



## MINUTES

### ECONOMIC DEVELOPMENT AUTHORITY JANUARY 10, 2018 12:00 NOON CITY COUNCIL CHAMBERS – CITY HALL

#### 1. **Call to Order/Roll Call**

The meeting was called to order at 12:00 noon by President Dave Dunn.

Members Present:     Dave Dunn  
                              Ann Fitch  
                              Blain Nelson  
                              Roy Srp  
                              Larry Thompson  
                              Russ Weir

Members Absent:     Marty Armstrong

Staff Present:         Gary Sandholm, Economic Development Coordinator  
                              Daniel Lenz, City Manager  
                              Ranae Schult, Community Development Assistant

#### 2. **Approval of Agenda**

It was moved by Weir, seconded by Fitch, to approve the agenda as presented; the motion carried 6-0.

#### 3. **Public Comment**

- Kim Foels, Director, Waseca Area Chamber of Commerce, inquired if the Waseca Development Corporation (WDC) still met as she has been in contact with individuals who are looking for some assistance in obtaining gap financing. Commission member Weir stated the WDC meets as needed, and that Ms. Foels should contact Perry Berg, WDC President.

The City Manager also informed Ms. Foels that the City also has a Revolving Loan fund for gap financing. Board member Thompson also suggested looking to Region Nine and Southern Minnesota Initiative Foundation for funding options.

- Kim Foels, Director, Waseca Area Chamber of Commerce, stated the Community award night will be held on Saturday, January 27<sup>th</sup>.

#### 4. **Requests and Presentations**

##### A. **Junior Achievement**

Laura Heyne, District Manager, Junior Achievement of The Upper Midwest, Inc., requested \$1,500 from the Waseca Economic Development Authority to assist in providing classroom program materials, volunteer and teacher training, and volunteer recruitment for classroom programming in Waseca schools during the 2017-2018 school year. During the 2016-2017 school year, Junior Achievement delivered

programming to 93 students in 32 classrooms grades K-5, at the Waseca High School, and to Waseca Junior High 7<sup>th</sup> graders in conjunction with FarmAmerica. With school district and community support, Junior Achievement plans to continue these program offerings for grades K-5 and 7<sup>th</sup> grade with FarmAmerica during the 2017-2018 school year.

It was moved by Srp, seconded by Fitch, to approve the donation of \$1,500.00 to Junior Achievement of The Upper Midwest, Inc. to assist in reaching the goal of delivering Junior Achievement programs in Waseca and developing a fully funded and sustainable model; the motion carried 6-0.

5. **Consent Agenda**

- A. **December 15, 2017 Regular Meeting Minutes**
- B. **December 20, 2017 Work Session Minutes**
- C. **Approval of Expenditures**

It was moved by Srp, seconded by Fitch, to approve the Consent Agenda as presented; the motion carried 6-0.

6. **Action Agenda**

No items were presented.

7. **Reports**

A. **B.E.S.T.**

- B.E.S.T. is looking forward to the Spring Summit, which has been set for Wednesday, April 25, 2018.
- Representatives from Janesville, New Richland and Waldorf were present and provided community updates.
- The Bike MS ride will be staying overnight in Waseca on Wednesday, July 18, 2018, and riding through Waldorf on July 19<sup>th</sup>.
- Discussion was held regarding Waldorf's challenges on securing funding for the \$11.8 million treatment plant project.

B. **Visioning**

- The 2030 Visioning Report text draft is anticipated January 23<sup>rd</sup>.

C. **Lewer Property Project Team**

- Danny Lenz, City Manager, stated that Molly Patterson-Lundgren, WSB, will be leading the project in the development of the Lewer property, located south of Pondview Subdivision. Mr. Lenz requested two members of the Economic Development Authority to participate with two members of the Planning Commission and Staff as the project team in the development of a master plan for this area. The first engagement session is being planned for the end of February.

Russ Weir and Blain Nelson volunteered to serve on this project team as EDA representatives.

8. **Next Meeting Date**

The next Economic Development Authority is scheduled for Wednesday, February 14, 2018.

**9. Adjournment**

It was moved by Fitch, seconded by Thompson, to adjourn the meeting at 12:25 p.m.; the motion carried 6-0.

Ranae Schult  
Community Development Assistant



To: David Dunn, President  
Waseca Economic Development Authority

From: Danny Lenz  
City Manager

Meeting Date: February 14, 2018

Subject: Charter Oaks TIF Reassignment

Background: On August 2, 2000 the City of Waseca Economic Development Authority (EDA) approved TIF District No. 22 for the Charter Oaks Development. The requirements of the TIF were associated with meeting certain requirements for low and moderate income housing. The Certificate of Completion was filed with the County Recorder in October of 2002. The TIF is not scheduled to expire until 2027.

