



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA
Tuesday, March 18, 2025
Immediately Following Regular City Council Meeting
Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

1. Approve Minutes of December 3, 2024
2. Approve Minutes of February 4, 2025

New Business

3. Consider Loan Modification, Virka Holdings LLC, 360 Coon Rapids Blvd.

Other Business

Adjourn



HRA Regular

1.

Meeting Date: 03/18/2025

Subject: Approve Minutes of December 3, 2024

From: Joan Lenzmeier, City Clerk

INTRODUCTION

DISCUSSION

RECOMMENDATION

Attachments

December 3 2024 HRA Minutes

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF DECEMBER 3, 2024

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order at 8:50 p.m. on December 3, 2024, in the Council Chambers.

Members Present: Chair Jerry Koch, Brad Greskowiak, Jennifer Geisler, Pat Carlson, and Brian Armstrong.

Members Absent: Rehrauer and Novack.

CALL TO ORDER

Chair Koch called the meeting to order at 8:50 p.m.

ROLL CALL

All present.

APPROVAL OF MINUTES OF PREVIOUS MEETING

1. Approve Minutes of November 6, 2024

MOTION BY COMMISSIONER GEISLER, SECONDED BY GRESKOWIAK TO APPROVE THE NOVEMBER 6, 2024, MINUTES. THE MOTION PASSED UNANIMOUSLY.

NEW BUSINESS

2. Consider HRA Budget and Tax Levy

The staff report was shared.

MOTION BY COMMISSIONER CARLSON, SECONDED BY GEISLER TO ADOPT RESOLUTION HRA 24-2 APPROVING THE HRA TAX LEVY.

Commissioner Greskowiak asked about the total fund balance in the HRA account. Finance Director Hanson explained the fund balance and how those funds are designated for specific HRA programs.

Commissioner Greskowiak asked if there was a need to levy the full \$725,000 that is proposed if there is existing fund balance of over \$16 million. Finance Director Hanson explained the fund balance and how the amounts are allocated to specific programming and include amounts for staff whose activities are billed to the HRA fund.

THE MOTION PASSED UNANIMOUSLY.

MOTION BY COMMISSIONER CARLSON, SECONDED BY COMMISSIONER ARMSTRONG TO ADOPT RESOLUTION HRA 24-3 ADOPTING THE 2025 HRA BUDGET. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

NONE

ADJOURN

MOTION BY COMMISSIONER CARLSON, SECONDED BY COMMISSIONER ARMSTRONG TO ADJOURN THE DECEMBER 3, 2024, HRA MEETING AT 8:53 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:

Joan Lenzmeier, City Clerk



HRA Regular

2.

Meeting Date: 03/18/2025

Subject: Approve Minutes of February 4, 2025

From: Joan Lenzmeier, City Clerk

INTRODUCTION

DISCUSSION

RECOMMENDATION

Attachments

February 4, 2025

HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF FEBRUARY 4, 2025

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order at 8:34 p.m. on February 4, 2025, in the Council Chambers.

Members Present: Chair Jerry Koch, Commissioners Brad Greskowiak, Peter Butler, Sean Novack, Christopher Geisler, Pat Carlson, and Brian Armstrong.

Members Absent: None

CALL TO ORDER

Chair Koch called the meeting to order at 8:34 p.m.

ROLL CALL

All present.

APPROVAL OF MINUTES OF PREVIOUS MEETING

NEW BUSINESS

1. SELECT HRA OFFICERS FOR 2025

MOTION BY NOVACK, SECONDED BY BUTLER TO APPOINT THE FOLLOWING OFFICERS:

CHAIR: JERRY KOCH

VICE CHAIR: PAT CARLSON

SECRETARY: SEAN NOVACK

VICE SECRETARY: CHRISTOPHER GEISLER

MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

COMMISSIONER GRESKOWIAK INDICATED THAT HE WOULD LIKE THE HRA LEVY DISCUSSED AT THE UPCOMING COUNCIL RETREAT.

