

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, July 12, 2018
7:30 am
Council Chambers, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Approve Agenda**
3. **Approve Minutes**
 1. Approve the Following Meeting Minutes:
 - 1) EDA Regular Meeting - June 14, 2018
4. **EDA Business**
 1. Consider Purchase Agreement for 6710 Highway 10 NW; Case of PDKP Properties, LLC (Sterling Trophy)
 2. Consider Amendment to Purchase Agreement for Harvest Estates; Case of GS Land, LLC
(Portions may be closed to the Public)
 3. Review Updated Restaurant Subsidy Program
5. **Member/Staff Input**
 1. Update: Two Shovel Ready Certifications
 2. Business Retention and Expansion Update
6. **Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 07/12/2018

By: Katie Schmidt, Administrative Services

Title:

Approve the Following Meeting Minutes:

1) EDA Regular Meeting - June 14, 2018

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 - June 14, 2018

Attachments

[6/14/2018 EDA minutes](#)

Form Review

Inbox

Tim Gladhill

Kurt Ulrich

Form Started By: Katie Schmidt

Final Approval Date: 07/05/2018

Reviewed By

Tim Gladhill

Kurt Ulrich

Date

07/03/2018 01:44 PM

07/05/2018 02:25 PM

Started On: 07/03/2018 12:49 PM

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

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, June 14, 2018, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Glen Hardin
 Member Dominic Kanaventi
 Member LeAnn Lambrecht (arrived at 7:32 a.m.)
 Member John LeTourneau
 Member Chris Riley

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

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

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kanaventi, Burandt, LeTourneau, and Riley. Voting No: None. Absent: Member Lambrecht.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated May 10, 2018

Motion by Member Riley, seconded by Member Hardin, to approve the May 10, 2018, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Hardin, Burandt, Kanaventi, and LeTourneau. Voting No: None. Absent: Member Lambrecht.

4. EDA BUSINESS

4.01: Review Letter of Intent for Purchase of Property (PID #34-32-25-13-0005) 6710 Highway 10 NW Ramsey, MN (Portions may be closed to the public)

Member Lambrecht arrived at 7:32 a.m.

City Administrator Ulrich presented the staff report.

Dave Steinbring, Sterling Trophy, stated that they are a family owned and operated business that has been providing awards and engravings for over 19 years. He stated that they have evolved from just youth associations to major corporations and events. He reviewed some of the equipment the business has and noted that they have been in the location in Anoka for 15 years and have simply outgrown that space. He stated that they have been pursuing projects for the past 3.5 years in attempt to find a new location and would love to be a part of Ramsey's growth.

Chairperson Steffen asked why the applicant is attracted to this site.

Mr. Steinbring replied that they like the visibility that this site has. He noted that accessibility is also important and noted that he is not concerned with future access being provided by Riverdale Drive.

Chairperson Steffen asked for details on the timeline of the applicant.

Mr. Steinbring replied that they would like to be in the building by fall/winter of this year because they have significantly outgrown their current location. He stated that currently they have five employees and within the next ten years he would hope to have 10 employees.

Chairperson Steffen asked and received confirmation that the business, parking and stormwater facilities would only use half of the site. He asked if there are plans for the remainder of the site.

Mr. Steinbring stated that he would like to create as much square footage as possible. He noted that there are other complimentary businesses, such as apparel, that could fit well with his business.

Member Riley stated that this would be a great addition to the community and he would be interested in the redevelopment of this site, removing it from City ownership.

Member LeTourneau stated that he is also excited about the business coming to the community. He stated that the inventory for available lots for development in the community has been studied and programed. He noted that the offer price falls within the deal range and will assist in turning over properties ready for development and putting them back on the tax roll.

Chairperson Steffen received confirmation that the property has been vacant for over five years and has been on the active market for five years.

Member Burandt agreed that this is a great business and an offer within the deal range for a property that has remained vacant.

City Administrator Ulrich confirmed that the EDA is comfortable with the proposal and noted that staff will work out the details and bring a formal purchase agreement back to the EDA the following month.

4.02: Consider Extension to Purchase Agreement with Capstone Homes for Outlot C, Alpha Development

Community Development Director Gladhill presented the staff report.

Chairperson Steffen asked why the date was not originally pushed out.

Community Development Director Gladhill replied that the terms followed the standard template, noting that the phasing and timing was not fully known at that time. He stated that now that the timing and phasing is better understood, this can be considered.

Member Riley asked if this transaction would have to occur before Puma would be finished.

Community Development Director Gladhill confirmed that would be part of the plat process and Puma Street would be upgraded at that time.

Member Riley stated that it appears that no one is ready for the road extension at this time, the developer, or the City.

Community Development Director Gladhill confirmed that neither party is ready for Puma to be completed. He stated that the two existing sections will be improved this year, but the extension would not occur until the future time along with the development.

Member Hardin asked for information on the trees along Puma,

Community Development Director Gladhill referenced trees that had created a sightline issue for many years. He noted that the previous property owner was still farming the land and therefore the decision was made to delay the tree removal until development occurred. He stated that the tree removal was a City action and not on behalf of the developer.

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council to extend the Purchase Agreement by two years.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Burandt, Kanaventi, Lambrecht, LeTourneau, and Riley. Voting No: None. Absent: None.

4.03: RCP Presentation: Restaurant Incubator Feasibility Study

Angelo Yuan stated that they have spent the last semester working with City staff on the restaurant incubator project.

Community Development Director Gladhill provided background information on the RCP program, noting that the students worked across many departments to provide ideas for the community.

Yuan stated that Ramsey is situated within 15 minutes of two existing restaurant nodes but noted that most of the options in those nodes are fast food options. He stated that north of Ramsey has limited access to the restaurant nodes. He stated that the market size for this area is 110 to 155 restaurants in total. He stated that the finalized report will be sent to the City within the next few weeks. He stated that 650 national incubators were survived, with response from about 25 incubators. He stated that it is very difficult for an incubator to make a profit. He stated that they have maps and visual representations that will be provided at a later date because of technical issues. He provided information on the market assessment for Ramsey, stating that the majority age group in Ramsey spends a large amount of money on food outside the home. He stated that there are attraction points within The COR which can draw people to the location and would benefit the market in general. He reviewed the market barriers including the Mississippi and Rum Rivers. He stated that people living on the other side of those rivers would have to travel through an established restaurant node before reaching Ramsey.

Saikat Banerjee provided information on market competition within a 15-minute drive from The COR. He stated that there were close to 342 restaurants within that radius. He stated that currently the densest nodes for restaurants would be Coon Rapids and Anoka. He provided details on the different categories of food service available in the nearby radius, noting that there is a lack of full service restaurants.

Yuan stated that overall there is opportunity for Ramsey to pursue an incubator. He reviewed the different options for an incubator including a local restaurant/caterer, food trucks, culinary school graduates, and co-packagers. He stated that they did survey food truck owners and although the results were limited, they were able to obtain very complete information on why the locations are chosen. He explained that food trucks choose their location based on food traffic and licensing abilities. He stated that a survey was also done of students and instructors at culinary schools, also getting a limited response. He noted that they were able to gather a list of potential equipment that would be needed.

Banerjee stated that a food incubator is a new concept, about one decade old. He stated that there are many types of food incubators. He noted that the key takeaway point from those surveyed include that there is a high capital start-up cost and it is difficult to make a profit. He stated that surveys of local restaurants were also done, in the hope that perhaps one of those would want to be a future tenant but noted that they received very limited response.

Yuan reviewed the short-term and long-term recommendations. He noted that the report would include the full list of information discussed today.

Community Development Director Gladhill noted that the City does not have any intention of building a brick and mortar incubator space, but this project has provided the City with talking points that could be used when talking with potential restaurant users and also when explaining the challenges of attracting a restaurant to residents of the community.

Member Kanaventi stated that if there is a market to support a large number of restaurants, he asked why a recent restaurant would then have closed within The COR.

Yuan replied that after looking at reviews and photographs they believe that perhaps the reason was due to operational errors.

Member Kanaventi asked the percentage of existing restaurants within the number that could be supported in the market.

Yuan replied that it is difficult to determine that ratio.

Community Development Director Gladhill explained that this information provides the City with a baseline of information and market leakage. He stated that this will allow the City to avoid duplication and attract the right users.

4.04: Restaurant Subsidy Program

Community Development Director Gladhill presented the staff report.

Motion by Chairperson Steffen, seconded by Member Riley, to recommend to City Council to approve the policies/programs related to recruiting new restaurants.

