

**City of Ramsey**  
**Agenda**  
**City Council Work Session**  
**Tuesday May 31, 2011**  
**5:30 p.m.**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Topics for Discussion**
  1. Discuss Developer Concerns at 6300 Bunker Lake Blvd NW; Case of Dennis Sharp
  2. Western Municipal Center Exit Doors: Proposed Double Doors
  3. Councilmember Jeffrey's Resignation
  4. Consider EDA Recommendation for Full-Service Restaurant Subsidy Policy
  5. Consider Lease Agreement for 6811 Hwy 10 by TMBC, LLC, dba Crystal Pierz Marine
  6. Discuss Council Work Session Schedule for July
- 3. Future Topics for Discussion - *See Attached Calendar***
  1. Review Future Work Session Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

**CC Work Session**

2. 1.

**Meeting Date:** 05/31/2011**By:** Tim Gladhill, Community Development**Title:**

Discuss Developer Concerns at 6300 Bunker Lake Blvd NW; Case of Dennis Sharp

**Background:**

Dennis Sharp of K & K Sharp, LLC has requested a discussion with the City Council related to the development potential of 6300 Bunker Lake Boulevard. K & K Sharp has recently acquired the Subject Property and desires to commence small-scale redevelopment of the Subject Property in order to enhance the aesthetics. Mr. Sharp (S & A Partners, LLC) also owns the two (2) parcels directly to the east of the Subject Property. The City has responded to numerous nuisance complaints on the Subject Property in the past, prior to K & K Sharp purchasing the Subject Property. These complaints ranged from outside storage to off-street parking to maintenance of the building.

Mr. Sharp has stated the Subject Property was purchased in order to clean up the Subject Property that negatively impacted his existing developments adjacent to the Subject Property.

**Notification:**

None required.

**Observations:**

Mr. Sharp originally approached Staff to discuss the potential of development of a mini-storage similar to the facility two (2) parcels to the east. After initial discussions, Mr. Sharp commenced with preliminary design of the mini-storage facility, including some minor alterations to the existing building. Through preliminary design, Mr. Sharp analyzed availability of City sewer and water and the need for fire suppression. According to Mr. Sharp's analysis, Mr. Sharp has stated that it is not cost effective for him to connect to the City's sewer and water system.

Furthermore, Mr. Sharp has stated that it is not economically feasible to construct fire suppression in these storage units. In 2004, the City adopted Chapter 1306, Special Fire Protection Systems, from the Minnesota State Building Code and is now part of the State Building Code which the City enforces. The sprinkler system requirements of Chapter 1306 require certain occupancies over 2,000 square feet to install an automatic sprinkler system. The mini-storage facilities Mr. Sharp is proposing are significantly over 2000 square feet.

Finally, Mr. Sharp would like to discuss other potential uses of the Subject Property based on his analysis above. One suggested alternative is to use the Subject Property as outside storage as the primary use. Mr. Sharp is also exploring construction of a large canopy without walls to protect items stored outside. Staff is researching the feasibility of this type of structure.

**Recommendation:**

Based on discussion.

**Funding Source:**

This request is being handled as part of regular staff duties.

**Council Action:**

Based on discussion.

**Attachments**

Site Location Map

Aerial Photo

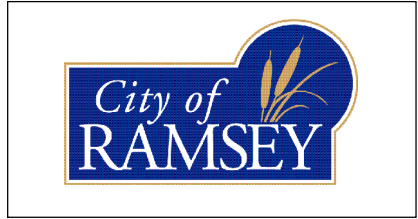
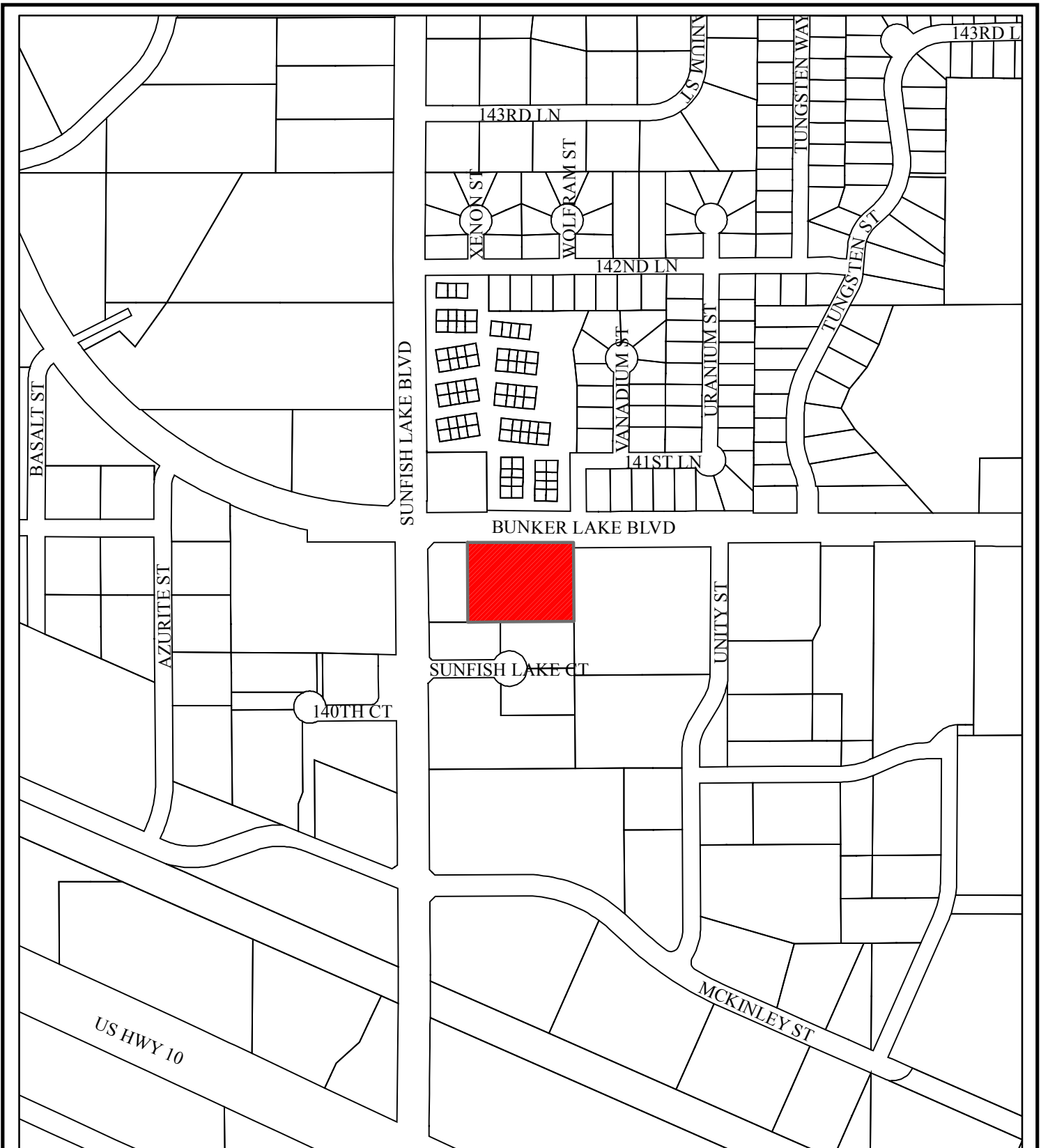
**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Matt Kohner	Matt Kohner	05/25/2011 12:35 PM
Mick Kaehler	Amy Dietl	05/25/2011 12:45 PM
Dean Kapler	Dean Kapler	05/25/2011 02:46 PM
Aaron Backman	Aaron Backman	05/25/2011 04:26 PM
Kurt Ulrich	Kurt Ulrich	05/26/2011 02:18 PM

