



HOUSING &
REDEVELOPMENT
AUTHORITY

CITY OF ANOKA

Housing & Redevelopment Authority

Monday, June 8th, 2015

Anoka City Hall

Council Chambers

5:00 p.m.

- I. Call to Order
- II. Roll Call
- III. Approval of the Agenda
- IV. Approval of Minutes
 - A. May 11th, 2015
- V. Open Forum
- VI. Unfinished Business
 - A. 633 East Main Street Commercial Loan Update
 - B. Walker Methodist Plaza Gardens – 100 Monroe Street
 - C. Other Updates
- VII. New Business
- VIII. Discussion Items
- IX. Tentative Agenda Items for Future Meetings
- X. Adjournment

AGENDA ITEM IV. A.

**CITY OF ANOKA
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING MINUTES –MAY 11, 2015**

Call to Order: Chair Carl Youngquist called the meeting to order at 5:00 p.m.

Roll Call: Commissioners present were: Chair Carl Youngquist, Dave Bonthuis, Lynn Hopkins, Lori Manzoline, Colleen Werdien (arrived at 5:12 p.m.) Absent: None. Staff present were: Housing Manager Darin Berger.

Approval of the Agenda: MOTION BY COMMISSIONER BONTHUIS, SECONDED BY COMMISSIONER HOPKINS, TO APPROVE THE AGENDA AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

Approval of Minutes:

APRIL 13, 2015, Regular Meeting: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER BONTHUIS, TO APPROVE THE APRIL 13, 2015, REGULAR MEETING MINUTES AS AMENDED.

Chair Youngquist noted a correction on Page 5 under Chairperson's Report: "...Gladstone Coop...".

UPON A VOICE VOTE, MOTION CARRIED.

Open Forum: No one appeared.

Unfinished Business:

633 East Main Street Commercial Loan Update: Housing Manager Darin Berger stated that in July of 2014, the HRA Board allocated funds for a loan of up to \$100,000 for a property located at 633 East Main Street. Since then, preliminary demolition work and asbestos removal have been done. Staff met with Community Pride on April 1 to discuss how the process will look as we move forward this spring. Financing is in place and the closing of both loans will be taking place on Wednesday, May 13, 2015. From there, we anticipate a construction period of four months. Mr. Berger stated the bank is in agreement but is looking approval from the Board regarding the sworn construction statement. He said the statement lists certain eligible items under the Program and based on the statement we will be able to finance the full \$100,000; \$25,000 for exterior rehab and \$75,000 for interior rehab, which is listed as eligible work under the program guidelines. He stated when the program was originally put in place it was to address the downtown buildings to install fire separation walls and fire suppression and the program's boundaries are expanding to freestanding buildings and beyond the original intent so the bank wanted to ensure approval of the sworn construction statement as submitted. Mr. Berger shared that the plan outlines the guidelines of the program.

Action Requested: Approve sworn construction statement allowing the HRA to fund improvements up to \$100,000 for 633 East Main Street as submitted in July 2014 by motion, second, and vote.

Chair Youngquist asked if the closing date will likely change due to title problems. Mr. Berger said the closing will likely change to May 21 but otherwise everything is moving forward as proposed.

Chair Youngquist asked if this was due to our delay. Mr. Berger said there was no delay on our part and the closing is moving forward as proposed but the bank just need transfer information for funds.

Chair Youngquist said this has been a learning experience for all of us, stating the program was initially established for fire suppression and now there are questions on the interior and exterior. He said we probably need to fine tune the program a bit, so we are better prepared for the next request so we can encourage others to take advantage of program.

Mr. Berger agreed, stating we should review the language and remove the emphasis off the fire suppression and include freestanding buildings. He said he has spoken with the Fire Department to ensure fire suppression is not required for this project.

Chair Youngquist said he was surprised to learn the building did not need sprinkling.

Commissioner Bonthuis said the costs for the 18 items are outlined in the statement and asked if we are in danger of violating the \$25,000 limit. Mr. Berger said we are not in danger of the limit and are well within the scope.

MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER BONTHUIS, TO ALLOW THE HRA TO FUND IMPROVEMENTS UP TO \$100,000 ON JULY 14, 2015.

Commissioner Werdien arrived at 5:12 p.m.

UPON A VOICE VOTE, MOTION CARRIED.

Walker Plaza Update: Mr. Berger stated that when Walker Methodist submitted an application to the Planning Commission consisting of Site Plan approval, Comprehensive Plan Land Use Map Amendment, a Rezoning Request and a Conditional Use Permit request. This was reviewed at the Planning Commission's May 5 meeting and after some discussion, all were approved.

