

ANOKA COUNTY
HOUSING AND REDEVELOPMENT AUTHORITY
BOARD AGENDA

FOR THE JULY 27, 2023 MEETING

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

County Board Room #705
Anoka County Government Center

1. Chair calls meeting to order.
2. Trustees: Matt Look
Julie Braastad
Jeff Reinert
Scott Schulte
Mike Gamache
Julie Jeppson
Mandy Meisner

Others:
3. Chairs remarks.
- *4. Consider approving the minutes from the ACHRA board meeting of June 27, 2023. **See attached** minutes.
- *5. Consider authorizing the chair or executive director to execute a subscription agreement with the City of St. Paul to provide services related to the work of the Twin Cities Section 3 Collaborative, for a term of three years beginning July 1, 2023 for \$4,000 per calendar year. **See attached** worksheet.
- *6. Consider approving a Lease Agreement, Contract #C0009898 with Bolt Law Firm, located within the Anoka Law Center Building, 2150 Third Avenue, Suite 350. The lease terms are through 2029 based on their assigned lease but with a Net Lease which establishes a base rent and then a Common Area Maintenance Charge for taxes and maintenance. Bolt is also requesting a buildout loan, which will be provided at a 6 percent rate. **See attached** worksheet and Lease Proposal.

*Requires ACHRA Board approval.

**ANOKA COUNTY HOUSING AND REDEVELOPMENT
AUTHORITY MEETING MINUTES**

Government Center
Board Room
Anoka, Minnesota

June 27, 2023

Trustees Present: Mike Gamache (Chair)
 Julie Braastad
 Jeff Reinert
 Scott Schulte
 Matt Look
 Julie Jeppson
 Mandy Meisner

Others Present: Karen Skepper, ACHRA Executive Director; Rhonda Sivarajah, County Administrator; Dee Guthman, Deputy County Administrator; Cory Kampf; Chief Financial Officer; David Pedersen, Assistant County Attorney; Renee Sande, Community Development Manager; Jessica Cook, Ehlers, Inc.; Linda Hedstrom, Community Development Program Assistant; Tina Pedersen, Administrative Assistant; and citizens

Chair Gamache called the meeting to order at 11:12 a.m.

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Trustee Look made motion approving the ACHRA minutes from the board meeting of April 25, 2023. Trustee Jeppson seconded the motion. Motion carried.

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Chair Gamache presented the Management Committee report from the meeting of June 13, 2023:

1. Trustee Meisner made motion approving the 2024 senior housing budgets, which include a four percent (4%) rent increase for the following ACHRA senior housing apartments: The Willows of Ham Lake, Savannah Oaks, Chauncey Barrett Gardens I and II and The Oaks of Lake George. Trustee Jeppson seconded the motion. Upon roll call vote, motion carried.
2. Trustee Schulte made motion authorizing the ACHRA Executive Director to purchase the HUD-approved program management system, Neighborly Software package, for use within the Community Development department. Total cost for implementation and first-year is \$19,400. Trustee Jeppson seconded the motion. Upon roll call vote, motion carried.
3. Trustee Look made motion approving travel for one person to attend the National Association for County Community and Economic Development (NACCED) Annual Conference and Training in September. Costs to include \$600 registration, \$730 airfare, \$800 lodging, \$288 per diem, \$75 mileage and \$60 ground transportation. Trustee Meisner seconded the motion. Upon roll call vote, motion carried.

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Trustee Look made motion approving a CDBG-CV funding agreement extension until September 30, 2023 for previously awarded Program Year 2019 Community Development Block Grant Covid funds (CDBG-

CV) to Southern Anoka Community Assistance (SACA). The CDBG-CV project funding agreement expired on March 31, 2023. Trustee Meisner seconded the motion. Upon roll call vote, motion carried.

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Trustee Jeppson made motion approving a HOME Program funding extension to December 15, 2023 for previously awarded Program Year 2021 HOME Investment Partnerships Program funds to Twin Cities Habitat for Humanity. The agreement is for two scattered site acquisition/rehabilitation of single-family dwelling units. The total amount of HOME funds is \$160,000. Trustee Look seconded the motion. Upon roll call vote, motion carried.

* * * *

Trustee Look made motion approving the following lease agreements starting at \$10.11 per square foot, with a \$0.50 increase per square foot every two years, subject to review by the county attorney as to form and legality:

- A. Contract #C0010054 with Learn and Grow Child Care, LLC, with a six-year term through June 30, 2029. After the initial six-year term, this lease has an automatic two-year term renewal clause unless terminated.
- B. Contract #C0010055 with Achieve Services, with a two-year term through June 30, 2025. This lease has an automatic two-year term renewal clause unless terminated.
- C. Contract #C0010056 with ACCAP, with a six-year term through June 30, 2029. After the initial six-year term, this lease has an automatic two-year term renewal clause unless terminated.

Trustee Schulte seconded the motion. Upon roll call vote, motion carried.

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Trustee Look made motion approving Amendment 6 to the Lease Agreement with the Department of Employment and Economic Development (DEED) at a rate of \$10.11 per square foot, for a two-year term through June 30, 2025 with no option to renew, subject to review by the county attorney as to form and legality. Trustee Reinert seconded the motion. Upon roll call vote, motion carried.

The Anoka County Housing and Redevelopment Authority meeting adjourned at 11:07 a.m.

