

LOAN AGREEMENT



This loan agreement is made by and between the City of Spring Lake Park, Minnesota (the “City”) and the Anoka County Housing and Redevelopment Authority (“ACHRA”), both political subdivisions of the State of Minnesota.

RECITALS

1. The City is a participating city within the ACHRA’s jurisdiction; and
2. The ACHRA levies a tax on all taxable properties within the City and reserves those taxes for the City to use for housing and economic development projects; and
3. The City has identified a set of four properties located at the southeast corner of Central Avenue and 85th Avenue as a blighted area and as strategic targets for redevelopment and reinvestment; and
4. The City previously purchased two of the four target properties, and it has now negotiated a purchase agreement for a third, located at 8478 Highway 65 N.E. (the “Property”); and
5. The City adopted Resolution 2024-46 requesting that the ACHRA release the current balance of the City’s levy funds to the City for use in purchasing the property; AND
6. Because the current balance of the City’s levy funds – approximately \$480,000 – is not sufficient to meet the anticipated \$650,000 purchase price for the Property, Resolution 2024-46 also requested the ACHRA issue a loan to the City of up to \$200,000, using the ACHRA’s general fund, to be repaid by future levies the ACHRA collects within the City; and
7. On August 27, 2024, the ACHRA’s Board of Trustees approved the City’s request; and
8. The parties believe that the City’s acquisition of the Property serves the public purpose of redevelopment and reinvestment within the City and is in accord with the requirements of any applicable federal, state, and local laws.

AGREEMENT

1. The recitals above are true and correct and are hereby incorporated into this agreement.
2. Purpose. The purpose of this agreement is to allow the City to purchase the Property – located at 8478 Highway 65 N.E. – using its current ACHRA levy balance and a loan made against future funds collected by the ACHRA from properties within the City so that the City can complete an economic development project at the southeast corner of Central Avenue.
3. Term. This agreement shall commence upon execution by all parties and will end upon repayment in full of the total amount loaned by the ACHRA to the City unless it is earlier terminated consistent with this agreement.
4. ACHRA Obligations. The ACHRA
 - a. Shall transfer to the City the balance of all ACHRA levy funds currently allocated to the City and available for the City’s use as of the date of the request; and
 - b. Shall provide an interest-free loan (the “Loan”) from its general fund to the City in the amount of any difference between the funds transferred under the previous paragraph (the balance of funds currently allocated to the City) and the purchase price of the Property, so long as the amount of the Loan does not exceed \$200,000.
5. City’s Obligations. The City
 - a. Shall use the funds provided under this agreement solely to purchase the Property; and
 - b. Shall not request the creation of a city housing and redevelopment authority and shall remain in the ACHRA’s taxing jurisdiction during the term of this agreement; and
 - c. Shall commit all future funds collected through the ACHRA’s levy of properties within the City to repayment of the Loan and waives any other use of those ACHRA levy funds until the Loan has been repaid in full.
6. Waiver. The waiver of any of the rights or remedies arising under this agreement on any one or more occasions by a party shall not constitute a waiver of any rights or remedies in respect to any subsequent breach of the

terms of this agreement. The rights and remedies provided or referred to in this agreement are cumulative and not mutually exclusive.

7. Severability. The provisions of this agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this agreement is for any reason held to be contrary to law, or contrary to any rule or regulation having the force and effect of law, such decisions shall not affect the remaining portions of this agreement.
8. Entire Agreement. This agreement constitutes the entire agreement between the parties and supersedes all prior written or oral negotiations with respect to the loan of funds provided herein.
9. Modification. An alteration, variation, modification, or waiver of the provisions of this agreement shall be valid only after it has been reduced to writing and duly signed by all parties.
10. Notices. All notices or communications required or permitted under this agreement shall be either hand delivered or mailed to the City or ACHRA at the following addresses:
 - a. City of Spring Lake Park
1301 – 81st Avenue N.E.
Spring Lake Park, MN 55432
Attn: City Administrator
 - b. Anoka County Housing and Redevelopment Authority
2100 Third Avenue, Anoka, MN 55303
Attn: Executive Director

[Signatures follow on next page]

The parties have executed this agreement on the dates below.

CITY OF SPRING LAKE PARK	
By: _____ ROBERT NELSON Mayor	Date: _____

CITY OF SPRING LAKE PARK	
By: _____ DANIEL R. BUCHHOLTZ City Administrator	Date: _____

ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY	
By: _____ MICHAEL R. GAMACHE Chair ACHRA Board of Trustees	Date: _____

ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY	
By: _____ TONJA WEST-HAFNER Executive Director	Date: _____

APPROVED AS TO FORM:	
By: _____ City Attorney	Date: _____

APPROVED AS TO FORM:	
By: _____ DAVID PEDERSEN Assistant Anoka County Attorney	Date: _____