On May 18, the City Council will consider the Planning Commission's recommendation and a first reading will be held regarding the rezoning of this property. On June 1, the City Council will hold second reading pertaining to rezoning and final approvals for this property based on the Planning Commission's recommendations. Staff anticipates this all being approved at that time, along with the Development Agreement. Staff is currently working with Walker and their attorneys toward a final draft.

Walker Methodist's Bond Attorney, Chief Financial Officer and our Finance Director have been in discussions regarding the financing of this project and that aspect of the project should be finalized in the near future.

In the meantime, staff is working closely with Walker's Executive Director of Development regarding day-to-day items to ensure timely completion of this project.

Action Requested: No action is necessary at this time; informational only.

Mr. Berger said staff is working with their Executive Director on soil borings and other aspects and while there may be other questions everything is moving forward as expected. He said he hopes to see construction begin sometime this summer.

Commissioner Bonthuis asked if approved could there be a June 1 groundbreaking. Mr. Berger said while he is not sure it is reasonable to consider.

Chair Youngquist asked if there were any other changes included from the original proposal. Mr. Berger said there were some minor changes such as a pitched to a flat roof, which will involve changes to the architectural features but nothing from the front elevation. He said there were also changes to the flow of the corner of 2nd Avenue and Monroe Street with regards to how drop offs will work, stating before drop offs would occur off 2nd Avenue with a loop and now they will be done off Monroe Street and include a one-way to 2nd Avenue to allow for more free flowing. He said in general the concept is very much the same and includes the same unit count.

Commissioner Werdien asked why the roof pitch was changed. Mr. Berger said it was to allow for the HVAC system and internalizing the equipment to make more room. He noted the change will not affect the visual aspect as the equipment will still be concealed.

Other Updates: Mr. Berger updated the Board on the potential purchase of 1510 2nd Avenue, stating someone had contacted the owner to purchase the lot to build a retirement home. He said the Board has always viewed the Scattered Site Replacement Program (SSRP) as a means to get involved when the private market does not so now that someone is interested the HRA will remove itself from the process. He said he will keep the Board posted should there be any changes but believed they closed last week. Mr. Berger said he is unsure of when a new owner will demolish the house but said hopefully it will happen soon, adding this is a win-win for everyone involved.

Commissioner Werdien inquired about the price. Mr. Berger said he is not aware of the purchase price but said if they closed, it was agreed upon and must have been fair.

Chair Youngquist agreed the HRA does not want to get in the way of the private market and if they worked something out that is acceptable to both parties that is good. He said his concern was that the home would be demolished but said the HRA should still step aside and allow the private market to prevail. Chair Youngquist said the neighborhood should be pleased with the outcome and we are too, adding he did not want to pay that that much anyway.

Commissioner Bonthuis agreed.

Mr. Berger shared the Urban Land Institute (ULI) is currently visiting cities to help them prepare for redevelopment and will be bringing a panel of guest speakers to Green Haven on June 22, 2015, at 6:00 p.m. He said the outcome will be to help develop the impact of the “new normal” on future growth patterns and identify partnerships with cities and developers to track the best of new developments. He said he hopes the Board can attend.

Chair Youngquist noted the Board also has a joint worksession with the City Council on June 29 at 5:00 p.m. Mr. Berger said the joint worksession will include the Planning Commission and Economic Development Commission as well.

New Business:

Potential Loan Fund Increase: Mr. Berger shared that staff was contacted by the Center for Energy & Environment (CEE) on April 23 requesting funds be moved into the 4% Revolving Loan Fund they administer for the HRA. The fund has been diminished to \$5310.00 and they have two applicants eligible for up to \$25,000 each.

The HRA has already allocated funds to be available for these programs; therefore, staff is requesting we allocate \$50,000 towards this program. After this allocation, we'll have \$14,000.00 available for general housing programs like this. If another project comes forth in 2015, the HRA still has \$100,000.00 budgeted in the General Fund that we can utilize at the Board's discretion.

Action Requested: Approve allocation of an additional \$50,000 from Fund 835 to Housing Programs administered by the Center for Energy and Environment by motion, second and vote.

Chair Youngquist asked if we are budgeted for \$144,000. Mr. Berger said the budget is what we put in place at inception and listed different time periods for each time period.

Commissioner Manzoline commented how great it is to see these loans being used.

MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER BONTHUIS TO APPROVE ALLOCATION OF AN ADDITIONAL \$50,000 FROM THE 4% REVOLVING LOAN FUND 835 TO HOUSING PROGRAMS ADMINISTERED BY THE CENTER FOR ENERGY AND ENVIRONMENT.

