

# CITY OF MARSHALL Housing and Redevelopment Authority Meeting A g e n d a Tuesday, February 22, 2022 at 5:15 PM City Hall, 344 West Main Street

#### **CALL TO ORDER**

#### **APPROVAL OF MINUTES**

1. Consider approval of the minutes from the special meeting held on August 24, 2021.

#### **NEW BUSINESS**

- 2. Block 11 Redevelopment Project
- 3. Commerce Industrial Park Second Addition Land Transfer

#### **ADJOURN**

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.



## CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, February 22, 2022
Category:	APPROVAL OF MINUTES
Туре:	ACTION
Subject:	Consider approval of the minutes from the special meeting held on August 24, 2021.
Background	
Information:	
Fiscal Impact:	
Alternative/	Staff encourages HRA Members to provide any suggested corrections to the minutes in writing
Variations:	to City Clerk, Kyle Box, prior to the meeting. We then could potentially incorporate proposed amended minutes at the meeting.
Recommendations:	that the minutes of the special meeting held on August 24, 2021, be approved as filed with each member and that the reading of the same be waived.

Item 1. Page 2

# CITY OF MARSHALL HOUSING AND REDEVELOPMENT AUTHORITY MEETING M I N U T E S Tuesday, August 24, 2021

The special meeting of the Housing and Redevelopment Authority was held on August 24, 2021 in the Council Chambers at City Hall, 344 West Main Street. The meeting was called to order at 5:00 P.M. by Chairman Robert Byrnes. In addition to Byrnes the following members were present: Craig Schafer, John DeCramer, Russ Labat, James Lozinski. Absent: Steve Meister and Don Edblom. Staff present included: Sharon Hanson, Executive Director; Dennis Simpson, City Attorney; Lauren Deutz, Economic Development Director and Kyle Box City Clerk.

#### Consider approval of the minutes from the special meeting held on July 27, 2021.

Motion made by Board Member DeCramer, Seconded by Board Member Lozinski that the minutes of the special meeting held on July 27, 2021, be approved as filed with each member and that the reading of the same be waived. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 5-0** 

#### **Development Agreement for Suite Liv'n Development Project**

Gabe Olson, owner of L2C LLC (Suite Liv'n) has applied for Tax Increment Financing to develop two, 24-unit workforce apartment buildings located at 406 Village Drive and 501 Village Drive.

L2C LLC is co-owned by Olson and his business partner, Jeff Huston who also co-own Suite Liv'n, the property management company that is responsible for managing the apartments. L2C LLC purchased its first property in Marshall in 2018 and now owns approximately 350 units within the city.

Estimated project costs for the development both units are \$6.2 million with construction anticipated to begin in Spring of 2022. The proposed project would include 32 one-bedroom units and 16 two-bedroom units. The proposed development would include 40% of dwelling units affordable to household earning 60% or less of the area median income.

The development would also help meet the goals of the City of Marshall's new Housing Study which is nearing completion. The study draft indicates a need for 124 new market rate rental housing units, 75 shallow-subsidy units and 128 deep-subsidy units through 2030. Proposed rental rates for the project range from \$700 - \$900.

Kennedy and Graven has submitted the Development Agreement for the proposed TIF project which was reviewed by the City Attorney. Within the agreement are conditions related to the maintenance of all Suite Liv'n current and new properties within the City of Marshall. This includes an annual self-reporting requirement and the ability to withhold TIF payments following infractions until corrections are made The tax increment is proposed to be \$460,000 over 12 years.

Motion made by Board Member Lozinski, Seconded by Board Member Schafer to approve the Tax Increment Financing District and to postpone the approval of the Development Agreement for Suite Liv'n until a 2022. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member DeCramer, Board Member Lozinski. Voting Nay: Board Member Labat. The motion **Passed. 4-1** 

Ad	joui	'n

Sharon Hanson Executive Director

Motion made by Board Member Lozinski, Seconded	by Board Member Schafer to adjourn. Voting Yea:
Chairman Byrnes, Board Member Schafer, Board Me	mber DeCramer, Board Member Labat, Board Member
Lozinski. The motion <b>Carried 5-0</b> .	
	Pohort I Durno
	Robert J. Byrnes
	Chairmar
ATTEST:	