Further discussion: Member Riley stated that this is a huge goal and priority of the residents. He stated that these tools would not apply in full to every user but believed that it would be beneficial to give the City the highest number of tools possible. Member Harden stated that he did not see anything listed in the policies regarding number of employees, wage of employees, or financial background data. He believed that staff should due some due diligence before providing funds. He noted that the term loan is used but was unsure if perhaps grant or award should be used in place of loan. He stated that he would want clarity before he could support the actions. Community Development Director Gladhill stated that perhaps some of the language is unclear without the actual application. He stated that he could add the language requiring a proforma. City Administrator Ulrich stated that language could be included stating that the applicant must display that they have secured financing. Member Riley referenced the water accessibility charge, which would be meant to ensure the business could be viable but noted that is tied to the real estate and an entity that would continue but would also help the user. Community Development Director Gladhill noted that underwriting costs are typically \$7,500, and therefore that would be an expense that may not be worth the return on the investment for this program. He stated that at the end of the day these are tied to the property, while restaurant users may come and go. Member Hardin disagreed. He stated that the City finance department has the capability to do the review. Chairperson Steffen stated that perhaps some of the financial information Member Hardin is looking for is included in the application. Member Hardin stated that he does not see any requirement for financial background information on the application. Community Development Director Gladhill noted that the policy could be revised to include the financial background information. He explained that the water connection program was used in the past and modeled after that previous policy. He noted that another policy was modeled after

an existing policy used by another municipality. Member Riley noted that the City has had the policy in the past. Community Development Director Gladhill confirmed the consensus of the EDA to add a financial proforma, resume, personal tax returns, and financial history would be desired. Chairperson Steffen noted that if the subsidy is being given to the real estate owner, he would be curious as to how that is being passed along to the user. He stated that the business welcome services are not financial in nature. He asked if those requirements would be desired for the sign and awning program or specific for the water connection fee. Chairperson Steffen noted that he would be less concerned with that because of the amount of subsidy. Member Hardin stated that he would like to see personal financial statement, resume, proforma. Member Riley believed that should be on a case by case basis. Chairperson Steffen noted that the current application that will be considered in the next case does not include that information. Community Development Director Gladhill noted that the applicant did provide some background information but the formal information that is being discussed now was not included. He stated that the restaurant was planning to open in mid-July and was unsure if this would change timing. City Administrator Ulrich noted that there is still a motion on the floor. He stated that delaying option one could be appropriate to add in some financial documentation. Chairperson Steffen asked and received confirmation that the other municipality that the City modeled the sign and awning language after does not require financial information. Member Burandt stated that perhaps it is fair to assume that by the time the business is requesting the sign and awning funds, they have already provided that financial information to a bank. He noted that the request is only \$1,500 and he would not require an applicant to provide a lot of financial information and redundancy. City Administrator Ulrich noted that the purpose of the sign and awning is aesthetic to make sure that the business looks nice. Member Hardin agreed that \$1,500 is not that much but believed that the City has fiduciary responsibility to review the documents. City Administrator Ulrich stated that perhaps for the sign and awning program there could simply be proof of financing from a bank provided. Member Hardin stated that he would be in agreement with that.

Chairperson Steffen withdrew the motion on the table.

Motion by Chairperson Steffen, seconded by Member Riley, to recommend to City Council to approve the sign and awning program with the addition of providing proof of financing.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Burandt, Hardin, Kanaventi, Lambrecht, and LeTourneau. Voting No: None. Absent: None.

4.05: Restaurant Subsidy Application: Kitchen Table

Community Development Director Gladhill presented the staff report.

Member LeTourneau asked if the City would have early review in terms of the style and placement or whether that would fall under the review of the Planning Commission.

Community Development Director Gladhill noted that review would be done administratively.

Member Hardin asked if there will be multiple colors allowed throughout The COR, or whether color scheme would be part of the review.

Community Development Director Gladhill stated that color is not part of the review and he would not recommend going into that level of restriction as a user typically has its own brand and coloring.

Member Hardin stated that in his opinion perhaps it would be helpful to have a policy to provide guidance for colors allowed within The COR.

Community Development Director Gladhill acknowledged that there are higher design standards within The COR, but color has not been dictated in terms of zoning or design. He stated that there could be discussion when tying the request to subsidy requests.

Member LeTourneau stated that the EDA does not work with design standards and perhaps those concerns could be brought to the Planning Commission. He suggested that it simply be a discussion and not something that would lead to future policy.

Member Hardin stated that his concern would be that there could be a hodgepodge of colors throughout The COR.

Member LeTourneau noted that sometimes there is concern with what we do not know and therefore the issue is more about consistency. He stated that there has been a lot of discussion with design standards and therefore perhaps there is something in place that would regulate.

Community Development Director Gladhill noted that colors of awnings are not discussed in the regulations.

Member Riley stated that this is the EDA and therefore colors of awnings is not a discussion this group should have. He stated that there is an administrative process that will review the design of awnings. He stated that the City government does not have a place in deciding what awnings should look like, only that they are safe and appropriate. He stated that the issue before the EDA is the subsidy request. He believed that the decision for color and awning would belong to the business owner.

Member Burandt stated that if an awning comes forward for review that was not appropriate, would it then be denied.

Community Development Director Gladhill stated that there is not regulation on the color of the awning and therefore staff cannot deny something just because they do not like it.

Chairperson Steffen stated that he is comfortable with the history and resume of the applicant. He was unsure if there is financing for the project involved.

Community Development Director Gladhill stated they will still ask for appropriate financial information.

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council approve the sign and awning assistance request from Kitchen Table.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Burandt, Kanaventi, Lambrecht, LeTourneau, and Riley. Voting No: None. Absent: None.

4.06: Review Options for Expiring Contract with CBRE

Community Development Director Gladhill presented the staff report.

Motion by Chairperson Steffen, seconded by Member Kanaventi, to recommend to City Council extend the contract with CBRE on a month to month basis through December 31, 2018.

Further discussion: Member Hardin stated that he would like to see a plan in place for the end of the six months. Community Development Director Gladhill confirmed that staff agrees with that direction.

Motion carried. Voting Yes: Chairperson Steffen, Members Kanaventi, Burandt, Hardin, Lambrecht, LeTourneau, and Riley. Voting No: None. Absent: None.

4.07: Update and Discussion Regarding NW COR Development Concepts

City Administrator Ulrich presented the staff report.

Chairperson Steffen asked for information on the price negotiation.

City Administrator Ulrich stated that there is still a 30 percent gap in the negotiations and the gap would need to be closed towards the City position.

Chairperson Steffen asked the direction of the Council following the joint meeting.

Member LeTourneau stated that he is unsure that the City has enough information to say yes or no. He stated that additional broad questions were asked in regard to site location and feedback was provided. He stated that now it is a matter of if the user would select this site and if the price can be negotiated. He stated that the Council is attempting to look at this on a policy standpoint of a business that would like to purchase land from the City and come into the community. He stated that the Council is continuing to listen about the appropriateness of the business in relation to other businesses. He believed that additional discussion will need to occur before decisions can be made. He stated that because there is a business that would like to come to Ramsey, they would like to continue the discussions.

Member Riley stated that the Council consensus was to continue to move forward, with some people hesitant.

Chairperson Steffen agreed with that position.

City Administrator Ulrich noted that the next step would be for staff to sit down with Aldi and the next step for the EDA would be to consider the purchase agreement when that moves forward.

Member Riley stated that from the EDA and City standpoint, the statement is made that the City is business friendly. He noted that the last hour was spent talking about a \$1,500 incentive and comments have been made that perhaps Aldi is not welcome. He stated that those may be some of the reasons that businesses are hesitant to come to Ramsey.

Member Hardin stated that an hour was not spent talking about a \$1,500 subsidy but the fiduciary responsibility of the City when writing policy.

Member Kanaventi stated that perhaps it would be helpful to remind the EDA of their purpose and the purpose of the Planning Commission as he does not want to waste time talking about matters that do not pertain to the EDA.

5. MEMBER / STAFF UPDATE

5.01: Business Retention and Expansion Update

City Administrator Ulrich reviewed the businesses that have been visited since the last meeting and provided a summary.

5.02: Receive Update on Ramsey Brewery; Case of Tim and Corrin O'Shaughnessy

Community Development Director Gladhill provided an update on the potential Ramsey Brewery. He stated that the case will work its way through the cycle if formally applied for this summer.

5.03: Other Updates

Community Development Director Gladhill noted that the Economic Development Manager posting closed this past week. He stated that staff will complete first interviews next week and will then complete second interviews. He stated that the intent would be to have the new employee hired by mid-July or early August.

