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

ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

NOVEMBER 6, 2017

4115 Ambassador Blvd. NW
ISD #15 Central Service Center (District Office)

5:00 PM

1. Call to Order

2. Roll Call

3. Approve Minutes of August 7th, 2017

4. Approval of the Agenda

5. Public Hearings

6. New Business
   - A. Acquisition of real property for development, 3731 Bridge Street
     - a. Approval to acquire the parcel
     - b. Request to Council for the transfer of Liquor Fund revenues to the EDA for the purpose of the acquisition and demolition of the property.
     - c. Resolution 2017-03 Resolution Approving the Purchase of Property and Granting Signatory Authority
   - B. Meadows Townhome Performance and Development
     - a. Review performance situation
     - b. Resolution 2017-04 Resolution Declaring Breach of Covenant, Authority to Seek a Judicial Decree and Cancellation of Deed and/or Agreement

6. Other Reports

7. Adjourn

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

ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Monday, August 07, 2017

4115 Ambassador Blvd, NW
ISD #15 Central Service Center (District Office)

5:00pm

1. **Call to order:** EDA called to order at 5:06pm
   By President Mike Rodgers

2. **Roll Call**
   Present: Robert Bauer, Sarah Udvig, Mike Rodger, Joe Muehlbauer, Brenda Pavelich-Beck
   Also Present: City Administrator Joe Kohlmann, Community Development Director Kate Thunstrom, City Attorney Scott Lepak
   Absent: None

3. **Approve Minutes of July 17, 2017**
   Motion: Robert Bauer
   Second: Sarah Udvig
   Motion Carried: (5-0)

4. **Adopt the Agenda with amendment 5.B adding Resolution Approving the Purchase of Property and Granting Signatory Authority.**
   Motion: Joe Muehlbauer
   Second: Brenda Pavelich-Beck
   Motion Carried: (5-0)

5. **Public Hearings/New Business**

   A. Acquisition of a property along Bridge Street for redevelopment
   Motion: Robert Bauer
   Second: Brenda Pavelich-Beck
   Motion Passed: (5-0)

   Funding for 5. A. using Anoka County HRA/EDA funds
   Motion: Robert Bauer
   Second: Joe Muehlbauer
   Motion Passed : (5-0)

   B. EDA Resolution 2017-02 Approving the Purchase of Property and Granting Signatory Authority
   Motion: Joe Muehlbauer
   Second: Sarah Udvig
   Motion Passed: (5-0)

6. Other Reports: None
7. Motion: Sarah Udvig Second: Robert Bauer to Adjourn @ 5:32

Submitted by,

_____
Robert Bauer, Secretary

APPROVED:

DRAFT

City of St. Francis

EDA COMMISSION AGENDA REPORT

TO: St. Francis Economic Development Authority

FROM: Kate Thunstrom, EDA Executive Director

SUBJECT: Acquisition of Real Property for Redevelopment, 3731 Bridge St

DATE: 11/2/2017

Assembly and organization of land can be the most difficult and sensitive piece of redevelopment. Redevelopment projects may be as small as a single property or as large as an industrial park. St. Francis is completing its redevelopment plan for the Bridge Street and Hwy 47 corridors. Through this redevelopment planning Bridge St was identified as the Downtown and an important area for redevelopment focus.

St. Francis is in a position to further progress in our redevelopment efforts. A second site identified along the Bridge Street corridor has become available and the EDA has an opportunity to move forward with redevelopment planning.

As Cities have the ability to use Eminent Domain it is not a practice that is used for redevelopment efforts intended to create or support private development. It is our intent to assemble property through a fair market process and through voluntary sales practices.

Anticipated Timeline:

- November 6 - EDA and Council meeting
- November 15 - Planning Commission determination of consistency with the Comprehensive Plan
- November to March – anticipated closing. Timeframe extended due to title work and number of interested parties participating in the decision making process.
- Demolition – after closing the City will complete an RFP process for the demolition of the structures. Both structures have been tagged unsafe by the Building Department.

