



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: August 27, 2024

Subject: ACHRA Loan Agreement

The City of Spring Lake Park has been actively pursuing the redevelopment of a blighted area located at the southeast corner of Central Avenue and 85th Avenue. As part of this effort, the City has successfully negotiated a purchase agreement for a property located at 8478 Highway 65 N.E. The total purchase price for the property is anticipated to be \$650,000.

The City currently has approximately \$480,000 available from the Anoka County Housing and Redevelopment Authority (ACHRA), which will be used toward this purchase. However, there is a funding gap of \$170,000. To bridge this gap, the City has requested a loan of up to \$200,000 from the ACHRA, to be repaid through future ACHRA levy funds collected within the City. This request was approved by the ACHRA Board of Trustees on August 27, 2024.

The loan agreement, as included in the packet, outlines the terms under which the ACHRA will provide the City with an interest-free loan to complete the property purchase, with repayment to be made from future ACHRA levy funds.

Staff recommends that the City Council approve the loan agreement between the City of Spring Lake Park and the Anoka County Housing and Redevelopment Authority and authorizes the Mayor and City Administrator to execute the agreement on behalf of the City.

If you have any questions, please do not hesitate to contact me at