The current owner of the property, Waseca Leased Housing Association, has entered into a purchase agreement to sell the property to Park Manor at Academy Village. Under the terms of the Development Agreement the new property owner would need to agree to continue meeting the requirements of the TIF District in order to continue to receive the payments allowed under the TIF. The buyer has indicated their desire to do this. In order to facilitate this transfer the EDA must approve the Assignment and Assumption of Contract that is presented here today.

Approval of the transfer of the contract would continue to provide TIF payments and require the properties to continue to be for low and moderate income individuals and households. Denial of the transfer would remove this requirement from the property, along with the TIF payments. It could also possibly cause the sale of the property to fall through.

Low income housing remains a need in the community and as such City staff recommends approval of the reassignment of the contract.

**RESOLUTION NO. 18-01**

**RESOLUTION AUTHORIZING AND CONSENTING TO THE ASSIGNMENT  
OF DEVELOPMENT AGREEMENT**

BE IT RESOLVED by the Board of Commissioners (the "Board") of the City of Waseca Economic Development Authority, Minnesota (the "Authority"), as follows:

Section 1.     Recitals.

- 1.01.   The Authority designated a redevelopment district in the City of Waseca, Minnesota (the "City"), denominated Redevelopment District No. 22 (the "Redevelopment District") and approved a redevelopment program for the Redevelopment District (the "Redevelopment Program") and established Tax Increment Financing (Qualified Housing) District No. 22 (the "District") within the Redevelopment District and authorized the financing of the Redevelopment Program as it relates to the District pursuant to a Tax Increment Financing Plan (the "Financing Plan") pursuant to and in accordance with Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, as amended.
- 1.02.   The Authority entered into a certain Contract for Private Development in Redevelopment District No. 22 (the "Development Agreement") dated as of August 2, 2000, with Waseca Leased Housing Associates, Limited Partnership (the "Developer").
- 1.03.   The Authority has issued a Certificate of Completion dated October 9, 2002, and recorded in the office of the Waseca County Recorder as Document No. 243343, certifying that all requirements of Developer, in its capacity as owner, with respect to the construction of the required Minimum Improvements (as defined in the Development Agreement) on the subject property have been completed.
- 1.04.   The Developer wishes to assign the Development Agreement to Park Manor at Academy Village, L.L.P. (the "Buyer") as a part of the sale of the real property described in the Development Agreement contingent upon Buyer's agreement to assume those remaining obligations under the Development Agreement requiring that the subject property be owned and operated subject to the restrictions as set forth in the Development Agreement.
- 1.05.   The Development Agreement requires the Authority to consent to any assignment of the Development Agreement.

Section 2.     Authorization and Consent.

- 2.01.   There has been prepared and presented to the Board for its consideration a certain Assignment and Assumption of Contract for Private Development Agreement (the "Assignment Agreement") by and among Developer, Buyer, and the Authority.

2.02. The Board hereby grants its consent to the assignment of the Development and approves the Assignment Agreement, together with any related documents necessary in connection therewith (collectively, the "Assignment Documents") substantially in the form presented to the Board, and hereby authorizes the Board President and Secretary, in their discretion and at such time, if any, as they may deem appropriate, to execute the same on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority's obligations thereunder.

2.03. The approval hereby given to the Assignment Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Authority and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officers of the Authority herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the counsel to the Authority, may act in their behalf.

2.04. Upon execution and delivery of the Assignment Documents, the officers and employees of the Authority are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Authority to implement the Assignment Documents.

Adopted this 14<sup>th</sup> day of February, 2018.

WASECA ECONOMIC DEVELOPMENT AUTHORITY

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President

Attest:

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Secretary

**ASSIGNMENT AND ASSUMPTION  
OF CONTRACT FOR PRIVATE DEVELOPMENT AGREEMENT  
“CHARTER OAKS TOWNHOMES”**

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACT FOR PRIVATE DEVELOPMENT AGREEMENT (the “Agreement”), is made effective the 14th day of February, 2018 (the “Effective Date”), by and among **Waseca Leased Housing Associates, Limited Partnership**, a Minnesota Limited Partnership (“Seller”), **Park Manor at Academy Village, L.L.P.**, a North Dakota Limited Liability Partnership (“Buyer”), and the **City of Waseca Economic Development Authority**, a political subdivision of the State of Minnesota (“Authority”), regarding the real property described in Exhibit A attached hereto (the “Property”).

