



*Memorandum*

**To:** HEDRA Commissioners

**From:** John Hinzman, Community Development Director  
Rusty Fifield, Economic Development Coordinator

**Date:** September 24, 2019

**Item:** Approve and Authorize Signature  
Collateral Assignment of Tax Increment Financing Note and Available Tax Increment

**Action Requested**

The HEDRA Board is requested to approve the Collateral Assignment of Tax Increment Financing Note and Available Tax Increment (the "Agreement") from CB Guardian Angels Limited Partnership to U.S. Bank.

**Background**

This action is a continuation of HEDRA action in March of this year that transferred the property from between the original developer (Sherman Associates) and CommonBond Communities. CommonBond now seeks approval to transfer the Note with the right to receive tax increment payments as part of its overall finance package for acquisition and rehabilitation of the facility. This action is similar to the assignment approved by HEDRA in March.

**Financial Impact**

There is no financial impact on HEDRA. The Agreement does not alter HEDRA's obligation or the use of TIF. CommonBond retains all obligations as developer in the original Development Agreement. The only difference is that the Note is held by a bank rather than the developer or property owner.

**Attachments**

1. Resolution approving the assignment and authorizing the Executive Director to sign on behalf of HEDRA
2. Collateral Assignment document

**HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 2019-03**

**A RESOLUTION APPROVING COLLATERAL ASSIGNMENT OF TIF NOTE AND  
AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE DOCUMENTS**

Board member \_\_\_\_\_ introduced the following Resolution and moved its adoption:

WHEREAS, the Hastings Economic Development and Redevelopment Authority (“HEDRA”) entered into a Development Agreement (“Development Agreement”) with Guardian Angels of Hastings Limited Partnership (“Original Developer”) dated as of December 21, 2000 and issued to Original Developer its Taxable Tax Increment Revenue Note (Guardian Angels), dated as of June 14, 2001, in the original principal amount of \$484,000.00 (“TIF Note”); and

WHEREAS, HEDRA approved the assignment and assumption of the Development Agreement and the assignment of the TIF note from the Original Developer to CB Guardian Angels Limited Partnership (“CommonBond”) on March 21, 2019; and

WHEREAS, CommonBond has requested that HEDRA approve the assignment of the TIF Note and the Available Tax Increment as defined in the Development Agreement as part of the collateral for its loan with U.S. Bank.

NOW THEREFORE BE IT RESOLVED that HEDRA approves the Collateral Assignment of Tax Increment Financing Note and Available Tax Increment (“Assignment”) as submitted by CommonBond.

BE IT FURTHER RESOLVED that John Hinzman, the Executive Director of HEDRA, is hereby authorized to sign the Assignment on behalf of HEDRA.

Board member \_\_\_\_\_ moved a second to this resolution and upon being put to a vote it was unanimously adopted by all Board Members present.

Adopted by the Board of Commissioners of the Hastings Economic Development and Redevelopment Authority on September 26, 2019 by the following vote:

Ayes:

Nays:

Absent:

ATTEST:

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Scott Sinclair, President

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John Hinzman  
Executive Director

I HEREBY CERTIFY that the above is a true and correct copy of resolution presented to and adopted by the Hastings Economic Development and Redevelopment Authority, City of Hastings, County of Dakota, Minnesota, on the 26<sup>th</sup> day of September, 2019, as disclosed by the records of the City of Hastings on file and of record in the office.

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Julie Flaten  
City Clerk

This instrument drafted by:

City of Hastings (RF)  
101 4th St. E.  
Hastings, MN 55033