

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, February 9, 2017
7:30 am
Lake Itasca 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 - January 12, 2017
- 4. EDA Business**
 1. Informational Interview: Kraus Anderson
 2. Informational Interview: IAG Commercial
 3. Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund
- 5. Member/Staff Input**
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 02/09/2017

By: Kathy Schmitz, Administrative Services

Title:

Approve the Following Meeting Minutes:

- 1) EDA Regular Meeting - January 12, 2017

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 - January 12, 2017
-

Attachments

[01-12-17 EDA Minutes](#)

Form Review

Inbox

Kurt Ulrich

Form Started By: Kathy Schmitz

Final Approval Date: 02/08/2017

Reviewed By

Kathy Schmitz

Date

02/08/2017 04:02 PM

Started On: 02/06/2017 02:57 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, January 12, 2017, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Philip Brunt
 Member Brian Burandt
 Member Glen Hardin
 Member Chris Riley
 Member Kristine Williams (arrived at 7:51 a.m.)

Members Absent: Member Wayne Skaff

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Tim Gladhill, Community Development Director
 Kurt Ulrich, City Administrator
 Mike Mulrooney

1. CALL TO ORDER

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

2. APPROVE AGENDA

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated December 8, 2016

Motion by Member Steffen, seconded by Member Hardin, to approve the December 8, 2016, minutes as presented.

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

4. EDA BUSINESS

4.01: Stone Brook Academy Purchase Agreement for 1-acre of City-Owned Land located within The COR

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA requested feedback from staff on various items related to Stone Brook's desired site location, Outlot B (Site #1), to review feedback from Stone Brook on other site location options and to review feedback from Planning Commission on the eight potential site locations/proposed use. He noted the desired outcome of this case for Stone Brook, is direction on what site location they can move forward with. Stone Brook still strongly desires Outlot B, their original proposed location. Stone Brook is hoping to get clear direction from the City as they want to enter into a purchase agreement and begin the entitlement process as soon as possible. They are hoping to have a project completed in 2017.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report and stated there are three alternatives staff has determined in regards to Stone Brook.

Alternative A - The City is comfortable with Stone Brook's originally proposed location, Outlot B, Site #1. Stone Brook needs direction on whether or not Yolite Street is required public road connection, or if a private stub road is sufficient. Also, an agreed upon price per square foot is desired.

Alternative B - The City is not comfortable with Stone Brook's originally proposed location, Outlot B, Site #1. The City is interested in helping with funding the financial gap on other sites via a formal business subsidy. Stone Brook is asking the City to address their questions/issues on other sites (mainly pricing). Likely, the gap in costs, from Site #1 to other sites would range from \$335,000-\$531,000. Stone Brook will only locate on another site if the City is telling them no to Site #1.

Alternative C - The City is not comfortable with Stone Brook's originally proposed location, Outlot B, Site #1. The City is not interested in helping out with funding the financial gap on other sites via a formal business subsidy. The City still remains interested in selling City owned land to Stone Brook. Stone Brook may need to reconsider their approach/expectations for this project altogether. If this alternative is selected, staff would recommend the EDA provide Stone Brook with as much feedback as possible, so they can understand and consider their options moving forward.

Chairperson Steffen asked what staff determined was the best solution for Yolite Street.

Economic Dev. Mgr/Assistant City Administrator Brama stated Yolite Street is the 'would be' connection and is a public road that was planned via the City's first master plan for Ramsey Town Center. It is not called for in the City's current plan for The COR. The street is defined by previous construction projects and land transactions and at this point in time there is an intersection on the north side of the site at Sunwood Drive where Yolite Street would enter and there is a cut out on the south side. There is also a stormwater line that runs through what would be Yolite Street which would prevent any buildings being set over the top of that stormwater line. He stated from a public safety perspective staff is recommending that this connection be made.

Member Riley asked if the Planning Commission had any comments for the EDA to consider.

Community Development Director Gladhill reviewed the Planning Commission discussion with the EDA. He noted staff believed this project, a daycare, would fit within the permitted use of the area. The major concern was carving out a smaller piece to develop. The Planning Commission does not prefer this location from an overall masterplan perspective and felt there were better sites for this.

Member Burandt asked what the vision was for the parcel.

Community Development Director Gladhill reviewed the site with the Board.

Member Hardin asked how large the parcel was across from the three acres and if the zoning was consistent with the zoning on that parcel.

Community Development Director Gladhill stated he did not know the exact size but that it would be the same zoning.

Member Hardin asked if it was still flexible for retail across the street.

Community Development Director Gladhill stated there would still be available retail use.

Member Riley thought they needed to concentrate on Yolite Street right now because if they decide it has to be built, they are locking the remnant parcel in. He asked if the storm sewer was being used or if it is just in the ground.

Economic Dev. Mgr/Assistant City Administrator Brama assumed it was in use but was not positive.

Member Williams arrived at 7:51 a.m.

Member Riley thought Yolite Street was the first thing they needed to make a decision on, which in turn will dictate other things to occur.

Community Development Director Gladhill stated the Planning Commission also thought there could be one building with multiple levels but that would need to be discussed with the building department.

Member Riley stated in regards to Yolite Street, it does not need to be there. For traffic flow he believed it does not need to be there at all. In an emergency, there are private drives along with a break-thru in the ramp that can be used so Yolite Street is not necessary as a City maintained street. It could be a private drive.

Member Williams stated she was still concerned about the remnant parcel but wants to see something happen on that site and if there is an eager buyer then she was confident with City Staff to make it work.

Economic Dev. Mgr/Assistant City Administrator Brama stated the remnant parcel is not something staff would promote to sell. He stated CBRE felt there is value but it is limited.

Member Williams stated the multi-tenant retail along Sunwood Drive is more appealing than a single level daycare and she did not think it was consistent with what she would like to see as a retail use on the corner of that parcel. She felt a daycare was better suited further out along the edge of The COR and believed the plan in place was a denser use of this space. She would like to see a multipurpose building on that parcel.

Chairperson Steffen thought they all agreed it is a great concept and felt it would do well. He also agreed it is not the best site for the daycare.

Member Hardin stated he did not disagree and thought it would be nice to have a multi-story building there but there is a willing buyer and seller before them and he was in favor of moving forward with Alternate A.

Member Burandt asked if not on this site where would they put a daycare because people living and working in the multi-level buildings will need daycare but he did agree that they did not need a City improved road on Yolite.

Community Development Director Gladhill noted the Planning Commission perspective was a daycare could be located next to the Medical Examiners' office. Another area from staff's perspective was the McDonald's site because roads are in and the pad is ready to be built on. Another site is south of Casey's but would need to be looked at more thoroughly. The first time this project came forward to them it was proposed to be located on the northeast corner of Bunker and Ramsey. The corner is zoned as retail and a daycare facility could be a part of that as well. From a land use perspective those are some of the primary spots.

Economic Dev. Mgr/Assistant City Administrator Brama stated if they moved forward with this site, the City would be in favor of Yolite Street because of the traffic load this user will create during peak times and the City wants to avoid the congestion on Sunwood Drive.

Community Development Director Gladhill asked if they could explore the private road concept that connects all the way through and secure an easement for public sidewalks so that way maybe the cost is reduced and their maintenance obligations are reduced. Also another public City street would be useful if Zeolite Street were to close down for maintenance, Yolite street could be used as the pass thru road.

Community Development Director Gladhill reviewed possible traffic issues on Sunwood Drive with the Board.

Member Riley thought everything being discussed regarding Yolite Street could be negotiated with the applicant.

Chairperson Steffen asked if all of this needed to be hammered out before the applicant can proceed with their project.

Economic Dev. Mgr/Assistant City Administrator Brama stated there are multiple ways to handle this but staff wanted to secure the site before they hammered out the final details of that purchase agreement. He stated staff would like to come back next month with the proposed purchase agreement for board review and approval.

Chairperson Steffen asked what the rationale was for the other sites to be four times the cost.

Economic Dev. Mgr/Assistant City Administrator Brama stated as they went through the pricing strategy exercise with the City Council, CBRE was their main advisor and it was his understanding that the parcels that are located on the edge of the site near the County road are convenience retail sites and those are one of the highest retail sites per square foot on the market in suburban areas.

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council that staff continue to explore Alternative A and negotiate the remaining details with the potential buyer and that the EDA suggests Yolite Street should be a private drive.

Further discussion: Member Hardin thought staff could have Stone Brook price out what the construction costs would be to possibly construct the building with the option for a second story accessible at a later date.

Member Riley asked for clarification on Alternative A in regards to Yolite Street and if it should be a private or public road. He felt it should be a private drive.

Economic Dev. Mgr/Assistant City Administrator Brama asked for clarification if staff should negotiate price per square foot. The EDA supported this action.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Burandt, Brunt and Riley.
Voting No: Williams. Absent: Skaff.

4.02: Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund

Member Hardin indicated this applicant is a business customer of the bank he works for so he recused himself from discussion and voting.

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA is asked to consider the request from Ramsey Business for use of EDA Revolving Loan Fund (RLF). This request is to allow for an exception and/or amendment to the EDA RLF Guidelines, related to minimum equity.

Economic Dev. Mgr/Assistant City Administrator Brama stated American Print & Digital has a purchase agreement in place for the former "All-Brite Printing" building located between Do-All Printing and Lano Equipment on US Highway 10. This building is just less than 15,000 sf, and is set up ideally for their operations. This purchase will allow for an expansion of their business, placement of their new machine, and room for small future expansion. Additionally, in the short

term, American Print & Digital plans to sub-lease a small portion of the property until they need it.

Economic Dev. Mgr/Assistant City Administrator Brama stated the project is about \$1.4 million in which American Print & Digital is seeking financing, and about \$600,000 of the total project costs are the new machine. The Bank of Elk River has tentatively indicated they would fund 50%, the SBA had tentatively indicated they would fund 40%, and the owner has indicated they would like the EDA RLF to cover 5%, and for owner equity to be 5%.

Economic Dev. Mgr/Assistant City Administrator Brama indicated the owner is requesting 5% EDA RLF financing to allow equity dollars to be dedicated to ongoing business working capital needs. The printing industry requires a significant level of working capital to upgrade machines, repair machines, and purchase ever-changing software. It is not uncommon for these unexpected costs related to machines to cost several hundred thousand dollars. American Print & Digital can physically make the deal happen without the EDA RLF. However, they want to be prudent/smart about how they are growing their business planning and they want to make sure they can digest their growth.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report.

Mr. Mulrooney stated he did not see in the policy an allowance for the exception. He thought it may be time to review the policy because he thought there were some inconsistencies within the policy in regards to referring to the EDA and the City. He thought there should be some clarification as to which entity is being talked about in terms of review of a loan. He reviewed his memo with the Board.

Chairperson Steffen stated they will not loan for working capital.

Mr. Mulrooney indicated that was correct.

Chairperson Steffen stated the applicant has the cash to do the ten percent down but they want to keep some cash for working capital.

Mr. Mulrooney stated that is what they have been told but he has not seen any paperwork to indicate that. The borrower has expressed a desire to retain cash for operating purposes.

Economic Dev. Mgr/Assistant City Administrator Brama reviewed with the EDA what the revolving fund could be used for.

Member Riley stated he would not like to see the loan extended to 20 years. He would like to see this kept as a revolving loan fund. The case talks about the interest rate and they have not talked about that. He noted he was still ok with the three percent rate. He thought as far as bringing it down to the equity, the City is third in line already so he did not know if that mattered much. He stated the reason why they have this is to help out businesses who cannot get additional financing.

Chairperson Steffen agreed and stated that is what the money is there for.

Motion by Member Steffen, seconded by Member Burandt, to recommend to City Council to allow for an exception to the EDA RLF Guidelines, to allow for minimum equity, in the amount of 5%, for American Print & Digital and direct staff to bring back a future case to discuss updating the EDA RLF Guidelines.

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

4.03: Extend CBRE Listing Agreement through July 2017

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report.

Chairperson Steffen asked if it still leaves the option open of continuing CBRE after that.

Economic Dev. Mgr/Assistant City Administrator Brama stated that was correct.

Motion by Member Hardin, seconded by Member Steffen, to recommend to City Council approve the short-term contract extension with CBRE (6 months).

Further discussion: Member Williams stated that by extending their contract, if new prospects come forward during that time they could have a new partner in place and CBRE could be compensated for bringing that prospect in.

Chairperson Steffen thought that would apply today if they found a deal as well and would just extend that.

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

4.04: 2017 Annual EDA Business Expo

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report. He noted the proposed date for the Business Expo is March 18th.

Member Riley thought this is a good thing they do and if staff could put a little creativity into it to make sure it is not the same every year that would be great. He suggested inviting a kids group to perform to bring in additional people or something like that.

4.05: Consider Changing Regular Meeting Dates

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report.

The EDA was in favor to change the meeting from the first Thursday to the second Thursday of the month.

4.06: Updates

Economic Dev. Mgr/Assistant City Administrator Brama updated the Board on Gleason (Life Style Properties), U-Shape property; M&G Trailer Sales lease extension and expansion; RALF program application (Sunfish Lake Boulevard Gas Station).

Community Development Director Gladhill updated the Board on planning items going on in the City. He noted Capstone Homes has pitched a concept plan for residential plan on the Pearson property, north of Highway 10. He noted this will be on the City Council agenda for January 24th.

City Administrator Ulrich updated the Board on various City projects. He recognized Patrick Brama for his completion of the Economic Development Finance Professional EDFP course work.

Economic Dev. Mgr/Assistant City Administrator Brama reviewed the EDFP final exam with the Board.

5. MEMBER / STAFF UPDATE

There were no items.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:50 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck

TimeSaver Off Site Secretarial, Inc.

Economic Development Authority (EDA)

4. 1.

Meeting Date: 02/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Informational Interview: Kraus Anderson

Purpose/Background:

This case is a follow up to the EDA's ongoing discussion RE marketing strategies for The COR, and the sale of City-owned land. Please see attached agenda.

This interview is with Jaci Bell, Director of Development, with Kraus Anderson. Link: <http://www.krausanderson.com/the-company/about-kraus-anderson/>. Staff met with Jaci Bell before the EDA meeting. She is prepared to answer the attached questions.

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

Recommendation:

The EDA will be developing an RFP/ RFQ over the coming months to secure a long-term contract (i.e. strategy) for marketing/ selling city-owned land (and The COR). This interview is an opportunity to interact with private sector professionals that work on development projects everyday. This is the EDA's opportunity to get assistance with "scoping" what our RFP/ RFQ will cover. Staff suggests the EDA be ready to ask questions/ interact with the interviewee.

Action:

NA

Attachments

[Agenda/ Questions](#)

[COR Map](#)

[CBRE Listings](#)

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 02/06/2017

Reviewed By

Kurt Ulrich

Date

02/06/2017 09:29 AM

Started On: 02/05/2017 10:34 AM

Draft List of Questions for Master Developer/ Real Estate Broker

INTRODUCTION

The City of Ramsey's discussion RE strategies for marketing/ selling The COR has started. To kick off the process, the EDA would like to do a Q&A/informational interviews.

The purpose of informational interviews is to allow for a free-flowing conversation to take place RE The COR, between you and the EDA. The EDA wants to get a better general understanding of what options exist to market/ sell The COR (and provide master developer services), and to gather your thoughts on The COR. They want to have these conversations to get better educated/ become more informed. They prefer this method, rather than simply doing a standard blanket RFP process (with expectations not clearly defined by the City). The outcome of these interviews will be a basis in which the EDA can create a "scope" for how they want to market/ sell The COR (i.e. define their expectations).

We will have 3-4 informational interviews. We expect each informational interview to last 30-40 minutes.

1. **Background** (ideally something we can attached to staff report ahead of time)
 - a. Contact Person, Company (area of expertise, service offerings, strengths)

2. **Example Projects** (could be one project that covers all)
 - a. Projects that included multiple sites/ large sites/ master planning
 - b. Projects that included consulting a land owner and/or city

3. **The COR** (from a development perspective)
 - a. What is your general perception of The COR (as a development project). What are Ramsey's Strengths and weaknesses?

4. **Marketing/ Sale/ Master Developer Services Strategies**
 - a. What strategies do you *RECOMMEND* for Ramsey?
(i.e. broker listing agreement, financing partnerships, option-to-buy agreements with master developers, professional service agreements for master developer services, upfront land sale to master developer, partnership agreements with master developers, marketing campaigns, websites, construct speculative buildings, etc.)
 - b. Are those options your company can help with? If yes, from a high level, what might those options look like (i.e. basic deal parameters).

5. **Three specific questions**
 - a. About 150 acres of available retail land is located within/adjacent to The COR today. Is it realistic for Ramsey to absorb that much retail land? For example, by comparison, Riverdale is just shy of 200 acres.
 - b. Ramsey currently owns about 85 acres of greenfield land located within The COR (multiple zoning districts). Is it realistic for the City to create a single RFP for all of the City's land holdings in The COR at this time—would developers be interested in purchasing all land upfront?
 - c. What can the City do to better entice developers/ investors in wanting to come to The COR? (specifically for retail and restaurants) Are there any specific strategies we should consider?

