



HOUSING & REDEVELOPMENT AUTHORITY REGULAR MEETING

August 05, 2021

7:00 PM

Fridley City Hall, 7071 University Avenue N.E.

AGENDA

Call to Order

Roll Call

Action Items

- [1.](#) Approval of Expenditures
- [2.](#) Approval of the Minutes from the HRA Meeting of June 3, 2021
- [3.](#) Approval of Purchase Agreement – Demello Property – Old Central Avenue

Informational Items

- [4.](#) Housing Grant Programs Update

Adjournment

The City of Fridley will not discriminate against or harass anyone in the admission or access to, or treatment, or employment in its services, program, or activities because of race, color, creed, religion, national origin, sex, disability, age, marital status, sexual orientation or status with regard to public assistance. Upon request, accommodation will be provided to allow individuals with disabilities to participate in any of Fridley's services, programs, and activities. Hearing impaired persons who need any interpreter or other persons with disabilities who require auxiliary aids should contact Roberta Collins at (763) 572-3500. (TTD/763-572-3534).



AGENDA REPORT

Meeting Date: August 5, 2021

Meeting Type: Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of Expenditures

Background

Recommendation

Staff recommends the HRA approve the expenditures for the period June 1 through July 30, 2021.

Attachments and Other Resources

- Check Report

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



City of Fridley, MN

Check Report

Item 1.

By Check Number

Date Range: 05/27/2021 - 06/24/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-HRA-APBNK-HRA						
hra-1601	PASSAU LANDCARE INC	06/02/2021	Regular	0.00	265.00	30619
HRA-2635	BOLTON & MENK	06/02/2021	Regular	0.00	4,266.00	30620
HRA-2643	ANOKA COUNTY PROPERTY RECORDS & TAXATION	06/03/2021	Regular	0.00	10,501.89	30621
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	06/03/2021	Regular	0.00	116,042.20	30622
hra-1601	PASSAU LANDCARE INC	06/08/2021	Regular	0.00	200.00	30623
hra-1703	QUICKSILVER EXPRESS COURIER	06/08/2021	Regular	0.00	37.34	30624
HRA-2621	JOHNSON, GREG	06/08/2021	Regular	0.00	72.50	30625
hra-623	FRIDLEY, CITY OF	06/09/2021	Regular	0.00	1,224.56	30626
hra-1113	MONROE MOXNESS BERG PA	06/15/2021	Regular	0.00	18,025.25	30627
hra-14008	YKEMA-STUNES, STEPHANIE	06/15/2021	Regular	0.00	1,454.75	30628
HRA-2653	NORTH STATE ADVISERS & ASSOCIATES	06/15/2021	Regular	0.00	2,000.00	30629
HRA-14013	YATES, JOANNE	06/22/2021	Regular	0.00	1,380.00	30630
hra-1601	PASSAU LANDCARE INC	06/22/2021	Regular	0.00	310.00	30631
HRA-2635	BOLTON & MENK	06/22/2021	Regular	0.00	1,406.00	30632
hra-623	FRIDLEY, CITY OF	06/23/2021	Regular	0.00	1,002.40	30633
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	05/28/2021	Bank Draft	0.00	455.25	DFT0003444
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	05/28/2021	Bank Draft	0.00	127.54	DFT0003445
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	05/28/2021	Bank Draft	0.00	219.99	DFT0003446
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	05/28/2021	Bank Draft	0.00	545.38	DFT0003447
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	06/11/2021	Bank Draft	0.00	455.25	DFT0003476
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	06/11/2021	Bank Draft	0.00	127.54	DFT0003477
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	06/11/2021	Bank Draft	0.00	219.99	DFT0003478
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	06/11/2021	Bank Draft	0.00	545.38	DFT0003479

Bank Code APBNK-HRA Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	22	15	0.00	158,187.89
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	2,696.32
EFT's	0	0	0.00	0.00
	30	23	0.00	160,884.21

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	22	15	0.00	158,187.89
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	2,696.32
EFT's	0	0	0.00	0.00
	30	23	0.00	160,884.21

Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	5/2021	1,348.16
099	Pooled Cash - HRA	6/2021	159,536.05
			160,884.21



City of Fridley, MN

Check Report

Item 1.

