

AGENDA

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL
• SPECIAL MEETING •
TUESDAY, NOVEMBER 19, 2013
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING
CRYSTAL CITY HALL
COUNCIL CHAMBERS**

1. Call to order
2. Roll call
3. Consider approval of minutes from the October 1, 2013 regular meeting *
4. Consider a resolution approving Second Amendment to the Contract for Private Redevelopment with Crystal Leased Housing Associates I, Limited Partnership [Dominium entity for The Cavanagh Senior Apartments] *
5. Other business
6. Adjournment

* *Materials attached*

**Minutes of the
Crystal Economic Development Authority
Regular Meeting
October 1, 2013**

President Hoffmann called the regular meeting of the Crystal Economic Development Authority to order at 6:33 p.m.

Upon call of the roll, the following members were present: Jim Adams, Julie Deshler, Mark Hoffmann, Laura Libby, Casey Peak and Joe Selton.

The following staff members were present: Anne Norris, Executive Director; Patrick Peters, Deputy Executive Director; John Sutter, City Planner/Assistant Community Development Director; and Mike Norton, City Attorney.

Motion by Commissioner Adams (Libby) to approve the minutes from the September 3, 2013 regular meeting.

Motion carried.

The EDA considered a resolution authorizing the sale of a lot at 5657 Adair Avenue North to Novak-Fleck for construction of a new house.

President Hoffmann opened the public hearing. No one came forward to speak on the matter, and President Hoffmann closed the hearing.

Motion by Commissioner Peak (Deshler) to approve resolution 2013-16 authorizing the sale of a lot at 5657 Adair Avenue North to Novak-Fleck for construction of a new house.

Motion carried.

The EDA considered a resolution approving the First Amendment to the Contract for Private Redevelopment with Crystal Leased Housing Associates I, Limited Partnership [Dominium entity for The Cavanagh Senior Apartments].

Motion by President Hoffmann (Libby) to approve Resolution #2013-17 approving the First Amendment to the Contract for Private Redevelopment with Crystal Leased Housing Associates I, Limited Partnership.

Motion carried.

Motion by Commissioner Peak (Deshler) to adjourn the regular meeting.

Motion carried.

The meeting adjourned at 6:43 p.m.

Mark Hoffmann, President

ATTEST:

Julie Deshler, Vice President



EDA STAFF REPORT

Resolution approving Second Amendment to Contract for Private Redevelopment for The Cavanagh Senior Apartments

FROM: Patrick A. Peters, EDA Deputy Executive Director *PA*

TO: Anne Norris, Executive Director (for November 19, 2013, EDA Meeting)

DATE: November 15, 2013

RE: Consider a resolution approving Second Amendment to Contract for Private Redevelopment with Crystal Leased Housing Associates I, Limited Partnership [a Dominion Entity]

BACKGROUND

On December 18, 2012, the EDA approved a resolution authorizing execution of a Contract for Private Redevelopment (CPR) and sale of Lot 1, Block 1, Cavanagh Park Addition to Crystal Leased Housing Associates I, Limited Partnership [a Dominion Entity]. At its October 1 meeting, the EDA approved a resolution approving the first amendment to the CPR that redefined the project as a 4-story building, modified the zoning to R-3 Planned Development, and revised the closing date on the property sale to Dominion to December 31, 2013.

Dominium has since informed the city that, due to circumstances in the bond market that are beyond their control, they are not able to complete their bond financing in time for a December closing. On the advice of the City's bond counsel, staff is recommending a second amendment to the CPR acknowledging changes to the schedules for closing and construction. The amendment contemplates closing on the sale of the property to Dominion by March 31, 2014; initiation of construction by May 31, 2014; and completion of construction by August 31, 2015. The balance of the provisions of CPR remain as originally approved except as modified by the first amendment.

RECOMMENDATION

Staff requests EDA approval of a resolution approving second amendment to the Contract for Private Redevelopment with Crystal Leased Housing Associates I, Limited Partnership.

ATTACHMENTS

- Resolution
- Second Amendment to Contract for Private Redevelopment

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL

RESOLUTION NO. _____

**RESOLUTION APPROVING SECOND AMENDMENT TO
CONTRACT FOR PRIVATE REDEVELOPMENT WITH
CRYSTAL LEASED HOUSING ASSOCIATES I, LIMITED PARTNERHSIP**

BE IT RESOLVED BY the Board of Commissioners (the "Board") of the Economic Development Authority of the City of Crystal (the "Authority") as follows:

Section 1. Background.

1.01. The City of Crystal (the "City") and the Authority have heretofore approved the establishment of Tax Increment Financing District No. 4 (the "TIF District") within Redevelopment Project No. 1 (the "Project"), and have adopted a tax increment financing plan for the TIF District to finance certain improvements within the Project.

