Minneapolis
Park & Recreation Board

# Resolution 2017-384

## Resolution Extending the Balloon Date for the Contract for Deed with St. Anthony Real Estate Company and 50 31St Avenue North LLC to January 2, 2020, and Extending the Leaseback Privilege of the Contract for Deed with St. Anthony Real Estate Company for 30 31St Avenue North, Unit 300, Located Within Above the Falls Regional Park, through November 15, 2019

Whereas, The Minneapolis Park and Recreation Board (MPRB) was created through an act of the Minnesota Legislature in April 1883 and has the authority to manage and operate park facilities;

Whereas, MPRB acquired 30 - 31st Avenue North, 3101 Pacific Street and 50 - 31st Avenue North on October 7, 2015, these properties being within the boundary of Above the Falls Regional Park and planned for eventual park land development;

Whereas, The purchase agreement with St. Anthony Real Estate Company and 50 - 31st Avenue North LLC (Seller) was in the form a Contract for Deed executed November 1, 2015, with a Balloon Date of November 1, 2017.

Whereas, The purchase agreement extended leaseback privileges to Andrews Inc., an umbrella company to St. Anthony Real Estate Company;

Whereas, The MPRB and Andrews Inc. executed a lease for 30 - 31st Avenue North, Unit 300, based on the provisions of the purchase agreement and commencing on October 7, 2015 and extending to October 31, 2017;

Whereas, The MPRB desires to extend the balloon payment date on the contract for deed, and the Seller is supportive of an extension for the balloon payment date;

Whereas, The MPRB desires to extend the lease of 30 - 31st Avenue North, Unit 300 to St. Anthony Real Estate Company according to the terms of the lease extension; and

Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan, which envisions “Dynamic parks that shape city character and meet diverse community needs;”

RESOLVED, That the Board of Commissioners approve an extension of the balloon date for the contract for deed with St. Anthony Real Estate Company and 50 - 31St Avenue North LLC to January 2, 2020;

RESOLVED, That the Board of Commissioners extend the leaseback privilege of the contract for

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deed with St. Anthony Real Estate Company for 30 31St Avenue North, Unit 300, located within Above the Falls Regional Park, through November 15, 2019; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.

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TO: Administration & Finance Committee

FROM: Michael Schroeder,

DATE: November 29, 2017

SUBJECT: Resolution Extending the Balloon Date for the Contract for Deed with St. Anthony Real Estate Company and 50 31St Avenue North LLC to January 2, 2020, and Extending the Leaseback Privilege of the Contract for Deed with St. Anthony Real Estate Company for 30 31St Avenue North, Unit 300, Located Within Above the Falls Regional Park, through November 15, 2019

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**BACKGROUND**

The Minneapolis Park & Recreation Board (MPRB) acquired 30 - 31st Avenue North, 3101 Pacific Street, and 50 - 31st Avenue North (the Property), on October 7, 2015, from St. Anthony Real Estate Company and 50 - 31st Avenue North LLC (collectively the Seller), both of which are companies operating under the umbrella of Andrews Inc. The Property is within the boundary of Above the Falls Regional Park and will eventually be developed as park land.

The purchase was financed through a Contract for Deed. The Balloon Date for the Contract was November 2, 2017 (Balloon Date). MPRB and the Seller wish to extend the Balloon date to January 2, 2020 and increase the per annum interest from 1% to 4%.

The Contract for Deed between the MPRB and the Seller established a leaseback provision with Andrews Inc., commencing on the closing date and extending it until October 31, 2017. As such, the initial term of the lease ended on October 31, 2017. St. Anthony Real Estate Company (a company under Andrews Inc.) desires to extend the lease through November 15, 2019.

Due to the commencement date of the lease extension, staff requests the Board of Commissioners review this lease extension at committee and full Board at the November 29, 2017 meeting.

Legal counsel has reviewed and approved both the Contract for Deed Extension Agreement and the Lease Extension Agreement and finds it to be satisfactory as to form and legality.

**RECOMMENDATION**

Staff recommends that the Board of Commissioners approve the extension of the Balloon Date

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of the Contract for Deed for the purchase of 30 - 31st Avenue North, 3101 Pacific Street, and 50 - 31st Avenue North, located within Above the Falls Regional Park.

Staff further recommends that the Board of Commissioners approve the extension of the leaseback privilege of the purchase agreement for 30 - 31st Avenue North, Unit 300, located within Above the Falls Regional Park, through November 15, 2019.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan:

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| Vision Theme 3: | Dynamic parks that shape city character and meet diverse community needs |
| Goal: | Focused land management supports current and future generations |

**ATTACHMENTS:**

- ATTACHMENT A - Andrews Building Contract Extension Agreement NOV 2017 (PDF)
- ATTACHMENT B - Andrews Building Lease Extension Agreement - Nov 2017 (PDF)

Prepared By: Christine Downey,, Strategic Planning
Review:

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|---|---|---|
| Cindy Anderson | Completed | 11/21/2017 1:40 PM |
| Adam Arvidson | Completed | 11/21/2017 1:55 PM |
| Michael Schroeder | Completed | 11/22/2017 10:45 AM |
| Jayne Miller | Completed | 11/22/2017 10:57 AM |
| Administration & Finance Committee | Pending | 11/29/2017 5:50 PM |