

President/Treasurer:
Mark Steffenson
Vice President/Assistant Treasurer:
Judy Hanson
Secretary:
Heidi Nelson
Commissioners:
Kristy Barnett
Kristy Janigo
Rachelle Johnson



**Economic Development Authority
Agenda
May 1, 2023**

Address:
12800 Arbor Lakes Pkwy
Maple Grove, MN 55369

Phone:
763-494-6000

Website:
maplegrovern.gov

CALL TO ORDER

1. REGULAR ITEMS

A. Minutes - Economic Development Authority Meeting Minutes

Documents:

[March 20, 2023 Economic Development Authority meeting minutes.pdf](#)

B. Arbor Lakes Business Park Building 7 TIF Consent To Assignment Of Payments

Documents:

[CAF - Arbor Lakes Business Park building 7 TIF consent to assignment of payments.pdf](#)
[Attachment A - Consent to Assignment for Arbor Lakes Business Park Building 7.pdf](#)

ADJOURNMENT

Motion by _____ seconded by _____ to adjourn.

Meeting adjourned at _____.

Maple Grove Economic Development Authority

DRAFT meeting minutes

March 20, 2023

DRAFT

(Delete this when final edits are complete)

Call to order

Pursuant to call and notice thereof, an Economic Development Authority meeting of the Maple Grove City Council was held at 7:30 p.m. on March 20, 2023 at the Maple Grove Government Center/Public Safety Facility, Hennepin County, Minnesota.

Members present were President Mark Steffenson, Vice President Judy Hanson, Secretary Heidi Nelson, Commissioners Kristy Barnett, Kristy Janigo and Rachelle Johnson. Absent was none. Present also were Joe Hogeboom, Community and Economic Development Director; Brett Angell, Assistant Community and Economic Development Director; Peter Vickerman, Planning Manager; Ken Ashfeld, Director of Public Works/City Engineer; and Justin Templin, City Attorney.

President Steffenson called the meeting to order at 8:03 p.m.

Oaths of office

City Attorney Templin administered the oaths of office to President Mark Steffenson, Vice President Judy Hanson, Commissioner Kristy Barnett, Commissioner Kristy Janigo and Commissioner Rachelle Johnson.

Consent items

- A. Economic Development Authority annual appointments.
- B. Minutes – December 19, 2022.

Motion by Vice President Hanson, seconded by Commissioner Barnett, to approve the consent items as presented. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

Arbor Lakes Business Park 5-7 Gravel Mining Area TIF development agreements

Assistant Community and Economic Development Director Angell discussed the Arbor Lakes Business Park 5-7 Gravel Mining Area TIF Development Agreements. He noted the three buildings have approximately 510,000 square feet with buildings 5 and 6 containing 230,000 each with building 7 having 106,000 square feet for a med tech user. It was noted the developer has requested TIF assistance for this project

with building 5 receiving \$965,000, building 6 receiving \$958,000 and \$504,000 for building 7. Staff commented further on the TIF development agreements and recommended approval.

Joe Bergman, Endeavor Development, thanked the EDA for their continued support. He explained these projects would not be moving forward without EDA assistance.

Motion by Vice President Hanson, seconded by Commissioner Janigo, to open the public hearing. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

President Steffenson opened the public hearing at 8:15 p.m. and asked if anyone would like to address this issue.

No public testimony was offered.

Motion by Vice President Hanson, seconded by Commissioner Barnett, to close the public hearing at 8:16 p.m. Upon call of the motion by Mayor Steffenson, there were five ayes and no nays. Motion carried.

Motion by Vice President Hanson, seconded by Commissioner Johnson, to approve the Arbor Lakes Business Park 5-7 Gravel Mining Area TIF development agreements. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

Adjournment

Motion by Commissioner Barnett, seconded by Vice President Hanson, to adjourn to the City Council meeting. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

The meeting was adjourned at 8:16 p.m. by President Steffenson.

Respectfully submitted,

Heidi Nelson
EDA Secretary



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

MEETING DATE: May 1, 2023

PREPARED BY: Brett Angell, Assistant Community & Economic Development Director

AGENDA ITEM: Arbor Lakes Business Park building 7 TIF consent to assignment of payments

PREVIOUS ACTIONS:
None.

RECOMMENDED ECONOMIC DEVELOPMENT AUTHORITY ACTION:

Motion to approve the Consent to Assignment of Payments for the tax increment revenue notes related to Arbor Lakes Business Park, building 7.

