ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
7:00 P.M.
TUESDAY, APRIL 9, 2019
COUNCIL CHAMBERS

1. MEETING CALLED TO ORDER

2. MICROPHONE CHECK:

3. ROLL CALL: Blonigan, Murphy, Backen, Selman, President Rogan

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 March 12, 2019.................... 2-4

B. **Motion** to approve **Disbursement Requests** for period ending April 9, 2019.................... 5

C. **Motion** to authorize the Executive Director to execute the **First Amendment to Contract for Private Development with ProMeals, LLC** extending completion date to September 30, 2019.................... 6

D. **Motion** to adopt **Resolution Authorizing An Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 14**.................... 7-9

E. **Motion** to authorize the Executive Director to execute the **1st Amendment to Lease for Salon HALO** extending the lease through June 30, 2024.................... 10

5. PUBLIC HEARINGS:

None scheduled.

6. OLD BUSINESS:

A. Redevelopment Agreement – 3600-3650 France Ave N.................... 11-14

B. Sale of 3760 Lee Ave N.................... 15-16

C. Downtown Mural Proposal.................... 17

7. NEW BUSINESS:

A.

8. OTHER BUSINESS:

A. Insurance Renewal – Waiving the Statutory Tort Liability Limits......... 18

9. INFORMATION ONLY:

10. REDA GENERAL COMMUNICATIONS

11. ADJOURNMENT

Marcia E. Glick

Marcia Glick, Executive Director

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, March 12, 2019
COUNCIL CHAMBERS

CALL TO ORDER:

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

MICROPHONE CHECK:

2. Complete.

ROLL CALL:

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

#4A-B: CONSENT AGENDA:

4. Member Blonigan removed Consent Agenda Item A:

   B. **MOTION** by Member Blonigan, seconded by Member Backen to approve **Disbursement Requests** for period ending March 12, 2019.
   All voted in favor and the motion carried.

   Member Blonigan noted a change to Page 3, Line #12 with the comment by Member Murphy *not* Member Selman.

   A. **MOTION** by Member Blonigan, seconded by Member Backen to approve and order place on file Regular Meeting Minutes with change indicated of the February 12, 2019.
   All voted in favor and the motion carried.

#7A: NEW BUSINESS:
Authorize Transfer in 2018 for TIF 8 Internal Loan and Amend 2018 Budget:

5. Glick reviewed the staff report noting that the purpose of the amendment is to continue the bond debt service and interfund loan accounts for the Parker Village development. Glick will obtain a report of the annual progress.

6. **MOTION** by Member Selman, seconded by Member Backen to approve "A RESOLUTION AUTHORIZING THE 2018 TRANSFERS BETWEEN THE ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY (REDA) DEBT SERVICE FUND AND THE REDA DEVELOPMENT FUND AND AMENDING THE 2018 REDA BUDGET. **All were in favor and the motion carried.**

#7B: NEW BUSINESS:
Sale of 3760 Lee Ave N

7. Glick reviewed the staff report with an update noting the county assessor has valued the land at $229,500. A published public hearing notice is required prior to sale to the city.

8. Member Selman noted a resident from the neighborhood called him to object to the use of the site for a new treatment plant.

9. Glick clarified the difference in process for sale of City owned property and REDA owned property. The EDA is required to publish a public hearing notice prior to sale of property and an option to send notices to neighbors.

10. President Rogan indicated that all those in the area affected should be notified of any public hearing.

11. The Board supported starting sale discussion using the county assessor's value of the property with the understanding that the sale price could be reduced in consideration of facts brought out through the process. More information regarding the building and use of the property was desired before setting the hearing. This item will come back to the April 9, 2019 meeting.

#9: Information Only: Project updates

13. Glick noted the need to amend the deadline for the Travail site due to complications delaying the start of construction. Amendment will extend the deadline from March 31, 2019 to September 30, 2019 allowing ample time for completion. This action would be on the April 9, 2019 consent agenda.

14. Birdtown Flats moves forward, positive feedback from developer with positive comments for staff and neighbor interaction.

15. Travail building taking shape. Pig Ate My Pizza renovations are moving forward changing the windows facing the street but not changing the footprint of the building.

