

**City of Ramsey**  
**Agenda**  
**Economic Development Authority (EDA)**  
**Thursday April 2, 2015**  
**7:30 am**  
**The COR Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
  1. Approve the Following Meeting Minutes:
    - 1) EDA Regular Meeting - March 5, 2015
- 4. EDA Business**
  1. Introduce New Anoka County Open to Business Program
  2. New Policy for the Sale of City Owned Land and Template Purchase Agreement
- 5. Member/Staff Input**
  1. Staff Updates
- 6. Adjournment**

**Economic Development Authority (EDA)**

**3. 1.**

**Meeting Date:** 04/02/2015

**By:** Kathy Schmitz, Administrative Services

---

**Title:**

Approve the Following Meeting Minutes:

- 1) EDA Regular Meeting - March 5, 2015

**Purpose/Background:**

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior month.

Background: The meeting minutes are attached for review and approval.

**Notification:**

**Observations/Alternatives:**

**Funding Source:**

**Recommendation:**

**Action:**

Motion to approve the following EDA meeting minutes:

- 1) EDA Regular Meeting - March 5, 2015
- 

**Attachments**

[March EDA Minutes](#)

---

**Form Review**

Form Started By: Jo Thieling  
Final Approval Date: 03/30/2015

Started On: 02/13/2015 02:32 PM

**ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, March 5, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Jim Steffen  
                          Member Glen Hardin  
                          Member Chris Riley  
                          Member Kristine Williams

Members Absent:     Member Philip Brunt  
                          Member Wayne Skaff

Also Present:         Patrick Brama, Economic Development Manager/Assistant City  
                          Administrator  
                          Tim Gladhill, Development Services Manager  
                          Mike Mulrone, CMDC/ACG

**1.     CALL TO ORDER**

Chairperson Steffen called the Economic Development Authority meeting to order at 7:30 a.m.

**2.     APPROVE AGENDA**

There were no changes.

Motion by Member Hardin, seconded by Member Riley, to approve the agenda.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Riley, and Williams.

Voting No: None. Absent: Members Brunt and Skaff.

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated February 5, 2015**

Motion by Member Riley, seconded by Member Hardin, to approve the February 5, 2015, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Hardin, and Williams.

Voting No: None. Absent: Members Brunt and Skaff.

#### **4. EDA BUSINESS**

##### **4.01: Review Future Business Park RFQ and Updates**

Economic Development Manager/Assistant City Administrator Brama presented the staff report and updated the Board of outstanding items.

Member Riley asked if Hageman and Pearson have seen this agreement and are they in favor of it.

Economic Development Manager/Assistant City Administrator Brama indicated they have reviewed this and are on board with the agreement.

Economic Development Manager/Assistant City Administrator Brama reviewed the funding source with the Board.

Mr. Mike Mulrone reviewed the business analysis report of the proposed business park.

Chairperson Steffen asked how the City will provide site control when they do not own the land.

Mr. Mulrone stated they may be able to negotiate an option so they can negotiate a take down price of the property. This can be negotiated as a staff.

Chairperson Steffen asked if the City needed to take down the property in order to control the land.

Mr. Mulrone stated they would not need to do that.

Chairperson Steffen asked if the City owned most of the properties mentioned in the report to being with.

Mr. Mulrone stated the City owned every one of them except Connexus Energy but that was a good example of a good relationship between the City and business and in that case the City installed the sewer and water and there was no property take down by the City and pricing was established on the front end. The property was marketed by the City and to a degree by Connexus Energy.

Chairperson Steffen asked if the City put all the improvements in before there was a prospect.

Mr. Mulrone indicated the City did all of the improvements.

Chairperson Steffen asked if the City should prep the land before trying to market it and if the City is on the right track.

Mr. Mulrone thought the City was headed in the right direction and if they do not have sites that are ready, they will not be in the running for new businesses.

Chairperson Steffen asked if they were at a disadvantage when the landowners want to get a good price for their land. He wondered if they were at the right price point.

Mr. Mulrone thought they were right in scope for the price of the land. He stated the market is used to seeing \$2.00-\$2.50 a square foot with all options included.

Member Riley was hoping to hear if there is some sort of formula in regards to price per square foot of the 300-foot buffer.

Mr. Mulrone thought this was an excellent strategy and made some sense. He thought they had to also measure what is actually available, which may move the bar a little higher depending on what is available to industry that is currently looking.

Member Williams stated the Council likes to have a cost but she did not see that. She thought if the prospect is a precision manufacturing company they would have a price point they would be willing to pay and they would also know what they can bear. A precision engineering company will not pay for a property next to the tracks. To say there will be a discount for being next to it does not necessarily matter. She did not think they should always look at being by a railroad track as a negative because some companies actually do not mind being by a railroad tracks.

Mr. Mulrone stated that was spot on. There are a lot of companies that would be willing to be next to railroad tracks.

Member Williams asked what the zoning looked like that is being proposed for this.

Development Services Manager Gladhill stated the purpose was to take what existing zoning districts they have which had lower regulations on outside storage and manufacturing. They can also make use of their two employment districts or create a third if they want to make it more specific to this area. There would be outside storage with some limitations such as screening and is not intended to be heavy manufacturing but lighter manufacturing. Similar to what they see in the newer industrial parks in the City.

