

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Work Session
Tuesday July 19, 2011
Immediately following CC Work Session
Lake Itasca Room, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Citizen Input**
3. **Approve Agenda**
4. **Approve Minutes**
5. **HRA Business**
 1. Consider Proposed Deal Structure - The Residence at The COR Project (Portions may be closed to the public)
6. **Executive Director's Report**
7. **Commissioner Input**
8. **Adjournment**

HRA Work Session

5. 1.

Meeting Date: 07/19/2011

By: Darren Lazan, Housing &
Redevelopment Authority

Title:

Consider Proposed Deal Structure - The Residence at The COR Project (Portions may be closed to the public)

Background:

Over the past few weeks, work has continued on finalizing financing for the Flaherty and Collins - The Residence at The COR project. City representatives met with Flaherty and Collins representatives at the ICSC conference as well as a representative of the bank financing the deal. In a followup meeting in Minneapolis, the development team met with Flaherty and Collins and three Representatives of PNC Bank, the bank proposing financing on the project. In a worksession on July 19th, the HRA will consider options to participate in the construction financing and facilitate a project start in September of this year.

On June 30th, 2011 PNC Bank approved the project in committee with direction to modify the appraisal based on a number of discussions over the last several weeks. Subsequently, a commitment letter was received by F & C from PNC outlining the proposed loan. With the HRA approval of June 28, to modify the approved TIF structure setting the principal after completed plans are available to the assessor, the development team will work to finalize the deal terms necessary to commence construction on the proposed schedule.

At the July 19th meeting, the development team will review with the HRA the current structure of financing that is being considered for the Flaherty and Collins project. Stacie Kvilvang with Ehlers and/or Thomas Bray from Briggs and Morgan will be present for the worksession to review the financing structure and deal components being proposed for the project.

Staff will also review with the HRA the proposed modifications to the currently approved deal structure considering the discussion above.

Notification:

Observations:

Recommendation:

The development team recommends the HRA consider the proposed financing options, and deal modifications presented and based on the discussion direct the development team to:

1. Work with counsel to prepare both ammendments to the existing documents, and new documents as necessary to reflect the approved deal structure and financing package. Completed documents would be prepared and presented for final approval at a future regular HRA meeting. or,
2. Continue discussions with Flaherty and Collins to negotiate modified deal terms and present for consideration at a future meeting. or,
3. Negotiate with Flaherty and Collins to terminate and/or extend the existing agreement until such time as HRA participation can be further reduced.

Funding Source:

Funding for this item is proposed from a variety of sources, and will be outlined in the meeting.

Council Action:

Based on discussions, direct the development team to:

1. Work with counsel to prepare both ammendments to the existing documents, and new documents as necessary to reflect the approved deal structure and financing package. Completed documents would be prepared and presented for final approval at a future HRA meeting. or,
2. Continue discussions with Flaherty and Collins to negotiate modified deal terms and present for consideration at a future meeting. or,
3. Negotiate with Flaherty and Collins to terminate and/or extend the existing agreement until such time as HRA participation can be further reduced.

Form Review

Inbox
Kurt Ulrich
Heidi Nelson

Reviewed By
Kurt Ulrich
Jo Thieling

Date
07/14/2011 04:22 PM
07/14/2011 04:28 PM
Started On: 07/14/2011

Form Started By: Darren Lazan

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