16. The house at 3359 Halifax has received 3 demo bids; low bid under $15,000.

17. 36th & France site development agreement is expected to be on the agenda next month provided that complete financial information is provided for Ehlers to be able to advise REDA regarding the TIF assistance requirement.

#10: REDA General Communications

18. Member Blonigan noted that the construction of the houses at the end of Twin Oak Lane are seeing very little impact to the neighborhood.

19. Member Murphy reported that the Northwest Jaycees approved $2,000 to the proposed mural project on West Broadway. Invited the Jaycees to hold a meeting here in Robbinsdale. Cultivate Bottineau will also provide funding – it supports artists with projects to focus on station areas. Artist should be available in June or July.

20. Member Murphy commented on a program in Richfield that promotes home ownership. Glick will obtain information on the program.

#11: ADJOURNMENT:

21. **MOTION** by Member Selman, seconded by Member Backen to adjourn the meeting at 7:32 p.m.
All voted in favor and the motion carried.

Marcia Glick, Recording Secretary

Dan Rogan, REDA President

AGENDA ITEM #4B
April 9, 2019

CONSENT AGENDA: Disbursement Requests for period ending April 9, 2019

This information will be distributed at the meeting.

Agenda Item #4C
April 9, 2019

***Consent:* Amendment to Development Agreement 4131-35 W Broadway**

BACKGROUND:
Building construction is well on the way for the new location of Travail restaurant. A review of the development agreement noted the substantial completion date of May 31, 2019. An extension to September 30, 2019 has been requested which will provide more than adequate time to complete the project.

RECOMMENDATION:
By motion, authorize the Executive Director to execute the First Amendment to Contract for Private Development with ProMeals, LLC extending completion to September 30, 2019.

Marcia Glick

Marcia Glick, Executive Director

Agenda Item #4D
April 9, 2019

Consent: Authorization of Interfund Loan Related to TIF District No. 14

Background

TIF District No. 14 was approved by the REDA on February 12th and by the Robbinsdale City Council on February 19th. An Interfund Loan allows for REDA to be reimbursed for expenses advanced from general funding prior to the availability of TIF Funding from the project area.

ANALYSIS/CONCLUSION:

The resolution includes a wide range of possible costs as a contingency. REDA requires the developers requesting tax increment funding assistance to pay all costs related to the creation of the district including development of TIF documents, financial analysis provided by consultants, and legal fees related to development of agreements. The loan authorization of $30,000 in the resolution is deemed to be sufficient to cover incidental costs which REDA may incur during the process.

RECOMMENDATION:

By motion, waive the reading and order the adoption of Resolution No. 19- XX **"RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 14**

Marcia Glick

Marcia Glick, Executive Director

Member ________________ moved and Member ______________ seconded a motion that the following resolution be read and adopted this 9th day of April, 2019.

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 19-_____

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 14.

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Robbinsdale Economic Development Authority (the "REDA") as follows:

Section 1. Background.

1.01. REDA has heretofore approved the establishment of Tax Increment Financing District No. 14 (the "TIF District") within Redevelopment Project No. 13 (the "Project") and has adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project.

1.02. REDA is authorized to use tax increment to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation/demolition, public utilities, streets and sidewalks, other qualified improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from REDA funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, REDA is authorized to advance or loan money from any fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. REDA intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. REDA hereby authorizes the advance of up to $30,000 from the REDA General Development Fund or so much thereof as may be paid as Qualified Costs. REDA shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the Executive Director through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the Executive Director, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the REDA by Hennepin County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by REDA without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by REDA in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, REDA or the City of Robbinsdale. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. REDA shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. REDA may amend the terms of this Interfund Loan at any time by resolution of the Board, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

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 9TH DAY OF APRIL, 2019

____
Dan Rogan, President

ATTEST:

____
Marcia Glick, Executive Director

Agenda Item #4E
April 9, 2019

Consent: Lease Extension – Salon HALO

Background
Salon HALO's initial lease with REDA for Bay B at Broadway Court was executed in May, 2014. The lease included an option to review for a 2nd 5 year term and Amanda Kist has submitted her intention to renew the lease. The extension includes a 2% increase each year of the renewal.