COMMENTS:

On March 20, 2023, the Economic Development Authority and City Council approved the use of Tax Increment Financing for the construction of Arbor Lakes Business Park buildings five through seven and subsequently entered into a TIF Development Agreement for all three buildings. Grading and construction of these buildings is anticipated to begin by early spring and would be completed in early 2024.

The TIF Note related to the three buildings will be issued upon completion of construction and the developer meeting any obligations that are defined in the TIF Development Agreement and with review by the City Attorney.

The developer is seeking to enter into Collateral Assignment of Interest for the TIF Notes related to building 7 with North American Banking Company, lender for this development. This assignment is subject to the consent of the EDA. Attached is a Consent of Assignments for the building. The proposed collateral assignment or consent related to the assignment does not influence or affect any obligations of the developer as defined in the TIF Development Agreements nor does it pose any risk for the city.

The developer is not requesting a collateral assignment for buildings 5 and 6 at this time due to having a different primary lender, but it may be sought after in the future.

ATTACHMENTS:

Attachment A: Consent to Assignment for Arbor Lakes Business Park Building 7

**COLLATERAL ASSIGNMENT OF INTEREST IN
TAX INCREMENT REVENUE NOTE**

THIS COLLATERAL ASSIGNMENT OF INTEREST IN TAX INCREMENT REVENUE NOTE (this “**Assignment**”) is made as of April ____, 2023, by and between ARBOR LAKES BUILDING 7, LLC, a Delaware limited liability company (hereinafter referred to as “**Assignor**” or “**Borrower**”), and NORTH AMERICAN BANKING COMPANY, a Minnesota banking corporation (hereinafter referred to as “**Lender**”).

RECITALS

On March 21, 2023, Lender made a loan to Borrower up to the principal amount of \$13,585,780.00 (the “**Loan**”) pursuant to the terms and conditions contained in that certain Construction Loan Agreement by and between Borrower and Lender dated March 21, 2023, (the “**Loan Agreement**”).

The Loan is evidenced by that certain Real Estate Promissory Note dated March 21, 2023, executed by Borrower to and in favor of Lender in the principal amount of \$13, 585,780.00 (the “**Note**”).

Borrower is using the proceeds of the Loan to acquire and develop certain real property located off Fountains Drive in the City of Maple Grove, County of Hennepin, State of Minnesota, as legally described and more fully set forth in the Loan Agreement (the “**Property**”).

In relation to the Loan, Lender has agreed to make advances to Borrower up to the amount of \$13,585,780.00 to construct an approximately 106,424 sq/ft industrial building (the “**Building**”) on the Property.

The Note is secured by, *inter alia*, a Combination Mortgage, Security Agreement, and Fixture Financing Statement against the Property dated March 21, 2023, and recorded on March 24, 2023 in the office of the Hennepin County Recorder as Document No. 11189359 (the “**Mortgage**”), and this Assignment, all executed by Borrower in favor of Lender.

The Loan Agreement, the Note, the Mortgage, this Assignment, and all other documents identified in Section 1.1.31 of the Loan Agreement (as modified, supplemented and/or amended by any amendments thereto) are hereinafter collectively referred to as, the “**Loan Documents**”.

Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Agreement. In the event of any conflict between the terms hereof and the Loan Agreement, the terms and conditions of the Loan Agreement shall control. As a condition to granting the Loan, Lender has requested Borrower to cause the execution and delivery of this Assignment.

NOW, THEREFORE, in consideration of the Loan and intending to be legally bound, Assignor does hereby covenant, agree, warrant, represent, assign, set over and transfer, to the extent assignable and transferable, as set forth herein:

1. The Economic Development Authority in and for the City of Maple Grove, Minnesota (the “**Authority**”), will issue a Tax Increment Revenue Note, up to the principal amount

of \$504,000.00 (the “**TIF Note**”) upon compliance by the Borrower with the provisions of that certain Development Agreement dated March 20, 2023, between the Authority and Borrower, and all amendments thereto and assignments thereof (collectively, the “**Development Agreement**”). The TIF Note shall be the subject of this Assignment. On or after the issuance date of the TIF Note, Borrower shall promptly deliver the original of the TIF Note to Lender. If the TIF Note is not issued and delivered to Lender, as provided in this Section 1, by no later than December 31, 2024, subject to extension in the event of delay by the Authority, which delay may only be approved by Lender in its sole discretion, then it shall be an Event of Default hereunder and Lender shall be entitled to all rights and remedies available to it pursuant to Section 6 herein.

