

EXHIBIT A
BUSINESS ASSISTANCE APPLICATION

A. APPLICANT INFORMATION

Name of Corporation/Partnership Brunswick Corporation (Life Fitness)

Address 1 North Field Court, Lake Forest, Illinois 60045-4811 (14150 SUNFISH LAKE BLVD NW, RAMSEY, MN 55303)

Primary Contact Tom Howe, Senior Facilities Manager

Address 10601 West Belmont Avenue, Franklin Park, IL 60131

Phone 847-288-3564 Fax _____ E-mail Tom.howe@lifefitness.com

Type of business assistance requested (select one):

Tax Abatement Tax Increment Financing Revolving Loan Fund Other (checking with DEED)

Have you been, or are you currently, involved in any bankruptcy proceedings or lawsuits related to other development projects with which you have been involved? If yes, please provide an explanation.

Yes No

On a separate sheet, please provide the following:

Attorney Name Mike Ascher

Address 1 N. Field Court Lake Forest IL 60045

Phone 1-847-735-4533 Fax _____ E-mail _____

Contractor Name Bauer Design Build, LLC, Mike Bauer

Address 751 - 7th ST S Ste 100, Delano, MN 55328

Phone (612) 360-3209 Fax _____ E-mail mike.b@bauerdb.com

Engineer Name _____

Address _____

Phone _____ Fax _____ E-mail _____

Architect Name Mohagen/Hansen Architectural Group , Todd Mohagen

Address 1000 Twelve Oaks Center Drive, Suite 200, Wayzata, MN 55391

Phone 952.426.7401 Fax 952.426.7440 E-mail tmohagen@mohagenhansen.com

B. PROJECT INFORMATION

B.1, General

The project will be: (Check all that apply)

- Industrial: (New Construction Redevelopment/Rehab Expansion)
 Office/research facility: (New Construction Redevelopment/Rehab Expansion)
 Commercial: (New Construction Redevelopment/Rehab Expansion)
 Housing: (New Construction Redevelopment/Rehab Expansion)
 Other _____

The project will be: Owner Occupied Leased Space

- If leased space, please attach a list of names and addresses of future tenants and indicate the status of commitments or lease agreements. **Attach as Part 5.**

Project Address Life Fitness (existing site, two parcels)
 14150 SUNFISH LAKE BLVD NW, RAMSEY, MN 55303, 17.12 Acres
 Parcel #1: PID #27-32-25-44-0018, Legal N 486 FT OF LOT 1 BLOCK 1 BRUNSWICK ADDITION
 Parcel #2: PID #27-32-25-44-0019, Legal S 400.01 FT OF LOT 1 BLOCK 1 BRUNSWICK ADDITION

Life Fitness (new site/ current Health Quest)
 14100 SUNFISH LAKE BLVD NW, RAMSEY, MN 55303, 3.0 Acres
 PID #27-32-25-44-0012, LOT 1 BLK 1 GATEWAY NO IND PARK PLAT 3 SUBJ TO EASE OF REC

Include Legal Description and PID number(s). **Attach as Part 6.**
 (done, see above)

Site Plan Attached: Yes No

B.2, Project Narrative

This project includes three individual parcels. The first two parcels, totaling 17.12 acres are currently owned by Life Fitness (Brunswick Corporation). These two contiguous parcels are home to a 280,000 square foot state-of-the-art Life Fitness manufacturing facility. Life Fitness currently employs 300 full-time and nearly 100 part-time people at their Ramsey facility. This facility is responsible for manufacturing Life Fitness (<http://www.lifefitness.com/index.html>) and Hammer Strength (<http://www.lifefitness.com/commercial/hammerstrength.html>) brand exercise equipment. Life Fitness is owned by Brunswick Corporation (<http://www.brunswick.com/>), a publicly traded company based out of Lake Forest, Illinois, with a market capitalization of \$4.88 billion and \$119M in world-wide sales for 2014 (NYSE: BC).

Currently, Life Fitness has space for a 48,250 square foot expansion on their existing Ramsey site. This proposed expansion is referred to as *Expansion #1* and would increase the size of the existing Life Fitness building in Ramsey from 280,000 square feet to 328,500 total square feet.

Life Fitness has indicated *Expansion #1* will result in the creation of 26 new full-time jobs paying a minimum \$16.85 per hour (with an additional \$7.08 of benefits per hour) over the course of two years. The purpose of Expansion #1 is to increase capacity for manufacturing operations.

In addition to *Expansion #1* outlined above, Life Fitness would like to prepare for a second expansion of their Ramsey facility (*Expansion #2*). Because their existing site has no additional space available for an expansion, additional land is required. Life Fitness has targeted a 3.0 acre, bank-owned, parcel located directly south, and adjacent to their existing Ramsey facility for *Expansion #2*. This property is currently home to a 20,000 square foot vacant/ blighted former health club known as Health Quest. It is estimated, acquiring the Health Quest property for *Expansion #2*, will allow for construction of a 50,000-60,000 square foot expansion of the primary Life Fitness facility.

Securing the Health Quest property does result significant redevelopment costs for Life Fitness; including property acquisition \$450,000, demolition and site clean-up \$85,000, and capping of nearly 90 geo-thermal wells \$50,000.

In summary, the proposed project includes: (1) construction of a new \$4M 48,5250 square foot expansion on the existing Life Fitness property in Ramsey; and (2) \$585,000 acquisition and clean-up of the Health Quest property to prepare Life Fitness for their future second expansion in Ramsey.

