

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into between the **City of Ramsey**, a Minnesota municipal corporation, (“City”) and **PSD, LLC.**, a Minnesota limited liability company (“PSD”).

WHEREAS, over 300-acres of green-field land is available for development located northwest of the U.S. Highway 10 and Armstrong Boulevard interchange in the City (the “Armstrong-West Developable Area”); and

WHEREAS, the City has an interest in pursuing the development of a new business park in the Armstrong-West Developable Area totaling 131.52 acres in gross size, located on three parcels currently owned by Hageman Holdings, LLC (PIDs: 20-32-25-34-0004, 29-32-25-21-0003, and 29-32-25-12-0003). A new business park can benefit the City by creating well-paying jobs, increasing tax-base, and increasing local consumer spending; and

WHEREAS, PSD is under contract to purchase 45.1 acres of the land currently owned by Hageman Holdings LLC., in the Armstrong-West Developable Area. PSD intends to develop a business park with roughly 7-buildings totaling approximately 420,000 square feet, located on two parcels (PIDs: 29-32-25-12-0003 and 29-32-25-21-0003); and

WHEREAS, the development of the PSD business park will require various mass site improvements, with an estimated total cost of \$4.24M, including a new 500’ internal public roadway, with an estimated cost of \$227,000; and

WHEREAS, in order for PSD to move forward with their development interests, a mutual understanding of how the public road will be designed, constructed, and paid for is needed; and

WHEREAS, PSD has requested that the City fund the 500’ internal public roadway that will serve their business park. This roadway is described in Appendices A & B: Bolton & Menk Engineer’s Estimate, as Option 2, Phase 1: 40’ roadway with an 8’ center median, and two 16’ travel lanes (12’ plus 2’ curb reaction distance), with concrete curb and gutter.

NOW THEREFORE, the parties agree in principle to the following:

- 1) The City will reimburse PSD up to \$250,000 for the design and construction of the proposed 500’ internal public roadway.
- 2) Payment shall occur within 30 days after final completion of the new 500’ internal public roadway, subject to final inspection and approval by the City Engineer.
- 3) The City will consider the EDA Fund, the Anoka County HRA/ EDA Ramsey Account, and TIF #1 as the potential funding sources for this project.
- 4) PSD shall be responsible for designing and constructing the new 500’ internal public roadway.
- 5) The new 500’ internal public roadway must comply with all City design standards and City ordinances.

- 6) The Ramsey City Engineer must provide PSD written approval of all plans and specifications for the new 500' internal public roadway before the project is bid.

This MOU merely sets forth some of the more significant terms and conditions of the subject matter and is not binding on either party.

