

**PRELIMINARY AGREEMENT TO DEVELOP
BLOCKS 5 & 6 & OUTLOT F, TOWN CENTER GARDENS THIRD ADDITION**

This Agreement to Develop (this "Agreement") is made effective JUNE 5, 2012, by and between the **City of Ramsey, Minnesota**, a municipal corporation under the laws of the State of Minnesota (the "City") and **Podawiltz Development Corporation**, a Minnesota corporation (the "Developer").

Recitals.

- A. Developer represents that it has an option to purchase real property located in the City described as Blocks 5 and 6 and Outlot F, Town Center Gardens Third Addition, Anoka County, Minnesota (the "Development Property").
- B. Developer proposes to construct 50 workforce rental housing townhomes on the Development Property preliminarily described on the attached **Exhibit A** (the "Project").
- C. To facilitate construction of the Project, Developer requests the vacation of 147th Circle N.W. located within Town Center Gardens Third Addition, the contribution of Outlot C Town Center Gardens Third Addition, as well additional support as set out in this Agreement.
- D. The City desires to facilitate the Project based upon its goals of seeing the Development Property fully utilized, providing for additional construction within the City, increasing local property tax base and creating necessary workforce housing.
- E. The City previously entered into an Amended and Restated Development Agreement regarding the Plat (the "Development Agreement"), a copy of which is attached hereto as Exhibit B and incorporated herein.
- F. Developer agrees as part of the Project to complete the terms of the Development Agreement relating to the Development Property.
- G. This Agreement is intended to set out certain preliminary agreements of the City and Developer relating to the Development Property.

In consideration of the mutual promises contained in this Agreement, the parties agree as follows:

1. Developer to Construct 50 Townhome Units.

- a. Developer proposes to construct as part of the Project, 50 workforce townhome rental units as preliminarily shown on **Exhibit A** to this Agreement.
- b. The Project proposal contains a community building and an on-site management office/maintenance facility; on-site play area sized and fully equipped for the

number of households; maintenance free exterior and premium interior finish to minimize maintenance and enhance tenant's living environments; water conservation features; and energy efficient appliances.

2. Developer Responsibilities.

- a. Developer proposes, as part of the Project, to extend 147th Lane N.W. to connect with Town Center Drive to the west. Such extension shall be in accord with City approved plans and specifications. The extension shall include street improvements of equivalent width and facilities as currently exist for 147th Lane N.W. and current design standards as required by the City's subdivision regulations and City Code.
- b. Developer proposes to comply with the terms and conditions of the Development Agreement applicable to the Development Property which have not yet been completed. Such items specifically include without limitation those items stated in item 4 of the Development Agreement.

Developer proposes to improve the existing pond located on Block 5 of the Development Property and add walking/park features.

- c. The Developer shall replat the Development Property in accord with legal requirements and required variances, if any.

3. City Approval Contingencies.

- a. All City requirements and contributions contained in this Agreement are contingent upon the Ramsey City Code requirements for appropriate approvals and process as required therein.
- b. Contribution via the vacation of 147th Circle N.W.
 - (i) Upon preliminary review, the City finds that Developer's plans for the Project will allow for the vacation of 147th Circle N.W. and that, pursuant to Developer's plans, there will no longer be a need for 147th Circle N.W. to remain as a public street.
 - (ii) Upon the City's vacation of 147th Circle N.W. and the title to the vacated roadway will vest in the abutting landowners who are the Developer, Developer will accept full responsibility for the upkeep and maintenance of the roadway improvements, storm drains, and sewer and water lines located on the vacated roadway property.

- (iii) All costs related to the vacation of 147th Circle N.W. and recording of the shall be borne by Developer.
 - (iv) The City will, upon the request of Developer, take all necessary procedural action to vacate the public easement over 147th Circle N.W. in accord with the terms of this Agreement.
- c. Subject to City Code and City Charter, the City will contribute Outlot C, Town Center Gardens Third Addition, to Developer as a local contribution to the Project. Outlot C will be contributed by limited warranty deed, subject only to easements and restrictions of record. Said conveyance will occur at the time of the vacation of 147th Cir N.W., and Developer shall pay all costs of recording the conveyance.
- d. The City agrees to facilitate and support the Project by providing a credit in permit fees or other regulatory cost avoidance measures in a value equal to \$15,000.00.

4. Miscellaneous.

- a. The City and Developer agree that this Agreement and the parties' obligations hereunder are contingent upon the approval of Developer's tax credit application for the Project by the Minnesota Housing Finance Agency and Developer's successful acquisition of the Development Property and financing for the Project and successful application and approval of necessary subdivision and zoning applications, as required by City Code and compliance with the City Charter relating to City land sales.
- b. The City and Developer acknowledge that it is Developer's intent to assign its rights to purchase the Development Property and its rights and responsibilities under this Agreement to a limited partnership or a limited liability company that will be created to develop and own the Project long term.
- c. The City and Developer agree to work in good faith to pursue the approvals and actions required to fulfill this Agreement and to construct the Project as presented to the City Council.
- d. Subject to the contingencies found in paragraph 3 above, the Developer agrees, and upon preliminary review, the City agrees that the Project complies with the City's land use goals for the Development Property.
- e. Upon preliminary review, the City finds that the Project as proposed by Developer will fit with the City's plans and goals for the Development Property and neighborhood, provide needed workforce housing, create needed construction jobs, and is overall in the best interest of the City and its residents.

- f. This Agreement may be executed in counterparts with each party signing a separate signature page which can then be attached to one document and considered a complete Agreement.

EXHIBIT A
PROJECT DESCRIPTION

(see attached)