WHEREAS, the Property is subject to that certain Contract for Private Development in Redevelopment District No. 22, dated as of August 2, 2000, and recorded on October 14, 2002, in the office of the Waseca County Recorder, State of Minnesota as Document No. A243342, between the Authority and Seller in its capacity as Developer (hereinafter referred to as the “Development Agreement”); and

WHEREAS, by the Certificate of Completion dated October 9, 2002, and recorded in the office of the Waseca County Recorder as Document No. 243343, the Economic Development Authority of the City of Waseca, Minnesota certified that all requirements of Seller, in its capacity as Owner, with respect to the construction of the required Minimum Improvements (as defined in the Development Agreement) on the subject property had been completed; and

WHEREAS, the Development Agreement provides for reimbursement by the Authority of certain costs of the Seller’s public redevelopment activities for a period of twenty (20) years, provided the Developer complies with the covenants contained therein, including covenants related to operating the property as low and moderate income housing; and

WHEREAS, Seller is willing to assign the Development Agreement to Buyer as a part of the sale of the real property contingent upon Buyer’s agreement to assume those remaining obligations under the



Development Agreement requiring that the subject property be owned and operated subject to the restrictions set forth in the Development Agreement;

NOW, THEREFORE, for and in consideration of the premises, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. The Recitals set forth above are hereby incorporated into this Agreement. All capitalized terms utilized herein shall have the meanings given to them in the Development Agreement, unless otherwise herein defined.

2. Seller hereby assigns and conveys all of its rights, obligations, title and interest, including the right to receive additional tax increment from the Authority, in the Development Agreement to Buyer.

3. From and after the Effective Date, Buyer agrees to assume all of Seller's rights and obligations under the Development Agreement. Buyer hereby acknowledges that the Property is to be operated as low and moderate income development and remains subject to the terms and restrictions of the Development Agreement.

4. The Authority hereby consents to the terms of this Agreement, the assignment of the Development Agreement from Seller to Buyer, and releases Seller from all of its obligations under the Development Agreement.

5. All notices, certificates or other communications required to be given to Buyer, Seller or the Authority hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in certified form with postage fully prepaid and addressed as follows:

If to Buyer: Park Manor at Academy Village, L.L.P.  
1600 University Avenue West #212  
St. Paul, MN 55104-3825  
Attention: Lawrence W. Olson  
Email: lolson@metroplains.com

With a copy to: Paul D. Dove  
Dove Fretland, P.L.L.P.  
5881 Cedar Lake Road  
Minneapolis, MN 55416

Email: pddove@dovefretlandlaw.com

If to Seller: Waseca Leased Housing Associates, Limited Partnership  
2905 Northwest Boulevard, Suite 150  
Plymouth, Minnesota 55441  
Attention: Mike Brempell & Kayla Helgemo  
Email: mike.brempell@dominiuminc.com  
Email: Kayla.helgemo@dominiuminc.com

With a copy to: Winthrop & Weinstine, P.A.  
225 South Sixth Street, Suite 3500  
Minneapolis, Minnesota 55402  
Attention: Paul K. Manda, Esq.  
Email: pmanda@winthrop.com

If to the Authority: City of Waseca Economic Development Authority  
City Hall  
508 South State Street  
Waseca, Minnesota 56093  
Attn: Community Development Director

6. This Agreement may be executed in any number of identical counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute a single instrument.

7. This Agreement shall be governed by the internal law of the State of Minnesota, without regard to principles of conflict of laws.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Assignment is made effective as of the date first written above.

**SELLER:**

**WASECA LEASED HOUSING ASSOCIATES,  
LIMITED PARTNERSHIP**, a Minnesota Limited  
Partnership

By: Waseca Woods, LLC,  
a Minnesota Limited Liability Company  
Its: Managing General Partner

BY: \_\_\_\_\_  
Paul R. Sween  
Its: Vice President

STATE OF MINNESOTA     )  
  ) SS:  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2018,  
by Paul R. Sween, as Vice President for **WASECA WOODS, LLC, A MINNESOTA LIMITED  
LIABILITY COMPANY**, a Minnesota Limited Liability Company, as the managing general partner of  
**WASECA LEASED HOUSING ASSOCIATES, LIMITED PARTNERSHIP**, a Minnesota Limited  
Partnership, on behalf of the partnership. Said person is personally known to me or has produced a valid  
driver's license as identification.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, this Assignment is made effective as of the date first written above.

