

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

MONDAY AUGUST 29, 2016

ST. FRANCIS CITY HALL
23340 CREE STREET NW

6:00 PM

1. Call to Order
2. Roll Call
3. Approve Minutes of May 16, 2016
4. Meadows of St. Francis Development Agreement & Sale Public Hearing
5. Other Discussion
6. Adjourn

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

MAY 16, 2016

1. **Call to Order:** The EDA Commission president Chris McClish called the EDA meeting to order at 5:30 pm.
2. **Roll Call:** Members present Chris McClish, Richard Orpen, and Brenda Pavelich-Beck. Troy Shook Excused. Also present City Administrator Joe Kohlmann, Community Development Director Kate Thunstrom, Assistant City Attorney David Schaps, and City Clerk Barb Held.
3. **Approve Minutes of January 4, 2016:** Motion by Orpen second Pavelich-Beck to approve the January 4, 2016 Economic Development Authority Minutes. Motion carried 3-0.
4. **Business Subsidy Policy:** Community Development Director Kate Thunstrom gave an overview of the Business Subsidy Policy; the purpose, goals of the policy, the business subsidy criteria, application process for business subsidies, and compliance and reporting requirements. Thunstrom also presented a Tax Increment Financing (TIF) Policy. These would be used for new and redeveloped properties. Thunstrom with these type policies you create a standard practice that is being used by other communities. Plus they would be reviewed in a fair practice. Motion by Orpen second Pavelich-Beck approving the Business Subsidy Policy as presented. Motion carried 3-0.

Thunstrom stated this would now be brought forward at a future council meeting for their consideration.
5. **Economic Development Plan – Informational:** Thunstrom stated this evening at the council meeting I will be giving a power point presentation on the Economic Development Plan that was completed by Northwest Associated Consultants. This plan was developed to provide consistency on what people received in regards to the development opportunities within the City and guide them through the process. Pavelich-Beck stated this is what we were asking for, nice to bring this together. Discussion was held on different potential sites. Thunstrom also stated staff has been sending out marketing packets. McClish stated maybe Bridge Street could be extended to Hwy 47 and the EDA could help relocate the bus garage.
6. **Other Discussion:** McClish stated we do have an opening on the EDA due to the resignation of Brian Beeman.

Orpen asked where the YMCA was at. City Administrator Joe Kohlmann stated the YMCA changed their marketing firm. The City has authorized \$10,000 for a study but have not used it yet. Orpen also questioned the detached townhomes by The Meadows of St. Francis and the assisted living. The City is waiting for them to ask that the townhome area be re-developed. In regard to the assisted living, it sounds like they are reviewing their plans to make it larger.

7. Adjournment: McClish adjourned the EDA meeting at 5:50 pm.

Barbara I. Held, City Clerk



NORTHWEST ASSOCIATED CONSULTANTS, INC.

4150 Olson Memorial Highway, Ste. 320, Golden Valley, MN 55422
Telephone: 763.957.1100 Website: www.nacplanning.com

STAFF MEMO

TO: St. Francis Economic Development Authority
Joe Kohlmann, City Administrator

FROM: Nate Sparks

DATE: August 25, 2016

RE: Meadows of St. Francis Development Agreement & Sale Public Hearing

BACKGROUND

In 2013, the City bought 46 townhome unit lots in the Meadows of St. Francis subdivision. The lots were later transferred to the ownership of the EDA. On October 19, 2015, the EDA entered into a purchase agreement with Able Companies for the sale of the townhome lots. Able Companies has scheduled the closing of the property with the EDA. In order to go forward with the closing, the EDA needs to hold a public hearing regarding the sale and authorize the terms of the sale.

MEADOWS OF ST. FRANCIS

The Meadows of St. Francis is the townhome development located on Highway 47 & Cree Street north of St. Francis Auto Parts. There are 20 units built in the development. The remaining lots went into foreclosure. That coupled with errors in the title and home owner's association documents made the properties difficult to build on and required legal work from the City to clear the issues. Due to this, the City purchased the lots and later transferred ownership to the EDA to oversee the sale of the lots.

