ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
7:00 P.M.
TUESDAY, DECEMBER 12, 2017
COUNCIL CHAMBERS

1. MEETING CALLED TO ORDER

2. MICROPHONE CHECK:

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

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 November 14, 2017
      - **Work Session Meeting Minutes** of November 14, 2017.......... **2-6**

   B. Motion to approve close out of **TCF Sales Proceeds Funds**.............. **7**

   C. Motion to approve the **Downtown Commercial Rehabilitation Loan** for renovation of **4131-33 West Broadway** for Pig At My Pizza, subject to program guidelines, which will be utilizing a 2nd mortgage and personal guaranty as collateral.. **8-10**

   D. Motion to confirm the direction to staff to proceed to prepare the site for use as temporary parking as described in the memo. **BP Station: Next Steps**.. **11**

   E. Motion to approve **Disbursement Requests** for period ending December 12, 2017.. **12**

5. CONTINUED PUBLIC HEARINGS:
   A. 3912 Quail – Disposition of Land.. **13-17**

6. OLD BUSINESS:
   A. None scheduled

7. NEW BUSINESS:
   A. Consideration of TIF Redevelopment Area – Crystal Lake Views..... **18-23**

8. OTHER BUSINESS:
   A. None scheduled

9. INFORMATION ONLY:

10. REDA GENERAL COMMUNICATIONS

11. ADJOURNMENT

Marcia E. Glick

Marcia Glick, Executive Director

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, NOVEMBER 14, 2017
COUNCIL CHAMBERS

CALL TO ORDER

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

ROLL CALL

2. Members Present: Murphy, Rogan, Blonigan, Selman, President Backen
   Staff: Marcia Glick, Executive Director; Rick Pearson, City Planner; Larry Jacobson, Finance Director

AGENDA UPDATE:

3. **MOTION** by Member Rogan, seconded by Member Selman to approve additions to the Consent Agenda; Item #4E, Handout for Presentation Item #5A, and Old Business Item#7A. **All were in favor and the motion carried.**

#4A-D: CONSENT AGENDA

4. **MOTION** by Member Murphy, seconded by Member Selman to approve and place on file the Consent Agenda Items #4A-E. **The vote was unanimous and the motion carried.**

   A. Motion to approve and order placed on file minutes of the following:
   - Regular Meeting Minutes of October 10, 2017
   - Executive Session Meeting Minutes October 10, 2017
   - Special Work Session Meeting Minutes of October 17, 2017
   - Special Work Session Meeting Minutes of October 24, 2017.

   B Motion to approve the disposition of **4629 France Ave N** by the Robbinsdale Economic Development Authority to Steven and Teresa Carlyle.

   C. Motion to adopt the resolution **Decertifying Tax Increment Financing District 1120**, known as TIF 2000-1 as of November 14, 2017 and returning any excess tax increment associated with the district in accordance with state statues.

   D. Motion to approve **Disbursement Requests** for period ending November 14, 2017.

   E. Motion to authorize the Executive Director to execute an amendment to the lease with a monthly lease rate of $5500/month, for **Northside Oriental Market.**

#5A. PRESENTATION: Broadway Court – Annual Rental Rate Adjustment:

5. Lorien Mueller, Great Lakes Property Manager of Broadway Court Apartments, reviewed the occupancy rate which averaged 99.7% during the year, final atrium repair work to start next week, held Octoberfest celebration to celebrate the end of construction work. Unit updates

are completed as units turn over. She reported that the roof AC was replaced and LED conversion will begin soon. Exterior lights will also be replaced with increased lighting level. She reviewed the letter to residents in response to survey concerns. Target is to keep rent at or below market. Amenities can be added per unit at cost.

Staff is focused on open feedback from residents. She thanked the Board for holding a work session at the building; residents really appreciated it. She shared rent increase history noting that Broadway Court increases have been at or below area properties. The stairwell is not wide enough to add stair chair equipment due to the need to maintain egress requirements for safety. She reviewed quotes on generator for only common area and elevator electricity was estimated at $50-60K. Ms. Mueller confirmed it is not uncommon for a building to have one elevator.

Ms. Mueller outlined capital improvements planned for 2018-2019 budget. She clarified the elevator is serviced monthly – elevator being down was an anomaly this year with a bad weekend.

6. Member Selman requested budget information for adding WIFI for the entire building in 2019.

7. Member Blonigan asked what the expected monthly savings for LED changes are and whether any of the buildings Great Lakes manages have electronic message board monitors? Ms. Mueller questions efficiency of an electronic message board given resident trends. They have door to door paper memos and a bulletin board.