THE COR

AT RAMSEY

 DISTRICT BOUNDARIES

 BOUNDARY LABELS



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Sub-District Map

Version 6.2

11/07/2012





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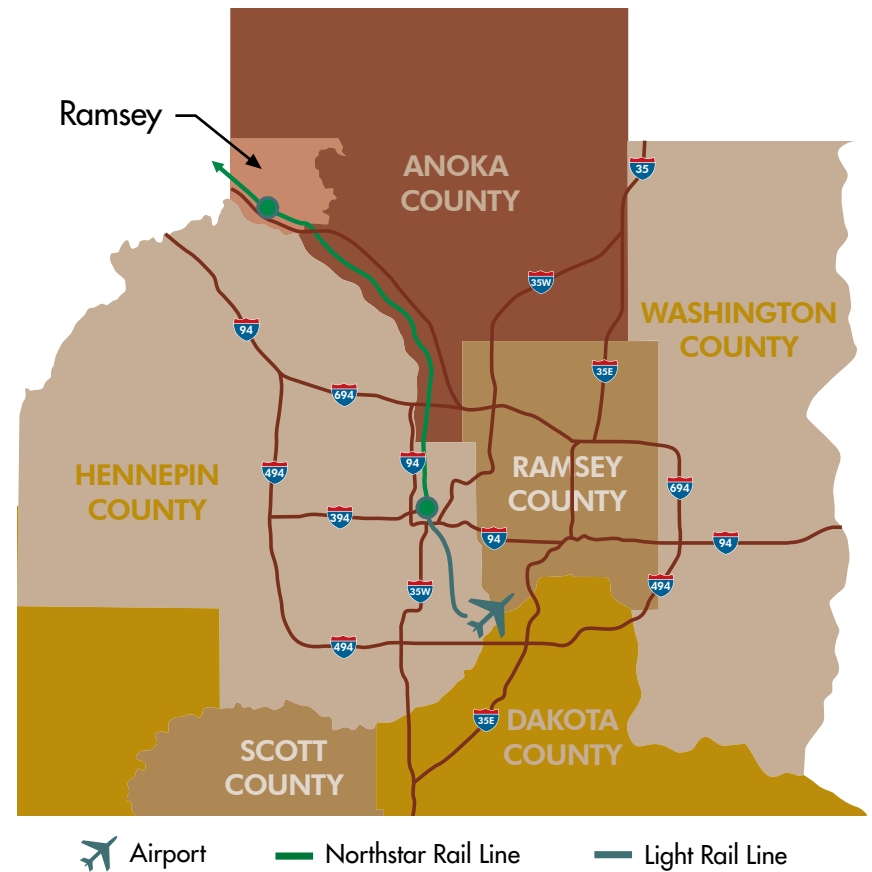
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EXECUTIVE SUMMARY

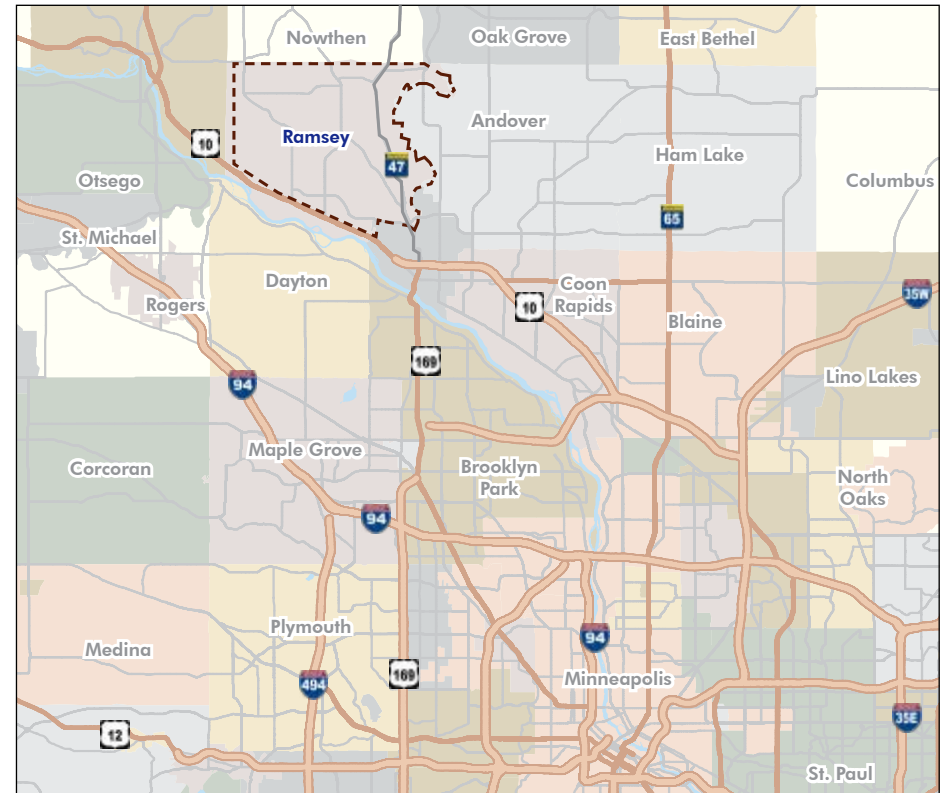
CITY OF RAMSEY OVERVIEW

Ramsey is a northwestern Twin Cities suburb in Anoka County with an estimated 2015 population of 25,580., and is the second-fastest growing city in Anoka County. It is 28 square miles with 15% wetlands, 565 acres park and open space, and bordered by the Rum and Mississippi Rivers. The City is also known for its unique COR development that encompasses over 400 acres of residential, commercial, retail, educational and recreational uses. The COR is the Twin Cities' first and only mixed-use development on the Northstar Commuter Line that services downtown Minneapolis, and offers a unique transit oriented development providing easy access to home, work, and neighborhood services. Highways 10/169 and 47 are two larger transportation routes.

As of the census of 2010, there were 23,668 people, 8,033 households, and 6,484 families residing in the city of Ramsey. The population density was 821.5 inhabitants per square mile (317.2/km²). There were 8,302 housing units at an average density of 288.2 per square mile (111.3/km²).

There were 8,033 households of which 43.9% had children under the age of 18 living with them, 67.6% were married couples living together, 8.5% had a female householder with no husband present, 4.6% had a male householder with no wife present, and 19.3% were non-families. 13.7% of all households were made up of individuals and 3% had someone living alone who was 65 years of age or older. The average household size was 2.95 and the average family size was 3.24.

The median age in the city was 34.9 years. 28.7% of residents were under the age of 18; 7.8% were between the ages of 18 and 24; 29.4% were from 25 to 44; 27.4% were from 45 to 64; and 6.7% were 65 years of age or older. The gender makeup of the city was 50.3% male and 49.7% female

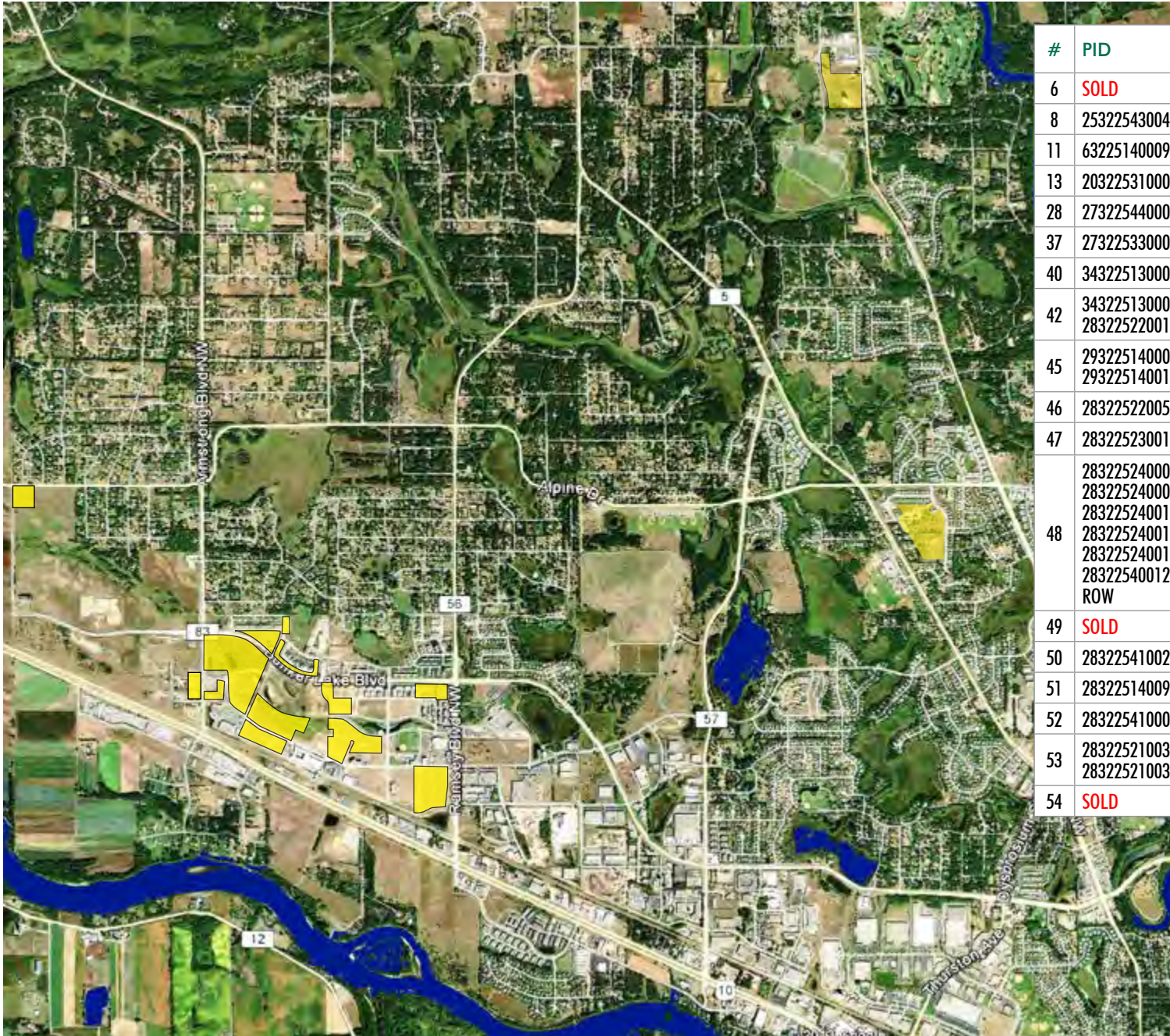


30 minutes to Downtown Minneapolis (±22 miles)

DEMOGRAPHICS, LIVABILITY, WORKFORCE

- 2015 Population 25,580
- Median Household Income: \$83,115
- Anoka County Labor Force: 194,170
- Manufacturing hub: 33% of businesses in Ramsey; second highest percentage in Anoka County
- Nearly 1,300 businesses & non-profit organizations; more than 6,000 jobs
- Top Minneapolis Suburb for young couples (movoto.com, 2015)
- Home to the Game Fair, The Draw Event Series, and Happy Days
- 565 acres of parkland and extensive trail system
- 15% of Ramsey is protected wetland

PARCEL LISTINGS



#	PID	ACRES	LAND USE	LIST PRICE
6	SOLD			
8	253225430043	1.01	Commercial	\$153,985
11	63225140009	6.75	Residential	\$256,800
13	203225310003	4.11	Residential	\$164,000
28	273225440003	0.95	Commercial	\$82,764
37	273225330006	4.14	Office	\$450,000
40	343225130005	1.23	Commercial	\$215,000
42	343225130005 283225220013	2.61	Commercial	\$1,365,000/\$12 PSF
45	293225140009 293225140010	2.88	Mixed	\$10/SF
46	283225220058	30.9	Commercial	\$6,730,000
47	283225230010	4.94	Mixed	\$1,075,932/\$5 PSF
48	283225240009 283225240009 283225240011 283225240010 283225240013 28322540012 ROW	20.00	Mixed	\$3,485,000
49	SOLD			
50	283225410020	13.34	Commercial	From \$6 PSF
51	283225140094	4.30	Residential	\$350,000
52	283225410009	4.96	Residential	\$450,000
53	283225210035 283225210030	7.38	Residential	\$210,000
54	SOLD			

Click on any numbered box to open the brochure for that parcel

THE CITY OF RAMSEY - FACTS

OVERVIEW

- Second-fastest growing City in Anoka County
- U.S. HWY 10, State Highway 169, State Highway 47 and Northstar Commuter Rail (linking to MSP) access
- Manufacturing hub (33% of businesses in Ramsey)
- Relevant, nearby, educational opportunities and workforce for manufacturing businesses
- Home to The COR, a new urban downtown development with direct access to the Northstar Commuter Rail
- Bordered by the Mississippi River, Rum River and Trott Brook, Ramsey is one of Minnesota's premier places to live

EDUCATION

- **Over 50 universities located** - within 50 miles
- **Anoka Technical College** - within 1 mile
- **PACT Charter School** - located on Ramsey Blvd & E Ramsey Pkwy, 600 current students and 2,000 on waiting list

HIGHLIGHTS

- **Coborn's Grocery Store** - anchors approximately 100,000 SF of retail in The COR and provides full service grocery, liquor, fuel and pharmacy.
- Northstar Station
- VA Clinic
- US Highway 10 - highest traveled road in the state
 - Ramsey Blvd @ Hwy 10: 44,000 VPD
 - Armstrong Blvd @ Hwy 10: 39,000 VPD

CITY and COUNTY CONTACTS

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www.ci.ramsey.mn.us

THE CITY OF RAMSEY - CONSTRUCTION & HOUSING



THE CITY OF RAMSEY - CONSTRUCTION & HOUSING

RESIDENTIAL DEVELOPMENT PATTERNS

2012, 295 total housing units

Single Family, 57 units

Townhomes, 8 units

Multi Family, 230 units

2013, 234 total housing units

Single Family, 96 units

Townhomes, 66 units

Multi Family, 72 units

2014, 66 total housing units

Single Family, 66 units

Townhomes, 0 units

Multi Family, 0 units

2015, 290 total housing units

Single Family, 83 units

Townhomes, 39 units

Multi Family, 168 units



MAJOR ACTIVE DEVELOPMENTS

- Single-family Construction – GS Land/ Harvest Estates PLAT, up to 44 lots located in east central Ramsey.
- Single-family Construction –Lennar Homes/ Woodlands PLAT, up to 85 lots located in central Ramsey.
- Townhome Construction –D.R. Horton/ The Station PLAT, up to 77 units located in The COR.



THE CITY OF RAMSEY - BUSINESS GROWTH

MANUFACTURING HOT SPOT

- Vision Ease Lens
- Diamond Graphics Printing
- Life Fitness
- Connexus Energy
- Cullinan Rigging & Erecting
- Ace Solid Waste

LABOR MARKET

- Anoka County Labor Force: 194,170
- Over 600 existing businesses and non-profit organizations in Ramsey
- **VA Clinic** - Opened in November 2011, the facility provides critical services to over 30,000 of our most honored citizens
- **Allina Clinic** - 30,000 square foot facility is the newest prototype in the Allina program featuring dominant architectural features; the general medicine facility also includes a sports medicine component

LARGEST EMPLOYERS	EMPLOYEES
Life Fitness	457
Vision Ease Lens	349
Connexus Energy	250
Anderson Dahlen Inc.	175
Zero Zone Inc.	174

BUSINESS PARKS

The City of Ramsey is proud to be a pro-economic development community. This is not only demonstrated by a rich history of successfully developing business parks, it is demonstrated by the commitment to the future of economic development within the community. The City has placed an emphasis on encouraging economic development within the Council strategic plans, EDA workplans, and Comprehensive Plan.

Both the City of Ramsey and the City of Anoka share a large business park spanning across 1,000 acres of land. This business park includes various office, warehouse, assembly, and a wide-variety of manufacturing users. Nearly 10,000 jobs have been created by this business park. The City of Ramsey and Anoka share a major economic engine that serves not only the Twin Cities, but also the national and global market place.

The City of Ramsey will consider moving forward with a new 93-acre greenfield business park located just northwest of the new full-access grade-separated Armstrong Boulevard/ U.S. Highway 10 Interchange in April 2016. The new business park has 25 acres of land shovel-ready today.