Communications and Events Coordinator who will begin on June 23rd. He noted that the City will also be repairing the City of Ramsey sign at North Forks.

Member LeTourneau thanked the RCP members for being present today and completing the work that they did. He stated that he is excited about having access to the information and using the data to become a better community.

Chairperson Steffen welcomed the newest member of the EDA.

Member Lambrecht introduced herself and provided background information on her experience and career noting that she is excited to be a part of the group.

6. ADJOURNMENT

Motion by Member Burandt, seconded by Member Kanaventi, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Burandt, Kanaventi, Hardin, Lambrecht, LeTourneau, and Riley. Voting No: None. Absent: None.

The regular meeting of the Economic Development Authority adjourned at 9:26 a.m.

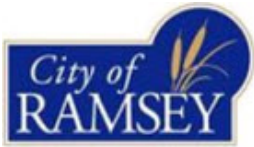
Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Tim Gladhill
Community Development Director

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.



Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

Economic Development Authority (EDA)

4. 1.

Meeting Date: 07/12/2018

By: Katie Schmidt, Administrative Services

Title:

Consider Purchase Agreement for 6710 Highway 10 NW; Case of PDKP Properties, LLC (Sterling Trophy)

Purpose/Background:

PURPOSE:

The purpose of this case is to consider the attached purchase agreement. Property (PID# 34-32-25-13-0005) 6710 Highway 10 NW Ramsey, MN.

BACKGROUND:

Sterling Trophy is a trophy business currently operating in Anoka. They have submitted the attached Letter of Intent to purchase the property for \$125,000 (which is \$2.30 per square foot). The property is currently listed by the County as having an estimated market value (EMV) (not an appraisal) of \$240,300 (\$4.48 per s.f.).

The City purchased the property, with a business and building, in 2013, and razed the building after purchase. A previous purchase agreement (for \$170,000) for a garage door company fell-through in 2014, when the garage door company purchased an existing building in Ramsey.

Notification:

Notification is not required.

Observations/Alternatives:

The property is located midway between the proposed Ramsey interchange and the proposed Sunfish Lake Boulevard interchange. Access to the site will be impacted when Highway 10 is constructed to freeway-like standards, but the timeframe for that work is not known. The site has city sewer and water available and a storm pond will need to be installed as part of the development.

The applicant wishes to purchase the entire 1.23 acre (53,579 square foot) site for possible future expansion or subdivision.

The trophy company proposes to construct a 4,000 square foot building that would have a small office and showroom area (1,200 s.f.) with the balance of the building being used for assembly and storage. The property was purchased by the City in 2013 using Anoka County HRA funds. Land proceeds from the sale can remain with the city and it is proposed that they be deposited in the City's Economic Development Fund for future projects.

The applicant also has an interest in applying for a loan from the EDA revolving loan fund to fill any financing gaps not covered by the SBA loan and buyer's equity.

Please note that the project still needs to go through site plan review with the Planning Commission. The project is requesting a variance to front yard setback to be in line with existing buildings along Highway 10.

Funding Source:

No funding is required.

Recommendation:

Staff believes the attached Purchase Agreement is consistent with city's policies for selling city owned land and the proposed sales price is within the acceptable price range. The proposed use is an acceptable use that will add to the City's tax base and be a benefit to the Highway 10 business corridor. Staff would note: that city staff (and attorney) are still finalizing some details in the PA with the developer. The attached PA may be updated before the EDA meeting.

Action:

Motion to recommend the City Council:

Approve the attached purchase agreement with PDKP Properties, LLC for roughly 1.23 acres of city owned land.

Attachments

PA (draft)

Letter of Intent

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Katie Schmidt	07/03/2018 12:48 PM
Tim Gladhill	Tim Gladhill	07/05/2018 08:40 AM
Kurt Ulrich	Kurt Ulrich	07/05/2018 02:19 PM
Form Started By: Katie Schmidt		Started On: 06/15/2018 12:59 PM
Final Approval Date: 07/05/2018		

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **PDKP Properties, LLC**, a Minnesota Limited Liability Company (“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 **June 28, 2018** (the “Effective Date”).
- 2. SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller 1.23 acres of vacant land, legally described as follows:

Riverside West Lot 4, Block 1 Riverside West (subt to ease as shown on Plat), Anoka County, Minnesota.

Address: 6710 Highway 10 Northwest, Ramsey, MN 55303

Anoka County Property Identification: 34-32-25-13-0005

- 3. PURCHASE PRICE.** The purchase price for the Property is \$125,000.00 (the “Purchase Price”).
- 4. EARNEST MONEY.** Within (5) business days after the Effective Date, Buyer must deposit the sum of \$10,000 (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.
 - 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. 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).
 - c. 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.
 - d. 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 thirty (30) 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 to Buyer ("**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 Closing, 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. Within 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. Other than a standard Phase 1 environmental assessment, 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 15, 2018** (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 (including, but not limited to, approvals necessary to subdivide and re-plot the Property) 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.

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.** By accepting the deed to the Property, 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. 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 or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Pacific Time will be deemed provided on the following day). 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
Email: kulrich@cityoframsey.com

Buyer: PDKP Properties, LLC
David Steinbring
2902 8th Avenue
Anoka, MN 55303
Email: sterlingtrophy@comcast.net

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 within 30 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; provided, however, Buyer may extend the Closing a total of two (2) times, each time for a period of sixty (60) days, by depositing an additional Ten Thousand and 00/100 Dollars (\$5,000.00) earnest money with Escrow Agent for each extension. Each \$5,000 extension payment shall be non-refundable, but applicable to the Purchase Price. 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 limited warranty 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, if required and necessary.
- 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 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.

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. ("Buyer's Broker"), which represents the Seller and the Buyer. Seller shall pay 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.

15. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.

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 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.

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 and recover any incidental damages. 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. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Pacific Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

29. PLATTING & DEVELOPMENT AGREEMENT. Buyer must obtain an approved final plat, development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
John LeTourneau, Acting Mayor

Dated: _____, 2018

By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2018

BUYER: PDKP Properties, LLC, a Minnesota Limited Liability Company.

By: _____
David Steinbring, Manager

Dated: _____, 2018

Sterling Trophy, Inc.

3824 7th Ave

Anoka, MN 55303

June 5th, 2018

Kurt Ulrich

City Administrator

The Housing and Redevelopment Authority

7550 Sunwood Dr. N. W.

Ramsey, MN 55303

To City of Ramsey and the Housing and Redevelopment Authority

This letter of intent is to acknowledge that Sterling Trophy, LLC. would like to purchase the property (PID# 34-32-25-13-0005) 6710 Highway 10 N.W. Ramsey, MN.

We would like to offer the purchase price of \$125,000. We would like to start building on the property as soon as possible and would like to be operating there prior to the end of the year.

We are very excited to make the City of Ramsey our new home for Sterling Trophy. Currently we are a business in Anoka and our growth has encouraged us to look for space and a much larger building to expand. The opportunity to expand will bring more productivity and employees to help us achieve our goals.

Thank you for your Time and Consideration

David and Patty Steinbring

Economic Development Authority (EDA)

4. 2.

Meeting Date: 07/12/2018

By: Tim Gladhill, Community Development

Title:

Consider Amendment to Purchase Agreement for Harvest Estates; Case of GS Land, LLC
(Portions may be closed to the Public)

Purpose/Background:

The purpose of this case is to consider an amendment to the Purchase Agreement for Harvest Estates, the site of the former municipal center. The Buyer (G S Land) has received preliminary Engineer's Estimates for Phase 2. The Buyer has noted that they do not believe the project is financially feasible with the current purchase price.

Notification:

Notification is not required.

Observations/Alternatives:

The buyer is proposing a revised asking price for Phase 2 of \$5,000 (originally \$279,270). The Buyer has obtained actual construction estimates, which were higher than the Buyer had anticipated (estimates attached). The reduced price is consistent with the approach used with the COR Three North Commons (Purmort Homes) which also had a high cost of development due to fill and soils correction. In the example of Harvest Estates, it's not soil correction, but the large amount of fill required to make the site developable. While Staff believes it noted this as a potential concern to the Developer (originally NIK Management) in 2015, the fact remains that this is now a true cost to the project.

The cost of fill/import is a real cost to the project that any future developer is going to need to encounter. This issue is not likely to be solved by finding another developer. Discounting the land makes it feasible to develop, generating additional fees and tax base for the city, and completing the road system for this neighborhood. If not developed in some fashion, this large vacant parcel will continue to be a maintenance concern for the city.

