



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: July 18, 2022
Item No.: 5c

Department Approval

Executive Director Approval

Janeé Gundlach

Paul J. Trueman

Item Description: Authorize amendments to various agreements in connection with the replatting of the Edison Properties

BACKGROUND

On July 19, 2021 the Roseville Economic Development Authority (REDA) entered into Contract for Private Development for the Roseville Edison II, LLC and Roseville Housing Group II, LLC. The property has been replatted with new legal descriptions, requiring the Contract for Private Development, as well as the Loan Agreement and Mortgage for the Tax Base Revitalization Account (TBRA) to be amended to reflect the new legal description. No other substantive changes are needed to these agreements beyond the updated legal description.

Gina Fiorini from Kennedy Graven has worked with the developer, and developer’s agents, regarding these agreements and will address any questions the REDA may have as it relates to these actions and documents. This type of financing for affordable housing developments is very complicated, so there is language within the resolutions that provides for minor revisions to these documents, after EDA authorization, but at the discretion of the REDA attorney so long as those revisions do not alter the substance of the transaction or offer substantive changes to the overall project or commitments of the REDA.

STAFF RECOMMENDATION

Adopt a resolution authorizing amendments to the Contract for Private Development, as well as the Loan Agreement and Mortgage for TBRA for the Edison II, LLC and Roseville Housing Group II, LLC.

REQUESTED REDA ACTION

By motion, adopt a resolution authorizing amendments to Contract for Private Development, as well as the Loan Agreement and Mortgage for TBRA for the Edison II, LLC and Roseville Housing Group II, LLC.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

- Attachments A: Resolution approving Amendment Documents in Connection with the Replatting of Edison Property
- B: Amendment to the Contract for Private Redevelopment
- C: Amendment to the Loan Agreement for TBRA
- D: Amendment to the Mortgage for TBRA

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners (the "Board") of the Roseville Economic Development Authority ("REDA") was duly held on the 18th day of July, 2022, immediately preceding the meeting of the REDA Board of the REDA of Roseville.

The following members were present:

and the following were absent: .

Member introduced the following resolution and moved its adoption:

RESOLUTION No. __

**RESOLUTION APPROVING AMENDMENT DOCUMENTS
IN CONNECTION WITH THE REPLATTING OF EDISON
PROPERTY**

WHEREAS, the Roseville Economic Development Authority ("REDA"), Roseville Housing Group II, LLC (the "Developer") and Roseville Edison II, LLC (the "Developer") entered into a Contract for Private Development, dated as of July 19, 2021 (the "Contract"), regarding the development of certain property within the REDA of Roseville, Minnesota (the "Property") through the construction of an approximately 60-unit affordable multifamily rental housing facility thereon (the "Minimum Improvements") providing certain grant proceeds to the Developer; and

WHEREAS, the REDA also provided a deferred loan of certain other grant proceeds (the "TBRA Loan") to the Developer, as evidenced by a Loan Agreement Regarding Metropolitan Council Grant (the "Loan Agreement"), a promissory note, and a leasehold mortgage (the "Mortgage," together, the "Loan Documents"); and

WHEREAS, Wells Fargo Bank, National Association (the "Lender") provided financing to the Developer for the construction of the Minimum therewith and in connection therewith the Developer, the Lender, and the REDA entered into a Master Subordination Agreement and Estoppel Certificate, dated November 18, 2021, which subordinated certain of REDA's rights under the Loan Documents to the Lender (the "Subordination Agreement"); and

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47 WHEREAS, the Developer has proposed making and filing a new plat of the Property
48 in order to construct additional improvements on the Property; and
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50 WHEREAS, replatting the Property will modify the Property's legal description,
51 requiring amendments to the Loan Documents including a First
52 Amendment to Leasehold Mortgage, Assignment of Rents, Security
53 Agreement, a Fixture Financing Statement (the "First Amended
54 Mortgage"), a First Amendment to Loan Agreement Regarding
55 Metropolitan Council Grant (the "First Amended Loan Agreement"), and
56 a First Amendment to Contract for Private Development (the "First
57 Amended Contract" together with the First Amended Mortgage, and the
58 First Amended Loan Agreement, the "First Amended Documents"); and
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60 WHEREAS, REDA's Board and legal counsel have reviewed the Consent and the First
61 Amended Documents and find that the approval and execution of the First
62 Amended Documents are in the best interest of the REDA and its residents.
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64 NOW, THEREFORE, BE IT RESOLVED, that the First Amended Documents as
65 presented to the Board are hereby in all respects approved, in substantially
66 the forms submitted, together with any related documents necessary in
67 connection therewith including but not limited to any amendments to the
68 Subordination Agreement and a consent to the new plat (collectively, the
69 "Development Documents") and the President and Executive Director are
70 hereby authorized and directed to execute the Development Documents on
71 behalf of the REDA and to carry out, on behalf of the REDA, the REDA's
72 obligations thereunder. The President and Executive Director are hereby
73 authorized and directed to execute any such Development Documents as
74 may be deemed necessary and appropriate and approved by legal counsel to
75 the REDA and by the Executive Director.
76

