

**LINO LAKES
ECONOMIC DEVELOPMENT AUTHORITY
Work Session**

Monday, December 5, 2022
5:30 P.M.
Community Room

1. Call to Order and Roll Call
2. Consideration of Minutes: None.
3. Discussion Items
 - A. Discuss proposed Amendments to Purchase and Development Agreement with Silver Creek Equity, LLC. , Lots 1-3, Block 2, Outlot B & C, The Village No. 4.
4. Adjourn

ECONOMIC DEVELOPMENT AUTHORITY
Work Session
Agenda Item 3A

STAFF ORIGINATOR: Michael Grochala

MEETING DATE: December 5, 2022

TOPIC: Amend Purchase and Sale Agreement with Silver Creek Equity, LLC, Michael Grochala

VOTE REQUIRED: Simple Majority.

Background

In June, the City's Economic Development Authority (EDA) approved the purchase agreement (PA) with Silver Creek Equity (Developer) for the acquisition of 6.27 acres in the Legacy at Woods Edge development. The purchase price is \$2,376,154.00.

Under the terms of the agreement the Developer is required to construct a multi-tenant retail building or restaurant prior to, or concurrent with, the multi-family building. The agreement provided Developer with a 120 day due diligence period. At such time the Developer must either terminate the agreement or deposit an additional \$40,000 in earnest money.

To date, the Developer has not been able to secure any firm retail/restaurant commitments. Without a commitment they are not willing to proceed with construction of a speculative commercial building on the site. However, they would like to move forward with the development of the multi-family building. The Developer has developed a conceptual elevation of the proposed residential project and site plan.

The Developer is requested an amendment to the PA that would allow for construction of a market rate multi-family building prior to retail/restaurant construction. The building would not be age-restricted. The developer also requested EDA consideration to place a time limit on the requirement for retail/restaurant on the balance of the site.

The request was discussed at the November 7, 2022 work session. While there was support for allowing the multi-family to proceed, the timeline to limit the commercial requirement to three years was considered too short. On November 14, 2022 the EDA extended the due diligence period for 45 days to allow time for further discussion on proposed changes.

The EDA discussed a possible amendment that would include a deed restriction limiting the use of property to those commercial uses currently allowed in the Planned Unit Development Ordinance. This clause would be in effect for a period of five years from the date of occupancy of the first multi-family building. This would effectively require 7 years from the start of construction before the EDA would release the commercial use restriction on the balance of the site.

After seven years the deed restriction would be extinguished. At that time the Developer would still be required to request that the City, as the land use authority, amend the Planned Unit Development to allow uses other than what is currently listed. As with any zoning amendment, this would still require a public hearing, review by Planning & Zoning Board, and adoption of an ordinance amendment by the City Council.

As an alternative the development team has proposed an amendment that would allow additional time to seek a commercial user before expiration of the agreement. Under this scenario the EDA could consider replacing the second \$40,000 earnest money deposit with an option to extend the due diligence period. The agreement would be amended to allow up to eight (8), three (3) month extensions to the due diligence period. An earnest money deposit of \$5,000 would be required with each extension. The earnest money would be applied towards payment of the purchase price. However, if buyer does not proceed with the project only half of the earnest money would be refundable.

EDAC Consideration

The EDAC discussed the proposed changes at their December 1, 2022 meeting and recommended moving forward with the multi-family building construction with the expectation that it would help drive potential commercial development.

Requested EDA Direction

Staff is requesting EDA direction on a preferred option:

Option 1: No change to the purchase agreement. The due diligence period will expire on January 6, 2023. The buyer will need to deposit \$40,000 in earnest money by that date or terminate the agreement. If buyer moves forward they would have until April 27, 2023 to complete the entitlements process and close on the property. This would require construction of a retail or restaurant building (with tenant or speculative), prior to construction of the multi-family building. The EDA may grant extension to entitlements process if necessary.

