*****REMINDER: THE REDA WIL BE TOURING 3359 HALIFAX PRIOR TO THE MEETING AT 6:15 TO 6:45 pm***

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
7:00 P.M.
TUESDAY, APRIL 12, 2022
COUNCIL CHAMBERS

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1. MEETING CALL TO ORDER:

2. MICROPHONE CHECK:

3. ROLL CALL: Kline, Webb, Blonigan, 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 March 8, 2022**...................... **2-3**

    B. **Motion** to approve **Insurance Renewal – Waving the Statutory Tort Liability Limits**.. **4**

    C. **Motion** to approve **Disbursement Requests** for period ending April 12, 2022.. **5**

5. OLD BUSINESS:
    A. None scheduled.

6. NEW BUSINESS:
    A. Forgivable Loan Program – Façade Improvements........................ **6-9**

7. OTHER BUSINESS:
    A. None scheduled.

8. INFORMATION ONLY:
    A. Project Update.. **10-11**

9. REDA GENERAL COMMUNICATIONS

10. ADJOURNMENT

Marcia E Glick
Marcia Glick, Executive Director

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, MARCH 8, 2022
COUNCIL CHAMBERS

CALL 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, Kline, Webb, Blonigan, President Selman
   Members Absent: None
   Staff Present: Marcia Glick, Executive Director
   Rick Pearson, Community Development Coordinator

#4A-B CONSENT AGENDA:

4. **MOTION** by Member Blonigan, seconded by Member Backen to approve and place on file the Consent Agenda Items #4A-B:
   A. **Motion** to approve and order placed on file minutes of the following:
      - Regular Meeting Minutes of February 8, 2022;

   B. **Motion** to approve **Disbursement Requests** for period ending March 8, 2022.

   The vote was unanimous and the motion carried.

#5. OLD BUSINESS:

5. None scheduled

#6. NEW BUSINESS: 4614 41-1/2 Ave N – Next Step

6. Glick presented the staff report. Reviewed the history of the property. Provided information on lease, rent/cost per square foot, and improvements by tenant. In the future, rent close to market rate. Inquiries have been received from others as to option for the purchase or lease of the property.

7. President Selman asked what the nature of the tenant improvements are and are we losing money under the current lease agreement.

8. Glick replied that the EDA paid for water heater replacement. Tenant cleaned up the property and no money lost by holding the property. Tenant pays for taxes, utilities, plus $800.00 per month.

9. Member Backen not interested in selling the property. Does not want to lose control over this site. Many outstanding questions.

10. Member Blonigan agreed with Member Backen. Do not sell it. Would like to see it torn down and the plaza widened. Should keep the property and as long as we are making money, continue leasing.

11. President Selman would like to see the market rent rate structure in place for this property. He has no interest in selling the property. Need to be consistent without other tenants that lease from the EDA.

12. Member Backen supports a month-to-month lease so the EDA can maintain flexibility of the site.

13. Glick noted that the Capital improvement plan shows reconstruction of 41-1/2 in 2024; recommends no lease beyond 2024.

14. Member Webb asked if other tenants are on a month-to-month lease. Glick said other tenants are on multi- year leases. However since REDA intends to demolish the building for plaza expansion, it would not be a long-term lease.

#7. OTHER BUSINESS:

15. None scheduled

#8: INFORMATION ONLY: Project Update

16. Glick reviewed pictures in the staff report. Possible tour of 3359 Halifax in April before the EDA meeting.

#9. REDA GENERAL COMMUNICATIONS:

17. Member Blonigan noted that Parker Station Flats with 198 units is 74.24% leased and 68.18% occupied. Initially expected to be leased up in July; now thinking June.

#10: ADJOURNMENT:

18. **MOTION** by Member Kline, seconded by Member Blonigan to adjourn the meeting at 7:16 p.m. **The vote was unanimous and the motion carried.**

Marcia Glick, Recording Secretary	George B. Selman, REDA President

AGENDA ITEM #4B
April 12, 2022

***Consent Agenda*: 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 $1.5M. 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 $700.

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%.

Although only approximately $700 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 2022-2023 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:

Diaa Tahoun, Finance Director

AGENDA ITEM #4C
April 12, 2022

<u>CONSENT AGENDA: Disbursement Requests for period ending April 12, 2022</u>

This information will be distributed at the meeting.

NEW BUSINESS: Forgivable Loan Program – Façade Improvements

BACKGROUND:

Between August 2021 and December 2021, the 4180 W Broadway building owned by Celeste Shahidi has been damaged by vehicle collisions 3 times. The building was also damaged in 2014 and 2019. The owner shared after the accident in October, that while insurance covered some of the cost, there were $11,000 in repairs not covered by insurance. Observing the blue tape on the windows at Finds on Broadway through the winter, staff inquired as to whether financial assistance was needed and discussed the REDA Commercial Loan as a possibility.