Housing and Redevelopment Authority Minutes

February 4, 2025

Page 2

ADJOURN

MOTION BY CARLSON, SECONDED BY GEISLER TO ADJOURN THE FEBRUARY 4, 2025, HRA MEETING AT 8:36 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:

Joan Lenzmeier, City Clerk



HRA Regular

3.

Meeting Date: 03/18/2025

Subject: Consider Loan Modification, Virka Holdings LLC, 360 Coon Rapids Blvd.

From: Matt Brown, Community Development Director

INTRODUCTION

The HRA is asked to consider a modification to a loan agreement with Virka Holdings LLC related to a business expansion project at 360 Coon Rapids Boulevard.

DISCUSSION

Located in Coon Rapids for many years, IDC-Automatic manufactures, installs, and services both residential and commercial garage doors. The borrower, an entity associated with Randy Martinen, an employee of IDC for several years, acquired the garage door division from the original owner in 2020 and the underlying real estate in 2022.

At its November 6, 2024 meeting, the HRA approved a loan agreement with Vikra Holdings LLC for a \$200,000 loan with a 6.25% interest rate and a 25-year term. Funded by an allocation of the HRA account and repayments of Minnesota Investment Fund loans, the HRA created the commercial revolving loan fund in 2013 as a tool to facilitate development projects meeting City goals. This particular loan would assist in financing a 25,570 square foot addition to the existing 21,740 square foot IDC building.

The plan review process uncovered additional project needs, including addition of a fire suppression system to the existing building, which is not currently sprinkled. Because the fire suppression system and associated structural modifications will increase the cost of the \$4.6 million overall project by \$157,000, the HRA is asked to provide an additional \$100,000 in financing. Staff feels this request is reasonable, given that the HRA's loan represents under 7% of the total project cost. Other sources of financing include a bank loan, SBA loan, and owner equity. The original loan agreement requires that the business create at least 20 new jobs and retain at least 61 jobs over the next two years. Staff from Central Minnesota Development Company, which will service the HRA loan, reviewed the loan request and recommends approval. Because this financial assistance package is a market-rate loan generally available to other similar businesses, it is exempt from the Minnesota Business Subsidy Act and does not require a public hearing.

RECOMMENDATION

Staff recommends that the HRA:

1. Approve the first amendment to the loan agreement and promissory note and mortgage modification substantially in the form provided.
2. Authorize the Chair and Secretary to execute the first amendment to the loan agreement and promissory note and mortgage modification and authorize the Executive Director to execute additional loan documents as necessary for closing.

Attachments

First Amendment to Loan Agreement

FIRST AMENDMENT TO LOAN AGREEMENT AND PROMISSORY NOTE

THIS FIRST AMENDMENT TO LOAN AGREEMENT AND PROMISSORY NOTE (this “Amendment”) is made effective as of April 1, 2025, by and among: *Virka Holdings LLC*, a Minnesota limited liability company (the “Borrower”); *IDC Automatic, LLC*, a limited liability company (“IDC”), and *Randy Marttinen* (“Randy”, and together with IDC, the “Guarantors” or individually a “Guarantor”); and the *Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota*, a body politic and corporate under the laws of the State of Minnesota (“Lender”).

R E C I T A L S

- A. Borrower, Guarantors, and Lender are parties to a Loan Agreement dated November 14, 2024 (the “Loan Agreement”), relating to certain credit accommodations made by Lender to Borrower in the form of a \$200,000.00 term loan (the “Loan”).
- B. The Loan is repayable pursuant to the terms of the Loan Agreement and that certain Promissory Note dated November 14, 2024, by Borrower in favor of Lender (the “Note”).
- C. The parties desire to amend the Loan Agreement and the Note on the terms and conditions contained in this Amendment.