City of St. Francis

ITEMS TO BE DICUSSED:

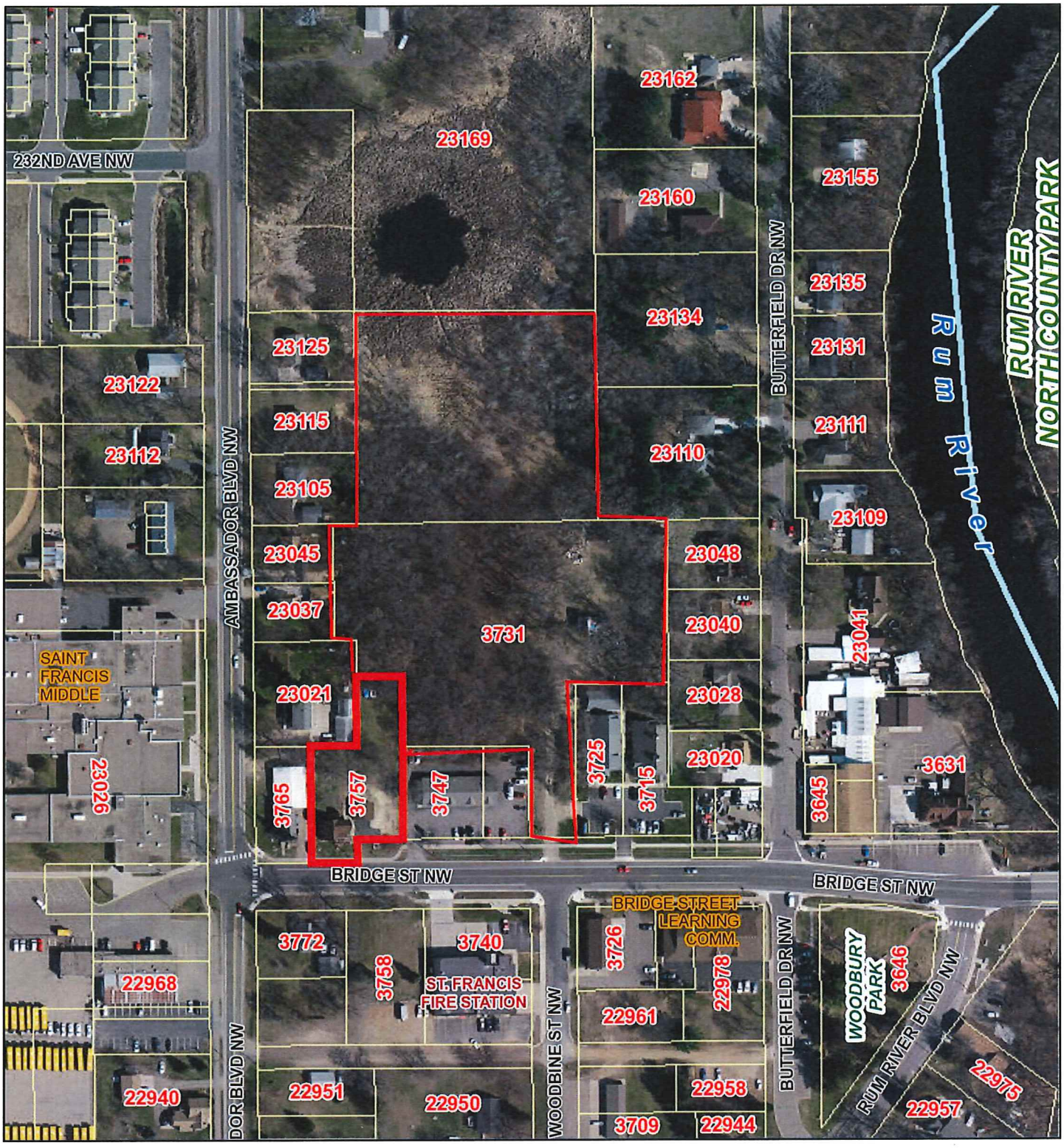
1. Acquisition
2. Financing
3. Signature authorization

POTENTIAL BUDGET:

$225,000 estimate

ATTACHMENTS: Layout of redevelopment opportunity
Request to Council for transfer of funds available
Resolution 2017-03 for Signing Authority

Anoka County, MN



September 26, 2017

1:2,400

0 112.5 225 450 ft

0 30 60 120 m

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search,appraisal, survey, or for zoning verification.

City of St. Francis

CITY COUNCIL
AGENDA REPORT
Agenda Item #: _____

TO: Joe Kohlmann, City Administrator

FROM: Darcy Mulvihill, Finance Director

SUBJECT: **Resolution Transferring from Liquor Fund to EDA Fund**

DATE: 11/01/2017

ITEM FOR CONSIDERATION:

Attached is a resolution to approve a transfer from the Liquor Fund to EDA Fund.

BACKGROUND:

The EDA is looking to purchase the property at 3731 Bridge Street and is requesting the funds for the purchase and demolition be transferred from the Liquor Fund. The request is for $225,000.00.