Additionally, this project was split into two phases due to the need to retain the previous municipal center building that housed Fire Station No. 2 at the time. Fire Station No. 2 has since been replaced and the former municipal center has been demolished. Had this project been a single phase, it is likely that the overall purchase price would have been adjusted to reflect actual construction costs, once known.

Funding Source:

This case is being handles as part of Normal Staff duties. The fiscal implications to the City are a reduction in revenue generated from the sale of the former municipal center site.

Recommendation:

Staff recommends approval of Amendment 3 to the Purchase Agreement with GS Land.

Action:

Motion to recommend that the City Council approve Amendment 3 to the Purchase Agreement with GS Land.

Attachments

Site Location Map

Original Purchase Agreement

PA Amendment 1 (Previous)

PA Amendment 2 (Previous)

PA Amendment 3 (Current Request)

GS Land Request

Form Review

Inbox

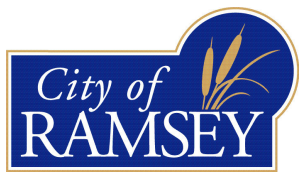
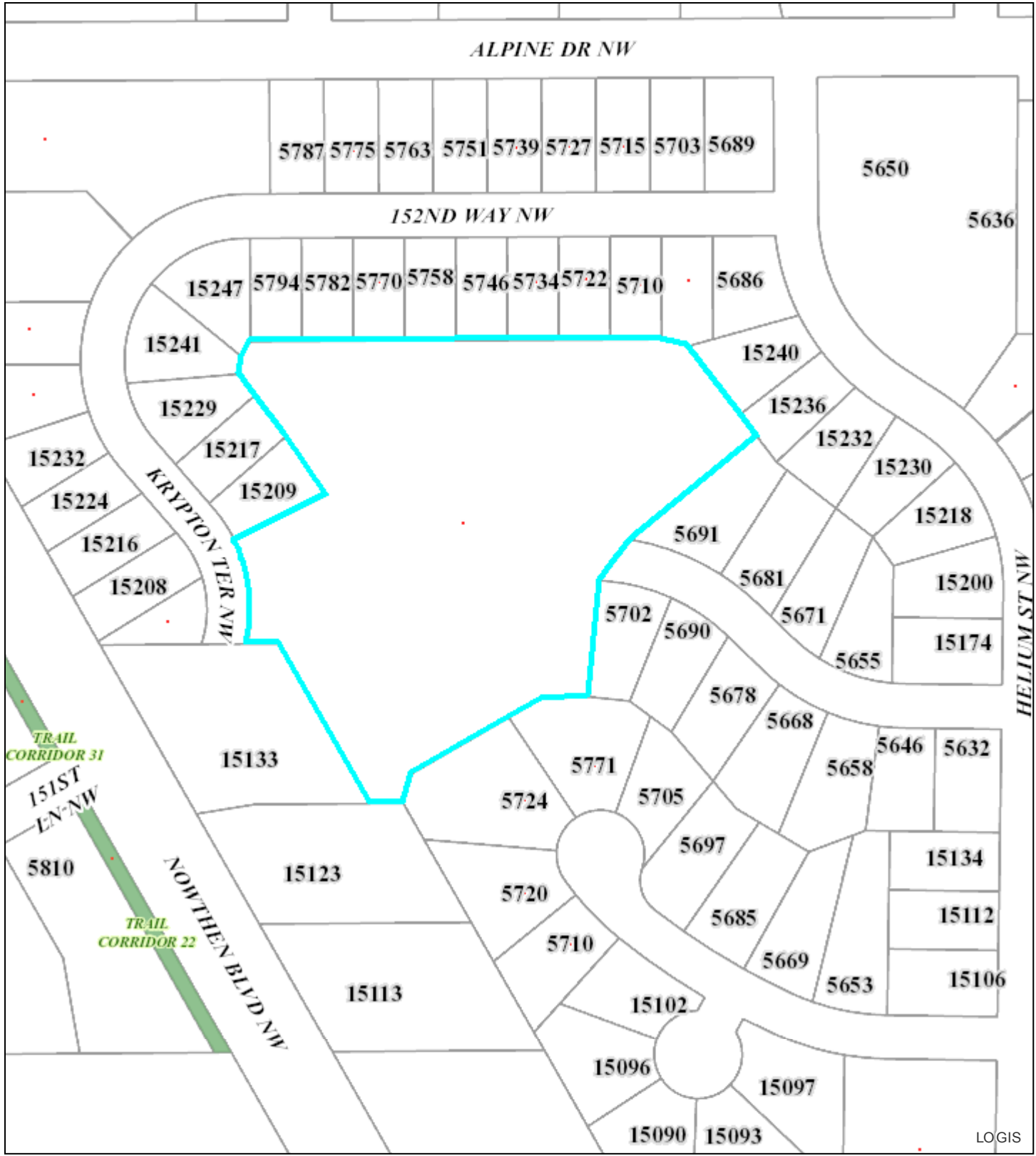
Tim Gladhill (Originator)
Kurt Ulrich
Kurt Ulrich
Form Started By: Tim Gladhill
Final Approval Date: 07/06/2018

Reviewed By

Tim Gladhill
Kurt Ulrich
Kurt Ulrich

Date

07/05/2018 10:15 PM
07/06/2018 10:21 AM
07/06/2018 10:57 AM
Started On: 07/02/2018 04:23 PM



GS Land

PA Amendment 3

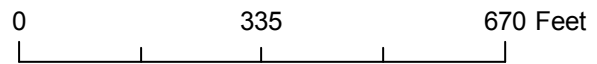
23-32-25-41-0081

Legend

-  Site
-  Parcels



Print Date: July 5, 2018



REAL ESTATE PURCHASE AGREEMENT

This agreement is made by and between the City of Ramsey (the "Seller"), and NIK Management, Inc. a Minnesota corporation (the "Buyer"), its successors and/or assigns) effective as of the last date signed by all parties below (the "Effective Date").

In consideration of the parties' mutual covenants, undertakings and representations in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. Sale of Property.

- a. Subject to paragraph 1(d) below, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller's rights, title, and interest in the real property consisting of approximately 21.5 acres, located at 15240 Helium Street NW and 15153 Nowthen Boulevard NW, bearing PID Nos. 233225410035, 233225410019, 233225410018, the legal description of which is set forth in Exhibit 1 to this agreement (the "Property"), together with (a) all easements, privileges, and rights benefitting or appurtenant to the Property; and (b) without limiting the foregoing all water, mineral and all other rights held by Seller and/or which run with the land.
- b. The Property shall be conveyed from Seller to Buyer in two parcels, the approximate areas of which are illustrated in Exhibit 2. Parcel A is the southerly parcel of approximately 14 acres. Parcel B is the northerly parcel of approximately 7.5 acres. Within 60 days after the Effective Date of this Agreement, Buyer shall obtain a survey at its expense depicting Parcel A and Parcel B and setting forth the legal description for both. The survey and legal descriptions shall be attached to and made part of this Agreement.
- c. Parcel A and Parcel B shall be platted by Buyer at Buyer's expense as two separate plats. Buyer shall submit an application for preliminary plat approval of Parcel A within 60 days after receipt of the survey referenced above.
- d. The sale of Parcel B is contingent upon Seller approving the construction of a new fire station by April 30, 2015. In the event the City Council does not approve of the new fire station project by that date, the sale of Parcel B shall be deemed null and void and not part of this Agreement.

- 2. Property Demolition.** As of the Effective Date, the former city hall, an existing fire station, access roads, associated parking facilities, and a mound septic system exist on Parcel B ("Existing Improvements"). The fire station will remain in use until a new fire station is completed on a new site in 2016. Upon completion of the new fire station and removal of all equipment from the existing fire station, the Seller shall demolish the Existing Improvements at its expense and remove the resulting debris. The Seller is not responsible for any changes to the existing grade on the site or any other site improvements.

3. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") Buyer will pay to Seller for the Property is Nine Hundred Twenty Nine Thousand and no/100 Dollars (\$929,000.00) payable as follows:

a. **Earnest Money.** (Ten Thousand Dollars (\$10,000.00) as earnest money (the "Earnest Money") to be paid into escrow to Title-1, 7535 Sunwood Drive, Ramsey, MN 55303 ("Title Company") by Buyer, upon execution of this Agreement by both parties, to be held by the Title Company and released to Seller at Closing in reduction of the Purchase Price, or as otherwise provided herein. The Earnest Money shall be returned to the Buyer if this Agreement is terminated by the Buyer during the course of the Buyer's due diligence investigations and inspection period, or if the parties do not reach a mutually acceptable developer's agreement timely, or if the Buyer's project does not receive final plat approval timely, or upon Seller's breach. Notwithstanding any other terms in this Agreement, \$1,500 of the Earnest Money shall become non-refundable and released to the Seller by the Title Company 61 days after the Effective Date of this Agreement.

b. **Closing Payments.**

1. Buyer will purchase Parcel A for \$581,000.00. Closing on Parcel A shall occur within 30 days after final plat approval of Parcel A and execution of a mutually acceptable developer's agreement, or by June 30, 2015, whichever is earlier. \$3,000 of the Earnest Money remaining as of the date of closing shall be applied in reduction of the purchase price.
2. Buyer will purchase Parcel B for \$326,250.00. Closing on Parcel B shall occur within 30 days after the Seller provides written notice to Buyer that demolition of Existing Improvements, as described in Section 2 above, is completed. The Earnest Money remaining as of the date of closing shall be applied in reduction of the purchase price.

(c) **Adjustment to the Purchase Price.** The Property is bordered on the west by Krypton Terrace N.W., which currently intersects with, and terminates at, the west driveway entrance to the existing city hall site. Seller intends to eliminate the west driveway entrance during demolition and construct an extension of Krypton Terrace N.W. so as to align it with the Nowthen Blvd. / 151st Lane N.W. intersection ("Street Option 1"). In the event that Street Option 1 cannot be constructed, as determined by Seller, Krypton Terrace will be extended by Buyer east/southeast into the Property and aligned with the right-of-way dedicated to Seller on Buyer's plat(s) ("Street Option 2"). If Street Option 2 is utilized, the Purchase Price shall be adjusted downward to reflect the cost of construction of the road and the loss of approximately one (1) acre of buildable land. Those costs are estimated to be One Hundred Forty Five Thousand Dollars (\$145,000.00). The parties shall negotiate in good faith, using their best efforts, to reach agreement on the amount of the price adjustment. If the parties cannot reach agreement on this issue, they agree to submit the matter to binding arbitration.

4. Contingencies. Buyer's obligations under this Agreement are expressly contingent upon satisfaction or waiver of each of the following conditions:

- a. **Title.** Title will have been found acceptable to Buyer, or been made acceptable, in accordance with this Agreement's requirements and terms.
- b. **Performance of Seller's Obligations.** Seller will have performed all of its obligations required under this Agreement, as and when required by this Agreement.
- c. **Representations and Warranties.** All of Seller's representations and warranties contained in this Agreement are true and correct as of the Closing Date.
- d. **Inspections and Feasibility and Due Diligence Investigations.** Buyer's satisfaction with the results of and matters disclosed by such inspections, investigations and testing of the Property (the "Inspections"), including without limitation, surveys, soil tests, environmental reports, Phase I reports, and all other tests and inspections of the Property, which Buyer deems necessary or appropriate to determine the suitability and feasibility of the Property for Buyer's intended use of the Property (including without limitation, the successful application for rezoning and plat approval) and Buyer shall have determined, that the Property meets with Buyer's approval, including other assessments such as utilities and environmental suitability and riparian or other water rights. Seller shall allow Buyer, and Buyer's agents, physical access to the Property without charge at all reasonable times for the purpose of Buyer's Inspections. Buyer's Inspections will be conducted in a manner not unreasonably disruptive to the Property. Buyer shall further repair and restore any damage to the Property caused by or occurring during Buyer's Inspections and return the Property to substantially the same condition as existed prior to such entry.
- e. **Due Diligence Documents.** Buyer shall be satisfied with Buyer's review and analysis of all of the following Due Diligence Documents previously provided by Seller and the information contained therein:
 - i) ALTA Survey by Kakanson Anderson dated December 19, 2012.
 - ii) Title Commitment from First American Title Insurance Company dated October 31, 2012, Commitment Number T12-11033.
 - iii) Phase I Environmental Assessment
 - iv) Phase II Environmental Assessment
 - v) Limited Site Investigation
 - vi) Response Action Plan

- vii) MPCA Petroleum Tank Release Site File Closure
- viii) Geotechnical Soils Evaluation
- ix) Hazardous Materials Survey
- x) Aerial Photo
- xi) Lidar Contours Map
- xii) Street Map
- xiii) Sewer and Water Map
- xiv) Official Zoning Map
- xv) Development Concept Maps
- xvi) Consumer Confidence Report (water)

f. **Inspection and Due Diligence Investigation Period.** Buyer shall be afforded a period of sixty (60) days from the Effective Date (the "Due Diligence Period") to complete its inspections and due diligence investigations. If Buyer's inspections and due diligence investigations are not completed within the Due Diligence Period for no fault of Buyer, Buyer may request and Seller shall grant one (1) thirty (30) day extension of the inspection and due diligence period.

g. **Financing.** The Buyer's obligations under this agreement are contingent upon the Buyer obtaining a reasonably satisfactory financing commitment within One Hundred Twenty (120) days after the signing of this agreement.

h. If any contingency has not been satisfied or waived by Buyer, in its sole discretion, on or before the Closing Date, then Buyer may at its option terminate this Agreement by written notice to the Seller at any time on or before the Closing Date. Upon termination of this Agreement pursuant to this Section 3 (and except as otherwise provided herein), all of the Earnest Money, and any interest accrued thereon, shall be immediately released to Buyer, and upon such return this Agreement shall terminate and neither party shall have any further rights or obligations regarding this Agreement or the Property. All of the contingencies set forth in this Agreement are specifically for Buyer's exclusive benefit, and Buyer shall have the right to unilaterally waive any of Buyer's contingencies contained in this Agreement. Notwithstanding the foregoing, nothing contained in this Section 3 will waive or diminish any right or remedy Buyer may have for Seller's default or breach of this Agreement.

5. **Seller's Cooperation.** Seller shall fully cooperate with Buyer's feasibility and due diligence investigations. Seller hereby authorizes Buyer and Buyer's representatives, agents, employees, contractors and experts to enter upon the Property during the Due Diligence

Period in order to complete Buyer's feasibility and due diligence investigations and thereafter until Closing to enable Buyer to prepare for taking possession as of Closing. This license to enter the Property excludes entry into any existing structures on the Property. Seller authorizes Buyer to apply for rezoning and final plat approval and for all other development approvals, rights and authorities, and Seller shall attend any meetings or communicate with such public officials and other third parties, as Buyer may reasonably request, in order to facilitate Buyer's feasibility and due diligence investigations and Closing.

6. **Title Examination.** Except for the Permitted Encumbrances, Seller will satisfy all liens or encumbrances against the Property and Buyer will receive the Property free and clear of any and all liens or encumbrances. The title examination for the Property will be conducted as follows:

a. **Seller's Title Evidence.** Seller shall, as promptly as possible, and in any event within twenty (20) days after the Effective Date, furnish to Buyer all of the following title evidence (the "Title Evidence"):

(1) **Title Commitment.** A title commitment (the "Title Commitment") to issue an owner's title insurance policy (the "Title Policy") issued by Title Company or other mutually and reasonably acceptable title insurer. The Title Commitment will be issued on a current ALTA form, including complete and legible copies of all documents of record encumbering or affecting the Property and relevant tax lien, special assessment, judgment and bankruptcy searches, insuring title to the Property, deleting standard exceptions and in the full amount of the Purchase Price. The Title Commitment will commit the Title Company to insure that Buyer will have good and marketable title to the Property and its appurtenances on the Closing Date free and clear of all liens, mortgages and encumbrances, except the Permitted Encumbrances, and shall be updated prior to Closing and insuring the boundaries of the Property and of each parcel comprising the Property. The Title Commitment must include a contiguity endorsement for all parcels that make up the Property.