ANALYSIS/CONCLUSION:
Along with the 5 year extension, there are two additional items which are recommended for approval:

- If the HVAC system requires replacement, the landlord will pay for the new HVAC system provided that the tenant has properly maintained the unit.
- Right to first refusal for other commercial spaces that may become available at Broadway Court.

RECOMMENDATION:
By motion, authorize the Executive Director to execute the 1st amendment to Lease for Salon HALO extending the lease through June 30, 2024.

Marcia Glick

Marcia Glick, Executive Director

Agenda Item #6A
April 9, 2019

Old Business: Redevelopment Agreement– 3600-3650 France Ave N

Background
In June of 2018 REDA authorized work to proceed on a TIF District with the expectation of pay as you go assistance for a redevelopment project expected to need a TIF Note of $7.2 million and repayment in about 20 years, with a hard cap of 23 years of tax increment payments. After some delays, the Redevelopment District and TIF Plan documents were approved by REDA and the Robbinsdale City Council in February, 2019.

Analysis
As described by REDA Financial Consultant Jason Aarsvold of Ehlers (Exhibit 1), the cost of the project increased from the initial analysis and there have also been award of grant funds. The project has also changed with removal of the retail component. The net impact is an additional gap in the project. The developer has been paying all costs for the Redevelopment and TIF Plan development and financial analysis (through the end of February, 2019), and has a current balance of $9,500 for legal and financial consultant fees for development of the REDA and City contracts.

The new financial assumptions have been reviewed and Ehlers has concluded that the project's total development costs, revenues, expenditure, and financing structure are still all within industry standards. Based on their review, they conclude that the development may not reasonably be expected to occur solely through private investment. The revised recommendation for the TIF agreement is as follows:

- $7.7 million pay as you go TIF note, payable at 95% of the available tax increment, and assuming 1.5% annual inflation in evaluation. [This is an increase from the original $7.2 million, but no other change from the original recommendation.]
- Include a more comprehensive lookback provision that reviews the developer's construction cost and return on investment once the project is built and occupied (95%).
- Use an 8% cash on cash return (annual cash flow/developer's equity) threshold in the lookback. [Normal 10% for projects not in Opportunity Zones.]
- Estimate that the project would repay the $7.7 million note in 23 years, with a hard cap of payments at 24 years to ensure that payments would not extend the full 26 years if the assumptions do not come to fruition. [Original expectation was 20.5 years with a 23 year hard cap on increment payments.]
- Prohibition on Sale within 5 years from the date of the first tax increment payment.

REDA Attorney Batty, City Attorney Biggerstaff, Financial Advisor Aarsvold and Executive Director Glick have been in discussions with Parker Station Flats/Inland Development Partners and their legal representatives over the past months and are working on the final details on a Contract for Private Redevelopment based on the assumptions outlined above. **A report on the status of the agreement will be provided at the meeting.**

Next Steps
As part of resolution of title issues, Hennepin County quitclaimed a large area to the City of Robbinsdale. This area includes storm water pond area as well as some areas which were old highway right-of-way which overlapped old West Broadway right-of-way on the easterly edge of the property. The developer is working on identifying portions of property now owned by the city which would become storm water ponds, part of the development site, and retained by the city as landscaped boulevard. This land division may require review by the Planning Commission in May. City action to transfer excess right-of-way, vacate easements, and prepare for the final plat would take place in following months. This work also involves coordination with Xcel and CenturyLink. There are also conditional use permits relative to the current uses which will be revoked.

RECOMMENDATION:
Authorize the Executive Director to execute the Development Agreement With Parker Station Flats LLC (Inland Development Partners LLC, Managing Partner) including terms described in this memo or as amended by the board at the meeting.

If additional discussion is needed, it is recommended that REDA schedule a special meeting for April 16th at 6pm.

