

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday March 15, 2011

7:00 p.m. or immediately following City Council Work Session
Lake Itasca Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Roll Call**
- 3. Citizen Input**
- 4. Approve Agenda**
- 5. Approve Minutes**
 1. Approve the following HRA meeting minutes:
Tuesday, February 8, 2011
Tuesday, February 15, 2011
- 6. HRA Business**
 1. Consider EDA Recommendation Regarding Retail Space in Flaherty and Collins Apartment Project
 2. Review the "Get on Board" Campaign
 3. Consider Development Management Contract Revisions
 4. Review HRA Expenditures
- 7. Committee Reports**
- 8. Executive Director's Report**
- 9. Commissioner Input**
- 10. Adjournment**

HRA Regular Session

Item #: 5. 1.

Date: 03/15/2011

By: JoAnn Shaw
Community Development

Information

Title:

Approve the following HRA meeting minutes:

Tuesday, February 8, 2011
Tuesday, February 15, 2011

Background:

n/a

Funding Source:

n/a

Council Action:

Approve the following HRA meeting minutes:

Tuesday, February 8, 2011
Tuesday, February 15, 2011

Attachments

[HRA 2.8.11](#)

[HRA 2.15.11](#)

Form Review

Inbox

Heidi Nelson

Form Started By: JoAnn Shaw

Final Approval Date: 03/03/2011

Reviewed By

Amy Dietl

Date

03/03/2011 04:16 PM

Started On: 03/03/2011 11:56 AM

**HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, February 8, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson David Jeffrey
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: Deputy City Administrator Heidi A. Nelson
 Public Works Director Brian Olson
 City Engineer Tim Himmer
 Planning Manager Amber Miller
 Finance Officer Diana Lund
 City Attorney Bill Goodrich

CALL TO ORDER

Chairperson Jeffrey called the regular meeting of the Housing and Redevelopment Authority to order at 8:18 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

Motion by Commissioner Tossey, seconded by Commissioner Elvig, to approve the following minutes:

Special Meeting Minutes dated January 4, 2011
Special Meeting Minutes dated January 25, 2011

Motion carried. Voting Yes: Chairperson Jeffrey, Commissioners Tossey, Elvig, Backous, McGlone, Ramsey, and Wise. Voting No: None. Absent: None.

APPROVAL OF AGENDA

Motion by Commissioner McGlone, seconded by Commissioner Elvig, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Jeffrey, Commissioners McGlone, Elvig, Backous, Ramsey, Tossey and Wise. Voting No: None. Absent: None.

HRA BUSINESS

Case #1: Amend 2010 Housing & Redevelopment Authority Budget and Adopt 2011 Housing & Redevelopment Authority Budget

Finance Officer Lund reviewed the staff report.

Chairperson Jeffrey questioned how long it would be before the Commission is out of money if there are no land sales.

Finance Officer Lund stated it will take about one year if 2011 goes at the same rate as 2010.

Commissioner Wise noted there is a large deposit coming with Suite Living.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey to amend the Budget and Adopt 2011 Housing & Redevelopment Authority Budget.

Motion carried. Voting Yes: Chairperson Jeffrey, Commissioners Ramsey, Tossey, Backous, Elvig, McGlone, and Wise. Voting No: None. Absent: None.

EXECUTIVE DIRECTOR'S REPORT

HRA Executive Director Nelson stated items will be presented in a meeting next week.

COMMISSIONER INPUT

Commissioner Ramsey noted there was a discussion about ICSC and a concern about a quorum is no longer an issue. If there are more than three members going to the conference, the notice will be published. The meeting can still be held; however, City business cannot be discussed without a quorum.

ADJOURNMENT

Motion by Commissioner Wise, seconded by Commissioner Jeffrey, to close the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:26 p.m.

Respectfully submitted,

Heidi Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Chris Moksnes
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY
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STATE OF MINNESOTA**

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Members Present: Chairperson David Jeffrey
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: City Administrator Kurtis G. Ulrich
 Public Works Director Brian Olson
 City Engineer Tim Himmer
 City Attorney Bill Goodrich
 Development Manager Darren Lazan

CALL TO ORDER

Chairperson Jeffrey called the regular meeting of the Housing and Redevelopment Authority to order at 8:15 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

Motion by Commissioner Elvig, seconded by Commissioner Wise, to approve the following minutes:

Special Meeting Minutes dated January 4, 2011
Special Meeting Minutes dated January 25, 2011

Motion carried. Voting Yes: Chairperson Jeffrey, Commissioners Elvig, Wise, Backous, McGlone, Ramsey, and Tossey. Voting No: None. Absent: None.

APPROVAL OF AGENDA

Case #2 was moved to the first agenda item and Case #4 will be postponed due to the fact that Executive Director Nelson is absent.

Motion by Commissioner Ramsey, seconded by Commissioner Backous, to approve the agenda as amended.

Motion carried. Voting Yes: Chairperson Jeffrey, Commissioners Ramsey, Backous, Elvig, McGlone, Tossey and Wise. Voting No: None. Absent: None.

HRA BUSINESS

Case #2: Outstanding Title Issues

City Attorney Goodrich explained there are two property restrictions in connection with the Ramsey Town Centre Project. They were signed by Community National Bank. One was challenged by Coburnø and they won. The other issue would be easier to clear from the title than securing a voluntary release. All this is a matter of public record. He emphasized this is a housekeeping detail.

Development Manager Lazan pointed out the issue is that this is still on the Cityø title. It can be ignored for a short time, but it would be better to clear it up.

City Attorney Goodrich stated at the time the covenant was created, Community National Bank did not own the property. He added that this could turn into a lawsuit, which would be a cost to both sides. Since it is on the title, it could pose a risk in a potential sale.

City Administrator asked how long it would take to remove this from the title.

City Attorney Goodrich responded it would take three to four months. If it is not released voluntarily, the City will have to notify that it will take legal action.

Development Manager Lazan explained he wanted the issue acknowledged and added the City needs to be aware that it needs to be dealt with.

The HRA reached a consensus to direct Staff to respond with a letter requesting a voluntary release.

Development Manager Lazan brought up a second issue regarding the parcel diagonal from City Hall. There is substantial parking construction on Mr. Dealø property. The City requires 60 feet of right-of-way north of Sunwood. Ramsey Town Centre sold 60 feet of land to Mr. Deal. The seller kept the money and did not pay the bank. Therefore, the bank did not release the mortgage and foreclosed on the property. Mr. Deal says he bought the property, but the title now belongs to the City. The City made an informal offer to Mr. Deal last week which includes the creation of a third PUMA C. The 60 feet of land would be included in the new PUMA and the City could allocate 65 parking stalls to Mr. Deal. The City would work with him to allow more parking which would allow him to build to the full potential of his parcel. Mr. Deal is not opposed to

this, and is taking it under consideration. Development Manager Lazan said he would like to formalize that offer and present it to Mr. Deal.

Commissioner Elvig questioned whether a monthly fee per stall would be charged to Mr. Deal.

Development Manager Lazan confirmed it would.

Commissioner Elvig asked how this fits into a Special Services District.

Development Manager Lazan explained the PUMA is different than the Special Services District. The PUMA would oversee the SSD.

Commissioner Backous inquired if there is a disagreement on who owns the parking spaces.

Development Manager Lazan replied Mr. Deal states he paid for them once, and feels the City should give them to him. He is aware he does not own the title.

Commissioner Elvig commented he would like to know more of the story before making a decision.

Discussion took place regarding the differences between a Special Services District and a Master Declaration, and which is most appropriate.

Motion by Commissioner Elvig, seconded by Commissioner Tossey, to formalize the offer presented to Mr. Deal last week.

Motion carried. Voting Yes: Chairperson Jeffrey, Commissioners Elvig, Tossey, Backous, McGlone, Ramsey, and Wise. Voting No: None. Absent: None.

Case #1: Consider Amendment to the Development Management Agreement with Regard to the Hot List

City Administrator Ulrich reviewed the staff report.

Chairperson Jeffrey questioned why the contract would be amended now and not wait for the new contract that is due in one month.

Development Manager Lazan explained this amendment establishes the rules to keep the work he has done so far as the property of the City. If the contract is not amended, the protection is not in place.

Commissioner McGlone said it is a good idea to request the amendment for the new contract.

City Administrator Ulrich noted this clarifies the criteria for both sides. If this contract is terminated, both sides are protected.

Motion by Commissioner Tossey, seconded by Commissioner Wise, to approve the proposed amendment to the DM contract.

Further discussion: Commissioner Wise asked if this does anything to help with the hot list that will be public information. Development Manager Lazan responded there is no hot list. If the contract is terminated, the list of names that met the criteria becomes public. He said he could give the list to a new consultant, though he needs protection for the work he has done. Commissioner Elvig stated he is against moving forward. Development Manager Lazan stated before there was a set of subjective criteria and the only criteria was to say that substantial discussion took place. Now the request is to include a specific set of criteria, and the City would be protected on these items. The list of criteria would require the items on the list had to take place in the past 12 to 24 months. He said he would keep a spreadsheet with criteria and check each off as it relates. Commissioner Elvig said he would like to have a review done on a 30 day basis. Commissioner Ramsey stated he is in favor of moving this forward. Commissioner Backous commented he has no problems with this change. Chairperson Jeffrey noted he is not in favor of moving this forward.

Motion carried. Voting Yes: Commissioners Tossey, Wise, Backous, Elvig, McGlone, and Ramsey. Voting No: Chairperson Jeffrey. Absent: None.

Case #3: ICSC Conference Attendance

Development Manager Lazan reviewed the staff report.

Councilmembers Wise, Ramsey, Elvig and McGlone will attend. Development Manager Lazan, Deputy City Administrator Nelson, and City Administrator Ulrich will also attend.

Case #4: Review 2011 Strategic Planning Items Related to the Development Management Team and The COR

This item was postponed to the next scheduled meeting of the HRA.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

Commissioner Ramsey noted there is a County officials meeting with the Minnesota Legislators in Washington DC March 4 though 9, 2011. He requested permission to travel to the meeting one day and return the next.

Consensus was reached to allow Commissioner Ramsey to attend.

ADJOURNMENT

Motion by Commissioner Wise, seconded by Commissioner Elvig, to close the Special Session of the Housing and Redevelopment Authority.

Motion carried.

The Special Session of the Housing and Redevelopment Authority adjourned at 9:49 p.m.

Respectfully submitted,

Heidi Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Chris Moksnes
TimeSaver Off Site Secretarial, Inc.

Date: 03/15/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Consider EDA Recommendation Regarding Retail Space in Flaherty and Collins Apartment Project

Background:

At a special EDA meeting on February 24th, the EDA approved a RLF Loan and SAC/WAC assistance for the Wells Catering/Falls Cafe project in The COR. As a part of that approval, the EDA recommended that the HRA reconsider its requirement in the Flaherty and Collins apartment project for retail space. This was due to the identification of a potential conflict with a similar restaurant's interest in the space and the competition with The Falls. Under the current agreements with Flaherty and Collins, the developer is required to construct 3,000 square feet of retail space, with the HRA back-stopping the lease of the space 12 months post-occupancy at a rate of up to \$16 per square foot for a period of 3 years. The total potential HRA liability for the retail space is \$144,000 over the three-year period.

At its regular meeting of March 8th, the City Council approved the RLF loan and SAC/WAC assistance for The Falls Cafe/Wells Catering project. There was additional discussion regarding the potential conflict of two similar restaurant users in The COR.

The Development Management Team's position on this issue is that the inclusion of retail space in the Flaherty and Collins project is an matter of use versus a specific user for the space. It has long been the goal for this mixed-use project to have retail activity on the corner of the municipal plaza, across for the municipal center. Additionally, it is the Development Management team's position that locating residences on the corner of the plaza is not a good fit for the space. This space, with the construction of the rail station and other uses across the street, will become a high-activity area that is ideal for a limited retail use. Therefore, it is the recommendation of the Development Management Team that the HRA continue in its agreement to require the construction of 3,000 square feet of retail space in the Flaherty and Collins project. The Development Management Team further recommends that effort be put forth by the HRA and the Development Management Team to assist in securing a tenant for the retail space in anticipation of a Fall 2012 occupancy.

Notification:

None required.

Recommendation:

The DM Team recommends that the HRA continue in its agreement to require the construction of 3,000 square feet of retail space in the Flaherty and Collins project. The Development Management Team further recommends that effort be put forth by the HRA and the Development Management Team to assist in securing a tenant for the retail space in anticipation of a Fall 2012 occupancy.

Funding Source:

Funding for the retail rent back-stop would be provided in the HRA budget. The first year of obligation would most likely be late 2013 if the space were not leased.

Council Action:

Direct the DM Team with regard to the Flaherty and Collins agreements for the construction of 3,000 square feet of retail space and assistance is securing tenants for the space in anticipation of a Fall 2012 occupancy.

Form Review

Inbox	Reviewed By	Date
Darren Lazan	Darren Lazan	03/09/2011 05:21 PM
Aaron Backman	Aaron Backman	03/09/2011 05:49 PM
Heidi Nelson (Originator)	Heidi Nelson	03/10/2011 09:51 AM
Form Started By: Heidi Nelson		Started On: 03/09/2011 01:00 PM
Final Approval Date: 03/10/2011		

Date: 03/15/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Review the "Get on Board" Campaign

Background:

In late 2010, the HRA began a "Get-on-Board" campaign to assist in securing funding for and build additional support for the Ramsey Rail Station.

To date, the following work has been completed:

- Logo design and approval
- Rail Station Boards used in VA Groundbreaking, meetings with Met Council and MNDOT
- Rail Station signs on Hwy 10 and at station location by ramp
- Street banners along Sunwood
- Flyer template to be used in lobbying efforts in DC and state bonding bill

The DM Team would like the HRA to consider additional components of a "Get-on-Board" campaign to further our efforts to secure the funding necessary to allow the rail station construction to proceed in 2011.