Form Started By: Tim Gladhill

Started On: 05/16/2011 08:07 AM

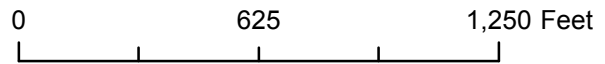
Final Approval Date: 05/26/2011



6300 Bunker Lake Blvd NW

**Legend**

- Site
- Parcels





**CC Work Session**

2. 2.

**Meeting Date:** 05/31/2011

**By:** Patrick Brama, Administrative Services

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**Title:**

Western Municipal Center Exit Doors: Proposed Double Doors

**Background:**

Under direction of the City Council, staff was requested to look into the possibility of installing double doors at the western exit of the Ramsey City Center.

The western exit to the City Center is made up of two glass walls. Each glass wall includes one glass exit door. The proposed double doors would increase the number of doors at each glass wall from one to two.

In between the two existing glass walls is a small entry way. A third door, which is an exit from the council chambers, empties into this small entry way.

Unfortunately, this third door conflicts with the proposed double doors. By a matter of inches, the third door from the council chambers would not physically have enough room to swing open if the new double doors were installed.

Therefore, if the council wishes to install double doors at the western exit of the City Center the third Council Chamber door would need to be either (A) relocated or (B) re-installed and sunk back into the council chambers at least 3.25 inches.

Attached to this case for more clarification is a project report including: (1) review by the city Building Official (2) images of the western exit (3) diagram of the proposed double doors

**Recommendation:**

Staff is seeking direction from the City Council with regard to moving forward with this project.

**Funding Source:**

A funding source would need to be determined if Council proceeded with the project.

**Council Action:**

Direct staff with regard to moving forward with this project.

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**Attachments**

Project Report

**Form Review**

Inbox	Reviewed By	Date
Heidi Nelson	Heidi Nelson	05/26/2011 11:42 AM
Kurt Ulrich	Kurt Ulrich	05/26/2011 03:04 PM
Form Started By: Patrick Brama		Started On: 05/23/2011 11:31 AM
Final Approval Date: 05/26/2011		

# **Ramsey Municipal Center**

## **Western Exit: Double Door Request**

### **Contents:**

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PAGE 3 – Project Specs

# Building Department Review

The existing council chambers currently has an occupant load posted at 92. The MN State Building Code requires any assembly area with an occupant load greater than 50 to have two separate exit doors, located a minimum of ½ the diagonal from each other. That is the reason the door located to the south of the council desks was installed and it leads to the west exit passage way.

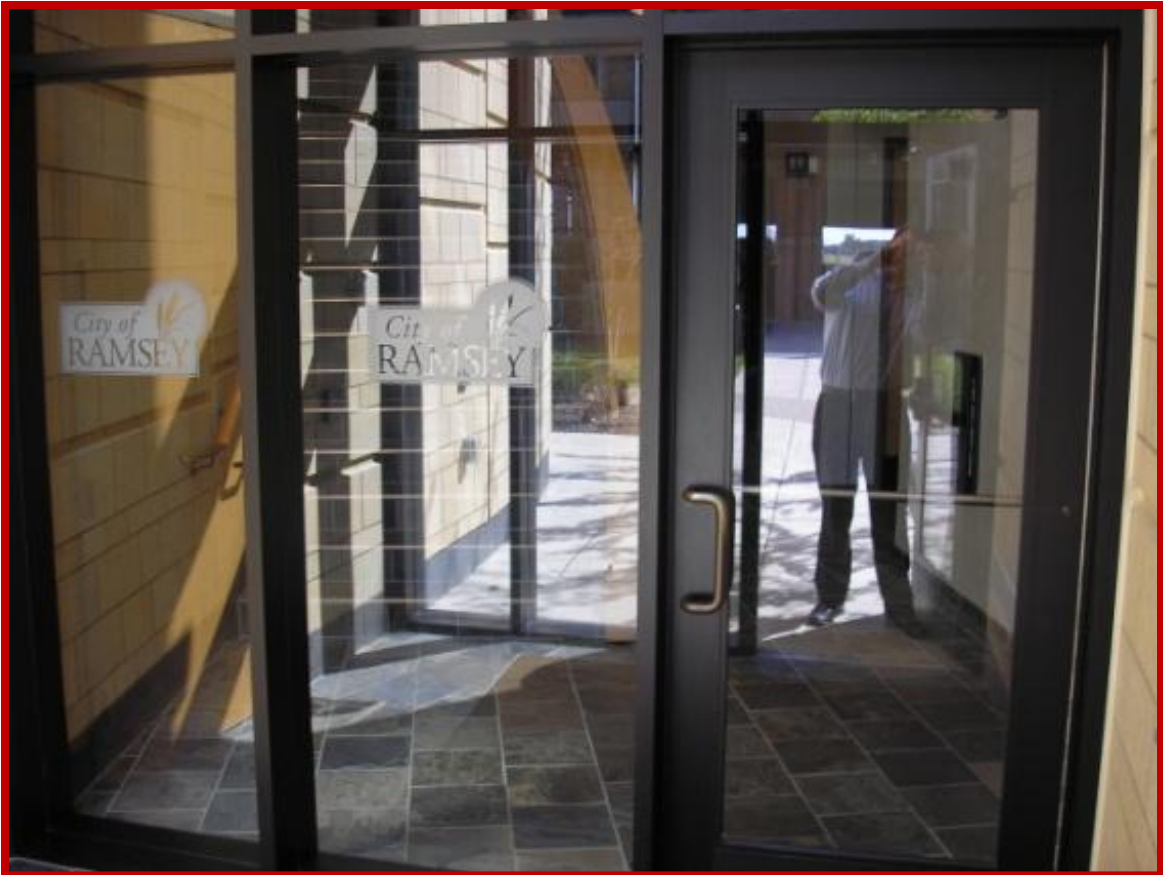
In other words, the chamber, because of the occupant load, needs two separate exits, one out the rear of the council chambers and the other, which must open to an exit passage way, is near the front desks. Both doors MUST swing out.