UPON A VOICE VOTE, MOTION CARRIED.

Discussion Items: Chair Youngquist shared his disappointment regarding the Mad Hatter's parking lot. He said he does not want to cause concern until all facts are gathered but said the HRA has always tried to have a good relationship with the City Council and while he wants to maintain that relationship he said communication is a two-way street and expressed concern that the Council did not contact the Board first regarding changes to the parking lot. He said there is a façade easement the Board wanted protected and maintained and while he is not sure, he believes the easement may have been violated. Chair Youngquist said this is a prestigious house

that is now being blocked by cars and while he noted he needed to get the facts he has some concerns and felt the need to comment as the Chair of the HRA and asked for more details.

Mr. Berger said he will get more information regarding the parking lot use. He said the topic was discussed at a worksession where a preliminary plan was shared and while we said we did not like any option, if one had to be used, we preferred Option 2 or 3.

Chair Youngquist said he felt the HRA tried to go above and beyond to accommodate the situation and felt they wanted more.

Commissioner Bonthuis said he believed the Heritage Preservation Commission (HPC) and Planning Commission both had concerns as well, adding he used to serve on the HPC and this topic was discussed some time ago. He said time will tell.

Tentative Agenda Items for Future Meetings:

None.

Adjournment: MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADJOURN. The motion carried, the meeting was adjourned at 5:35 p.m.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

AGENDA ITEM VI. A.

Memo

To: HRA Board Members
From: Darin Berger, Housing Manager
Date: June 8th, 2015
Re: 633 East Main Street Commercial Loan Update

In July of 2014, the City of Anoka Housing and Redevelopment Authority approved financing of up to \$100,000 for the renovation of the property located at 633 East Main Street.

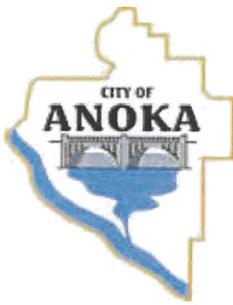
Since the original use of a single-family house there have been many additions and changes on this property. The existing structure has been vacant since approximately 2006 and was originally built in the early 1900's. The property was purchased in August of 2013 for the future site of Its About Sleep, a locally owned business that is currently located across the street.

As a reminder, under the program guidelines, a maximum of \$25,000 can be used for **exterior rehabilitation only** and a maximum of \$75,000 can be used for limited **interior rehabilitation** as defined in our Revolving Loan Fund Program Plan (attached). Both must be paid back within a ten-year period. These funds are available at 2% interest and require a match of equal or greater by a participating lender. The HRA is partnering with Community Pride Bank of Ham Lake on this project. They have already provided pre-approval services and will continue working with the HRA to service the loan until it is fully repaid. Staff has attached the executed Participation Agreement between the HRA and Community Pride Bank of Ham Lake.

The funds will be used for Replacement of the HVAC System, Electrical and Plumbing, Floor Leveling/Accessibility Improvements, Door and Window Replacement, Parking Lot Repair and Landscaping, and Repairs/Replacement of the Façade.

On June 3rd, 2015 the loan closing for this project took place. They have applied for a building permit and the next step will be a partial demolition of the building by Sauter and Sons sometime in mid-June.

Action Requested: No action necessary at this time, informational only.



City Of Anoka
Housing and Redevelopment Authority
Commercial Revolving Loan Fund (RLF) Program
Plan

PURPOSE

The Commercial RLF provides for the use of interest money earned on tax increments generated by Tax Increment District No. One (1) to make loans for rehabilitation of business premises in the Central Business District (CBD) of Anoka while shall include that property bounded by the Rum River, both sides of Van Buren Street to its intersection with Fifth Avenue, both sides of Fifth Avenue from Van Buren to Monroe street and both sides of Monroe from its intersection with Fifth Avenue to Rum River. In addition, the frontage of West Main Street to U.S. Highway 10 and East Main Street to the 7th Avenue intersection. The commercial properties along the US Highway 10 Service Rd. as well as the commercial properties along East River Road between 5th and 9th Avenues are also eligible. The purpose of the Commercial RLF is to establish a district-wide, low interest loan appearance, structural condition and operating efficiency of their places of business, thereby improving their marketability and retaining and expanding job opportunities. Additionally, the participating lenders must agree to the terms of the Plan, enter into a Participation Agreement with the borrower and provide 50 percent of the loan proceeds to borrowers (participating lenders).

