUTION NO. 2018-

**A RESOLUTION APPROVING THE DISPOSITION OF PROPERTY
LOCATED AT 4530 REGENT AVENUE NORTH BY THE
ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY TO
JAMES C. PETERSON & ASSOCIATES, INC.**

WHEREAS, the Robbinsdale Economic Development Authority (the “Authority”) has acquired the property legally described as follows:

Lot 1, Block 1, O’Neill Estates 3rd Addition,
Hennepin County Minnesota (the “Property”); and

WHEREAS, the Authority desires to convey the Property to James C. Peterson & Associates, Inc., (the “Buyer”), in accordance with the terms and conditions of a purchase agreement (the “Agreement”), a copy of which agreement has been presented to the Authority for its consideration; and

WHEREAS, the Authority has determined that conveyance of this single family lot is consistent with the purpose of the Quail Ridge Development area; and

WHEREAS, the Authority has determined that conveyance and of the Property is in the best interest of the public;

NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Robbinsdale Economic Development Authority:

1. That the terms and conditions of the Purchase and Development Agreement by and between the Authority and the Buyer are hereby approved in substantially the form presented to the Authority and modifications made thereto;
2. That the Executive Director of the Authority is hereby authorized to execute the Agreement on behalf of the Authority;
3. That in determining the purchase price of the Property set forth in the Agreement, the Authority has taken into consideration what it feels is the fair market value of the Property and incentive upgrades to the home; and
4. That the sale of the Property to the Buyer in accordance with the terms and conditions set forth the purchase agreement is hereby approved, and the President, Executive Director, or any two Members of the Authority are hereby authorized to execute a deed conveying the Property to the Buyer at the time, and upon the terms set forth in the Agreement.

Quail Ridge Floor Area Study 3-13-2018**4501 Quail Ave. N. (2006)**

- First Floor: 1,312
- Second Floor: 1,312
- Total: 2,624

4509 Quail Ave. N. (2007)

- First Floor: 1,245
- Second Floor: 1,215
- Total: 2,460

4505 Quail Ave. N. (2008)

- First Floor: 1,276
- Second Floor: 940
- Total: 2,216

4501 Perry Ave. N. (2008)

- First Floor: 1,619
- Second Floor: 1,222
- Total: 2,841

4500 Quail Ave. N. (2010)

- First Floor: 1,386
- Second Floor: 840
- Total: 2,226

4500 Perry Ave. N. (2013) Rambler with walk-out basement

- First Floor: 1,436
- Basement: 576 finished (860 unfinished)
- Total: 2,012

4513 Quail Ave. N. (2013)

- First Floor 1,080 sq. ft.
- Second floor 1,054 sq. ft.
- Total 2,134 sq. ft.

4504 Quail Ave. N. (2014)

- First Floor 967 sq. ft.
- Second Floor 1,179 sq. ft.
- Total: 2,146 sq. ft.

4518 Regent Ave. N. (2017)

- First Floor 1,139 sq. ft.
- Second Floor 1,338 sq. ft.
- Total: 2,477 sq. ft.

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2. That the Executive Director of the Authority is hereby authorized to execute the Agreement on behalf of the Authority;
3. That in determining the purchase price of the Property set forth in the Agreement, the Authority has taken into consideration what it feels is the fair market value of the Property and incentive upgrades to the home; and
4. That the sale of the Property to the Buyer in accordance with the terms and conditions set forth the purchase agreement is hereby approved, and the President, Executive Director, or any two Members of the Authority are hereby authorized to execute a deed conveying the Property to the Buyer at the time, and upon the terms set forth in the Agreement.

The question was on adoption of the resolution and upon a vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

**WHEREUPON SAID RESOLUTION WAS DECLARED DULY PASSED AND
ADOPTED THIS 13th DAY OF MARCH, 2018.**

George Selman, President

ATTEST:

Marcia Glick, Executive Director



AGENDA ITEM # 8A
March 13, 2018

New Business: 4501 Orchard – First Right of Refusal

BACKGROUND:

When REDA sold this lot to Soul Brothers on a contract for deed, the purchase & development agreement which stays in effect for 10 years from date of sale includes both a first right of refusal and requirement “REDA shall maintain the right to review and approve a concept plan for any future improvements to be constructed on the Property for a period *(through May 2026)*. No improvements may be made by any party upon the Property without prior written approval by REDA within said 10-year period.”