By Check Number

Date Range: 06/24/2021 - 07/29/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-HRA-APBNK-HRA						
HRA- 4018	MEEKZ CREATIONS	06/29/2021	Regular	0.00	1,266.67	30634
hra-1601	PASSAU LANDCARE INC	06/29/2021	Regular	0.00	310.00	30635
HRA-14027	STUMPF, LISA	07/01/2021	Regular	0.00	3,396.75	30636
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	07/01/2021	Regular	0.00	100,758.30	30637
hra-623	FRIDLEY, CITY OF	07/07/2021	Regular	0.00	1,224.56	30638
hra-1113	MONROE MOXNESS BERG PA	07/19/2021	Regular	0.00	3,837.99	30639
HRA-14035	OKESON, VIRGIL	07/19/2021	Regular	0.00	2,743.25	30640
HRA-14036	SWAGGERT, RODELL	07/19/2021	Regular	0.00	3,825.00	30641
HRA-14037	MANESS, MARY	07/19/2021	Regular	0.00	197.45	30642
hra-1601	PASSAU LANDCARE INC	07/19/2021	Regular	0.00	310.00	30643
HRA-400	ANDREWS, GEORGE	07/19/2021	Regular	0.00	2,054.25	30644
hra-623	FRIDLEY, CITY OF	07/21/2021	Regular	0.00	1,002.40	30645
HRA-12438	GREENHAVEN PRINTING	07/27/2021	Regular	0.00	840.69	30646
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	07/27/2021	Regular	0.00	150.00	30647
hra-623	FRIDLEY, CITY OF	07/27/2021	Regular	0.00	102,072.19	30648
hra-1333	MEDTRONIC	07/29/2021	Regular	0.00	270,663.20	30649
hra-1601	PASSAU LANDCARE INC	07/29/2021	Regular	0.00	310.00	30650
HRA-2653	NORTH STATE ADVISERS & ASSOCIATES	07/29/2021	Regular	0.00	2,000.00	30651
hra-402	ANDERSON, WANE	07/29/2021	Regular	0.00	2,665.00	30652
hra-623	FRIDLEY, CITY OF	07/29/2021	Regular	0.00	104.55	30653
hra-917	ALLEN, JOHN N.	07/29/2021	Regular	0.00	69,956.91	30654
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	06/25/2021	Bank Draft	0.00	455.25	DFT0003500
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	06/25/2021	Bank Draft	0.00	127.54	DFT0003501
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	06/25/2021	Bank Draft	0.00	219.99	DFT0003502
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	06/25/2021	Bank Draft	0.00	545.38	DFT0003503
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	07/09/2021	Bank Draft	0.00	455.25	DFT0003518
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	07/09/2021	Bank Draft	0.00	127.54	DFT0003519
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	07/09/2021	Bank Draft	0.00	219.99	DFT0003520
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	07/09/2021	Bank Draft	0.00	545.38	DFT0003521
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	07/23/2021	Bank Draft	0.00	455.25	DFT0003536
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	07/23/2021	Bank Draft	0.00	127.54	DFT0003537
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	07/23/2021	Bank Draft	0.00	219.99	DFT0003538
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	07/23/2021	Bank Draft	0.00	545.38	DFT0003539

Bank Code APBNK-HRA Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	29	21	0.00	569,689.16
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	12	12	0.00	4,044.48
EFT's	0	0	0.00	0.00
	41	33	0.00	573,733.64

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	29	21	0.00	569,689.16
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	12	12	0.00	4,044.48
EFT's	0	0	0.00	0.00
	41	33	0.00	573,733.64

Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	6/2021	2,924.83
099	Pooled Cash - HRA	7/2021	570,808.81
			573,733.64



AGENDA REPORT

Meeting Date: August 5, 2021

Meeting Type: Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of the Minutes from the HRA Meeting of June 3, 2021

Background

Recommendation

Staff recommends the HRA approve the minutes from the HRA meeting of June 3, 2021.

Attachments and Other Resources

- HRA Minutes – June 3, 2021

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



HOUSING & REDEVELOPMENT AUTHORITY REGULAR MEETING

June 03, 2021

7:00 PM

Fridley City Hall, 7071 University Avenue N.E.

MINUTES

Call to Order

Chair Holm called the Housing and Redevelopment Authority Meeting to order at 7:00 p.m.

Roll Call

MEMBERS PRESENT:

Rachel Schwankl
Gordon Backlund
William Holm
Elizabeth Showalter

MEMBERS ABSESENT:

Kyle Mulrooney

OTHERS PRESENT:

Paul Bolin, HRA Assistant Executive Director
Scott Hickok, Community Development Director
Wally Wysopal, City Manager
Stacy Stromberg, Planning Manager
Vickie Johnson, Attorney
Jason Kringle, Medtronic
Dan Rogers, Nokomis

Action Items

1. Approval of Expenditures

Motion by Commissioner Showalter to approve the expenditures. Seconded by Commissioner Schwankl.

Upon a voice vote, all voting aye, Chair Holm declared the motion carried unanimously.

2. Approval of the Minutes from the HRA Meeting of May 6, 2021

Motion by Commissioner Showalter to approve the May 6, 2021 HRA Meeting Minutes as presented. Seconded by Commissioner Schwankl.

Upon a voice vote, all voting aye, Chair Holm declared the motion carried unanimously.

