

Crow Wing County HRA

AGENDA

5:00 p.m. Tuesday, June 12th, 2018

Jinx Ferrari Meeting Room

(Located on 2nd floor of the Historic Courthouse,
326 Laurel Street, Brainerd, MN)

AGENDA ITEM

1. Call to Order
2. Roll Call
3. **Public Hearing: Conveyance of Lot 17 and the South ½ of Lot 18, Block 1, KIRKWOOD, Baxter, MN**
(Attachment 1)
 - a. Approval of Resolution No. 2018-03
4. **Review and Approve Minutes** (Attachment 2)
5. **Review and Approve Financial Statements** (Attachment 3)
6. **Old Business**
 - a. Approve Revised Tax Forfeited Property Policy (Attachment 4)
7. **New Business**
 - a. Educational Topic: HRA Powers
8. **Reports**
 - a. Executive Director
 - b. Brainerd HRA
 - c. BLAEDC
 - d. CWC
9. **Meeting Agenda Topics for July 10, 2018**
10. **Adjourn**

2018 Officers and Commissioners

Chair – Craig Nathan/District 4 (12-31-20)

Vice Chair – Theresa Goble/District 1 (12-31-22)

Secretary – Sharon Magnan/District 3 (12-31-19)

Commissioner – David Kennedy/District 2 (12-31-18)

Commissioner – Michael Aulie/District 5 (12-31-21)



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab Coordinator
Date: June 5, 2018
Re: Public Hearing and Approval of Resolution No. 2018-03

The City of Baxter recently acquired five single-family homes as part of the Cypress Drive extension project and has offered them to Lakes Area Habitat for Humanity (LAHFH) to be relocated in the City of Baxter as affordable homes for eligible LMI families. In addition to selling each home to LAHFH for \$1, the City also gave them three lots to place homes on. Due to a high water table on one of the lots, it could not be used to relocate one of these homes. LAHFH traded two of the homes to the mover to help cover some of the moving expenses. They inquired about purchasing a tax forfeited parcel through the recently adopted Tax Forfeited Property Policy to place the remaining home on. The parcel (see Attachment 1a) will be divided into two lots, which will allow them to have another lot to build on in the future. Staff utilized the policy to have the parcel conveyed to the CWC HRA and will sell the parcel to LAHFH for \$5,825 after the conveyance process is complete and we have received the deed from the state.

Attachment 1b is the Purchase and Redevelopment Agreement between the CWC HRA and LAHFH and corresponding resolution for the Board's review and approval.

Action Requested: Hold a public hearing regarding the sale of a tax forfeited parcel to Lakes Area Habitat For Humanity and approve Resolution No. 2018-03 allowing staff to enter into a Purchase and Redevelopment Agreement with Lakes Area Habitat For Humanity.

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**Crow Wing County Land Services Department
Tax Forfeit Land Sales**

Land Services Building
322 Laurel Street, Suite 15
Brainerd, MN 56401
Website: www.crowwing.us

Phone: 218-824-1010
Fax: 218-824-1126

TRACT 28-17

City of Baxter
Section 6, Township 133, Range 28
Kirkwood
Lots 17 & South Half of Lot 18, Block 1
RE Codes: 031270010170009 & 03127001018A009
(Approx. 1.03 Acres)



Commissioner District #4
Crow Wing County, Minnesota



Comments/Brief Description:

The special assessments assessed to the property are for 2006 Kirkwood Residential Area Improvements.

City sewer and water is available for hookup to the property.

Zoning: R-1



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose. This drawing is neither a legally recorded map nor a survey and is not intended to be used as such.



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PURCHASE AND REDEVELOPMENT AGREEMENT
City of Baxter, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of _____, 2018 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING, a public body corporate and politic under the laws of Minnesota having its office located at 324 East River Road, Brainerd MN (the “Seller”), and LAKES AREA HABITAT FOR HUMANITY, a Minnesota nonprofit corporation, having its principal office at 1110 Wright Street, Brainerd, MN 56401 (the “Buyer”).

2. **Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property in Crow Wing County, Minnesota, legally described as follows (the “Property”):

Lot 17 and the South ½ of Lot 18, Block 1, KIRKWOOD, according to the recorded plat thereof on file in the office of the County Recorder in and for Crow Wing County, Minnesota.

