

**ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY (ACHRA)
MANAGEMENT COMMITTEE
and Meeting of the
Anoka County Housing and Redevelopment Authority Trustees****

**Trustee Mike Gamache, Chair
Trustee Julie Jeppson, Vice-Chair
Trustee Jeff Reinert
Trustee Mandy Meisner**

AGENDA

FOR THE APRIL 11, 2023 MEETING

10:15 A.M. or Immediately Following the
Board of Commissioners Public Comment Period, Whichever is Later

Conference Room #772 - 7th Floor - Government Center

1. Public Comment: Public comments are welcome at this time. In consideration of others wishing to speak, please limit comments to 2 minutes. Questions directed to the committee will not be answered immediately; however, whenever possible, all appropriate questions will be responded to in a timely and effective manner by county staff.
2. Consider recommending the ACHRA Board of Trustees approve a Lease Agreement beginning May 1, 2023 (Contract #C0009898) with Bolt Law Firm, a Minnesota Corporation located within the Anoka Law Center Building, 2150 Third Ave., Suite 350. **See attached** worksheet and Lease Proposal.
3. Consider recommending the ACHRA Board of Trustees approve two \$25,000 forgivable grants to the Anoka Technical College for a total amount of \$50,000 to purchase two basic machine trades pieces of equipment. **See attached** worksheet.
4. Other.

***Actions taken by this committee do not bind the Anoka County Housing and Redevelopment Authority (ACHRA) Board. In addition to the trustees appointed to this committee, additional trustees may attend. Non-committee trustees may choose to participate in the discussions and/or ask questions, but they will **not** vote on any item, nor will they agree to take a specific action on business conducted by the committee. If their attendance and limited participation in the committee meeting is considered a meeting of the ACHRA, this shall serve as notice of an ACHRA Board meeting.*



ANOKA COUNTY HRA Management

ACTION ITEM

April 11, 2023

ACTION REQUESTED	Consider recommending the Anoka County Housing and Redevelopment Authority approve a Lease Agreement (Contract # C0009898) with Bolt Law Firm, a Minnesota Corporation, located within the Anoka Law Center Building, 2150 Third Ave, Suite 350, Anoka, MN 55303.
BACKGROUND	<p>Bolt Law Firm had a clause in their current Lease that was assigned to the Anoka County HRA at the time the building was purchased, to have first rights of refusal for the remainder of the 3rd floor space if it becomes unoccupied. In January, the Howard & Anderson Law Firm vacated that space for a location on 1st floor. Bolt has requested to enter into a new Lease, beginning May 1st, that would include the additional space on 3rd floor. We are honoring the lease terms of their old space through 2026 based on their assigned lease, but leasing the new space at our new rate structure.</p> <p>The Lease Structures for all tenants within the Anoka Law Center Building will be adjusted to a Net Lease, which establishes a base rent and then a Common Area Maintenance Charge (CAM) for taxes and maintenance. As we make changes or renewals with current Lessee's or establish leases with new tenants, the structure will be adjusted to a net lease concept. The CAM will be established annually and tried up each year.</p>
SOLUTIONS	Staff has negotiated with Bolt Law Firm the attached Terms for Suite 350 (all of 3 rd floor) and the net lease document is being finalized by our Attorney's office. The final document will be available prior to the approval at the April 25, 2023 ACHRA meeting.
CONCLUSION	See attached Lease Terms for Bolt Law Firm, Suite 350 at the Anoka Law Center Building.
RECOMMENDATIONS	Consider recommending the Anoka County Housing and Redevelopment Authority approve a Lease Agreement (Contract # C0009898) with Bolt Law Firm, a Minnesota Corporation, located within the Anoka Law Center Building, 2150 Third Ave, Suite 350, Anoka, MN 55303.
FUNDING	This action will continue to provide rent revenue to the Anoka Law Center Building.