3. Annual Election of Officers

Commissioner Showalter nominated William Holm as Chair.

Commissioner Schwankl nominated Elizabeth Showalter as Vice Chair.

MOTION by Commissioner Schwankl to close the nominations. Seconded by Commissioner Backlund.

Upon a voice vote, all voting aye, the Chair Holm declared the motion carried unanimously.

4. Amend Leases of 1314 Mississippi Street & 6491 Central Avenue

Paul Bolin, HRA Assistant Executive Director, stated that the Authority approved the purchase of 1314 Mississippi Street at the April meeting and the property was closed on May 13. The properties include one single family resident and a small commercial building. The Authority took over the leases for both properties. The original lease for 1314 Mississippi Street expires August 2nd with no renewal or extension. The tenant is looking for a home to purchase and has asked to amend the lease and charge rent of \$1.00 per month for June, July and August. The tenant is not able to find home a home to purchase and would like the option to stay until November 1 and pay full rent for September and October. 6491 Central Avenue has a commercial building and the lease is due to expire October 5, 2021. The tenant is asking the Authority to terminate their lease on July 16 and prorate rent for July as she already found another building. Staff recommends the Authority approve the motion amending property leases as presented.

Motion by Commissioner Backlund to amend the leases of 1314 Mississippi Street and 6491 Central Avenue. Seconded by Commissioner Showalter.

Upon a voice vote, all voting aye, Chair Holm declared the motion carried unanimously.

5. Review and Make a Recommendation on a S-2, Redevelopment District Master Plan Amendment, MP #21-01 Request for Medtronic, located at 500 Medtronic Parkway N.E.

Stacy Stromberg, Planning Manager, stated that Medtronic is requesting an amendment to the S-2, Master Plan that was approved in 1999 for the Operational Headquarters (OHQ) site located at 500 – 720 Medtronic Parkway. This amendment would allow for the construction of a ground mounted Solar Energy Garden that would be located on the vacant land to the west of the existing buildings on the Campus. The petitioner notes in their narrative that the solar garden would consist of approximately 3,300 panels. The solar array is expected to operate on the property until additional building space is needed to support Medtronic's growth; in the interim for 20 years, with the ability for Medtronic to extend the contract OR buy out the project and have it removed at any time during the 20-year term.

The solar garden will consist of steel posts embedded in the ground, with the modules attached to the top. The modules will track the sun east to west throughout the day. This site was once the home of the 100 Twin Drive-In Theater. The theater was demolished in the mid 1980's and the land was purchased by Woodbridge Properties who intended to develop the property. After a short term of ownership and attempt to take a project through the development process, Woodbridge Properties began to experience financial difficulties and ended up not developing the site. Initially the HRA marketed the site as Lake Point Office Park and concept site plans and renderings were prepared to show how the site could be developed. The initial plan considered a small amount of office, commercial, and a hotel immediately adjacent to Hwy 65/Central Avenue. The remainder of the site was marketing with an eye on attracting a corporate headquarters. The idea was that this would be the impressive entrance into the community as Central and 694. The better part of 13 years was spent courting Medtronic as the ideal candidate for this site.

Only after the City of Fridley signed a development deal in 1997, with a company headquartered in the United Kingdom did Medtronic step forward and confirm interest in owning and developing the site. Fortunately, the HRA had built in a caveat to the UK Development deal that said, if Medtronic were to step forward, prior to their construction on the site, the HRA could cancel the development deal to negotiate for a Medtronic Development. Once Medtronic stepped forward, a lengthy negotiation process began. Lengthy enough that the HRA and Medtronic felt it would be necessary to re-approach the State Legislature to extend the 25-year Tax Increment Financing District that was created to assist with extraordinary site development costs.

In 2000 the Master Plan amendment was approved to allow construction of the daycare. 2001 a temporary parking lot was constructed and in 2008 the Master Plan amendment was approved to construct a billboard. The Master Plan amendment being considered tonight is to allow five acres of undeveloped land that is master planned for Phases 2 and 3 to be covered with ground-mounted solar. City Code considers ground-mounted solar an accessory use in any zoning district, provided a special use permit is issued. The City currently does not have a separate ordinance that regulates solar; however, it has been on staffs' to-do list. Examples of other city's conditions:

- Rogers – requires that no more than 5% of the lot area be covered
- Minneapolis – requires that no more than 5% of the lot area be covered in office districts
- St. Francis – requires that no more than 10% of the lot area be covered
- Hopkins – only allowed on closed landfill restricted districts
- Andover – does not allow ground mounted equipment in non-residential areas
- Coon Rapids – does not allow them if they are to provide offsite energy production
- Golden Valley and Blaine – require that a special use permit be approved.

Another consistent requirement is that the equipment must be screened to the extent possible without reducing their efficiency.