- August 2021 vehicle hit and run- hit the building on the corner requiring masonry repair. [The corner had been previously repaired 2 times – February 2014 and March 2019.]
- October 2021 vehicle fleeing police damaged building exterior and interior and broke windows @Minnesota Makers
- November 2021vehicle fleeing police-multi car accidents broke windows @Finds on Broadway, took out streetlight and bent flagpole. Repairs were delayed due to contractor rescheduling and weather. Glass replaced April 5, 2022.

August 21 repairs	$3478.77
October 21 repairs	$3450.00 interior; glass replacement by tenant
November 21 repair estimates	$2951.70 glass $8350.00 stucco plus

REDA has a downtown commercial loan program, though not exactly a match to this situation, seems a reasonable vehicle to provide assistance. The owner has done significant interior remodeling to the old bank and then furniture store building, which could be considered as a match to the request. All repairs have been made to restore materials in compliance with the downtown architectural guidelines and the loan program guidelines.

The final estimate on stucco includes previously missed damage, most recent damage, and cleaning scrape marks off bricks from the 2nd incident.

ANALYSIS:

The program outlines are attached. The owner has submitted the application form and receipts for the 1st two incidents; the loan, if approved, is based on actual receipts. If the owner sells the building before 10 years pass, the principal would be required to be repaid in full; change in tenants would not trigger repayment as improvements are not specific to any tenant. Security would be in the form of a mortgage.

The League of MN Cities Insurance Trust verified that if as a result of a chase, a police vehicle loses control and damages a building, there is no restitution. If a vehicle is pushed into a building and causes damage, there is. Drivers involved in incidents did not have insurance on their vehicles. The total cost for repairs following the three incidents is $18,230.47. The maximum forgivable loan under the program is $15,000.

RECOMMENDATION:

Discuss and determine by motion whether the Commercial Downtown Loan Program would be made available to the building owner of 4180 W Broadway for forgivable loan under the Downtown Commercial Rehabilitation Loan in the amount of $15,000.

Marcia Glick

Marcia Glick, Executive Director

Downtown Commercial Rehabilitation Loan Program

The Robbinsdale Economic Development Authority ("REDA") has determined it is in the vital best interests of Robbinsdale to preserve the ambience of its historic downtown district. The structures within the downtown district are generally of a similar scale, style and design and, collectively, create the feel of a small town downtown. REDA and REDA's predecessor, the Housing and Redevelopment Authority in and for the city of Robbinsdale, have spent considerable effort and funds to preserve and promote this area. The city of Robbinsdale has participated through the enactment of zoning regulations specific to the downtown district. The area is the heart of the community and it serves a public purpose to make public investments and encourage private investments in the preservation, rehabilitation and enhancement of downtown Robbinsdale.

While work consistent with REDA's goals for this area can frequently be privately funded, there are instances in which properties require the expenditure of funds beyond the means of the owners or tenants. REDA hereby determines that it is in the public interest and serves a public purpose to establish its Downtown Commercial Rehabilitation Loan Program (the "Downtown Loan Program") to assist worthy projects. Projects will be evaluated on a case-by-case basis by reference to the following program criteria:

1. Eligible properties are those located within the city of Robbinsdale's Architectural Guidelines Area, which is bounded by Co. Rd. 81, 42-1/2 Street, Railroad Avenue and 41st Avenue, including those properties facing West Broadway between 41st and 39-1/2 Avenues. The attached map depicts the area.

2. Qualifying improvements must be to the front exterior of the structure and improve the visual quality of the building and enhance the streetscape.

3. Storefront restoration or preservation projects must result in the building facade retaining a traditional, main street character with brick, stone and stucco used as primary building materials and tile, metal and wood as accent materials. Storefront windows must have a minimum of 60 percent glazed area using clear, non-reflective glass.

4. Awnings for the protection of pedestrians of a design and color compatible with the remainder of the structure are encouraged.

5. Cleaning of brick or stone materials with soap and water or other mild cleansers is preferred over sandblasting or other techniques which may damage the materials.

All applications for assistance shall be submitted on forms specified by REDA and accompanied by such documentation as may be required by the Executive Director. The Executive Director shall review applications and make a recommendation to REDA regarding funding. Nothing in the above criteria nor in any of the other provisions of the Downtown Loan Program shall be construed as creating any right or entitlement to a loan or participation in the Downtown Loan Program. REDA retains full discretion in the granting of loans under the Downtown Loan Program and is subject to the availability of funds dedicated by REDA for such Program.

The following financial conditions shall apply to the Downtown Loan Program:

1. REDA's participation shall not exceed 20 percent of the cost of the rehabilitation project. The remainder of the funds must be private.

2. The cost of rehabilitation projects must be verified by the Executive Director through the submission of relevant documents. The required private investment may include work performed up to one year prior to application to the Downtown Loan Program. "Sweat equity" will be evaluated on a case-by-case basis but is generally not eligible for inclusion in the required 80 percent private funding.

