



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
APRIL 17, 2017
7:00 PM**

Call to Order

Approval of the minutes of the Regular Housing and Redevelopment Authority Meeting of March 20, 2017.

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
 - A. Consideration of the approval of a resolution authorizing the Right of Entry Agreement with Interstate Partners LLC.

Staff Report No. 17
 - B. Consideration of the approval of a resolution consenting to the inclusion by Interstate Partners LLC of certain property with respect to land use approvals.

Staff Report No. 18
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Consideration of the approval of an assignment and subordination of the development agreement and collateral assignment of interest in the revenue note between RM Senior Living and the Richfield Housing and Redevelopment Authority.

Staff Report No. 19

HRA DISCUSSION ITEMS

5. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

6. Executive Director's Report

CLAIMS AND PAYROLLS

7. Claims and Payrolls

8. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

March 20, 2017

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. in the Council Chambers.

*HRA Members
Present:*

Mary Supple, Chair; Pat Elliott; Michael Howard; Doris Rubenstein; and Sue Sandahl.

Staff Present:

Steve Devich, Executive Director; John Stark, Community Development Director; Karen Barton, Community Development Assistant Director; and Elizabeth VanHoose, City Clerk.

OATH OF OFFICE OF RICHFIELD HRA COMMISSIONER, MICHAEL HOWARD OATH OF OFFICE OF RICHFIELD HRA COMMISSIONER, SUE SANDAHL

City Clerk VanHoose administered the oaths of office to HRA Commissioners Michael Howard and Sue Sandahl.

APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF JANUARY 17, 2017

M/Elliott, S/Sandahl to approve the minutes of the regular HRA Meeting of January 17, 2017.

Motion carried 5-0.

ITEM #1

APPROVAL OF THE AGENDA

Chair Supple and the other Commissioners expressed their thanks to former Commissioner David Gepner for his work on the HRA.

M/Rubenstein, S/Elliott to approve the agenda.

Motion carried 5-0.

ITEM #2

2016 YEAR IN REVIEW

Community Development Assistant Director Karen Barton presented a PowerPoint of the 2016 Year in Review.

Commissioner Rubenstein asked who would be responsible for maintaining the park next to Audi and stated we need to celebrate the accomplishments publicly.

Barton responded that the park is Audi's responsibility.

Commissioners thanked Barton for the report.

ITEM #3	HRA APPROVAL OF THE CONSENT CALENDAR
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Executive Director Devich presented the consent calendar.

- A. Consideration of the approval of a resolution designating certain financial institutions as depositories for the Housing and Redevelopment Authority for 2017. (S.R. No. 9)

RESOLUTION NO. 1249
RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS
AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND
REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2017

This resolution appears as Resolution No. 1249.

- B. Consideration of the approval of revisions to the Transformation Loan Program Guidelines updating the administration of the Program. (S.R. No. 10)
- C. Consideration of the approval of revisions to the Richfield Rediscovered Lot Sale Guidelines and the Redevelopment Credit Program Guidelines. (S.R. No. 11)
- D. Consideration of the approval of recommended revisions to the New Home Program Guidelines. (S.R. No. 12)
- E. Consideration of the approval of a resolution authorizing an interfund loan up to \$400,000 for advance of certain costs in connection with the Interchange Tax Increment Financing District. (S.R. No. 13)

RESOLUTION NO. 1250
RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR
ADVANCE OF CERTAIN COSTS IN CONNECTION WITH THE
INTERCHANGE TAX INCREMENT FINANCING DISTRICT

This resolution appears as Resolution No. 1250.

- F. Consideration of the approval of a resolution approving a Subordination Agreement related to Urban Village. (S.R. No. 14)

RESOLUTION NO. 1251
RESOLUTION APPROVING ASSIGNMENT AND SECOND
AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT
WITH RM SENIOR LIVING RICHFIELD LLC

This resolution appears as Resolution No. 1251.

M/Sandahl, S/Rubenstein to approve the consent calendar.

Motion carried 5-0.

ITEM #4	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR
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None.

ITEM #5	CONSIDERATION OF THE APPROVAL OF A RESOLUTION APPROVING THE ASSIGNMENT AND ASSUMPTION OF CONTRACT BETWEEN MESABA CAPITAL DEVELOPMENT, LLC, RM SENIOR LIVING RICHFIELD LLC, AND THE HOUSING AND REDEVELOPMENT AUTHORITY, AND SECOND AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT BETWEEN RM SENIOR LIVING RICHFIELD LLC AND THE HOUSING AND REDEVELOPMENT AUTHORITY. (S.R. NO. 15)
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Community Development Assistant Director Karen Barton presented Staff Report No. 15.