THE CITY OF RAMSEY - DEMOGRAPHICS

CBRE DEMOGRAPHIC BRIEF

RAMSEY CITY CENTER

	1 Mile	3 Miles	5 Miles	10 Miles
POPULATION				
2016 Population	2,493	23,952	50,866	252,652
2021 Population	2,679	25,575	53,433	265,483
2010 Population	2,259	21,908	47,789	236,800
2000 Population	1,933	16,998	40,581	200,404
Percent Pop Change: 2010 to 2016	10.4%	9.3%	6.4%	6.7%
Percent Pop Change: 2016 to 2021	7.5%	6.8%	5.1%	5.1%
AGE				
2016 Median Age	37.7	37.0	37.8	37.9
2016 Average Age	37.5	36.6	37.5	37.5
HOUSEHOLDS				
2016 Households	891	8,094	18,110	90,502
2021 Households	969	8,687	19,114	95,240
2010 Households	784	7,368	16,897	84,665
2000 Households	626	5,373	13,501	68,453
Percent HH Change: 2010 to 2016	13.5%	9.9%	7.2%	6.9%
Percent HH Change: 2016 to 2021	8.8%	7.3%	5.5%	5.2%
Average Household Size	2.8	2.9	2.8	2.8
INCOME				
2016 Median Household Income	\$78,781	\$83,624	\$79,169	\$78,267
2016 Average Household Income	\$87,403	\$95,434	\$91,266	\$92,347
2016 Per Capita Income	\$31,224	\$32,251	\$32,494	\$33,079
HOUSING UNITS				
2016 Housing Units	915	8,341	18,757	94,083
2016 Occupied Housing Units	891	8,094	18,110	90,502
2016 Vacant Housing Units	24	247	647	3,580
2016 Owner-Occupied Housing Units	843	7,420	15,525	75,960
2016 Renter-Occupied Housing Units	48	674	2,585	14,542
EDUCATION				
2016 Population Age 25 and Over	1,667	15,545	33,618	166,878
High School thru Associates	1,144 68.6%	10,387 66.8%	22,454 66.8%	107,522 64.4%
Bachelor's Degree	301 18.1%	3,238 20.8%	6,816 20.3%	36,265 21.7%
Graduate Degree	105 6.3%	1,075 6.9%	2,366 7.0%	14,266 8.5%
PLACE OF WORK				
Total Businesses	27	627	1,564	8,672
Daytime Employment (Total Employees)	65	6,154	15,654	100,660

©2016 CBRE. This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Source: Nielsen Page 1 ProjectID:81390

CBRE DEMOGRAPHIC BRIEF

RAMSEY CITY CENTER



NAME	LATITUDE	LONGITUDE
1 RAMSEY CITY CENTER	45.2611	-93.45

THE CITY OF RAMSEY - EDA FINANCING TOOLS

The City of Ramsey has a number of financial tools available for economic development projects. Below is an overview of common economic development tools.

GAP FINANCING

- Ramsey Revolving Loan Fund (RLF)
- Minnesota Investment Fund (MIF)

SBA FINANCING

- Small Business Administration (SBA) Loans
- Small Business Administration (SBA) Loan Guarantees

PROPERTY TAX PROGRAMS

- Tax Abatement
- Tax Increment Financing (TIF)

PRIMARY FINANCING

- Private Primary Lending Lender and/or Owner Equity (no involvement from city)
- Industrial Revenue Bonds (IRB)



DISCLOSURE

Eligibility for financing tools is based on the merit of an individual project, compliance with specific program requirements and in many cases approval from the Ramsey EDA and City Council. The City of Ramsey targets quality projects with high quality job growth. Typically, projects will require owner equity and/or private financing.

THE CITY OF RAMSEY - THE COR

THE COR

The COR (Center of Ramsey) is the City of Ramsey's downtown development. This 400 acre development is a true, transit oriented and walkable, urban development. The COR is centered on U.S. Highway 10/ U.S. Highway 169 and the Northstar Rail (Ramsey Station). This mixed use development is home to a long list of successful projects including residential, retail, office, recreation, government facilities, and much more!

The COR, known formerly as Ramsey Town Center, was purchased by the City of Ramsey in 2009. About 130 acres of land is available for development in The COR today; about 90 acres is City-owned. Located directly adjacent to The COR is 90 acres of additional land available for commercial (retail) development.

RECENT MAJOR ACTIVITY

1. Rental apartments – 121 units of market rate apartments being developed by PSD LLC in The COR, near The Draw Park and Amphitheatre. Construction is underway, completion is anticipated for winter 2016.
2. Rental apartments - 47 units of workforce housing being developed by Common Bond Communities in The COR, near The Ramsey Northstar Commuter Rail Station. Construction is underway, completion is anticipated for fall 2016.
3. Casey's Convenience Store – 4,500 square foot convenience retail store completed by Casey's Retail Company, near Ramsey Boulevard/ Sunwood Drive. Construction is completed, operations began in January of 2016.
4. Quick Service Restaurant – 4,500 square foot restaurant to be developed by McDonald's USA LLC in The COR, near the new Armstrong Interchange. Construction anticipated for completion in 2017.






5. Armstrong Blvd Interchange – new full-access grade-separated interchange, intersection of U.S. Highway 10 and Armstrong Boulevard. Final completion set for summer 2016.
6. Townhomes – 15 units of town homes completed in 2016, 77 additional units under review for platting by D.R. Horton within The COR, near The Draw Park & Amphitheatre.
7. Renovation – Coborn's completed a half-million dollar remodel and upgrade to their convenience and liquor spaces in late 2015. Coborn's is 60,000 square

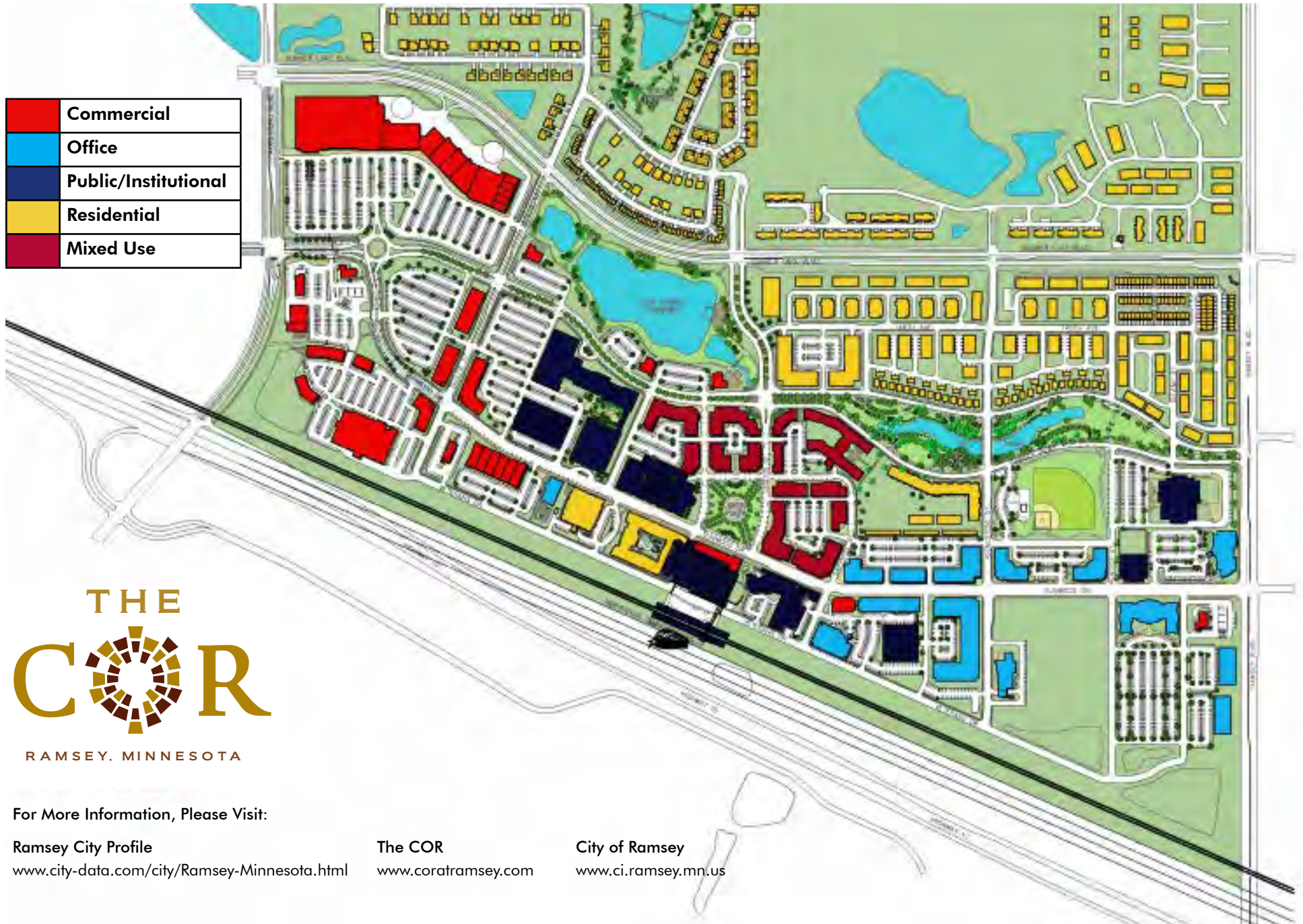
PRE-2015 COR PROJECTS INCLUDE:

- 95,000 square foot Coborn's anchored multi-tenant retail center, over 90% occupancy
- PACT Charter School (K-12)
- Ramsey Municipal Center (60,000 square feet)
- Veterans Affairs Outpatient Clinic (40,000 square feet)
- Ramsey Office Plaza (80,000 square feet), over 90% occupancy
- Midwest Medical Examiner's Office
- NAU County Insurance Office (42,000 square feet)
- Northgate Church & Community Performing Arts Center (500 seats)
- Allina Medical Clinic (25,000 square feet)
- 230-unit luxury apartment complex (Residence at The COR)
- \$3M The Draw park & amphitheater
- Ramsey Rail Station: connected to covered 800 stall parking ramp by skyway with service to Minneapolis
- Various single family and townhome developments totaling several hundred households



COR CONCEPT PLAN

	Commercial
	Office
	Public/Institutional
	Residential
	Mixed Use



THE
COR
RAMSEY, MINNESOTA

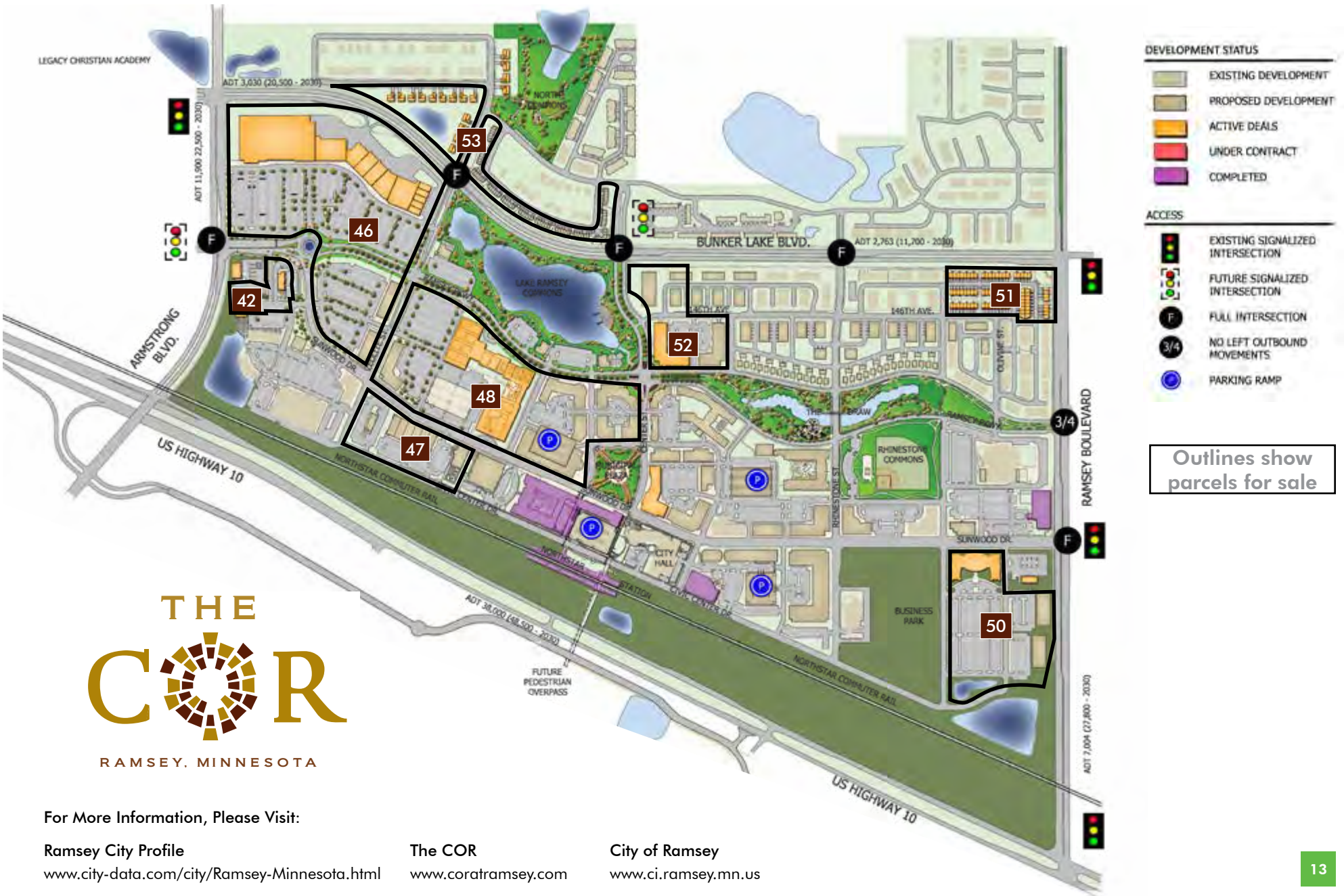
For More Information, Please Visit:

Ramsey City Profile
www.city-data.com/city/Ramsey-Minnesota.html

The COR
www.coratramsey.com

City of Ramsey
www.ci.ramsey.mn.us

COR - AVAILABLE PARCELS



For More Information, Please Visit:

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The COR
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City of Ramsey
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HWY 10/ARMSTRONG BLVD REALIGNMENT

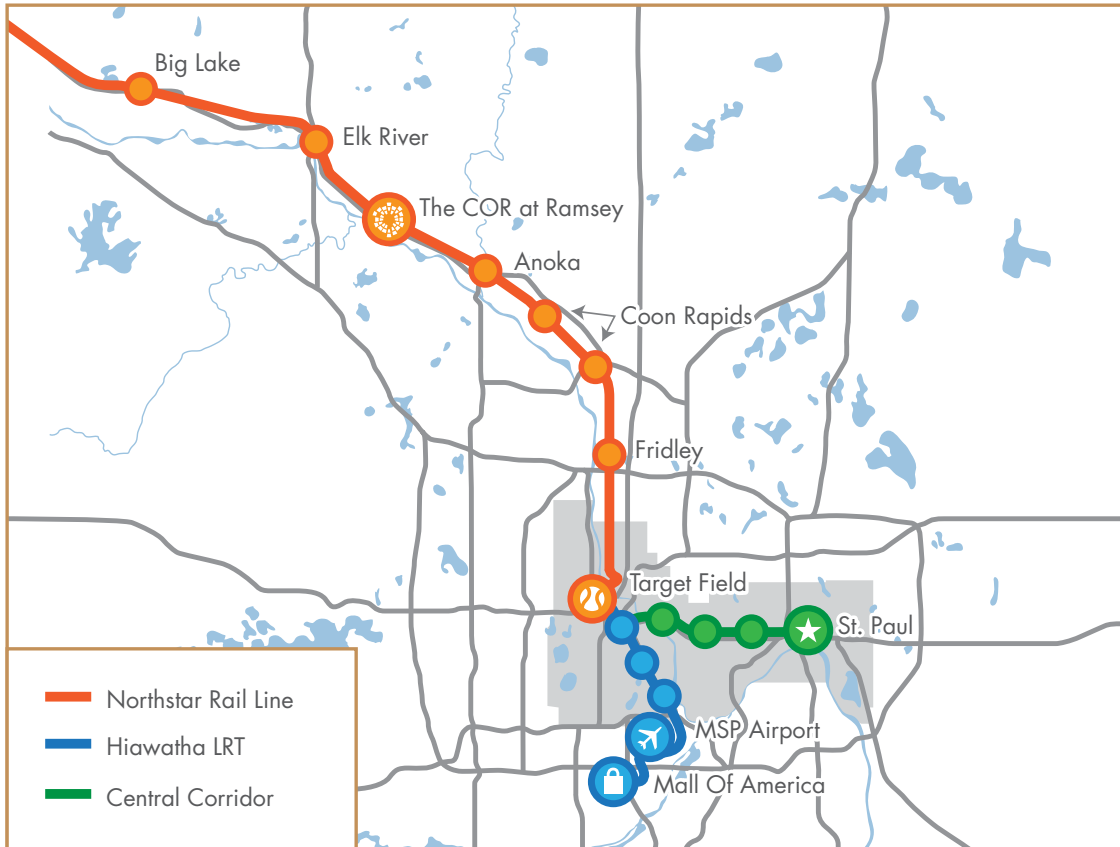
NEW FULL ACCESS INTERCHANGE - COMPLETED 2015/2016



ROAD CONSTRUCTION TIMING

Construction of the Armstrong Interchange has been completed. Additionally, there is a large Hwy 10 Access Planning Study under way to improve the safety and flow of Hwy 10. Hwy 10 is already a tremendous asset to the community but its positive impact will continue to grow with improvements to the corridor between Anoka, Ramsey and Elk River.

NORTHSTAR COMMUTER RAIL



STATION SPOTLIGHTS

The Ramsey Rail Station is now open and is the newest stop on the Northstar Commuter Rail. With safe, convenient, affordable and reliable transportation to downtown Minneapolis, and connections to the Airport and Mall of America, this regional transit solution is a critical part of the transit services provided in The COR. It's the only station connected by skyway to a public parking ramp and is located in the center of The COR, Ramsey's new downtown development.

The \$13 million Ramsey Station investment is leveraging \$80 million in residential, retail and other investments in The COR. Rail service has also sparked new development around the station area, including the new Veterans Administration Clinic, Allina Medical Clinic, Falls Café, and Legacy Christian Academy.