The suggested additional components include:

- Powerpoint template for Get on Board campaign
- Bannering for buses to promote the Ramsey Station
- Incentives to increase Star Express ridership

The DM Team is seeking direction with regard to proceeding with the additional components for the Get on Board Campaign. The outstanding expenses to date are roughly \$1,700, and it is estimated that the cost of developing the powerpoint template would be 5-6 hours at \$95.00 per hour for the graphic designer, to be funded by the HRA marketing budget. If the HRA would like to consider the bus bannering and incentives to increase Star Express ridership, the DM Team would bring back a proposal to address those items.

Notification:

None required.

Recommendation:

The DM Team is seeking direction regarding additional Get-on-Board campaign items.

Funding Source:

HRA 2011 Marketing Budget.

Council Action:

Direct staff regarding additional Get-on-Board campaign items.

Form Review

Inbox	Reviewed By	Date
Darren Lazan	Darren Lazan	03/09/2011 05:25 PM
Heidi Nelson (Originator)	Heidi Nelson	03/10/2011 09:53 AM
Form Started By: Heidi Nelson		Started On: 03/09/2011 01:31 PM
Final Approval Date: 03/10/2011		

Date: 03/15/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Consider Development Management Contract Revisions

Background:

The current Development Management (DM) contract for The COR at Ramsey will be in effect until March 31, 2011. At the February 22nd meeting of the HRA, staff received input from the HRA members with regard to issues that should be addressed in the contract in consideration of renewal of the contract.

The issues identified by the HRA to be addressed include the following:

- Reporting on work performed/status of projects
- Communication between the HRA and DM Team and between the DM Team and City Staff
- Discretion for the City to self perform or utilize other consultants for design (engineering/LA/planning) work for public improvement projects

As the HRA will recall, in recent months two amendments to the DM were approved by the HRA. One was a housekeeping item to address diminishing DM compensation over time post contract termination and the other made revisions to the Hot List provisions within the contract. Those amendments are attached for HRA review as well as the original contract as approved in April of 2010.

Staff is proposing language changes to the contract to address the issues identified by the HRA on February 22nd, they are as follows:

Reporting and Communications:

(language below to be added to the contract)

The Development Manager will provide the members of the HRA, once monthly, during their regular meeting the financial dashboard for the project and provide analysis of the data to the members of the HRA during the meeting.

At the end of every meeting of the HRA under the "Executive Director Report" portion of the agenda, the Development Manager will provide a verbal update to the members of the HRA regarding meetings held and work completed since the time of the last meeting of the HRA.

The Development Management Team will include in each Weekly Update document, a bulleted list of work completed and meetings attended for the week prior.

The Development Management Team will produce a monthly cable TV show on QCTV Channel 16, entitled "The COR Report", to be aired to the public regarding activity and projects in The COR.

The Development Management Team will write and publish an article in each edition of the Ramsey Resident newsletter entitled "The COR Report" to update the public regarding activity and projects in The COR.

The Development Management Team will meet with the City Development and Department Head staff teams on the

first Tuesday of each month to update and receive feedback regarding activity and projects in The COR.

City Discretion to Use other Consultants

(language below to be added to the contract)

Where the HRA determines it is in the best interests of the project, the City reserves the right to self-perform or utilize other consultants for design of major public improvement projects such as roadway improvements, trunk utility or infrastructure improvements, or municipal design services, where Landform does not provide those services.

The Development Manager is requesting a two-year contract to be co-terminus with the current HRA membership with a 30-day termination clause, similar to the existing agreement.

The Development Manager has continued discussions regarding the "Hot List" portion of the contract and would like to discuss further revisions. Staff and the Development Manager will discuss the concept of the proposed language changes with the HRA during the meeting. The proposed amendment is generally centered around the concept of eliminating the 5 year diminishing compensation and "Hot List" in favor of a fixed compensation amount upon early contract termination and a fixed number of months for carry-over of imminent deals.

Finally, staff has discussed with the consultant, the advance of incentive compensation that was paid under the current contract. The consultant states that this was essential to the incentive-only portion of the contract, and is requesting that the advance on incentive compensation continue for the first twelve months of the renewed agreement. HRA staff has argued that the advance on Incentive Compensation should not continue beyond the current contract. Staff has argued that going forward, projects should be delivered for incentive compensation to be paid. Discussion regarding this issue will continue between staff and the DM prior to Tuesday's meeting.

If the HRA is supportive of and provides direction regarding the proposed concepts and language changes, staff would proceed to prepare the amended contract to bring back for consideration over the next 2 weeks.

Notification:

None required.

Recommendation:

Staff is seeking direction with regard to the DM contract revisions and renewal.

Funding Source:

DM fees are paid from land sale proceeds and the HRA budget.

Council Action:

Direct staff with regard to the DM contract revisions and renewal.

Attachments

DM Contract

DM Contract 1st Amendment

DM Contract 2nd Amendment

Form Review

Inbox

Reviewed By

Date

Darren Lazan	Darren Lazan	03/09/2011 06:05 PM
Darren Lazan	Amy Dietl	03/10/2011 10:01 AM
Kurt Ulrich	Amy Dietl	03/10/2011 10:02 AM
Heidi Nelson (Originator)	Heidi Nelson	03/10/2011 10:58 AM
Darren Lazan	Jo Thieling	03/10/2011 03:21 PM
Kurt Ulrich	Jo Thieling	03/10/2011 03:23 PM
Heidi Nelson (Originator)	Heidi Nelson	03/10/2011 03:59 PM
Form Started By: Heidi Nelson		Started On: 03/09/2011 03:30 PM
Final Approval Date: 03/10/2011		

PURCHASE OF SERVICES AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into between the Housing and Redevelopment Authority of the City of Ramsey, a public body corporate and politic under the laws of the state of Minnesota (the "HRA"), 7550 Sunwood Drive NW, Ramsey, Minnesota 55303, hereinafter referred to as the "HRA," and Landform Professional Services, LLC, a Minnesota limited liability company, 105 South Fifth Avenue, Suite 513, Minneapolis, Minnesota 55401, hereinafter referred to as the "Contractor."

WITNESSETH:

WHEREAS, the HRA is in need of development management services for its Ramsey Town Center Project, in the City of Ramsey; and

WHEREAS, the Contractor represents that the Contractor is qualified and willing to help the City in providing said services; and

WHEREAS, the City wishes to purchase this service from the Contractor.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed and understood as follows:

I. TERM

This Agreement shall commence upon the signing of this Agreement and shall continue in effect through the satisfactory completion of the services to be provided herein unless terminated earlier as provided herein.

II. SERVICES

The HRA agrees to purchase and the Contractor agrees to furnish the services set forth in Contractor's Proposal dated March 22, 2010, (the "Contractor's Proposal") a copy of which is attached hereto and incorporated herein as Schedule A. HRA is referenced as "Owner" within the Contractor's Proposal and Contractor is referenced as Landform within said Proposal.

III. COMPENSATION

Compensation to Contractor shall be as provided in Section in Article IV of the Contractor's Proposal.

IV. BILLING AND PAYMENT

On a monthly basis, the Contractor shall submit to the HRA an itemized statement containing such information as is required by the HRA for work satisfactorily completed. Within thirty (30) days of its receipt of the billing statement, the HRA shall make payment to the Contractor or make reasonable arrangements for payment acceptable to the Contractor.

V. INDEMNIFICATION

The Contractor agrees that it will hold harmless, indemnify, and defend the HRA, its commissioners, officers, agents and employees against any and all claims, expenses (including attorneys fees), losses, damages or lawsuits for damages arising from or related to providing or failing to provide services hereunder, including but not limited to the negligence of the Contractor.

VI. INSURANCE

The Contractor shall procure and maintain in full force and effect during the term of this Agreement, insurance coverage for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The insurance coverage shall satisfy the requirements set forth in Schedule B, which is attached hereto and incorporated herein.

VII. SERVICES NOT PROVIDED FOR

No claim for services furnished by Contractor not specifically provided for herein shall be honored by the HRA.

VIII. INDEPENDENT CONTRACTOR

It is agreed by the parties that at all times and for all purposes hereunder, the relationship of the Contractor to the HRA is that of an independent contractor and not an employee or agent of the HRA.

IX. HRA PROJECT MANAGER

The HRA's representative for administering this Agreement is Deputy Ramsey City Administrator Heidi Nelson. For purposes of this Agreement Ms. Nelson shall be the designated Project manager. To the extent consistent with Contractor's status as an independent Contractor, Ms. Nelson shall be Contractor's direct supervisor relating to Agreement issues. Neither Ms. Nelson nor Contractor shall have the authority to legally bind the HRA and expend HRA funds, except as specifically permitted by this Agreement.

X. COMPLIANCE WITH LAWS

In providing all services pursuant to this Agreement, the Contractor shall abide by all statutes, ordinances, rules and regulations pertaining to or regulating the provision of such services, including those now in effect and hereafter adopted. Any violation of said statutes, ordinances, rules, or regulations shall constitute a material breach of this Agreement and shall entitle the HRA to terminate this Agreement immediately upon delivery of written notice of termination to the Contractor. SPECIFICALLY, neither Landform, its team members, employees nor consultants are real estate brokers or salespersons as defined by Chapter 82 of Minnesota Statutes. Therefore, Landform will not be entitled to any compensation for work which requires a license under said Chapter 82.

XI. SUBCONTRACTING AND ASSIGNMENTS

Contractor, unless provided for in the Contractor's Proposal, shall not enter into any subcontract for performance of any of the services contemplated under this Agreement, nor assign any interest in the Agreement without the prior written approval of the HRA and subject to such conditions and provisions as the HRA may deem necessary. The Contractor shall be responsible for the performance of all subcontractors.

XII. MODIFICATIONS

Any material alterations, modifications or variations of the terms of this Agreement shall be valid and enforceable only when they have been reduced to writing as an amendment and signed by the parties.

XIII. AFFIRMATIVE ACTION

In accordance with the HRA's Affirmative Action Policy and the HRA's policies against discrimination, no person shall illegally be excluded from full-time employment rights in, be denied the benefits of, or be otherwise subjected to discrimination in the project which is the subject of this Agreement on the basis of race, creed, color, sex, sexual orientation, marital status, public assistance status, age, disability, or national origin.

XIV. DATA PRIVACY

In collecting, storing, using and disseminating data on individuals in the course of providing services hereunder, the Contractor agrees to abide by all pertinent state and federal statutes, rules and regulations covering data privacy, including, but not limited to, the Minnesota Data Practices Act and all rules promulgated pursuant thereto by the Commissioner of the Department of Administration.

All data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing this Agreement is also subject to the provisions of Minn. Stat. § 13 et. seq. (the Minnesota Government Data Practices Act) and, pursuant to that statute, the Contractor must comply with the requirements of that statute as if it were a government entity. All remedies set forth in Minn. Stat. § 13.08 shall also apply to the Contractor. The Contractor is not required to provide public data to the public if that same data is available from the HRA, unless stated otherwise in this Agreement.

XV. EARLY TERMINATION

This Agreement may be terminated by the HRA or Contractor at any time, with or without cause, upon thirty (30) written days notice delivered by mail or in person. Notice to HRA and Contractor shall be delivered to HRA or Contractor at the respective addresses first written above. If notices are delivered by mail, they shall be effective two days after mailing.

Upon early termination by the HRA, the Contractor shall only be entitled to payment for services satisfactorily performed through the date of termination and shall not be entitled to any other payment and/or damages, EXCEPT as provided in Contractor's Proposal.

XVI. DEFAULT AND REMEDY

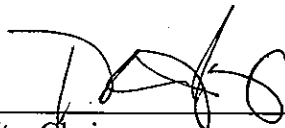
Failure of the Contractor (including the failure of any employee or agent of the Contractor) to abide by any of the terms, conditions, or requirements expressed in this Agreement shall constitute a default if not properly corrected by the Contractor upon receipt of a notice of deficiency and a request for compliance from the HRA. In the event of a default by the Contractor, the HRA may cancel this Agreement by sending a written notice of cancellation to the Contractor at the address stated above, and may recover from the Contractor any damages sustained by the HRA which may directly or consequently arise out of the breach of this Agreement by the Contractor.

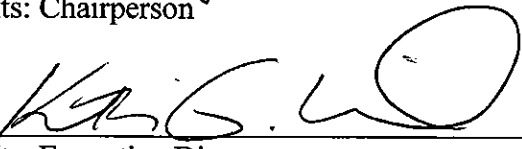
XVII. ENTIRE AGREEMENT

It is understood and agreed by the parties that the entire agreements of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the HRA and Contractor relating to the subject matter hereof. The parties hereto revoke any prior oral or written agreement between themselves and hereby agree that this Agreement is the only and complete agreement regarding the subject hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF RAMSEY**

By 
Its: Chairperson

By 
Its: Executive Director

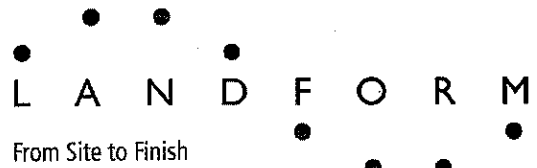
Dated: 4/21/10

**LANDFORM PROFESSIONAL
SERVICES, LLC**

By: 
Its: PRESIDENT

Dated: 4/21/10

SCHEDULE A



March 22, 2010

105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401

Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

Kurt G. Ulrich
HRA Executive Director
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Re: Development Management Services
Ramsey, Minnesota

Mr. Ulrich:

LANDFORM is pleased to submit our proposal for Development Management Services as described below: This proposal is sometimes hereinafter referred to as this "Agreement".

ARTICLE I. PROJECT SCOPE:

Acting on behalf of The Housing and Redevelopment Authority of the City of Ramsey, Minnesota (the "HRA" and/or the "Owner"), Landform Professional Services, LLC, a Minnesota limited liability company its team members and consultants ("Landform") shall provide development management services as Owner's representative during the project evaluation, feasibility, pre-development, and development of Owner's approximate 140-acre property located adjacent to Highway 10 in Ramsey, Minnesota in the Ramsey Town Center subdivision and legally described on attached Exhibit "A" (the "Project").