DISCUSSION:

A neighbor has offered to purchase the property for around \$40,000. Neighbor’s concept is to use as a neighborhood playground until such time as he might build a home on the lot. The potential buyer will be at the meeting to explain the concept.

RECOMMENDATION:

1. Determine if REDA is interested in buying the lot.
2. Determine if the neighborhood playground concept is acceptable.

A handwritten signature in black ink, appearing to read "Marcia Glick", written over a horizontal line.

Marcia Glick, Executive Director



AGENDA ITEM # 8B
March 13, 2018

New Business: 4131-35 W Broadway

BACKGROUND:

When REDA financed Pro Meals acquisition of these connected buildings on a contract for deed, the return on investment from the contract for deed was noted (interest rate of 5% gradually increasing to 10%) as well as the ownership of the site as security. The purchase price was \$390,000. REDA provided financing for \$351,000. The contract for deed financing was not deemed to be a business subsidy.

The March 20, 2018 balance on the contract will be \$315,015. The January 2017 estimated market value is \$387,000; the land value is estimated to be \$150,000.

The original plan, described to REDA in December, was to renovate the building including complete renovation of the building including flooring and kitchen improvements, exterior improvements including sandblasting the red paint to reveal natural brick, window and door replacement, and front light replacements. They anticipated paying off the REDA contract for deed as part of the refinancing.

After further exploration of remodeling costs and the building conditions including replacement of the building's entire infrastructure, private financing for a new building is proposed.

REDA is being asked to consider writing down the acquisition cost to the amount already paid (\$39,000 down payment to seller + principal payments of \$35,985 to date) and financing the demolition cost estimated to be \$60,000.

DISCUSSION:

The \$1.5-\$1.8M new building design would use the existing basement, eliminating the need for additional shoring under existing adjacent buildings. The new two-story space would have flexibility to use for seated dinners, corporate and private events of various sizes. The developer would be making a private loan down payment of 10% and invest \$100-\$200,000 towards interior improvements and equipment.

Both the Travail building and the ProMeals building(s) are in TIF District 10. The District was certified March 23, 2013 and the total budget can no longer be amended. The budget includes \$300,000 for the site acquisition/clearance of Travail building; \$291,866 in Interest Write Down; and \$78,402 in Bond/Note Interest payments – the budget total can be administratively adjusted.

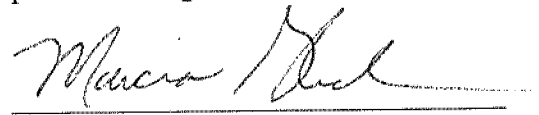
Staff recently learned of a County grant program which might be able to pay for demolition and some construction costs – total of about \$200,000. However an existing requirement for those funds NOT to be used in station areas would need to be waived (i.e. possible, not certain funding).

If REDA is willing to consider some type of revised sales terms, there would need to be a public hearing on the business subsidy prior to any decision – the same would be required for the County funds.

The hearing would be scheduled for the April 10 REDA meeting. In the interim, staff would also explore potential business expansion funds (county and state), REDA write-down, owner investment, TIF district constraints, and private financing to make the proposal doable.

RECOMMENDATION:

1. Consider the concept of a modification of sales terms for the property – this may be in closed session.
2. Determine next steps including scheduling a public hearing.

A handwritten signature in cursive script, appearing to read "Marcia Glick", written over a horizontal line.

