

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, March 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 - February 9, 2017
- 4. EDA Business**
 1. Informational Interview: Oppidan
 2. Anoka County Open-to-Business Program Update
 3. Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund
 4. Arterial Infrastructure Discussion RE City of Ramsey's Future Business Park & Capstone Homes Development
 5. Stone Brook Children's Academy & Childcare Center Purchase Agreement
 6. Consider Various Approvals Related to Reassignment of Lifestyle Properties, Inc. Purchase Agreement to Morning Sun Homes, Inc.
- 5. Member/Staff Input**
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 03/09/2017

By: Kathy Schmitz, Administrative Services

Title:

Approve the Following Meeting Minutes:

- 1) EDA Regular Meeting - February 9, 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 - February 9, 2017
-

Attachments

020917 EDA Minutes

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	02/08/2017 04:02 PM
Kurt Ulrich	Kurt Ulrich	03/06/2017 10:16 AM
Form Started By: Kathy Schmitz		Started On: 02/06/2017 02:57 PM
Final Approval Date: 03/06/2017		

**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, February 9, 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 Wayne Skaff
 Member Kristine Williams

Members Absent: None

Also Present: Tim Gladhill, Community Development Director
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

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

2. APPROVE AGENDA

No changes were made

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated January 12, 2017

Motion by Member Riley, seconded by Member Hardin, to approve the January 12, 2017 minutes as presented.

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

4. EDA BUSINESS

4.01 Informational Interview: Kraus Anderson

City Administrator Ulrich stated 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. Staff met with Jaci Bell before the EDA meeting and she is prepared to answer questions from the EDA.

Ms. Jaci Bell, Director of Development, Kraus Anderson, was at the meeting to answer questions. She provided a handout to the EDA and reviewed the background on her company.

Mr. Dan Mossy, Krause Anderson was also at the meeting.

Ms. Bell stated one thing to note is Kraus Anderson is a family owned company. The projects they historically have worked on are owned. She stated there is a differentiation between Kraus Anderson as a developer and construction company from some others. They tend to buy and keep because they are supplementing their own owned portfolio. This is not the only format; it is just the historical format.

Ms. Bell reviewed projects in the packet that Kraus Anderson has done in the past and is currently working on.

Ms. Bell stated their general perception of The COR as a development project and what are Ramsey's strength and weaknesses. From a development perspective, some of Ramsey's strengths are that it is a transit-oriented development and she can tell there is a lot of heart in planning that has gone into The COR. She understood there is a desire to refresh the initiative to pushing things further along and really executing their vision and trying some different things. What she does not know is what Ramsey's partnerships have looked like to date and what they have leaned on each other for and how they have gotten there. She noted if they were working together, she would want to hear more about that and learn what has and has not worked well.

Mr. Mossy thought one of the biggest challenges from a demographics side of things is the river. They are kind of in between the river crossing access of Anoka and Otsego. When looking at a demographic study, it is done by a radius base and he thought it made some sense to alter that and go north up to Nowthen and touch on St. Francis and northern Andover, which would be The COR retail shoppers and the City of Ramsey and the residents who reside there are the everyday retail shoppers. He has noticed a little bit more activity as he came into The COR area along Ramsey Boulevard. There are a number of employers that are growing that way and from a retailer's perspective; daytime population for a restaurant is an important number for them to look at. He thought the City might want to hone in on the demographics a little more and present that in a more appropriate fashion to some retailers that are out there. He stated a lot of retail is tenant driven so if they could get a strong anchor, that would be the most important step to take, which will bring other tenants and shoppers into the market.

Ms. Bell stated when they brought up market study, it is something they have not done in Ramsey and have not released any work as far as a market study. She understood Ramsey has done this to some degree but it is something that Kraus Anderson would do as a first step in any project and it

is a very important step. She stated they do market studies. Market research and analysis is a super important part in knowing what is realistic. The content of this helps them to determine and understand what can be focused on. If retail is already saturated in other areas, then hopefully this will start to tell them where their opportunities will be. What are Ramsey's strengths and what can they draw from them, and a market study will help with that.

Member Riley asked if Ramsey brought Kraus Anderson onboard would a market study be one of the first things they would do or is this something the City should do now.

Ms. Bell indicated she did not know what the City's processes are so what she was saying was she valued market studies. She stated Ramsey indicated loosely that they were looking for more information and want to move forward in new and different ways but have not totally identified what an RFP would look like or if they even want to do an RFP or if they want to establish a relationship first and then chip away at working with something together. She stated if Ramsey were to do an RFP, she would prefer that they were prepared for it and have conducted that study in advance and would help her get off the ground quickly if their RFP timeline is really short because then she would know what they were looking for and it has a basis in xyz. If the City does not do that, then she needs the RFP to be long because she will have to gain partners and she has to look at a FIT study. She will have to get architects and will need to pull a team of people together and spend a fair amount of money to come up with her own findings, which Ramsey will have to trust and she would need a little more time for that.

Ms. Bell stated in regards to item four, strategies, none of them are bad for Ramsey but the last one, constructs speculative buildings, is the only one they generally do not do because of the basis Kraus Anderson already explained to the EDA. She thought many developers have strength in all of these different categories and knowing that Ramsey could break it out to work with different developers may bring something different to the table as it relates to how they are going to purchase or finance any given portion of it. She thought flexibility was great in that regard.

Ms. Bell stated the primary for Kraus Anderson would be typically purchasing and leveraging the asset to the best of its ability over time. For larger projects, they are now more than ever collaborating with other people.

Member Riley asked for clarification if Kraus Anderson would rather purchase the entire area and then develop it.

Ms. Bell indicated this is what Kraus Anderson has historically done in the past. She stated that getting to a deal structure standpoint would infer that she knew what the offering was and infer that she knew what the build is and she did not.

Member Williams stated this could be answered any way and the deal structure could have any type of details depending on the specifics and what the City wants.

Ms. Bell stated that was correct and there was not enough information to begin to hint at a deal structure.

Member Riley asked how long should the RFP process be.

Ms. Bell stated it depends on what the City is looking for.

Member Riley asked Ms. Bell to talk about the possibility of purchasing the property, how much Kraus Anderson would involve the City and their vision for the property and also how else Kraus Anderson would work with the City, another format that would keep the City vision and City control a little bit more.

Ms. Bell stated this is a tough one to answer because Kraus Anderson has not done any studies or FIT tests on it. She understood the City has a vision of strong retail draw so assuming this would be the only thing Kraus Anderson could do is retail she would let the City know they will have a hard time getting off the ground because her gut feeling is that is probably too much. She would want to do a market study to see how saturated the context, where is the draw. It is not a perfect circle or ring that crosses geographic border. It has to be realistic. It is an uneven line that goes all over the place. That begins to tell her how much retail can fit in an area. She did not know the way this market is drawn if it can support a large box retailer so she would need to find out what this market can support and what are the complimentary categories the City may not have thought of or could use more of. She would love to be able to execute the City's vision as they see it. She noted this is an informational study and she was not sure they were there yet.

Ms. Bell thought flexibility was important and in everyone's best interest to succeed. She stated Ramsey needs to know its own market and always think about sustainable needs and to be open-minded.

Chairperson Steffen stated Ramsey's land has been for sale for a few years and Kraus Anderson has not made an offer on the land, which tells him there is something off, price or positioning.

Ms. Bell stated that is true but Kraus Anderson has been in a different mode as a company for a long time. She stated construction has been a leader and development has been more ancillary. Their clients are the key and Kraus Anderson does not market or typically go after business. They typically have repeat clients so those relationships are well worn so the need to go out and look for and the need for people to find them is less. She added their development company is less than a year old – their strategy is different.

Chairperson Steffen asked if Kraus Anderson did not have ownership interest, would they work on some sort of consulting arrangement with the City and would their compensation be some sort of retainer, or project based or results based.

Ms. Bell stated this would be scope based; what are Ramsey's needs and how do they want to scope it. There is no definitive answer. It could be fee based.

Kraus Anderson left the meeting.

Member Williams thought they might have some of the answers already to the questions through past market studies but did not know how to interpret the market studies.

City Administrator Ulrich indicated the representatives for item 4.02 were not at the meeting yet and suggested they move item 4.03 to be discussed next.

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

City Administrator Ulrich stated the EDA is asked to consider the request from Ramsey Business for use of EDA Revolving Loan Fund, \$72,500 EDA loan amount, 5% of project costs (\$1.44M), 10-year term, and 3% interest. This case came to the EDA/Council for the first time in January 2017. 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.

City Administrator Ulrich stated 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". He stated Mr. Mike Mulrooney is at the meeting and has done the credit analysis for the company they are considering for an EDA revolving loan.

Member Hardin indicated he would be abstaining from discussion of this project.

Mr. Mulrooney reviewed the applicant and project with the EDA.

Chairperson Steffen asked in regards to the Revolving Loan Fund deals if, in the past, they have always had sufficient collateral or have they done unsecured loans.

Mr. Mulrooney indicated this deal is a little different from what they have done in the past. In the past, they have had the Revolving Loan Fund be involved in a structure where it is ninety percent loan to value basis and there is sufficient collateral. This one is really a true gap financing. There is a lack of liquidity on the part of the borrower, which prompts the borrower to look for other sources to meet the equity requirements for the SBA 504 loan package.

Chairperson Steffen indicated he did not recall a deal in the past where the City was third in line and part of a real estate package.

Mr. Mulrooney stated this loan was set up initially using this structure. Other loans are typically structured that way. The policy states that there is a required minimum ten percent equity. In this particular case, to achieve all that is involved here, there are improvements to the building that when getting into appraisals do not give much value for fixing issues and that is where problems arise in a funding standpoint.

Chairperson Steffen asked if home equity would be available to the lenders in the first or second position.

Mr. Mulrooney stated the City would be in the second position because there is a first mortgage on the property now so anyone looking for additional collateral in the home would have to take a junior position to the Ramsey Revolving Loan Fund or ask for a subordination.

Member Riley suggested if the EDA does approve this that it be contingent upon approval from the bank and SBA.

Mr. Mulrooney agreed and stated from a funding standpoint this is going to be a little trickier also. Typically, the Revolving Loan Fund is used as a permanent or take out financing and in this particular case; it will have to go in on the front end because it is being viewed as equity in the transaction. They would not fund until they are sure the deal is going to close and all of the other funding sources are in line. He recommended that from a credit standpoint, it meets the standards set forth in their current policy and if the EDA moves forward with approval to make sure it is contingent that all the other loans are approved as well.

Chairperson Steffen asked if the collateral would be on his home.

Mr. Mulrooney stated he was offering that up for consideration as a way to secure the loan.

Motion by Member Skaff, seconded by Member Burandt, to approve the draft loan agreement with American Print & Digital for \$72,500; contingent that all the other loans are approved as well as securing a second mortgage on the house and subject to final review and amendments by the City Attorney.

Further Discussion:

Member Riley stated they have these funds to be used and he thought this was a good use of it to be bringing in jobs and fixing up a building. He stated this does put the City in a funny position where the City is now acting like a bank. He thought they needed to be prudent with their money because these are City funds. He sometimes questions how much sense it makes to put a lien on the home and where that puts the City between being prudent and causing issues but if the borrower does not object then he does not object.

Chairperson Steffen asked who owned the building and asked if it was vacant.

Mr. Mulrooney stated the real estate is listed as other real estate owned so it is owned by a bank and vacant from his understanding.

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

4.02: Information Interview: IAG Commercial

City Administrator Ulrich stated 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.

City Administrator Ulrich stated staff met with Jeff LaFavre and Brian Beeman before the EDA meeting and are prepared to answer questions.

Mr. Jeff LaFavre, Owner/President, with IAG Commercial and Brian Beeman were at the meeting.

Mr. LaFavre and Mr. Beeman both reviewed with the EDA their background and history of and with IAG Commercial.

Mr. LaFavre stated they are working hard to build IAG Commercial. Their employees bring a nice mix and allows them to provide services that are more comprehensive. He stated they do a lot of brokerage business and work well when there is a demand.

Mr. LaFavre stated their firm is smaller and more hands on. They have worked with large cities and local governments. He reviewed their work that has been done with the City of Minneapolis.

Mr. LaFavre stated they have done a lot of master planning of campuses for companies such as Blue Cross Blue Shield, Imation, Med Con and others. They have talked to many cities like Ramsey and are familiar with the questions. He stated in working with cities they need to put a plan in place that is a little more flexible based upon the demands of the marketplace. They have a lot of advisory work experience.

Mr. Beeman indicated they have done many large projects. They are very nimble and can customize the business plan with a strategic real estate plan. He noted they have had many large clients and projects which is impressive for a smaller company.

Mr. LaFavre stated the biggest thing for them is so many of their clients say there is a role for the brokerage component being provided but sometimes more is needed because they don't know where they are going and don't know how to move it forward. Their clients have indicated they need more of the advisory component that IAG Commercial brings to the table. Their background in finance and in the development side and in the corporate side has helped them a lot in that whole process. He stated his personal experience in running companies has been very helpful for him to relate to senior management of companies and to think more strategically.

Member Riley asked what would "advisory" mean to Ramsey that IAG Commercial could provide.

Mr. LaFavre stated it means different things to different people and to them it means non-commission related which falls into an advisory bucket. Sometimes that might mean strategic real estate planning, sometimes it might be coordinating a master plan and sometimes that might be running a financial analysis for somebody because they are not sure what to do. There is a component that is not always a transaction component that falls into their advisory bucket.

Mr. Beeman stated they are not a pure brokerage firm. They are more of an all-encompassing property management company. They find business partners, people who make the project happen, and manage the projects so they are not just a marketing firm. They are more of an all-encompassing business that matches the business plan with a corporation and matches a strategic plan that is customized, whether it is phases or if they need to dispose of land or develop the land.

Whatever it is, they help to customize the plan to that specific corporation. He stated this is a little different approach than their typical brokerage firm and all of the employees in the firm have a different specialty that they focus on.

Mr. LaFavre stated in regards to question three, the hot issue now is the Millennials. Everyone wants to live where they work so the hot areas are downtown areas. What is happening is the older Millennials are now building families and want to move out further to the suburbs to work, live and have their children educated and they want a high-density location where they can walk and bike to close amenities like they had in the city. Many cities are talking about creating more density with a downtown core area and Ramsey currently has that. They need to have a long-term strategy plan and he thought the role of Government was to create the vision and then remove the barriers to make that happen. He stated Ramsey has already created the vision but needs to expand on it which can be discussed further. He thought the COR is well positioned to where the millennials and the next generations are going and he thought that was extremely important. He thought the other thing too is in these core areas, there is a lot of sense of community. For the COR to be successful, you need to think about cradle to grave. You cannot think about just one sector because a healthy community caters to the whole community, all ages.

Mr. LaFavre thought as far as strengths of Ramsey is the fact that there is energy behind the commissions in Ramsey and there is a lot of community pride to make a difference. He stated the other positive is Ramsey has a clean slate which will make it easier to make the vision come to life. He stated as far as weaknesses, there is still some hangover in the community of the things Ramsey went through before. People who are close to it know the professionalism of the City Council and the other groups here today but they also know the challenges the community had in the past. For better or for worse there is some of that out there and when he talks to some of the developers he knows they put up a red flag. He thought that would change as the City continues to do what they are doing but that also creates a little bit of a distraction as they try to recruit and talk to people. He stated another weakness is that Ramsey is smaller but growing and developers are focusing now on bigger opportunities where the demand equation is clearly defined. In Ramsey, there are smaller opportunities. Many of the large developers are going to say that they cannot clearly define the demand equation and it is too small of a project to focus energy on. He thought there would be smaller developers that will make a lot of this happen which will mean there will be a lot more hand holding and a lot more help will be needed to put financing together, etc.

Mr. LaFavre stated in regards to marketing they have a well-defined corporate base in Ramsey, which is a positive, and they want to continue to mold that. The ability to attract large corporations into this area is going to be difficult because most of the companies that want to be in Ramsey are already here so they want to continue to cultivate the businesses that are here. He thought it would be interesting to think about an incubator concept and try to do something that would allow small businesses to really thrive and start up here, people who are already living in this area that have a passion. The City has had great success with medical and there is nothing really set aside area for that. He wondered with the growth of medical if they should rethink The COR a little bit and put more of a medical component in there that is more defined and centralized which will allow some room for growth. Medical clients like to be close to one another.

Mr. Beeman thought maybe The COR could be more diverse and think about features for seniors. He also thought something could be done with the website to make it easier to direct people to what they are looking for. He thought if they could reach out to all of the different kinds of developers that would be ideal. They cannot create demand but they can make people aware and attract the specialty businesses to the area and it should be done in phases.

Mr. LaFavre stated the City's best marketing tool is the residents of Ramsey. He thought they should use social media and blast the positive things going on in the City. This will attract more people and small businesses into the area.

Mr. LaFavre stated in regards to retail land, more retail will be moving to the internet and he thought The COR had too much retail land at this time. He stated the online market has changed the retail world and is the storefront of the future. He thought that The COR retail area would need to be service oriented. The people that live there are people that will need retail services and those types of businesses will survive in The COR area. He stated right now multi-resident housing is the popular thing but it could change in the future and the City needs to be flexible with what the market demands at the time.

Mr. Beeman stated many people want mixed use and that seems to be the trend but it only works in certain pockets of the Metro and they have to have the demand. It is very difficult to create without the demand.

Chairperson Steffen asked if IAG Commercial were hired by the City what would they do for the City.

Mr. LaFavre thought they would first need to sit down with the EDA and see what they want accomplished. From their perspective, what they have learned over the years is that the people who have the best answers as to what should be done are the people that are closest to the problem. They would like to gather the information as quickly as they can in order to form a plan. The COR plan the City has needs to be reviewed and discussed and it would be really nice to create a vision with partners that want to work with the City. They would like to feature the amenities in The COR and work in entertainment features around the water features already there. He would really like to understand the affordable housing feature better. It is nice to have but needs to be managed well. They need to come up with a master plan and define it. He stated they try to maximize what the client gets for their dollar so IAG Commercial would also become the broker of the land.

Chairperson Steffen stated the City wants to sell their land and get out of the developer business as quickly as possible so how will IAG Commercial advise them to do that.

Mr. LaFavre stated IAG Commercial is a non-profit so they will need to find a compensation plan that gets the City what they want and also gets the benefit of the commission structure and tie the two together a little more. He stated they are only as good at selling the land, as there is demand for the land.

IAG Commercial representatives left the meeting.

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:25 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: 03/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Informational Interview: Oppidan

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 Drew Johnson, Manager of Commercial Development, with Oppidan. Link: <http://oppidan.com/>. Staff met with Drew Johnson before the EDA meeting. He 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 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: 03/06/2017

Reviewed By

Kurt Ulrich

Date

03/06/2017 10:17 AM

Started On: 02/24/2017 06:20 PM

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).

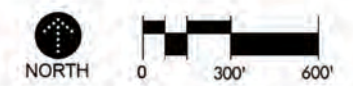
5. **Three specific questions**
 - a. About 150 acres of available retail land is located within/adjacent to The COR today. Is it realistic for Ramsey to absorb that much retail land? For example, by comparison, Riverdale is just shy of 200 acres.
 - b. Ramsey currently owns about 85 acres of greenfield 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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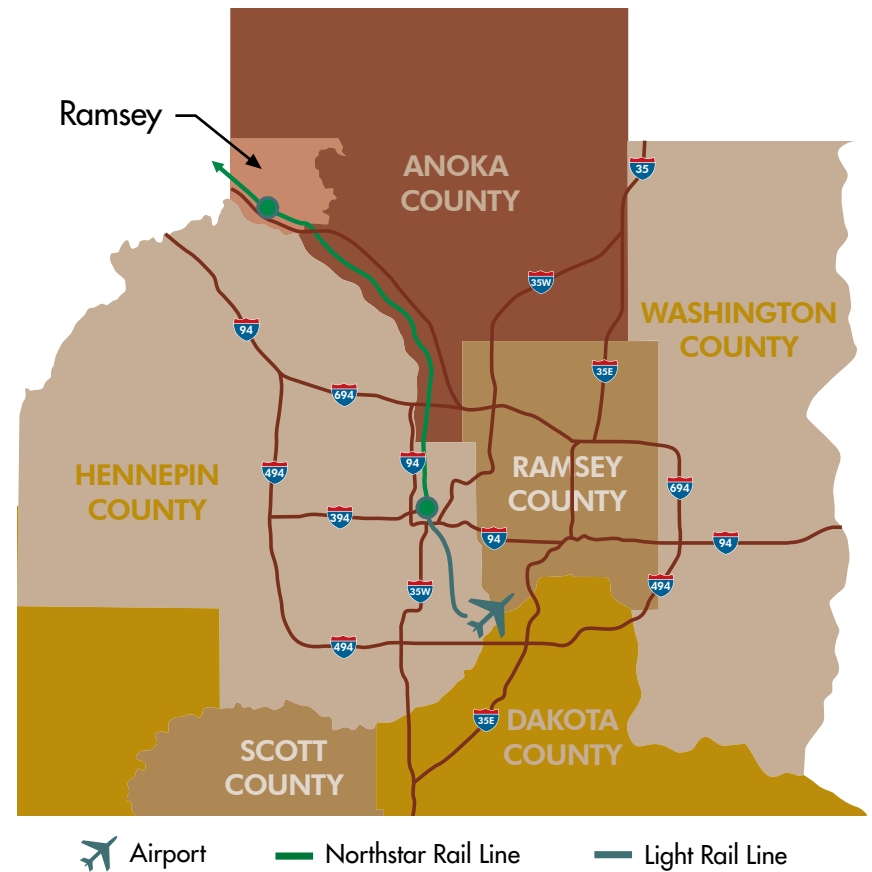
PARCEL LISTINGS.....4

CITY OF RAMSEY.....5

THE COR.....11

HWY 10/ARSMSTONG BLVD REALIGNMENT.....15

NORTHSTAR COMMUTER RAIL.....16



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EXECUTIVE SUMMARY

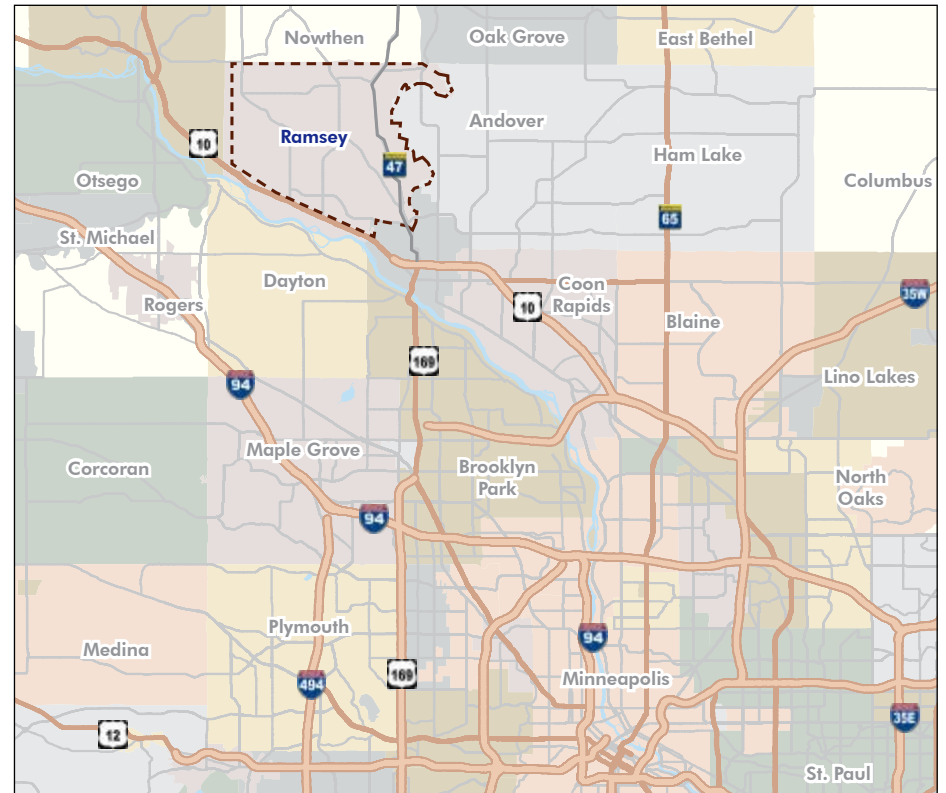
CITY OF RAMSEY OVERVIEW

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

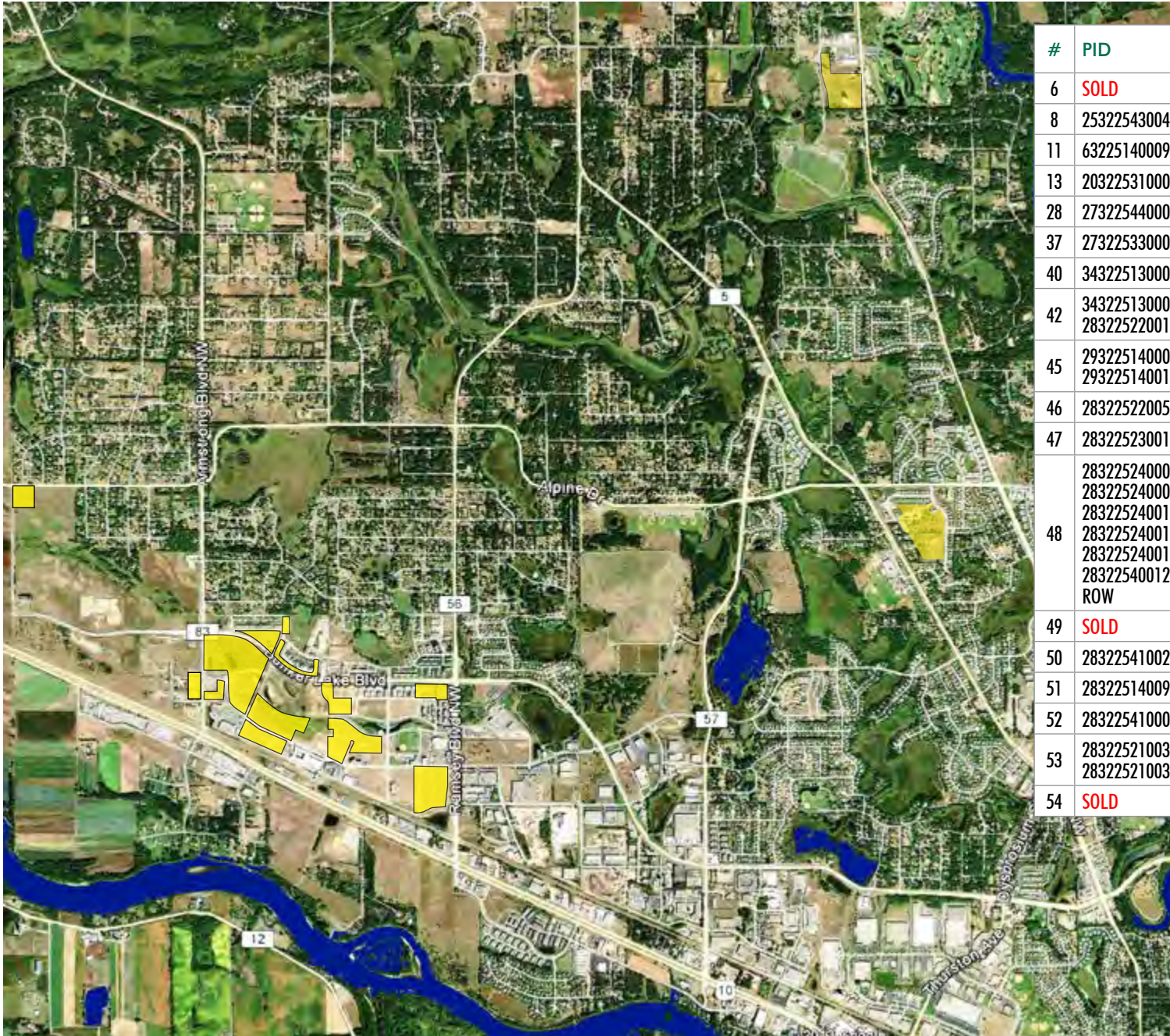


30 minutes to Downtown Minneapolis (±22 miles)

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 283225240012 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
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

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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

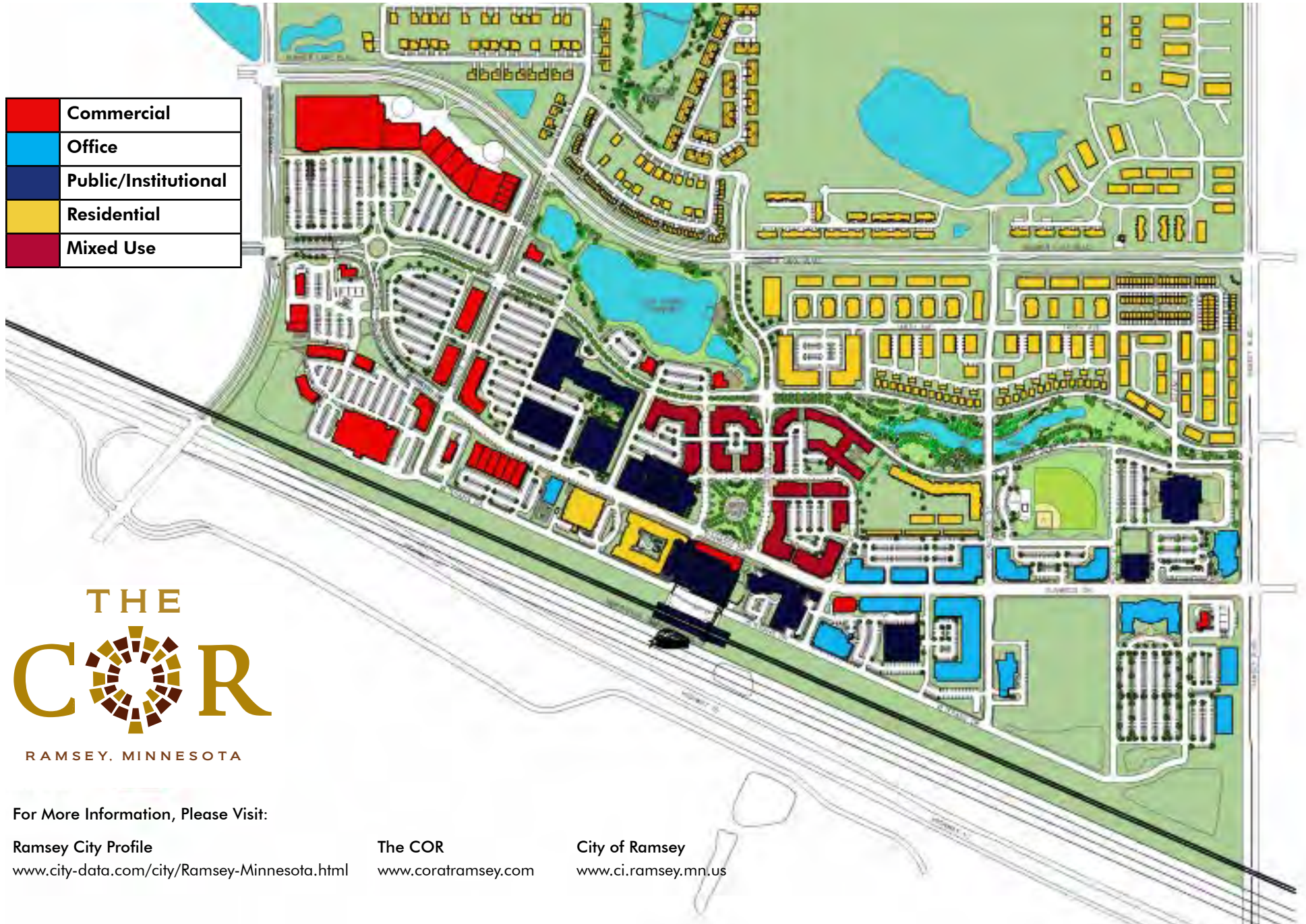
PRE-2015 COR PROJECTS INCLUDE:

- 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

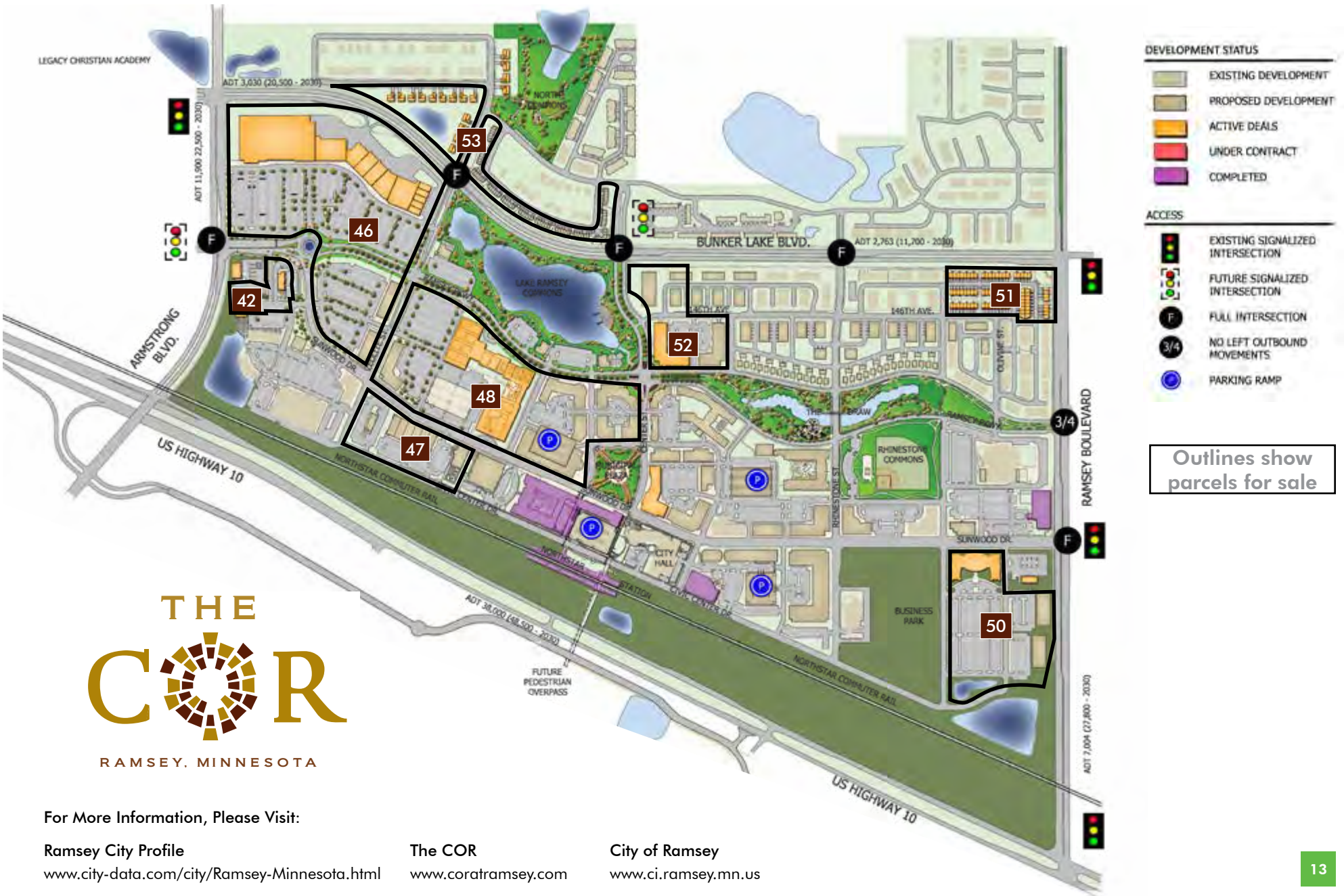
For More Information, Please Visit:

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

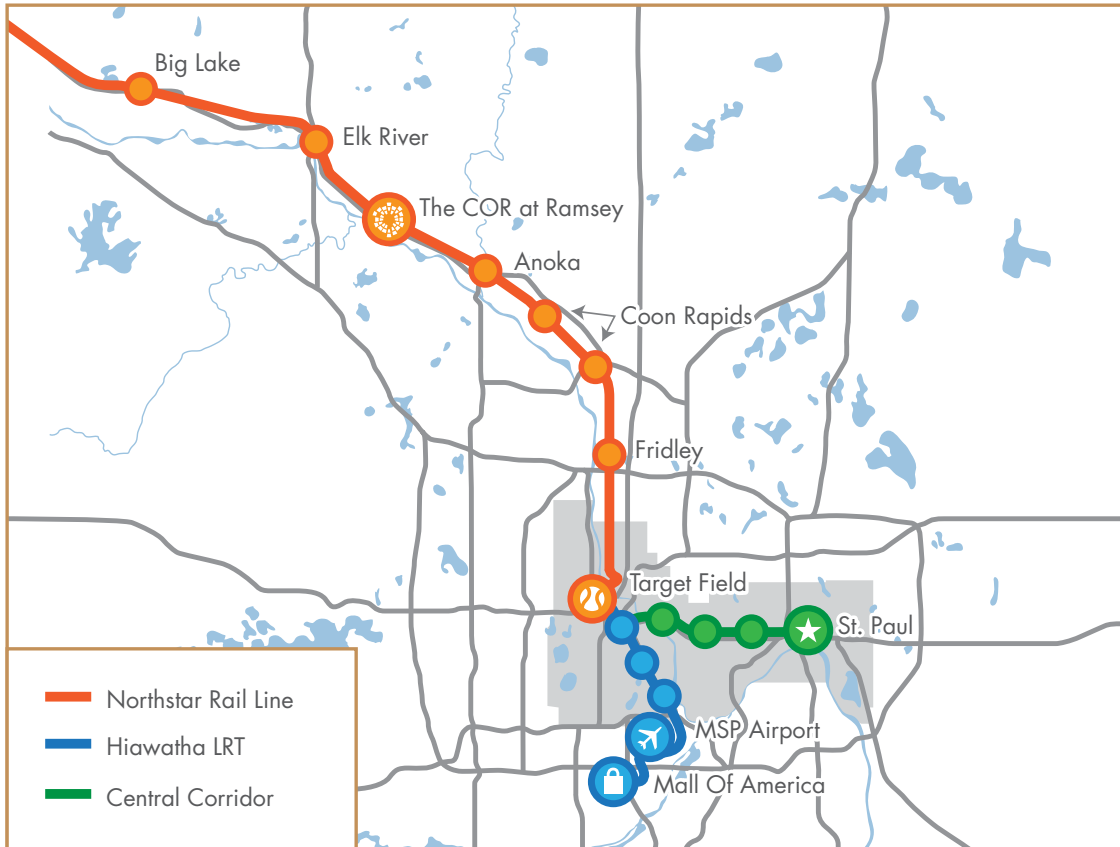
NEW FULL ACCESS INTERCHANGE - COMPLETED 2015/2016



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:

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Vice President

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Vice President

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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.

CBRE

Economic Development Authority (EDA)

4. 2.

Meeting Date: 03/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Anoka County Open-to-Business Program Update

Purpose/Background:

Kathleen DuChene with the Anoka County Open-to-Business Program will be at the meeting to provide an update. Please see attached.

<https://www.anokacounty.us/2299/Open-to-Business>

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

Recommendation:

NA

Action:

NA

Attachments

2016 OTB Report

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 02/23/2017

Reviewed By

Kurt Ulrich

Date

02/23/2017 03:08 PM

Started On: 02/17/2017 09:37 AM



ANOKA COUNTY
Open To Business
Kathleen DuChene – Business Advisor
1/1/2016 – 12/31/2016

Clients Served – 224

Business Stage:

Existing Business – 97

New Entrepreneurs/Start-up/Pre-planning – 85

Client Inquiry – 42*

*Many Client Inquiries turn into meetings later.

Program Hours:

(Includes Direct Client Hours, Program Outreach & Marketing, Advisor Training, Data Collection and Administration)

Total Contract 2258.25

Financing thru 12/31/16:

Loans Approved:

Number - 6
Amount - \$415,000
Leveraged - \$2,230,500
(Bank/Owner Equity)

Micro Grants:

Number - 9
Amount - \$9000

Credit Builder Loans

Number - 6
Amount - \$1520

Referral Source

City Website/Newsletters/Utility Inserts – 150
Other/Internet – 28
Bank Referral – 22
Friends/Family – 13
No Referral Source - 7
Existing Business Owner – 4

Industry Segment

Service – 116
Retail – 43
Food - 19
Manufacturing – 12
Construction – 12
Health & Fitness – 9
Undisclosed/Undecided - 9
Wholesale/Distribution – 2
Technology – 2

Client City (Number represents Business City)

Andover - 16
Anoka - 15
Bethel – 0
Blaine - 29
Centerville - 1
Circle Pines - 1
Columbia Heights - 18
Columbus – 0
Coon Rapids -43
East Bethel - 12
Fridley - 9
Ham Lake - 8
Hilltop - 0
Lexington - 0
Lino Lakes - 9
Linwood - 0
Nowthen - 2
Oak Grove - 1
Other Counties/Undecided/Undisclosed - 33
Ramsey - 24
St. Francis - 3
Spring Lake Park – 0

Financing Approved Through 4th Quarter 2016:

Approved Loan Direct-

Business Type: Lawn/Landscape Services – Commercial/Residential
Location: Purchase Property/Building in Nowthen (Zimmerman Resident)
Referred by: Bank/Other Lender
OTB Financing: \$33,000
Other Financing: \$280,500 Bank Financing/\$35,000 Owner Equity
Employment: NA

Overview: The business provides commercial and residential lawn mowing, seasonal cleanup, light landscaping, and irrigation services. Winter services such as plowing, and snow removal and hauling, are provided to commercial customers on a contract basis. Client has grown out of his current location and needs a larger facility to operate and store equipment. Client found a building/property in Nowthen, MN large enough to house equipment and provide office space. Open To Business approved a loan for \$33,000; we were able to leverage a Bank approved loan of \$280,500 to fill the gap. The Client has put this particular building/property purchase on hold – and is looking at other properties in Anoka County – when he is ready to purchase, Open To Business will be there to help with the Financing.

Approved Loan Direct-

Business Type: Mall Kiosk – Cell Phone Accessories
Location: Ramsey Resident (Minneapolis Business)
Referred by: NA
OTB Financing: \$1000
Other Financing: NA
Employment: 1 Fulltime

Overview: For the last year, Client has been selling cell phone accessories on-line and at trade shows. In November 2015, he set up a kiosk in Minneapolis - Calhoun Square. He operates the kiosk during the day and on weekends, while working a second shift job. Open To Business awarded him a Micro Grant to purchase inventory, which generated a nice profit. Since the Micro Grant worked well for him, Open To Business provided a small Advisor Express loan to help purchase additional inventory.

Approved Loan Direct-

Business Type: Childcare Center
Location: St. Francis Business
Referred by: Started working with Open To Business a couple of years ago.
OTB Financing: \$25,000
Other Financing: \$25,000 Bank Financing/\$10,000 Owner Equity
Employment: Expected to create at least 6 jobs.

Overview: The business owner has worked as a child care teacher, manager and director, but her real goal was to own child care center. Unfortunately, start-up costs can approach hundreds of thousands of dollars, a price tag well beyond her means. Then came the opportunity of a lifetime. A vacant center in St. Francis was available for sale and the total project was under \$60,000. Open To Business partnered with Village Bank to provide financing needed to open the business. With only two other child care centers operating in the city, this business will offer a much needed service to families of young children in and around St. Francis.

Approved Loan Direct-

Business Type: Chemical Dependency Counseling
Location: Anoka Resident (North Minneapolis Business)
Referred by: Worked with Hennepin County Business Advisor
OTB Financing: \$6,000
Other Financing: NA
Employment: 2 Full-time Owners

Overview: This business is a licensed Rule 25 treatment center that offers chemical dependency and mental health services to clients. The business was providing services to its clients for approximately six months, but hadn't received reimbursement for those services from the insurance intermediaries. Payments for services generally come directly from third party insurance providers. The owners injected personal equity into the business to cover initial operating expenses while waiting for certification with two insurance carriers so they could bill for services already provided to clients. Additionally, owners were waiting to receive reimbursement from DHS Medical Assistance Program. The owners contacted Open To Business and requested a transactional loan of \$6,000 to augment its cash flow while waiting to receive payment from DHS.

Approved Loan Direct-

Business Type: Street Sweeping/Cleaning
Location: Blaine Business
Referred by: Bank
OTB Financing: \$200,000
Other Financing: \$200,000 – Owner Equity
Employment: Expected to increase employees and/or keep help employed year round

Overview: Looking to supplement sales/services in the slower winter months, the owner invented a product to help builders. Winters in MN and northern climes are the bane of builders. When the frozen ground is as hard as concrete, builders can either wait until spring to lay foundations or spend weeks (and thousands of dollars) trying to thaw the ground out with propane heaters. A problem solver by nature, the business owner had a better way for builders to deal with winter. He has invented a system that sinks giant drill bits into the ground that is faster and cheaper than the traditional propane heaters. Moreover, the giant drill bits also work well in drying out wet clay, the bane of builders in all climates. Open To Business has provided financing to this Blaine company to purchase the equipment it needs to scale up operations. The business owners have already obtained a contract with a major home builder this winter.

Approved Loan Direct-

Business Type: Dance Studio
Location: Blaine Business
Referred by: Bank
OTB Financing: \$150,000
Other Financing: \$33,000 Owner Equity, and \$1,647,000 Bank/SBA Financing
Employment: NA

Overview: The owner has been dancing or working in dance virtually her whole life, most of it at her current business in Blaine. In 2013, she purchased the company and doubled its enrollment in only three years. Having outgrown her existing space, the business owner found an ideal building in Blaine for her dance studio's new home. A Bank asked Open To Business to provide financing to this \$1.8 million project to help bridge a collateral gap.