PURCHASE AGREEMENT

Able Companies is the entity that made an application to build an assisted living facility on the parcel between the golf course club house parking lot and American Legion in the 2900 block of 229th Ave NW. This developer was interested in other opportunities in the City and requested the EDA consider a purchase agreement for \$100,000 to purchase the lots. The EDA entered into the purchase agreement at the October 19, 2015 meeting. The developer has done their due diligence and would like to close on the property, at this time. At the EDA's January 2016 meeting, the EDA approved City Administrator Joe Kohlmann to be the signatory for official closing documents on behalf of the EDA.

REQUIREMENTS FOR SALE

In order to finalize the sale of the property, the EDA needs to hold a public hearing and set the final terms for the sale. The proposed terms of the sale are memorialized in the attached development agreement. The agreement is required by Minnesota State Statutes to include a clause by which the EDA regains possession the lots if the developer does not perform under this agreement within one year.

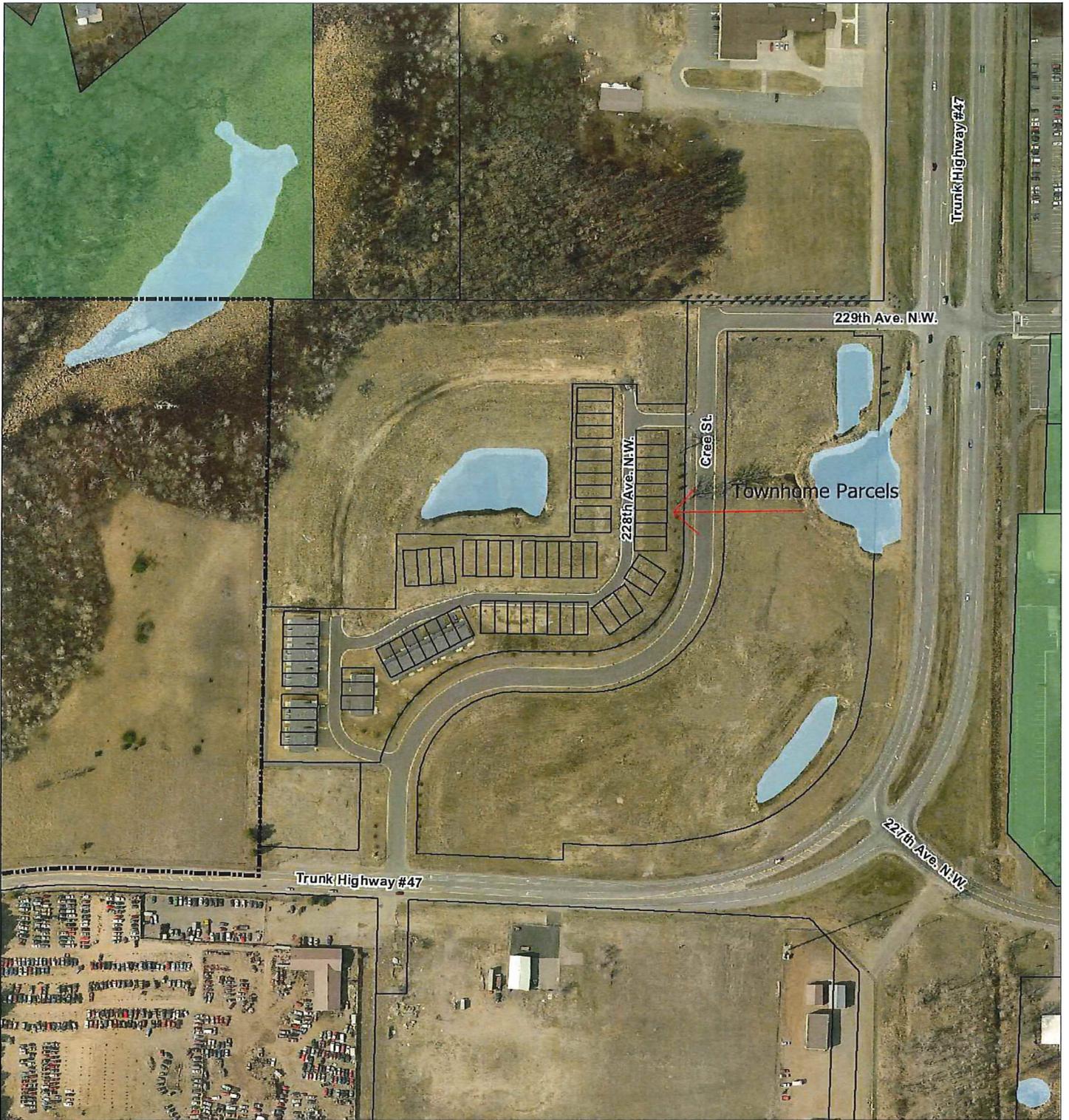
The agreement includes terms that the developer must build two buildings (which include multiple units) per year for three years. The developer has partnered with a builder (Alpha Investments LLC) and the agreement states that no transfer may be done except to this entity, who is a signatory to the agreement, within the first year (not including final purchasers of completed units).