Check here if part or all of the land is Registered (Torrens)

3. **Acceptance Deadline.** This offer to purchase, unless accepted sooner, shall be null and void at 4:30 p.m. on _____, 2018. *(1 day from date of this Agreement)*

4. **Price and Terms.** The price for the Property is \$5,825.00 (“Purchase Price”), allocated to each lot of the Property as shown on Exhibit A, which Buyer shall pay in full by certified check or wire transfer on the Date of Closing. The “Date of Closing” shall be no later than _____, 2018. *(60 days from date of this Agreement)*

5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.

6. **Deed.** Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached as Exhibit B, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the “Deed”).

7. **Real Estate Taxes and Special Assessments.**

- A. Seller shall pay, at or before closing, all real estate taxes due and payable in 2018 and prior years. Real estate taxes for taxes payable year 2018 are exempt.
- B. Seller represents that there are special assessments payable or pending as of the date of this agreement and Buyer agrees to pay all outstanding assessments at closing. If a special assessment becomes pending after the date of this agreement and before the Date of Closing, Buyer may, as Buyer's option:
- (1) Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
 - (2) Require Seller to pay the pending special assessment and Buyer shall pay a commensurate increase in the purchase price of the Property, which increase shall be the same as the estimated amount of the assessment; or
 - (3) Declare this agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.
- 8. Closing Costs and Related Items.** The Buyer will pay: (a) the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; (c) the recording fees for this Agreement and for the Deed transferring title to Buyer; and (d) any transfer taxes. Seller will pay all other fees normally paid by sellers, including (a) Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorneys' fees.
- 9. Sewer and Water.** Seller warrants that city sewer is available at the Property line, and that city water is available in the right of way adjacent to the Property. Seller makes no warranty regarding the conditions of any existing water stub from the main to the Property line. Seller advises Buyer to inspect the condition of the water stub.
- 10. Condition of Property.** Buyer acknowledges that they have inspected or have had the opportunity to inspect the Property and agree to accept the Property "AS IS." Buyer has the right, at its own expense to take soil samples for the purpose of determining if the soil is suitable for construction of the dwelling described in section 14 below. If the soil is determined to be unacceptable the Buyer may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void. Seller makes no warranties as to the condition of the Property.
- 11. Marketability of Title.** As soon as reasonably possible after execution of this Agreement by both parties:

- A. Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to _____, Buyer's designated title service provider; and
- B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 90 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

- 12. Title Clearance and Remedies.** If Seller shall fail to have title objections timely removed, the Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; or (b) take title to the Property subject to such objections.

If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:

- A. Cancel this contract 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 contract is a down payment note, and may be presented for payment notwithstanding cancellation;
- B. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.

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:

- C. Seek damages from Seller including costs and reasonable attorney's fees;
- D. Seek specific performance within six months after such right of action arises.

- 13. Well Disclosure/Sealing.**

The Seller certifies that the Seller does not know of any wells on the described real property. Buyer agrees to have a licensed well contractor examine the Property for purposes of locating a well. Buyer agrees to have all wells located on the Property, which are not in use, sealed by a licensed well contractor at Buyer's expense.

- 14. Individual Sewage Treatment System Disclosure and Methamphetamine Disclosure.** Seller certifies that there is no individual sewage treatment system on or serving the

Property. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

15. Construction and Sale of Dwelling. Buyer agrees that it will construct or relocate a single-family dwelling on each lot of the Property (each a "Lot"), intended for sale to a person or persons for residential occupancy (an "Owner Occupant") pursuant to and in conformity with the provisions of the Purchase and Development Agreement between the City of Baxter, Minnesota and the Buyer, dated _____, 2018 (the "City Agreement"), including without limitation Article IV of the City Agreement. The City Agreement is hereby incorporated into this Agreement by reference. This covenant shall survive the delivery of the Deed.