Marcia Glick

Marcia Glick, Executive Director

EHLERS
LEADERS IN PUBLIC FINANCE

Memo

To: Marcia Glick, City Manager

From: Jason Aarsvold, Ehlers

Date: April 5, 2019

Subject: Inland Development Partners / Parker Station Flats – Analysis of TIF Request

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In May of 2018, The City of Robbinsdale received a proposal from Inland Development Partners (the "Developer") to redevelop two parcels and vacant right-of-way at 3600 France Avenue North. The Developers' proposal included construction of a 4-story, market rate apartment building with two levels of underground parking and a 3,000 square foot retail component. In June 2018, Ehlers reviewed the developer's request for financial assistance and confirmed public assistance for the project could be supported as follows:

- $7.2 million pay as you go TIF note, payable from 95% of the available tax increment, rather than 90%.
- Assume values would inflate at 1.5% annually.
- Include a look-back provision in the TIF agreement to verify the actual project costs once they are known.
- Include a hard cap of 23 years of TIF payments, although the note was projected to pay-off in 20 to 21 years.

Since this analysis, the specifics of the Developer's project have evolved, and the financial circumstances have changed. The most substantive changes are as follows:

- The project no longer includes a retail component, and the number of rental units is up to 197.
- The discovery of contaminated soils requires an estimated $425,000 in clean-up costs. The developer did secure $274,000 in grant funding to cover a portion of this cost.
- The cost to acquire old right of way and the Robbinsdale EDA's parcel added an additional $545,000 to the project costs.
- The developer's actual maximum mortgage was reduced by $2.8 million based on final underwriting.

Collectively, these factors created an additional gap in the project. The Developer reworked financial assumptions and pursued grants to off-set this gap, but also made a request of the City to consider additional TIF assistance.

Ehlers conducted a thorough review of the Developer's updated pro forma to evaluate the request for additional TIF assistance. Based on this review, the project's total development costs, revenues, expenditures, and financing structure are all still within industry standards. We conclude the City could provide $7.7 million in TIF assistance without increasing the Developer's return on investment as projected in the June 2018 analysis. The table below shows the revised sources and uses of funds for the project.

SOURCES	Amount	Pct.	Per Unit
First Mortgage	29,300,000	59%	148,731
TIF Mortgage	7,700,000	15%	39,086
Equity	10,093,759	20%	51,237
Deferred Developer Fee (100% of Total Fee)	1,665,000	3%	8,452
Other Public Sources	274,000	1%	1,391
Private Sources	970,795	2%	4,928
TOTAL SOURCES	**50,003,554**	**100%**	**253,825**

USES	Amount	Pct.	Per Unit
Acquisition Costs	3,180,000	6%	16,142
Construction Costs	35,789,947	72%	181,675
Environmental Abatement/Soil Correction	505,000	1%	2,563
Professional Services	3,180,500	6%	16,145
Financing Costs	2,283,162	5%	11,590
Developer Fee	1,665,000	3%	8,452
Cash Accounts/Escrows/Reserves	3,399,945	7%	17,259
TOTAL USES	**50,003,554**	**100%**	**253,825**

Recommendations

Based on our review of the Developer's revised pro forma, Ehlers concludes the proposed development may not reasonably be expected to occur solely through private investment within the reasonably near future. The cost associated with developing the site as market rate rental housing make the project feasible only through assistance, in part, from City contributions. The revised recommended structure for an eventual TIF agreement is as follows:

- Provide a $7.7 million pay as you go TIF note, payable from 95% of the available tax increment, rather than 90%. This helps repay the note faster.
- Include a more comprehensive look-back provision that reviews the developer's actual return on investment once the project is built and occupied.
- Use an 8% cash on cash return (annual cash flow ÷ the Developer's equity) threshold in the lookback. This threshold would commonly be 10%, but we are suggesting 8% because projects in Opportunity Zones are generally willing to accept slightly lower returns.
- Continue assuming 1.5% annual inflation in the valuation.

Given the above assumptions, we estimate that the project could repay the $7.7 million note in 23 years. We also recommend a hard cap on the number of years of payments at 24 years to ensure payments would not extend the full 26 years if the above assumptions do not come to fruition. This gives the city a fixed end date, while providing some additional time to the Developers for the note to repay if projections are not met.

Please contact me at 651-697-8512 if you have questions or comments.