Commissioner Elliott requested that in the future if the HRA approves a contract and there is reason to believe there will be an assignment of the contract it be brought forward earlier so the HRA understand who is going to be building, running, and/or managing the property, before the assignment takes place. He stated he would like to know up front of any other companies related to a project, rather than later on.

M/Howard, S/Elliott to approve a resolution approving Assignment and Second Amendment to Contract for Private Development with RM Senior Living Richfield, LLC.

RESOLUTION NO. 1252
RESOLUTION APPROVING SUBORDINATION AGREEMENT
RELATED TO RICHFIELD URBAN VILLAGE

Motion carried 5-0. This resolution appears as Resolution No. 1252.

ITEM #6	CONSIDERATION OF THE APPROVAL OF A CONTRACT FOR PRIVATE DEVELOPMENT BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY AND ENDRES CUSTOM HOMES, INC. FOR THE REDEVELOPMENT OF 6836 IRVING AVENUE UNDER THE RICHFIELD REDISCOVERED CREDIT PROGRAM. (S.R. NO. 16)
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Community Development Assistant Director Karen Barton presented Staff Report No. 16.

M/Rubenstein, S/Howard to approve and authorize execution of a Contract for Private Development between the Housing and Redevelopment Authority and Endres Custom Homes, Inc. for the redevelopment of 6836 Irving Avenue through the Richfield Rediscovered Credit Program.

Motion carried 5-0.

ITEM #7	HRA DISCUSSION ITEMS
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Chair Supple asked about an update of Cedar Point II.

Community Development Assistant Director Karen Barton responded that we are continuing to work with the developer to try to move the project forward.

There was general discussion regarding the concern that the project seems not to be moving forward.

Chair Supple reported on an article in the Sunday (March 19) Star Tribune front page touting Richfield's housing market.

ITEM #8	EXECUTIVE DIRECTOR REPORT
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Executive Director Steve Devich reported on the status of three Richfield bills in this year's legislature.

Community Development Director John Stark gave a summary of a work session presented by Edina staff regarding the Southdale Library project.

ITEM #9	CLAIMS AND PAYROLL
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M/Elliott, S/Howard, that the following claims and payroll be approved:

U.S. BANK	02/20/17
Section 8 Checks: 128440 - 128530	\$167,188.01
HRA Checks: 32972 - 33008	\$298,570.52
TOTAL	\$465,758.53

U.S. BANK	03/20/17
Section 8 Checks: 128531 - 128621	\$163,387.31
HRA Checks: 33009 - 33037	\$182,360.44
TOTAL	\$345,747.75

Motion carried 5-0.

ITEM #10	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 8:05 p.m.

Date Approved: April 17, 2017

Mary B. Supple
HRA Chair

Kate Aitchison
Housing Specialist

Steve Devich
Executive Director



STAFF REPORT NO. 17
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
4/17/2017

REPORT PREPARED BY: Karen Barton, Community Development Assistant Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
4/11/2017

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
4/13/2017

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of a resolution authorizing the Right of Entry Agreement with Interstate Partners LLC.

EXECUTIVE SUMMARY:

Interstate Partners LLC (Developer) is proposing to redevelop several properties located in the southwest quadrant of 66th Street E and 17th Avenue S with an approximately 10,000 square foot retail building.

The subject property consists of three privately-owned single-family homes, a single-family home owned by the Housing and Redevelopment Authority (HRA), and two additional remnant parcels fronting 66th Street that are also owned by the HRA.

The Developer has purchase agreements with the three privately-owned property owners, and is proposing to enter into a purchase agreement with the HRA for the three HRA-owned parcels.

Prior to moving forward with the project, the Developer has requested that its consultants enter the properties to conduct geotechnical testing, environmental assessments, and other related studies, and to conduct land surveys of the properties to determine the suitability of the properties for the development of the project. The Right of Entry Agreement allows the the Developer and its employees, consultants, agents, and contractors to enter the HRA-owned properties to conduct the proposed testing and studies, without granting any permanent interest in the HRA properties to the Developer, or exclusive use or possession of the HRA properties to the Developer.