- A. Each single family dwelling described in this Section is referred to as the "Minimum Improvements."
- B. The Minimum Improvements shall consist of a single-family dwelling on each Lot, and shall be constructed substantially in accordance with Article IV of the City Agreement, as applicable to each Lot.
- C. Construction of the Minimum Improvements on each Lot must be substantially completed as described in Section 4.4 of the City Agreement.
- D. Promptly after substantial completion of the Minimum Improvements on each Lot in accordance with those provisions of this Agreement and the City Agreement relating solely to the obligations of the Buyer to construct such Minimum Improvements (including the date for completion thereof), the Seller will furnish the Buyer with a Certificate of Completion, in the form attached hereto as Exhibit C, for the Minimum Improvements on such Lot. Such certification by the Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Master Agreement, in this Agreement and in the Deed with respect to the obligations of the Buyer and its successors and assigns, to construct the Minimum Improvements on the applicable Lot and the dates for completion thereof.

The certificates provided for in this Section of this Agreement shall be in such form as will enable them to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Buyer, provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Seller for the Buyer to take or perform in order to obtain such certification.

E. The Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements on each Lot:

(1) Except for any agreement for sale to an Owner Occupant, the Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Seller's board of commissioners.

(2) If the Buyer seeks to effect a Transfer of any Lot with respect to this Agreement prior to issuance of the Certificate of Completion for that Lot, the Seller shall be entitled to require as conditions to such Transfer that:

(i) any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to the Seller and in form recordable in the public land records of Crow Wing County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of the Seller, have expressly assumed all of the obligations of the Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Seller) deprive the Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Seller of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Property that the Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by the Seller to the contrary, no such transfer or approval by the Seller thereof shall be deemed to relieve the Buyer, or any other party bound

in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to the Seller.

(3) If the conditions described in paragraph (2) above are satisfied then the Transfer will be approved and the Buyer shall be released from its obligation under this Agreement, as to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transferors.

(4) Upon issuance of the Certificate of Completion for a Lot, the Buyer may Transfer such Lot and/or the Buyer's rights and obligations under this Agreement with respect to such Lot without the prior written consent of the Seller.

F. The Buyer, and its successors and assigns, agree that they (a) will use the Minimum Improvements only as a single family dwelling, and in the case of an Owner Occupant, will occupy the Property as a residence, (b) will not seek exemption from real estate taxes on the Property under State law, and (c) will not transfer or permit transfer of the Property to any entity whose ownership or operation of the Property would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City of Brainerd or Seller in accordance with this Agreement). **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Minimum Improvements on each Lot, and shall remain in effect for ten years after the Date of Closing. In addition, the Buyer agrees and acknowledges that the Property is subject to the income qualifications provided in Section 4.6 of the City Agreement.**

16. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer. In the event that subsequent to conveyance of the Property or any part thereof to the Buyer and prior to receipt by the Buyer of the Certificate of Completion for the Minimum Improvements on any Lot, the Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from the Seller to the Buyer to do so, then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in the Seller) the estate conveyed by the Deed to the Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any

default on the part of the Buyer and failure on the part of the Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the Property conveyed to the Buyer, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of a portion of the Property for which a Certificate of Completion has been issued.

For the purposes of this Agreement, the term "Unavoidable Delays" means delays beyond the reasonable control of the Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

17. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Seller of title to and/or possession of the Property or any part thereof as provided in Section 16, the Seller shall apply the purchase price paid by the Buyer under Section 4 of this Agreement as follows:

- A. First, to reimburse the Seller for all costs and expenses incurred by the Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of revesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the Seller by the Buyer and its successor or transferee; and

B. Second, to reimburse the Buyer for the balance of the purchase price remaining after the reimbursements specified in paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

18. Time is of the essence for all provisions of this Agreement.

19. Notices. All notices required herein shall be in writing and delivered personally or mailed to the address shown at paragraph 1 above and, if mailed, are effective as of the date of mailing.

20. Minnesota Law. This Agreement shall be governed by the laws of the State of Minnesota.

21. Specific Performance. This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.

22. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

23. No Merger of Representations, Warranties. All representations and warranties contained in this Purchase Agreement shall not be merged into any instruments or conveyance delivered at closing, and the parties shall be bound accordingly.

24. Recording. This Agreement shall be filed of record with the Crow Wing County Registrar of Titles or Office of Recorder, as the case may be. Buyer shall pay all recording costs.

25. No Broker Involved. The Seller and represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

In witness of the foregoing, the parties have executed this agreement on the year and date written above.