Mr. Mulrone thought the parcels by the railroad track off the highway would be a good spot for an office/showroom in the front and warehouse in the back of the businesses, particularly with the depth of the property there.

Member Riley stated with the business park they have talked about spending money now and they have never seen money on what this may cost the City and what the City may get out of it, what makes this a good idea and is it economically feasible. He knew this all took time and they have to do it in steps but they have to know if it looked like a good idea on paper and do the numbers work, would it be feasible for the City and does it make sense. He thought they needed to see what the costs are.

Economic Development Manager/Assistant City Administrator Brama stated they needed to do the review process before they will know what the costs will be. He indicated they also need to

run an analysis at full build out and thought they are going to be in a much better position to do this once they have the Bolton & Menk study.

Member Riley stated he was concerned they could study this project before they find out if it was worth the money to research it or not.

Motion by Member Steffen, seconded by Member Hardin, to recommend to the City Council to authorize Bolton & Menk to complete the work outlined in the attached feasibility study proposal (\$38,860 proposal price, TIF account #1 Funding Source).

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Riley and Williams. Voting No: None. Absent: Members Brunt and Skaff.

Motion by Member Steffen, seconded by Member Hardin, to recommend to the City Council to adopt and execute the attached cost share agreement with Hageman Holdings and Pearson Properties for work outlined in the attached feasibility study proposal.

Further discussion: Member Riley thought it was ok to spend this money because they need to take a look at the traffic and corners and if it was feasible to go ahead with this.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Riley, and Williams. Voting No: None. Absent: Members Brunt and Skaff.

#### **4.02: Joint EDA and City Council Meeting (Set Agenda and Date)**

City Administrator Ulrich presented the staff report.

The Board agreed to a joint City Council meeting on Tuesday, April 14, 2015 at 5:30 p.m.

Member Riley thought if they have any specific questions as a group regarding CVRE and transactions they forward them to Economic Development Manager/Assistant City Administrator Brama to be included as part of their presentation.

Chairperson Steffen asked if staff will give CVRE some of the EDA comments or questions before the meeting so it can be included in their presentation.

Member Riley thought that was a good idea.

Economic Development Manager/Assistant City Administrator Brama indicated he would.

Manager Hardin left the meeting at 8:37 a.m.

#### **5. MEMBER / STAFF UPDATE**

The EDA reviewed the Staff Update.

Economic Development Manager/Assistant City Administrator Brama updated the EDA on the revolving loan fund, Anoka County program open to cities that helps out small businesses starting out and help with micro loans and provide a lot of expertise staff does not have in house. He thought this will be valuable to Ramsey businesses. He also updated the Board on the Ralph and Armstrong City owned properties and purchase agreements currently being negotiated.

Member Williams stated if the purchase agreement does not have a sunset agreement and the proposed buyer does not sign it, then this was something they should consider as they are revising and choosing a standard and she also thought they should, as a group, encourage Economic Development Manager/Assistant City Administrator Brama to use his discretion and to require a certain amount of due diligence on a prospect before he spends an abundance of time working with them. This would be the second purchase agreement Economic Development Manager/Assistant City Administrator Brama has negotiated that the potential buyer was surprised by the cost. She indicated she was surprised by the lack of due diligence on the prospect's part. She thought it would be important to throw some support behind managing Economic Development Manager/Assistant City Administrator Brama's time in that way because they do not want to discourage prospects like this and do not want to discourage him from working with the prospects but they need to be respectful that he is not an important first step in the due diligence process and they need to rely on their buyers to be sophisticated buyers and do some research.

Chairperson Steffen wondered what could Economic Development Manager/Assistant City Administrator Brama have done differently in regards to due diligence.

Economic Development Manager/Assistant City Administrator Brama stated the verbal check took place with both prospects.

Member Williams asked if they came with concept site plans because one of the things they require at the railroad is they have to be engineered stamped before they will negotiate anything. She did not know if there is an equivalent to that. She thought there were red flags that were known with both prospects.

Economic Development Manager/Assistant City Administrator Brama stated he will do some brainstorming and bring this back to the Board.

Member Riley thought the direction was good.

Chairperson Steffen asked if the prospect could have a right of first refusal document and still market the land to others.

Member Williams thought maybe there could be a letter of intent.

## **6. ADJOURNMENT**

Motion by Member Steffen, seconded by Member Riley, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley and Williams. Voting No: None. Absent: Members Brunt, Hardin, and Skaff.

The regular meeting of the Economic Development Authority adjourned at 8:56 a.m.

Respectfully submitted,

---

Kurtis G. Ulrich  
City Administrator

ATTEST:

---

Patrick Brama  
Economic Development Manager/Assistant City Administrator

Draft by Sue Osbeck  
*TimeSaver Off Site Secretarial, Inc.*

**Economic Development Authority (EDA)**

4. 1.

**Meeting Date:** 04/02/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

---

**Title:**

Introduce New Anoka County Open to Business Program

**Purpose/Background:**

**New Ramsey (Anoka County Sponsored) "Open to Business Program"**

Anoka County has sponsored all Anoka Cities to join a new "Open to Business Program." This program targets small/ start-up businesses and fills the gap of expertise/ professional consulting/ and opportunities for micro loans that are not typically provided by banks and municipalities (for small/ start-up businesses). Below is a summary, **the program coordinator will attend the April EDA meeting to provide an overview and answer questions.**

Assuming EDA support, staff plans on advertising this program through: City website, Facebook and the Ramsey Resident. This program/ service is free to the City of Ramsey in 2015. Anoka County hopes that Anoka Cities will consider joining/subscribing to this program in 2016.