The developer was also required to put together homeowner's association documents. These documents were prepared and reviewed by the City Attorney's office and were conditionally approved.

The buildings proposed have been submitted for review. City Staff has requested that the structures have a decorative brick or stone element added to the façade, as was originally planned for the units in this development. The developer has stated there is no issue fulfilling this request.

REQUESTED ACTION

The EDA should hold a public hearing and approve the development agreement, if the terms of the sale are deemed acceptable.



0 267 Feet



City of
St. Francis

Meadows of St. Francis

Figure 1

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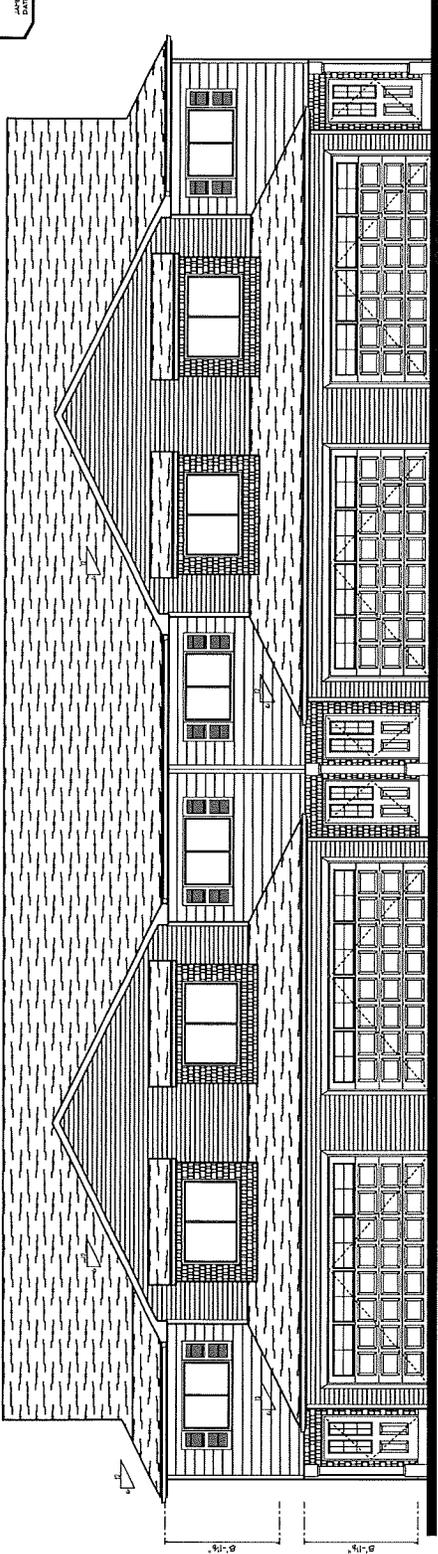
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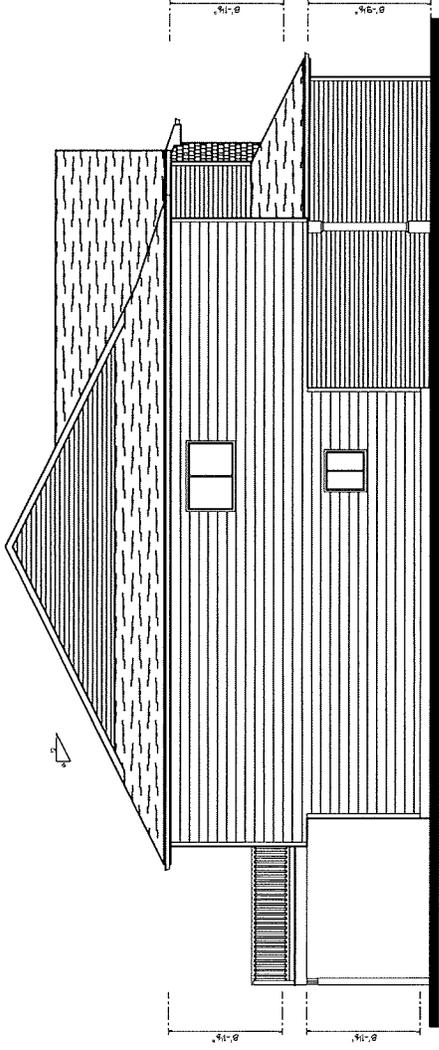
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Design #
 tcc201584
AI