To add another door from the corridor near the stairs as requested (on the western side of the building near the parking ramp), would also require a swing out (in the direction of travel). The swing of the proposed “second door” would swing into the required exit from the council chambers and in effect partially block the second exit. And, of course, blocking an exit door is never allowed.

In summary..... If the council wants to add a second door at the bottom of the stairs which opens toward the parking ramp they would need too:

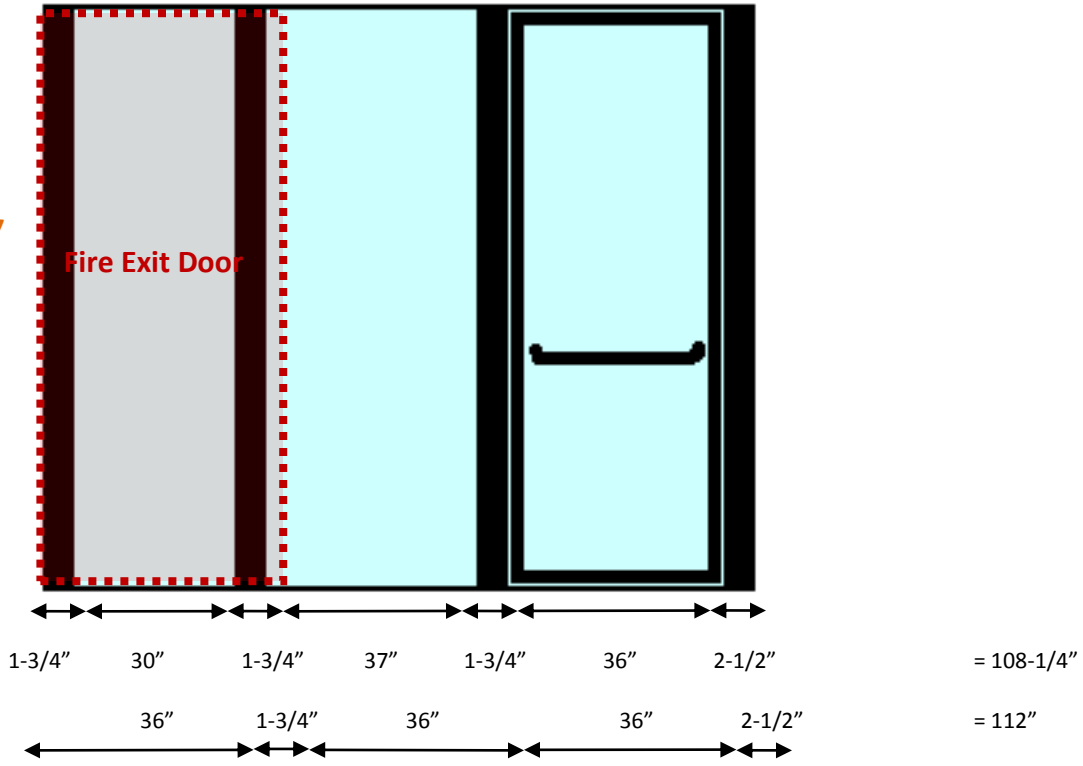
- 1) Install double doors in both the outer and inner doorways at the western entrance (not just one or the other).
- 2) Inset the existing second exit door from the council chambers in order to establish enough room for the proposed new double doors to swing freely.

# Project Images

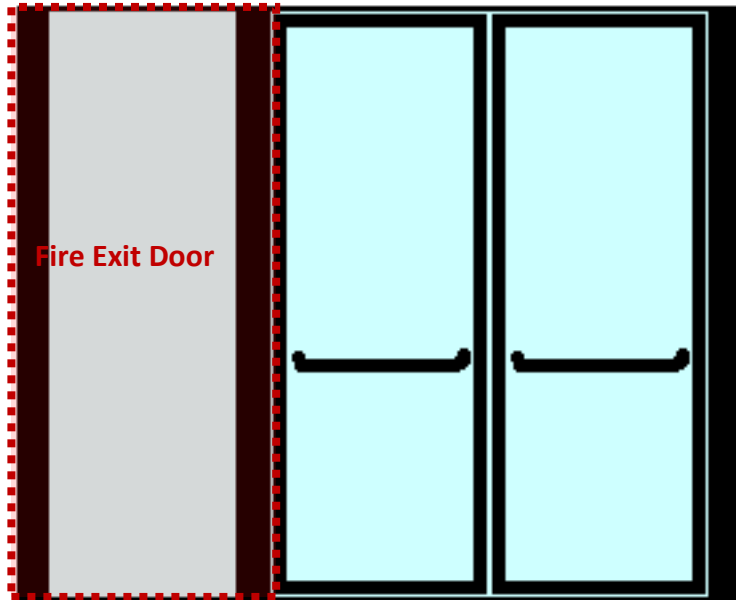


# Project Specs

*Today*



*Double Doors*



Off by 3.25"

**CC Work Session**

**2.3.**

**Meeting Date:** 05/31/2011

**By:** Jo Thieling, Administrative Services

**Title:**

Councilmember Jeffrey's Resignation

**Background:**

As the City Council is aware, Councilmember David Jeffrey has announced his intent to resign his Ward 4 Councilmember position. We assume the resignation will be effective on or about June 1, 2011. A written resignation from Councilmember Jeffrey will be available at the City Council meeting confirming the exact resignation date.

City Charter, Section 2.5 provides that upon a councilmember/mayor vacancy, the Council shall “. . . publicly declare the vacancy to exist within fifteen (15) days of its occurrence . . . .”

Section 4.5 of the Charter directs how vacancies on the City Council are filled. Councilmember Jeffrey’s term expires December 31, 2012, and thus there are 365 days or more remaining in the term of his vacated office, which then requires a special election to fill the vacancy within ninety days of the vacancy. Therefore, with a June 1 vacancy, a special election will need to be held to fill the vacancy on or before August 29, 2011. The Charter does not require a primary election for special elections.

City Clerk Thieling, in cooperation with the Anoka County Elections Supervisor, has formulated an election schedule which is attached for the Council’s review and approval.

A resolution is also attached for Council review accepting Councilmember Jeffrey's resignation, declaring a vacancy and scheduling a special election to fill such vacancy. A case and resolution have also been placed on tonight's regular Council agenda for formal action.