**Ramsey Launches "Open To Business" Program**

*Need a trusted advisor? A free business consultant? Or money to start or expand your business? Ramsey's "Open To Business" program might be just what you are looking for!*

*This program provides one-on-one business counseling to current and prospective entrepreneurs, helping them get the technical assistance that they need to succeed. Consultants offer support in the areas of financial management, bookkeeping set-up and training, loan packaging, business plan development, real estate analysis, marketing, strategic planning, business regulations, and more.*

*Through the Open to Business Loan Program, direct loans ranging up to \$25,000 are available for startup businesses and larger loan packages are available for established businesses. Our consultants can help entrepreneurs determine all of their capital needs and help them to apply for financing that will meet those needs.*

*The Open to Business program can also offer professional referrals and link businesses to additional resources such as training programs, community or government services, and other industry or business professionals. For more information or to get started call 763-438-7315, email [info@opentobusinessmn.org](mailto:info@opentobusinessmn.org), or visit [www.opentobusinessmn.org](http://www.opentobusinessmn.org).*

**Notification:**

NA

**Observations/Alternatives:**

NA

**Funding Source:**

Free in 2015 (paid for by Anoka County).

**Recommendation:**

General feedback.

**Action:**

No specific action requested. General feedback is welcomed.

One alternative to consider is additional marketing (above and beyond standard Facebook, website, newsletter, updates). For example, a notification postcard to all Ramsey businesses (<\$600).

---

## Attachments

### Overview

---

## Form Review

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 03/30/2015

**Reviewed By**

Kathy Schmitz

**Date**

03/30/2015 03:59 PM

Started On: 03/29/2015 09:25 AM



**"I gained so much from it and feel better equipped to now organize the needed information to complete the business plan phase."**

Susan Piazza  
Piazza Designs

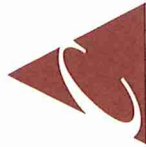
**"You answered a few weeks' worth of questions in a few minutes. You offer a priceless service of solid information."**

Kerry Dikken  
Blasted Art, Inc.



Open to Business is a program of MCCD in partnership with Anoka County Housing and Redevelopment Authority.

**Anoka County**  
MINNESOTA



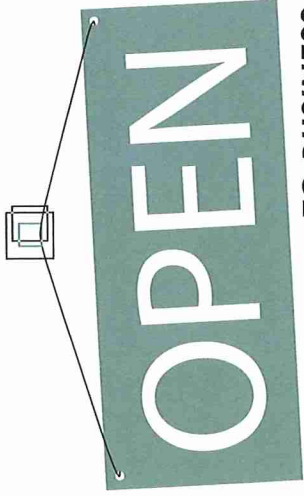
Thank you to the following businesses who contribute loan capital and marketing support



For more information or to get started, call  
(763)-438-7315, or  
Email [info@opentobusinessmn.org](mailto:info@opentobusinessmn.org)



3137 Chicago Avenue South  
Minneapolis, MN 55407  
[www.opentobusinessmn.org](http://www.opentobusinessmn.org)



TO BUSINESS

**Need a Trusted Advisor?**



**A Free Business Consultant?**



**Need Money to Start or Expand Your Business?**

For more information or to get started, call  
(763)-438-7315, or  
Email [info@opentobusinessmn.org](mailto:info@opentobusinessmn.org)

## **Open to Business Loan Program**

Direct loans range up to \$25,000 for startups, larger loans/packages are available for established businesses.

Loan repayment terms on direct loans of up to \$25,000 generally range from three to five years.



**“I just want to thank MCCD. Without their help in obtaining financing we wouldn't have been able to purchase our building and expand our business to the level it is at today.”**

Mark Aune  
A&A Millwork

**“Without MCCD's help our business would not have been possible. More than an organization that provided loans, MCCD is a financial partner in our business.”**

Noelia Garcia  
La Loma Tamales, LLC

## **We Provide Assistance in the Following Areas:**

### **Financial management**

What are cashflow projections and why are they important?

### **Bookkeeping set-up and training**

How do I keep track of sales and expenses?

### **Loan packaging**

For any size loan, start up or expansion projects.

What are the document requirements I need to get a loan?

### **Business plan assistance**

Do I need a business plan? If so, what do I include in it?

### **Real estate analysis**

Should I rent or own my business space?

### **Marketing assistance**

Who are my customers and how do I reach them?

### **Strategic planning**

How do I evaluate and manage growth?

### **Business regulations**

What licenses or permits do I need?

How do I get them?

### **Professional referrals**

Where do I find an accountant? Attorney?

## **We Help You Answer the Following Questions:**

How much do I need to borrow?

Would a term loan or a line of credit work best for me?

How can I finance this business with very little equity and poor credit?

Why does keeping good financial records help ensure my success?

What other funding sources are available to me?

What if my start up expenses are more than I projected?

Open to Business provides one on one business counseling to current and prospective entrepreneurs. Our consultants work with you to develop a strong business plan, identify challenges and opportunities, and to tailor solutions. In addition to direct consulting, Open to Business program staff can link entrepreneurs with additional resources to help them succeed, including training programs, community or governmental services, and industry and business professionals.

We'll work with you to determine all of your capital needs, and we can help you identify and apply for financing that meets those needs.