FRONT ELEVATION
 SCALE 1/4" = 1'-0"



LEFT ELEVATION
 SCALE 1/4" = 1'-0"

PERMIT CONTRACT SHALL BE IN ACCORDANCE WITH THE CITY ORDINANCES AND ALL APPLICABLE REGULATIONS OF THE CITY OF PHOENIX, ARIZONA.

JIM MACKEY ARCHITECT
DATE: 4-08-2010 LIC. NO. 10080

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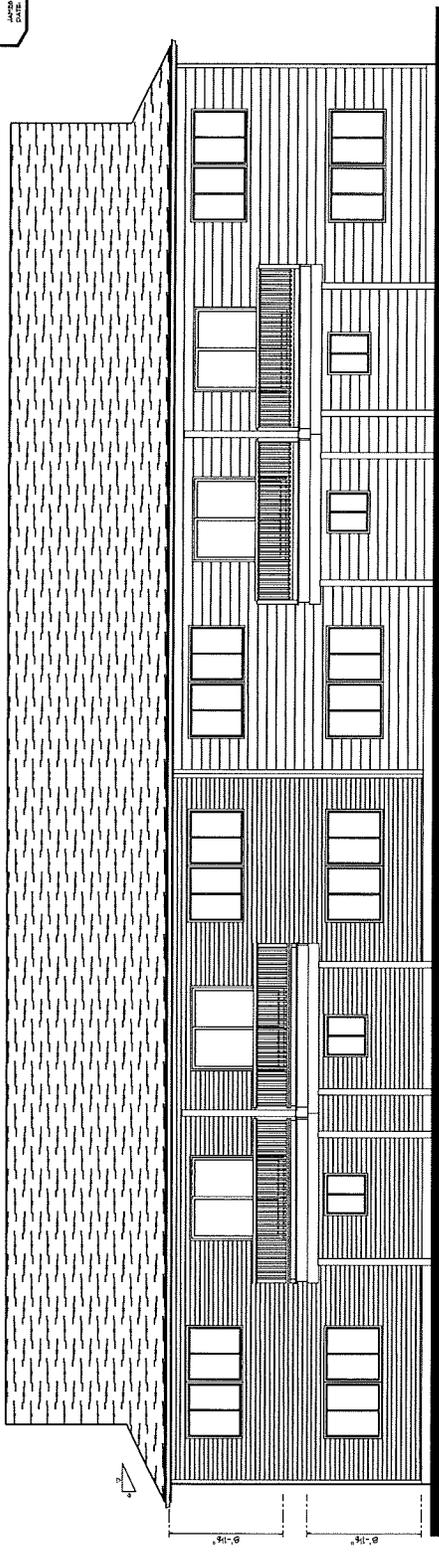
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Jim Mackey
 Architect
 License No. 10080