**Funding Source:**

N/A

**Council Action:**

Staff is requesting a consensus to place a resolution on the regular City Council meeting agenda for May 31, 2011 accepting City Councilmember Jeffrey’s resignation, declaring a vacancy, and scheduling a special election to fill the vacancy

**Attachments**

Special Election Timeline

Resolution Jeffrey Resig/Spec Election

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Kurt Ulrich	05/26/2011 02:41 PM
Form Started By: Jo Thieling		Started On: 05/26/2011 01:26 PM
Final Approval Date: 05/26/2011		

### Special Election Timelines

Publication Date		Friday, June 03, 2011
filing opens	7	Friday, June 10, 2011
filing closes	14	Friday, June 24, 2011
withdrawal	2	Monday, June 27, 2011
ballot preparation	14	Monday, July 11, 2011
absentee begins general	4	Friday, July 15, 2011
absentee ends general	31	Monday, August 15, 2011
<b>special election held</b>	1	Tuesday, August 16, 2011

Councilmember \_\_\_\_\_ introduced the following resolution and moved for its adoption:

**RESOLUTION #11-\_\_\_\_\_**

**A RESOLUTION ACCEPTING THE RESIGNATION OF CITY COUNCILMEMBER DAVID JEFFREY WHO REPRESENTS WARD 4; DECLARING A VACANCY IN THE CITY'S WARD 4 COUNCILMEMBER ELECTIVE OFFICE, SCHEDULING A SPECIAL ELECTION TO ELECT A SUCCESSOR, AND APPROVING THE SPECIAL ELECTION SCHEDULE.**

**WHEREAS**, City Councilmember David Jeffrey, who represents Ward 4 on the City Council, has submitted his written resignation from said office effective June 1, 2011; and

**WHEREAS**, City Councilmember Jeffrey has resigned due to medical reasons; and

**WHEREAS**, pursuant to the City Charter, Section 2.5 upon a councilmember's resignation, ". . . the Council shall publicly declare by resolution the vacancy to exist . . . "; and

**WHEREAS**, when a vacancy on the City Council ". . . occurs with 365 days or more remaining in the term of the vacated office, there shall be a special election held within ninety days after the vacancy occurs to elect a successor to serve for the remainder of the unexpired term of the office vacated" (Charter Section 4.5.1); and

**WHEREAS**, City Councilmember Jeffrey's term of office expires December 31, 2012 which is more than 365 days from the June 1, 2011 vacancy date; and

**WHEREAS**, the City Charter does not require a primary election be held for special municipal elections.

**NOW, THEREFORE**, be it resolved by the City Council of the City of Ramsey as follows:

1. That Councilmember David Jeffrey's resignation from the City Council as Ward 4 representative is accepted, effective June 1, 2011.
2. That the City Council publicly declares that a vacancy exists in the City Council's Ward 4 elective office, as of June 1, 2011.
3. That as a result of the vacancy in Ward 4, and because more than 365 days remains in the term of the vacated office, pursuant to City Charter requirement, the City Council directs that a special election be held within 90 days of the June 1, 2011 vacancy date to elect a successor to serve for the remainder of the unexpired term of the office vacated.
4. That no primary election shall be held prior to the special election.
5. That the special election as required shall be held on Tuesday, August 16, 2011, following the attached election procedures schedule.

The motion for the adoption of the foregoing resolution was seconded by Commission member \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this \_\_\_\_\_ day of May, 2011.

By: \_\_\_\_\_  
Mayor

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

<b>No Primary</b>		
Publication Date		Friday, June 03, 2011
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absentee begins general	4	Friday, July 15, 2011
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<b>special election held</b>	1	Tuesday, August 16, 2011
	<b>73</b>	

**CC Work Session**

2. 4.

**Meeting Date:** 05/31/2011**By:** Jo Thieling, Administrative Services

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**Title:**

Consider EDA Recommendation for Full-Service Restaurant Subsidy Policy

**Background:**

It has been a long-term goal and desire of the City to attract new, quality sit-down restaurants to the community. In September 2009, the EDA/City provided \$209,863 in assistance to Sophia-Ramsey, the building owner for the addition of Acapulco Mexican Restaurant in the Coborn's anchored retail center in The COR. The financial assistance was set up in two promissory notes (one interest-bearing at 3.0% interest and one non-interest bearing) and was for defraying Sewer Access Charges and Water Access Charges (SAC & WAC fees). In March 2011, the EDA/City approved up to \$55,000 for SAC/WAC financial assistance to Ramsey Retail Rental, the developer, and a \$68,000 RLF loan to business owner for the relocation of the Well's Catering operation and the addition of The Falls Cafe in The Ramsey Office Plaza building. The Falls Cafe SAC/WAC financial assistance has a term of seven years and an actual cost of \$35,579.

Given that restaurant subsidies have been approved by the City of Ramsey in the recent past, it is advisable that restaurant subsidy guidelines be established to guide such development in the future. In October 2010 the Deputy City Administrator/Director of Community Development presented information to the EDA regarding the restaurant subsidy policy from the City of Champlin and background material that included analysis of utility fee structures in various north metro communities. It should be noted, for instance, that the City of Champlin offers qualified restaurants forgivable loans for up to 70% of WAC fees with terms of 5% interest for five years. Champlin does not provide similar loans for defraying SAC fees. The City of Brooklyn Park, for example, provides non-forgivable loans for restaurants to minimize the impact of WAC fees. It also differentiates loans--loans less than three years carry no interest, loans with terms of 3 to 5 years are charged a one percent interest rate. Loan payments are made with utility payments. The maximum WAC loan in Brooklyn Park is for \$75,000.

Taking into account the restaurant subsidy programs that other cities have developed, the Economic Development/Marketing Manager has developed program guidelines utilizing a forgivable loan structure. The proposed Full-Service Restaurant Subsidy Policy is focused on assisting new sit-down restaurants with water connections costs. It is proposed that Ramsey offer a forgivable loan for up to 70% of WAC fees with a maximum term of five years. The forgivable loan would be at zero percent interest. Under the proposed guidelines, SAC fees would be fully paid by the businesses. At the regular EDA meeting in January, the commissioners revised and recommended approval of the attached Full-Service Restaurant Subsidy Policy.

**Recommendation:**

Consider approving the proposed Full-Service Restaurant Subsidy Program Guidelines as recommended by the Ramsey EDA.

**Funding Source:**

Restaurant subsidies would be coming from the EDA Fund.

**Council Action:**

Review and provide direction to City Staff regarding establishing the proposed Full-Service Restaurant Subsidy Program Guidelines

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**Attachments**

Full-Service Restaurant Policy

## Form Review

**Inbox**

Kurt Ulrich

**Reviewed By**

Jo Thieling

**Date**

05/26/2011 03:06 PM

Form Started By: Jo Thieling

Started On: 05/26/2011 03:03 PM

Final Approval Date: 05/26/2011



## **Full-Service Restaurant Subsidy Program Guidelines**

### **The Program**

The purpose of the program is to create an environment of contiguous, complementary retail activity along key transportation corridors of the City of Ramsey. This subsidy program is intended to serve as a catalyst for securing new restaurant concepts in Ramsey by providing financial assistance to qualified restaurant businesses. The full-service restaurant must be located in The Cor, along Armstrong Boulevard, on U.S. Highway 10, or along State Highway 47 in the City of Ramsey (See Exhibit A). To be in the corridor, the proposed restaurant must be located on the highway, on a frontage road, or be visibly seen from the highway.