ATTEST:

**ANOKA COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**

By: _____
Jeff Reinert, its Secretary/Treasurer

By: _____
Mike Gamache, Chair

Motion carried means all trustees in attendance voted affirmatively unless otherwise noted.



ANOKA COUNTY HRA BOARD MEETING

ACTION ITEM

July 27, 2023

ACTION REQUESTED	<p>Consider recommending the ACHRA Board of Trustees approve authorizing the chair or executive director to execute a subscription agreement with the City of St. Paul to provide services related to the work of the Twin Cities Section 3 Collaborative, for a term of three years, beginning July 1, 2023, for \$4,000 per calendar year.</p>
BACKGROUND	<p>Programs funded through the Department of Housing and Urban Development (HUD), require compliance with Section 3 regulations. Anoka County is a member of the regional Section 3 Collaborative to assist us in complying with HUD's requirements to create opportunities for low-income persons to work on federally funded projects.</p> <p>Anoka County will be able to access and share construction related job and training opportunities as well as Section 3 qualified projects on the region's website. A database will track Section 3 businesses and registered Section 3 individuals.</p> <p>The City of St. Paul is the lead agency and the fiscal agent. Our attorney has reviewed the Section 3 Collaborative Service Agreement drafted by City of St. Paul attorneys and collaborative members have agreed to the terms.</p>
SUPPORTING DOCUMENTATION	<p>The subscription agreement between the City of St. Paul and Anoka County HRA is on file in the HRA and the Community and Government Relations office. The agreement has been reviewed by our attorney.</p>
FUNDING SOURCE	<p>CDBG funds will be used to pay the annual \$4,000 subscription fee.</p>



ANOKA COUNTY HRA BOARD

ACTION ITEM

July 27, 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, however, 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 trued 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. Bolt is also requesting a buildout loan, which will be provided with at a 6% rate.
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	08/01/2023			
End Date	07/31/2029			
Right to renew?	Yes	5 year clause	Updated	
Leasable Sqft	5064		4845	61.92%
Addition	2979		2979	38.08%
Total	8043		7824	

Rent Cost Proposal

	2023 Current	2023 New	2024	2025	2026	2027	2028	2029
Base Rent per square Foot - Original	\$ 9.0000	\$ 9.00	\$ 9.25	\$ 9.50	\$ 10.40	\$ 11.00	\$ 11.25	\$ 11.25
Base Rent per Square Foot - Addition		\$ 10.00	\$ 10.25	\$ 10.50	\$ 10.75	\$ 11.00	\$ 11.00	\$ 11.00
Common Area Maintenance (CAM) *	\$ 9.75	\$ 9.75	\$ 10.04	\$ 10.34	\$ 10.65	\$ 10.97	\$ 11.30	\$ 11.64
Blended Rate - Base Rent		\$ 9.38	\$ 9.63	\$ 9.88	\$ 10.53	\$ 11.00	\$ 11.15	\$ 11.15
Base Rent Monthly	\$ 3,798.00	\$ 3,633.75	\$ 3,734.69	\$ 3,835.63	\$ 4,199.00	\$ 4,441.25	\$ 4,542.19	\$ 4,542.19
Base Rent Monthly - Addition		\$ 2,482.50	\$ 2,544.56	\$ 2,606.63	\$ 2,668.69	\$ 2,730.75	\$ 2,730.75	\$ 2,730.75
Estimated CAM Monthly	\$ 6,534.94	\$ 6,357.00	\$ 6,546.08	\$ 6,741.68	\$ 6,943.80	\$ 7,152.44	\$ 7,367.60	\$ 7,589.28
Tenant Improvements Monthly		\$ 2,336.78	\$ 2,336.78	\$ 2,336.78	\$ 2,336.78	\$ 2,336.78	\$ 2,336.78	\$ 2,336.78
Total Montly Rent	\$ 10,332.94	\$ 14,810.03	\$ 15,162.11	\$ 15,520.71	\$ 16,148.27	\$ 16,661.22	\$ 16,977.32	\$ 17,199.00
Monthly Percent Increase (excluding tenant improvement)			2.82%	2.80%	4.76%	3.71%	2.21%	1.51%
Base Rent Annual	\$ 26,586.00	\$ 18,168.75	\$ 44,816.25	\$ 46,027.50	\$ 50,388.00	\$ 53,295.00	\$ 54,506.25	\$ 36,337.50
Base Rent Annual - Addition		\$ 12,412.50	\$ 30,534.75	\$ 31,279.50	\$ 32,024.25	\$ 32,769.00	\$ 32,769.00	\$ 21,846.00
Estimated CAM Annual	\$ 45,744.56	\$ 31,785.00	\$ 78,552.96	\$ 80,900.16	\$ 83,325.60	\$ 85,829.28	\$ 88,411.20	\$ 60,714.24
Tenat Improvements Annual		\$ 9,347.12	\$ 28,041.36	\$ 28,041.36	\$ 28,041.36	\$ 28,041.36	\$ 28,041.36	\$ 18,694.24
Total Annual Rent	\$ 72,330.56	\$ 71,713.37	\$ 181,945.32	\$ 186,248.52	\$ 193,779.21	\$ 199,934.64	\$ 203,727.81	\$ 137,591.98

* 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 2029, with a renewal option for another 5 years.

Storage Fee is eliminated - phase out in use of storage is being requested - time is negotiable.

August 1st effective date of Lease.

Tenant Improvement Addendum Loan assumes \$141,000 at a 6% rate over the period. Final numbers will be applied following construction.