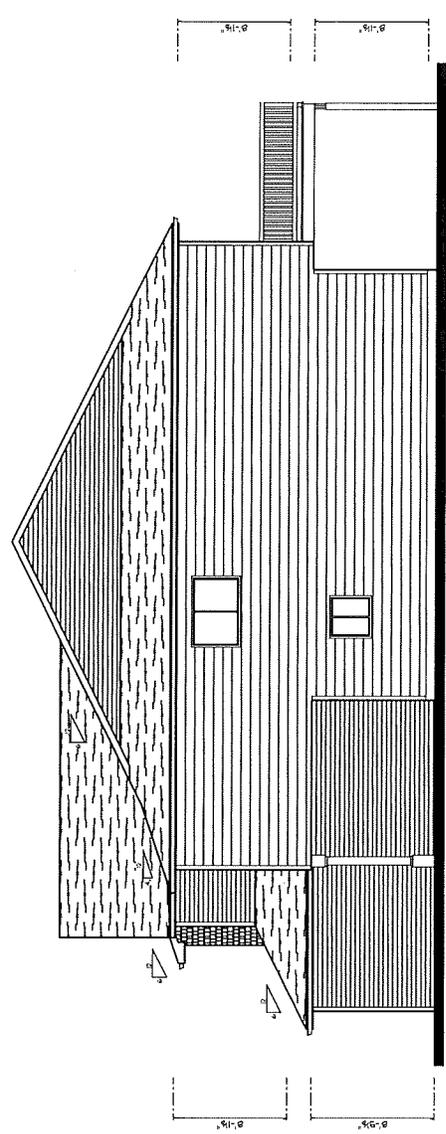
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A2



REAR ELEVATION
 SCALE 1/4" = 1'-0"



RIGHT ELEVATION
 SCALE 1/4" = 1'-0"

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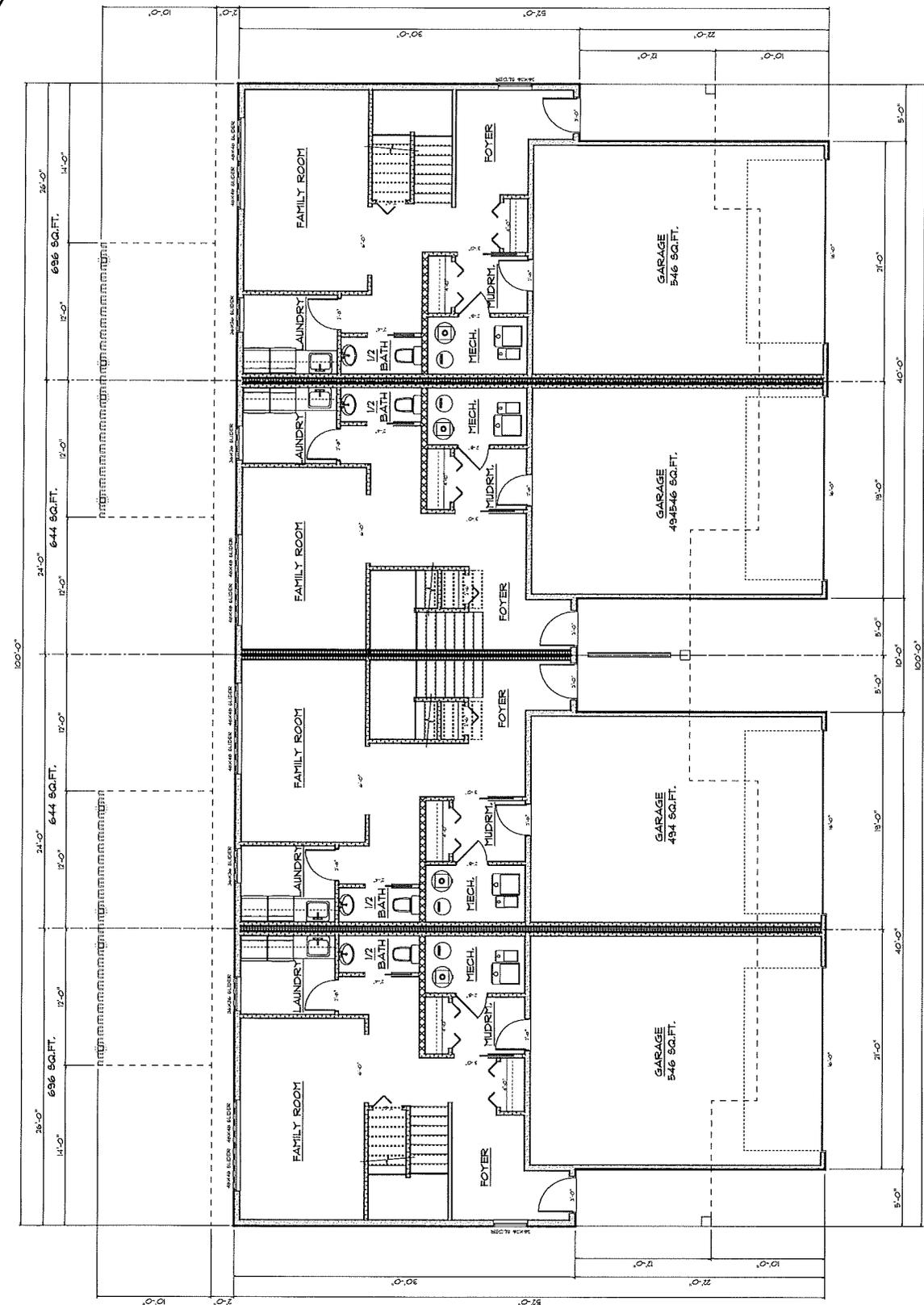
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Plan Data
 SHEET NO. _____
 DATE _____