DURATION OF PROGRAM

Loans may be made under this Plan to the extent that funds are available, as allocated to the fund by the HRA, so long as there are lenders participating and eligible loan recipients. Participating Lenders have the option to participate in this program., If the HRA decides to terminate this program, such termination shall not affect the rights and obligations of the participating lenders nor those of the HRA

PROGRAM OVERVIEW

Option One: Current program that includes a maximum \$25,000 loan at 2% interest rate with an equal or greater match by participating lender, interest rate at New York prime plus 2% maximum. This loan can be used for *exterior rehabilitation only* and must be paid back within a ten-year period.

Option Two: Current program with a maximum loan amount of \$75,000 at a 2% interest rate with an equal or greater match by participating lender, interest rate at New York prime plus 2% maximum. This loan can be used for limited interior rehabilitation as defined below.

Eligible limited interior rehabilitation work is defined as 1) restoring the integrity of fire separation walls, and 2) the installation of a fire protection sprinkler system on all levels. These two items shall be mandatory under OPTION TWO while number 3) to address general public, health, safety and accessibility issues will be reviewed on an individual project basis. This loan can be granted under the condition that the limited interior rehabilitation work is linked to private interior upgrade. An additional criterion for loan approval is if the exterior of a building has not already been improved, then this work must be completed in conjunction with the interior projects. Therefore the applicant is allowed to apply for both Option One and Option Two loans simultaneously.

NATURE OF LOAN

The RLF may provide up to \$25,000 per loan for Option 1 or up to \$75,000 for Option 2, provided that the loan recipient meets the eligibility requirements and the RLF portion of the loan is matched or exceeded by a participating lender for the qualifying improvement. Interest on the portion borrowed from the participating lender for the qualifying improvement. Interest on the portion of the loan borrowed from the fund shall be at an annual rate of two percent (2%) and on the portion borrowed from the fund shall be not exceed the New York prime rate plus two percent (2%) per annum. Other loan terms shall be determined by the participating lender, except that no repayment period shall exceed ten years.

PARTICIPATING LENDERS

Participating lenders shall pre-screen loan applications under this Plan to determine whether applications meet the Plan's eligibility requirements, and shall additionally apply their ordinary standards for commercial improvement loans to such applications. Participating lenders then shall provisionally approve or reject the application, provided that no application can be rejected for any unlawful reason. If an application is provisionally approve, it shall be forwarded to the HRA for further consideration.

Participating lenders shall close the loans, obtaining properly executed mortgages, promissory notes and all other data required by banking regulations from recipients. At the closing, each loan recipient shall certify that the applicant has read, understands, and will comply with the requirements of this Plan. The participating lender shall provide to the loan recipient such disclosures as may be required by law. Monthly, the participating lenders shall remit to the HRA Finance Administrator that portion of any loan recipient's monthly payment which represents repayment of the RLF portion of the principal and interest on the loan. The HRA shall not be a party to any of the loan documents but participating lenders, in agreeing to the terms of the Plan, agree to act as the HRA's agent in receiving the loan given and further agree to transmit that portion of the HRA, within at least 15 days of receipt. Participating lenders shall provide copies of all loan documents to the HRA along with a certificate showing the extent of the RLF participation in the loan. Loan documents shall reflect the entire amount of debt incurred, including the portion owed to the HRA, and in any foreclosure or other collection remedy

employed by any participating lender, such lender shall use its best efforts to collect that portion of the debt owed to the HRA as well as that portion owed to the lender; however, any amount so collected shall be allocated first to interest due to the participating lenders, then to the principal due to the participating lender, then to reasonable collections costs, and the remainder to the HRA. Participating lenders shall have the sole responsibility of determining the applicant's credit risk and filing any liens on collateral.

APPROVAL BY THE HRA

The HRA shall consider each application at its regularly scheduled meeting immediately following receipt of the application. The HRA shall approve the application for RLF participation or reject such participation, stating the reasons why. Such rejection shall not preclude re-submission of the application with appropriate modifications. At the time of any application's approval by the HRA, an appropriate amount of money in the RLF shall be reserved to cover the RLF's anticipated participation in the loan or the HRA shall indicate that insufficient funds for such participation then exist, in which case the application shall be placed on a waiting list until such time as funds become available or the application is withdrawn. The HRA shall communicate its actions promptly to the participating lender. At any time prior to closing on a loan, the participating lender may disapprove an application which had obtained preliminary approval, based upon changed circumstances or for any other reasonable cause.

APPLICANT ELIGIBILITY

Applicants may be individual owners, partnerships, corporations, tenant operators (with consent of property owner), or contract for deed purchasers of building within the CBD, but must provide all documentation of entity status requested in Plan application forms.

Applicants must have the ability to repay the loan and be an acceptable credit risk as determined by a participating lender. Applicants must obtain preliminary approval from a participating lender in order to be considered for participation from the RLF. The applicant's property must be a conforming use or a legal non-conforming use under the City Zoning Ordinance.