The City through its Energy Action Plan and Comprehensive Plan encourages Renewable Energy and Solar particularly in under-utilized areas such as over roofs and parking lots. The City's support for these types of projects was evident in recommending approval of the solar panel car-port panels over the parking lot at Medtronic's Rick Creek Campus through a special use permit. There are several factors to consider in reviewing this request and a combination of those factors causes staff to recommend denial.

The current code requires that a special use permit be issued for solar energy devices that are not part of the principal structure. In the case of the parcel addressed as 500 Medtronic Parkway, there are two separate parcels.

City staff recommends denial of the Master Plan amendment, MP#21-01, to allow ground-mounted solar at the Medtronic Operational Headquarters property based on the factors mentioned above. City staff is asking for the HRA to make a recommendation to the Planning Commission and City Council on the Master Plan Amendment Request. Planning Commission will hold a public hearing on June 16, 2021 and City Council will review the request on June 28, 2021.

Jason Kringle, Medtronic Facilities Director, understands the concerns of staff. Medtronic's primary goal of the project is to utilize the field next to the primary structure to reach sustainability goals to be carbon neutral by 2030. Medtronic is doing projects like this across the globe. He understands the concerns about the master plan but guarantees they would not stop building because of the solar garden in the area. Medtronic is looking for ways to address sustainability goals and utilize the vacant space.

Commissioner Schwankl asked if the rooftop or parking lot installation of solar panels would work.

Dan Rogers, Nokomis, replied that they looked at those solutions, but they would not be as effective. The challenge with solar is doing it efficiently and in a cost-effective manner. A community solar garden operates on a different revenue structure.

Mr. Kringle added that if the economics don't work out, they would be less likely to pursue the project.

Commissioner Backlund asked what the break-even point would be or how many years it would take for the project to be self-sufficient.

Mr. Kringle replied that Nokomis is going to front the capital costs in return for a 20-year lease. If the life of the current panels exceeded 20 years, that would be the break-even point.

Mr. Rogers said that if a buyout happened and a building was needed, there would be a termination schedule.

Chair Holm said that if a buyout happened after 2 years the loss would be substantial, but after 20 years it would be nominal. Immediately Medtronic would benefit and paying Nokomis to partially offset the cost of electricity.

Commissioner Showalter asked if there was originally an anticipated timeline of a full buildout with phase 2 and phase 3. The TIFF district was extended and now it's 2021 and only one building is on the site.

Scott Hickok, Community Development Director, replied that there was no timeline, but a certain amount of square footage was required in phase one of the development to secure the property.

Commissioner Showalter was concerned about the future if other buildings will be added.

Mr. Kringle said that the intent is to still build another building, but with COVID many staff are working from home and there is no formal plan in place for people returning to work. The intent is to build on the property. The way Medtronic is structured, the Mounds View campus is set up for more offices versus more open space. They are a different operation and the headquarters in Fridley is a separate group.

Wally Wysopal, City Manager, asked what was up for consideration for the Authority tonight.

Ms. Stromberg replied that because the area is zoned S-2 Redevelopment District the redevelopment code states that the HRA needs to make a recommendation to Council. Staff is looking for an approval or denial that can be brought to the Planning Commission and City Council.

Mr. Hickok noted that if the HRA recommends approval, there would be consideration of default on the development agreement to be considered by the HRA.

Mr. Bolin added that because of the S-2 District and they are in a TIFF District, this comes back to the HRA because the HRA has paid Medtronic \$12M in tax increment to assist with the parking deck. If this was approved by City Council it would still come back to the Authority to ask for an amendment to the development agreement or find Medtronic in default and they would lose \$2.0M in tax increment over the rest of the district. Tax increment will continue to go into this site.

Chair Holm said that this is a difficult issue in that we all agree solar energy is very important. The issue is with the master plan agreement.

Commissioner Backlund moved to table this discussion until the Authority receives more clear information on what we are doing with this holistic product. He doesn't want to put Medtronic in violation of the agreement.

Commissioner Schwankl supports renewable energy but there is an obligation to the community and taxpayers. If value isn't increased on this property, there is no benefit to people who helped bring this project to fruition. For those reasons she would move to deny the request at this time.

Commissioner Showalter doesn't consider solar an eye sore, it's the issue of a broken promise. The HRA put money on the table and we didn't get what we expected. Installing a solar garden for the financial benefit of Medtronic isn't a community goal.

Mr. Kringle hoped that this would be a partnership like the Rice Creek request for solar and publicize this as one of the first solar projects for Minnesota. This fits with our technology goals and how we view our company. Medtronic would like to advance whether it's wind, solar, etc. and would like to bring that to Fridley. He looks at using this space adjacent to corporate headquarters for something good rather than a field until we need another building.