77 BE IT FURTHER RESOLVED that the approval hereby given to the Development
78 Documents includes approval of such additional details therein as may be
79 necessary and appropriate and such modifications thereof, deletions
80 therefrom and additions thereto as may be necessary and appropriate and
81 approved by legal counsel to the REDA and by the President and Executive
82 Director prior to executing said documents; and said officers are hereby
83 authorized to approve said changes on behalf of the REDA. The execution of
84 any instrument by the President and Executive Director shall be conclusive
85 evidence of the approval of such document in accordance with the terms
86 hereof. In the event of absence or disability of said officers, any of the
87 documents authorized by this Resolution to be executed may be executed
88 without further act or authorization of the Board by any duly designated
89 acting official, or by such other officer or officers of the Board as, in the
90 opinion of the REDA Attorney, may act in their behalf.
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93 BE IT FURTHER RESOLVED that REDA staff and consultants are authorized to take
94 any actions necessary to carry out the intent of this resolution.

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98 The motion for the adoption of the foregoing resolution was duly seconded by Member

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100 , and upon a vote being taken thereon, the following voted in favor thereof:

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102 and the following voted against the same:

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104 WHEREUPON said resolution was declared duly passed and adopted.

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Certificate

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I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and special meeting thereof on July 18, 2022.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ___ day of July, 2022.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority

**FIRST AMENDMENT TO
CONTRACT FOR PRIVATE DEVELOPMENT**

THIS FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT, made on or as of the ____ of _____, 2022, by and among ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (the “Authority”); and ROSEVILLE EDISON II, LLC, a Minnesota limited liability company (the “Owner”); and ROSEVILLE HOUSING GROUP II, LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the parties entered into the Agreement dated as of July 19, 2021, recorded on November 19, 2021, as Document No. A04920219, in the Office of the County Recorder of Ramsey County, Minnesota; and

WHEREAS, Owner and Developer hereby agree to amend and restate the Development Property described in the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. The parties hereby agree to amend and restate the land described in Schedule A of the Agreement with the land described on Schedule A attached hereto and incorporated herein by this reference. All references to the term “Development Property” in the Agreement shall refer the real property described on Schedule A attached hereto.

[The remainder of this page has been left blank intentionally.]

[Signature page to follow]

IN WITNESS WHEREOF, the Authority has caused this First Amendment to be duly executed in its name and behalf and its seal to be hereunto duly affixed and Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ of _____, 2022, by Dan Roe and Patrick Trudgeon, the President and Executive Director, respectively, of the Roseville Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public

OWNER:

ROSEVILLE EDISON II, LLC

By: ROSEVILLE HOUSING GROUP II, LLC, its
Manager

By _____
Its Secretary/Treasurer

STATE OF MINNESOTA)
) SS.
COUNTY OF STEARNS)

The foregoing instrument was acknowledged before me this _____ of _____, 2022, by Jamie J. Thelen, the Secretary/Treasurer of Roseville Housing Group II, LLC, a Minnesota limited liability company, as Manager of Roseville Edison II, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

DEVELOPER:

ROSEVILLE HOUSING GROUP II, LLC

By _____
Its Secretary/Treasurer

STATE OF MINNESOTA)
) SS.
COUNTY OF STEARNS)

The foregoing instrument was acknowledged before me this _____ of _____, 2022, by Jamie J. Thelen, the Secretary/Treasurer of Roseville Housing Group II, LLC, a Minnesota limited liability company.