(2)

b. **Title Objections.** Within thirty (30) days after Buyer's receipt of the Title Commitment and the Survey, Buyer will make written objections ("Objections") to the form and/or contents of the Title Commitment and the Survey and the status of title as shown on the Title Commitment and the Survey. Buyer's failure to make Objections within such time period will constitute a waiver of objections. If an update to the Title Commitment reveals any encumbrance that did not appear in the original Title Commitment, Buyer shall have the right to make Objections to such encumbrance and the provisions of this Section 5 (b) shall again apply to such Objections. Seller shall use its best efforts to correct all Objections within 30 days after receiving the Objections (the "Cure Period"), during which period the Closing will be postponed as necessary. Seller further agrees to use all reasonable efforts and to expend such sums as may be reasonably necessary to make such title marketable in the event a defect is disclosed. To the

extent an Objection can be satisfied by the payment of money, Buyer will at its option have the right to apply a portion of the Purchase Price payable to Seller at the Closing to satisfy such Objections and the amount so applied will reduce the amount of the Purchase Price payable to Seller. If the Objections are not cured within the Cure Period, Buyer will have the option to do any of the following:

(1) Terminate this Agreement without any liability and receive a refund of all Earnest Money and accrued interest; or

(2) Withhold from the Purchase Price an amount which, in the Title Company's reasonable judgment, is sufficient to assure cure of the Objections. Any amount so withheld will be placed in escrow with the Title Company, pending such cure. If Seller does not cure such Objections within 30 days after such escrow is established, Buyer may then cure such Objections and charge the costs of such cure (including reasonable attorneys' fees) against the escrowed amount. If such escrow is established, the parties agree to execute and deliver such documents as may be reasonably required by the Title Company, and Seller agrees to pay the charges of the Title Company to create and administer the escrow; or

(3) Waive the Objections and proceed to close; provided that Buyer shall have the option, at Closing, to pay directly any liens, mortgages, charges or similar encumbrances against the Property that are liquidated in amount and to which an Objection has been made by Buyer, and Buyer may deduct the amount so paid from the Purchase Price. Waived Objections shall become "Permitted Encumbrances."

- c. **Title Policy.** Buyer will obtain, at the Closing, a Title Policy issued by the Title Company, or a suitably marked up commitment initiated by the Title Company undertaking to issue such a Title Policy as approved by Buyer.

7. **Seller's Closing Documents.** On the Closing Date, Seller will execute and deliver to Buyer the following documents ("Seller's Closing Documents"):

(1) **Warranty Deed.** A Warranty Deed in a recordable form acceptable to Buyer conveying marketable fee title to the Property to Buyer free and clear of all encumbrances, except the Permitted Encumbrances (the "Deed").

(2) **Seller's Affidavit.** An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, fixture filings, tax liens or bankruptcies against or involving Seller or the Property; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other known unrecorded interests in the Property, together with whatever standard owner's affidavit and/or, indemnity (ALTA Form) which may be reasonably required by the Title Company to issue the Title Policy.

(3) **Other Documents.** Any required federal income tax reporting forms, well certificates or septic system disclosures required by law or the Title Company, and all other documents required by the Title Company or Buyer which are reasonably necessary to transfer the Property to Buyer under this Agreement and record the Deed and other closing documents.

8. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute and deliver to Seller the following ("Buyer's Closing Documents"):

(1) **Closing Payment.** The Closing Payment.

(2) **Title Documents.** Such affidavits of Buyer, Certificates of Value or other documents as may be reasonably required by the Title Company to record the Seller's Closing Documents and issue the Title Policy.

9. **Proration.** Seller and Buyer agree to the following proration and allocation of costs regarding this Agreement:

a. **Title Insurance, Closing Fee, Deed Tax, Recording Fees.** Seller will pay all costs of the Title Commitment. Buyer will pay all premiums required for the issuance of an Owner's Title Policy and any mortgagee's title insurance policy. Seller and Buyer will each pay one-half (1/2) of any reasonable and customary closing fee or charge imposed by the Title Company and any escrow fee charged by the Escrow Agent (except that to the extent Escrow Agent fees are required as a result of title defects or Seller's inability to close then Seller shall pay such costs). Seller will pay all transfer taxes and state deed tax regarding the Deed to be delivered by Seller under this Agreement. Buyer will pay the costs of recording all required documents related to this transaction.

b. **Real Estate Taxes and Special Assessments.** Seller and Buyer shall prorate as of the date of Closing all general real estate taxes, and installments of assessments and special assessments payable in the year of Closing. Seller shall pay all general real estate taxes and installments of special assessments payable therewith in all years prior to Closing. Seller will pay in full, on or before the Closing Date, all special assessments levied, pending, certified or constituting a lien against the Property as of the Closing Date, including without limitation any installments of special assessments including interest payable with general real estate taxes in the year of Closing. Seller shall pay all deferred real estate taxes or special assessments which may become payable as a result of the sale contemplated by this Agreement. Seller shall pay all delinquent real estate taxes and special assessments, together with all penalties, interest, and costs payable in the year of Closing and all prior years. Buyer shall pay all real estate taxes and special assessments payable therewith in all years after the Closing.

c. **Attorneys' Fees.** A party defaulting under this Agreement or any closing document will pay the reasonable attorneys' fees and court costs incurred by the non-defaulting party to enforce its rights regarding such default.

10. **Operations Before Closing.** During the period from the Effective Date to the Closing Date, Seller will not enter into or consent to any agreement or obligation regarding the Property which is not terminable before Closing without Buyer's prior written consent.

11. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer now and as of the Closing Date as follows:

- a. **Title to Property.** Seller owns the Property, and on the Closing Date, (which may be in connection with and as a result of the Closing) the Property will be free and clear of all liens and encumbrances, except the Permitted Encumbrances.
- b. **Roads and Utilities.** The Property has full and complete legal access from an adjoining public road. Electric, water, sanitary sewer, and natural gas utilities are available to the improvements on the Property. Seller has no knowledge of and has received no notice of actual or threatened reduction or curtailment of any roadway access or utility service now supplied, or to be supplied, to the Property.
- c. **Assessments.** Seller has no knowledge of and has not received any notice of actual or threatened special assessments or reassessments of the Property, or any hearing notice of a new public improvement project from any governmental assessing authority, the costs of which may be assessed against the Property. Seller will promptly provide Buyer with any notices it receives regarding any special assessments or other charges against the Property.
- d. **Rights of Others to Purchase Property.** Seller has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal, options to purchase, rights to build, leases or any other agreements regarding the Property, or any other rights of others that might prevent this Agreement's consummation or Buyer's purchase of the Property in any way.
- e. **Construction Liens.** No materials have been delivered nor any work or labor performed on the Property under contracts with Seller during the last 120 days which have not been fully paid for, and no person or entity presently has any lien, or right of lien, against the Property for labor or materials. Seller will indemnify Buyer for all amounts that Buyer may be compelled to pay in discharging or settling any mechanics lien filed for record against the Property and relating to such labor and/or materials.
- f. **Wells, Septic Systems, Tanks.** There is a well located on the Property. Prior to Closing, Seller shall cap the well, at Seller's cost, and in compliance with all applicable ordinances and codes.
- g. **Compliance With Law.** To Seller's best knowledge, the Property is in compliance with, and shall be in compliance with on the Closing Date, all applicable zoning ordinances and other applicable federal, state and local laws and regulations with respect to the Property.

- h. Proceedings.** There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to Seller's knowledge, threatened against Seller or any portion of the Property except as disclosed to Buyer in writing as of the date of this Agreement.
- i. Environmental Issues.** To Seller's best knowledge, the Property does not contain any hazardous waste or materials and is in compliance with all applicable environmental laws, and Seller has obtained all permits required under the federal state and local environmental laws in connection with the Property's ownership and operation. Seller has not received, nor is aware of, any notice of any past, present, or anticipated future events, conditions, activities, investigations, plans, studies or proposals, which: (a) would interfere with or prevent compliance by Seller with any environmental law; or (b) may give rise to any common law or statutory liability or otherwise form the basis of a claim, action, suit, proceeding, investigation or hearing, involving Seller or the Property and related in any way to hazardous substances or environmental laws. To Seller's knowledge, no investigation, administrative order, consent order and agreement or litigation and settlement with respect to solid waste or hazardous materials is in existence or threatened or anticipated with respect to the Property. Seller shall indemnify and hold Buyer harmless from and defend Buyer against any and all claims for violations of the federal, state or local environmental laws (including without limitation, claims arising out of any discharge of hazardous wastes) that occurred prior to the Closing. This indemnification shall include the right of the Buyer to recover and be paid any and all legal fees and costs incurred by Buyer (whether or not an action was started) in enforcing this indemnification or otherwise incurred as a result of Seller's breach. This duty of indemnification shall survive the Closing.
- j. Methamphetamine Disclosure.** Seller is not aware of any methamphetamine production that has occurred on the Property.
- k. Authorization.** Seller has the requisite power and authority to enter into this Agreement and the Seller's Closing Documents signed by Seller. Seller's execution, delivery and performance of this Agreement and Seller's Closing Documents does not conflict with or result in violation of any contract or agreement, or any judgment, order or decree of any court or arbiter to which Seller is a party. This Agreement and Seller's Closing Documents are Seller's valid and binding obligations, and are enforceable in accordance with their terms.