SELLER: HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING

By: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of _____ 2018, by Craig B. Nathan and Jennifer Bergman, the Chair and Executive Director of Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

Notary Public

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

PID	Address	Legal Description	Purchase Price
03127001018A009	Baxter, MN	South ½ of Lot 18, Block 1, KIRKWOOD	\$1,747.50
031270010170009	Baxter, MN	Lot 17, Block 1, KIRKWOOD	\$4,077.50

EXHIBIT B

FORM OF QUIT CLAIM DEED

Deed Tax Due: \$ _____

ECRV: _____

THIS INDENTURE, between the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the “Grantor”), and Lakes Area Habitat for Humanity, a Minnesota nonprofit corporation (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$_____ and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

Check here if part or all of the land is Registered (Torrens)

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement entered into between the Grantor and Grantee on the ___ of _____, 2018, recorded _____, 2018 as document number _____, identified as “Purchase and Redevelopment Agreement” (herein referred to as the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute

evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Sections 15, 16 and 17 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with Section 15F of the Agreement for a period of ten years after the date hereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of

any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or revert in the Grantor the estate conveyed by this Deed, or any part thereof, on grounds of Grantee's failure to comply with its obligations under this Section 3.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its Chair and Executive Director, this _____ day of _____, 2018.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE COUNTY OF
CROW WING

By _____

Its Chair

By _____

Its Executive Director

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE COUNTY OF CROW WING

RESOLUTION NO. 2018-03

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT AGREEMENT BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING AND LAKES AREA HABITAT FOR HUMANITY.

BE IT RESOLVED By the Board of Commissioners ("Board") of the Housing and Redevelopment Authority in and for the County of Crow Wing ("Authority") as follows:

Section 1. Recitals.

1.01. The Authority has determined a need to exercise the powers of a housing and redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 ("HRA Act"), and has determined to carry out a housing development project in order to alleviate a shortage of decent, safe, and sanitary housing for persons of low or moderate income and their families within the City of Baxter (the "City").

1.02. The Authority and Lakes Area Habitat for Humanity (the "Buyer") have proposed to enter into a Purchase and Redevelopment Agreement (the "Agreement"), setting forth the terms and conditions of sale and redevelopment of certain tax-forfeited property within the City, currently owned by the County, legally described in Exhibit A attached to this Resolution (the "Property"), subject to approval by the County of the conveyance of the Property to the Authority, consistent with its Tax-Forfeited Land Policies and Procedures, Non-Conservation Land – Sale for Less than Market Value (the "County Policy").

1.03. Pursuant to the Agreement, the Buyer will acquire the Property from the Authority, and will construct single-family homes intended for owner occupancy, subject to the City's zoning and building codes and policies.

1.04. On the date hereof, the Board conducted a duly noticed public hearing regarding the sale of the Property to the Buyer, at which all interested persons were given an opportunity to be heard.

1.05. The Board has reviewed the Agreement and found that the execution thereof and performance of the Authority's obligations thereunder are in the public interest and will further the objectives of its general plan of economic development and redevelopment, because it will further the above-stated housing goals of the City and County.

Section 2. Authority Approval; Further Proceedings.

2.01. The Authority hereby formally requests that the County convey the Property to the Authority pursuant to the County Policy for the purpose of conveying said Property to the Buyer, in order for the Buyer to construct affordable housing pursuant to the Authority's housing

development project goals. The Authority is authorized to acquire the Property from the County under Section 469.012, subd. 1g of the HRA Act.

2.02. The Agreement as presented to the Board, including the sale of the Property described therein, is hereby in all respects approved, subject to approval by the County of conveyance of the Property to the Authority pursuant to the County Policy, and further subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.03. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the Agreement and any documents referenced therein requiring execution by the Authority, including without limitation any deeds, and to carry out, on behalf of the Authority, its obligations thereunder.

2.04. Authority and City staff are authorized and directed to take all actions to implement the Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 12th day of June, 2018.

Chair

ATTEST:

Secretary



EXHIBIT A

PROPERTY

Lot 17 and the South ½ of Lot 18, Block 1, KIRKWOOD, according to the recorded plat thereof on file in the office of the County Recorder in and for Crow Wing County, Minnesota.



