

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
TUESDAY, JULY 10, 2018
1:30 PM

Chair: Linda Higgins, District 2
Vice-Chair: Debbie Goettel, District 5
Members: Mike Opat, District 1
Marion Greene, District 3
Peter McLaughlin, District 4
Jan Callison, District 6
Jeff Johnson, District 7

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1. **Approval of the Agenda**
 2. **Minutes from Previous Meeting**
 - A. 06/05/2018 HRA Meeting Minutes
 3. **Claims Register**
 - A. **18-HCHRA-0017**
Claims Register for the period ending June 20, 2018
 4. **New Business**
 - A. **18-HCHRA-0019**
Neg Lease Agmt A188897 with Gandhi Mahal LLC for rental of space at 2215 East Lake Street, Mpls, 2/1/19 – 1/31/34 (\$0 first year rent, NTE \$220,000 for building and tenant improvements); authorization to assign Lease Agmt A188897 to Hennepin County

HENNEPIN COUNTY

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MEETING MINUTES

BOARD OF HENNEPIN COUNTY COMMISSIONERS
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
TUESDAY, JUNE 5, 2018
1:30 PM

Chair: Linda Higgins, District 2
Vice-Chair: Debbie Goettel, District 5

Members: Mike Opat, District 1
Marion Greene, District 3
Peter McLaughlin, District 4
Jan Callison, District 6
Jeff Johnson, District 7

The Board of Commissioners of the Hennepin County Housing and Redevelopment Authority met in the Hennepin County Government Center on June 5, 2018. The meeting was called to order at 2:50 PM by Commissioner Linda Higgins, Chair. All Commissioners were present except Commissioner Mike Opat who was absent.

1. Approval of the Agenda

Commissioner Jeff Johnson moved to approve the agenda, seconded by Commissioner Peter McLaughlin and approved - 6 Yeas 1 Absent: Opat

2. Minutes from Previous Meeting

A. 05/08/2018 HRA Meeting Minutes

ADOPTED

Commissioner Peter McLaughlin moved to adopt the Minutes, seconded by Commissioner Debbie Goettel and approved - 6 Yeas 1 Absent: Opat

3. Claims Register

A. **18-HCHRA-0015**

Claims Register for the period ending May 14, 2018

BE IT RESOLVED, that the Claims Register for the period ending May 14, 2018 be approved/ratified.

ADOPTED

Commissioner Peter McLaughlin moved to adopt, seconded by Commissioner Debbie Goettel and approved - 6 Yeas 1 Absent: Opat

4. New Business

A. **18-HCHRA-0016**

Neg Agmt A188855 with West Hennepin Affordable Housing Land Trust for the conveyance of 9335 Russell Circle in Bloomington, 6/5/18-12/31/18, est recv \$250,000

BE IT RESOLVED, that the Executive Director be authorized to negotiate Agreement A188855 with the West Hennepin Affordable Housing Land Trust, or affiliated entity, for the conveyance of 9335 Russell Circle in the City of Bloomington for the provision of affordable housing, during the period June 5, 2018 through December 31, 2018, with an estimated receivable amount of \$250,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and all related conveyance documents on behalf of the authority; and that the Controller be authorized to accept and disburse funds as directed.

ADOPTED

Commissioner Debbie Goettel moved to adopt the Resolution, seconded by Commissioner Jan Callison and approved - 6 Yeas 1 Absent: Opat

5. Adjournment

On motion, the Hennepin County Housing and Redevelopment Authority adjourned at 2:52 PM. The next meeting of the Housing and Redevelopment Authority will be Tuesday, July 10, 2018.

Yolanda C Clark
Deputy Clerk to the Board

Contracting opportunities can be found on the Hennepin County website: www.hennepin.us

HENNEPIN COUNTY

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Housing and Redevelopment Authority Board Action Request 18-HCHRA-0017

Item Description:

Claims Register for the period ending June 20, 2018

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending June 20, 2018 be approved/ratified.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Claims Register for the period ending June 20, 2018	7/2/2018	Claims

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period Ending June 20, 2018

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	Finance and Commerce	\$ 61.61
Consulting	Ehlers	\$ 2,250.00
Consulting	The Edward Lowe Foundation	\$ 100,000.00
Other Services General	City of Minneapolis	\$ 74.99
Other Services General	Robbinsdale Economic Development Authority	\$ 9,000.00
		\$ 111,386.60

HENNEPIN COUNTY

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Housing and Redevelopment Authority Board Action Request 18-HCHRA-0019