# HRA CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, February 22, 2022
Category:	PUBLIC HEARING
Туре:	ACTION
Subject:	Block 11 Redevelopment Project
Background Information:	The Housing and Redevelopment Authority in and for the City of Marshall (HRA), is the owner of several parcels of property located in Block 11, Original Plat to the City of Marshall. Property owned by HRA is defined as Lots 1 through 5, Block 11, Original Plat to the City of Marshall and Lots 15 through 20, Block 11, Original Plat to the City of Marshall. It is proposed that Block 11 property owned by the HRA would be sold to development company by the name of Block 11 Marshall, LLC. The HRA has the authority to sell real property in its' name. Prior to the sale of property by HRA, however, a public hearing must be held, and terms of the proposed sale must be publicly identified. Therefore, it is proposed that an HRA resolution be approved calling for a public hearing to sell property. Public hearing would be held on Tuesday, March 8, 2022 at or after 5:15 P.M. A copy of the proposed resolution, legal description and published notice is attached. Notice of the public hearing must be published at least 10, but not more than 30 days before public hearing.
Fiscal Impact:	The Terms & Conditions of the proposed sale of property will be negotiated by the parties and will be disclosed at the public hearing to be held on March 8, 2022.
Alternative/ Variations:	No alternative action recommended.
Recommendations:	That the HRA call for public hearing regarding the sale of publicly owned property.

Item 2. Page 5

## HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA

#### RESOLUTION NO. , SECOND SERIES

RESOLUTION CALLING FOR A PUBLIC HEARING ON THE CONVEYANCE OF CERTAIN REAL PROPERTY LOCATED IN THE CITY OF MARSHALL TO BLOCK 11 MARSHALL, LLC, A MINNESOTA LIMITED LIABILITY COMPANY.

WHEREAS, the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority") was created pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act"), and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Marshall, Minnesota (the "City"); and

WHEREAS, pursuant to Section 469.029 of the Act, the Authority, in accordance with a redevelopment plan, is authorized to make any of its land in a redevelopment project available by sale, lease, or otherwise for the purpose of redevelopment; and

WHEREAS, the Authority is the owner of certain real property located in the City and described in EXHIBIT A attached hereto; and

WHEREAS, Block 11 Marshall, LLC, a Minnesota Limited Liability Company, has proposed to acquire real property from the Authority; and

WHEREAS, the Authority proposes to convey real property to Block 11 Marshall, LLC.; and

WHEREAS, prior to the conveyance of real property from the Authority to Block 11 Marshall, LLC under Section 469.028 of the Act, the Board of Commissioners of the Authority is required to conduct a public hearing on the sale and conveyance of the real property.

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

- 1. The recitals set forth herein are incorporated into and made a part hereof.
- 2. The Board of Commissioners of the Authority will hold a public hearing regarding the sale and conveyance of real property to Block 11 Marshall, LLC. on Tuesday, March 8, 2022 on or after 5:15 p.m. in the Council Chambers of City Hall, 344 W. Main St. The Executive Director of the Authority is authorized and directed to publish, or cause to be published, a notice substantially in the form attached hereto as EXHIBIT B in a newspaper of general circulation in the City at least 10 days but no more than 30 days prior to the date of the hearing.

Approved by the Board of Commissi the City of Marshall, Minnesota this d	oners of the Housing and Redevelopment Authority in and for lay of February, 2022.
	HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA
	Robert J. Byrnes Chair
Attest:	
Sharon Hanson Executive Director	<u></u>

#### **EXHIBIT A**

#### **DEVELOPMENT PROPERTY**

Part of Block 11, Original Plat to the City of Marshall, Lyon County, Minnesota.

Tax Parcel: 27-677129-0 (Lots 15-20 Block 11)

Tax Parcel: 27-677119-0 (Lots 1-5 Block 11)

#### **EXHIBIT B**

#### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority") will hold a public hearing on Tuesday, March 8, 2022, at or after 5:15 p.m. in the Council Chambers, Marshall City Hall, located at 344 W. Main Street in the City of Marshall, Minnesota (the "City"), with respect to a proposal to sell to Block 11 Marshall, a Minnesota Limited Liability Company, all or a portion of the parcels of real property located in the City and described as follows (the "Property"):

Parcel Number: 27-677129-0 Parcel Number: 27-677119-0

A portion of Block 11, Original Plat to the City of Marshall, Lyon County Minnesota.

Block 11 Marshall, LLC proposes to acquire real property from the Authority. The proposed sale of the Property from the Authority to Block 11 Marshall, LLC is authorized by Minnesota Statutes, Section 469.029.

The proposed terms and conditions of the sale are available for review by the public at the office of the Executive Director of the Authority at 344 W. Main Street in the City on and after the date of this notice.