THE CITY: City of Ramsey, Minnesota, a Minnesota Municipal Corporation

By: _____
Sarah Strommen, Mayor

Dated _____, 2017

By: _____
Kurt Ulrich, City Administrator

PSD LLC., a Minnesota limited liability company

By: _____
Pamela Deal, Chief Manager

Dated _____, 2017

By: _____
Matt Kuker, Project Manager

Dated _____, 2017

Appendix A

PRELIMINARY ENGINEER'S ESTIMATE

RAMSEY BUSINESS PARK - EAST PARCEL COLLECTOR ROADWAYS
 PSD, LLC
 BMI PROJECT NO. R16.113129

3/2/2017

ITEM NO.	ITEM	UNIT	UNIT PRICE	ENGINEERS ESTIMATE OPTION 1 (TWO LANE ROADWAY)				ENGINEERS ESTIMATE OPTION 2 (TWO LANE ROADWAY W/ CENTER MEDIAN)			
				PHASE 1 QUANTITY	PHASE 1 TOTAL	PHASE 2 QUANTITY	PHASE 2 TOTAL	PHASE 1 QUANTITY	PHASE 1 TOTAL	PHASE 2 QUANTITY	PHASE 2 TOTAL
1	MOBILIZATION	LUMP SUM	\$20,000.00	1	\$20,000.00	1	\$20,000.00	1	\$20,000.00	1	\$20,000.00
2	COMMON EXCAVATION (EV)	CU YD	\$6.00	1,300	\$7,800.00	1,400	\$8,400.00	1,525	\$9,150.00	1,800	\$10,800.00
3	AGGREGATE BASE CLASS 5 (10")	TON	\$24.00	1,450	\$34,800.00	1,650	\$39,600.00	1,825	\$43,800.00	2,050	\$49,200.00
4	TYPE SP 9.5 WEARING COURSE (1.5")	TON	\$85.00	210	\$17,850.00	225	\$19,125.00	250	\$21,250.00	205	\$17,425.00
5	TYPE SP 12.5 NON WEARING COURSE (3.5")	TON	\$75.00	500	\$37,500.00	525	\$39,375.00	590	\$44,250.00	475	\$35,625.00
6	STORM SEWER PIPE	LIN FT	\$45.00	350	\$15,750.00	650	\$29,250.00	375	\$16,875.00	675	\$30,375.00
7	RC PIPE APRON	EACH	\$1,500.00	2	\$3,000.00	1	\$1,500.00	2	\$3,000.00	1	\$1,500.00
8	STORM SEWER MH / CB	EACH	\$2,500.00	4	\$10,000.00	4	\$10,000.00	4	\$10,000.00	4	\$10,000.00
9	CONCRETE CURB & GUTTER DESIGN B618	LIN FT	\$13.00	1,120	\$14,560.00	1,650	\$21,450.00	1,675	\$21,775.00	3,150	\$40,950.00
10	TRAFFIC CONTROL	LUMP SUM	\$2,500.00	1	\$2,500.00	1	\$2,500.00	1	\$2,500.00	1	\$2,500.00
11	PREMIUM TOPSOIL BORROW	CU YD	\$30.00	120	\$3,600.00	150	\$4,500.00	120	\$3,600.00	150	\$4,500.00
12	STORM DRAIN INLET PROTECTION	EACH	\$500.00	5	\$2,500.00	5	\$2,500.00	5	\$2,500.00	5	\$2,500.00
13	STABILIZED CONSTRUCTION EXIT	LUMP SUM	\$1,500.00	1	\$1,500.00	1	\$1,500.00	1	\$1,500.00	1	\$1,500.00
14	SEDIMENT CONTROL LOG	LIN FT	\$10.00	100	\$1,000.00	100	\$1,000.00	100	\$1,000.00	100	\$1,000.00
15	HYDRAULIC BFM, SEED MIX 25-121, FERTILIZER TYPE 3	SQ YD	\$1.50	3,300	\$4,950.00	3,500	\$5,250.00	3,300	\$4,950.00	3,500	\$5,250.00
ESTIMATED CONSTRUCTION COST					\$177,310.00		\$205,950.00		\$206,150.00		\$233,125.00
CONSTRUCTION CONTINGENCY (10%)					\$17,731.00		\$20,595.00		\$20,615.00		\$23,312.50
TOTAL ESTIMATED CONSTRUCTION COST					\$195,041.00		\$226,545.00		\$226,765.00		\$256,437.50
OPTION 1 TOTAL						\$421,586.00	OPTION 2 TOTAL				\$483,202.50

OPTION 1: 32 FT ROADWAY F-F, (14' LANE 2' CURB REACTION DISTANCE), B618 CURB AND GUTTER
 OPTION 2: 40 FT ROADWAY F-F, 8 FT CENTERLINE MEDIAN, 16 FT F-F TRAVEL LANES (12' TRAVEL LANE, 2' CURB REACTION DISTANCE), B618 CURB AND GUTTER
 PHASE 1: BUNKER LAKE BLVD TO INTERIOR INTERSECTION
 PHASE 2: INTERIOR INTERSECTION TO WEST PARCEL LINE

Appendix B

Reference Map