**BUYER:**

**PARK MANOR AT ACADEMY VILLAGE, L.L.P.**

BY: \_\_\_\_\_  
Lawrence W. Olson  
Its: Partner

STATE OF MINNESOTA     )  
  ) SS:  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018, by Lawrence W. Olson, as Partner of **PARK MANOR AT ACADEMY VILLAGE, L.L.P.**, a North Dakota Limited Liability Partnership. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, this Assignment is made effective as of the date first written above.

BY: \_\_\_\_\_  
Chairman

BY: \_\_\_\_\_  
Secretary

STATE OF MINNESOTA     )  
  ) SS:  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2018,  
by \_\_\_\_\_, as Chairman and \_\_\_\_\_ as Secretary for the **CITY  
OF  
WASECA ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA**, a Minnesota Political  
Subdivision, on behalf of the Political Subdivision.

\_\_\_\_\_  
Notary Public

Drafted by:  
Paul D. Dove  
Dove Fretland, P.L.L.P.  
5881 Cedar Lake Road  
Minneapolis, MN 55416  
(952) 545-9000

TAX STATEMENTS SHOULD BE SENT TO:  
Park Manor at Academy Village, L.L.P.  
1600 University Avenue W., #212  
St. Paul, MN 55104

## Exhibit A

### **Legal Description**

That part of East Four Hundred Fifty-eight and Forty-four Hundredths (458.44) feet of the South Half (S 1/2) of the Southeast Quarter (SE 1/4) of Section Twelve (12), that part of East Four Hundred Fifty-eight and Forty-four Hundredths (458.44) feet of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Thirteen (13), all in Township One Hundred Seven (107) North, Range Twenty-three (23) West, Waseca County, Minnesota, described as:

Commencing at the Southeast corner of Section 12; thence North 00 degrees 44 minutes 27 seconds West (assumed bearing), along the East line of the Southeast Quarter of Section 12 a distance of 213.00 feet to the point of beginning; thence South 89 degrees 28 minutes 11 seconds West, along a line parallel with the South line of the Southeast Quarter of Section 12 a distance of 265.00 feet; thence South 00 degrees 44 minutes 27 seconds East, along a line parallel with the East line of the Southeast Quarter of Section 12 a distance of 170.50 feet; thence North 89 degrees 28 minutes 11 seconds East, along a line parallel with the South line of the Southeast Quarter of Section 12 a distance of 115.30 feet to the point of intersection with the Northerly extension of the West line of the East 150.00 feet of the Northeast Quarter of the Northeast Quarter of Section 13; thence South 00 degrees 20 minutes 26 seconds East, along said extension, and along the West line of the East 150.00 feet of the Northeast Quarter of the Northeast Quarter of Section 13 a distance of 350.67 feet to a point on the North line of Minnesota Department of Transportation Right of Way Plat No. 81-9, on file and of record with the Waseca County Recorder; thence North 76 degrees 51 minutes 18 seconds West, along said North line, 61.49 feet to monument B9 according to said right of way plat; said point being the point of curvature of a circular curve to the right; thence Northwesterly, along the Northerly line of said right of way plat, along a 2,814.79 foot radius curve, central angle = 05 degrees 14 minutes 10 seconds, an arc distance of 257.24 feet to monument B7 according to Minnesota Department of Transportation Right of Way Plat No. 81-15; thence North 00 degrees 45 minutes 07 seconds West, along the Northerly line of said right of way plat, not radially to said curve, 15.88 feet to monument B27 according to said right of way plat; said point being on a circular curve which center of radius bears North 18 degrees 29 minutes 15 seconds East; thence Northwesterly along the Northerly line of said right of way plat, along a 2,799.79 foot radius curve, central angle = 00 degrees 01 minute 55 seconds, an arc distance of 1.56 feet to a point on the West line of the East 458.44 feet of the Northeast Quarter of the Northeast Quarter of Section 13; thence North 00 degrees 20 minutes 26 seconds West, along said West line, 205.10 feet to the Northwest corner of the East 458.44 feet of the Northeast Quarter of the Northeast Quarter of Section 13; thence North 00 degrees 44 minutes 27 seconds West, along the West line of the East 458.44 feet of the South Half of the Southeast Quarter of Section 12 a distance of 616.31 feet; thence North 89 degrees 15 minutes 33 seconds East, 458.44 feet to a point on the East line of the Southeast Quarter of Section 12; thence South 00 degrees 44 minutes 27 seconds East, along said East line, 405.00 feet to the point of beginning.

Waseca County, Minnesota

Abstract Property