Option 2: Amend the purchase agreement to allow the multi-family building to proceed without prior or concurrent construction of retail/restaurant building. This would include a deed restriction on the commercial portion of the property to limit consideration of a use change for a period of 7 years. Timeline of entitlements process and closing date would likely require extension.

Option 3: Amend purchase agreement to allow for extensions to due diligence period with additional, partially non-refundable, earnest money deposits. All other restrictions of the existing purchase agreement would remain in place including construction of retail/restaurant building prior to or concurrent with construction of the multi-family building. Timeline of entitlements process and closing date would need to be adjusted based on extensions.

Based on the direction provided staff is prepared to have an agreement available for consideration on December 12, 2022.

ATTACHMENTS

1. Concept Plan

LINO LAKES MIXED USE

PROPOSAL OVERVIEW

Building A- Total SF:	217,450 SF
Building A- Total Finished SF:	172,100 SF
Garage SF:	45,350 SF
Level 1 SF:	45,350 SF
Level 2 SF:	43,350 SF
Level 3 SF:	43,350 SF
Level 4 SF:	40,050 SF

Unit Estimate:	160
Total SF/Unit:	1,075 SF/Unit

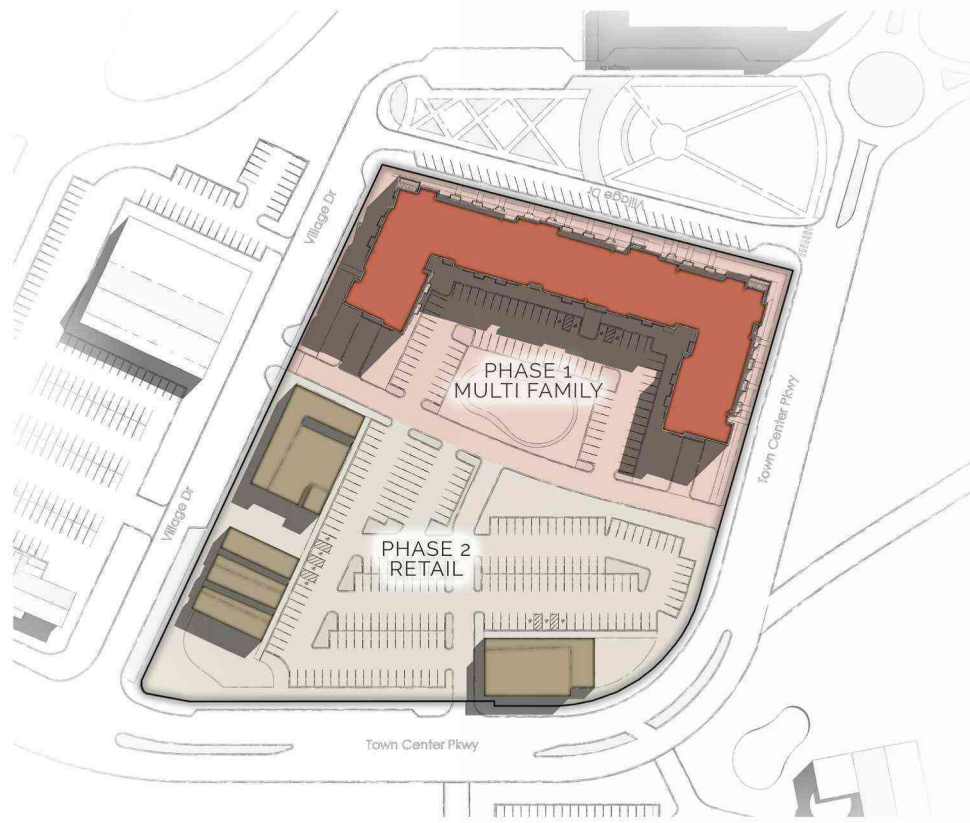
Total Parking Estimate:	482
Residential Garage:	137
Shared Surface:	278
Existing Street Parking:	67
Required Stall Size:	9' x 19'