RECOMMENDED ACTION:

By Motion: Approve a resolution authorizing the Right of Entry Agreement with Interstate Partners LLC.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In early 2016, Interstate Partners approached staff expressing interest in developing the parcels at 66th Street E and 17th Avenue S.
- Interstate Partners LLC presented a concept development proposal to the HRA, City Council,

and Planning Commission at a work session on January 24, 2017.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The 2008 Comprehensive Plan recognizes 66th Street as the City's Main Street and designates this area for development of community-focused commercial services.
- The properties are currently zoned for commercial use.

C. CRITICAL TIMING ISSUES:

- The Right of Entry Agreement expires on June 30, 2017.

D. FINANCIAL IMPACT:

- None

E. LEGAL CONSIDERATION:

- The Right of Entry Agreement was prepared and approved by the HRA Attorney.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the resolution.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution	Resolution Letter

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING RIGHT OF ENTRY AGREEMENT WITH INTERSTATE
PARTNERS LLC**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) owns certain real property legally described as follows:

LOT 001, BLOCK 001, CEDAR SUNRISE ADDN
Tax ID – 2602824410005

LOT 002, BLOCK 001, CEDAR SUNRISE ADDN
Tax ID – 2602824410006

LOT 016, BLOCK 001, CEDAR SUNRISE ADDN
Tax ID – 2602824410020

(the “Property”) in the City of Richfield, Minnesota (the “City”); and

WHEREAS, Interstate Partners LLC, a Delaware limited liability company (the “Developer”), has proposed to acquire the Property for redevelopment purposes; and

WHEREAS, there has been presented before this Board a Right of Entry Agreement (the “Right of Entry Agreement”) proposed to be entered into between the Developer and the Authority, pursuant to which the Authority will grant to the Developer the right to enter the Property for purposes of conducting geotechnical testing and other related studies and to conduct land surveys of the Property; and

WHEREAS, the Board has reviewed the Right of Entry Agreement and finds that the execution thereof by the Authority and the performance of the Authority’s obligations thereunder are in the best interest of the City and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Right of Entry Agreement is hereby in all respects authorized, approved, and confirmed, and the Chairperson and the Executive Director are hereby authorized and directed to execute the Right of Entry Agreement for and on behalf of the Authority in substantially the form now on file with the Community Development Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The Chairperson and the Executive Director are hereby authorized to execute and deliver any other documents or certificates deemed necessary to carry out the intentions of this resolution and the Right of Entry Agreement.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota
this 17th day of April, 2017.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary



STAFF REPORT NO. 18
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
4/17/2017

REPORT PREPARED BY: Karen Barton, Community Development Assistant Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
4/12/2017

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
4/13/2017

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of a resolution consenting to the inclusion by Interstate Partners LLC of certain property with respect to land use approvals.

EXECUTIVE SUMMARY:

Interstate Partners LLC (Developer) presented a preliminary concept plan to the Housing and Redevelopment Authority (HRA), City Council, and Planning Commission at a work session on January 24, 2017 for the development of an approximately 10,400 square foot retail building on 66th Street E between 16th and 17th Avenues.

Response to the proposal from the policy makers was favorable so the developer is pursuing the project. The HRA currently owns three parcels in the proposed development area, which will ultimately be included as part of the project. In order for the Developer to apply for land-use approvals, the HRA must give its consent for inclusion in the land-use planning.

By giving its consent for inclusion, the HRA is not agreeing to or obligated to sell the property to the developer, nor is it implying approval of the Developer's land-use proposal.

RECOMMENDED ACTION:

By Motion: Approve a resolution consenting to the inclusion by Interstate Partners LLC of certain property with respect to land use approvals.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Interstate Partners LLC is proposing to acquire 3 privately-owned single-family properties and 3 HRA-owned properties within the planned project area.
- Interstate Partners will subsequently clear the parcels and construct a new, 10,400 square foot retail building on the site.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The 2008 Richfield Comprehensive Plan guides this property for development of community commercial.

- The properties in the development area are currently zoned C2 (General Commercial).

C. **CRITICAL TIMING ISSUES:**

- The developer would like to begin construction within the next 6 months.

