

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday May 14, 2013
Immediately Following City Council
Council Chambers, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Citizen Input**
3. **Approve Agenda**
4. **Approve Minutes**
 1. Approve the Following Meeting Minutes:
 1. HRA Regular - April 23, 2013
5. **HRA Business**
 1. Adopt Resolution 13-05-080 accepting Plans and Specifications and authorizing Advertisement for Bids for COR TWO (Sunwood Retail) Stage 1 Improvements
 2. Analysis of All Project Costs in the COR to Determine Cost Basis For Land
 3. Consider approval of purchase agreement for the purchase of the property located at 6710 Highway 10 NW, Ramsey, MN
6. **Development Team Report/Executive Director Report**
 1. HRA Land Sales/Right of Reverter
7. **Commissioner Input**
8. **Adjournment**

HRA Regular Session

4. 1.

Meeting Date: 05/14/2013

Submitted For: Jo Thieling

By: Jo Thieling, Administrative Services

Information

Title:

Approve the Following Meeting Minutes:

1. HRA Regular - April 23, 2013

Background:

Meeting minutes attached.

Funding Source:

N/A

Action:

Motion to approve the following meeting minutes

1. HRA Regular - April 23, 2013
-

Attachments

042313HRA Minutes

Form Review

Form Started By: Jo Thieling

Started On: 05/09/2013

Final Approval Date: 02/07/2013

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, April 23, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Randy Backous
 Commissioner Mark Kuzma
 Commissioner John LeTourneau
 Commissioner Chris Riley
 Commissioner Sarah Strommen
 Commissioner Jason Tossey

Members Absent: None

Also Present: HRA Executive Director Kurtis G. Ulrich
 Deputy Executive Director Timothy Gladhill
 Finance Director Diana Lund
 Fire Chief Dean Kapler
 City Engineer Bruce Westby
 City Attorney William Goodrich

1. CALL TO ORDER

Chairperson Backous called the regular meeting of the Housing and Redevelopment Authority to order at 8:04 p.m.

2. CITIZEN INPUT

There was none.

2.01: Resignation of Commissioner David Elvig

Chairperson Backous acknowledged receipt of Commissioner David Elvig's resignation and thanked him for his service to the City of Ramsey.

City Attorney Goodrich advised of the process to fill a City Council/HRA Commission vacancy and indicated the date of the special election would be determined at a Special Council Meeting scheduled for May 7, 2013.

3. APPROVAL OF AGENDA

Motion by Commissioner Kuzma, seconded by Commissioner LeTourneau, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Kuzma, LeTourneau, Riley, Strommen, and Tossey. Voting No: None.

4. APPROVAL OF MINUTES

Motion by Commissioner LeTourneau, seconded by Commissioner Riley, to approve the following minutes:

Regular Meeting Minutes dated April 9, 2013

Motion carried. Voting Yes: Chairperson Backous, Commissioners LeTourneau, Riley, Kuzma, Strommen, and Tossey. Voting No: None.

5. HRA BUSINESS

5.01: Approve Letter of Intent with Sophia-Ramsey, LLC

HRA Executive Director Ulrich reviewed the staff report and recommendation to approve a Letter of Intent with Sophia-Ramsey, LLC, and file the plat for the Sunwood retail area known as COR 2. It was noted this work will be completed by the end of the calendar year.

Motion by Commissioner Strommen, seconded by Commissioner Tossey, to approve the non-binding Letter of Intent with Sophia-Ramsey, LLC, as presented.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Strommen, Tossey, Kuzma, LeTourneau, and Riley. Voting No: None.

5.02: Discuss COR Strategy

HRA Executive Director Ulrich reviewed the staff report, history of the Ramsey Town Center and re-branding as The COR, and detailed the pros and cons of the following strategy options: 1) Continue as is; 2) Contract with a broker; or, 3) Solicit proposals for all or large pieces of The COR to sell to a developer. He stated staff has requested a TIF analysis proposal for cost and scope of services. HRA Executive Director Ulrich asked the HRA to provide direction to staff as to which strategy it supported.

Commissioner Tossey stated he believed that development should be in private hands and supported Strategy 3, Solicit proposals for all or large pieces of The COR to sell to a developer. He asked if there is a State Statute relating to timeline for development of HRA land by a developer.

HRA Executive Director Ulrich stated once the property is sold for development, there is a timeline and staff will research and provide that information.

Commissioner Strommen stated she also supported Strategy 3, solicit proposals for all or large pieces of The COR to sell to a developer; however at this time, preferred Strategy 1, continue as is, until the Development Manager is on staff. She stated she would also be interested in pursuing a residential/retail/commercial developer round table to get a better understanding of what the market is doing.

Commissioner Riley stated he likes Strategy 1, continue as is, until it is known what will happen with funding for the Armstrong interchange because it will impact development interest and values. He stated he is troubled that the HRA does not know its rules to sell land.

Commissioner Kuzma stated he would also like to know the timeline for interchange funding.

Commissioner Tossey stated there will be an answer on funding in about one month, at the end of the Legislative session.

Chairperson Backous stated he thinks the HRA does not have enough information to make a decision so he supports Strategy 1, continue as is, to allow time to obtain more information from the Economic Developer, about TIF, and land sale restrictions.

Commissioner Tossey stated he would prefer tabling this consideration until the Armstrong interchange funding has been determined.

Commissioner Strommen suggested, rather than Strategy 1, continue as is, to direct staff to gather the additional information requested for a future discussion.

Commissioner LeTourneau agreed and also supported reaching out to the development community to start that conversation, expose The COR to them, and ask for their comment on what makes the most sense for this property. He stated another option is to form a task force of people interested in this topic.

Chairperson Backous supported scheduling a development round table and setting staff in motion as suggested by Commissioner Strommen.

EDA Executive Director Ulrich suggested postponing consideration for 60 days because the Economic Development Director will be on board by then and an answer on State funding will have been received.

The consensus of the EDA was to support the suggestion of EDA Executive Director Ulrich and postpone consideration for 60 days.

5.03: Develop Offer to Purchase Property at 6710 Highway 10 NW in Ramsey (Portions may be closed to the public)

HRA Executive Director Ulrich reported the City has been asked if it is interested in purchasing property at 6710 Highway 10 NW, currently listed with Premier Properties. The property is currently the site of an adult bookstore and listed for sale at \$375,000. It was noted this property

is not needed for future Highway 10 right-of-way but could be considered a commercial redevelopment site and purchased with HRA, EDA, or City monies or a combination thereof.

City Attorney Goodrich advised that under Minnesota Statutes the meeting can move into closed session to discuss property acquisition negotiations. He indicated closed session discussion will relate to property acquisition of 6710 Highway 10 NW. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Riley, seconded by Commissioner LeTourneau, to move to Closed Session to discuss acquisition negotiations.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Riley, LeTourneau, Kuzma, Strommen and Tossey. Voting No: None.

The HRA meeting moved into a Closed Session at 8:29 p.m.

The HRA reconvened in Open Session at 8:46 p.m.

City Attorney Goodrich stated the HRA held discussion and no final decision was reached.

5.04: Consider Offer to Purchase HRA Owned Property within Block One, COR 3 (Portions may be closed to the public)

HRA Executive Director Ulrich reported the City has received an offer to purchase North Commons, a City-owned property located in The COR.

City Attorney Goodrich advised that under Minnesota Statutes the meeting can move into closed session to discuss land sale transaction negotiations. He indicated closed session discussion will relate to the purchase offer of Lots 5, 6, 7, 11 and 12, Block 1, COR Three, for future development. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner LeTourneau, seconded by Commissioner Tossey, to move to Closed Session to discuss acquisition negotiations.

Motion carried. Voting Yes: Chairperson Backous, Commissioners LeTourneau, Tossey, Kuzma, Riley, and Strommen. Voting No: None.

The HRA meeting moved into a Closed Session at 8:48 p.m.

The HRA reconvened in Open Session at 9:09 p.m.

City Attorney Goodrich stated the HRA held discussion and no final decision was reached except to direct staff to conduct additional research to determine property values.

6. DEVELOPMENT TEAM REPORT

HRA Executive Director Ulrich provided an update relating to on-going projects. He indicated Landform’s attorney has asked to negotiate a potential buy-out of the contract and asked if any HRA Commissioners would be interested in participating in that mediation session.

Chairperson Backous, Commissioners Riley and Strommen volunteered to participate in the mediation session.

HRA Executive Director Ulrich reported that Anoka County HRA approved use of its funds for the Kiefer property purchase. He stated staff will bring forward a future case relating to use of Anoka County HRA funds for purchase of Highway 10 properties for redevelopment.

HRA Executive Director Ulrich reported that Ramsey would receive \$875,633 back from the money committed to the rail project due to a good bid environment and cost savings. He noted that \$500,000 has been designated to pay for the Sunwood Drive realignment so the balance of \$375,000 would be returned and available for TIF eligible expenses.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:14 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth, *TimeSaver Off Site Secretarial, Inc.*

Meeting Date: 05/14/2013

By: Bruce Westby, Engineering/Public Works

Information

Title:

Adopt Resolution 13-05-080 accepting Plans and Specifications and authorizing Advertisement for Bids for COR TWO (Sunwood Retail) Stage 1 Improvements

Background:

The COR TWO (Sunwood Retail) Stage 1 (common) improvements project area is bounded by Armstrong Boulevard to the west, Sunwood Drive to the east and north, and the initial COR development to the south. The Stage 1 improvements include minor site grading and construction of private bituminous access drives and utility trunk and service lines to serve the three platted commercial parcels. On-site stormwater treatment improvements, both temporary and permanent, are also proposed.