At the time and place fixed for the public hearing, the Board will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or file written comments respecting the proposal with the Executive Director of the Authority, at or prior to said public hearing.

Dated:	_, 2022	
		BY ORDER OF THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA
		Executive Director Housing and Redevelopment Authority in and for the City of Marshall, Minnesota



# HRA CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, February 22, 2022	
Category:	NEW BUSINESS	
Туре:	ACTION	
Subject:	Commerce Industrial Park Second Addition Land Transfer	
Background Information:		
	Minnesota Statutes requires that HRA conduct a public hearing for the "sale or lease" of HRA owned property. In this situation, Minnesota Statutes 193.144 authorizes the transfer of property for armory site relocation can occur by conveyance "without charge". It is therefore proposed that the HRA transfer to the Minnesota State Armory Building Commission a parcel of property approximately 15 acres in size to be used for the future relocation of the Marshall National Guard Armory. It would be proposed that presently, a portion of the property would be developed into a secured fenced in gravel parking lot for the location of National Guard Armory vehicles and armaments. The National Guard would continue to operate out of their present armory in the City of Marshall. However, there are future plans for the relocation and development of a new armory building facility.	
	A purchase agreement has been prepared and approved by the Minnesota State Armory Building Commission regarding the terms of transfer of property. It is hereby requested that the appropriate authority be granted from the HRA to authorize execution of the purchase agreement and necessary transfer documents.	
Fiscal Impact:	The Terms & Conditions of the proposed land transfer are attached.	
Alternative/ Variations:	No alternative action recommended.	
Recommendations:	That the HRA authorize the transfer of property to the Minnesota State Armory Building Commission.	

Item 3. Page 10

## HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA

#### **RESOLUTION NUMBER 22-001**

RESOLUTION APPROVING THE CONVEYANCE OF CERTAIN REAL PROPERTY "WITHOUT CHARGE" TO THE MINNESOTA STATE ARMORY BUILDING COMMISSION, A MINNESOTA CORPORATION.

WHEREAS, the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority") was created pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act"), and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Marshall, Minnesota (the "City"); and

WHEREAS, pursuant to Section 469.029 of the Act, the Authority, in accordance with a redevelopment plan, is authorized to make any of its land in a redevelopment project available by sale, lease, or otherwise for the purpose of redevelopment; and

WHEREAS, the Authority is the owner of certain real property located in the City and described in EXHIBIT A attached hereto; and

WHEREAS, the Minnesota State Armory Building Commission, a Minnesota Corporation,, has proposed to acquire real property from the Authority; and

WHEREAS, the Authority is authorized by Minnesota Statue to convey the property described herein "without charge" pursuant to Minnesota Statutes 193.144.; and

WHEREAS, the Authority proposed to transfer the real property to the Minnesota State Armory Building Commission, a Minnesota Corporation "without charge".

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

- 1. The recitals set forth herein are incorporated into and made a part hereof.
- 2. The Board of Commissioners of the Authority hereby authorize the Board Chair and its' Executive Director to sign the Minnesota Standard Purchase Agreement offering to convey the real estate to the Minnesota State Armory Building Commission without charge as authorized by Minnesota Statutes.
- 3. That the Commissioners of the Authority further authorizes its' Board Chair and Executive Director to sign and execute any additional documents necessary to finalize the conveyance of real property to Minnesota State Armory Building Commission, a Minnesota Corporation.

The rest of this page is intentionally left blank.

Item 3. Page 11

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota this  $22^{nd}$  day of February, 2022.

	HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA
	Robert J. Byrnes Chair
	Chair
Attest:	
Sharon Hanson Executive Director	

#### **EXHIBIT A**

Westerly 1,326 feet of Lot One (1), of Block Seven (7) in Commerce Industrial Park Second Addition to the City of Marshall, Lyon County, Minnesota.

#### MINNESOTA STANDARD PURCHASE AGREEMENT

(BEFORE YOU USE OR SIGN THIS CONTRACT, YOU SHOULD CONSULT WITH AN ATTORNEY TO DETERMINE THAT THIS CONTRACT ADEQUATELY PROTECTS YOUR LEGAL RIGHTS)

- 1. **PARTIES**. This purchase agreement is made on February\_\_\_\_\_\_, 2022, by and between Housing and Redevelopment Authority in and for the City of Marshall (HRA) as SELLER, Minnesota State Armory Building Commission, a Minnesota Corporation, as BUYER.
- 2. **OFFER/ACCEPTANCE**. Buyer offers to purchase, and Seller agrees to sell the following described property:

Westerly 1,326 feet of Lot One (1), of Block Seven (7) in Commerce Industrial Park Second Addition to the City of Marshall, Lyon County, Minnesota.