Vickie Johnson, Attorney, said that due to the timing action would need to be taken tonight. The development contract requires the Authority to approve or reject in writing within 40 days after the receipt of the request thereof.

Commissioner Schwankl said that Medtronic could withdraw their request and resubmit next month.

Ms. Johnson said that the Authority could reject this request and Medtronic could resubmit an amendment any time after rejection or send forth a revised plan. Medtronic submitted the application on May 14, time starts to accept or reject and provide reasons thereof. The HRA can accept and approve or reject and provide reasons in accordance with the terms of the contract.

Commissioner Schwankl agreed to reject this request as it is not keeping the promise of the master plan, we need to look out for taxpayers to get something built there with taxable value to be a benefit to the community. This is also not a great spot to have 5 acres of panels visually.

Commissioner Backlund withdrew his motion to table this item.

Commissioner Showalter said that it is clear this doesn't fit within spirit of the redevelopment contract. She is comfortable recommending denial today and Medtronic can relook at the future of this site and how sustainability it will fit long term when additional buildings are on this spot.

Motion by Commissioner Schwankl to reject the recommendation on a S-2 Redevelopment District Master Plan Amendment MP #21-01 Request for Medtronic, located at 500 Medtronic Parkway N.E. Seconded by Commissioner Showalter.

Upon a voice vote, Commissioner Schwankl, Commissioner Showalter and Chair Holm voting aye, Commissioner Backlund abstain, the motion carried on a 3/1 vote.

Informational Items

6. Monthly Housing Program Update

Mr. Bolin reported that in May 11 loans were issued making a total of 23 year to date. This is the highest year we have ever had. Remodel advisor visits had 14 in April for a year to date total of 33. Home energy squad visits have seven year to date. The Front Door Grant received 38 applications, 16 signed agreements and one project completed. Foundations Grant had four applications, two signed agreements and Exterior Paint Grant had two applications received.

Adjournment

Motion by Commissioner Showalter to adjourn. Seconded by Commissioner Backlund.

Upon a voice vote, all voting aye, Chair Holm declared the motion carried and the meeting adjourned at 8:08 p.m.

Krista Peterson
Recording Secretary



AGENDA REPORT

Meeting Date: August 5, 2021

Meeting Type: Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of Purchase Agreement – Demello Property – Old Central Avenue

Background

In May the Authority purchased the property located at 1341 Mississippi Street to make a start in redeveloping the portion of Old Central, south of Mississippi Street. Over the past month, Staff has reached an agreement with John Demello, the owner of the property immediately to the south of the property at 1314 Mississippi Street, to purchase his .54 acre property for the appraised value of \$105,000.



Though this acquisition now provides an area large enough to support development of a number of housing products, staff will continue negotiations with adjoining property owners. Closing on the Demello property is expected to happen in mid-late August

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Recommendation

Staff recommends the Authority make and approve a motion accepting the attached.

Attachments and Other Resources

- Purchase Agreement

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

PIN # 13-30-24-42-0021

VACANT LAND PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into this _____ day of July, 2021 ("Effective Date") by and between **Alexandra Demello and John Robert Demello**, husband and wife, and **Sharon Jean Demello**, a single person (collectively, "Seller"), and the **Housing and Redevelopment Authority in and for the City of Fridley, Minnesota**, a political subdivision of the State of Minnesota organized under the Constitution and laws of the State of Minnesota ("Purchaser").

RECITALS

- A. Seller is the fee owner of certain real property situated at an unassigned address on Central Avenue NE, Fridley, Minnesota, which real property is legally described as: Lot 17, Block 1, Spring Valley, Anoka County, Minnesota (Torrens Property) (hereinafter, the "Property").
- B. Seller desires to sell and Purchaser desires to purchase the Property, subject to the terms and conditions of this Agreement.

AGREEMENT

In consideration of the mutual covenants made herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

1. **Offer and Acceptance.** Seller agrees to sell and Purchaser agrees to purchase the Property, together with all buildings, improvements and fixtures located thereon and owned by Seller (if any), all easements, rights and appurtenances thereto, and all of Seller's rights, title and interest in all public ways adjoining the same (hereafter all the foregoing collectively referred to as the "Subject Property"), subject to the terms and conditions of this Agreement.
2. **Purchase Price.** The purchase price for the Subject Property ("Purchase Price") is One Hundred and Five Thousand and No/100 Dollars (\$105,000.00) and is payable on the Closing Date. Sellers have agreed amongst themselves and hereby agree and direct Title Company have the Seller's proceeds divided equally at Closing, with fifty percent (50%) of Seller's proceeds distributed to Alexandra Demello and John Robert Demello, husband and wife, collectively, and fifty percent (50%) percent of Seller's proceeds distributed to Sharon Jean Demello. Seller's proceeds are to be distributed electronically by wire instructions to be provided by Sellers to Title Company in advance of Closing.
3. **Contingency.** The obligations of the Purchaser hereunder are at all times contingent upon the formal approval of the transaction by the Commissioners of the Housing and

Redevelopment Authority in and for the City of Fridley at its next scheduled meeting following the Effective Date hereof, subject at all times to applicable notice requirements ("Approval Contingency"). Within five (5) days of the waiver of the Approval Contingency, Purchaser shall deposit Earnest Money in the amount of One Thousand and NO/100 Dollars (\$1,000.00) with the Title Company.