On October 16, 2012, the HRA approved a work order with Landform Professional Services, LLC to prepare plans and specifications for the COR TWO Stage 1 improvements. While the plans and specifications for the Stage 1 improvements are not yet complete, city staff did recently receive and review the draft plans and have submitted initial review comments to Landform to be addressed. As of May 9th, city staff had not yet received the revised plans or a draft of the project specifications for review and approval. Once final plans and specifications are received, staff will promptly review them to ensure all plan review comments have been addressed to staff's satisfaction, and that the project specifications are accurate and complete.

Observations/Alternatives:

As was discussed during the April 9th HRA regular meeting, one of the three platted parcels includes the proposed McDonald's USA, LLC development in the northwest corner of the project site. McDonald's recently informed the city that they wish to develop the site this summer, with the intent of opening for business this fall. The HRA is therefore being asked to accept the plans and specifications and to authorize advertisement for bids prior to receipt of final plans and specifications in order to accommodate McDonald's desired development schedule. Staff then anticipates requesting acceptance of the bids and award of a contract for the COR TWO Stage 1 improvements at the HRA's June 11th regular meeting. Substantial completion of the project is anticipated to occur on or before August 2nd, with final completion on or before September 13th. McDonald's development team previously indicated they are generally agreeable to these milestones.

As noted earlier, the plans include both temporary (two ponds) and permanent (below ground storage chamber) stormwater treatment improvements. One of the items the HRA is being asked to consider is whether to approve construction of the temporary or the permanent stormwater improvements at this time. The cost to construct the temporary at-grade ponding improvements is significantly less than the estimated cost for the permanent ponding improvements, which includes \$39,000 for an underground storage structure. The temporary improvements could be constructed at this time then, once a development proposal is received for the south parcel and/or the Sophia Ramsey site, the permanent stormwater treatment improvements could be constructed at a later date with little sunk cost. On a related note, the plans call for the landscaped area around the east temporary stormwater pond, located on the Sophia Ramsey parcel between the initial COR development access drive and Sunwood Drive, to be irrigated using a temporary connection to the city's irrigation service line running along the west side of Sunwood Drive.

Alternatives

Alternative #1 - Accept plans and specifications and authorize advertisement for bids. Based on the existing real estate contract, this is Staff's preferred option. The improvements need to be constructed (with the potential for

some parallel construction) before McDonald's will close on the parcel. In order to meet the timelines specified in the contract, it is important to start the official process.

Alternative #2 - Do not advertise for bids. This is not Staff's recommended alternative. Per the real estate contract, McDonald's possesses a right to cure provision. Essentially, if the HRA does move forward with the improvement, McDonald's could choose to still proceed to closing, hold land sale proceeds in escrow (at 1.5 times the cost of completing the improvements), and could choose to complete the improvements using said escrow funds. In addition, the real estate contract does specify that the HRA shall construct the improvements. Staff advises the HRA, after discussion with legal counsel, that Alternative #1 provides the HRA the most security and control over the installation of the improvements.

Recommendation:

Staff recommends that the HRA adopt Resolution 13-05-080 accepting plans and specifications and authorizing advertisement for bids for the COR TWO (Sunwood Retail) Stage 1 improvements. Staff also recommends approving bidding the construction of the temporary stormwater improvements at this time as this will significantly reduce initial construction costs while allowing for greater flexibility for future site development proposals.

Note: The project is not authorized for construction with the action this evening. Bids will need to come back for Council approval at a future meeting.

Funding Source:

The latest known estimated construction cost for the improvements is \$327,467.73 which included 10% contingency and 20% indirect costs. However, staff believes the actual construction costs will be significantly less than this since city staff will provide construction staking to reduce indirect costs, and since the estimated cost above includes \$5,645 for clearing vegetation from the site, on which there is none, plus another \$39,000 for the permanent underground stormwater storage chamber. Therefore, assuming that the temporary stormwater ponding is constructed and that no significant changes to final plans are needed, the actual construction costs should be less than \$300,000. Staff will be able to provide more accurate estimated construction costs at the time bids are brought back for consideration of awarding a contract.

Ultimately, the funding for the Stage 1 (common) improvements will be the land sale proceeds from the sale of property to McDonald's USA, LLC; however, the project will require an interim funding source. Per the Real Estate Contract with McDonald's USA, LLC, the HRA must begin construction on the improvements prior to closing with McDonald's. Therefore, an interim funding source is required. The interim funding source is proposed to be The COR Revolving Fund. Based on this interim loan, the interim funding will experience a negative interest. The HRA can then pay itself back through additional land sales of the two remaining COR TWO parcels, with the intent being to split the construction costs for the Stage 1 improvements between the three parcels on a pro-rata basis, which McDonalds has previously consented to.

Action:

Motion to adopt HRA resolution 13-05-080 accepting plans and specifications and authorizing bids for COR TWO (Sunwood Retail) Stage 1 improvements.

Attachments

HRares CORTWO stage1 bids

Form Review

Inbox	Reviewed By	Date
Tim Gladhill	Tim Gladhill	05/09/2013 09:33 AM
Diana Lund	Diana Lund	05/09/2013 09:57 AM
Kurt Ulrich	Kurt Ulrich	05/09/2013 04:13 PM

Form Started By: Bruce Westby

Started On: 05/09/2013 08:50 AM

Final Approval Date: 05/09/2013

Board member _____ introduced the following resolution and moved for its adoption:

HRA RESOLUTION #13-05-080

RESOLUTION ACCEPTING PLANS AND SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR COR TWO (SUNWOOD RETAIL) STAGE 1 IMPROVEMENTS

WHEREAS, pursuant to a motion of the Ramsey Housing and Redevelopment Authority, adopted April 9, 2013, authorizing the completion of plans and specifications for the COR TWO (Sunwood Retail) Stage 1 (common) improvements; and

WHEREAS, McDonald's USA, LLC has entered into a Real Estate Contract with the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, to purchase real estate within the COR TWO plat as described within said Contract.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA:

- 1) The Housing and Redevelopment Authority hereby accepts final plans and specifications as prepared by Landform Professional Services, LLC for the making of such improvements, and authorizes advertisement of bids for the same improvements.

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

Board member Backous (Chair)
Board member Strommen
Board member Riley
Board member Kuzma
Board member LeTourneau
Board member Tossey

and the following voted against the same:

none

and the following abstained:

none

and the following were absent:

none

Whereupon said resolution was declared duly passed and adopted by the Ramsey Housing and Redevelopment Authority this the 14th day of May, 2013.

Chair

ATTEST:

Executive Director

Meeting Date: 05/14/2013

By: Diana Lund, Finance

Information

Title:

Analysis of All Project Costs in the COR to Determine Cost Basis For Land

Background:

With the City determining its next steps in marketing the COR land, a detailed analysis of the expenditures spent-to-date on each project within the COR has been prepared with its offsetting funding source. To determine an **average** net-per-square foot costs on remaining vacant land, those expenditures that were funded by **city funds** were used in the calculation. Grants, County Funds, etc were not included.

Note that there are two examples of square footage costs included in the itemized attachment. A brief summary of these two examples are as follows:

Example 1: \$6.50. This per square footage costs calculated the total of all **city funds** spent-to-date in the COR area.

Example 2: \$7.19. The per square footage costs calucated the total of all **city funds** spent-to-date in the COR area plus the projected project costs of upgrading Bunker Lake Boulevard which is required due to the 2005 Joint Powers Agreement with Anoka County due to the COR development.

Only cost spent-to-date on the Armstrong Interchange project have been included in the per-square-foot calculation as the amount that the city will need to fund is unknown at this time.

Recommendation:

Discussion and review of analysis. Informational only with determined per-square footage costs authorized at a later date.

Funding Source:

Various city funds.

Action:

Discussion of analysis. No action to be taken until future date.