Item Description:

Neg Lease Agmt A188897 with Gandhi Mahal LLC for rental of space at 2215 East Lake Street, Mpls, 2/1/19 – 1/31/34 (\$0 first year rent, NTE \$220,000 for building and tenant improvements); authorization to assign Lease Agmt A188897 to Hennepin County

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate Lease Agreement A188897 with Gandhi Mahal LLC for rental of approximately 4,300 square feet of space located at 2215 East Lake Street in Minneapolis, during the period February 1, 2019 through January 31, 2034, with the first year receivable amount of \$0; that Gandhi Mahal be provided an amount not to exceed \$220,000 for completion of building and tenant improvements and related construction expenses; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to assign Lease Agreement A188897 to Hennepin County upon transfer of the Human Services Center – South Minneapolis to the county; that following review and approval by the County Attorney's Office, the Chair be authorized to sign any necessary assignment documents on behalf of the Authority.

Background:

History: Resolution 14-HCHRA-0043 authorized acceptance of Hennepin County capital funding and various agreements for the acquisition and development of property located at Hiawatha Avenue and Lake Street in Minneapolis for the development of the South Minneapolis Regional Human Services Center on behalf of Hennepin County.

The Human Services Center – South Minneapolis is a 100,000 square foot, five-story building, located at 2215 East Lake Street. Floors two through five are occupied entirely by the Hennepin County Human Services and Public Health Department (HSPHD) along with approximately 8,000 square feet in the middle portion of the first floor. On the two end caps of the first floor is 4,300 square feet (east end cap) and 3,202 square feet (west end cap) of retail space available for lease of which 1,780 square feet is currently leased to Briva Health (Resolution 17-HCHRA-0032).

Since 2008, Gandhi Mahal LLC has owned and operated the Gandhi Mahal restaurant located at 3009 27th Avenue South. Gandhi Mahal LLC's restaurant at Lake and Hiawatha will operate under the name of Eden and will be open for breakfast, lunch, and dinner. For the initial year of operation, Gandhi Mahal LLC does not intend to serve alcohol of any kind. After one year, it may consider applying for a liquor license to sell wine and beer; however, it has no plans to sell hard liquor. Gandhi Mahal LLC is fully committed to sustainable methods and practices.

The initial term of the lease will be 15 years, from February 1, 2019 through January 31, 2034. This will be a modified gross rent lease, which will include base rent and operating expenses but will not include property taxes, special assessments, janitorial, or utility expenses, which Gandhi Mahal LLC will be responsible for

paying. Gross rent will be \$0 the first year, \$6 per square foot years two through five, \$7 per square foot year six followed by \$.50 per square foot annual increases each year for years seven through 15. Gandhi Mahal will have seven five-year renewal options with nine months’ written notice with rent adjusted to reflect market rates as mutually agreed upon by the parties.

Gandhi Mahal LLC will take the space in a “grey shell” or “as-is” condition with no sheetrock walls, ceiling, lighting, plumbing, HVAC, or other base building improvements that are normally provided by landlords. In exchange for Gandhi Mahal LLC’s contractor to perform the base building improvements as well as tenant improvements, Gandhi Mahal LLC will receive a tenant improvement allowance of \$200,000 plus 10 percent contingency for a total not to exceed amount of \$220,000.

The HCHRA will soon transfer the office building and associated parking to Hennepin County. Lease Agreement A188897 will be assigned to Hennepin County upon transfer of the larger property.

Current Request: This request is for authorization to negotiate Lease Agreement A188897 with Gandhi Mahal LLC to lease approximately 4,300 square feet of space on the first floor of the Human Services Center – South Minneapolis building located at 2215 East Lake Street in Minneapolis during the period February 1, 2019 through January 31, 2034, in the receivable amount of \$0 first year rent, with a not to exceed amount of \$220,000 for building and tenant improvements and related construction expenses associated with building out the leased space; and authorization to assign Lease Agreement A188897 to Hennepin County upon transfer of the larger property.

Impact/Outcomes: The leasing of space to Gandhi Mahal LLC will fill the vacant 4,300 square feet of east end cap retail space at Hennepin County’s Human Services Center – South Minneapolis building and will provide the community with a coffee and café restaurant.

ATTACHMENTS:

Description	Upload Date	Type
Map - Gandhi Mahal at Lake and Hiawatha	7/3/2018	Map

Lease Agmt No. A188897 - Gandhi Mahal LLC at L&H Station

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2215 E Lake St, Minneapolis, MN 55407