To facilitate new full-service restaurants, the EDA would provide zero interest, forgivable loans to eligible full-service restaurants for the purpose of financing their water connection fees. The maximum loan amount would be 70% of the proposed restaurant's Water Access Charge (WAC fee). The 70% cap would ensure that the businesses are covering some of the fixed capital costs for the City's water system. The loan would be recorded as a subordinated mortgage and the principal would be forgiven if the restaurant remained in operation and in good standing with the City for five years. The loan principal would be forgiven at a rate of 20% per year.

In establishing the loan amount and the percentage of WAC subsidy, the EDA would advise the Ramsey City Council regarding several factors. The factors are (1) the size of the restaurant's capital investment, (2) the financial need and potential for long-term viability, and (3) the quality of the restaurant's concept. A full-service restaurant is defined as one that has washable plates, cups and utensils, wait staff, food served at tables, and whose projected SAC/WAC fees are charged at a rate of one unit per eight seats.

### **Eligibility**

Eligible applicants are for-profit restaurant businesses that are not currently operating in the designated areas shown on Exhibit A. Eligible businesses must devote a majority of their floor space to the restaurant concept. All applicants must be a permitted use in compliance with all laws, zoning ordinances, rules and regulations applicable to the business. The Ramsey EDA will review each application on a case-by-case basis and reserves the right to exclude activities not consistent with the City's Comprehensive Plan, or if the concept does not benefit the health, safety and welfare of the community.

## Full-Service Restaurant Subsidy Program Guidelines

DRAFT

Revised 1/13/11

### **Application Process**

The applicant must submit a completed Business Assistance Application and all required attachments to the City's Community Development Department. City staff will make every effort to review completed applications within a three-week period of time. The Ramsey Economic Development Authority will make a recommendation on the full-service restaurant subsidy to the Ramsey City Council. Applicants will be notified of EDA and City Council meetings and may be asked to attend to present their request for assistance.

### **Implementation Procedures**

The program does require the applicant pay upfront permit fees and all applicable Sewer Access Charge (SAC fees) that the City of Ramsey is required to pay on behalf of the project to the Metropolitan Council. To be in good standing with the City, applicant and/or landlords must be current on all municipal taxes, special assessments, City utility bills, or EDA loans. Principal forgiveness will cease if the applicant and/or landlords fail to be current on these obligations. Principal forgiveness will cease if the applicant discontinues the business, moves the business, or fails to comply with any and all building, fire, health, or zoning codes or regulations.

**CC Work Session**

**2. 5.**

**Meeting Date:** 05/31/2011

**By:** Jo Thieling, Administrative Services

**Title:**

Consider Lease Agreement for 6811 Hwy 10 by TMBC, LLC, dba Crystal Pierz Marine

**Background:**

Crystal Pierz Marine wishes to lease City-owned property located at 6811 Highway 10 NW in Ramsey. This L-shaped parcel located on the north side of the Highway does not have a building and is being used solely as a parking lot and outdoor storage facility. In August 2009 the City purchased this property from Pro Sporting Goods or PSG, LLC at a cost of \$757,700. During the same month the City leased the property back to PSG for \$1,600 per month. PSG, LLC leases the adjacent building to the east (See attached site map) to TAM, LLC. TAM, LLC in turn has a sub-lease for a portion of the building used by Crystal Pierz Marine. The past lease for this parcel expired last fall. Neither PSG nor TAM wish to lease this lot, therefore the logical tenant is Crystal Pierz Marine.

Since getting responsibility for resolving this lease issue (end of February 2011), the Economic Development/Marketing Manager has been in negotiations with the parties involved. Crystal-Pierz Marine has expressed a willingness to accept a one-year lease of the property commencing April 1, 2011 and terminating March 31, 2012. The monthly rate would be \$1,600 per month. The permitted use would remain the same and the tenant would be leasing the property "as is".

**Recommendation:**

City staff recommends that the City Council consider approving the proposed lease with TMBC, LLC dba Crystal Pierz Marine. It would be beneficial to lock in this agreement as soon as possible.

**Funding Source:**

Maintenance of the parking lot would be the responsibility of the tenant.

**Council Action:**

Move forward with considering the proposed one-year lease at the next Regular City Council meeting.

**Attachments**

6811 Hwy 10 Site Map

Proposed Crystal Pierz Lease

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Jo Thieling	05/26/2011 03:14 PM
Form Started By: Jo Thieling		Started On: 05/26/2011 03:10 PM
Final Approval Date: 05/26/2011		

3/28/2011

CRYSTAL-PIERZ MARINE LEASE SITE



# LEASE

This Lease (“This Lease”) is effective as of June 1, 2011, by and between The City of Ramsey, a Minnesota Municipal Corporation (“Landlord”) and, TMBC, L.L.C., dba Crystal Pierz Marine, a Foreign Limited Liability Company registered in the State of Minnesota (“Tenant”).

## DATA SHEET

1. Premises. The land located at the following street address: 6811 Highway 10 NW, Ramsey, Minnesota 55303 and legally described as Tract A, Registered Land Survey No. 249, City of Ramsey, Anoka County, Minnesota (the “Premises”).
2. Term. One year and one month plus the partial calendar month in which the Commencement Date occurs.
3. Scheduled Commencement Date. April 1, 2011
4. Scheduled Termination Date: March 31, 2012
5. Rental Rate. \$1,600.00 per month.
6. Permitted Use: Parking lot and outdoor storage facility
7. Landlord Address:  
City of Ramsey  
7550 Sunwood Drive N.W.  
Ramsey, MN 55303
8. Tenant Address:  
6781 Highway 10 NW, Suite 110  
Ramsey, MN 55303

1. PREMISES:

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and upon the conditions hereinafter provided, the Premises described in Item 1 of the Data Sheet.

2. RENTABLE AREA:

The Rentable Area of the Premises is estimated to be the area set forth in Item 1 of the Data Sheet. The actual Rentable Area of the Premises

3. LEASEHOLD IMPROVEMENTS:

Tenant is taking the premises "AS IS" and Landlord shall not be obligated to do any work in the Premises. The Tenant shall maintain the Premises as an outdoor storage facility and shall not make any structural changes or make any alteration, decoration, addition or improvement to the Premises.

4. TERM:

The term of this Lease (the "Term") shall commence upon the "Commencement Date" set forth in the term sheet above.

5. RENT:

Tenant shall pay \$1,600.00 per month as and for rent of the Premises. Tenant will pay for all of its operating costs associated with maintenance of the Premises as an outdoor storage facility and parking lot. Tenant shall also pay the property taxes due on the Premises.

6. USE: Tenant will use and occupy the Premises solely as a parking lot or outdoor storage facility

7. ASSIGNMENT AND SUBLETTING:

The Tenant's interest in this Lease may not be assigned or sublet to any third party without the prior written consent of Landlord and the fencing structure enclosing the Premises.