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Minutes from Tuesday, May 8th, 2018
Crow Wing County
Housing and Redevelopment Authority
Board Meeting

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held at 5:00 p.m., Tuesday, May 8th, 2018.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:01 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Craig Nathan, Commissioners Sharon Magnan and David Kennedy; Executive Director Jennifer Bergman, Finance Director Karen Young and Rehab Coordinator John Schommer.
3. **REVIEW AND APPROVE MINUTES:**

Commissioner Magnan made a motion to approve the minutes from the April 10, 2018, board meeting. Commissioner Kennedy seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.
4. **REVIEW AND APPROVE FINANCIAL STATEMENTS:**

Commissioner Magnan made a motion to accept the April financial statements as presented. Commissioner Kennedy seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.
5. **OLD BUSINESS:** Nothing to report.
6. **NEW BUSINESS:**
 - a. **Approve Purchase and Redevelopment Agreement between CWC HRA and Paxmar:** Paxmar-Brainerd would like to purchase 13 additional lots from Brainerd Oaks and Serene Pines. Goltz and Schommer worked with Attorney Martha Ingram from Kennedy & Graven who drafted the Purchase and Redevelopment Agreement and corresponding resolution. The closing is scheduled for May 9th.

The total sales price of the lots are \$109,864.95. The CWC HRA will be reimbursed at the closing for the direct cost incurred for this project, which as of May 1st is approximately \$2,636. The City of Brainerd will receive the proceeds of the sale, which includes the cost of park dedication fees and partial SAC and WAC fees.

After Bergman gave a background of the process that has led us to this point, the board and staff discussed the covenants on the property and the process that we follow to monitor the construction and adherence to the Redevelopment Agreement.

Commissioner Kennedy made a motion to approve Resolution 2018-02, approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Paxmar-Brainerd, LLC. Commissioner Magnan seconded the motion. A roll call vote was taken and all commissioners voted in favor of the motion and none were opposed. The motion carried.



7. REPORTS:

- a. **Executive Director:** Bergman provided a report that discussed the following items:

Breezy Point Tax Forfeited Property

The City of Breezy Point currently has 361 tax forfeited properties consisting of approximately 118 acres of land. On May 19th, CWC HRA and CWC staff met with several representatives from Breezy Point to discuss possible solutions for getting some of those tax forfeited properties back on to the tax rolls. There are several platted subdivisions with some utilities that were partially built out similar to Brainerd Oaks, Serene Pines and Dal Mar Estates. There are two developers showing interest in the parcels. Staff met with one of the potential developers on May 3rd who wanted to build rental homes and was interested in the Brainerd HRA Housing Choice Voucher Program. The developer seemed to be gathering information with no set direction. Bergman wanted to inform the board that they can anticipate having some Breezy Point parcels conveyed to the CWC HRA in the future.

Crosby Commercial Project - IRRRB

A company is considering purchasing a commercial property in downtown Crosby, completely gut and rehab the building. Crosby is in the IRRRB service area and we are working with them for a potential funding source to assist the buyer. CWC HRA, BLAEDC, IRRRB and the potential buyer met on April 27th to discuss the potential funding and tour the property. The City of Crosby is the eligible applicant for the IRRRB programs and the CWC HRA will work with the City of Crosby to submit the application. We anticipate having a management agreement with the City of Crosby for the administration of these funds.

National NAHRO Award

We submitted a nomination for the Award of Merit for National NAHRO on the Brainerd Oaks/Serene Pines/Dal Mar Estates project. We will find out in June whether or not we are given the award.

Strategic Plan Update

Bergman presented the updated goals and action steps for the board to review.

Lakes Area Habitat for Humanity (LAHFH)

Bergman discussed that LAHFH is interested in acquiring five tax forfeited lots in Crosby and two in Baxter. The City of Baxter is redoing Cypress Drive and is relocating five homes; three of which will be used by LAHFH and two which will go to the mover to help reduce costs. Bergman anticipates lots being sold through the Tax Forfeiture Policy in the months to come. She also discussed that as we are using the Tax Forfeiture Policy we are becoming aware of some changes that will have to be made to the Policy.