ACTION BE TO CONSIDERED:

Approve the attached resolution transferring $225,000.00 from the Liquor Fund to the EDA Fund.

BUDGET IMPLICATION:

This will come out of Liquor Fund Cash balance. As of 09/30/2017, the cash balance is $1,665,343.74.

Attachments:

1. Resolution approving Transfer from Liquor to EDA.

CITY OF ST. FRANCIS
ST. FRANCIS MN
ANOKA COUNTY

RESOLUTION 2017-

TRANSFER FROM LIQUOR FUND TO EDA FUND

BE IT RESOLVED that the City Council of the City of St. Francis hereby approves the following transfers of funds:

	FROM	TO	PURPOSE	AMOUNT
1	LIQUOR FUND	EDA Fund	PURCHASE PROPERTY	225,000.00

1. The EDA is requesting a transfer from the Liquor Fund to purchase and demolish the house at 3731 Bridge Street.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 6TH DAY OF November, 2017.

APPROVED:

_____
Steve Feldman, Mayor

ATTEST:

_____
Barbara I. Held, City Clerk

Economic Development Authority for the City of St. Francis
St. Francis, MN
Anoka County

EDA RESOLUTION 2017-03

Resolution Approving the Purchase of Property
and Granting Signatory Authority

BE IT RESOLVED THAT, the Board/Commissioners of the Economic Development Authority for the City of St. Francis, Minnesota hereby approves the purchase of the real property located at 3731 Bridge St. Francis, MN 55070 and legally described as: LOT 3 BLOCK 5 VILLAGE OF ST FRANCIS EX W 11.8 FT OF SD LOT 3 LYG NLY OF WLY EXTN OF S LINE OF LOT 4 SD BLK 5 ALSO EX THAT PRT OF SD LOT 3 DESC AS FOL: BEG AT NE COR OF LOT 2 SD BLK 5 TH N 66 FT TH WPRLL/W N LINE OF SD LOT 2, 145 FT TH S 66 FT TH E 145 FT TO POB ALSO EX THAT PRT OF SD LOT 3 DESC AS FOL: BEG AT NW COR OF LOT 14 SD BLK 5 TH E ALG N LINE OF SD LOT 14, 66 FT TH N 14 FT TH W 66 FT THS 14 FT TO POB TOG/W E 11.8 FT OF LOT 4 SD BLK 5 & ALL OF LOT 5 SD BLK 5 & NLY 100 FT OF LOT 13 SD BLK 5, EX RD SUBJ TO EASE OF REC, Anoka County, Minnesota.

BE IT FURTHER RESOLVED THAT, the Board/Commissioners of the Economic Development Authority for the City of St. Francis, Minnesota hereby authorizes Kate Thunstrom, Chief Executive Officer of the Economic Development Authority for the City of St. Francis, Minnesota, to procure an owner's title insurance policy and to execute any and all necessary and reasonable documents to effectuate the purchase of the above referenced real property, including but not limited to a purchase agreement, amendment of the purchase agreement to extend the closing date, if necessary, to allow time for any title issues to be resolved, closing documents and any other necessary or beneficial documents which are reasonable and customary.

ADOPTED BY THE BOARD/COMMISSIONERS OF THE ECONOMIC DEVELOPMENT OF THE CITY OF ST. FRANCIS THIS 6 DAY OF NOVEMBER, 2017.

APPROVED:

_____ [sign name]

By: _____ [print name]

Its: President

719411-v

City of St. Francis

EDA COMMISSION AGENDA REPORT

TO: St. Francis Economic Development Authority

FROM: Kate Thunstrom, EDA Executive Director

SUBJECT: Meadows Townhome Development and Performance

DATE: 11/2/2017

OVERVIEW

The City had acquired the Meadows Townhome lots due to the economical down turn and the project moving into foreclosure. The city acquired the properties to address title and legal issues to allow this development to be successful. Since that date the following timeline has occurred:

- October 19, 2015 the EDA entered into a purchase agreement with Able Companies for the sale of the lots
- August 29, 2016 Commission heard from City Planner and held public hearing for sale of lots
- September 15, 2016 Development Contract and Performance Agreement signed by both parties
- November 7, 2016 Quit Claim Deed finalized for sale and transfer of properties to Able Co.
- January 18, 2017 Building Permits submitted for units 22821 and 22823 Dakotah St.
    - Questions regarding setbacks, grading and fire suppression delayed approval
- March 30, 2017 Building Permits submitted for units 22834 and 22838 Dakota St.
    - Building review was completed but permits were not picked up.
    - Builder also provide City a draft concept of a new plat. No land use application was ever submitted.
- April 3, 2017 Builder and owner notified of city concerns with Performance and process including association. Able Companies letter returned non-deliverable. Secretary of State identified new business addresses.
- April 13, 2017 Owner notified of city concerns utilizing new addresses
- May 17, 2017 new permits were submitted for one level units.
    - Builder informed that this triggered a Substantial Amendment and would require EDA approval. Chose to move forward with previous plan
- May 25, 2017 additional notification of city concerns and attempt to provide assistance on process required to continue moving project forward
- June 22, 2017 Able Company, their attorney and Builder visited with City Administrator and City attorney regarding deficiencies and requirements to move forward. Topics included platting, building, association and letter of credit.
- Ongoing, conversations have occurred between BGS and Builder, BGS and City with Owner.

City of St. Francis

Performance deficiencies outlined within Performance Agreement include:

- #3, Transfer of Property, Able Companies violated by putting a mortgage against most of the properties
- #5 Required Performance, within one year lots 43 through 50 were to be developed. None of the identified units were constructed.
- #7 Homeowner's Association, developer was to establish a common interest community

Performance addressed

- Two-two unit buildings were constructed. Certificate of Occupancy has been reached for two of the four units. Two units under construction. All permits pulled as required and meeting building requirements to date.

ITEMS TO BE DICUSSED:

EDA shall take action on one of the following:

1. The EDA will direct staff to re-notice violations of the Development Contract with the Owner and Builder. Provide a period of time in which they must respond and expectations to be completed. Neither Developer nor Owner have requested an additional extension or changes to current situation.

2. The EDA can pass resolution 2017-04 Resolution Declaring Breach of Covenant, Authority to Seek a Judicial Decree and Cancellation of Deed and/or Agreement. This authorizes City Legal/Barna, Guzy & Steffen to take legal steps to move city through returning the title of the lots.

    a. Four lots have been developed by the Builder. EDA must consider if they wish to enforcement this clause against those properties constructed, not yet finished.

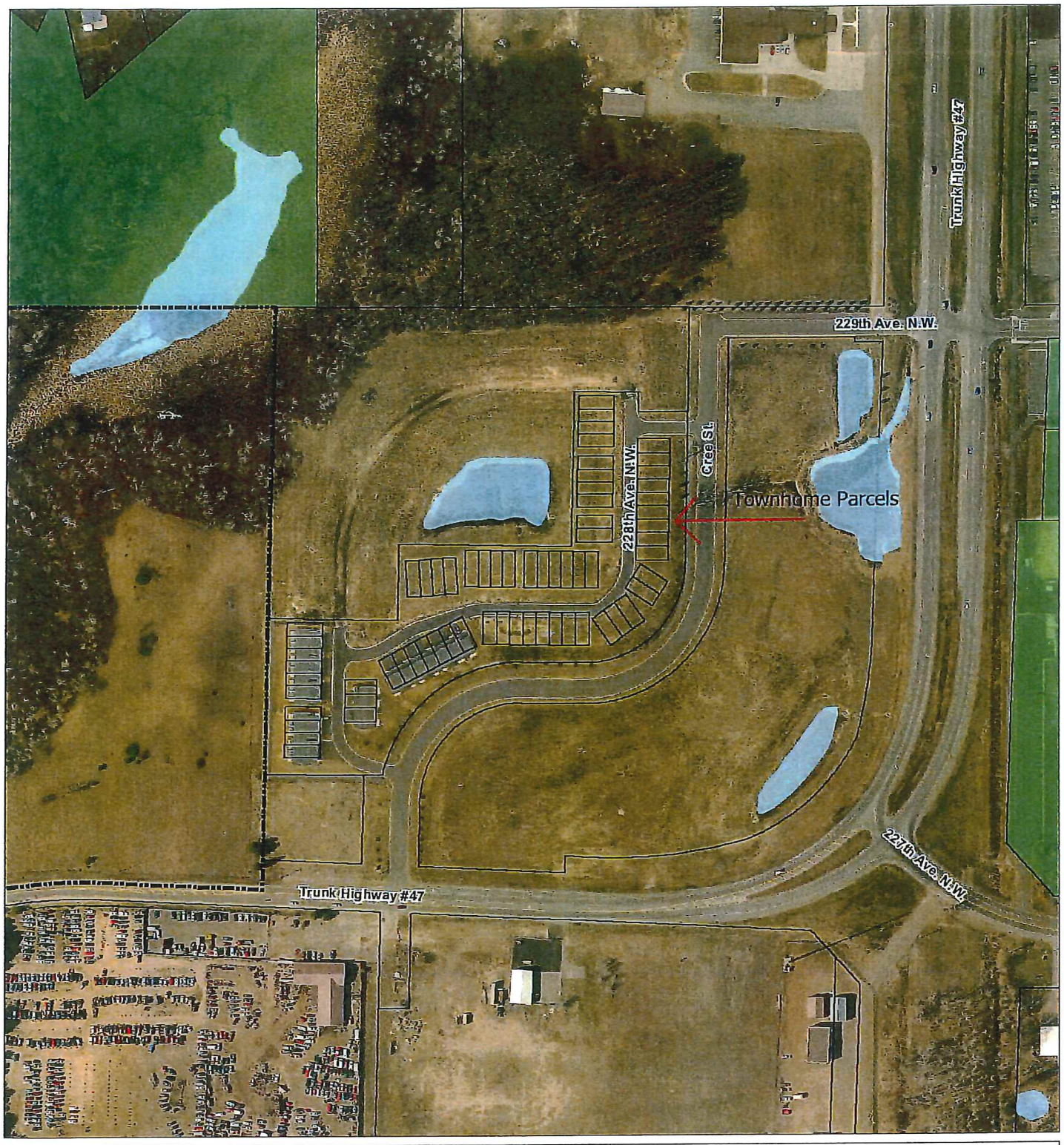
POTENTIAL BUDGET:

City received $100,000.00 nonrefundable for the sale.

Per Development Contract, Section #9 Violations, In the event of enforcement, Developer shall pay the reasonable attorney fees incurred by the EDA for enforcement.

ATTACHMENTS:

Photo of subject area
August 25, 2016 Staff Report from NAC/Nate Sparks
Development Contract Performance Agreement
Letters to Owners: 04/03/17, 04/13/17 and 05/25/17
Resolution 2017-04 Declaring Breach



0 267 Feet

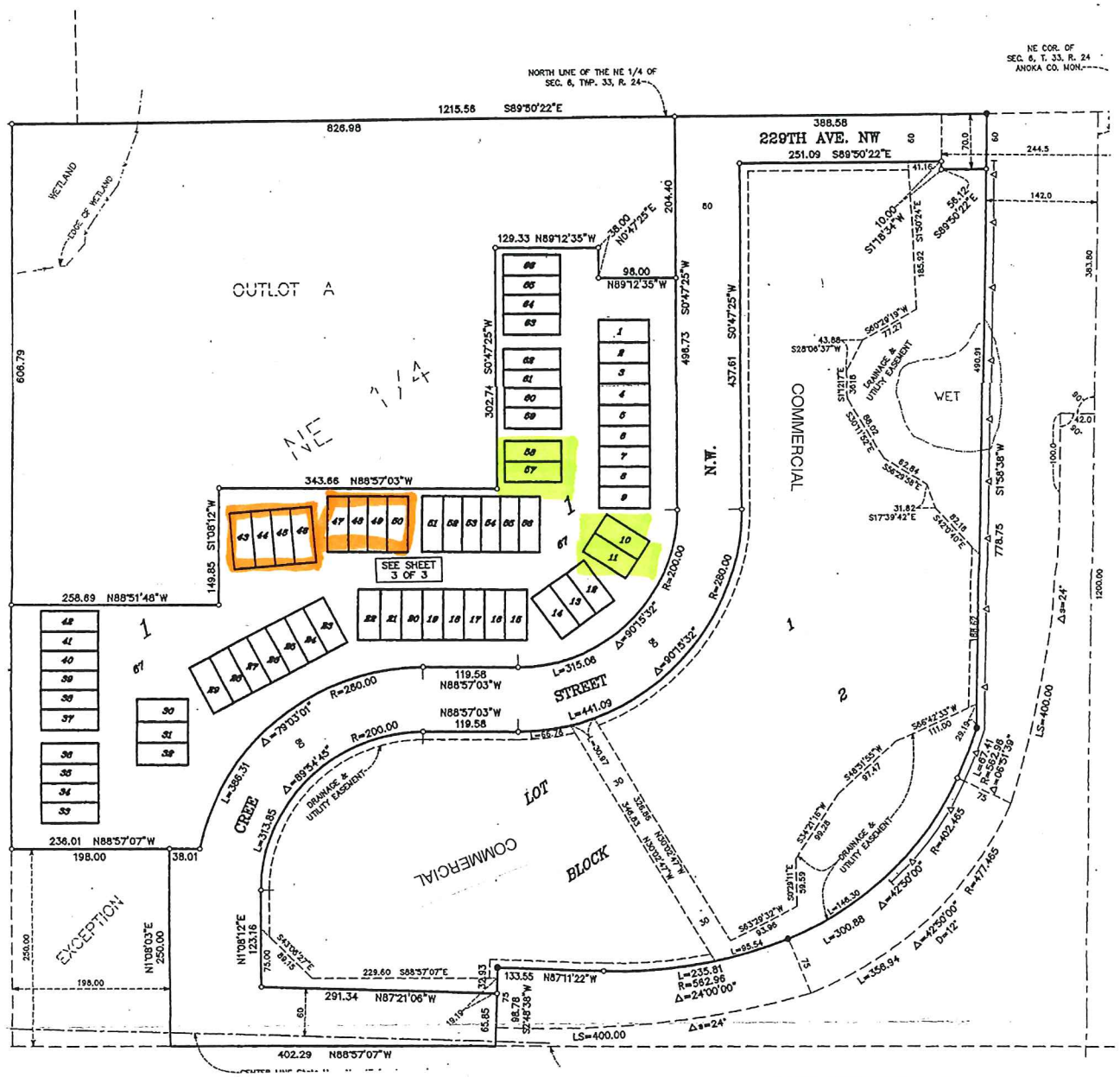
City of St. Francis

Meadows of St. Francis

Figure 1

© Bolton & Menk, Inc - Web GIS

MEADOWS OF ST. FRANCIS



Anoka County, MN

November 2, 2017

1:1,200

0 55 110 220 ft

0 15 30 60 m

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search,appraisal, survey, or for zoning verification.

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.

(reserved for recording information)

DEVELOPMENT CONTRACT PERFORMANCE AGREEMENT

This Development Contract Performance Agreement ("Agreement") is made and entered into this 15th 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") 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 43 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 any interest in the Property, including but not limited to fee title, partial title or grant of a mortgage against the Property) within one year of

RETURN TO: 532197
TITLE, INC.

purchase without the written consent of the EDA, which consent may be given or withheld in the reasonable discretion of the EDA. The EDA hereby provides its consent to a transfer to RCA Builders Incorporated (the "Builder"), or another entity with sufficient common ownership as Builder so that Builder and such other entity meet the definition of a "controlled group of corporations" as defined in IRC Sec. 1563, of fee title to some or all of the Property. Developer shall notify the EDA in writing when Developer transfers title to Builder, or another entity specified herein above and provide copies of any deed transferring title to the Property. Any future owner of the Property, including Builder, takes title subject to this Agreement, including this transfer restriction.