3. The maximum loan available under the Downtown Loan Program is $15,000 per property.

4. The assistance will be in the form of a loan without interest which must be repaid in full at the time of sale of the property, change in business operation, relocation of the tenant if the loan is to a tenant. If there has not been a change in ownership or a change in the business, the loan will be forgiven 10 years from the date of the loan.

5. The rehabilitation project must be consistent with the city of Robbinsdale's comprehensive plan and official controls and must be completed in accordance with the building and other relevant codes.

6. All loans must be secured by suitable collateral of an amount and nature acceptable to REDA. If, in the opinion of the Executive Director, adequate security cannot be obtained against the real estate or personal property of the borrower, other forms of security, including personal guarantees, may be utilized at the sole discretion of REDA.

7. Loan proceeds will be used to reimburse borrowers after full private payment for the rehabilitation project and the submission of appropriate documentation to the Executive Director.

8. Borrowers or principals of borrowers who have defaulted on business loans within the previous five years will not be eligible to participate in the Downtown Loan Program.

9. In the case of default by the borrower under the Downtown Loan Program, all costs incurred by REDA to pursue its remedies, including reasonable attorney fees, shall be added to the principal amount of the loan. Interest at the judgment rate shall be charged on the principal amount of the loan and the costs added thereto from the date of the default.

AGENDA ITEM #8A
April 12, 2022

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
3359 Halifax (TIF 2000-9) (Peterson/Coastland)	Home has sold. Siding being installed April 13. Closing scheduled April 29, 2022. An escrow will be held by title company to assure completion of landscaping. REDA will tour the home April 12th 6:15-6:45pm
4600 Lake Road	Progress continues – see attached.
4136 Regent – Garages *(Pendergast)*	TIF Project 8: Mortgage payments for acquisition started 6/2016. Last mortgage payment 6/27/2036.
3933-39 W. Broadway	Green space pending development.
42nd/W Broadway	Parking lot pending development.
3600 France –Parker Station Flats	All MPCA final sign-offs have been received. There will be a final report to DEED due before July 1. There will be 1-year post completion follow up on the TBRA grant from Met Council.
3760 Lee – sale to city	Sale to city in spring 2022 once ready for conversion to open space/garden.
3108-12 Grimes; 4212 Grimes	Holding.
4614 41 ½ Ave N *(Mitchell Realty)*	2 year lease; month to month starting August 2022 to 12/31/2022 – no lease extension in the document. **Met with tenant to view improvements and discuss market rate lease numbers.**
4165 Hubbard *NSide Oriental Mkt*	Lease through 4/30/2023 – payments on schedule.
4501 Orchard	REDA has right to review plans for through 2028. Lot owned by neighbor.
Broadway Court	Market Rate Units and Commercial bays.
• **Bonds**	Final bond payment 2/1/2029. Opportunity to call in 2026.
• **Great Lakes Management**	5-year management agreement thru 12/31/2022. Automatic 1 year renewals unless either gives the other 90 days written notice of intent not to renew.
• **Salon HALO**	Exercised extension through 6/30/2024.
• **GO Health**	Lease extended through 12/31/2026.
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)
Birdhouse Building Façade loan	Project completed –forgiven after 10 years (March 1, 2031)
Travail/PAMP-Nouvelle EDIF County Grant	Report on employment status was submitted at the two-year mark after certificate of occupancy.
Parker Village Bonds- TIF#8	Bond refinanced Final payment 2/1/2032 – decertify 12/31/2031.
Downtown TIF#10	Travail-Soul Bros Devts. 1st note expected to be paid off in 2024 for Nouvelle Brewing location, at that time all TIF funds go to 2nd note. Expected to decertify 2030. District must decertify 12/31/2039.
Hy-Vee TIF#11	Pay-as-you-go TIF agreement. Projected decertification 12/31/2044.
Clare Housing TIF#12	Pay-as-you-go TIF agreement. Projected decertification 7/1/2042.
Birdtown Flats District TIF#13	Pay-as-you-go TIF agreement. Projected decertification 7/1/2033.
Parker Station Flats TIF#14	Pay-as-you-go TIF agreement. Projected decertification 12/31/2046
4600 Lake Road TIF#15	Pay-as-you-go TIF after project completion. Completion est.12/31/2022.
OPEN TO BUSINESS	By appointment only. Multi-year contract with ability to cancel.

Marcia Glick

Marcia Glick, Executive Director

The Reeve Lakeside – Update #17 - Progress through March 25, 2022

Structural Steel 80%, Backfill 75%, Waterproofing 70%, Framing 50%, MEP rough in 10%


Zone 1 framing


Zone 2 structural steel


Zone 3 level 1 framing


Site view

2 Week Outlook

- Begin roofing zone 1
- Continue MEP rough-Ins
- Continue framing on levels 1, 2, 3, and rooftop