

MEMORANDUM OF UNDERSTANDING

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

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 of Ramsey, Minnesota (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 (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, Riverstone Development is under contract to purchase 84.77 acres of land currently owned by Pearson Properties of Ramsey, LLC., located in the Armstrong-West Developable Area. Capstone Homes intends to develop a roughly 350-unit single family residential development located on three parcels (PIDs: 29-32-25-22-0004, 20-32-25-33-0001, and 20-32-25-32-0001); and

WHEREAS, a new 300-unit residential development located in the Armstrong-West Developable Area will benefit the City by providing quality new housing stock, a quality designed residential community, development fees, increased tax-base, and an increase in local consumer spending; and

WHEREAS, the development of the Armstrong-West Developable Area will require various improvements to arterial infrastructure located along Bunker Lake Boulevard and Puma Street. Arterial infrastructure improvements include trunk-water line extensions, trunk-sewer line extensions, a sewer lift station, trail extensions, new roads, street lights, and storm sewer (“Arterial Infrastructure”). Bolton & Menk, Inc. completed a conceptual feasibility analysis for Arterial Infrastructure located in the Armstrong-West Developable Area in March 2017 (“Infrastructure Study”); and

WHEREAS, Arterial Infrastructure will not only directly serve the Armstrong-West Developable Area, but will also serve the City as a whole. The proposed Arterial Infrastructure includes City trunk water/sewer system lines, a Municipal-State-Aid (MSA) street, and a collector road; and

WHEREAS, in order for Riverstone Development or the City of Ramsey to move forward with their development interests, a mutual understanding of how Arterial Infrastructure improvements will be designed, constructed, assessed, and paid for is needed; and

WHEREAS, Riverstone Development has requested that the City fund the Arterial Infrastructure improvements and assess their portion of the Arterial Infrastructure improvements for Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study.

NOW THEREFORE, the CITY agrees in principle to the following:

- 1) The City will act as the petitioning party for the Arterial Infrastructure improvements project as provided by Minnesota Statute, Chapter 429.
- 2) The City will design the Arterial Infrastructure Improvements for Phase 1A and Phase 1B of the Bolton & Menk Arterial Infrastructure Analysis and prepare plans and specifications.
- 3) The City will undertake bidding, construction, and assessing of costs for the Arterial Infrastructure Improvements.
- 4) The City will pay for 100% of trunk water and trunk sanitary sewer costs of Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study.
- 5) The City will pay for the remaining Arterial Infrastructure costs for Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study, not assessed to private properties.
- 6) The City will consider the EDA Fund and the Anoka County HRA/ EDA Ramsey Account as the primary funding sources for this project.

NOW THEREFORE, RIVERSTONE DEVELOPMENT agrees in principle to the following:

- 1) Riverstone Development will enter into an assessment agreement to be recorded against its real property to pay for 40% of applicable Arterial Infrastructure improvements for Phase 1B outlined in the Bolton & Menk Infrastructure Study.
- 2) Riverstone Development will enter into an assessment agreement to be recorded against its real property to pay for 16% of applicable Arterial Infrastructure improvements for Phase 1A outlined in the Bolton & Menk Infrastructure Study.
- 3) Riverstone Development assessment conditions will include a five (5) year term and an interest rate consistent with the City's assessment policy. In the event lots are sold by Capstone Homes before the five (5) year term expires, assessments on said lots will be due, in-full, at the time of sale.
- 4) Riverstone Development will supply an irrevocable letter of credit meeting City standards, for 40% of their assessed portion of Arterial Infrastructure improvements. This letter of credit will remain in place until assessments are paid in full; and can drawn down in phases.

NOW THEREFORE, HAGEMAN HOLDINGS agrees in principle to the following:

- 1) Hageman Holdings will enter into an assessment agreement to be recorded against Lot 1, Block 1, Alpha Development Plat to pay for 24% of applicable arterial infrastructure improvements for Phase 1A outlined in the Bolton & Menk Infrastructure Study.
- 2) Hageman Holdings assessments will be due at the time of closing on future land sales and shall accrue interest.

All parties agree in principle to this non-binding agreement.

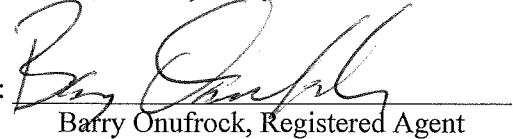
THE CITY: City of Ramsey, Minnesota, a Minnesota Municipal Corporation

By:  Dated 5-17-17, 2017
Sarah Strommen, Mayor

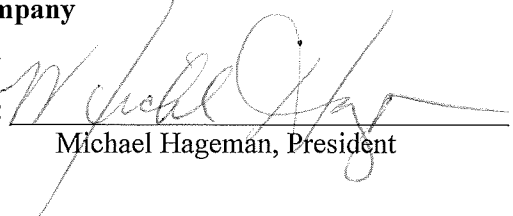
By: 
Kurt Ulrich, City Administrator

RIVERSTONE DEVELOPMENT: Riverstone Development, LLC., a Minnesota limited liability company

By:  Dated 4-28-17, 2017
Ben Minks, CEO

By: 
Barry Onufrock, Registered Agent

HAGEMAN HOLDINGS: Hageman Holdings, LLC, a registered Minnesota limited liability company

By:  Dated 5-1, 2017
Michael Hageman, President