Except as specifically provided in this Agreement, Seller makes no other express or implied warranties or representations of any kind regarding the Property, including without limitation, the Property's condition, merchantability or fitness for a particular purpose. Seller will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Each of the representations and warranties contained in this Agreement shall survive the Closing and delivery of the Deed. Consummation

of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach. These warranties and the duty of indemnification shall survive Closing.

12. Buyer's Representations and Warranties. Buyer represents and warrants to Seller that Buyer has the requisite power and authority to enter into this Agreement and the Buyer's Closing Documents signed by Buyer. This Agreement and Buyer's Closing Documents will have been duly authorized by all necessary action on Buyer's part and will have been duly executed and delivered. Buyer's execution, delivery and performance of this Agreement and Buyer's Closing Documents does not conflict with or result in violation of any contract or agreement, or any judgment, order or decree of any court or arbiter to which Buyer is a party. This Agreement and Buyer's Closing Documents are Buyer's valid and binding obligations, and are enforceable in accordance with their terms. These warranties will survive Closing.

13. Condemnation. If, before the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller will immediately give notice to Buyer of such fact, together with a legal description of the property being taken, and Buyer shall have the right at its option to terminate this Agreement by giving notice to Seller within 30 days after receiving Seller's notice or to purchase any remaining part of the Property which has not been so taken by condemnation or eminent domain, with a pro rata reduction in the Purchase Price based on the number of square feet taken. Upon termination of this Agreement pursuant to this Section, the Earnest Money shall be returned to Buyer and neither party will have further obligations under this Agreement. If this Agreement is not terminated under this Section, any awards from such condemnation or eminent domain proceedings shall belong to Seller. Before the Closing Date, Seller will not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent, which shall not be unreasonably withheld.

14. Mutual Indemnification. To the extent allowed by law, Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will not arise to the extent that: (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees); or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

15. Broker's Commission. 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 specific agreement. To the extent allowed by law, Seller and Buyer agree to indemnify and 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 as set forth above, 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. Notices. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement when it is: (a) delivered personally to the party or an officer of a party; (b) deposited in a sealed wrapper in the United States mail, postage prepaid; (c) deposited cost paid with a nationally recognized, reputable overnight courier; or (d) faxed or emailed, provided an original is personally delivered or deposited as provided herein, properly addressed as follows:

If to Seller: Kurt Ulrich
City Administrator
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

If to Buyer: Neal Kzryzaniak
NIK Management, Inc.
11736 177th Street West
Lakeville, MN 55044
Email: nealkay@live.com

Notices will be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit the time for response to any notice by the other party will commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, five (5) days prior to the effective date of such change.

17. 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.

18. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written Agreements between the parties regarding the Property. There are no oral or side agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

19. **Binding Effect.** This Agreement binds and benefits the parties and their respective successors and assigns.

20. **Controlling Law.** Minnesota law will govern this Agreement.

21. **Time of the Essence.** Time is of the essence with respect to all matters in this Agreement.

22. **Remedies.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving 30 days written notice to Buyer. If Buyer fails to cure the default within 30 days of service of the notice, this Agreement will terminate, and upon the termination, Seller will retain the Earnest Money. Upon Seller's default, Buyer shall have the right to receive all Earnest Money. In addition to and not in limitation of the foregoing, if prior to Closing, Seller defaults on any of the warranties, covenants or agreements in this Agreement or if any representation shall be untrue, then Buyer may at its option terminate this Agreement without liability to Buyer and all Earnest Money shall be refunded to Buyer.

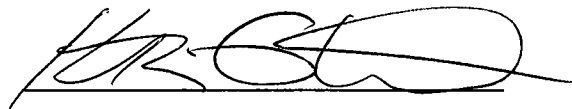
23. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which together shall constitute the Agreement. Facsimile and emailed signatures shall be sufficient for all purposes.

SELLER:

City of Ramsey



MAYOR



CITY ADMINISTRATOR

Dated: 1/14, 2015

93

BUYER:

NIK Management, Inc.

Dated: 1-23, 2015

By: *Walter J. ...*
Its: *President*

**FIRST AMENDMENT
TO THE
REAL ESTATE PURCHASE AGREEMENT**

This First Amendment amends the Real Estate Purchase Agreement by and between the **City of Ramsey** (the "Seller") and **G S Land, LLC** (assignee of NIK Management, Inc.) (the "Buyer"), dated January 23, 2015.

In consideration of the mutual covenants set forth below, Seller and Buyer agree to the following changes to the Real Estate Purchase Agreement:

1. **Sale of Property – Exclusion of Parcel.** Paragraph 1(a) and Exhibit 1 of the Agreement are amended so as to exclude from the Property the single parcel located at 15240 Helium Street N.W., PID No. 23-32-25-41-0035, legally described as Lot 21, Block 1, MEADOW, Anoka County, Minnesota.
2. **Purchase Price.**
 - a. Buyer submitted a survey dated March 13, 2015, revising the area of the Property. Given the revised survey dimensions, the Purchase Price is modified as follows:

Parcel A: 14.86 acres x \$41,500/acre =	\$616,690
Parcel B: 6.42 acres x \$43,500/acre =	<u>\$279,270</u>
Total	\$895,960

- b. The first sentence of Paragraph 3 is modified as follows:

"The total purchase price ("Purchase Price") Buyer will pay to Seller for the Property is ~~Nine Hundred Twenty Nine Thousand and no/100 Dollars (\$929,000.00)~~ Eight Hundred Ninety-Five Thousand, Nine Hundred Sixty Dollars (\$895,960.00) payable as follows:"

- c. Paragraph 3(b)(1) is modified as follows:

"Buyer will purchase Parcel A for ~~\$581,000.00~~ \$616,690.00.


- d. Paragraph 3(b)(2) is modified as follows:

"Buyer will purchase Parcel B for ~~\$326,250.00~~ \$279,270.00."

3. **Remaining Agreement Unchanged.** The remainder of the Real Estate Purchase Agreement remains unchanged, including all original timelines and Earnest Money requirements.
4. **Counterparts.** This First Amendment may be executed in any number of counterparts, all of which together shall constitute the First Amendment. Facsimile and e-mailed signatures shall be sufficient for all purposes.

City of Ramsey

Dated: 4/28/15, 2015



Sarah Strommen, Mayor


Kurt Ulrich, City Administrator

BUYER (Assignee):

G S Land, LLC

Dated: 4/14, ²⁰¹⁵~~2014~~

By: 
Its: Chief Manager

**PURCHASE AGREEMENT
SECOND AMENDMENT**

This is the Second Amendment to the Purchase Agreement by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **GS Land, LLC** (assignee of NIK Management, Inc.) (the “Buyer”), dated January 23, 2015.

Recitals

1. Pursuant to the terms of the Purchase Agreement, and Amendment 1 of the Purchase Agreement, the closing was to occur in two phases. Phase 1 closing has occurred. Phase 2 closing has not occurred.
2. The Closing Date for Phase 2 was to be no later than 30 days after the Seller delivers the Buyer a written notice of completion, for the demolition and cleanup of the subject property, pursuant to Section 3 of the Purchase Agreement.
3. The Seller intends to provide a written notice of completion to the Buyer on July 1, 2017. As a result, the Buyer will have until August 1, 2017, to close on the purchase of Phase 2.
4. Buyer seeks an additional twelve (12) months to close on the Phase 2 transaction (August 1, 2018).
5. The Seller originally reviewed this request in February of 2016; at which time, Resolution #16-02-042 was passed by the Ramsey City Council, providing general support of this extension request.
6. Buyer completed its inspection during the Inspection Period, which is expired, and Buyer also completed its examination of title.
7. Seller is willing to extend the Closing Date in exchange for obtaining new Earnest Dollars, with a portion of Earnest Dollars to become immediately non-refundable, in accordance with the terms set forth below.


Agreement

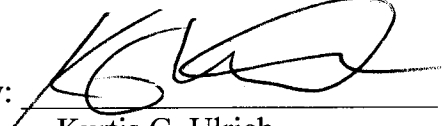
In consideration for the mutual promises set forth below, the parties agree as follows:

1. The above recitals are incorporated into the Agreement.
2. The Closing Date is hereby amended to no later than August 01, 2018.