Other Financing-

Business Type: Cosmetics – Direct Selling

Location: Blaine Business and Resident

Referred by: Found OTB Info on Internet

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: Client went through some very difficult personal hardship and has not been able to secure a regular job. She wanted to start her own small business; Open To Business provided a Micro Grant to help her purchase inventory to get the business off the ground.

Business Type: Credit Card Processing/Point of Sale Equipment

Location: Anoka Business and Resident

Referred by: Found OTB Info in City of Anoka Newsletter

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: This client started the business a couple of years ago after years of experience in the industry. The family had gone through some tough times, both personally and financially, which limited his ability to get the business started. I keep in touch with owner and the business continues to move in the right direction, in spite of a very competitive environment. I awarded this client another Micro Grant this year to continue efforts with growing the business. The money is used for website development and marketing efforts. I use this client for professional referrals to other small businesses with point of sale needs.

Business Type: Personal and Professional Coaching/Unique Keynote Speaker

Location: Business Services offered in Anoka County, Resident in Hennepin County

Referred by: Met Client at Lino Lakes Quad Area Chamber Meeting

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: This client went through some very difficult times personally, and this had a devastating effect financially. He has a unique approach to his business coaching style, his life and work experience in a long sales career serve him well with this business. I've kept in touch with this client and his business is growing by leaps and bounds. The Micro Grant I awarded was used to fund professional networking memberships.

Business Type: Construction Remodeling/Attic Insulation Services

Location: Ham Lake Business and Resident

Referred by: Found OTB in Ham Lake City Newsletter

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 2 Full-time

Overview: This couple had a prosperous growing construction business in the state of Colorado; however, about one year ago the business was shut down due to alleged illegal dealings with a partner. They were not aware, and somewhat naïve about what was happening behind closed doors. The couple had to file bankruptcy, were left with no money, and only their house in MN. They are looking to start over, no partners, and came to me looking for help on how to get a business started in MN. They qualified for a Micro Grant, and this helped with

getting their work truck and equipment transported back to MN. I referred them to professional accounting and legal services to also assist in the process.

Business Type: Residential Cleaning Business

Location: Blaine Business and Resident

Referred by: Friend

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: This client has professional experience in the financial industry and was a licensed broker. She fell on some hard times personally and professionally. She has personal family obligations that don't allow her to return to a professional work career, so was operating a cleaning business and decided to work towards growing the business into something larger with potentially more employees. She is at a financial disadvantage this point in her life, and qualified for a Micro Grant. This grant has allowed her to purchase necessary supplies and equipment to get the business started.

Business Type: Inventor of Engine Part

Location: Ramsey Business and Resident

Referred by: Found OTB in Ramsey City Newsletter

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: This client is an engineer and was in the process of creating an engine part that could potentially be manufactured and used in car engines to obtain better/cleaner gas mileage. He is retired and on limited income, so the Micro Grant will be used to further his process of securing a Patent for his design. He had family members also involved and they were working on finding someone to help him make a prototype so he could test the part in small engines.

Business Type: On Line Antique/Gift Shop

Location: Andover Business and Resident

Referred by: Found OTB in Andover City Newsletter

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: This is a talented and unique individual with a wide variety of experience. She was previously owner of a franchise fitness center for women in a very small community. Declining enrollment and additional competition forced her to close the business, leaving the couple with substantial debt. In the meantime the owner developed some long term health issues and cannot work a regular job. Her husband went back to school to get his teaching degree, and is tutoring on a part-time basis. She wants to develop an online business to supplement their income while her husband is preparing for a teaching career. Owner is a very creative person, and the Micro Grant has allowed her to move forward with purchasing some needed supplies and computer equipment to get the business started.

Business Type: On Line Woman's Clothing Boutique

Location: Ramsey Business and Resident

Referred by: Found OTB in Ramsey City Newsletter

OTB Financing: NA
Other Financing: \$1,000 Micro Grant
Employment: 1 Fulltime

Overview: Client wants to start an online woman's clothing boutique business. She is a single parent, working a fulltime job but wants to create additional income. I'm providing guidance to set up the business, write her business plan, etc. She is using the Micro Grant for fees associated with set up, purchasing some equipment, and clothing samples.

Business Type: Commercial Interior Cleaning Business

Location: Fridley Business and Resident

Referred by: Found OTB on the Internet

OTB Financing: NA

Other Financing: \$1,000 Micro Grant

Employment: 1 Full-time

Overview: Client is a single parent, homeschooling his son, and looking to create additional income with his business. He has experience in commercial cleaning and needed the Micro Grant to purchase supplies, repair his van, and purchase insurance to get established.

Credit Builder Loans - Open To Business works in partnership with several non-profit organizations to offer the credit building program. Our partners provide financial counseling in conjunction with small personal loans from Open To Business. This combination of counseling with loans is helping program participants improve their credit scores. Better credit scores can mean lower interest rates on car and business loans, as well as, more affordable costs on insurance and housing.

1st Quarter 2016 – Anoka County

Open To Business provided 3 Credit Builder Loans for a total of \$800 to Anoka County residents – all living in either Coon Rapids or Spring Lake Park.

2nd Quarter 2016 – Anoka County

Open To Business provided 2 Credit Builder Loans for a total of \$480 to Anoka County residents – one living in Fridley and one living in Oakgrove.

3rd Quarter 2016 – Anoka County

There were no Credit Builder Loans for Anoka County in 3rd Quarter.

4th Quarter 2016 – Anoka County

Open To Business provided 1 Credit Builder Loan for a total of \$240 to Anoka County residents – one living in Fridley.

Economic Development Authority (EDA)

4. 3.

Meeting Date: 03/09/2017

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:

*****IMPORTANT UPDATE*****

This case was reviewed by the EDA in January and February. This loan request was approved by the EDA and Council in February, contingent upon staff obtaining sufficient collateral (a second mortgage on personal residence was specifically identified at the time). The purpose of this case is to update the collateral source. American Print & Digital is suggesting the City take a first lien on the attached existing equipment list, rather than a second mortgage on their personal residence. Staff has verified sufficient value exists in the attached equipment list to collateralize the EDA loan. Please see Mike Mulrooney's MEMO and recommendation on this change. With this in mind, staff believes this change is administrative in nature, and still meets the intent of Ramsey's policies and prudent lending standards. Staff recommends the EDA re-approve this loan request with the updated collateral requirement.

*****ORIGINAL CASE MEMO*****

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 and approve an EDA RLF loan in an amount up to \$72,500 (not to exceed 5% of the project cost); subject to:

- the borrower providing a first lien to the City on the attached "Equipment List"
- the borrower receiving approval of the project loan by the Bank of Elk River and the SBA
- final review and approval of the loan agreement by the City Attorney and the CMDC

Attachments

CMDC MEMO

DRAFT LOAN AGREEMENT

APD Equipment List

APD Cover Letter

EDA RLF Guidelines

Form Review

Inbox

Kurt Ulrich

Patrick Brama (Originator)

Form Started By: Patrick Brama

Final Approval Date: 03/06/2017

Reviewed By

Kurt Ulrich

Patrick Brama

Date

03/06/2017 02:52 PM

03/06/2017 03:18 PM

Started On: 03/06/2017 02:22 PM



BUSINESS FINANCING

SBA Loans | Financial Packaging | Federal, State and Local Financing | Incentive Financing | Revolving Loan Funds

March 5, 2017

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

RE: AMERICAN PRINT AND DIGITAL LOAN REQUEST FOLLOWUP

Dear Patrick:

The Ramsey EDA and City Council have approved a request for financial assistance from American Print and Digital to assist with the purchase of an existing building, make improvements to the building and purchase equipment. The approved loan amount is \$72,500 payable over a 10 year period at a rate of 3%. The loan approval was conditioned on securing a second mortgage on the residence of the owner as well as the owner's personal and corporate guarantees.

After additional discussion with the borrower and their primary lender, the borrower requested that the EDA and the City Council reconsider securing the loan with his personal residence. Instead, the borrower requested that the loan be secured by the real estate and the new and used equipment to be purchased along with the personal guarantee.

A prudent lender looks for more than one source of repayment for commercial loans. The reason for this is that if, for some reason, a delay or a problem occurs, the repayment commitment can still be honored. In the case of American Print and Digital, we identified 3 sources of repayment. They include the following:

Repayment Sources

- Primary: Cash Flow from Operations
- Secondary: Liquidation of Collateral
- Tertiary: Personal and Corporate Guarantees

1885 Station Parkway NW Andover, MN 55304

763.784.3337 | f: 763.784.3338 | www.cmdcbusinessloans.com

March 5, 2017
Patrick Brama
Page Two

I want to emphasize that the primary source of repayment for a business loan is the cash flow generated by the operations of the business. When the request is for an owner-occupied commercial mortgage or equipment loan from a local revolving loan fund, it is important to analyze the company's tax returns and financial statements to determine if the cash flow is sufficient to support the additional monthly payments. This step in the analytical process has been completed. Historical global cash flow for the American Print and Digital loan request is sufficient for the business to service the debt associated with the proposed project with a ratio of 1.77 for FYE 2015. Trends are positive with global cash flow improving for each of the last three fiscal years.

Collateral

As discussed earlier, commercial lenders know that that it is important to identify a "secondary source of repayment" and obtain all the collateral you can. Most lenders believe that there should be more than one source of repayment so that should there be a delay or a problem the repayment commitment can still be kept.

The collateral that has been proposed for the Ramsey RLF loan related to the American Print and Digital project is real estate and equipment. The loan would be secured by a lien position junior to The Bank of Elk River, Minnesota Business Finance and the US Small Business Administration. Commercial real estate appraisals for this project have now been completed. A collateral analysis has been completed and is attached for your review. Based on the collateral analysis the collateral is insufficient to achieve the EDA approved 95% "loan to value" ratio when all loans are taken into account. To help mitigate this deficiency Ramsey requested that additional collateral be offered. Based on the initial credit analysis collateral existed in the personal residence of the borrower. The borrower has since rejected this condition and has subsequently offered additional equipment to secure the loan. A list of the equipment and the corresponding estimated market value is attached. A secured position in this collateral will require a release by The Bank of Elk River. Staff has been informed that The Bank of Elk River has agreed to do so. Assuming that the estimated market values are correct and that the Bank of Elk River agrees to the release, collateral should be more than sufficient to provide support for the loan from the Ramsey RLF as Ramsey will have a first lien position on the collateral.

March 5, 2017
Patrick Brama
Page Three

When it comes to community based lending it is important that everyone understand what should happen before you get to the stage of using collateral as a "secondary source of repayment." You only seize collateral and pursue the guarantees once you get to the default stage.

Very few borrowers drop from "repaying as expected" to "default" overnight. Repaying in an orderly fashion through strong cash flow is always the "primary source of repayment". Before arriving at the default stage there is usually a progression in the borrower's deterioration. All along that path, alternative sources of repayment are usually available, such as refinancing, the sale of non critical assets, additional cash injection or restructuring the loan. In summary the point I want to make is that there are more choices than simply getting repaid by the cash flow of a borrower or by the liquidation of collateral.

Experience has taught me that when it comes to community based revolving loan funds you should regard collateral less as a source of repayment and more as a loss mitigation tool. By the time you seize the collateral, you are usually going to take a loss. More often than not, as a borrower's financial health weakens, the value of both the collateral and the guarantees diminish as well. If circumstances warrant a collateral sale, the EDA may face steep discounts and significant expenses related to the sale.

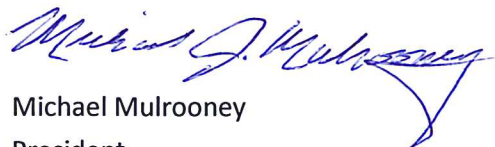
In the end it is very important that you focus on cash flow which is the single most important element in determining whether a business has the ability to repay debt. In our judgment American Print and Digital has sufficient historical cash flow to repay the proposed debt.

Recommendation

CMDC recommends approval of the loan request based on the information provided subject to

- Loan approval of The Bank of Elk River
- Loan approval from Minnesota Business Finance
- Loan Approval from the US Small Business Administration
- Corporate guarantee of American Print and Digital and Zap Properties LLC
- Personal guarantee of Jason H. Farrell

Best regards,



Michael Mulrooney
President

AMERICAN PRINT AND DIGITAL COLLATERAL ANALYSIS

Project Collateral Value Orderly Liquidation Value SBA 504 Collateral Analysis

Real Estate Appraisal	\$	790,000	\$	790,000	\$	790,000
New Equipment						
Demo Cron ECRM CTP	\$	70,000	\$	45,500	\$	70,000
Software	\$	41,995	\$	27,297	\$	41,995
Used Equipment						
Ryobi Press (Purchase Price)	\$	344,000	\$	225,000	\$	344,000
Spiral Docupunch (Appraised Value)	\$	20,000	\$	13,000	\$	20,000
Installation Cost on Equipment						
Total Collateral	\$	1,265,995	\$	1,100,797	\$	1,411,995
Less TBER 1st Lien	\$	722,000	\$	722,000	\$	722,000
Less MBFC/SBA 2nd Lien	\$	577,000	\$	577,000	\$	577,000
Net collateral available to Ramsey RLF	\$	(33,005)	\$	(198,203)	\$	112,995
Ramsey RLF	\$	72,500	\$	72,500	\$	72,500
Total Combined Debt	\$	1,371,500	\$	1,371,500	\$	1,371,500
CLTV		1.08		1.25		0.97
LLTV						

APD Equipment List

Owned Equipment		Value	Serial
Presses	Heidelberg QM-46	\$ 4,000	965212
	Heidelberg QM-46	\$ 4,000	964154
	Heidelberg QM-46	\$ 4,000	963029
	Heidelberg Windmill	\$ 2,000	
	Konica 1051	\$ 5,000	
	Epson wide format	\$ 1,000	
	Oki ProColor 900	\$ 5,000	
	Ryobi 3200	\$ 500	9191
	Envelope feeders	\$ 1,500	4671
	Prepress	DPX CTP	\$ 2,000
Bindery	Polar 40 inch cutter	\$ 15,000	
	Polar 28 inch cutter	\$ 4,000	5351106
	Stahl Folder	\$ 10,000	
	table top folder	\$ 1,500	85D126
	table top folder	\$ 1,500	14x20
	Quad Carts x 4	\$ 1,000	
	Jog Tables x 3	\$ 500	81161
	Rosback scoring	\$ 3,000	
	Shrink Tunnel	\$ 5,000	15541608TLMB, 13881622TPP
	Challenge drill	\$ 3,000	
	Graphic Whizard	\$ 5,000	2004358
	Graphic Whizard 6000	\$ 4,000	
	Creasemaster Pro	\$ 5,000	
	Duplo 5000	\$ 45,000	
	RhinoTuff spiral equipment	\$ 3,000	
	Uline strapping machine	\$ 500	
	ARL 2700 Laminator	\$ 1,000	56269-1207
	Corner Rounding	\$ 2,000	
	Business Card slitter	\$ 4,000	Sun HS-3000-GC

TOTAL \$ 143,000

APD New Equipment

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

APD Equipment List

2016

Owned Equipment

		Value	Serial
Presses	Heidelberg QM-46	\$ 4,000	965212
	Heidelberg QM-46	\$ 4,000	964154
	Heidelberg QM-46	\$ 4,000	963029
	Heidelberg Windmill	\$ 2,000	
	Konica 1051	\$ 5,000	
	Epson wide format	\$ 1,000	
	Oki ProColor 900	\$ 5,000	
	Ryobi 3200	\$ 500	9191
	Envelope feeders	\$ 1,500	4671
Prepress	DPX CTP	\$ 2,000	44040656
Bindery	Polar 40 inch cutter	\$ 15,000	
	Polar 28 inch cutter	\$ 4,000	5351106
	Stahl Folder	\$ 10,000	
	table top folder	\$ 1,500	85D126
	table top folder	\$ 1,500	14x20
	Quad Carts x 4	\$ 1,000	
	Jog Tables x 3	\$ 500	81161
	Rosback scoring	\$ 3,000	
	Shrink Tunnel	\$ 5,000	15541608TLMB, 13881622TPP
	Challenge drill	\$ 3,000	
	Graphic Whizard	\$ 5,000	2004358
	Graphic Whizard 6000	\$ 4,000	
	Creasemaster Pro	\$ 5,000	
	Duplo 5000	\$ 45,000	
	RhinoTuff spiral equipment	\$ 3,000	
	Uline strapping machine	\$ 500	
	ARL 2700 Laminator	\$ 1,000	56269-1207
	Corner Rounding	\$ 2,000	
	Business Card slitter	\$ 4,000	Sun HS-3000-GC

Desktop Verification of Values

1. Oki ProColor 900 (\$5K) <http://www.okidata.com/procolor/pro900dp-905dp>
2. Polar 40" cutter (\$15K) <http://cyceromachines.com/guillotine-polar-115-em/>
3. Stahl Folder (\$10K) http://www.a-1enterprises.com/list_by_make_a2.php?make=STAHL%20&type=FOLDER%20
4. Shrink Tunnel (\$5K) http://www.ebay.com/itm/like/252597761008?lpid=82&chn=ps&ul_noapp=true
5. Graphic Wizard (\$5K+\$4K) <http://www.ebay.com/itm/Graphic-Whizard-12000-/232196039268?hash=item360ff66264:g:n4MAAOSw6n5XvJ-5>
<https://www.mybinding.com/brands/graphic-whizard/paper-joggers.html>
<http://www.ebay.com/itm/Graphic-Whizard-GW-6000-Number-Perf-/122348810337>
6. Creasemaster Pro (\$5K) <http://northernmachine.com/graphic-whizard-creasemaster-pro.html>
7. Duplo 5000 (\$45K) <http://www.lcegraphics.com/id6.html>



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

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

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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).

Economic Development Authority (EDA)

4. 4.

Meeting Date: 03/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Arterial Infrastructure Discussion RE City of Ramsey's Future Business Park & Capstone Homes Development

Purpose/Background:

PURPOSE

Introduce the attached Capstone Homes proposal for funding and constructing arterial infrastructure improvements located on Bunker Lake Boulevard and Puma Street near the City's new business park (see attached MOU).

Staff welcomes questions, suggestions, and preliminary feedback (very helpful). Staff is requesting the EDA identify any information missing from this case needed to formally process/ respond to the request from Capstone Homes.

The purpose of this case is not to make a final/ formal decision RE the Capstone Proposal (the attached MOU). This case will come back to the EDA and Council in April for formal direction.

BACKGROUND

Please see attached "background data." This case is being reviewed by the EDA because the project is proposed to utilize two economic development funding sources. Due to the fact that the proposed arterial infrastructure will serve the City's future business park, potential funding source for the arterial infrastructure include both the EDA Fund and Anoka County EDA/ HRA accounts.

Notification:

NA

Observations/Alternatives:

Please see attached "alternatives" document.

Funding Source:

TBD

Recommendation:

NA

Action:

Please see "purpose" of this case.

Attachments

MOU (Capstone Proposal)

Background

Alternatives

Arterial Infrastructure

Form Review

Inbox

Kurt Ulrich
Patrick Brama (Originator)
Kurt Ulrich
Kurt Ulrich
Form Started By: Patrick Brama
Final Approval Date: 03/06/2017

Reviewed By

Kathy Schmitz
Patrick Brama
Kurt Ulrich
Kurt Ulrich

Date

03/06/2017 02:48 PM
03/06/2017 02:52 PM
03/06/2017 03:04 PM
03/06/2017 03:04 PM
Started On: 02/20/2017 03:23 PM

MEMORANDUM OF UNDERSTANDING AGREEMENT

This Memorandum of Understanding Agreement (“MOU Agreement”) is entered into between the **City of Ramsey**, Minnesota, a Minnesota Municipal Corporation, (“City”), **Capstone Homes, Inc.**, a registered Minnesota domestic business corporation (“Capstone Homes”), and **Hageman Holdings, LLC**, a registered Minnesota limited liability company (“Hageman Holdings”).

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

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

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

WHEREAS, a new 350-unit residential development located in the Armstrong-West Developable Area will benefit the City by providing quality new housing stock, a quality designed residential community, development fees, tax-base, and an increase local consumer spending demand; and,

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

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

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

WHEREAS, Capstone Homes has requested that the City fund the Arterial Infrastructure improvements upfront and assess their portion of the Arterial Infrastructure improvements for Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study. Assessing costs for improvements back to Capstone Homes will require City compliance with applicable State Statutes, including Chapter 429.

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

- 1) The City will act as the petitioning party for the Arterial Infrastructure improvements project as required by State Statute, Chapter 429.
- 2) The City will design Arterial Infrastructure Improvements for Phase 1A and Phase 1B of the Bolton & Menk Arterial Infrastructure Analysis and to prepare plans and specifications.
- 3) The City will administer the State and City guided processes for bidding, constructing, and assessing costs for the Arterial Infrastructure Improvements.
- 4) The City will pay for 100% of trunk water and trunk sanitary sewer costs via the City's trunk water and trunk sewer funds of Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study.
- 5) The City will pay for the remaining arterial infrastructure costs for Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study, not assessed to private properties.
- 6) The City will allow all assessments placed against Capstone Homes to be deferred for a maximum five (5) years, though assessments shall accrue interest during deferment.
- 7) The City will allow all assessments placed against Hageman Holdings to be deferred for payment until the time of a future sale; though assessments shall accrue no interest during deferment.
- 8) The City will consider the EDA Fund (January 01, 2017 balance of \$829,000) and the Anoka County HRA/ EDA Ramsey Account (January 01, 2017 balance of \$1,483,000) as the primary funding sources for this project.

NOW THEREFORE, CAPSTONE HOMES agrees in principle to the following:

- 1) Capstone Homes will enter into an assessment agreement to be recorded against real property to pay for 40% of applicable arterial infrastructure improvements for Phase 1B outlined in the Bolton & Menk Infrastructure Study.
- 2) Capstone Homes will enter into an assessment agreement to be recorded against real property to pay for 16% of applicable arterial infrastructure improvements for Phase 1A outlined in the Bolton & Menk Infrastructure Study.
- 3) Capstone Homes will supply a letter of credit meeting City standards, for 110% of their portion of arterial infrastructure improvements. This letter of credit will remain in place until assessments are paid off; and can drawn down in phases.

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

- 1) Hageman Holdings will enter into an assessment agreement to be recorded against real property to pay for 24% of applicable arterial infrastructure improvements for Phase 1A outlined in the Bolton & Menk Infrastructure Study.
- 2) Hageman Holdings assessments will be due at the time of closing on future land sales, and shall accrue no interest.

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

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

By: _____
Sarah Strommen, Mayor

Dated _____, 2017

By: _____
Kurt Ulrich, City Administrator

CAPSTONE HOMES: Capstone Homes, Inc., a registered Minnesota domestic business corporation

By: _____
Ben Minks, CEO

Dated _____, 2017

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

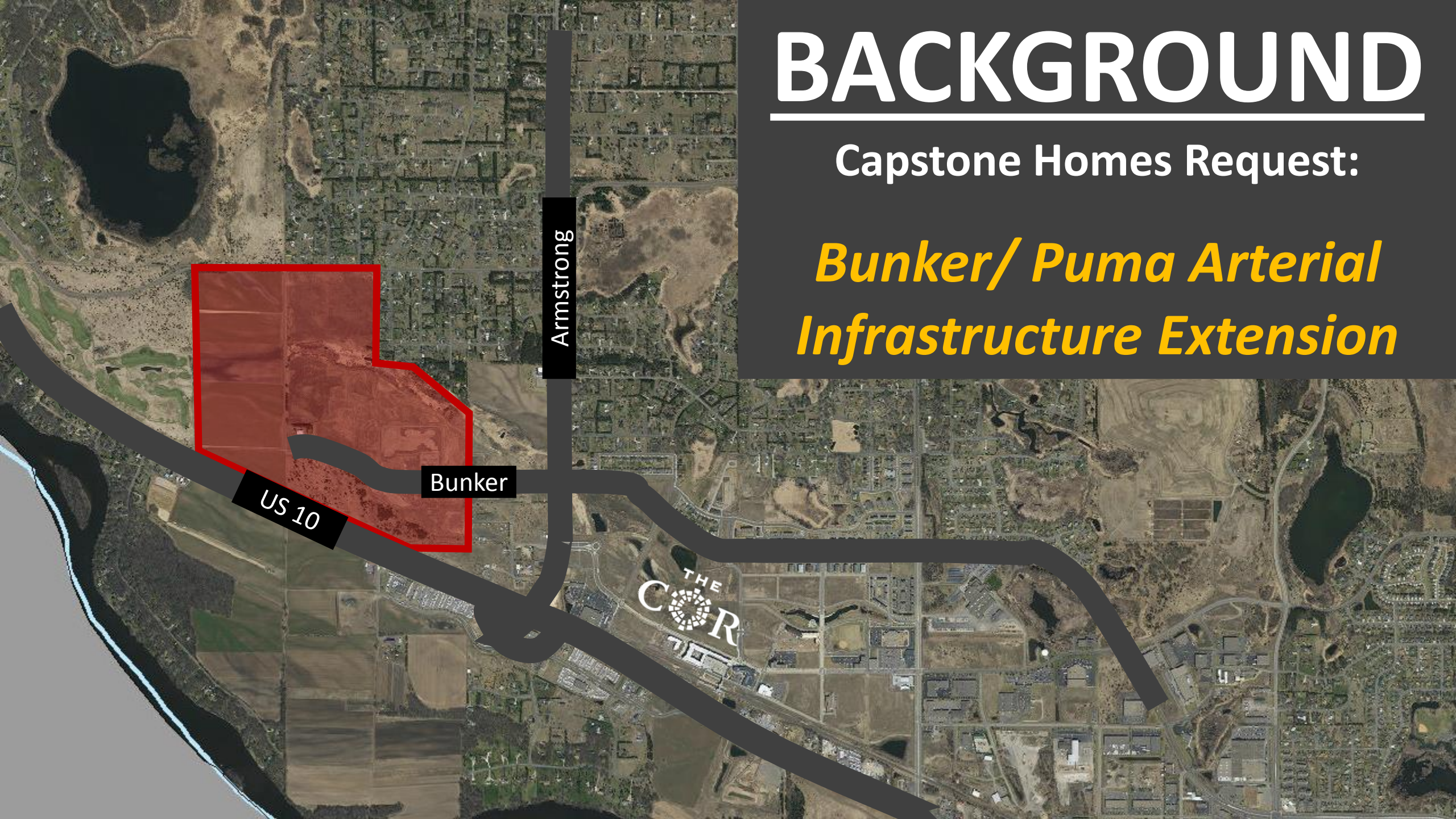
By: _____
Michael Hageman, Manager

Dated _____, 2017

BACKGROUND

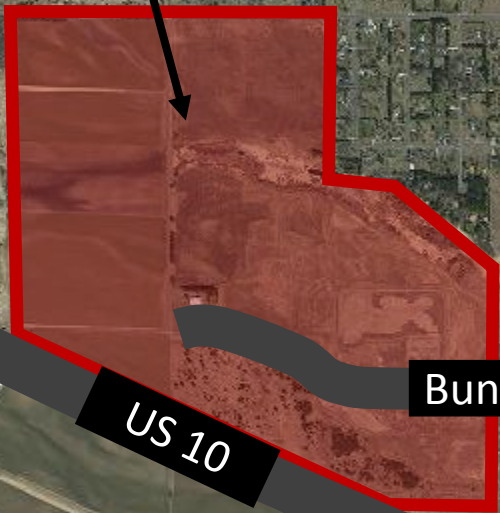
Capstone Homes Request:

*Bunker/ Puma Arterial
Infrastructure Extension*



Developable Area

- About 275 Acres Greenfield
- Hageman Holdings/ Pearson Properties



Armstrong

Bunker

US 10

THE
CORNER

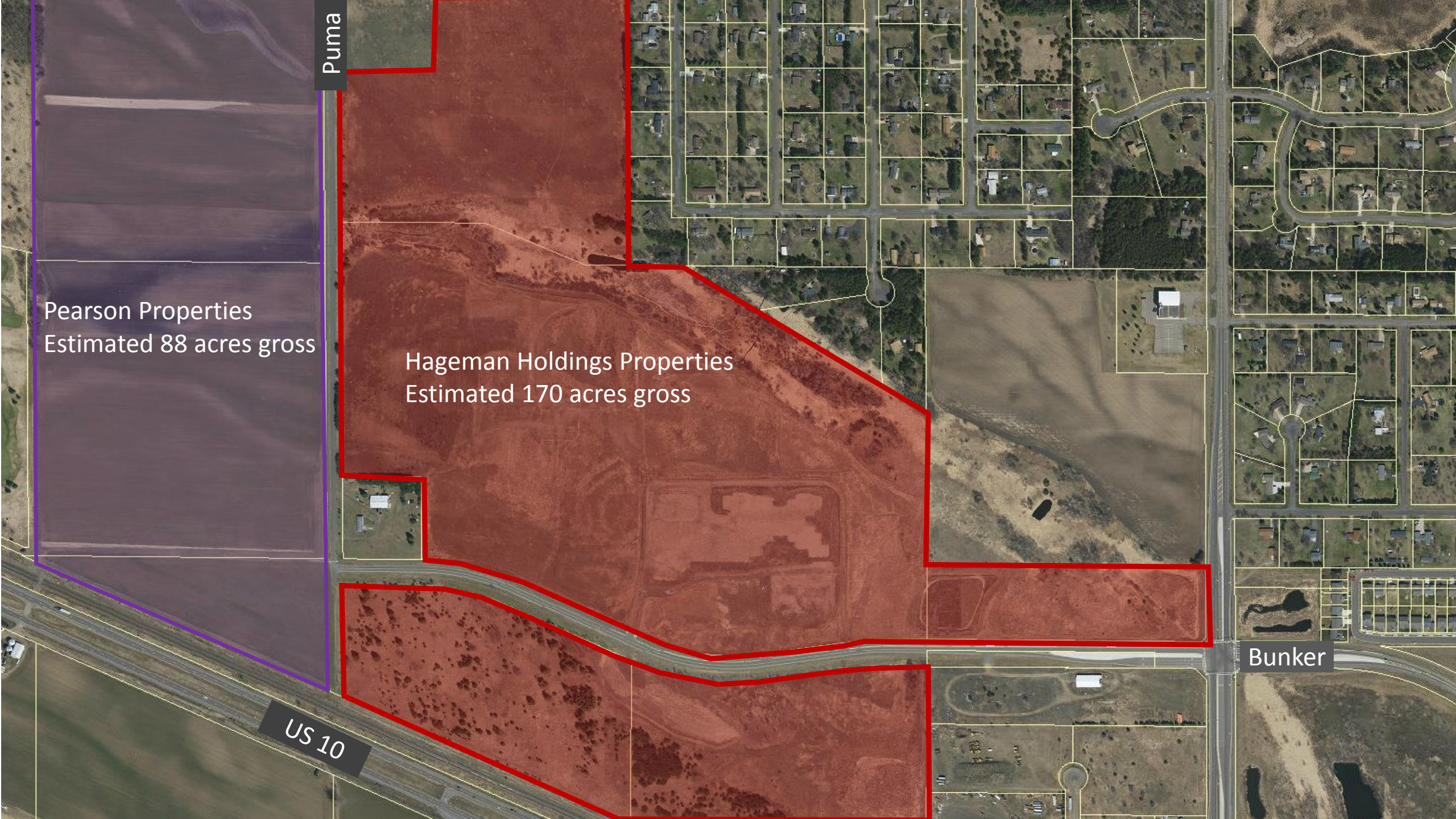
Puma

Pearson Properties
Estimated 88 acres gross

Hageman Holdings Properties
Estimated 170 acres gross

US 10

Bunker

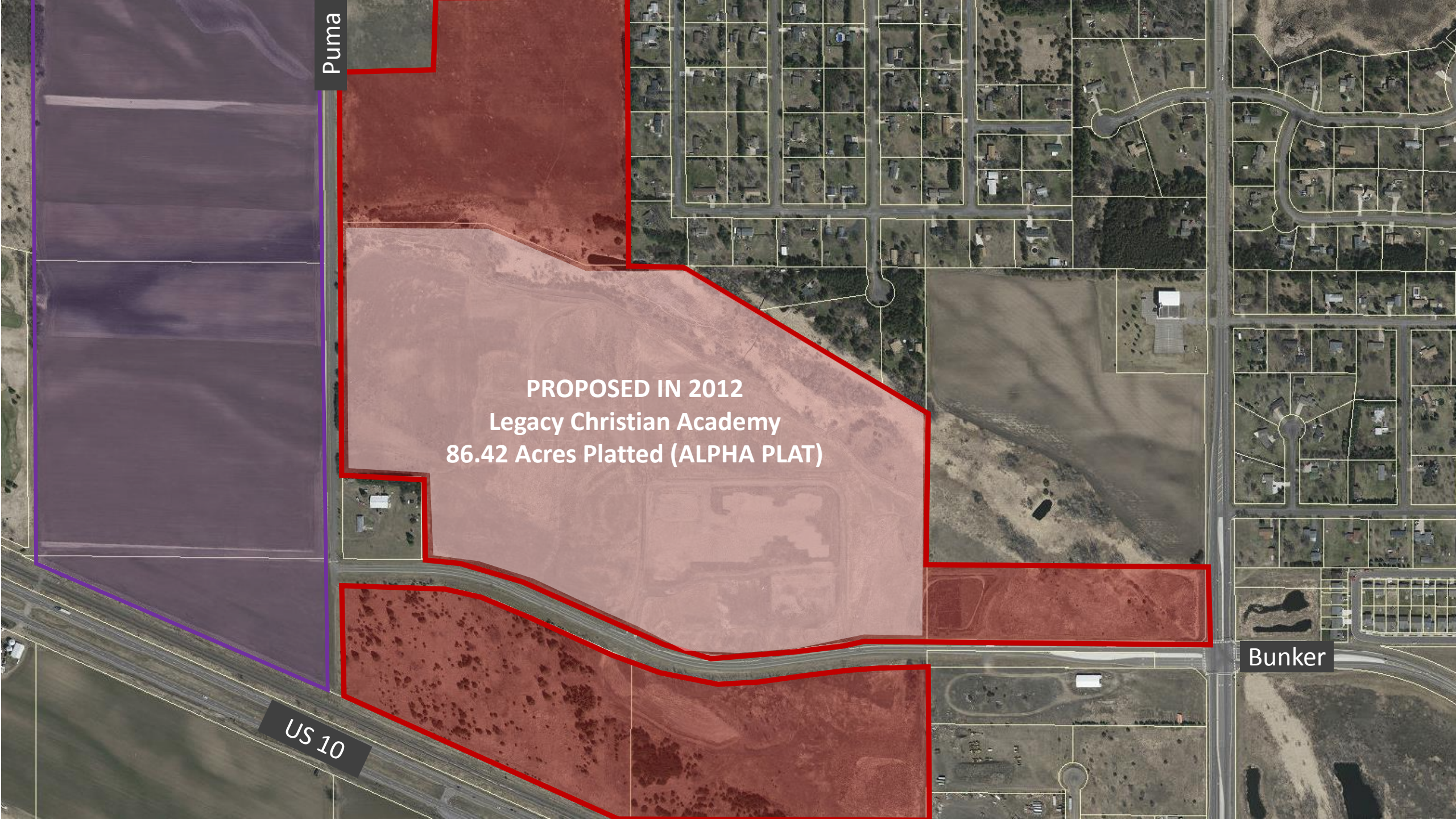


Puma

PROPOSED IN 2012
Legacy Christian Academy
86.42 Acres Platted (ALPHA PLAT)

US 10

Bunker



Puma

Legacy Christian Academy
PROPOSED IN 2012
86.42 Acres Platted (ALPHA PLAT)

Arterial Infrastructure Extended

- Extended in response to Legacy proposal
- Road, trunk sewer, trunk water, trail, curb/ gutter (N)
- \$4.6M project, City 60% (\$2.6M), Hageman 40% (\$1.7M)

Bunker

US 10



Puma

Legacy Christian Academy
PROPOSED IN 2012
86.42 Acres Platted (ALPHA PLAT)

Arterial Infrastructure Extended

- Extended in response to Legacy proposal
- Road, trunk sewer, trunk water, trail, curb/ gutter (N)
- \$4.6M project, City 60% (\$2.6M), Hageman 40% (\$1.7M)

Bunker

Temporary Road Extended

- Very thin pavement (2"), two lanes, no shoulders, no grading, no storm water, no curb/ gutter, no street lights, no utilities.
- Was to be upgraded at the time of future development.

Puma

UPDATE, SINCE 2012

- Legacy Christian Academy Proposal no-go
- No development has occurred in this area.
- Hageman Holdings is paying about \$176K per year in assessments.

Arterial Infrastructure Extended

- Extended in response to Legacy proposal
- Road, trunk sewer, trunk water, trail, curb/ gutter (N)
- \$4.6M project, City 60% (\$2.6M), Hageman 40% (\$1.7M)

Bunker

Temporary Road Extended

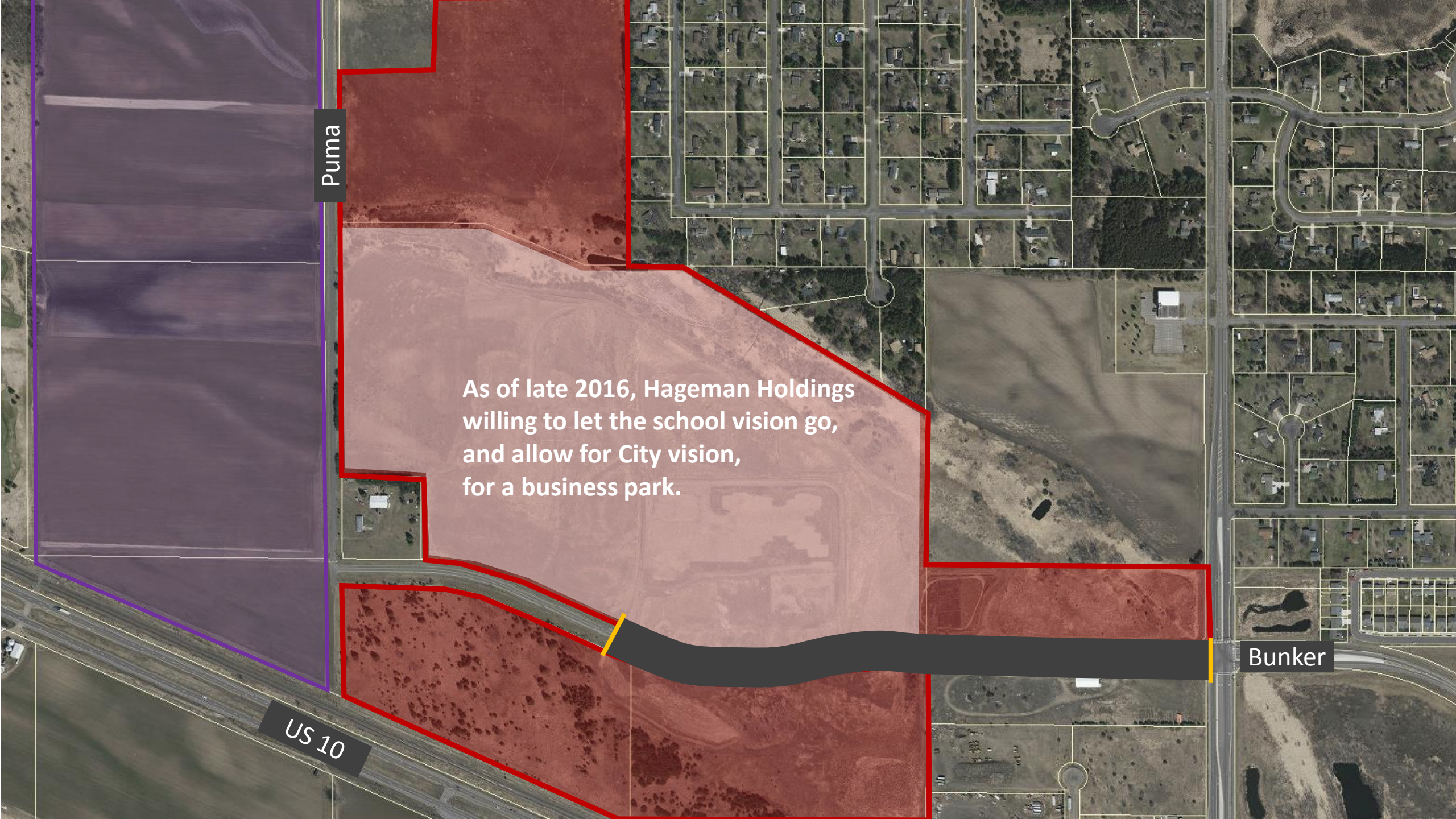
- Very thin pavement (2"), two lanes, no shoulders, no grading, no storm water, no curb/ gutter, no street lights, no utilities.
- Was to be upgraded at the time of future development.

Puma

As of late 2016, Hageman Holdings
willing to let the school vision go,
and allow for City vision,
for a business park.

US 10

Bunker



Puma

PROPOSED BUSINESS PARK

- 133 Acres Gross (estimated)
- 107 Acres Less NWI (estimated)

US 10

Bunker



Puma

Hageman Holdings only willing to allow their property to be rezoned and marketed for a business park under one condition. They don't want to pay any new assessments or invest additional dollars. If that is a requirement from the City, they are comfortable sitting on the land and waiting for an investor to purchase on speculation.

Hageman Assessments:
about \$170K per year (owe about \$1.7M)

US 10

Bunker

Puma

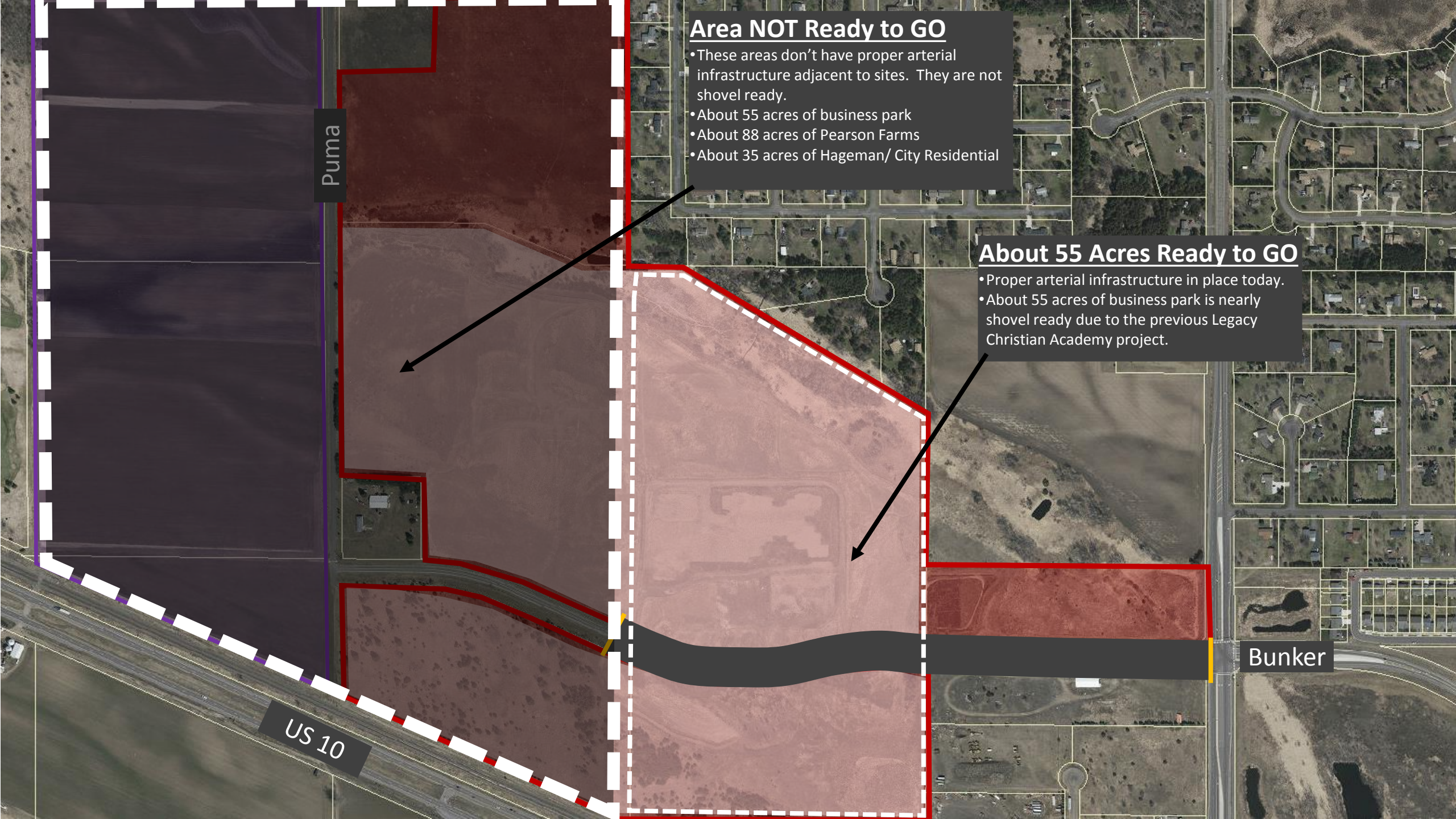
US 10

Bunker

About 55 Acres Ready to GO

- Proper arterial infrastructure in place today.
- About 55 acres of business park is nearly shovel ready due to the previous Legacy Christian Academy project.