Outside of downtown Minneapolis, seven stations are located along the 40-mile corridor: Target Field in Minneapolis, Fridley, Coon Rapids/Riverdale, Anoka, Ramsey, Elk River, and Big Lake. Another 3 stations are proposed in St. Cloud, Becker and Coon Rapids/Foley.



**DAILY RIDERSHIP
AVERAGES 2,539 RIDERS
PER DAY WITH A TARGET
OF 5,900 RIDERS PER
DAY BY 2030.**

For More Information, Please Contact:

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+1 952 924 4603

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Vice President

+1 952 924 4665

brian.pankratz@cbre.com

For More Information, Please Visit:

Ramsey City Profile

www.city-data.com/city/Ramsey-Minnesota.html

Northstar Commuter Rail Line

www.metrotransit.org/northstar

The COR

www.coratramsey.com

City of Ramsey

www.ci.ramsey.mn.us

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.



Economic Development Authority (EDA)

4. 2.

Meeting Date: 02/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Informational Interview: IAG Commercial

Purpose/Background:

This case is a follow up to the EDA's ongoing discussion RE marketing strategies for The COR, and the sale of City-owned land. Please see attached agenda.

This interview is with Jeff LaFavre, Owner/ President, with IAG Commercial. Link: <http://www.iagcommercial.com/>. Staff met with Jeff LaFavre and Brian Beeman before the EDA meeting. They are prepared to answer the attached questions.

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

Recommendation:

The EDA will be developing an RFP/ RFQ over the coming months to secure a long-term contract (i.e. strategy) for marketing/ selling city-owned land (and The COR). This interview is an opportunity to interact with private sector professionals that routinely work on development projects. This is the EDA's opportunity to get assistance with "scoping" what our RFP/ RFQ will cover. Staff suggests the EDA be ready to ask questions/ interact with the interviewee.

Action:

NA

Attachments

[Agenda/ Questions](#)

[COR Map](#)

[CBRE Listings](#)

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 02/06/2017

Reviewed By

Kurt Ulrich

Date

02/06/2017 09:25 AM

Started On: 02/05/2017 10:21 AM

Draft List of Questions for Master Developer/ Real Estate Broker

INTRODUCTION

The City of Ramsey's discussion RE strategies for marketing/ selling The COR has started. To kick off the process, the EDA would like to do a Q&A/informational interviews.

The purpose of informational interviews is to allow for a free-flowing conversation to take place RE The COR, between you and the EDA. The EDA wants to get a better general understanding of what options exist to market/ sell The COR (and provide master developer services), and to gather your thoughts on The COR. They want to have these conversations to get better educated/ become more informed. They prefer this method, rather than simply doing a standard blanket RFP process (with expectations not clearly defined by the City). The outcome of these interviews will be a basis in which the EDA can create a "scope" for how they want to market/ sell The COR (i.e. define their expectations).

We will have 3-4 informational interviews. We expect each informational interview to last 30-40 minutes.

1. **Background** (ideally something we can attached to staff report ahead of time)
 - a. Contact Person, Company (area of expertise, service offerings, strengths)

2. **Example Projects** (could be one project that covers all)
 - a. Projects that included multiple sites/ large sites/ master planning
 - b. Projects that included consulting a land owner and/or city

3. **The COR** (from a development perspective)
 - a. What is your general perception of The COR (as a development project). What are Ramsey's Strengths and weaknesses?

4. **Marketing/ Sale/ Master Developer Services Strategies**
 - a. What strategies do you *RECOMMEND* for Ramsey?
(i.e. broker listing agreement, financing partnerships, option-to-buy agreements with master developers, professional service agreements for master developer services, upfront land sale to master developer, partnership agreements with master developers, marketing campaigns, websites, construct speculative buildings, etc.)
 - b. Are those options your company can help with? If yes, from a high level, what might those options look like (i.e. basic deal parameters).

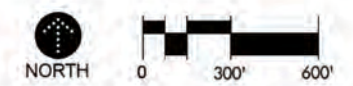
5. **Three specific questions**
 - a. About 150 acres of available retail land is located within/adjacent to The COR today. Is it realistic for Ramsey to absorb that much retail land? For example, by comparison, Riverdale is just shy of 200 acres.
 - b. Ramsey currently owns about 85 acres of greenfield land located within The COR (multiple zoning districts). Is it realistic for the City to create a single RFP for all of the City's land holdings in The COR at this time—would developers be interested in purchasing all land upfront?
 - c. What can the City do to better entice developers/ investors in wanting to come to The COR? (specifically for retail and restaurants) Are there any specific strategies we should consider?

THE COR

AT RAMSEY

— DISTRICT BOUNDARIES

1 BOUNDARY LABELS



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Sub-District Map

Version 6.2

11/07/2012



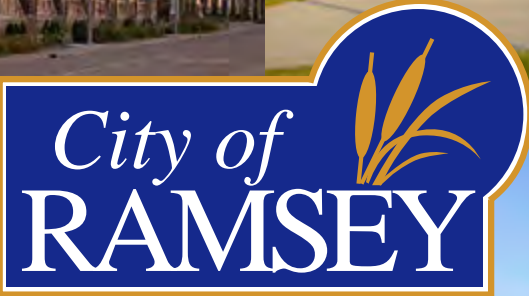


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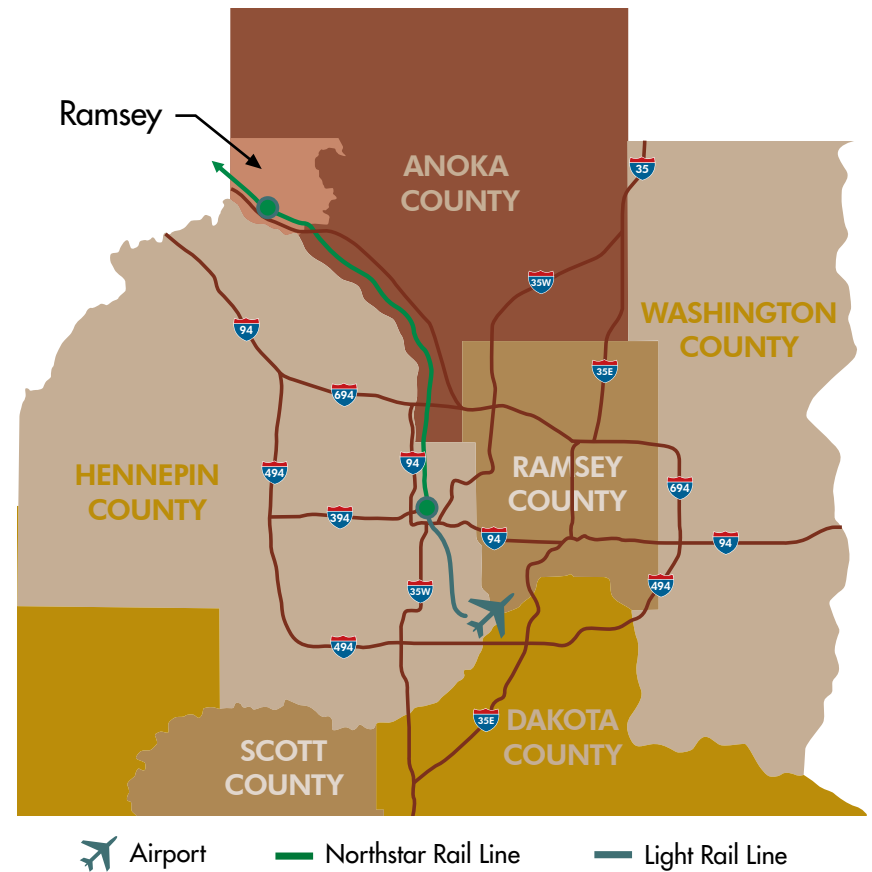
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EXECUTIVE SUMMARY

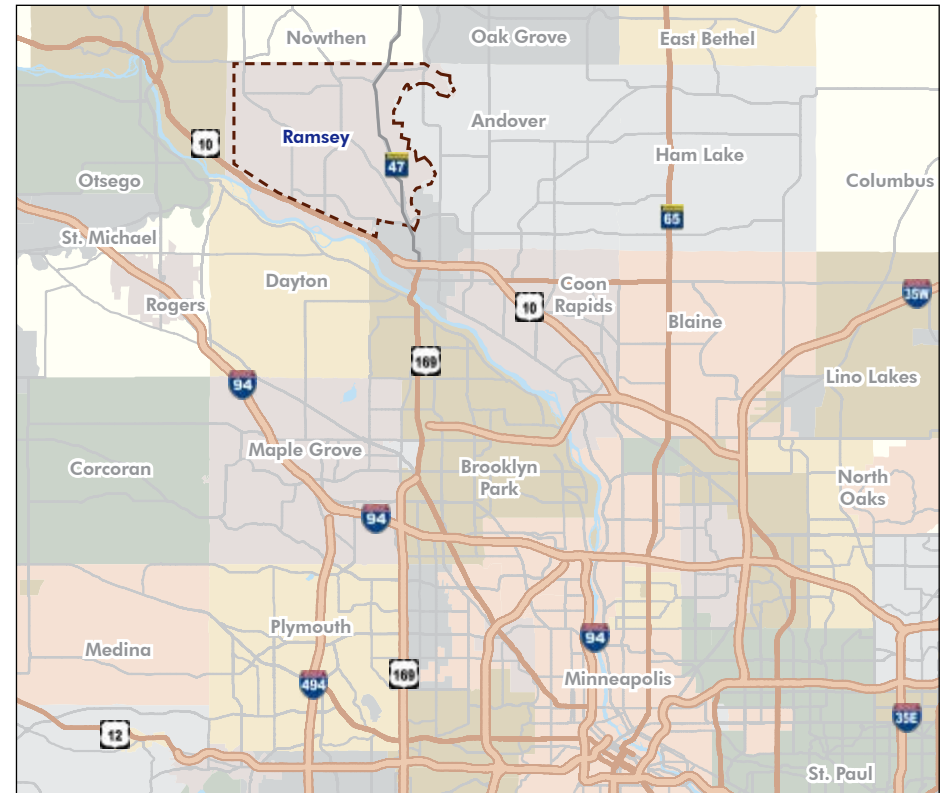
CITY OF RAMSEY OVERVIEW

Ramsey is a northwestern Twin Cities suburb in Anoka County with an estimated 2015 population of 25,580., and is the second-fastest growing city in Anoka County. It is 28 square miles with 15% wetlands, 565 acres park and open space, and bordered by the Rum and Mississippi Rivers. The City is also known for its unique COR development that encompasses over 400 acres of residential, commercial, retail, educational and recreational uses. The COR is the Twin Cities' first and only mixed-use development on the Northstar Commuter Line that services downtown Minneapolis, and offers a unique transit oriented development providing easy access to home, work, and neighborhood services. Highways 10/169 and 47 are two larger transportation routes.

As of the census of 2010, there were 23,668 people, 8,033 households, and 6,484 families residing in the city of Ramsey. The population density was 821.5 inhabitants per square mile (317.2/km²). There were 8,302 housing units at an average density of 288.2 per square mile (111.3/km²).

There were 8,033 households of which 43.9% had children under the age of 18 living with them, 67.6% were married couples living together, 8.5% had a female householder with no husband present, 4.6% had a male householder with no wife present, and 19.3% were non-families. 13.7% of all households were made up of individuals and 3% had someone living alone who was 65 years of age or older. The average household size was 2.95 and the average family size was 3.24.

The median age in the city was 34.9 years. 28.7% of residents were under the age of 18; 7.8% were between the ages of 18 and 24; 29.4% were from 25 to 44; 27.4% were from 45 to 64; and 6.7% were 65 years of age or older. The gender makeup of the city was 50.3% male and 49.7% female

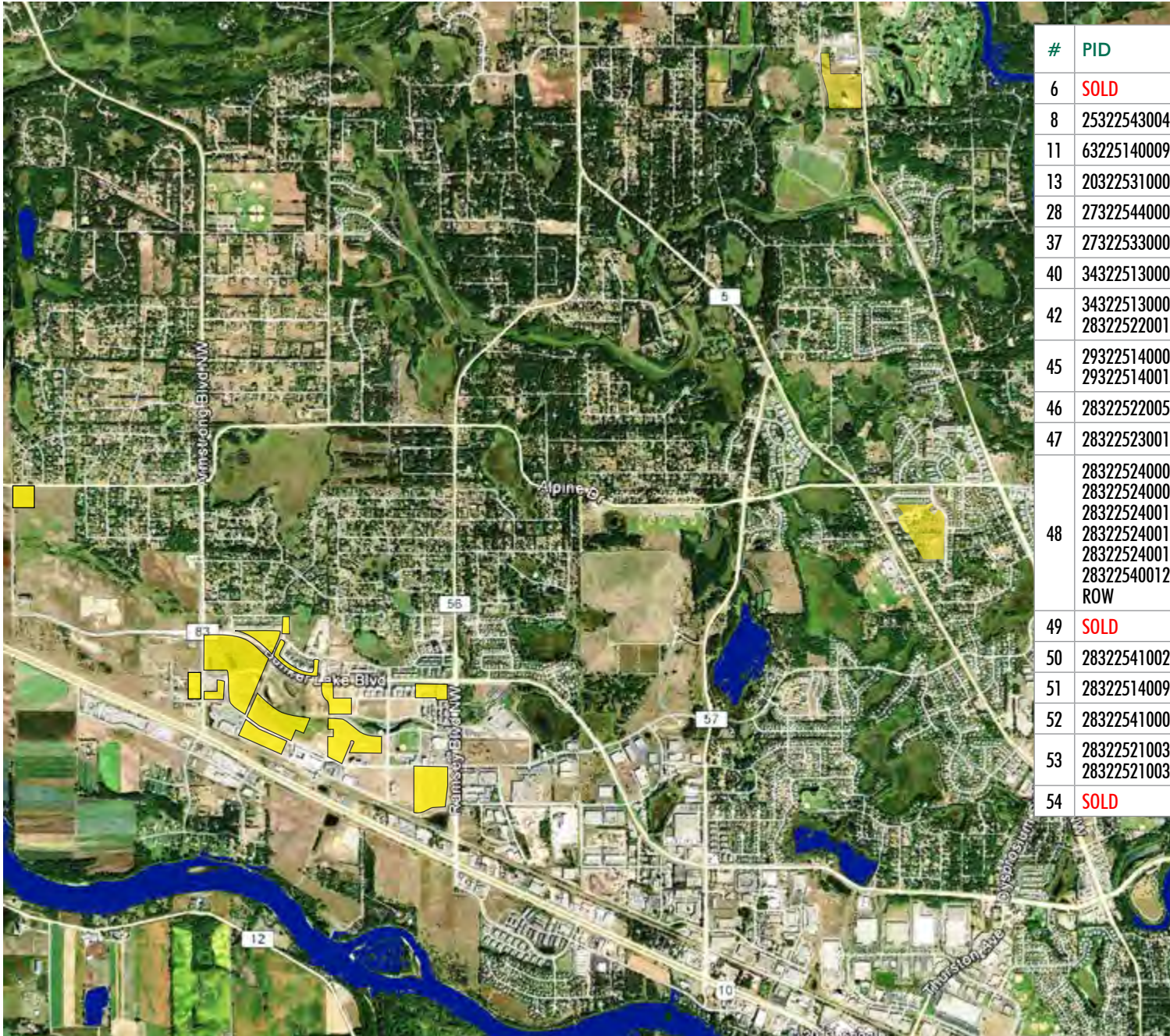


30 minutes to Downtown Minneapolis (±22 miles)

DEMOGRAPHICS, LIVABILITY, WORKFORCE

- 2015 Population 25,580
- Median Household Income: \$83,115
- Anoka County Labor Force: 194,170
- Manufacturing hub: 33% of businesses in Ramsey; second highest percentage in Anoka County
- Nearly 1,300 businesses & non-profit organizations; more than 6,000 jobs
- Top Minneapolis Suburb for young couples (movoto.com, 2015)
- Home to the Game Fair, The Draw Event Series, and Happy Days
- 565 acres of parkland and extensive trail system
- 15% of Ramsey is protected wetland

PARCEL LISTINGS



#	PID	ACRES	LAND USE	LIST PRICE
6	SOLD			
8	253225430043	1.01	Commercial	\$153,985
11	63225140009	6.75	Residential	\$256,800
13	203225310003	4.11	Residential	\$164,000
28	273225440003	0.95	Commercial	\$82,764
37	273225330006	4.14	Office	\$450,000
40	343225130005	1.23	Commercial	\$215,000
42	343225130005 283225220013	2.61	Commercial	\$1,365,000/\$12 PSF
45	293225140009 293225140010	2.88	Mixed	\$10/SF
46	283225220058	30.9	Commercial	\$6,730,000
47	283225230010	4.94	Mixed	\$1,075,932/\$5 PSF
48	283225240009 283225240009 283225240011 283225240010 283225240013 28322540012 ROW	20.00	Mixed	\$3,485,000
49	SOLD			
50	283225410020	13.34	Commercial	From \$6 PSF
51	283225140094	4.30	Residential	\$350,000
52	283225410009	4.96	Residential	\$450,000
53	283225210035 283225210030	7.38	Residential	\$210,000
54	SOLD			

Click on any numbered box to open the brochure for that parcel

THE CITY OF RAMSEY - FACTS

OVERVIEW

- Second-fastest growing City in Anoka County
- U.S. HWY 10, State Highway 169, State Highway 47 and Northstar Commuter Rail (linking to MSP) access
- Manufacturing hub (33% of businesses in Ramsey)
- Relevant, nearby, educational opportunities and workforce for manufacturing businesses
- Home to The COR, a new urban downtown development with direct access to the Northstar Commuter Rail
- Bordered by the Mississippi River, Rum River and Trott Brook, Ramsey is one of Minnesota's premier places to live

EDUCATION

- **Over 50 universities located** - within 50 miles
- **Anoka Technical College** - within 1 mile
- **PACT Charter School** - located on Ramsey Blvd & E Ramsey Pkwy, 600 current students and 2,000 on waiting list

HIGHLIGHTS

- **Coborn's Grocery Store** - anchors approximately 100,000 SF of retail in The COR and provides full service grocery, liquor, fuel and pharmacy.
- Northstar Station
- VA Clinic
- US Highway 10 - highest traveled road in the state
 - Ramsey Blvd @ Hwy 10: 44,000 VPD
 - Armstrong Blvd @ Hwy 10: 39,000 VPD

CITY and COUNTY CONTACTS

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763 433 9845
kulrich@ci.ramsey.mn.us

Patrick Brama

Economic Development Manager
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pbrama@cityoframsey.com

Tim Gladhill

Community Development Director
763 433 9826
tgladhill@cityoframsey.com



www.ci.ramsey.mn.us

THE CITY OF RAMSEY - CONSTRUCTION & HOUSING



THE CITY OF RAMSEY - CONSTRUCTION & HOUSING

RESIDENTIAL DEVELOPMENT PATTERNS

2012, 295 total housing units

Single Family, 57 units

Townhomes, 8 units

Multi Family, 230 units

2013, 234 total housing units

Single Family, 96 units

Townhomes, 66 units

Multi Family, 72 units

2014, 66 total housing units

Single Family, 66 units

Townhomes, 0 units

Multi Family, 0 units

2015, 290 total housing units

Single Family, 83 units

Townhomes, 39 units

Multi Family, 168 units



MAJOR ACTIVE DEVELOPMENTS

- Single-family Construction – GS Land/ Harvest Estates PLAT, up to 44 lots located in east central Ramsey.
- Single-family Construction –Lennar Homes/ Woodlands PLAT, up to 85 lots located in central Ramsey.
- Townhome Construction –D.R. Horton/ The Station PLAT, up to 77 units located in The COR.



THE CITY OF RAMSEY - BUSINESS GROWTH

MANUFACTURING HOT SPOT

- Vision Ease Lens
- Diamond Graphics Printing
- Life Fitness
- Connexus Energy
- Cullinan Rigging & Erecting
- Ace Solid Waste

LABOR MARKET

- Anoka County Labor Force: 194,170
- Over 600 existing businesses and non-profit organizations in Ramsey
- **VA Clinic** - Opened in November 2011, the facility provides critical services to over 30,000 of our most honored citizens
- **Allina Clinic** - 30,000 square foot facility is the newest prototype in the Allina program featuring dominant architectural features; the general medicine facility also includes a sports medicine component

LARGEST EMPLOYERS	EMPLOYEES
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Zero Zone Inc.	174

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2021 Population	2,679	25,575	53,433	265,483
2010 Population	2,259	21,908	47,789	236,800
2000 Population	1,933	16,998	40,581	200,404
Percent Pop Change: 2010 to 2016	10.4%	9.3%	6.4%	6.7%
Percent Pop Change: 2016 to 2021	7.5%	6.8%	5.1%	5.1%
AGE				
2016 Median Age	37.7	37.0	37.8	37.9
2016 Average Age	37.5	36.6	37.5	37.5
HOUSEHOLDS				
2016 Households	891	8,094	18,110	90,502
2021 Households	969	8,687	19,114	95,240
2010 Households	784	7,368	16,897	84,665
2000 Households	626	5,373	13,501	68,453
Percent HH Change: 2010 to 2016	13.5%	9.9%	7.2%	6.9%
Percent HH Change: 2016 to 2021	8.8%	7.3%	5.5%	5.2%
Average Household Size	2.8	2.9	2.8	2.8
INCOME				
2016 Median Household Income	\$78,781	\$83,624	\$79,169	\$78,267
2016 Average Household Income	\$87,403	\$95,434	\$91,266	\$92,347
2016 Per Capita Income	\$31,224	\$32,251	\$32,494	\$33,079
HOUSING UNITS				
2016 Housing Units	915	8,341	18,757	94,083
2016 Occupied Housing Units	891	8,094	18,110	90,502
2016 Vacant Housing Units	24	247	647	3,580
2016 Owner-Occupied Housing Units	843	7,420	15,525	75,960
2016 Renter-Occupied Housing Units	48	674	2,585	14,542
EDUCATION				
2016 Population Age 25 and Over	1,667	15,545	33,618	166,878
High School thru Associates	1,144 68.6%	10,387 66.8%	22,454 66.8%	107,522 64.4%
Bachelor's Degree	301 18.1%	3,238 20.8%	6,816 20.3%	36,265 21.7%
Graduate Degree	105 6.3%	1,075 6.9%	2,366 7.0%	14,266 8.5%
PLACE OF WORK				
Total Businesses	27	627	1,564	8,672
Daytime Employment (Total Employees)	65	6,154	15,654	100,660

©2016 CBRE. This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Source: Nielsen Page 1 ProjectID:81390

CBRE DEMOGRAPHIC BRIEF

RAMSEY CITY CENTER



NAME	LATITUDE	LONGITUDE
1 RAMSEY CITY CENTER	45.2611	-93.45

THE CITY OF RAMSEY - EDA FINANCING TOOLS

The City of Ramsey has a number of financial tools available for economic development projects. Below is an overview of common economic development tools.

GAP FINANCING

- Ramsey Revolving Loan Fund (RLF)
- Minnesota Investment Fund (MIF)

SBA FINANCING

- Small Business Administration (SBA) Loans
- Small Business Administration (SBA) Loan Guarantees

PROPERTY TAX PROGRAMS

- Tax Abatement
- Tax Increment Financing (TIF)

PRIMARY FINANCING

- Private Primary Lending Lender and/or Owner Equity (no involvement from city)
- Industrial Revenue Bonds (IRB)



DISCLOSURE

Eligibility for financing tools is based on the merit of an individual project, compliance with specific program requirements and in many cases approval from the Ramsey EDA and City Council. The City of Ramsey targets quality projects with high quality job growth. Typically, projects will require owner equity and/or private financing.

THE CITY OF RAMSEY - THE COR

THE COR

The COR (Center of Ramsey) is the City of Ramsey's downtown development. This 400 acre development is a true, transit oriented and walkable, urban development. The COR is centered on U.S. Highway 10/ U.S. Highway 169 and the Northstar Rail (Ramsey Station). This mixed use development is home to a long list of successful projects including residential, retail, office, recreation, government facilities, and much more!

The COR, known formerly as Ramsey Town Center, was purchased by the City of Ramsey in 2009. About 130 acres of land is available for development in The COR today; about 90 acres is City-owned. Located directly adjacent to The COR is 90 acres of additional land available for commercial (retail) development.

RECENT MAJOR ACTIVITY

1. Rental apartments – 121 units of market rate apartments being developed by PSD LLC in The COR, near The Draw Park and Amphitheatre. Construction is underway, completion is anticipated for winter 2016.
2. Rental apartments - 47 units of workforce housing being developed by Common Bond Communities in The COR, near The Ramsey Northstar Commuter Rail Station. Construction is underway, completion is anticipated for fall 2016.
3. Casey's Convenience Store – 4,500 square foot convenience retail store completed by Casey's Retail Company, near Ramsey Boulevard/ Sunwood Drive. Construction is completed, operations began in January of 2016.
4. Quick Service Restaurant – 4,500 square foot restaurant to be developed by McDonald's USA LLC in The COR, near the new Armstrong Interchange. Construction anticipated for completion in 2017.






5. Armstrong Blvd Interchange – new full-access grade-separated interchange, intersection of U.S. Highway 10 and Armstrong Boulevard. Final completion set for summer 2016.
6. Townhomes – 15 units of town homes completed in 2016, 77 additional units under review for platting by D.R. Horton within The COR, near The Draw Park & Amphitheatre.
7. Renovation – Coborn's completed a half-million dollar remodel and upgrade to their convenience and liquor spaces in late 2015. Coborn's is 60,000 square

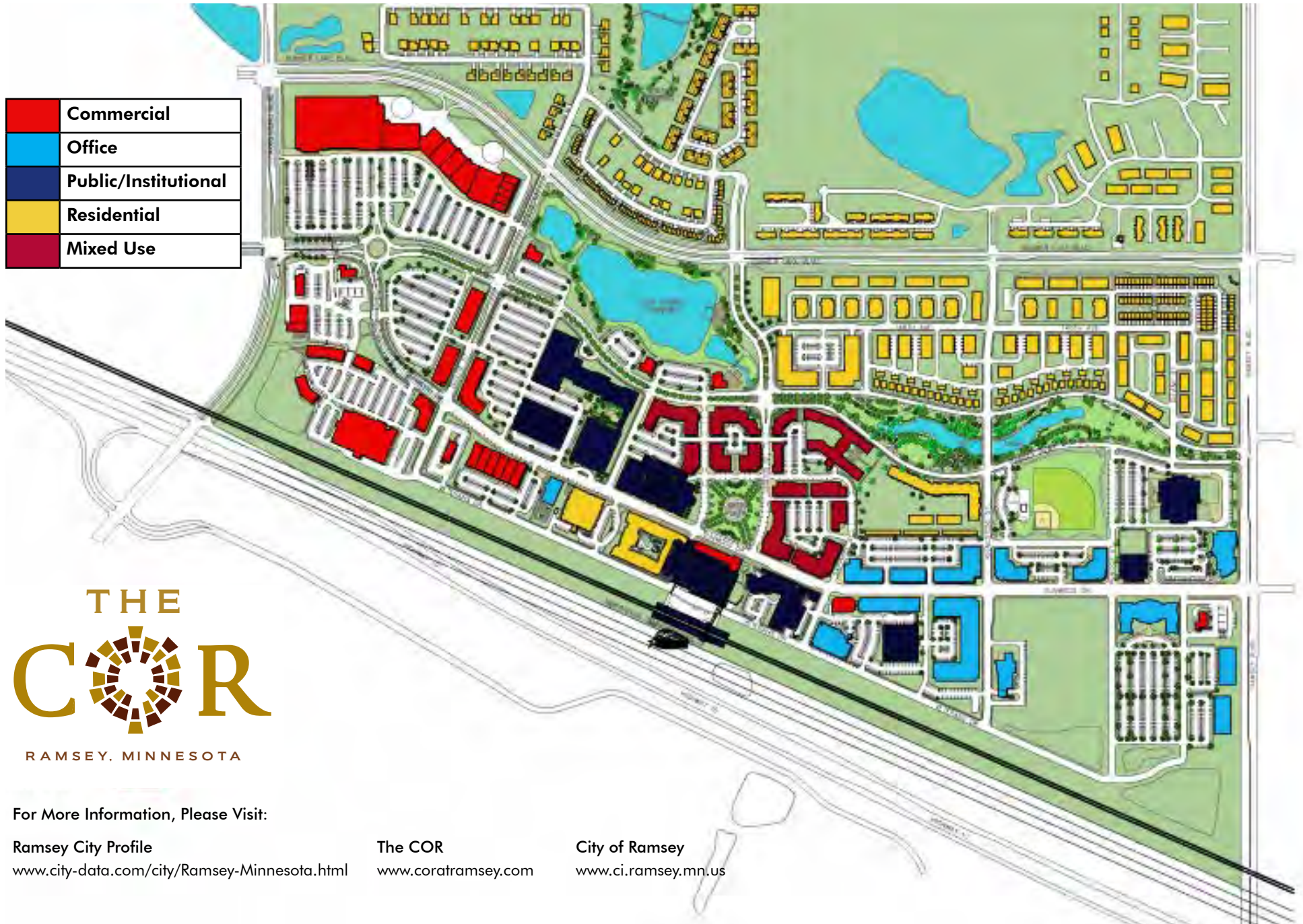
PRE-2015 COR PROJECTS INCLUDE:

- 95,000 square foot Coborn's anchored multi-tenant retail center, over 90% occupancy
- PACT Charter School (K-12)
- Ramsey Municipal Center (60,000 square feet)
- Veterans Affairs Outpatient Clinic (40,000 square feet)
- Ramsey Office Plaza (80,000 square feet), over 90% occupancy
- Midwest Medical Examiner's Office
- NAU County Insurance Office (42,000 square feet)
- Northgate Church & Community Performing Arts Center (500 seats)
- Allina Medical Clinic (25,000 square feet)
- 230-unit luxury apartment complex (Residence at The COR)
- \$3M The Draw park & amphitheater
- Ramsey Rail Station: connected to covered 800 stall parking ramp by skyway with service to Minneapolis
- Various single family and townhome developments totaling several hundred households



COR CONCEPT PLAN

	Commercial
	Office
	Public/Institutional
	Residential
	Mixed Use



THE
COR
RAMSEY, MINNESOTA

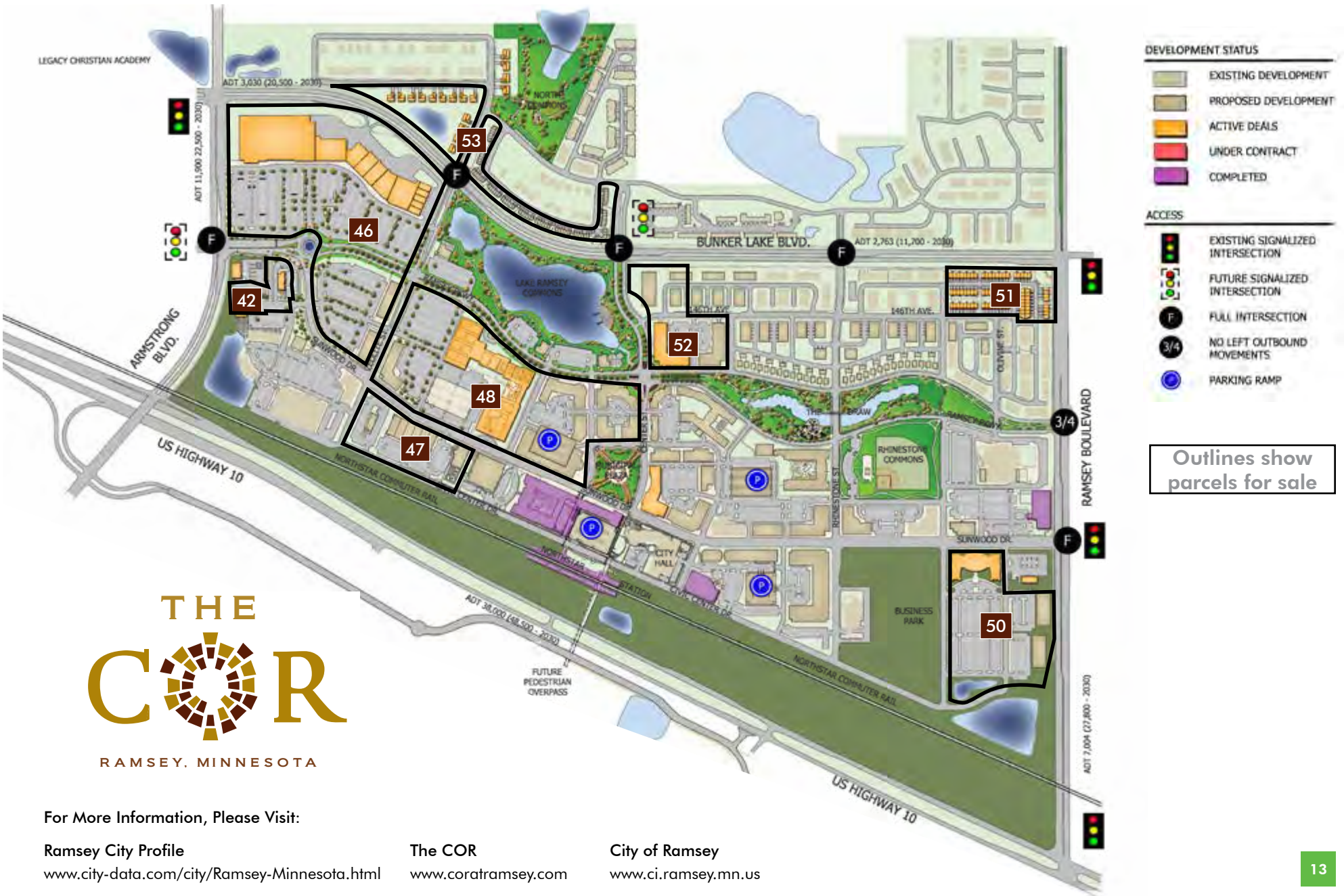
For More Information, Please Visit:

Ramsey City Profile
www.city-data.com/city/Ramsey-Minnesota.html

The COR
www.coratramsey.com

City of Ramsey
www.ci.ramsey.mn.us

COR - AVAILABLE PARCELS



For More Information, Please Visit:

Ramsey City Profile
www.city-data.com/city/Ramsey-Minnesota.html

The COR
www.coratramsey.com

City of Ramsey
www.ci.ramsey.mn.us

HWY 10/ARMSTRONG BLVD REALIGNMENT

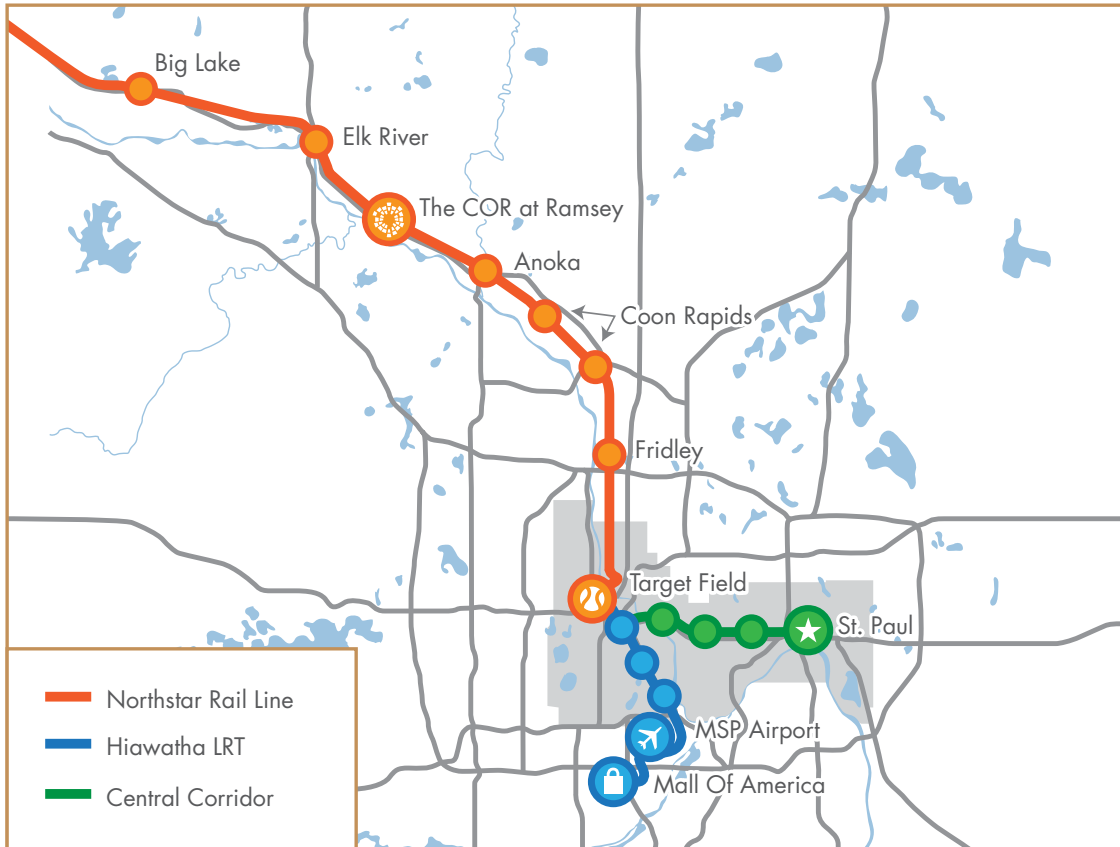
NEW FULL ACCESS INTERCHANGE - COMPLETED 2015/2016



ROAD CONSTRUCTION TIMING

Construction of the Armstrong Interchange has been completed. Additionally, there is a large Hwy 10 Access Planning Study under way to improve the safety and flow of Hwy 10. Hwy 10 is already a tremendous asset to the community but its positive impact will continue to grow with improvements to the corridor between Anoka, Ramsey and Elk River.

NORTHSTAR COMMUTER RAIL



STATION SPOTLIGHTS

The Ramsey Rail Station is now open and is the newest stop on the Northstar Commuter Rail. With safe, convenient, affordable and reliable transportation to downtown Minneapolis, and connections to the Airport and Mall of America, this regional transit solution is a critical part of the transit services provided in The COR. It's the only station connected by skyway to a public parking ramp and is located in the center of The COR, Ramsey's new downtown development.

The \$13 million Ramsey Station investment is leveraging \$80 million in residential, retail and other investments in The COR. Rail service has also sparked new development around the station area, including the new Veterans Administration Clinic, Allina Medical Clinic, Falls Café, and Legacy Christian Academy.

Outside of downtown Minneapolis, seven stations are located along the 40-mile corridor: Target Field in Minneapolis, Fridley, Coon Rapids/Riverdale, Anoka, Ramsey, Elk River, and Big Lake. Another 3 stations are proposed in St. Cloud, Becker and Coon Rapids/Foley.



DAILY RIDERSHIP
AVERAGES 2,539 RIDERS
PER DAY WITH A TARGET
OF 5,900 RIDERS PER
DAY BY 2030.

For More Information, Please Contact:

Richard Palmiter

Vice President

+1 952 924 4603

richard.palmiter@cbre.com

Brian Pankratz

Vice President

+1 952 924 4665

brian.pankratz@cbre.com

For More Information, Please Visit:

Ramsey City Profile

www.city-data.com/city/Ramsey-Minnesota.html

Northstar Commuter Rail Line

www.metrotransit.org/northstar

The COR

www.coratramsey.com

City of Ramsey

www.ci.ramsey.mn.us

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.



Economic Development Authority (EDA)

4. 3.

Meeting Date: 02/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund

Purpose/Background:

PURPOSE

Consider Request from Ramsey Business for use of EDA Revolving Loan Fund (RLF). \$72,500 EDA loan amount, 5% of project costs (\$1.44M), 10-year term, 3% interest. Please see attached draft loan agreement.

NOTE: this case came to the EDA/ Council for the first time in January. At the time, the EDA/ Council, provided the following direction to American Print & Digital: (1) an exception to the City's minimum owner equity would be allowed for American Print & Digital, from 10% to 5%, and (2) authorization to formally apply for the use of the EDA Revolving Loan Fund.

BACKGROUND

The intent of the EDA RLF program is to provide gap financing in situations in which conventional/ normal financing is not available for small/ medium sized businesses, to make good projects "GO." Please see attached EDA RLF guidelines for details.

APPLICANT/ BUSINESS

The business considering the EDA RLF is American Print & Digital. They are located of Radium Street in eastern Ramsey, just south of Bunker Lake Boulevard. They currently lease about 5,000 sf in a multi-tenant spec building. They are a "broker" style printing firm. Meaning, they don't work with end-user customers directly--they only work with brokers. Brokers sign contracts with American Print & Digital for work. They have 7 full-time employees. The business started in 2009 and has steadily grown year-after-year.

American Print & Digital needs room to grow, at least 10,000 sf total. They recently placed an order for a very expensive piece of equipment, which they already have enough orders to run for a minimum 6-hours per week, and expect at least 20-hours per week immediately when it's installed. The new piece of equipment allows them to expand their production capacity to larger runs, on physically larger pieces of material, and to produce product quicker/ cheaper.

Please see attached cover letter from American Print & Digital for details.

THE PROJECT

American Print & Digital has a purchase agreement in place for the former "All-Brite Printing" building located between Do-All Printing and Lano Equipment on US Highway 10 (6320 Highway 10). This building is just less than 15,000 sf, and is set up ideally for their operations. Some renovations are needed. This purchase will allow for expansion of their business, placement of their new machine, and room for small future expansion. Additionally, in the short term, American Print & Digital plans to sub-lease a small portion of the property until they need it (about 3,000 sf).

The project is about \$1.4M total--in which American Print & Digital is seeking financing, with about \$600,000 of the total project costs are the new machine. The Bank of Elk River has tentatively indicated they would fund 50%,

the SBA (via the development corporation) has tentatively indicated they would fund 40%, and the owner has indicated they would like the EDA RLF to cover 5%, and for owner equity to be 5% (20 year term, Bank lien 1, SBA lien 2, City lien 3).

The owner is requesting 5% EDA RLF financing to allow equity dollars to be dedicated to ongoing business working capital needs. The printing industry requires a significant level of working capital to upgrade machines, repair machines, and purchase ever-changing software. It is not uncommon for these unexpected costs related to machines to cost several hundred thousand dollars. American Print & Digital can physically make the deal happen without without the EDA RLF. However, they want to be prudent/ smart about how they are growing their business planning--and they want to make sure they can digest their growth.

NOTE: a common pit-fall for quickly growing small businesses is to not have enough money available in working capital, and outstrip their ability to digest their growth (i.e. they don't have enough working capital to pay for short term expenses incurred as a result of their quick growth). This can happen by putting too much equity into the upfront project, and not leaving dollars for working capital. American Print & Digital is attempting to avoid this potential problem via this request to the City.

Notification:

Observations/Alternatives:

Credit analysis/ underwriting was completed by Mike Mulrooney of the Central Minnesota Development Corporation (CMDC). Mr. Mulrooney has supplied the City with a MEMO/ report. Staff will be sending that report to the EDA via email, before the EDA meeting. Mr. Mulrooney will be at the EDA meeting to review his findings and present his recommendations.

If EDA members have specific questions/ concerns regarding the credit analysis, please email staff before the meeting (we would like to avoid discussing personal financial information in an open meeting as much as possible). Also, if you would like to personally review American Print & Digital's detailed financials, please contact staff--we will arrange for you to meet with CMDC before the EDA meeting. NOTE: staff does not possess detailed financial statements in-house (intentionally).

In summary, Mr. Mulrooney was satisfied with the credit-worthiness of American Print & Digital. Mr. Mulrooney will be recommending the EDA attempt to collateralize the loan with equipment (10 year term), and take a second lien on personal assets of the business owner.

Funding Source:

EDA RLF: about \$300,000 balance.

Recommendation:

See observations section.

Action:

Motion to Recommend the City Council:

Approve the attached draft loan agreement with American Print & Digital for \$72,500; subject to final review and amendments by the City Attorney.

Attachments

DRAFT LOAN AGREEMENT

American Print and Digital Cover Letter

ACG MEMO (previous case)

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 02/06/2017

Reviewed By

Kurt Ulrich

Date

02/06/2017 09:28 AM

Started On: 02/05/2017 10:33 AM

LOAN AGREEMENT

American Print and Digital, LLC and Zap Properties, LLC as Co-Borrowers

LOAN: \$72,500.00 TERM LOAN

PART 1. PARTIES, DATE, TERM AND PURPOSE

1.1 **Parties.** The parties to this Agreement (this "Agreement") are as follows:

The City of Ramsey, Minnesota, a public body corporate and politic under the laws of Minnesota whose business address is 7550 Sunwood Dr NW, Ramsey, MN 55303, (hereinafter referred to as "Lender");

Lender administers a loan program to facilitate development and redevelopment in Ramsey, Minnesota.

Zap Properties LLC LLC, a Minnesota limited liability company, whose registered address is 13950 Radium St NW, Suite 400 Ramsey, MN 55303, (the "Borrower").

American Print and Digital LLC, a Minnesota Limited Liability Company, whose registered address is 13950 Radium St NW, Suite 400 Ramsey, MN 55303, (the "Co-Borrower");

Jason Farrell, whose address is _____ (the "Personal Guarantor"); and

Guarantors, the personal Guarantor may hereinafter be referred to collectively as (the "Guarantor").

1.2 **Date of this Agreement.** The date of this Agreement is _____, 2017 and said date is the date of closing on the loan ("the Date of Closing").

1.3 **Term of this Agreement.** The term of this Agreement shall be from the date of this Agreement set forth above and continue thereafter until all indebtedness has been paid in full.

1.4 **Purpose of this Agreement.** Borrower has requested credit accommodations from Lender, to which Lender has agreed. Lender has granted to Borrower the following credit accommodations, on the conditions set forth herein:

- a. **Term Loan** of Seventy Two Thousand Five Hundred Dollars (\$72,500.00) (the "Loan") to be used for the purchase of real estate and minor renovations which real estate is commonly known as 6320 Highway 10, Ramsey, MN, 55303 and having Anoka County, Minnesota PID 35-32-25-32-0037 (the "Property").

PART 2. LOAN TERMS AND REPAYMENT

2.1 **Promissory Note.** In consideration of the receipt of the (“Loan”), Borrower shall repay to the Lender the Loan pursuant to the terms of the Promissory Note of even date (the “Note”), the form of which is attached hereto as **Exhibit A** and which terms include the following: interest at a rate of 3.0 %per annum (the “Rate”); Principal and Interest payments of [REDACTED] per month beginning [REDACTED], 2017 and continuing on the first day of each month thereafter, until [REDACTED], 2027, (the “Loan Maturity Date”). Borrower shall pay the principal of and interest rate then in effect over the term of the Note. Said payments to continue each month thereafter until the Loan Maturity Date on which date the entire remaining principal balance plus accrued interest shall be due and payable in full.

2.2 **Interest From Date of Closing.** Interest at the Initial Rate on the Note principal shall commence to accrue on the Date of Closing and all accrued interest from said date through [REDACTED], 2017 shall be paid in advance to Lender in full on the Date of Closing. Said amount is calculated to be \$ [REDACTED].

PART 3. LOAN DISBURSEMENT OF LOAN PROCEEDS

3. **Disbursement of Loan Proceeds.** The Loan proceeds shall be disbursed to Borrower upon satisfaction of the following conditions:

- a. Borrower having executed and delivered to Lender, without expense to Lender:
 - (1) executed copies of the following documents:
 - i. this Loan Agreement;
 - ii. the Note;
 - iii. Combination Mortgage, Security Agreement and Fixture Financing Statement granting Lender a Third priority Mortgage on the Property subject only to Permitted Encumbrances as set forth on **Exhibit B** attached hereto; (the “Mortgage”);
 - iv. **Potential mention of the Mtg on Residential RE if they plan on doing that set forth on Exhibit C attached hereto; (the “Mortgage”);**
 - v. The Guarantee executed by the Guarantor.

The Note, the Loan Agreement, the Mortgage and the Guarantee executed by the Guarantor are collectively herein after referred to as the “Loan Documents.”

- b. The Borrower having acquired marketable title to the Property in accordance with the terms of this Agreement, and Borrower having provided evidence satisfactory to Lender that Borrower has incurred costs in at least the amount of the Loan so disbursed, which evidence shall include closing statements, paid invoices or comparable evidence of expenditures;
- c. Borrower having paid the Lender an origination fee of \$ [REDACTED]; and

- d. Borrower having delivered evidence to the Lender that Borrower has contributed a minimum cash equity for the acquisition of the Property in at least the amount of \$72,500.00.
- e. Borrower having closed on a loan from The Bank of Elk River in an amount not to exceed \$722,000.00.
- f. Borrower having closed on a loan from US Small Business Administration c/o MBFC in an amount not to exceed \$577,000.00.
- g. Borrower having delivered to Lender articles of organization/incorporation and operating agreements/bylaws for the Borrower and the Corporate Guarantor.
- h. Borrower having delivered evidence satisfactory to Lender that there has been no materially adverse change to the financial condition of the Borrower, Co-Borrower or the Personal Guarantor prior to the Date of Closing.
- i. Borrower having paid to or reimbursed the Lender for any and all costs and expenses, including, without limitation, attorneys' fees, paid or incurred by the Lender in connection with (i) review, negotiation, preparation, and approval of the Loan Documents and any other document or agreement related thereto or the transactions contemplated hereby; (ii) the review, negotiation, preparation, and approval of any amendments, modifications or extensions to any of the foregoing documents, instruments or agreements, and the preparation and consummation of any and all documents necessary or desirable to effect such amendments, modifications or extensions; (iii) any appraisals, environmental assessments or other reports relating to the Property which the Lender is authorized to seek, order or prepare pursuant to the Loan Documents or any other instrument evidencing or securing the Loan or is required to seek, order or prepare pursuant either to applicable laws or regulations or the Lender's policies or procedures generally applicable to commercial mortgage loans by the Lender; (iv) any reasonable fees or costs charged to the Lender by an architect or other design professional engaged by the Lender to, among other things, inspect the construction of any approved improvements to the Property, or verify compliance thereof with applicable building and zoning laws; (v) all title insurance premiums, filing and recording fees and mortgage registration tax paid or payable in connection with the consummation of the transaction contemplated hereby; and (vi) the enforcement by the Lender during the term hereof or thereafter of any of the rights or remedies of the Lender under any of the foregoing documents, instruments or agreements or under applicable law, whether or not suit is filed with respect thereto (attorneys fees and costs are limited to reasonable fees and costs).

PART 4. LOAN SECURITY AND GUARANTY

4.1 **Secured Collateral.** Collateral securing all advances made on all loan accommodations described in this Agreement shall be as follows:

a. **Third Mortgage.** The Borrower grants Lender a Third priority mortgage on the Property. The legal description of the Property is:

THAT PRT OF LOTS 4 & 5 AUD SUB NO 96 DESC AS FOL: COM AT MEAN COR ON W LINE OF SEC 35 SD COR BEING 620.5 FT S OF W1/4 COR OF SD SEC (SD W LINE TO BE CONSIDERED TO BE A TRUE MERIDAN), TH S 55 DEG 12MIN E 375.4 FT, TH S 68 DEG 17 MIN E 106 FT, TH N PRLL/W W LINE OF SD SEC 560.6 FT TO POB, TH CONT N ON SD PRLL LINE 169.4 FT, TH N 24 DEG 21 MIN E 105.6 FT TO S LINE OF ST HWY NO 10, TH NWLY ALG SD S LINE TO A PT 394 FT SELY OF INTER OF SD S LINE WITH W LINE OF SD SEC AS MEAS ALG SD S LINE (SD PT BEING HEREAFTER REFERRED TO AS PT A), TH SWLY AT AN ANG OF 60 DEG 20 MIN FROM A LINE DRAWN PRLL/W NLINE OF GOVT LOT I & PASSING THROUGH PT A 123 FT +/- TO A PT 308.5 FT E OF W LINE OF SD SEC (AS MEAS PRLL/W N LINE OF SD GOVT LOT), TH S PRLL/W SD W LINE TO INTER/W A LINE DRAWN W AT RT ANG TO SD PRLL LINE FROM POB, TH E TO POB EX RDS, SUBJ TO EASE OF REC

b. **The Collateral.** The Property and the Third Mortgage proceeds are hereinafter referred to collectively as (the "Collateral".)

4.2 **Ownership and care of Collateral.** Borrower and Guarantor covenant that this Agreement and any security agreement/mortgage taken in connection with this Agreement will vest in Lender a second priority security interest/mortgage upon the Collateral named, and that the Collateral is free from all liens, security interests and encumbrances except those listed on **Exhibit B** attached hereto and made a part hereof (the "Permitted Encumbrances"). Borrower warrants it has good marketable title to the Collateral subject to no security interest or lien except as described herein.

4.3 **Documentation required to maintain valid lien.** Borrower and Guarantors covenant that upon request of Lender they will execute such financing statements, security agreements, lien documents, and other perfection and security instrumentation as will ensure that Lender creates and maintains a valid and perfected second security interest/mortgage lien on the Collateral.

4.4 **Flood and Hazard Insurance Coverage.** During the term of the Loan, Borrower shall maintain the following insurance coverages:

a. **Flood Insurance.** Based on the Standard Flood Hazard Determination (FEMA Form 81-93): If any portion of a building that is collateral for the Loan is located in a special flood hazard area, Borrower must obtain flood insurance for the building under the NFIP. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of Lender and CMDC. This clause must provide that any action or failure to act by Borrower, the mortgagor or owner of the insured Property will not invalidate the interest of Lender and CMDC. The policy or endorsements must provide for at least 10 days prior written notice to Lender and CMDC of policy cancellation.

b. **Real Estate Hazard Insurance** coverage on all real estate that is collateral for the Loan in the amount of the full replacement cost. If full replacement cost insurance in

not available, coverage must be for the maximum insurable value. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of the City of Ramsey. This clause must provide that any action or failure to act by Borrower, the mortgagor or owner of the insured Property will not invalidate the interest of the City of Ramsey. The policy or endorsements must provide for at least 10 days prior written notice to the City of Ramsey of policy cancellation.

- 4.5 **Guaranty.** Guarantors herein covenant that they guaranty payment of all loan accommodations referred to in this Agreement and repayment of all advances made thereunder, together with interest and costs of collection, if any, including reasonable attorney fees not prohibited by law. Said guaranty is of payment and is a continuing, absolute, and unconditional guaranty.
- 4.6 **Use of Proceeds.** Borrower warrants that it will use the proceeds of the Loan made by Lender solely for costs of the purchase and renovation of the Property.

PART 5. DOCUMENTS FURNISHED PERIODICALLY BY BORROWER AND GUARANTORS AND INSPECTIONS ALLOWED BY BORROWER

- 5.1 **Documents to be furnished periodically.** Borrower and Guarantors will furnish to Lender the following documents at the times indicated throughout the term of this Agreement:
- a. As a condition precedent to closing of this Agreement and upon request of Lender thereafter, evidence satisfactory to Lender that Borrower and the Corporate Guarantor are able and authorized to enter into and consummate the credit transactions referred to in this Agreement shall be provided. Such evidence shall include, but is not necessarily limited to, the following: Borrower's and Corporate Guarantor's articles of organization; certificate of good standing from the state; company authorization resolutions; company minutes; and if Lender requests in a separate writing, an opinion of Borrower's and Corporate Guarantor's counsel to the foregoing effect.
 - b. As a condition precedent to closing of the Loan and upon request of the Lender thereafter, appropriate loan documents to support the credit accommodations in this Agreement, including, as appropriate, promissory notes, mortgages, lease assignments, subordination agreements, other perfection documents, insurance and other Collateral assignments, insurance certificates identifying Lender as loss payee, setoff disclosures, and any and all other documents and instruments which in the opinion of Lender are necessary to validate and consummate the credit transactions referred to in this Agreement will be received by Lender.
 - c. Income Tax returns of Borrower and Corporate Guarantor certified by each respective entity, to be received by Lender within 120 days after each fiscal year end.
 - d. Annual personal financial statement of each Individual Guarantor, to be submitted concurrently with the Borrower's statement required above.

- e. Annual personal income tax returns (including all schedules and K-1's) of the Individual Guarantors, to be submitted concurrently with the Borrower's statement required above.

5.2 **Borrower and Co-Borrower record keeping and Lender inspection of Collateral and records.** Borrower and Co-Borrower will keep true and accurate books and records of its business operations, accounts, and Borrower and Co-Borrower will permit Lender at any reasonable time and during regular business hours to inspect the Property, and to examine Borrower's and Co-Borrower books, records, and files, and make copies thereof, and to discuss the affairs of Borrower and/or Co-Borrower with their members/shareholders, officers, directors, and employees. In addition, the Borrower shall provide (i) annual financial statements, annual debt schedules and tax returns of the Borrower not later than 120 days after each fiscal year end of the Borrower (ii) annual personal financial statements and personal tax returns for the Personal Guarantor not later than October 15 of each year, and (iii) compiled annual financial statements, annual debt schedules and tax returns of the Co-Borrower not later than 120 days after each fiscal year end of the Co-Borrower.

PART 6. FINANCIAL COVENANTS AND LIMITATION ON CERTAIN ACTIVITIES OF BORROWER

- 6.1 **Indebtedness, liens, and disposition of assets.** Borrower shall not, without the prior written consent of Lender, which approval shall not be unreasonably withheld, do any of the following: except debt incurred in the ordinary course of business and indebtedness to Lender contemplated by this Agreement and indebtedness to _____; incur indebtedness for borrowed money; sell, transfer, assign, pledge, lease, grant a security interest in, or otherwise encumber any of Borrower's and Co-Borrower's assets, except to Lender and except to those identified on **Exhibit B**, the Permitted Encumbrances.
- 6.2 **Ownership stability of Borrower.** Borrower covenants that unless prior written approval has been provided by Lender, which approval shall not be unreasonably withheld, Borrower's majority limited liability company membership interest holders in control of Borrower at the time of this Agreement shall not sell or otherwise relinquish majority ownership control of Borrower.
- 6.3 **Ownership stability of Co-Borrower.** The Co-Borrower covenants that unless prior written approval has been provided by Lender, the owners of a majority of the outstanding membership units of the Co-Borrower at the time of this Agreement shall not sell or otherwise relinquish their majority ownership control of the Co-Borrower.
- 6.4 **Change of business form or identity.** Borrower and Co-Borrower will not, without the prior written approval of Lender, which approval shall not be unreasonably withheld, change their business forms, business names or trade names, change location, or acquire or merge or consolidate with any other entity.

6.5.1 Until the Loan is paid in full, Borrower shall maintain the Property in commercial use in accordance with all City ordinances. The Property shall be considered in commercial use if: Borrower operates a business in the Property; Borrower leases the Property or portions thereof

to an entity that operates a business; or Borrower is actively marketing the lease of the Property or portions thereof to one or more businesses.

- 6.5 **Business taxes and insurance.** Borrower and Co-Borrower covenant to pay all taxes associated with their business, including but not limited to income taxes, sales taxes, employee taxes, and all other business related taxes, whether federal, state, county, municipal, or imposed by any other governmental unit. Borrower and the Corporate Guarantor Co-Borrower further covenant to maintain liability, hazard insurance policies in coverages and with such endorsements as are reasonably satisfactory to Lender, and to pay all worker's compensation and unemployment premiums or charges, when due, to maintain all insurance policies and employment-related coverages in full force and effect throughout the term of this Agreement.

PART 7. DEFAULT

- 7.1 **Default defined.** Default under this Agreement shall consist of anyone or more of the following events:
- a. Failure to pay when due any amount required of Borrower, Co-Borrower or any Guarantor under this Agreement or under the Note, security agreement, or other loan instrument or document executed in connection with this Agreement.
 - b. Failure to perform any act or deed required of Borrower, Co-Borrower or any Guarantor or failure to refrain from any act prohibited, under this Agreement or under any related instrument or document executed in connection with this Agreement.
 - c. Failure of majority limited liability company membership interest holders of Borrower and Co-Borrower to maintain their status as majority owners of Borrower.
 - d. Any warranty, representation, or statement made or furnished to Lender by or on behalf of Borrower, Co-Borrower or any Guarantor which is false or misleading in any material respect, either now or at the time made or furnished.
 - e. The dissolution or termination of Borrower's or Co-Borrower's existence as a going business, insolvency, appointment of a receiver for any part of Borrower's, Co-Borrower's or any Guarantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower, Co-Borrower or by or against any Guarantor.
 - f. Failure to discharge taxes or other liens, other mortgages or charges levied or assessed against the Collateral other than the lien (the second Mortgage) created under this Agreement by the parties.
 - g. Any other event defined as an event of default in any separate promissory note, security agreement, mortgage or other instrument or document executed in connection with this Agreement.

- h. Death of an Individual Guarantor to the extent life insurance assigned or pledged to the Lender, or other sources of funds or security, are unavailable to reasonably substitute for the financial security which the deceased Individual Guarantor had provided to the Lender with his/her Guaranty during his/her life.
- i. Any attempt by any Guarantor to revoke the guaranty or impair its enforceability.

7.2 **Remedies.** In the event default occurs, Lender may exercise anyone or more of the following rights and remedies:

- a. Declare the entire balance of the Loan referred to in this Agreement or any or all loans governed by this Agreement as immediately due and payable.
- b. Take possession of the Collateral by self help or judicial action, foreclosure, or other procedures and dispose of the Collateral pursuant to applicable laws of the State or Federal Governments.
- c. Commence and prosecute an action to collect the debt from Borrower or any Guarantor, or any or all of them.
- d. Refuse to make any further advances under this Agreement or under any instrument or document executed in connection with this Agreement.
- e. Exercise such additional or alternative remedies as are available to Lender under the terms of this Agreement, under any instrument or document executed in connection with this Agreement, or under applicable law.

PART 8. INDEMNIFICATION

8.1 **Indemnification.**

- (a) Borrower shall and does hereby agree to indemnify and to hold Lender, and its officers, agents, and employees, harmless for any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.
- (b) Should Lender, or its officers, agents, or employees incur any such liability or be required to defend against any claims or demands pursuant to this Section, or should a judgment be entered against Lender, the amount thereof, including costs, expenses, and attorneys fees, shall bear interest thereon at the rate then in effect on the Note, shall be secured hereby, shall be added to the Loan, and Borrower shall reimburse Lender for the same immediately upon demand, and upon the failure of Borrower to do so, Lender may declare the Loan immediately due and payable.
- (c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any

indebtedness to Lender. Borrower waives notice of the acceptance of this Agreement by Lender.

- (d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which Borrower is entitled under law.

PART 9. MISCELLANEOUS PROVISIONS

- 9.1 **Limited Liability Company status and authority of Borrower.** Borrower herein covenants that it is a limited liability company duly organized and existing and in good standing under the laws of the State of Minnesota and has the appropriate power and authority to own its property and carry on its business as it is being conducted at the time of this Agreement; Borrower has full power, authority, and proper authorization to enter into this Agreement and the loan and security transactions attendant thereto.
- 9.2 **Limited Liability Company status and authority of Co-Borrower.** Co-Borrower herein covenants that it is a limited liability company duly organized and existing and in good standing under the laws of the State of Minnesota and has the appropriate power and authority to own its property and carry on its business as it is being conducted at the time of this Agreement; Co-Borrower has full power, authority, and proper authorization to enter into this Agreement and the loan and security transactions attendant thereto.
- 9.3 **No waiver.** No delay or failure by Lender in the exercise of any right or remedy under this Agreement or under law shall constitute a waiver thereof, and no single or partial exercise by Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.
- 9.4 **Agreements upheld despite invalidity of any clause.** If a court of competent jurisdiction determines any clause or provision of this Agreement to be invalid or void for any reason, such findings will not affect the validity and enforceability of the balance of this Agreement.
- 9.5 **Collection costs and expenses.** Borrower, Co-Borrower and Guarantor agree to pay upon demand all of Lender's court costs and disbursements, including attorney's fees, and other expenses allowed by law or the court, if incurred in reasonable connection with this Agreement and the enforcement thereof or in connection with the loan or the collection thereof.
- 9.6 **Modifications in writing only.** Any modification of this Agreement must be in writing and signed by all parties hereto to be valid.
- 9.7 **Applicable law.** The loan documents discussed herein shall be governed by and construed in accordance with the laws of the State of Minnesota. The Lender may, in its discretion, utilize the laws of other states where property of the Borrower or any Guarantor is located to enforce this Agreement and collect the indebtedness. Lender may also in its sole discretion utilize any applicable federal laws of the United States of America to enforce this Agreement and the Lender's rights in the Collateral pledged in this Agreement and collect the indebtedness described herein.

9.8 **Notice of litigation.** Borrower, Co-Borrower and Guarantor shall promptly inform Lender in writing of all material adverse changes in Borrower's, Co-Borrower's or any Guarantor's financial condition, and all litigation and claims and all threatened litigation and claims affecting the Borrower, Co-Borrower or any Guarantor that could materially affect the financial condition of the Borrower, Co-Borrower or any Guarantor.

9.9 **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address on the cover page of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying the purpose of the notice is to change the party's address.

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

LENDER:

City of Ramsey

By: _____
_____, Its _____

Dated: _____

BORROWER:

**Zap Properties, LLC, a
Minnesota Limited Liability Company**

By: _____
Jason Farrell, Its _____

CO-BORROWER:

**American Print and Digital, LLC, a
Minnesota Limited Liability Company**

By: _____
Jason Farrell, Its _____

INDIVIDUAL GUARANTOR:

Jason Farrell

Dated: _____

Draft



1/5/2017

City of Ramsey
Patrick Brama
7550 Sunwood Drive NW
Ramsey, MN 55303

Dear Mr. Brama,

American Print & Digital is a wholesale printing company that was founded in 2009 and is based solely in Ramsey. Our core products are marketing materials, stationery, books, and business forms and we sell these to printing brokers and sales people around the country. Due to steady growth, we have decided to expand our business with new equipment and more space.

In early 2016 we began searching for and found equipment that will allow us to add tremendous capacity to our current production. In addition, this equipment will allow us to expand our product offerings and increase our competitiveness in other areas. As part of this expansion we are also in need of additional space. We currently occupy 5000 square feet and have discussed adding on another 5000. During this process, however, the building at 6320 Highway 10 became available.

6320 Highway 10 was previously occupied by a printing company. It already has all of the power capacity and distribution that we need for our equipment. The building is large enough for our business now and for growth in the future. We are planning to buy this property, make some upgrades inside and out, and begin operations there by April 2017.

I am applying for SBA financing for the equipment and building. This financing requires 10% equity and it is my hope that the City of Ramsey will help with a 5% loan. Partnering with the City of Ramsey will help ensure the success of our expansion by allowing us to retain some of our cash reserves for moving expenses and the additional costs that come with this type of expansion (inventory, support equipment, marketing, etc.). While our numbers aren't quite final, the whole package will be close to \$1,400,000. \$800,000 for the building and improvements. \$600,000 for equipment.

Thank you for your consideration. Our company has been successful in Ramsey for over 7 years and we are very excited for this opportunity to stay and continue to grow here.

Sincerely,

Jason Farrell
President

13950 Radium St NW, Suite 400 • Ramsey, MN 55303
763-421-0611 • 877-364-4545 • Fax 763-712-9107

Memo

To: Ramsey EDA
From: Mike Mulrooney, Economic Development Consultant
CC: Patrick Brama
Date: January 5, 2017
Re: American Print & Digital Request for Exception to RLF Policy

The City of Ramsey has been approached by *American Print & Digital* regarding the Ramsey Revolving Loan Fund. *American Print & Digital* is a local Ramsey business who is interested in purchasing an existing building located at 6320 US Highway10.

The company has been exploring financing options to acquire the property. The financing option of choice appears to be the SBA 504 Loan Program. The 504 Loan Program provides growing businesses with long-term, fixed-rate financing for major fixed assets such as land, buildings, machinery and equipment. A typical 504 project includes a loan secured with a senior lien from a private-sector lender covering up to 50 percent of the project cost, a loan secured with a junior lien from a Certified Development Company (backed by a 100 percent SBA-guaranteed debenture) covering up to 40 percent of the cost, and an equity injection of at least 10 percent from the small business.

American Print & Digital has determined that while the SBA 504 program provides excellent financial leverage it will be difficult for them to inject 10% into the financing structure without potentially jeopardizing the company's working capital position. Therefore, additional financing options are being explored including the Ramsey Revolving Loan Fund to fill a perceived equity gap.

The current policy for the Ramsey Revolving Loan Fund also calls for an equity injection of 10% by the borrower. The company is requesting that the Ramsey EDA consider an "exception to policy" that would allow the Ramsey Revolving Loan Fund to inject 5% into the project financing structure over and above the SBA 504 Loan structure thereby achieving 95% leverage. This would amount to \$70,000 of

within a \$1.4 million project budget. The company has indicated to city staff that they have the ability to inject 5% equity into the project.

As Ramsey's Economic Development Consultant I have been asked to provide my perspective on whether the EDA should consider this request for an exception to policy or consider amending its RLF policy to allow for 5% minimum equity injections.

Policy Exceptions

Ramsey's RLF loan Policy has been around for some time and has undergone many changes since it was originally written. Records indicate that no changes have been made since 2005. After reviewing the current policy I have found that it does not provide any provision for exceptions.

Exceptions to loan policies are common. Even fundamentally sound credits may need policy exceptions from time to time as such credits may not always conform to all aspects of a loan policy. There may be mitigating circumstances that would justify the loan's approval. Ideally the loan policy should establish processes and procedures for presenting nonconforming or exception loan requests received from creditworthy borrowers. Having the ability to approve exceptions for solid credits would give the EDA the ability to approve a loan request or propose an alternative structure.

Keep in mind that frequent approval of policy exceptions may indicate a loosening of credit underwriting criteria and/or a policy that is too restrictive. The underlying reasons behind frequently granted exceptions should be assessed and appropriate actions should be taken to ensure the policy is appropriately conveying the risk profile desired by the EDA and City Council.

In short, the EDA and/or City Council may want to consider amending the Ramsey RLF Policy to establish review and approval procedures for exception loans, including loans with loan-to-value percentages in excess of desired limits.

The American Print & Digital Request

The type of request that American Print & Digital is making is not unusual. It is common for gap financing programs offered by cities involved in economic development to assist with increasing leverage beyond what other financing tools may provide. It is equally common and wise to require some level of equity on the part of any borrower to insure that risk is shared between all parties including the borrower as well as the lender. The art of economic development lending involves designing a plan that accomplishes the goals of the city while at the same time minimizing the risk.

In the absence of having a defined path for considering exceptions to the current loan policy I recommend that the EDA consider this request. **Keep in mind that this does not mean that you are providing credit approval. The City has not received a formal application and therefore no underwriting of the loan request has been initiated or completed.** The underwriting process may yield other options for meeting the needs of the borrower without approving an exception to current policy.

Final loan approval would be based on a review of information provided by the borrower, their primary lender and what underwriting uncovers during the loan review and underwriting process. Credit approval should not be considered until this work is completed.

Following receipt of all required information the current policy outlines the following path to credit approval.

1. All parties seeking revolving loan funds must file a pre-application. The pre-application requests basic information regarding the applicant, project scope, and project costs.
2. If the loan request appears to be eligible, a full revolving loan fund application is forwarded to the applicant.
3. Only complete applications are considered. Underwriting begins to determine the credit worthiness of the borrower when complete information is provided.
4. Following the underwriting process, the loan request is placed on the agenda for the EDA's next scheduled meeting.
5. The EDA bases its credit decision on the economic benefit to the City of Ramsey, credit underwriting typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and increase in the local tax base.
6. The Ramsey EDA serves as the *loan review committee*. The policy states that final determination on all revolving loan applications rests with the City Council.

I hope you find this information helpful. I am available at any time to answer any questions you may have regarding my recommendation or the loan approval process.

City of Ramsey

Economic Development Revolving Loan Fund Guidelines

As Amended February 2005

City of Ramsey
Community Development Division
7550 Sunwood Drive NW
Ramsey, Minnesota 55303

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Economic Development Revolving Loan Guidelines

I. Purpose.

The purpose of these guidelines is to establish policies and procedures to regulate, coordinate, and facilitate the workflow for underwriting new financing requests, servicing revolving loans, and ensuring borrower compliance with loan terms and conditions.

II. Authorization and Funding Sources.

Chapter 469 of the Minnesota State Statutes, as amended, authorizes the City of Ramsey to make loans to prospective private businesses. The revolving loan fund was capitalized through funds made available by the City of Ramsey and the Minnesota Department of Employment and Economic Development.

III. Mission.

The mission of the revolving loan fund is to increase the City's tax base, create and retain permanent private sector jobs and improve economic opportunity and living standards for the citizens of Ramsey by promoting local business development and expansion, by attracting out-of-state business expansion, leveraging private sector funds, and assisting with the development of new technologies.

IV. Program Objective.

The objective of the revolving loan fund is to fill the financing gap between project costs and private debt financing and private equity by making direct low-interest rate loans for certain approved activities to businesses within the Ramsey city limits.

V. Eligible Activities.

- A. Loan funds may be used to assist small businesses primarily by providing financial assistance for the following types of activities, including but not limited to: growth and expansion, rehabilitation, code compliance, employee recruitment and retention through housing initiatives, and facade enhancement.

B. Eligible costs. Eligible costs may include the following:

1. Land improvements. Improvements to the land which are a portion of the project cost including but not limited to: grading, new streets or street improvements, parking lots, utilities, and landscaping.
2. Purchase or renovation of building. Purchase and, if necessary, renovation of an existing industrial or commercial facility is permitted.
3. Purchase machinery or equipment. Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least 5 years.
4. Building construction. Construction of a new building and/or a major addition to an existing building.
5. Leasehold improvements. Revolving loan funds may be used for certain leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.

VI. Ineligible Activities. Certain applicants, projects, activities, and costs are ineligible for revolving loan funds.

- A. Ineligible activities. Funds may not be used for nonprofit institutions, retail businesses, gambling organizations, lending or investment organizations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.
- B. Ineligible costs. Ineligible costs include but are not limited to: management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs, refinancing, and operating costs or working capital.

VII. Loan Terms and Conditions

The City shall make available to eligible applicants direct low-interest loans for the purpose of encouraging economic development, job creation and job retention to meet business needs, and preservation of business districts in the City of

Ramsey.

- A. Loan amount. There are maximum and minimum loan amounts for eligible projects.
 - 1. Maximum loan amount. The maximum loan available from the revolving loan fund for each eligible project is limited to \$300,000.00 or 40% of total project cost, whichever is less.
 - 2. Minimum loan amount. The minimum loan amount available from the revolving loan fund for each eligible project is \$25,000.00.
- B. Interest rate. The interest rate shall be a fixed-rate and will be equal to the 10-year Treasury bond rate at the date of funding but shall not be less than 3.0%.
- C. Term. The term of the loan will be tied to the useful life of the assets being financed. The following general terms apply:
 - 1. Machinery/equipment. The term of the loan for machinery/equipment shall not exceed 7 years.
 - 2. Land/building acquisition. The term of the loan for land/building shall not exceed 15 years.
 - 3. New construction/renovation. The term of the loan for new construction/renovation shall not exceed 15 years.
 - 4. Balance due. All balances will be due and payable if and when the loan recipient sells or otherwise transfers any or part or his/her interest in the property or fails to meet any of the guidelines established within this document before the maturity date of the loan or relocates any part or all of the business outside the City of Ramsey.
- D. Wage and job goals.
 - 1. Wage and Job goals shall be established for all loans in excess of \$75,000. The wage and job goals will be identified in the Loan Agreement between the City of Ramsey and the borrower. The loan

agreement, must include: (1) the number of jobs created, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained; (2) wage goals for any jobs created or retained; and (3) wage goals for any jobs to be enhanced through increased wages. If the creation or retention of jobs is determined not to be a goal after a public hearing, the wage and job goals may be set at zero.

2. A business that receives revolving loan funds must agree to list any vacant or new position with the Minnesota Department of Employment and Economic Development.

- E. Equity participation. There shall be a minimum 10% owner equity investment of total project costs required of all applicants.
- F. Collateral requirements. All loan agreements will be secured by one or more of the following; promissory note, mortgage, or security agreement as required by the City; and
 1. The revolving fund may take a subordinate position to the primary lender on the assets financed; and
 2. Surety deposits shall be required for certain construction contracts as set forth in Minnesota Statutes 290.9705.
- G. Letters of Commitment. Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
- H. Personal guaranty. Personal guarantees of persons with ownership interest of 20% or greater are required. Personal guarantees of persons with ownership interest between 5% to 19% may be required by the City but are discretionary.
- I. Loan repayments. Loan payments must begin within one month of receipt of the Revolving Loan. The City of Ramsey may make exceptions to this rule on a case-by-case basis.
- J. Loan prepayment. Prepayments are permitted where the Borrower makes the EDA whole for any losses or costs associated with the prepayment.

- K. Notice of award or denial. Applicants will be notified in writing not more than fourteen (14) days after final action has been taken on their revolving loan fund application by the City.
- L. Loan closing documents. The City will close the loan within sixty (60) days of final City approval of the loan application. At that time, the City will deliver to the Borrower all closing documents and a final debt service schedule. In exchange, the Borrower will deliver to the City its loan obligation which is defined as a bond, note, or other evidence of obligation issued by the Borrower to evidence its indebtedness under the loan agreement.
- M. Post closing amendments and modifications. Requests for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request require City approval and shall be presented at the next scheduled meeting of the EDA.
- N. Loan declination. The City will not make a loan if it determines the loan amount would place an undue burden on the financial resources of the Borrower or the Borrower cannot demonstrate adequate financial capacity to repay the loan or the City determines that making the loan is not in the best interest of the City.
- O. Appeal. There will be a complaint and appeal procedure for aggrieved applicants:
 - 1. Written notice. Applicants will receive written notice of denial of the loan and the reasons(s) for the determination within fourteen (14) days of the determination.
 - 2. Petition. The aggrieved applicant may petition the EDA in writing for reconsideration within fourteen (14) days from date of the written notice of denial. Any request to appear before the EDA must be in writing and must be submitted at least seven (7) days prior to the EDA's scheduled meeting. Upon receipt of the written petition for reconsideration, the EDA shall consider the petition at its next scheduled meeting and advise the petitioner in writing of its decision within fourteen (14) days of that meeting. The EDA's decision will be final.
 - 3. Re-application. Applicants aggrieved by the EDA's final decision may re-apply for revolving loan funds after ninety (90) days if the concerns in the

preceding application are adequately and appropriately addressed.

VIII. Administration.

- A. Loan review committee. The Ramsey EDA will serve as the loan review committee. The final determination on all revolving loan applications rests with the City Council.
- B. Conflict of Interest. All city officials and employees shall comply with the applicable conflict of interest regulations set forth in the City Code.
- C. Staff responsibility. Community development staff shall have the general responsibility for coordinating the application process, reviewing loan application, preparing applications and recommendations for review by the EDA, and coordinating the loan approval and service process as set forth in Subsections D -- G of this section.
- D. Pre-application process. All parties seeking revolving loan funds must file a pre-application. Pre-application forms may be obtained from the Community Development Department.
 - 1. There will be a pre-application form that must be completed and submitted to the Community Development Department for review and approval.
 - 2. The pre-application form will request information regarding the applicant, project scope, and project costs.
 - 3. Upon Community Development Department approval, the applicant will be forwarded a revolving loan fund application.
 - 4. Pre-application forms may be submitted on an open basis throughout the year.
- E. Application process. All parties seeking revolving loan funds must file an application. Application forms may be obtained from the Community Development Department.
 - 1. Components of application. Only completed applications will be reviewed for consideration by community development staff. A completed application is one that satisfies the checklist provided below:

- a. Business plan describing the scope of the project, including site plans, building plans, renderings, or blueprints;
- b. Project budget;
- c. Private financing commitment;
- d. Equity investment commitment;
- e. Proposed security;
- f. Company financial statements (3 years);
- g. Personal financial statements (2 years);
- h. Credit check release;
- i. Mortgage or lease of property to be improved;
- j. Proof of insurance of property to be improved;
- k. Number of jobs to be created or retained;
- l. Wage information;
- m. Amount of loan request; and
- n. Other documentation as requested.

2. Incomplete applications. Community development staff, in its sole discretion, will determine if the application is complete and actionable. Incomplete applications will be assigned *pending* status and the applicant will be informed in writing of the missing documentation.
3. Transmittal. Applications transmitted by oral, telegraphic, facsimile, or e-mail will not be accepted.
4. Determination of eligibility. Applicant eligibility will be determined by community development staff using criteria enumerated in subsection D (1) of this section.
5. Site inspection. As part of the eligibility determination process, the city will inspect the property or building designated for improvements for compliance with the city administrative ordinances and zoning codes.
6. Credit check. A credit check for the company and each of its principal owners shall be conducted by community development staff.

F. Loan approval process. Community development staff will prepare loan applications and make recommendations to the EDA.

1. EDA agenda. Upon determining the eligibility of the completed application

and reviewing for credit worthiness and soundness of plan, community development staff will place loan application the on the agenda for the EDA's next scheduled meeting.

2. **Criteria.** The EDA will base their decision on the economic benefit to the City of Ramsey, credit underwriting typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and increase in the local tax base.
 3. **EDA action.** Upon placement on the agenda, the EDA shall approve, deny, or postpone for consideration at a future meeting the loan application request.
 4. **Notification of EDA action.** The applicant shall be notified in writing within fourteen (14) days of the EDA's decision in accordance with the requirements set forth in Section VII, Subsection M of these guidelines.
 5. **Approval.** If approved, the applicant will be sent a written commitment letter that will outline the terms and conditions of the loan approval. A copy of the commitment letter will be signed by the Borrowers and Guarantors signifying acceptance of the terms and conditions of the loan proposal and the conditions for funding. Upon the return of the executed commitment letter, community development staff will begin the loan closing process with the City Attorney.
 6. **Closing.** The City Attorney will prepare documentation and coordinate the closing with the Borrower or the Borrower's counsel.
- G. **Loan servicing.** Community development staff will coordinate loan servicing activities.
1. **Monitoring.** Community development staff will monitor loans for compliance with the accepted terms and conditions including job creation statistics and wage and benefit levels.
 2. **Reports.** Community development staff and finance staff are responsible for ensuring that all required reports are filed in a timely manner.
 3. **Records.** Computer files and conventional paper files will be maintained for the purpose of documenting, tracking, and monitoring program and project

activities. Program records will be maintained by the Community Development staff and financial records will be maintained primarily by the Finance Division. Where applicable, the following records will be maintained:

- a. Program records. The following program information will be maintained in the program project file, including but not limited to:
 - i. Environmental report;
 - ii. Eligibility determination records as set forth in Section VIII, Subsection E (1) (a-n);
 - iii. Property inspection report;
 - iv. Progress reports;
 - v. EDA Resolutions;
 - vi. Correspondence;
 - vii. Loan documents; and
 - viii. Executed loan agreement.

 - b. Financial records. The following financial information will be maintained in the financial project file, including but not limited to:
 - i. Copy of the executed loan agreement;
 - ii. Disbursement data;
 - iii. Progress reports;
 - iv. Repayment data; and
 - v. Amortization tables.
4. Record retention. All program and financial records, supporting documents, statistical records, environmental review records and other records pertinent to the revolving loan program shall be maintained for a period of at least three (3) years from the final project report and project closeout date.

IX. Delinquency. There shall be a notification procedure for delinquent loans.

- A. The finance officer is responsible for the timely posting and of all loan repayments.

- B. Thirty day notice. Upon thirty (30) days delinquency, the finance officer will notify the Finance Director (FD) of the delinquency and the Director shall send the borrower a delinquency notice requesting payment within fifteen

(15) days. A copy of the letter shall be forwarded to the City Administrator (CA).

C. Forty-five day notice. If payment has not been received by the 45th day a second delinquency notice will be sent to the Borrower by the FD requesting payment within fifteen (15) days. A copy of the letter shall be forwarded to the CA.

D. Sixty day notice. If payment has not been received by the 60th day, the FD will attempt to contact the Borrower by telephone to the delinquency. The FD shall also send a notice of default to borrower via certified mail requesting immediate payment and advising the borrower the delinquency will be placed on the EDA agenda for discussion at the next scheduled meeting.

E. Ninety day notice. If no repayment plan is submitted by the Borrower, or if there is no attempt by the Borrower to negotiate the amount due, the FD will contact the CA and the City Attorney to sending a 90 day letter calling due the loan in full.

F. Negotiation. Throughout this process, every attempt will be made to preserve the company, the jobs, and the loan funds.

X. Default. If the EDA determines a loan to be in default it will pass a resolution declaring the entity in default and convey the matter to the City Attorney for disposition.

XI. Recaptured funds. The Ramsey Economic Development Revolving Loan Fund will serve as the repository for all loan repayments. These recaptured funds are available to other applicants for utilization as gap financing for certain approved economic development projects. The revolving loan fund shall be administered by a financial management system in compliance with all state and federal requirements.

XII. Funding acknowledgement. For projects financially supported by revolving loan funds the Borrower shall:

A. Acknowledge revolving loan fund support in certain written materials

including company brochures, reports, newsletters, and press releases; and

- B. On the building or expansion construction site post a sign acknowledging financial support from the State of Minnesota and the City of Ramsey.

XIII. Guidelines for the regulation of State Economic Development Revolving Loan Funds.

- A. General. The following rules, regulations, policies, and procedures govern state economic development revolving loan funds.
- B. Incorporation by Reference. The dissemination, use, and regulation of state economic development revolving loan funds shall be generally governed by guidelines including:
 - 1. The Minnesota Investment Fund (MS.116J.8731).