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10001984
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A4



ENTRY LEVEL FLOOR PLAN
 SCALE 1/4" = 1'-0"

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JAMES A. MACKET ARCHITECTS
 DATE: 11/03/20
 LICENSE: LIC. NO. 2008

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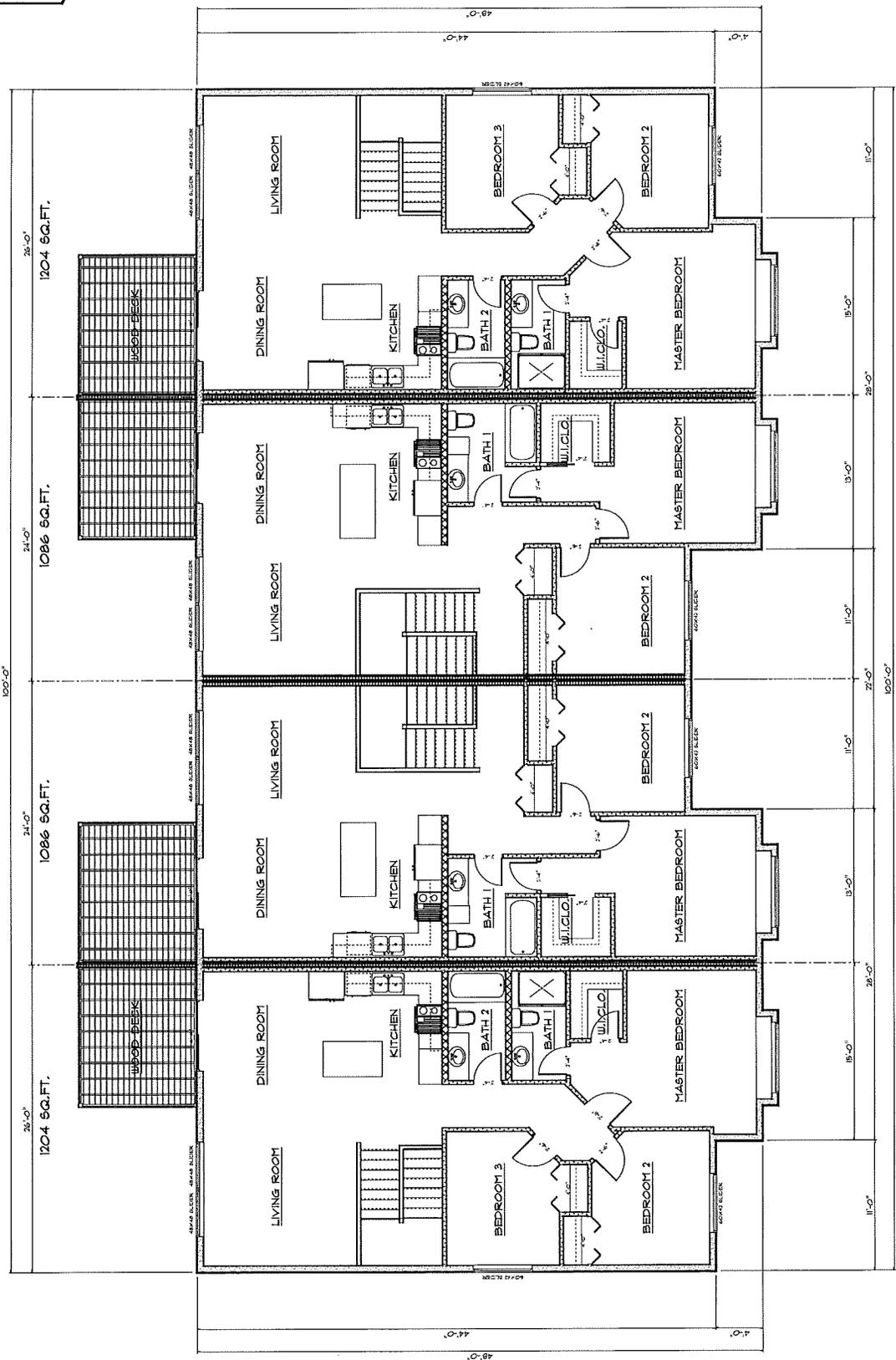
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Design #
100201594
A5