Attachments

COR Project Costs

Form Review

Inbox

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

05/09/2013 02:37 PM

Form Started By: Diana Lund

Started On: 05/08/2013 02:04 PM

Final Approval Date: 05/09/2013

Costs that should be paid back via land sales or calculated in per square foot costs

AUAR ROADS-Armstrong, Sunfish, Ramsey Blvd & County Road #116		FOR COSTS SEE JDE PRINTOUT																	
EXPENSE																			
& Armstrong/Bunker-Legacy	Sunfish Boulevard	\$ 2,056,310																	
	Ramsey Boulevard	\$ 3,501,255	Ramsey Blvd																
	Armstrong/Bunker - MSA Funded	\$ 3,001,723	Bond prn/int-Armstrong/Bunker MSA Bond																
	Armstrong/Bunker-Legacy	\$ 1,730,000																	
	Sunfish Blvd	\$ 249,650	Int on 2009 MSA Bond																
	Armstrong	\$ 2,263,341																	
	Net Expense	\$ 12,802,279																	
REVENUES																			
	Mississippi Subdistrict #1-Sunfish Blvd	\$ (312,271)																	
	Stormwater Mgmt-Sunfish Boulevard	\$ (200,000)																	
	Bond Proceeds Sunfish	\$ (1,300,242)																	
	Bond Proceeds Armstrong/Bunker	\$ (4,316,344)																	
	MSA FOR ALL BOND INTEREST	\$ (616,373)																	
	PIR Fund-Bury Electrical-Armstrong	\$ (131,900)																	
	PIR Fund	\$ (135,345)																	
	Anoka County Bond (Per JPA)	\$ (4,406,107)																	
	TIF 4 - Oasis Market	\$ (1,109,415)																	
	Interest Earnings on Revolving Fund	\$ (274,282)																	
	Net Revenues	\$ (12,802,279)																	
Difference in Expenditures over Funding Revenue is Interest Expense on Bonds		\$	616,373																
<table border="0" style="width: 100%;"> <tr> <td colspan="2">MSA Needs to Be Reim Back for Debt Issuance:</td> <td></td> <td></td> </tr> <tr> <td>Prn & Int: Sunfish Bond</td> <td></td> <td>\$ 1,589,650</td> <td></td> </tr> <tr> <td>Prn & Int Armstrong/Bunker</td> <td></td> <td>\$ 3,001,723</td> <td></td> </tr> <tr> <td>Total Need to Reim for bonds</td> <td></td> <td><u>\$ 4,591,373</u></td> <td></td> </tr> </table>				MSA Needs to Be Reim Back for Debt Issuance:				Prn & Int: Sunfish Bond		\$ 1,589,650		Prn & Int Armstrong/Bunker		\$ 3,001,723		Total Need to Reim for bonds		<u>\$ 4,591,373</u>	
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COR II

Expenditures

Development Manager (DM)-Sunwood Retail	\$	34,627	
DM-Ramsey Retail	\$	7,600	
DM-COR II Plat	\$	4,500	
DM-Cor II Reim	\$	2,429	
All Other Expense-Legal	\$	67,793	
Additional Legal	\$	30,000	
Signage	\$	60,000	
DM 2% Fee Mc Donalds	\$	51,441	Negotiated?
DM 2% Fee SuperAmerica	\$	53,725	Negotiated?

Land Costs at City Costs included under Land Above

\$144,550 McDonalds
\$ 131,013 SuperAmerica

Cor II Improvements	\$	350,000	Est
Net Expense	\$	662,114	

Revenues

Land SalesMcDonalds	\$	(470,000)
Cost of Land-Sq footage?	\$	(590,634)
Sign Reim-Mc Donalds	\$	(20,000)
Sign Reim-SuperAmerica	\$	(20,000)
Cor II Impr Reim-McDonalds	\$	(30,894)
COR II Impr Reim-SuperAmerica	\$	(72,024)
HRA	\$	(4,850)
Net Revenue	\$	(1,208,402)

Draw Park & Rhinestone Parking Lot

Expenditures

Construction	\$	3,013,523
Interest on loan thru 6-30-13	\$	71,128
Net Expense	\$	3,084,651

Revenues

Grant	\$	(363,756)
Park Trust Fund	\$	(2,066,846)
Park Trust Fund(F&C Land Proceeds	\$	(101,111)
Interest Earnings on Revolving Fund	\$	(9,659)
Share of RTC Assessments Collected	\$	(132,151)
Park Payment Obligation-RTC	\$	(340,000)
Net Revenues	\$	(3,013,523)

6/2009 Loan: 2% Interest	\$	915,000
6/30/2010 Interest	\$	18,300
6/30/2011 Interest	\$	18,300
6/30/2012 Interest	\$	18,300
6/30/2012 Principal Reduction	\$	(101,111)
Net Principal	\$	813,889
6/30/2013 Interest	\$	16,278
Interest to Date	\$	71,178

F&C-Residence at the COR - Does not Include the maximum \$3M TIF Reimbursement

Net Expense -

City Fees	\$	2,466,667	
Loan #1	\$	1,420,000	
Loan #2-Bond	\$	6,916,000	Prin Only
Admin Costs-Listed Below (With TIF 14 creation)			
DM-F&C Alta	\$	2,474	
DM Contract-PUMA	\$	3,400	
DM Incentive Fee Paid to date	\$	308,242	
DM Incentive Fee Outstanding	\$	80,000	Negotiated?
Net Expense	\$	11,196,783	

Revenues

Land Sale	\$	(750,000)	
HRA	\$	(3,400)	
TIF #1 for Loan #1	\$	(1,300,000)	
F&C Reim for Loan #1	\$	(120,000)	
TIF #2 for City Fees	\$	(2,443,202)	TIF 14 is supposed to pay back when have revenue, but only to extent of 10% of eligible admin exp per year in dist
F&C Escrow	\$	(23,465)	
TIF Bond	\$	(6,916,000)	
Net Revenues	\$	(11,556,067)	

Excess of Revenue Over Expense
Transferred per land policy

\$	359,284	Netted out to respective funds & reduced
		City Fund Contributions

Land Transfer:	COR Fund	\$	105,887
	HRA	\$	13,747
	Park Trust	\$	101,111
	Water (Orig Loan)	\$	37,442
	Sewer (Orig Loan)	\$	37,442
	MSA Fund	\$	66,129
	Total Land Transfer	\$	361,758

**June 2009
Land Purchase**

Purchase Price	\$	6,764,429	
Funding:			
LOC	\$	(1,500,000)	
Water Loan (Less F&C Land Proceeds)	\$	(2,296,952)	Add an interest Cal
Sewer Loan (Less F&C Land Proceeds)	\$	(2,296,952)	Add an interest Cal
County HRA Fund	\$	(595,641)	
Total Funding	\$	(6,689,545)	

6/2009 Loan: 2% Interest	\$	2,334,394
6/30/2010 Interest	\$	46,688
6/30/2011 Interest	\$	46,688
6/30/2012 Interest	\$	46,688
6/30/2012 Principal Reduction	\$	(37,442)
Net Principal	\$	2,296,952
6/30/2013 Interest	\$	45,939
Interest to Date	\$	186,003

Special Assessments Pulled Back

\$ 5,851,197

Total Land Purchase Cost & Assessments

\$ 12,615,626

INTEREST:

Interest on Internal Loan-Water thr 6-13	\$	186,003
Interest on Internal Loan-Sewer thru 6-13	\$	186,003
Total Interest	\$	372,006

North Commons (COR 3)

Expenses

Construction Contract	\$	417,372	\$32,933 paid to date
Grading-For Park	\$	40,482	
Misc Exp- Legal	\$	20,388	
DM Contract Plat	\$	4,500	
DM Contract Fees	\$	33,535	
Net Expenses	\$	516,277	

Possible Add'l Expense:

DM Fee-2%	\$	62,900	Negotiated?
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Revenues (Per Darren's estimate)

Landfill Trust Fund	\$	(451,090)
HRA	\$	(7,705)
COR Fund - F&C Land Proceeds	\$	(40,482)
Storm Utility Fund	\$	(17,000)
Net Revenues	\$	(516,277)

DOES NOT INCLUDE DARREN'S 2% FEE ON LOT SALES, SOIL CORRECTIONS OR LAND SALES (See Individual Pro Forma)

Parking Ramp Phase I & II

Expense

Phase I	\$	8,234,283
Phase II	\$	3,397,930
Net Expense	\$	11,632,213

Revenues

Grants	\$	(5,030,453)
Bond Proceeds-City Share	\$	(1,517,616)
TIF 4	\$	(1,112,384)
TIF 2	\$	(81,363)
TIF 1	\$	(564,664)
Share of RTC Assessments Collected	\$	(3,325,733)
Net Revenue	\$	(11,632,213)

Phase I Roads (Sunwood Drive & Rhinestone Bridge)

Expense - Construction

\$ 5,837,987

From Capitalization Sheets

Revenues

Grants	\$ (800,000)
MSA	\$ (3,907,558)
MSA-Share of F&C Land Proceeds	\$ (66,129)
PIR Fund	\$ (52,344)
TIF 1	\$ (757,000)
Share of RTC Assessments Collected	\$ (254,956)
Net Revenue	\$ (5,837,987)

Phase II Roads

Net Expense Phase II

\$ 1,014,573

Does not include \$16,500 Engr Time Transferred to General Fund

Revenues

TIF 4	\$ (33,216)
Share of RTC Assessments Collected	\$ (981,357)
Net Revenue	\$ (1,014,573)

Northstar Rail Station

Net Expense

\$ 3,917,000

Net Rail Expense \$ 3,917,000

Revenues

TIF 1	\$ (862,064)
TIF 2	\$ (3,054,936)
Net Revenue	\$ (3,917,000)

Sunwood Drive Realignment

Expense - Construction

\$ 5,777,990 Engr's Estimate

Revenues

Equipment Revolving Fund	\$ (1,132,686)
Grant	\$ (500,000)
Anoka County	\$ (1,700,000)
TIF 2	\$ (500,000)
Storm Drainage Fund	\$ (364,882)
Water Utility Fund	\$ (347,540)
Sanitary Sewer Fund	\$ (20,881)
EDA - Not to Exceed	\$ (600,000)
Street Light Utility	\$ (112,000)
Excess Rail Funding-TIF 2	\$ (500,000)
Net Revenue	\$ (5,777,990)