Required Shared parking: **393**

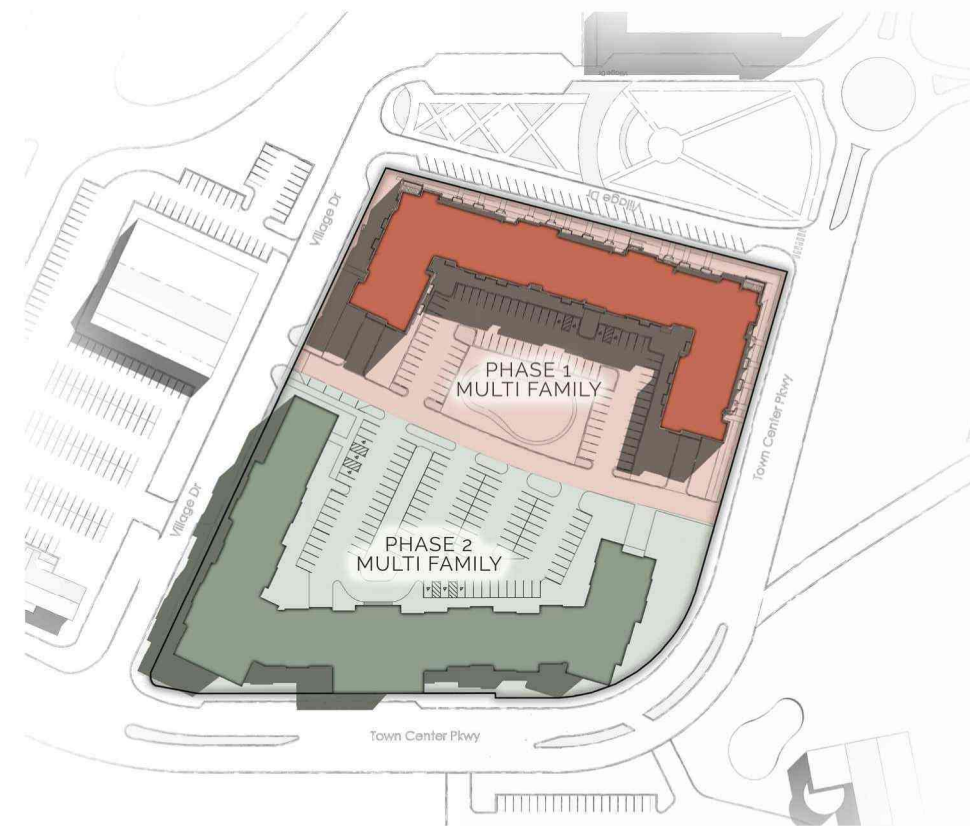
Site Information:	
Site Area (Approx):	6.27 Acres / 273,121 SF
Impervious Area:	3.53 Acres/153,915 SF (56%) (Shall not exceed 65%)

Lot Requirements:	
Building setback:	Max 5' from Property Lines

Height: Max of 45', & parapets may extend up to 10' above max height, provided they make up no more than 1/3 of the length of the buildings facade.