## Economic Development Authority (EDA)

4. 2.

**Meeting Date:** 04/02/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

---

### **Title:**

New Policy for the Sale of City Owned Land and Template Purchase Agreement

### **Purpose/Background:**

#### **Purpose**

With the recent dissolution of the Ramsey HRA, it was recommended by the Council that the City consider a new policy for selling City-owned land; and a "template" purchase agreement. The purpose of this case is to consider recommending the Council adopt the attached new Policy for the Sale of City Owned Land and template purchase agreement.

#### **Background (HRA Dissolution)**

The City Council has officially dissolved the Ramsey Housing and Redevelopment Authority (HRA). In November 2014 the HRA passed a resolution to transfer all HRA assets to the City and to dissolve the HRA (attached to case). HRA assets include a large inventory of City-owned land located within The COR. In December 2014 the City Council held a public hearing to dissolve the HRA. As a result of the HRA dissolution, a number of HRA responsibilities were anticipated to be shifted to the EDA. A major responsibility included reviewing purchase offers for all property previously owned by the HRA (i.e. The COR and the XXX bookstore site).

#### **Background (Policy)**

Attached to this case is the proposed land sale policy. The intent of this policy is to route all land sale transactions through the EDA for a recommendation to the City Council. This policy is intended to be flexible, to account for special/market circumstances. Included in this policy is updated language from the City's previous policy for selling City-owned land; which was called a disposition policy (concentrated on previous park land).

In summary, this new policy covers three major areas: **(1) governance**, **(2) required terms and conditions** for purchase agreements, and **(3) processes** (surplus city owned land process, marketing process, sale process). This policy has been reviewed by the EDA a number of times, beginning in December 2014 . This policy was reviewed by the Planning Commission in February of 2015.

#### **Background (Template PA)**

Attached to this case is a "template" purchase agreement. This template purchase agreement will be utilized by staff as a starting point for land sale negotiations. In some cases, the prospect buyer may strongly desire to utilize their own purchase agreement document. In said cases, staff will utilize the City's policy for the sale of City owned land to guide contract negotiations. This template purchase agreement address all items outlined in the policy for the sale of City owned land. This template purchase agreement was drafted by the City Attorney Joseph Langel based on input from the EDA. Tom Bray, whom holds a real estate certification for Attorneys, also reviewed this document.

### **Notification:**

NA

### **Observations/Alternatives:**

NA

**Funding Source:**

NA

**Recommendation:**

- Staff would recommend approving the attached policy and template purchase agreement. Below are discussion points. (+) Reviewed and amended by the City's real estate broker CBRE, the City Attorney, and Tom Bray.
- (+) Establish a formal, equitable and efficient process for the sale of city owned land (for the City and prospects).
  - (+) Establish decision-making criteria to aid policy makers as they consider offers to purchase city owned land.
  - (+) Establish general policy direction to aid staff as they negotiate with prospect buyers interested in purchasing city owned land.
  - (+) This policy will increase the effectiveness of City staff (from an economic development prospective); and increase the efficiency of land-sale negotiations.
- (-) Additional red-tape and process for developers and prospects. Potentially, delay or de-rail projects. NOTE: policy was built to be very flexible; the EDA spent a lot of time making sure this concern wouldn't come to fruition.
- (-) potentially set an unrealistic expectation that all contract negotiations will result in 100% acceptance of this new policy/ template PA by prospect buyers.

**Action:**

Motion to recommend:

The City Council approve the attached policy for the sale of City owned land and draft purchase agreement.

**Attachments**

POLICY FOR THE SALE OF CITY OWNED LAND 03302015

Template PA 03302015

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Kathy Schmitz	03/30/2015 03:59 PM
Form Started By: Patrick Brama		Started On: 03/29/2015 08:35 AM
Final Approval Date: 03/30/2015		

# **POLICY FOR THE SALE OF CITY OWNED LAND**

City of Ramsey, Anoka County, Minnesota

This policy was adopted by the City Council on April 14, 2015.

This policy replaces the City's former *Policy for the Disposition of City Owned Land* adopted on June 12, 2012.

## **SECTION 1: PURPOSE**

- A. Establish a formal, equitable and efficient process for the sale of city owned land.
- B. Establish decision-making criteria to aid policy makers as they consider offers to purchase city owned land.
- C. Establish general policy direction to aid staff as they negotiate with prospect buyers interested in purchasing city owned land.

## **SECTION 2: GOVERNANCE**

This policy and process shall be facilitated by the Ramsey Economic Development Authority (EDA). The Ramsey EDA shall develop recommendations related to this process and policy for City Council consideration. The Ramsey EDA does not have final decision-making authority related to this policy and process. With reasonable cause, including responding to prospects in a timely manner, the City Council may bypass the EDA from any, or all, portions of this policy or process.