4. **PLANS & SPECIFICATIONS.** The Developer 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 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 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: 9705-45th Ave No Unit # 421760 Plymouth, MN 55442. 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. Upon completion of the improvements specified in Section 5 and approval of such completion by the EDA, upon the request of the Developer, the EDA shall furnish to the Developer a Satisfaction of Development Agreement releasing the Property from the terms of this Agreement. Such Certificate of Completion and/or Satisfaction of Development Agreement shall be in recordable form. Developer shall reimburse EDA for the expense of legal and professional services in preparing the Certificate of Completion or Satisfaction of Development Agreement (which such reimbursement requirement shall survive any release of the Property from the terms of this Agreement).

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

Developer Signature page to Development Contract
(Able Companies, Inc.)

DEVELOPER:

ABLE COMPANIES INC.

BY: Susan L. McDonough
Its President

STATE OF MINNESOTA)
)
COUNTY OF Ramsey)

The foregoing instrument was acknowledged before me this 15th day of September, 2016, by Susan L. McDonough; the President of Able Companies, Inc., a Minnesota corporation, on behalf of the corporation.

Notary Public

AMY L. FICOCELLO
NOTARY PUBLIC - MINNESOTA
My Commission Expires
January 31, 2020

DRAFTED BY:

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

690714-v5

EDA Signature page to the Development Contract

ST. FRANCIS EDA

(SEAL)

BY: Joe Kohlmann
Joe Kohlmann, Executive Director

STATE OF MINNESOTA)
)
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 15th day of September 2016, by Joe Kohlmann, the Executive Director of the St. Francis EDA, a public body corporate and politic under the laws of Minnesota, on behalf of the a public body corporate and politic under the laws of Minnesota.