SITE PLAN



ALTERNATE SITE PLAN AFTER DECEMBER 31ST, 2025



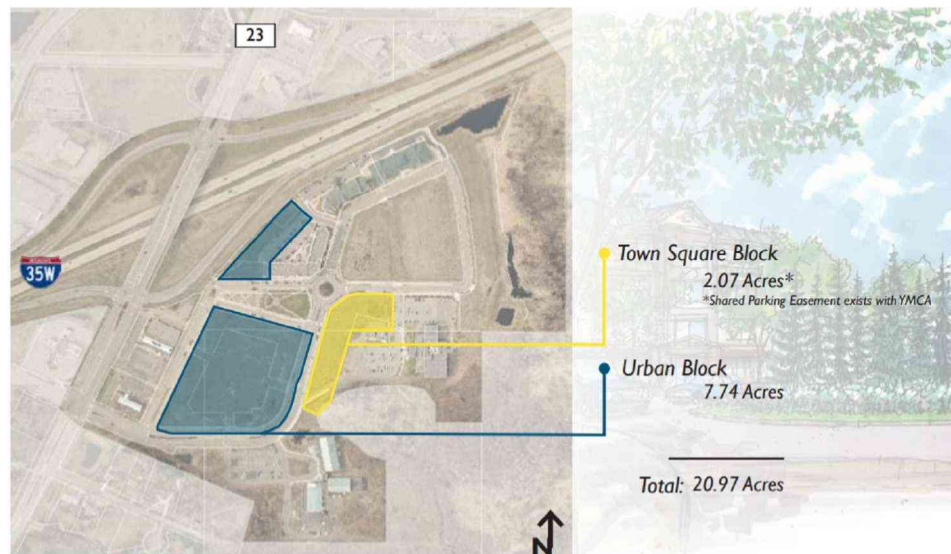
CONCEPTUAL NARRATIVE

THE LEGACY AT WOODS EDGE DEVELOPMENT SITE OFFERS A UNIQUE OPPORTUNITY AS AN URBAN BLOCK WITH ADJACENCIES TO THE RICE CREEK PARK RESERVE AND LINO LAKES COMMUNITY GREEN. ESTABLISHING AN AREA WITH THE CHARACTERISTICS OF A TRADITIONAL DOWNTOWN HAS BEEN LAID OUT BY THE CITY OF LINO LAKES AS A GOAL FOR THIS DEVELOPMENT SITE. ATTRIBUTES INCLUDE ARCHITECTURAL FEATURES AT DEFINING CORNERS, A STRONG STREETScape FACADE ESTABLISHED BY THE "BUILD-TO LINES", AND A BLEND OF RETAIL AND MIXED-USE PROGRAMMING.

UTILIZING THE EXISTING CURB CUTS AND UTILITY STUBS, A PRIMARY EAST/WEST CIRCULATION WOULD BIFURCATE THE SITE INTO DEVELOPMENT PHASES. THE CIRCULATION PATH WOULD SERVE BOTH VEHICULAR AND PEDESTRIAN TRAFFIC, AND BE ENRICHED WITH LANDSCAPE AND STORM WATER OPPORTUNITIES.

PHASE 1, THE NORTH SITE, IS ENVISIONED AS A FOUR-STORY, 155-160 UNIT MULTI-FAMILY STRUCTURE, WHICH WOULD WRAP THE NORTHERN PERIMETER OF THE SITE. CONCEPTUALLY, THE BUILDING WOULD USE AN ARTICULATED FACADE WITH ALTERNATING MATERIALS TO REINFORCE AN URBAN EDGE, AND IN A SENSE EMULATING A HISTORIC MAIN STREET CHARACTER. MATERIALS WOULD BE USED TO REINFORCE A CLASSICAL YET MODERN ORGANIZATION, AND POTENTIALLY INCLUDE ELEMENTS SUCH AS A STRONG BASE, DEFINED CORNICES, BAY WINDOWS AND WALK-UP UNIT ENTRANCES TO ACTIVATE THE STREETScape. MATERIALLY, THE CONCEPTUAL DESIGN ILLUSTRATES A COMBINATION OF BRICK MASONRY, METAL AND FIBER CEMENT SIDING.

PHASE 2, THE SOUTH SITE, IS ENVISIONED AS THREE TO FOUR COMMERCIAL OUTLOTS, WHICH WOULD PROVIDE FOR A MIX OF RETAIL AND RESTAURANT OPPORTUNITIES. TO DATE, MULTIPLE RETAIL AND RESTAURANT USERS HAVE EVALUATED THE DEVELOPMENT OPPORTUNITY ON THIS SITE, BUT NO COMMITMENTS HAVE BEEN MADE. WHILE ONGOING EFFORTS WILL BE MADE TO SECURE RETAIL TENANTS, THE PROPOSAL AT HAND SUGGESTS A SECOND PHASE OF MULTI-FAMILY DEVELOPMENT IF THE RETAIL VISION FAILS TO MATERIALIZE.