2. Assignor hereby assigns, transfers and sets over unto Lender all of its current and future right, title and interest, in and to the TIF Note, and all rights and benefits therefrom, including, without limitation, rights to payments as set forth in Section 3 below, as security for the full, timely and faithful repayment by Borrower of the Loan, and performance by Borrower of its obligations under the Loan Documents. As further security to Lender, Assignor hereby assigns, transfers and sets over unto Lender, a first security interest in all of its right, title and interest pursuant to Sections 3.1 – 3.3 of the Development Agreement and all other provisions and terms of the Development Agreement as they relate to the TIF Note, including the specimen TIF Note contained on Exhibit B attached to the Development Agreement, as security for the full, timely and faithful repayment by Borrower of the Loan, and performance by Borrower of its obligations under the Loan Documents. Borrower hereby agrees to execute such additional documentation as required by Lender in order to give full force and effect to such assignment to Lender of the TIF Note and relevant portions of the Development Agreement.

3. Commencing on the date hereof, and continuing until the earlier of the date the Notes are paid in full, or March 21, 2028 (the “**Maturity Date**”), or payment in full of the TIF Note, whichever shall first occur, all payments made by the Authority under the TIF Note, shall be deposited by Borrower into a deposit account held by Borrower at Lender (the “**Account**”). Upon the occurrence of Event of Default (as defined in the Loan Agreement), Lender shall automatically be authorized to apply monies from the payments under the TIF Note deposited in the Account against the Notes as and when due pursuant to the terms of the Notes. The affidavit or written statement of an officer, agent or attorney of Lender stating that Lender is exercising its right to payments under the TIF Note or this Assignment shall constitute conclusive evidence thereof, and the Authority or other persons are authorized and directed to rely thereon.

4. Assignor agrees to faithfully observe and perform all of the obligations and agreements imposed upon it under the TIF Note and Development Agreement, subject to Assignor’s right to reasonably contest observance/performance.

5. Lender will not be deemed in any manner to have assumed any of the obligations related to the TIF Note or the Development Agreement, nor shall Lender be liable to the Authority by reason of any default by any party under the TIF Note or the Development Agreement. Borrower agrees to indemnify and to hold Lender harmless of and from any and all liability, loss or damage which it may or might incur by reason of any claims or demands against it based on its alleged assumption of Assignor’s duty and obligation to perform and discharge the terms, covenants and agreements in the TIF Note or Development Agreement.

6. Whenever an Event of Default (as defined in the Loan Agreement) exists:

a. Lender may elect to exercise any and all of Assignor's rights and remedies under the TIF Note or such rights assigned hereunder to Lender under the Development Agreement regarding the TIF Note, without any interference or objection from Assignor, and Assignor shall cooperate in causing the Authority to comply with all the terms and conditions of the TIF Note or the Development Agreement.

b. Lender may exercise Assignor's rights under the TIF Note or such rights assigned hereunder to Lender under the Development Agreement regarding the TIF Note, and perform all acts in the same manner and to the same extent as Assignor might do. In connection with any and all of the foregoing powers, and without limiting the same, Lender may amend the terms of and make concessions to the Authority.

c. Lender may exercise any remedies provided to it in the Loan Agreement or Loan Documents.

7. All of the foregoing powers herein granted to Lender shall be liberally construed. Lender need not expend its own funds in the exercise of such power, but if it does, such amounts shall be considered as advances for and on behalf of Borrower secured by this Assignment and evidenced by the Notes and secured by other Loan Documents. Any amounts so advanced shall bear interest at the then current rate prescribed in the Notes.

8. Nothing herein contained shall be construed as constituting a waiver or suspension by Lender of its right to enforce payment of the debts under the terms of the Notes, the Loan Agreement or other Loan Documents. Lender is not the agent, partner or joint venturer of Borrower, Assignor, any Guarantor or the Authority.

9. This Assignment may be enforced from time to time by Lender at its discretion, with or without order of any court, as Lender shall determine. Lender may also, at any time, cease to enforce this Assignment. Any failure on the part of Lender promptly to exercise any option hereby given or reserved shall not prevent the exercise of any such option at any time thereafter. Lender may pursue and enforce any remedy or remedies accorded it herein independently of, in conjunction or concurrently with, or subsequent to its pursuit and enforcement of any remedy or remedies which it may have under the Notes, the Loan Agreement and/or other Loan Documents.