- 3. **PRICE AND TERMS**. The total purchase price for the real property included in this conveyance is without charge pursuant to the provisions of Minnesota Statutes §193.144.
- 4. **DEED/MARKETABLE TITLE**. Upon performance by Buyer, Seller shall execute and deliver a Warranty Deed conveying marketable title, subject to:
  - (A) Building and zoning laws, ordinances, state and federal regulations;
  - (B) Restrictions relating to use or improvement of the property without effective forfeiture provisions;
  - (C) Reservation of any mineral rights by the State of Minnesota;
  - (D) Utility and drainage easements which do not interfere with existing improvements;
  - (E) Exceptions to title which constitute encumbrances, restrictions or easements which have been disclosed to Buyer and accepted by Buyer in this Purchase Agreement; (MUST BE SPECIFIED IN WRITING).
- 5. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS**. The real estate taxes due and payable in the year of closing will be paid by Seller or are exempt from taxation. Buyer as a State Agency is exempt from taxes but will be responsible for all valid and applicable special assessments due in 2022 and thereafter.
- 6. **DAMAGES TO REAL PROPERTY**. If the Real Property is substantially damaged prior to closing, this Purchase Agreement shall terminate, and the Earnest Money shall be refunded to Buyer. If the Real Property is damaged materially but less than substantially prior to closing, Buyer may rescind this Purchase Agreement by notice to Seller within twenty-one (21) days after Seller notifies Buyer of such damage, during which 21-day period Buyer may inspect the Real Property, and in the event of such rescission, the Earnest Money shall be refunded by Buyer.

#### 7. **OTHER TERMS.**

- (a) Buyer shall acquire property subject to all existing easements and covenants of record. Buyer shall honor all existing easements and covenants.
- (b) The transfer of property is subject to the rights of reversion and reconveyance pursuant to the provisions of Minnesota Statute §193.144 Subd. 6.
- (c) The property subject to this Purchase Agreement is located within Zone C according to the Marshall Airport Zoning Ordinance. Restrictions associated with Zone C provide that

- subsequent/future land use must not cause radio or electronic interference with Airport operations and any lighting used on site must not make it difficult for airplane pilots to distinguish airport lights or result in glare for pilots.
- (d) The most restrictive portion of the property requires a building or structure height limitation of 95 feet (assuming a ground elevations of 1,160 feet MSL).
- (e) In accordance with 14CFR Part 77.9, notice to FAA will need to be filed for any construction or alteration requiring notice. This can be accomplished by completing FFA From 7460, which needs to be submitted at least 45 days prior to construction.
- 8. **SELLER'S BOUNDARY LINE, ACCESS, RESTRICTIONS AND LIEN WARRANTIES**. Seller warrants that buildings, if any, are entirely within the boundary lines of the Real Property. Seller warrants that there is a right of access to the Real Property from the public right of way. Seller warrants that there has been no labor or material furnished to the Real Property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the property. These warranties shall survive the delivery of the deed or contract for deed.

The described property are bare lots each served with City infrastructure including sanitary sewer, water, stormwater, and electrical.

- 9. **DISCLOSURE OF NOTICES**. Seller has not received any notice from any governmental authority as to violation of any law, ordinance, or regulation. The Real Property is subject to restrictive covenants, and Seller has not received any notice from any person as to a breach of the covenants.
- 10. **POSSESSION**. Seller shall deliver possession of the property not later than Closing. All interest, fuel oil, liquid petroleum gas, and all charges for city water, city sewer, electricity and natural gas shall be prorated between Buyer and Seller as of the date of Closing.
- 11. **EXAMINATION OF TITLE**. Seller shall, within ten (10) days of this Agreement, furnish Buyer with an abstract of title or a registered property abstract certified to date including proper searches covering bankruptcies and state and federal judgments, liens and levied and pending special assessments. Buyer shall have ten (10) business days after receipt of the abstract of title or registered property abstract either to have Buyer's attorney examine the title and provide Seller with written objections ("Objections") or, at Buyer's own expense, to make an application for a title insurance policy and notify seller of the application. Buyer shall have ten (10) business days after receipt of the commitment for title insurance to provide Seller with a copy of the commitment and written Objections. Buyer shall be deemed to have waived any title Objections not made within the applicable ten (10) day period for above, except that this shall not operate as a waiver of Seller's covenant to deliver a statutory warranty deed, unless a warranty deed is not specified above.
- 12. **TITLE CORRECTIONS AND REMEDIES**. Seller shall have 90 days from receipt of Buyer's written title objections to make title marketable. Upon receipt of Buyer's title objections, Seller shall within ten (10) business days, notify Buyer of Seller's intention to make title marketable within the 90-day period. Liens or encumbrances for liquidated amounts which can be released by payment or escrow from proceeds of closing shall not delay the closing. Cure of the defects by Seller shall be reasonable, diligent, and prompt. Pending correction of title, all payments required herein, and the closing shall be postponed.