8. Member Blonigan also noted that overall that Great Lakes Management is doing a remarkable job. Asked what does parapet leakage reflect compared to other buildings, is it more than the norm for a building of this age? Ms. Mueller stated that it is the norm for a building of this age. Parapet work was caught before issues were identified.

9. Member Rogan thanked Great Lakes for their response to issues. He also noted that a 2% rent increase is below market and reasonable for the given location and amenities.

10. Member Murphy thanked staff for their attentiveness to resident concerns.

11. **MOTION** by Member Rogan, seconded by Member Murphy to authorize Great Lakes Management to increase 2018 market rents by up to a maximum of 2% for renewals and 3% for new leases for Broadway Court Apartments. **All were in favor and the motion carried.**

#8A. <u>NEW BUSINESS: BROADWAY COURT – Management Services Agreement</u>

12. Glick reviewed the staff report.

13. Ms. Mueller noted that the management fee of $33K covers Great Lakes Management administrative staff plus monthly accounting, and full accounting services are provided.

14. **MOTION** by Member Rogan, seconded by Member Blonigan to authorize the Executive Director to execute the Amended and Restated Property Management Agreement with Great Lakes Management Company for a term commencing January 1, 2018. **All were in favor and the motion carried.**

#6A. CONTINUED PUBIC HEARING: 3912 Quail Ave N

15. Pearson reviewed the staff report.

16. President Backen opened the public hearing. No one from the public spoke to this issue.

17. **MOTION** by Member Selman, seconded by Member Murphy to continue the public hearing to December 12, 2017 at 7:00 p.m. **All were in favor and the motion carried.**

#7A. OLD BUSINESS: Request for Extension of Lot Reservation for 4530 Regent Ave N

18. Pearson reviewed the staff report and Mr. Hammers request for an extension until April 1, 2018.

19. Member Selman indicated frustration on the lack of performance.

20. **MOTION** by Member Selman, seconded by Member Rogan to direct staff to resume marketing for 4530 Regent Ave N to other builders. **All were in favor and the motion carried.**

21. Staff will advertise a new public hearing starting in January 2018.

#9A. OTHER BUSINESS: Development Goals:

22. Glick reviewed the staff report.

23. Staff, Mayor Murphy and REDA President Backen had met with a Robbinsdale resident who is an architect and had shared information on various development proposals his company had assisted in improving design standards for projects. Glick reviewed what the REDA is requiring of developers seeking TIF assistant compared to surrounding city requirements. Information from St Louis Park and Minneapolis had been obtained.

24. **MOTION** by Member Rogan, seconded by Member Selman to hold REDA Work Session at the conclusion of the budget meeting. **All were in favor and the motion carried.**

#10A. INFORMATION ONLY: Project Updates:

25. No action required.

#11. REDA GENERAL COMMUNICATIONS:

26. Glick confirmed that 4023 Zane is having a final inspection today and will close on

November 16, 2017. Also a group of downtown businesses have completed a shared parking lot development; REDA had assisted in having a contractor work with the group on a layout and construction specifications. Positive feedback received.

Performance Meals site is planning a major renovation to windows, doors, exterior enhancements to become the new location for Pig Ate My Pizza. This will be an item on next month's agenda.

27. Member Selman attended a Met Council listening session regarding Sewer Access Charge task force, planned to simplify the process.

28. Member Blonigan would like to make sure staff receives the documentation on projected LED savings at Broadway Court.

#12. ADJOURNMENT:

29. **MOTION** by Member Blonigan, seconded by Member Rogan to adjourn the meeting at 8:23 p.m. **All were in favor and the motion carried.**

Marcia Glick, Recording Secretary

Pat Backen, President

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY
WORK SESSION MINUTES
TUESDAY, NOVEMBER 14, 2017.
COMMUNITY MEETING ROOM
CITY HALL

Present: Authority members Rogan, Selman, Blonigan, Murphy, President Backen; City Manager Glick, Community Development Coordinator Pearson.

1. The worksession was called to order by President Backen at 8:57 pm.
2. Executive Director Glick reviewed the TIF requirements. She the St. Louis Park and Minneapolis TIF policies for comparison.
3. Discussion ensued about creating development requirements that would be expected if a developer applies for TIF. A suggestion was made that a development applying for assistance, or TIF, should be reviewed within a sustainable framework emphasizing how the design supports the community – How does the development reflect the values of Robbinsdale?
4. Further discussion ensued about development examples including "The Moline" and "Latitude 44" and what the development pattern should be along West Broadway. The Good Samaritan Nursing Home is very auto oriented and not walkable. The Downtown Architectural Design Guidelines which promotes human scale development are applicable in the downtown area between 40th and 42 1/2.
5. The Planning Commission should consider if those design concepts should be extended along the entire West Broadway corridor, or in the area of 36th Ave. N. and France Ave. N. as part of the Comprehensive Plan update discussions
6. President Backen adjourned the worksession at 10:08 pm.