Puma

US 10

Bunker

Area NOT Ready to GO

- These areas don't have proper arterial infrastructure adjacent to sites. They are not shovel ready.
- About 55 acres of business park
- About 88 acres of Pearson Farms
- About 35 acres of Hageman/ City Residential

About 55 Acres Ready to GO

- Proper arterial infrastructure in place today.
- About 55 acres of business park is nearly shovel ready due to the previous Legacy Christian Academy project.

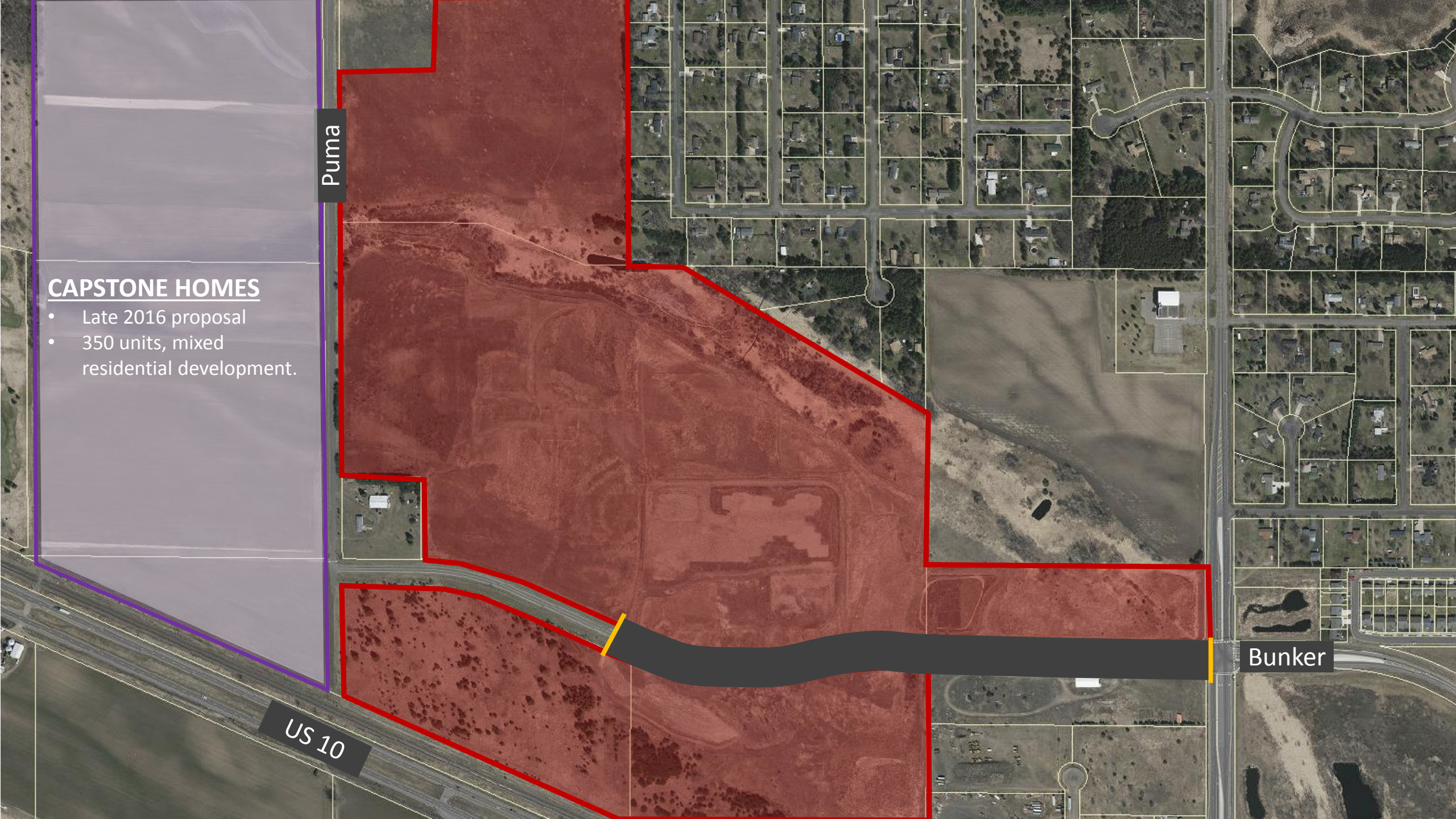
Puma

CAPSTONE HOMES

- Late 2016 proposal
- 350 units, mixed residential development.

US 10

Bunker



CAPSTONE HOMES

Phase 2

Puma

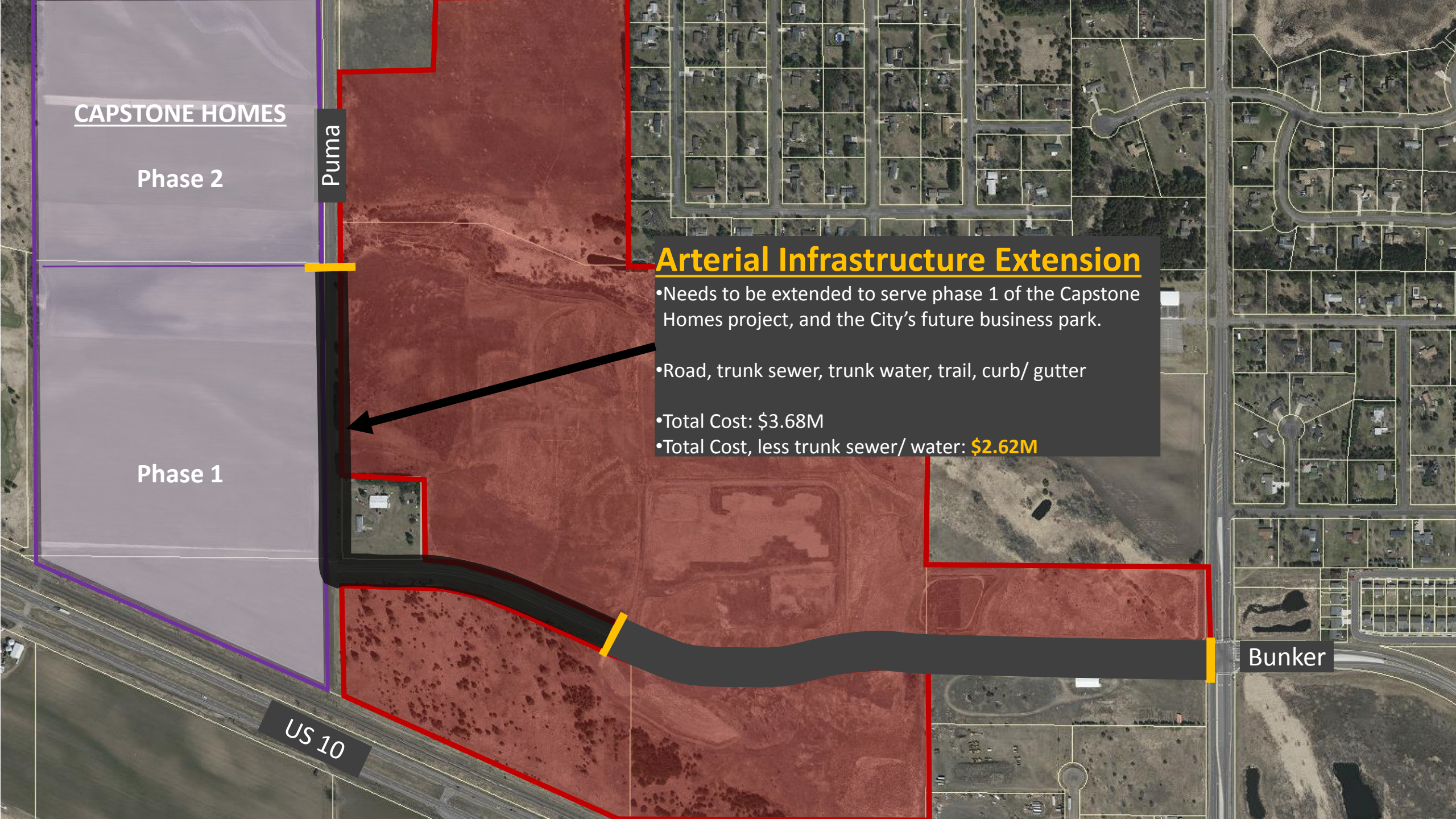
Arterial Infrastructure Extension

- Needs to be extended to serve phase 1 of the Capstone Homes project, and the City's future business park.
- Road, trunk sewer, trunk water, trail, curb/ gutter
- Total Cost: \$3.68M
- Total Cost, less trunk sewer/ water: **\$2.62M**

Phase 1

US 10

Bunker



CAPSTONE HOMES

Phase 2

Puma

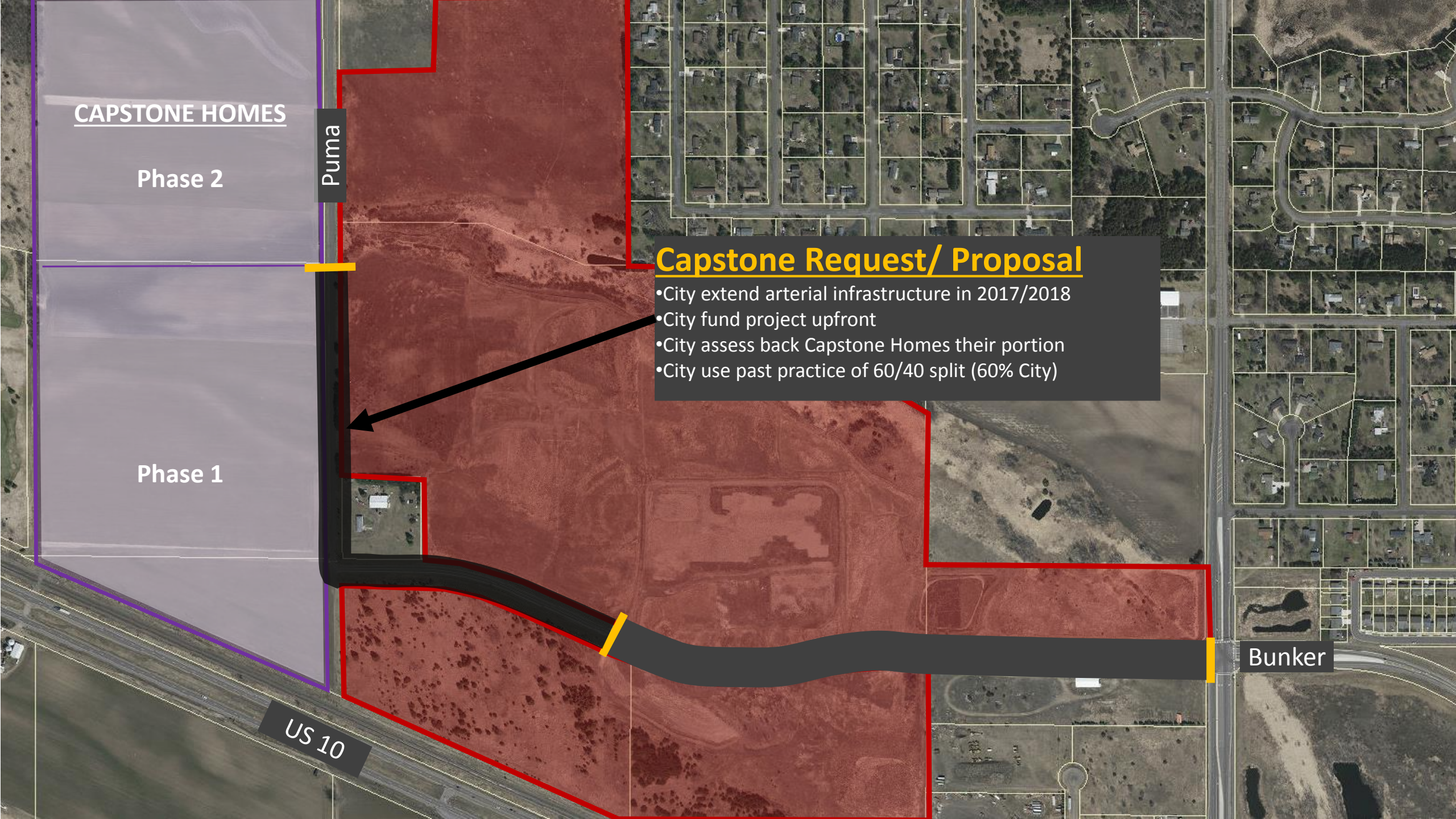
Capstone Request/ Proposal

- City extend arterial infrastructure in 2017/2018
- City fund project upfront
- City assess back Capstone Homes their portion
- City use past practice of 60/40 split (60% City)

Phase 1

US 10

Bunker



CAPSTONE HOMES

Phase 2

Puma

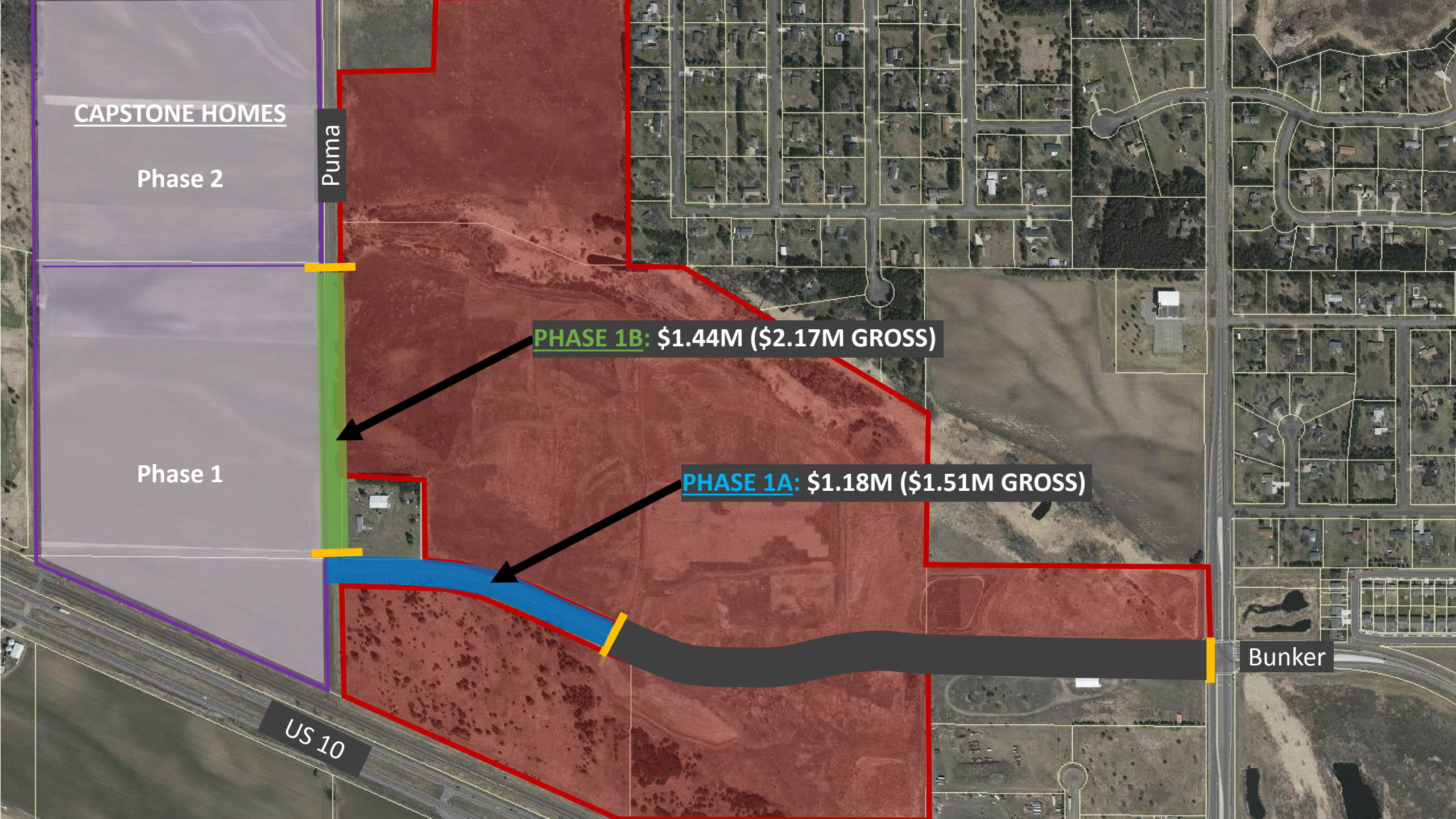
Phase 1

PHASE 1B: \$1.44M (\$2.17M GROSS)

PHASE 1A: \$1.18M (\$1.51M GROSS)

Bunker

US 10



Capstone Request/ Proposal



•Capstone pay for 16% of Phase 1A
Capstone feels this portion of arterial infrastructure should have been extended to their property as part of the previous Legacy Plat. They don't think they should be paying for this portion. What the City agreed to for Legacy is not consistent with standard development policy (typically City requires infrastructure be extended past a new platted area) However, Capstone understands the situation, and has offered a partial contribution.

•Capstone pay for 40% of Phase 1B
This is the standard, past practice 60/40 split. Because this road is arterial, has trunk infrastructure, is a MSA route, and will serve the business park, Capstone believes it's a reasonable request to follow past practice for a cost share. Capstone is not requesting any help with internal public infrastructure within their project.

•City and Hageman Holdings pay for remaining

CAPSTONE HOMES

Phase 2

Puma

Phase 1

US 10

Bunker

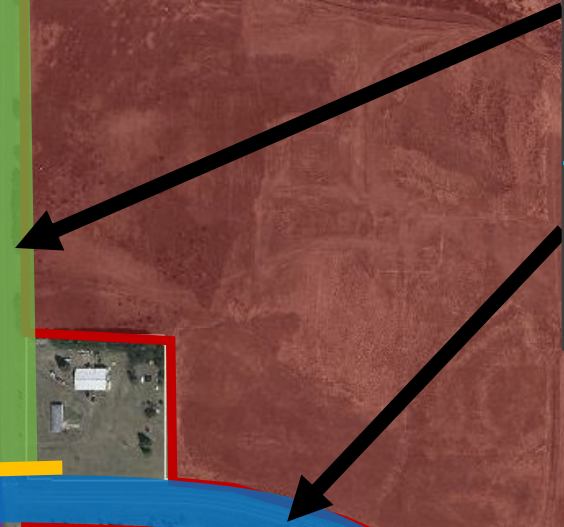
Capstone Request/ Proposal

PHASE 1B: \$1.44M (\$2.17M GROSS)

- City 60% (864K)
- Capstone 40% (576K)

PHASE 1A: \$1.18M (\$1.51M GROSS)

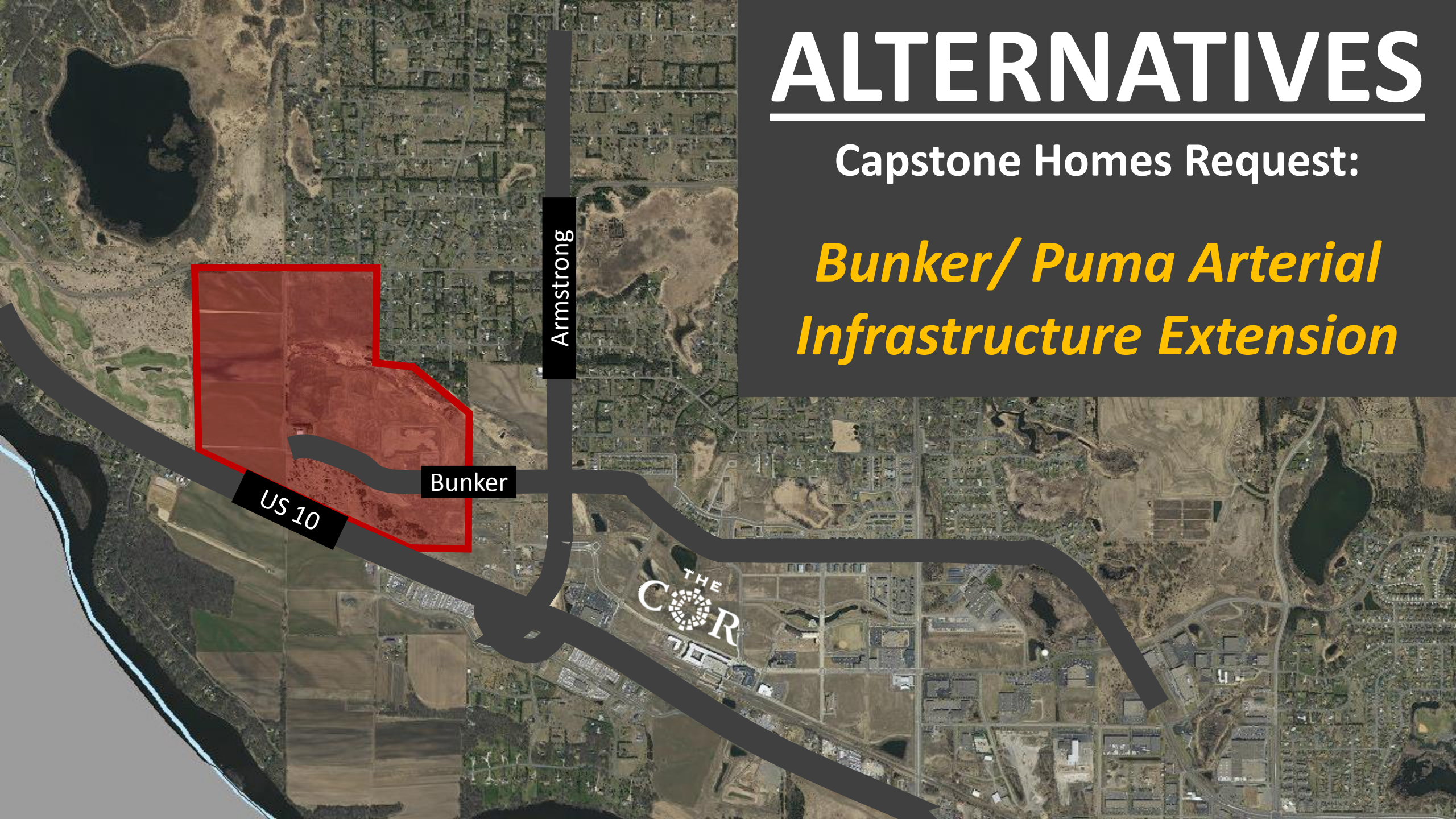
- City 60% (708K)
- Capstone 16% (188K)
- Hageman 24% (283K)



ALTERNATIVES

Capstone Homes Request:

*Bunker/ Puma Arterial
Infrastructure Extension*



ALTERNATIVE A

CAPSTONE HOMES

Phase 2

Puma

Phase 1

US 10

Bunker

Capstone Request/ Proposal

- City extend arterial infrastructure in **2017/2018**
- City fund project upfront
- City assess back Capstone Homes their portion
- City use past practice of 60/40 split (60% City)

PHASE 1B: \$1.44M (\$2.17M GROSS)

- City 60% (864K)
- Capstone 16% (576K)

PHASE 1A: \$1.18M (\$1.51M GROSS)

- City 60% (708K)
- Capstone 16% (188K)
- Hageman 24% (283K)

ALTERNATIVE A, Capstone Home's Proposal (AS-IS)

Benefits

- Deal is agreeable to Capstone Homes and Hageman Holdings (tentatively in concept).
- Would trigger roughly 350 unit residential development.
 - Help drive traffic and consumers to The COR. Help push required demographics for retail/ restaurants.
 - Trigger payment of significant development fees; and via park dedication fees--trigger preliminary development of new Alpine Park.
 - Allow for various new pedestrian connections.
 - Ramsey's inventory of major residential plats with land available is running low. This project would help sustain Ramsey's steady growth of single family residential product into the foreseeable future.
 - Capstone Homes is a respected, quality, Ramsey business.
 - Project appears to be a high-quality and well planned development that will be an asset for Ramsey.
- Would secure remaining arterial infrastructure needed for new Ramsey business park now (about half remains).
- Deal (60:40 split) is generally consistent with the Legacy Plat cost share for Bunker, Rhinestone in The COR, and Sunwood in The COR.
- The Ramsey EDA does have dollars available to fund this entire project upfront, no bonding (new debt) is necessarily needed.

Considerations

- The City's primary goal for this area is establishing a new business park. Upon completing the rezoning process (June 2017), the City will have about 55 acres of business park land available, with appropriate arterial infrastructure in place, today. Meaning, the City can achieve their primary goal without taking on this project today.
- Moving forward with Capstone's request could be considered risky, pre-mature, and speculative. The City would expending limited public dollars today to allow for a "leap-frog" residential project.
 - One could argue, the City should wait, until our existing 55-acres of business park land, currently served by arterial infrastructure, is developed, before we make additional significant investments in this area.
 - One could argue, another slump in the economy is bound to happen in the upcoming years. What would this investment look like to the public if there was?
 - Likely, if this project moved forward as proposed, Staff would suggest using EDA dollars to fund upfront project costs. This is because the City's new long term street maintenance program is creating a significant new debt burden for the City, and the City is also considering a new public works campus—which will increase the City's debt burden.
 - Staff would note, as proposed, this project would completely deplete the City's EDA dollars (\$2.75 July 2017). The City may want to retain those dollars for other economic development initiatives (community center, highway 10 clean up, business recruitment, parking ramp, etc.).

ALTERNATIVE B

CAPSTONE HOMES

Phase 2

Puma

Phase 1

Counter Offer

• Minimize city risk and financial exposure on this project by making a counter offer on various items. Examples below.

PHASE 1B: \$1.44M (\$2.17M GROSS)

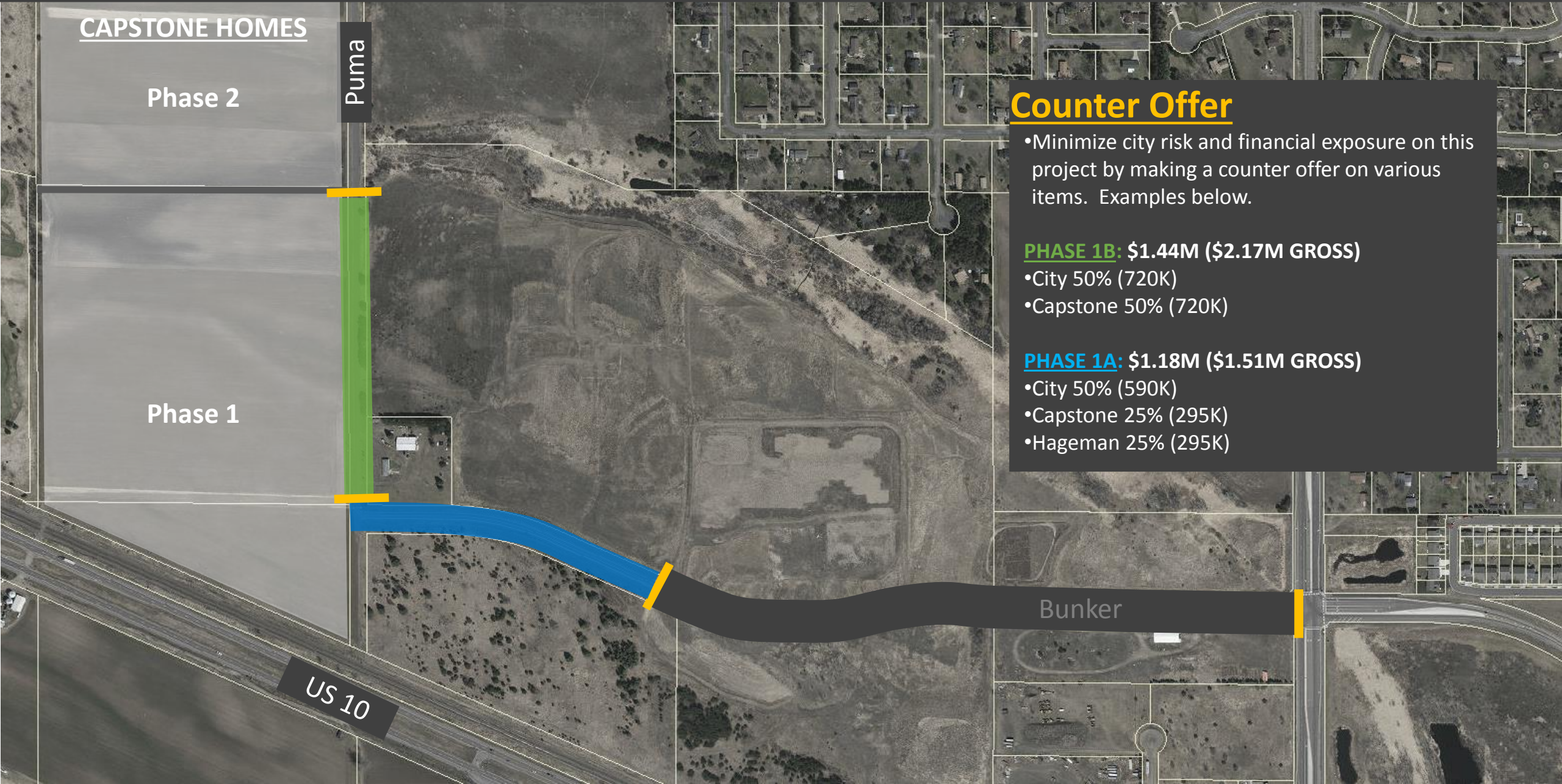
- City 50% (720K)
- Capstone 50% (720K)

PHASE 1A: \$1.18M (\$1.51M GROSS)

- City 50% (590K)
- Capstone 25% (295K)
- Hageman 25% (295K)

Bunker

US 10



ALTERNATIVE B, Capstone Home's Proposal (Counter Offer)

Benefits

- Same benefits as outlined in Alternative A. However, slightly mitigated via a counter offer.
 - Deal (50:50 split) is a slightly better financial position for the City of Ramsey (rather than the original 60:40 proposal). Would save the City about 200K in upfront project costs (13% less than original proposal).
 - From a financial perspective only, the City's financial advisor (Ehlers) would suggest taking this minimum step, if the City wanted to move forward with the Capstone proposal.

Considerations

- Same considerations as outlined in Alternative A. However, slightly mitigated.
- Perhaps, the City needs to dig further into this Alternative? Perhaps, we need to consider the "maximum" participation for the City? Perhaps, a new detailed cost-benefit study is needed?

ALTERNATIVE C



CAPSTONE HOMES

Phase 2

Puma

Phase 1

Wait for orderly development

- Wait for the green field business park land currently served by existing arterial infrastructure to be developed first (about **55 acres**). Then, in the future, **extend** arterial infrastructure.
- In other words, don't "leap-frog" arterial infrastructure, wait for orderly absorption of land to occur.
- This would essentially put a halt to the Capstone project (i.e. current request).

Bunker

US 10

ALTERNATIVE C, Do not move forward with Capstone Proposal

Benefits

- Generally opposite of Alternative A.
 - City greatly reduces risk and debt/ investment exposure associated with Capstone request.
 - City retains Economic Development dollars for other high priority projects (highway 10, community center, parking ramps, business recruitment, etc.).
 - City still meets goal for business park (enough land ready today for foreseeable future).
- If Capstone is willing to front all or a portion of project costs (rather than the city) that might change the conversation.

Considerations

- Generally opposite of Alternative A.
 - Will likely lose Capstone residential project—missed opportunity for a quality project from a quality Ramsey business.
 - Will likely result in Pearson Farms being put in a challenging position to sell their property.
 - Will likely delay preliminary improvements for the new Alpine Park—due to the lack of new development fees from Capstone.
 - Will likely stifle Ramsey's single family residential development potential over the foreseeable future—due to the lack of large single family plats in the hopper.

STAFF NOTE, Hageman Holdings

Most alternatives includes some sort of “Hageman Holdings” assessment. Below are some important notes RE that proposed arrangement.

- Hageman Holdings is currently paying roughly \$170K per year on assessments, and owes roughly \$1.7M from former Legacy Christian Academy project. Hageman Holdings is opposed to taking on any new assessments. They are done taking on new financial risk (obligations), by making major upfront investments in speculative development.
- If the City will require Hageman Holdings take on new assessments, Hageman Holdings will oppose. Hageman Holdings is willing to sit on their property, and wait for an investor/ master developer to purchase in the future. And, that future investor, would factor in the cost of needed arterial infrastructure. Hageman Holdings is aware that may result in a lower sale price, and potentially longer timeframe to close on sales. NOTE: the preliminary principal amount anticipated for the Hageman assessment is \$283K.
- Staff believes a creative solution exists, if the City wanted to move forward with the Capstone proposal now, the City could assess Hageman Holdings for their portion of the project now. However, make the Hageman Holdings assessments due at the time of a future land transaction. Therefore, Hageman Holdings would have no risk. The City would recover their upfront dollars in the future, and Capstone can move forward. The draw back here is time. The City would front the dollars, and miss an opportunity to invest those dollars elsewhere.



Real People. Real Solutions.

City of Ramsey

Future Business Park

March 2017 Update

Analysis and Report

Submitted by:

Bolton & Menk, Inc.

7533 Sunwood Drive NW

Suite 206

Ramsey, MN 55303

P: 763-433-2851

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Appendix

- Appendix A: Figures
- Appendix B: Traffic Study

EXECUTIVE SUMMARY

The City of Ramsey identified the need to prepare for the development of a new business park within the City. A large area of privately owned green-field space located on the north side of Trunk Highway 10, west of Armstrong Boulevard, was identified for a future Ramsey Business Park. A report was prepared in late 2015 and early 2016 which reviewed traffic impacts and outlined infrastructure needs related to business park area.

Development pressures have resulted in proposed land use changes for a portion of the study area. Phasing of the development activities in this area is also different than previously anticipated. As a result, the City requested an update to the previous analysis.

This update primarily includes a study of traffic impacts resulting from the revised anticipated land uses in the business park.

The updated analysis indicates the required improvements within the study area can be implemented based on the phasing plan currently proposed. Each series of improvements for Bunker Lake Boulevard and Puma Street can be implemented as the properties immediately adjacent to the roadways are developed.

Future improvements required to serve the area include:

- Expansion of Bunker Lake Boulevard (west of Armstrong Boulevard) to a four lane section,
- Expansion of the west end of Bunker Lake Boulevard and Puma Street to three lane sections,
- Construction of right turn lanes at entrances,
- Extension of an 18-inch sanitary sewer line along Bunker Lake Boulevard and Puma Street,
- North of the Puma Street/Bunker Lake Boulevard intersection, construction of a lift station,
- North of the lift station, extension of a 12-inch sanitary sewer gravity main,
- Extension of a 16-inch water main along Bunker Lake Boulevard and Puma Street,
- Use of regional rate control basins to maintaining existing flow rates into the COR,
- Installation of street lighting, trails/sidewalks, and landscaping consistent with City Policy, and
- Obtaining of ROW required for improvements during the platting process.

Total costs for all public improvements are approximately \$6,819,000, assuming the project is constructed according to the phases described in this report. The costs are considered project costs and include 30% contingencies and project development costs (administrative, engineering, and fiscal).

Costs related to trunk sanitary sewer and trunk watermain were assumed to be paid from City utility funds. The City will need to develop a funding strategy for the remaining \$5,419,000 in public improvement costs.

The information presented in this report is intended to allow for discussions with property owners and developers, as well as allow the City to begin considering funding options.

I. INTRODUCTION

The Ramsey City Council and Ramsey Economic Development Authority (EDA) identified the need to prepare for the development of a new business park within the City. The City identified a large area of privately owned green-field space located on the north side of Trunk Highway 10, west of Armstrong Boulevard, for a future Ramsey Business Park. A report was prepared in late 2015 and early 2016 which reviewed traffic impacts and outlined infrastructure needs related to the business park area. That report is incorporated by reference to this update.

Development pressures have resulted in proposed land use changes for a portion of the study area. Phasing of the development activities in this area is also different than previously anticipated. As a result, the City requested an update to the previous analysis.

The previous report provided a comprehensive analysis of the study area. This update focuses primarily on areas located adjacent to Puma Street, with a more cursory review of the remaining study area. Infrastructure needed and potential cost allocations related to the required improvements are included in this review.

The overall study area boundary remains unchanged from the previous study (see Figure 1).

II. LAND USE UPDATES

The primary land use changes relate to the area west of Puma Street and north of Bunker Lake Boulevard. The area west of Puma Street was previously a combination of Business Park and Medium Density Residential, and will now be all Medium Density Residential. The area north of Bunker Lake Boulevard had been Public, and will now be Business Park (see Figure 2 for updated land uses).

III. PRELIMINARY CONSIDERATIONS

The previous study described the roadway and public utility improvements required to serve the study area.

Public utility improvements are based on information contained in the City's Comprehensive Plans for sanitary sewer and water. The proposed updates in land use for this specific area are not anticipated to change the strategies contained in those Comprehensive Plans. The sanitary sewer and water system improvements, as outlined in the previous study, are still considered as base requirements for developments occurring in this area.

Roadway improvements require additional analysis based on the new land uses. Both the Average Annual Daily Traffic (AADT) and the Peak Hour turning movements are expected to change due to the updated land uses. The required roadway geometrics (number of through lanes, turns lanes, etc.) will be reviewed and compared to those described in the previous study.

Traffic patterns are expected to change as a result of the changes in land use. For example:

- For Business Park uses, traffic would be expected to enter the area in the morning (AM Peak Hour) and leave in the evening (PM Peak Hour).
- For Residential uses, traffic would be expected to leave the area during the AM Peak Hour and return during the PM Peak Hour.
- For Public, or School, uses, traffic would be expected to enter the area during the AM Peak Hour, leave during an early PM Peak Hour, and not impact the traditional PM Peak Hour. Also,

special events at School properties typically occur at off-peak times, creating congestion outside of the typical peak hours.

The updated land uses include Business Park areas being converted to residential, and also Public areas being converted to Business Park.

IV. DISCUSSION OF PHASES/IMPROVEMENTS

The previous analysis considered a phasing plan beginning a quarter of a mile west of Armstrong Boulevard and then systematically extending to the west along Bunker Lake Boulevard and then north along Puma Street. New development pressures create a revised phasing strategy for implementation of infrastructure improvements.

A Preliminary Plat is anticipated for the 87.8 acre property immediately west of Puma Street and extending from the Union Pacific Railroad tracks to Alpine Avenue. This area is anticipated to ultimately contain 351 lots and be phased from south to north.

The current phasing strategy is depicted on Figure 3. A discussion of the phasing, along with required infrastructure improvements is described below:

A. Phase 1A

The phase 1A improvements are as depicted on Figure 4. The developments will include both Residential and Business Park uses.

The public utility improvements will consist of extending the sanitary sewer and water mains to Puma Street. The utilities will need to be extended beyond the future roadway improvements to avoid the need to impact those facilities when future phases occur.

The roadway improvements will include construction of Bunker Lake Boulevard from the previously constructed west access to the former school property to Puma Street.

B. Phase 1B

See Figure 5 for the anticipated Phase 1B development area. The improvements will include both Residential and Business Park uses, extending north from the Phase 1A development area. The Phase 1B development area is anticipated to extend to the low area along Puma Street.

The public utility improvements will consist of extending the sanitary sewer and water mains north along Puma Street. The utilities will need to be extended beyond the future roadway improvements to avoid the need to impact those facilities when future phases occur.

The roadway improvements will include construction of Puma Street from Bunker Lake Boulevard to the low area along Puma Street.

C. Phase 2

See Figure 6 for the anticipated Phase 2 development area. The improvements are anticipated to consist entirely of residential uses, extending from the low area along Puma Street to Alpine Drive.

The public utility improvements will consist of extending the sanitary sewer and water mains north along Puma Street. The utilities will need to be extended to Alpine Drive, with consideration given to future extensions along Alpine Drive.

The roadway improvements will include construction of Puma Street from the low area

along Puma Street to Alpine Drive.

D. Future Phase

The future phase of development is depicted on figure 7, and includes an area east of the Phase 1A, Phase 1B and Phase 2 improvements.

The area includes Business Park uses. The north half of Bunker Lake Boulevard, along with sanitary sewer and water mains have been constructed through this area. Roadway improvements will include construction of the south half of Bunker Lake Boulevard.

E. Area of Additional Consideration

This area is depicted on Figure 8 and is comprised of the areas along the first ¼ mile of Bunker Lake Boulevard west of Armstrong Boulevard which may access Bunker Lake Boulevard in the future. There is the potential for this area to be developed as a commercial/retail center, which would be a significant traffic generator. There is also the potential for the property located south of Bunker Lake Boulevard to access Armstrong Boulevard at 147th Avenue, which would relieve stress on the Bunker Lake Boulevard and Armstrong Avenue intersection.

V. ASSUMPTIONS CARRIED FORWARD

The primary focus of this analysis is related to providing infrastructure to serve development along Puma Street in the near future. In the previous study, assumptions were made that should be considered by the City as developments are brought forward. The following is a summary of those items:

Right-of-Way Requirements

We have assumed that most of the required improvements will be development driven and Right of Way will be secured through the platting process. The City will need to review the right of way required and secure needed easements during the Preliminary Platting process.

Phased Improvements

A general understanding of the improvements required to ultimately serve the area along with an anticipated sequencing of the improvements is described above. Changes in the sequencing of the improvements could impact the facilities needed for each phase and the costs associated with those improvements.

Jurisdictional Authority/Approvals/Permits

As the project moves from the planning stages to design and construction, permits will be required from various agencies. The following agencies will be permitting entities for considered improvements:

- Minnesota Department of Transportation State Aid: Bunker Lake Boulevard and Puma Street are State Aid routes,
- Minnesota Pollution Control Agency: NPDES Storm Water Permit,
- Minnesota Pollution Control Agency: Sanitary Sewer Extension Permit,
- Minnesota Department of Health (MDH): Watermain Extension and Dewatering,
- Anoka County: Work in Right of Way, and
- Lower Rum River Watershed Management Organization: Storm Water.

Both MnDOT and Anoka County were engaged during the previous study process. Comments from both agencies are reflected in the improvements considered in this report.

Previous Improvements

Significant consideration and planning was completed prior to completion of the improvements constructed in 2011. Those improvements included street, trail, sanitary sewer and water distribution. Additionally, consideration was given to storm water management strategies and a potential 30-inch raw watermain from a future intake on the Mississippi River to the proposed site of the water treatment plant, just south of Fire Station No. 1. All previous analyses and reports are considered as a part of this analysis.

VI. ADDITIONAL ANALYSIS

In the previous analysis, we completed traffic and storm water studies and reviewed City Comprehensive Plans for sanitary sewer and water main needs for the study area. Based on the changes in proposed land use, the traffic study requires revisions. The storm water requirements, along with the sanitary sewer and water main needs, are unchanged as a result of the revised land uses. The following paragraphs relate key findings of the traffic analysis. The complete analysis is included in Appendix B of this report.

a. Traffic Analysis Update

The traffic analysis was completed to determine required lane geometry for Bunker Lake Boulevard and Puma Street, along with turn lane requirements at four intersections in the study area.

The revised land uses result in an increase of 18,100 trips per day into and out of the area at full build. This is at the low end of the range previously calculated for the area (18,500 to 23,300).

Note: Short term improvements are intended to mitigate current safety or operations problems, along with full development of the Study Area. Mid-term improvements are anticipated safety related improvements that may be required within the study area. Long-term improvements are anticipated safety improvements required as a result of growth in the region.

b. Short Term Improvements

- Armstrong Boulevard & Bunker Lake Boulevard:
 - Bunker Lake Boulevard is proposed to be reconstructed in the near future by Anoka County to a four lane divided road between Ramsey Boulevard and Armstrong Boulevard. The dual southbound left turn lanes at this intersection will be striped when Bunker Lake Boulevard is reconstructed. A southbound double left turn lane will help reduce queues entering the COR development.
 - Plan for eastbound dual-right turn lanes, two eastbound through lanes, and a 300 ft. left turn lane.
- Bunker Lake Boulevard (west of Armstrong Boulevard):
 - Expand to a four lane section for development to the first full access to the west of Armstrong Boulevard. This will be between 540 ft. to 775 ft., depending on access from the COR to Bunker Lake Boulevard.

- The eastbound approach should include a left turn lane, two through lanes, and one right turn lane.
- Bunker Lake Boulevard (west of commercial section to Puma Street):
 - Expand to a three lane section for development.
 - Right turn lanes (locations and lengths) will be determined based on development type. Right turn lanes will typically be required where development related trips are anticipated to be more than 100 per day.
- Puma Street:
 - Expand to a three lane section for development (two through lanes and one center left turn lane). Depending on what type of developments occur on the east side of Puma Street, and where those accesses are located, Puma Street could potentially remain as a two lane roadway.
 - Right turn lanes (locations and lengths) will be determined based on development type.
- Bunker Lake Boulevard & Puma Street Intersection:
 - An all-way stop or single lane roundabout will operate adequately at this intersection for the 2040 Full-Build conditions. A southbound left turn lane and westbound right turn lane are recommended for an all way stop.

c. Mid-Term Improvements

- See attached Traffic Memorandum in Appendix B.

d. Long-Term Improvements

- See attached Traffic Memorandum in Appendix B.

e. Discussion of Findings

- The required improvements within the study area can be implemented based on the phasing plan described above. Each series of improvements for Bunker Lake Boulevard and Puma Street can be implemented as the properties immediately adjacent to the roadways are developed.
- Puma Street could potentially be developed as a two lane section with right and left turn lanes at key access points. This will depend on access point locations, type of development on the east side of Puma Street, and location of accesses along the corridor. We recommend proceeding with the three lane section at this time due to the uncertainties of development in the area.
- For Phase 1A, right turn lanes will most likely be required both eastbound and westbound along Bunker Lake Boulevard and southbound along Puma Street at proposed access locations. Temporary paving will be required to transition back to the existing Bunker Lake Boulevard and the existing Puma Street.
- For Phase 1B, right turn lanes will most likely be required both northbound and southbound along Puma Street at proposed development access locations. Temporary paving will be required to transition back to the existing Puma Street.
- For Phase 2, right turn lanes will most likely be required both northbound and southbound along Puma Street at proposed development access locations.

- For the Future Phase, right turn lanes will most likely be required along Bunker Lake Boulevard in both the eastbound and westbound directions. Temporary paving will be required to transition back to the existing Bunker Lake Boulevard.
- Our analysis indicates that, while nearing capacity, the intersection of Bunker Lake Boulevard and Armstrong Boulevard will not require improvements until the Area of Additional Consideration is developed.

VII. ADDITIONAL IMPROVEMENT CONSIDERATIONS

For more detailed information of each of the following items, please reference the previous study report.

Street Lighting

The costs included for street lighting were derived from recent projects within the City of Ramsey.

Trails/Sidewalks

Project costs shown in this report include trails along the south side of Bunker Lake Boulevard and the east side of Puma Street.

Phase Transitions

Bunker Lake Boulevard and Puma Street will be constructed to wider sections than currently exist. Because the roadways will be constructed in phases, they will need to taper to meet the existing, narrower roadway widths. These taper sections will then be removed as the next phase of improvements is completed. Costs were included in each phase for these tapering roadway sections.

Right Turn Lane Additions

Right turn lanes will be required at each access off of Bunker Lake Boulevard and Puma Street. The actual access locations will be dependent upon the type of land use and internal site characteristics. We included allowances for the right turn lanes in each phase for budgeting purposes.

Landscaping

The improvements considered with this report include a very utilitarian landscaping approach to the area. Bituminous trails and lighting were included, but other features, such as trees, shrubs, decorative features and monuments are not included in the estimated project costs.

Right of Way and Easements

We assumed that required rights of way would be dedicated as a portion of the development process and no costs are included in the project costs for acquisitions.

VIII. COST CONSIDERATIONS

Costs were developed based upon phased implementation. The phasing is as depicted on the figures in Appendix A. All costs presented in the following pages are 2017 costs, with no allowance for inflation.

Phases 1A, 1B and 2

<u>Improvement Type</u>	<u>Phase 1A</u>	<u>Phase 1B</u>	<u>Phase 2</u>
Roadway	\$ 795,000	\$ 940,000	\$ 675,000
Roadway Transitions	\$ 66,000	\$ 78,000	\$ 56,000
Right Turn Lanes	\$ 132,000	\$ 156,000	\$ 112,000
Trails/Sidewalks	\$ 106,000	\$ 125,000	\$ 90,000
Storm Water Management	\$ 0	\$ 48,000	\$ 16,000
Street Lighting	\$ 76,000	\$ 90,000	\$ 65,000
Trunk Water	\$ 154,000	\$ 182,000	\$ 131,000
Trunk Sanitary Sewer	\$ 179,000	\$ 545,000	\$ 179,000
Total Costs/Phase	\$ 1,508,000	\$ 2,164,000	\$ 1,324,000
Total Costs less Public Utilities	\$ 1,175,000	\$ 1,437,000	\$ 1,014,000

Future Phases

<u>Improvement Type</u>	<u>Future East</u>	<u>Additional Area</u>
Roadway	\$ 628,000	\$ 580,000
Roadway Transitions	\$ 62,000	\$ 58,000
Right Turn Lanes	\$ 52,000	\$ 48,000
Trails/Sidewalks	\$ 115,000	\$ 106,000
Storm Water Management	\$ 0	\$ 0
Street Lighting	\$ 75,000	\$ 69,000
Trunk Water	\$ 19,000	\$ 0
Trunk Sanitary Sewer	\$ 11,000	\$ 0
Total Costs/Phase	\$ 962,000	\$ 861,000
Total Costs less Public Utilities	\$ 932,000	\$ 861,000

Total Cost all Phases **\$ 6,819,000**

Total Cost all Phases less Public Utilities **\$ 5,419,000**

The above costs are considered project costs and include 30% contingencies and project development costs. Project development costs include administrative, engineering, and fiscal related costs.

The roadway transition costs are allotments for phase transitions associated with tapering pavements sections to match in-place sections where required, and subsequent removals of the transition areas.

The right turn lane costs depicted in the tables include a 150 ft turn lane with 1:10 taper sections.

Street lighting costs are based upon recent installations within the City of Ramsey.

For storm water management, costs were included for manholes, catch basins, and pipe within the street sections and included in the roadway costs. For Phases 1B and 2, ponding costs were included for excavation related activities. We assumed a ponding area would be acquired through the platting process, and ponding within a development site would be expanded to include volume for roadway drainage.

The Phase 1A limits are based upon the area that can be served by a gravity sanitary sewer system. The Phase 1B sanitary sewer costs include a lift station and forcemain.

IX. COST ALLOCATION ALTERNATIVES

The costs, or a portion of the costs, of the improvements are typically allocated back to adjacent properties through the use of assessments, fees and other methods. The costs are typically allocated in a way that is equitable to the properties benefitting from the improvements. Public improvements that will become City owned and maintained are typically constructed through a public process, while secondary improvements are constructed by the developer. For our analysis, we assumed the following items would be constructed through the public process:

- Bunker Lake Boulevard and Puma Street, including storm water conveyance systems,
- Trunk Water Facilities,
- Trunk Sanitary Sewer Facilities,
- Trails, and
- Street Lighting.

While the street lights will most likely be installed by a private utility and the trails could potentially be constructed by the property owner, we have included these items as public improvements.

Other improvements were considered secondary and are typically the property owner's responsibility to install:

- Sanitary Sewer Service Extensions,
- Water Service Extensions,
- Natural Gas Lines to Buildings,
- Telephone Service to Buildings,
- Electric Service to Buildings,
- Site Grading,
- Site Landscaping,
- Site Storm Water Conveyance,
- Storm Water Ponding, and
- Easement Dedication.

These types of improvements are typically inspected by the City for conformity with applicable codes and standards, but are constructed by the property owner.

Figure 9 depicts the parcels considered for this report and also provides additional information related to each parcel. Similar information is presented in the following table:

Identification Number	Zoning Classification	Gross Area less NWI Area (Acres)	Adjusted Frontage (Ft)
<u>Phase 1A</u>			
1	B-2 Business District	20.307	1,358
2	B-2 Business District	10.843	1,002
4	R-2 Medium Density Residential	9.231	120
5	R-2 Medium Density Residential	19.691	399
Phase 1A Totals		60.072	2,879
<u>Phase 1B</u>			
6	B-2 Business District	27.116	1,141
7	R-2 Medium Density Residential	16.022	928
Phase 1B Totals		43.138	2,069
<u>Phase 2</u>			
8	R-1 Low Density Residential	28.338	683
9	R-1 Low Density Residential	4.107	419
10	R-2 Medium Density Residential	35.285	1,289
Phase 2 Totals		67.730	2,391
<u>Future</u>			
11	B-2 Business District	24.801	1,343
12	B-2 Business District	23.324	1,345
13	B-2 Business District	11.529	0
Future Phase Totals		59.654	2,688
<u>Additional Area</u>			
14	COR	7.507	1,263
15	R-1 MUSA	7.878	1,261
Additional Area Totals		15.385	2,524
Totals all Phases		245.979	12,551

Note: The table above includes a column for Gross Area – NWI Area. This represents the total area of the parcel based on GIS mapping, less the wetland area per the National Wetland Inventory (NWI) GIS mapping.

The zoning classifications listed in the table above are based on anticipated future zoning for the study area. Gross areas and frontages are based on GIS information and will most likely be refined during subsequent phases of project development.

A portion of the improvements will be paid by the City either through utility funds or other means. A list of assumptions is as follows:

- All trunk water and sanitary sewer system costs will be paid for through the City utility funds,
- Storm water management costs are related to ponding and are considered integral to roadway construction,
- Assessments will be made to benefitting properties as each phase is constructed,
- Two standard methods of assessments were analyzed including: Frontage and Area.
- The City’s existing assessment policy very closely matches the Frontage method, and
- Gross acreage (less NWI Wetland acreage) was used in lieu of net developable acreage in the calculations below.
- Lot 3 was not considered in the assessments as the lot is zoned residential. The resultant assessment amounts are considered negligible related to the entire Business Park area.
- Lots 14 and 15 abut Armstrong Boulevard, a County roadway, and will access off of Bunker Lake Boulevard. Lots 1 and 4 abut a portion of the Puma Street right of way that is anticipated to be vacated. Lots 8, 9 and 10 abut Alpine Drive, but access will be limited to Puma Street.

The table below depicts a distribution based on all costs being assessed to the benefitting properties. We have assumed for this analysis the costs would be assessed to properties benefitting from each phase of construction. For instance, properties directly benefitting from Phase 1 improvements would be assessed for Phase 1 costs at the time of Phase 1 improvements.

Calculations were based on the areas and front footages, along with the costs per phase as developed earlier within this report. Trunk sanitary sewer and trunk watermain were considered City costs and were not included in the calculations. While this study focuses primarily on Phases 1 – 3, the future phase and the area of additional consideration were included for comparison. A summary of the unit costs used in the calculations is presented below:

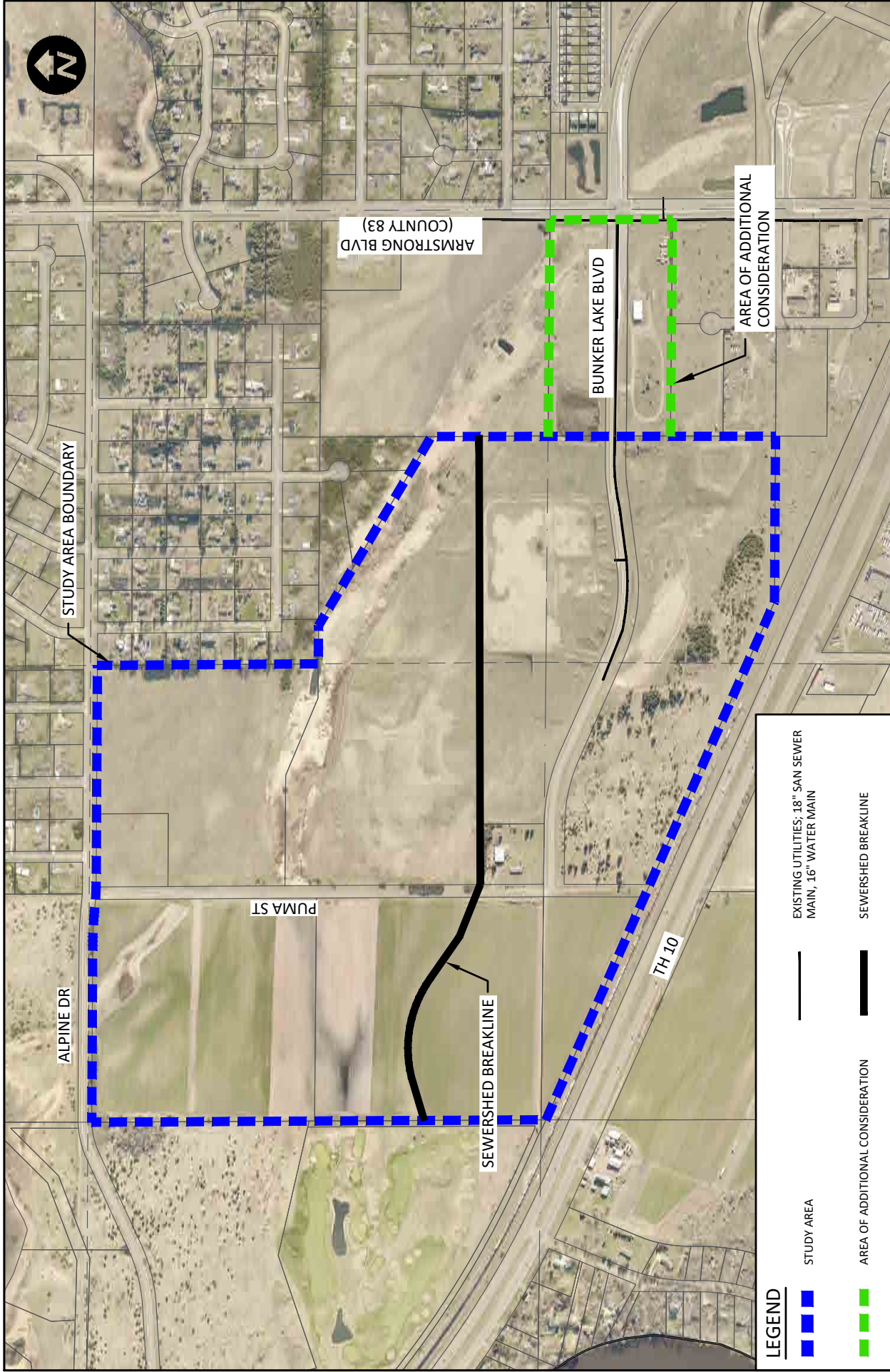
Phase	Frontage Method (Cost/FF)	Area Method (Cost/Acre)
1A	\$ 408.13	\$ 19,559.86
1B	\$ 694.54	\$ 33,311.70
2	\$ 424.09	\$ 14,971.21
Future	\$ 346.73	\$ 15,623.43
Additional Area	\$ 341.13	\$ 55,963.60

Based on the above cost distribution, the potential assessments per lot per phase is depicted below:

Identification Number	Frontage Method	Area Method
<u>Phase 1A</u>		
1	\$ 554,200	\$ 397,200
2	\$ 409,000	\$ 212,100
4	\$ 49,000	\$ 180,500
5	\$ 162,800	\$ 385,200
Phase 1A Totals	\$ 1,175,000	\$ 1,175,000
<u>Phase 1B</u>		
6	\$ 792,500	\$ 903,300
7	\$ 644,500	\$ 533,700
Phase 1B Totals	\$ 1,437,000	\$ 1,437,000
<u>Phase 2</u>		
8	\$ 289,700	\$ 424,300
9	\$ 177,700	\$ 61,500
10	\$ 546,700	\$ 528,300
Phase 2 Totals	\$ 1,014,000	\$ 1,014,000
<u>Future Phase</u>		
11	\$ 465,700	\$ 387,500
12	\$ 466,400	\$ 364,400
13	\$ 0	\$ 180,100
Future Phase Totals	\$ 932,000	\$ 932,000
<u>Additional Area</u>		
14	\$ 430,800	\$ 420,100
15	\$ 430,200	\$ 440,900
Additional Area Totals	\$ 861,000	\$ 861,000
Total all Phases	\$ 5,419,000	\$ 5,419,000

The information presented in this section of the report is intended to allow for discussions with property owners and developers to be initiated. Refinement of the amounts presented is anticipated based on those discussions.

Appendix A: Figures



LEGEND

- STUDY AREA
- AREA OF ADDITIONAL CONSIDERATION
- EXISTING UTILITIES: 18" SAN SEWER MAIN, 16" WATER MAIN
- SEWERSHED BREAKLINE



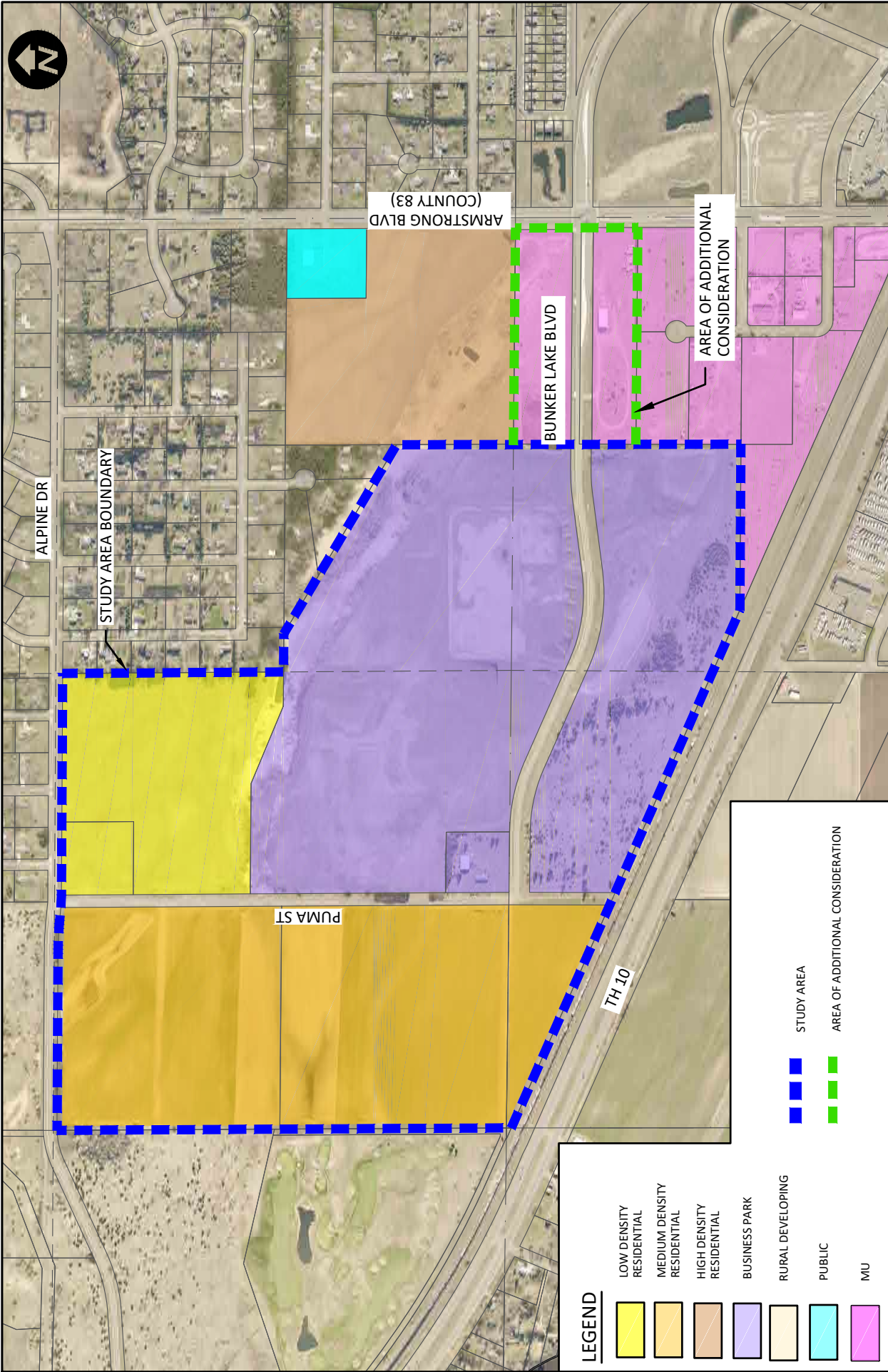
CITY OF RAMSEY

FUTURE BUSINESS PARK
 FEBRUARY 2017 UPDATE
 CITY OF RAMSEY, MINNESOTA
 LOCATION & EXISTING CONDITIONS

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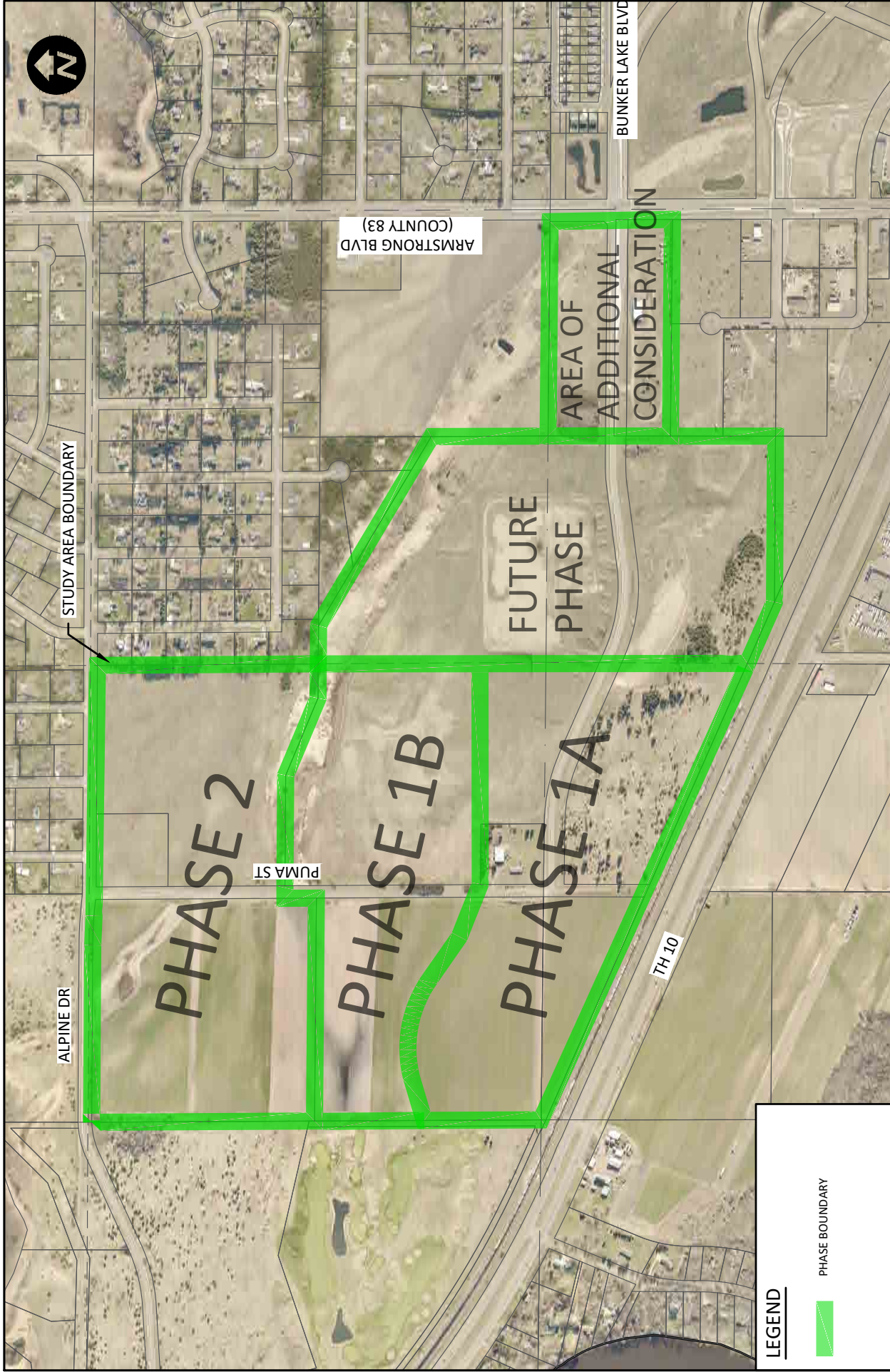
LEGEND

- LOW DENSITY RESIDENTIAL
- MEDIUM DENSITY RESIDENTIAL
- HIGH DENSITY RESIDENTIAL
- BUSINESS PARK
- RURAL DEVELOPING
- PUBLIC
- MU
- STUDY AREA
- AREA OF ADDITIONAL CONSIDERATION


 FUTURE BUSINESS PARK
 FEBRUARY 2017 UPDATE
 CITY OF RAMSEY, MINNESOTA
 PROJECTED LAND USE MAP

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LEGEND

 PHASE BOUNDARY

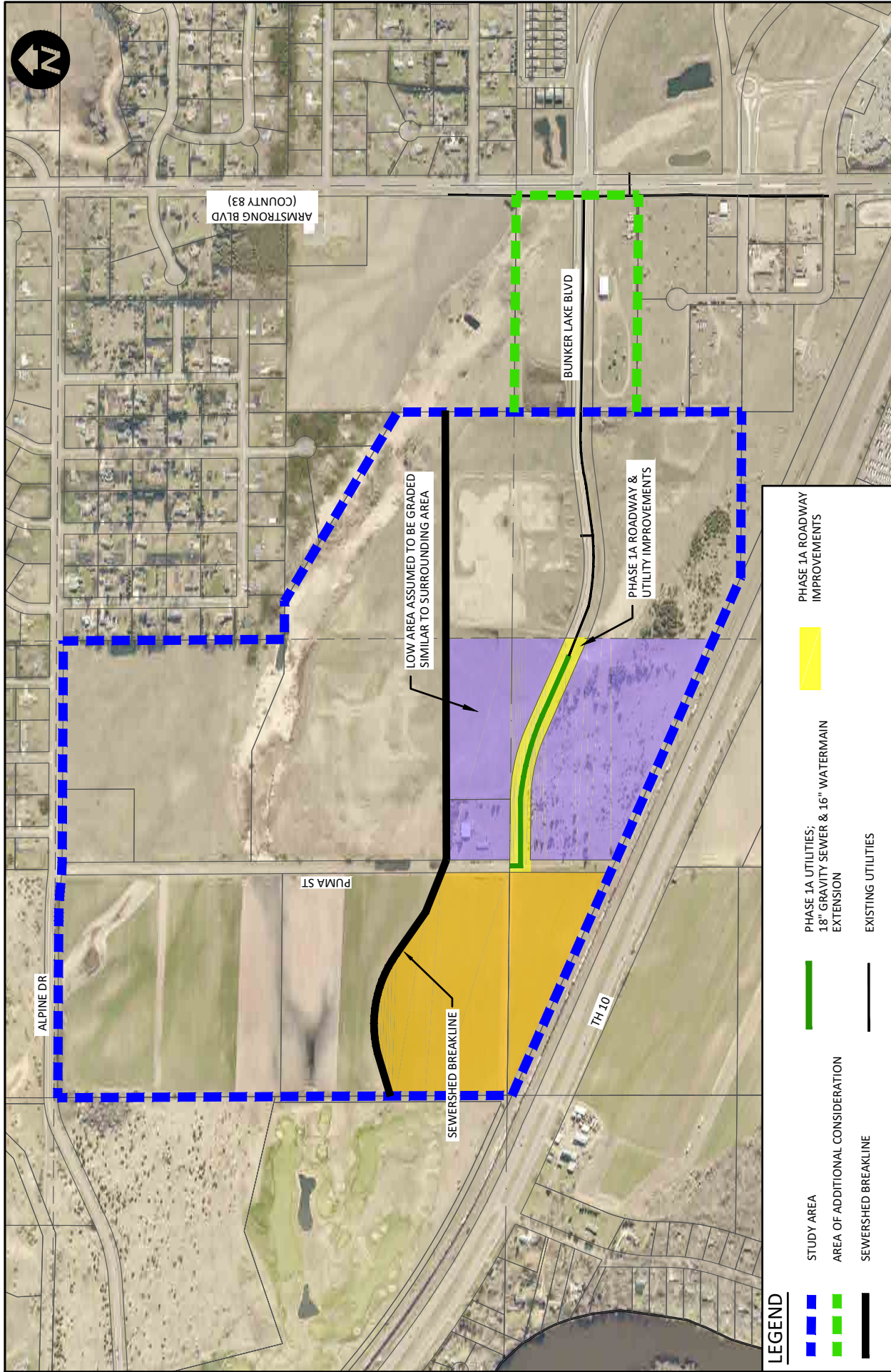


FUTURE BUSINESS PARK
 FEBRUARY 2017 UPDATE
 CITY OF RAMSEY, MINNESOTA
 PHASING MAP

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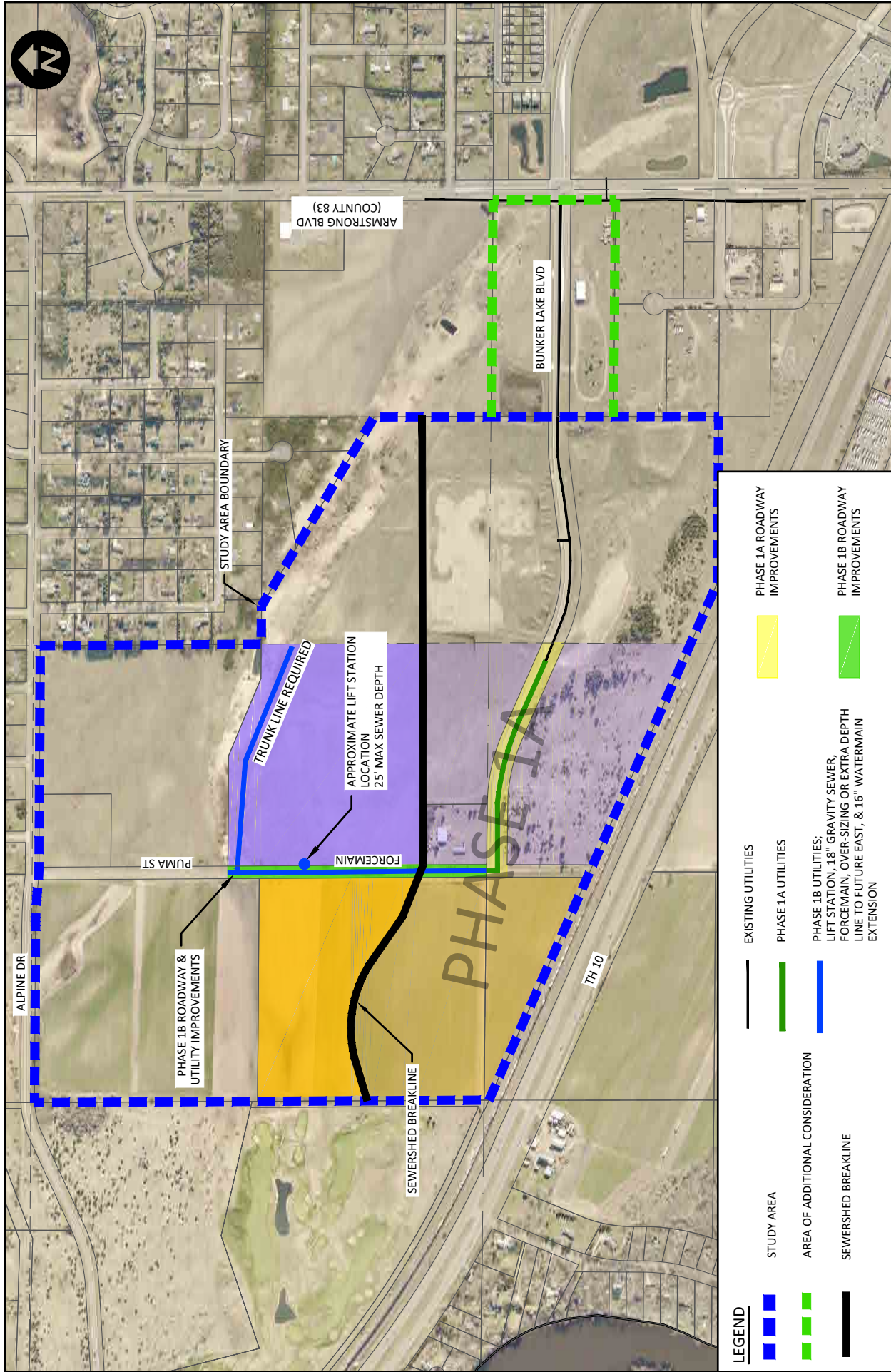


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LEGEND	
	STUDY AREA
	PHASE 1A ROADWAY IMPROVEMENTS
	PHASE 1B ROADWAY IMPROVEMENTS
	PHASE 1B ROADWAY & UTILITY IMPROVEMENTS
	SEWERSHED BREAKLINE
	EXISTING UTILITIES
	PHASE 1A UTILITIES
	PHASE 1B UTILITIES; LIFT STATION, 18" GRAVITY SEWER, FORCEMAIN, OVER-SIZING OR EXTRA DEPTH LINE TO FUTURE EAST, & 16" WATERMAIN EXTENSION



CITY OF RAMSEY

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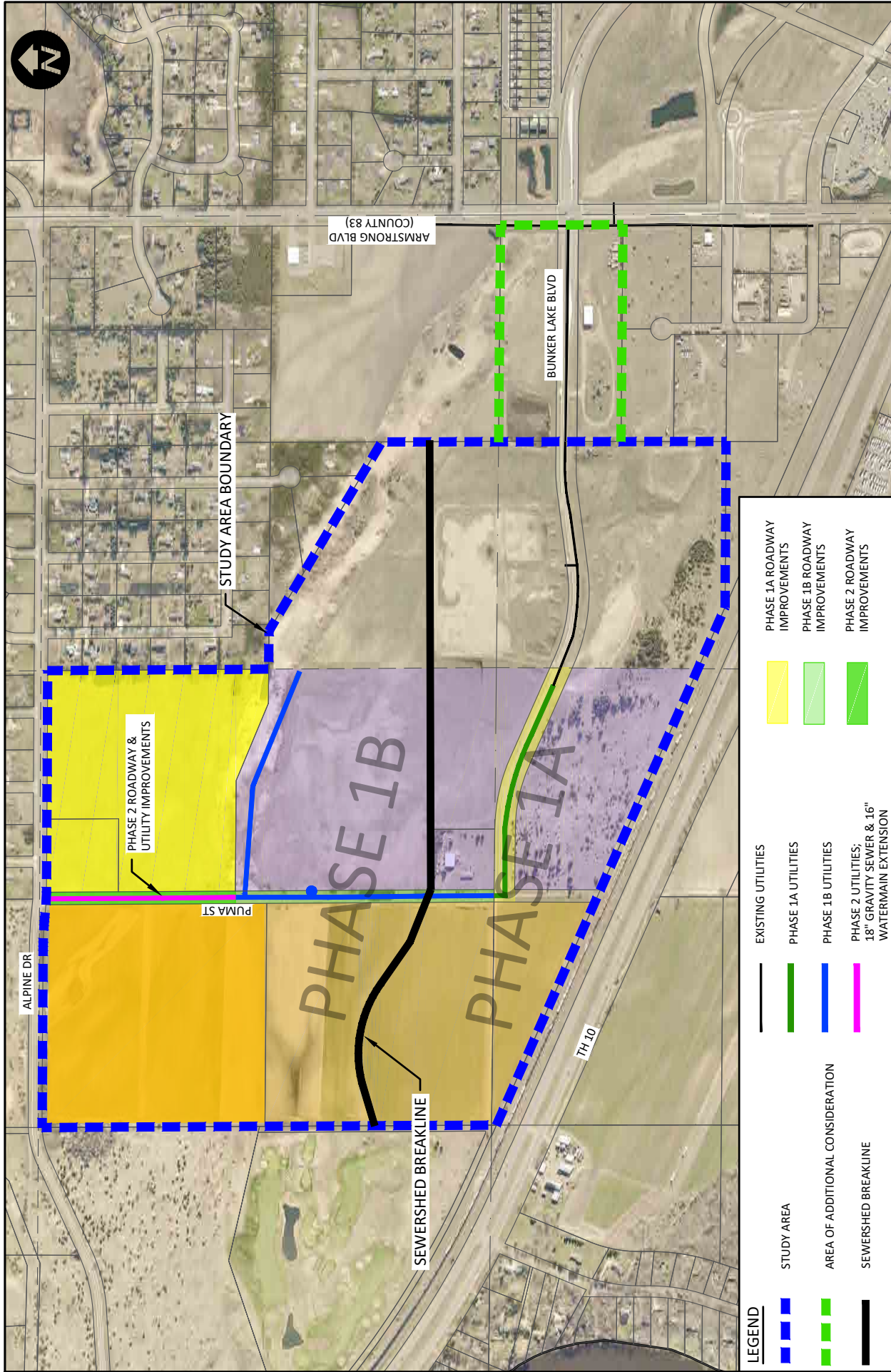


FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
PHASE 1B IMPROVEMENTS

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FIGURE 5



LEGEND


	STUDY AREA		EXISTING UTILITIES
	AREA OF ADDITIONAL CONSIDERATION		PHASE 1A UTILITIES
	SEWERSHED BREAKLINE		PHASE 1B UTILITIES
			PHASE 2 UTILITIES; 18" GRAVITY SEWER & 16" WATERMAIN EXTENSION
			PHASE 1A ROADWAY IMPROVEMENTS
			PHASE 1B ROADWAY IMPROVEMENTS
			PHASE 2 ROADWAY IMPROVEMENTS



CITY OF RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
PHASE 2 IMPROVEMENTS

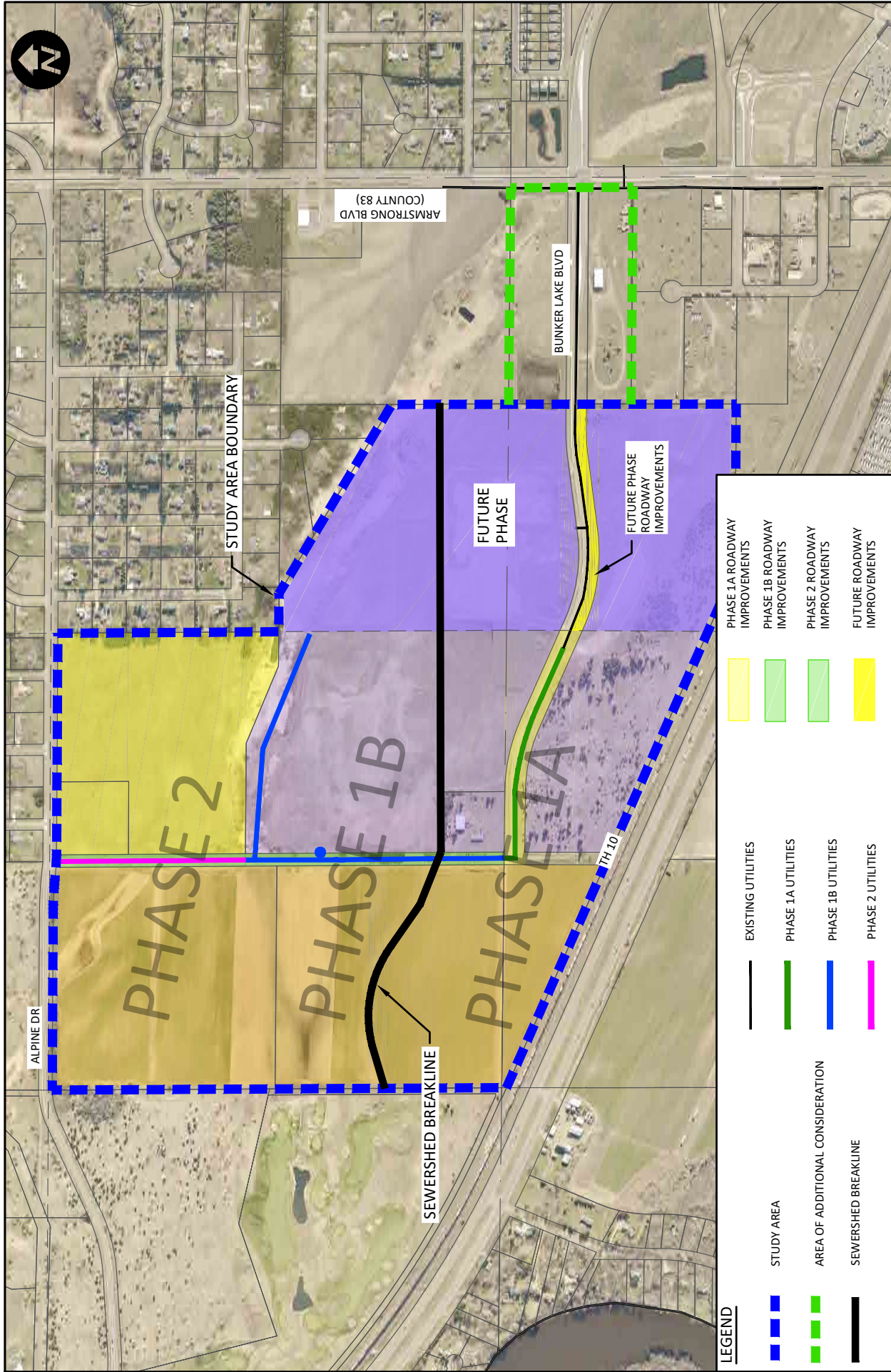
7533 SUNWOOD DR. NW, SUITE 206
 RAMSEY, MINNESOTA 55303
 Phone: (763) 433-2851
 Email: Ramsey@bolton-menk.com
 www.bolton-menk.com



BOLTON & MENK


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 H:\RAMS\F161109828\CAD\C3D\109828New Land Use.dwg 3/6/2017 11:36 AM

FIGURE 6



LEGEND


	STUDY AREA		EXISTING UTILITIES		PHASE 1A ROADWAY IMPROVEMENTS
	AREA OF ADDITIONAL CONSIDERATION		PHASE 1A UTILITIES		PHASE 1B ROADWAY IMPROVEMENTS
	SEWERSHED BREAKLINE		PHASE 1B UTILITIES		PHASE 2 ROADWAY IMPROVEMENTS
			PHASE 2 UTILITIES		FUTURE ROADWAY IMPROVEMENTS



CITY OF RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
FUTURE IMPROVEMENTS

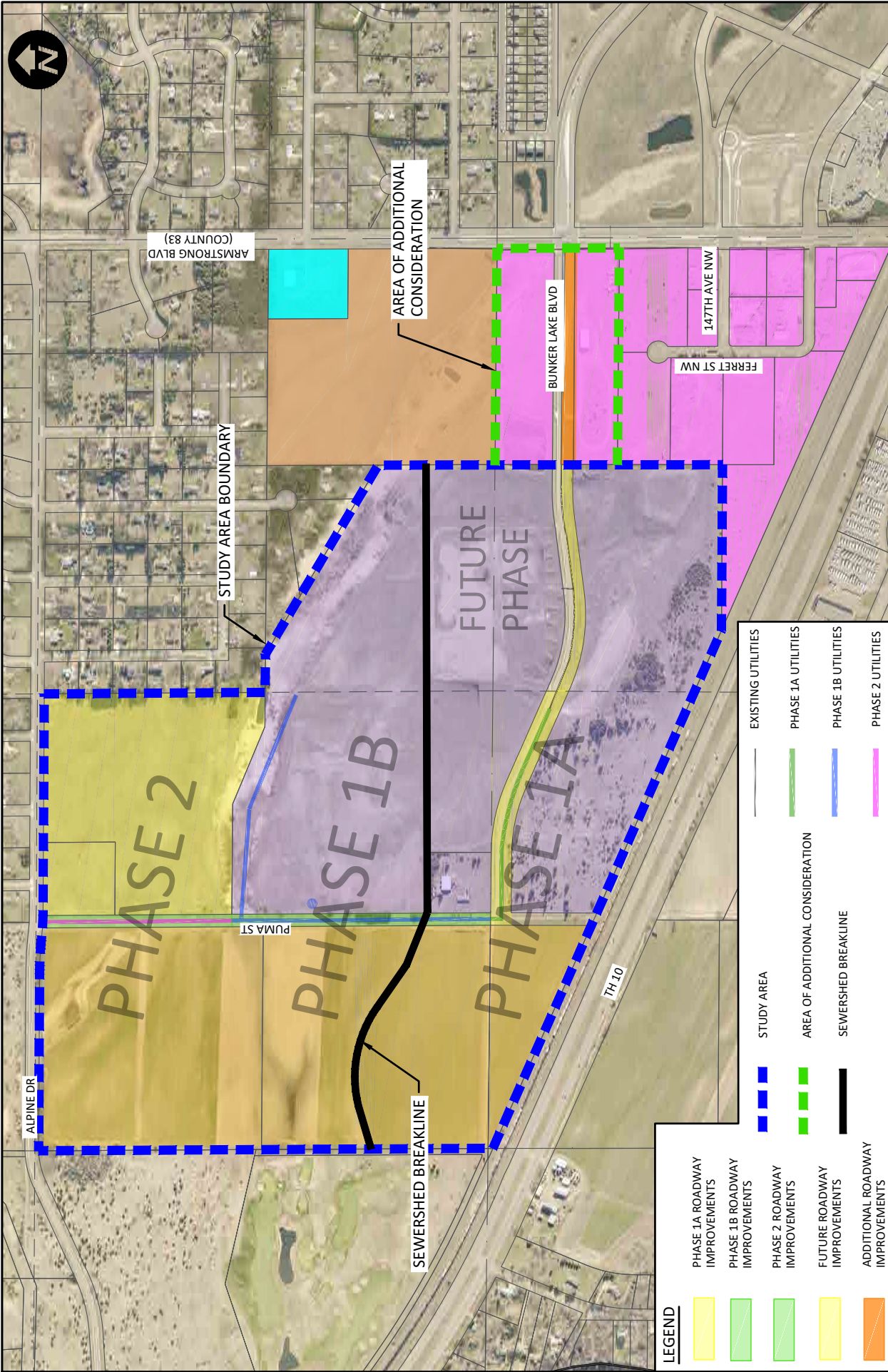
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FIGURE 7




LEGEND

	PHASE 1A ROADWAY IMPROVEMENTS		STUDY AREA		EXISTING UTILITIES
	PHASE 1B ROADWAY IMPROVEMENTS		AREA OF ADDITIONAL CONSIDERATION		PHASE 1A UTILITIES
	PHASE 2 ROADWAY IMPROVEMENTS		SEWERSHED BREAKLINE		PHASE 1B UTILITIES
	FUTURE ROADWAY IMPROVEMENTS		PHASE 2 UTILITIES		
	ADDITIONAL ROADWAY IMPROVEMENTS				

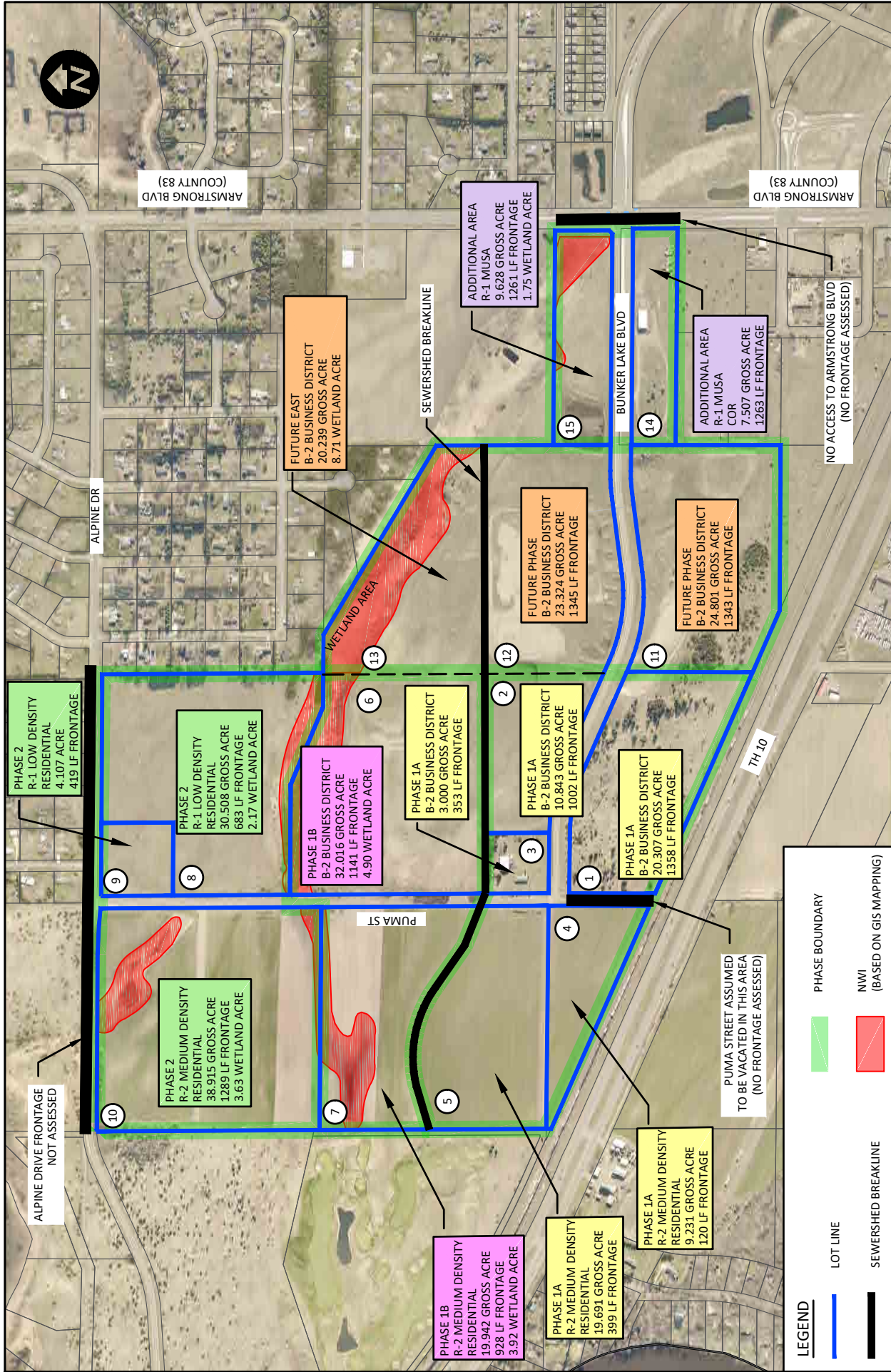


**FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
AREA OF ADDITIONAL CONSIDERATION**

7533 SUNWOOD DR. NW, SUITE 206
RAMSEY, MINNESOTA 55303
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Email: Ramsey@bolton-menk.com
www.bolton-menk.com



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ALPINE DRIVE FRONTAGE
NOT ASSESSED

PHASE 2
R-1 LOW DENSITY
RESIDENTIAL
4.107 GROSS ACRE
419 LF FRONTAGE

PHASE 2
R-1 LOW DENSITY
RESIDENTIAL
30.508 GROSS ACRE
683 LF FRONTAGE
2.17 WETLAND ACRE

PHASE 1B
B-2 BUSINESS DISTRICT
32.016 GROSS ACRE
1141 LF FRONTAGE
4.90 WETLAND ACRE

PHASE 1A
B-2 BUSINESS DISTRICT
3.000 GROSS ACRE
353 LF FRONTAGE

PHASE 1A
B-2 BUSINESS DISTRICT
10.843 GROSS ACRE
1002 LF FRONTAGE

PHASE 1A
B-2 BUSINESS DISTRICT
20.307 GROSS ACRE
1358 LF FRONTAGE

PUMA STREET ASSUMED
TO BE VACATED IN THIS AREA
(NO FRONTAGE ASSESSED)

PHASE 1B
R-2 MEDIUM DENSITY
RESIDENTIAL
19.942 GROSS ACRE
928 LF FRONTAGE
3.92 WETLAND ACRE

PHASE 1A
R-2 MEDIUM DENSITY
RESIDENTIAL
19.691 GROSS ACRE
399 LF FRONTAGE

PHASE 1A
R-2 MEDIUM DENSITY
RESIDENTIAL
9.231 GROSS ACRE
120 LF FRONTAGE

FUTURE EAST
B-2 BUSINESS DISTRICT
20.239 GROSS ACRE
8.71 WETLAND ACRE

ADDITIONAL AREA
R-1 MUSA
9.628 GROSS ACRE
1261 LF FRONTAGE
1.75 WETLAND ACRE

FUTURE PHASE
B-2 BUSINESS DISTRICT
23.324 GROSS ACRE
1345 LF FRONTAGE

FUTURE PHASE
B-2 BUSINESS DISTRICT
24.801 GROSS ACRE
1343 LF FRONTAGE

ADDITIONAL AREA
R-1 MUSA
COR
7.507 GROSS ACRE
1263 LF FRONTAGE

NO ACCESS TO ARMSTRONG BLVD
(NO FRONTAGE ASSESSED)

LEGEND

- LOT LINE
- SEWERSHED BREAKLINE
- PHASE BOUNDARY
- NWI (BASED ON GIS MAPPING)

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FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
ASSESSMENT MAP

FIGURE 9

Appendix B: Traffic Study



**BOLTON
& MENK**

Real People. Real Solutions.

12224 Nicollet Avenue
Burnsville, MN 55337-1649

Ph: (952) 890-0509
Fax: (952) 890-8065
Bolton-Menk.com

TRAFFIC MEMORANDUM

Date: January 27, 2017
To: City of Ramsey
From: Bryan Nemeth, P.E., PTOE
Subject: Supplemental Traffic Memorandum
Traffic Impact Study for Future Business Park: October 21, 2015
City of Ramsey, MN
Project No.: R16.109828

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

By: _____
Bryan T. Nemeth, P.E., PTOE
License No. 43354

Date: January 27, 2017

I. Introduction

This traffic memorandum provides an update to the Traffic Impact Study for Future Business Park, October 21, 2015, in Ramsey, MN. The update includes analysis of a revised Proposed Future Land Use plan for the area.

The revised analysis results in an increase of approximately 18,100 trips per day into and out of the area at 2040 Full Build. This is an overall reduction in trips compared to the previous land use alternatives proposed.

The analysis evaluates the mitigation needs Bunker Lake Blvd west of Armstrong Boulevard (CSAH 83) and Puma Street south of Alpine Drive. This includes the intersection of Armstrong Blvd (CSAH 83) at Bunker Lake Blvd (CSAH 116).

II. Recommendations

A. Intersection and roadway improvements along Bunker Lake Blvd (west of Armstrong Blvd) and Puma St. (south of Alpine Dr.) are revised as follows.

1. Short Term

a) Armstrong Blvd & Bunker Lake Blvd: Stripe the southbound left with dual left turn lanes. No other roadway improvements needed in the short term. Signal timing updates recommended.

(1) Plan for eastbound dual right turn lanes or free-right turn lane and two eastbound thru lanes in the future (See Long Term Recommendations).

b) Bunker Lake Blvd (west of Armstrong Blvd)

(1) COR area:

(a) With COR access to Bunker Lake Blvd: 4-lane divided roadway to full access intersection. Full access 775 ft. from Armstrong Blvd. Right-in/right-out access at least 475 ft. from Armstrong Blvd. Continuous median to full access.

(b) Without COR access to Bunker Lake Blvd: 4-lane Divided to full access intersection. Full access 540 ft. from Armstrong Blvd. Right-in/right-out access at least 475 ft. from Armstrong Blvd. Continuous median to full access.

(2) COR to Llama St. Alignment: 3-lane undivided roadway, right turn lanes into development roadways. Primary intersection spacing of 1/8 mile.

(3) Llama St. Alignment to Puma St.: 3-lane undivided roadway, right turn lanes into development roadways where development trips anticipated to be over 100 per day. Primary intersection spacing of 1/8 mile.

c) Puma St.: Potentially remain a 2-lane undivided roadway. Left turn lanes into Business Park accesses. Right turn lanes provided where development trips anticipated to be over 100 per day.

d) Bunker Lake Blvd & Puma St.: Single lane roundabout or all-way stop

control. Southbound left turn lane and westbound right turn lane recommended with all-way stop control.

2. Mid-Term

a) Armstrong Blvd & Alpine Dr.: Single lane roundabout. Intersection control evaluation study should be completed to verify.

b) Alpine Dr. & Puma St.: Add eastbound right turn lane. Add a northbound turn lane to separate left and right turns. Add a westbound left turn lane when needed. This need to be based on delay and crash experience, especially if there is trip redistribution due to congestion on Armstrong Blvd.

3. Long-Term

a) Armstrong Blvd & Bunker Lake Blvd: Dual eastbound right turn lanes or free right turn lane. Dual right turn lanes are recommended over the free right due to pedestrian accessibility crossing a heavy free-right and the bridge design of Armstrong Blvd.

b) Plan for two eastbound thru lanes in the future. The two eastbound thru lanes are not necessarily due to traffic volumes but are recommended to give more green time to conflicting movements, specifically the westbound left. Additionally, the high eastbound right turn volumes may result in trip reassignment to use Bunker Lake Blvd and access Highway 10 at Ramsey Blvd instead of Armstrong Blvd. This may also result in more trips using Alpine Dr. to access Highway 10 for trips to and from the west.

III. Analysis

The traffic analysis updates consider a change in land uses within the Future Business Park area as shown on the attached Armstrong West: Proposed Future Land Uses map.

A. Forecasts

The background trip forecasts are consistent with the previous analysis. The trip forecasts to and from each area are included at the end of this memorandum. Forecasts were developed using trip rates from the ITE Trip Generation Manual, consistent with the previous analysis. The additional trips due to the development result in the forecasted trips as shown on the attached map.

B. Traffic Analysis Results

1. 2040 Full Build with Existing Lanes

Table 1: Design Year (2040) with Existing Lanes

Traffic Control Scenario	Peak Hour	Intersection Delay*- LOS		Maximum Delay-LOS**	Limiting Movement ***	Max Approach Queue			
						Direction	Average Queue (ft)	Max Queue (ft) ****	
Design Year 2040 Alternative 2									
TH 10/169 South Ramp & CSAH 83 (Armstrong Blvd) <i>Signal</i>	AM	13	B	24	C	EBL	EBL	105	174
	PM	12	B	22	C	EBL	EBL	98	148
TH 10/169 North Ramp & CSAH 83 (Armstrong Blvd) <i>Signal</i>	AM	63	E	143	F	WBR	WBT/R	468	1152
	PM	71	E	124	F	WBR	WBT/R	595	1560
CSAH 83 (Armstrong Blvd & 147th Avenue) <i>Signal</i>	AM	55	D	131	F	NBL	NBT	759	1327
	PM	52	D	87	F	NBL	NBT	660	1252
CSAH 83 (Armstrong Blvd) & CSAH 116 (Bunker Lake Blvd) <i>Signal (assumed double SBL & double WBL were stripped)</i>	AM	69	E	184	F	NBL	NBT	784	1086
	PM	100	F	227	F	NBL	NBT	733	1109
CSAH 83 (Armstrong Blvd) & Alpine Drive NW <i>TWSC</i>	AM	5	A	20	C	EBT	EBL/T	45	114
	PM	9	A	46	E	EBL	NBL/T	68	167
Alpine Drive NW & Puma Street NW <i>TWSC</i>	AM	2	A	7	A	NBL	NBL/R	31	54
	PM	3	A	9	A	NBL	NBL/T	51	86
Puma Street NW & Bunker Lake Blvd <i>Option 1: AWSC</i>	AM	3	A	9	A	NBT	SBL/T/R	50	75
	PM	4	A	7	A	WBR	WBT/R	56	86
Puma Street NW & Bunker Lake Blvd <i>Option 2: 3 Legged intersection (with curve)</i>	AM	0	A	3	A	EBR	EB L/R	4	18
	PM	0	A	2	A	EBL	EBL/R	7	24
Puma Street NW & Bunker Lake Blvd <i>Option 3: Roundabout</i>	AM	2	A	5	A	NBT	SBL/T/R	16	51
	PM	2	A	4	A	SBT	SBL/T/R	4	23

*Delay in seconds per vehicle

**Maximum delay and LOS on any approach and/or movement

***Limiting Movement is the highest delay movement.

****Max Queue refers to the 95% Queue (Passenger car stored length = 25 ft, Heavy vehicle stored length = 45 ft)

Analysis indicates that there are anticipated to be capacity concerns along Armstrong Blvd from Highway 10 to Bunker Lake Blvd. Mitigation is necessary at the intersection of Armstrong Blvd at Bunker Lake Blvd.

2. 2040 Full Build with Mitigation

Table 2: Design Year (2040) with Mitigation

Traffic Control Scenario	Peak Hour	Intersection Delay*- LOS		Maximum Delay-LOS**	Limiting Movement ***	Max Approach Queue			
						Direction	Average Queue (ft)	Max Queue (ft) ****	
Design Year 2040 Alternative 2									
TH 10/169 South Ramp & CSAH 83 (Armstrong Blvd) <i>Signal</i>	AM	11	B	22	C	EBL	EBL	95	147
	PM	12	B	23	C	EBL	SBR	47	171
TH 10/169 North Ramp & CSAH 83 (Armstrong Blvd) <i>Signal</i>	AM	21	C	53	D	SBT	SBT	382	727
	PM	49	D	141	F	SBT	SBT	809	1272
CSAH 83 (Armstrong Blvd & 147th Avenue) <i>Signal</i>	AM	12	B	33	C	SBL	NBT	199	376
	PM	56	E	111	F	SBT	SBT	664	1232
CSAH 83 (Armstrong Blvd) & CSAH 116 (Bunker Lake Blvd) <i>Signal (Added double EB thru, free right)</i>	AM	38	D	84	F	NBL	NBT	353	868
	PM	50	D	139	F	WBL	WBT	401	915
CSAH 83 (Armstrong Blvd) & Alpine Drive NW <i>TWSC (Added EB/WB RT lane)</i>	AM	5	A	26	D	WBL	EBR	61	110
	PM	10	B	88	F	EBT	NBL/T	77	171
Alpine Drive NW & Puma Street NW <i>TWSC</i>	AM	2	A	6	A	WBL	NBL/R	33	56
	PM	3	A	9	A	NBL	NBL/T	48	80
Puma Street NW & Bunker Lake Blvd <i>Option 1: AWSC</i>	AM	3	A	9	A	WBL	SBL/T/R	50	78
	PM	4	A	8	A	WBL	WBL/T/R	57	83
Puma Street NW & Bunker Lake Blvd <i>Option 2: 3 Legged intersection (with curve)</i>	AM	0	A	3	A	EBL	EBL/R	4	18
	PM	0	A	5	A	EBL	EBL/R	6	24
Puma Street NW & Bunker Lake Blvd <i>Option 3: Roundabout</i>	AM	2	A	5	A	NBT	SBL/T/R	11	37
	PM	2	A	4	A	EBT	SBL/T/R	3	21

*Delay in seconds per vehicle

**Maximum delay and LOS on any approach and/or movement

***Limiting Movement is the highest delay movement.

****Max Queue refers to the 95% Queue (Passenger car stored length = 25 ft, Heavy vehicle stored length = 45 ft)

Analysis indicates

Mitigation includes the lanes and traffic control indicated in the recommendations but also includes a third southbound lane along Armstrong Blvd from Bunker Lake Blvd to the Highway 10 North Ramp terminal. Additional review of the bridge design indicates that a third lane would not be feasible without substantial revisions to the bridge structure over the railroad. Based on this, two eastbound through lanes are recommended at the intersection of Armstrong Blvd and Bunker Lake Blvd to provide an alternative route if needed. The analysis below also considers an eastbound free right into the third lane. This is recommended to be a dual right turn when or if needed based on traffic redistribution in the area.

The resulting queues are shown below for each movement at the intersection of Armstrong Blvd and Bunker Lake Blvd. Dual eastbound right turn lanes would be anticipated to have similar average queues and shorter max queues. The max queues are anticipated to be less if there is traffic redistribution based on congestion.

Table 3: Design Year (2040) Armstrong Blvd & Bunker Lake with Proposed Lanes

Traffic Control Scenario	Peak Hour	Delay-LOS**		Max Approach Queue	
				Average Queue (ft)	Max Queue (ft)****
CSAH 83 (Armstrong Blvd) & CSAH 116 (Bunker Lake Blvd)					
<i>EBL</i>	AM	41	D	64	122
	PM	37	D	106	191
<i>EBR</i>	AM	3	A		
	PM	47	D	390	916
<i>WBL</i>	AM	45	D	134	215
	PM	131	F	401	915
<i>NBL</i>	AM	84	F	305	412
	PM	52	D	207	307
<i>SBL</i>	AM	31	C	95	145
	PM	46	D	81	128

*Delay in seconds per vehicle

**Maximum delay and LOS on any approach and/or movement

***Limiting Movement is the highest delay movement.

****Max Queue refers to the 95% Queue (Passenger car stored length = 25 ft, Heavy vehicle stored length = 45 ft)

C. Special Considerations

1. The trips from specific developments to Puma and Bunker Lake Blvd have not been analyzed. Trips to and from specific developments should be assigned to appropriate roadways based on the development roadway design. This is especially important for trip assignment at the intersection of Bunker Lake Blvd and Puma St.
2. Mitigation for intersections outside of the area due to development in the area have not been completed.



**Armstrong West
Proposed Future Land Uses**

Section QQ

Section Only

AUAR Boundary

Future Land Use

Business Park

COR

High Density Residential

Low Density Residential

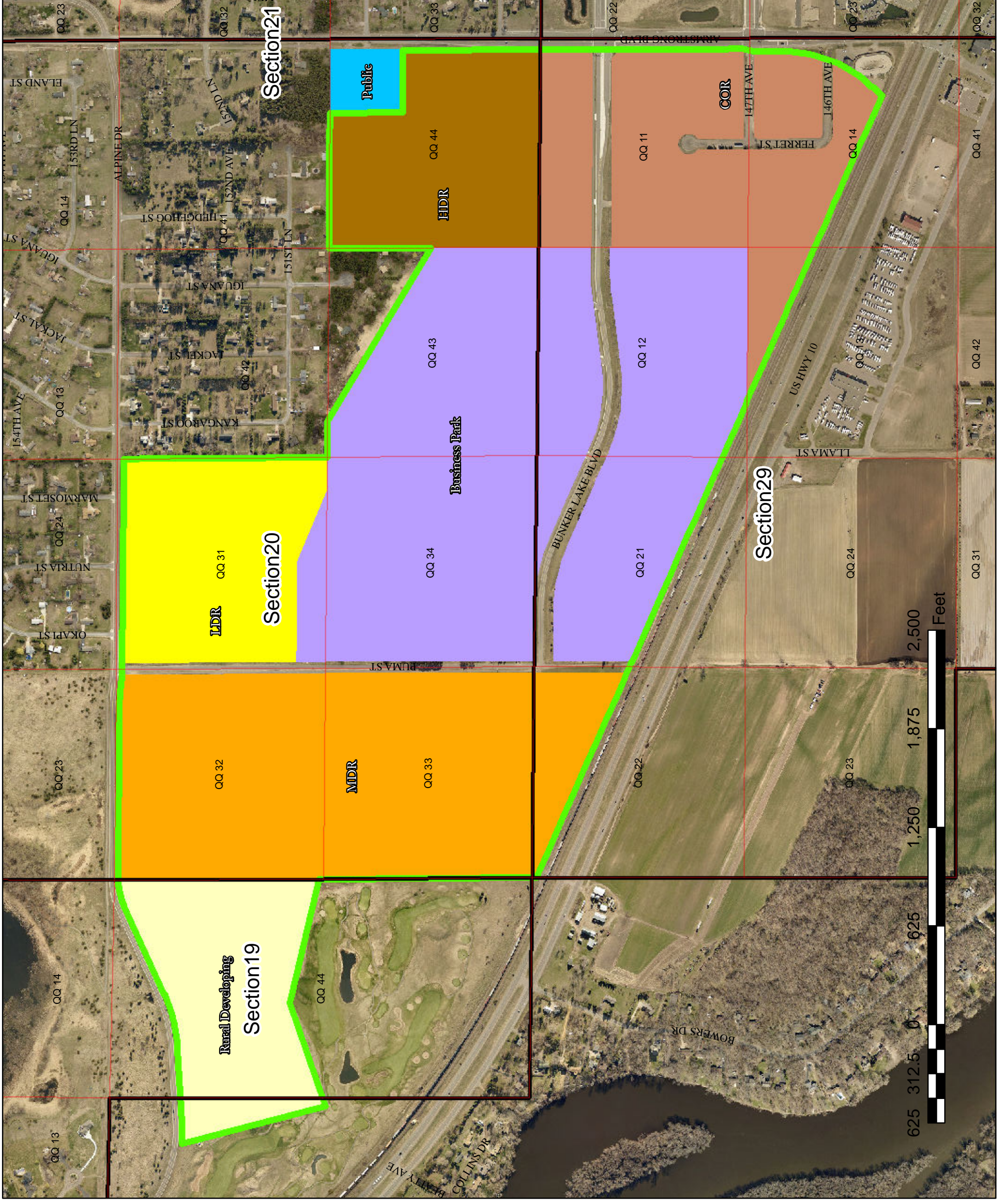
Medium Density Residential

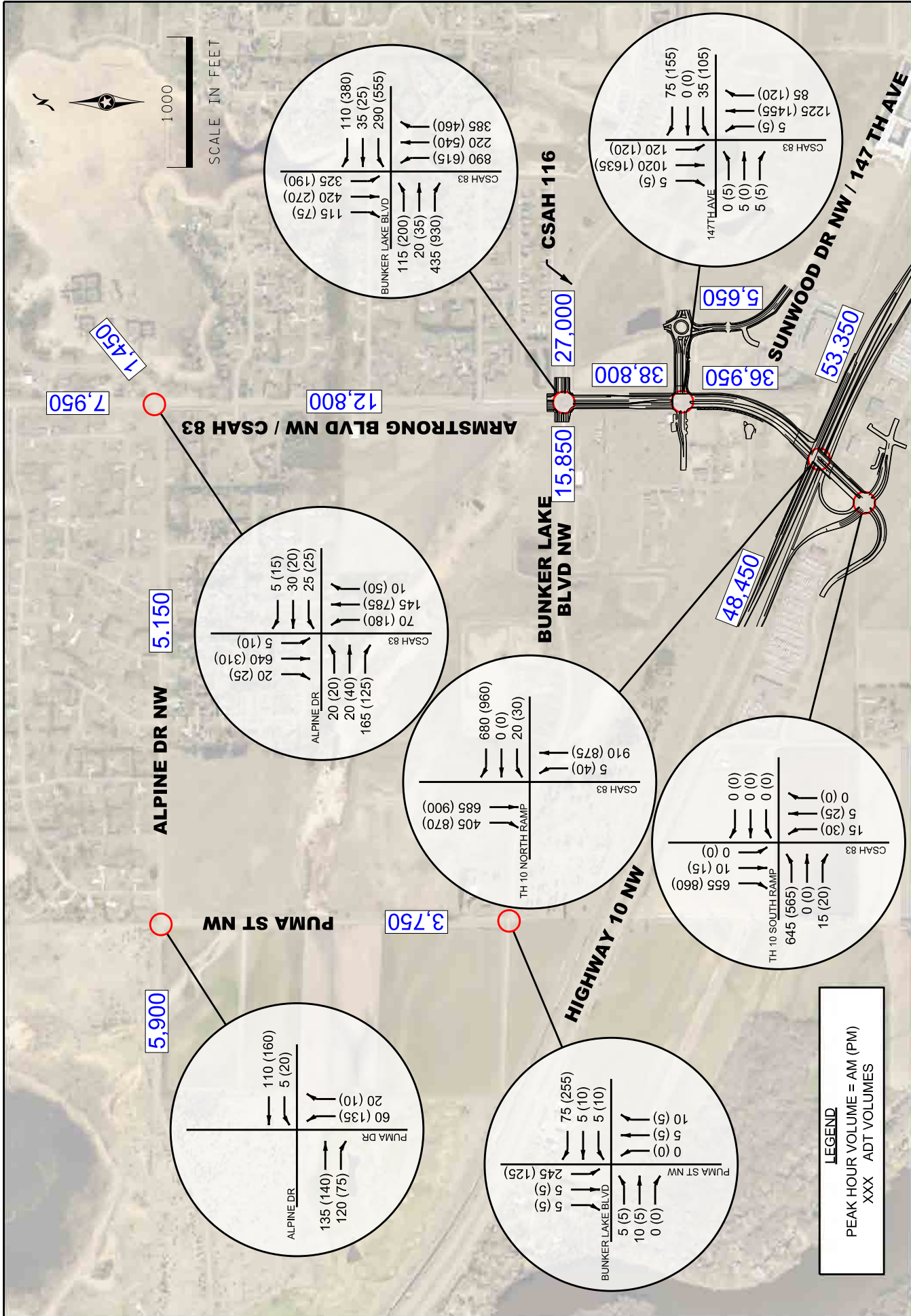
Public/Quasi-Public

Rural Developing



This is not an approved land use plan. This is a working document only, based on current feedback and concepts (both public and privately developed concepts).





**FIGURE 1: DESIGN YEAR (2040) TRAFFIC VOLUMES
 FUTURE BUSINESS PARK TRAFFIC STUDY
 RAMSEY, MN.**



Ramsey EDA Traffic Assumptions
 Alternative 2: Business Park (January 2017 Update)

B-2	Business Park	Based on Acres		134.54 Acres	ITE Code	130	Internal-to-Internal Reduction				Pass-by		New Trips		
		Average Rate	#	% enter	% exit	entering	exiting	entering	exiting	entering	exiting	entering	exiting		
		AM	8.55	1151	83	17	955	196	10%	860	177	0	0	860	177
		Afternoon	4.42	595	50	50	298	298	10%	268	268	0	0	268	268
		PM	8.84	1190	21	79	250	940	10%	225	847	0	0	225	847
Weekday	63.11	8491	50	50	4246	4246	15%	3609	3609	0	0	3609	3609		

B-2	Retail/Commercial	Based on Square Feet		74.4 K ft ²	ITE Code	X	Internal-to-Internal Reduction				Pass-by		New Trips			
		Average Rate	#	% enter	% exit	entering	exiting	entering	exiting	entering	exiting	entering	exiting			
		AM	7.41	552	53	47	293	259	20%	235	208	46%	109	96	126	112
		Afternoon	5.46	407	50	50	204	204	20%	163	163	40%	66	66	97	97
		PM	10.91	813	51	49	415	398	20%	332	319	39%	130	125	202	194
Weekday	124.59	9275	50	50	4638	4638	30%	3247	3247	39%	1267	1267	1980	1980		

R-1	Single Family Detached Housing	Based on Dwelling Units		104 units	ITE Code	210	34.62 Acres 3 Units per Acre				New Trips	
		rate	#	% enter	% exit	entering	exiting	entering	exiting	entering	exiting	
		AM	0.75	83	25	75	21	62			21	62
		Afternoon	0.51	53	31	69	16	37			16	37
		PM	1.01	109	63	37	69	40			69	40
Weekday	9.57	1078	50	50	539	539			539	539		

R-2	Residential Townhouse	Based on Dwelling Units		527 units	ITE Code	230	87.79 Acres 3 to 7 Units per Acre Assume 6 Units per Acre				New Trips	
		Average Rate	#	% enter	% exit	entering	exiting	entering	exiting	entering	exiting	
		AM	0.44	196	17	83	33	163			33	163
		Afternoon	0.26	138	31	69	43	95			43	95
		PM	0.52	235	67	33	157	78			157	78
Weekday	5.81	2732	50	50	1366	1366			1366	1366		

R-3	Low Rise Apartment	Based on Dwelling Units		525 units	ITE Code	221	43.74 Acres 7 to 15 Units per Acre Assume 12 Units per Acre				New Trips	
		Average Rate	#	% enter	% exit	entering	exiting	entering	exiting	entering	exiting	
		AM	0.46	215	21	79	45	170			45	170
		Afternoon	0.29	153	31	69	47	106			47	106
		PM	0.58	291	65	35	189	102			189	102
Weekday	6.59	3076	50	50	1538	1538			1538	1538		

Rural Developing	Assumed trips						ITE Code	x					New Trips	
	AM												entering	exiting
	Afternoon												5	20
	PM													
	Weekday												20	5

Total	Pass-by		New Trips	
	entering	exiting	entering	exiting
	AM	109 96	1090	704
	Afternoon	66 66	472	602
	PM	130 125	862	1266
Weekday	1267 1267	9032	9032	

West of Commercial Area	Pass-by		New Trips	
	entering	exiting	entering	exiting
	AM		919	422
	Afternoon		327	400
	PM		471	970
Weekday		5514	5514	

Economic Development Authority (EDA)

4. 5.

Meeting Date: 03/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Stone Brook Children's Academy & Childcare Center Purchase Agreement

Purpose/Background:

Purpose

Consider the attached purchase agreement (PA) with Stone Brook Academy for 1-acre of land located near the center of The COR for a children's academy and childcare center.

Review

This case was reviewed by the EDA on 12/08/16 and 01/12/17. This case was reviewed by the Planning Commission on 01/05/17 and 02/02/17. This case was reviewed by the Council on 01/24/17 and 02/14/17. All parties are generally very supportive of the use/ proposed project. However, the site location has been the focal point of conversations to-date.

The EDA is in general support of Stone Brook's proposed site location, Site #1 (5-1 vote on 01/12/17). The Planning Commission is in general support of Stone Brook's proposed site location, Site #1 (5-1 vote on 02/02/17). The Council is in general support of Stone Brook's proposed site location, Site #1 (7-0 vote on 02/14/17).

It appears all boards/ commissions have indicated support for a north-to-south road connection (Veteran's to Sunwood). It appears there is not consensus on whether that road connection be a private drive or a public road. Additionally, it appears there is general support for the attached master plan "B" which shows an east-to-west internal connection through the proposed Stone Brook site. Please see attached Site #1 Feedback Log for details.

City Review process

This case is being addressed in several separate steps:

Step 1: Site Location/ Site Concept

The purpose of this case is to provide direction from a master developer perspective (site location, concept project layout).

Step 2: Real Estate transaction (current case)

The purpose of this step will be to consider a formal purchase agreement (i.e. deal terms).

Step 3: Entitlement

The purpose of this step is to review Plat and Site Plan applications (i.e. site plan/ zoning/ land use regulations).

Notification:

NA

Observations/Alternatives:

The attached purchase agreement was modeled after the City's template purchase agreement and policy for selling city owned land. Staff believes the attached purchase agreement doesn't have any major red flags/ issues. Below is a summary of major deal points (often times called a term sheet). The attached agreement was drafted by the City Attorney.

(A) Purchase Price: \$3.30 psf, \$143,748

*CBRE Asking Price: \$5.00 psf, \$217,800
CBRE Deal Range High: \$4.50 psf, \$196,020
CBRE Deal Range Low: \$2.25 psf, \$98,010
City Purchase Price: \$2.44 psf, \$106,286*

*Stone Brook Offer #1: \$0 psf, \$0
Staff Counter #1: \$4.00 psf, \$174,240
Stone Brook Offer #2: \$2.50 psf, \$108,900
EDA Counter #1: \$3.50 psf, \$152,460
Stone Brook Offer #3: \$3.00 psf, \$130,680
EDA Counter #2: \$3.30 psf, \$143,748*

(B) Earnest Money: \$7,500, non-refundable after Notice-to-Proceed.

(C) Term: Inspection Period 08/01/2017.

Closing 14 days after Notice-to-Proceed.

Can extend for two 60-day terms via non-refundable \$2,500 earnest money deposits

(D) Construction Deadline: 09/01/2018, includes right-of-re-entry agreement clause/ or fine.

(E) Platting/ Development Agreement: must obtain plat, development agreement, site plan, and approved visual renderings before closing on purchase.

(F) Road Connection: if public 80:20 split, if private 50:50 split. The agreement allows for this item to be resolved after the PA is signed (provides for two options). The attached Site #1 Log discusses this item (see staff section).

Public Road Connection: \$285K estimate (see attached). The informal policy historically implemented in The COR for cost-sharing public roads is a 60-40 split (60% city). It should be noted, public roads are typically designed at a much higher level than private drives (width, load capacity, landscaping, utilities, etc.). Stone Brook is proposing that the 60/40 cost share be used on this public road project. Stone Brook has indicated that the 40% "developer" share should be split between Stone Brook and the other property that will have direct access of Sunwood Drive. Therefore, effectively, Stone Brook is proposing a 20% share of costs. This item will be resolved

Private Road Connection: \$150-\$225K estimate (verbal). Staff has ordered a second WSB Feasibility Report for a private drive (pending).

Funding Source:

NA

Recommendation:

Staff is generally comfortable with the terms and conditions laid out in the attached purchase agreement. They appear to meet our land sale policies. Staff does not have a need to go into closed session for this case--as Stone Brook has agreed to the EDA's last counter offer. This project appears to have several benefits for the City, and The COR:

(1) Generate trips to The COR, which will help drive retail interest--140 students, 100+ trips in the AM, and 100+ trips in the PM. Also, estimated 20 Stone Brook employees will patronize businesses in The COR. Stone Brook believes they are a destination user.

(2) Provide a high-end facility, with good architecture, in The COR. Building will be pushed up against

Sunwood. Will be a transition from apartments to traditional retail.

(3) Provide high-end childcare and academic services for Ramsey Residents--an amenity for the community.

(4) Will create about 20 jobs, and will generate about \$45K in total property taxes per year. Will contribute to the City's COR TIF District (which is needed for many other COR development related obligations).

(5) Will generate \$143,748 in land proceeds (gross), and will continue important "positive-real-estate-momentum" for The COR. Will result in an estimated \$60K in development fees (park, trails, water, sewer, storm).

(6) Will establish a north-south connection mid-block between Sunwood and Veterans.

(7) Project meets COR Master Plan and City Zoning Standards--and generally appears to meet the vision of The COR (there has been mixed discussion and opinions on this item).

Action:

Motion to recommend the City Council:

Approve the attached purchase agreement (PA) with Stone Brook Academy for 1-acre of land located near the center of The COR for a children's academy and childcare center.

Sidebar: any feedback on the discussion for a required north-to-south connection between Sunwood and Veterans (i.e. Yolite) would be helpful for the City Council--i.e. public versus private. Also, similar feedback on the proposed east-to-west internal site connection would be appreciated (master plan concept "B").

Attachments

Purchase Agreement

Site 1 Feedback Log

Four Master Planned Sites (COR 2 Zoning)

Background

Form Review

Inbox	Reviewed By	Date
Mark Riverblood	Mark Riverblood	02/21/2017 10:23 AM
Tim Gladhill	Tim Gladhill	03/02/2017 09:37 AM
Bruce Westby	Kathy Schmitz	03/06/2017 03:44 PM
Kurt Ulrich	Kathy Schmitz	03/06/2017 03:45 PM
Form Started By: Patrick Brama		Started On: 02/20/2017 10:27 AM
Final Approval Date: 03/06/2017		

PURCHASE AGREEMENT

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

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

1. **EFFECTIVE DATE.** The effective date of this Agreement is March 15, 2017 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, roughly one acre of the Property, legally described as follows:

Outlot B, COR ONE PLAT, City of Ramsey, County of Anoka

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

28-32-25-23-0010

3. **PURCHASE PRICE.** The purchase price for the Property is \$3.30 per square foot (the “Purchase Price”). Buyer intends to purchase roughly 1-acre of land. Buyer is responsible for subdividing property, providing the City of Ramsey with a legal description of the new parcel, and an official parcel size.
4. **EARNEST MONEY.** By March 22, 2017 Buyer must deposit the sum of \$7,500 (the “Earnest Money”) with Commercial Partners Title Company, 200 South 6th Street, #1300, Minneapolis, MN 55402 (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
 - b. Unless Buyer has previously terminated this Agreement pursuant to Section 9, \$7,500 of the Earnest Money (the “Initial Disbursement”) becomes non-refundable to Buyer (except in accordance with Section 23 as a result of a default by Seller) 120 business days after the Effective Date, and on that date Escrow Agent must disburse the Initial Disbursement to Seller.
 - c. Upon Seller’s receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 23 as a result of a default by Seller).

- d. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).
 - e. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller shall, at Seller's expense, obtain an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) (the "Survey") from a duly licensed surveyor and deliver it to Buyer within thirty (30) days after the Effective Date. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date ten business days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in

which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money (other than Earnest Money that Escrow Agent has disbursed to Seller pursuant to Sections 4(b) and (c)) (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three (3) business days after Buyer’s receipt of Seller’s Title Notice, than Seller must perform in accordance with Seller’s Title Notice, Buyer shall be deemed to have waived Buyer’s objections to the extent Seller has not agreed to address them in Seller’s Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller’s Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the expiration of the Inspection Period (as defined in Section 9), Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Upon the earlier of the date one week after Buyer’s completion of its activities on the Property or the date one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all “Claims,” as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer’s employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller’s approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer’s geotechnical

and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to August 01, 2017 (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of

Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).

10. DEFINITIONS. As used in this Agreement:

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

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

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

- 11. RELEASE.** Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute,

rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

12. INDEMNITY. Buyer agrees to indemnify, hold harmless and defend Seller or anyone acting on its behalf for, from and against any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) past, present and future, existing and contingent, known and unknown arising out of, resulting from, or relating to the condition of the Property. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property, regardless of whether the foregoing condition of the Property was caused in whole or in part by the Seller's actions or inactions.

13. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail, fax or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if delivered in any other manner, when the party to whom the notice is directed actually receives the notice. If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303

Buyer: Stone Brook Academy
Michael & Kristen Johnson
XXXXXXXXXX
XXXXXXXXXX

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

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

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

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

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

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

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller's portion of the prorated property taxes.
 2. Seller's own attorney's fees.

3. One-half the cost of any closing fees.
4. The cost of providing Title Commitment as prescribed in Section 6
5. The cost of real estate broker commission fees as prescribed in Section 15.

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

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

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

15. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Seller's Broker"), which represents Seller. Seller shall pay Seller's Broker as required by their agreement (5% of final sale price). Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

16. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The City recognizes the Buyer intends to bring a future request to reassign this Agreement to Stone Brook Academy LLC, a company that will be registered officially with the State of Minnesota.

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

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

19. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

20. ENTIRE AGREEMENT / MODIFICATION. This written Agreement, and the related Development Agreement, if any, constitutes the complete agreement between the parties

and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties. In the event the terms of this Agreement conflict with the terms of the Development Agreement, the latter shall control.

21. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

22. CONTROLLING LAW. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

23. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

24. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

25. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

26. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

27. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto

have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

- 28. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 29. OPTION TO EXTEND.** In the event Buyer requests a 60-day extension of the Inspection Period or Closing Date, and the extension is agreed to in writing by Seller, Buyer must deposit an additional \$2,500 Earnest Money with the Escrow Agent. The additional Earnest Money is nonrefundable immediately, and will comply with terms outlined in Section 4 of this Agreement. Buyer is granted a maximum two extensions.
- 30. CONSTRUCTION DEADLINE.** Buyer shall obtain a certificate of occupancy from the City of Ramsey for the construction of a roughly 10,000 square foot commercial building, by September 1, 2018. At Closing, a “Right of Re-Entry Agreement” must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcels for which a certificate of occupancy was not obtained, or in the alternative, and at Seller’s sole discretion, Buyer shall pay Seller \$20,000.
- 31. PLATTING & DEVELOPMENT AGREEMENT.** Buyer must obtain an approved final plat, development agreement, and building exterior visual renderings with the City of Ramsey for a roughly 1-acre, 10,000 square foot commercial building before Closing. Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.
- 32. ROAD CONNECTION.** Both the Buyer and Seller understand that a road connection must be constructed between Sunwood Drive and Veteran’s Drive as part of this proposed development project. If the road connection is required to be a public road, the Buyer will be assigned 20% of total projects costs. If the road connection is required to be a private road connection, the Buyer will be assigned 50% of total project costs. This item will be discussed and finalized during the City of Ramsey’s official Site Plan Review process.

SELLER: The City of Ramsey, Minnesota

By: _____
Sarah Strommen, Mayor

Dated: March 15, 2017

By: _____
Kurt Ulrich, City Administrator

BUYER: Kristen & Michael Johnson

By: _____

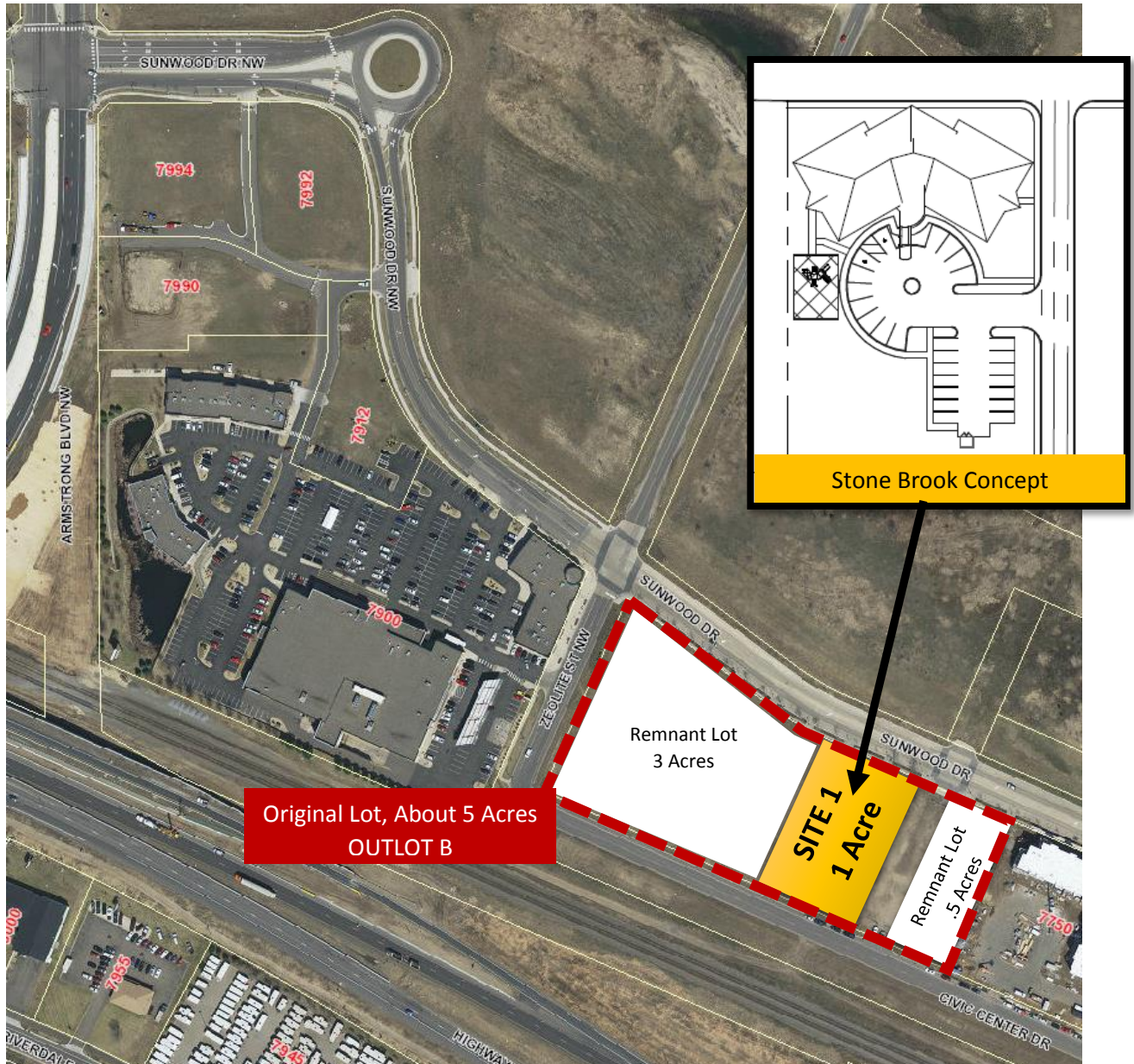
Dated: _____, 2017

By: _____

Stone Brook Academy
(previously known as Prestmore Academy)
Site Selection Log

SITE 1
02/20/2017

SITE 1



Outlot B is a roughly 4.95-acre parcel. The user, Stone Brook Academy, would like to utilize a roughly 1-acre portion of the property. This site is located in the COR-2 Retail district, on the border of the COR-1 Mixed district.

The shape/ dimensions of this site is ideal for development (rectangular). This site will require fill (is low), which will increase project costs for Stone Brook. Infrastructure generally is in place, and surrounds this site. The one question mark RE infrastructure is the potential Yolite Street connection. The other item worth noting, is this project will solidify the two remnant lots.

(1) Stone Brook Feedback

A. Why does Stone Brook think they need to be located on this site?

1. For the reasons outlined below, Stone Brook is confused why this question is being discussed—as it appears the City is providing mixed and conflicting direction/ messages on The COR.
 - The City’s adopted COR Master Plan specifically shows a childcare center on this site.
 - The City’s adopted COR Master Plan shows three individual projects on this site, including a very small project (not one single large project as many have discussed recently).
 - The City’s adopted COR-2 Zoning District allows for this use.
 - The City is formally marketing this parcel for sale. Stone Brook is willing to purchase at a reasonable price—and is not asking for a formal business subsidy.
 - Stone Brook is proposing a quality project, a quality service, and a destination use for The COR.
2. Stone Brook has reviewed all available site locations in The COR on multiple occasions, over the past six months. This includes reviewing sites with developers, architects, banks, and walking sites. Stone Brook wants to purchase this property now (purchase agreement). They have been saving for the past two plus years—and are very interested in this specific site. They desire to begin construction in early summer 2017.
3. Look/ feel/ vision are very important to Stone Brook. This site (near center of The COR) meets the vision of Stone Brook. They want a high-class, high-tech, high-amenity, well-respected, nice looking academy/ childcare center, that fronts Sunwood Drive, and fits in *WELL* with the surrounding area—which they believe is near the center of The COR. This facility will be much more of a state-of-the-art children’s academy, rather than simply just a childcare center. This will be an asset/ destination for this community.
4. Stone Brook believes in the City’s vision of The COR—and they are drawn to this specific site. They believe near the heart of The COR is where family oriented uses/ destination uses are best located—like academy’s, community centers, theaters, train stations, municipal, parks, etc. (details in location section below).
5. Being located near the center of The COR, versus on one extreme end or the other, provides better ability for Stone Brook to evenly pull from Ramsey’s major population areas (north and east of Ramsey Boulevard), and also to pull from future developable areas (west of new Armstrong interchange).
6. Being located near the center of The COR allows Stone Brook to draw from nearby dense housing—including apartments, townhomes, and other residential developments within The COR—as a result, in many cases, this location may be walkable. Being located near the center of The COR may also attract people using the Northstar Commuter Rail.
7. This site (Site #1) allows for a nice transition of uses, from multiple apartment users (i.e. COR-1 zoning district) to a traditional retail area (COR-2 retail district). Naturally, this site is a transition site. A transition user, like Stone Brook, makes sense.
8. Stone Brook believes being located on Sunwood Drive, near the center of The COR, is important for fit/ feel/ safety of the academy. Traffic flow (ease of access, congestion) and nearby users impact the perceived safety/ security/ fit of their facility. Stone Brook believes being located on either end of The COR detracts from these principles (i.e. convenience retail areas).

9. The McDonald's sites are 25%-35% bigger than what Stone Brook needs, and will result in wasted space/ remnant lots (which the City will be unhappy with). The Casey's sites on the east end of The COR have several more "development issues" than Site #1. PSD is not willing to sell their site for less than \$12.00 psf. The Northgate site is too small. Not only is this their #1 desired site, Stone Brook believes other options in The COR don't work well.
10. This type of business, a high-end children's academy, is not commonly seen in Anoka County, if at all (however, is common in Hennepin County for example). It is critically important, to the owners, that they are able to *deliver* top-notch services in a high-class facility. They will not open a facility in Ramsey if they cannot achieve that goal. Stone Brook believes their pricing structure is very sensitive/ risky in Ramsey (unproven market for this product). They need to do everything they can to keep user costs as low as possible in Ramsey (Site #1 works for their budget).

B. Is this a daycare or a pre-school?

1. Stone Brook is a center based childcare. Stone Brook is not a daycare. [Based on State regulations,] daycares are centers located inside peoples' homes. A center based childcare, under MN Dept of Human Services guidelines, has specific requirements for number of children, as well as, staff qualifications. Stone Brook will be applying for a childcare license [though the State]. This license will enable Stone Brook to service children ages 6 weeks-preschool.
2. [With the above in mind,] Stone Brook is not just opening up a childcare center just to open up a childcare center. Childcare centers are a very tough and regulated business. Therefore, to spend time and energy and personal assets just for a business would be foolish. Stone Brook has been in contact with many people and [childcare] centers for two years now, trying to gather information and to produce a quality product. First and foremost for the children, but second of all, for the community.

Stone Brook will be regulated by the MN Dept of Human Services. Requirements, see website [pages](#). Supporting a childcare center in the community is vital to the growth of the community. Yes, the family is a powerful influence on a child's ability to succeed, but Stone Brook's goal is to also work collaboratively in a process that is fun, educational, and have a beneficial social impact. Therefore, Stone Brook will be [include] special events for families, a large multi-purpose room for events and learning, computer-smart boards for learning, and the privilege to share the stages of growth and development with the families. Just remember that when a center for childcare exists and successful, the community in which they serve will also show success and a positive influence.

(2) Staff Feedback

A. YOLITE STREET CONNECTION

- Development of this site *could* trigger the construction of a 275' public roadway connection (known as Yolite Street)--which would connect Sunwood Drive with Veterans Drive. Yolite Street is the only potential public mid-block connection between Zeolite and Sapphire Street in The COR (which are a half mile apart). Requiring the construction of Yolite Street is a policy question for the City to answer—and is very important to this proposed development. Direction is needed in order to move this project forward on this particular site.



- Stone Brook Academy is proposing to pay for 20% of costs related to Yolite Street (if the City requires this road). Stone Brook would like to use the City's previously utilized cost share arrangement on public roads located in commercial areas in The COR--which is a 60/40 split (60% City, 40% developer). Stone Brook is proposing to pay 20%, as they are only utilizing one side of the road. They are proposing the user on the other side of Yolite Street pay for the remaining share of the 40% developer portion (i.e. 20%).
- Another option to consider is a private drive/ road connection (much like Casey's). It appears, based on initial comments from the EDA/ PC/ CC, this is an option worth pursuing. In this case, Stone Brook would propose a 50:50 cost share.
- The current COR Master Plan (left) does *NOT* call for a public road connection at Yolite Street. The original COR Master Plan (right) *DOES*.
- Yolite has *NOT* been platted (ROW has not been secured) on the south side of Sunwood Drive (property currently being considered by Stone Brook). Yolite *HAS* been platted (ROW has been secured) on the north side of Sunwood Drive (to service a potential parking ramp).

- Sunwood Drive and Veteran’s Drive were constructed ahead of development, based on the original COR Master Plan. Yolite Street was stubbed in on both Sunwood and Veteran’s Drive. An intersection has been constructed on Sunwood (for the anticipated Yolite Street).
- There is an existing stormwater line that runs through the proposed Yolite Street connection (between Sunwood and Veteran’s Drive). Therefore, even if the Yolite Street connection is not made, this storm water line will effect where buildings can be constructed (i.e. cannot be built over the stormwater line).
- From a traffic flow/public safety perspective, staff recommends the City make the proposed connection of Yolite Street between Sunwood Drive and Veterans Drive. At this point, there is no road connection for about a half mile. In the event of an emergency or heavy traffic in The COR, having this connection, to allow for detours/ alternative routes, will be very important.
 - i. Furthermore, if the Yolite Street connection is not made, and one of the two existing connections is blocked (in the case of an emergency/ major event/ construction), the next available connection will be more than a half mile away (which is a great distance in a dense/ walkable/ transit oriented development).
 - ii. Staff is also concerned that existing private driveways (such as Residents at The COR) will continue to experience significant public through traffic, due to the lack of public road connections. As The COR develops, this problem is expected to worsen—especially if connections like Yolite are not made.

B. REMNANT PARCELS

- If Stone Brook was allowed to move forward with this proposed 1-acre site, it would create two remnant lots.
- The **first remnant lot** is roughly 1/2 acre, rectangular shaped, remnant parcel, located just east of the proposed 1-acre Stone Brook Academy site (just east of the potential Yolite Street connection). The lot would be roughly 85' wide and 275' deep.



This size of lot is not ideal/ and is not something the City should be seeking (staff would not recommend for standard practice). This size of lot will reduce the pool of potential projects/ users. This risk factor should be known.

However, considering it's location (within The COR), this remnant site still carries merit/ marketable value. The COR allows for zero setbacks/ green spaces, significant lot coverages, on-street parking, and does not require storm water on-site. In fact, density is strongly encouraged in this development. These COR development characteristics allow for this particular remnant site to be viable and usable.

Staff anticipates a 4,000-8,000 sf "foot-print" building could be placed on this site (could be two stories). Water/ sewer stubs are available to this site. Furthermore, staff would like to note, this type sized lot/ building foot-print is not uncommon for downtowns/ urban developments in cities across the country.

In many ways, the 1/2 remnant parcel is the result of two previous decisions: (1) the Common Bond project, not extending their site to Yolite Street created the 1/2 parcel, and (2) the location of pre-installed/ pre-determined infrastructure on Sunwood and Veterans. These issues will need to be addressed, now or in the future (by the City as current master developer, or by a future master developer).

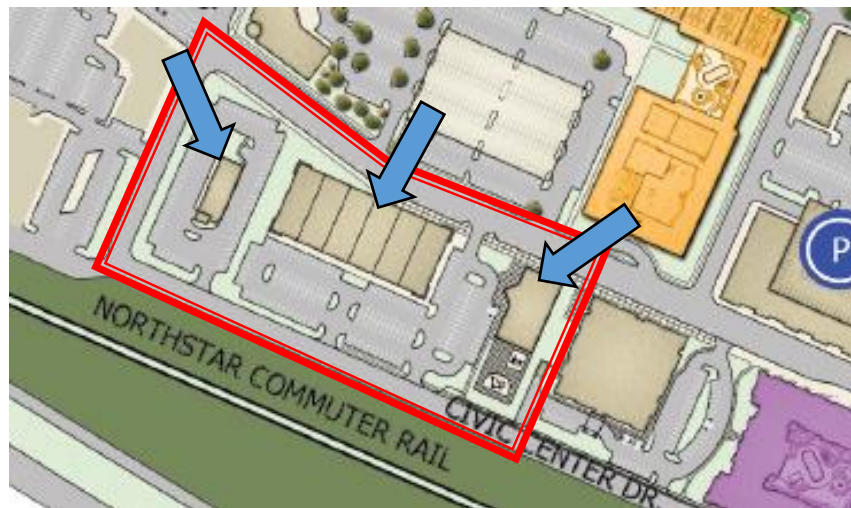
- The **second remnant lot** is roughly 3-acres, located just west of the proposed Stone Brook Academy 1-acre lot, and is generally rectangular shaped.



Although this lot is smaller than the original larger 5-acre lot, this remnant 3-acre parcel is still of considerable size, and holds strong merit to be marketed/ developed. Sewer/ water stubs exist. Good access points exist. Location is good.

C. PROPOSED USE/ SITE LOCATION

- The COR master plan coincidentally shows a childcare center in this general location. The COR master plan generally shows three buildings on this site, pushed up against Sunwood Drive, at the following estimated sizes: 20-40K sf, 3-5k sf, and 4-8K sf. Stone Brook is proposing a 10K sf building, pushed up against Sunwood Drive. Therefore, the proposed project appears to generally fit The COR master plan.
- This proposed use (childcare center) generally appears to be an allowed use in the The COR-2 zoning district. This site is located in The COR-2 zoning district.
- From an objective perspective, this project appears to be in an acceptable location, and an acceptable use (based on zoning and master plan). However, the City retains ultimate discretion as property owner/ master developer to pick and choose which projects they want, or don't want; and how property should be developed.



(3) EDA Feedback

- The EDA reviewed this case 12/08/2016 and 01/12/2017. The EDA is generally supportive of moving forward with Site #1.

12/08/2016 NOTES

- The EDA is very interested in this project, and would like to welcome Stone Brook to Ramsey (and The COR). The EDA wants this deal to happen, and is excited to work with Stone Brook to find a solution. The EDA understands the many benefits this project can bring to Ramsey.
- The EDA was generally interested in obtaining more information from staff (RE the Yolite Street discussion/ the remnant lots), and hearing back from Stone Brook (on other potential site locations), before making a final recommendation on this particular site.
- The EDA was generally concerned about this specific site location/ site layout. The EDA is most interested in a comprehensive approach to developing this larger site (nearly 5 acres). The EDA generally believes a master developer can most effectively/ efficiently plan around the current site limitations/ challenges (listed below). The EDA would rather have Stone Brook located on another site, to avoid solidifying the development challenges for this site (listed below).

- **Yolite intersection/ connection.**

The EDA was concerned this connection is un-needed, and a waste of public dollars (originally \$394K total cost, now about \$284K). The COR master plan no longer calls for the Yolite connection. The EDA was generally open to discussing a private connection/ and or private stub road solution.

- **Remnant Parcels**

The EDA was concerned with the relatively fixed location of existing public infrastructure. These items create development layout/ lot size limitations—which restrict future development options. Please see “Staff Feedback Section” for details/ background.

This proposed Stone Brook 1-acre site will solidify two remnant parcels. The EDA is generally concerned about the potential affects these remnant parcels will have on future development projects. Please see “Staff Feedback Section” for details/ background.

01/12/2017 NOTES

- EDA supported moving forward with this site, with a 5-1 vote. The EDA felt that this project was a real project. Stone Brook is here today. It appears to be an acceptable use of Site #1. The user appears to be quality, and the proposed building should fit The COR. This site can be sold to Stone Brook without providing a formal business subsidy.
- The EDA supported making a counter offer to Stone Brook (@ \$3.30 psf). The EDA supported the Planning Commission’s request, that if a project was to move forward on this particular site, that a connection be made from Sunwood to Veterans Drive. The EDA understood the significant traffic Stone Brook will create, and wants to avoid the drop off/pick up taking place on Sunwood. The EDA does not think a public road connection should be required, the EDA does support a private drive connection (like Residence at The COR). Generally, the EDA understood Stone Brook would likely desire to split the cost of a private drive with the City (50:50).

- The EDA did have a robust discussion. Many topics were covered. In most situations, the EDA acknowledged there was no single clear/ correct/ easy way to move forward with this project, and address all individual concerns. This was a very challenging discussion for the EDA.
- Some EDA members felt that this use was a good fit for this site—considering it’s proximity to apartments, and the Northstar Rail. Some EDA members felt this use was a good transition user, from the apartments to traditional retail. Some EDA members believe that having a master developer/ large 1-time project for this site is ideal—however, were concerned that alternative has never occurred in reality, and will likely take a long time before it ever does (if at all). Some EDA members were concerned that, to make the project work on other sites, the level of subsidy needed could not be justified. Some EDA members indicated that getting this project moving forward will result in land proceeds, jobs, tax base, will provide a good service to the community, and will generate traffic in The COR. Some EDA members believe that the several development issues with Site #1 (remnant lots, Yolite, the well, etc.) are the result of previous decisions, and at some level are now a moot point—those issues are not Stone Brook issues.
- Some EDA members were concerned with allowing Stone Brook on this site. This action will confirm/ solidify many development issues: remnant lots, Yolite, the well, etc. These issues limit the City’s ability to market sell remaining lots (specifically, the remnant half acre lot), and will eliminate the option for a master developer to take the entire site (and deploy creative solutions to address the issues of this site). One EDA member formally opposed Site #1 for this reason.
- Generally, the EDA was unclear what the City’s vision was for this property. Below is their concern.

What is the vision for this parcel?

1. Is the vision traditional retail, as the adopted zoning district indicates?
2. Is the vision apartments/ COR-1 density, to be consistent with the block?
3. Is the vision a large, mixed-use, master planned, significant project(s), as the Planning Commission suggests?
4. Is the vision large, multi-tenant retail/ commercial buildings, master planned, as the EDA has contemplated?
5. Is the vision the current COR Master Plan, which shows three individual buildings/projects, one being a daycare center.
6. Is the vision the old COR Master Plan, which shows 3-4 commercial (potentially mixed use) buildings?

(4) Planning Commission Feedback

01/05/2017 NOTES

- By consensus, the Planning Commission was opposed to the project being located on this site (Site #1).
 - The Planning Commission is uncomfortable with the many development issues that encumber this site (remnant lots, storm sewer, well, Yolite, etc.). The Planning Commission is uncomfortable with Stone Brook etching out a 1-acre parcel on this site, and further solidifying the various encumbrances on this site.
 - The Planning Commission believes great opportunity exists for the City on this site, and this project may remove the ability to make a large project(s) happen. The Planning Commission believes this site is better suited for a larger project(s), and/ or a master developer to take down the site all at once. The Planning Commission discussed several better-suited options for development on this site (including many larger destination users). One option discussed included destination type attractions, such as a ferris wheel. Another option included building a skyway/ or building over the Yolite connection. Another option included a mixed use building (living above and commercial below).
 - The Planning Commission does not agree with Stone Brook, that this project is best fit on this particular site (Site #1). The Planning Commission believes Stone Brook is best suited on other sites: (i.e. #2, #3, #4, #6, #7, #8).
- The Planning Commission indicated that, if this project moved forward on this site, they would recommend a connection be made between Sunwood and Veteran’s drives. The Planning Commission was concerned about the large amount of traffic this user will generate, and that having direct access to Sunwood Drive would be problematic. The Planning Commission appeared to be open to discussing an private or public connection.
- Assuming this project is classified as a “daycare” user specifically (and academy as a secondary use), the Planning Commission believes this site generally works form a zoning/ COR master plan perspective.
 - Staff did check into this item (classification of user). Stone Brook will have a daycare/ childcare license through the State of Minnesota (Department of Human Resources). They are technically considered a childcare center. Daycares are technically a home based business (per the State of Minnesota).
 - The City of Ramsey uses the terms “childcare” and “daycare” interchangeably throughout zoning code.
 - To have a childcare center, Stone Brook must develop a written child care program plan, along with a plan for daily access for interest activities, plan for naps and rest, behavior guidance plan, proper furnishings/ equipment/ materials/ supplies for each age group, have a program for special needs, drop in programs/ supervision, sick child program, food/ snack program, parent information, emergency and accident policy, protective personal records program, health records, facility inspection (floor plan, occupancy, fire inspection, hazards, hygiene).
 - With the above in mind, Stone Brook will also be providing/ specializing in early childhood education services. They want to be more than simply a childcare center—education is very important to their brand/ strategy.

02/02/2017 NOTES

- By a 5-1 vote, the Planning Commission was in support of the project being located on this site (Site #1). The PC made a motion to move this project to the next step, which is negotiating a purchase agreement.
 - The PC was in support of this project being located on Site #1 for the reasons outlined below.
 - The COR-2 Zoning District allows for this use (permitted use). Site #1 is located in the COR-2 zoning district.
 - The COR Master Plan shows a childcare center in a similar location as Site #1.
 - The COR Master Plan shows site layouts similar to what is being proposed by Stone Brook.
 - The reasons Stone Brook is requesting Site #1 generally appear to be reasonable, and Site #1 appears to work for the user.
 - The PC still feels this project is *ideally* located elsewhere in The COR--for the reasons outlined in the 01/05/2017 meeting notes (above). However, the PC felt it would be unreasonable for the City to allow this project via our adopted Master Plan and Zoning Code, and then choose not move it forward now, because it's not the City's current #1 ideal location.
 - RE the four site layouts, the PC liked Master Site Layout "B" the most (attached to this case), and was the focus of their discussion. They liked Master Site Layout "B" for the following reasons:
 - Allowed for internal traffic flow, and multiple access points to Stone Brook site, which will be important during the peak drop-off and pick-up hours of this business.
 - Separation of drop-off area from parking area is likely safer with this design.
 - PC preferred site layouts that covered Sunwood Drive with buildings as much as possible (on the remnant lots).
 - The PC remains in favor of the road connection (Yotlie). They are open to either a public or private road, for the reasons previously stated in the 01/05/2017 PC Notes.
 - One PC member opposed the project. They were in support of the attached Master Site Layout "B". However, they couldn't support the Stone Brook project on Site #1, if the remaining portion of the larger parcel/ development was not guaranteed. In other words, there is nothing requiring the remaining portion of the larger site to be developed as proposed in Master Site Layout "B". And, therefore, would result in too many future development challenges.
 - Some PC members stated that the .5-acre remnant lot and the well issue are both moot points. They are issues created by the City that are not going to go away, and will affect *any* master site layout for this larger site. They are not Stone Brook issues. Also, the 3-acre remnant lot is large enough to do many things with, and lots of options still exist.
 - Most PC members felt this use was a destination user, and would drive traffic to The COR, which will benefit The COR overall. One PC member wanted more information on Stone-Brook's demographic model, and where specifically will Stone Brook be pulling their customer base—is this business truly going to pull users from outside of Ramsey?
 - One PC member made a note, that this use is technically not an academy or early childhood learning center, based how they are licensed through the State of Minnesota. Stone Brook is seeking a childcare center license (primary use). They will be providing educational services as an added benefit.

(5) City Council Feedback




01/24/2017 NOTES

- The City Council has indicated more information is needed before a final decision can be made (RE site location). The Council was concerned about the ramifications this single project (about 1 acre) would have on the development of the larger parcel/ block (about 5 acres). The Council desires to know more about how the various development challenges associated with this site will play out in various development scenarios (i.e. Stone Brook proposal vs. single developer master planned site).
- Per Council direction, various professional development scenarios were drafted for consideration/ discussion. The Council requested this case be reviewed one more time by the Planning Commission before the Council made a final decision. The Council would like to receive feedback from the Planning Commission on the attached four concepts.
- The Council was generally very supportive of the use/ proposed project. The Council would like to explore options on how to make this project work on Site #1. However, the Council remains undecided about site location.

02/14/2017 NOTES

- By consensus, the Council is generally supportive of Site location #1, and has invited Stone Brook to bring forward a purchase agreement.
- The Council generally supports a road connection (Sunwood to Veterans). Some Councilmembers were in support of a public road connection specifically. The Council didn't have enough information to provide final direction on this item (public or private).
- The Council believes the internal road connection, as shown in master plan B, from east to west, is important to the Council. Also, proper easements are important to allow the site to function as a single master-planned block.

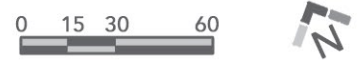
LEGEND

-  55,000 SF
-  243 Parking Stalls
-  Open Space



On-street parking along Zeolite Street, Veteran Drive, and Sunwood help meet overall parking demands (approx. 5 per 1,000 ratio).

All layouts assume regional ponding meets stormwater requirements.



LEGEND

- 53,100 SF
- 223 Parking Stalls
- Open Space

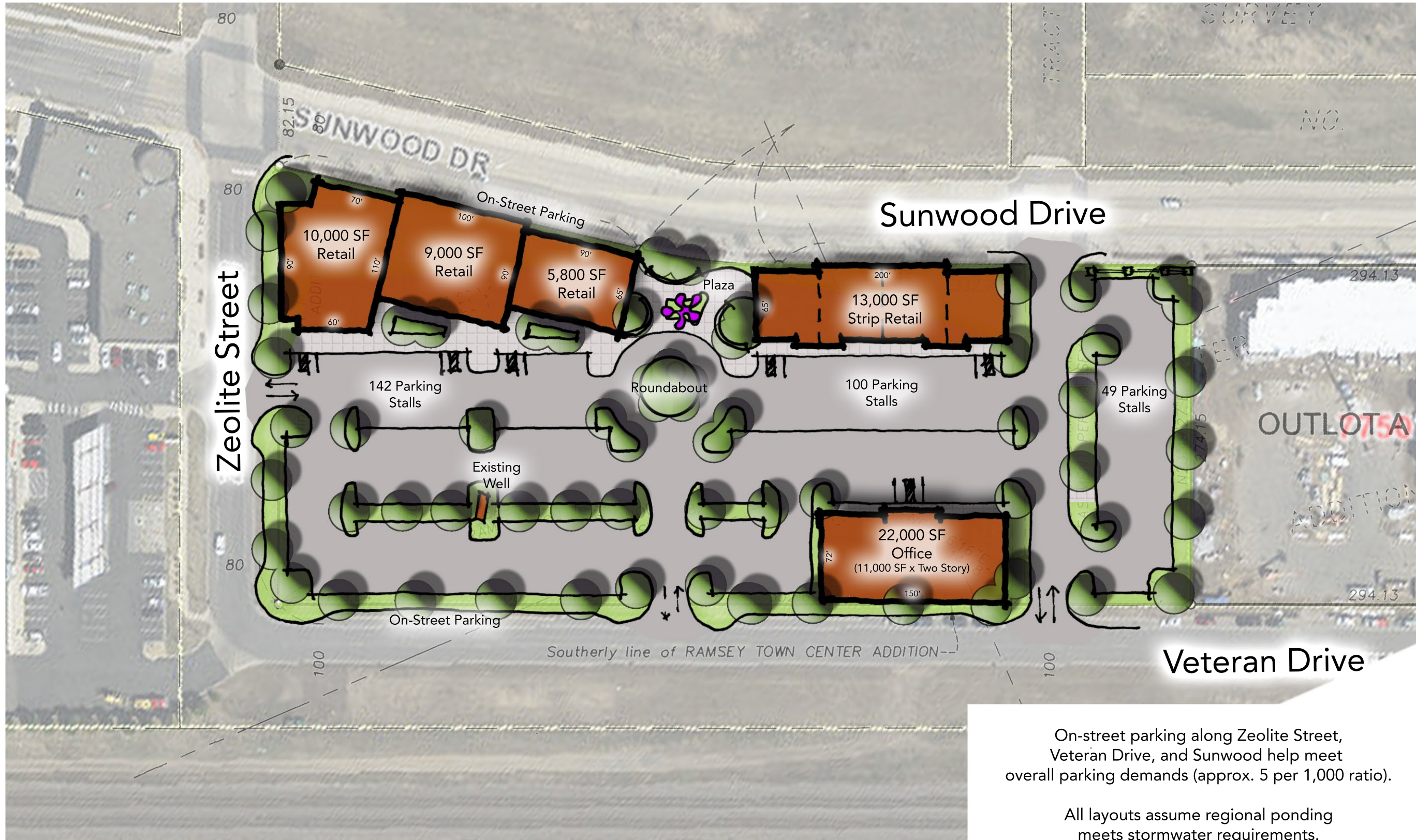


On-street parking along Zeolite Street, Veteran Drive, and Sunwood help meet overall parking demands (approx. 5 per 1,000 ratio).

All layouts assume regional ponding meets stormwater requirements.

LEGEND

- 59,800 SF
- 291 Parking Stalls
- Open Space



On-street parking along Zeolite Street, Veteran Drive, and Sunwood help meet overall parking demands (approx. 5 per 1,000 ratio).

All layouts assume regional ponding meets stormwater requirements.



LEGEND

- 61,300 SF
- 290 Parking Stalls
- Open Space



Sunwood Drive

Zeolite Street

Veteran Drive

On-street parking along Zeolite Street, Veteran Drive, and Sunwood help meet overall parking demands (approx. 5 per 1,000 ratio).

All layouts assume regional ponding meets stormwater requirements.



Project Background

Project-

The proposed 10,000 sf, 1-story, Stone Brook Academy & Daycare facility will include seven class rooms, a gym, kitchen, offices, reception area, and a playground. The academy will be staffed by 15-20 employees (including State certified instructors), and will serve 140 children. Mr. and Ms. Johnson have indicated they intend to construct a very nice looking building (including brick/ glass) and they generally understand design standards for The COR. Also, they want to create a facility that becomes an asset for the community, interacts with residents, and draws people to The COR.

Mr. and Ms. Johnson reviewed sites in Ramsey and neighboring cities (Coon Rapids, Andover, Elk River, Otsego, Rogers, etc.). The central part of The COR is their ideal location, and where they are proposing their new facility. They looked at multiple site locations within The COR. Site #1 is their most desired location. At this point, they estimate a need for 0.9-1-acres of land.

Site Location-

Stone Brook wants to be located in Ramsey. Furthermore, Stone Brook continues to indicate Site #1 is their ideal location. Site location is very important to Stone Brook.

Owners-

This is a project they've been researching and planning for over two years. They have reviewed the project with two developers, an architect, and with two banks. At this point, they are ready to make their dream a reality--they have their equity lined up--financing arranged--they are ready to apply for State Licensing--they are ready to go through the real estate entitlement process--they are ready to begin hiring/ training employees--and they are ready to enter into a purchase agreement with the City. Their goal is to begin construction in early summer 2017.

The new children's academy will be called Stone Brook. This startup company has an advantage in that Mrs. Johnson's father started a children's academy franchise in Florida called Prestmore Academy, therefore, Mr. and Mrs. Johnson will have the support of an experienced operator to assist with planning, preparation, and operation of the project. Here is a link to the Prestmore Academy website <http://www.prestmoreacademy.com/>. Please see "about" page for details. To begin, Mrs. Johnson will quit her current practice to operate Stone Brook. Mr. Johnson will continue his practice, until the businesses is self sustaining.

Mr. and Mrs. Johnson, Stone Brook Academy have described this venture as *much more than a business idea*. They believe this project is the accumulation of several personal and professional goals, that fulfills a deep-rooted passion to give back to the world--through the education and development of children. To them, this is their *dream*.

Mr. and Mrs. Johnson have also said it is very important for them to make strong connections to other users in The COR (and the community), to have a high-quality/ high-tech/ high-security facility, and to provide high-quality service offerings (academy). They have indicated they hope to be more than a childcare center, they are also an educational institution and asset to the community, and should not be compared to a purely traditional daycare center Horizon.

Both Mr. and Mrs. Johnson strongly believe in the vision of The COR-- especially the center of The COR. They believe in the principles of a walkable development, with close proximity to residential, close proximity to rail, high-quality architecture, and density. They believe their project is best located in (or near) the center of The COR, as a destination (140 kids, 20 employees). This is the main reason they want to be on Site #1.

Economic Development Authority (EDA)

4. 6.

Meeting Date: 03/09/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title

Consider Various Approvals Related to Reassignment of Lifestyle Properties, Inc. Purchase Agreement to Morning Sun Homes, Inc.

Purpose/Background:

PURPOSE

Bill Gleason (Lifestyle Construction) desires to reassign the attached purchase agreement (PA) to Morning Sun Homes, Inc. Please see attached cover letter and reassignment agreement (PA Amendment #3). In order for a reassignment of purchase agreement to occur, the City of Ramsey must provide written approval to Mr. Gleason (and Morning Sun Homes).

Staff considers this case to be administrative. We need to make sure we have proper documentation/ final form agreements, ready-to-go, to allow us to close on the sale of this property. As a result of this proposed change of ownership, we need to update:

- (1) Purchase Agreement
- (2) Resolution for Anoka County Records Office
- (3) Right-of-Re-Entry Agreement

BACKGROUND

The City entered into a purchase agreement for the sale of roughly 3-acres of city owned land to Lifestyle Construction (Bill Gleason) on May 31, 2016 for what is commonly referred to as the "U-shaped" residential parcel located in The COR. This agreement was set to close by September 26, 2016 (10 days after the September 16 inspection period deadline). The PA was approved for an extension to close (via two amendments). The agreement is now set to close by March 16, 2017.

Site History/ Site Information/ Property Listing

For detailed information on this site, please see 05/10/2016 Council regular meeting agenda (review of purchase agreement). This case was last reviewed by the Council on 01/10/2017, at which time they approved an extension to the purchase agreement (term).

Developer/ Proposed Project

For detailed information on the developer and proposed project, please see 05/10/2016 Council regular meeting agenda (review of purchase agreement). Also, please see 01/05 Planning Commission meeting agenda--case #2, Preliminary Plat.

Project Update

Mr. Gleason (the developer) has run into a handful of challenges in site design (which, were expected due to the characteristics of this site). As a result, he has taken longer to complete the entitlement process than originally expected (i.e. City platting process). He is still proposing a 12-unit, rambler style, detached, single family, association-type product.

It appears the project is moving forward. Sketch plan came forward in November--and was given the go ahead by the Planning Commission and City Council. Preliminary Plat was reviewed by the Planning Commission on 01/05. The Council will likely review Preliminary/ Final Plat at this meeting (03/14/2017).

Notification:

NA

Observations/Alternatives:

Morning Sun Homes Inc. is in a "active/good standing" with the State of Minnesota Secretary of State (registered business). Here is a link to their website: <http://www.morningsunhomes.com/index.html>.

Funding Source:

NA

Recommendation:

NA

Action:

Motion to recommend the City Council:

- (1) Approve the attached Purchase Agreement Amendment #3; reassigning the agreement to from Lifestyle Properties, INC. to Morning Sun Homes, Inc.

- (2) Adopt the attached Resolution #17-03-050; Authorizing the Sale of City Owned Land to Morning Sun Homes, Inc.

- (3) Approve the attached "Right-of-Re-Entry" Agreement with Morning Sun Homes, Inc.

Attachments

Resolution 17 03 050

Right of Re Entry Agreement

PA Amendment #3

PA Amendment #2

PA Amendment #1

PA (original)

Prelim PLAT

Request Letter

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 03/06/2017

Reviewed By

Kurt Ulrich

Date

03/06/2017 10:22 AM

Started On: 02/20/2017 01:31 PM

Councilmember XXXXXX introduced the following resolution and moved for its adoption:

CITY COUNCIL RESOLUTION #17-03-050

**RESOLUTION AUTHORIZING THE CITY OF RAMSEY TO SELL THREE ACRES
OF REAL PROPERTY.**

WHEREAS, the City of Ramsey, herein referred to as the “City,” owns various parcels throughout the City of Ramsey; and

WHEREAS, the City received and entered into a formal purchase agreement for the sale of the parcel legally described below (“the Property”), on May 10, 2016, with Lifestyle Properties Inc., a Minnesota Corporation:

OUTLOT A, RAMSEY TOWN CENTER 8th ADDITION, COUNTY OF ANOKA, STATE OF MINNESOTA

WHEREAS, the Property has PID 28-32-25-21-0030 and will be platted into new parcels:

LOTS 1-12, VISTAS AT NORTH COMMONS, COUNTY OF ANOKA, STATE OF MINNESOTA.

WHEREAS, the Property was declared by the City of Ramsey as surplus City owned land and is no longer needed for current for future City functions, and is authorized for sale; and

WHEREAS, the formal purchase agreement requires a Right-of-Re-Entry Agreement be recorded at the closing of this land transaction; and

WHEREAS, the formal purchase agreement was reassigned from Lifestyle Properties, Inc. to Morning Sun Homes, Inc. on March 14, 2017.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

- 1) That the City of Ramsey hereby declares the Property to be surplus City-owned land, and authorizes the property to be sold.
- 2) That the City of Ramsey hereby approves the sale of the Property to Morning Sun Homes, Inc. for a total of \$170,000.00 for the development of 12 residential lots.
- 3) That the City of Ramsey authorizes and requires a Right-of-Re-Entry Agreement to be recorded at the closing of this land transaction.

- 4) That the City of Ramsey hereby authorizes the City Administrator and Mayor to sign any and all documents necessary to close on the sale of the Property, consistent with Charter and State law requirements.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember XXXXX, and upon vote being taken thereon, the following voted in favor thereof:

XXXXXXXXXX

and the following voted against the same:

XXXXXXXXXX

and the following abstained:

XXXXXXXXXX

and the following were absent:

XXXXXXXXXX

Whereupon said resolution was declared duly passed and adopted by the City of Ramsey this the XXth day of XXXXXX, 2017.

Mayor

ATTEST:

City Clerk

[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement is entered into on _____, 2017, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Morning Sun Homes, Inc.**, a Minnesota corporation (“Buyer”).

Recitals

- A. On _____, 2017, Seller conveyed title of the following Property to Buyer:
- Outlot A, Ramsey Town Center 8th Addition, City of Ramsey, County of Anoka.
- B. Title to the Property was conveyed subject to Buyer fulfilling certain Conditions as set forth below.
- C. As indicated in the Purchase Agreement between the parties dated May 10, 2016, it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Conditions.

Agreement

1. The recitals are incorporated herein as if fully set forth.
2. Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3, or to re-enter and take possession of the Property pursuant to Paragraph 4, in the event that any of the following Conditions are not satisfied by Buyer:

- a. Buyer must obtain certificates of occupancy for the construction of nine single family homes pursuant to the following schedule:
 - i. Three certificates of occupancy by December 01, 2017.
 - ii. Three certificates of occupancy by December 01, 2018.
 - iii. Three certificates of occupancy by December 1, 2019.
3. Seller may impose a penalty of \$3,000.00 against the Property for each certificate of occupancy that is not obtained pursuant to the deadlines set forth above. The penalty is due upon written notice to Buyer from Seller of the failure to satisfy a contingency. In the event the penalty is not paid within 30 days of receipt of the notice, Seller may, but is not required to, certify the penalty to Anoka County as an assessment against the Property. Buyer waives any and all rights under Minnesota Statutes, chapter 429, and any other applicable law, including any right to notice of hearing and hearing, the right to object, and the right to appeal the assessment. Buyer further waives any requirements of the City Charter that may apply to said assessment.
4. As an alternative to imposition of a financial penalty and not in addition thereto, Seller may re-enter and take physical possession of the Property. Title to the Property shall be restored in Seller, and Buyer shall execute whatever documents and undertake whatever steps are necessary to establish and confirm Seller's fee simple interest in the Property free of any claims or encumbrances, including mechanic's liens.
5. This document constitutes the entire Right of Re-entry Agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by both parties.

CITY OF RAMSEY

By: _____
Sarah Strommen, Mayor

By: _____
Kurt Ulrich, City Administrator

This instrument was acknowledged before me on _____, 2017, by Sarah Strommen and Kurt Ulrich as Mayor and City Administrator, respectively, of the City of Ramsey, Minnesota.

Notary Public

MORNING SUN HOMES, INC.

By: _____
Mark Meuleners, Chief Executive Officer

This instrument was acknowledged before me on _____, 2017, by Mark Meuleners, Chief Executive Officer of Morning Sun Homes, Inc..

Notary Public

This instrument drafted by:
Ratwik, Roszak & Maloney, P.A.
730 Second Ave. S., Suite 300
Minneapolis, MN 55402
(612) 339-0060
(JL)

**THIRD AMENDMENT
TO
PURCHASE AGREEMENT
(Assignment Approval)**

This is the Third Amendment to the attached Purchase Agreement by and between the **City of Ramsey and Lifestyle Properties, Inc.** dated May 10, 2016, as amended by Amendment to Purchase Agreement dated November 16, 2016, and the Second Amendment to Purchase Agreement dated January 13, 2017.

Recitals

1. The Buyer desires to assign its entire interest in the Purchase Agreement, as amended, and all rights and obligations contained therein, to **Morning Sun Homes, Inc.** (“Assignee”).
2. Assignee desires to assume the Purchase Agreement, as amended, from Buyer, including all of Buyer’s rights and obligations contained therein.
3. Seller is amenable to the assignment from Buyer to Assignee, subject to the terms set forth below.

Agreement

1. **ASSIGNMENT APPROVAL.** Seller hereby approves the assignment of the Purchase Agreement, as amended, from Buyer to Assignee, subject to the following:
 - a. All of Buyer’s rights and obligations shall transfer to Assignee in their entirety. Assignee shall be fully responsible for fulfilling the terms and conditions of the Purchase Agreement, as amended, in the same manner as would Buyer had the Purchase Agreement not been assigned, unless otherwise agreed to in writing by Seller.
 - b. Any and all Earnest Money deposits made by Buyer to the Escrow Agent shall transfer to Assignee, to the extent said deposits have not already become non-refundable under the terms of the Purchase Agreement, as amended. Buyer hereby relinquishes all right, title and interest to the Earnest Money. To the extent required by the Escrow Agent, Buyer and Assignee shall execute documentation evincing the transfer to the Escrow Agent’s satisfaction.

2. **NOTICES.** In section 12 of the Purchase Agreement, Buyer's address for the purpose of receiving notices shall be replaced with the following for Assignee:

Mark A. Meuleners
Morning Sun Homes, Inc.
8862 Zealand Ave. N. Bay B
Brooklyn Park, MN 55455

3. **REMAINING TERMS.** All other provisions of the Purchase Agreement, as amended, remain unchanged except to the extent inconsistent with the terms of this Third Amendment. The terms used in this Third Amendment have the same meaning as in the Purchase Agreement, as amended.

The City of Ramsey, Minnesota

By: _____
Sarah Strommen, Mayor

Dated: _____, 2017

By: _____

Dated: _____, 2017

Lifestyle Properties, Inc.

By: _____
Bill Gleason, CEO

Dated: _____, 2017

Morning Sun Homes, Inc.

By: _____
Mark A. Meuleners, CEO

Dated: _____, 2017

**SECOND AMENDMENT
TO
PURCHASE AGREEMENT**

This is an Amendment to the attached Purchase Agreement by and between the **City of Ramsey and Lifestyle Properties, Inc.** dated May 10, 2016, as amended by the Amendment to Purchase Agreement dated November 16, 2016.

Recitals

1. The Buyer desires another extension of the Inspection Period, as that term is defined in section 8 of the Purchase Agreement.
2. The Seller is willing to provide an extension in consideration for additional Earnest Money, pursuant to the terms set forth below.

Agreement

1. EXTENSION OF INSPECTION PERIOD.

- a. The amended Inspection Period termination date of January 16, 2017, is hereby replaced with a termination date of March 16, 2017.
- b. Buyer acknowledges that the original \$5,000 of Earnest Money, as well as the additional \$2,500 for the November 16, 2016 extension and the additional \$2,500 for the January 16, 2017, extension, previously deposited with the Escrow Agent, are all non-refundable.
- c. In consideration for extending the Inspection Period to March 16, 2017, Buyer shall deposit an additional \$2,500 with the Escrow Agent on or before January 16, 2017. The additional \$2,500 of Earnest Money is non-refundable upon deposit with the Escrow Agent.
- d. An additional 60-day extension (to May 16, 2017), may be requested in writing by Buyer on or before March 16, 2017, in which event Buyer shall deposit an additional \$2,500 of Earnest Money with the Escrow Agent by March 16, 2017. The additional \$2,500 of Earnest Money is non-refundable upon deposit with the Escrow Agent.
- e. If Buyer does not deposit the additional Earnest Money with Escrow Agent as required above, then Seller may terminate the Purchase Agreement by written notice to Buyer.

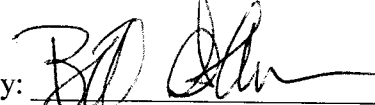
2. **REMAINING TERMS.** All other provisions of the Purchase Agreement remain unchanged except to the extent inconsistent with the terms of this Second Amendment. The terms used in this Second Amendment have the same meaning as in the Purchase Agreement.

SELLER: The City of Ramsey, Minnesota

By:  Dated: 1/13, 2017
Sarah Strommen, Mayor

By:  Kurt Ulrich, City Administrator

BUYER: Lifestyle Properties, Inc.

By:  Dated: 1/13/17, 2017
Bill Gleason, Chief Executive Officer

RRM: 248594

**AMENDMENT
TO
PURCHASE AGREEMENT**

This is an Amendment to the attached Purchase Agreement by and between the **City of Ramsey** and **Lifestyle Properties, Inc.** dated May 10, 2016.

Recitals

1. The Buyer desires an extension of the Inspection Period, as that term is defined in section 8 of the Purchase Agreement.
2. The Seller is willing to provide an extension in consideration for additional Earnest Money, pursuant to the terms set forth below.

Agreement

1. EXTENSION OF INSPECTION PERIOD.

- a. The original Inspection Period termination date of September 16, 2016, set forth in section 8 of the Purchase Agreement, is hereby replaced with a termination date of November 16, 2016.
 - b. Buyer acknowledges that the original \$5,000 of Earnest Money previously deposited with the Escrow Agent will become non-refundable as of November 16, 2016.
 - c. In consideration for extending the Inspection Period, Buyer shall deposit an additional \$2,500 with the Escrow Agent on or before September 16, 2016. The additional \$2,500 of Earnest Money is non-refundable upon deposit with the Escrow Agent.
 - d. An additional 60-day extension (to January 16, 2017), may be requested in writing by Buyer on or before November 16, 2016, in which event Buyer shall deposit an additional \$2,500 of Earnest Money with the Escrow Agent by November 16, 2016. The additional \$2,500 of Earnest Money is non-refundable upon deposit with the Escrow Agent.
 - e. If Buyer does not deposit the additional Earnest Money with Escrow Agent as required above, then Seller may terminate the Purchase Agreement by written notice to Buyer.
- 2. REMAINING TERMS.** All other provisions of the Purchase Agreement remain unchanged except to the extent inconsistent with the terms of this Amendment.

The terms used in this Amendment have the same meaning as in the Purchase Agreement.

SELLER: The City of Ramsey, Minnesota

By: _____
Sarah Strommen, Mayor

Dated: _____, 2016

By: _____
Kurt Ulrich, City Administrator

BUYER: Lifestyle Properties, Inc.

By: _____
Bill Gleason, Chief Executive Officer

Dated: _____, 2016

238333

PURCHASE AGREEMENT

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

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

1. **EFFECTIVE DATE.** The effective date of this Agreement is May 10, 2016 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, legally described as follows:

Outlot A, Ramsey Town Center 8th Addition, City of Ramsey, County of Anoka

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

28-32-25-21-0030

3. **PURCHASE PRICE.** The purchase price for the Property is \$170,000 (the “Purchase Price”).
4. **EARNEST MONEY.** Within three (3) business days after the Effective Date, Buyer must deposit the sum of \$5,000 (the “Earnest Money”) with Title One Inc., 7533 Sunwood Drive NW, Ramsey, MN 55303 (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
 - b. Unless Buyer has previously terminated this Agreement pursuant to Section 8, \$5,000 of the Earnest Money (the “Initial Disbursement”) becomes non-refundable to Buyer (except in accordance with Section 23 as a result of a default by Seller) on September 16, 2016, and on that date Escrow Agent must disburse the Initial Disbursement to Seller.

- c. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 8(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 23 as a result of a default by Seller).
- d. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 8(b), this Agreement automatically terminates and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).
- e. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.

5. TITLE COMMITMENT.

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

Seller pursuant to Sections 4(b) and (c)) (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three (3) business days after Buyer’s receipt of Seller’s Title Notice, than Seller must perform in accordance with Seller’s Title Notice, Buyer shall be deemed to have waived Buyer’s objections to the extent Seller has not agreed to address them in Seller’s Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller’s Title Notice.

- 6. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the expiration of the Inspection Period (as defined in Section 9), Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Upon the earlier of the date one week after Buyer’s completion of its activities on the Property or the date one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all “Claims,” as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer’s employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller’s approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer’s geotechnical and environmental investigations and testing of the Property including, without

limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

f. The cost of any test or additional survey work will be borne solely by Buyer.

7. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

8. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to September 16, 2016 (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review,

consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).

9. DEFINITIONS. As used in this Agreement:

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

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

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

- 10. RELEASE.** Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and

contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

11. INDEMNITY. Buyer agrees to indemnify, hold harmless and defend Seller or anyone acting on its behalf for, from and against any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) past, present and future, existing and contingent, known and unknown arising out of, resulting from, or relating to the condition of the Property. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property, regardless of whether the foregoing condition of the Property was caused in whole or in part by the Seller's actions or inactions.

12. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail, fax or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if delivered in any other manner, when the party to whom the notice is directed actually receives the notice. If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303

Buyer: William Gleason
8100 36th Ave N
New Hope, MN 55746
Phone: 1-808-649-0446
Email: billgleasonjr@gmail.com

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

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

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

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

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

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

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller's portion of the prorated property taxes.
 2. Seller's own attorney's fees.

3. One-half the cost of any closing fees.
 4. State deed tax.
 5. The cost of providing Title Commitment as prescribed in Section 6
 6. The cost of real estate broker commission fees as prescribed in Section 15.
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
1. Buyer's portion of prorated property taxes.
 2. Buyer's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. Documentary and recording fees for the deed(s).
 5. The cost of the owner's title insurance policy if Buyer elects to purchase an Owner's title insurance policy.

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

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

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

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

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

18. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

19. ENTIRE AGREEMENT / MODIFICATION. This written Agreement, and the related Development Agreement, if any, constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or

modification of any of its terms will be effective unless in writing executed by the parties. In the event the terms of this Agreement conflict with the terms of the Development Agreement, the latter shall control.

20. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

21. CONTROLLING LAW. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and

drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. OPTION TO EXTEND.** In the event Buyer requests a 30 day extension of the Inspection Period or Closing Date, and the extension is agreed to in writing by Seller, Buyer must deposit an additional \$2,500 Earnest Money with the Escrow Agent. The additional Earnest Money is nonrefundable, and will comply with terms outlined in Section 4 of this Agreement.
- 29. PLATTING & DEVELOPMENT AGREEMENT.** Buyer must obtain an approved final plat and a development agreement with the City of Ramsey for the development of a minimum twelve (12) residential lots on the Property before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.
- 30. CONSTRUCTION DEADLINE.** Buyer shall obtain certificates of occupancy for the construction of nine single family homes pursuant to the following schedule:

Construction Deadline Schedule:

Three certificates of occupancy by October 1, 2017

Three certificates of occupancy by October 1, 2018

Three certificates of occupancy by October 1, 2019

At Closing, a "Right of Re-Entry Agreement" must be executed and recorded to the Property providing that, in the event any of the above deadlines are not met, Seller has the right to reclaim title to the parcels for which certificates of occupancy have not been obtained, or in the alternative, and at Seller's sole discretion, Buyer shall pay Seller \$3,000 for each certificate of occupancy that is not obtained pursuant to the deadlines set forth above.

SELLER: The City of Ramsey, Minnesota

By: 
Sarah Strommen, Mayor

Dated: May 31, 2016

By: 
Kurt Ulrich, City Administrator

BUYER: Lifestyle Properties, Inc.

By: 
Bill Gleason, Chief Executive Officer

Dated: May 31, 2016

PUD Development Plan, Preliminary Plat & Final Plans

for

Vistas at North Commons Ramsey, Minnesota

Prepared for:

Morning Sun Homes
8862 Zealand Avenue North Bay B
Brooklyn Park, Minnesota 55445
Contact: Mark Meuleners
Phone: 763-424-4222

Prepared by:

Westwood

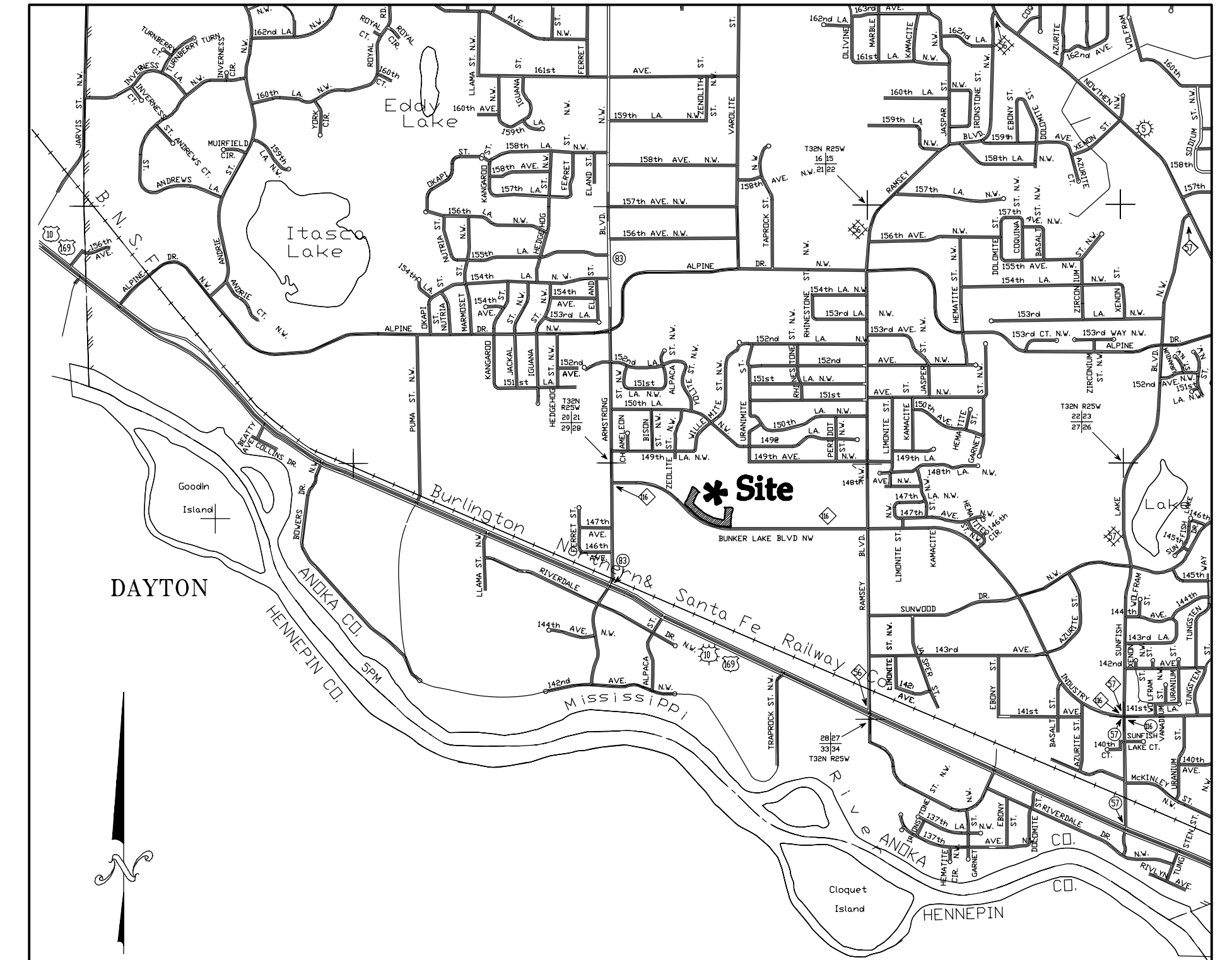
Phone (952) 937-5150 7699 Anagram Drive
 Fax (952) 937-5822 Eden Prairie, MN 55344
 Toll Free (888) 937-5150 westwoodps.com

Westwood Professional Services, Inc.

Project number: 0009798.00

Contact: John Bender

Vicinity Map



(Not to Scale)

NO.	DATE	REVISION	SHEETS
1	12/20/16	CITY COMMENTS	ALL

Sheet List Table	
Sheet Number	Sheet Title
1	Cover
2	Existing Conditions
3	Development Stage PUD – Preliminary Plat
4	Final Grading Plan & Erosion Control Plan
5	Final Utility Service Plan
6	Details
7	Final Landscape Plan
8	Landscape Details

PUD Development Plan, Preliminary Plat & Final Plans

for

Vistas at North Commons
Ramsey, Minnesota

Date: 12/02/2016 Sheet: 1 of 8

BENCHMARKS:

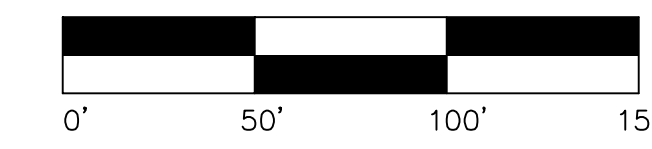
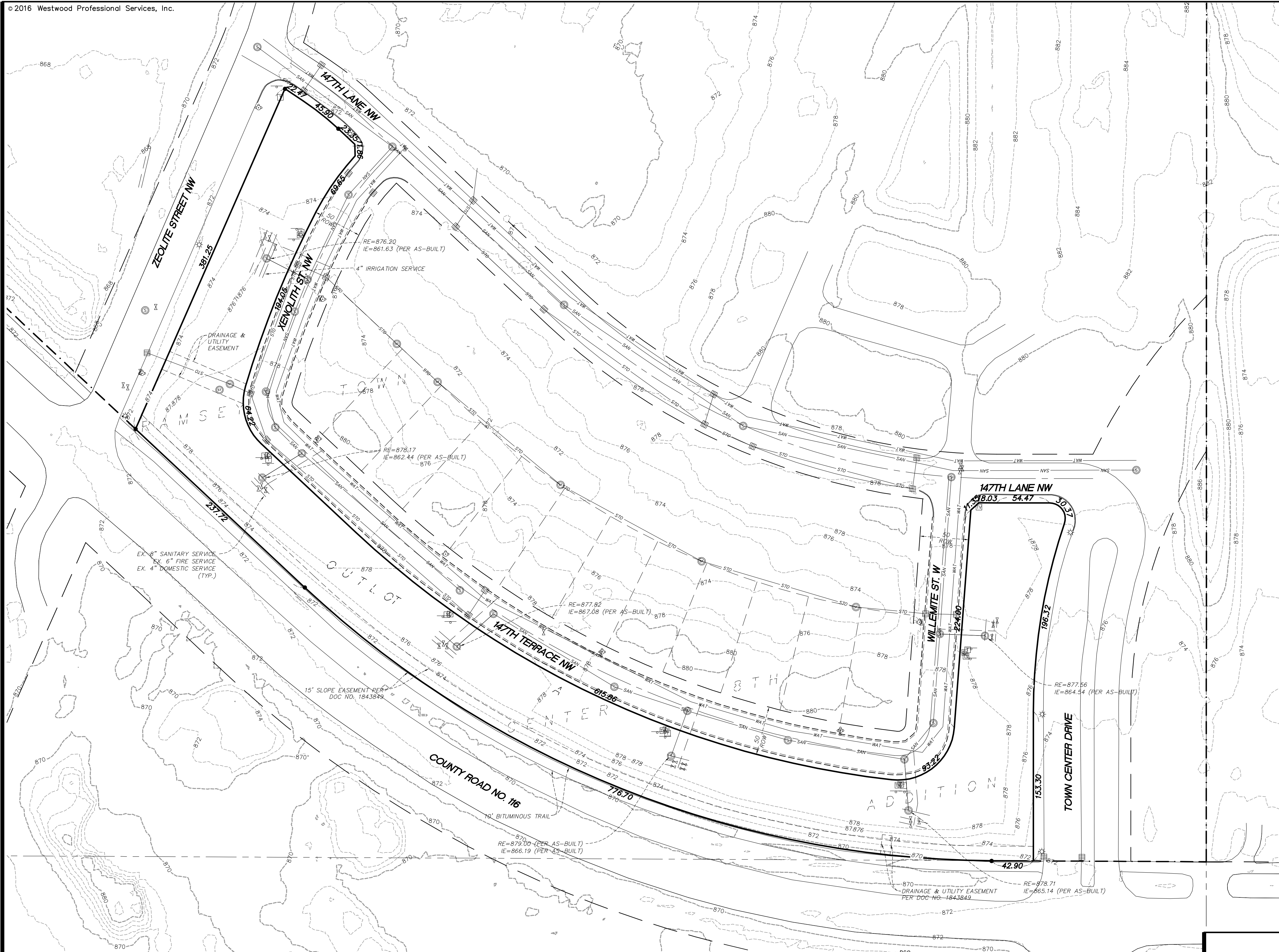
THE VERTICAL DATUM AVAILABLE IS AT 1988NAVD IN US SURVEY FEET;
 HELD MNDOT STATION 0202 B = ELEV. 865.02

PROPERTY DESCRIPTION:

Outlot A, RAMSEY TOWN CENTER 8TH ADDITION, according to the recorded plat thereof, Anoka County, Minnesota.

LEGEND

- | | | | |
|--|---------------------|--|-----------------------|
| | BUSH/SHRUB | | STORM MANHOLE |
| | CONIFEROUS TREE | | TELEPHONE BOX |
| | DECIDUOUS TREE | | TELEPHONE MANHOLE |
| | WETLAND | | TRAFFIC CONTROL BOX |
| | STEEL/WOOD POST | | HAND HOLE |
| | SIGN-TRAFFIC/OTHER | | TRAFFIC LIGHT |
| | SIGN-TRAFFIC/OTHER | | GATE VALVE |
| | MAIL BOX | | HYDRANT |
| | HANDICAPPED STALL | | WATER METER |
| | PERC TEST | | CURB STOP BOX |
| | MONITORING WELL | | WATER MANHOLE |
| | CABLE TV BOX | | WELL |
| | GAS METER | | CABLE TV |
| | STREET LITE | | GAS LINE |
| | GUY WIRE | | POWER OVERHEAD |
| | POWER POLE | | POWER UNDERGROUND |
| | ELECTRIC BOX | | SANITARY SEWER |
| | ELECTRIC METER | | STORM SEWER |
| | ELECTRIC MANHOLE | | TELEPHONE OVERHEAD |
| | ELECTRIC TOWER | | TELEPHONE UNDERGROUND |
| | SANITARY MANHOLE | | WATERMAIN |
| | SEWER CLEANOUT | | FENCE LINE |
| | BEEHIVE CATCH BASIN | | DECIDUOUS TREE LINE |
| | CATCH BASIN | | CONIFEROUS TREE LINE |
| | FLARED END SECTION | | CURB & GUTTER |
| | CONCRETE SURFACE | | BITUMINOUS SURFACE |



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Date: 12/02/2016 Sheet: 2 OF 8

Westwood

Phone (952) 937-5150 7699 Anagram Drive
 Fax (952) 937-5822 Eden Prairie, MN 55344
 Toll Free (888) 937-5150 westwoodps.com
 Westwood Professional Services, Inc.

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly licensed PROFESSIONAL SURVEYOR under the laws of the State of Minnesota.

Craig W. Morse
 Date: 12/20/16 License No. 23021

Revisions:

12/20/16: CITY COMMENTS

Designed: _____
 Checked: _____
 Drawn: _____
 Record Drawing by/date: _____

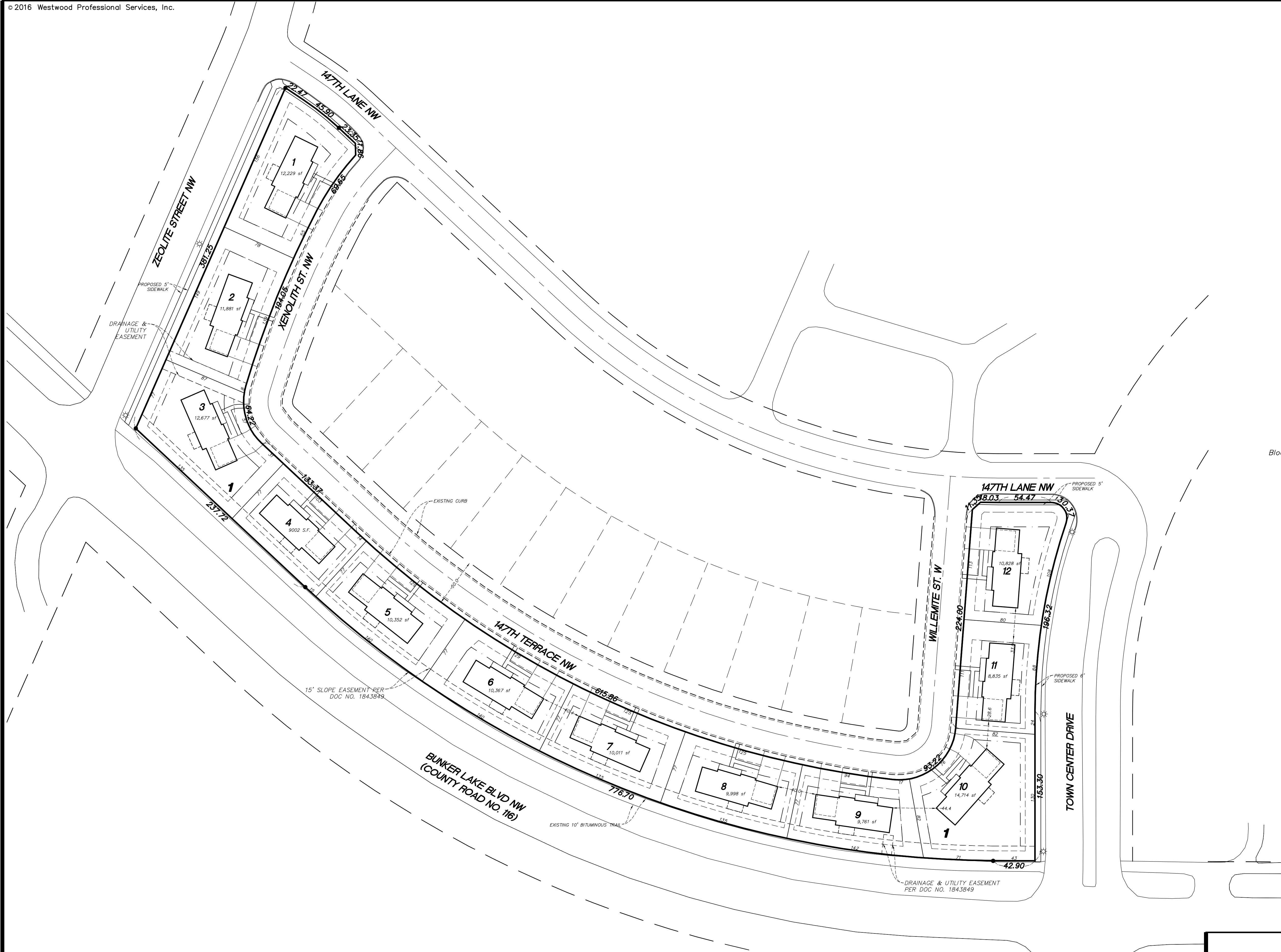
Prepared for:

Morning Sun Homes
 8662 Zealand Avenue North Bay B
 Brooklyn Park, Minnesota 55445

Vistas at North Commons

Ramsey, Minnesota

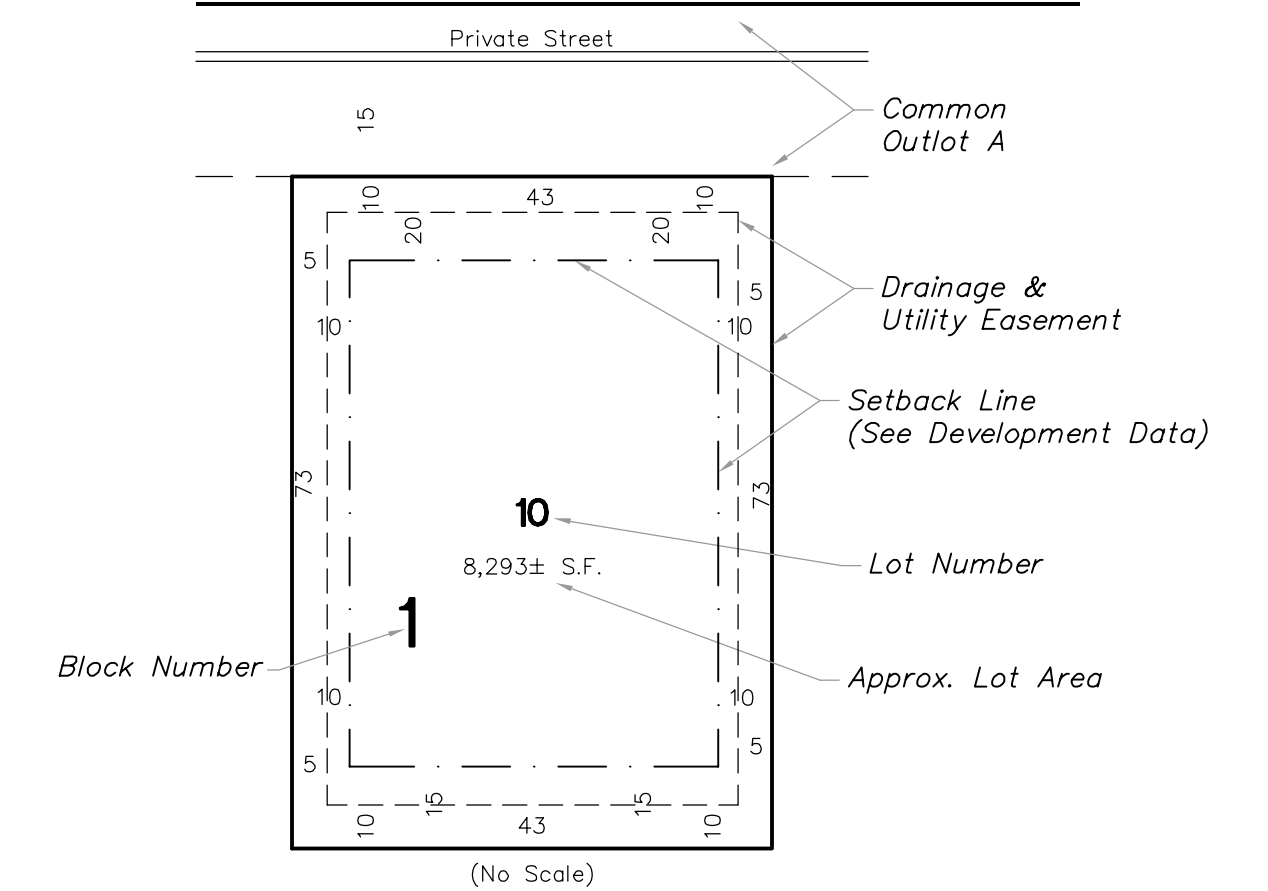
Existing Conditions



Development Data

Total Site Area:	3.00 ac.
Existing Zoning:	Town Center (See Master Plan for Sub-Districts)
Proposed Zoning:	xxxx
Proposed Units:	12
Development Standards:	
- Lot Width @ Setback:	Varies
- Lot Depth:	77'
- Lot Area:	8,835 sf (min)
- Average Lot Area:	10,888 sf
Setbacks (minimums):	
- Front Yard Setback:	20'
- Side Yard Setback:	10'/10' 20' Total
- Side Yard Setback (corner):	25'
- Rear Yard Setback:	15'

Typical Lot (Varies)



PROPERTY DESCRIPTION:

Outlot A, RAMSEY TOWN CENTER 8TH ADDITION, according to the recorded plat thereof, Anoka County, Minnesota.

NOTE:

The lot dimensions and areas on this plan are approximate. Refer to the final plat and supporting data for exact lot dimensions and areas.

Westwood

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 Date: 12/20/16 License No. 23021

Revisions:

12/20/16: CITY COMMENTS	

Designed: _____
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 Record Drawing by/date: _____

Prepared for:

Morning Sun Homes
 8862 Zealand Avenue North Bay B
 Brooklyn Park, Minnesota 55445

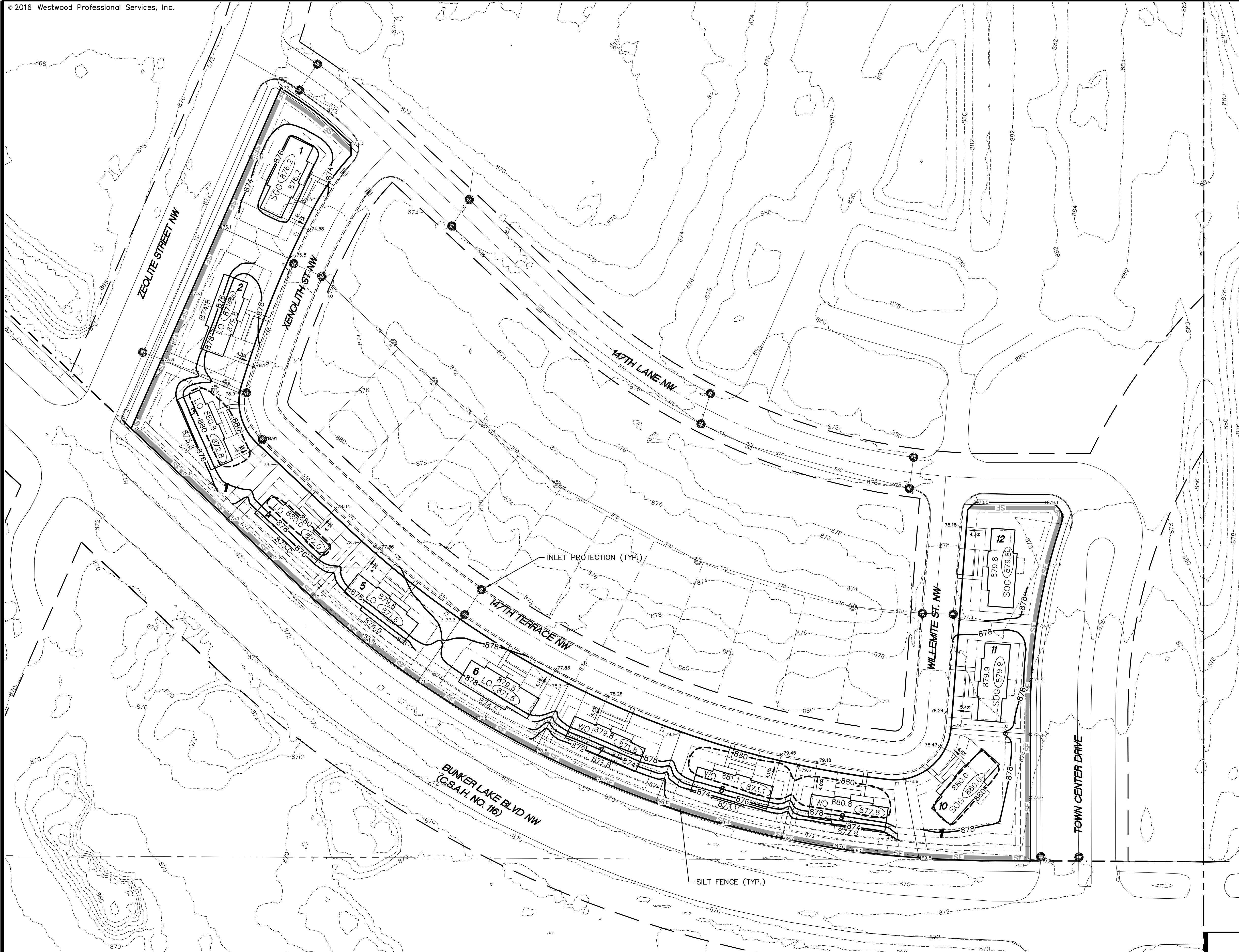
Vistas at North Commons

Ramsey, Minnesota

Date: 12/02/2016 Sheet: 3 OF 8

Development Stage PUD
 - Preliminary Plat

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NOTES:

MASS GRADING AND EROSION CONTROL WAS DESIGNED BY OTHERS.

THIS PLAN IS INTENDED FOR USE IN PREPARING LOT CERTIFICATES, INDIVIDUAL HOME CONSTRUCTION AND LOT GRADING. ADDITIONAL MASS GRADING OF THE SITE IS NOT PROPOSED.

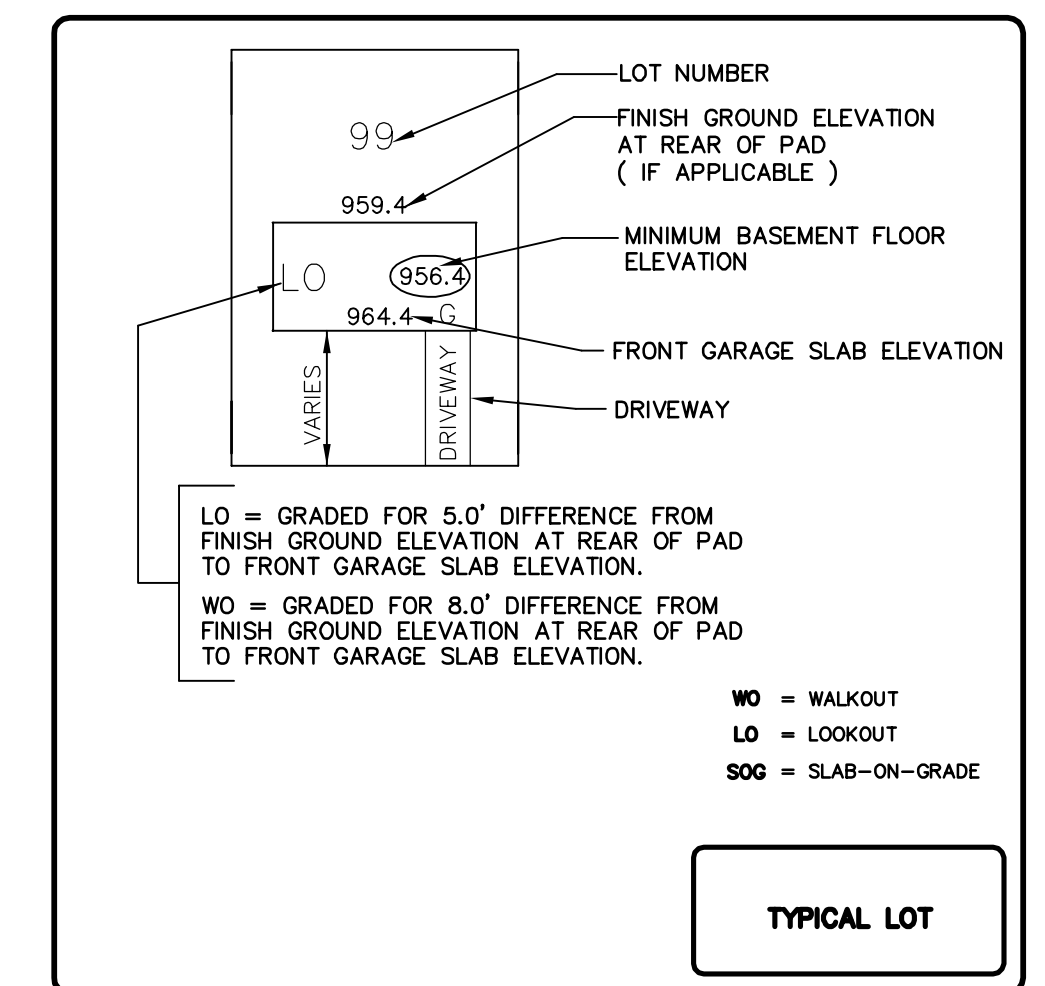
INDIVIDUAL HOME BUILDER(S) TO BE RESPONSIBLE FOR EROSION CONTROL DUE TO HOME CONSTRUCTION.

EROSION CONTROL NOTES:

- ALL SILT FENCE AND OTHER EROSION CONTROL FEATURES SHALL BE IN-PLACE PRIOR TO ANY EXCAVATION/CONSTRUCTION AND SHALL BE MAINTAINED UNTIL VIABLE TURF OR GROUND COVER HAS BEEN ESTABLISHED. EXISTING SILT FENCE ON-SITE SHALL BE MAINTAINED AND OR REMOVED AND SHALL BE CONSIDERED INCIDENTAL TO THE GRADING CONTRACT. IT IS OF EXTREME IMPORTANCE TO BE AWARE OF CURRENT FIELD CONDITIONS WITH RESPECT TO EROSION CONTROL. TEMPORARY PONDING, DIKES, HAY BALES, ETC., REQUIRED BY THE CITY SHALL BE INCIDENTAL TO THE GRADING CONTRACT.
- ALL STREETS DISTURBED DURING WORKING HOURS MUST BE CLEANED AT THE END OF EACH WORKING DAY. A ROCK ENTRANCE TO THE SITE MUST BE PROVIDED ACCORDING TO DETAILS TO REDUCE TRACKING OF DIRT ONTO PUBLIC STREETS.

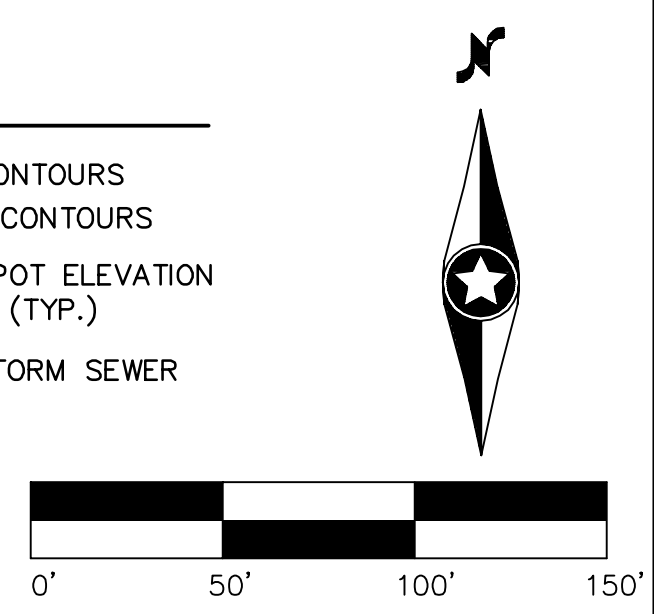
GENERAL GRADING & DRAINAGE NOTES:

- ALL CONTOURS AND SPOT ELEVATIONS ARE SHOWN TO FINISHED SURFACE/GUTTER GRADES UNLESS OTHERWISE NOTED.
- ALL DRIVEWAY SPOT ELEVATIONS ARE SHOWN TO TOP BACK CURB.
- REFER TO THE SITE PLAN/RECORD PLAN FOR MOST CURRENT HORIZONTAL SITE DIMENSIONS AND LAYOUT.
- THE CONTRACTOR SHALL VERIFY THE LOCATION AND ELEVATION OF EXISTING UTILITIES AND TOPOGRAPHICAL FEATURES WITH THE OWNERS AND FIELD-VERIFY PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL IMMEDIATELY NOTIFY THE ENGINEER OF ANY DISCREPANCIES OR VARIATIONS FROM PLAN.
- ALL CONSTRUCTION SHALL CONFORM TO LOCAL RULES.
- POSITIVE DRAINAGE FROM THE SITE MUST BE PROVIDED AT ALL TIMES.



LEGEND

- 980 — DENOTES EXISTING CONTOURS
- 980 — DENOTES PROPOSED CONTOURS
- 23.46 DENOTES EXISTING SPOT ELEVATION AT TOP BACK CURB. (TYP.)
- DENOTES EXISTING STORM SEWER



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Date: 12/02/2016 Sheet: 4 OF 8

Westwood

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 Westwood Professional Services, Inc.

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly licensed PROFESSIONAL ENGINEER under the laws of the State of Minnesota.

John Bender
 Date: 12/20/16 License No. 43358

Revisions:

12/20/16: CITY COMMENTS	

Designed: JHB
 Checked: JHB
 Drawn: HW
 Record Drawing by/date:

Prepared for:

Morning Sun Homes

8662 Zealand Avenue North Bay B
 Brooklyn Park, Minnesota 55445

Vistas at North Commons

Ramsey, Minnesota

Final Grading Plan & Erosion Control Plan

General Utility Notes

THE CONTRACTOR SHALL VERIFY ALL EXISTING CONDITIONS PRIOR TO CONSTRUCTION AND NOTIFY THE OWNER OF ANY DIFFERENCES.

UNLESS OTHERWISE NOTED, ALL MATERIALS, CONST. TECHNIQUES AND TESTING SHALL CONFORM TO THE CITY OF RAMSEY ENGINEERING GUIDELINES & THE CURRENT EDITIONS OF THE "STANDARD UTILITIES SPECIFICATIONS FOR WATER MAIN AND SERVICE LINE INSTALLATION AND SANITARY SEWER AND STORM SEWER INSTALLATION BY THE CITY ENGINEERING ASSOCIATION OF MINN." AND TO THE "STANDARD SPECIFICATION FOR HIGHWAY CONSTRUCTION" MINN. DEPT. OF TRANS. THE CONTRACTOR SHALL BE REQUIRED TO FOLLOW ALL PROCEDURES AS OUTLINED BY THE LOCAL AGENCY.

THE CONTRACTOR SHALL RECEIVE THE NECESSARY PERMITS.

VERIFY EXISTING INVERT LOC. & ELEV. PRIOR TO BEGINNING CONSTRUCTION.

THE WATER SERVICE SHALL BE INSTALLED WITH A MIN. OF 7.5 FT. OF COVER. THE CONTRACTOR SHALL VERIFY THE CITY AS-BUILT CONSTRUCTION PLANS TO CHECK LOCATION AND MATERIAL TYPE.

THE CONTRACTOR SHALL CONTACT "GOPHER STATE ONE CALL" FOR FOR UTILITY LOCATIONS PRIOR TO UTILITY INSTALLATION.

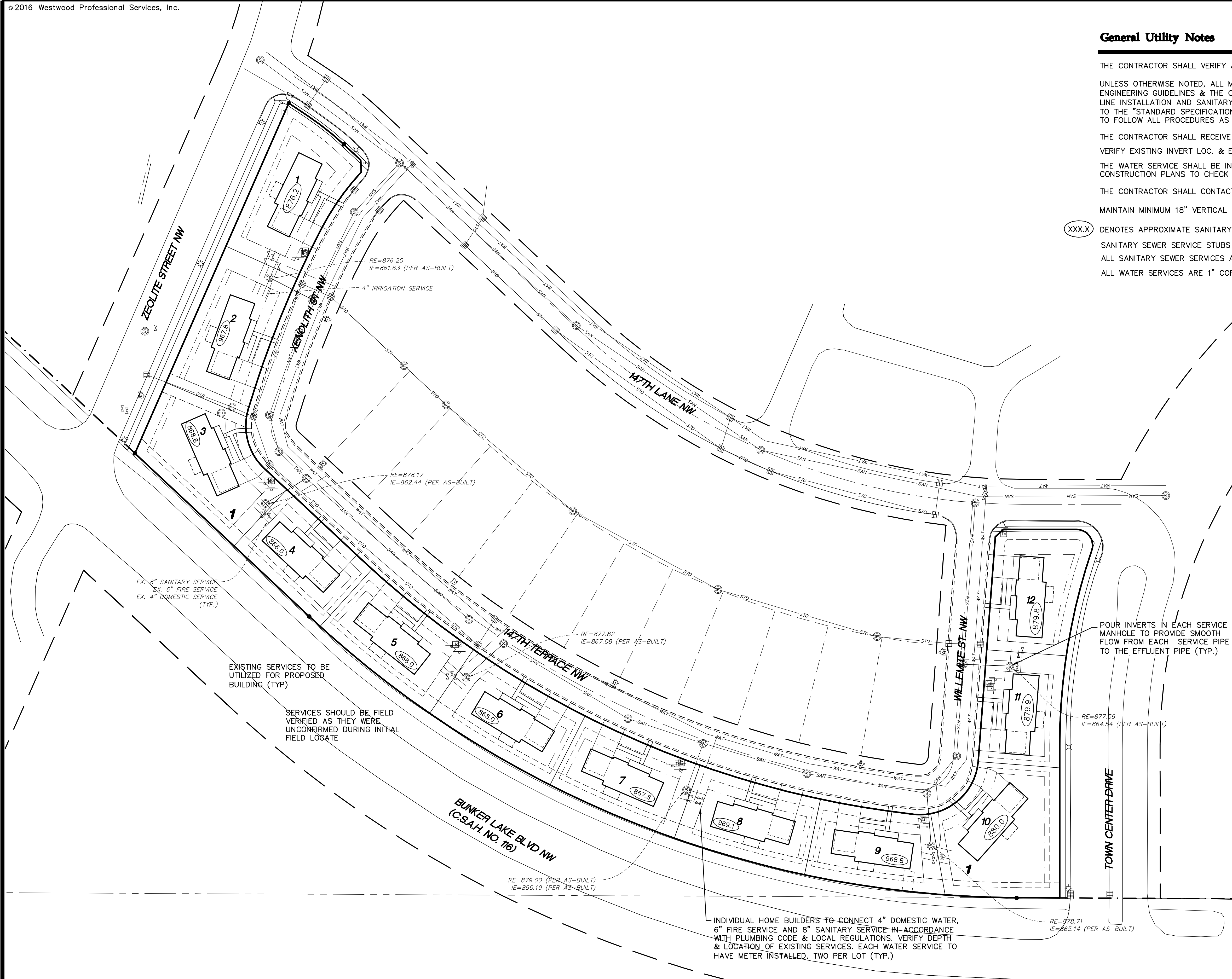
MAINTAIN MINIMUM 18" VERTICAL SEPARATION BETWEEN WATER MAIN & SANITARY SEWER.

(XXX.X) DENOTES APPROXIMATE SANITARY SEWER SERVICE INVERT @ 5' OUTSIDE BUILDING FOOTING.

SANITARY SEWER SERVICE STUBS TYPICALLY 3' DOWNSTREAM OF WATER SERVICE CURB STOP

ALL SANITARY SEWER SERVICES ARE 4" SDR 26.

ALL WATER SERVICES ARE 1" COPPER.



Legend

- | | | | |
|--|---------------------|--|-----------------------|
| | BUSH/SHRUB | | STORM MANHOLE |
| | CONIFEROUS TREE | | TELEPHONE BOX |
| | DECIDUOUS TREE | | TELEPHONE MANHOLE |
| | WETLAND | | TRAFFIC CONTROL BOX |
| | STEEL/WOOD POST | | HAND HOLE |
| | SIGN-TRAFFIC/OTHER | | TRAFFIC LIGHT |
| | SIGN-TRAFFIC/OTHER | | GATE VALVE |
| | MAIL BOX | | HYDRANT |
| | HANDICAPPED STALL | | WATER METER |
| | PERC TEST | | CURB STOP BOX |
| | MONITORING WELL | | WATER MANHOLE |
| | CABLE TV BOX | | WELL |
| | GAS METER | | CABLE TV |
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| | ELECTRIC MANHOLE | | TELEPHONE OVERHEAD |
| | ELECTRIC TOWER | | TELEPHONE UNDERGROUND |
| | SANITARY MANHOLE | | WATERMAIN |
| | SEWER CLEANOUT | | FENCE LINE |
| | BEEHIVE CATCH BASIN | | DECIDUOUS TREE LINE |
| | CATCH BASIN | | CONIFEROUS TREE LINE |
| | FLARED END SECTION | | CURB & GUTTER |
| | CONCRETE SURFACE | | BITUMINOUS SURFACE |

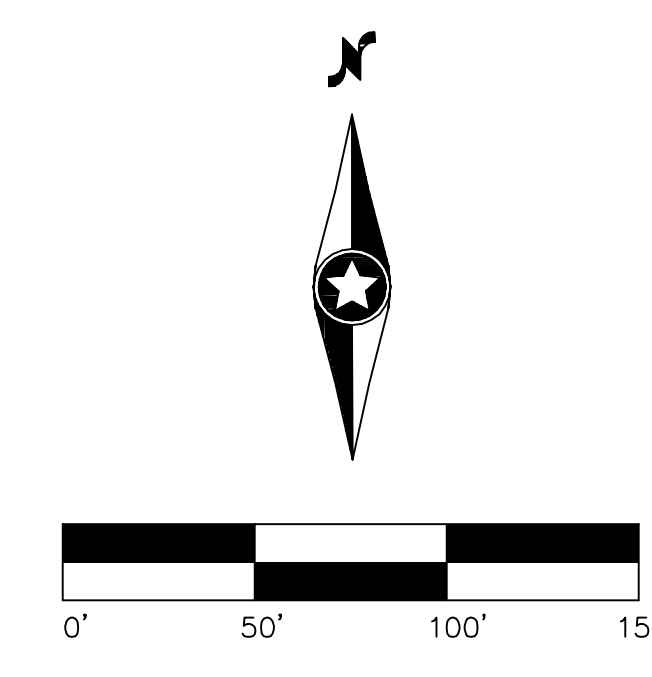
POUR INVERTS IN EACH SERVICE MANHOLE TO PROVIDE SMOOTH FLOW FROM EACH SERVICE PIPE TO THE EFFLUENT PIPE (TYP.)

EXIST. 8" SANITARY SERVICE
 EX. 6" FIRE SERVICE
 EX. 4" DOMESTIC SERVICE (TYP.)

EXISTING SERVICES TO BE UTILIZED FOR PROPOSED BUILDING (TYP)

SERVICES SHOULD BE FIELD VERIFIED AS THEY WERE UNCONFIRMED DURING INITIAL FIELD LOCATE

INDIVIDUAL HOME BUILDERS TO CONNECT 4" DOMESTIC WATER, 6" FIRE SERVICE AND 8" SANITARY SERVICE IN ACCORDANCE WITH PLUMBING CODE & LOCAL REGULATIONS. VERIFY DEPTH & LOCATION OF EXISTING SERVICES. EACH WATER SERVICE TO HAVE METER INSTALLED, TWO PER LOT (TYP.)



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Date: 12/02/2016 Sheet: 5 OF 8

Westwood

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John Bender
 Date: 12/20/16 License No. 43358

Revisions:

12/20/16: CITY COMMENTS	

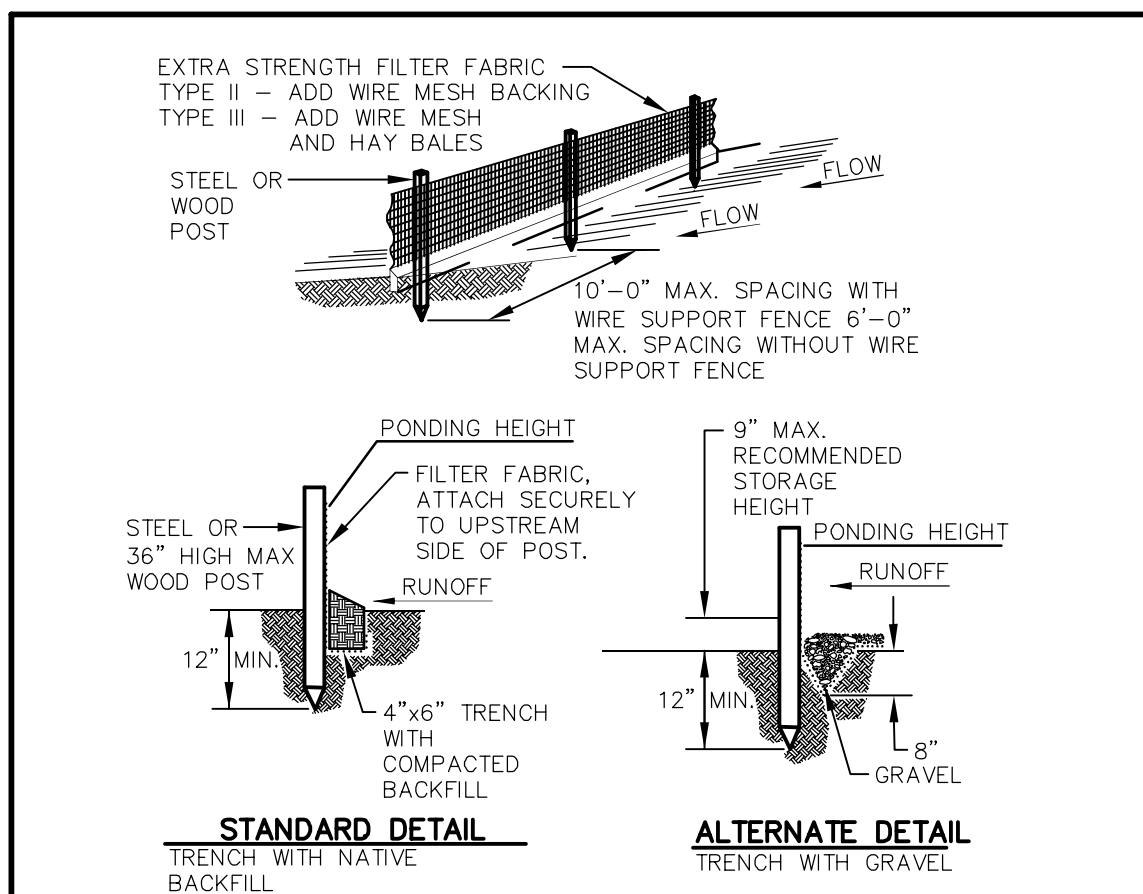
Designed: JHB
 Checked: JHB
 Drawn: HW
 Record Drawing by/date:

Prepared for:

Morning Sun Homes
 8862 Zealand Avenue North Bay B
 Brooklyn Park, Minnesota 55445

Vistas at North Commons
 Ramsey, Minnesota

Final Utility Service Plan

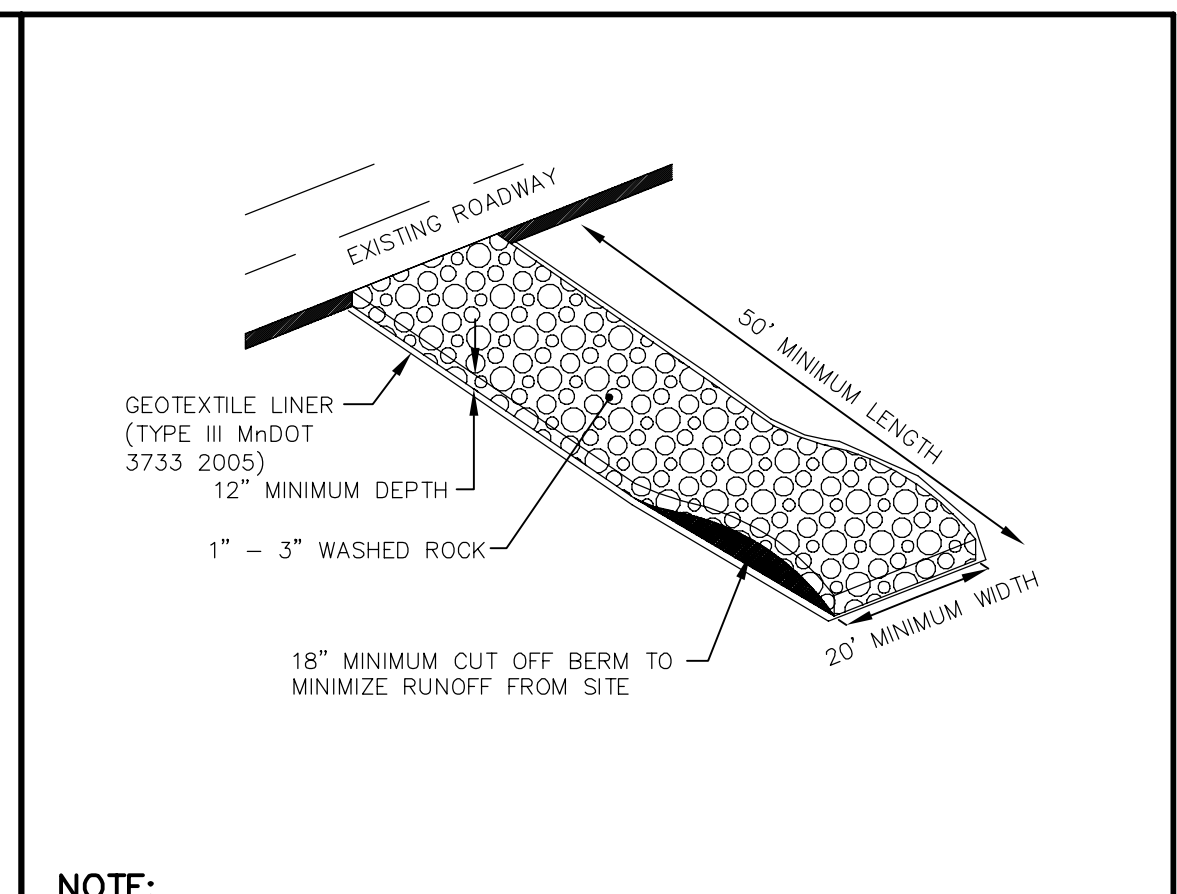


- NOTE:**
- INSPECT AND REPAIR FENCE AFTER EACH STORM EVENT AND REMOVE SEDIMENT WHEN NECESSARY.
 - REMOVED SEDIMENT SHALL BE DEPOSITED TO AN AREA THAT WILL NOT CONTRIBUTE SEDIMENT OFF-SITE AND CAN BE PERMANENTLY STABILIZED.
 - SILT FENCE SHALL BE PLACED ON SLOPE CONTOURS TO MAXIMIZE PONDING EFFICIENCY.

Westwood	SILT FENCE	LAST REVISED: 03/03/08	Westwood	ROCK CONSTRUCTION ENTRANCE	LAST REVISED: 03/03/08
		GDO2			GD05

SPECIFICATIONS AND STANDARDS	
AISC MANUAL OF STEEL CONSTRUCTION, 9TH EDITION.	
AWS STRUCTURAL WELDING CODE - STEEL, D1.1-94.	
29 CFR 1926 - OSHA SAFETY AND HEALTH STANDARDS	
DESIGN LOADS	
ALLOWABLE AXLE WEIGHT LOAD	n/a
SAFETY FACTOR	n/a
WATER FLOW RATE (THROUGH POLYESTER SLEEVE)	0.476 cfs @ 3" head
MAXIMUM OVERFLOW RATE	2.14 cfs @ 15" head
NOTE:	
1. STREET CONTRACTOR TO INSTALL AFTER CURB & GUTTER IS INSTALLED. MAINTAIN UNTIL SITE IS STABILIZED.	

Westwood	ROAD DRAIN CG-23	LAST REVISED: 03/03/08	Westwood	TEMPORARY EROSION BLANKETS	LAST REVISED: 03/03/08
	"WIMCO" CURB INLET PROTECTION	GD12		TURF REINFORCEMENT MATS FOR SLOPES	GD21



Westwood	TEMPORARY EROSION BLANKETS	LAST REVISED: 03/03/08
	TURF REINFORCEMENT MATS FOR SLOPES	GD21

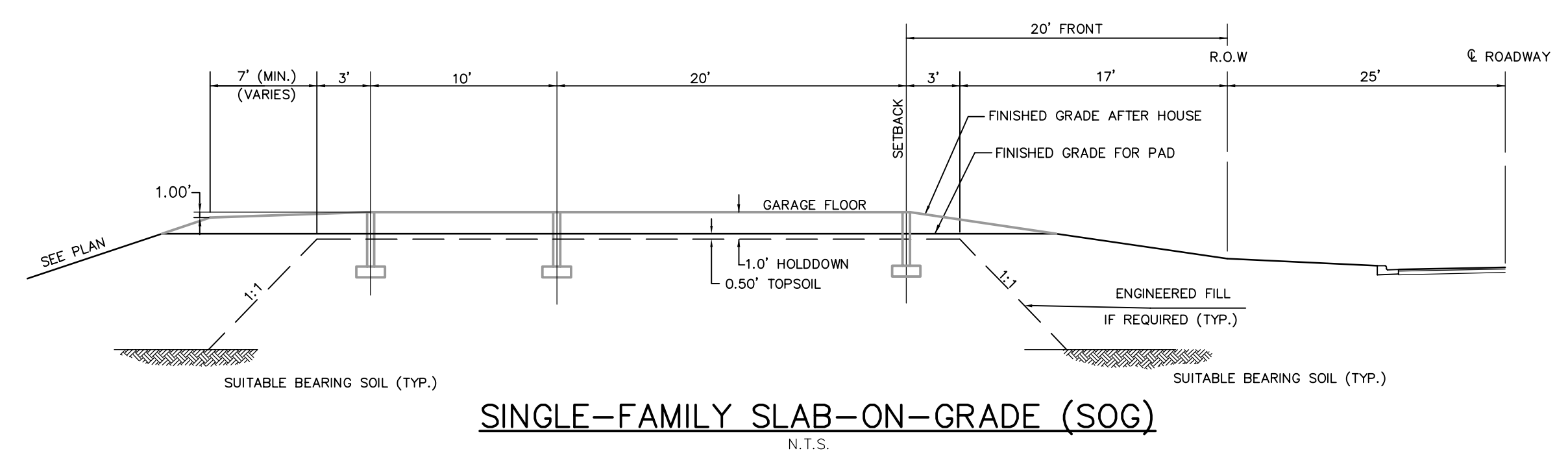
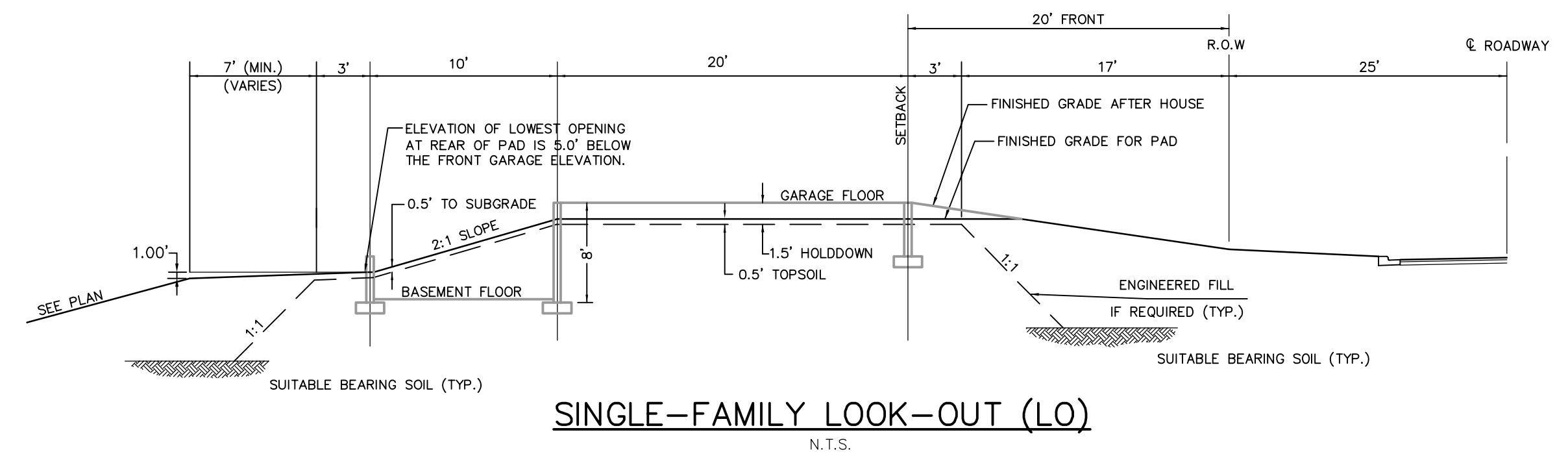
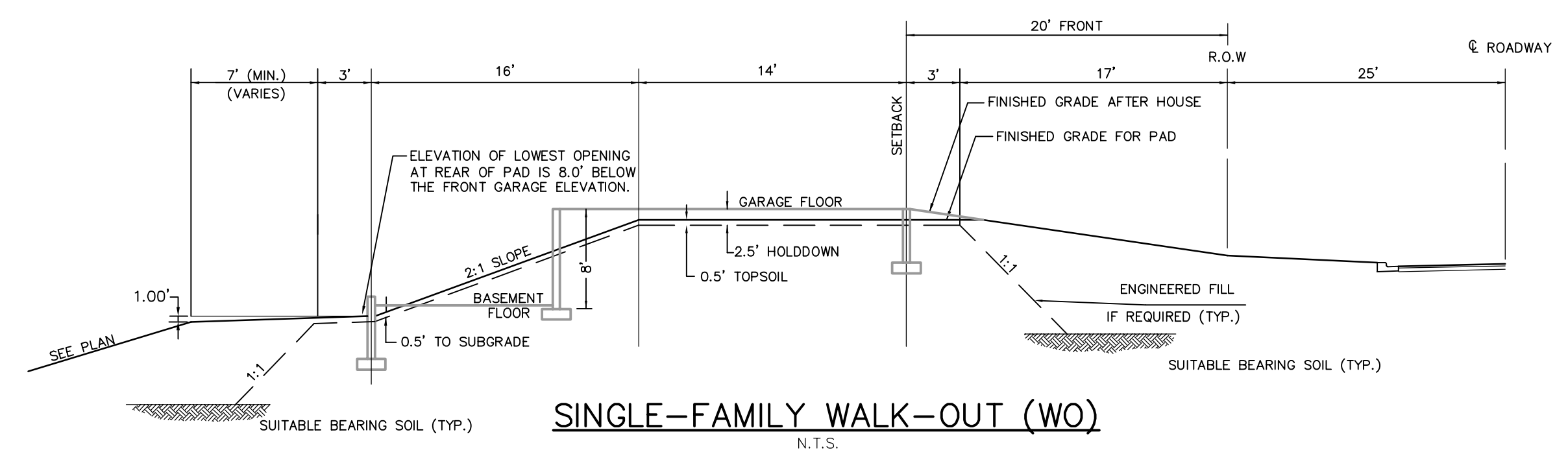
CATEGORY OF BLANKET	STAPLE LENGTH	SPACING FOR STAPLES
00	5"	2:1 (H:V) > 1.2 STAPLES
0	5"	2:1 - 1:1 1.7 STAPLES
1	4"	
2	4"	
3	6"	
4	6"	
5	5"	
6	5"	
7	5"	

TYPICAL SLOPE SOIL STABILIZATION ISOMETRIC VIEW

NOTE:

- MATS/BLANKETS SHOULD BE INSTALLED VERTICALLY DOWNSLOPE.
- SLOPE SURFACE SHALL BE FREE OF ROCKS, CLODS, STICK AND GRASS.
- MATS/BLANKETS SHALL HAVE GOOD SOIL CONTACT.
- LAY BLANKETS LOOSELY AND STAKE OR STAPLE TO MAINTAIN DIRECT CONTACT WITH THE SOIL.
- DO NOT STRETCH.

Westwood	TEMPORARY EROSION BLANKETS	LAST REVISED: 03/03/08
	TURF REINFORCEMENT MATS FOR SLOPES	GD21



Final Plant Schedule

CODE	QTY.	COMMON/BOTANICAL NAME	SIZE	SPACING	O.C.
ABM	11	Autumn Blaze Maple / <i>Acer x freemanii</i> 'Jeffersred'	1" BB/Cont.	AS SHOWN	
BVL	14	Boulevard Linden / <i>Tilia americana</i> 'Boulevard'	1" BB/Cont.	AS SHOWN	
PRE	14	Princeton Elm / <i>Ulmus americana</i> 'Princeton'	1" BB/Cont.	AS SHOWN	
BHS	33	Black Hills Spruce / <i>Picea glauca densata</i>	5' HT., BB	AS SHOWN	
BLC	9	Black Chokeberry / <i>Aronia melanocarpa elata</i>	#2 Cont.	5' O.C.	
CAD	14	Cardinal Dogwood / <i>Cornus sericea</i> 'Cardinal'	#2 Cont.	5' O.C.	
CAV	6	Compact American Viburnum / <i>Viburnum trilobum</i> 'Bailey Compact'	#2 Cont.	5' O.C.	
SUM	77	Staghorn Sumac / <i>Rhus typhina</i>	#2 Cont.	5' O.C.	

NOTE: QUANTITIES ON PLAN SUPERSEDE LIST QUANTITIES IN THE EVENT OF A DISCREPANCY.

Landscape Provisions

TOTAL LANDSCAPING PROVIDED:	72 TREES
* STREET TREES:	39 TREES
* EVERGREEN TREES:	33 TREES
* SITE SHRUBS:	106 SHRUBS

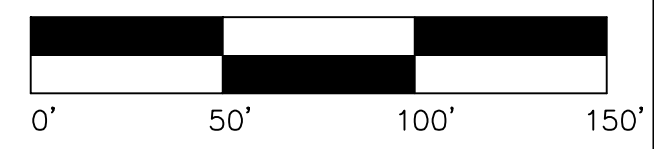
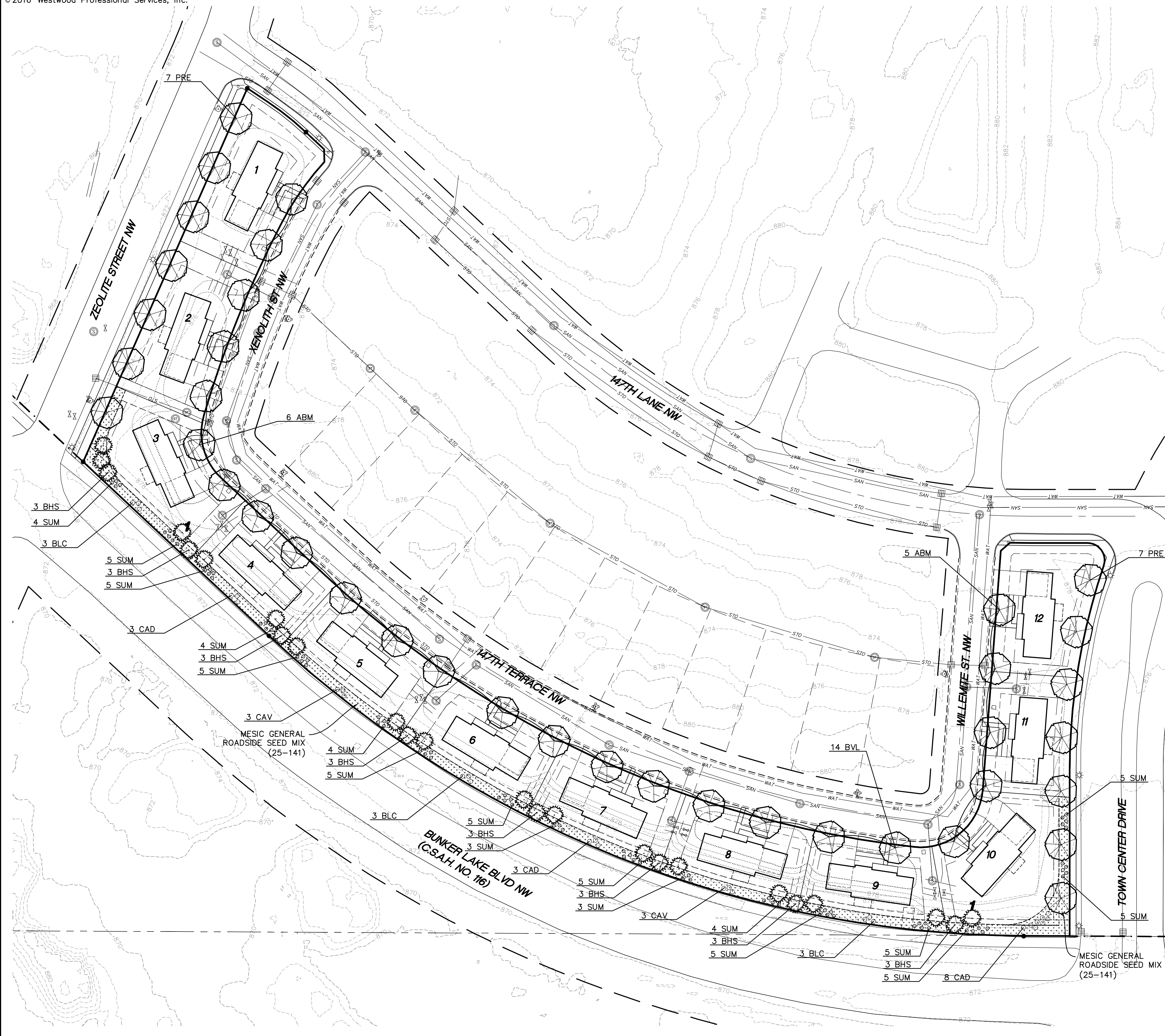
Mesic General Roadside Seed Mix - MNDOT 250

Common Name	Scientific Name	Rate (lb/ac)	Rate (kg/ha)	% of Mix (by weight)	Seeds/ sq ft
Park Kentucky bluegrass	<i>Poa pratensis</i> Park	15.75	17.65	26.69%	502.50
Perennial Ryegrass	<i>Lolium perenne</i>	13.25	14.85	22.46%	66.00
Smooth Brome	<i>Bromus inermis</i>	7.75	8.69	13.14%	25.42
Canada bluegrass*	<i>Poa compressa</i>	7.50	8.41	12.71%	412.00
fowl bluegrass	<i>Poa palustris</i>	4.00	4.48	6.78%	191.00
slender wheatgrass	<i>Elymus trachycaulus</i>	2.00	2.24	3.40%	5.08
Timothy	<i>Phleum pratense</i>	1.75	1.96	2.97%	49.50
switchgrass	<i>Panicum virgatum</i>	1.50	1.68	2.54%	7.70
	Grasses Subtotal	53.50	59.97	90.69%	1259.20
Alfalfa	<i>Medicago sativa</i>	3.50	3.92	5.92%	18.20
White Clover	<i>Trifolium repens</i>	2.00	2.24	3.39%	32.70
	Forbs Subtotal	5.50	6.16	9.31%	50.90
	Total	59.00	66.13	100.00%	1310.10

Purpose: General non-native mix for roadsides with mesic soils.
 Planting Area: Statewide
 Combine all components when blending this mix.
 *Species in the sheeps fescue complex (*Festuca* spp.) may be used interchangeably with Canada bluegrass in this mix. Varieties must match those listed on the substitution table.

 DENOTES MESIC GENERAL ROADSIDE SEED MIX (25-141)

NOTES: ALL DISTURBED AREAS TO BE SODDED UNLESS NOTED OTHERWISE.



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Date: 12/02/2016 Sheet: 7 OF 8

Westwood

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 Toll Free (888) 937-5150 westwoodps.com
 Westwood Professional Services, Inc.

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly licensed PROFESSIONAL LANDSCAPE ARCHITECT under the laws of the State of Minnesota.

Nicholas Meyer
 Date: 12/20/16 License No. 53774

Revisions:

12/20/16:	CITY COMMENTS

Designed:	NTM
Checked:	NTM
Drawn:	NTM
Record Drawing by/date:	

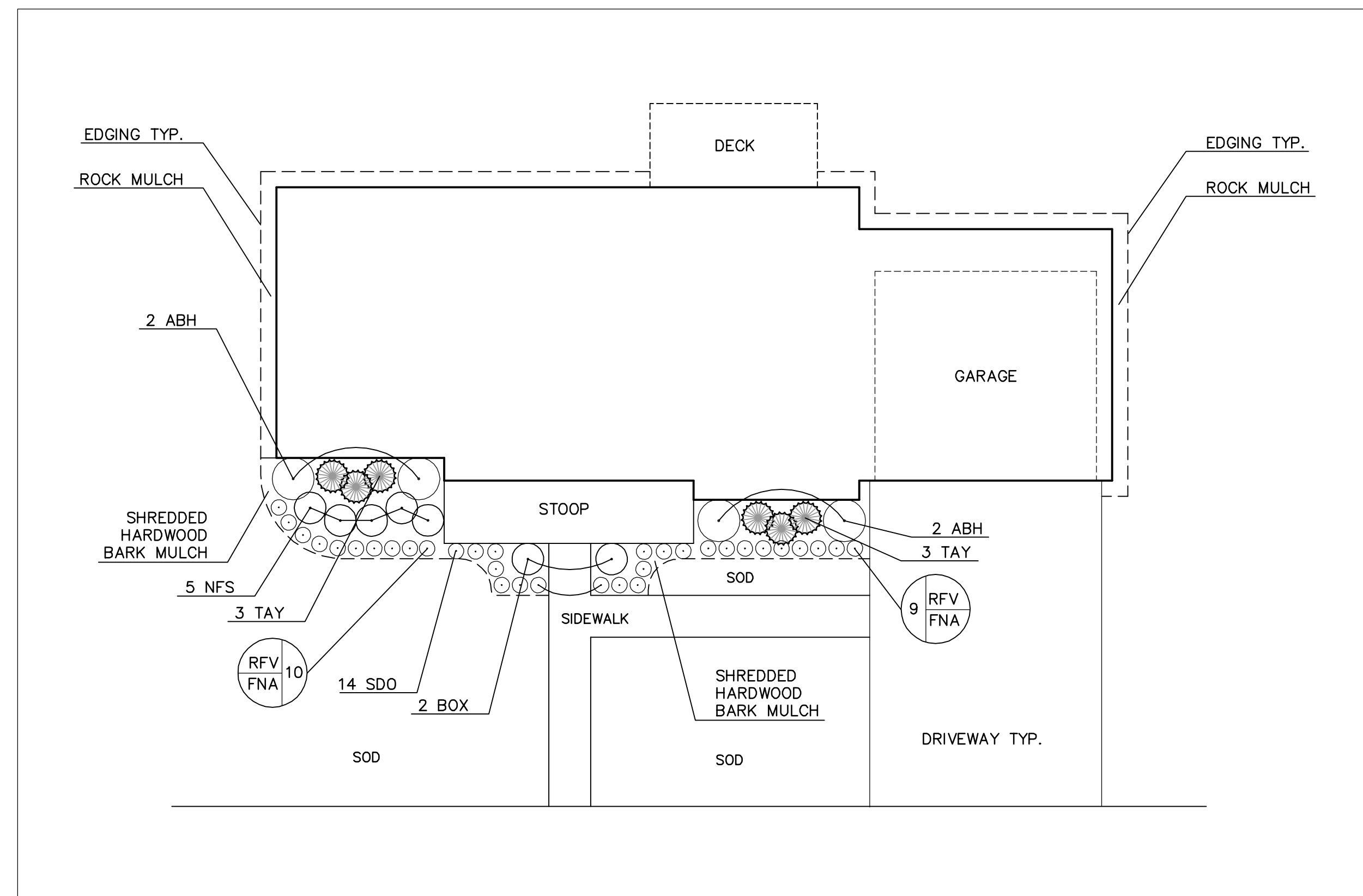
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 Brooklyn Park, Minnesota 55445

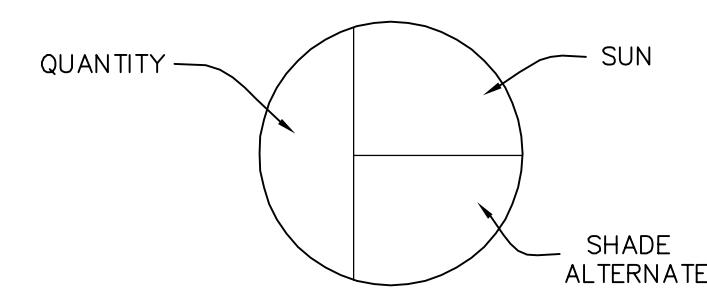
Vistas at North Commons
 Ramsey, Minnesota

Final Landscape Plan

Townhome Planting Plan



Legend



Townhome Plant Schedule

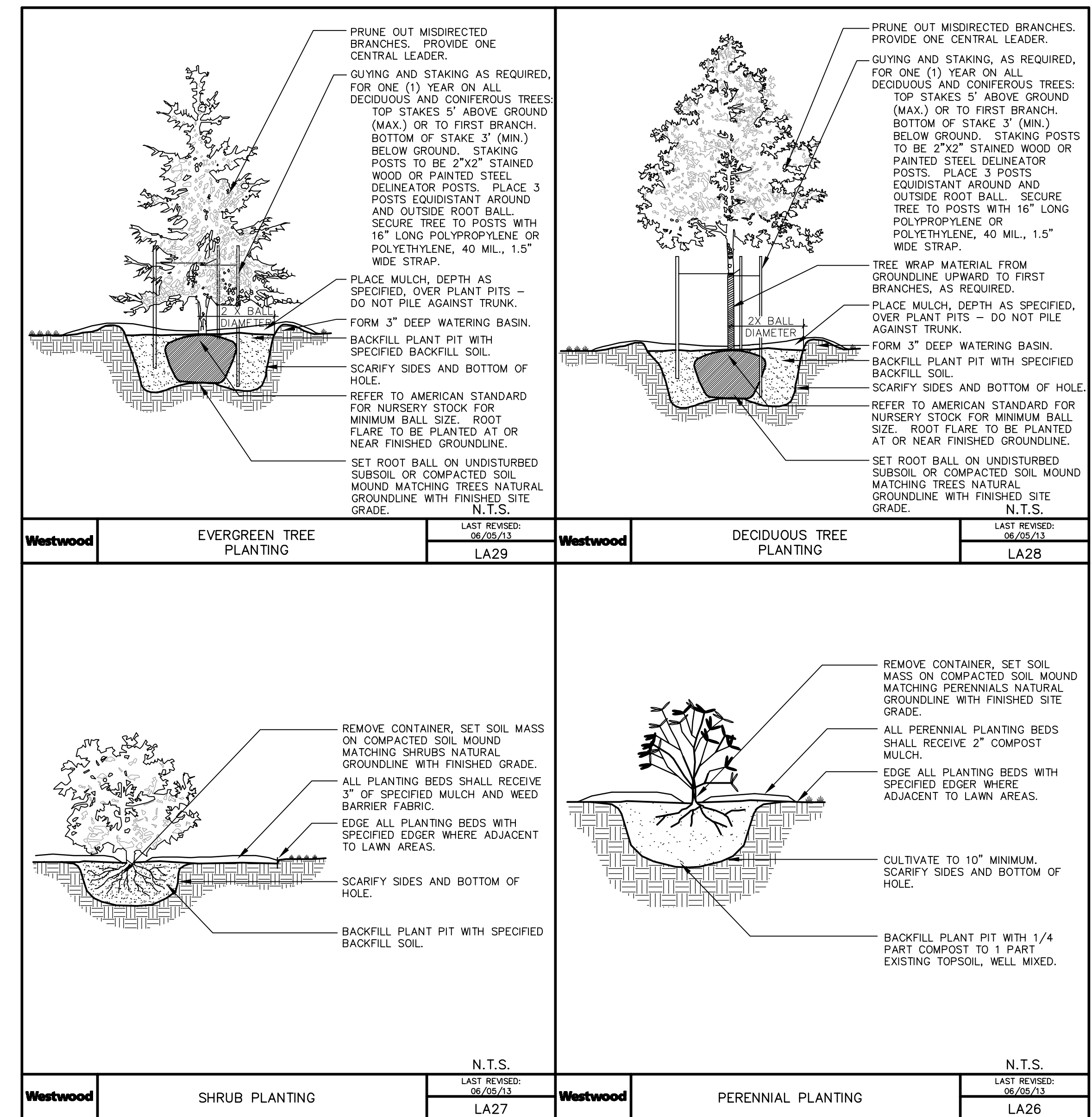
TYPE	CODE	QTY.	COMMON/BOTANICAL NAME	SIZE	SPACING O.C.
EVERGREEN SHRUBS	TAY	6	Taunton Yew / Taxus x media 'Taunton'	#5 CONT.	4'-0" O.C.
	shade alt:		no change		
	BOX	2	Green Mountain Pyramid Boxwood / Buxus x 'Green Mountain'	#5 CONT.	3'-0" O.C.
shade alt:		no change			
DECIDUOUS SHRUBS	NFS	5	Neon Flash Spirea / Spiraea japonica 'Neon Flash'	#5 CONT.	3'-0" O.C.
	shade alt:		no change		
	ABH	4	Annabelle Hydrangea / Hydrangea arborescens 'Annabelle'	#5 CONT.	4'-0" O.C.
shade alt:		no change			
PERENNIALS	SDO	14	Stella de Oro Daylily / Hemerocallis 'Stella de Oro'	#1 CONT.	18" O.C.
	shade alt:		no change		
	RFV	19	Red Fox Veronica / Veronica spicata 'Red Fox'	#1 CONT.	18" O.C.
shade alt:		FNA Fanal Astilbe / Astilbe x arendsii 'Fanal'			

- NOTES:
- QUANTITIES ON PLAN SUPERSEDE LIST QUANTITIES IN THE EVENT OF A DISCREPANCY.
 - CONTRACTOR TO SUBSTITUTE USING SHADE ALTERNATE SPECIES AS DETERMINED BY SOLAR ORIENTATION OF BUILDING (IE NORTH SIDE PLANTS RECEIVE SHADE ALTERNATE PLANTS). SEE RESPECTIVE PLANT KEY FOR ALTERNATE SPECIES SUBSTITUTIONS.
 - ALL PLANTING BEDS TO BE COVERED WITH SHREDDED HARDWOOD BARK MULCH.
 - 1.5' MAINTENANCE STRIP ALONG SIDE AND BACK OF UNITS TO BE ROCK MULCH.

Planting Notes

- CONTRACTOR SHALL CONTACT COMMON GROUND ALLIANCE AT 811 OR CALL811.COM TO VERIFY LOCATIONS OF ALL UNDERGROUND UTILITIES PRIOR TO INSTALLATION OF ANY PLANTS OR LANDSCAPE MATERIAL.
- ACTUAL LOCATION OF PLANT MATERIAL IS SUBJECT TO FIELD AND SITE CONDITIONS.
- NO PLANTING WILL BE INSTALLED UNTIL ALL GRADING AND CONSTRUCTION HAS BEEN COMPLETED IN THE IMMEDIATE AREA.
- ALL SUBSTITUTIONS MUST BE APPROVED BY THE LANDSCAPE ARCHITECT PRIOR TO SUBMISSION OF ANY BID AND/OR QUOTE BY THE LANDSCAPE CONTRACTOR.
- CONTRACTOR SHALL PROVIDE ONE YEAR GUARANTEE OF ALL PLANT MATERIALS. THE GUARANTEE BEGINS ON THE DATE OF THE LANDSCAPE ARCHITECT'S OR OWNER'S WRITTEN ACCEPTANCE OF THE INITIAL PLANTING. REPLACEMENT PLANT MATERIAL SHALL HAVE A ONE YEAR GUARANTEE COMMENCING UPON PLANTING.
- ALL PLANTS TO BE SPECIMEN GRADE, MINNESOTA-GROWN AND/OR HARDY. SPECIMEN GRADE SHALL ADHERE TO, BUT IS NOT LIMITED BY, THE FOLLOWING STANDARDS: ALL PLANTS SHALL BE FREE FROM DISEASE, PESTS, WOUNDS, SCARS, ETC. ALL PLANTS SHALL BE FREE FROM NOTICEABLE GAPS, HOLES, OR DEFORMITIES. ALL PLANTS SHALL BE FREE FROM BROKEN OR DEAD BRANCHES. ALL PLANTS SHALL HAVE HEAVY, HEALTHY BRANCHING AND LEAFING. CONIFEROUS TREES SHALL HAVE AN ESTABLISHED MAIN LEADER AND A HEIGHT TO WIDTH RATIO OF NO LESS THAN 5:3.
- PLANTS TO MEET AMERICAN STANDARD FOR NURSERY STOCK (ANSI Z60.1-2004 OR MOST CURRENT VERSION) REQUIREMENTS FOR SIZE AND TYPE SPECIFIED.
- PLANTS TO BE INSTALLED AS PER MNLA & ANSI STANDARD PLANTING PRACTICES.
- UPON ARRIVAL, ALL TREES INSTALLED BY DEVELOPER TO BE STACKED PRIOR TO INSTALLATION AND REVIEWED BY CITY. CITY SHALL BE NOTIFIED IMMEDIATELY UPON ARRIVAL SO THAT PLANTS CAN BE INSTALLED AS SOON AS POSSIBLE. PROPERLY HEEL-IN MATERIALS IF NECESSARY; TEMPORARY ONLY.
- PRIOR TO PLANTING, FIELD VERIFY THAT THE ROOT COLLAR/ROOT FLAIR IS LOCATED AT THE TOP OF THE BALLED & BURLAP TREE. IF THIS IS NOT THE CASE, SOIL SHALL BE REMOVED DOWN TO THE ROOT COLLAR/ROOT FLAIR. WHEN THE BALLED & BURLAP TREE IS PLANTED, THE ROOT COLLAR/ROOT FLAIR SHALL BE EVEN OR SLIGHTLY ABOVE FINISHED GRADE.
- OPEN TOP OF BURLAP ON BB MATERIALS; REMOVE POT ON POTTED PLANTS; SPLIT AND BREAK APART PEAT POTS.
- PRUNE PLANTS AS NECESSARY - PER STANDARD NURSERY PRACTICE AND TO CORRECT POOR BRANCHING OF EXISTING AND PROPOSED TREES.
- THE NEED FOR SOIL AMENDMENTS SHALL BE DETERMINED UPON SITE SOIL CONDITIONS PRIOR TO PLANTING. LANDSCAPE CONTRACTOR SHALL NOTIFY LANDSCAPE ARCHITECT FOR THE NEED OF ANY SOIL AMENDMENTS PRIOR TO PLANTING.
- BACKFILL SOIL AND TOPSOIL TO ADHERE TO MN/DOT STANDARD SPECIFICATION 3877 (COMMON TOPSOIL BORROW) AND TO BE NATIVE TOP SOIL FROM SITE FREE OF ROOTS, ROCKS LARGER THAN ONE INCH, SUBSOIL DEBRIS, AND LARGE WEEDS UNLESS SPECIFIED OTHERWISE. MINIMUM 4" DEPTH TOPSOIL FOR ALL LAWN GRASS AREAS AND 12" DEPTH TOPSOIL FOR TREE, SHRUBS, AND PERENNIALS.
- 3 INCHES OF HARDWOOD BARK MULCH TO BE USED AROUND ALL TREES WITHIN TURF AREAS.
- SHREDDED HARDWOOD BARK MULCH TO BE USED FOR LANDSCAPING OF ALL TOWNHOME AND VILLA UNITS. MULCH TO BE SPREAD TO A DEPTH OF 3" FOR ALL TREES AND SHRUBS AND 2" FOR ALL PERENNIALS. ROCK MULCH TO BE USED ON 1.5' MAINTENANCE STRIP ALONG UNIT IN AREAS VOID OF PLANTS. LANDSCAPE CLOTH TO BE LAID IN PLANTING BEDS TO SEPARATE ROCK MULCH FROM SOIL.
- EDGING TO BE VINYL EDGING, UNLESS OTHERWISE INDICATED. UTILIZE CURBS AND SIDEWALKS FOR EDGING WHERE POSSIBLE.
- ALL DISTURBED AREAS TO BE SODDED, UNLESS NOTED OTHERWISE. SOD TO BE STANDARD MINNESOTA GROWN AND HARDY BLUEGRASS MIX, FREE OF LAWN WEEDS. ALL TOPSOIL AREAS TO BE RAKED TO REMOVE DEBRIS AND ENSURE DRAINAGE.
- PROVIDE IRRIGATION TO ALL SODDED AREAS ON SITE. IRRIGATION OF STREET TREES & BOULEVARD SOD AREAS TO BE RESPONSIBILITY OF INDIVIDUAL LOTS; BUFFER TREES IN OUTLOTS TO BE IRRIGATED BY DEVELOPER/HOA. NO IRRIGATION TO BE PROVIDED IN CITY OWNED OUTLOT AREAS, UNLESS OTHERWISE NOTED. DRIP IRRIGATION TO BE PROVIDED FOR ALL PLANTING BEDS. IRRIGATION WILL BE DESIGN/BUILD BY LANDSCAPE CONTRACTOR. ALL INFORMATION ABOUT INSTALLATION AND SCHEDULING CAN BE OBTAINED BY THE GENERAL CONTRACTOR.
- CONTRACTOR SHALL PROVIDE NECESSARY WATERING OF PLANT MATERIALS UNTIL THE PLANT IS FULLY ESTABLISHED OR IRRIGATION SYSTEM IS OPERATIONAL. OWNER WILL NOT PROVIDE WATER FOR CONTRACTOR.
- REPAIR, REPLACE, OR PROVIDE SOD/SEED AS REQUIRED FOR ANY ROADWAY BOULEVARD AREAS ADJACENT TO THE SITE DISTURBED DURING CONSTRUCTION.
- REPAIR ALL DAMAGE TO PROPERTY FROM PLANTING OPERATIONS AT NO COST TO OWNER.

Planting Details



Call 48 Hours before digging:
811 or call811.com
 Common Ground Alliance

Westwood

Phone (952) 937-5150 7699 Anagram Drive
 Fax (952) 937-5822 Eden Prairie, MN 55344
 Toll Free (888) 937-5150 westwoodps.com

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly licensed PROFESSIONAL LANDSCAPE ARCHITECT under the laws of the State of Minnesota.

Nicholas Meyer
 Date: 12/20/16 License No. 53774

Revisions:

Revision	Date	Comments
12/20/16:		CITY COMMENTS

Designed:	NTM
Checked:	NTM
Drawn:	NTM
Record Drawing by/date:	

Prepared for:

Morning Sun Homes
 8662 Zealand Avenue North Bay B
 Brooklyn Park, Minnesota 55445

Vistas at North Commons

Ramsey, Minnesota

Date: 12/02/2016 Sheet: 8 OF 8

Landscape Details

0009798PLF02.dwg

Dear Mr. Brama,

I would like to request an assignment of the purchase agreement and the corresponding documents for Outlot A, Ramsey Town Center 8th Addition, City of Ramsey, County of Anoka. I am requesting this change as the builder I am working with, Morning Sun Homes Inc. is financing the land and construction loan through Farmers State Bank of Hamel. Going forward I will continue to remain actively involved in all phases of this development.

Bill Gleason

A handwritten signature in black ink, appearing to read 'Bill Gleason', with a long horizontal flourish extending to the right.

Lifestyle Properties Inc

Morning Sun Homes Inc.

Mark Muelners Pres.

8862 Zealand Ave N Ste B

Brooklyn Park Mn 55445