

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday September 11, 2012
Immediately following City Council
Council Chambers, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Citizen Input**
3. **Approve Agenda**
4. **Approve Minutes**
5. **HRA Business**
 1. Adopt Resolution Approving Proposed 2013 HRA Levy
 2. Approve Amendment Number 1 to Purchase Agreement - KONA Properties, LLC
6. **Development Team Report**
 1. Review COR Dashboard
7. **Commissioner Input**
8. **Adjournment**

HRA Regular Session

5. 1.

Meeting Date: 09/11/2012

By: Diana Lund, Finance

Information

Title:

Adopt Resolution Approving Proposed 2013 HRA Levy

Background:

Each “taxing authority” must certify its proposed property tax levy for payable 2013 to the County Auditor by September 17.

ANALYSIS:

On March 5, 2005 the City Council established a Housing and Redevelopment Authority (HRA). The bylaws state that the makeup of the HRA will be the Ramsey City Council.

For Budget Year 2012, the HRA adopted a maximum levy of \$368,549. For Payable 2013, staff is again proposing a maximum levy of \$328,567 (.0185% of total taxable market value of \$1,776,037,837). A taxpayer home valued at \$200,000 would be paying \$37.00 towards the levy. The majority of the levy will be used for ongoing costs associated with the COR project area: designated personnel, marketing of the property and contracting services. Annually, the levy has also been responsible for approximately \$48,000 of maintenance costs related to the parking ramp maintenance agreement.

The maximum levy is proposed at this time until a work plan is created by the Development Team. The purpose of this work plan is to forecasts future land sales and the net revenue generated that could offset the levy.

Another funding source that could be used to offset the levy would be the use of Anoka County HRA funds held on behalf of the city. Staff needs to work with the county to determine the amount of funds eligible towards the budget.

Prior to final adoption of the HRA levy in December, the work plan and Anoka County HRA funding will be known and brought back to the HRA in a worksession.

Recommendation:

Adopt resolution approving the proposed 2013 HRA Levy in the amount of \$328,567.

Funding Source:

HRA budget is supported by the HRA tax levy and possible future land sales in the COR area.

Council Action:

Motion by Commissioner _____ and seconded by Commissioner _____ to adopt Resolution #HRA-12-XXX authorizing the approval of the proposed 2013 HRA levy in the amount of \$328,567.

Attachments

2013 HRA Proposed Levy

Form Review

Inbox

Reviewed By

Date

Kurt Ulrich

Kurt Ulrich

09/06/2012 03:27 PM

Form Started By: Diana Lund

Started On: 09/04/2012 08:59 AM

Final Approval Date: 09/06/2012

Commissioner introduced the following resolution and moved for its adoption:

RESOLUTION #HRA-12-09-XXX

A RESOLUTION ESTABLISHING A HRA PROPERTY TAX LEVY PAYABLE IN 2013 UNDER MINNESOTA STATUTES CHAPTER 469

WHEREAS, on March 8, 2005, the Ramsey City Council adopted Resolution #05-03-072 to establish a Housing and Redevelopment Authority, in and for the City of Ramsey; and

WHEREAS, the proposed HRA budget for 2013 includes expenditures for staff, training, consulting and professional services related to the development and marketing of the COR.

WHEREAS, pursuant to Minnesota Statutes 469, the Housing and Redevelopment Authority has the power to establish a property tax levy as a funding source for qualifying activities; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY, IN AND FOR THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

1. That a HRA property tax, payable in 2013, be levied in the amount of \$328,567. The Statutory maximum levy allowed is \$328,567 (.0185% of total taxable market value of \$1,776,037,837).

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner, upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

whereupon said resolution was declared duly passed and adopted by the Housing and Redevelopment Authority Board of Commissioners this the 11th day of September, 2012.

Chairperson

ATTEST:

HRA Executive Director

HRA Regular Session

5. 2.

Meeting Date: 09/11/2012

By: Darren Lazan, Housing & Redevelopment Authority

Information

Title:

Approve Amendment Number 1 to Purchase Agreement - KONA Properties, LLC

Background:

On September 4th, 2012, the HRA approved and executed the purchase agreement for Lot 5, Block 1, COR TWO with KONA Properties, LLC.

The development team continues to work on a potential Special Service District (SSD) for this area. Preliminary language has been discussed with the buyer, and they are agreeable to the concept. Mr. Bray has drafted updated language related to this item and we would like to include this in the purchase agreement through an Amendment attached for your review.

Notification:

Observations:

Recommendation:

The development team recommends the HRA approve Amendment Number 1 to the Purchase agreement for Lot 5, Block 1, COR TWO.

Funding Source:

N/A

Council Action:

Approve Amendment Number 1 to the Purchase agreement for Lot 5, Block 1, COR TWO.

Attachments

Amendment #1

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	09/06/2012 04:46 PM
Form Started By: Darren Lazan		Started On: 09/06/2012 02:28 PM
Final Approval Date: 09/06/2012		

AMENDMENT NO. 1 TO PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 TO PURCHASE AGREEMENT (“Amendment”) is made as of the ___ day of September, by and between THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a public body politic and corporate under the laws of the state of Minnesota (“Seller”) and KONA PROPERTIES, LLC, a Minnesota limited liability company (“Buyer”).

RECITALS:

A. Seller and Buyer are parties to that certain Purchase Agreement dated September 4, 2012 (the “Purchase Agreement”).

B. Seller and Buyer wish to amend the Purchase Agreement to reflect certain additional agreements between them.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

1. Defined Terms. Unless otherwise indicated, capitalized terms shall be defined in the manner set forth in the Purchase Agreement.