- b. **Brainerd HRA:** Bergman reported that as a result of the Destination Downtown initiative, the Brainerd HRA provided a rent subsidy to the winner, Purple Fern, of \$6,000. She also reported that the City of Brainerd has old CDBG funds that they would like the Brainerd HRA to administer. As a result, the HRA has entered into a Memorandum of Agreement with the City to establish a revolving loan fund in the downtown target area that coincides with the River to Rails initiative.
- c. **BLAEDC:** Nothing to report.
- d. **CWC:** Nothing to report.



8. **NEXT MEETING TOPICS:** Tuesday, June 12th, 2018. Nathan reported that he will not be in attendance at the June meeting and directed Bergman to contact Vice Chair Goble to verify that she can chair the meeting. Next meeting topics include education – general powers, Amendment to Tax Forfeiture Policy and possibly tax forfeited parcels from Breezy Point, Crosby or Baxter.

9. **ADJOURNMENT:**

Commissioner Magnan made a motion to adjourn the meeting. Commissioner Kennedy seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and the meeting was adjourned at 5:59 p.m.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: June 5, 2018
Re: Review and Accept Financial Statements

Please find attached the financial information for May 2018.

Paxmar Closing

Reflected in the May financial statements is the closing that took place on May 9th for the purchase of 13 additional lots at Brainerd Oaks and Serene Pines for a total of \$109,865. Of this, \$29,900 went to the City for SAC/WAC/Park Fees and \$77,103 went to the City in lieu of assessments. We were reimbursed for direct costs of \$2,637.

We currently have \$469 in legal expenses that we have incurred related to this closing. This will be included in the next closing that takes place and reimbursed out of the proceeds.

Action Requested: Accept the May financial statements as submitted.



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Date/Time roberta
6/5/2018 1:42:10 PM

**Crow Wing County
CWC HRA Combined Balance Sheet
May, 2018**

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	181,849.85
550-001-1129.210 Cash CWC SCDP	26,325.59
551-002-1129.210 Cash RLF TIF	357,880.86
556-000-1129.210 Cash - Development	-469.50
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	6,874.30
550-000-1211.000 Prepaid Insurance	1,044.15
556-000-1450.000 Land Held for Resale	663,089.68
TOTAL ASSETS	<u>1,284,594.93</u>
LIABILITIES	
550-000-2600.000 Def Inflow of Resources	-6,874.30
556-000-2600.000 Def Inflow of Res - Dev	-663,089.68
TOTAL LIABILITIES	<u>-669,963.98</u>
SURPLUS	
550-000-2700-000 Net Income	34,976.83
550-000-2806.000 Retained Earnings	-649,607.78
TOTAL SURPLUS	<u>-614,630.95</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,284,594.93</u>
Proof	0.00



Crow Wing County
CWC HRA Combined Operating Stmt
May, 2018

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
556-000-3696.000 Development Revenue	-107,551.69	-107,551.69	-79,666.65	-27,885.04
TOTAL INCOME	-107,551.69	-107,551.69	-79,666.65	-27,885.04
EXPENSE				
550-000-4110.000 Administrative Salaries	225.00	1,275.00	1,875.00	-600.00
550-000-4130.000 Legal	0.00	496.00	2,083.35	-1,587.35
550-000-4140.000 Staff Training	0.00	0.00	625.00	-625.00
550-000-4150.000 Travel	46.87	77.94	104.15	-26.21
550-000-4171.000 Auditing Fees	250.00	6,650.00	6,500.00	150.00
550-000-4172.000 Management Fees	5,000.00	25,000.00	25,000.00	0.00
550-000-4190.000 Other Administrative	0.00	65.00	83.35	-18.35
550-000-4500.000 TIF Expense	0.00	0.00	250.00	-250.00
550-000-4510.000 Insurance	149.17	745.85	875.00	-129.15
550-000-4540.000 Employer FICA	17.22	97.54	145.85	-48.31
550-000-4590.000 Other General Expense	0.00	100.00	12,500.00	-12,400.00
556-000-4600.000 Development Expense	107,830.91	108,021.19	79,666.65	28,354.54
TOTAL EXPENSE	113,519.17	142,528.52	129,708.35	12,820.17
NET INCOME(-) OR LOSS	5,967.48	34,976.83	50,041.70	-15,064.87



**Crow Wing County HRA
May 2018 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
508	5/10/2018	Jennifer Bergman	Mtg Breezy Point	\$ 20.71
509	5/10/2018	John Schommer	Mtg Breezy Point	\$ 26.16
21718	5/10/2018	CliftonLarsonAllen LLP	2017 Audit	\$ 250.00
21729	5/10/2018	Kennedy & Graven, Chartered	Paxmar Purchase-Legal	\$ 133.00
21754	5/24/2018	Kennedy & Graven, Chartered	Paxmar Purchase-Legal	\$ 469.50
Total				\$ 899.37

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Jennifer Bergman, Executive Director
Date: June 4, 2018
Re: Approved Revised Tax Forfeited Property Policy

We have received calls from a couple of cities who have been interested in exploring options to get their tax forfeited properties back on the tax rolls. The City of Baxter is extending Cypress Drive and as a result has five homes that will need to be moved. They have offered these homes to Lakes Area Habitat for Humanity (LAHFH) and would like to place at least one home on a tax forfeited property.

The policy that was approved by both the Brainerd HRA and CWC HRA does not allow for an option where a developer approached the HRA. The policy assumed that we would select the lots and then do a Request for Proposal for a developer. We spoke with Martha Ingram to see if we could amend the policy to allow for a developer to approach us.

I have attached the amended policy and the change is highlighted.

Action Requested: Approve the revised CWC HRA Tax Forfeit Hold Policy and Sales Procedure.

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Crow Wing County HRA

Tax Forfeited Property Hold Policy and Sales Procedure

Tax Forfeited Hold Policy

The purpose of this policy is to ensure tax forfeited property in Crow Wing County is returned to productive use.

Primary goals of this policy are:

- To build Crow Wing County's density and tax base by ensuring tax forfeited properties are developed
- To eliminate blight and reinvest in our neighborhoods
- To create a clear, straightforward, and efficient procedure for the HRA and developers to act on acquisition of tax forfeited property
- To encourage developer investment to stabilize Crow Wing County neighborhoods and construct affordable housing

The Crow Wing County (CWC) HRA receives a list of tax forfeited properties ("Properties") from Crow Wing County annually. The CWC HRA has 30 days following receipt of the list to put Properties on hold, and six months to complete due diligence related to acquiring the Properties from the State of Minnesota through Crow Wing County as the administrator.

The CWC HRA will put a hold on Properties that the CWC HRA determines are required to achieve commercial or residential redevelopment strategies.

Residential Properties that the CWC HRA does not desire to acquire will be made available to developers or community development organizations ("Developers") utilizing the Tax Forfeited Hold Sale Procedure outlined below. Properties that are not desired by the CWC HRA and do not receive eligible applications through the Tax Forfeited Hold Sale Procedure shall be released to Crow Wing County.

Tax Forfeited Hold Sale Procedure

The following procedure will apply to the sale to Developers of tax forfeited residential Property:

1. **Application:** The CWC HRA will solicit proposals from Developers for the purchase of the Property, **or will consider proposals received from Developers without solicitation.** All interested Developers must submit a proposal which will be subject to approval by the CWC HRA Board. Proposals may be for affordable housing (as defined below) or for market housing that would result in the elimination or prevention of blight or blighting influences on the Property.
 - **Relocation:** If a Property contains an occupied building, relocation costs may apply. The Developer will be responsible for any relocation costs. The CWC HRA will clarify whether relocation costs will apply and assist the Developer to estimate the amount of payment required.
 - **Discount for Affordable Housing:** A discounted price will be targeted at 50% of the assessed market value for for-profit developers and targeted at 25% of the assessed market value for non-profit developers proposing the construction of affordable



housing. “Assessed market value” means the current-year market value of the Property as determined by the Crow Wing County Assessor. “Affordable” means the owner-occupant has an income at or below 115% of the Area Median Income, as defined by the Department of Housing and Urban Development.

2. **Contract:** When a Developer proposal has been approved, the CWC HRA staff will negotiate a purchase and development contract (the “Contract”) with the Developer. CWC HRA staff require the following from the Developer before presenting the Contract to the CWC HRA Board for approval:
 - Contract signed by the Developer
 - Crow Wing County acquisition price (“Acquisition Price”): The Acquisition Price will either be the full market value or the discounted price for affordable housing per Crow Wing County policy, plus known fees
 - A non-refundable administrative fee of \$500 payable to the CWC HRA
 - \$1,000 maintenance and holding cost payment (the “Holding Cost Payment”) payable to the CWC HRA: The Holding Cost Payment will be used to pay Crow Wing County or the CWC HRA’s holding and maintenance costs; any funds not required for such purposes will be returned to the Developer.
3. **HRA Board Approval:** CWC HRA staff will seek CWC HRA Board approval of the Contract. If approved, the CWC HRA will execute the Contract and proceed to seek Crow Wing County approval. If the Contract is denied, the CWC HRA will refund the Acquisition Price and Holding Cost Payment, and will either consider and seek CWC HRA Board approval of other proposals for the Property, or will release the property to Crow Wing County.
4. **Crow Wing County Approval:** Once the CWC HRA Board approves the Contract, staff will send an application to the Crow Wing County Board asking for the Property to be conveyed to the CWC HRA. Upon approval by the Crow Wing County Board, the CWC HRA will proceed to schedule closing with the Developer. If the Crow Wing County Board denies an acquisition discount request, at the discretion of Crow Wing County, the Developer may have the option to pay the remaining balance of the assessed market value to Crow Wing County or to withdraw its application and request a refund of its Acquisition Price payment. If Crow Wing County denies the application, the Acquisition Price and Holding Cost Payment will be refunded to the Developer.
5. **Closing:** Once the Crow Wing County Board approves acquisition of the Property by the CWC HRA, a deed to the CWC HRA will be prepared and recorded by Crow Wing County and the CWC HRA will schedule a closing with the Developer. At the closing, the Developer will be responsible to pay all closing costs, holding costs in excess of the Holding Cost Payment, and any additional fees charged by Crow Wing County.
6. **Property Management:** After closing, the Developer will be responsible to pay for all improvements and maintenance to the Property. The Contract will require that improvements must be completed within 12 months after closing.
7. **Failure to Perform:** If the Developer fails to complete the improvements on the Property within 12 months after closing, no additional Property may be acquired by the Developer through the Tax Forfeited Hold Sale Procedure until the default is cured.





Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Jennifer Bergman, Executive Director
 Date: June 7, 2018
 Re: Executive Director Report

Presentation to Crow Wing County City Clerks/Administrators

I will be giving a presentation to the City Clerks and/or Administrators in Crow Wing County on June 14th. They wanted to hear about what the CWC HRA does. I will provide a summary at the board meeting.

USDA Visit

Region 5 Development Commission provided a tour of the region to USDA State Director Brad Finstad and Regional Director Mike Monson. We discussed our programs including Brainerd Oaks and our housing rehab programs with them and we discussed a potential partnership in the future.

MN NAHRO Tour

I gave a CR&D tour to 18 Minnesota NAHRO members on Wednesday, May 23rd, (see Attachment 5a). We toured Serene Pines, Brainerd Oaks, downtown Brainerd and the Riverfront. Bruce Buxton gave a presentation on the River to Rail Initiative at the Lakes Area Music Festival. There was a lot of great feedback and they were excited to see all of positive things happening in Crow Wing County.

National NAHRO Award

We were notified by NAHRO that we were selected for the Merit Award but were also nominated for the National Award of Excellence on the Revival of Tax Forfeited Residential Subdivision. We will receive the Merit Award in San Francisco, CA, and have been asked to prepare a display board for our nomination for the Award of Excellence. We will find out in the fall if we will receive an Award of Excellence.

Community Fundraising Solutions Rehab Analysis Update

Nancy Grabko from (CFS) is working on the analysis of the cities in Crow Wing County to rank each city on their rehab needs. They have Garrison, Riverton, Ironton, Emily, and Deerwood completed.

No Action Requested; Discussion Item

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CR&D TOUR

Itinerary

**WEDNESDAY,
May 23, 2018**

1:30 PM	Bus leaves Madden's
1:45 PM	Serene Pines Drive-by
2:00 PM	Arrive at Brainerd Oaks
2:30–3:00 PM	Tour Downtown Brainerd
3:00 PM	Visit Brainerd's Riverfront
3:30 PM	Return to Madden's

Brainerd HRA ■ Crow Wing County HRA



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