

**City of Ramsey**  
**Agenda**  
**Housing and Redevelopment Authority (HRA)**  
**Special Session**  
**Tuesday January 18, 2011**  
**4:00 pm**  
**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

Meeting Minutes dated Tuesday, August 31, 2010

Meeting Minutes dated Tuesday, September 7, 2010

Meeting Minutes dated Tuesday, October 5, 2010

Meeting Minutes dated Tuesday, December 14, 2010

**6. HRA Business**

1. Consider Scope of Special Services District for The COR at Ramsey
2. Consider TOTI Holdings LLC - Suite Living Purchase Agreement Amendment
3. Update on New COR Signs

**7. Committee Reports**

**8. Executive Director's Report**

**9. Commissioner Input**

**10. Adjournment**

**HRA Special Session**

**Item #: 5. 1.**

**Date: 01/18/2011**

**By:** JoAnn Shaw  
Community Development

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**Information**

**Title:**

Approve the following HRA Meeting Minutes

Meeting Minutes dated Tuesday, August 31, 2010  
Meeting Minutes dated Tuesday, September 7, 2010  
Meeting Minutes dated Tuesday, October 5, 2010  
Meeting Minutes dated Tuesday, December 14, 2010

**Background:**

n/a

**Funding Source:**

n/a

**Council Action:**

Motion to approve the following HRA meeting minutes:

Meeting Minutes dated Tuesday, August 31, 2010  
Meeting Minutes dated Tuesday, September 7, 2010  
Meeting Minutes dated Tuesday, October 5, 2010  
Meeting Minutes dated Tuesday, December 14, 2010

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**Attachments**

HRA 8.31.10  
HRA 9.07.10  
HRA 10.05.10  
HRA 12.14.10

**Form Review**

**Inbox**

Heidi Nelson  
Form Started By: JoAnn Shaw  
Final Approval Date: 01/13/2011

**Reviewed By**

Heidi Nelson

**Date**

01/13/2011 03:03 PM  
Started On: 01/13/2011 11:27 AM

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, August 31, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent:           Councilmember David Jeffrey

Also Present:              City Administrator Kurtis G. Ulrich  
                                  HRA Executive Director Heidi A. Nelson  
                                  Development Manager Darren Lazan  
                                  Tom Bray, Briggs & Morgan

**CALL TO ORDER**

Chairperson Dehen called the special meeting of the Housing and Redevelopment Authority to order at 7:29 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF AGENDA**

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

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

**HRA BUSINESS**

**Case #1:     Master Declaration / Special Services District**

Development Manager Lazan stated the Development Team has discussed the Master Declaration for The COR. A Master Declaration lays out certain controls and functions to be

performed by the association toward the benefit of the members. He noted the existing Master Declaration was established by Ramsey Town Center LLC, and has essentially been dormant for the last several years. To assure clear title for not only the HRA properties, but also for the other property owners in the development, it is essential that this matter be addressed by the effected property owners and some resolution be reached that allows the project to develop without this encumbrance. He stated that Tom Bray of Briggs & Morgan has been invited to offer a view of where we are.

Tom Bray, Briggs & Morgan, stated that the existing Master Declaration was drafted in 2005 by the RTC, LLC, but it does not cover all of the properties in the Ramsey Town Center. It was kind of a patchwork. He was not certain why some parcels were excluded. Three parcels Jim Deal owns which he alleges he owned before the Declaration was signed. If he did own the properties, before, they would not be subject to the Declaration. He added he has no reason to doubt it. There was the concept in the original Declaration that other properties could be added. To add properties at this time would require a vote of 77 percent of the members. He talked about how the vote would be and that the original Board of Directors was appointed by the original RTC, LLC. The Association had limited powers. This Declaration really did not become an issue until the Allina development started. He talked about the Board of Directors and the By-Laws. The Association is not RTC, LLC – the Association was a separate MN nonprofit organization – it was inactive. In any event, the entity exists, the Declaration exists, but the Association does not have any authority – it is not useful. He said the question is what we want to do with this. The next thing is to look at some things the HRA wants to accomplish in The COR and look at the best vehicle to do so – keeping in mind there are no perfect answers for some of the questions. There is the concept of a Special Services District or we could try to do this with a private declaration. He explained some disadvantages to a private declaration. A Special Services District is a better vehicle for providing control. The City determines the level of service and fees. Mr. Bray stated there are a couple of problems – you have to create a percent of property owners and the veto power by a percent could be a problem. Maybe the HRA does not control residential property to prevent a veto. Residential could be a component and he talked about ways to include residential. Tax classification has to be commercial or industrial and he didn't feel there was any way to get this with a residential component. He added the City could determine how to allocate costs any way it wants. You base your charges on net tax capacity, if you use another method, you cannot use tax capacity to enforce it. HRA owns undeveloped land and that's low tax capacity. He stated that next, we will go through the proposed scope of controls and services.

Development Manager Lazan stated that regardless of the method selected, there is a scope of services that can be characterized as above and beyond that, which is normally provided by a city, but not necessarily able to be performed by private property owners within The COR. With regard to access, we have a lot more right-of-way than a normal shopping center. We cannot do signage within the right-of-way as the ordinance sits today; we may be able to amend that. He suggested talking about if the access easements can be a benefit and what's the best avenue to regulate these access drives.

Commissioner McGlone asked could this be set up so as properties are bought they assume they will shovel the walk the distance of their own property – the City would do it while the property is vacant.

Mr. Lazan stated we could put those items into the private agreements as well.

Commissioner Ramsey stated he is concerned about plantings, etc., if they shovel their own. He felt that was a moot point – the City needs to take care of that and charge it back.

Mr. Bray stated that's an area where a Special Services District does not work very well. The City would be providing a service in a private right-of-way. We could look at the ordinance and maybe change it to allow more flexibility with public right-of-way. On small properties, the owners have a Declaration to deal with private drives. It could be dealt with in the Master Development. Dealing with it on a road-by-road basis may be a better idea.

Commissioner Elvig stated that the initial zoning was set up so the buildings would be built to the edge of the right-of-way and we own the sidewalk.

Mr. Lazan noted the accesses we are talking about are the drives. The sidewalk is not an issue – the issue is – can we have private drives. He talked about the best route being a private agreement and hiring snow removal.

Mr. Bray talked about parking – public parking is done better through a Special Services District – not under an Owners Association.

Commissioner Ramsey asked if Special Services Districts are based on taxable value to which Mr. Bray replied no – it's one way to allocate cost but in this ordinance, you can allocate it anyway.

Commissioner Ramsey expressed concern that the City is then forced to become a collection agency.

Discussion ensued about net tax capacity and City Hall – we are not susceptible to charges – can we be in a position to veto.

Commissioner Wise asked if we are talking about one Special Services District for the COR.

Mr. Lazan stated that it would basically be everything south of the park on this side and all 590 acres of the shopping center/retail area.

Commissioner Elvig asked what discussions we have had with Jim Deal and what parts he is on board with or against.

City Administrator Ulrich stated that the last discussion with Mr. Deal, he said to figure out what we want to do and locate where we want our services and bring it to the table and try to come up with an agreement.

Mr. Lazan stated our list is probably heavier than Mr. Deal would like. But this list is made up because of who will change out banners, etc.

Commissioner Ramsey felt it's important to keep this discussion of what the City needs and what The COR needs to have. What Mr. Deal wants is important later but for now, we need to know what's important to keep The COR rolling.

Mr. Bray stated, with regard to signage, landscape and hardscape - this is the area where a Special Services District is more what we are looking for. These are things a Master Association can do but then all things will be figured out by the Association. You are going after a unified COR development so you want the level of control you get with a Special Services District. With regard to maintenance, that's been kind of covered. It's best done again with a Special Services District.

Commissioner McGlone asked could we include Sunwood in with this even if it's an MSA road.

Mr. Bray stated that maintenance is done Citywide. Programming – you need control again so a Special Services District is better. When you work on the ordinance for a Special Services District, you will have to find a way to finance this programming so we don't scare people away. Maybe we need to say the Special Services District will collect a not to exceed amount to give buyers comfort.

Commissioner McGlone stated he is concerned about programming of public parks – because we are public, we have to be fair. How do we get out of that whole deal.

Commissioner Ramsey thought we maybe could not get out of it.

HRA Executive Director Nelson suggested we could think about handing that off to the Ramsey Foundation.

Mr. Lazan talked about there will be some point in time when the City Council will not have a say in The COR.

Mr. Bray stated there is a distinction between an Association and a Special Services District – that's only if there are Private Declarations.

Ms. Nelson stated that's why we are leaning the other way.

Mr. Bray referred to uses and operations and design review – they are functions you typically see in most Declarations but the City can address these in the ordinance. Would your buyer want and expect a Master Declaration that would have some of this authority – that could be something Mr. Deal may want to do. The City will still have the ability to have its control. We have to make sure the Master Association cannot block what the buyers are doing. We can talk to Mr. Deal about this. The City does not really need to push that.

Development Manager Lazan talked about cleaning up the Association already there.

Mr. Bray stated the City can address its intents through a Special Services District – like maybe it says lots who share driveways will share parking – most projects of this size have some of this. He felt there is some benefit to having your own control as well as City control.

Commissioner Elvig talked about the Architectural Review Board to which Ms. Nelson commented they are more strict.

Mr. Lazan asked should the Special Services District be used as an entity as a means to assess initial costs and maintenance or just maintenance.

Commissioner Ramsey stated that it's obvious a Special Services District makes the most sense to him but his concern is how we would collect.

Mr. Lazan stated that if it's based on taxes then we are covered. If it's based on parcels, etc., we are on our own.

Chairperson Dehen stated the City has to direct its own destiny. It appears you are making a recommendation of a Special Services District with some tweaking on some of it. He asked how long it will take to create this document and how much money will it cost.

Mr. Bray responded it would be drafting an ordinance for sure but he did not know if he could put a number on it. It could be an expensive process but it would be easier to know once we know where Jim Deal stands on this. He suggested the next step would be to talk to Mr. Deal and to get some sort of conceptual agreement.

Chairperson Dehen asked if Mr. Bray means only Mr. Deal, or should Coborn's, etc. be included.

Mr. Bray clarified that he means all property owners.

Mr. Lazan added that doing nothing is not really an option. We need to act and do something, even if it's to destroy the old Master Declaration.

Commissioner Elvig inquired if we would be sharing some of the costs of drafting this ordinance with other property owners to which Mr. Bray replied that would be a challenge.

Commissioner Ramsey asked if we would have the majority.

Mr. Bray replied that the HRA is the majority of the members but not the Association. He was not sure if it's a majority or a plurality – you need 75 percent of the membership – you control the documents. He added the other timing issue is there are pending sales.

Mr. Lazan summarized that it sounds like a Special Services District is the way to go.

HRA Executive Director Nelson stated we do have some issues in our zoning code that affect this area. In the next month or so, we will have to deal with how we get that piece of zoning code revised.

**Case #2: Adopt Resolution Approving Proposed 2011 HRA Levy**

Finance Officer Lund stated that each taxing authority must adopt a proposed budget for payable 2011 and certify its proposed property tax levy for payable 2011 to the County Auditor by September 15. She noted that for budget year 2010, the HRA adopted a maximum levy of \$410,124. For year 2011, staff is proposing a maximum levy of \$368,549. A taxpayer home valued at \$200,000 would be paying \$37 toward the levy. Ms. Lund explained the majority of the levy would be used for ongoing costs associated with The COR project area. Annually, the levy has also been responsible for approximately \$56,000 of maintenance costs related to the parking ramp maintenance agreement. Ms. Lund continued that due to the costs associated with The COR project, the proposed levy would not meet the proposed expenditures. It is proposed that the HRA will need to draw from the prior year fund balance and/or cash generated from future land sales to meet expenses. At year-end, 2010, it is estimated that the fund balance of the HRA will be \$640,000, at year-end 2011, the fund balance is estimated at \$453,000.

Motion by Commissioner Ramsey and seconded by Commissioner Wise to adopt Resolution #HRA-10-08-006 Establishing an HRA Property Tax Levy Payable in 2011 under Minnesota Statutes Chapter 469.

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

Finance Officer Lund reported that the budget piece comes back in December.

Ms. Nelson talked about the budgeting process and asked for some feedback to be able to bring the budget back in December.

Discussion ensued relating to the budget. Commissioner Elvig expressed concern about the \$12 million – RTC land. Mr. Ulrich stated that would be taken out of the final budget.

**Case #3: COR Project Signage**

Development Manager Lazan stated that currently, the only identification signage on The COR property is the sign at Sunwood and Ramsey and that is not in good condition. He talked about the importance of providing adequate contact information to potential buyers and residents. The development team would like to construct a number of informational signs and entry monuments on the project site which would dress up the corners of the property, provide relevant sale or leasing contact information, identify the entry points to the project, support the brand identity and promote the project, and welcome and promote new business/residential projects. The three categories of signs contemplated in the proposal are real estate signs, rehab pylons and new community pylons and described the plan for each.

In talking about the new community pylon, HRA Executive Director Nelson stated it's an effort to bring identity to the Ramsey Municipal Center and the Anoka County License.

Chairperson Dehen asked do they have any final obligations.

Ms. Nelson responded they are committed to put signage on the ramp.

Commissioner Ramsey asked would they agree to just being on the pylon sign and not on the ramp.

Ms. Nelson offered to talk to them about that again.

Mr. Lazan stated that he got pricing from three vendors and he is asking for budget approval reflective of one of them.

Chairperson Dehen stated he has been an advocate of getting a for-sale sign on this property.

Mr. Lazan clarified it will say "for sale or lease".

Chairperson Dehen added he did not want the signage to be as expensive as it is but it is definitely something he has been asking for.

Commissioner McGlone asked where the dollar value falls in our bidding policy to which Ms. Nelson responded we are under that \$100,000 mark and three quotes are sufficient.

Mr. Lazan stated he would like the HRA to pick a vendor and set a budget.

Commissioner Elvig questioned if this is "grand" enough. He was thinking of something billboard size.

Mr. Lazan stated that would have to go through the Planning Commission.

Chairperson Dehen stated he was concerned about the control of it.

Mr. Lazan stated that we have not considered any income from other squares – there are some opportunities to cover some of these costs.

Chairperson Dehen stated he likes the idea of getting it grander – but doesn't like the idea of spending so much more money.

Commissioner McGlone stated he would like to see something so we already have an argument that we are collecting money.

Commissioner Elvig stated he would like to see the motion to say \$150,000 contingent on finding \$60,000 in private enterprise – using it as an income revenue stream.

Mr. Ulrich stated that a private deal may take time to put together. He added that the most expensive piece is a full-color reader board. It would be nice to get the license center identity.

Commissioner Elvig asked can we look at the EDA now. The HRA bank is up to \$90,000 and the EDA would be an additional \$60,000.

Commissioner Ramsey asked if this couldn't be designed to where we will be building – a size now and then add to it later.

Mr. Lazan stated we could maybe look at expanding the reader board. He stated he is already getting “pounded” for the size now.

Ms. Nelson stated that one of our concerns was “leaping over the billboard cliff”. We need to be thoughtful about how big we get out there. We are trying to keep it in the realm of what's been done out there and this isn't necessarily forever. We viewed this as a ten to 15 year investment. It could be forever but if we go that big to look like a billboard, we have to be ready to answer to that.

Motion by Commissioner Ramsey and seconded by Commissioner Elvig to establish a budget of \$90,000 to construct the signage and work with Demark.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Elvig, McGlone, and Wise. Voting No: None. Absent: Commissioner Jeffrey. Abstain: Commissioner Look as he knows Demark.

A brief discussion ensued relating to the landscaping.

Motion by Commissioner Elvig and seconded by Commissioner Ramsey to have a four-color reader board in an amount not to exceed \$15,000.

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

#### **Case #4: Review COR Marketing and Communications Plan**

HRA Executive Director Nelson stated there are a couple of marketing pieces coming forward real soon – articles for the Anoka Area Chamber Magazine, *The Real Estate Journal*, the Minnesota Shopping Centers Association newsletter, and the upcoming edition of the *Ramsey Resident*. She presented The COR Marketing and Communications Plan and stated this is sort of our “bible” on how we move forward with our marketing plans. There are email blasts, face book, twitter, and the website along with resident education with booths at Game Fair and Happy Days.

Chairperson Dehen asked what all this is costing.

Ms. Nelson stated that we are under Himle Horner but Mr. Lazan and she will pretty much be doing this work. She stated we are making sure we are staying relevant – we have formulated our plan and we are using that plan going forward.

Chairperson Dehen felt that face book, twitter, etc. is all a lot of “mumbo jumbo”.

Commissioner Elvig felt that all of these are infinitely important. He did not see anything that outlines marketing partners – can we identify some strong marketing partners.

Commissioner McGlone asked about a State Fair booth.

Ms. Nelson talked about a COR booth at Happy Days. We are down about \$8,000 in sponsorship from last year. We have cut about \$4,000 off some events and she was concerned we will be short by about \$,4000. Some money will be coming in from the carnival and the teen dance, but she didn't know how much. She wondered if The COR wanted to do a sponsorship of the main stage.

Commissioner Ramsey stated that if no one does it, then we will do it because we will pay for it anyway.

Mr. Lazan stated that we could leave space on the banner of the main stage and add smaller sponsorship names on the bottom.

Ms. Nelson asked again if there is a desire to have the COR sponsor a piece of it.

Commissioner Ramsey stated he did not see any reason why not if we are paying for it anyway; however, he expressed concern of the public perception of continuing to spend money to market The COR.

Commissioner McGlone suggested to exhaust everything first and then have a COR be a sponsor as a last resort. He suggested offering booths to candidates – State, County, and Local.

Consensus was to bring this conversation back to a work session.

## **COMMITTEE REPORTS**

None.

## **EXECUTIVE DIRECTOR'S REPORT**

None.

## **COMMISSIONER INPUT**

None.

**ADJOURNMENT**

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

Motion carried.

The special meeting of the Housing and Redevelopment Authority adjourned at 9:30 p.m.

Respectfully submitted,

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Heidi A. Nelson  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

*Drafted by Jo Thieling, City Clerks*

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, September 7, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent:                   None.

Also Present:                       HRA Executive Director Heidi A. Nelson  
  City Administrator Kurtis G. Ulrich  
  Development Manager Darren Lazan

**CALL TO ORDER**

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 8:24 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF MINUTES**

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

- 1) Special Meeting Minutes dated Tuesday, July 20, 2010
- 2) Regular Meeting Minutes dated Tuesday, August 3, 2010

Motion carried. All voted in favor.

**APPROVAL OF AGENDA**

Motion by Commissioner Jeffrey, seconded by Commissioner Wise, to approve the agenda as submitted.

Motion carried. All voted in favor.

## **HRA BUSINESS**

### **Case #1: Proposal for Surveying Services**

Development Manager Lazan stated that currently, the property bound by Sunwood Drive, Sapphire Street, Civic Center Drive and Zeolite Street is comprised of several parcels previously platted by Ramsey Town Center, LLC. The Municipal Center and the parking ramp, as well as the proposed addition to the parking are included in this property, but not necessary contained within an appropriate parcel. He reported that current development proposals for two uses within this property will require their own unique parcel to facilitate their conveyance. The responsibility to plat the appropriate parcels to convey to its buyers usually falls on the developer, which in this case is the HRA. He presented a proposal to provide the necessary surveying services to prepare, coordinate, record a new plat encompassing all of the parcels mentioned, and resolve all outstanding property issues within this block. This proposal is consistent with the current development management contract, in that all services beyond concept sketch work will be presented under separate contract for HRA approval.

Councilmember Jeffrey stated it feels a little odd that Mr. Lazan is presenting this case but giving Landform the business. He wondered also if this was standard pricing.

HRA Executive Director Nelson stated that she provided the HRA this information via email. We anticipated this piece of work as we moved through this Development Manager contract. She identified the things in the contract coordinated by Landform and stated that we brought this forward under the provisions of the contract.

Chairperson Dehen recalled that he disagreed with this but at the last City Council meeting, the majority did approve it.

A discussion ensued relating to the original contract and what was added.

Chairperson Dehen stated he assumes the rates and fees are in line to which both Lazan and Nelson responded that the rates were standard.

Ms. Nelson stated that she did not have all local engineering rates to share but in looking at other consultant rates, she would argue that these are pretty much in the ballpark.

Chairperson Dehen stated that the deal has been struck and he thinks they are in line.

Commissioner Elvig stated that when these contracts are like this, we have to be very prudent to make sure our tracking systems are very good.

Mr. Lazan pointed out this will be billed and tracked as a separate project.

Commissioner Elvig added that the more detailed this can be, the better. He noted we have GPS survey equipment at the City and asked if we are looking at more equipment and if this is something we can do internally.

City Administrator Ulrich stated that there is certainly some capacity to do some portion of it internally.

Commissioner Elvig commented that we put a lot of money into that equipment a couple years ago.

Mayor Ramsey suggested it would be better to outsource that so we have someone who is liable.

Mr. Lazan suggested for platting it makes sense to have it outsourced but we will make use of City staff when we can.

Motion by Commissioner Ramsey and seconded by Commissioner Wise to approve the contract with Landform Professional Services, and direct the Development Team to prepare the appropriate documents, facilitate municipal and county approvals, and record the new plat concurrent with the first closing related to new development.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Wise, Elvig, Jeffrey, Look and McGlone.

#### **COMMITTEE REPORTS**

None.

#### **EXECUTIVE DIRECTOR'S REPORT**

None.

#### **COMMISSIONER INPUT**

None.

#### **ADJOURNMENT**

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

Motion carried. All voted in favor.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:36 p.m.

Respectfully submitted,

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Heidi A. Nelson  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

*Drafted by Jo Thieling, City Clerk*

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, October 5, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Also Present:                       HRA Executive Director Heidi A. Nelson  
  City Administrator Kurtis G. Ulrich  
  Finance Officer Diana Lund  
  Public Works Director Brian Olson  
  Planning Manager Amber Miller  
  City Engineer Tim Himmer  
  Parks Supervisor Mark Riverblood  
  Development Manager Darren Lazan

**CALL TO ORDER**

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 7:45 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF MINUTES**

Motion by Commissioner Wise and seconded by Commissioner Look to approve the following meeting minutes:

1. Special Meeting Minutes dated Tuesday, June 29, 2010
2. Special Meeting Minutes dated Tuesday, July 13, 2010
3. Special Meeting Minutes dated Tuesday, August 24, 2010

Motion carried. All in favor.

## **APPROVAL OF AGENDA**

Motion by Commissioner Jeffrey and seconded by Commissioner Look to approve the agenda as submitted.

Motion carried. All in favor.

## **HRA BUSINESS**

### **Case #1: Consider Parking Ramp Phase II Design Services**

Director of Public Works Olson stated that we talked about this item on September 21 where we requested authorization to negotiate a contract directly with LSA Design, Inc. for an amendment to the final design and construction administration contract for the 200-car parking ramp expansion. Authorization was granted and staff requested a proposal from LSA. He noted the proposal is included with this agenda and outlines the responsibilities to complete the second phase of the parking ramp. He stated that the contract separates the work elements into four separate tasks to allow for easier understanding and reviewing the work and fees proposed for each step. He proceeded to go over the contract in detail. He talked about this being contingent upon Flaherty & Collins agreeing to the terms of tasks one and two and agreeing to pay for that and it does have timeframes involved. The cost for the HRA will remain the same.

Development Manager Lazan updated that Flaherty & Collins has agreed to pay costs to adapt that ramp. You have significantly reduced the customized items. If we don't do it – we don't pay for it.

Mr. Olson stated that the other two tasks were federal documentation and the bidding process. He talked about how the cost was brought down to \$88,000 and if you want to go any lower than that, you will have to hire someone else. Lasher will have someone on site to review everything – completing all general requirements. One other piece that has not been taken care of is soil testing – specialized concrete testing. It's estimated at about \$75,000 and he will bring that forward.

Councilmember Elvig asked if Flaherty and Collins doesn't need trafficking stops in this.

Mr. Olson stated they do not necessarily need secured parking anymore but we want them to have signed parking for their units.

Mr. Lazan stated that they feel they can take care of secured parking if they need to with signed parking.

Motion by Commissioner Elvig and seconded by Commissioner Ramsey to authorize staff to utilize the Landfill Trust Fund and enter into a contract with LSA Design, inc. for an amendment to the final design and construction administration of the 200-car parking ramp expansion contingent upon the apartment project developer agreeing to the cost of design modifications stated in Task II of the proposal.

Further discussion: Mr. Olson stated that staff will not authorize LSA on Tasks 3 and 4 until we get some buy-in. Chairperson Dehen noted that the whole project has been tentatively approved and we will not pay him one cent until the Council approves this project so why are we approving this now. Mr. Olson replied that there is \$3.5 million in general money that we need to secure. Councilmember Dehen inquired what if the rest of the project does not come to fruition. Commissioner Ramsey stated we will build the ramp regardless - we do not want to lose the \$3.5 million. HRA Executive Director Nelson announced that a work session has been scheduled with the HRA and Flaherty & Collins for October 19 and we will walk through the entire deal then. That's the time line – get it in front of the HRA and then come back to the HRA for approval in November or December. Chairperson Dehen thought it would come to the City Council. Ms. Nelson replied it comes to the Council to do the development review piece but the purchase agreement and loan guarantee, etc. will all be provided by the HRA. Chairperson Dehen expressed concern about how the public becomes aware of this to which Ms. Nelson replied this is all public information. Chairperson Dehen stated it's a nice project but this City Council knows that he is opposed to the funding. He asked how the public will know his opposition. Commissioner Ramsey stated what we are voting on is regardless if the Flaherty & Collins Project happens. Commissioner Look stated that our goal is to try to build this along with the Flaherty & Collins project – he would not care to see the parking ramp alone. He stated he is in support of this with the Flaherty & Collins project only – if it “goes naked” he is stepping off the bus. Commissioner Ramsey stated that when we are talking about giving them something – think of the fact that we will be losing \$3.5 million if we do not build the ramp. Councilmember Elvig stated it's also a message you send to the people who put money together for us. We are out of the pool in the future if we give grant money back. Commissioner Look stated he agreed but we are not responsible to the grant givers – we are responsible to the people of this City. These people outside these walls either have or do not have confidence in us. Chairperson Dehen stated he did not if he agreed with it either way. He stated he will not vote for it but he certainly will not vote for it without the project just because we might lose money from a grant. Commissioner Wise stated he is leery of voting for this without the Flaherty & Collins project. Mr. Olson stated we cannot wait because it takes probably one to two and a half months to go through the federal process. This ramp was designed to accommodate a VA Clinic. Flaherty & Collins has agreed to pay for these changes and then we have to get approval from MnDOT again. He reiterated Flaherty & Collins will pay for the modifications for this project. All we are talking about is modification to the design and contract modifications. We are not going to incur \$88,000 until we initiate the project. Commissioner McGlone stated this ramp is something grant money was received for. It's for the grant project and he stated he would vote for it – pass it – it's going in the ground because he did not want to send back \$3.5 million. Commissioner Ramsey reiterated he did not want to give back the \$3.5 million and then have to build the ramp and pay for the whole thing. Commissioner Look stated he agreed and added that Council needs to make sure the Flaherty & Collins project goes through. Commissioner Look noted the first two tasks deal with Flaherty & Collins. With regard to Task 3 – he did not want to go down this road if Flaherty & Collins is not coming – let's make sure we do not torpedo the project. Chairperson Dehen stated there has already been a consensus if it's not going forward. Efforts to torpedo will make everyone else look bad. Commissioner Elvig stated we have to see details of the Flaherty & Collins project and he did not want to be hoodwinked into this. He feels every one of these is separate. He talked about the rail stop and the parking ramp of Mr.

Deals. Development Manager Lazan stated there is no black and white on this project. Flaherty & Collins will spend over \$100,000 just producing a set of plans – everyone is incurring costs. They would have to be under construction before June 30.

Motion carried. Voting Yes: Commissioners Elvig, Ramsey, Jeffrey, Look, McGlone and Wise. Voting No: Chairperson Dehen.

**Case #2: Consider Sale of land – Outlot A, RTC 7<sup>th</sup> Addition**

Executive Director Nelson stated that staff received a Letter of Interest for the purchase of land – Outlot A, RTC 7<sup>th</sup> Addition for a senior housing project. We did approve a purchase agreement for Toties Development for Suite Living, which is 80 to 90 units. Toties is moving forward and they could be for sale maybe in the spring. It's important to review where we are at with other senior housing projects. We know there is a market to support 70 to 90 units. We have received a Letter of Interest from Edgewood, based in North Dakota, for the 3.49 acres north of The Draw Park. She pointed out the parcel they are looking at. This goes head to head with Suite Living. We had a conference call and they said they said they would go head to head with Suite Living. Terms of the Letter of Interest is \$5 a square foot – capped at \$250,000. She did not know what the development fee would be. One other group we have talked with is First Phoenix. We recommend going back to First Phoenix and letting them know we have received a Letter of Interest from another company – she wondered if the HRA would like to give them a chance.

Commissioner Ramsey stated he is not interested in extending any other offers. The market study says what it will support. We already have a good deal – why interject competition. That's over a third of what we could get – if they are really interested, they will be hanging around.

Chairperson Dehen stated he agrees with Commissioner Ramsey. It does not seem prudent to negotiate with them but would it be prudent to just tell them no, we are just not interested in that price. Maybe let them figure what the market can support. If they pay the same price, why do we worry about how many come in.

Development Manager Lazan stated that, today we know the market can only support 70 to 90. We got that information from a housing study from Anoka County. Others have done that study and ended up basically with that same number. He stated he will make an assumption only one can make it. Our job is to build value and he wanted nothing but wins. This is a very quality offer and a very quality project. He stated staff went back to Edgewood and told them but what if they say they will step up their bid and do it the same as the other.

Commissioner McGlone stated we are developers of this project – we have the responsibility to our shareholders. We have the responsibility to make the right decisions and we do not want to cripple ourselves. He stated he has no appetite for them to undercut the market. We have a responsibility to get the best deal and to set proper bars for the price of the land. We have to pay back the public.

Chairperson Dehen stated he did not feel anyone here agrees that second project is competitive but the question is, do we continue to talk with them about possibly bringing in another project.

Commissioner Ramsey stated they cannot compete without a subsidy.

Chairperson Dehen expressed agreement with Commissioner Ramsey. He stated right now their offer is not as good, so we say no we will not accept this but we will consider other options.

Commissioner Wise stated we cannot be so shortsighted to think of businesses coming in that do not have an effect on other businesses – how many gas stations are sitting empty for example.

Commissioner Elvig stated we have someone who has seen this market place. They have paid a premium for them to come in here. It's wrong for us to say we will restrict others. He totally agreed with the free market but he thinks we have to initiate conversation with these people. If we say yes to \$17 a square foot, then we need to make sure the price is not fixed for anyone else wanting to come in. He did not want to dictate who comes in but he stated he thought we should go back to them.

Commissioner Ramsey stated it's a free market but we own the land and we need to make sure our entire project is successful.

Chairperson Dehen stated they are not competitive but the question is what do we do with them. Do we say they are not competition so get out of here or do we go back and say we are not selling this for less than \$17 a square foot and we do not give them a subsidy.

Commissioner Ramsey stated we say we are not accepting any other plans for this type of business – if it changes we will go back to them.

Commissioner Wise stated that if you have a study showing it will not be able to be supported, it's stupid to allow this.

Commissioner Elvig stated that retail develops retail – energy develops energy. What if someone came in with \$19 a square foot – do we take it – of course we would – we would let them “duke it out”.

Commissioner McGlone stated we are not The COR world. We have a responsibility to the taxpayers to pay attention to what studies are telling us. It sounds and looks stupid on paper and at \$19 a square foot – it's still stupid.

Development Manager Lazan stated that you take away a big chunk of creating value by picking and choosing pieces. The product and return will be better. He felt that generally the government needs to stay out of it, but we are the landowners.

Commissioner Wise talked about reasons for putting certain like businesses next to each other.

Commissioner Look stated if the second party is higher he would advocate going back and talking to them. Why are we picking and choosing which ones we are doing free market for we are not subsidizing one against the other. He stated he did not want any exclusivity unless someone wants to pay for it. There is nothing like letting people know others are interested – it builds an incentive.

Discussion ensued relating to ability to pick and choose and what has been said to one or the other – Commissioner Wise cautioned that our word is gold.

Commissioner Elvig stated to be careful about saying pick and choose. He agreed at times we will pick and choose but he did not feel we want to start that precedent. We can pick and choose by money only. He asked if there was a consensus that we send Mr. Lazan to say we are not interested unless they substantially increase the price.

Commissioner Wise stated we are going with the original.

Commissioner Ramsey asked if the consensus is we are not interested at this time and we will let them know if anything changes.

Commissioner Elvig and Chairperson Dehen stated we could say we are not interested unless they raise their offer significantly and there are no subsidies.

Commissioner Look stated we did not go through a bidding process. We need something in the ground. This is a live one and we should get going on it. In the future when we have less land, let's start playing ball.

Consensus was to cut them lose and contact them if something changes.

**Case #3: Consider Proposed Development at NE Quadrant of Ramsey Boulevard and BNSF Railroad**

Development Manager Lazan stated this site was the subject of efforts in the past to locate a gun range and pro shop facility. After discussions back and forth, the Development Team reached out to the proposed business owner in an effort to structure a deal within The COR for this user and several sites were explored. After considerable discussion, it appeared the use may best be suited for the original property. If this is acceptable to everyone, he would bring an offer back to the next HRA meeting. The user can move forward with the project on the piece of land on the east side of Ramsey Boulevard outside The COR. He talked about some of the concerns with areas inside The COR for this type of business. We reworked that site plan to get three pads on that site plus we are working on parking configurations. He stated this is outside The COR so he is asking the HRA to extend his contract outside The COR. He noted that a considerable amount of time had been spent on this and he would like to close the deal. He proposed a scaled-down version of his agreement in The COR and he would like to fine-tune this and bring it back.

Commissioner Ramsey stated he is not confident in this site plan as we need to know the on and off ramps; however, he is fine with the project.

Commissioner Wise commented that we have had this gentleman at about four different locations so far and he wondered how strong this truly is. He was not in favor of spending money if nothing was happening.

HRA Executive Director Nelson stated that we have not finished this through the engineering and code perspective. With pulling this piece in and putting it in the development contract, all of these over there would be paid like in The COR and she wanted to make sure everyone is aware of that.

Chairperson Dehen asked if there are projects in the City that we can do on our own, without a Development Manager.

Ms. Nelson replied we had an Economic Development person doing that type of work.

Chairperson Dehen stated so because we do not have an Economic Development person we have our Development Manager out there. If we get someone in, what's the cost for Darren and our internal costs. If this business comes in here are there vibration issues with the rail stop this close to the range. Does that have any effect on shooting.

Commissioner Ramsey stated the train has nothing to do with it. He stated that Mr. Lazan was working with this gentleman when he was going to go into The COR.

Commissioner Elvig stated that part of the problem of paying a large commission up front without knowing what the deal is – he would be reluctant to say just make it work. He stated he does not have a problem with Darren doing it when we do not have anyone on staff that can. His concern is when we have the Development Manager and are paying him, then there is the engineering – he would rather have someone else doing engineering.

Ms. Nelson stated we could put this on hold and when we hire and bring that Economic Development Marketing Manager board, he could be brought in on this project. However, this person probably will not be on board until the end of November and you need time to get some feet under you. She stated she wanted to differentiate that the role of the Economic Development Manager is the whole City versus just our downtown center. There is a fair value in Darren working with this but we do not want to diminish the fact that we can put this on hold for the Economic Development Manager.

Chairperson Dehen stated that whether it's Darren Lazan or someone coming on board – what difference does it make. Its EDA or HRA – someone still has to do it.

Ms. Nelson stated we have moved this gentleman around about four times. From a site perspective – what makes sense. It appears Sergio has the funding so do you want the Development Manager to do this work now?

Commissioner McGlone stated we are not there yet with our internal person. This deal has worked with this person and he did not have a problem on a case-by-case basis expanding Mr. Lazan's role to get this project over the finish line. Let's put this under one umbrella.

Commissioner Look stated we generally gave about \$25,000 per job created in subsidy. We currently do not have a training facility for our Police Officers – this is something that will benefit them. This is land that we own that as a City we can carve out a chunk and say to Sergio this is our land – you carve it out and get it done Why do we think we have to hire someone for this. You have the rights to this property if the deal is completed. Now we have more in it than just the land. He should be coming to the Planning Commission and approving the designing – he should bring his own development manager.

Commissioner Elvig stated he would like to know what we are getting for our Police Department with the land we are giving. He added we have to compensate Mr. Lazan with something; he has been working with this guy for a long time. We owe Mr. Lazan some hours of effort in some capacity.

Chairperson Dehen stated he disagrees with the compensation thing.

Mr. Lazan stated he thought Sergio would be paying for the land and we will work on something. He stated he did do a lot of work in good faith that the work done would be honored.

Commissioner McGlone stated that if the economic person was on staff today and up to speed and it was not otherwise special that it fall under the realm of that individual's job to get that work – fine – but we are not there yet. This management deal has kept this business here and has made sure it has not gone anywhere else.

Commissioner Ramsey agreed that if Mr. Lazan had not shepherded that deal it would have been gone and he needs to be compensated.

Commissioner Look stated this is the reason he was against hiring the individual we hired as there will be a conflict.

Commissioner Elvig stated he agreed the problem can and likely persists bur right now we do not have the option of someone in-house. He agreed if Mr. Lazan had not been there, this deal would have fallen off. In a month or two that will change as we will have a person on board. There will need to be some sort of compensation for this but he expressed concern about double dipping.

Motion by Commissioner Ramsey and seconded by Commissioner Wise to approve the extension of the DM contract terms to the parcel described as the NE Quadrant of Ramsey Boulevard and BNSF Railroad and direct the Development Team to prepare contract documents reflecting the summary deal structure of consideration by the HRA.

Further Discussion: Commissioner Look asked what are we talking about with Sergio's project alone. Mr. Lazan stated that when we negotiated, we went through the process for ability to

negotiate engineering. Designating Landform as the project engineer, the price was dropped. Mr. Lazan proposed we take the capital cost of this building only and make money up on other pads and we do engineering on these. It might be a \$20,000 Development Management fee but he has to do all the Development work. Chairperson Dehen asked do we not have the person that can deal with his request. It feels like we are doing everything to babysit this. Maybe someone on staff could shepherd this. Mr. Ulrich stated this project was seen as a strategies priority for the City and because of that, we devoted whatever resources to staff we had. It went from Sean Sullivan to Darren Lazan looking at COR sites. So we have had both internal and consultant staff working on this and it's being babysat a little. It's an important project in the City. Sergio is not really a developer – he's a businessman that wants to do this. Our development contracts did anticipate that Darren Lazan may work outside The COR and on a case-by-case basis. He had done some work on it so we felt it was a natural extension. We have someone else that can work on it but this recommendation seemed to be a good fit. He thought we are not expecting a lot out of this development. If you say this is a priority, we will put the work into it. We need to step up and take the role of developer. Commissioner Wise stated let's not muddy up the water – let's not wait – Darren has shepherded this project – let's keep it this way. Chairperson Dehen inquired if it is one pad or three. Commissioner Wise stated one pad. Commissioner Ramsey stated it's kind of like someone doing a training job – he's already got the job – let's compensate him and get this done. Chairperson Dehen stated we talked earlier about giving chunks of land away but are we selling this land and they will be paying for that. Mr. Lazan stated the third pad will more than cover that. Commissioner Elvig stated he agreed to move this along but we do not know what it will yield. We have to keep it as the one pad now. He said to Mr. Lazan – your engineering fees will likely be financed under the building of this project. You will be working as engineers for him. Mr. Lazan stated we will do parking lot and road extension and he will build the curb in. We will do it as the developers. Commissioner Elvig stated that engineering is the price of reduced compensation on the commission. He stated he did not want to put another \$20,000 in on top of the commission for land. Mr. Lazan stated we will bring the deal forward – if it dies – it dies. Commissioner Ramsey clarified that Mr. Lazan is only getting commission on the one deal. Mr. Lazan stated that from what he has heard tonight, he is concerned about acting in good faith. Chairperson Dehen commented that this deal was in the works before Mr. Lazan was contracted with. Mr. Lazan stated he is working very hard with this person. He added he is not a broker and listed the work he's done.

Motion carried. Voting Yes: Commissioner Ramsey, Wise, Elvig, Jeffrey, Look, and McGlone.  
Voting No: Chairperson Dehen.

**Case #4: Consider Fall/Winter 2010 and Spring 2011 ICSC Conference Participation**

HRA Executive Director Nelson presented information on the ICSC Conferences. There are a couple of opportunities prior to the Las Vegas conference. The Chicago Deal Making conference is October 28 and 29, 2010. Staff recommends sending a limited team to that conference and reported that Michael Greeby will be there coordinating meetings and representing The COR project. The estimated cost for Chicago is \$2,500. The CneterBuild Conference is December 1 – 3, 2010, and the purpose of attendance would be for training and continuing education for the Development Management Team staff as well as continuing the presence of The COR project with the retail market and meeting with potential developers. She

reported that a proposal has been submitted to ICSC for a presentation of public-private partnerships to be made at the conference by Lazan and Nelson. The estimated cost is \$3,500. The big ICSC conference is scheduled for Las Vegas May 22 – 25, 2011. This past year, the HRA secured a booth in the main hall for presenting The COR to developers and retailers. Staff is seeking direction with regard to the desire of the HRA to continue its presence at the conference with a booth in the main hall and whether any changes to the 2010 Recon booth for The COR are desired. Funding would come from the HRA budget.

Commissioner Elvig was in favor of the conferences and added that he felt the booth for the Vegas conference is adequate. He thought the City should send a representative to Chicago.

Chairperson Dehen asked if we have to pay Greeby for being there.

Mr. Lazan stated they are part of the advance the Team gets but essentially Greeby and Cronk are free but for expenses.

Chairperson Dehen asked if their representing the City was a part of that.

Commissioner Look asked about a cap to which Mr. Lazan replied \$120,000.

Commissioner Ramsey stated that with regard to the ICSC Conference in Vegas, the size of the booth depends on the size of the group. We feel we would have way too many people for that size of booth – he would like to see that size doubled.

Commissioner Look agreed it should be twice that size.

Commissioner McGlone agreed – go big or go home. He wondered what money we are getting back as an incentive for us.

Mr. Lazan stated he would check out the price for a booth twice the size of the one we had and also check out a better location.

Mr. Ulrich stated that location is a priority. He suggested maybe going with a broader attendance of people across the county – send fewer to Vegas and then be able to send a couple people to other areas.

Consensus of the Commission was that the Chicago conference is okay just being represented by Greeby, send Lazan and Nelson to Phoenix and then come back with more discussion on the ICSC Conference in Las Vegas and bring back options for the booth.

## **COMMITTEE REPORTS**

None.

## **EXECUTIVE DIRECTOR'S REPORT**

None.

**COMMISSIONER INPUT**

None.

**ADJOURNMENT**

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:38 p.m.

Respectfully submitted,

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Heidi Nelson  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

Drafted by Jo Thieling, City Clerks

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, December 14, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent:                   None.

Also Present:                       City Administrator Kurtis G. Ulrich  
  HRA Executive Director Heidi A. Nelson  
  Public Works Director Brian Olson  
  Planning Manager Amber Miller  
  Finance Director Dianna Lund  
  Fire Chief Dean Kaplan  
  City Attorney Bill Goodrich  
  Councilmember Elect Jason Tossey  
  Councilmember Elect Randy Backus  
  Development Manager Darren Lazan  
  Consultant Stacie Kvilvang  
  City Attorney from Briggs & Morgan

**CALL TO ORDER**

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 11:12 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF MINUTES**

Motion by Commissioner Look, seconded by Commissioner Jeffrey, to approve the following minutes:

Special Meeting Minutes dated September 21, 2010

Special Meeting Minutes dated October 12, 2010  
Special Meeting Minutes dated October 19, 2010  
Special Meeting Minutes dated November 9, 2010  
Special Meeting Minutes dated November 23, 2010

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

### **APPROVAL OF AGENDA**

Motion by Commissioner Jeffrey, seconded by Commissioner Look, to approve the agenda as submitted.

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

### **HRA BUSINESS**

#### **Case #1: Approve Purchase Agreement for Suite Living at The COR – Lot 4, Block 1, COR ONE**

HRA Executive Director Nelson reviewed the staff report.

Chairperson Dehen opened the public hearing at 11:15 p.m.

There were no comments at the public hearing.

Motion by Commissioner Jeffrey, seconded by Commissioner McGlone, to close the public hearing.

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

The public hearing was closed at 11:16 p.m.

Motion by Commissioner Look, seconded by Commissioner Elvig, to ratify the prior execution of the purchase agreement effective September 15, 2010.

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

#### **Case #2: Adopt Purchase Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE**

HRA Executive Director Nelson reviewed the staff report.

Chairperson Dehen opened the public hearing at 11:22 p.m.

There were no comments made at the public hearing.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to close the public hearing.

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

The public hearing was closed at 11:23 p.m.

Development Manager Lazan and Consultant Stacie Kvilvang summarized the project timeline, the significant meetings, parking, property acquisition, purchase agreement, City's obligation, development fees, minimum assessment agreement, TIF, City loan, and how risk was mitigated.

Commissioner Elvig asked how much of the portion of the subsidy equity was the true cash.

David Flaherty, Flaherty & Collins, explained what the banks would be looking for in order to base the loan off of. He indicated most loans were based on what income would come in from the project.

Commissioner McGlone questioned the way the subsidy was calculated.

City Administrator Ulrich responded there were many ways to calculate subsidies.

Chairperson Dehen stated he was opposed to the project given the amount of the subsidies. He believed if a project could not proceed on its own, it should not go in. He stated he was personally upset with Flaherty & Collins that they had not informed the Council about two of their projects going into bankruptcy. He believed the Council should have been informed about this information in advance of it being reported by the media. He stated he was concerned that a person involved in Landform was an owner in this project. He questioned whether this was secondary gain.

Commissioner Jeffrey stated he was concerned about the perceived conflict with Landform being involved in the project as an owner also. He stated he could not in good conscious support the project at this time.

Development Manager Lazan stated when Landform had submitted the proposal for a possible development, they had disclosed there was a possibility about self-development. He stated a document had also been handed out at both a Council meeting and worksession that Landform was involved in self-development.

Chairperson Dehen stated he had no idea about Landform being involved.

Mayor Ramsey stated he knew about this and that was the reason HRA Executive Director Nelson got more involved in this.

Commissioner Jeffrey stated when he had asked for more information as to Landform's involvement, he had not received anything until tonight's workshop meeting.

Commissioner Wise stated the City should not play developer because in the real world deals were done by relationships and he did not have a problem with the development. With respect to subsidies, he noted the City Hall was subsidized and the return to the City for City Hall was nothing. He indicated a development as large as this one did not go on its own.

Chairperson Dehen stated he was not anti-development, but when was enough going to be enough.

Commissioner Ramsey stated the reality was that the HRA worked on a pro-forma and numbers did not lie. He stated he did not have an issue with this and he did not believe there was a conflict.

Commissioner Elvig stated he was comforted with the equity Flaherty was putting into the project. He asked if more retail could be worked into the development. He stated he wished he would have received a pro-forma as he had requested. He stated he did not want this project to be undercapitalized. He wanted assurances Flaherty had sufficient capital to complete the project. He questioned the management of the project. He noted he had concerns about the dashboard. He stated the group had to do better in the future. He asked Mr. Flaherty if he had sufficient funding or did he need more.

Mr. Flaherty noted he had not received the financing yet, but the City did not need to do anything until he had the funds. He stated they were not going to rule anyone out for financing. He stated he would also like to have more retail in the project, but retail right now was not doing much of anything right now. He indicated retail needed to see sufficient people in the area to support it before they would be willing to put a retail store in. He noted it was their intent to come back with phases, which would attract retail into the area.

Commissioner Look stated he was not concerned about the perceived conflict. He stated if Mr. Flaherty went bankrupt on the property, there was still a future for that property. He stated this project added people, viability, and ridership for the rail, which was what the Council wanted for this area. He believed this project would bring in further development. He believed the merits of the case satisfied the City's goals and visions. He stated it should not be the HRA's concern as to who was financing the project.

Motion by Commissioner Ramsey, seconded by Commissioner McGlone, to approve the Purchase Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE.

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

**Case #3: Approve Development Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE**

HRA Executive Director Nelson reviewed the staff report.

Motion by Commissioner Look, seconded by Commissioner Ramsey, to approve the Development Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE.

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

**Case #4: Approve Development Management Fee - The Residence at The COR**

HRA Executive Director Nelson reviewed the staff report.

Chairperson Dehen stated he had concerns with the relationship and the fees, but Council had agreed to do this. He expressed concern about the vagueness of this and he did not see where this should have been negotiated. He encouraged the new Council figure out a formula on how something like this should be dealt with.

Development Manager Lazan stated staff worked very hard on this to come up with a formula and this was a difficult project to deal with. He stated he had fronted many costs also to ensure this deal went through. He noted he was still carrying \$170,000 of project costs and he had eleven Landform staff members working on the project over the past 14 months. He requested the \$80,000 be guaranteed.

City Administrator Ulrich stated the intent of this development was to spur other development and he would work with Landform on the \$80,000.00.

Chairperson Dehen stated he would vote against this because he had consistently voted against the project and he disagreed with the Development Contract.

HRA Executive Director Nelson stated there had been a lot of discussion regarding this and she proposed the \$80,000 be paid back at the next land sale transaction or at the end of the contract date.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the Development Management Fee - The Residence at The COR and to negotiate the \$80,000 with Landform.

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

## **COMMITTEE REPORTS**

None.

## **EXECUTIVE DIRECTOR'S REPORT**

None.

## **COMMISSIONER INPUT**

None.

## **ADJOURNMENT**

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 1:00 a.m., December 15, 2010.

Respectfully submitted,

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Heidi Nelson  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

Drafted by Kathy Altman  
*TimeSaver Off Site Secretarial, Inc.*

**Date: 01/18/2011**

**By:** Heidi Nelson  
Administrative Services

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**Information**

**Title:**

Consider Scope of Special Services District for The COR at Ramsey

**Background:**

The Development Management Team has been working for some time on a scope of services that would be provided for the maintenance and operations via a Special Services District (SSD) for Ramsey's downtown development, The COR. As the HRA will recall, the former Master Developer for this development project had established a master association for this area. It has been the general direction of the HRA to proceed with establishing a SSD and minimize or abandon the master associate that was established by the master developer. The HRA is a majority voting member of the master association, Jim Deal (PSD LLC) also has membership in the association commensurate with his land holdings within the association boundaries.

The Development Management Team is prepare to review the draft scope of services and draft budget for the new SSD with the HRA in their role and landowner. With feedback from the HRA on the 18th, staff would finalize documents and present the ordinance establishing the SSD, scop and budget at an upcoming City Council meeting for consideration.

Attached to this case are the draft scope, budget, boundaries and the state statute that guides the creation and administration of the SSD.

**Notification:**

No notification is required for this discussion. When the SSD is presented to the City Council, notice may be required. Staff will comply with state law regarding that notification requirement.

**Recommendation:**

Staff recommends that the HRA review the SSD scope, budget and boundaries from the perspective of landowner subject to the SSD and provide feedback to the DM Team.

**Funding Source:**

Legal work to establish the SSD will be funded by the HRA budget for legal. A portion of which may be reimbursed by the year one budget for the SSD.

**Council Action:**

HRA Action: Provide direction to staff regarding the SSD scope, budget and boundary.

---

**Fiscal Impact**

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

## Attachments

SSD Scope

SSD Boundary

SSD legislation

## Form Review

**Inbox**

Heidi Nelson

Form Started By: Heidi Nelson

Final Approval Date: 01/13/2011

**Reviewed By**

Heidi Nelson

**Date**

01/13/2011 03:03 PM

Started On: 01/13/2011 12:23 PM



## **Proposed Scope of Services SPECIAL SERVICE DISTRICT**

**DRAFT for discussion purposes only**

### **PURPOSE**

The Housing and Redevelopment Authority (HRA), as owner and master developer of the majority of developable land within The COR, has initiated the organization and preparation of an ordinance establishing a Special Services District (SSD) in accordance with Minnesota Statutes Chapter 428A. Once adapted by The City of Ramsey, the SSD will manage and fund the maintenance and operations of the project deemed to be above that ordinarily provided by the city.

The below scope and proposed initial annual budget contemplates the initial establishment of the district, and also reflects the current condition of the project as predominantly undeveloped. As The COR continues to develop, it is anticipated that these services will be modified to reflect the needs of the area and the intended level of service necessary to maintain the common areas in a manner consistent with other first-class facilities of a similar scale.

It is anticipated that the costs for these services will be assessed to the eligible properties under MN 428A on a “Net Tax Capacity” basis with an estimated budget established annually. Services may be performed by the City, or by third party vendors at the direction of the city.

### **DISTRICT BOUNDARIES**

The districts geographic boundaries are depicted on the attached exhibit, but can generally be described as the commercial properties located south of Ramsey Parkway, between Armstrong and Ramsey Boulevards, and including the proposed west 50 retail. The special service district Ordinance the City adopts will only impose charges on property, or portions of properties within this boundary, that are classified under Minnesota Statutes Chapter 273 and used for commercial, industrial or public utility purposes or is vacant land zoned or designated on the City’s land use plan for commercial or industrial use.

### **SCOPE**

It is anticipated that the initial services provided can be categorized into three areas of operations – Property Management, Maintenance and signage. Each are summarized below with proposed scopes for both operation costs and in some cases capital improvements.

## PROPERTY MANAGEMENT

- Property inspection and oversight of services
- Manage Assessments and Accounting
- Security
- Space Programming

There are a number of venues and functions contemplated in the current development plans for the project. The Property manager shall promote, coordinate, and schedule these events so as to provide the best possible attractions for the project as a whole. This may include concerts, special events, weddings, sidewalk sales, community events, etc. that would be determined to be an attraction and benefit to The COR by increasing activity and awareness of the project.

Venues:

- ❖ The Draw Park and Amphitheater (existing)
  - ❖ Lake Ramsey Park (future)
  - ❖ Municipal Plaza (future)
  - ❖ City Hall and Transit Plaza (existing)
  - ❖ Farmers Market (existing)
  - ❖ Ice Skating (existing)
- Manage PUMA and Parking Operations

## MAINTENANCE

There is currently, and will continue to be, a much higher level of maintenance provided in The COR than is currently provided in the rest of the city. These are generally described as those items attributed to the overall density of the project such as snow removal, or the higher traffic likely generated by the proposed uses such as more frequent cleaning, trash removal, security, etc. than city crews currently provide.

- Annual planting beds
  - Irrigation
  - Potted plants
  - Ornamental trees Benches
  - Trash Receptacles
  - Ash Trays
  - Bike Racks
  - Fountains
  - Snow Melting/Hauling
  - Sidewalk Sweeping
  - Lawn care and grounds maintenance
- Undeveloped Property Maintenance
  - Event Clean-up

- Holiday Displays

## **SIGNAGE**

There are several components to the overall project signage for The COR. Ideally, this function is best addressed as a whole, rather than as individual piecemeal functions. If the project is well identified it can be a benefit to all properties and businesses in The COR.

- Pylons and Monuments
- Landscape entry points
- Way finding signage
- Bannering
- Announcements
- Seasonal Displays
- Parking directional signage
- Transit directional signage
- Tenant sign coordination

## **OTHER POTENTIAL ISSUES:**

- Definitions
- Boundary/Member Properties
- Phases and Termination

**INITIAL ANNUAL BUDGET:**

<b>Item</b>	<b>Operations</b>	<b>Capital Cost</b>
Property Management		\$5,000
Property Management	\$12,000	
Programming	\$5,000	\$5,000
Assessment and Accounting	\$3,500	
Maintenance	\$30,000	\$0
Signage		
Project Identity Signs	\$2,000	\$17,000
Community Sign	\$2,000	(by HRA)
Seasonal Banners	\$4,000	\$20,000
Way finding		\$11,000
Transit and Parking	\$2,000	\$7,000
Design and installation	\$5,000	

**Capital Cost Allocation?**

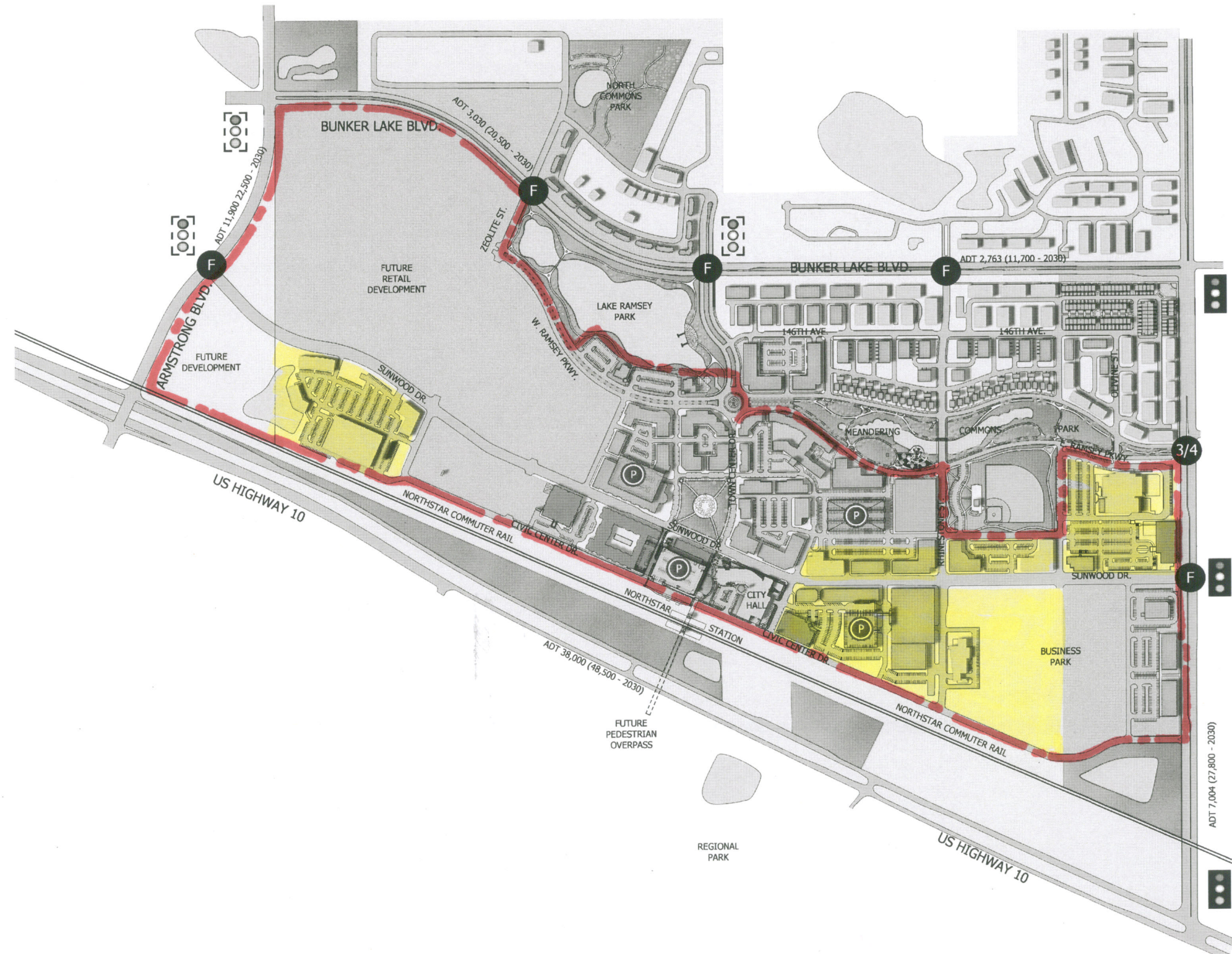
<b>Member Properties</b>	<b>Net Tax Capacity</b>	<b>Percentage</b>
HRA	\$	%
PSD	\$	%
Solomon	\$	%
Allina	\$	%
PACT	\$	%
Midwest Medical Examiners Office	\$	%
City of Ramsey	\$	%

**Initial Annual Assessment**

HRA	\$
PSD	\$
Solomon	\$
Allina	\$
PACT	\$
Midwest Medical Examiners Office	\$
City of Ramsey	\$

# THE COR

RAMSEY, MINNESOTA



### LAND DESIGNATION

- PARK/PUBLIC SPACES
- PARCELS FOR SALE
- PARCELS OWNED BY OTHERS

### DEVELOPMENT STATUS

- EXISTING DEVELOPMENT
- PROPOSED DEVELOPMENT
- ACTIVE DEALS
- UNDER CONTRACT

### ACCESS

- EXISTING SIGNALIZED INTERSECTION
- FUTURE SIGNALIZED INTERSECTION
- FULL INTERSECTION
- NO LEFT OUTBOUND MOVEMENTS
- PARKING RAMP

### TRAFFIC INFORMATION

ADT INFORMATION TAKEN FROM 2009 ACTUAL COUNTS AND 2030 PROJECTED VOLUMES



LANDFORM  
From Site to Finish

**SSD AREAS**

**DEVELOPMENT PLAN 4.02**

09.17.2010

Landform™ and Site to Finish™ are service marks of Landform Professional Services, LLC.

*SPECIAL SERVICE BOUNDARY*  
*ACCESS*  
*DENOTES PROPERTY OWNED BY OTHERS*

## CHAPTER 428A

### SPECIAL SERVICE DISTRICTS; HOUSING IMPROVEMENT AREAS

SPECIAL SERVICE DISTRICTS		HOUSING IMPROVEMENT AREAS	
428A.01	SPECIAL SERVICE DISTRICT PROCEDURES; DEFINITIONS.	428A.11	HOUSING IMPROVEMENT AREAS; DEFINITIONS.
428A.02	ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.	428A.12	PETITION REQUIRED.
428A.03	SERVICE CHARGE AUTHORITY; NOTICE, HEARING REQUIREMENT.	428A.13	ESTABLISHMENT OF HOUSING IMPROVEMENT AREA.
428A.04	ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.	428A.14	IMPROVEMENT FEES AUTHORITY; NOTICE AND HEARING.
428A.05	COLLECTION OF SERVICE CHARGES.	428A.15	COLLECTION OF FEES.
428A.06	BONDS.	428A.16	BONDS.
428A.07	ADVISORY BOARD.	428A.17	ADVISORY BOARD.
428A.08	PETITION REQUIRED.	428A.18	VETO POWERS.
428A.09	VETO POWER OF OWNERS.	428A.19	ANNUAL REPORTS.
428A.10	EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.	428A.20	SPECIAL ASSESSMENTS.
428A.101	DEADLINE FOR SPECIAL SERVICE DISTRICT UNDER GENERAL LAW.	428A.21	DEADLINE FOR HOUSING IMPROVEMENT DISTRICTS UNDER GENERAL LAW.

#### SPECIAL SERVICE DISTRICTS

##### 428A.01 SPECIAL SERVICE DISTRICT PROCEDURES; DEFINITIONS.

Subdivision 1. **Applicability.** As used in sections 428A.01 to 428A.10, the terms defined in this section have the meanings given them.

Subd. 2. **City.** "City" means a home rule charter or statutory city.

Subd. 3. **Special services.** "Special services" has the meaning given in the city's ordinance but special services may not include a service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. **Special service district.** "Special service district" means a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from service charges imposed within that area.

Subd. 5. **Net tax capacity.** Except as provided in section 428A.05, "net tax capacity" means the net tax capacity most recently certified by the county auditor under section 428A.03, subdivision 1a, before the effective date of the ordinance or resolution adopted under section 428A.02 or 428A.03.

Subd. 6. **Land area.** "Land area" means the land area in the district that is subject to property taxes.

**History:** 1988 c 719 art 5 s 84; art 14 s 1; 1989 c 329 art 13 s 20; 1995 c 264 art 16 s 16; 1996 c 471 art 8 s 3,4

**428A.02 ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.**

Subdivision 1. **Ordinance.** The governing body of a city may adopt an ordinance establishing a special service district. Only property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and located in the special service district, may be subject to the charges imposed by the city on the special service district. Other types of property may be included within the boundaries of the special service district but are not subject to the levies or charges imposed by the city on the special service district. If 50 percent or more of the market value of a parcel of property is classified under section 273.13 as commercial, industrial, or vacant land zoned or designated on a land use plan for commercial or industrial use, or public utility for the current assessment year, then the entire market value of the property is subject to a service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district that would be subject to a service charge will be given opportunity to be heard at the hearing. Within 30 days after adoption of the ordinance under this subdivision, the governing body shall send a copy of the ordinance to the commissioner of revenue.

Subd. 2. **Notice.** Notice of the hearing must be given by publication in at least two issues of the official newspaper of the city. The two publications must be two weeks apart and the hearing must be held at least three days after the last publication. Not less than ten days before the hearing, notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners are those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties that are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners must be ascertained by any practicable means and mailed notice given them. At the public hearing a person affected by the proposed district may testify on any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 3. **Charges; relationship to services.** The city may impose service charges under sections 428A.01 to 428A.10 that are reasonably related to the special services provided. Charges for service shall be as nearly as possible proportionate to the cost of furnishing the service, and may be fixed on the basis of the service directly rendered, or by reference to a reasonable classification of the types of premises to which service is furnished, or on any other equitable basis.

Subd. 4. **Benefit; objection.** Before the ordinance is adopted or at the hearing at which it is to be adopted, any affected landowner may file a written objection with the city clerk asserting that the landowner's property should not be included in the district or should not be subjected to a service charge and objecting to:

(1) the inclusion of the landowner's property in the district, for the reason that the property would not receive services that are not provided throughout the city to the same degree;

(2) the levy of a service charge on the landowner's property, for the reason that the property is exempted under sections 428A.01 to 428A.10 or the special law under which the district was created; or

(3) the fact that neither the landowner's property nor its use is benefited by the proposed special service.

The governing body shall make a determination on the objection within 30 days of its filing. Pending its determination, the governing body may delay adoption of the ordinance or it may adopt the ordinance with a reservation that the landowner's property may be excluded from the district or district service charges when the determination is made.

Subd. 5. **Appeal to district court.** Within 30 days after the determination of the objection, any person aggrieved, who is not precluded by failure to object before or at the hearing, or whose failure to object is due to a reasonable cause, may appeal to the district court by serving a notice upon the mayor or city clerk. The notice shall be filed with the court administrator of the district court within ten days after its service. The city clerk shall furnish the appellant a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the appellant's objections have merit, modify or cancel it. If the appellant does not prevail upon the appeal, the costs incurred shall be taxed to the appellant by the court and judgment entered for them. All objections shall be deemed waived unless presented on appeal.

**History:** 1988 c 719 art 5 s 84; art 14 s 2; 1989 c 329 art 13 s 20; 1996 c 471 art 8 s 5

#### **428A.03 SERVICE CHARGE AUTHORITY; NOTICE, HEARING REQUIREMENT.**

Subdivision 1. **Hearing.** Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section 469.177 or to the distribution or contribution value under section 473F.08. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, a service charge may be imposed only in the amount needed to pay for the increased level of service. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, a hearing must be held under section 428A.02 and notice must be given and must be mailed to any owner, individual, or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and upon completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year in which the service charge is to be collected; and

(4) a statement that the petition requirements of section 428A.08 have either been met or do not apply to the proposed service charge.

Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Subd. 1a. **Certification of net tax capacity.** Upon a request of the city, the county auditor must certify the most recent net tax capacity of the taxable property subject to service charges within the special service district.

Subd. 2. **Exemption of certain properties from taxes and service charges.** Property exempt from taxation by section 272.02 is exempt from any service charges based on net tax capacity imposed under sections 428A.01 to 428A.10.

Subd. 3. **Levy limit.** Service charges imposed under sections 428A.01 to 428A.10 are not included in the calculation of levies or limits on levies imposed under law or charter.

**History:** 1988 c 719 art 5 s 84; art 14 s 3; 1989 c 329 art 13 s 20; 1995 c 264 art 16 s 17; 2009 c 88 art 6 s 8

#### **428A.04 ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.**

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 428A.02 and 428A.03. Notice must be served in the original district and in the area proposed to be added to the district. Property added to the district is subject to all service charges imposed within the district after the property becomes a part of the district if it is property of the type that is subject to service charges in the district. On the question of enlargement, the petition requirement in section 428A.08 and the veto power in section 428A.09 apply only to owners, individuals, and business organizations in the area proposed to be added to the district.

**History:** 1988 c 719 art 14 s 4

#### **428A.05 COLLECTION OF SERVICE CHARGES.**

Service charges may be imposed on the basis of the net tax capacity of the property on which the service charge is imposed but must be spread only upon the net tax capacity of the taxable property located in the geographic area described in the ordinance. Service charges based on net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. When made payable in the same manner as ad valorem taxes, service charges not paid on or before the applicable due date shall be subject to the same penalty and interest as in the case of ad valorem tax amounts not paid by the respective due date. The due date for a service charge payable in the same manner as ad valorem taxes is the due date given in law for the real or personal property tax for the property on which the service charge is imposed. Service charges imposed on net tax capacity which are to become payable in the following year must be certified to the county auditor by the date provided in section 429.061, subdivision 3, for the annual certification of special assessment installments. Other service charges imposed must be collected as provided by ordinance. Service charges based on net tax capacity collected under sections 428A.01 to 428A.10 are not included in computations under section 469.177, chapter 276A or 473F, or any other law that applies to general ad valorem

levies. For the purpose of this section, "net tax capacity" means the net tax capacity most recently determined at the time that tax rates are determined under section 275.08.

**History:** 1988 c 719 art 5 s 84; art 14 s 5; 1989 c 329 art 13 s 20; 1995 c 264 art 16 s 18; 1996 c 471 art 11 s 12

#### **428A.06 BONDS.**

At any time after a contract for the construction of all or part of an improvement authorized under sections 428A.01 to 428A.10 has been entered into or the work has been ordered done by day labor, the governing body of the city may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations are payable primarily out of the proceeds of the service charge based on net tax capacity imposed under section 428A.03, or from any other special assessments or nontax revenues available to be pledged for their payment under charter or statutory authority, or from two or more of those sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the city to assure payment of the principal and interest if the proceeds of the service charge in the district are insufficient to pay the principal and interest. The obligations must be issued in accordance with chapter 475, except that an election is not required, and the amount of the obligations need not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

**History:** 1988 c 719 art 5 s 84; art 14 s 6; 1989 c 329 art 13 s 20

#### **428A.07 ADVISORY BOARD.**

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

**History:** 1988 c 719 art 14 s 7

#### **428A.08 PETITION REQUIRED.**

No action may be taken under section 428A.02 or 428A.03, unless owners of 25 percent or more of the land area of property that would be subject to service charges in the proposed special service district and either: (1) owners of 25 percent or more of the net tax capacity of property that would be subject to a proposed service charge, based on net tax capacity; or (2) owners, individuals, and business organizations subject to 25 percent or more of a proposed service charge based on other than net tax capacity file a petition requesting a public hearing on the proposed action with the city clerk. If the boundaries of a proposed district are changed or the land area or net tax capacity subject to a service charge or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this

section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the service charge may become effective.

**History:** 1988 c 719 art 5 s 84; art 14 s 8; 1989 c 329 art 13 s 20; 2009 c 88 art 6 s 9

#### **428A.09 VETO POWER OF OWNERS.**

Subdivision 1. **Notice of right to file objections.** Except as provided in section 428A.10, the effective date of any ordinance or resolution adopted under sections 428A.02 and 428A.03 must be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a summary of the ordinance or resolution must be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed under section 428A.02. The mailing must include a notice that owners subject to a service charge based on net tax capacity and owners, individuals, and business organizations subject to a service charge imposed on another basis have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution and that a copy of the ordinance or resolution is on file with the city clerk for public inspection.

Subd. 2. **Requirements for veto.** If owners of 35 percent or more of the land area in the district subject to the service charge based on net tax capacity or owners, individuals, and business organizations subject to 35 percent or more of the service charges to be imposed in the district, file an objection to the ordinance adopted by the city under section 428A.02 with the city clerk before the effective date of the ordinance, the ordinance does not become effective. If owners of 35 percent or more of the land area subject to the service charge based on net tax capacity or owners of 35 percent or more of the net tax capacity subject to the service charge based on net tax capacity file an objection to the resolution adopted imposing a service charge based on net tax capacity under section 428A.03 with the city clerk before the effective date of the resolution, the resolution does not become effective. If owners, individuals, and business organizations subject to 35 percent or more of the service charges to be imposed in the district file an objection to the resolution adopted imposing a service charge on a basis other than net tax capacity under section 428A.03 with the city clerk before the effective date of the resolution, the resolution does not become effective. In the event of a veto, no district shall be established during the current calendar year and until a petition meeting the qualifications set forth in this subdivision for a veto has been filed.

**History:** 1988 c 719 art 5 s 84; art 14 s 9; 1989 c 329 art 13 s 20; 2009 c 88 art 6 s 10

#### **428A.10 EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.**

The petition requirements of section 428A.08 do not apply to second or subsequent years' action to impose service charges under section 428A.03. The right of owners and those subject to a service charge to veto a resolution in section 428A.09 does not apply to second or subsequent years' applications of a service charge that is authorized to be in effect for more than one year under a resolution that has not been vetoed under section 428A.09 for the first year's application. A resolution imposing a service charge for more than one year must not be adopted unless the notice of public hearing required by section 428A.03 and the notice mailed with the adopted resolution under section 428A.09 include the following information:

(1) in the case of improvements, the maximum service charge to be imposed in any year and the maximum number of years the service charge is imposed to pay for the improvement; and

(2) in the case of operating and maintenance services, the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the service charge will be imposed for an indefinite number of years, the service charges will be imposed to pay for operation and maintenance services.

The resolution may provide that the maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

**History:** 1988 c 719 art 14 s 10; 2009 c 88 art 6 s 11

#### **428A.101 DEADLINE FOR SPECIAL SERVICE DISTRICT UNDER GENERAL LAW.**

The establishment of a new special service district after June 30, 2013, requires enactment of a special law authorizing the establishment.

**History:** 1996 c 471 art 8 s 6; 2000 c 493 s 4; 2005 c 152 art 1 s 10; 2009 c 88 art 2 s 27

### **HOUSING IMPROVEMENT AREAS**

#### **428A.11 HOUSING IMPROVEMENT AREAS; DEFINITIONS.**

Subdivision 1. **Applicability.** As used in sections 428A.11 to 428A.20, the terms defined in this section have the meanings given them.

Subd. 2. **City.** "City" means a home rule charter or statutory city.

Subd. 3. **Enabling ordinance.** "Enabling ordinance" means the ordinance adopted by the city council establishing the housing improvement area.

Subd. 4. **Housing improvements.** "Housing improvements" has the meaning given in the city's enabling ordinance. Housing improvements may include improvements to common elements of a condominium or other common interest community.

Subd. 5. **Housing improvement area.** "Housing improvement area" means a defined area within the city where housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

Subd. 6. **Housing unit.** "Housing unit" means real property and improvements thereon consisting of a one-dwelling unit, or an apartment or unit as described in chapter 515, 515A, or 515B, respectively, that is occupied by a person or family for use as a residence.

Subd. 7. **Authority.** "Authority" means an economic development authority or housing and redevelopment authority created pursuant to section 469.003, 469.004, or 469.091 or another entity authorized by law to exercise the powers of an authority created pursuant to one of those sections.

Subd. 8. **Implementing entity.** "Implementing entity" means the city or authority designated in the enabling ordinance as responsible for implementing and administering the housing improvement area.

**History:** 1996 c 471 art 8 s 7; 1999 c 11 art 3 s 13,14; 2000 c 490 art 11 s 2,3

#### **428A.12 PETITION REQUIRED.**

No action may be taken under sections 428A.13 and 428A.14 unless owners of 50 percent or more of the housing units that would be subject to fees in the proposed housing improvement

area file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken under section 428A.14 to impose a fee unless owners of 50 percent or more of the housing units subject to the proposed fee file a petition requesting a public hearing on the proposed fee with the city clerk or other appropriate official.

**History:** 1996 c 471 art 8 s 8; 2010 c 389 art 1 s 22

#### **428A.13 ESTABLISHMENT OF HOUSING IMPROVEMENT AREA.**

Subdivision 1. **Ordinance.** The governing body of the city may adopt an ordinance establishing one or more housing improvement areas. The ordinance must specifically describe the portion of the city to be included in the area, the basis for the imposition of the fees, and the number of years the fee will be in effect. In addition, the ordinance must include findings that without the housing improvement area, the proposed improvements could not be made by the condominium associations or housing unit owners, and the designation is needed to maintain and preserve the housing units within the housing improvement area. The ordinance shall designate the implementing entity. The ordinance may not be adopted until a public hearing has been held regarding the ordinance. The ordinance may be amended by the governing body of the city, provided the governing body complies with the public hearing notice provisions of subdivision 2. Within 30 days after adoption of the ordinance under this subdivision, the governing body shall send a copy of the ordinance to the commissioner of revenue.

Subd. 1a. **Prerequisites for establishing.** Prior to establishment of a housing improvement area, the governing body of the city must:

- (1) provide full disclosure of public expenditures, as well as the terms of any loans, bonds, or other financing arrangements for housing improvement area projects; and
- (2) determine whether the association or the implementing entity will contract for the housing improvements, and ensure that any contracts made by the implementing entity are subject to section 471.345.

Subd. 2. **Public hearing.** The notice of public hearing must include the time and place of hearing, a map showing the boundaries of the proposed area, and a statement that all persons owning housing units in the proposed area that would be subject to a fee for housing improvements will be given an opportunity to be heard at the hearing. Notice of the hearing must be given by publication in the official newspaper of the city. The public hearing must be held at least seven days after the publication. Not less than ten days before the hearing, notice must also be mailed to the owner of each housing unit within the proposed area. For the purpose of giving mailed notice, owners are those shown on the records of the county auditor. Other records may be used to supply the necessary information. At the public hearing a person owning property in the proposed housing improvement area may testify on any issues relevant to the proposed area. The hearing may be adjourned from time to time. The ordinance establishing the area may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 3. **Proposed housing improvements.** At the public hearing held under subdivision 2, the proposed implementing entity shall provide a preliminary listing of the housing improvements to be made in the area. The listing shall identify those improvements, if any, that are proposed to be made to all or a portion of the common elements of a condominium. The listing shall also identify those housing units that have completed the proposed housing improvements and are proposed to be exempted from a portion of the fee. In preparing the list the proposed implementing

entity shall consult with the residents of the area and the condominium associations.

Subd. 4. **Benefit; objection.** Before the ordinance is adopted or at the hearing at which it is to be adopted, the owner of a housing unit in the proposed housing improvement area may file a written objection with the city clerk asserting that the owner's property should not be included in the area or should not be subjected to a fee and objecting to the inclusion of the housing unit in the area, for the reason that the property would not benefit from the improvements.

The governing body shall make a determination of the objection within 60 days of its filing. Pending its determination, the governing body may delay adoption of the ordinance or it may adopt the ordinance with a reservation that the landowner's property may be excluded from the housing improvement area or fee when the determination is made.

Subd. 5. **Appeal to district court.** Within 30 days after the determination of the objection, any person aggrieved, who is not precluded by failure to object before or at the hearing, or whose failure to object is due to a reasonable cause, may appeal to the district court by serving a notice upon the mayor or city clerk. The notice shall be filed with the court administrator of the district court within ten days after its service. The city clerk shall furnish the appellant a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the appellant's objections have merit, modify or cancel it. If the appellant does not prevail upon the appeal, the costs incurred are taxed to the appellant by the court and judgment entered for them. All objections are deemed waived unless presented on appeal.

**History:** 1996 c 471 art 8 s 9; 2000 c 490 art 11 s 4,5; 2009 c 88 art 2 s 28

#### **428A.14 IMPROVEMENT FEES AUTHORITY; NOTICE AND HEARING.**

Subdivision 1. **Authority.** Fees may be imposed by the implementing entity on the housing units within the housing improvement area at a rate, term, or amount sufficient to produce revenue required to provide housing improvements in the area to reimburse the implementing entity for advances made to pay for the housing improvements or to pay principal of, interest on, and premiums, if any, on bonds issued by the implementing entity under section 428A.16. The fee can be imposed on the basis of the tax capacity of the housing unit, or the total amount of square footage of the housing unit, or a method determined by the council and specified in the resolution. If a fee is imposed on a basis other than the tax capacity or square footage of the housing unit, the council must make a finding that the alternative basis for the fee is more fair and reasonable. Before the imposition of the fees, a hearing must be held and notice must be published in the official newspaper at least seven days before the hearing and shall be mailed at least seven days before the hearing to any housing unit owner subject to a fee. For purposes of this section, the notice must also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed housing improvement fee;

(2) the estimated cost of improvements including administrative costs to be paid for in whole or in part by the fee imposed under the ordinance;

(3) the amount to be charged against the particular property;

(4) the right of the property owner to prepay the entire fee;

(5) the number of years the fee will be in effect; and

(6) a statement that the petition requirements of section 428A.12 have either been met or do not apply to the proposed fee.

Within six months of the public hearing, the implementing entity may adopt a resolution imposing a fee within the area not exceeding the amount expressed in the notice issued under this section.

Prior to adoption of the resolution approving the fee, the condominium associations located in the housing improvement area shall submit to the implementing entity a financial plan prepared by an independent third party, acceptable to the implementing entity and associations, that provides for the associations to finance maintenance and operation of the common elements in the condominium and a long-range plan to conduct and finance capital improvements.

Subd. 2. **Levy limit.** Fees imposed under this section are not included in the calculation of levies or limits on levies imposed under any law or charter.

**History:** 1996 c 471 art 8 s 10; 2000 c 490 art 11 s 6; 2009 c 88 art 2 s 29

#### **428A.15 COLLECTION OF FEES.**

The implementing entity may provide for the collection of the housing improvement fees according to the terms of section 428A.05.

**History:** 1996 c 471 art 8 s 11; 2000 c 490 art 11 s 7

#### **428A.16 BONDS.**

At any time after a contract for the construction of all or part of an improvement authorized under sections 428A.11 to 428A.20 has been entered into or the work has been ordered, the implementing entity may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing.

The obligations are payable primarily out of the proceeds of the fees imposed under section 428A.14, or from any other special assessments or revenues available to be pledged for their payment under charter or statutory authority, or from two or more of those sources. The governing body of the city, or if the governing bodies are the same or consist of identical membership, the authority may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the city to bonds issued by it to ensure payment of the principal and interest if the proceeds of the fees in the area are insufficient to pay the principal and interest. The obligations must be issued in accordance with chapter 475, except that an election is not required, and the amount of the obligations are not included in determination of the net debt of the city under the provisions of any law or charter limiting debt.

**History:** 1996 c 471 art 8 s 12; 2000 c 490 art 11 s 8

#### **428A.17 ADVISORY BOARD.**

The implementing entity may create and appoint an advisory board for the housing improvement area in the city to advise the implementing entity in connection with the planning and construction of housing improvements. In appointing the board, the implementing entity shall consider for membership members of condominium associations located in the housing improvement area. The advisory board shall make recommendations to the implementing entity to provide improvements or impose fees within the housing improvement area. Before the adoption of a proposal by the implementing entity to provide improvements within the housing

improvement area, the advisory board of the housing improvement area shall have an opportunity to review and comment upon the proposal.

**History:** 1996 c 471 art 8 s 13; 2000 c 490 art 11 s 9

#### **428A.18 VETO POWERS.**

Subdivision 1. **Notice of right to file objections.** The effective date of any ordinance or resolution adopted under sections 428A.13 and 428A.14 must be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a summary of the ordinance or resolution shall be mailed to the owner of each housing unit included in the multiunit housing improvement area. The mailing shall include a notice that owners subject to a fee have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution and that a copy of the ordinance or resolution is on file with the city clerk for public inspection.

Subd. 2. **Requirements for veto.** If residents of 45 percent or more of the housing units in the area subject to the fee file an objection to the ordinance adopted by the city under section 428A.13 with the city clerk before the effective date of the ordinance, the ordinance does not become effective. If owners of 45 percent or more of the housing units' tax capacity subject to the fee under section 428A.14 file an objection with the city clerk before the effective date of the resolution, the resolution does not become effective.

**History:** 1996 c 471 art 8 s 14; 2010 c 389 art 1 s 23

#### **428A.19 ANNUAL REPORTS.**

Each condominium association located within the housing improvement area must, by August 15 annually, submit a copy of its audited financial statements to the implementing entity. The city may also, as part of the enabling ordinance, require the submission of other relevant information from the associations.

**History:** 1996 c 471 art 8 s 15; 2000 c 490 art 11 s 10

#### **428A.20 SPECIAL ASSESSMENTS.**

Within a housing improvement area, the governing body of the city may, in addition to the fee authorized in section 428A.14, special assess housing improvements to benefited property. The governing body of the city may by ordinance adopt regulations consistent with this section.

**History:** 1996 c 471 art 8 s 16

#### **428A.21 DEADLINE FOR HOUSING IMPROVEMENT DISTRICTS UNDER GENERAL LAW.**

The establishment of a new housing improvement area after June 30, 2013, requires enactment of a special law authorizing the establishment of the area.

**History:** 1996 c 471 art 8 s 17; 2000 c 490 art 11 s 11; 2005 c 152 art 1 s 11; 2009 c 88 art 2 s 30

**Date: 01/18/2011**

**By:** Heidi Nelson  
Administrative Services

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**Information**

**Title:**

Consider TOTI Holdings LLC - Suite Living Purchase Agreement Amendment

**Background:**

As the HRA will recall, a purchase agreement for TOTI Holdings LLC - Suite Living was approved and executed in September 2010. Within the terms of the purchase agreement, TOTI had the right to extend its due diligence date. In addition, the City was required to satisfy certain contingencies with regard to the title for the land and the creation of the special services district (SSD). TOTI Holdings LLC has exercised its right to extend its due diligence period from December 31, 2011 to March 31, 2011.

The terms of the amendment to the purchase agreement, in addition to recognizing TOTI's extension of the contingencies set forth in Section 15(a) and 15(e), confirms that the contingencies set forth in Sections 15(b), 15(c) and 15(d) of the original purchase agreement (attached) have either been satisfied or waived.

Additionally, in section 15(b), the HRA agrees in the amendment that it will not subject the Property either to the terms of the existing Master Declaration or to any replacement Master Declaration prior to closing without TOTI's consent. The HRA intends to seek termination of the existing Master Declaration (which encumbers certain other properties in the COR but does not encumber the subject Property) and to pursue and Special Service District rather than a replacement Master Declaration.

With respect to the Special Service District, the City is preparing the draft Ordinance, but the HRA asks TOTI to waive this contingency based on the HRA's representation and warranty that, regardless of the form of the Ordinance the City ultimately adopts, the Ordinance will not subject the Property to any fees or charges unless TOTI either (1) re-zones the Property to a commercial or industrial zoning classification or (2) uses the Property for a commercial or industrial use that causes the Anoka County assessor to classify the property as commercial industrial property under Minnesota Statutes Section 273.13. The HRA is able to make this representation and warranty because under Minnesota Statutes Section 428A.02, a special service district ordinance may only impose charges upon commercial industrial properties. Once TOTI has reviewed the SSD ordinance, it can waive that contingency.

One additional item is with regard to the size of the parcel and the land sale price; the size of the parcel reduced slightly through the platting process that was completed following the September 2010 approval of the purchase agreement. The purchase price was reduced from \$1,542,600 to \$1,411,165. The DM Fee associated with this transaction will be amended to reflect the revised sale price.

The original purchase agreement and the proposed amendment are attached for HRA review.

**Notification:**

TOTI Holdings LLC provided proper notice to the HRA of their extension of the due diligence period.

**Observations:**

**Recommendation:**

Staff recommends that the HRA review the revised purchase agreement and approve the revised purchase agreement.

**Funding Source:**

Legal for this project is paid for by the HRA budget for legal, offset by land sale revenue at time of closing as sellers expense.

**Council Action:**

HRA Action: Approve revised purchase agreement with TOTI Holdings LLC.

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**Fiscal Impact**

**Budgeted Y/N:** Y

**Budgeted Year:** 2011

**Fund:** HRA

**Funding:**

2010 and 2011 HRA budget for legal.

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**Attachments**

Executed Purchase Agreement

Amendment to Purchase Agreement

**Form Review****Inbox**

Heidi Nelson

Form Started By: Heidi Nelson

Final Approval Date: 01/13/2011

**Reviewed By**

Heidi Nelson

**Date**

01/13/2011 03:03 PM

Started On: 01/13/2011 12:37 PM

## PURCHASE AGREEMENT

### FOR PORTION OF OUTLOT M, RAMSEY TOWN CENTER ADDITION

1. **Parties.** The parties to this Purchase Agreement (the "**Agreement**") are:
  - a. The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota ("**Seller**"); and
  - b. TOTI Holdings, LLC, a Minnesota limited liability company ("**Buyer**").

This Agreement sometimes refers to Seller and Buyer individually as a "Party" and collectively as the "Parties".

2. **Effective Date.** This Agreement is dated, for reference purposes, and is effective as of September 15, 2010 (the "**Effective Date**").

3. **Property and Platting.**

- a. **Description of Property.** The property that is the subject of this Agreement (the "**Property**") is the portions of Outlot M, RAMSEY TOWN CENTER ADDITION, and Outlot A, RAMSEY TOWN CENTER FIFTH ADDITION, Anoka County, Minnesota that are depicted as Lot 5, Block 1, COR ONE, Anoka County, Minnesota on the preliminary plat attached hereto as **Exhibit A** (the "**Draft Preliminary Plat**"). As used in this Agreement the term "Property" also includes all hereditaments and appurtenances to the Property. There are no improvements located on the Property. The Parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

- b. **Platting.** Seller must submit the Draft Preliminary Plat to the Ramsey City Council (the "**City Council**") for approval on or before October 25, 2010. If the City Council approves the Draft Preliminary Plat, Seller must provide Buyer with a copy of the approved Preliminary Plat (the "**Approved Preliminary Plat**") within seven (7) days of the City Council's approval. Seller must submit a final plat that is based on the Approved Preliminary Plat (the "**Final Plat**") to the City Council for approval on or before the Date of Closing. If the City Council approves the Final Plat the term "Property," as used herein, shall mean Lot 5, Block 1, COR ONE, Anoka County, Minnesota as depicted on the Final Plat. If the City Council does not approve the Final Plat, Buyer may terminate this Agreement pursuant to Section 15 or Seller may terminate this Agreement pursuant to Section 16.

4. **Purchase and Sale.** Seller agrees to sell the Property to Buyer pursuant to the terms of this Agreement, and Buyer agrees to purchase the Property from Seller pursuant to the terms of this Agreement.

5. **Purchase Price.** The purchase price of the Property is \$1,524,600.00 (the "**Purchase Price**"). At closing Buyer must also pay to the City of Ramsey (the "**City**") or reimburse Seller for all fees and charges that Chapter 117 of the City's Ordinances require be paid in connection with or at the time of the City Council's approval and the City's execution of the Final Plat (the "**Platting Fees**").

6. **Earnest Money.** Within two (2) business days of Seller's execution of this Agreement, Buyer must deposit earnest money in the amount of \$50,000 (the "**Earnest Money**") with Land Title, Inc. ("**Title**"). Title must hold the Earnest Money in escrow pursuant to the provisions of the Escrow Agreement attached hereto as **Exhibit C**. The Earnest Money will remain the property of Buyer unless disbursed to Seller pursuant to the provisions of the Escrow Agreement. Interest the Earnest Money earns will inure to the party that is entitled to the Earnest Money under the terms of this Agreement. At Closing, the Earnest Money must be delivered to Seller and applied towards payment of the Purchase Price pursuant to the provisions of Section 7(b)(i) below.

7. **Closing.** Seller and Buyer must meet at the offices of Buyer's counsel, John W. Lang, Esq., Messerli & Kramer, P.A., 1400 Fifth Street Towers, 100 South Fifth Street, Minneapolis, Minnesota at 9:30 a.m. on March 31, 2011 or such earlier date as the Parties may establish by mutual agreement (the "**Date of Closing**") to close this transaction (the "**Closing**"). Buyer may extend the Date of Closing pursuant to Section 24. At or before Closing:

a. Seller must:

- i Deliver a certified copy of a Resolution of Seller's board of commissioners authorizing the execution of this Agreement and the performance of Seller's obligations under this Agreement to Buyer;
- ii Execute and record the Final Plat;
- iii Deliver to Buyer a duly executed and acknowledged Limited Warranty Deed conveying title to the Property from Seller to Buyer, subject to:
  - (A) Building, zoning and subdivision statutes, laws, ordinances and regulations;
  - (B) Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any;
  - (C) Except as otherwise provided for herein, the lien of real estate taxes and special assessments not yet due and payable;
  - (D) The Final Plat and any dedicated drainage and utility easements shown thereon;

- (E) A reservation of a right of reverter in favor of Seller pursuant to which title to the Property will revert to and re-vest in Seller if (i) Buyer defaults in the performance of Buyer's obligations under a mortgage to which Seller has subjected its rights under this right of reverter and the mortgagee commences proceedings to foreclose the mortgage; or (ii) Buyer fails to substantially complete the construction of the improvements described on the attached Exhibit D on the Property on or before the date two years from the Date of Closing. If Seller is delayed in completing construction of the improvements as a result of acts of God, including, but not limited to, floods, ice storms, blizzards, tornadoes, landslides, lightening and earthquakes (but not including rain, snow or windstorms that constitute reasonably anticipated weather conditions for the geographic area); riots, insurrections, war or civil disorder affected the performance of the work; blockades; power or other utility failures; fires or explosions; labor strikes or labor shortages; or shortages of materials and Buyer promptly notifies Seller of the occurrence of such conditions, the two year period provided for in the preceding sentence shall be extended for a number of days equal to the number of days that the condition persists and a reasonable period for recovery and restoration thereafter. For purposes of the right of reverter, the improvements will be substantially complete when they are eligible for receipt of a certificate of occupancy. To facilitate Buyer's acquisition of financing for the project, Seller will subject Seller's interest under the right of reverter to the lien of a mortgage granted by Buyer to secure the repayment of a loan, the proceeds of which are disbursed to pay costs associated with the development of the Property and the construction of the improvements on the Property; provided the mortgagee acknowledges, in writing, that if Buyer fails to complete the improvements within the time period set forth in the right of reverter or if the mortgagee commences foreclosure proceedings, Seller may exercise the right of reverter and, if the mortgagee has foreclosed or thereafter forecloses, Seller may redeem the Property from foreclosure, as owner, within the time allowed by law;
- (F) A Master Declaration, if any, that Seller or that Seller and other owners of property within the Plat of Ramsey Town Center execute and record for the purposes of establishing a Master Association to perform certain services within the area subject to the Master Declaration;

- (G) A special service district, if any, established by the City of Ramsey pursuant to Minnesota Statute Chapter 428(A); and
  - (H) Any matters that become a Permitted Encumbrance pursuant to Section 11.
- iv execute and deliver to Buyer and Title a Minnesota Uniform Conveyancing Blank Affidavit Regarding Business Entity evidencing the absence of bankruptcies, judgments, tax liens or corporate dissolution proceedings involving parties with the same or similar names as the Seller and evidencing the absence of mechanic's liens and the absence of known unrecorded interests, encroachments or boundary line questions affecting the Property;
  - v execute and deliver to Buyer non-foreign affidavits in recordable form containing such information as is required under IRS Section 1445(b)(2) and any regulations relating thereto;
  - vi execute and deliver to the closing agent, Buyer or other appropriate party appropriate Federal Income Tax Reporting Forms; and
  - vii pay or provide evidence of payment of the following: the State Deed Tax due upon the execution of the Limited Warranty Deed; \$675.00 toward the cost of the Title Commitment, as defined in Section 10(a); the cost of the Survey, as defined in Section 10(b); real estate taxes, special assessments and annual assessments, if any, pursuant to the provisions of Section 8 below; and one-half of any reasonable and customary closing fees imposed by any closing agent engaged to conduct closing of this transaction.
- b. Buyer shall:
- i Direct Title to disburse the Earnest Money to Seller;
  - ii Tender the balance of the Purchase Price to Seller in wire transferred funds;
  - iii Reimburse Seller for all Platting Fees Seller has paid to the City and pay any remaining Platting Fees to the City; and
  - iv Pay or provide evidence of payment of the following: real estate taxes, if any, pursuant to the provisions of Section 8; the cost of recording the Limited Warranty Deed from Seller to Buyer; the cost of the Title Commitment, to the extent that the cost exceeds the \$675 that Seller is obligated to pay pursuant to Section 7(a)(vii) above; all premiums and other charges for any title insurance policies Buyer purchases for itself and its lender; all costs associated with Buyer's financing; and one-half of any reasonable

and customary closing fees imposed by any closing agent engaged to conduct the closing of this transaction.

8. **Real Estate Taxes, Special Assessments and Owners Association Assessments.**

a. **Real Estate Taxes.** On or before the Date of Closing, Seller must pay the real estate taxes, if any, due and payable with respect to the Property in years prior to the year of closing. Seller and Buyer must prorate the real estate taxes, if any, due and payable with respect to the Property in the year of Closing on a per diem basis as of the Date of Closing. To record the Plat, Seller must pay all real estate taxes due and payable with respect to the Property in the year the Plat is recorded. If the Plat is recorded before closing, Buyer must reimburse Seller at closing for Buyer's pro rata share of the real estate taxes Seller pays when the Plat is recorded.

b. **Special Assessments.** On or before the Date of Closing, Seller must pay all special assessments levied or pending against the Property as of the Date of Closing and any installments of any special assessments levied before the Date of Closing that are certified for payment with real estate taxes due and payable in the year of Closing and all prior years. Buyer shall be responsible for all other special assessments.

c. **Master Declaration Assessments and Special Service District Charges.** If, before the Date of Closing, Seller records a Master Declaration against the Property or establishes a special service district pursuant to Minnesota Statute Chapter 428(A) that includes the Property, Seller and Buyer must pro rate, as of the Date of Closing, any assessments levied against the Property in the year of closing pursuant to the terms of the Master Declaration and any service charges imposed against the Property in the year of closing pursuant to the terms of the ordinance establishing the special service district. The pro-rations shall be made on a per diem basis to the Date of Closing.

9. **Possession.** Seller will deliver possession of the Property to Buyer at Closing.

10. **Evidence of Title.**

a. Within twenty (20) days after the Effective Date, Buyer must, at Buyer's sole cost and expense (but subject to reimbursement to the extent provided for in Section 7(a)(vii)) obtain a current 2006 form ALTA title insurance commitment for the Property (the "**Title Commitment**") and deliver a copy of the Title Commitment to Seller; and

b. Within thirty (30) days of the Effective Date, Seller must, at Seller's sole cost and expense, obtain and deliver to Buyer a current ALTA/ACSM Land Title survey of the Property prepared by a surveyor registered under the laws of the state in which the Property is located. The survey must be certified to Buyer, Buyer's lender and Title, if any, and the certification language must be reasonably acceptable to Buyer and Title (the "**Survey**"; collectively with the Title Commitment, the "**Evidence of Title**").

11. **Examination of Title.** Within ten (10) business days of Buyer's receipt of the last item of the Evidence of Title or within ten (10) business days of Buyer's discovery of a defect in the marketability of Seller's title to the Property which defect was not reasonably ascertainable from the Evidence of Title, Buyer may give Seller written notice of alleged defect(s) in the marketability of Seller's actual and record title to the Property and request that Seller make Seller's title marketable ("**Objections**"). Any defects in the marketability of Seller's title to the Property, including but not limited to the "Existing Encumbrances, as defined in Section 12(a)(ii), which Buyer does not object to, in writing, within the time period set forth above, will be deemed "Permitted Encumbrances," and Seller may expressly exclude such Permitted Encumbrances from the Limited Warranty Deed described in Section 7(a)(iii). Within ten (10) business days of Seller's receipt of Buyer's Objection(s), Seller must notify Buyer, in writing, if Seller will attempt to make Seller's title to the Property marketable. If Seller notifies Buyer that Seller will attempt to make Seller's title to the Property marketable, Seller will have up to one hundred twenty (120) days from Seller's receipt of Buyer's Objections to do so, and, if necessary, the Date of Closing will be rescheduled accordingly. If Seller makes Seller's title marketable within the one hundred and twenty day period, Seller will notify Buyer, in writing, and the Parties must close pursuant to the terms of this Agreement. The new "Date of Closing" will be the earlier of the Date of Closing, as set forth in Section 7 or the date fifteen (15) days from the date Seller notifies Buyer that Seller's title is marketable. If (i) Seller notifies Buyer that Seller does not intend to make Seller's title marketable, (ii) Seller notifies Buyer that Seller intends to make Seller's title marketable but is unable to do so within one hundred twenty (120) days from Seller's receipt of Buyer's Objections, or (iii) Seller fails to notify Buyer if it intends to make Seller's title marketable within the ten (10) business day period provided for above, Buyer must either:

a. terminate this Agreement pursuant to the procedures set forth in Section 19, in which case the Earnest Money shall be disbursed to Buyer; or

b. notify Seller that Buyer waives Buyer's Objections. If Buyer waives Buyer's Objections, the matters giving rise to such Objections will be deemed a Permitted Encumbrance and the Parties must fully perform their obligations under this Agreement. The Parties must establish a new Date of Closing by mutual agreement, but if the Parties cannot establish a new Date of Closing by mutual agreement, the Date of Closing will be the date fifteen (15) days from the effective date of Buyer's notice to Seller that Buyer waives Buyer's Objections.

If Buyer does not notify Seller of Buyer's election to terminate this Agreement pursuant to subsection (a) above or waive Buyer's Objections pursuant to subsection (b) above within fifteen (15) days of the expiration of the one hundred twenty (120) day period provided for above, this Agreement will automatically terminate, Buyer must deliver an executed and recordable quit claim deed to the Property to Seller and Seller must return or instruct Title to return the Earnest Money and any interest which the Earnest Money has earned to Buyer.

12. **Representations, Statutory Disclosures and Covenants of Seller.**

a. Representations of Seller. Seller represents to Buyer that, as of the Effective Date:

- i Seller has the legal authority to enter into this Agreement and sell the Property. The individuals executing this Agreement on behalf of Seller have the requisite authority to execute this Agreement and such other documents as are contemplated or to be delivered by Seller herein and to bind Seller thereto.
- ii To the best of Seller's actual knowledge Seller has marketable fee simple title to the Property subject only to recorded dedications, easements, agreements, covenants, conditions and restrictions (the "Existing Encumbrances").
- iii There are no actions, suits, proceedings or investigations pending or, to Seller's knowledge, threatened against the Property, including, without limitation, (A) condemnation or eminent domain claims, actions or proceedings, or (B) actions to seize any portion of the Property under any civil or criminal law authorizing seizure or forfeiture as a penalty for violation.
- iv To the best of Seller's actual knowledge, there are no tenants or other third parties in possession of any portion of the Property.
- vi Seller has not entered into any unrecorded mortgages of the Property; any unrecorded contracts, leases or other agreements granting any third parties any right, title or interest in or to the Property; any other purchase agreements for the sale of the Property; or any unrecorded rights of first refusal or unrecorded options to purchase the Property. To Seller's actual knowledge no other person or entity has entered into any such unrecorded agreements or grants of interests.
- vii To the best of Seller's actual knowledge, Seller is not in default in the performance of any of Seller's obligations under any easement agreement, covenant, condition, restriction or other instrument relating to the Property.
- viii Seller is not aware of any violation by Seller of any applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to and affecting the Property. To the best of Seller's knowledge, performance of this Agreement will not result in any breach of, or constitute any default under, or result in the imposition of, any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is party or by which Seller or the Property might be bound. Seller shall comply, at its sole expense, with any and all environmental and other applicable rules, regulations, and conditions applicable to the Property in its present condition and as presently used.

- ix To the best of Seller's actual knowledge, the Property has not been classified under any designation under applicable law to obtain a special low ad valorem tax rate or receive either any abatement or deferment of ad valorem taxes.
- x Seller has received no notice of and has no actual knowledge of any pending or proposed special assessments affecting the Property.
- xii Seller has received no notice of and has no actual knowledge of any pending or threatened action that would impair access to and from the Property from the adjacent public streets depicted on the Draft Preliminary Plat.
- xiii To the best of Seller's actual knowledge: there are no Hazardous Substances located on the Property, except as may be disclosed in the Phase I Environmental Site Assessment for Ramsey Town Center, Highway 10 and Ramsey Boulevard, NW, Ramsey, Minnesota dated April 27, 2007 (Delta Project No. 5A0703-198), prepared by Delta Environmental Consultants, Inc. for Minnwest Bank Central, a copy of which Seller has provided to Buyer (the "Environmental Report"); the Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about Property; and, except as may be disclosed in the Environmental Report, the Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substance. For purposes of this Agreement, the term "Hazardous Substance" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, §115B.02. The term "hazardous substance" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas).

b. Minnesota Required Statutory Disclosures. As required by statute, Seller hereby represents to Buyer that, to the best of Seller's actual knowledge:

- i Wells.

There are no wells located on the Property.

OR

All wells, as that term is defined in Minnesota Statutes, Section 103I.005, subd. 21, located on the Property are described on the Minnesota Well Disclosure Statement attached as Exhibit \_\_\_\_ and there are no wells located on the Property which: are contaminated; are constructed or maintained in such a manner that their continued use or existence endangers ground water quality or is a safety or health hazard; are inoperable or not in use; or must be sealed under the provisions of Minnesota Statutes, Chapter 103I, except for wells which have been sealed in accordance with the requirements of Minnesota Statutes, Chapter 103I and as to which a Sealed Well Certificate has been delivered to the Minnesota Department of Health.

ii Storage Tanks.

There are no underground or above ground storage tanks of any size or type located on the Property.

OR

There are \_\_\_\_\_ underground and \_\_\_\_\_ above ground storage tanks located on the Property but, Seller is not required to record with the County Recorder or Registrar of Titles an affidavit described in Minnesota Statute § 116.48 subd. 6 relating to underground or above ground storage tanks.

OR

Seller has recorded or will, prior to Closing, record the affidavit required by Minnesota Statutes § 116.48 subd. 6.

iii Septic.

Sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency.

OR

Sewage generated at the Property does not go to a facility permitted by the Minnesota Pollution Control Agency and the individual sewage treatment system located on the

Property is described on the Minnesota Disclosure of Sewage Treatment System attached as Exhibit.

OR

- Sewage is not currently generated at the Property.

AND

- There are no abandoned individual sewage treatment systems located on the Property.

iv Hazardous Substances.

- Seller is not required to record with the County Recorder or Registrar of Titles an affidavit described in Minnesota Statute § 515B.16 subd. 2. indicating that the Property is subject to "extensive contamination."

OR

- Seller has recorded or will, prior to Closing, record the affidavit required by Minnesota Statutes § 515B.16 subd. 2.

v Methamphetamine Production.

- Methamphetamine production has not occurred on the property.

OR

- Methamphetamine production has occurred on the property and Seller makes the following disclosure:

A county or local health department or sheriff [*strike one*] has / has not ordered that the property or some portion of the property is prohibited from being occupied or used until it has been assessed and remediated as provided in the Department of Health's Clandestine Drug Labs General Clean-up Guidelines.

If such order or orders have been issued complete the following statement:

The above orders issued against the property [*strike one*] have / have not been vacated.

If such order has not been issued, state the status of removal and remediation on the property: \_\_\_\_\_

If, at any time prior to the Date of Closing, Seller acquires actual knowledge of events or circumstances which render the representations set forth in Sections 12(a) and 12(b) inaccurate, Seller will notify Buyer, in writing. Seller will indemnify Buyer, its successors and assigns, against and will hold Buyer, its successors and assigns harmless from, any expenses or damages, including reasonable attorneys fees, that Buyer incurs because of the inaccuracy of any of the above representations when made or Seller's failure to notify Buyer within a reasonable time and, in any event, before the Date of Closing, if Seller learns that the representations set forth above are no longer accurate. The representations and indemnification set forth above will survive the Closing of this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Buyer to enforce the representations contained herein must be commenced within eighteen (18) months after the Date of Closing by filing an action in District Court or such right shall be deemed waived.

- c. Covenants of Seller. Seller covenants and agrees that:
  - i From and after the Effective Date, Seller will not perform any grading or excavation, construction or removal of any improvement or landscaping or otherwise make any other change or improvement upon or about the Property, without Buyer's consent which consent Buyer may not unreasonable withhold, condition or delay.
  - ii From and after the Effective Date, Seller will not create or incur any mortgage, lien, pledge or other encumbrance affecting the Property other than encumbrances that Seller will fully satisfy out of the proceeds of Closing.
  - iii Prior to Closing, water, sanitary sewer, storm sewer, gas, electricity and telephone utilities will be delivered to five (5) feet inside of the Property line in a location reasonably acceptable to Buyer.
  - iv Seller is solely responsible for the payment of any commission or fee due to any agent Seller engages.
  - v On or before the Date of Closing, Seller will pay for all labor performed and materials furnished to the Property at the request of Seller prior to the Date of Closing.
  - vi Prior to Closing, Seller will work with the City to finalize the Plat.

13. Representations of Buyer. Buyer represents to Seller that, as of the Effective Date:

- a. Buyer is a limited liability company, duly organized pursuant to the laws of the State of Minnesota, and is fully authorized to transact business in the State of Minnesota;

b. The individual signing this Agreement on behalf of Buyer is fully authorized and empowered to sign this Agreement on Buyer's behalf. Upon execution of this Agreement, it will be fully binding upon Buyer; and

c. Buyer is solely responsible for the payment of any commission or fee due to any agent Buyer engages in connection with this transaction.

14. **Inspections.** At all times prior to the Date of Closing, Buyer and its agents have the right, upon reasonable notice to Seller, to go upon the Property to inspect the Property and to determine the condition of the Property and the improvements located thereon, including specifically the presence or absence of hazardous substances, petroleum products and asbestos in, on, or about the Property. Buyer agrees to indemnify and defend Seller from and to hold Seller harmless against any and all claims, causes of action or expenses, including attorneys fees, relating to or arising from Buyer's presence on the Property prior to the Date of Closing. Buyer agrees to repair any damage to the Property caused by such inspections and to return the Property to substantially the same condition as existed prior to Buyer's inspection. **Buyer acknowledges that Buyer is purchasing the Property in reliance on Buyer's inspection of the Property pursuant to this Section 14 and on Buyer's judgment regarding the sufficiency of such inspections. Other than the representations set forth in Section 12 of this Agreement, Buyer is not relying on any written or oral representations, warranties or statements that Seller or Seller's Agents have made. Subject to Buyer's right to terminate this Agreement pursuant to Section 19, Buyer is purchasing the Property in "AS IS" condition pursuant to the terms of this Agreement.**

15. **Buyer's Contingencies.** Buyer's obligations under this Agreement are contingent on:

a. Buyer's determination, in Buyer's sole discretion based on the information and inspections described in Section 14 above and any other relevant information, that the condition of the Property is acceptable to Buyer.

b. Buyer's determination, in Buyer's sole discretion, that the terms of any Master Declaration that Seller records against title to the Property prior to the Date of Closing and the terms of any Ordinance the City adopts to establish a special service district pursuant to Minnesota Statute Chapter 428(A) are acceptable to Buyer.

c. If the boundaries of the Property as depicted on the Approved Preliminary Plat are not the same as the boundaries of the Property as depicted on the Draft Preliminary Plat, Buyer's determination, in Buyer's sole discretion, that the boundaries and area of the Property as depicted on the Approved Preliminary Plat are acceptable to Buyer.

d. The City Council's approval of a Final Plat.

e. Buyer's acquisition of any rezoning, governmental approvals, unappealable permits, variances, conditional use permits, licenses, site plan approvals, operating permits or other federal, state or local approvals or permits (collectively, the "**Permits**") necessary for Buyer's construction of improvements on the Property and

intended use of the Property for a minimum of eighty (80) approved assisted living units (the "**Project**"). On or before October 7, 2010, Buyer must apply to the City or and any other appropriate governmental agencies for all Permits necessary for Buyer's intended use of the Property, and Buyer must diligently pursue the acquisition of all such Permits. Buyer must pursue the acquisition of such Permits at Buyer's sole cost and expense. Seller agrees to cooperate with Buyer in the acquisition of such Permits but is not required to incur any cost or expense.

Buyer may exercise the contingencies described in subsections (a) and (e) and terminate this Agreement by giving Seller notice in accordance with Sections 19 and 22 on or before December 31, 2010 (the "**Due Diligence Date**"). Buyer may extend the Due Diligence Date to March 31, 2011 by delivering to Seller and Title a written notice that Buyer is exercising Buyer's right to extend the Due Diligence Date. Buyer may exercise the contingency described in subsection (b) and terminate this Agreement by giving Seller notice in accordance with Sections 19 and 22 on or before the date fifteen (15) business days after the date Seller delivers a proposed Master Declaration or a proposed Special Service District Ordinance to Buyer for review. Buyer may exercise the contingency described in subsection (c) and terminate this Agreement by giving Seller notice in accordance with Sections 19 and 22 on or before the date seven (7) business days after the date Seller delivers the Approved Preliminary Plat to Buyer for review. Buyer may exercise the contingency described in subsection (d) and terminate this Agreement by giving Seller notice in accordance with Sections 19 and 22 on the Date of Closing. If Buyer exercises one on or more of the contingencies set forth in this Section 15 and terminates this Agreement, the Parties shall direct Title to disburse the Earnest Money to Buyer, except that if Buyer extends the Due Diligence Date to March 31, 2011 and Buyer thereafter exercises one or more of the contingencies described in subsections (a) or (e), the Parties shall direct Title to disburse one half (1/2) of the Earnest Money to Seller and one half (1/2) of the Earnest Money to Buyer. If Buyer does not exercise a contingency by giving Seller notice in accordance with Sections 19 and 22 on or before the date set forth above for the exercise of that contingency, that contingency terminates and Buyer may no longer terminate this Agreement based upon that contingency.

16. **Seller's Contingencies.** Seller's obligations under this Agreement are contingent on:

a. Buyer's determination that the representations set forth in Section 13 are true, when made; and

b. The City Council's approval of a Final Plat.

If Seller exercises one on or more of the contingencies set forth in this Section 16 and terminates this Agreement, the Parties shall direct Title to disburse the Earnest Money to Buyer, Seller may exercise the contingencies described in subsections (a) and (b) and terminate this Agreement by giving Buyer notice in accordance with Sections 19 and 22 on the Date of Closing. If Seller does not exercise a contingency by giving Buyer notice in accordance with Sections 19 and 22 on or before the date set forth above for the exercise of that contingency, that contingency terminates and Seller may no longer terminate this Agreement based upon that contingency.

17. **Condemnation.** If a public or private entity with the power of eminent domain commences condemnation proceedings against all or any part of the Property, Seller must immediately notify Buyer, and Buyer may, at Buyer's sole option, terminate this Agreement pursuant to Section 19 below. Buyer will have twenty (20) days from Buyer's receipt of Seller's notice to Buyer to exercise Buyer's termination right. If Buyer terminates this Agreement pursuant to this Section 17, the Parties must instruct Title to disburse the Earnest Money to Buyer. If Buyer does not terminate this Agreement within said twenty (20) day period, the Parties must fully perform their obligations under this Agreement, with no reduction in the Purchase Price, and Seller must assign to Buyer, on the Date of Closing, all of Seller's right, title and interest in any award made or to be made in the condemnation proceedings. Seller may not designate counsel, appear or otherwise act with respect to any such condemnation proceedings without Buyer's prior written consent unless Buyer fails to respond within seven (7) days to a request for such written consent.

18. **Default.** If either Party defaults in the performance of any of the Party's obligations under this Agreement, the non-defaulting Party may, after written notice to the defaulting Party, suspend performance of its obligations under this Agreement, and the rights of the non-defaulting Party are as follows:

a. **Buyer's Default.** If Buyer defaults in the performance of any of Buyer's obligations under this Agreement or if one or more of the representations of Buyer in Section 13 was inaccurate when made, Seller has the right to:

- i terminate this Agreement pursuant to Minnesota Statutes, Section 559.21 and retain the Earnest Money and any interest which the Earnest Money has earned as liquidated damages. Title must disburse the Earnest Money to Seller upon Seller's delivery to Title of a copy of a Notice of Cancellation of Purchase Agreement which satisfies the requirements of Minn. Stat. 559.21; an Affidavit of Service stating that the Notice of Cancellation was served upon Buyer and an Affidavit stating that Buyer failed to comply with the requirements of the Notice of Cancellation within the time period set forth in Minn. Stat. 559.21;
- ii commence an action in a court of competent jurisdiction seeking a judgment terminating this Agreement and awarding damages to Seller if, and only if, one or more of the representations of Buyer set forth in Section 13 was inaccurate, when made, or if Buyer breaches Buyer's obligation to indemnify and defend Seller in accordance with Section 14. In any such action for damages, Seller may also recover Seller's attorneys' fees and costs;
- iii initiate a civil action to compel Buyer's specific performance of Buyer's obligations under this Agreement provided that Seller commences the action within three (3) months of the date of Buyer's default. In any such action for specific performance, Seller may also recover Seller's attorneys' fees and costs.

The remedies set forth in this Section 18(a) are Seller's sole and exclusive remedies in the event of Buyer's default.

b. Seller's Default. If Seller defaults in the performance of any of Seller's obligations under this Agreement or if one or more of the representations of Seller in Section 12 was inaccurate when made, Buyer may:

- i terminate this Agreement pursuant to Section 19, below, in which case the Parties must direct Title to disburse the Earnest Money to Buyer, and Seller must pay to Buyer an additional \$10,000 in cash or certified funds as liquidated damages which Buyer may receive as compensation for Seller's default due to the difficulty and uncertainty of ascertaining Buyer's actual damages;
- ii initiate a civil action to compel Seller's specific performance of Seller's Obligations under this Agreement provided that Buyer commences such action within three (3) months of the date of Seller's default. In any such action for specific performance, Buyer may also recover Buyer's attorneys' fees and costs.

The remedies set forth in this Section 18(b) are Buyer's sole and exclusive remedies in the event of Seller's default.

19. **Termination of this Agreement.** Sections 11, 15 and 17 of this Agreement allow Buyer to terminate this Agreement under certain conditions. Section 18(a)(i) also allows Buyer to terminate this Agreement under certain conditions, but a termination pursuant to Section 18(a)(i) is governed by Minnesota Statutes Section 559.21 and not by this Section 19. Sections 16 and 18(a)(i) of this Agreement allows Seller to terminate this Agreement under certain conditions. The following procedures govern a Party's exercise of a termination right:

a. A Party intending to terminate this Agreement pursuant to one of the above-referenced Sections (the "Terminating Party") must notify the non-terminating Party (the "Non-Terminating Party"), in writing, of the Terminating Party's intent to terminate this Agreement.

b. The Terminating Party's notice must recite the Section of this Agreement that authorizes the Terminating Party's termination of this Agreement and must describe the facts and circumstances which the Terminating Party asserts justify termination under the referenced Section.

c. The Terminating Party's notice of termination will be effective as of the date the Terminating Party deposits the notice of termination with the United States Postal Service, with all necessary postage paid, for delivery to the Non-Terminating Party via certified mail, return receipt requested at the address set forth in Section 22. If the Terminating Party delivers a notice of termination in a different manner than described in the preceding sentence, the notice of termination will be effective as of the date the Non-Terminating Party actually receives the notice of termination. The Terminating Party

must also mail a copy of the notice of termination to the Parties respective attorneys as provided for in Section 22 below.

d. If the Non-Terminating Party disputes the Terminating Party's right to terminate this Agreement, the Non-Terminating Party must so notify the Terminating Party, in writing, within five (5) business days of the Non-Terminating Party's receipt of the Terminating Party's notice of termination.

e. If the Non-Terminating Party does not dispute the Terminating Party's right to terminate the Agreement, Buyer must execute and delivery to Seller a recordable quit claim deed conveying the Property to Seller, and on the receipt of such a quit claim deed, Seller and Buyer must instruct Title to return the Earnest Money to the Party that is or the Parties that are entitled to the Earnest Money under the terms of this Agreement.

f. If the Parties dispute the validity of an attempted termination of this Agreement, either Party may initiate a civil action in a court of competent jurisdiction to determine the status of this Agreement, and the Party that prevails in any such action is entitled to recover the costs and reasonable attorneys' fees which such Party incurs in the action from the non-prevailing Party.

20. **Survival.** The representations, covenants, agreements and indemnities set forth in this Agreement will remain operative and will survive Closing and the execution and delivery of the deed and will not be merged therein.

21. **Assignment.** The terms and conditions hereof inure to the benefit of and are binding on the successors and assigns of both parties hereto. Buyer may not assign Buyer's rights or obligations under this Agreement to any third party without Seller's consent which consent Seller may grant or withhold in Seller's sole and absolute discretion. Notwithstanding the foregoing, Buyer may assign Buyer's rights and obligations under this Agreement to a limited liability company or other entity that Buyer controls or that Buyer's members control upon notice to but without the consent of Seller. Such an assignment will not relieve Buyer from liability pursuant to Section 18(a)(ii) for a prior or subsequent default in the performance of the Buyer's obligations referenced in that Section. .

22. **Notice.** Any notice to be given or served upon any party hereto in connection with this Agreement must be in writing, and delivered to the other parties (i) in person; (ii) by facsimile transmission (with confirmation of transmission available upon request from the non-sending party); (iii) by a nationally recognized overnight delivery service; or (iv) by certified mail, return receipt requested. If notice is given in person or via facsimile transmission, notice is deemed to have been given when personal delivery was received by the party or when the facsimile transmission was transmitted. If notice is given by a nationally recognized overnight delivery service, notice is deemed to have been given the day following delivery to the delivery service of such notice. If notice is given by certified mail, notice is deemed to have been given three (3) days after a certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail. Notices should be sent to the parties at the following addresses:

To Seller: The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota

Ramsey Municipal Center  
7550 Sunwood Drive  
Ramsey, Minnesota 55303  
Attention: City Administrator

With a copy to: Thomas L. Bray  
Briggs and Morgan, P.A.  
2200 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402-2157  
Telephone: (612) 977-8400  
Fax: (612) 977-8650  
E-Mail: tbray@briggs.com

To Buyer: TOTI HOLDINGS, LLC  
  
Attn: Brian R. Wings  
1245 Gun Club Road  
White Bear Lake, MN 55110  
Telephone: (651) 407-7009  
E-Mail: brianw@comfortsofhomemn.com

With a copy to: John W. Lang, Esq.  
Messerli & Kramer, P.A.  
1400 Fifth Street Towers  
100 South Fifth Street  
Minneapolis, MN 55402-1217  
Telephone: (612) 672-3614  
Fax: (612) 672-3777  
E-mail: jlang@messerlikramer.com

23. **Miscellaneous.**

a. Entire Agreement. This Agreement embodies the entire agreement between the parties and cannot be varied, except by the written agreement of the parties. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties.

b. Attorneys' Fees; Costs; Venue. If any legal action is commenced by any party to enforce any provision of this Agreement, the losing party will pay to the prevailing party all actual expenses, including reasonable costs and attorney's fees, incurred by the prevailing party. The prevailing party is the party who receives substantially the relief sought, whether by judgment, summary judgment, dismissal, settlement or otherwise. Venue is proper in the county in which the Property is located.

c. Counterparts. This Agreement may be executed in several original counterparts, each of which and all together will constitute this Agreement in its entirety. A counterpart of this Agreement or any amendment thereto executed by a party and delivered to the other party via telecopier will be construed as a legally binding signature. Without delay, the sending party should deliver an original, signed counterpart to the other party.

d. Headings. The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation hereof.

e. Exhibits. Incorporated into this Agreement by reference, as described above, are Exhibit A (Preliminary Plat); Exhibit B (Platting Fees) Exhibit C (Escrow Agreement); Exhibit D (Description of the Improvements); Exhibit E (Existing Encumbrances).

f. Dates. Time is of the essence with respect to this Agreement. If the final day of a period or date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, then the final day of the period or the date of performance will be deemed to fall on the next day that is not a Saturday, Sunday or legal holiday.

g. Enforceability. If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.

h. No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns. Furthermore, nothing in this Agreement is intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement.

i. No Partnership. Nothing contained herein and no act by Buyer or Seller in the performances of, or in any way related to, this Agreement should be construed to create or evidence in any manner any employment, partnership, agency or joint venture relationship between the parties hereto. Buyer and Seller represent and acknowledge that it is their mutual intention that the sole relationship created between them by this Agreement is that of vendor and purchaser.

j. Construction. All of the parties to this Agreement have participated freely in the negotiations and preparation hereof. Accordingly, this Agreement should not be construed more strictly against any one of the parties.

k. Waiver. Failure of either Buyer or Seller to exercise any right given hereunder or to insist upon strict compliance with regard to any term, condition or covenant specified herein, will not constitute a waiver of Buyer's or Seller's right to exercise such right or to demand strict compliance with any term, condition or covenant under this Agreement.

1. Choice of Law. This Agreement is governed by and construed in accordance with the laws of the State of Minnesota.

24. Extension of the Date of Closing. Buyer may extend the Date of Closing as provided for in this Section 24.

a. Buyer may extend the Date of Closing from March 31, 2011 to April 29, 2011 by;

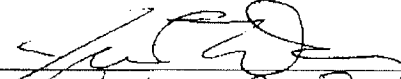
- i notifying Seller and Title of Buyer's election to extend the Date of Closing to April 29, 2011 on or before March 24, 2011;
- ii depositing an additional \$25,000 of Earnest Money with Title to be held and disbursed in accordance with the terms of Escrow Agreement attached hereto as **Exhibit C** and this Agreement. Notwithstanding anything else in this Agreement, upon Buyer's extension of the Closing Date to April 29, 2011, all \$50,000 of the original Earnest Money and the additional \$25,000 of Earnest Money that Buyer deposits with Title pursuant to this Section 24 is nonrefundable except in the event of Seller's default; and
- iii Buyer must pay to Seller, in certified or wire-transferred funds, a \$5,000 extension fee. The extension fee must be paid to Seller on or before March 24, 2011. The extension fee does not constitute Earnest Money, is nonrefundable and shall not be applied towards payment of the Purchase Price.

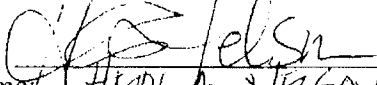
b. If Buyer extends the Date of Closing from March 31, 2011 to April 29, 2011 in accordance with Section 24(a), Buyer may, thereafter, extend the Date of Closing for up to five (5) consecutive one-month periods (with each such extension extending the Date of Closing to the last business day of the next month) by providing notice of each such extension to Seller and Title not less than seven (7) days before the then current Date of Closing. Notwithstanding anything else herein, Buyer may not extend the Date of Closing beyond September 30, 2011. For each consecutive one-month extension, Buyer must pay an additional extension fee to Seller. The extension fee is \$5,000 to extend the Date of Closing from April 29, 2011 to May 31, 2011; \$5,000 to extend the Date of Closing from May 31, 2011 to June 30, 2011; and \$10,000 for each monthly extension thereafter. Each extension fee must be paid to Seller in certified or wire-transferred funds at the time Buyer gives Seller notice of the extension, is not a part of the Earnest Money, is non-refundable and is not to be applied to the Purchase Price.

*[The remainder of this page is intentionally left blank.]*

**SELLER:**

**THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RAMSEY, MINNESOTA, A PUBLIC BODY  
POLITIC AND CORPORATE UNDER THE  
LAWS OF THE STATE OF MINNESOTA**

By:   
Name: John P. Dehen  
Its: Chairman

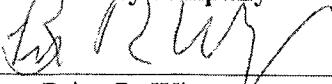
By:   
Name: HEIDI A. NELSON  
Its: EXECUTIVE DIRECTOR

Signature Date: 9/14/2010

*(Separate Signature Page to Purchase Agreement)*

**BUYER:**

**TOTI HOLDINGS, LLC, a Minnesota  
limited liability company**

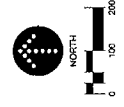
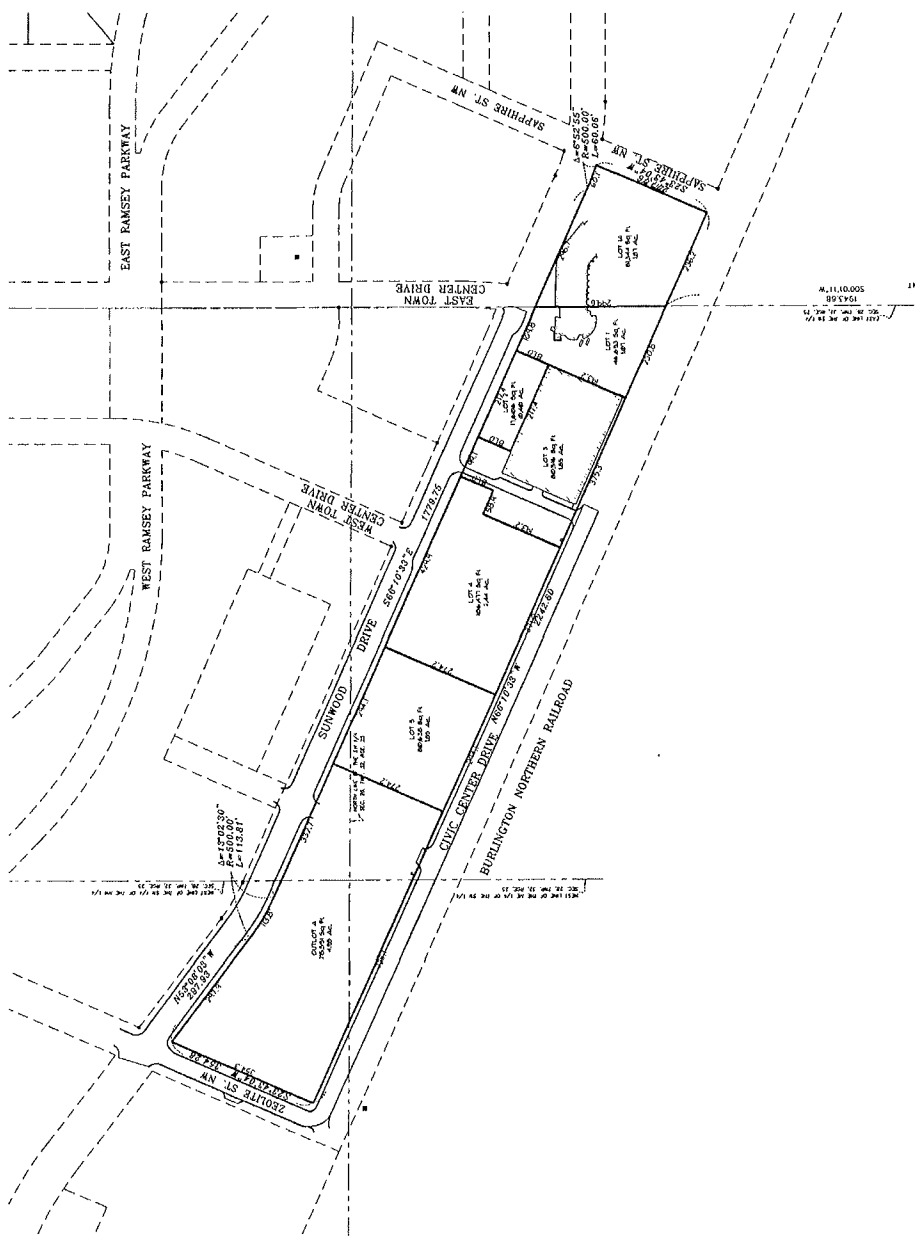
By:   
Name: Brian R. Wings  
Its: Chief Manager

Signature Date: 9-14-10

*(Separate Signature Page to Purchase Agreement)*

EXHIBIT A  
(Preliminary Plat)



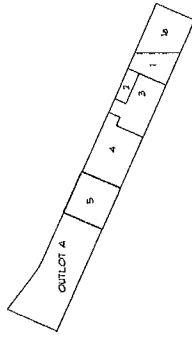


LANDFORM  
From Site to Finish

OVERALL PROPOSED  
SKETCH PLAN

09/03/2010  
Copyright © 2010 by The COR, a subsidiary of LARSEN PAPER PRODUCTS, LLC.

KEY PLAN



NOT TO SCALE

SITE DATA

LOT 5 AREA = 1.85 AC.  
38 UNITS PER AC.

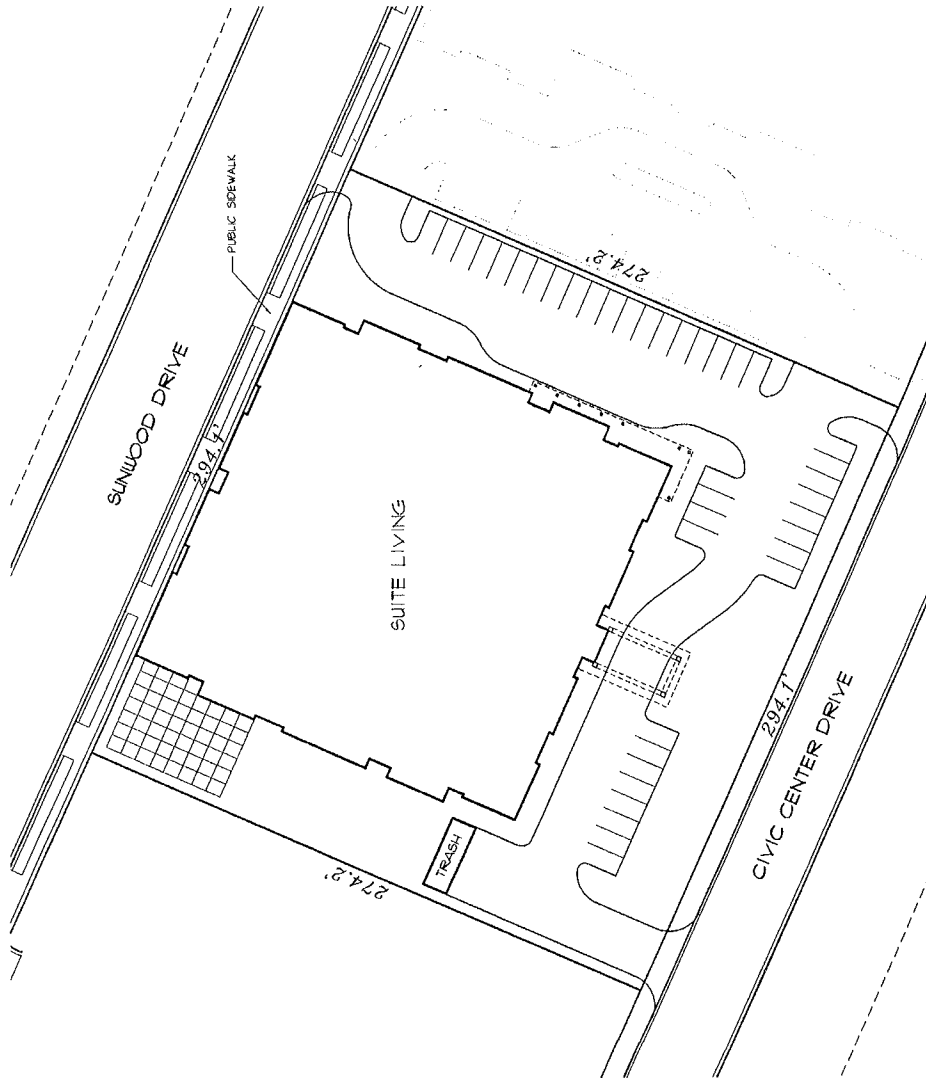


LANDFORM  
From Site to Finish

SUITE LIVING  
SKETCH PLAN

09.03.2010

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PAGE No. 1 of 1

## EXHIBIT B

(Escrow Agreement)

### **ESCROW AGREEMENT**

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota ("**Seller**"), and TOTI Holdings, LLC a Minnesota limited liability company ("**Buyer**") are parties to the purchase and sale of the real estate described in the attached Purchase Agreement, dated Sept. 15, 2010. As provided in Section 6 of the Purchase Agreement, Buyer hereby deposits the sum of \$50,000 (the "**Earnest Money**") with Land Title, Inc., a Minnesota limited liability company ("**Title**"). As provided in Section 24 of the Purchase Agreement, Buyer may subsequently deposit an additional \$25,000 of Earnest Money with Title, and if Buyer does so, the term "Earnest Money" shall mean the entire \$75,000 deposited by Buyer with Title. Title must hold the Earnest Money in an interest bearing account with an institution whose accounts are insured by a governmental agency or instrumentality.

Upon notification by both parties in writing that the transaction has closed, Title will pay the Earnest Money to the Seller. If either party notifies Title that the transaction has not closed, Title must pay the Earnest Money as follows:

1. Upon receipt of consistent instructions from both Parties regarding the release of the Earnest Money, Title must deliver the Earnest Money pursuant to such instructions;

2. If Seller delivers a Notice of Cancellation of Purchase Agreement describing the Purchase Agreement and the Property, as defined therein, together with an Affidavit of Service evidencing service of the Notice of Cancellation on Buyer and an Affidavit of Failure to Comply with Notice completed, executed and acknowledged to Title on or before the date one hundred and eighty (180) days after the Date of Closing as defined in the Purchase Agreement, Title must deliver the Earnest Money to Seller.

3. If no disposition of the Earnest Money has been made by the date one hundred eighty (180) days from the Date of Closing, as defined in the Purchase Agreement and as the same may be extended pursuant to the terms of the Purchase Agreement and neither Party has commenced an action asserting claims with respect to the Earnest Money, Title must return the Earnest Money to Buyer.

Title has no responsibility for any decision concerning performance or effectiveness of the Purchase Agreement, and is only responsible to act pursuant to the procedures set forth above. Buyer and Seller hereby agree to hold Title harmless from any claims or defenses arising out of this Escrow Agreement and indemnify Title for all costs and expenses in connection with this escrow, including court costs, attorney's fees, except for claims arising out of Title's failure to account for the funds held and costs and expenses incurred by the parties in connection with such a claim.

To the extent that the provisions of this Escrow Agreement are inconsistent with the provisions of Section 6 of the Purchase Agreement, the provisions of this Escrow Agreement control.

Title is not charging a fee for acting as an escrow agent.

SELLER:

**The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a Public Body Politic and Corporate Under the Laws of the State of Minnesota**

BUYER:

**TOTI Holdings, LLC,  
a Minnesota limited liability company**

By: [Signature]  
Name: John P. Dehen  
Its: Chairman

By: \_\_\_\_\_  
Name: Brian R. Wings  
Its: Chief Manager

By: [Signature]  
Name: HEIDI A NELSON  
Its: EXECUTIVE DIRECTOR

Address:

Ramsey Municipal Center  
7550 Sunwood Drive  
Ramsey, Minnesota 55303  
Attention: City Administrator  
Taxpayer Identification Number  
41-0910467

Address:

1245 Gun Club Road  
White Bear Lake, MN 55110

Taxpayer Identification Number  
\_\_\_\_\_

Title hereby acknowledges receipt of this Agreement and the Earnest Money, to hold the Earnest Money as above specified.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2010.

Land Title, Inc.,  
a Minnesota corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

To the extent that the provisions of this Escrow Agreement are inconsistent with the provisions of Section 6 of the Purchase Agreement, the provisions of this Escrow Agreement control.

Title is not charging a fee for acting as an escrow agent.

SELLER:

**The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a Public Body Politic and Corporate Under the Laws of the State of Minnesota**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

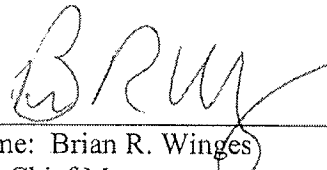
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Address:

Ramsey Municipal Center  
7550 Sunwood Drive  
Ramsey, Minnesota 55303  
Attention: City Administrator  
Taxpayer Identification Number  
41-0910467

BUYER:

**TOTI Holdings, LLC,  
a Minnesota limited liability company**

By:   
Name: Brian R. Wings  
Its: Chief Manager

Address:

1245 Gun Club Road  
White Bear Lake, MN 55110  
  
Taxpayer Identification Number  
\_\_\_\_\_

Title hereby acknowledges receipt of this Agreement and the Earnest Money, to hold the Earnest Money as above specified.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2010.

Land Title, Inc.,  
a Minnesota corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT C

(Description of the Improvements)

A three-story, 120,000 senior care facility consisting of approximately 80 acres of assisted living and memory care.

855961.1

## AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT ("**Amendment**") is dated \_\_\_\_\_, 2011 ("**Effective Date**"), by and between The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (the "**Seller**") and TOTI Holdings, LLC, a Minnesota limited liability company (the "**Buyer**").

### Recitals

A. Seller and Buyer are parties to that certain Purchase Agreement dated September 15, 2010 (the "**Purchase Agreement**") pursuant to which Seller has agreed to sell and Buyer has agreed to purchase certain real property located in Outlot M, RAMSEY TOWN CENTER ADDITION, and Outlot A, RAMSEY TOWN CENTER FIFTH ADDITION, Anoka County, Minnesota (the "**Property**").

B. Pursuant to Sections 3(a) and 3(b) of the Purchase Agreement, Seller agreed to submit to the Ramsey City Council ("**City Council**"), for approval, a Final Plat including the Property and adjacent real property (the "**Final Plat**"), which Final Plat would change the legal description of the Property to, "Lot 5, Block 1, COR ONE, Anoka County, Minnesota" (the "**Proposed Legal Description**").

C. On December 14, 2010, the City Council approved a final plat for the Property, setting the boundaries for the Property and identifying the Property as "Lot 4, Block 1, COR ONE, Anoka County, Minnesota" (the "**Approved Final Plat**") (the "**Approved Legal Description**").

D. Pursuant to Section 10(b), Buyer and Seller have agreed that Buyer will obtain the Survey, for itself, at Seller's expense, which expense will be paid by Seller no later than the Date of Closing.

E. Buyer and Seller acknowledge that the platting of the Property and the change from the Proposed Legal Description to the Approved Legal Description requires that the Title Commitment and Survey be updated to accurately reflect the Approved Legal Description and that Buyer should have reasonable time to review such Evidence of Title and render all Objections under the terms of Section 11 of the Purchase Agreement.

F. On December 29, 2010, pursuant to Section 15 of the Purchase Agreement, Buyer exercised its right to extend the Due Diligence Date to March 31, 2011, by delivering written notice to Seller and Title as provided by the Purchase Agreement.

G. Buyer and Seller desire to enter into this Amendment to memorialize their agreements with regard to the above items.

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. All capitalized terms not expressly defined herein shall have the meanings ascribed to them in the Purchase Agreement.

2. The term, "Property" as it is used in the Purchase Agreement and this Amendment, shall mean the Approved Legal Description.

3. The first sentence of Section 5 is deleted in its entirety and replaced with the following: "The purchase price of the Property is \$1,411,165.00 (the "Purchase Price")."

4. With regard to Section 10(a) and 10(b), Buyer and Seller acknowledge that Buyer shall have until January 10, 2011 to obtain the Title Commitment and Survey, based on the Approved Legal Description, and until January 20, 2011 to provide written notice of the Objections to Seller pursuant to Section 11 of the Purchase Agreement.

5. Buyer and Seller agree that Buyer shall obtain the Survey and that Seller shall be responsible for all fees and costs of the Survey, up to a maximum of \$4,000, due and payable no later than the Date of Closing.

6. The Due Diligence Date, as defined in Section 15, has been extended to March 31, 2011.

7. Seller will not subject the Property to the terms of the existing Master Declaration recorded in the office of the Anoka County Recorder as Document No. 484495.001 and will not subject the Property to any other "master declaration" establishing covenants, conditions, restrictions or easements. The City of Ramsey does intend to adopt an Ordinance establishing a special service district in accordance with Minnesota Statutes Chapter 428A. *[The following sentences in Section 15 of the Purchase Agreement, "Buyer may exercise the contingency described in subsection (b) and terminate this Agreement by giving Seller notice in accordance with Sections 19 and 22 on or before the date fifteen (15) business days after the date Seller delivers a proposed Master Declaration or proposed Special Service District Ordinance to Buyer for review." is hereby deleted in its entirety and replaced with the following: "Buyer may exercise the contingency described in subsection (b) and terminate this Agreement by giving Seller notice in accordance with Sections 19 and 22 on or before the date five (5) business days after the date Seller delivers a proposed Special Service District Ordinance to Buyer for review."]* **or** *[Buyer has received and reviewed the City's proposed form of Special Service District Ordinance and hereby waives the contingency described in Section 15(b) of the Purchase Agreement.]* **[Selection between Italicized provisions to be made prior to HRA Board approval]**

8. Buyer acknowledges and agrees that the contingencies set forth in Sections 15(c) and 15(d) have been satisfied.

9. Buyer hereby waives the contingency described in Section 15(e).

10. Except as expressly modified hereby, the terms and conditions set forth in the Purchase Agreement shall remain in full force and effect. To the extent that the Purchase Agreement and this Amendment conflict, the terms and conditions of this Amendment shall govern and control.

11. This Amendment may be executed in two or more counterparts, each one of which may be construed as an original.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the Effective Date.

**SELLER:**

**THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RAMSEY, MINNESOTA, A PUBLIC  
BODY, POLITIC AND CORPORATE,  
UNDER THE LAWS OF THE STATE OF  
MINNESOTA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the Effective Date.

**BUYER:**

**TOTI HOLDINGS, LLC,**  
a Minnesota limited liability company

By: \_\_\_\_\_  
Brian R. Wings  
Its: Chief Manager

**Date: 01/18/2011**

**By:** Heidi Nelson  
Administrative Services

---

**Information**

**Title:**

Update on New COR Signs

**Background:**

The Development Management Team would like to provide an update to the HRA regarding the progress on the new signs for The COR at Ramsey. Attached to this document are the current renderings for both the new monument sign on US10 and the rehab pylons on Ramsey and Armstrong Boulevards.

**Notification:**

No notification is required.

**Observations:**

Images of the new monument and rehab pylons are attached for HRA information.

**Recommendation:**

No action is required, the DM Team will discuss the budget for this project and options for staying within the approved amount.

**Funding Source:**

Funding for this project was approved as part of the 2010 HRA budget and levy in the amount of \$105,000. As final design of the signs has proceeded, the cost for each of the signs has shifted slightly, thus the entire project as anticipated in roughly \$7,000 over budget, however, staff has recommendations regarding reductions to landscaping and lighting that could be made to keep the overall project within the \$105,000 budget. Staff will discuss those options with the HRA during the meeting for discussion.

**Council Action:**

HRA Action:

No action required. HRA to consider direction regarding budget for the overall signage project.

---

**Attachments**

Monument Sign Image

Monument Sign Image 2

Armstrong Pylon

Amtrong Pylon - Tenants

Ramsey Pylon

Ramsey Pylon - Tenants

**Form Review**

Inbox

Reviewed By

Date

Heidi Nelson

Heidi Nelson

01/13/2011 03:03 PM

Form Started By: Heidi Nelson

Started On: 01/13/2011 12:32 PM

Final Approval Date: 01/13/2011



410 93<sup>rd</sup> Ave.<sup>NW</sup>  
Coon Rapids, MN 55432  
763.786.5545

DATE: 12.10.10

SALESMAN: Tim Olson

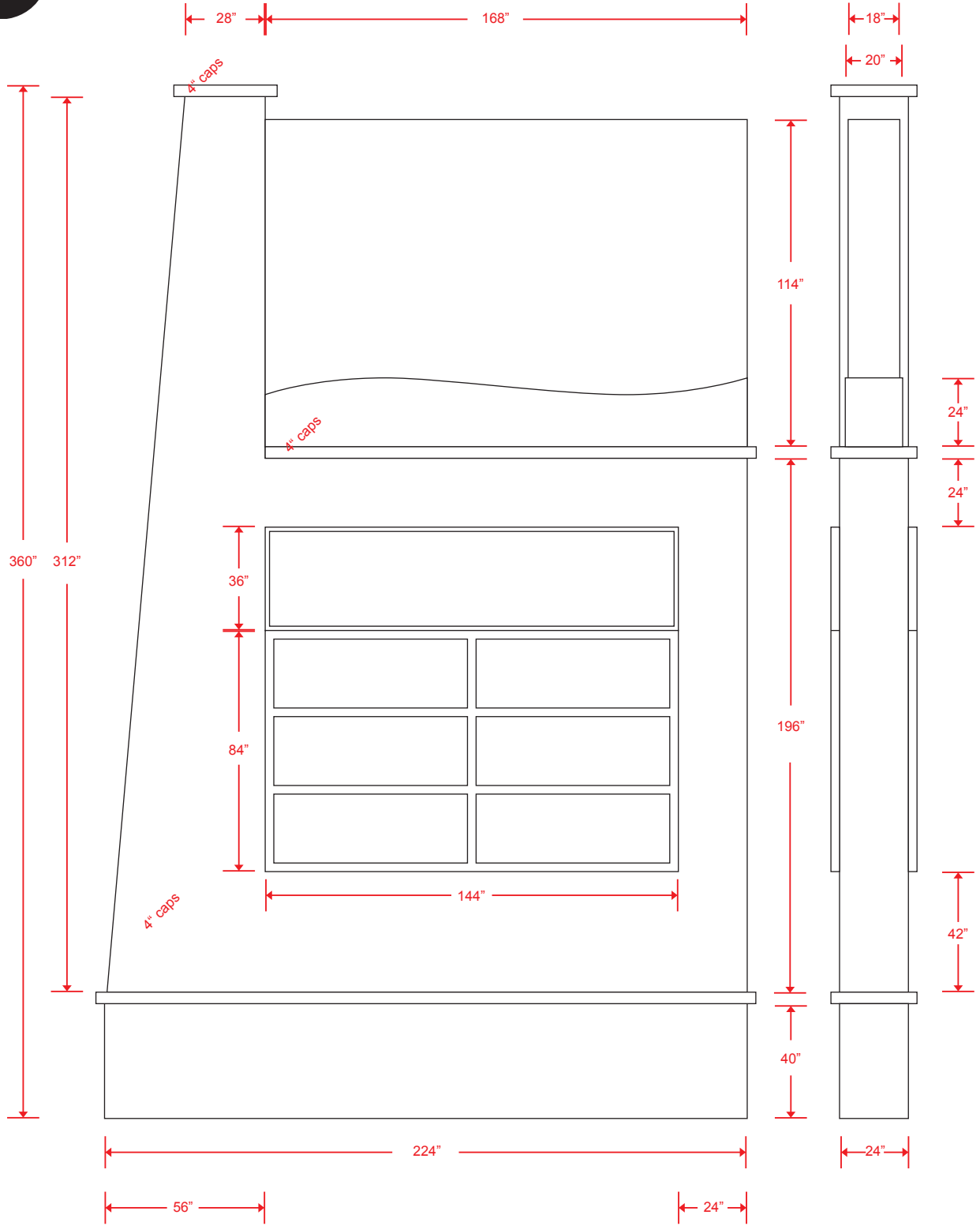
LOCATION: Ramsey

NOTES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

These plans are the exclusive property of DeMars Signs Inc. and are the result of the original work of its employees. They are submitted to your firm for the sole purpose of your approval, assuming the signage will be manufactured by DeMars Signs Inc. Artwork and design may not be distributed outside your firm without written consent from DeMars Signs Inc. Use of this artwork and/or design without written consent is prohibited; DeMars Signs Inc. reserves the right to pursue legal action in violation of this agreement. This may include, but is not limited to: a) Reimbursement for creating above drawing. b) Any associated legal fees.

CUSTOMER APPROVAL X



410 93<sup>rd</sup> Ave. NW  
Coon Rapids, MN 55432  
763.786.5545

DATE: 12.10.10  
 SALESMAN: Tim Olson  
 LOCATION: Ramsey  
 NOTES: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

These plans are the exclusive property of DeMars Signs Inc. and are the result of the original work of its employees. They are submitted to your firm for the sole purpose of your approval, assuming the signage will be manufactured by DeMars Signs Inc. Artwork and design may not be distributed outside your firm without written consent from DeMars Signs Inc. Use of this artwork and/or design without written consent is prohibited; DeMars Signs Inc. reserves the right to pursue legal action in violation of this agreement. This may include, but is not limited to: a) Reimbursement for creating above drawing. b) Any associated legal fees.

CUSTOMER APPROVAL X

85.5"

visual opening 48" x 81.5"

52"



80"

106"





RAMSEY MUNICIPAL CENTER



LICENSE CENTER



FOUNTAINS  
OF  
RAMSEY  
EVENT CENTER

16"

6'

168"

8'

84"

THE  
**COR**  
 AT RAMSEY

15.75" x 84"    visual opening 12" x 81"

15.75" x 42"    visual opening 12.5" x 39"

15.75" x 42"    visual opening 12.5" x 39"

15.75" x 42"    visual opening 12.5" x 39"

15.75" x 42"    visual opening 12.5" x 39"

15.75" x 42"    visual opening 12.5" x 39"

15.75" x 42"    visual opening 12.5" x 39"

32" x 42"    visual opening 29" x 39"

32" x 42"    visual opening 29" x 39"

# THE COR

AT RAMSEY

RAMSEY MUNICIPAL CENTER

CARIBOU COFFEE DRIVE THRU

COBORN'S

ACAPULCO  
RESTAURANTE MEXICANO

ANYTIME  
FITNESS

ANOKA COUNTY  
LICENSE  
CENTER

CITY OF  
RAMSEY  
STAR EXPRESS

THE  
DRAW  
PARK  
AMPHITHEATER

FOUNTAINS  
OF  
RAMSEY  
EVENT CENTER