4. **Physical Condition of Subject Property.** It is specifically agreed that the Subject Property is being conveyed to Purchaser by Seller in its current "As-Is, With All Faults" physical condition.

5. **Evidence of Title.** Seller shall convey marketable title to and possession of the Subject Property to the Purchaser, free and clear of: (i) all liens or right to lien; (ii) unrecorded interests; (iii), rights or claims of parties in possession; and (iv) unrecorded easements or claims of easements. Title conveyed herein shall also be free and clear of all encumbrances, restrictions, options to purchase, and easements, except as may be expressly waived in writing by Purchaser. Within five (5) days after the waiver of the Approval Contingency, Purchaser shall order from a title company acceptable to Purchaser ("Title Company") a commitment for an owner's title insurance policy, naming Purchaser as the proposed owner-insured of the Subject Property in the amount of the Purchase Price (the "Commitment"). The Commitment shall set forth all levied real estate taxes and special assessments, and shall have provided with it legible copies of all instruments of record referred to in the Commitment, and shall include the results of all searches covering bankruptcies and State and Federal judgments and liens. Within twenty (20) days of the receipt of the Commitment, Purchaser shall in writing make any objections to the Commitment ("Title Objections") by written notice to Seller, and Seller shall thereafter cure said Title Objections, at Seller's expense. If Seller fails to cure such Title Objections (or resolve to clear same at Closing) within ten (10) days of the delivery of Title Objections, Purchaser may, at its option (a) clear title to the extent so required and charge the cost of clearing to Seller; or (b) waive such Title Objection and proceed to Closing (and any Title Objection so waived shall be considered a Permitted Encumbrance); or (c) terminate this Purchase Agreement by written notice to Seller.

6. **Conditions to Closing.** Closing of the transaction contemplated by this Agreement and the obligation of Purchaser to purchase the Subject Property are subject to the following conditions:
 - 6.1 Purchaser shall have reviewed and approved title to the Subject Property pursuant to Section 5 of this Agreement.

 - 6.2 There shall be no tenants or occupants in possession of the Subject Property as of the Closing Date.

The above contingencies are for the sole benefit of Purchaser, and Purchaser shall have the right to waive those contingencies by giving written notice to Seller. If the contingencies set forth in this Section 6 have not been satisfied or waived by the Closing Date, Purchaser

may terminate this Agreement by giving written notice to Seller on or before the Closing Date.

7. **Intentionally Omitted.**

8. **Costs and Prorations.** Seller and Purchaser agree to the following prorations and allocation of costs in connection with this Agreement and the transaction contemplated hereby:

- 8.1 Purchaser shall be responsible for the following costs at Closing:
 - a. The Title Company closing fee.
 - b. Premium for Owner's Policy of Title Insurance.
 - c. All fees and costs associated with the Title Commitment.
 - d. All recording fees, including all recording fees and charges related to the recording of the Deed and the recording of any instrument required from Seller to make title marketable.
 - e. Well certificate filing fee, if applicable.
 - f. State Deed Tax and Conservation fee (if any).
- 8.2 Seller shall be responsible for the following costs at Closing:
 - a. Real estate taxes and assessments for all years prior to the year of Closing.
 - b. Real estate taxes and assessments for the year of Closing, which amount shall not be prorated as of the Closing Date.
- 8.3 Each of the parties shall pay all of its own respective attorneys' fees in connection with the negotiation, preparation and closing of this Agreement and the transaction contemplated hereby.

9. **Closing.**

- 9.1. Closing shall occur on that date which is sixty (60) days from the Effective Date or at such earlier date as may be agreed to by the parties in writing ("Closing Date"). Time being of the essence in this transaction. Closing shall take place at the offices of the Title Company selected by Purchaser, and may be conducted by the parties in escrow.
- 9.2. On the Closing Date, Purchaser shall deliver to Seller the Purchase Price, and execute the Closing Statement. Seller shall execute and/or deliver to Purchaser the following:
 - (a) A duly executed general warranty deed ("Deed"), conveying marketable title to the Subject Property, free and clear of all liens and mortgages, and subject only to: (i) building and zoning laws, ordinances, state and federal regulations; and (ii) Permitted Encumbrances;

- (b) A duly executed affidavit regarding Seller;
- (c) A well disclosure certificate indicating Seller's knowledge as to any wells on the Subject Property;
- (d) Affidavit of non-foreign identity;
- (e) Closing Statement;
- (f) A bring down certificate as to Seller's representations and warranties made herein
- (g) Other documents customarily and reasonably required by Purchaser or Title Company.