Agenda Item #6B
April 9, 2019

Old Business: Sale of 3760 Lee Ave N

Background
At the last REDA meeting, the Board confirmed that the sale price should be set at the Hennepin County Assessor's market value of $229,500. It was noted that REDA typically is open to sale price negotiation based on facts brought out in the process. It was also agreed that written notices of the hearing would be mailed to all property owners affected by the project.

Staff was asked to provide additional information regarding the proposed building design and use of the property.

The proposed use of the property is the centralized drinking water treatment facility for the City, replacing the existing three facilities currently in operation. The proposed facility would be sized to produce 2MGD which is adequate to accommodate projected growth in the City into the future (projected max daily demand in 2050 is projected to be 1.86MGD).

The facility would contain infrastructure to receive raw water from wells through the City, filter that water through gravity filters, allow for chemical addition and for lime softening. There would also be a clear water tank to store the treated water and electric pumps to deliver the water out into the distribution network, as well as provision for a backwash tank, chemical storage (permanganate, chlorine, fluoride and lime), areas for chemical deliveries, and general operations / administrative areas (office, laboratory, electrical, controls, storage and a small garage).

Operations at the site will require deliveries of chemicals, removal of the softening byproducts which will be accommodated by way of trucking to and from the site. In addition, City utility department vehicles would be visiting the site on a daily basis. There is not anticipated to be any vibrations, dust generation, smells or noise beyond what would be usually encountered in a residential neighborhood as the treatment processes are generally contained within the building.

At this stage, there has been no formal layout or design work performed as this work would be an integral part of the next phase of the project development. An interim artist's impression based on some initial site sketches is being prepared and will be made available at the meeting. This should be taken as a broad guide, noting that design and layout may change significantly once detailed layout of the various components and process areas are put together. A significant element is the lime storage silos that may be as high as 40'.

It is noted that the ultimate desire is to have a final product that is as much in keeping with the scale of the surrounding residential neighborhood as possible given the limited site size.

Staff would be pleased to receive any aesthetic or broad design guidelines the REDA would like incorporated into the ongoing plan development.

RECOMMENDATION:

1. Direct staff to proceed with notification of a public hearing on June 11
2. Provide direction on detail to be included in the public hearing notice
3. Confirm the area for mailed notification.

Marcia E. Glick

Marcia Glick, Executive Director

CONCURRENCE:

Richard McCoy
Public Works Director/City Engineer

Agenda Item #6C
April 9, 2019

Old Business: Downtown Mural Proposal

BACKGROUND:
At the July 10, 2018 REDA meeting, REDA approved a 1-1 match for up to $3000 for the design previously approved by REDA.

With the receipt of a $2000 donation from the Northwest area Jaycees – charitable gambling funds, the donation total is $3,834.78 – with a $3,000 match from REDA the total is $6,834.78. There was also $680 pledged in a Go Fund Me campaign effort.

Sam Buffington of Springboard for the Arts, who is working with the Cultivate program affiliated with the Metro Blue Line Extension, has indicated that the project is eligible for a grant – staff have asked for verification of the grant amount.

We have requested an updated budget from the muralist and have not had a response.

Budget

	125 Year Mural
Labor/Artist Commission	$6000 – need to verify
Wall preparation	$980
Lift rental	$280 week $109 day $545 month
Paint	5 gallons/3 quarts Donation from Ace
Anti-graffiti Coating	Not used last mural

RECOMMENDATION:
Discuss next steps

Marcia E. Glick

Marcia Glick, Executive Director

Agenda Item #8A
April 9, 2019

Other Business: **Insurance Renewal - Waiving The Statutory Tort Liability Limits**

Background

Entities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased.

Analysis/conclusion

If the entity does not waive the statutory tort limits, an individual claimant would be able to recover no more than $500,000 from our insurance coverage on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to $2M. If we waive, a single claimant could potentially recover up to $2M on a single occurrence. Waiving the limit results in a premium increase of 3%, which, for REDA is approximately $550.

The REDA has the option to purchase excess coverage in factors of $1M. The basic policy covers up to $2 M and covers several areas not covered by the Statutory Tort Liability Limits. Examples provided by LMCIT include: "Police Liability, Employment related discrimination claims, Land Use, certain types of Contract claims may expose your city to liability for damages sustained over and above the Cap." The REDA exposure above the limits relate to contract claims as it does not have its own employees.