NOTARY PUBLIC

AMY L. FICOCELLO
NOTARY PUBLIC - MINNESOTA
My Commission Expires
January 31, 2020

City of St. Francis

23340 Cree Street NW
St. Francis, Minnesota 55070
763-753-2630
FAX 763-753-9881

DATE: 04/03/2017

Able Companies, Inc.,
~~9705 45th~~ Avenue No
~~Unit 421~~176
~~Plymouth,~~ MN 55442

Meadows Homes
24014 113th Street NW
Zimmerman, MN 55398-6008

SUBJECT: Meadows Townhome Development and Building Permits

To Whom It May Concern,

The City of St. Francis has received the Building Permit Applications for the structures identified as 22834 and 22838 Dakota St NW (Lots 57 & 58) and 22821 and 22823 Dakota Street (Lots 10 & 11). As there are only a couple items still in process on the building permit applications, it is appropriate to take a moment to recap the Development Agreement in place.

Per the Development Agreement, attached, you will see that there is an agreement of required performance in section **5. REQUIRED PERFORMANCE.** Within one year from the date of purchase, the Developer 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 shall have substantially completed six buildings on the Property.

This letter is to identify that the current buildings, although not prohibited, do not meet the construction requirements of Lots 43-50.

Per the Development Agreement, section **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. We will continue to watch for this process to be completed.

For information purposes only, please take note of soil and erosion controls in place as they will be inspected throughout the process. For specific information about the development standards within the City, information is available on the City website at http://stfrancismn.org/wp-content/uploads/2016/02/Private-Development-Standards.pdf.

As it has been mentioned to City Staff that this site is proposing changes to either the Development Agreement and/or the Plat. Any request for changes would be reviewed by the contracted City Planner and Engineering Services to meet the requirements of the EDA and Council. In order for any change to occur, all necessary documentation, fees and requests must be submitted to City Hall for consideration.

If there are any questions on the Development Application requirements or the process of changes please let me know by phone or email at kthunstrom@stfrancismn.org.

Sincerely,

Kate Thunstrom
Community Development Director.
763-267-6191

Attached: Development Contract Performance Agreement

City of St. Francis

23340 Cree Street NW
St. Francis, Minnesota 55070
763-753-2630
FAX 763-753-9881

DATE: 04/13/2017

Able Companies, Inc.,
Registered Agent, Susan McDonough
7434 93rd Street SW
Howard Lake, MN 55349

Able Companies, Inc.,
Chief Executive Officer, Donald Krause
2843 80th Street SW
Montrose, MN 55363

SUBJECT: Meadows Townhome Development and Building Permits

This letter was previously mailed to Able Companies Inc, at 9705 45th Avenue No, Unit 421176, Plymouth, MN, 55442 on 04/03/2017. The original letter was returned to City Hall as non-deliverable. Business Records now identify the address for Able Companies to be as forwarded.

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The City of St. Francis has received the Building Permit Applications for the structures identified as 22834 and 22838 Dakota St NW (Lots 57 & 58) and 22821 and 22823 Dakota Street (Lots 10 & 11). As there are only a couple items still in process on the building permit applications, it is appropriate to take a moment to recap the Development Agreement in place.

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For information purposes only, please take note of soil and erosion controls in place as they will be inspected throughout the process. For specific information about the development

standards within the City, information is available on the City website at http://stfrancismn.org/wp-content/uploads/2016/02/Private-Development-Standards.pdf.

As it has been mentioned to City Staff that this site is proposing changes to either the Development Agreement and/or the Plat. Any request for changes would be reviewed by the contracted City Planner/Sambatek and Engineering Services/Hakanson Anderson, to meet the requirements of the EDA and Council. In order for any change to occur, all necessary documentation, fees and requests must be submitted to City Hall for consideration.

If there are any questions on the Development Application requirements or the process of changes please let me know by phone or email at kthunstrom@stfrancismn.org.