Anoka County - Anoka Law Center Building
Bolt Law Firm
Lease Proposal (Net Lease Structure) - 3rd Floor

Begin Date	05/01/2023	
End Date	04/30/2029	
Right to renew?	Yes	5 year clause
Leasable Sqft	5064	Updated 4845
Addition	2979	2979
Total	8043	7824

Rent Cost Proposal

	Current	2023	2024	2025	2026	2027	2028
Base Rent per square Foot - Original	\$ 9.0000	\$ 9.00	\$ 9.25	\$ 9.50	\$ 10.40	\$ 11.00	\$ 11.25
Base Rent per Square Foot - Addition		\$ 10.00	\$ 10.25	\$ 10.50	\$ 10.75	\$ 11.00	\$ 11.25
Common Area Maintenance (CAM) *	\$ 9.75	\$ 9.75	\$ 10.04	\$ 10.34	\$ 10.65	\$ 10.97	\$ 11.30
Blended Rate		\$ 9.38	\$ 9.63	\$ 9.88	\$ 10.53	\$ 11.00	\$ 11.25
Base Rent Monthly	\$ 3,798.00	\$ 3,633.75	\$ 3,734.69	\$ 3,835.63	\$ 4,199.00	\$ 4,441.25	\$ 4,542.19
Base Rent Monthly - Addition		\$ 2,482.50	\$ 2,544.56	\$ 2,606.63	\$ 2,668.69	\$ 2,730.75	\$ 2,792.81
Estimated CAM Monthly	\$ 4,114.50	\$ 6,357.00	\$ 6,546.08	\$ 6,741.68	\$ 6,943.80	\$ 7,152.44	\$ 7,367.60
Tenant Improvements Monthly							
Total Montly Rent	\$ 7,912.50	\$ 12,473.25	\$ 12,825.33	\$ 13,183.93	\$ 13,811.49	\$ 14,324.44	\$ 14,702.60
Base Rent Annual	\$ 45,576.00	\$ 43,605.00	\$ 44,816.25	\$ 46,027.50	\$ 50,388.00	\$ 53,295.00	\$ 54,506.25
Base Rent Increase		-4.32%	2.78%	2.70%	9.47%	5.77%	2.27%
Base Rent Annual - Addition		\$ 29,790.00	\$ 30,534.75	\$ 31,279.50	\$ 32,024.25	\$ 32,769.00	\$ 33,513.75
Base Rent Increase - Addition			2.50%	2.44%	2.38%	2.33%	2.27%
Estimated CAM Annual	\$ 49,374.00	\$ 76,284.00	\$ 78,552.96	\$ 80,900.16	\$ 83,325.60	\$ 85,829.28	\$ 88,411.20
Tenat Improvements Annual		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Rent	\$ 94,950.00	\$ 149,678.96	\$ 153,904.01	\$ 158,207.21	\$ 165,737.97	\$ 171,893.36	\$ 176,431.25
Annual Pct Increase		57.64%	2.82%	2.80%	4.76%	3.71%	2.64%

* CAM amounts are estimated using a 3% growth factor and will be adjusted annually to reflect the actual Taxes, and repair & maintenance costs
 CAM will be trued up on a Calendar year basis and adjusted.

Other Terms:

- Extend through 2028, with a renewal option for another 5 years.
- Storage Fee is eliminated - phase out in use of storage is being requested - time is negotiable.
- May 1st effective date of Lease.
- Tenant Improvement Addendum is being discussed.



ANOKA COUNTY HRA ACTION ITEM

April 6, 2023

HRA

ACTION REQUESTED	Consider recommending approval of two \$25,000 forgivable grants to the Anoka Technical College for a total amount of \$50,000.
BACKGROUND	<p>The Anoka Technical College has requested the ACHRA consider funding for two \$25,000 forgivable grants totaling \$50,000. Funds would be used to purchase two basic machining trades pieces of equipment.</p> <p>The first \$25,000 forgivable loan would be used to purchase a Mazak Mill. This is a basic piece of equipment that is used by many Anoka County manufacturing companies. ATC has already secured \$54,000 in funding for this machine. It is expected at the upcoming Connect the Dots fundraiser the remaining balance of \$16,000 will be raised allowing the Mazak Mill to be fully funded.</p> <p>The second \$25,000 forgivable loan would be used to leverage donor gifts to purchase a Mazak Quick Turn Lathe. This is also a piece of equipment that all machining students will need to know how to operate if they stay in the machine trades field. The total cost of this machine is \$134,000.</p> <p>If approved, the loans will be reduced by \$5,000 for every 50 students trained on the machines. Using this method, students have an opportunity to be trained on the same machines they will use once they move into the job market. Machine shops located in Anoka County benefit by having students leave school with the knowledge needed to start the job without extensive training on machines on the work floor.</p>
SUPPORTING DOCUMENTATION	
FUNDING SOURCE	Anoka County Housing and Redevelopment administrative funds would be used to fund the loans.