Development Manager (Costs related to specific projects are included above) PAID THRU 4-30-13

Expenditures:

TOTI Incentive	\$	66,198	
Contract: 7/09-2/10	\$	114,471	
Interim Contract 3/10	\$	16,995	
Contract: 4/1/10-3/31/13	\$	540,000	
VA RFP	\$	18,059	
COR Design Framework	\$	22,146	\$23,000 authorized
Mass Grading	\$	11,717	\$19,600 Authorized
Auar Update	\$	12,571	\$37,815 Authorized
Storm Water Mgmt Contract	\$	3,774	\$15,500 Authorized
Comp Plan	\$	750	
Septic Design	\$	3,643	
Utility Plan	\$	8,545	
ICSC & Travel	\$	17,011	
Misc.-Marketing Material, Copies, Plat	\$	54,480	
Total Expense	\$	890,360	

Possible Add'l Expense:

DM 2% Fee-SuperAmerica-Ramsey	\$	57,913	Negotiated?
-------------------------------	----	--------	-------------

Revenue:

Toti Extension Fee	\$	(66,198)
General Fund	\$	(18,832)
Enterprise Funds	\$	(9,692)
HRA	\$	(795,639)
Total Revenue	\$	(890,360)

Establish TIF District & F&C Administration - \$500,000

Expenditures:

\$ 316,303

Revenues:

TIF 2	\$	(316,303)
(\$500,000 authorized)		

Project Management-LSA When took over land	Net Expense Project Management	\$ 115,978
	Revenue	
	PIR Fund	<u>\$ (115,978)</u>

Establishing the COR - Marketing, etc.

Expenditures-

Marketing: Signs, Web Design, Branding, COR Merchandise	\$ 152,267
Legal	\$ 173,718
Professional Services: Patents, Financial (Excludes Landform)	\$ 82,626
Misc: Postage	\$ 2,510
Travel: ICSC	\$ 29,685
COR Sign at old Holiday site	<u>\$ 34,235</u>
Net Expense HRA costs in COR	\$ 475,041

Revenues:

Remainder of TOTI Extention Fee	\$ (31,485)
HRA	<u>\$ (443,556)</u>
Net Revenue	\$ (475,041)

SUMMARY:

EXPENDITURES:

Total Project Expenditures on all Projects Listed Above

\$ 65,375,984 With Assessments Pulled Back
\$ 71,227,180.95

REVENUES:

All Revenue Sources included above

\$ (65,763,537) Calculates in COR II & F& Land Sales

Funding Breakdown: City Funds Only

CITY FUNDS:

Mississippi Subdistrict #1	\$	312,271	
Stormwater Management	\$	200,000	
Future MSA-Bond Payments on Sunfish & Armstrong	\$	4,591,373	Prn & Int
EDA	\$	600,000	
MSA-	\$	3,907,738	
Public Improvement Revolving (PIR)	\$	435,567	
Revolving Fund Interest Earnings	\$	283,941	
HRA	\$	1,255,150	
Park Trust Fund	\$	2,066,846	
Park Trust Interest Owed on Loan	\$	71,128	
Water Fund	\$	2,654,184	
Sewer Fund	\$	2,317,833	
Interest On water Loan	\$	186,003	
Interest on Sewer Loan	\$	186,003	
Landfill Trust	\$	451,090	Based on Original Contract for Northcommons
Equipment Revolving Fund	\$	1,132,686	
Street Light Utility	\$	112,000	
General Fund	\$	18,832	
Storm Water Utility	\$	381,882	
TIF 1	\$	2,183,728	
TIF 2	\$	4,452,602	
TIF 4	\$	2,255,015	
TIF 2	\$	2,443,202	City Fees Paid for F&C

Total City Funding-All Funds \$ **32,499,073** Based on costs est for Sunwood Realignment & COR II. Does not include additional North Common issues, Armstrong Interchange & 116th Avenue (see below)
(This does not include the assessments pulled back so actual dollar costs only)

Outstanding Issues: 116th Avenue

Upgrade & signalization of 116th Avenue		
Per AUAR JPA with Anoka County	\$	3,419,000
Total City Funding with 116th Avenue	\$	35,918,073

SQUARE FOOTAGE CALCULATION:

114.72 Acres Available (Net McDonalds, SuperAmerica & F&C)
4,997,203.20 Square Feet

Square foot costs to reim all city funds spent to date:	\$	6.50
Square foot costs on reim all city funds & adding 116th Avenue Est:	\$	7.19

LAND PROCEED POLICY:

NOTE: Share of RTC Assessments Collected were placed in Revolving Fund and used on a first come basis for project expenditures

Project Costs	% Share	Receiving Fund	
\$ 5,851,197	23.30%	COR Revolving Fund-Special Assessments Abated	
\$ 1,500,000	5.97%	COR Revolving Fund-LOC Funds for Land Purchase	
\$ 595,641	2.37%	HRA-County Funds used for land Purchase	
\$ 1,018,638	4.06%	Park Trust Fund-Draw Park Construction	
\$ 2,598,800	10.35%	Water Fund-Land Purchase (w interest)	
\$ 2,598,800	10.35%	Sewer Fund-Land Purchase (With Interest)	
\$ 360,000	1.43%	HRA-DM Admin Contract 2 years	
\$ 6,000,000	23.89%	Park Trust Fund-Future Park Impr-non-Tif eligible	
\$ 4,591,373	18.28%	MSA-Bonded For Sunfish & Bunker/Armstrong	
<hr/>			
\$ 25,114,449	100.00%		
		Summary Funding:	
		COR Revolving Fund(future infrastructure)	29.27%
		HRA Fund	3.80%
		Park Trust Fund	27.95%
		Water Fund	10.35%
		Sewer Fund	10.35%
		MSA Fund	18.28%
			<hr/>
			100.00%
		Need to sell the land for at least \$2.44/Sq ft	
		Sell < 2.44/Sq ft need to report Loss on City's Financial Statements	

HRA Regular Session

5.3.

Meeting Date: 05/14/2013

Submitted For: Bill Goodrich

By: Kathy Schmitz, Administrative Services

Information

Title:

Consider approval of purchase agreement for the purchase of the property located at 6710 Highway 10 NW, Ramsey, MN

Background:

At a closed meeting on April 23, 2013, the HRA met to develop an offer for the purchase of the real property located at 6710 Highway 10 NW, in the City. The Seller has now agreed to the City's offer and agrees to sell the property for a sale price of \$361,100.00 (County estimated market value) which was the Council's agreed upon offer. The Seller and HRA Chairman Backous have both signed the purchase agreement, however, of course, the purchase agreement is contingent upon the HRA's final approval. The purchase agreement is now submitted to the HRA for its final approval.

Notification:

None

Observations/Alternatives:

The Council carefully considered its offer for the property purchase on April 23, 2013 and considered the pros and cons of the purchase and its funding. The Seller is accepting the City's offer and is not counter-offering. The City's purchase price offer is \$14,000.00 less than the listing price and is the Anoka County Assessor's estimated market value for the property.

An alternative, of course, is to decline to approve the purchase agreement.

Recommendation:

Staff recommends the HRA give final approval to the presented purchase agreement.

Funding Source:

HRA, EDA or City Funding

Action:

Motion for final approval of a purchase agreement to purchase the real property located at 6710 Highway 10, Ramsey, MN for a purchase price of \$361,100.00 and upon those additional terms of the May 10, 2013 purchase agreement reviewed with the HRA at its May 14, 2013 regular meeting.

Attachments

Proposed Purchase Agreement

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	05/13/2013 03:47 PM
Kurt Ulrich	Kurt Ulrich	05/14/2013 11:59 AM
Form Started By: Kathy Schmitz		Started On: 05/13/2013 03:45 PM

Final Approval Date: 05/14/2013

COPY

PURCHASE AGREEMENT

1. **PARTIES.** This Agreement (this "Agreement") is made on this _____ day of May, 2013 by and between Arnold T. Holmberg, a single person ("**SELLER**"), whose address is 4720 Pillsbury Avenue South, Minneapolis, Minnesota 55409, and 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**"), with address at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303, Attention: Mr. Kurt Ulrich, Executive Director.

2. **OFFER/ACCEPTANCE.** **BUYER** agrees to purchase and **SELLER** agrees to sell real property located at 6710 Highway 10 NW, Ramsey, Minnesota, 55303, Anoka County, Minnesota, legally described on the attached Exhibit A (the "Property") on the terms of this Agreement. The term "Property" as used in this Agreement shall include all improvements, together with all hereditaments and appurtenances to the Property. The parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

3. **ACCEPTANCE.** The acceptance date of this Agreement is the date it is signed by the last party signing. However, in the event both parties have not signed this Agreement on or before May 15, 2013, this Agreement shall be null void and all earnest monies paid herein shall be refunded to Buyer.

4. **PRICE.** The Purchase Price for the Property is \$361,100.00 ("Purchase Price"), payable at Closing, less the Earnest Money previously paid.