Rick Pearson, Recording Secretary

Pat Backen, President, REDA

AGENDA ITEM # **4B**
December 12, 2017

Consent: Close Out TCF Sale Proceeds

BACKGROUND:
REDA acquired the former TCF building using grant funds from Hennepin County. With the subsequent sale to Wicked Wort, REDA was required to use the proceeds of $245,896.30 for Transit Oriented Improvements in the downtown area.

A budget was developed and approved by Hennepin County.

Acquire tax forfeit 39 on WB	50% of acquisition cost $70,000
Key Option Agreements in Station Area	$80,000-$100,000
Parking Lot discussion (shared Hubbard lot)	$15,000-$20,000
Implement improvements on 41 ½ Ave N	$35,000-$40,000
Streetscape improvements including repairing the clock, street furniture, façade incentives.	$25,000-$50,000

REDA obtained three additional grants from Hennepin County which helped to fund some of the identified projects: Acquisition of Northside Oriental Market, Downtown Façade Grants; and Acquisition of the BP station. EMI determined that they were not interested in entering into an option agreement ahead of the LRT project. Hennepin County also indicated that the implementation of the promenade on 41 ½ would likely be favored in a future funding request.

USE OF FUNDS

Acquisition of 39 on Broadway parcels	$ 70,000
Funds for Dentist Office Acquisition	$ 140,000
~~Option funds for BP Station~~	~~$ 2,140 (to close out account)~~
Shared Parking design/specs study	$ 8,508
Downtown Clock Repair	$ 8,500
Downtown Trash Containers	$ 7,646
Holiday Decorations/Banners	$ 8,953 + 2,140 (banners on order)
Downtown Parking Signage	$ 150

RECOMMENDATION:
No action required.

Marcia Glick

Marcia Glick, Executive Director

AGENDA ITEM # **4C**
December 12, 2017

Consent: 4131-33 W Broadway Downtown Commercial Rehabilitation Loan

BACKGROUND:
Starting in January, this building currently used by Performance Meals will be transformed into the new site for Pig Ate My Pizza. Given the extensive interior renovations, and planned improvements to front façade elements, the project is eligible for the REDA Downtown Commercial Rehabilitation Loan program. The program description is shown as Exhibit 1.

Analysis:
The program allows an REDA loan of up to 20% capped at $15,000. That is if a remodeling project is $75,000 or more, a business is eligible for the $15,000 grant. The program applies to front facades in the entire Architectural Design Guideline area.

The quotes for remodeling of the interior of 4131-35 West Broadway property, excluding equipment and furnishings, total just under $74,000. Exterior improvements on West Broadway are to include sandblasting the red paint to reveal natural brick, window and door replacement, and front light replacements with total quotes at $22,101.

Pig Ate My Pizza will be using both the front entrance on West Broadway and the parking lot entrance for customers. Similar to Golden Age Design's project, both the West Broadway and Hubbard facades are eligible under the forgivable loan.

REDA is currently holds the Contract for Deed for this property. However, the contract will be paid in full and replaced by a private mortgage as part of the remodeling project. The REDA downtown rehabilitation loan will be secured by a 2nd mortgage and note, 0% interest, and forgiven after 10 years provided that there has not been a change in ownership or a change in the business.

Note: The façade improvements on West Broadway and Hubbard will also be eligible for the Business District Initiative grant. Since the awnings being replaced to change to signage for Pig Ate My Pizza already received grant funding, it is not expected that they would be eligible this time.

RECOMMENDATION:
By motion, approve the Downtown Commercial Rehabilitation Loan for renovation of 4131-33 West Broadway for Pig Ate My Pizza, subject to program guidelines, which will be utilizing a 2nd mortgage and personal guaranty as collateral.

Marcia Glick

Marcia Glick, Executive Director

Exhibit 1

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 # **4D**
December 12, 2017

Consent: BP Station – Next Steps

BACKGROUND:
REDA provided direction for negotiation of an option agreement for acquisition of the BP Station at 4205 W Broadway in July 2017. The agreement was signed September 25, 2017; the option period expires March 25, 2018. REDA will receive a credit of $4,166 towards purchase price for each full month that REDA closes ahead March 25, 2018.

Hennepin County approved Closeout of Assistance Brownfields GAP Financing to assist REDA in the Phase 1 and Phase 2 Environmental Due Diligence as well as a non-invasive report identifying potential asbestos and regulated waste. Draft reports have been completed and are being reviewed with regards to next steps.

DISCUSSION:
Preliminary findings have not identified any major concerns. There are some trace indicators which will likely involve enrolling the site in MPCA Bownfield to get a no association finding for REDA and Hennepin County as well as submission of a request for a no action letter. There are also routine regulated wastes (light ballasts, etc.) which would be itemized for removal as part of a demolition program. Staff will be working with County staff to tap into funds to pay for expert assistance in completing this process. County programs may also be available for clean up costs and more invasive testing for hidden hazardous materials once it is certain that the building will not be reused.

Staff indicated in the September 12, 2017 REDA report the expectation that the site will be used as temporary parking, after site clearance, to partially address the anticipated downtown parking shortage during construction of the LRT park and ride.

Once REDA has acquired the site, staff will proceed with next steps to clear the site including obtaining approval from the City Council for demolition of a commercial structure. Staff also anticipate working with Hennepin County to consider whether improvements can be made to the CR9/CR8 intersection prior to working on designs for a temporary parking facility.

RECOMMENDATION:
By motion, confirm the direction to staff to proceed to prepare the site for use as temporary parking as described in the memo.

Marcia Glick, Executive Director

AGENDA ITEM **# 4E**
December 12, 2017

CONSENT AGENDA: Disbursement Requests for period ending December 12, 2017

This information will be distributed at the meeting.

AGENDA ITEM # **5A**
December 12, 2017

CONTINUED PUBLIC HEARING: Disposition of 3912 Quail Ave. N.

BACKGROUND:

The lot reservation for 3912 Quail had been extended to December 13. Chuck Beckmann has come forward with a plan essentially the same as what was approved for 3905 Quail, but with differences to the front elevation and roof lines.

ANALYSIS/CONCLUSION:

The plan is included as **Attachment A**. A two-story house with a full-width front porch and attached 3-car garage. The exterior materials consist of lap siding with board & baton detailing under the second story gable.

Main floor - 964 finished sq. ft.

- Entry foyer with closet opens up to open floor plan with great room, kitchen & dining.
- Fireplace with build-ins.
- Kitchen island.
- ½ bath powder room.
- Mud/laundry room leading to garage.

Second floor – 992 finished sq. ft.

- Owner's suite with walk-in closet & full bathroom.
- 2nd & 3rd bedrooms with shared full bathroom.

Basement (full) – 768 sq. ft. unfinished

- Egress window for a 4th Bedroom.
- Rough-in for full bathroom.

The Hennepin County Appraiser provided a range of estimated market value from $320,000, to $370,000 for the similar house approved for 3905 Quail given the conceptual nature of the drawings.

RECOMMENDATION:

1. Open the public hearing for 3912 Quail Avenue. North.
2. Assuming the REDA finds the house design for 3912 Quail Ave. N. to be acceptable, then adopt the resolution shown in **Attachment B** awarding the lot to Chuck Beckmann and authorizing the Executive Director to execute a development agreement.

Marcia Glick

Marcia Glick, Executive Director

CONCURRENCE:

Rick Pearson, Community Development Coordinator

I:\2017 REDA Files\REDA Memos\12-12-2017 disp of lot for 3912 Quail public hearing.doc

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:

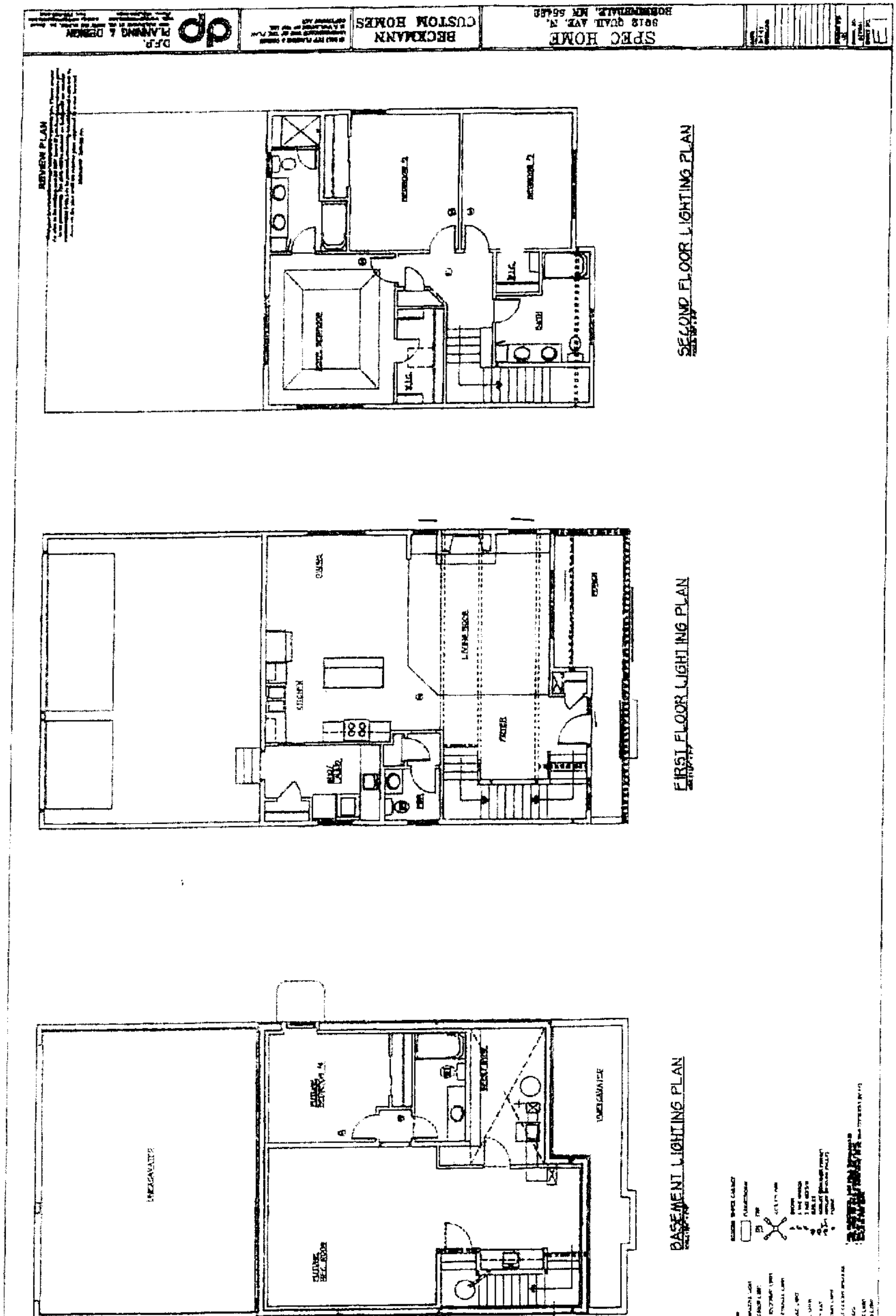
WHEREUPON SAID RESOLUTION WAS DECLARED DULY PASSED AND ADOPTED THIS 12TH DAY OF DECEMBER, 2017.

Pat Backen, President

ATTEST:

Marcia Glick, Executive Director


ATTACHMENT A
SPEC HOME
XXXX QUAIL AVE. N.
ROBBINSDALE, MN 55422
BECKMANN
CUSTOM HOMES
D.F.P.
PLANNING & DESIGN
LEFT ELEVATION
RIGHT ELEVATION
FRONT ELEVATION
REAR ELEVATION
ROOF VENTS AS REQ'D
CORNER BDS (TYPICAL)
HORIZ SIDING
MANUF STONE
EGRESS WDW W/ EGRESS WELL AS REQ'D
4" SIDES 6" TOP & BOTTOM
GAS F.P. VENT
LP PANEL
SHAKES
6" TRIM TYPICAL FRONT
964 SQ. FT. FF
992 SQ. FT. SF
1,956 SQ. FT. TOTAL
SECOND FLOOR CEIL
SECOND FLOOR
FIRST FLOOR CEIL
FIRST FLOOR
BASEMENT CEIL
BASEMENT FLOOR


SPEC HOME
BECKMANN CUSTOM HOMES
D.F.P. PLANNING & DESIGN
REVIEW PLAN
SECOND FLOOR LIGHTING PLAN
FIRST FLOOR LIGHTING PLAN
BASEMENT LIGHTING PLAN

Member ________________ , and Member ______________ seconded a motion that the following resolution be read and adopted this 12th day of December, 2017

REDA RESOLUTION NO. 2017 -

A RESOLUTION APPROVING THE DISPOSITION OF PROPERTY LOCATED AT 3912 QUAIL AVENUE NORTH BY THE ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY TO CHARLES BECKMANN

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

Lot 019, Block 003, BRIMHALL'S 2ND ADDITION TO ROBBINSDALE PARK
Hennepin County, Minnesota

WHEREAS, the Authority desires to convey the Property to Charles Beckmann (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 and program of the Project 2000-9 redevelopment area (the "Plan"); and

WHEREAS, the Authority has determined that conveyance and of the Property is in the best interest of the public and is necessary to further the objectives of the Plan;

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 Executive Director, is hereby authorized to execute a deed conveying the Property to the Buyer at the time, and upon the terms set forth in the Agreement.

AGENDA ITEM # 7A
December 12, 2017

New Business: Consideration of Redevelopment Area/TIF District

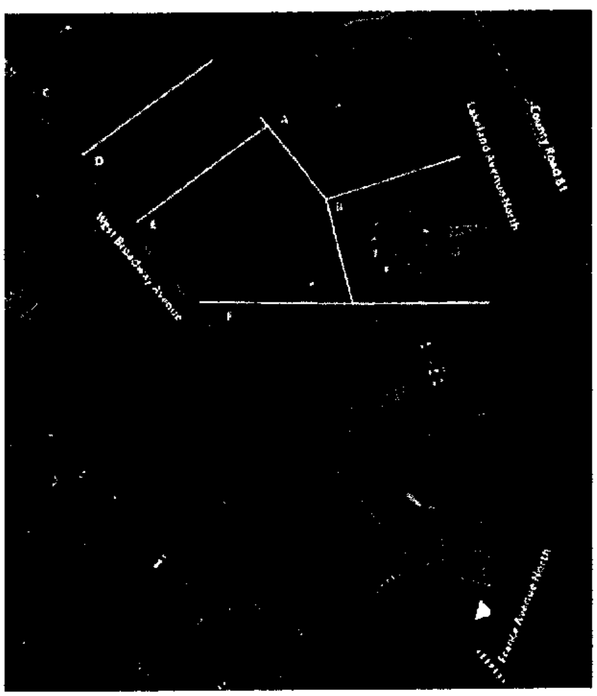
Background

On April 8, 2014, the REDA developed a Developer Fee Policy which provided opportunity for developers to explore the potential viability of a site prior to formal application and also the fee and process for developing a tax increment financing plan. The Beard Group, submitted a fee for preliminary plan studies in early August and, through this process. They have been able to work with Ehlers for review of tax increment financing potential for projects and have received a report from LHB on the investigation of the buildings related to various TIF eligibility components. The Beard Group has now submitted a request to move forward with a complete TIF study.

The city planning review of the project is scheduled to go before the city council for preliminary plat and planned unit development approval on December 19, 2017. With the application for the redevelopment project, staff has also received a request to proceed with preparation of a redevelopment district and tax increment financing plan for consideration by REDA. The $10,000 payment is being held pending REDA Board approval.

Analysis

The preliminary Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District as a Redevelopment District was completed in late November.



The report for the original 6 parcels examined the three required factors:

- Coverage: Are the statutory requirements related to improvements on the properties met?
- Condition of buildings test: Are more than 50% of the buildings structurally substandard to a degree requiring substantial renovation or clearance?
- Distribution of Substandard Buildings: Are the substandard buildings reasonably distributed throughout the district as compared to location of all buildings in the district?

The final analysis for these properties was that the two buildings on Lakeland (3735 office and 3739 home) qualified. It was not necessary to inspect the bank building as 2 of 3 structures met the test.

The report will need to be updated in order to include the home at 3743 Lakeland Ave N. The consultant has indicated that this update should be able to be complete in a couple weeks and The Beard Group has been informed of the additional cost which will be paid from their deposit.

The Beard Group had been working on a project financing gap estimate. This information needs to be updated with the addition of 3743 Lakeland and increased number of apartment units. This information will be available at the REDA meeting.

The funds generated by tax increments would be available for reimbursing the developer as they come in ("pay-as-you-go.") The Beard Group expects that they would obtain private funding in the form of a loan which would be repaid via the increments generated. That is, REDA would not guarantee the amount of the TIF generated, but would agree to make the TIF proceeds available to the developer.

If the development was completed mid-year 2019, tax increments would not be expected until 2021. Jason Aarsvold from Ehlers will be able to provide information on the anticipated project financial gap requested to be filled by TIF. The REDA may be repaid for its upfront costs including interest. With the developer's deposits covering the cost of the reports for determining site qualification, financial analysis, and legal document preparation, REDAs costs may be limited to staff time. However, REDA may have costs related to a larger area Redevelopment Plan as described below.

The REDA's action directing staff to start the analysis and development of agreements is the first step as shown in the preliminary schedule in Exhibit 1. It is expected that the draft plan would be presented at the February 13th REDA meeting and a City Council public hearing on the proposed district would be on February 20th.

The Tax Increment District would be similar to the site shown earlier in this report, with the addition of the 2nd home. The Redevelopment Area may be co-terminus with the TIF district or it could be expanded to include the development to the south or additional parcels.

The potential advantage to a larger Crystal Lake Views Redevelopment Area is that TIF proceeds may be available for limited pooling.