GRAPHIC FROM THE 2016 REVISED LEGACY AT WOODS EDGE BROCHURE



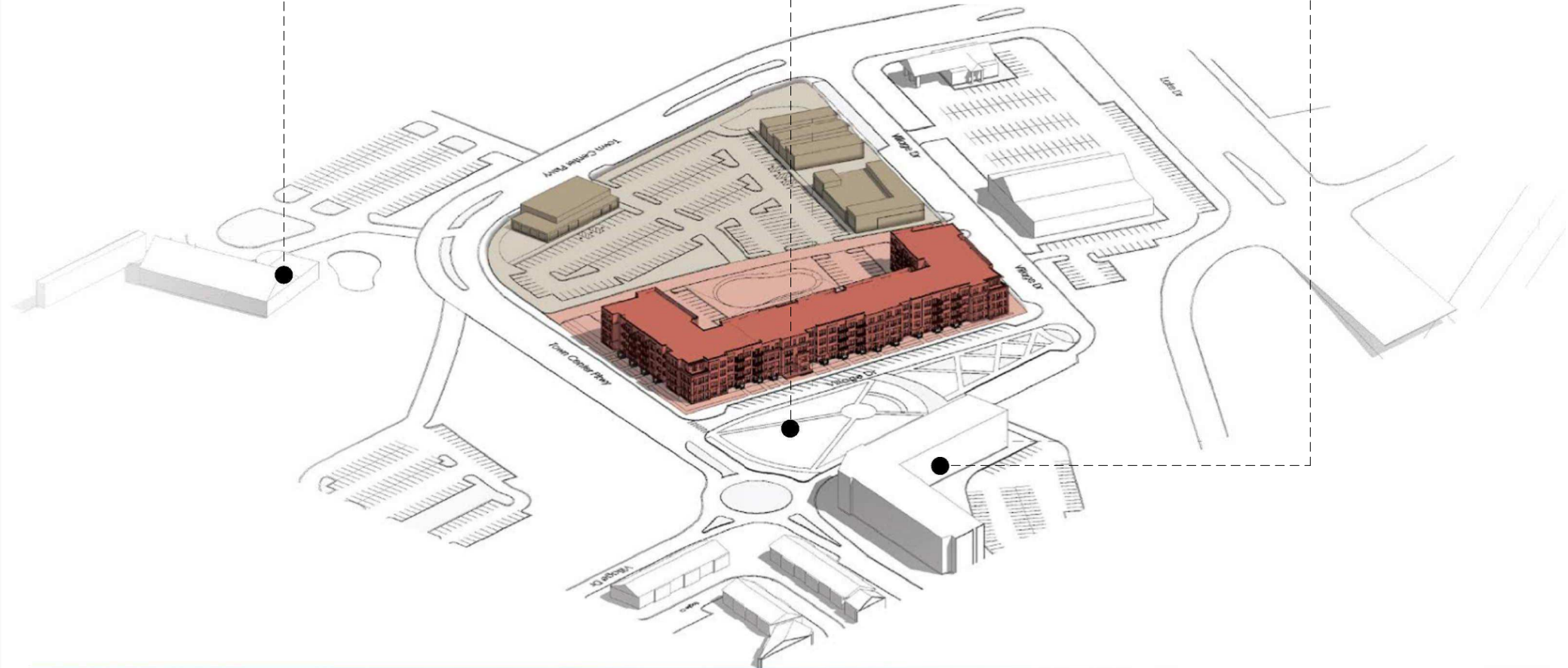
CITY HALL/ PUBLIC WORKS/ POLICE STATION



COMMUNITY GREEN



LAKWOOD APARTMENTS & COMMERCIAL SPACE



NORTH ELEVATION OF THE MULTI-FAMILY BUILDING



PRECEDENT IMAGERY (FROM TOP)- HIGHLAND BRIDGE TOWNHOMES, 610 WEST, CW LOFTS



CONCEPTUAL RENDERING OF THE INTERSECTION AT VILLAGE DR. & TOWN CENTER PKWY (TOP) & AERIAL FROM WEST SITE ENTRANCE (BOTTOM)