



Staff Report

Issue: - Request for First Amendment to Development Agreement – Executive Express Development Agreement and TIF Package

BACKGROUND

City staff, along with Larry Logeman of Executive Express, are requesting review and approval of first amendment to development agreement regarding payment schedule of the previously-approved TIF package for the property and project.

Due to the schedule of the previously-completed work and the timing of the Assessor’s office review of the property to determine valuation, the property has not been eligible for increment payment until now, while previous agreement anticipated earlier twice-annual increment payment dates.

The proposed revisions would not change the overall approved payments but would only revise the schedule to start payments in March of 2021 and extend through February 2028.

Staff is supportive of the request for first amendment to development agreement and has coordinated with Tammy Omdal with Northland Securities and Mary Ippel of Taft Law (formerly Briggs-Morgan) regarding the request and they have no concerns with it.

Recommended Action

Approval of the first amendment to development agreement as proposed.

Council member _____ moved to approve OR deny as presented OR with the following revisions: _____

Council member _____ seconded the motion.



ROLL CALL

Councilmember Michael Linquist _____
Councilmember Vic Schulz _____
Councilmember Frank Theisen _____
Councilmember Ken Schmitt _____
Mayor Richard Miller _____

Motion (Approved) (Denied)

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (the "Amendment"), dated as of the 1st day of February, 2021, by and between the CITY OF WAITE PARK, MINNESOTA (the "City"), a municipal corporation and political subdivision of the State of Minnesota, and Loghouse Properties, LLC, a Minnesota limited liability company (the "Developer") and Loghouse Enterprises, Inc., a Minnesota corporation (the "Tenant").

WITNESSES:

WHEREAS, the City, the Developer and the Tenant entered into a Development Agreement dated as of October 1, 2017 (the "Development Agreement") relating to the acquisition and development of certain real property; and

WHEREAS, the City, the Developer and the Tenant wish to amend the Development Agreement as provided in this Amendment; and

WHEREAS, the City, the Developer and the Tenant have both duly authorized the Amendment; and

NOW, THEREFORE, the Development Agreement is amended as provided herein.

1. Section 1.1 of the Development Agreement is amended and the definition of Note Payment Date is amended and restated as follows:

"Note Payment Date means March 1, 2021, and each August 1 and February 1 of each year thereafter to and including February 1, 2028; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;"

2. Section 2.2(9) of the Development Agreement is amended and restated as follows:

"Construction shall begin on or before August 2, 2017, and the construction of the Project will be substantially completed by July 9, 2018, subject to Unavoidable Delays."

3. EXHIBIT B, third paragraph is amended and restated as follows:

"The amounts due under this Note shall be payable on March 1, 2021, and on each August 1 and February 1 thereafter to and including February 1, 2028, or, if the first should not be a Business Day (as defined in the Development Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date, provided that the March 1, 2021 Payment Date shall be paid

from Tax Increments (hereinafter defined) received by the City in 2020. All payments made by the City under this Note shall first be applied to accrued interest and then to principal."

4. The City will not be reimbursing the Developer for the cost of the Development Property (as defined in the Development Agreement) and the references in the Development Agreement as it relates to the reimbursement of the cost of the Development Property by the City are no longer in effect.
5. Except as herein amended, all terms and provisions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the City, the Developer and the Tenant have caused this Amendment to be duly executed on the date first written above.

CITY OF WAITE PARK, MINNESOTA

By: _____
Its Mayor

By: _____
Its Administrator

This is a signature page to the First Amendment to the Development Agreement by and between the City of Waite Park, Minnesota and Loghouse Properties, LLC and Loghouse Enterprises, Inc.

LOGHOUSE ENTERPRISES, INC.

By _____

Its _____

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LOGHOUSE PROPERTIES, LLC

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RESOLUTION NO. 012521-_____
CITY OF WAITE PARK

**A RESOLUTION APPROVING FIRST AMENDMENT TO DEVELOPMENT
AGREEMENT BY AND BETWEEN THE CITY OF WAITE PARK, MINNESOTA,
LOGHOUSE PROPERTIES, LLC AND LOGHOUSE PROPERTIES INC.**

THIS INSTRUMENT DRAFTED BY:
Jonathan Noerenberg
Planning & Community Development Director
City of Waite Park
19-13th Ave N, PO Box 339
Waite Park, MN 56387
Telephone: (320) 656-8936
E-mail: jon.noerenberg@ci.waitepark.mn.us

RESOLUTION NO. 012521-_____
CITY OF WAITE PARK

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CITY OF WAITE PARK, MINNESOTA

By: _____
Its Mayor

By: _____
Its Administrator

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LOGHOUSE ENTERPRISES, INC.

By _____

Its _____

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LOGHOUSE PROPERTIES, LLC

By _____

Its _____

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ADOPTED by the Waite Park City Council 25th day of January 2021.

CITY OF WAITE PARK

By _____
Richard E. Miller
Mayor

Attest:

By _____
Shaunna Johnson
City Administrator-Clerk-Treasurer

ACTION ON THIS RESOLUTION

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted: January 25, 2021

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Waite Park, Minnesota, at a duly authorized meeting held on January 25, 2021.

CITY OF WAITE PARK

By _____
Shaunna Johnson
City Administrator-Clerk-Treasurer

STATE OF MINNESOTA)
) ss.
COUNTY OF STEARNS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by Richard E. Miller, Mayor, and by Shaunna Johnson, City Administrator-Clerk-Treasurer, of the City of Waite Park, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by the City Council.

(STAMP)

Notary Public