UPPER LEVEL FLOOR PLAN
 SCALE 1/4" = 1'-0"

PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the St. Francis Economic Development Authority will be conducting a public hearing on August 29, 2016 at 6:00 PM or shortly thereafter. The Public Hearing will be conducted at the St. Francis City Hall, 23340 Cree Street NW, St. Francis, MN 55070.

The public hearing is regarding the sale of Lots 1 through 22, and Lots 43 through 66, Block 1, Meadows of St. Francis to a developer. A summary of the terms and conditions of the land sale is available for public inspection at City Hall. At the hearing, the EDA will meet to decide if the sale is advisable.

Any persons wishing to express an opinion on the matters to be considered at the public hearing will be heard orally or in writing. Additional information may be obtained by contacting the City of St. Francis, 23340 Cree St NW, St. Francis, MN 55070 or by calling (763) 753-2630.

(reserved for recording information)

DEVELOPMENT CONTRACT PERFORMANCE AGREEMENT

This Development Contract Performance Agreement (“Agreement”) is made and entered into this ____ day of September, 2016, by and between the **ST. FRANCIS ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic under the laws of Minnesota (“the EDA”) and **ABLE COMPANIES, INC.**, a Minnesota corporation (“the Developer”) and **ALPHA INVESTMENTS, LLC** (“the Builder”) for the sale and development of property within the City of St. Francis (“the City”).

1. REQUEST FOR PROPERTY CONVEYANCE. The EDA has agreed to sell and the Developer has agreed to purchase forty seven (47) lots from the EDA for the purpose of the development of townhomes, which lots are legally described as:

Lots 1 through 22, inclusive, and 42 through 66, inclusive, Meadows of St. Francis, Anoka County,
Minnesota

(the “Property”).

2. USE OF PROPERTY. The Developer may use the property for the construction, development, sale, and/or rental of townhome units in a manner that conforms with the City of St. Francis Comprehensive Plan and Zoning Ordinance, and any other applicable ordinances which apply to the construction, development, sale and/or rental of townhome units.

3. TRANSFER OF PROPERTY. The Developer shall not transfer title to the property or partial title or mortgage on the Property within one year of purchase without the written consent of the EDA. The EDA agrees to

provide its consent to a transfer to the Builder of fee title to some or all of the Property. Builder takes title subject to this Agreement, including this transfer restriction.

4. **PLANS & SPECIFICATIONS.** The Developer and/or Builder shall construct the units as depicted and represented in the plans supplied to the EDA dated September 14, 2015 (the "Plans"). Minor adjustments, as determined by the EDA and/or City Zoning Administrator, to the plans may be deemed acceptable by the City's Zoning Administrator in the sole discretion of the EDA and/or City Zoning Administrator. Buildings shall include decorative brick or stone on the front façade of the buildings in a manner similar to the plans for existing units within the Meadows of St. Francis subdivision. Major amendments to the plans or the site shall require approval of the EDA.

5. **REQUIRED PERFORMANCE.** Within one year from the date of purchase, the Developer (and/or Builder) shall have substantially completed the construction of two buildings (over Lots 43, 44, 45, 46, 47, 48, 49 and 50) on the southern end of the Property. Additionally, in each subsequent year for the next two years, the Developer shall build two additional buildings on the Property. Therefore, at the end of three years from the date of purchase, the Developer (and/or Builder) shall have substantially completed six buildings on the Property.

6. **FAILURE TO PERFORM.** Within one year from the date of purchase, the Developer shall devote the Property to its intended use by completing construction of two buildings on the Property. If the Developer fails to do so, the EDA may cancel the sale and title to the Property shall return to it. The EDA, in its sole discretion, may extend the time to comply with this condition if the Developer has good cause.