10. Assignor warrants and represents to Lender that:

a. It has the right to exercise and deliver this Assignment. The execution of this Assignment and performance and observance of its terms hereof have been duly authorized by necessary company action and do not contravene or violate any provision of Assignor's organizational documents.

b. The outstanding principal balance on the TIF Note as of the date of issuance shall be up to the principal amount of \$504,000.00, together with interest at the lesser of 6.00% per annum or the rate of interest on the Note from and after the date of issuance.

c. It has made no prior assignments of the TIF Note.

d. To Assignor's knowledge, the Development Agreement is in full force and effect on the date hereof, subject to no defenses, setoffs or counterclaims whatsoever.

e. To Assignor's knowledge, there exists no event, condition or occurrence which constitutes, or which with notice and/or the passage of time would constitute, a breach of or default under any terms or conditions of any of the TIF Note or the Development Agreement. Assignor also hereby covenants and agrees not to do any act which would destroy or impair the security to Lender of this Assignment.

f. Assignor has filed all tax returns required to be filed and either paid all taxes shown thereon to be due, including interest and penalties, which are not being contested in good faith and by appropriate proceedings, and Assignor has no knowledge of any objections or claims for additional taxes in respect to federal tax or excise profit tax returns for prior years.

11. When the context so requires, the singular shall include the plural and conversely, and use of any gender shall include all genders.

12. This Assignment shall be governed by and be construed in accordance with the laws of the State of Minnesota. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Assignment shall be prohibited by or be invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Assignment.

13. Any notices required or contemplated hereunder shall be effective upon two (2) business days after placing thereof in the United States mail, certified mail and with return receipt requested, postage prepaid, and addressed as follows:

If to Assignor at: Arbor Lakes Building 7, LLC
200 Southdale Center
Minneapolis, Minnesota 55435
Attn: Josh Budish

If to Lender at: North American Banking Company
2230 Albert Street
Roseville, Minnesota 55113
Attn: Justin Adducci

With a copy to: Mary Ippel
Taft, Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

or to such other address specified in writing by one party to the other upon ten (10) days advance written notice in accordance herewith.

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TO FOLLOW

IN WITNESS WHEREOF, Assignor / Borrower has caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR / BORROWER:

ARBOR LAKES BUILDING 7, LLC,
a Delaware limited liability company

By: _____

Joshua Budish

Its: Authorized Signer

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____ day of April, 2023, by Joshua Budish, as the Authorized Signer of Arbor Lakes Building 7, LLC, a Delaware limited liability company, on behalf of the limited liability company.

Notary Public

This is a signature page to that certain Collateral Assignment of Interest in Tax Increment Revenue Note dated effective April ____, 2023.

**CONSENT TO ASSIGNMENT OF PAYMENTS UNDER
TAX INCREMENT REVENUE NOTE**

The Economic Development Authority in and for the City of Maple Grove, Minnesota (the “**Authority**”), will issue a Tax Increment Revenue Note, up to the principal amount of \$504,000.00 (the “**TIF Note**”) upon compliance by the Borrower with the provisions of that certain Development Agreement dated on or around March 20, 2023, between the Authority and ARBOR LAKES BUILDING 7, LLC, a Delaware limited liability company (“**Borrower**”), and all amendments thereto and assignments thereof (collectively, the “**Development Agreement**”). The Authority has received a Collateral Assignment of Interest in Tax Increment Revenue Note which assigns as collateral to North American Banking Company, a Minnesota banking corporation (“**North American**”), all of Borrower’s interests in the payments of Tax Increments (as defined in the Development Agreement) under the TIF Note and Borrower’s rights pursuant to Sections 3.1 – 3.3 and Exhibit B of the Development Agreement and other sections related to causing the issuance of the TIF Note. The issuance of the TIF Note is contingent on the Authority receiving evidence of eligible costs to be reimbursed by Tax Increments up to the amount of \$504,00.00. The Authority consents to such assignment pursuant to the terms of the TIF Note.

Until further notified, the Authority shall make all payments under the TIF Note to the Borrower.

THE ECONOMIC DEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
MAPLE GROVE, MINNESOTA

Sign: _____

Print Name: _____

Its: _____

Sign: _____

Print Name: _____

Its: _____

This is a signature page to that certain Consent to Assignment of Payments Under Tax Increment Revenue Note dated effective April __, 2023.