2. Legal Description. The existing legal description of the Property was inadvertently not included in the executed Purchase Agreement. Accordingly, the legal description attached hereto as Exhibit A is hereby inserted as Exhibit A to the Purchase Agreement. It is understood and agreed that, prior to Closing, the Property will be re-platted such that the legal description as of Closing shall be Lot 5, Block 1, COR TWO.

3. Special Service District. The following is hereby added as a new Section 5.6 to the Purchase Agreement:

“5.6. **Special Service District**. Seller has advised Buyer that Seller has been working with the City and intends to continue to work with the City after Closing on the City’s adoption of an ordinance establishing a Special Service District pursuant to Minnesota Statutes Sections 428A.01 through 428A.101, as the same may be amended, or the establishment of a similar service district pursuant to future special legislation (either a “Special Service District”). The Special Service District, if established, will include the Property. Buyer agrees that, at the request of Seller, Buyer will cooperate with and assist Seller and the City in the establishment of a Special Service District. Buyer’s obligation to cooperate and assist includes, but is not limited to, an obligation to join in a petition requesting a public hearing on the creation of a Special Service District pursuant to Minnesota Statutes Section 428A.08. Buyer further agrees that Buyer will not file or join in the filing of an objection

pursuant to Minnesota Statutes Section 428A.02, Sub. 4 or Section 428A.09 and will not appeal to the District Court pursuant to Minnesota Statutes Section 428A.02, Subd. 5. Buyer's obligations under this Section 5.6 survive the closing of the transaction contemplated by this Agreement and are binding on any person or entity obtaining any right, title or interest in the Property subject to the Agreement by or through Buyer. Seller may transfer its rights under this Section 5.6 to the City. Buyer acknowledges that an award of monetary damages may be insufficient to compensate Seller for Buyer's breach of Buyer's obligations under this Section 5.6 and agrees that if Buyer defaults in the performance of Buyer's obligations under this Section 5.6 Seller is entitled to seek an order compelling Buyer's specific performance of Buyer's obligations under this Section 5.6."

4. Reference to and Effect on the Purchase Agreement.

(a) Upon the effectiveness of this Amendment, each reference in the Purchase Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Purchase Agreement shall mean and be a reference to the Purchase Agreement as amended hereby.

(b) Except as specifically set forth above, the Purchase Agreement remains in full force and effect and is hereby ratified and confirmed.

(c) Wherever there exists a conflict between this Amendment and the Purchase Agreement, the provisions of this Amendment shall control.

(d) This Amendment, together with the Purchase Agreement, constitute the complete agreement of Seller and Buyer as to the matters set forth herein and may not be waived, modified or changed, except by writing signed by both Seller and Buyer.

5. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Minnesota.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts/Electronic Signatures. This Amendment may be executed in counterparts, all of which, when taken together, shall constitute one and the same original. Signatures on this Amendment sent via facsimile or electronic mail shall be deemed effective as original signatures.

8. Time of Essence. Time shall be of the essence as to each and every provision of this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

SELLER;

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY
OF RAMSEY, MINNESOTA

By: _____
Colin McGlone
Its Chairperson

By: _____
Kurt Ulrich
Its Executive Director

BUYER:

KONA PROPERTIES, LLC

By: _____
Name: _____

Title: _____

EXHIBIT A

THAT PART OF OUTLOT H, RAMSEY TOWN CENTER, ANOKA COUNTY, MINNESOTA DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID OUTLOT H, THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST ASSUMED BEARING ALONG THE WEST LINE OF SAID OUTLOT H, A DISTANCE OF 118.48 FEET; THENCE NORTH 44 DEGREES 47 MINUTES 55 SECONDS EAST, A DISTANCE OF 28.29 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, A DISTANCE OF 235.50 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, A DISTANCE OF 77.65 FEET; THENCE SOUTHEASTERLY 163.29 FEET ALONG A TANGENTIAL CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 115.00 FEET AND A CENTRAL ANGLE OF 81 DEGREES 21 MINUTES 18 SECONDS; THENCE SOUTH 08 DEGREES 50 MINUTES 56 SECONDS EAST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 54.52 FEET; THENCE SOUTHERLY 72.31 FEET ALONG A TANGENTIAL CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 479.00 FEET AND A CENTRAL ANGLE OF 08 DEGREES 38 MINUTES 59 SECONDS; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 77.30 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, A DISTANCE OF 59.99 FEET; THENCE NORTHWESTERLY 90.79 FEET ALONG A TANGENTIAL CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 26 DEGREES 00 MINUTES 33 SECONDS; THENCE NORTH 64 DEGREES 11 MINUTES 24 SECONDS WEST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 50.94 FEET; THENCE NORTH 05 DEGREES 41 MINUTES 40 SECONDS WEST, A DISTANCE OF 75.58 FEET; THENCE NORTHERLY 47.96 FEET ALONG A TANGENTIAL CURVE, CONCAVE TO THE EAST HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 05 DEGREES 29 MINUTES 43 SECONDS; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, A DISTANCE OF 104.81 FEET TO THE POINT OF BEGINNING.

HRA Regular Session

6. 1.

Meeting Date: 09/11/2012

By: Jo Thieling, Administrative Services

Information

Title:

Review COR Dashboard

Background:

Development Manager Darren Lazan will review an updated dashboard with the HRA based on the most recent transactions.

Funding Source:

N/A

Council Action:

No formal action necessary.

Form Review

Form Started By: Jo Thieling

Started On: 09/06/2012 05:48 PM

Final Approval Date: 09/06/2012