Notary Public

This document was drafted by:
KENNEDY & ORA VEN, Chartered (MNI)
150 South 5th Street, Suite 700
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

Schedule A

DEVELOPMENT PROPERTY

That part of the following described property having a street address of 3080 Old Highway 8:

Lot 2, Block 1, Edison Addition, according to the plat thereof recorded in Office of the County Recorder of Ramsey County, Minnesota.

**FIRST AMENDMENT TO
LOAN AGREEMENT REGARDING METROPOLITAN COUNCIL GRANT**

This FIRST AMENDMENT TO THE LOAN AGREEMENT REGARDING METROPOLITAN COUNCIL GRANT (this “Amendment”) is made this __ day of July, 2022, by and between the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the state of Minnesota (“REDA”), and Roseville Edison II, LLC, a Minnesota limited liability company (the “Borrower”).

RECITALS

A. REDA and the Borrower entered into a Loan Agreement, dated November 18, 2021 (the “Agreement”), pursuant to which the Borrower agreed to complete certain soil remediation activities on property described in Exhibit A of the Agreement (the “Property”).

C. The Property is being platted, which will modify the Property’s legal description.

E. To accurately reflect the Property’s revised legal description, REDA and the Borrower now desire to amend the Agreement.

NOW, THEREFORE, in consideration for the promises of this Amendment and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **Amendment to Exhibit A of Agreement.** Exhibit A of the Agreement is deleted in its entirety and is replaced with the amended Exhibit A attached hereto.
2. **Agreement in Full Force and Effect.** Except as amended by this Amendment, the Agreement shall remain in full force and effect.
3. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

(The remainder of this page is intentionally left blank.)

EXHIBIT A

Property

That part of the following described property:

Lot 2, Block 1, Edison Addition, according to the plat thereof recorded in Office of the County Recorder of Ramsey County, Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director

ROSEVILLE EDISON II, LLC,
a Minnesota limited liability company

By: Roseville Housing Group II, LLC,
a Minnesota limited liability company
Its: Manager

By: _____
Name: Jamie J. Thelen
Title: Secretary/Treasurer

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX IMPOSED BY MINNESOTA STATUTES §287.035, PURSUANT TO MINNESOTA STATUTES §287.04, BECAUSE THE PRINCIPAL AMOUNT OF THE ORIGINAL MORTGAGE LOAN REFERRED TO HEREIN IS MADE UNDER A LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM.

**FIRST AMENDMENT TO
LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT, AND FIXTURE FINANCING STATEMENT**

FOR VALUE RECEIVED, dated this [_____], 2022, ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (“Mortgagee”) as the owner and holder of that certain Mortgage executed by ROSEVILLE EDISON II, LLC, as Mortgagor, dated as of November 18, 2021, and recorded on November 19, 2021, as Document No. A04920220, in the Office of the County Recorder of Ramsey County, Minnesota (“Mortgage”), seeks to amend the Mortgage as follows:

1. Mortgagee and Mortgagor hereby agree to amend and restate the land described in Exhibit A of the Mortgage with the land described on Exhibit A attached hereto and incorporated herein by this reference. All references to the term “Land” in the Mortgage shall refer the real property described on Exhibit A attached hereto.
2. Mortgagee does hereby release and discharge from the lien of said Mortgage that portion of the mortgaged property that is not part of the real property described on Exhibit A attached hereto. This partial release shall not impair the lien of said Mortgage as to any portion of the mortgaged property therein described and not hereby released.

[The remainder of this page has been left blank intentionally.]

[Signature page to follow]

IN WITNESS WHEREOF, this Mortgage has been duly executed and delivered as of the date first above written.

MORTGAGOR

ROSEVILLE EDISON II, LLC,
a Minnesota limited liability company

By: Roseville Housing Group II, LLC,
a Minnesota limited liability company
Its: Manager

By: _____
Name: Jamie J. Thelen
Title: Secretary/Treasurer

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this [] day of [] 2022, by Jamie J. Thelen, the Secretary/Treasurer of Roseville Housing Group II, LLC, a Minnesota limited liability company, the Manager of Roseville Edison II, LLC, a Minnesota limited liability company, on behalf of said company.

Notary Public

This document was drafted by:
ROSEVILLE EDISON II, LLC
366 South Tenth Avenue
Waite Park, Minnesota 56387
Telephone: 320-202-3100

Exhibit A to TBRA Mortgage

Land Legal Description

That part of the following described property:

Lot 2, Block 1, Edison Addition, according to the plat thereof recorded in Office of the County Recorder of Ramsey County, Minnesota.