Marcia Glick, Executive Director



AGENDA ITEM # 10A
March 13, 2018

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
Twin Oak cul-de-sac (<i>Beckmann</i>)	Site preparation underway.
3807 Major (<i>Hyland</i>)	TIF 2000-8. Homeowners moved in 12.16.17. Exterior work needs to be completed – painting, landscaping, sidewalk. Certificate of Completion not yet signed.
4629 France (<i>Carlyle</i>)	Purchase agreement signed. Right of entry for survey and tree removal.
4524 Regent (<i>Hammer</i>)	Closing deadline 4.30.18 – earnest money forfeited.
4530 Regent	Public hearing. Lot reservation from Jim Peterson <i>See agenda item.</i>
3912 Quail (<i>Beckmann</i>)	TIF 2000-9. Purchase agreement signed. Closing deadline 5/31/2018
3905 Quail (<i>Beckmann</i>)	TIF 2000-9. Property sold. Building permit submitted. Load limits delaying start.
3606 Lake Drive	Considering Park option.
4136 Regent – Garages (<i>Pendergast</i>)	TIF Project 8: Mortgage payments for acquisition started 6/2016.
39xx W. Broadway	Property is tax exempt pending redevelopment.
3636 France	Property REDA owns north of St Petersburg – possible sale in 2018
MNDOT Misc. (lots to acquire)	1. Vera Cruz between 41 & 42. 2 buildable lots available. 2. 42xx Toledo-lot on new street/new alley – appraisal requested 3. <u>Easement Only</u> – aging title commitment – on hold: 38 th & Vera Cruz
3760 Lee	Possible sale to City for water treatment plant.
3108-12 Grimes	Holding.
4212 Grimes; 4364 Grimes	Neighbors maintaining
OPEN TO BUSINESS	Office Hours even numbered months. 1 st Wednesday 9:30-11:30 a.m. Multi-year contract with ability to cancel.
4205 W Broadway BP Station	Option exercised – purchase agreement being reviewed. County assisting with environmental follow up. County grant \$400,000 TOD. Expect closing late March.
4614 41 ½ Ave N	Building leased to Soul Brothers for office, meeting space, and catering office.
Terrace Redevelopment TIF Agt.	Hy-Vee construction underway. Future action on TIF Note, etc.
4165 Hubbard N Side Oriental Mkt	Lease payments on schedule
4501 Orchard (<i>Soul Brothers</i>)	Contract for deed paid in full. Considering sale – REDA has right of first refusal and on-going approval of concept. <i>See agenda item.</i>
4131-35 W Broadway/ PAMP Façade loan	Contract for Deed . Considering rebuilding from ground up with private financing – seeking payment reduction on contract. <i>See agenda item.</i>
Lions Gym Façade loan	Projects completed – forgiven after 10 years (January 2022)
EMI Rehab Façade loan	Projects completed – forgiven after 10 years (January 2022)
Wicked Wort – Façade loan	Project completed – forgiven after 10 years (December 2025)
Golden Age Design Façade loan	Project completed – forgiven after 10 years (December 2026)
Clare Housing TIF District	Pay-as-you-go TIF agreement.
Downtown/Plaza Project	Checkerboard patterns being repaired. 2 nd Mural is in discussion – possibly relocating Whiz Bang mural. Robin Center would be open to mural N side of lower center.
Business District Initiative	See Detail on next page. Completion required by October 2018.

Marcia E. Glick

Marcia Glick, Executive Director

Business District Initiative - \$35,000 Project deadline October 2018		
	Total Budget	Grant
Ace Hardware - Awning - Potential request -owner change	\$3,433.20 \$15,000 estimate	\$1,144.40 complete \$5,000 -estimate
Straight Stuff - awning & paint	\$3,029.62	\$1,010 complete
Performance Meals - awning - window and other façade update	\$2,900 \$22,101	\$ 966.77 complete \$7,367
4180 W Broadway - awnings & paint	\$6,200	\$1,111.29 complete
Lions Gym - Hubbard window/door also doing window on N side	\$5,842 grant elig. \$ 7,368 total	\$1,947.70 complete
Wickedly Charming - Windows, stucco repairs, signs	\$4,746.68	\$1,582.22 complete
Golden Age Design - Hubbard side sign, lights, paint - Loan on WB side - Decided not to do lighting addition	\$5812 total project - \$3,874.67 loan	\$ 1,937.33 complete
P & D Mechanical (early 2018) - Confirmed interest in N side stucco		
Nonna Rosa's - Awnings - Considering window updates	\$2,670 est. plus permits included rear entrance not eligible for grant.	\$ 769.33 awnings
Broadway Court - Commercial Space awning and lighting updates	\$5034	\$1,678 complete
Wicked Wort - Time/Temp Sign Update	\$29,661.07	\$9,887.02 complete
Marnas - Awning and Lights replacement	\$8,500	\$2,833.33
	Total Investment \$45,856.50 Pending \$30,601 Total project \$76,457.50 Incentive Budget \$35,000	Total Complete \$22,034.06 Pending \$ 10,200.33 Total \$32,234.39 Remaining \$2,765.61