1.02. The Authority previously entered into a Contract for Private Redevelopment dated as December 18, 2012 (the "Original Contract") between the Authority and Crystal Leased Housing Associates I, Limited Partnership (the "Redeveloper") under which the Authority agreed to convey to the Redeveloper certain property within the Project described as Lot 1, Block, 1, Cavanagh Park Addition (the "Redevelopment Property").

1.03. The Original Contract also provides that the Redeveloper will construct a senior housing facility on the Redevelopment Property, and that the Authority will assist such effort by issuing a tax increment revenue obligation secured by certain tax increments from the TIF District.

1.04. The Authority approved the Original Contract by Resolution No. 2012-28 (the "2012 Resolution"), which also authorized issuance of a tax increment revenue obligation in the form of the Taxable Tax Increment Revenue Note, Series 2013 (the "Series 2013 TIF Note").

1.05. The parties have determined a need to modify the Original Contract in certain respects, and to that end have prepared a Second Amendment to Contract for Private Redevelopment (the "Second Amendment").

1.06. The Board has reviewed the Second Amendment and has determined that it is in the best interest of the Authority to enter into the Second Amendment.

Section 2. Approvals.

2.01. The Board hereby approves the Second Amendment and authorizes the President and Executive Director to execute such document in substantially the form on file with Authority, subject to modifications that do not alter the substance of the transaction and are approved by such officials, provided that execution of the Agreement by such officials is conclusive evidence of their approval.

Approved by the board of commissioners of the Economic Development Authority of the City of Crystal this 19th day of November, 2013.

President

ATTEST:

Secretary

**SECOND AMENDMENT TO
CONTRACT FOR PRIVATE REDEVELOPMENT**

THIS SECOND AMENDMENT TO CONTRACT FOR PRIVATE REDEVELOPMENT, made on or as of the 19th day of November, 2013, by and between ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL, a public body corporate and politic established pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the "Authority"), and Crystal Leased Housing Associates I, Limited Partnership, a Minnesota limited partnership (the "Redeveloper").

WITNESSETH:

WHEREAS, the Authority was established by the City of Crystal (the "City") under Minnesota Statutes, Sections 460.090 to 469.1081 (the "EDA Act"), and has all the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 to 469.047 (the "HRA Act"); and

WHEREAS, the Authority has undertaken a program to promote the redevelopment of land which is blighted and underutilized within the City, and in this connection created a redevelopment project known as the Redevelopment Project No. 1 (the "Redevelopment Project") pursuant to the HRA Act; and

WHEREAS, pursuant to the HRA Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the redevelopment of real property by private enterprise; and

WHEREAS, the Authority and Redeveloper entered into that certain Contract for Private Redevelopment dated as of December 18, 2012, as amended by a First Amendment thereto dated October 1, 2013 (the "Contract") under which the Authority acquired the property described as Lot 1, Block 1, Cavanagh Park Addition, according to the recorded plat thereof, Hennepin County, Minnesota (the "Redevelopment Property"); and

WHEREAS, under the Contract, the Authority agreed to convey the Redevelopment Property to Redeveloper upon satisfaction of certain terms and conditions, and to provide certain financial assistance to Redeveloper in order to facilitate development of a senior housing facility on the Redevelopment Property; and

WHEREAS, the parties have determined a need to further modify the Contract in certain respects as described herein;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Section 3.3(c) of the Contract is modified to read as follows:

(c) The closing on conveyance of the Redevelopment Property from the Authority to the Redeveloper (the "Closing") shall occur within 15 business days after satisfaction of the conditions specified in this Section, but no later than March 31, 2014.

2. Section 4.3 of the Contract is modified to read as follows:

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Redeveloper must commence construction of the Minimum Improvements by May 31, 2014, and must substantially complete construction of the Minimum Improvements by August 31, 2015. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the Authority.

The Redeveloper agrees for itself, its successors and assigns, and every successor in interest to the Redevelopment Property, or any part thereof, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. Subsequent to conveyance of the Redevelopment Property, or any part thereof, to the Redeveloper, and until construction of the Minimum Improvements has been completed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of the Redeveloper with respect to such construction.

3. The Contract remains in full force and effect and is not modified except as expressly provided herein.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Redeveloper has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

ECONOMIC DEVELOPMENT
AUTHORITY
OF THE CITY OF CRYSTAL

By _____
Mark Hoffmann
Its President

By _____
Anne Norris
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of November, 2013, by Mark Hoffmann and Anne Norris, the President and Executive Director of the Economic Development Authority of the City of Crystal, a public body politic and corporate, on behalf of the Authority.

Notary Public