## **SECTION 3: PUBLIC BENEFIT**

The sale of surplus City-owned properties has a number of benefits to the community:

- (1) Reduced City property maintenance costs
- (2) Reduced City liability
- (3) Increased property tax revenues
- (4) Reduced City resources needed for management of City owned parcels
- (5) Reallocation of parcels to fit in line with long term City needs and goals

## **SECTION 4: SURPLUS CITY OWNED LAND PROCESS**

Upon direction from the City Council, city staff shall develop an inventory of city owned land; and determine properties unneeded for current or future city functions and available for sale. The City may consider parcels surplus City owned land if at least one of the following criteria/needs is not met:

- (1) Economic development purposes; including removal of blighted properties and enhancing the City's tax base
- (2) Housing development purposes; including removal of blighted properties
- (3) Public works, maintenance, engineering, administration, recreation or public safety: facilities, staging or storage areas
- (4) Public right of way; including roads, railroads and airports
- (5) Drainage, wetland and utility easements
- (6) Public parks, trails and open space
- (7) Any other reasonable use determined by the City Council

After a property is deemed surplus City owned land, consideration for the sale or disposition of property depend on the criteria outlined below.

- (1) Ability to develop (utilities, size, stormwater, soils, roads, legal restrictions, etc.)
- (2) Public input and feedback regarding potential future development
- (3) Feasibility Report:  
All costs incurred by the City in order to sell surplus City owned land should be weighed against a payback to the City in property taxes; and land sale proceeds. This specific calculation, and the City's acceptance threshold may change on a project-to-project basis.
- (4) Any other reasonable cost determined by the City Council

DRAFT

## SECTION 5: MARKETING PROCESS

Upon direction from the City Council, city staff shall actively market city surplus owned property available for sale. The process of marketing City owned land should include the following items:

### Marketing Process

- a. Establish whom shall actively market the sale of City owned land: city staff or a third-party professional services firm.
- b. Establish an asking price.
- c. Establish an acceptable sale price range\*
- d. Develop and Distribute Basic Marketing Materials and Site Information
- e. Complete site preparation due diligence; see below.  
Standard due diligence will be completed for all properties available for sale. Staff will develop a recommendation for EDA and Council consideration for optional due diligence.

#### *STANDARD*

- (1) ALTA Survey (Table A, items: 1-4, 6, 8, 11a, 21)
- (2) Title Commitment

#### *OPTIONAL (elected)*

- (3) Phase 1 Environmental Site Assessment (ESA), Phase 2 ESA, Limited Site Investigation (LSI), Response Action Plan (RAP)
- (4) Analysis of Site Specific Available Economic Development Incentives
- (5) Geotechnical Soils Evaluation
- (6) Hazardous Materials Survey
- (7) Wetland Delineation
- (8) Concept Site Design
- (9) Building Demolition/Site Clean-Up
- (10) Shovel Ready Certification
- (11) Other work as determined by the Ramsey City Council

#### \*Acceptable Price Range

An acceptable sale price range will be developed by a third party professional; and subsequently adopted by the City Council in closed session. Staff will utilize this price range to negotiate land sale prices with prospects. Staff will attempt to maximize the sale price in all land transactions; and shall be authorized to make counter offers to prospective buyers. If offers received are below the acceptable price range, staff has the authority to deny an offer. The City may decide to sell a property below the acceptable sale price range for economic development purposes, to achieve strategic goals set by the City Council, or any other reasonable cause determined by the City Council. Economic development projects should be evaluated within the context of the City's adopted business subsidy policy.

## **SECTION 6: SALE PROCESS**

The purpose of this section is to outline the process in which staff shall work with prospect buyers to negotiate the sale of surplus City owned land.

### Step 1: Letter of Intent (LOI)

- A. Prospect buyer submits written correspondence identifying their interest in purchasing City owned land. Correspondence should include as much detail as reasonably possible. A “term-sheet” or “deal-summary” are acceptable for this step.
- B. Staff shall review the written proposal. Based on staff’s determination, if the proposal fails to meet the intent of this policy or direction from the City Council and EDA, staff shall provide a recommendation to the prospect buyer to reconsider/amend their LOI; or request additional information (see Section 7, G).
- C. EDA and City Council LOI consideration. Staff shall prepare a case write-up, decision alternatives, and recommendation for action. The EDA shall then provide a recommendation for City Council consideration. The City Council shall provide general policy direction. The City Council may provide direction to the prospect buyer to draft a formal purchase agreement for further consideration.

### Step 2: Purchase Agreement (PA)

- A. Prospect buyer submits a formal PA identifying their proposed terms and conditions for purchasing City owned land.
- B. Staff and the City attorney shall evaluate the proposed PA in context of the City’s preferred PA terms outlined in Section 7 of this policy. Based on staff’s determination, if the proposed PA fails to meet the intent of this policy or direction from the City Council and EDA, staff shall provide a recommendation to the prospect buyer to reconsider/amend terms and conditions within the proposed PA.
- C. EDA and City Council PA consideration. Staff shall prepare a case write-up, decision alternatives, and recommendation for action. The EDA shall then provide a recommendation for City Council consideration. The City Council shall then consider the proposed PA and may provide direction to reject, amend or execute.

### Step 3: Closing

- A. Staff and the City Attorney shall execute the closing of all PAs. Staff will execute closing based on language included in the respective PA and Section 7 and 8 of this policy.

### EDA Review Alternatives

The EDA may utilize the following methods for review: (1) regular monthly EDA meeting (2) special EDA meeting; which may not require a quorum (3) one-way, one-time email feedback from individual EDA members directly to staff only (4) EDA participation in City Council meeting (4) no EDA review. Review alternatives shall be utilized based on the order outlined in this provision. Please see Section 2 of this policy for details on governance.

## SECTION 7: REQUIRED TERMS & CONDITIONS

The purpose of this section is to outline minimum terms and conditions that shall be included in PAs for the sale of City owned land. These terms and conditions may be waived or negotiated by the City Council.