Discussion on Redevelopment Area Scope – Crystal Lake Views or Smaller Area

Based on discussion at the December 5th work session, REDA discussed requirements in a redevelopment area bounded by 36th Ave N on the south, 41st Ave N on the north, CR81 on the east and the westerly right-of-way on France/West Broadway on the west:

- Building setback limited to 15 feet for residential walk-outs or 5 feet for other uses. No surface parking permitted in the setback area for proposals entering planning after January 1, 2018.
- Underground parking for residential tenants – limited visitor surface parking may be provided in side setback or rear of building.
- Multi-story building requirements
  - 1st level walkouts for units adjacent to France/West Broadway.
  - 1st level retail/service/office permitted.
  - Office permitted on other levels
  - Height options from 4 to __ stories, depending on design details.
- Facades to include a combination of glass/glaze, masonry (including brick, cut stone, or equivalent) on 75% of wall surface facing France/West Broadway.

- The appearance of lower level parking walls (facing County Road 81) must be softened with façade texture and landscaping which may include "green" walls (trellis structures).
- Architecture of façade facing France/West Broadway adjacent to the pedestrian corridor should reflect the human scale experience.
- Buildings must be oriented toward the pedestrian by providing a direct link between each building and the pedestrian walking system.
- Pedestrian improvements including benches.
- The primary street side façade of a building shall not consist of an unarticulated blank wall or flat front facades ~~or an unbroken series of garage doors~~. The front of a building shall be broken up into individual bays of a minimum of 25 feet and maximum of 40 feet wide.'
- Where practicable, ingress and egress from parking must be from side streets alleys.
- Multi-family, office, and commercial structures must provide bicycle parking facilities.
- Trash collections and loading areas/docks for moving vans and large delivery vehicles should be outside of view from West Broadway and internal to the development where allowed by site width.
- All solid waste/recycling storage to be screened from view
- Buildings longer than 200 feet on France/West Broadway must have varied front setbacks.
- Unique architectural accent

RECOMMENDATION:

1. Provide direction on the scope of the redevelopment area and anticipated requirements if the project area is to include more than this particular redevelopment site.

2. By motion, adopt the Resolution authorizing the staff and consultants to undertake preparation of Program and Tax Increment Plan for the Birdtown Flats development.

Marcia Glick

Marcia Glick, Executive Director

EXHIBIT 1

TENTATIVE SCHEDULE FOR PLAN FOR
REDEVELOPMENT AREA

December 12, 2017	REDA adopts resolution authorizing creation of Program and Tax Increment Financing Plan for Redevelopment Area
December 29, 2017	Letter sent to county commissioner explaining project and inviting comments. [30 days prior to publication of public hearing notice.]
December 29, 2017	Project information submitted to the County Board for review of county road impacts.
January 19, 2018	Fiscal/economic implications to School Board Clerk and County Auditor [30 days prior to public hearing.]
February 1, 2018	Public hearing notice published
February 13, 2018	REDA considers adoption of Redevelopment Project, Redevelopment Agreement, TIF plan.
February 15, 2018	Planning Commission review for conformance with the Comprehensive Plan
February 20, 2018	City council holds public hearing for Redevelopment Project and TIF plan

EXHIBIT 2

Member ____________________ moved and Member __________________ seconded a motion that the following resolution be read and adopted this 12th day of December, 2017.

RESOLUTION NO. _________

A RESOLUTION AUTHORIZING PREPARATION OF A PROGRAM AND A TAX INCREMENT FINANCING PLAN FOR THE LAKELAND REDEVELOPMENT AREA AND BIRDTOWN FLATS TAXINCREMENT FINANCING DISTRICT

WHEREAS, the Robbinsdale Economic Development Authority ("REDA") is authorized to prepare programs and operate projects designed to provide for redevelopment within the city of Robbinsdale; and

WHEREAS, REDA is authorized to utilize tax increment financing when it appears necessary and appropriate to do so to accomplish the above goal; and

WHEREAS, REDA has determined that it is in the vital best interests of the residents of Robbinsdale that REDA prepare a program (the "Program") for a redevelopment of the Lakeland Redevelopment Area and a plan (the "Plan") for a new Birdtown Flats Redevelopment Area Tax Increment Financing District in connection with its efforts to assist in the redevelopment of a blighted area; and

WHEREAS, REDA has determined that the adoption of the Program and the Plan is necessary to advance the above goals and objectives and that the sites to be considered for inclusion in the Project Area and TIF District are the Citizens Independent Bank properties including parking lots, the office building at 3735 Lakeland, and the two homes at 3739 and 3743 Lakeland.