10. **Possession.** Seller agrees to deliver possession of the Subject Property to Purchaser on Closing Date.
11. **Personal Property Not Included.** Prior to Closing, Seller shall remove all personal property from the Subject Property, which personal property is not included in this transaction.
12. **Covenants, Representations and Warranties of Seller.** Seller makes the below representations and warranties to Purchaser as of the Effective Date, and shall at Closing certify the same as being true and correct as of the Closing Date.
- 13.1. Seller represents and warrants to Purchaser that it is the fee owner of the Subject Property, and that the signatories to this Agreement represent that they are authorized to execute this Agreement on behalf of Seller.
 - 13.2. Seller covenants and agrees to take no actions to encumber title to the Subject Property between the Effective Date of this Agreement and the time the Deed is delivered to Purchaser.
 - 13.3. Seller covenants and agrees that it has not entered into any leases or contracts relating to the Subject Property. Seller covenants and agrees that it will not enter into any leases or contracts relating to the Subject Property between the Effective Date of this agreement and the time the Deed is delivered to Purchaser.
 - 13.4. Seller represents and warrants to Purchaser that Seller has not used the Subject Property for the storage of hazardous substances or petroleum products. The foregoing is applicable only to Seller's actual knowledge of facts, and Seller represents that Seller has made no independent investigation of the Subject Property.
 - 13.5. Seller represents and warrants to Purchaser that there has been no labor or material furnished to the Subject Property for which payment has not been made.

- 13.6. Seller represents and warrants to Purchaser that Seller has received no notice of any action, litigation, investigation or proceeding of any kind pending against Seller, nor to the best of Seller's knowledge is any action, litigation, investigation, or proceeding pending or threatened against the Subject Property, or any part thereof.
- 13.7 Seller represents and warrants to Purchaser that it has not entered into any other contracts for the sale of the Subject Property which are currently in effect, nor are any rights of first refusal or offer or options to purchase the Subject Property, nor does any party have a right to redeem an interest in the Subject Property, nor any other rights of others that might prevent the consummation of this Agreement.
- 13.8 Seller represents and warrants to Purchaser that, to Seller's knowledge, no methamphetamine production has occurred on the Subject Property. Seller has not received any order from law enforcement or any health department requiring removal of precursor waste chemicals or remediation and, to Seller's knowledge, no such orders have been vacated.

13. **Covenants, Representations and Warranties of Purchaser.** Purchaser is a public body corporate and politic under the laws of the state of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder. The signatories to this Agreement represent that they are authorized to execute this Agreement on behalf of Purchaser, subject at all times to the Approval Contingency set forth hereinabove.

14. **Well Disclosure.** Seller will certify on the Deed that it knows of no wells on the Subject Property or shall identify same with specificity if such wells are known to be present.

15. **Underground Storage Tanks.** Seller represents and warrants to Purchaser that to Seller's knowledge, without inquiry, there are no underground storage tanks on the Subject Property.

16. **Broker Commissions.** Purchaser represents that it has not engaged the services of any realtor, broker, or other person who would be entitled to a fee or commission in connection with the purchase of the Subject Property by Purchaser. Seller has not been represented in this transaction a broker, and any broker claiming to represent Seller shall be compensated by Seller under the terms and conditions of any separate agreement.

17. **Miscellaneous.**

17.1. This Agreement represents the complete and final agreement of the parties regarding sale of the Subject Property and supersedes any prior oral or written understanding. This Agreement may be amended only in writing executed by both parties. This Agreement shall be binding on the parties hereto, their successors and assigns.

17.2. Purchaser and Seller represent and warrant that the recitals contained herein are true and accurate as of the Effective Date of this Agreement. All warranties and representations by Seller and Purchaser shall survive the closing of this transaction for a period of one year from the Closing Date.

17.3 All notices required hereunder shall be given by personal delivery, by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, or by use of a nationally recognized courier offering overnight delivery service, directed to the following addresses (or such other addresses as either party may notify the other in writing)

To the Seller: Sharon Jean Demello
John Robert Demello
Alexandra Demello
7108 Valley View Road
Edina, MN 55349

To the Purchaser: Housing and Redevelopment Authority in and for the
City of Fridley
7071 University Ave. NE
Fridley, MN 55432
Attn: Paul Bolin

With a copy to: Monroe Moxness Berg PA
7760 France Avenue South
Suite 700
Minneapolis, MN 55435
Attn: Vickie Loher-Johnson, Esq.