The City shall develop a “*Template PA*” based on terms and conditions outlined in this policy. Said *Template PA* shall be utilized when practical and possible. Use of said *Template PA* shall be determined on a case-by-case basis.

A. Termination Date/Initial Closing Date/ Due-Diligence Period

The initial closing date shall be set for within 10 days after all buyer and seller contingencies can be reasonably met. The normally acceptable due-diligence period shall be tied to when City entitlements are met; which commonly include: zoning verification, site plan approval, plat approval, and development agreement approval. City staff shall target about six (6) months as a standard due-diligence period. However, depending on the use, size and complexity of a proposed project, a longer due-diligence period may be acceptable.

B. Earnest Money

The City shall require earnest money for all land transactions. City staff shall have the authority to negotiate an acceptable level of earnest money and provide a recommendation for EDA and City Council review. A portion of said earnest money shall become non-refundable after 30-90 days. Earnest money terms shall be determined on a project-by-project basis.

C. Contract Extensions

Unforeseen circumstances may arise while completing due-diligence for the development of real estate. Often times, this results in a request from a prospective buyer for a PA due-diligence period extension. Staff will work with prospective buyer to develop a reasonable and attainable initial closing date; as outlined in Paragraph A above.

If the prospective buyer requests an extension to the initial closing date, the City shall require compensation. PA extensions shall require a portion, or all, earnest money to become non-refundable. If a PA is terminated, all non-refundable dollars shall be received by the City.

D. Construction Deadlines

As part of a standard PA, the City does not require a minimum construction deadline for buildings and improvements. However, on a case-by-case basis, the Council may request for this provision to be included in PAs.

NOTE: this statement does not prohibit construction deadlines within other government permits and agreements (development agreements, building permits, business subsidy agreements, etc.).

E. Tax Exempt Uses

The City owns a large inventory of land located within The COR. This land is situated within a prime location for intense commercial, office and residential development. The development of The COR is anticipated to generate significant local property taxes. The City

of Ramsey has identified several future high priority public improvement projects that rely on future property tax revenues from development within The COR. In order to meet future obligations to residents and businesses, the City is not seeking to sell City owned land located within The COR to tax exempt users.

NOTE: the City does anticipate a community center to be located within The COR. A community center user may be a tax exempt user. The City welcomes discussion of a community center with prospective developers.

F. Professional Services

City staff shall make a good faith effort to utilize local businesses for professional services required for land transactions (i.e. Title Commitment, Escrow Agent, Closing Services, ALTA Survey, etc.); subject to competitive pricing.

G. Pre-Development Meeting with City Staff

Before a PA is executed by the EDA or City Council, the City may require the buyer to meet with the City's development team to discuss project timelines, property specifications, required public infrastructure, land use regulations, and project feasibility (known as a "Pre-Development" meeting by staff). The purpose of this meeting is to confirm that the preliminary project concept is physically, schematically and financially possible. The City may require the buyer sign a non-binding MOU before executing a PA.

Staff is authorized to request the buyer supply a concept site plan for this process. A concept site plan is not intended to be a full, detailed site plan, but a generalized concept with sufficient detail to demonstrate compliance with zoning standards. Additionally, if deemed necessary, staff is authorized to request preliminary concept design to be reviewed by the Planning Commission as part of this process.

Staff should also consider the feasibility of the proposed project. If staff is unsure the proposed project is feasible for the buyer, staff shall be authorized to require supporting information from the buyer (e.g. statement from bank, developer, or architect, sources-and-uses sheet, etc.).

H. Land Sale Ordinance Contingency

The City Charter requires an ordinance be passed to sell City owned land. This process can take two to three months. The City shall include a provision in the contingencies section of all PAs requiring a land sale ordinance to be effective before closing.

I. Reassignment of Agreement

Agreement may not be reassigned without the written consent of the City.

## **SECTION 8: COST ASSIGNMENTS**

The purpose of this section is to outline an assignment of costs associated with negotiating and closing a PA. Staff shall utilize this information to develop a "net-proceeds" analysis for EDA and Council review.

### **A. City Costs**

1. Seller's portion of the prorated property taxes and fees.
2. Seller's own attorney's fees.
3. One-half the cost of any closing fees.
4. State deed tax.
5. Real estate broker commission fees.
6. Title Commitment fees as prescribed in Section 5.
7. ALTA Survey fees as prescribed in Section 5.
8. The cost of any additional or elected marketing/site-prepping efforts by City as prescribed in Section 5.

### **B. Buyer Costs**

1. Buyer's portion of the prorated property taxes and fees.
2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy as required by the Buyer.
6. Environmental, architectural, engineering, financing, and developer fees associated with pre-development research and the entitlement process.
7. All other fees.

## PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and \_\_\_\_\_, a Minnesota \_\_\_\_\_ (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is \_\_\_\_\_ (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, legally described as follows:

*[insert legal description or attach as an Exhibit]*

and further identified by Anoka County by the following property identification number(s):

*[insert PID]*

*[street address could also be added if one exists]*

3. **PURCHASE PRICE.** The purchase price for the Property is \$\_\_\_\_\_ (the “Purchase Price”). *[optional: The Purchase Price shall be adjusted on the gross square footage of the Property as determined by the Survey. Such price adjustment will be determined by multiplying the gross square footage of the Property as determined in the Survey by \$\_\_\_\_\_ per square foot/acre.]*
4. **EARNEST MONEY.** Within \_\_\_\_ (\_\_) business days after the Effective Date, Buyer must deposit the sum of \$\_\_\_\_\_ (the “Earnest Money”) with Title 1, 7535 Sunwood Drive, Ramsey, MN 55303 (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
  - a. If Buyer does not deposit the Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
  - b. Unless Buyer has previously terminated this Agreement pursuant to Section 9, \$\_\_\_\_\_ of the Earnest Money (the “Initial Disbursement”) becomes non-refundable to Buyer (except in accordance with Section 23 as a result of a default by Seller) on the date \_\_\_\_\_ (\_\_) business days after the Effective Date, and on that date Escrow Agent must disburse the Initial Disbursement to Seller.

- c. In the event Buyer requests an extension of the Inspection Period, and the extension is agreed to in writing by Seller, all remaining Earnest Money shall become non-refundable and released to the Seller by the Escrow Agent.
  - d. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 23 as a result of a default by Seller).
  - e. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).
  - f. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller shall, at Seller's expense, obtain an ALTA survey (Table A, items 1-4 and 6, 8, 11a and 21) (the "Survey") from a duly licensed surveyor and deliver it to Buyer within thirty (30) days after the Effective Date. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within ten (10) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date ten business days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller

unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money (other than Earnest Money that Escrow Agent has disbursed to Seller pursuant to Sections 4(b) and (c)) ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three (3) business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

7. **RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the expiration of the Inspection Period (as defined in Section 9), Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
  - a. Upon the earlier of the date one week after Buyer's completion of its activities on the Property or the date one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
  - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
  - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.

- d. Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
  - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
  - f. The cost of any test or additional survey work will be borne solely by Buyer.
8. **PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:
- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
  - b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
  - c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
  - d. The condition of the Property is fit for Buyer's intended use.
  - e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. **INSPECTION PERIOD.**

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to \_\_\_\_\_, 201\_\_ (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).

10. **DEFINITIONS.** As used in this Agreement:

“**Claim**” or “**Claims**” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“**CERCLA**”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

“**Hazardous Substance**” or “**Hazardous Substances**” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

11. **RELEASE.** Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.
12. **INDEMNITY.** Buyer agrees to indemnify, hold harmless and defend Seller or anyone acting on its behalf for, from and against any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) past, present and future, existing and contingent, known and unknown arising out of, resulting from, or relating to the condition of the Property. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property, regardless of whether the foregoing condition of the Property was caused in whole or in part by the Seller’s actions or inactions.
13. **NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail, fax or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if delivered in any other manner, when the party to whom the notice is directed actually receives the notice. If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller:           City Administrator  
                      City of Ramsey  
                      7550 Sunwood Drive N.W.

Ramsey, MN 55303

Buyer:

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

14. **CLOSING.** This transaction shall close on the date 10 business days after Buyer delivers a Notice of Suitability to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

- i. A quit claim deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
- ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and
- iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and
- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value.

c. **Closing Costs.**

i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:

1. Seller's portion of the prorated property taxes.
2. Seller's own attorney's fees.
3. One-half the cost of any closing fees.
4. State deed tax.
5. The cost of providing Title Commitment as prescribed in Section 6
6. The cost of providing ALTA Survey as prescribed in Section 5.
7. The cost of real estate broker commission fees as prescribed in Section 15.

ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:

1. Buyer's portion of prorated property taxes.
2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

15. **REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Seller's Broker"), which represents Seller. Seller shall pay Seller's Broker as required by their agreement. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

16. **ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.

17. **THIRD PARTY BENEFICIARY.** There are no third party beneficiaries of this Agreement, intended or otherwise.

18. **JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint venturers or partners.

19. **CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
20. **ENTIRE AGREEMENT / MODIFICATION.** This written Agreement, and the related Development Agreement, if any, constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties. In the event the terms of this Agreement conflict with the terms of the Development Agreement, the latter shall control.
21. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
22. **CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.
23. **REMEDIES.**
- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
  - b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.
24. **WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
25. **SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

26. **SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
27. **CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
28. **COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

**SELLER: The City of Ramsey, Minnesota**

By: \_\_\_\_\_  
Sarah Strommen, Mayor

Dated: \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Kurt Ulrich, City Administrator

**BUYER: \_\_\_\_\_**

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2015

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## Economic Development Authority (EDA)

5. 1.

**Meeting Date:** 04/02/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

---

### **Title:**

Staff Updates

### **Purpose/Background:**

#### **Joint City Council - EDA Meeting**

The City Council and EDA will have a joint-meeting on Tuesday, April 14, 5:30 p.m., in the Lake Itasca Room. The agenda includes: (1) EDA workplan update by staff, (2) CBRE update by Brian Pankratz, (3) Shovel Ready Program Introduction by DEED representative Jim Gromberg.

#### **Skeeter Boat Company Considering Elk River Location**

Skeeter Boat Company ([link](#)), currently located at 9421 US Highway 10, on the western edge of Ramsey, is considering an opportunity to relocate their operation to Elk River. This opportunity is outlined in a recent StarTribune article ([link](#)).

Staff connected with Skeeter's management team to better understand the situation. Skeeter has indicated the opportunity in Elk River is a unique and rare situation in which they can pick up a nice existing building/ property at a very low cost. Skeeter's Ramsey location is not "ideal" for Skeeter's long-term needs.