D. **FINANCIAL IMPACT:**

- None

E. **LEGAL CONSIDERATION:**

- The HRA Attorney drafted the resolution.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the resolution.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION CONSENTING TO THE INCLUSION BY INTERSTATE PARTNERS LLC OF
CERTAIN PROPERTY WITH RESPECT TO LAND USE APPROVALS**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) owns certain real property legally described as follows:

LOT 001, BLOCK 001, CEDAR SUNRISE ADDN
Tax ID – 2602824410005

LOT 002, BLOCK 001, CEDAR SUNRISE ADDN
Tax ID – 2602824410006

LOT 016, BLOCK 001, CEDAR SUNRISE ADDN
Tax ID – 2602824410020

(the “Property”) in the City of Richfield, Minnesota (the “City”); and

WHEREAS, Interstate Partners LLC, a Delaware limited liability company (the “Developer”), has proposed to acquire the Property for redevelopment purposes; and

WHEREAS, the Developer has requested that the Authority consent to the inclusion of the Property in the Developer’s applications to the City for land use approvals, including but not limited to a planned unit development; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Board of Commissioners of the Authority hereby consents to and authorizes the Developer to include the Property in its applications to the City for any and all of its land use approvals with respect to the redevelopment of the Property, including but not limited to a planned unit development.

2. The Chairperson and the Executive Director are hereby authorized to execute and deliver any documents or certificates deemed necessary to carry out the intentions of this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of April, 2017.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary



STAFF REPORT NO. 19
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
4/17/2017

REPORT PREPARED BY: Karen Barton, Community Development Assistant Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
4/12/2017

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
4/13/2017

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of an assignment and subordination of the development agreement and collateral assignment of interest in the revenue note between RM Senior Living and the Richfield Housing and Redevelopment Authority.

EXECUTIVE SUMMARY:

RM Senior Living (Developer) has secured financing for the senior housing project located on the former city garage site through Minnwest Bank (primary lender) and Bridgewater Bank (subordinate lender). As such, Minnwest is requiring the assignment and subordination of the Development Agreement between the Developer and the Housing and Redevelopment Authority (HRA).

The Assignment and Subordination of the Development Agreement assigns the rights of Developer under the contract for private development to Minnwest Bank and also subordinates the HRA's rights in the contract to the bank's mortgage. In the unlikely event of default, the bank would be able to step in and finish the project if they choose and/or assert the rights of the Developer under the contract. This agreement in no way impacts the HRA's ability to exercise its remedies under the contract if there is a default. This will also ensure that Minnwest Bank gets notice of any defaults under the contract and will receive insurance and condemnation proceeds to pay down its loan if such proceeds are received by the Developer.

Collateral Assignment of Interest in the Revenue Note (to Bridgewater) provides that when the Tax Increment Financing (TIF) Note is issued (contingent on receipt of investment letter and evidence of qualified costs), TIF Note payments will go directly to Bridgewater. Bridgewater will have the right to exercise any rights of the Developer specifically related to the TIF Note.

Section 5.2 of the Development Agreement allows for subordination to the rights of an approved mortgage lender.

RECOMMENDED ACTION:

By Motion: Approve the resolution approving assignment and subordination of the development agreement and collateral assignment of interest in the revenue note.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Mesaba Development LLC secured land-use approvals for the redevelopment of the former city garage site (7600 Pillsbury) with an 88-unit senior housing development in March 2016.
- Mesaba received an extension of those land use approvals in February 2017.
- Mesaba purchased the property from the HRA in March 2017 and has obtained permits to begin construction.
- On March 20, 2017, the HRA approved the assignment of the development contract to RM Senior Living LLC.
- The mortgage lenders for the construction are requiring a subordination and assignment of the development agreement and TIF Note.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Section 5.2 of the Development Agreement allows for subordination to the rights of an approved mortgage lender.

C. CRITICAL TIMING ISSUES:

- Construction cannot begin until the lenders have received the subordination and assignment.
- Land use approvals will expire in September 2017.

D. FINANCIAL IMPACT:

- The purchase price of \$1,200,000 (minus seller's closing costs) for the property was paid in full at the time of closing.
- \$2,400,000 in Tax Increment Financing has been pledged to the project on a pay-go basis, based on qualified costs.