18. **Assignment.** Purchaser shall have the right to assign its interest under this Agreement, without first obtaining the consent of Seller, provided that Purchaser shall remain liable to Seller under this Agreement.
19. **Survival.** All of the terms, covenants, conditions, representations, warranties and agreements contained in this Agreement shall survive and continue in force and effect and shall be enforceable after the Closing Date.
20. **Effective Date of Agreement.** This Agreement shall become effective and shall be binding upon the parties hereto only after it has been executed by each of the parties hereto. In the event Seller executes this Agreement first, Purchaser will have no more than thirty (30) days after date of Seller's signature upon this Agreement to accept and sign this Agreement. In the event Purchaser executes this Agreement first, Seller will have no more than thirty (30) days after the date of Purchaser's signature on this Agreement to accept and sign this Agreement.

[Remainder of Page Intentionally Blank – Signatures Follow]

PURCHASER:

**Housing and Redevelopment Authority in and
for the City of Fridley, Minnesota**

a political subdivision of the State of Minnesota
organized under the Constitution and laws of the
State of Minnesota

By _____

Paul Bolin

Its: Executive Director

Date of Signature _____, 2021

SELLER:

Sharon Jean Demello

Date of Signature _____, 2021

John Robert Demello

Date of Signature _____, 2021

Alexandra Demello

Date of Signature _____, 2021

DATE OF FINAL ACCEPTANCE by HRA _____, 2021

4824-0548-2475, v. 6



AGENDA REPORT

Meeting Date: August 5, 2021

Meeting Type: HRA Regular Meeting

Submitted By: Paul Bolin, Asst. Executive Director

Title

Update on Housing Programs – Loans, Remodel Advisor Visits, & Grants

Background

On a monthly basis, staff will provide updates from CEE on the past month's activity for the Authority's loan programs, remodeling advisor visits, & the new Grant Programs.

Attachments and Other Resources

- Chart of Loans Issued & Remodeling Advisor Visits
- Update on Grant Programs

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Fridley Loan Summary Report

Activity for Period 6/16/2021 - 7/15/2021

Item 4.



Application packets requested/mailed:	This period:	0	Year-to-Date:	6
Residential Advisor Visits:	This period:	5	Year-to-Date:	46
Loans currently in process for residents in your City/Neighborhood:	30			

Closed Loans

This period:

Year-to-Date:

Fridley

Units
0

Units
0

Closed End 76,322.00 2

186,305.50 8

Down Payment Assistance 0.00 0

5,000.00 1

Last Resort 0.00 0

0.00 0

Last Resort Emergency Deferred 0.00 0

7,988.93 1

Mobile Home Closed End 0

0

Multi Family Exterior Closed End 0

0

Senior Deferred 0.00 0

200,000.00 9

Total 76,322.00 2

399,294.43 19

Leveraged Funds MHFA FUF

This period:
0.00

Units
0

Year-to-Date:
189,768.00

Units
8

Total 0.00 0

189,768.00 8

Types of Improvements Financed YTD	# of Projects	% of Total
Additions/Finishing off unused space	1	3.57
Bathrooms	1	3.57
Down Payment Assistance	1	3.57
Driveways	1	3.57
Electrical	3	10.71
Flooring/Carpet/Tile	1	3.57
Foundations/Basement	1	3.57
Heating System	1	3.57
Insulation	2	7.14
Interior Painting/Repairs	1	3.57
Kitchens	1	3.57
Landscaping	2	7.14
Lighting	1	3.57
Other Exterior Improvements	5	17.86
Other Interior Improvements	2	7.14
Roof	1	3.57
Siding, Stucco, Exterior Paint	2	7.14
Windows, Doors, Storm Windows, Storr	1	3.57

Types of Properties Financed YTD	#	% of Total
Commercial - Non-residential	1	3.57
Single Family Residence	26	92.86
Townhouse	1	3.57



AGENDA REPORT

Meeting Date: August 5, 2021

Meeting Type: Housing & Redevelopment Authority

Submitted By: Nancy S. Abts, Associate Planner Paul Bolin, Assistant Executive Director

Title

Housing Grant Programs Update

Background

Programs have been well-received by residents. To date, over 80 applications have been received across the three programs. The \$18,000 that has been paid across 8 completed projects, to date represents over \$70,000 in investment in Fridley homes. Meanwhile, an additional \$65,000 in grant funds have been allocated to “in-process” projects, leading to an additional \$490,000 of planned or ongoing project expenditures in the community. (Applicants have between four to six months to complete project work once a grant has been approved.)

Across the three programs, the \$90,000 allocated to the grants to date will generate approximately \$560,000 of investment in Fridley neighborhoods.

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.