8. MAINTENANCE:

Tenant agrees to keep and maintain the Premises in properly functioning, safe and orderly condition, will make all necessary replacements thereto, will suffer no waste or injury thereto, and will at the expiration or other termination of the Term, surrender the same with all improvements in the same order and condition in which they were on the Commencement Date

Tenant shall keep all rubbish, garbage or other refuse in proper containers and shall promptly empty same into the collection area designated from time to time by Landlord.

9. ALTERATIONS; EQUIPMENT; MOVING:

9.1 Tenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in or to the Premises or the Project without the prior written consent of Landlord.

9.2 Tenant shall not install any equipment containing Hazardous Materials or any equipment which will or may necessitate any changes, replacements or additions to the Premises.

10. RIGHT OF ENTRY:

Tenant will furnish to Landlord at all times a master key to the Premises and permit Landlord, or its representative, to enter the Premises, to examine, inspect and protect the Premises, and to make such alterations, renovations, restorations and/or repairs as in the judgment of Landlord may be deemed necessary or desirable for the Premises.

11. SERVICES AND UTILITIES:

Landlord shall continue to furnish any utility service, if any, which is currently supplied to the Premises. The Tenant shall pay for the use of such utility service, if any, during the period of this Lease. The term "utility service" includes the Landlord's obligation to make quarterly payments for the storm water utility.

12. WAIVER AND INDEMNITY:

12.1 Notwithstanding anything apparently to the contrary in this Lease, Landlord and Tenant hereby release one another and their respective partners, officers and employees and property manager from any and all liability (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage covered by property insurance or coverable by a customary form of policy of the insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

12.2 Tenant agrees to indemnify, defend and hold Landlord and its officers and employees and property manager harmless from and against any claim, loss or expense arising out of injury, death or property loss or damage occurring in the Premises, except only to the extent caused by the negligent act or intentional misconduct of Landlord or its officers or employees or property manager.

13. INSURANCE:

Tenant agrees to purchase, in advance, and to carry in full force and effect general liability insurance, providing coverage on an "occurrence" rather than a "claims made" basis, which policy shall include coverage for Bodily Injury, Property Damage, Personal Injury, Contractual Liability (applying to this Lease), and Independent Contractors, in current Insurance Services Office form or other form which provides coverage at least as broad. Tenant shall maintain a combined policy limit of at least \$500,000.00 applying to Bodily Injury, Property Damage and Personal Injury, which limit may be satisfied by Tenant's basic policy, or by the basic policy in combination with umbrella or excess policies so long as the coverage is at least as

broad as that required herein. Such liability, umbrella and/or excess policies may be subject to aggregate limits so long as the aggregate limits have not at any pertinent time been reduced to less than the policy limit stated above, and provided further that any umbrella or excess policy provides coverage from the point that such aggregate limits in the basic policy become reduced or exhausted.

If the above insurance policy ceases to be available, or is available on terms so unacceptable that prudent landlords or tenants, as the case may be, generally do not carry such insurance, then in lieu of such insurance the pertinent party may carry the most comparable insurance which is available and generally carried by prudent parties.

14. DEFAULT:

14.1 Any one of the following events shall constitute an Event of Default:

(i) Tenant shall fail to pay any monthly installment of Base Rent or additional rent as herein provided, and such default shall continue for a period of five (5) days after the due date therefor;

(ii) Tenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Tenant and such default shall continue for fifteen (15) days after notice from Landlord; provided, however, that if the nature of such default is such that Tenant can cure the default, but not within fifteen (15) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Tenant commences cure within fifteen (15) days and thereafter diligently and continuously prosecutes the curing of the default, and so long as continuation of the default does not create material risk to the Project or to persons using the Project;

(iii) Tenant shall file or have filed against it or any guarantor of this Lease any bankruptcy or other creditor's action, or make an assignment for the benefit of its creditors.

14.2 If an Event of Default shall have occurred and be continuing, Landlord may at its sole option by written notice to Tenant terminate this Lease. Neither the passage of time after the occurrence of the Event of Default nor exercise by Landlord of any other remedy with regard to such Event of Default shall limit Landlord's rights under this Section 14.2.

14.3 If an Event of Default shall have occurred and be continuing, whether or not Landlord elects to terminate this Lease, Landlord may enter upon and repossess the Premises (said repossession being hereinafter referred to as "Repossession") by force, summary proceedings, ejectment or otherwise, and may remove Tenant and all other persons and property therefrom.

14.4 From time to time after Repossession of the Premises, whether or not this Lease has been terminated, Landlord may, but shall not be obligated to, attempt to relet the Premises for the account of Tenant in the name of Landlord or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and for such terms (which may include concessions or free rent) and for such uses as Landlord, in its uncontrolled discretion, may determine, and may collect and receive the rent

therefor. Any rent received shall be applied against Tenant's obligations hereunder, but Landlord shall not be responsible or liable for any failure to collect any rent due upon any such reletting.

14.5 No termination of this Lease pursuant to Section 14.2 and no Repossession of the Premises pursuant to Section 14.3 or otherwise shall relieve Tenant of its liabilities and obligations under this Lease, all of which shall survive any such termination or Repossession. In the event of any such termination or Repossession, whether or not the Premises shall have been relet, Tenant shall pay to Landlord the Base Rent and other sums and charges to be paid by Tenant up to the time of such termination or Repossession, and thereafter Tenant, until the end of what would have been the Term in the absence of such termination or Repossession, shall pay to Landlord, as and for liquidated and agreed current damages for Tenant's default, the equivalent of the amount of the Rent payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds, if any, of any reletting effected pursuant to the provisions of Section 14.4 after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord monthly on the days on which the Rent would have been payable under this Lease if this Lease were still in effect, and Landlord shall be entitled to recover the same from Tenant on each such day. At any time after such termination or Repossession, whether or not Landlord shall have collected any current damages as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord on demand, as and for liquidated and agreed final damages for Tenant's default, an amount equal to the then present value of the excess of the Rent and other sums or charges reserved under this Lease from the day of such termination or Repossession for what would be the then unexpired term if the same had remained in effect, over the amount of rent Tenant demonstrates that Landlord could in all likelihood actually collect for the Premises for the same period, said present value to be arrived at on the basis of a discount of four percent (4%) per annum.

14.6 Landlord shall in no event be considered to be in default of Landlord's obligations hereunder until the expiration of a reasonable time after notice of default from Tenant.

#### 15. WAIVER:

No waiver by either party of any breach of any agreement herein contained shall operate as a waiver of such agreement itself, or of any subsequent breach thereof. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installments of rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement on any check or letter accompanying a check for payment of rent be deemed an accord and satisfaction, nor shall acceptance of rent with knowledge of breach constitute a waiver of the breach, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent, to terminate this Lease, to Repossess the Premises or to pursue any other remedy provided in this Lease. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease.