If the REDA waives the statutory tort limits and purchases excess liability coverage, a single claimant could potentially recover an amount up to the limit of the coverage purchased (i.e. if $1M extra coverage is purchased, a person could recover up to $3M.) The total which all claimants would be able to recover for a single occurrence would also be limited to the amount of coverage purchased, regardless of the number of claimants. Purchasing additional coverage and waiving the tort liability limits increases the cost of the excess coverage by 25%.

Bill Husbands typically recommends waiving the monetary limits on the tort liability and does not recommend the purchase of excess liability coverage. Although only approximately $550 for the extra coverage, the Executive Director and Finance Director feel this is an unnecessary expense for the REDA given that REDA's activities are quite limited in the areas where the statutory limits apply.

Recommendation

Approve a motion to direct the Executive Director to execute the appropriate documents related to the 2019-2020 insurance renewal, which will not include a waiver of the municipal tort liability limits and not involve the purchase of extra coverage.

Marcia Glick

Marcia Glick, Executive Director

CONCURRENCE:

Larry Jacobson

Larry Jacobson, Finance Director

Agenda Item #9A
April 9, 2019

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
Twin Oak cul-de-sac *(Beckmann)*	4316 Twin Oak Lane: Just completed sheetrock. 4312 Twin Oak Lane: Permit issued. Waiting on removal of load limits.
3807 Major *(Hyland)*	TIF 2000-8. Homeowners moved in 12.16.17. Certificate of Completion being held pending final exterior inspections which will be done when snow melts.
4629 France *(Carlyle)*	Owners have moved in. Certificate of Completion being held pending completion of landscaping in spring/summer.
4524Regent *(Peterson)*	Getting ready for final inspections. Expect home other than landscaping to be complete by May 2019 deadline.
3912 Quail *(Beckmann)*	TIF 2000-9. 1 year extension w/payment of lost TIF. Permit issued. Waiting on removal of load limits. Completion 12/31/2019
3905 Quail *(Beckmann)*	TIF 2000-9. Interior of home is complete and home has been sold. Title company holding escrow for: final grade, sod, driveway, sidewalk spring/summer.
3359 Halifax	Lot to be advertised after demolition of structures.
3606 Lake Drive	Considering Park option - **2020**.
4136 Regent – Garages *(Pendergast)*	TIF Project 8: Mortgage payments for acquisition started 6/2016.
39xx W. Broadway	Property is tax exempt pending redevelopment.
37xx W Broadway- Birdtown Flats *(Bill Beard)*	Parking levels complete; starting on apartments- TIF note when completed.
3650 France *(Inland)*	Authorized sale to Inland Development Partners contingent on adjacent development.
3600 France *(Inland)*	Redevelopment Agreement update ready for review. ***See Agenda Item.***
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. Easement Only – aging title commitment – on hold:38th & Vera Cruz
3760 Lee	Possible sale to City for water treatment plant. ***See Agenda Item.***
3108-12 Grimes; 4212 Grimes	Holding.
4364 Grimes	Neighbors maintaining
OPEN TO BUSINESS	Office Hours even numbered months. 1st Wednesday 9:30-11:30 a.m. Multi-year contract with ability to cancel.
4205 W Broadway BP Station	Paving in 2019 probably May/June -after load limits come off. Hold pending future redevelopment.
4614 41 ½ Ave N *(Soul Brothers)*	Building leased through 9/30/19.
Terrace Redevelopment TIF Agt.	First TIF partial payment available 8/1/19. TIF Note action not yet taken.
4165 Hubbard *NSide Oriental Mkt*	Lease payments on schedule.
4501 Orchard	REDA has right to review plans for through 2028. Property listed for sale.
4131-35 W Broadway (Travail)	Construction moving faster. Amendment to extend completion deadline to September 30, 2019 allowing for contingencies. ***See Agenda Item.***
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	2nd Mural for Ace Hardware. ***See Agenda Item.***

Marcia E. Glick

Marcia Glick, Executive Director