5. **EARNEST MONEY.** Concurrently with the execution hereof **BUYER** shall deposit with **SELLER** the amount of \$5,000.00 as Earnest Money hereunder ("Earnest Money").

6. **DEED/MARKETABLE TITLE.** Conveyance Terms. Upon **BUYER'S** full performance of **BUYER'S** obligations under this Agreement, **SELLER** shall execute and deliver to **BUYER**, on the date of closing, a Warranty Deed conveying fee title to the Property to **BUYER**, subject only 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. The lien of real estate taxes and special assessments not yet due and payable.
- d. Covenants, conditions, restrictions and easements of record.

7. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real estate taxes and assessment shall be payable as follows:

- a. Real estate taxes due and payable in and for the year of closing shall be prorated between **SELLER** and **BUYER** to the actual date of closing.
- b. Real Estate taxes including interest and penalties due and payable in all years prior to the year of closing shall be paid by **SELLER**.
- c. **SELLER** shall pay on the date of closing, all special assessments levied as of the date of this Agreement.
- d. **BUYER** shall assume on the date of closing, special assessments pending as of the date of this Agreement for improvements that have been ordered by the city Council or other governmental assessing authorities.
- e. **SELLER** shall pay on the date of closing, any deferred real estate taxes. **SELLER** shall pay on the Closing Date any deferred special assessments, payment of which is required as a result of a closing of this sale.
- f. **BUYER** shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided for herein.

SELLER makes no representation concerning the amount of future real estate taxes or of future special assessments.

8. **SELLER'S REPRESENTATIONS AND WARRANTIES.** As an essential part of this Agreement and in order to induce **BUYER** to enter into this Agreement and to purchase the Property, **SELLER** represents and warrants to and agrees with **BUYER** that:

- a. There are no leases, purchase options, rights of first refusal, or any other agreements which grant any other party any right of use or occupancy in effect with respect to the Property or any portion thereof.
- b. **SELLER** will convey on the date of closing, all of the Property, free and clear of all liens, security interests, restrictions, charges and encumbrances.
- c. There are no management, maintenance, supply, utility or service contracts or commitments relating to the Property which will extend beyond the date of closing, which are not cancelable without penalty or premium upon not more than 30 days advance notice.
- d. To the best of **SELLER'S** knowledge: there is no action, litigation, investigation, condemnation or proceeding of any kind pending against **SELLER** or the Property which could adversely affect the Property, or any portion thereof or title thereto.

- e. All services or material which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien for services or materials rendered (commonly known as mechanic's or materialmen's liens) can be asserted against the Property. All water, sewer and refuse bins for such services which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien therefore can be asserted against the Property.
- f. **SELLER** is not in default, nor has there occurred any event which, with the passage of time or notice from a third party, or both, would constitute a default under any underlying financing or covenant affecting the Property or any part thereof.
- g. **SELLER** is neither a "foreign person" nor a "foreign corporation" (as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended)
- h. That there are not now, nor have there ever been underground or above ground storage tanks of any size or type located on the Property nor any Hazardous Substances (defined below) located on the Property in violation of applicable governmental requirements, and the Property has not been used in connection with the generation, disposal, storage, treatment' or transportation of Hazardous Substances in violation of applicable governmental requirements. For purposes of this Agreement, the term "Hazardous Substances" includes but is not limited to substances defined as "hazardous substances," "toxic substances," "hazardous wastes," "pollutants" or "contaminants" under federal or Minnesota law. The term "Hazardous Substance" shall also include 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).
- i. **BUYER** shall have the right to have inspections of the Property conducted prior to the Date of Closing.
- j. There are no above or below ground fuel storage tanks on the Property.
- k. **WELL DISCLOSURE:**

[Check either A or B:]

- A. Seller certifies that Seller does not know of any wells on the Property.
- B. To Seller's actual knowledge, there is a well located on the Property and Seller will deliver a well disclosure

form at closing or make such other representations in the deed as may be required by Minnesota law.

1. **SEWAGE TREATMENT SYSTEM DISCLOSURE.**

[Check either A or B:]

- A. Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency (municipal sewer system).
- B. Seller certifies that sewage generated at the Property does not go to a facility permitted by the Minnesota Pollution Control Agency and Seller's Disclosure of Individual Sewage Treatment System is attached as Exhibit B.

[Check either C or D:]

- C. Seller does not know if there is an abandoned individual sewage treatment system on the Property.
- D. To Seller's actual knowledge, there are no abandoned individual sewage treatment systems on the Property.

m. **METHAMPHETAMINE DISCLOSURE.**

- A. To the best of **SELLER's** knowledge, methamphetamine production has not occurred on the Property.
- B. To the best of **SELLER's** knowledge, methamphetamine production has occurred on the Property and **SELLER's** disclosure is continued in Part B., METHAMPHETAMINE DISCLOSURE STATEMENT, M.S.B.A., Real Property Form No: 22 (2005), included as an addendum to this Agreement.

n. **SELLER** acknowledges that upon successful closing pursuant to the terms of this Agreement, **SELLER** will have waived any appeal or claim for real estate tax or assessments paid or payable as respects the Property.

o. **SELLER'S INDEMNITY.** **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 breach of any of the representations and warranties contained in this Paragraph 8, whether such breach is discovered before or after closing. Each of the representations and warranties herein contained shall survive the Closing. Wherever herein a representation is made "to the best knowledge of **SELLER**", such

representations is limited to the actual knowledge of **SELLER**. Except as herein expressly stated, **BUYER** is purchasing the Property based upon its own investigation and inquiry and is not relying on any representation of **SELLER** or other person and is agreeing to accept and purchase the Property "as is, where is" subject to the conditions of examination herein set forth and the express warranties herein contained. Consummation of this Agreement by **BUYER** with knowledge of any such breach by **SELLER** will not constitute a waiver or release by **BUYER** of any claims due to such breach. **SELLER** shall have the right to assume defense of any claim asserted by a third party against **BUYER** for which **SELLER** is indemnifying **BUYER** under this Paragraph 8 with counsel reasonably acceptable to **BUYER** so long as **SELLER** is diligently defending such claim; provided that **BUYER** may participate in such proceeding at **BUYER'S** expense unless there is an actual or potential material conflict of interest (which is not waived by the parties) of the counsel for **SELLER** representing both **SELLER** and **BUYER** in which event **SELLER** shall also pay the legal fees and expenses of **BUYER** in connection with such claim or proceeding. Neither **SELLER** nor **BUYER** shall settle any such claim without the consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement requires no admission of liability on the part of the other and no assumption of any obligation or monetary payment for which **BUYER** has not been fully indemnified.

9. **BUYER'S REPRESENTATIONS AND WARRANTIES.** **BUYER** represents and warrants that it has full right and authority to execute this Agreement and to execute and deliver all documents and instruments required of **BUYER** under the provisions of this Agreement.

10. **CLOSING.** Closing shall be at the office of Registered Abstractors Inc. Title Company ("Title"), 2115 3rd Avenue, Anoka, Minnesota 55303 or such other office as the **BUYER** and **SELLER** may hereafter agree. Closing shall take place on the date that is sixty (60) days from the date of this Agreement or such earlier date as the parties hereto may agree upon in writing (the "Closing Date"). On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Closing Documents"):

- a. A warranty deed, conveying the Property to **BUYER**, free and clear of all liens, security interests, leases, restrictions, charges and encumbrances, except as provided in paragraphs 8.a. and b.
- b. A well certificate pursuant to Paragraph 8.1.
- c. If the Property contains or contained a storage tank, an affidavit with respect thereto, as required by Minn. Stat. Section 116.48.

- d. A non-foreign affidavit, (FIRPTA affidavit) properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations.
- e. An appropriate Federal Income Tax reporting form, if any is required.
- f. Such further affidavits of **SELLER**, certificates of value or other documents as may be reasonably required by **BUYER'S** title company in order to record the **SELLER'S** Closing Documents and issue **BUYER** the owner's title insurance policy required by this Agreement.

11. **EVIDENCE OF TITLE.** Within a reasonable time after execution of this Agreement, **SELLER** shall furnish **BUYER** a commitment for an ALTA Owner's policy of title insurance covering the Property issued by Registered Abstracters, Inc.

12. **EXAMINATION OF TITLE.** **BUYER** shall be allowed until the date ten (10) days after receipt of such title evidence for examination of title and the making of any objections thereto, which objections shall be in writing or they will be deemed to be waived. If any objections are so made, **SELLER** shall be allowed until the Closing Date to make such title marketable, and **SELLER** shall use all reasonable efforts to make such title marketable.

If said objections have not been cured by the Closing Date, as above provided, **BUYER** shall have the option of:

- a. Declaring this Agreement null and void and receiving a refund from **SELLER** of all Earnest Money paid hereunder; or
- b. Waiving any defects in title and proceeding to close the transaction contemplated by this Agreement.

If the title to the Property is marketable or is made marketable by the Closing Date, and **BUYER** defaults in any of the agreements on its part to be performed under this Agreement and continues in default for a period of five (5) days after written notice thereof is given to **BUYER** by **SELLER**, then **SELLER** shall have the remedies described below or under Minnesota law.