FORM OF APPLICATION

The application shall be made on forms approved by the HRA and participating lenders, and shall include information detailing the applicant's interest in restoring or maintaining the subject property. The application shall contain a proposal outlining the scope of work, which shall detail the work to be performed, estimated cost, completion date, amount of fund sought for eligible work, as well as any other documentation necessary to achieve any required building permits. Proposed contractors and subcontractors must be licensed and meet insurance and bonding requirements of the participating lenders. Bids for all work shall be included.

QUALIFYING IMPROVEMENTS

Option 1

Loan proceeds must be used to improve the exterior appearance of building and property within the CDB. Improvements to the following are eligible expenditures: all outsides of business building excluding roofs: cleaning, painting and staining of exterior surfaces, masonry repairs; repairing or replacing of cornices, entrances, doors, windows, decorative detail, and awnings; sign removal, repairing or replacement; architectural design services for plans and specifications; parking lots, including lights, surfacing, and landscaping, not financed by special assessment; building identification; other items that are viewed necessary to access to the interior.

Option 2

Loan proceed may be used for interior improvements. Eligible limited interior rehabilitation work is defined as 1) restoring the integrity of fire separation walls, and 2) the installation of a fire protection sprinkler system on all levels. These two items shall be mandatory under OPTION TWO while number 3) to address general public, health, safety and accessibility issues will be reviewed on an individual project basis. This loan can be granted under the condition that the limited interior rehabilitation work is linked to private interior upgrade. An additional criterion for loan approval is if the exterior of a building has not already been improved, then this work must be completed in conjunction with the interior projects. Therefore the applicant is allowed to apply for both Option One and Option Two loans simultaneously.

Loan proceeds may not be applied to: refinancing of existing debts; non-fixed improvement; working capital; inventory; or sweat equity (payment for the applicant's own labor and performance for construction or improvements).

PAYMENT OF LOAN PROCEEDS OPTIONS

Loan proceeds shall be paid directly to applicants only after the work for which payment is requested has been performed and the work has been accepted in writing by the HRA or its representative. The quality and progress of the work shall be monitored by the loan recipient and the HRA or its representative. All invoices and other necessary information as related to project costs shall be provided to the HRA or its representatives prior to the disbursement of funds.

If periodic draws are requested, the draws shall be disbursed through the title insurance company or the participating lender at their option and be limited to amounts equal to the values of materials furnished and/or services completed at the time of the request and shall be limited in number to three, including final payment. All costs related to the title company's fees shall be borne by the loan application. No payment shall be made without appropriate lien waivers being given.

All work is to be performed in accordance with all application laws and ordinance and shall be inspected by the Building Inspector, whether or not the work requires a permit, to insure compliance with specifications prior to final payment.

PARTICIPATION AGREEMENT

This Agreement is made this 3 day of June, 2015 by and between Community Pride Bank with an office at 1441 Bunker Lake Blvd, NE Ham Lake MN 55304 (the "Lender") and the Housing and Redevelopment Authority in and of the City of Anoka, Minnesota, with its principal office at 2105 First Avenue North, Anoka, Minnesota 55303 (the "Participant").

WHEREAS, Participant has adopted a Plan for Revolving Loan Fund (the "Plan") and the Lender is a qualified participating lender under the Plan; and

WHEREAS, Participant has approved the application of Itsaboutsleee.com LLC (the "Borrower"), for participation in the Plan; and

WHEREAS, Lender holds a promissory note executed by the Borrower in the original principal amount of \$100,000, Dated June 3, 2015, (the "Note") which evidences a loan made by the Lender to the Borrower; and

WHEREAS, the blended rate of interest provides for the payment of interest at the rate of two percent (2.0%) per annum on that portion of the principal amount of the loan funded by Participant (as hereinafter detailed) at the rate of two percent (2.0%) per annum, and provides for the payment of interest on the balance of the loan at a rate not to exceed the New York Prime Rate plus two percent (2.0%) per annum, all in accordance with the Plan, and the terms and conditions herein comply in all respects with the other provisions of the Plan; and

WHEREAS, Participant desired to acquire an interest in the Note as provided in the Plan, and

WHEREAS, Lender desires to have Participant acquire certain interest in the Note without recourse to Lender pursuant to the terms of this Participation Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises herein contains, the parties hereto agree as follows:

SECTION 1. PARTICIPATION

Upon the payment by Participant of the sum of One Hundred Thousand (\$ 100,000.00), Participant shall receive a 100 % interest in the principal amount of the Note and interest on such principal amount at the rate of two percent (2.0%) per annum (the "Participation"), and Lender shall issue a Participation Certificate to Participant evidencing the amount of this Participation. The \$ 100,000.00 advanced by the Lender to the Borrower under the Note has been recorded by the Lender in an account which will reflect the aggregate amount outstanding at any time, all repayments of principal by Borrower, and all interest billed to and paid by the Borrower (the "Loan Account"). Balances in the Loan Account will fluctuate from time to time based on the amount of repayments made by Borrower.