Skeeter has indicated the City of Ramsey has done nothing wrong to cause Skeeter to consider Elk River—and that Ramsey has been great to work with. Staff has offered to work with Skeeter Boat Center to identify opportunities in Ramsey. Skeeter Boat Center appreciated the offer/follow-up and stated they will connect with Ramsey after the opportunity at-hand is vetted.

#### **Economic Development Prospect "Power"**

A significant manufacturing and assembly prospect from Elk River has identified the new Ramsey business park ([link](#)) as a potential location for a 105,000 square foot facility. This project would create 190 jobs in Ramsey (which would rank #4 in terms of employment in our community). This prospect has indicated Otsego and Ramsey are the final two cities they are considering. They would like to begin construction no later than August 1, 2015. They would like to complete their project by spring 2016. It is anticipated, this prospect will make a site location decision in the next three weeks.

Recruiting this business to Ramsey would include use of State and City incentives. Discussions and negotiations with this prospect have been positive to-date; and have remained within the City's adopted "business subsidy policy." Staff has a meeting scheduled with this prospect for Monday, March 30; which will include: Councilmember LeTourneau, EDA Chair Steffen, Economic Development Consultant Mulrooney, MN DEED representative Gromberg and staff.

If this project does move forward, it will require several processes, reviews and policy discussions to occur in an "efficient" timeframe. In that event, staff will provide additional details on the prospect/ project, details on requested incentives, project schedule, etc.

#### **RALF and Armstrong City Owned Properties**

RALF: Over the past 90 days staff has spent a considerable amount of time working with tenants located on City owned properties along Highway 10 (commonly known as RALF properties). PACT Charter and Northern Light leases are due for renewal in 2015; and both new leases may require modifications to the premises. Staff expects lease proposals for both users to come forward in the next 60 days to the City Council. Youth First is in the process of designing a new, commercial-grade, kitchen for their space. A request for these improvements will come to the Council in the next 60 days. Staff continues to work with Independent Auto regarding number of property maintenance issues and other outstanding items.

ARMSTRONG: Over the past 90 days staff has spent significant time working with previous property owners/tenants located on City property purchased for the Armstrong Interchange project. Anoka County, will be taking over the process of site demolition and clean-up for said properties in March. Staff is working with Anoka County to ensure all properties have been vacated by tenants; and all equipment and personal possessions have been removed. This includes an auction for equipment left in the Wiser Choice Liquor store building.

### **F&C (Residence at The COR) Refinance/Sale**

As of late February, F&C has indicated they are now selling their property in Ramsey rather than refinancing. They expect to close on this sale on April 09. As a result of F&C pursuing a sale rather than a refinance, the City Council re-adopt a set of new/ updated resolutions and amendments related to pervious agreements with F&C (this was the second time the Council will review/ adopt said documents).

### **Purchase Agreements:**

PSD LLC: Currently completing preliminary design for site plan and preliminary plat. Expected for April Planning Commission and Council review. The project is one month behind the originally anticipated schedule. If the applicant is able to move forward efficiently, the original closing date of May 1 can still be attained.

NIK Management: Currently completing preliminary design for site plan and preliminary plat. Expected for May Planning Commission and Council review. This project is one month behind the originally anticipated schedule; however, still will be able to close in the time-frame desired by the bueyer (June 1).

On March 24, staff was notified NIK Management has “reassigned” the PA to “GS Land, LLC.” GS Land LLC is based out of St. Cloud, MN. This LLC is made up of two partners (Steve Gerster and Tom Sloan). Steve and Tom recently sold their company, PCI Roads ([link](#)); and are both still currently working for PCI Roads. Steve and Tom are looking to invest equity from the sale of their company into real estate projects. Tom and Steve know NIK Management well; and the City of Ramsey.

Moving forward, NIK Management plans on still managing this project to closing, on behalf of GS Land. NIK Management will be paid a commission from GS Land after closing. GS Land has indicated they will be funding the project and the required letter of credit (they are essentially investors and NIK is the project manager). The proposed home builder, Rice Creek ( [link](#)), is not changing. The proposed project, site layout, and schedule, is not changing. Staff plans on meeting with the new buyer on March 03. Staff believes the involvement of GS Land will help ensure the proposed deal moves forward to closing.

Casey's General Store: Have attained site plan and plat approval. This project is nearly ready to close; Casey's is currently resolving a number of small administrative items (easements, Anoka County review, finalizing the plat, etc.). Closing is set to take place no later than April 23.

24 Restore: Staff has not received an executed copy of the PA from 24 Restore. Staff has directed CBRE to send a PA cancelation notice. Staff is still working with this prospect to find a solution in Ramsey.

Common Bond Communities: Currently completing preliminary design for site plan and preliminary plat. Expected for June Planning Commission and Council review. This project is two months behind the originally anticipated schedule. The original PA calls for a May 01 closing; and includes the ability to extend

to July 01 (which has been exercised).

**Notification:**

**Observations/Alternatives:**

**Funding Source:**

**Recommendation:**

**Action:**

---

**Attachments**

*No file(s) attached.*

---

**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 03/30/2015

**Reviewed By**

Kathy Schmitz

**Date**

03/30/2015 03:59 PM

Started On: 03/30/2015 08:48 AM