ARTICLE II. PROJECT OBJECTIVE:

Landform shall determine maximum market viability of Project site based upon visioning and mission statements developed under previous efforts. Organize, coordinate and strategically focus the resources and efforts of existing and new team members to maximize critical Project decisions. Create a new identity in the marketplace to bolster confidence in the new Project objectives. Develop viable pro-formas based on Project vision and market conditions. Prepare the Project and team for key events at which to showcase the Project. Initiate introductory meetings of the new Project with potential key users and development partners. Advance and negotiate various team accepted disposition strategies. Monitor and coordinate activities of team members from conception to completion.

The ultimate objective of the development of the Project is to create a mixed use development which shall include construction of a mixed use of commercial, office, retail and residential buildings for the Project's mixed use objective.

ARTICLE III. DEVELOPMENT MANAGEMENT SERVICES TO BE PROVIDED BY LANDFORM:

A. Project Organization

1. **Project Team Organization** - Review existing Project vision statement and provide additional input if/as required. Clearly establish key Project goals, properly prioritize the order of these goals, and initiate potential strategies to accomplish the desired Project goals. Identify all key Project team members required to accomplish Project goals. Establish Project roles and responsibilities. Identify existing and forecasted team members based upon expertise, skill sets, and available workload capacity. Establish Project team reporting and communications standards and framework. Landform represents that it has a professional working relationship with Greeby, Inc., an Illinois corporation, and CronkRE, LLC, an Illinois limited liability company, both of which are development management services firms. Therefore, Landform will have available to it personnel resources from both Greeby, Inc. and CronkRE, LLC for reasonable amounts of time to perform certain services for Owner as required of Landform pursuant to this Agreement. The Project team as defined herein does include personnel from both Greeby, Inc. and CronkRE, LLC.
2. **Master Development Activities List and Schedule** - Develop a master list of activities and explain requirements and responsibilities associated with each for the completion of the Project's process. Create responsibility assignment matrix for each Project item. Establish the master Project schedule for accomplishment of each task.
3. **Critical Item Assessment** – Develop a Critical Item Assessment which is a product of the due diligence investigation, determines and ranks the most relevant events and circumstances that possess the potential to interfere with or disrupt the Project process.
4. **Development Team Assembly** - Identify and assemble all additional key Project team members, internally or third party, including the preparation of request for qualifications, request for proposals, proposal evaluation, selection recommendations and negotiation of all contracts.

B. Planning and Engineering

- 1. Master Planning** –Provide basic master planning services as needed to evaluate potential development scenarios and respond to the opportunities that present themselves in the marketplace regarding this Project. This will include meeting with existing and perspective users and the coordination of planning efforts by all parties. Landform will maintain the master site database to ensure data integrity as all parties work on the various aspects of the Project. Upon expiration of this Agreement the master site database will become the property of the Owner.
- 2. Conceptual Layout** –Provide basic conceptual site design to assist in the evaluation and coordination of prospective deals and to ensure plans prepared by end users conform to the design criteria of the Project.
- 3. Preliminary Engineering** – Perform basic preliminary engineering necessary to evaluate potential development scenarios. If extensive engineering becomes necessary to facilitate a development concept, Landform will provide a separate proposal to the HRA for consideration at any time that becomes necessary.
- 4. Plan review and approval** - Provide peer review and summary of all plans prepared by other consultants within the Project to ensure compatibility with design intent, coordination with master plan, and data integrity of the overall CAD file systems.

C. Development Feasibility

- 1. Site Use Evaluation** - Review existing market feasibility analysis and as needed, conduct additional comprehensive industry, customer and competitor market feasibility analyses in order to determine market opportunities. Apply market research and use evaluation to determine and identify potential user classifications. Prepare list of potential user candidates and evaluate feasibility of each candidate based upon current and projected market conditions.
- 2. Public Incentives & Benefits Analysis** – Determine the necessary funds required at each stage of the development process of the Project in order to manage responsibilities and sources of funding appropriately. Identify various scenarios and options for public financial incentives and benefits to assist in the development of the Project.
- 3. Pro Forma Development** - Prepare anticipated income and expense pro forma based upon Project scenarios to include all projected hard and soft costs as well as potential income scenarios to determine each of the Project site's alternative financial feasibility. Landform will maintain

current "Dashboard" summaries for review and assessment by the team, and to assist in the analysis of potential Project scenarios.

4. **Development & Disposition Scenario Analysis** - Prepare and present various options and strategies for disposition of the Project parcels based upon identified Project parameters. Evaluate and prioritize potential development and disposition options for the Project.

D. Marketing

1. **The Project Identity Establishment** – Coordinate the efforts of the third party design consultant to assist in finalizing the brand identity for the Project. This may include a brand for the overall area as well as sub-brands for specific portions of the Project.
2. **Project Marketing Strategy** – Develop an overall marketing strategy, and appropriate sub-strategies, necessary to bring the Project to several markets. This will include the coordination of third party consultants to develop marketing collateral (print, electronic, etc.) necessary to present the Project to potential purchasers in the community, at trade shows, and/or industry events.
3. **Marketing Package Preparation** – Prepare and maintain comprehensive Project site marketing packages, to include the assembly of relevant economic, demographic, traffic, and planning data for Owner's use in disposition strategy.

E. Development

1. **Proposal Criteria Establishment** – Work to establish a criteria for disposition strategies. This may include leveraging industry relationships, evaluating presented opportunities, or developing specific RFP opportunities where appropriate. Landform will present the criteria to the Owner for consideration and approval.
2. **Property Interest Solicitation** – Based upon industry knowledge and existing team relationships, disseminate marketing package(s) on behalf of Owner to targeted groups. Establish communication and as appropriate facilitate introduction of Owner to potential candidates for the various development options with the intent for deal establishment. For the term of this Agreement (or as extended by the parties) Landform shall be the exclusive development manager and will be responsible for all potential development deals within the 140 acre Project.
3. **Development Options** – Assist Owner in advancing the following development scenarios:

- a. Property Sale or Lease – Assist in finalizing an agreement for the sale or lease of the Project land.
 - b. Public-Private Partnership (P3) – Assist in the establishment of development partnership(s) with private entities for various components of the Project.
 - c. Owner Self-Development – If applicable, assist Owner in developing a program for self development and ownership of specific components of the Project (see below).
4. **Development Administration** – Organize, prepare, and disseminate ongoing reporting, budgeting, and meeting minutes for the review of the team and Owner. Attend and present reports at scheduled HRA meetings and stand for questions or further consideration. Coordinate with Staff to prepare and present cases for consideration by the HRA and/or other boards or commissions of Owner.

F. Owner Self-Development (if applicable)

Scope of services shall include but not be limited to Design Coordination, Pre-Construction, Leasing, Financing, Project Management, Tenant Coordination, and Project Closeout.

ARTICLE IV. BASIS OF COMPENSATION:

A. Development Management Services (Administrative Compensation)

Project Organization / Planning and Engineering / Development Feasibility / Development / Marketing Phases

- 1. Landform shall provide development management services for the twelve (12) month period from April 1, 2010 – March 31, 2011 per the following activity schedule on a fixed fee basis:

Initial Workshop

Landform shall organize and facilitate a workshop session with selected members of Staff and the HRA to review, strategize, and formalize the proposed development structure. This will be focused on assisting the Owner in arriving at an agreeable basis on which to proceed with the Project, and how it will identify and evaluate various disposition strategies.

Organizational Activities

Pre-Development & Planning
 Municipal Approvals / Entitlements / Development Board-Commission
 Architectural Coordination & Establishment
 Preliminary Engineering

Project Construction Guidelines & Rules
Anchor Procurement Process
Commence Sales & Leasing effort & Developer Solicitation
Marketing
Financial Analysis
Tenant Coordination
Off-Site Improvement Coordination
Public Projects
Owners Coordination (existing owners in Ramsey TC)
Reporting & On-Going Meetings with City of Ramsey
The Organizational Activities do also include all those services as referenced in Article I Project Scope, Article II Project Objective, and Article III Development Management Services herein.

2. Compensation.

Landform shall be compensated a total of \$180,000.00 for those services described in paragraph 1. above during the Term of the Agreement at the rate of \$15,000.00 per month. However, in the event this Agreement is terminated prior to March 31, 2011, Landform shall receive the said \$15,000 monthly compensation only for each full month this Agreement is in effect and a prorated amount for any partial month during which this Agreement is in effect. This \$180,000.00 compensation is hereinafter referenced as the "Administrative Compensation".

B. Incentive Based Development Compensation (Incentive Compensation)

In addition to the Administrative Compensation received for development management services, Landform shall receive additional incentive-based compensation (Incentive Compensation) for development management services based upon success in advancing the development.

1. For the purposes of this Agreement, it is assumed that the disposition of various land parcels may occur in any of three ways: Sale or Lease, Public-Private Partnership (P3), or Owner Self-Developed. Landform shall solicit the interest of various prospective end-users, to include individual entities, corporations, developers, and/or development partners. Landform will coordinate the efforts of all team members to provide a uniform front to the development community, and assist in the evaluation, consideration, negotiations, and deal structuring on any disposition of land within the development area. Compensation under this section will be paid on all transactions regardless of origin or referral source. Meeting update reports documenting marketing progress shall be presented to the Owner on a regular basis.

2. The Incentive Compensation shall be **two percent (2.00%)** of the total capital cost of the end use of the parcel or property sold or developed which is the Development'(s) Capital Cost(s) (the "DCC"). The DCC shall be the total of the following items a. through e:
 - a. The net land sale price paid to Owner plus;
 - b. The proforma building value as presented by Landform net any City of Ramsey of HRA building subsidy provided to developer, except that said value shall not exceed the then current Minnesota Department of Labor and Industry's Building Valuation Data by more than 25% plus;
 - c. The site improvement costs net any City of Ramsey or HRA site subsidy provided to developer ("Subsidy") plus;
 - d. The development soft costs such as engineering, planning architecture, legal fees, any marketable title issues, realtor commissions, finance expenses and special inspections net of any Subsidy. In no event shall the development soft costs exceed 20% of the total of items a. through c. above.
 - e. In all events, the total DCC shall be net of any Subsidy.

The DCC is the basis for the Incentive Compensation. However, the parties agree that during the term of this Agreement, unique development scenarios may be presented which will require modification of the Incentive Compensation terms. With that understanding the parties agree to negotiate as necessary modified terms in relation to the Incentive Compensation.

3. The Incentive Compensation will be payable at the following stages of a specific development:
 - a. On a monthly basis, Landform shall receive monthly advances on future Incentive Compensation in the amount of **\$10,000/each**. Such draws shall be reimbursed from the proceeds of the Incentive Compensation when earned, and shall be considered minimum compensation for this contract component. However, in the event this Agreement is terminated prior to March 31, 2011, Landform shall receive the said \$10,000 monthly advance only for each full month this Agreement is in effect and a prorated amount for any partial month during which this Agreement is in effect. Monthly draws shall terminate once total compensation under this section reaches \$120,000.

- b. During the drafting of any lease or purchase agreement and/or development agreement (HRA Contract), the HRA and Landform shall work to determine the DCC, according to the formula defined in section IV, B. 2. above, which DCC total shall be used to determine the Incentive Compensation. A purchase agreement must have a closing date within 120 days of execution to be considered a "purchase agreement" for Incentive Compensation purposes. Once contingencies to an HRA Contract are removed, allowing closing to proceed within 120 days, the Incentive Compensation will become due and payable to Landform. The Incentive Compensation, once calculated based on these criteria, or from criteria outlined in this Section B., Paragraphs 4 and 5 below for Larger Development(s) or Phased Development(s), respectively, shall be final on or before the execution of any HRA Contract. Any substantial changes to the proposed development phasing, or terms prior to closing will necessitate redetermination of the Incentive Compensation consistent with the terms herein. Minor changes will be considered incidental.
- c. Upon the execution of an HRA Contract, Landform shall receive **20%** of the total Incentive Compensation, EXCEPT that in no event shall the said 20% exceed the earnest money or other down payment received by the HRA from the other party to the HRA Contract, i.e. buyer, lessee, or developer, except upon specific HRA authorization. In such circumstances where the portion of Incentive Compensation due exceeds the non refundable earnest monies or down payment received by the HRA, that portion in excess of said earnest money shall be deferred to the Incentive Compensation due upon closing of the land sale transaction, as described in paragraph d. below, or when said earnest monies become non-refundable, whichever occurs first.
- d. Upon closing of a land sale transaction between the HRA and a parcel developer, or tenant occupancy under a lease, Landform shall receive **60%** of the total Incentive Compensation.
- e. Following development design, permitting and construction, and upon issuance of a Certificate of Occupancy by the City of Ramsey, Landform shall receive a final payment of **20%** of the total Incentive Compensation, subject to this Section B, paragraphs 4 and 5 below.

Example for Paragraph 3.a.-e. above: An HRA contract is signed on a parcel of land for an office building having a DCC of \$10m in June, 2010. There are three (3) previous advances totaling \$30,000.

- i. The Incentive Compensation is calculated at two percent (2%) of \$10m or \$200,000.
- ii. The initial payment would be twenty percent (20%) of the total Incentive Compensation or \$40,000 **minus** the previous advances of \$30,000 for a net payment of \$10,000.
- iii. Closing occurs and the second payment of sixty percent (60%) of the Incentive Compensation becomes due in the amount of \$120,000 **minus** subsequent draws (if any).
- iv. Upon certificate of occupancy for the office building, the final twenty percent (20%) of the Incentive Compensation becomes due in the amount of \$40,000.

4. **Large Developments** – In calculating the Incentive Compensation on developments with a total DCC greater than \$30 million in a single transaction, the following equation shall be used:
- a. The Incentive Compensation shall be two percent (2%) of the DCC up to \$30 million (standard agreement);
 - b. Then, one percent (1.0%) for DCC in excess of \$30 million up to \$100 million;
 - c. Then, one half percent (0.5%) for DCC in excess of \$100 million up to \$150 million;
 - d. Then, one quarter per cent (0.25%) for DCC in excess of \$150 million.

Example for paragraphs 4. a.-d. above: An HRA contract is signed for a development with an estimated DCC of \$180,000,000. The Incentive Compensation shall be calculated as follows:

- i. 2.0% of \$30m = \$600,000
- ii. 1.0% of \$70m = \$700,000
- iii. 0.5% of \$50m = \$250,000
- iv. 0.25% of \$30m = \$75,000
- v. Total Incentive Compensation = \$1,625,000

5. **Phased Developments** – In calculating the Incentive Compensation on developments where occupancy is anticipated to be phased over a period greater than 24 months from closing of the transaction (phased start), a discount to the Incentive Compensation will be applied.
- a. **Phase 1.** For the purposes of this paragraph 5, if the land for the entire development is purchased at closing, the entire land value shall be reflected in phase 1 of the development. The Incentive Compensation for Phase 1 of the development shall be paid at the

20/60/20 percentages, as described in Section B, paragraph 3, b through e, above.

- b. **Future Phases.** For each 12 month period of the development, or portion that is anticipated to be phased beyond 24 months, the DCC for said Future Phases shall be calculated minus the net land sale price defined in paragraph 2.b. above. In addition, the Incentive Compensation for that portion of the development shall be discounted as follows:
- i. Phase 2. For those portions of the development anticipated to commence following the 24th month through the 36th month the Incentive Compensation will be 80% of the full Incentive Compensation, payable as follows:
 - a) Based upon the DCC minus the net land sale price, Landform shall receive 50% of the Incentive Compensation attributable to the phase 2 development as discounted in paragraphs 4 above and this paragraph 5 in sequence, upon closing of a land sale transaction between the HRA and a parcel developer, or tenant occupancy under a lease; and
 - b) Following development design, permitting, construction, and issuance of a Certificate of Occupancy by the City of Ramsey, Landform shall receive the final payment of 50% of the total Incentive Compensation attributable to that phase of the development as discounted in paragraphs 4 above and this paragraph 5, in sequence.
 - c) This Incentive Compensation payment formula shall apply to paragraphs ii., iii., and iv. below.
 - ii. Phase 3. Portions of the development anticipated to commence following the 36th month through the 48th month the Incentive Compensation will be 60% of the full Incentive Compensation.
 - iii. Phase 4. Portions of the development anticipated to commence following the 48th month through the 60th month the Incentive Compensation will be 40% of the full Incentive Compensation.
 - iv. Phase 5., etc. Portions of the development anticipated to commence after the 60th month the Incentive Compensation will be 20% of the full Incentive Compensation. In the event of termination of this Agreement, any outstanding earned Incentive Compensation becomes due and payable according to the terms herein.
 - v. Following the 84th month after closing on the first phase transaction, any portions of these fees deferred are eliminated.

Example for paragraph 5.a.i through v. above: A sale occurs for an apartment project consisting of six buildings. Two are to be constructed immediately; two are anticipated to begin 36 months later, and the last two the year after. The DCC for each phase is roughly \$20m (\$18m in building and \$2m in land). Both the Phased Developments (Article IV, B, 5) and the Large Developments (Article IV, B, 4) discounts shall apply.

- i. First phase Incentive Compensation shall be the full two percent (2%) of the **\$24m** (Phase 1 plus total land costs) or \$480,000.
 - ii. Phase 2. \$18m for building only, is discounted 20% or \$3.6m for a total value of \$14.4m. For the purposes of Incentive Compensation for this section one-half of that value or \$7.2m is realized. For \$6m of this value the full two percent (2%) applies for a total Incentive Compensation of \$120,000, for the remaining \$1.2m (now over \$30m value) one percent (1%) applies or \$12,000, for a total fee of \$132,000, with \$72,000 deferred as outlined in paragraph b.i. above.
 - iii. Phase 3, \$18m for building only, is discounted 40% or \$7.2m for a total value of \$10.8m. For the purposes of Incentive Compensation for this section one-half of that value or \$5.4m is realized. The Incentive Compensation of one percent (1%) applies for a total Incentive Compensation of \$54,000 with \$54,000 deferred as outlined in paragraph b.i. above.
 - iv. The total Incentive Compensation, subject to the 20/60/20 split as outlined in paragraph 3.b. through e. above would be \$666,000 with \$126,000 deferred as outlined in paragraph b.i. above.
6. **Prior Projects.** Incentive Compensation shall be due on any development deals located within the Project that close or break ground after April 1, 2010. In the event of the termination of this Agreement, regardless of cause, any incentive compensation on active deals, as defined in paragraph 7. (Hot List) a. through f. below, that have been declared prior to termination shall become payable in full at the time of it's eventual execution of HRA Contracts, land sale transaction, and issuance of certificate of occupancy.

7. Hot List

- a. Active deals will be declared, approved, and tracked through a "Hot List" incorporated into the active Dashboard. This list will be presented to the HRA at regular meetings for its approval. No active deal will be considered for placement on the Hot List unless there has been sufficient interest in the development by the subject developer, as determined by the HRA. The Hot List will have no binding effect if it has not received formal approval of the HRA. In the event of termination of this Agreement, the current Hot List will be finalized and approved by all parties.
- b. For Incentive Compensation coming due in the 12 months following the approval of the final Hot List, full Incentive Compensation will be paid pursuant to paragraph 3.c., d., and e. above.
- c. Following the 12th month through the 24th month the Incentive Compensation will be 80% of the full Incentive Compensation.
- d. Following the 36th month through the 48th month the Incentive Compensation will be 40% of the full Incentive Compensation.
- e. Following the 48th month through the 60th month the Incentive Compensation will be 20% of the full Incentive Compensation. After the 60th month, NO Incentive Compensation will be due to Landform.
- f. If, by the agreement of both parties, Services outlined in this proposal are provided outside the Project all terms and conditions outlined in this proposal shall apply on a parcel-by-parcel basis.
- g. Exceptions/Exclusions to Incentive Compensation:
 - i. No Incentive Compensation will become due on any public infrastructure (roads, bridges, utilities, etc.) projects constructed within the Project.
 - ii. No Incentive Compensation will become due on any public park projects including the City of Ramsey's East Meandering Park unless the park contains a commercial or private component for which the fee will be calculated on that portion alone.
 - iii. No incentive Compensation will become due on any city initiated facilities providing municipal services to the City of Ramsey. (i.e. City offices, pump house, public works facilities, community center, etc.). The term "community center" as used herein shall mean a facility that is constructed without any private partnership with the

City/Owner. Incentive Compensation will be paid on the Development Cost of the private portion of a community center where there exists a private/public partnership for said construction.

- iv. No Incentive Compensation will be paid for the workforce/market housing project known as, and proposed by Sands Companies (SCI, LLC). Landform, with staff, will assist the HRA in assessments, negotiations, and the preparation of documents for this project on an hourly basis for a fee not to exceed \$8,500 unless authorized in writing by the HRA.
- v. The Incentive Compensation for the HRA's pending Veterans Administration Clinic development (the "VA Clinic") notwithstanding anything herein to the contrary shall be limited as follows:
 - vi. The Incentive Compensation shall be one-half percent (.5%) of the Development's Capital Cost for the space occupied by the VA Clinic.
 - vii. The Incentive Compensation shall be two percent (2%) of the Development's Capital Cost of the second story of the VA Clinic building constructed for occupancy by users other than the VA Clinic.

C. Additional Compensation

In the normal course of the development of the project, It becomes necessary at times to prepare detailed feasibility, preliminary, and final design documents. Typically these are completed by the developer, as part of the overall development and include land surveying, civil engineering, planning, landscape architecture, and related architectural disciplines. Additionally, these services are also necessary for individual site development plans by either the end-user, or the developer on behalf of the end-user.

1. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement, it is understood that said services identified in the above paragraph in this Section C. will either be performed by or coordinated by Landform. At the time the need is identified, Landform will prepare a proposal specific to the scope required and present said proposal for consideration and approval by the HRA.
2. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement is required by an end-user, to the extent possible the HRA shall require this work be completed by Landform at the

end-user's direction and costs. Whether these services are contracted directly between the end user and Landform, or if they are escrowed by the HRA for payment to Landform, the contract for such services will be reviewed and approved by the HRA. Architectural services are excluded from this condition.

3. All design services performed shall be at normal and customary fees constant with fees Landform charges similar clients for similar projects. Said fee schedule attached as Exhibit B.
4. In any event, the HRA and Landform, understanding the dynamic nature of the development business, shall be free to discuss compensation strategies specific to deals of a more complicated nature, or on deals outside the Project, so as to create appropriate compensation on specialized deals.
5. Should the HRA opt to self-develop certain components of the Project, services and fees will be determined and mutually agreed upon for each component at that time.

D. Only Compensation

For work within the Project, Landform agrees that the Administrative Compensation, the Incentive Compensation and the Additional Compensation shall be the only compensation paid to Landform under this Agreement.

E. Reimbursable Expenses

In addition to the compensation set forth above, Landform shall receive reimbursement from Owner subject to the provision of proper documentation for the expenses listed in paragraphs 1., 2. and 3. below for Project related expenses at cost plus 10%. No Reimbursable Expenses will be considered for payment unless said expense is included as an expense item category previously approved on the then current HRA budget.

1. Any normal and ordinary business expenses permitted by the City/Owner including temporary living and travel expenses, airfare, lodging, car rental, mileage, meals, parking and tolls. Said expenses shall be approved by Owner prior to expenditure.
2. Administrative expenses incurred in connection with work performed on Owner's behalf and to handle Project related documents during the course of Project. Expenses shall include but not be limited to costs for reproduction, photocopies, printing, postage, and overnight delivery. Also to be reimbursed shall be the costs for Landform's providing various web-based Project and information management systems and hosting for the

purposes of collaboration, document sharing, and marketing during the course of the Project.

3. Third party expenses such as sub-consultant fees, event registrations, memberships, third party services, and other similar expenses. Said expenses shall be approved by Owner prior to expenditure.

F. Invoicing and Owner Payment

An initial retainer of fifteen thousand dollars (\$15,000) shall be made upon execution of this Agreement and is minimum payment under this Agreement. Said retainer shall be credited to Landform's account and applied to the final invoice of the initial twelve month phase.

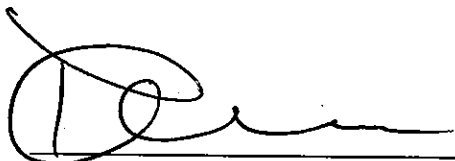
Landform shall invoice Owner for services rendered that month, or for Incentive Compensation becoming due, with the Administrative Compensation payment due within 30 days of the invoice date. Accounts unpaid 30 days after the invoice date will be subject to a monthly service charge of 1.5% on the then unpaid balance.

ARTICLE V. FORM OF CONTRACT:

The attached Terms and Conditions, Exhibit C are incorporated by reference and are an integral component of this contract.

Landform agrees to perform the Services described in this Proposal under the terms as outlined, subject to the terms and conditions of the Purchase of Services Agreement of even date to which this proposal is attached as Schedule A.

The HRA accepts the scope, terms and conditions outlined in this Proposal and instructs Landform to perform the Services as outlined, subject, to the terms and conditions of the Purchase of Services Agreement of even date to which this proposal is attached as Schedule A.

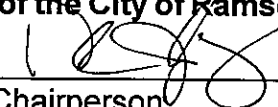


Darren B. Lazan
President


Date: 4/21/10

Landform Federal Tax ID: 27-1199905

**Housing and Redevelopment Authority
(HRA) of the City of Ramsey, Minnesota**

By: 
Its Chairperson

ATTEST:

By: 
Its Executive Director
Date: 4/21/10

LIST OF EXHIBITS

Exhibit A - Legal Description

Exhibit B - Landform Fee Schedule per Article IV. C.3.

Exhibit C - Additional Agreement Terms and Conditions

Exhibit A

Legal Description of the Project Property

Outlots V, CC, DD and HH, RAMSEY TOWN CENTER ADDITION Anoka County; Minnesota;

and

Outlot GG, RAMSEY TOWN CENTER ADDITION, Anoka County; Minnesota, except that part described as follows: Beginning at the northwest corner of said Outlot GG; thence on an assumed bearing of South, along the westerly line of said Outlot GG for 567.55 feet to a point of curvature in said westerly line; thence southerly for 36.04 feet along said westerly line along a tangential curve concave to the west, radius 540 feet and a central angle 03 degrees 49 minutes 27 seconds to a point of tangency in said westerly line; thence South 03 degrees 49 minutes 27 seconds West along said westerly line for 87.95 feet to the most southerly corner in said westerly line; thence South 66 degrees 10 minutes 33 seconds East along the southwesterly line of said Outlot GG for 659.59 feet; thence on a bearing of North for 957.75 feet to the northerly line of said Outlot GG; thence on a bearing of West along said northerly line for 596.32 feet to the point of beginning;

and

Outlot A, RAMSEY TOWN CENTER 11th ADDITION, and Lot 1, Block 1, RAMSEY TOWN CENTER 11th ADDITION, Anoka County; Minnesota, except that part which lies southerly of the following described line: Commencing at the southeasterly corner of Lot 1; thence on an assumed bearing of North along the easterly line of said Lot 1 for 186.92 feet to the actual point of beginning of the line to be described; thence on a bearing of West for 692.28 feet to the westerly line of Lot 1 and there terminating;

and

Outlot B, RAMSEY TOWN CENTER 11th ADDITION Anoka County; Minnesota;

and

All that part of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION, Anoka County; Minnesota which lies easterly of the easterly line of Block 1, RAMSEY TOWN CENTER 7th ADDITION, and its southerly extension;

and

All that part of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION Anoka County; Minnesota, lying southerly of the following described line: Commencing at the Northeast corner of Block 1, Ramsey Town Center 7th Addition; thence South, along the East line of said Block 1,

a distance of 247.47 feet to the Point of beginning of said line; thence West, along the South line of Block 1, Ramsey Town Center 7th Addition, a distance of 616.21 feet to the Westerly line of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION, and said line there terminating.

and

Outlots A, C, D, and F, RAMSEY TOWN CENTER 8th ADDITION Anoka County; Minnesota;

Beginning of said line; thence West, along the South line of Block 1, Ramsey Town Center 7th Addition, a distance of 616.21 feet to the Westerly line of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION, and said line there terminating.

and

Outlots A, C, D, and F, RAMSEY TOWN CENTER 8th ADDITION Anoka County; Minnesota;

and

Outlots F, G, H, J, K, N, O, P, Q and R, RAMSEY TOWN CENTER ADDITION Anoka County; Minnesota;

and

Tracts A, C, D and E, REGISTERED LAND SURVEY NO. 241 Anoka County; Minnesota;

and

Outlot M, RAMSEY TOWN CENTER ADDITION, except that part platted as RAMSEY TOWN CENTER 5th ADDITION Anoka County; Minnesota;

and

Outlot A, RAMSEY TOWN CENTER 5th ADDITION Anoka County; Minnesota;

and

Outlot A, RAMSEY TOWN CENTER 10th ADDITION Anoka County; Minnesota;

and

Outlots A and B, RAMSEY TOWN CENTER 7th ADDITION Anoka County; Minnesota;

and

Lot 2, Block 1, RAMSEY TOWN CENTER 5th ADDITION, Anoka County; Minnesota;

Exhibit B

Landform Fee Schedule per Article IV. C.3.

Exhibit B

LANDFORM

From Site to Finish

105 South 5th Avenue
Suite 513
Minneapolis, MN 55401

Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

RATE SCHEDULE

Effective Date: July 1, 2008

LABOR RATES

The following hourly rates shall be used for this contract:

Senior Principal	195.00/hour
Principal	160.00/hour
Associate	130.00/hour
Water Resources Specialist	125.00/hour
Project Designer	115.00/hour
Senior Designer	115.00/hour
Designer III	80.00/hour
Designer II	75.00/hour
Designer I	65.00/hour
Project Planner	115.00/hour
Senior Planner	115.00/hour
Planner III	80.00/hour
Planner II	75.00/hour
Planner I	65.00/hour
Survey Department Manager	135.00/hour
Survey Project Manager	115.00/hour
Crew Coordinator	100.00/hour
Survey Technician III	90.00/hour
Survey Technician II	75.00/hour
Survey Technician I	65.00/hour
Crew Chief	90.00/hour
Instrument Person	55.00/hour
GPS Equipment	35.00/hour
Construction Observation III	110.00/hour
Construction Observation II	85.00/hour
Construction Observation I	80.00/hour
Department Manager	75.00/hour
Information Systems Manager	125.00/hour
Senior Administrative Assistant	85.00/hour
Administrative Assistant	50.00/hour

REIMBURSABLE EXPENSES

Internal reimbursable expenses are priced as follows:

Mileage	0.55 per mile
Plotting on Bond	0.25 per square foot
Plotting on Vellum	1.10 per square foot
Plotting on Mylar	2.50 per square foot
Plotting in Color	7.00 per square foot
Color Printing	1.00 for 8.5 x 11
	2.00 for 8.5 x 14, 11 x 17
Scanning	1.50 per scan
CD/DVD	10.00 per cd/dvd

External reimbursable expenses shall be billed at cost plus 15%.

EXHIBIT C

TERMS AND CONDITIONS

1.0 CONSULTANT'S SERVICES. Consultant shall perform the services identified in this Proposal and no others unless otherwise agreed and unless Consultant is paid additional compensation in accordance with this Proposal. As used in this Terms and Conditions document, the term "Client" means the City of Ramsey and the term "Consultant" means Landform.

1.1 STANDARD OF CARE. Consultant's services shall be performed based on the standard of reasonable professional care for services similar in scope, schedule, and complexity to the services being provided by the Consultant.

1.2 SCHEDULE. Time limits established by the schedule identified in the Proposal shall not, except for reasonable cause, be exceeded by Consultant or Client. Consultant's compensation shall be equitably adjusted in the event of delays caused by Client, Client's other consultants, or Client's agents. Fees quoted in the Proposal shall be adjusted if services do not commence within 90 days after the date of the Proposal.

2.0 ADDITIONAL SERVICES. In addition to any other Additional Services listed in the Proposal, the following services are not included in Basic Services and Client shall compensate Consultant for such services upon prior agreement by Client, in addition to compensation for Basic Services: (1) Making revisions in Drawings and Specifications or other documents when such revisions are (a) inconsistent with approvals or instructions previously given, (b) the result of adjustments in Client's requirements, (c) required by enactment, interpretation or revision of codes, laws or regulations subsequent to preparation of such documents, (d) required by the failure of Client or Client's consultants to render decisions or to provide necessary information in a timely manner, (e) imposed by municipal or other authorities as a condition for approval of a project, unless the Drawings, Specifications or other documents clearly were not in compliance with applicable law when submitted for approval, or (f) due to or caused not solely within control of Consultant; (2) Providing any services excluded from the Scope of Services identified in the Proposal; (3) Providing any other services not otherwise expressly included in this Proposal.

7.0 MISCELLANEOUS PROVISIONS. ((1) This Proposal represents the entire and integrated agreement between Client and Consultant and supersedes all prior negotiations, representations or agreements, either written or oral. (2) This Proposal may be amended by written instrument signed by both Client and Consultant or, in the case of Additional Services, by a written confirmation from Consultant to which Client does not object within ten (10) working days.

9.0 BASIS OF COMPENSATION. Client shall compensate Consultant as set forth in the Proposal.

10.0 DELAYED PAYMENT; PAYMENT DISPUTES.

10.1 CONDITIONS PRECEDENT TO WITHHOLDING PAYMENT. The Client may not withhold any payments to the Consultant unless the basis of (including all particulars) and amount in dispute are identified and presented in writing to the Consultant not later than the twenty-fifth (25th) calendar day after presentation of the disputed invoice.

10.2 NOTICE OF CLAIMED ERRORS OR OMISSIONS. Client shall provide written notice, including all known particulars, to Consultant of any claimed errors or omissions in Consultant's services not later than 60 calendar days after Client becomes aware, or in the exercise of reasonable diligence should have become aware, of the existence of such error or omission. Consultant shall be given a reasonable opportunity, during such 60-day period, to investigate and recommend ways of mitigating any alleged damages. Client's failure to provide such notice, and/or Client's failure to provide Consultant a reasonable opportunity to investigate and make recommendations, within the time stated shall constitute an irrevocable waiver of any and all claims, counterclaims, defenses, setoffs, or recoupments Client might have in connection with any such alleged error or omission. In the event Client asserts a claim in violation of this paragraph, or in the event that any other error and omission claim asserted by Client is determined to be without substantial merit,

10.3 ERRORS OR OMISSIONS OF CLIENT'S CONSULTANTS. If Client has separately retained other design professionals Client agrees to defend, indemnify, and hold the Consultant harmless from all loss, damage, liability, cost or expense (including but not limited to reasonable attorneys' fees) arising out of or relating to (a) the negligent acts or omissions of such other design professionals, and/or (b) the failure of such other design professionals to carry or maintain professional liability insurance in an amount adequate to protect Client and Consultant from loss.

SCHEDULE B

INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contract, insurance coverage for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, their agents, representatives, employees or subcontractors.

1. Minimum Scope of Insurance: Coverage shall be at least as broad as follows:

- 1.1 Insurance Services Office (ISO) Commercial General Liability coverage (occurrence form CG 00 01 or a substitute form providing equivalent coverage), and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, advertising, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- 1.2 Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or substitute for providing equivalent liability coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).
- 1.3 Workers' Compensation as required by the State of Minnesota, and Employer's Liability insurance.
- 1.4 Professional Liability or Errors and Omissions insurance appropriate for the profession. Coverage shall be maintained for at least two years following the completion of work.

2. Minimum Limits of Insurance: Bidder/contractor/consultant shall maintain **NO LESS THAN:**

- 2.1 Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability: \$1,000,000 each occurrence. If Commercial General Liability insurance contains a general aggregate limit, it shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
- 2.2 Business Automobile Liability and if necessary, Commercial Umbrella Liability: \$1,000,000 each accident for bodily injury and property damage.
- 2.3 Employers Liability: as required by the State of Minnesota
- 2.4 Professional Liability or Errors and Omissions: \$1,000,000 per occurrence.

3. Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the HRA. At the option of the HRA, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects HRA, agents, officers, directors, and employees; or the bidder/contractor/consultant shall procure a bond guaranteeing payment of losses and related

investigations, claim administration and defense expenses; or the bidder/contractor/consultant shall provide HRA-requested financial statements for the purpose of verifying financial solvency, and acceptance of deductibles or self-insured retention based on this verification.

4. Other Insurance Provisions

- 4.1 The General Liability policy is to contain, or be endorsed to contain, the following provision: **HRA, its agents, officers, directors, and employees are to be covered as an additional insured for all liability coverages using ISO additional insured endorsement CG 20 10 or substitute providing equivalent coverage.** This insurance shall apply as primary insurance with respect to any other insurance or self-insurance program. The HRA's insurance shall be excess of the Consultant's insurance and shall not contribute to it. The Consultant's coverage shall contain no special limitations on the scope of protection afforded to the HRA, its agents, officers, directors, and employees.
- 4.2 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the HRA, its officers, officials, employees or volunteers.
- 4.3 Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party, reduced in coverage or in limits, or non-renewed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the HRA.
- 4.4 The Contractor shall include all subcontractors as insured under its policies or furnish separate certificates and endorsements for each subcontractor where applicable. All coverage for subcontractors shall be subject to all of the requirements stated herein.
- 4.5 Each insurance policy shall include an endorsement that waives any claim or right in the nature of subrogation to recover against the HRA, its agents, officers, directors, and employees.

5. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of A:VII, unless otherwise acceptable to the HRA.

6. Verification of Coverage

Contractor shall furnish the HRA with certificates of insurance and original endorsements effecting coverage required by this clause. *The certificate attached to this contract should be signed by a person authorized by that insurer to bind coverage on its behalf. A certificate other than the one attached may be used if coverages and endorsements match or exceed the coverages identified on the attached certificate.* All certificates and endorsements are to be received and approved by the

HRA before work commences. The HRA reserves the right to require complete, certified copies of all required insurance policies and endorsements at any time.

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Housing and Redevelopment Authority +

Certificate issued to Housing and Redevelopment Authority +

04/07/2010

Kraus-Anderson Insurance

04/07/2010

The Certificate Holder, its agents, officers, directors, and employees are Additional Insureds under the Commercial General Liability on a Primary/Non-Contributory Basis when required by written contract.

A Waiver of Subrogation in favor of the Additional Insureds applies to the Commercial General Liability and Workers' Compensation Policies when required by written contract.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED WRAP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM

1. Additional Insured When Required by Written Construction Contract

A. Operations Performed for an Additional Insured

Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this provision ends when your operations for that additional insured are completed.

B. Limitations

The Operations Performed for an Additional Insured coverage is limited as follows:

1. This insurance does not apply to "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. This insurance does not apply to "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
3. The Limits of Insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in the Declarations. If other insurance available to you and written by us is applicable to this additional insured, the maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit under any one coverage form or policy providing coverage on either a primary or excess basis.

2. Additional Insured When Required by Written Construction Contract – Completed Operations

A. Additional Insured - Completed Operations

WHO IS INSURED is amended to include as an additional insured any person or organization, when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, but only with respect to "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for that additional insured and included in the "products-completed operations hazard".

B. Limitations

The Additional Insured - Completed Operations coverage is limited as follows:

1. A person or organization's status as an insured under Additional Insured - Completed Operations continues only for the period of time required by the written contract or agreement. If no time period is required by the written contract or agreement, a person or organization's status as an additional insured under this endorsement will not apply beyond the lesser of:
 - a. The period of time required by the written contract or agreement; or
 - b. Five years from the completion of "your work" on the project which is the subject of the written contract or agreement.
2. The insurance as provided to the additional insured does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor-project manager or owner of the construction project in which you are involved.
3. The Limits of Insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in the Declarations. If other insurance available to you and written by us is applicable to this additional insured, the maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit under any one coverage form or policy providing coverage on either a primary or excess basis.
4. The coverage provided to the additional insured by this endorsement and by paragraph f. of the definition of "insured contract" under DEFINITIONS do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or agreement.

3. Primary and Noncontributory

As respects the coverage provided under this endorsement, Paragraph 4.b. of the Other Insurance Condition is deleted and replaced by the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless the written contract or agreement described in 1. and 2., above specifically requires that this insurance be either primary or primary and noncontributory.

4. Waiver of Transfer of Rights of Recovery Against Others to Us

LIABILITY CONDITIONS; Transfer of Rights of Recovery Against Others to Us, is amended by adding the following:

We waive any right of recovery we may have to recover we make for all or part of any payment we have made under this Coverage Part arising out of "your work" under a written contract or agreement requiring such waiver with that person or organization. However, our rights may only be waived prior to the "occurrence" for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

5. Amendment – Aggregate Limits of Insurance (Per Project)

The General Aggregate Limit under LIMITS OF INSURANCE applies separately to each of your projects away from the premises owned by you or rented to you. This extension does not apply to the "products-completed operations hazard".

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

1 MN

ALL PERSON(S) OR ORGANIZATION(S) AS
REQUIRED BY WRITTEN CONTRACT

LOC(S) AS SPECIFIED IN
WRITTEN CONTRACT

This endorsement changes the policy to which it is attached effective on the date issued unless otherwise indicated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No. 000
Premium \$

Insurance Company
SECURA INSURANCE,
A Mutual Company

Countersigned by _____

WC 00 03 13
(Ed. 4-84)

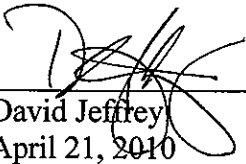
Memorandum

To: City of Ramsey HRA
From: David Jeffrey, HRA Commissioner and Vice Chairperson
Date: 4/21/2010
Re: Execution of HRA/Landform Professional Services, LLC Purchase of Services Agreement dated April 21, 2010 (the "Landform Agreement")

By this memorandum I want it to be known and memorialized why I have signed the above the Landform Agreement.

On March 16, 2010, the HRA, by a vote of 6 – 1, authorized the HRA to enter into the Landform Agreement. HRA Chairperson John Dehen, notwithstanding the above referenced directive, has refused to sign the Landform Agreement.

Therefore, as HRA Vice-Chairperson, I accepted the HRA March 16, 2010 directive and have signed the Landform Agreement on behalf of the HRA.



David Jeffrey
April 21, 2010

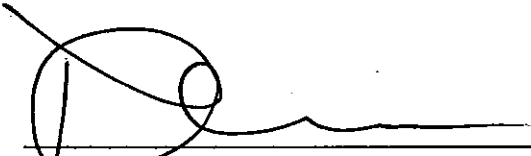
FIRST AMENDMENT TO DEVELOPMENT MANAGEMENT CONTRACT

BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, A PUBLIC BODY CORPORATE AND POLITIC UNDER THE LAWS OF THE STATE OF MINNESOTA (THE "HRA"), 7550 SUNWOOD DRIVE NW, RAMSEY, MINNESOTA 55303, HEREINAFTER REFERRED TO AS THE "HRA," AND LANDFORM PROFESSIONAL SERVICES, LLC, A MINNESOTA LIMITED LIABILITY COMPANY, 105 SOUTH FIFTH AVENUE, SUITE 513, MINNEAPOLIS, MINNESOTA 55401, HEREINAFTER REFERRED TO AS THE "CONTRACTOR."

Amending Page 16, Article IV, B. 7. Adding the following text as item c2.

"Following the 24th month through the 36th month the Incentive Compensation will be 60% of the full Incentive Compensation."


Housing and Redevelopment
Authority (HRA) of the City of
Ramsey, Minnesota



Darren B. Lazan
President
1/28/2011

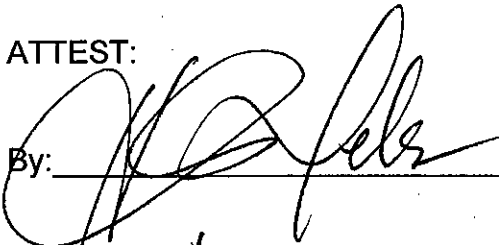
Date

Landform Federal Tax ID: 27-1199905

By: 

Its Chairperson

ATTEST:

By: 

Date

1/28/2011

**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, October 12, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Commissioner David Elvig
 Chairperson David Jeffrey
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: Chairperson John Dehen

Also Present: City Administrator Kurtis G. Ulrich
 Deputy City Administrator Heidi A. Nelson
 Public Works Director Brian Olson
 City Engineer Tim Himmer
 Development Manager Darren Lazan
 City Attorney Bill Goodrich

CALL TO ORDER

Acting Chairperson Jeffrey called the regular meeting of the Housing and Redevelopment Authority to order at 8:20 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

None.

APPROVAL OF AGENDA

Motion by Commissioner Ramsey, seconded by Commissioner McGlone, to approve the agenda as submitted.

Motion carried. Voting Yes: Acting Chairperson Jeffrey, Commissioners Elvig, Look, McGlone, Ramsey, and Wise. Voting No: None. Absent: Chairperson Dehen.

HRA BUSINESS

Case #1: Consider Amendment to the Development Manager Contract to Clarify Inadvertent Omission

Development Manager Lazan reviewed the staff report.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the proposed amendment to the DM Contract.

Motion carried. Voting Yes: Acting Chairperson Jeffrey, Commissioners Elvig, Look, McGlone, Ramsey, and Wise. Voting No: None. Absent: Chairperson Dehen.

Case #2: Consider Updates to the Hot List

Development Manager Darren Lazan requested the meeting go into closed session.

City Attorney Goodrich stated unless prices were being established, this could not go into closed session. He recommended this go administratively instead.

Motion by Commissioner Wise, seconded by Commissioner McGlone, to postpone Hot List 2.0.

Further Discussion: City Attorney Goodrich reviewed why and how meetings could be closed. City Administrator Ulrich believed one possible solution would be to have a formal offer that would better document this was a sincere interest in the property.

Motion carried. Voting Yes: Acting Chairperson Jeffrey, Commissioners Wise, McGlone, Elvig, Look, and Ramsey. Voting No: None. Absent: Chairperson Dehen.

3. Consider Development Management Compensation for Suite Living

Development Manager Lazan reviewed the staff report.

There was discussion regarding the compensation, scheduling a worksession to discuss a policy.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the proposed Incentive Compensation structure for the Suite Living project to be located on Lot 3, Block 1, COR ONE.

Motion carried. Voting Yes: Acting Chairperson Jeffrey, Commissioners Ramsey, Wise, Elvig, Look, and McGlone. Voting No: None. Absent: Chairperson Dehen.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to close the special meeting of the Housing and Redevelopment Authority.

Motion carried.

The special meeting of the Housing and Redevelopment Authority adjourned at 8:45 p.m.

Respectfully submitted,

Heidi Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Kathy Altman
TimeSaver Off Site Secretarial, Inc.

**CONSIDER AMENDMENT TO THE DEVELOPMENT MANAGER CONTRACT TO
CLARIFY INADVERTENT OMISSION**
By: Darren Lazan, Development Manager

BACKGROUND:

The current DM Contract contemplated a "Hot List" concept in section C7.

That concept requires the DM team to submit a list of active projects to be approved by the HRA. In the event of the termination of the DM Contract, the projects on the list would be subject to incentive compensation under the terms of the DM contract for a period of five (5) years, in a diminishing fashion, with roughly a 20% reduction each year following termination.

There was a typo in the contract that inadvertently excluded the period from 24-36 months from the equation.

DEVELOPMENT TEAM RECOMMENDATION:

The Development Team recommends the HRA review the proposed amendment to the DM contract and revise the language to include the period from 24-36 months at a percentage of 60%.

Proposed Language:

"Following the 24th month through the 36th month the Incentive Compensation will be 60% of the full Incentive Compensation."

HRA ACTION:

Approve the proposed amendment to the DM Contract.

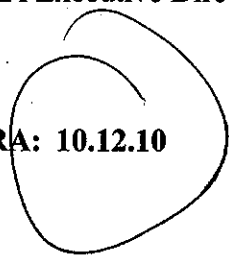
ATTACHMENTS:

- DM Contract excerpt

REVIEWED BY:

HRA Executive Director

HRA: 10.12.10



Article
IX - IV

B. 7.

7. Hot List

- a. Active deals will be declared, approved, and tracked through a "Hot List" incorporated into the active Dashboard. This list will be presented to the HRA at regular meetings for its approval. No active deal will be considered for placement on the Hot List unless there has been sufficient interest in the development by the subject developer, as determined by the HRA. The Hot List will have no binding effect if it has not received formal approval of the HRA. In the event of termination of this Agreement, the current Hot List will be finalized and approved by all parties.
- b. For Incentive Compensation coming due in the 12 months following the approval of the final Hot List, full Incentive Compensation will be paid pursuant to paragraph 3.c., d., and e. above.
- c. Following the 12th month through the 24th month the Incentive Compensation will be 80% of the full Incentive Compensation.
- d. Following the 36th month through the 48th month the Incentive Compensation will be 40% of the full Incentive Compensation.
- e. Following the 48th month through the 60th month the Incentive Compensation will be 20% of the full Incentive Compensation After the 60th month, NO Incentive Compensation will be due to Landform.
- f. If, by the agreement of both parties, Services outlined in this proposal are provided outside the Project all terms and conditions outlined in this proposal shall apply on a parcel-by-parcel basis.
- g. Exceptions/Exclusions to Incentive Compensation:
 - i. No Incentive Compensation will become due on any public infrastructure (roads, bridges, utilities, etc.) projects constructed within the Project.
 - ii. No Incentive Compensation will become due on any public park projects including the City of Ramsey's East Meandering Park unless the park contains a commercial or private component for which the fee will be calculated on that portion alone.
 - iii. No incentive Compensation will become due on any city initiated facilities providing municipal services to the City of Ramsey. (i.e. City offices, pump house, public works facilities, community center, etc.). The term "community center" as used herein shall mean a facility that is constructed without any private partnership with the

→ c2
c1

City/Owner. Incentive Compensation will be paid on the Development Cost of the private portion of a community center where there exists a private/public partnership for said construction.

- iv. No Incentive Compensation will be paid for the workforce/market housing project known as, and proposed by Sands Companies (SCI, LLC). Landform, with staff, will assist the HRA in assessments, negotiations, and the preparation of documents for this project on an hourly basis for a fee not to exceed \$8,500 unless authorized in writing by the HRA.
- v. The Incentive Compensation for the HRA's pending Veterans Administration Clinic development (the "VA Clinic") notwithstanding anything herein to the contrary shall be limited as follows:
- vi. The Incentive Compensation shall be one-half percent (.5%) of the Development's Capital Cost for the space occupied by the VA Clinic.
- vii. The Incentive Compensation shall be two percent (2%) of the Development's Capital Cost of the second story of the VA Clinic building constructed for occupancy by users other than the VA Clinic.

C. Additional Compensation

In the normal course of the development of the project, it becomes necessary at times to prepare detailed feasibility, preliminary, and final design documents. Typically these are completed by the developer, as part of the overall development and include land surveying, civil engineering, planning, landscape architecture, and related architectural disciplines. Additionally, these services are also necessary for individual site development plans by either the end-user, or the developer on behalf of the end-user.

1. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement, it is understood that said services identified in the above paragraph in this Section C. will either be performed by or coordinated by Landform. At the time the need is identified, Landform will prepare a proposal specific to the scope required and present said proposal for consideration and approval by the HRA.
2. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement is required by an end-user, to the extent possible the HRA shall require this work be completed by Landform at the

SECOND AMENDMENT TO DEVELOPMENT MANAGEMENT CONTRACT

BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, A PUBLIC BODY CORPORATE AND POLITIC UNDER THE LAWS OF THE STATE OF MINNESOTA (THE "HRA"), 7550 SUNWOOD DRIVE NW, RAMSEY, MINNESOTA 55303, HEREINAFTER REFERRED TO AS THE "HRA," AND LANDFORM PROFESSIONAL SERVICES, LLC, A MINNESOTA LIMITED LIABILITY COMPANY, 105 SOUTH FIFTH AVENUE, SUITE 513, MINNEAPOLIS, MINNESOTA 55401, HEREINAFTER REFERRED TO AS THE "CONTRACTOR."

Amending Page 16, Article IV, B. 7. Hot List

7. Hot List

The following text shall be added:

- (a) Active deals will be included in the "Hot List" when they meet the following criteria:
 - (i) Significant discussions, within the 24 month period prior to contract termination, that include at a minimum, two meetings with the potential developer or end user and the Development Manager.
 - (ii) The potential developer or end user has completed a site visit with the Development Manager, within the 24 month period prior to contract termination.
 - (iii) The Development Manager has provided the HRA Executive Director and discussed with the potential developer or end user a preliminary deal structure, within the 12 month period prior to contract termination.
 - (iv) The Development Manager has provided the HRA Executive Director and the potential developer or end user with a preliminary site plan, within the 12 month period prior to contract termination. In the event of termination of this Agreement, the current list of potential developers or end users that meet the criteria outlined above in section a. to be included in the "Hot List" shall be presented to the HRA for consideration and approval. Said approval shall not be unreasonably withheld.
- (b) The "Hot List" will have no binding effect if it has not received formal approval of the HRA.

7. Hot List

The following text shall be deleted:

- ~~a) Active deals will be declared, approved, and tracked through a "Hot List" incorporated into the active Dashboard. This list will be presented to the HRA at regular meetings for its approval. No active deal will be considered for placement on the Hot List unless there has been sufficient interest in the development by the subject developer, as~~

~~determined by the HRA. The Hot List will have no binding effect if it has not received formal approval of the HRA. In the event of termination of this Agreement, the current Hot List will be finalized and approved by all parties.~~

**Housing and Redevelopment
Authority (HRA) of the City of
Ramsey, Minnesota**

Darren B. Lazan
President

Date

Landform Federal Tax ID: 27-1199905

By: _____
Its Chairperson

ATTEST:

By: _____

—

Date

HRA Regular Session

Item #: 6.4.

Date: 03/15/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Review HRA Expenditures

Background:

As a part of the review of the Development Management contract and the completion of the first year of Development Management Services for The COR, HRA members have requested a review of HRA expenditures since acquiring the land in June of 2009. Staff has prepared and attached a spreadsheet that outlines Landform expense as well as a PDF that outlines all of the expenses associate with The COR from acquisition to date. Staff and the DM are prepared to discuss the work completed to date and review the expenses during the meeting.

Notification:

None required.

Recommendation:

Staff is recommending that the HRA receive the report regarding HRA expenditures and direct staff with regard to any revisions to expenditures for the upcoming year.

Funding Source:

HRA expenditures are funded by the HRA levy, HRA fund balance and land sale proceeds.

Council Action:

Receive report regarding HRA expenditures and direct staff with regard to any revisions to expenditures for the upcoming year.

Attachments

COR Expenses Acquisition to Date

Landform Expenses to Date 03152011

Form Review

Inbox

Darren Lazan

Heidi Nelson (Originator)

Form Started By: Heidi Nelson

Final Approval Date: 03/10/2011

Reviewed By

Jo Thieling

Heidi Nelson

Date

03/10/2011 03:22 PM

03/10/2011 04:03 PM

Started On: 03/09/2011 04:07 PM

COR Expenses to date
From 6/09-3/11

LAND PURCHASE

Land Purchase 6/09	\$ 6,764,429.38	Funding Sources of Land Purchase:	
Assessments Abated 6/09	\$ 5,851,196.48	RTC LOC	\$ 1,500,000.00
Total Land/Assessments	\$ 12,615,625.86	Sewer Internal Loan	\$ 2,334,394.19
		Water Internal Loan	\$ 2,334,394.19
		County HRA Reim	\$ 595,641.00
		Total Sources	\$ 6,764,429.38

COR RELATED EXPENDITURES - HRA FUNDED

2009 Expenditures-HRA		Offset with \$240,000 received from Property tax distrib from delinquent taxes on RTC land & \$83,184.55 from LOC proceeds
2009 Property Taxes	\$ 323,184.55	
Travel:		
Iowa	\$ 591.70	
ICSC	\$ 3,681.62	
Chicago	\$ 4,359.30	
Marketing:		
Vyway	\$ 10,000.00	
Total 2009 Exp	\$ 341,817.17	
2010/2011 Expenditures-HRA		
Marketing	\$ 71,147.52	(Includes Banners Himle Horne, Vyway Branding
COR Signage	\$ 53,993.95	
Legal (Non-Flaherty Collins)		
Randall Dehn	\$ 4,419.10	
Briggs & Morgan	\$ 44,795.86	
Misc Professional		
Ex: Patent & Northland Sec	\$ 6,801.84	
Travel:		
ICSC-Las Vegas	\$ 5,588.89	
Indianapolis	\$ 773.10	
Chicago (from 2009)	\$ 803.69	
Phoenix	\$ 1,871.21	
Misc: Lunches: Consultants/staf	\$ 1,562.87	
Membership:		
ICSC Registration	\$ 2,160.00	
Miscellaneous:		
Postage, PH notice, etc	\$ 601.47	
Total 2010-3/2011 Exp	\$ 194,519.50	

COR EXPENDITURES - TIF FUNDED

2010/2011 Expenditures-TIF Related to F&C the Residence Project

Admin:		
Briggs & Morgan (TIF 2)	\$	63,428.66
Ehlers (TIF 2)	\$	27,197.15
Misc (TIF 2)	\$	121.54
Total TIF Exp 2010/2011	\$	<u>90,747.35</u>

F&C Project - The Residence: Authorized by HRA 12/10

TIF 1	\$	1,300,000.00	Interfund Loan
TIF 2	\$	500,000.00	Admin Fees: Legal & DM
TIF 2	\$	2,444,000.00	City Fees
Total Tif	\$	<u>4,244,000.00</u>	

LANDFORM EXPENSES RELATED TO COR

Landform (from 8/09-3/7/11) \$ 469,761.59 (SEE Billing Breakout sheet) Not Included in any totals above. Total Paid

GRAND TOTAL EXP COR AREA W/Spec Assess \$ 13,712,471.47

GRAND TOTAL EXP COR AREA W/O Spec Assess \$ 7,861,274.99

Attachments:

- A. TIF 1 Cash Flow
- B. TIF 2 Cash Flow
- C. TIF 4 Cash Flow
- D/E Internal Loans Sewer & Water-Land Purchase
- F. Internal Loan-Draw Park
- G-G2-DM Fee on F&C-The Residence
- H-H1-DM Fee on Suite Living
- I. Landform spreadsheet of all costs paid to date

TIF Projections District #1-Rivers Bend

TIF PROJECTIONS DISTRICT #1

Projected Revenue FOR TIF I	Actual 2007	Actual 2008	Actual 2009	Projected 2010	Projected 2011
District I (2011) Balance	893,335	817,357	1,012,349	1,160,605	1,825,339
Revenues					
TIF Increments Repay for Sunfish Park	811,974	853,646	886,402	867,508	756,980
Bond Proceeds		30,000			
Interest Earnings	46,152.90	41,458.38	44,765.79	17,409.08	27,380.08
Total Revenue	858,126	895,104	961,168	884,917	784,360
Less:					
Bond Principal (Fund 322/334, 324)	(255,000)				
Bond Interest	(2,869)				
Bond Prr/Int-Sunfish Business Park(Fund 331, 332) (\$1,045,000 & \$1,215,000)	(104,590)	(426,927)	(327,127)		
(Azurite St & Waste Mgmt Site)					
Bond Principal (B&A Cyl \$1,035,000) FUND #342	(160,000)	(165,000)	(175,000)	(185,000)	(200,000)
Bond Interest (B&A Cyl \$1,035,000)	(44,330)	(36,570)	(28,485)	(19,735)	(10,300)
Interfund Loan F&C (Tif Spending Plan)					(1,300,000)
Administrative Expenses	(30,986)	(28,354)	(27,132)	(15,448)	(35,000)
Total Expense	(597,775)	(656,851)	(557,744)	(220,183)	(1,545,300)

CIP Project Costs:

Amoco Acquisition					
B&A Cylinder (bonded)6 yrs @4.5%					(1,064,399)
Ramp Construction Extension County #116 acquisition			(193,000)		
Well #6 RTC Site					
Well #7 RTC Phase 1		(43,262)	(62,167)		
Watermain RTC	(336,330)				
***Highway #47					

***Projects completed or to be completed

Total CIP Project Costs	(336,330)	(43,262)	(255,167)	-	(1,064,399)
Remaining TIF Balance	817,357	1,012,349	1,160,605	1,825,339	0
(Total Revenue less Total Project Costs)					



A

TIF Projections District #2 - Gateway
(2012)

	Actual 2007	Actual 2008	Actual 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Possible Projects
Revenues								
TIF Increments on agreements	1,511,247	1,597,314	1,713,092	1,778,780	1,437,582	1,437,582	1,437,582	
Land Sale-Brown		38,663						
Land Sale-Ace		278,749						
Sparkle Pool Rent	1,500							
Spohn Property Resale	438,242							
St. Paul Terminal Net Sale	5,000							
Interest Earnings(2000 neg int adj for borrowing)	36,451.96	71,906.17	80,303.68	47,075.81	65,891.13	22,582.25	23,593.62	
Total Revenue	<u>\$1,992,441</u>	<u>\$1,986,623</u>	<u>\$1,793,395</u>	<u>\$1,829,856</u>	<u>\$1,503,473</u>	<u>\$1,460,184</u>	<u>\$1,481,176</u>	
Expenses								
Sauter Land Purchase Bond Int (Fund 329 \$1,680,000)	(12,697)	(2,088)	(7,152)	(3,993)	(608)			
Sauter Land Purchase Bond Prin (Fund 329 \$1,680,000)	(42,300)	(45,000)	(48,600)	(51,300)	(9,000)			
Parabody Pay-Go(site impr)	(20,264)	(20,264)	(20,264)	(20,264)	(20,264)	(20,264)	(20,264)	
*** Well #5-Bond Prin (Fund 328 \$1,695,000 bond)			(450,000)					
Well #5 Bond Int (Fund 328 \$1,695,000 Bond)	(24,075)	(24,075)	(12,038)	(3,644)				
Bond Interest (Fund 329/335 \$2,600,000 Bond)	(21,315)	(16,334)	(10,468)	(52,385)	(2,444,000)	(82,476)	(82,746)	
Bond Principal (Fund 323/335 \$2,600,000 Bond)	(250,000)	(255,000)	(265,000)					
Trunk Charges Systematic					(210,000)		(500,000)	
SacWac misc projects(estimated 12-31-01)								
Sharp S&W Trunk Fees				(46,875)	(46,875)			
Sharp Reimbursement-Sunfish Gateway	(46,875)	(46,875)	(46,875)	(46,875)				
Sharp Storm Water Mgmt Fee					(35,029)			
Precise Metalcraft(Storm, Sewer, Water)					(29,163)			
Debt Service from TIF 8		(41,062)	(84,577)	(52,385)	(82,476)	(82,476)	(82,746)	
F&C City Fees(Spending Plan)								
Sharp-Duncan Project	(87,238)	(38,972)	(35,133)	(13,971)	(40,000)	(40,000)	(40,000)	
Administrative Expenses								
Total Expense	<u>(\$504,764)</u>	<u>(\$489,669)</u>	<u>(\$980,107)</u>	<u>(\$457,432)</u>	<u>(\$3,013,026)</u>	<u>(\$142,740)</u>	<u>(\$643,010)</u>	
AVAILABLE REVENUES	\$1,487,676	\$1,496,954	\$813,288	\$1,368,423	\$1,509,552	\$1,317,424	\$818,166	
CIP Project Costs:								
Bury Carlson Land		(159,905)						(600,000)
Command/National Growth-Minks Property		(25,000)	(25,000)	(25,000)				(415,300)
141st Avenue Road Construction	(35,609)							(800,000)
142nd Court Street Improvements (B&A Cyl)				(89,069)	(325,000)			(700,000)
Internal Loan from TIF 14 for Admin Fees F&C project					(410,931)			
Brothers Property								
Johnson Brothers								
Healthquest								
D & P Properties								
Site Impr such as demos on basalt	(143,317)							
Perkins Property								
Parks Acquisition		(17,500)						
Pond Reim-Tag Machine		(310,400)	(19,360)					
Sparkle Pool	(277,000)							
Brown	(14,218)	(6,601)						
McKinley Street								
County Road #116 (#47 toDysprosium)					(600,000)			
County Road #116 (Dysprosium to County #57)					(41,775)			
Total CIP Project Costs	<u>(470,144)</u>	<u>(523,906)</u>	<u>(58,225)</u>	<u>(114,069)</u>	<u>(1,377,706)</u>	<u>(1,250,000)</u>	<u>-</u>	
***Projects complete or to be completed								
***Projects as placeholders only								
(Available Revenue less Total Project Costs)	<u>\$1,017,532</u>	<u>\$973,048</u>	<u>\$710,704</u>	<u>\$1,254,354</u>	<u>(\$2,887,258)</u>	<u>\$67,424</u>	<u>\$818,166</u>	
Remaining TIF Balance/(Deficit)	\$1,454,636	\$2,427,684	\$3,138,388	\$4,392,742	\$1,505,484	\$1,572,908	\$2,391,073	

WJK

TIF Projections District #4-Front Street
Exhibit B

TIF PROJECTIONS DISTRICT #4

Projected Revenue FOR TIF IV District I (2013) Balance	Actual 2007	Actual 2008	Actual 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013
	111,168	445,849	858,342	1,349,205	317,894	454,528	595,919
Revenues							
TIF Increments	398,146	482,859	535,185	483,351	434,573	434,573	434,573
Interest Earnings	12,157.31	25,755.87	36,234.24	20,238.08	4,768.42	6,817.92	8,938.78
Total Revenue	410,303	508,615	571,419	503,589	439,341	441,391	443,512
Less:							
GB Properties	(25,000)	(25,000)	(25,000)	(30,573)	(27,708)		
Riverview Community Bank (Premier Le	(30,573)	(45,860)	(30,573)	(30,573)			
Administrative Expenses	(20,049)	(25,263)	(24,982)	(31,847)	(25,000)	(25,000)	(10,000)
Total Expense	<u>(75,622)</u>	<u>(96,122)</u>	<u>(80,555)</u>	<u>(62,420)</u>	<u>(52,708)</u>	<u>(25,000)</u>	<u>(10,000)</u>
CIP Project Costs:							
Oasis Market				(1,078,195)			
US Bank Road Easement				(89,630)			
Street Recon				(304,655)	(250,000)	(275,000)	(250,000)
Parking Ramp							
Zeolite St							
Phase II streets in RTC							(340,000)
***Project Completed							
Total CIP Project Costs	-	-	-	(1,472,480)	(250,000)	(275,000)	(590,000)
Remaining TIF Balance	<u>445,849</u>	<u>858,342</u>	<u>1,349,205</u>	<u>317,894</u>	<u>454,528</u>	<u>595,919</u>	<u>439,430</u>
(Total Revenue less Total Project Costs Prepared by Finance Dept Note: 100% of Pflm & interest paid thru TIF							

3/4/2011

C

D

INTERNAL LOAN - RTC LAND PURCHASE

\$2,334,394.00 PV
2.00% Rate
10 Term

Fund 601

Payment	NPV Beginning	Interest	Period	Principal	Remaining Balance	Payment Due
\$259,880.00	\$2,334,394.00	\$46,687.88	1	\$213,192.12	\$2,121,201.88	6/30/2011
\$259,880.00	\$2,121,201.88	\$42,424.04	2	\$217,455.96	\$1,903,745.92	6/29/2012
\$259,880.00	\$1,903,745.92	\$38,074.92	3	\$221,805.08	\$1,681,940.84	6/30/2013
\$259,880.00	\$1,681,940.84	\$33,638.82	4	\$226,241.18	\$1,455,699.65	7/1/2014
\$259,880.00	\$1,455,699.65	\$29,113.99	5	\$230,766.01	\$1,224,933.65	7/2/2015
\$259,880.00	\$1,224,933.65	\$24,498.67	6	\$235,381.33	\$989,552.32	7/2/2016
\$259,880.00	\$989,552.32	\$19,791.05	7	\$240,088.95	\$749,463.37	7/3/2017
\$259,880.00	\$749,463.37	\$14,989.27	8	\$244,890.73	\$504,572.63	7/4/2018
\$259,880.00	\$504,572.63	\$10,091.45	9	\$249,788.55	\$254,784.08	7/5/2019
\$259,879.77	\$254,784.08	\$5,095.68	10	\$254,784.09	(\$0.00)	7/5/2020
		\$264,405.77		\$2,334,394.00		

2

INTERNAL LOAN - RTC LAND PURCHASE

\$2,334,394.00 PV
2.00% Rate
10 Term

Fund 602

Payment	NPV_Beginning	Interest	Period	Principal	Remaining Balance	Payment Due
\$259,880.00	\$2,334,394.00	\$46,687.88	1	\$213,192.12	\$2,121,201.88	6/30/2011
\$259,880.00	\$2,121,201.88	\$42,424.04	2	\$217,455.96	\$1,903,745.92	6/29/2012
\$259,880.00	\$1,903,745.92	\$38,074.92	3	\$221,805.08	\$1,681,940.84	6/30/2013
\$259,880.00	\$1,681,940.84	\$33,638.82	4	\$226,241.18	\$1,455,699.65	7/1/2014
\$259,880.00	\$1,455,699.65	\$29,113.99	5	\$230,766.01	\$1,224,933.65	7/2/2015
\$259,880.00	\$1,224,933.65	\$24,498.67	6	\$235,381.33	\$989,552.32	7/2/2016
\$259,880.00	\$989,552.32	\$19,791.05	7	\$240,088.95	\$749,463.37	7/3/2017
\$259,880.00	\$749,463.37	\$14,989.27	8	\$244,890.73	\$504,572.63	7/4/2018
\$259,880.00	\$504,572.63	\$10,091.45	9	\$249,788.55	\$254,784.08	7/5/2019
\$259,879.77	\$254,784.08	\$5,095.68	10	\$254,784.09	(\$0.00)	7/5/2020
		\$264,405.77		\$2,334,394.00		

F

\$915,000.00 PV
 2.00% Rate
 10 Term

Internal Loan-Draw Park

Payment	NPV	Loan-Draw Park		Period	Fund 803		Payment Due
		Beginning	Interest		Principal	Remaining Balance	
\$101,864.00	\$915,000.00		\$18,300.00	1	\$83,564.00	\$831,436.00	6/30/2010
\$101,864.00	\$831,436.00		\$16,628.72	2	\$85,235.28	\$746,200.72	6/30/2011
\$101,864.00	\$746,200.72		\$14,924.01	3	\$86,939.99	\$659,260.73	6/30/2012
\$101,864.00	\$659,260.73		\$13,185.21	4	\$88,678.79	\$570,581.95	7/1/2013
\$101,864.00	\$570,581.95		\$11,411.64	5	\$90,452.36	\$480,129.59	7/2/2014
\$101,864.00	\$480,129.59		\$9,602.59	6	\$92,261.41	\$387,868.18	7/3/2015
\$101,864.00	\$387,868.18		\$7,757.36	7	\$94,106.64	\$293,761.54	7/3/2016
\$101,864.00	\$293,761.54		\$5,875.23	8	\$95,988.77	\$197,772.77	7/4/2017
\$101,864.00	\$197,772.77		\$3,955.46	9	\$97,908.54	\$99,864.23	7/5/2018
\$101,861.51	\$99,864.23		\$1,997.28	10	\$99,864.23	\$0.00	7/6/2019
			\$103,637.51		\$915,000.00		

The COR Development Management

Deal: Residence at The COR
 Date: 12/9/10



DM FEE WORKSHEET

Land Sale Price

Gross price Assumption (\$11.50/ft)	\$	1,500,000
Land price write-down	\$	(1,250,000)
NET Land Sale Price	\$	250,000

Pro-Forma Building Value

Building Subsidies (Development Fees)	\$	24,625,000
MN DOLI Building Valuation * 1.25 - cannot exceed	\$	-
Sub Total	\$	24,625,000

Site Improvement Cost

Site Subsidies	Included in Bldg	
Sub Total		

Development Soft Costs

Net Subsidies (loan)	\$	7,928,725
Net Soft Costs (Development Fees)	\$	(1,300,000)
Net TIF	\$	(2,443,202)
Sub Total	\$	2,185,523

cannot exceed 20% of a-c

TOTAL Development Capital Costs (per compensation Formula) \$ 27,060,523

Total Development Fee (2% of DCC) \$ 541,210
 Fee: 2.00%

HRA AUTHORIZED 280,373 12/14/10

Fee Calculation

Total Development Fee	\$	541,210
Large Development Adjustment (DCC > \$30m)		N/A
Phased Development Adjustment		N/A

Adjusted Development Fee \$ 541,210

Payments	Notes:	Amount
Due at PA	Subsequent to Sellers obligations	\$ 108,242
Due at Closing		\$ 324,726
Due at CofO		\$ 108,242

Approved:
Landform Professional Services
City of Ramsey HRA

HRA Special Session

Item #: 6.4.

Date: 12/14/2010

By: Heidi Nelson
Administrative Services

Information

Title:

Approve Development Management Fee - The Residence at The COR

Background:

Under the terms of the Development Management contract, the DM team is required to submit the proposed Incentive Compensation schedule for each deal that is contemplated to include Incentive Compensation. The Development Management Contract is attached for HRA review.

On this evenings agenda, the HRA considered a contract for the sale of land and the development of a 240 unit apartment project on the proposed Lot 3, Block 1, COR ONE.

Attached is a worksheet outlining the Incentive Compensation for this project. Under the terms of the agreement a portion of the total compensation is due upon the execution of the contract, another portion due at closing, and the remainder due at Certificate of Occupancy.

With this Item, the DM team requests approval for the structure of the compensation ONLY, the schedule under which the payments are made are yet to be determined as they are triggered by events that are not certain at this time. Also of note, is the incentive compensation advance that has been paid since the beginning of the contract in the amount of \$10,000 per month for the 12 month term of the contract. At the time that compensation would be due for the Flaherty and Collins transaction, the incentive compensation that has been paid to date would be deducted from the compensation due for the Flaherty and Collins transaction, if the deduction has not already been made for the TOTI-Suite Living land transaction.

Notification:

There is no notification requirement for this action.

Observations:

Please review the Development Management contract, beginning on page 10, section B. It was anticipated in the contract that the Development Management Fee would not exceed proceeds from the land sale and in those circumstances the Development Management Fee would be negotiated.

Absent sufficient cash flow in land proceeds or tax base, it is the intent of the development management contract to negotiate the fees to provide some compensation for the direct work performed by the consultant, while recognizing that the City will provide a greater compensation package (per the contract) for projects that return more direct revenue to the City. The hourly work completed on this project for the City was exclusively done by Darren Lazan of Landform and the City has covered all direct expenses incurred by the development manager per the contract.

The Development Manager has requested consideration of full compensation in the amount of \$541,210 (see attached calculation). Staff recommends the HRA review the proposed compensation schedule for the Flaherty and Collins -The Residence at The COR project and approve Development Management Compensation in the amount of \$280,373; with \$180,373 of that amount to be paid with the Flaherty and Collins project, and \$100,000 of that amount to be paid with the next development project that nets development proceeds sufficient to cover this

expense.

Recommendation:

Staff recommends the HRA review the proposed compensation schedule for the Flaherty and Collins - The Residence at The COR project and approve Development Management Compensation in the amount of \$280,373; with \$180,373 of that amount to be paid with the Flaherty and Collins project, and \$100,000 of that amount to be paid with the next development project that nets development proceeds sufficient to cover this expense.

Funding Source:

Development Management Incentive compensation is paid from proceeds of the land sale.

Council Action:

Approve Incentive Compensation in the amount of \$280,373 for The Residence at The COR project to be located on Lot 3, Block 1, COR ONE.

Fiscal Impact

Budgeted Y/N: N
Budgeted Year: 2011
Fund: HRA

Funding:

Development Management Fee will be funded by proceeds of the land sale.

Attachments

DM Contract

F&Cfeedocs

F&C fee docs1

Form Review

Inbox
Kurt Ulrich
Form Started By: Heidi Nelson
Final Approval Date: 12/09/2010

Reviewed By
Kurt Ulrich

Date
12/09/2010 06:12 PM
Started On: 12/08/2010 02:53 PM

State Library H

DEVELOPMENT SUMMARY

		\$/Unit	\$/SF	% Total
Land Costs				
Land Costs	18661071			
Site & Infrastructure				
Total Site Costs				
Contingency	385,000	\$4,583	\$3.55	2.3%
sub-total	38,500	\$458	\$0.36	0.2%
Main Building Costs				
Hard Costs				
Contingency	12,237,900	\$145,689	\$113.00	73.4%
sub-total	611,895	\$7,284	\$5.65	3.7%
Other Building Costs				
Total Other Building/FFE Costs				
Soft Costs - Building Related				
All Permitting Costs	639,000	\$7,607	\$5.90	3.8%
Total Municipal Fees	354,000	\$4,214	\$3.27	2.1%
Total Project Mngt Costs/Insurance	181,855	\$2,165	\$1.68	1.1%
Developers Fee	218,967	\$2,607	\$2.02	1.3%
Construction Loan Fees Cost	350,000	\$4,167	\$3.23	2.1%
sub-total	132,000	\$1,571	\$1.22	0.8%
Total Expenses Before Interest	1,236,822	\$14,724	\$11.42	7.4%
Interest Cost	\$16,673,717	\$198,497	\$153.96	100.0%
Total Real Estate Costs	\$629,249	\$7,491	\$6	
Operating Costs Lease-Up & Reserve	\$17,302,965	\$205,988	\$159.77	
Total Costs	649,972	\$7,738	\$6.00	
	\$17,952,937	\$213,725	\$165.77	

Ramsey 255
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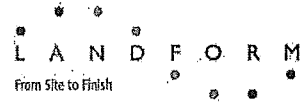
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The COR Development Management

Deal: Suite Living - Toti Development
Date: 9/15/10



DM FEE WORKSHEET

Net Land Sale Price	\$ 1,410,255 +
Pro-Forma Building Value	\$ 12,849,795 +
Building Subsidies	\$ -
MN DOLI Building Valuation * 1.25 - cannot exceed	\$ 16,426,645
Sub Total	\$ 14,260,050

Site Improvement Cost	\$ 423,500 +
Site Subsidies	\$ -
Sub Total	\$ 423,500

Development Soft Costs	\$ 1,866,071 +
Net Subsidies	
cannot exceed 20% of a-c	
Sub Total	\$ 1,866,071

TOTAL Development Capital Costs (per compensation Formula)	\$ 16,549,621
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Total Development Fee (2% of DCC)	\$ 330,992
Fee: 2.00%	

Fee Calculation

Total Development Fee	\$ 330,992
Large Development Adjustment (DCC > \$30m)	N/A
Phased Development Adjustment	N/A
Adjusted Development Fee	\$ 330,992

Payments	Notes:	Amount
Due at PA	Subsequent to Sellers obligations	\$ 66,198
Due at Closing		\$ 198,595
Due at CofO		\$ 66,198

Approved:	
Landform Professional Services	City of Ramsey HRA

Project	Invoice No	Date Paid	Veteran's Administration Satellite Clinic Landford #RAM09001.001	7-14-09 Orig Contract Ramsey Town Center Landform #RTC09001.000	Water Resources Bonding Effort Landform #RAM09001.000	Dev Mgmt Altoona, IA	Interim Development Contract	Development Contract Effective 4-1-10 Admin Compensation Landform #RAM09002.ADM	Development Contract Effective 4-1-10 Incentive Compensation \$120,000 Cap Landform #RAM09002.INC	Plots/Copies/Marketing Material	ICSC Trip in April	Parking/Mileage/Messenger Service	Platting	Travel, Meals, Lodging	County Fees	Total Invoice
Retainer Landform Contract Approved 7-14-09	Contract	8/6/2009		10,000.00												10,000.00
Ramsey Town Center July Services	16724	9/23/2009		6,020.00						30.00						6,050.00
Vet Admin 9/1-9/18/09	16792	10/14/2009	6,361.25													6,361.25
Ramsey Town Center August Services	16788	10/14/2009		10,985.00		2,925.00				2,240.00		47.96		90.75	103.50	16,392.21
Ramsey Town Center October Services	16844	12/10/2009		15,000.00						1,054.40		41.80		527.38		16,623.58
VA Admin 10/1-10/31/09	16870	12/10/2009	3,006.25							1,182.00						4,188.25
Ramsey Town Center November Services	20008	12/15/2009		13,822.50						54.51		48.13				13,925.14
Ramsey Town Center Remainder Oct Services	16844	12/15/2009		4,733.75												4,733.75
Water Resources Bonding	20009	12/30/2009			4,545.00											4,545.00
VA Admin 11/1-11/30/09	20006	12/30/2009	840.00													840.00
VA Admin 12/1-12/31/09	20058	2/24/2010	4,476.25									151.80				4,628.05
Ramsey Town Center December Services	20059	2/24/2010		11,966.25												11,966.25
Rasmey Town Center January 2010 Services	20100	3/10/2010		14,382.50						124.95		78.00				14,585.45
VA Admin 1/1-1/31/10	20101	3/10/2010	3,375.00													3,375.00
Ramsey Town Center February 2010 Services	20127	4/14/2010		18,503.75						71.38		43.50				18,618.63
Interim Development Mgmt Contract-March 2010	HRA approved 4-13-10	4/19/2010					15,000.00									15,000.00
Development Contract-April Services	Contract	4/13/2010						15,000.00	10,000.00							25,000.00
ISCS Prep Trip	20209	5/26/2010									2,583.08					2,583.08
Ramsey Incentive-Sands (\$8,500 Authorized)	20222	5/26/2010							3,022.50							3,022.50
Development Contract-May Services	20210	6/1/2010						15,000.00								15,000.00
Development Contract-May Services	20211	6/8/2010							10,000.00							10,000.00
Ramsey Town Center-March 2010 Services	20208	6/8/2010		9,057.50		1,995.00				78.76		78.50			280.89	11,490.65
Development Contract-June Services	20227	6/29/2010						15,000.00								15,000.00
Development Contract-June Services	20228	6/29/2010							10,000.00							10,000.00
Ramsey Incentive-Sands (\$8,500 Authorized)	20228	6/29/2010							585.00							585.00
Development Contract-July Services	20297	7/15/2010							10,000.00							10,000.00
Development Contract-July Services	20298	7/15/2010						15,000.00								15,000.00
Greeby Travel Reim 4/30-5/31/10***	20260	8/5/2010							3,275.24							3,275.24
Subcontractor Exp Reim-5/1-6/30/10	20310	8/5/2010							1,618.48							1,618.48
Reim Expense-Dev Mgmt Admin	20304	8/5/2010								767.76		106.46				874.22
Ramsey Town Center - June 2010	20261	8/5/2010								96.00		115.92		1,567.54		1,779.46
Development Contract-August Services	20314	8/24/2010							10,000.00							10,000.00
Development Contract-August Services	20315	8/24/2010						15,000.00								15,000.00
Development Contract-Sept Services		9/14/2010							10,000.00							10,000.00
Development Contract-Sept Services		9/14/2010						15,000.00								15,000.00
Development Contract-Oct Services		10/14/2010							10,000.00							10,000.00
Development Contract-Oct Services		10/14/2010						15,000.00								15,000.00
Double Payment see INV #20228	20227	11/23/2010							(585.00)							(585.00)
TOTI & F&C Plat	20457	11/10/2010											3,155.00			3,155.00
Development Contract-Nov Services	20464	11/23/2010							10,000.00							10,000.00
Development Contract-Nov Services	20467	11/23/2010						15,000.00								15,000.00
Expense Reim	20467	11/23/2010								260.24				21.98		282.22
Sub Const Exp 9-1/9-30-Cronk	20461	11/23/2010												573.06		573.06
Sub Const Exp 8-1/8-31-Cronk	20460	11/23/2010												939.74		939.74
Sub Const Exp 7-1/7-31-Cronk	20459	11/23/2010												1,165.11		1,165.11