7. **HOMEOWNER'S ASSOCIATION.** The Developer is required to establish a common interest community compliant with Minn. Stat. Chapter 515B, a home owner's association compliant with Minn. Stat. Chapter 317A for the operations and maintenance of the housing units and grounds. Governing documents shall generally adhere to the documents submitted by the Developer to the EDA and as may be required, amended, and approved by the attorney for the EDA.

8. **RECORDING.** This agreement shall be recorded against the Property at the expense of Developer.

9. **VIOLATION.** In the event that Developer breaches the required performance herein and the EDA finds it necessary to enforce this Agreement and/or commences an action to cancel the sale, the Developer shall pay the reasonable attorney fees incurred by the EDA for enforcement herein.

10. **NOTICES.** Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by first class mail at the following address: _____ . Notices to the EDA shall be in writing and shall be either hand delivered to the City Administrator, or mailed to the EDA by certified mail in care of the City Administrator at the following address: St. Francis City Hall, 23340 Cree St NW, St. Francis, Minnesota 55070.

11. **RELEASE.** At such time as the Developer and/or Builder has constructed a unit on a lot in accordance with the Plans and a Certificate of Occupancy has been issued therefor, the EDA agrees to execute a Partial Release of this Agreement upon the request of Developer and/or Builder. Developer and/or Builder shall reimburse EDA for the expense of legal and professional services in preparing the Partial Release.

12. **MISCELLANEOUS.**

- A. Third parties shall have no recourse against the City and EDA under this Agreement.
- B. Breach of the terms of this Agreement or the conditions of the Resolution approving this sale by the EDA to the Developer shall be grounds for denial of building permits, including lots sold to third parties.
- C. The action or inaction of the City and/or EDA shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the EDA. The EDA's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
- D. Each right, power or remedy herein conferred upon the EDA is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to EDA, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in

such order as may be deemed expedient by the EDA and shall not be waiver of the right to exercise at any time thereafter any other right, power or remedy.

E. The Developer may not assign this Agreement without the prior written permission of the EDA. The Developer's obligation hereunder shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.

13. COMPLETION. The Developer shall notify the EDA when the construction of the buildings required to be constructed herein has been completed. If the EDA determines in its sole and absolute discretion that (i) the improvements have been constructed in substantial conformity with the approved plans, and(ii) the improvements are complete for purposes of issuing a certificate of occupancy, the EDA shall, in accordance with this Agreement, note the completion of the required construction herein. Upon the request of the Developer the EDA shall furnish to the Developer a Certificate of Completion certifying the completion of the project. Such Certificate of Completion shall be in recordable form. Developer shall reimburse EDA for the expense of legal and professional services in preparing the Certificate of Completion.

*[Remainder of page intentionally left blank.
Signatures on next page.]*

EDA Signature page to the Development Contract

ST. FRANCIS EDA

BY: _____
Chris McClish, EDA Chair

(SEAL)

BY: _____
Barbara I. Held, City Clerk

STATE OF MINNESOTA)
 (ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Chris McClish and by Barbara I. Held, respectively the Chairman of the St. Francis EDA and City Clerk of the City of St. Francis, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

NOTARY PUBLIC

**Developer Signature page to Development Contract
(Able Companies, LLC)**

DEVELOPER:

ABLE COMPANIES LLC

BY: _____
Its _____

STATE OF MINNESOTA)
 (ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016,
by _____, the _____ of Able Companies, LLC, a Minnesota limited liability corporation, on behalf of
the corporation.

NOTARY PUBLIC

**Builder Signature page to Development Contract
(Alpha Investments, LLC)**

BUILDER:

ALPHA INVESTMENTS, LLC.

BY: _____
Its _____

STATE OF MINNESOTA)
 (ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016,
by _____, the _____ of Alpha Investments, LLC., a Minnesota limited liability corporation, on behalf
of the corporation.

NOTARY PUBLIC

DRAFTED BY:

BARNA, GUZY & STEFFEN, LTD. (CMS)
400 Northtown Financial Plaza
200 Coon Rapids Boulevard
Coon Rapids, MN 55433(763) 780-8500

EXHIBIT A
Building Plans