NOW, THEREFORE, BE IT RESOLVED by the Robbinsdale Economic Development Authority as follows:

1. Staff and consultants are hereby authorized and directed to prepare the Program and the Plan.

2. The Executive Director of REDA is authorized and directed to schedule such meetings to consider adoption of the Program and the Plan as are necessary to approve same and to notify the county and school district thereof.

3. The staff and consultants are authorized and directed to take all steps necessary to bring the Program and the Plan before REDA at the scheduled meetings.

4. REDA urges the city council of the city of Robbinsdale to schedule a public hearing on the Program and the Plan to be held as soon after consideration of these matters by REDA as reasonably practicable.

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 12TH DAY OF DECEMBER, 2017

____

Pat Backen, President

ATTEST:

____

Marcia Glick, Executive Director

AGENDA ITEM # **9A**
December 12, 2017

Information Only: REDA Budget

BACKGROUND:
Each year the REDA budget document is prepared showing both the anticipated expenditures in the coming year, as well as the estimated expenditures for the current year and two prior years. This includes reports for each of the tax increment areas as well as general budget and Broadway Court.

DISCUSSION:
REDA approved the Broadway Courts portion of the budget in November. Staff is working on a final REDA budget which will be on the January agenda.

RECOMMENDATION:
No action required.

Marcia Glick, Executive Director

Agenda Item # **9B**
December 12, 2017

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
Twin Oak cul-de-sac *(Beckmann)*	Property sold October 4, 2017. Site preparation underway.
3807 Major *(Hyland)*	TIF 2000-8. Siding is going on. Windows installed. Completion deadline 12/31/17. Expecting to close and start moving in by December 16th!
4629 France *(Carlyle)*	Purchase agreement signed.
4023 Zane *(Peterson)*	Property completed.
4524Regent *(Hammer)*	Closing deadline 4.30.18 – earnest money forfeited.
4530 Regent	Purchase agreement canceled. Public notice to be re-advertised for January.
3912 Quail	TIF 2000-9.Lot reservation extended to 12.13.17. (Beckmann). ***See Agenda Item.***
3905 Quail *(Beckmann)*	TIF 2000-9. Closing deadline 1/30/2018.
3606 Lake Drive	Considering Park option.
4150 Regent – Garages *(Pendergast)*	TIF Project 8: Mortgage payments for acquisition started 6/2016.
39xx W. Broadway	Property is tax exempt pending redevelopment.
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.
3108-12 Grimes	Holding.
4212 Grimes; 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	Option agreement signed. County COA (Brownfield Gap Financing) approved for Phase 1 & 2 Environmental. County grant $400,000 TOD. ***See Agenda Item.***
4614 41 ½ Ave N	Building leased to Soul Brothers for office, meeting space, and catering office.
Terrace Redevelopment TIF Agt.	Building construction underway. Future action on TIF Note, etc.
4165 Hubbard *NSide Oriental Mkt*	Lease adjustment approved 11.14.17.
4501 Orchard *(Soul Brothers)*	Contract for deed payments on schedule. Final payment January 2018.
4131-35 W Broadway *(Performance Meals)*	Contract for Deed Payments on schedule. Working on financing for a number of improvements which would include paying off contract. Parking lot paved. Requesting downtown improvement loan. ***See Agenda Item.***
Lions Gym Façade grant	Projects completed--forgiven after 10 years (January 2022)
EMI Rehab Façade grant	Projects completed –forgiven after 10 years (January 2022)
Wicked Wort – Façade grant	Project completed – forgiven after 10 years (December 2025)
Golden Age Design Façade grant	Agreement signed – forgiven after 10 years (December 2026) Sign and painting complete – lighting/electrical work delayed.
Clare Housing TIF District	Pay-as-you-go TIF agreement.
Downtown/Plaza Project	Checkerboard patterns to be repaired at end of season by volunteer. Mural on hold. Robin Center would be open to mural N side of lower center.
Downtown Shared Parking Lot	Parking lot has been repaved as a cooperative venture among the adjoining property owners. Design provided through REDA funding was used. Concept to try to eliminate connection to 41 ½ or to drive thru vs. back up for Wuollets wasn't able to move forward.
Business District Initiative	See Detail on next page. Completion required by October 2018.
TCF Sales Proceeds	*See Below*

Marcia E Glick

Marcia Glick, Executive Director

Business District Initiative - $35,000 Project deadline October 2018		
	Total Budget	Grant
Ace Hardware - awning	$3,433.20	$1,444 complete
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	$10,475 both sides of building $6,983	$ 3,492 Waiting on work completion. Lights expected soon.
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
	Budget $35,000	Total $21,368.31