A G R E E M E N T

NOW, THEREFORE, the parties agree as follows:

- 1. Capitalized terms used in this Amendment, unless otherwise defined herein, shall have the same meanings ascribed to them in the Loan Agreement or the Note, as applicable.
- 2. The Loan Agreement and the Note and all of the other loan documents executed and delivered in connection with the Loan are hereby amended to provide as follows:
 - a. The amount of the Loan advanced by Lender to Borrower shall be increased by an additional advance equal to \$100,000.00 (the “Loan Amount Increase”). The parties acknowledge and agree that the remaining unpaid principal balance of the Loan, as of April 1, 2025 is equal to \$198,880.60, and with the Loan Amount Increase, the total remaining balance of the Loan is equal to \$298,880.60 (the “Remaining Balance”).
 - b. The Remaining Balance of the Loan shall be payable in monthly installments equal to \$1,982.72 each, commencing on May 1, 2025. The Remaining Balance shall be otherwise payable subject to and in accordance with the terms of the Loan Agreement and the Note in the amounts set forth on the amortization schedule attached hereto as *Exhibit A*.

3. Except as hereby amended, all of the terms and conditions of the Loan Agreement, the Note, and all of the other documents executed and delivered in connection with the Loan, the Loan Agreement and the Note, including the guaranties executed and delivered by the Guarantors, are and shall remain in full force and effect and the same are hereby ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

BORROWER:

VIRKA HOLDINGS LLC

GUARANTORS:

IDC AUTOMATIC, LLC

Randy Marttinen, Member

Randy Marttinen, President

Randy Marttinen, Individually

LENDER:

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF COON RAPIDS,
MINNESOTA

By: _____

Name: Jerry Koch

Title: Chair

By: _____

Name: Sean Novack

Title: Secretary

Exhibit A

AMORTIZATION SCHEDULE

Attached

AMENDMENT TO MORTGAGE

This Amendment to Mortgage is between Virka Holdings LLC, a Minnesota limited liability company (the “Mortgagor”), and Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota, a body politic and corporate under the laws of the State of Minnesota (“Mortgagee”).

A. Mortgagor executed a Mortgage dated November 14, 2024, and filed for record on November 19, 2024, as Document No. 2426923.003 in Anoka County, Minnesota (the “Mortgage”) in favor of the Mortgagee to secure certain obligations described in the Mortgage.

B. The Mortgagee has advanced additional funds to the Mortgagor in the amount of \$100,000.00 and the parties desire to amend the Mortgage to add the additional advanced amount to the loan amount covered by the Mortgage.

AGREEMENT

Mortgagee and Mortgagor hereby modify the Mortgage to reflect an additional advance of funds by Mortgagee to Mortgagor in the amount of \$100,000.00, bringing the total amount of loan proceeds secured by the Mortgage to \$300,000.00.

*This is a Mortgage Amendment that secures an increased amount of debt. *

The parties agree as follows:

1. Except as amended hereby, the Mortgage remains unmodified and is in full force and effect.

VIRKA HOLDINGS LLC

Randy Marttinen, Member

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF COON RAPIDS, MINNESOTA

By: _____

Name: Jerry Koch

Title: Chair

By: _____

Name: Sean Novack

Title: Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2025, before me personally appeared Randy Marttinen, who being by me duly sworn did depose and say that he is the sole member of Virka Holdings LLC, the limited liability company described in and which executed the foregoing instrument; and acknowledged that he signed his name hereto by order of said company.

[SEAL]

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2025, before me personally appeared Jerry Koch and Sean Novack, who being by me duly sworn did depose and say that he/she is the Chair and Secretary, respectively, of the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota, a body politic and corporate under the laws of the State of Minnesota, described in and which executed the foregoing instrument; and acknowledged that he/she signed his/her name hereto by order of said company.

[SEAL]

Notary Public

DRAFTED BY:

Marick & Tynjala, P.A. (JMT)
601 Carlson Parkway, Suite 1050
Minnetonka, MN 55305

EXHIBIT A
Legal Description

Parcel 1:

Lot 3, Block 1, Evergreen Industrial Park North 2nd Addition, except the Westerly 20 feet thereof as measured at right angles, Anoka County, Minnesota.

Parcel 2:

Tract A

Lot 3, Block 1, Evergreen Commercial Addition, Anoka County, Minnesota.

Tract B:

Together with the common driveway easement as contained in that certain Declaration of Easements filed as Document Number 1340120.

Parcel 3:

The Westerly 20 feet, as measured at right angles, of Lot 3, Block 1, Evergreen Industrial Park North 2nd Addition,

Anoka County, Minnesota.

Abstract Property