SECTION 2. ACCOUNTINGS; RECORDS; TRANSFER INTEREST

Lender shall render to Participant after the end of each calendar month during which any Participation is outstanding to Participant, copies of the accountings rendered by Lender to the Borrower and a summary statement of the Loan Account. Participant shall not be permitted to assign or transfer all or any part of its Participation.

SECTION 3. PAYMENT OF PARTICIPANT'S SHARE OF INSTALLMENT PAYMENTS

Lender shall, within fifteen (15) days after receipt from Borrower of each monthly installment payment under the Note, pay its percentage interest in the principal; plus (b) interest on Participant's percentage share of principal at the rate of two percent (2.0%) per annum. Lender shall not charge any fee for its service in handling the receipt and disbursements of interest changes and in the general management of the Note.

SECTION 4. ENFORCEMENT

Lender shall have the exclusive right in its name alone to exercise and enforce all rights and privileges accruing to Lender by reason of the Note and any other agreements, guarantees or claims given to Lender in connection with the Note, all in Lender's sole discretion and in the exercise of its business judgment. Lender shall handle all actions relating to the Note in accordance with its usual practice in the ordinary course of business and shall adhere to the same standard of conduct, as would be the case if the loan had been made exclusively by Lender. Lender has not made and does not make any warranties, express or implied, nor does it assume any liability to Participant with respect to: (a) the present or future solvency or financial worth of the Borrower or (b) the enforcement, validity, value or collectability of the loan made to Borrower.

SECTION 5. NON-INSTALLMENT PAYMENTS

After any non-payment or other event of default under the Note, any sums recovered by Lender in enforcement of the Note shall be applied as follows:

- a) To payment of interest on the proportional amount of principal owing to Lender at the Lender's Rate of Interest as defined in the Note; then
- b) To payment of the proportional amount of principal owing to Lender; then
- c) To all reasonable costs of collection, including attorney fees; then
- d) To payment of interest on the proportional amount of principal owing to Participant at the rate of two percent (2.0%) per annum, then
- e) To payment of the proportional amount of principal owing to Participant.

SECTION 6. RECOVERY OF PAYMENTS

In the event Lender or participant shall be sued or threatened with suit by any receiver or trustee in bankruptcy on account of any alleged preference or voidable transfer alleged to have been received by either Lender or Participant as the result of any transaction in respect of which Participant shall have participated with Lender hereunder, or in the event that any action, claim or demand of any kind shall be asserted against either Lender or Participant, directly or indirectly relating to such transactions, then in such event, any money paid in satisfaction, or compromise of such suit, action or demand and any expenses, costs and attorney fees paid or incurred in connection therewith, shall be shared by Participant and lender pro rata in accordance with the percentage of Participation in the Loan Account at the time of the commencement of any of the foregoing actions.

SECTION 7. COMPLIANCE WITH PLAN

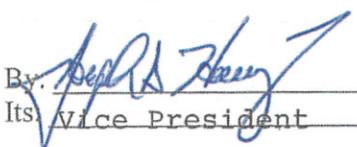
The Lender has received and reviewed a copy of the Plan and hereby agrees to its terms, including all responsibilities assigned therein to participating Lenders.

SECTION 8. MISCELLANEOUS

Except as stated in this paragraph, this Participation Agreement constitutes the entire agreement between Lender and parties and shall bind and benefit Lender and Participant and their respective successors and assigns. The failure or delay by the Lender to exercise any right hereunder shall not constitute a waiver thereof or bar Lender from exercising any of its rights at any time. The validity, interpretation and enforcement of this Participation Agreement shall be governed by the laws of the State of Minnesota. This Agreement shall be subject to and shall be interpreted in accordance with the terms of the Plan.

LENDER:

Community Pride Bank

By: 
Its: Vice President

PARTICIPANT:

CITY OF ANOKA HRA

By: 
Its: HOUSING MANAGER

AGENDA ITEM VI. B.

Memo

To: HRA Board Members

From: Darin Berger, Housing Manager

Date: June 8th, 2015

Re: Walker Methodist Plaza Gardens – 100 Monroe Street

All planning related items have gone through the Planning Commission process. This included a Comprehensive Plan Amendment, a Rezoning of the property, and the Site Plan and Conditional Use Permit. The Planning Commission recommended approval of all of these items to the City Council. As of Monday, June 1st, the City Council has approved all the necessary requests and amendments.