E. LEGAL CONSIDERATION:

- The Assignment and Subordination of Development Agreement was reviewed and approved by the HRA Attorney.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the resolution.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING ASSIGNMENT AND SUBORDINATION OF DEVELOPMENT
AGREEMENT AND COLLATERAL ASSIGNMENT OF INTEREST IN REVENUE NOTE**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) previously owned certain real property located within Tax Increment Financing District No. 2014-1 (City District Garage Site) (the “Development Property”), which was created within the Richfield Redevelopment Project in the City of Richfield, Minnesota (the “City”); and

WHEREAS, Mesaba Capital Development, LLC, a Minnesota limited liability company (the “Mesaba”), has proposed to construct a multifamily housing development with 88 units designed for seniors, including approximately 60 assisted living units and 28 memory care units (the “Minimum Improvements”), on the Development Property; and

WHEREAS, the Authority and Mesaba entered into a Contract for Private Development, dated February 16, 2016, which was amended by the First Amendment to Contract for Private Development, dated November 22, 2016, and a Second Amendment to Contract for Private Development, dated March 29, 2017 (collectively, the “Contract”), in order to set forth the terms of the conveyance of the Development Property and the issuance of the TIF Note to the Mesaba and Mesaba’s construction of the Minimum Improvements; and

WHEREAS, pursuant to an Assignment and Assumption of Contract, dated March 29, 2017 (the “Assignment of Contract”), between the Mesaba and RM Senior Living Richfield LLC, a Delaware limited liability company (the “Developer”), Mesaba assigned its interest in the Contract to the Developer; and

WHEREAS, in order to promote the redevelopment of land that is underused and underutilized in the City, the Authority has conveyed the Development Property to the Developer and has agreed to provide a tax increment limited revenue note (the “TIF Note”) in a principal amount of \$2,400,000 to the Developer for the purpose of reimbursing the Developer for certain costs of constructing the Minimum Improvements thereon; and

WHEREAS, to aid in financing a portion of the construction of the Minimum Improvements, Minnwest Bank, a Minnesota banking corporation (“Minnwest Bank”), has agreed to provide a loan to the Developer in the maximum amount of \$14,275,000 (the “Minnwest Loan”) pursuant to a Loan Agreement (the “Minnwest Loan Agreement”) and has required that the Developer execute a Promissory Note (the “Minnwest Promissory Note”) in favor of Minnwest Bank to be secured by a mortgage agreement, a security agreement, and other security documents (collectively with the Minnwest Loan Agreement and the Minnwest Promissory Note, the “Minnwest Loan Documents”); and

WHEREAS, to aid in financing a portion of the construction of the Minimum Improvements, Bridgewater Bank, a Minnesota banking corporation (“Bridgewater Bank”), has agreed to provide a loan to the Developer in the amount of \$1,425,000 (the “Bridgewater Loan”) pursuant to a Loan Agreement and has required that the Developer execute a Promissory Note in favor of Bridgewater Bank to be secured by various collateral documents; and

WHEREAS, as a condition to providing the Minnwest Loan to the Developer, Minnwest Bank has required that the Developer assign its right, title, and interest in and to the Contract (except for the rights of the Developer relating to the TIF Note) to Minnwest Bank, and as a condition to providing the Bridgewater Loan to the Developer, Bridgewater Bank has required that the Developer assign its interest in the TIF Note and all rights and benefits from the TIF Note to Bridgewater Bank; and

WHEREAS, there have been presented before this Board of Commissioners of the Authority (the "Board") (i) an Assignment and Subordination of Development Agreement (the "Assignment and Subordination of Contract"), proposed to be entered into between the Authority, Minnwest Bank, and the Developer, pursuant to which the Developer assigns certain of its interest to the Contract to Minnwest Bank and the Authority agrees to subordinate its interest in the Contract to the lien of the Minnwest Loan Documents; and (ii) a Collateral Assignment of Interest in Revenue Note (the "Collateral Assignment of TIF Note"), proposed to be entered into between the Developer and Bridgewater Bank, pursuant to which the Developer collaterally assigns its interest in the TIF Note to Bridgewater Bank and the Authority consents to such assignment; and

WHEREAS, the Board has reviewed the Assignment and Subordination of Contract and the Collateral Assignment of TIF Note and finds that the execution thereof by the Authority and the performance of the Authority's obligations thereunder are in the best interest of the City and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota that:

1. The Assignment and Subordination of Contract and the Collateral Assignment of TIF Note are hereby in all respects authorized, approved, and confirmed, and the Chairperson and the Executive Director are hereby authorized and directed to execute the Assignment and Subordination of Contract and the Collateral Assignment of TIF Note for and on behalf of the Authority in substantially the forms now on file with the Community Development Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The Chairperson and the Executive Director are hereby authorized to execute and deliver any other documents or certificates deemed necessary to carry out the intentions of this resolution and the Assignment and Subordination of Contract and the Collateral Assignment of TIF Note.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of April, 2017.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary