



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Blaine MN 55449

Legislation Details (With Text)

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Title: ENTERING INTO LETTER OF UNDERSTANDING WITH COALITION DEVELOPMENT FOR 2.88 ACRES OF EDA OWNED LAND ON 89TH AVENUE NE NEXT TO FORMER KMART

Sponsors: Erik Thorvig

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Code sections:

Attachments: 1. Letter of Intent

Date	Ver.	Action By	Action	Result
8/19/2019	1	EDA	Adopted	Pass

ECONOMIC DEVELOPMENT AUTHORITY- *Erik J. Thorvig, Community Development Director*

ENTERING INTO LETTER OF UNDERSTANDING WITH COALITION DEVELOPMENT FOR 2.88 ACRES OF EDA OWNED LAND ON 89TH AVENUE NE NEXT TO FORMER KMART

On August 5, 2019 a development proposal was made by Coalition Development for 2.88 acres of EDA owned land east of the former K-Mart. The proposal was for a 90-unit apartment building. Based on the discussion, the city council seemed willing to consider a proposal for the site with the understanding that further discussion needed to occur regarding site design and a potential affordability component.

The developer has asked the EDA to enter into a Letter of Understanding (LOU) for the development property. The purpose of the LOU is to provide assurance to the developer that the EDA will work solely with them while they complete their due diligence to determine whether they will proceed with a project. Though an LOU is a signed document by both parties, it does not bind the parties to enter into a future agreement but is merely intended to set forth the parties intent to work together.

The terms of the LOU state that it is effective until April 30, 2020. During this time the developer will complete site planning, architectural plans, determine whether a financial request is needed, submit applications for development approval and negotiate a land purchase.

If the developer at any point during the process determines they do not want to proceed, the agreement can be terminated.

After the August 5, 2019 meeting, staff and the developer discussed that the next step is for the developer to determine if there is an affordability component to the project, and if so, what a potential financial assistance request to the EDA would be. Staff would plan on bringing this to a workshop for feedback once the developer completes this work which will likely be sometime this fall.

Approve the attached resolution

WHEREAS, the City of Blaine Economic Development Authority owns 2.88 acres off 89th Ave; and

WHEREAS, Coalition Development is interested in proceeding with a multi-family apartment project on the site and purchasing the land from the EDA; and

WHEREAS, the developer desires to enter into a Letter of Understanding to provide time to exclusively work with the EDA to complete a land transaction and receive necessary approvals.

NOW, THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves entering into a Letter of Understanding with Coalition Development and authorize the president and executive director to execute any documents related to the Letter of Understanding.

PASSED by the Blaine Economic Development Authority this 19th day of August 2019.