13. **ADDITIONAL BUYER CONTINGENCIES.**

a. Because **BUYER** is a public body its final acceptance of this Agreement is contingent on **BUYER'S** adoption of a resolution approving the terms of this Agreement. In the event such an approval resolution is not adopted by **BUYER** or before May 14, 2013, this Agreement will be null and void and the Earnest Money will be returned to **BUYER**.

b. This agreement is further contingent on **BUYER** in its sole discretion determining that each of **SELLER'S** representations made in Paragraph 8. herein are true on the Closing Date. If any such representation is not true on that date, **BUYER** may cancel this Agreement and the Earnest Money shall be refunded to **BUYER** and this Agreement shall be null and void.

14. **SURVEY.** **BUYER** may, at **BUYER'S** sole cost and expense, obtain a current survey of the Property which survey shall be prepared by a Registered Land Surveyor (the "Survey"), The Survey, in form suitable to **BUYER** and Title Company shall:

- a. locate all present and future easements, rights-of-way, wetlands, 100-year flood plain, building lines, utility lines, roadways and encroachments on or abutting the property.
- b. contain the certification of the surveyor as to the number of square feet contained in the Property.

BUYER shall have ten (10) days from the date of receipt of the Survey to approve same or to notify **SELLER** of **BUYER'S** objections to items disclosed therein. Upon the expiration of said ten (10) day period, **BUYER** shall be deemed to have accepted all exceptions to Survey, except for matters to which notice under the preceding sentence has been given by **BUYER**.

If **BUYER** notifies **SELLER** of any objections to the Survey within the aforesaid ten (10) day period, then and in that event **SELLER** shall have a period of ten (10) days following receipt of such objections to Survey to cure said objections or notify **BUYER** in writing of **SELLER'S** intent not to cure said objections. If the objections are not cured by **SELLER** within said ten (10) day period, **BUYER** shall then have the option to do either of the following:

- a. terminate this Agreement and receive a refund of the Earnest Money, whereupon neither party shall have any rights or obligations to the other under this Agreement and each party shall forthwith execute a written termination of this Agreement; or
- b. waive the survey objections, take title to the Property subject to any such objections and proceed to Closing in accordance with the terms and provisions of this Agreement.

15. **DEFAULT.** If either party defaults in the performance of any obligation under this Agreement, the non-defaulting party may, after a five (5) day 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 the **BUYER'S** obligations under this Agreement, **SELLER** shall have the following rights:
 - (i) Except as set forth at (ii) below, if **BUYER** defaults in the performance of any of **BUYER'S** obligations under this Agreement, **SELLER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **BUYER** breaches a warranty or representation either before or after closing, **SELLER** shall have the right to recover direct damages reasonably related to such breach but not incidental or

consequential damages or punitive damages. **SELLER** shall have no right to seek rescission of the conveyance.

- b. **SELLER'S Default.** If **SELLER** defaults in the performance of any of the **SELLER'S** obligations under this Agreement, **BUYER** shall have the following rights:
- (i) Except as set forth at (ii) below, if **SELLER** defaults in the performance of any of **SELLER'S** obligations under this Agreement, **BUYER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **SELLER** breaches a warranty or representation either before or after closing, **BUYER** shall have the right to recover direct damages reasonably related to such breach but not incidental or consequential damages or punitive damages. **BUYER** shall have no right to seek rescission of the conveyance.

Should **SELLER** notify **BUYER** that **SELLER** will not cure a noticed objection, **BUYER** shall then have ten (10) days from the receipt of such notice from **SELLER** to notify **SELLER** of **BUYER'S** election to either terminate this Agreement or to waive the objection and proceed to Closing.

16. **NOTICES.** All notices required herein shall be in writing and delivered personally or mailed or sent by a nationally recognized delivery service to the address as shown above and, if mailed or sent by a nationally recognized delivery service, are effective as of the date of mailing.

17. **BROKERS.** Each party shall be responsible for the payment of any real estate or business broker brokerage fees that may have incurred as a result of this Agreement. Each party hereby indemnifies the other for any broker's or agent's fees.

18. **MINNESOTA LAW.** This Agreement shall be governed by the laws of the State of Minnesota.

19. **MISCELLANEOUS.**

- a. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS AGREEMENT.**
- b. If any part of this Agreement or any part or any provision thereof shall be adjudicated to be void or invalid, then the remaining provisions hereof not specifically so adjudicated to be invalid shall be executed without reference to the part or portion so adjudicated, insofar as such remaining provisions are capable of execution.
- c. The headings of the paragraphs and subparagraphs of this Agreement are for convenience and reference only, and do not form a part hereof and in

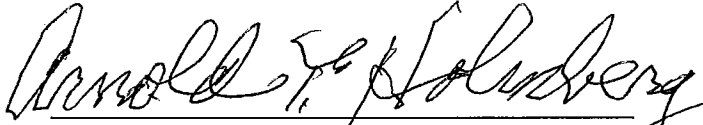
no way interpret or construe such paragraphs and subparagraphs.

- d. Words of pronoun shall be interchangeable with respect to gender and singular or plural as the context of application requires. If two or more parties are referred to collectively under designation, the liability of each shall be joint and several.
- e. Each of the parties shall execute any and all instructions, releases, assignments and consents which may be reasonably required in order to carry out the provisions of this Agreement.
- f. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.
- g. Nothing herein shall be construed in such a manner so as to constitute one party to be an agent or representative of the other and neither shall hold itself out as such.
- h. Neither party shall make any warranty or representation, or incur any obligation, liability or indebtedness on behalf of the other.
- i. No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or its duly authorized representative and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.
- j. This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter. Neither party hereto has relied upon any agreements, promises, representations, undertakings or warranties not set forth in this Agreement (whether oral, implied, or otherwise). There have not been, and are, no agreements, covenants, representations, restrictions, understandings or warranties between the parties with regard thereto, other than those set forth or provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed below on the date first written above:

[Signature Page]

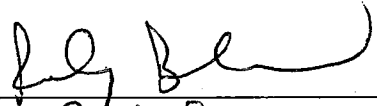
SELLER:

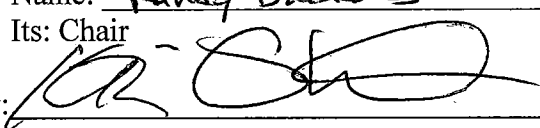


Arnold T. Holmberg
May 10, 2013

BUYER:

The Housing and Redevelopment Authority
in and for the City of Ramsey, Minnesota,
a body politic and corporate under the laws
of the state of Minnesota

By: 

Name: Randy Backous
Its: Chair
By: 

Kurtis Ulrich
Its: Executive Director

EXHIBIT A – LEGAL DESCRIPTION

PIN: 34-32-25-13-0005

Lot 4, Block 1, RIVERSIDE WEST, according to the plat on file and of record in the Office of the Registrar of Titles, Anoka County, Minnesota.

Subject to drainage and utility easement as shown on plat RIVERSIDE WEST filed as Document No. 90200 on June 30, 1976.

Subject to the right of the State of Minnesota to construct temporary snow fences, and to regulate and control the cutting and planting of grasses, shrubs and trees, as shown in document dated April 14, 1939 in Book 174, Page 73 in the office of the Anoka County Register of Deeds.

Subject to utility easements in favor of Anoka Electric cooperative as shown in document dated November 20, 1974 and recorded November 22, 1974 in Book 1127, Page 31, in the office of the Anoka County Register of Deeds.

PURCHASE AGREEMENT

1. **PARTIES.** This Agreement (this "Agreement") is made on this _____ day of May, 2013 by and between Arnold T. Holmberg, a single person ("**SELLER**"), whose address is 4720 Pillsbury Avenue South, Minneapolis, Minnesota 55409, and 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**"), with address at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303, Attention: Mr. Kurt Ulrich, Executive Director.

2. **OFFER/ACCEPTANCE.** **BUYER** agrees to purchase and **SELLER** agrees to sell real property located at 6710 Highway 10 NW, Ramsey, Minnesota, 55303, Anoka County, Minnesota, legally described on the attached Exhibit A (the "Property") on the terms of this Agreement. The term "Property" as used in this Agreement shall include all improvements, together with all hereditaments and appurtenances to the Property. The parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

3. **ACCEPTANCE.** The acceptance date of this Agreement is the date it is signed by the last party signing. However, in the event both parties have not signed this Agreement on or before May 15, 2013, this Agreement shall be null void and all earnest monies paid herein shall be refunded to Buyer.

4. **PRICE.** The Purchase Price for the Property is \$361,100.00 ("Purchase Price"), payable at Closing, less the Earnest Money previously paid.

5. **EARNEST MONEY.** Concurrently with the execution hereof **BUYER** shall deposit with **SELLER** the amount of \$5,000.00 as Earnest Money hereunder ("Earnest Money").

6. **DEED/MARKETABLE TITLE.** Conveyance Terms. Upon **BUYER'S** full performance of **BUYER'S** obligations under this Agreement, **SELLER** shall execute and deliver to **BUYER**, on the date of closing, a Warranty Deed conveying fee title to the Property to **BUYER**, subject only 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. The lien of real estate taxes and special assessments not yet due and payable.
- d. Covenants, conditions, restrictions and easements of record.

7. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real estate taxes and assessment shall be payable as follows:

- a. Real estate taxes due and payable in and for the year of closing shall be prorated between **SELLER** and **BUYER** to the actual date of closing.
- b. Real Estate taxes including interest and penalties due and payable in all years prior to the year of closing shall be paid by **SELLER**.
- c. **SELLER** shall pay on the date of closing, all special assessments levied as of the date of this Agreement.
- d. **BUYER** shall assume on the date of closing, special assessments pending as of the date of this Agreement for improvements that have been ordered by the city Council or other governmental assessing authorities.
- e. **SELLER** shall pay on the date of closing, any deferred real estate taxes. **SELLER** shall pay on the Closing Date any deferred special assessments, payment of which is required as a result of a closing of this sale.
- f. **BUYER** shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided for herein.

SELLER makes no representation concerning the amount of future real estate taxes or of future special assessments.

8. **SELLER'S REPRESENTATIONS AND WARRANTIES.** As an essential part of this Agreement and in order to induce **BUYER** to enter into this Agreement and to purchase the Property, **SELLER** represents and warrants to and agrees with **BUYER** that:

- a. There are no leases, purchase options, rights of first refusal, or any other agreements which grant any other party any right of use or occupancy in effect with respect to the Property or any portion thereof.
- b. **SELLER** will convey on the date of closing, all of the Property, free and clear of all liens, security interests, restrictions, charges and encumbrances.
- c. There are no management, maintenance, supply, utility or service contracts or commitments relating to the Property which will extend beyond the date of closing, which are not cancelable without penalty or premium upon not more than 30 days advance notice.
- d. To the best of **SELLER'S** knowledge: there is no action, litigation, investigation, condemnation or proceeding of any kind pending against **SELLER** or the Property which could adversely affect the Property, or any portion thereof or title thereto.

- e. All services or material which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien for services or materials rendered (commonly known as mechanic's or materialmen's liens) can be asserted against the Property. All water, sewer and refuse bins for such services which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien therefore can be asserted against the Property.
- f. **SELLER** is not in default, nor has there occurred any event which, with the passage of time or notice from a third party, or both, would constitute a default under any underlying financing or covenant affecting the Property or any part thereof.
- g. **SELLER** is neither a "foreign person" nor a "foreign corporation" (as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended)
- h. That there are not now, nor have there ever been underground or above ground storage tanks of any size or type located on the Property nor any Hazardous Substances (defined below) located on the Property in violation of applicable governmental requirements, and the Property has not been used in connection with the generation, disposal, storage, treatment' or transportation of Hazardous Substances in violation of applicable governmental requirements. For purposes of this Agreement, the term "Hazardous Substances" includes but is not limited to substances defined as "hazardous substances," "toxic substances," "hazardous wastes," "pollutants" or "contaminants" under federal or Minnesota law. The term "Hazardous Substance" shall also include 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).
- i. **BUYER** shall have the right to have inspections of the Property conducted prior to the Date of Closing.
- j. There are no above or below ground fuel storage tanks on the Property.
- k. **WELL DISCLOSURE:**

[Check either A or B:]

- A. Seller certifies that Seller does not know of any wells on the Property.
- B. To Seller's actual knowledge, there is a well located on the Property and Seller will deliver a well disclosure

form at closing or make such other representations in the deed as may be required by Minnesota law.

l. **SEWAGE TREATMENT SYSTEM DISCLOSURE.**

[Check either A or B:]

- A. Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency (municipal sewer system).
- B. Seller certifies that sewage generated at the Property does not go to a facility permitted by the Minnesota Pollution Control Agency and Seller's Disclosure of Individual Sewage Treatment System is attached as Exhibit B.

[Check either C or D:]

- C. Seller does not know if there is an abandoned individual sewage treatment system on the Property.
- D. To Seller's actual knowledge, there are no abandoned individual sewage treatment systems on the Property.

m. **METHAMPHETAMINE DISCLOSURE.**

- A. To the best of **SELLER's** knowledge, methamphetamine production has not occurred on the Property.
- B. To the best of **SELLER's** knowledge, methamphetamine production has occurred on the Property and **SELLER's** disclosure is continued in Part B., METHAMPHETAMINE DISCLOSURE STATEMENT, M.S.B.A, Real Property Form No: 22 (2005), included as an addendum to this Agreement.

n. **SELLER** acknowledges that upon successful closing pursuant to the terms of this Agreement, **SELLER** will have waived any appeal or claim for real estate tax or assessments paid or payable as respects the Property.

o. **SELLER'S INDEMNITY.** **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 breach of any of the representations and warranties contained in this Paragraph 8, whether such breach is discovered before or after closing. Each of the representations and warranties herein contained shall survive the Closing. Wherever herein a representation is made "to the best knowledge of **SELLER**", such

representations is limited to the actual knowledge of **SELLER**. Except as herein expressly stated, **BUYER** is purchasing the Property based upon its own investigation and inquiry and is not relying on any representation of **SELLER** or other person and is agreeing to accept and purchase the Property "as is, where is" subject to the conditions of examination herein set forth and the express warranties herein contained. Consummation of this Agreement by **BUYER** with knowledge of any such breach by **SELLER** will not constitute a waiver or release by **BUYER** of any claims due to such breach. **SELLER** shall have the right to assume defense of any claim asserted by a third party against **BUYER** for which **SELLER** is indemnifying **BUYER** under this Paragraph 8 with counsel reasonably acceptable to **BUYER** so long as **SELLER** is diligently defending such claim; provided that **BUYER** may participate in such proceeding at **BUYER'S** expense unless there is an actual or potential material conflict of interest (which is not waived by the parties) of the counsel for **SELLER** representing both **SELLER** and **BUYER** in which event **SELLER** shall also pay the legal fees and expenses of **BUYER** in connection with such claim or proceeding. Neither **SELLER** nor **BUYER** shall settle any such claim without the consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement requires no admission of liability on the part of the other and no assumption of any obligation or monetary payment for which **BUYER** has not been fully indemnified.

9. **BUYER'S REPRESENTATIONS AND WARRANTIES.** **BUYER** represents and warrants that it has full right and authority to execute this Agreement and to execute and deliver all documents and instruments required of **BUYER** under the provisions of this Agreement.

10. **CLOSING.** Closing shall be at the office of Registered Abstractors Inc. Title Company ("Title"), 2115 3rd Avenue, Anoka, Minnesota 55303 or such other office as the **BUYER** and **SELLER** may hereafter agree. Closing shall take place on the date that is sixty (60) days from the date of this Agreement or such earlier date as the parties hereto may agree upon in writing (the "Closing Date"). On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Closing Documents"):

- a. A warranty deed, conveying the Property to **BUYER**, free and clear of all liens, security interests, leases, restrictions, charges and encumbrances, except as provided in paragraphs 8.a. and b.
- b. A well certificate pursuant to Paragraph 8.1.
- c. If the Property contains or contained a storage tank, an affidavit with respect thereto, as required by Minn. Stat. Section 116.48.

- d. A non-foreign affidavit, (FIRPTA affidavit) properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations.
- e. An appropriate Federal Income Tax reporting form, if any is required.
- f. Such further affidavits of **SELLER**, certificates of value or other documents as may be reasonably required by **BUYER'S** title company in order to record the **SELLER'S** Closing Documents and issue **BUYER** the owner's title insurance policy required by this Agreement.

11. **EVIDENCE OF TITLE.** Within a reasonable time after execution of this Agreement, **SELLER** shall furnish **BUYER** a commitment for an ALTA Owner's policy of title insurance covering the Property issued by Registered Abstracters, Inc.

12. **EXAMINATION OF TITLE.** **BUYER** shall be allowed until the date ten (10) days after receipt of such title evidence for examination of title and the making of any objections thereto, which objections shall be in writing or they will be deemed to be waived. If any objections are so made, **SELLER** shall be allowed until the Closing Date to make such title marketable, and **SELLER** shall use all reasonable efforts to make such title marketable.

If said objections have not been cured by the Closing Date, as above provided, **BUYER** shall have the option of:

- a. Declaring this Agreement null and void and receiving a refund from **SELLER** of all Earnest Money paid hereunder; or
- b. Waiving any defects in title and proceeding to close the transaction contemplated by this Agreement.

If the title to the Property is marketable or is made marketable by the Closing Date, and **BUYER** defaults in any of the agreements on its part to be performed under this Agreement and continues in default for a period of five (5) days after written notice thereof is given to **BUYER** by **SELLER**, then **SELLER** shall have the remedies described below or under Minnesota law.

13. **ADDITIONAL BUYER CONTINGENCIES.**

a. Because **BUYER** is a public body its final acceptance of this Agreement is contingent on **BUYER'S** adoption of a resolution approving the terms of this Agreement. In the event such an approval resolution is not adopted by **BUYER** or before May 14, 2013, this Agreement will be null and void and the Earnest Money will be returned to **BUYER**.

b. This agreement is further contingent on **BUYER** in its sole discretion determining that each of **SELLER'S** representations made in Paragraph 8. herein are true on the Closing Date. If any such representation is not true on that date, **BUYER** may cancel this Agreement and the Earnest Money shall be refunded to **BUYER** and this Agreement shall be null and void.