B.3, Property Taxes

Current Real Estate Taxes on Project Site: \$7,966.700 Total Market Value
 \$157,834 Tax Capacity
 \$302,012 taxes

Estimated Real Estate Taxes Upon Completion:

Phase 1 (this project, 48,500 SF manufacturing):
 \$9,906.700 Total Market Value
 \$197,384 Tax Capacity
 \$375,885 taxes

Phase 2 (future project, 50,000 SF manufacturing):
 \$11,906,700 Total Market Value
 \$237,384 Tax Capacity
 \$452,042 taxes

Construction Start Date: On or before, September 16, 2015

Construction Completion Date On or before, August 31, 2016

C. PUBLIC PURPOSE OBJECTIVES

It is the policy of the City and EDA of Ramsey that the business assistance should result in a public benefit as identified in items 1-10 below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as Part 7.**

- 1. To encourage redevelopment.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To create housing opportunities.
- 7. To provide a diversity of housing.
- 8. To provide a variety of family housing ownership alternatives and housing choices.
- 9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- 10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
 - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

Public Purpose Narrative

This proposed project achieves four of the ten public purposes identified in the City of Ramsey's business subsidy application (#1, #2, #3, and #5). In summary, this project removes a blighted property, encourages redevelopment, and creates jobs.

This project removes a 20,000 square foot, blighted, bank-owned, building that has sat vacant, and available for purchase, since 2004 (Health Quest property). In order to develop the Health Quest property, significant redevelopment costs need to be overcome; including: acquisition of a property that carries an existing building (\$450,000), demolition and site clean-up (\$85,000), and capping of 90 geo-thermal wells (\$50,000). Based on discussion with the current Health Quest property owner, and prospects previously interested in the Health Quest property, redevelopment costs outlined above have created a barrier to private market to reuse this property.

Life Fitness has indicated this project will result in the creation of 26 new full-time jobs paying a minimum \$16.85 per hour (with an additional \$7.08 of benefits per hour) over the course of two years.

This project enhances the City of Ramsey's economic base by securing the operation of a Fortune 500 company's manufacturing facility within Ramsey, Minnesota for the foreseeable future (Life Fitness specifically). The Life Fitness facility currently generates significant tax base and jobs (greatest number of jobs and largest facility in Ramsey). Life Fitness is nearly out of space to grow on their existing site in Ramsey. By completing the currently proposed project, the City of Ramsey and Minnesota will see additional significant tax base and job growth into the foreseeable future. By not completing this project, it would be logical for Life

Fitness to consider a new, long-term, location for their manufacturing facility.

D. SOURCES & USES OF FUNDS
Attach additional information as Part 8

| <u>SOURCES (Phase 1)</u> | <u>AMOUNT</u> |
|------------------------------|-----------------------------------|
| Bank Loan | \$ _____ |
| Other Loans | \$ _____ |
| Owner Equity | \$ <u>100% Self Funded</u> |
| Fed Grant/Loan | \$ _____ |
| State Grant/Loan | \$ _____ |
| Industrial Development Bonds | \$ _____ |
| Tax Increment Financing | \$ _____ |
| Tax Abatement | \$ _____ |
| Revolving Loan Fund | \$ _____ |
| Other | \$ _____ |
| TOTAL | \$ <u>100% Self Funded</u> |

| <u>USES</u> | <u>AMOUNT</u> |
|-----------------------------------|---------------------|
| Land Acquisition | \$ <u>450,000</u> |
| Site Development (demo/ clean up) | \$ <u>135,000</u> |
| Construction | \$ <u>4,000,000</u> |
| Machinery & Equipment | \$ _____ |
| Architectural/Engineering Fees | \$ _____ |
| Debt Service Reserve | \$ _____ |
| Contingencies | \$ _____ |
| Other | \$ _____ |
| TOTAL | \$ _____ |

Total Amount of business assistance requested (Revolving Loan Fund, Abatement, Tax Increment Financing or another source): Tax Increment Financing: \$355,640. This will cover demolition, site clean-up, capping of wells, and land acquisition costs (less base value of raw land at \$2.00 psf).

DEED JCF: 5% rebate on capital improvements; and job creation grants.

Will this project be leased or owned by the applicant?: **Owned**

Will you be forming a separate, but affiliated LLC to own the new facility?: **No, it will be the same as the primary building—Brunswick Corporation**

BANK LOAN:**Source of loan(s):**

Name of bank: **None, Self-Funded**

Bank address:

Name of contact:

Phone number:

Email:

Terms:

Loan term (years):

Interest rate:

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation.
All personal financial information will be kept private and confidential.

- 1. ~~Written business plan or a description of the business/ corporation, ownership/ management, date established, products and services, and future plans.~~
- 2. Financial statements for past two years, including profit and loss statements and balance sheets.
- 3. Two year financial projections.
- 4. ~~Personal financial statements of all major shareholders (principals) including the most recent 2 years of tax returns. (If requested.)~~
- 5. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project (only if third party bank used; if owner funded, statement from Life Fitness or Brunswick needed).
- 6. ~~Application fee of \$7,500 (TIF Analysis, TIF Plan, But for Analysis, Development Agreement). In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.~~
- 7. Attach the following documentation:
 - _____ ~~Part 1— Corporation/Partnership Description~~
 - _____ ~~Part 2— List of Shareholders/Partners~~
 - _____ ~~Part 3— Description of Project~~
 - Pending** **Part 4 – But For Analysis (City via Ehlers, future step, redevelopment costs)**
 - _____ ~~Part 5— List of Prospective Lessees (If requested)~~
 - _____ ~~Part 6— Legal Description, Property Identification Numbers, maps of the project area, and project renderings~~
 - _____ ~~Part 7— Public Purpose Narrative~~
 - _____ ~~Part 8— Sources & Uses of Funds— Additional Information~~

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned’s knowledge. The undersigned authorizes the City and EDA of Ramsey to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name _____ Date _____

By _____

Its _____