Sincerely,

Kate Thunstrom
Community Development Director.
763-267-6191

Attached: Development Contract Performance Agreement

City of St. Francis

23340 Cree Street NW
St. Francis, Minnesota 55070
763-753-2630
FAX 763-753-9881

DATE: 05/25/2017

Meadows Homes, LLC
Roger Anderson
24014 113th St NW
Zimmerman, MN 55398-6008

Able Companies, Inc.,
Susan McDonough
2843 80th Street SW
Montrose, MN 55363

SUBJECT: Submission of Revised Building Plans for Lots 57 & 58 also known as 22834 and 22838 Dakotah St NW in the Meadows Townhome Development

To Whom It May Concern,

Building Permit Revisions:

The City of St. Francis has received the revised Building Permit Applications for the structures identified as 22834 and 22838 Dakota St NW (Lots 57 & 58). The new plans identify the desire to bring the units to a one level structure. This is considered a "Substantial change" as identified in the Development Contract and would require approval from the City EDA.

If you are interested in pursuing the new building plans with the EDA, submit a revised survey. Once we receive the survey, staff will schedule an EDA Meeting for discussion. If the EDA approves the new plans, an amendment would be made to the Development Contract.

Buildings required by performance standards:

Please note that although it is not prohibited for you to build units outside of the Development Contract, the current units **do not** meet the Required Performance as outlined. As it is our intent for this project to be successful, there are steps that need to be taken if substantial changes are desired. Additionally, there are performance benchmarks that are required to be completed by September 2017. If these are **not** met this project may be recaptured by the City.

Per the Development Contract, attached, you will see that there is an agreement of required performance in section **5. REQUIRED PERFORMANCE.** Within one year from the date of purchase, the Developer 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 shall have substantially completed six buildings on the Property.

Re-Platting Process:

Attached you will find a copy of the Replat that was submitted to our Building Official. It represents that you are interested in reducing the number and size of the units within this development. The City is ready to discuss this idea with you further. The process to replat the development would require a completed Development Application be submitted to the City. The Development Application is available online at http://stfrancismn.org/wp-content/uploads/2017/04/2017-DEVELOPMENT-APP.pdf . Once received it would be reviewed by the City Planner and Engineer and forwarded to our EDA, Planning Commission and Council. A new Development Agreement would be created to address the changes. As this is a lengthy process, it is recommended that you begin this process immediately. Building Permits will not be permitted to meet this design if the process has not been fully completed.

Homeowners Association Documents:

We are ready to review the documents associated with the Homeowners Association. Documents that were originally submitted to our Legal staff were reviewed and revisions were requested. Final documents have not be reviewed. As you are in the process of currently building units to sell we are ready to review the initial documents so that process may move forward.

Per the Development Contract, section **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. We will continue to watch for this process to be completed.

If there are any questions on the Development Application requirements or the process of changes please contact myself at 763-235-2301 or Community Development at 763-267-6191.

Sincerely,

Joe Kohlmann
City Administrator

Attached: Development Contract Performance Agreement
Replat Design Draft

Economic Development Authority for the City of St. Francis
St. Francis, MN
Anoka County

RESOLUTION 2017-04

Resolution Declaring Breach of Covenant, Authority to Seek a Judicial Decree and Cancellation of Deed and/or Agreement

BE IT RESOLVED THAT, the Board/Commissioners of the Economic Development Authority for the City of St. Francis, Minnesota, pursuant to Minnesota Statutes Sec. 469.105, hereby declares a breach of the covenants in that certain Quit Claim Deed dated September 15, 2016, recorded November 8, 2016, as Document No. 543523.002 (the "Deed"), and that certain Development Contract Performance Agreement dated September 15, 2016, recorded November 8, 2016, as Document No. 543523.003 ("Agreement").

BE IT FURTHER RESOLVED THAT, the Board/Commissioners of the Economic Development Authority for the City of St. Francis, Minnesota hereby authorizes staff and the attorney for the Economic Development Authority for the City of St. Francis, to execute any and all necessary and/or beneficial notices, complaints, petitions and other pleadings to obtain a judicial decree from the district court declaring a forfeiture and a cancellation of the Deed and/or Agreement.

BE IT FURTHER RESOLVED THAT, the Board/Commissioners of the Economic Development Authority for the City of St. Francis, Minnesota hereby authorizes staff and the attorney for the Economic Development Authority for the City of St. Francis, in their discretion, to release from the Agreement and any court proceeding related to declaring a forfeiture and a cancellation of the Deed and/or Agreement, any lots which have obtained a certificate of occupancy prior to obtainment of a judicial decree declaring a forfeiture and a cancellation of the Deed and/or Agreement.

ADOPTED BY THE BOARD/COMMISSIONERS OF THE ECONOMIC DEVELOPMENT OF THE CITY OF ST. FRANCIS THIS 6 DAY OF NOVEMBER 2017.

APPROVED:

_____ [sign name]

By: _____ [print name]

Its: President

726795-v1