There have recently been some significant financial hurdles that have arisen in regards to project costs. Much of these increased costs are related to newly imposed code requirements by the State of Minnesota. Staff is working with Walker Methodist to work towards a solution to all issues at hand. Staff is meeting with Walker Methodist Monday, June 8th and more information will be known at that time. The City of Anoka plans to issue Conduit Debt Bonds for financing of Walker Methodist Plaza Gardens, which requires we go through a Public Hearing Process. This is scheduled for the Council's June 15th meeting, with a resolution being passed on July 6th.

As of now, we are still on track for our proposed July 13th closing and a July 20th construction start date.

Action Requested: No action is necessary at this time, informational only.

Walker Methodist Plaza Gardens



View from Northeast Corner
Walker Methodist Plaza Gardens
102 Marston, Ancker, MN

Plaza Gardens





View from Northwest Corner
Walker Methodist Plaza Gardens
102 Mainway, Anoka, MN

Plaza Gardens





View from Southwest Corner
Walker Methodist Plaza Gardens
102 Minnesota Avenue, MN

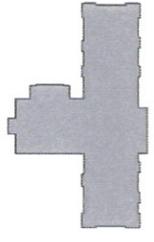
Plaza Gardens



walker
methodist



kao
wilson
architects



View from Southeast Corner
Walker Methodist Plaza Gardens
107 Marrow, Anoka, MN

Plaza Gardens





EXISTING BUILDING

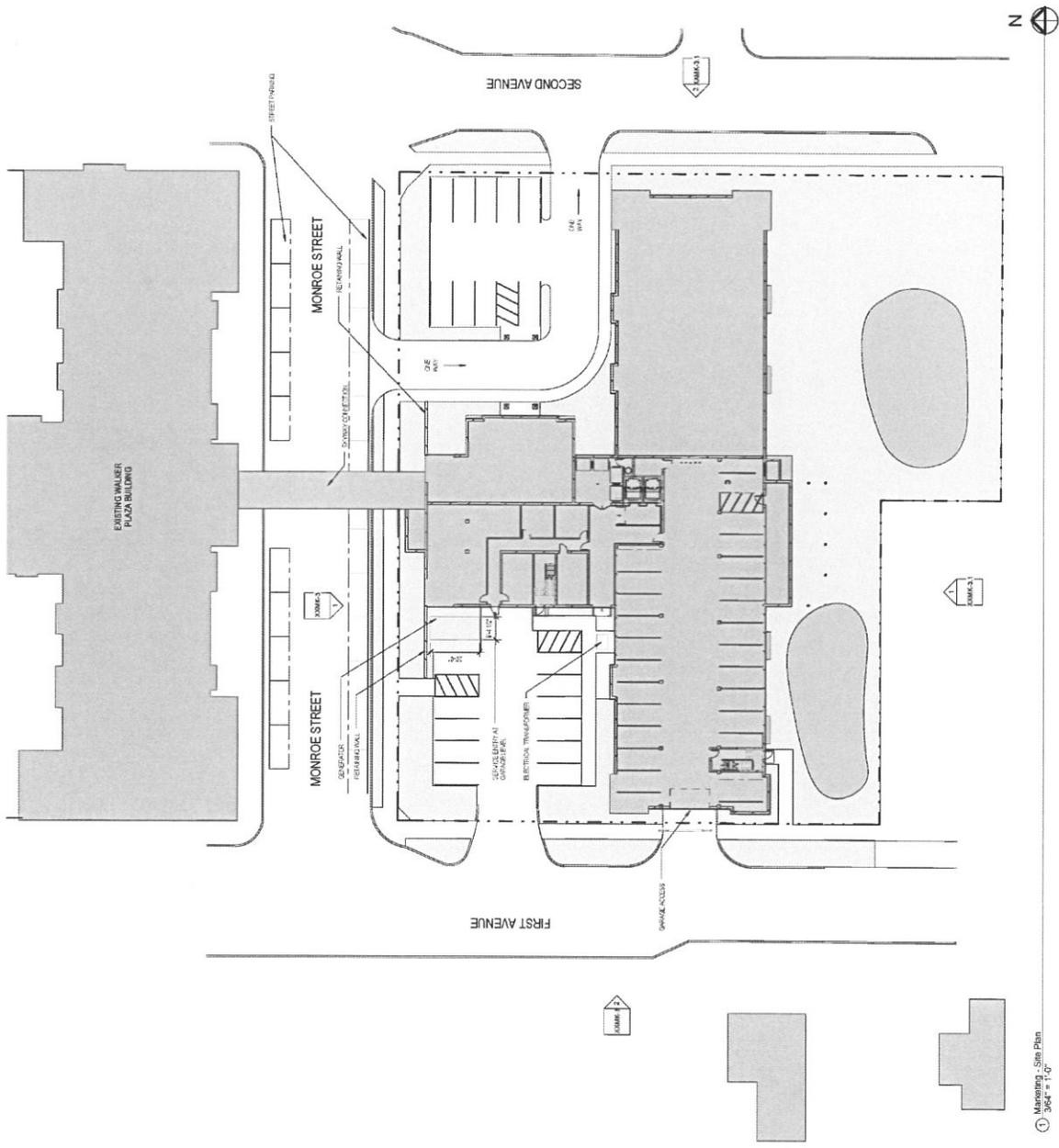
19 STREET
PARKING STALLS

PROPOSED BUILDING

Area Map
Walker Methodist Plaza Gardens
102 Menasha, Ancker, MN

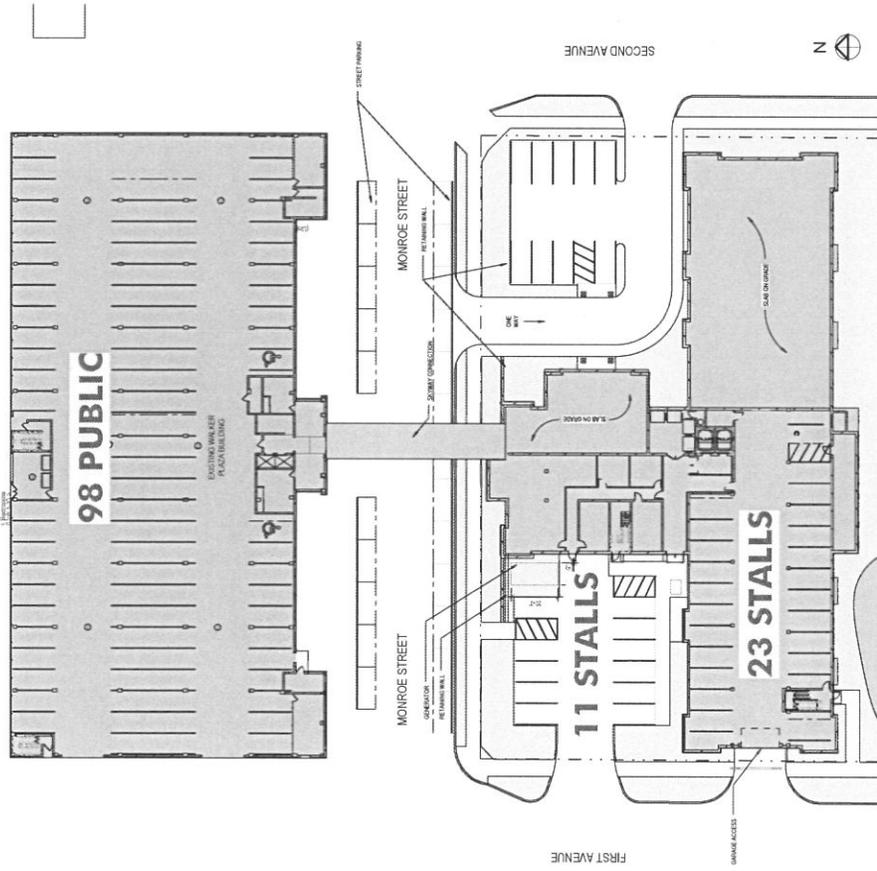
Plaza Gardens





① Mainwing - Site Plan
3/64" = 1'-0"





**GARAGE LEVEL
PARKING:**

- 98 - PUBLIC**
- 34 - WALKER**
- 10 - STREET**

142 STALLS TOTAL

© Walker Methodists, Garage Level Parking Plan
2014.11.14



PARKING STATISTICS:

ADJACENT CITY PARKING: 171 STALLS
WALKER BUILDING: 97 STALLS

TOTAL STALLS AVAILABLE: 268 STALLS

UNITS:

EXISTING UNITS: 103
PROPOSED NEW UNITS: 73

OVERALL UNITS: 176

PARKING NEEDED:

24 RESIDENTS DRIVE
46 STAFF (INCLUDES SHIFT CHANGE OVERLAP)
10 VOLUNTEERS
20 GUESTS

100 STALLS NEEDED

(CHRISTMAS, THANKSGIVING, EASTER, PUBLIC
PARKING AVAILABLE)