16. COVENANT OF QUIET ENJOYMENT:

Landlord covenants that it has the right to make this Lease for the term aforesaid and covenants that if Tenant shall pay the rent and perform all of the covenants, terms and conditions of this Lease to be performed by Tenant, Tenant shall, during the Term, freely, peaceably and quietly occupy and enjoy the full possession of the Premises. The term "Landlord" as used in this Lease shall mean solely the owner of the Premises, or in the case of a sale-leaseback, the lessee of the underlying land, at the relevant time. The liability of the original Landlord and any successor Landlord under this Lease is limited to its interest in the Premises and any insurance proceeds payable to Landlord with respect to the Premises, and with respect to any liability accrued prior to a transfer, any net proceeds received by the transferor Landlord in consideration of the transfer.

17. NO REPRESENTATIONS BY LANDLORD:

Neither Landlord nor any agent or employee of Landlord has made any representations or promises with respect to the Premises except as herein expressly set forth, and no right, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth. Tenant, by taking possession of the Premises, shall accept the same "as is" except as expressly provided in this Lease and such taking of possession shall be conclusive evidence that the Premises are in good and satisfactory condition at the time of such taking of possession. In addition to and without limitation of the immediately preceding sentence, Tenant agrees that it is leasing the Premises on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis, based upon its own judgment, and hereby disclaims any reliance upon any statement or representation whatsoever made by Landlord. LANDLORD MAKES NO WARRANTY WITH RESPECT TO THE PREMISES, THE PROJECT OR ANY PART THEREOF, EXPRESS OR IMPLIED, AND LANDLORD SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE PREMISES, THE PROJECT OR ANY PART THEREOF.

18. NOTICES:

All notices or other communications hereunder shall be in writing and shall be effective if hand delivered or sent by registered or certified first-class mail, postage prepaid, or by overnight express service which maintains confirmation of delivery, (i) if to Landlord at Landlord Address set forth on Item 7 of the Data Sheet, and (ii) if to Tenant, at the Premises, unless notice of a change of address is given pursuant to the provisions of this Section. The day notice is given by mail shall be deemed to be the day following the day of mailing. If acceptance is refused, as evidenced by the records of the Postal Service or overnight delivery service, notice shall be deemed given on the date acceptance is refused.

19. ESTOPPEL CERTIFICATES:

Tenant agrees at any time and from time to time, upon not less than five (5) days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord or a party designated by Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect, or if there have been modifications, that the Lease is in full force and effect

as modified and stating the modifications, (ii) stating the dates to which the rent and other charges hereunder have been paid by Tenant, (iii) stating whether or not Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default, (iv) agreeing that Tenant and Landlord will not thereafter modify the Lease without the approval of any mortgagee identified by Landlord, and (v) agreeing that, except for any security deposit required herein, Tenant shall not prepay any rent more than thirty (30) days in advance, and (vi) such other matters relating to this Lease as may reasonably be requested. Any such statement delivered pursuant hereto may be relied upon by any owner of the Project, any prospective purchaser of the Project, any mortgagee or prospective mortgagee of the Project or of Landlord's interest, or any prospective assignee of any such mortgagee. Tenant acknowledges that failure to comply with this Section 20 on a timely basis could result in loss of a favorable sale or financing and Tenant agrees to be liable for any consequential damages resulting from Tenant's breach hereunder.

20. SURRENDER; HOLDING OVER:

Upon the expiration of this Lease or the earlier termination of Tenant's right to possession, Tenant shall immediately vacate the Premises, remove all of its property therefrom, remove any Hazardous Materials installed, used, generated, stored or disposed of by Tenant, and leave the Premises in the condition required by this Lease. Any property not removed shall be deemed abandoned, and Tenant shall be liable for all costs of removal and Tenant shall indemnify, defend and hold Landlord harmless from any cost or liability due to disposition of any property in the Premises in which a person other than Tenant has an interest. Should Tenant continue to occupy the Premises, or any part thereof, after the expiration or termination of the Term, whether with or without the consent of Landlord, such tenancy shall be from month to month and the monthly Rent set forth in the term sheet shall be payable. If Tenant's holdover is without the consent of Landlord, neither this Section nor the acceptance of any rent hereunder shall prevent Landlord from exercising any remedy to regain immediate possession of the Premises.

21. BROKERS:

Tenant warrants that it has not engaged or dealt with any broker in connection with this Lease and Tenant agrees to indemnify hold Landlord harmless from and against any claim for broker's fees or finder's fees asserted by anyone on account of any dealings with Tenant in connection with this Lease.

22. MISCELLANEOUS:

- (a) This is governed by and shall be construed according to the laws of the state in which the Premises are located.
- (b) The captions in this Lease are for convenience only and are not a part of this Lease.
- (c) Time is of the essence.
- (d) The provisions of this Lease which relate to periods subsequent to the expiration of the Term shall survive expiration.

(e) If any provision of this Lease is invalid or unenforceable to any extent, then such provision and the remainder of this Lease shall continue in effect and be enforceable to the fullest extent permitted by law.

(f) This Lease contains the entire agreement of the parties hereto with respect to the Premises and Project. This Lease may be modified only by a writing executed and delivered by both parties.

(g) Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between the parties other than that of landlord and tenant.

(h) This Lease shall be binding upon and inure to the benefit of the parties hereto and, subject to the restrictions and limitations herein contained, their respective heirs, successors and assigns.

(i) Rules and Regulations. Tenant shall observe and comply with the rules and regulations as Landlord may prescribe and as listed on Exhibit A attached hereto and incorporated herein.

**LANDLORD:**

THE CITY OF RAMSEY, A MINNESOTA  
MUNICIPAL CORPORATION

By \_\_\_\_\_  
Bob Ramsey, Mayor

**TENANT:**

TMBC, L.L.C., dba Crystal Pierz Marine, a  
Foreign Limited Liability Company

By \_\_\_\_\_  
Its: Chief Manager

**ATTEST:**

By: \_\_\_\_\_  
Kurt Ulrich, City Administrator

## **EXHIBIT A**

### **TO LEASE AGREEMENT**

**DATED JUNE 1, 2011**

#### **LEASED PROPERTY RULES AND REGULATIONS**

1. Any sign, lettering, picture, notice or advertisement installed on or in any part of the Leased Property and visible from the exterior of the Leased Property, shall be installed at Tenant's sole cost and expense, and in such manner, character and style as Landlord may approve in writing. Anything herein to the contrary notwithstanding, approval as to signs shall be subject to Landlord's approval which may be withheld in Landlord's sole discretion. In the event of a violation of the foregoing by Tenant, landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

2. Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Leased Property closed and secured after normal business hours.

3. Tenant shall comply with all applicable federal, state and municipal laws, ordinances and regulations, and building rules and shall not directly or indirectly make any use of the Leased Property which may be prohibited by any of the foregoing or which may be dangerous to persons or Leased Property or may increase the cost of insurance or require additional insurance coverage.

4. The Leased Property shall not be used for cooking (as opposed to heating of food), lodging, sleeping or for any immoral or illegal purpose.