- A. If notice is given and Seller makes the title marketable, then upon presentation to Buyer and proposed lender of documentation establishing that title has been made marketable, and if not objected to in the same time and manner as the original title objections, the closing shall take place within ten (10) business days or on the scheduled closing date, whichever is later.
- B. If notice is given and Seller proceeds in good faith to make title marketable but the 90-day period expires without title being made marketable, Buyer may declare this Purchase Agreement null and void by notice to Seller, neither party shall be liable for damages hereunder to the other, and Earnest Money shall be refunded to Buyer.
- C. If Seller does not give notice of intention to make title marketable, or if notice is given but the 90-day period expires without title being made marketable due to Seller's failure to proceed in good faith, Buyer may seek, as permitted by law, any one or more of the following:
  - 1. Proceed to closing without waiver or merger in the deed of the objections to title and without waiver of any remedies, and may:
    - (a) Seek damages, costs and reasonable attorney's fees from seller as permitted by law (damages under this subparagraph (a) shall be limited to the cost of curing objections to title and consequential damages are excluded); or
    - (b) Undertake proceedings to correct the objections to title;
  - 2. Rescission of this Agreement by notice as provided herein, in which case the Agreement shall be null and void and all Earnest Money paid hereunder shall be refunded to Buyer;
  - 3. Damages from Seller including costs and reasonable attorney's fees, as permitted by law;
  - 4. Specific performance within six months after such right of action arises.
- D. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect the following option as permitted by law:
  - Cancel this Agreement as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this Agreement is a down payment note, and may be presented for payment notwithstanding cancellation;
- E. If title is marketable or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:
  - 1. Seek damages from Seller including costs and reasonable attorney's fees;
  - 2. Seek specific performance within six months after such right of action arises.

#### TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.

- 13. **NOTICES**. All notices required herein shall be in writing and delivered personally or mailed to the address as shown at Paragraph 1, above and if mailed are effective as of the date of mailing.
- 14. **MINNESOTA LAW**. This contract shall be governed by the laws of the State of Minnesota.
- 15. **ADDITIONAL TERMS**.

## THIS IS A LEGALLY BINDING CONTRACT. BEFORE SIGNING, CONSULT A LAWYER. Minnesota Law permits licensed real estate brokers and sales agents to

prepare purchase agreements. No recommendation or representation is made by either the listing broker or selling broker as to the legal sufficiency, the legal effect or the tax consequences of this contract. These are questions for your lawyer.

### HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL

for th	ee to sell the property ne price and terms and itions set forth above	
Ву:		
Its	Robert J. Byrnes, Director	
By:		_
lts	Sharon Hanson, Executive Director	
STATI	E OF MINNESOTA )	
COUN	NTY OF LYON )	
The fo	oregoing instrument was acknowledged before 2021 by Robert J. Byrnes and	
body	tor of the Housing and Redevelopment Author politic under the laws of the State of Minnesovelopment Authority in and for the City of Mar	ity in and for the City of Marshall, a public a, on behalf of the Housing and
	veropinente Authority in una for the city of Mar	1
NC	OTARIAL STAMP OR SEAL (OR OTHER TITLE OR RANK)	
		Notary Public

#### MINNESOTA STATE ARMORY BUILDING COMMISSION

I agree to purchase the proper for the price and terms and conditions set forth above.	ty		
Ву:		_	
Its:		-	
STATE OF MINNESOTA	) )ss		
COUNTY OF LYON	)		
The foregoing instrum			_day of February, 2022by
Corporation on behalf of said (	Corporation.	·	
NOTARIAL STAMP OR SEAL (OR O	THER TITLE OR RANK)		
		Notary F	Public
		J	

THIS INSTRUMENT WAS DRAFTED BY:

QUARNSTROM & DOERING, P.A. By: Dennis H. Simpson, Marshall City Attorney 109 South Fourth Street Marshall, MN 56258 (507) 537-1441