14. **SURVEY.** **BUYER** may, at **BUYER'S** sole cost and expense, obtain a current survey of the Property which survey shall be prepared by a Registered Land Surveyor (the "Survey"), The Survey, in form suitable to **BUYER** and Title Company shall:

- a. locate all present and future easements, rights-of-way, wetlands, 100-year flood plain, building lines, utility lines, roadways and encroachments on or abutting the property.
- b. contain the certification of the surveyor as to the number of square feet contained in the Property.

BUYER shall have ten (10) days from the date of receipt of the Survey to approve same or to notify **SELLER** of **BUYER'S** objections to items disclosed therein. Upon the expiration of said ten (10) day period, **BUYER** shall be deemed to have accepted all exceptions to Survey, except for matters to which notice under the preceding sentence has been given by **BUYER**.

If **BUYER** notifies **SELLER** of any objections to the Survey within the aforesaid ten (10) day period, then and in that event **SELLER** shall have a period of ten (10) days following receipt of such objections to Survey to cure said objections or notify **BUYER** in writing of **SELLER'S** intent not to cure said objections. If the objections are not cured by **SELLER** within said ten (10) day period, **BUYER** shall then have the option to do either of the following:

- a. terminate this Agreement and receive a refund of the Earnest Money, whereupon neither party shall have any rights or obligations to the other under this Agreement and each party shall forthwith execute a written termination of this Agreement; or
- b. waive the survey objections, take title to the Property subject to any such objections and proceed to Closing in accordance with the terms and provisions of this Agreement.

15. **DEFAULT.** If either party defaults in the performance of any obligation under this Agreement, the non-defaulting party may, after a five (5) day 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 the **BUYER'S** obligations under this Agreement, **SELLER** shall have the following rights:
 - (i) Except as set forth at (ii) below, if **BUYER** defaults in the performance of any of **BUYER'S** obligations under this Agreement, **SELLER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **BUYER** breaches a warranty or representation either before or after closing, **SELLER** shall have the right to recover direct damages reasonably related to such breach but not incidental or

consequential damages or punitive damages. **SELLER** shall have no right to seek rescission of the conveyance.

- b. **SELLER'S Default.** If **SELLER** defaults in the performance of any of the **SELLER'S** obligations under this Agreement, **BUYER** shall have the following rights:
- (i) Except as set forth at (ii) below, if **SELLER** defaults in the performance of any of **SELLER'S** obligations under this Agreement, **BUYER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **SELLER** breaches a warranty or representation either before or after closing, **BUYER** shall have the right to recover direct damages reasonably related to such breach but not incidental or consequential damages or punitive damages. **BUYER** shall have no right to seek rescission of the conveyance.

Should **SELLER** notify **BUYER** that **SELLER** will not cure a noticed objection, **BUYER** shall then have ten (10) days from the receipt of such notice from **SELLER** to notify **SELLER** of **BUYER'S** election to either terminate this Agreement or to waive the objection and proceed to Closing.

16. **NOTICES.** All notices required herein shall be in writing and delivered personally or mailed or sent by a nationally recognized delivery service to the address as shown above and, if mailed or sent by a nationally recognized delivery service, are effective as of the date of mailing.

17. **BROKERS.** Each party shall be responsible for the payment of any real estate or business broker brokerage fees that may have incurred as a result of this Agreement. Each party hereby indemnifies the other for any broker's or agent's fees.

18. **MINNESOTA LAW.** This Agreement shall be governed by the laws of the State of Minnesota.

19. **MISCELLANEOUS.**

- a. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS AGREEMENT.**
- b. If any part of this Agreement or any part or any provision thereof shall be adjudicated to be void or invalid, then the remaining provisions hereof not specifically so adjudicated to be invalid shall be executed without reference to the part or portion so adjudicated, insofar as such remaining provisions are capable of execution.
- c. The headings of the paragraphs and subparagraphs of this Agreement are for convenience and reference only, and do not form a part hereof and in

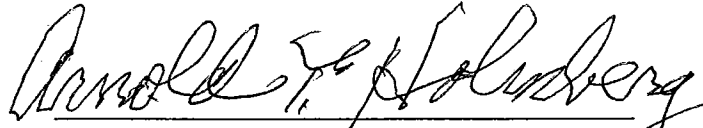
no way interpret or construe such paragraphs and subparagraphs.

- d. Words of pronoun shall be interchangeable with respect to gender and singular or plural as the context of application requires. If two or more parties are referred to collectively under designation, the liability of each shall be joint and several.
- e. Each of the parties shall execute any and all instructions, releases, assignments and consents which may be reasonably required in order to carry out the provisions of this Agreement.
- f. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.
- g. Nothing herein shall be construed in such a manner so as to constitute one party to be an agent or representative of the other and neither shall hold itself out as such.
- h. Neither party shall make any warranty or representation, or incur any obligation, liability or indebtedness on behalf of the other.
- i. No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or its duly authorized representative and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.
- j. This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter. Neither party hereto has relied upon any agreements, promises, representations, undertakings or warranties not set forth in this Agreement (whether oral, implied, or otherwise). There have not been, and are, no agreements, covenants, representations, restrictions, understandings or warranties between the parties with regard thereto, other than those set forth or provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed below on the date first written above:

[Signature Page]

SELLER:


Arnold T. Holmberg
May 10, 2013

BUYER:

The Housing and Redevelopment Authority
in and for the City of Ramsey, Minnesota,
a body politic and corporate under the laws
of the state of Minnesota

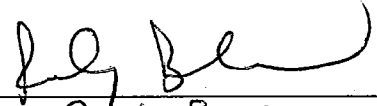
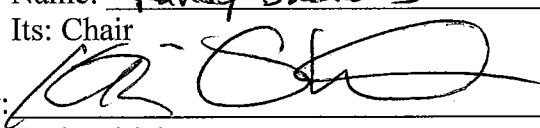
By: 
Name: Randy Backous
Its: Chair
By: 
Kurtis Ulrich
Its: Executive Director

EXHIBIT A – LEGAL DESCRIPTION

PIN: 34-32-25-13-0005

Lot 4, Block 1, RIVERSIDE WEST, according to the plat on file and of record in the Office of the Registrar of Titles, Anoka County, Minnesota.

Subject to drainage and utility easement as shown on plat RIVERSIDE WEST filed as Document No. 90200 on June 30, 1976.

Subject to the right of the State of Minnesota to construct temporary snow fences, and to regulate and control the cutting and planting of grasses, shrubs and trees, as shown in document dated April 14, 1939 in Book 174, Page 73 in the office of the Anoka County Register of Deeds.

Subject to utility easements in favor of Anoka Electric cooperative as shown in document dated November 20, 1974 and recorded November 22, 1974 in Book 1127, Page 31, in the office of the Anoka County Register of Deeds.

HRA Regular Session

6. 1.

Meeting Date: 05/14/2013

Submitted For: Kurt Ulrich

By: Jo Thieling, Administrative Services

Information

Title:

HRA Land Sales/Right of Reverter

Background:

At the April 23 meeting, the HRA asked how long a buyer of HRA land has to develop/redevelop the land before title would revert back to the HRA. Attorney Goodrich responded to that question via a May 2, 2013 memorandum to staff. For your information, that memo is attached to this report. Mr. Goodrich will be at the meeting to discuss and answer any questions.

Funding Source:

N/A

Action:

For informational purposes.

Attachments

Memo re HRA Land Sales Right of Reverter

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	05/09/2013 02:39 PM
Form Started By: Jo Thieling		Started On: 05/09/2013 09:17 AM
Final Approval Date: 05/09/2013		

Randall, Goodrich & Haag, P.L.C.

Memo

To: Kurt Ulrich, Ramsey City Administrator

From: William K. Goodrich, City Attorney

Date: May 2, 2013

Re: HRA Land Sales/Right of Reverter

At the most recent Ramsey Housing and Redevelopment Authority (“HRA”) meeting the question was asked as to how long a buyer of HRA land has to develop/redevelop the land before title would revert back to the HRA. In other words, what is the right of reverter term for HRA land sales? The answer to this question is governed by Minn. Stat. §469.029, subd 5- Disposal of Property. Said subd. 5 provides as follows:

subd. 5. **Limitation upon disposal by purchaser.** Until the authority certifies that all building constructions and other physical improvements specified to be done and made by the purchase of the area have been completed, the purchaser shall not convey the area, or any part thereof, without the consent of the authority. Consent shall not be given unless the grantee or mortgagee of the purchaser is obligated by written instrument to the authority to carry out that portion of the redevelopment plan which falls within the boundaries of the conveyed property, and also that the grantee, the grantee’s heirs, representatives, successors, and assigns, shall not convey, lease, or let the conveyed property or any part thereof, or erect or use any building or structure erected thereon, except in conformance with the approved project area redevelopment plat or approved modifications thereof.

As can be seen the regulatory statute does not prescribe any specific right of reverter time limitations leaving that public policy decision to the HRA when drafting the redevelopment plan which could be at the time of sale. The statute grants maximum flexibility by also providing the HRA the opportunity to require different right of reverter time frames for different parcels, including the ability to require no right of reverter.

Please advise if you require further clarification on this question.