5. Unless expressly permitted by Landlord, no additional locks or similar devices shall be attached to any door or window and no keys other than those provided by Landlord shall be made for any door. If more than two keys for one lock are desired by Tenant, Landlord may provide the same upon payment by Tenant. Upon termination of this Lease or of Tenant's possession, Tenant shall surrender all keys of the Leased Property and shall explain to Landlord all combination locks on safes, cabinets and vaults.

6. The restrooms, drinking fountains and other plumbing fixtures shall not be used for any purpose other than for which they are constructed, and no sweepings, rubbish, rags, coffee grounds or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Tenant who, or whose employees, agents, visitors or licensees have caused same. No person shall waste water by interfering or tampering with the faucets or otherwise.

7. Tenant shall be responsible for any damage to the building or the Leased Property of its employees or others and injuries sustained by any person whomsoever resulting from the use or moving of such articles in or out of the Leased Property, and shall make all repairs and

improvements required by Landlord or governmental authorities in connection with the use or moving of such articles.

8. Wherever in these Leased Property Rules and Regulations the word "Tenant" occurs, it is understood and agreed that it shall mean Tenant's associates, employees, agents, clerks, invitees, and visitors. Wherever the word "Landlord" occurs, it is understood and agreed that it shall mean Landlord's assigns, agents, clerks, and visitors.

9. Landlord shall have the right to enter upon the Leased Property at all reasonable hours for the purpose of inspecting the same.

10. Landlord shall have the right to enter the Leased Property at hours convenient to Tenant for the purpose of exhibiting the same to prospective tenants.

11. Tenant shall be responsible for all repair and maintenance of mechanical systems and devices if any associated with the Leased Property, including, but not limited to the electrical system, and the garage door opening system.

12. Alterations of any nature to the Leased Property by Tenant costing in excess of \$3000.00 shall require written approval of Landlord. Such approval shall be at the sole discretion of Landlord. In the event of a violation of the foregoing by Tenant, Landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

13. Tenant and Tenant's employees, agents, visitors and licensees shall observe faithfully and comply strictly with the foregoing rules and regulations and such other and further appropriate rules and regulations as Landlord or Landlord's agent may from time to time adopt. Reasonable notice of any additional rules and regulations shall be given in such manner as Landlord may reasonably elect.

14. Landlord reserves the right at any time to rescind, alter or waive, in whole or in part, any of these Rules and Regulations when deemed necessary, desirable, or proper, in Landlord's judgment, for its best interest. Tenant reserves the right to refuse compliance with any subsequent additional rules and regulations added to those agreed to at the time of signing the Lease.

To the extent these rules are in conflict with the terms of the Lease, the terms of the Lease shall rule and govern.

**CC Work Session**

**2. 6.**

**Meeting Date:** 05/31/2011

**By:** Jo Thieling, Administrative Services

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**Title:**

Discuss Council Work Session Schedule for July

**Background:**

As Council is aware, the first Tuesday of each month is set aside for a regular Work Session. In July, the first Tuesday follows the Independence Day holiday. Staff is asking for Council discussion with regard to whether or not that work session should be canceled.

**Funding Source:**

N/A

**Council Action:**

Based upon discussion.

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**Form Review**

**Inbox**

Kurt Ulrich

**Reviewed By**

Kurt Ulrich

**Date**

05/26/2011 02:41 PM

Form Started By: Jo Thieling

Started On: 05/26/2011 12:58 PM

Final Approval Date: 05/26/2011

**CC Work Session**

**3. 1.**

**Meeting Date:** 05/31/2011

**By:** Jo Thieling, Administrative Services

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**Title:**

Review Future Work Session Topics/Calendar

**Background:**

Attached is the list of Future Topics/Calendar for Council review and information.

**Funding Source:**

N/A

**Council Action:**

No formal action necessary - for review and informational purposes only.

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**Attachments**

Future Topics/Calendar

**Form Review**

Form Started By: Jo Thieling

Started On: 05/26/2011

Final Approval Date: 05/12/2011

**Work Session Calendar  
2011**

Month	Date	Topics for Discussion
June	7	<ul style="list-style-type: none"> <li>• Review 2012 State Bonding Requests (KU)</li> <li>• Rail Station Issues (BO/KU)</li> </ul>
June	28	<ul style="list-style-type: none"> <li>• Review City Land Inventory Data (TG/Patrick)</li> </ul>
Others on List – including 2011 Strategic Planning Items		<ul style="list-style-type: none"> <li>• LRRWMO Administrative Services (KU)</li> <li>• Discuss Term Limits for Boards and Commissions (KU)</li> <li>• Look at pilot programs (e.g. volunteer programs – low maintenance)</li> <li>• Proactively recruit residential development and seek builders input</li> <li>• Review Outside Storage in Industrial Areas – <b>Slated for Joint CC &amp; Planning – June 2</b></li> <li>• Seek feedback from developers re process, regulations, standards &amp; fees - research our fees vs. other cities’ fees – <b>Slated for Joint CC &amp; Planning – June 2</b></li> <li>• Review development fees and standards regarding construction</li> <li>• Develop TIF tracking plan with regard to fiscal disparities impact</li> <li>• Establish fund reserve policy</li> <li>• Review City-owned lands and create plan for it</li> <li>• Review park programming and potential reallocation of parks</li> <li>• Construct boat landing at River’s Bend</li> <li>• Build on outdoors/sportsmen’s market (e.g. stock pond/lake)</li> <li>• Develop Office/Industrial Park west of Armstrong and South of U.S. Highway #10 – <b>Slated for Joint CC &amp; Planning – June 2</b></li> <li>• Coordinate COR marketing and City marketing</li> <li>• Create Master Plan 167<sup>th</sup> Avenue/Highway 47 – plan for redevelopment – <b>Discuss after Joint Meeting between CC &amp; EDA</b></li> <li>• Develop community center/indoor sports complex</li> <li>• Old Town Hall relocation</li> <li>• Review &amp; revise Development Management contract and manage COR expenditures</li> <li>• Seek grant funding for transportation projects and service delivery</li> <li>• Complete US 10/ County Road 83 interchange design – pursue funding</li> <li>• Establish position on TH #47 South of Bunker to Highway #10</li> <li>• Consider creation of a Transportation Taxing District</li> <li>• Review plan for US Highway #10 pedestrian overpass and connection with Municipal Center ramp</li> <li>• Review Dirt Road Elimination Policy (DREP)</li> <li>• Create opportunities for snowmobile, four-wheeler &amp; golf cart use</li> <li>• Review sidewalk plowing policy</li> <li>• Review of New Office Park Zoning Standards</li> <li>• Review of Escrow account Collection Procedure – <b>to be discussed at April 26 Finance Committee</b> <ul style="list-style-type: none"> <li>○ Delinquent Accounts – <b>Part of Finance Committee discussion – 4/26</b></li> <li>○ Updating Billable Time Procedure – <b>Part of Finance Committee discussion – 4/26</b></li> </ul> </li> </ul>

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