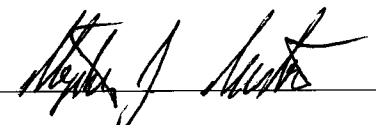
3. Buyer acknowledges that the Contingencies, Inspection Period, and Title Examination pursuant to Section 4 and Section 6 of the Purchase Agreement have expired.
4. Notwithstanding Section 3 or any other provisions in the Purchase Agreement:
 - a. Within ten (10) business days of execution of this Amendment, Buyer shall deposit an additional \$20,000.00 of Earnest Money with the Title Company, and \$5,000.00 of Earnest Money will immediately become non-refundable.
 - b. Future Closing Date Extensions.
 - i. In the event Buyer desires to extend the Closing Date deadline in the future, Buyer is required to provide written notice of the extension prior to the expiration of this agreement.
 - ii. Each future extension to the Closing Date shall be two month terms.
 - iii. Each future extension of the Closing Date will result in \$5,000 of the Existing Earnest money becoming immediately non-refundable.
 - iv. A maximum of three future extensions will be allowed (six months, \$15,000 of Existing Earnest money becoming immediately non-refundable)
5. All other terms of the Purchase Agreement remain unchanged except to the extent inconsistent with this First Amendment.

The City of Ramsey, Minnesota

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

By:  Dated: 5/11/17, 2017
Kurtis G. Ulrich
City Administrator

GS Land, LLC

By:  Dated: 5/4/17, 2017

**THIRD AMENDMENT
TO THE
REAL ESTATE PURCHASE AGREEMENT**

This First Amendment amends the Real Estate Purchase Agreement by and between the **City of Ramsey** (the "Seller") and **G S Land, LLC** (assignee of NIK Management, Inc.) (the "Buyer"), dated _____, 2018.

In consideration of the mutual covenants set forth below, Seller and Buyer agree to the following changes to the Real Estate Purchase Agreement:

1. **Purchase Price.** Paragraph 3(b)(2) is amended as follows. "Buyer will purchase Parcel B for ~~\$279,270.00~~ \$5,000. Closing on Parcel B shall occur by December 31, 2018.

City of Ramsey

Dated: _____, 2018

John LeTourneau, Acting Mayor

Kurt Ulrich, City Administrator

BUYER (Assignee):

G S Land, LLC

Dated: _____, 2014

By: _____

Its: _____

GS Land, LLC

5115 Wooddale Glen
Edina, MN 55424
612-868-0662

June 4, 2018

Mr. Tim Gladhill
Community Development Director
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Re: Harvest Estates – Phase 2

Dear Mr. Gladhill,

As you know, GS Land, LLC currently has a Real Estate Purchase Agreement (PA) with the City of Ramsey for approximately 6.42 acres. The property is located directly adjacent to the recently developed Harvest Estates – Phase 1 and, is currently proposed to be developed as Harvest Estates – Phase 2. The current PA price for the 6.42 acres is \$279,270.00.

While it may have always been known that the site would require some imported fill to develop the property in conformance with the preliminary plat, it was only this past spring that the engineering analysis was actually performed and, the significant amount of imported fill was accounted for. The current total estimated cost of \$1,134,000.00 to develop the site is simply not feasible, in our opinion.

The preliminary plat for Phase 2 has 12 residential homesites and, based on our engineer's analysis, this is the maximum number of homesites that can be plated on this parcel. That puts the per lot cost of development, excluding any margin of profit for the developer, at an estimated \$94,500.00. Based on an average lot sales price of \$78,800.00 in Harvest Estates – Phase 1, and our belief that the market will not allow a significant increase in per lot sales prices, the current estimated development cost would not allow us to move forward with Harvest Estates – Phase 2.

However, if we could achieve a development cost something below \$70,000.00 per homesite, we would likely move forward with Harvest Estates – Phase 2 as soon as practical. Unfortunately, there is a differential of approximately \$25,000.00 per homesite, or a total of \$300,000.00 that needs to be eliminated from the current estimated cost of \$1,134,000.00. It is our opinion that the only way to bring the cost of the development down to a point where we may be able to move forward, is to reduce the raw land price.

Therefore, GS Land is requesting an amendment to the PA reducing the current purchase price from \$279,270.00 to a proposed price of \$5000.00. While this reduction may seem extreme, we believe there are few, if any, alternatives that would allow for the residential development of this site now, or in the foreseeable future.

GS Land, LLC

5115 Wooddale Glen

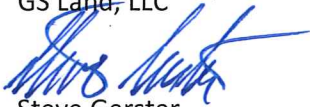
Edina, MN 55424

612-868-0662

We have enclosed all of our estimated costs for review and comment. Additionally, we are always available to meet and discuss any items of concern at your convenience.

Thank you for your consideration of our proposal.

Sincerely,
GS Land, LLC



Steve Gerster
Chief Manager

Estimated Cost of Construction

Owner's Name(s): GS Land, LLC

Project Name: Harvest Estates - Phase 2

Property Address: 15153 Nowthen Blvd NW, Ramsey, MN

Start Date: _____

Completion Date: _____

	Category	Subcontractor/Supplier	Budget	Adjustments	Adjusted Budget
1	Land Acquisition	City of Ramsey	\$ 279,270.00		279,270.00
2	Park Dedication Fees	City of Ramsey	\$ 41,100.00		\$ 41,100.00
3	Grading		\$ 600,000.00		\$ 600,000.00
4	Utilities	Included In Line 3	\$ -		\$ -
5	Streets	Included In Line 3	\$ -		\$ -
6	Street Lights & Signs	City of Ramsey	\$ 3,000.00		\$ 3,000.00
7	Street Light Operations	City of Ramsey	\$ 1,000.00		\$ 1,000.00
8	Gas Deposit / Small Utilities		\$ 3,500.00		\$ 3,500.00
9	Landscaping	Included In Line 3	\$ -		\$ -
10	Monument Sign		\$ -		\$ -
11	Clean Street/Erosion Control		\$ 1,000.00		\$ 1,000.00
12	Consulting Fees		\$ 5,000.00		\$ 5,000.00
13	NIK Management Fee		\$ -		\$ -
14	PERC		\$ -		\$ -
15	City Storm Water Mgmt	City of Ramsey	\$ 5,508.00		\$ 5,508.00
16	Engineering Fees	Hedlund	\$ 60,000.00		\$ 60,000.00
17	Engineering Permits		\$ -		\$ -
18	Construction Observation (City)	City of Ramsey	\$ 20,000.00		\$ 20,000.00
19	Soil Testing	American Engineering	\$ 5,000.00		\$ 5,000.00
20	Final Plat & Staking	Included In Line 16	\$ -		\$ -
20.5	County Plat Check Fee		\$ -		\$ -
21	Survey	Included In Line 16	\$ -		\$ -
22	MPCA Permit		\$ -		\$ -
23	Watershed District	Hedlund	\$ 500.00		\$ 500.00
24	City Costs		\$ 2,000.00		\$ 2,000.00
25	Cost of Letter of Credit		\$ 7,500.00		\$ 7,500.00
26	Area Assessments	City of Ramsey	\$ 33,912.00		\$ 33,912.00
27	Origination Fees		\$ -		\$ -
28	Closing Fees - Title Company		\$ 2,500.00		\$ 2,500.00
29	Disb Fee @ Land Closing		\$ -		\$ -
30	Well Certification		\$ -		\$ -
31	Priority/Cons/Fee/Flood		\$ -		\$ -
32	Legal Fees		\$ 5,000.00		\$ 5,000.00
33	Document Prep Fees		\$ -		\$ -
34	Liability Insurance		\$ 750.00		\$ 750.00
35	Taxes	Ramsey County	\$ 1,500.00		\$ 1,500.00

Estimated Cost of Construction

Owner's Name(s): GS Land, LLC
Project Name: Harvest Estates - Phase 2
Property Address: 15153 Nowthen Blvd NW, Ransey, MN
Start Date: _____
Completion Date: _____

	Category	Subcontractor/Supplier	Budget	Adjustments	Adjusted Budget
36	Mortgage Reg Fees, Etc		\$ 1,250.00		\$ 1,250.00
37	Title Service Fees		\$ 3,500.00		\$ 3,500.00
38	Title Ins (Owner/Lender)	Included In Line 37	\$ -		\$ -
39	Recording Fees	Included In Line 37	\$ -		\$ -
40	Contingency		\$ 51,210.00		\$ 51,210.00
	TOTAL EST COST OF CONSTRUCTION		\$ 1,134,000.00	\$ -	\$ 1,134,000.00

PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd

PROJECT NO.: KRZ14029 003

LOCATION: Ramsey, MN

CONTRACT MANAGER: RCH

FILE: Cost Estimate - Single Family xls

Date:

5-Apr-18

SCHEDULE A - SANITARY SEWER

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1 Connect to Existing Sewer Stub	1	Each	\$1,500.00	\$1,500.00
2 Connect into Existing Manhole	1	Each	\$1,500.00	\$1,500.00
3 8" PVC, 8'-10' Deep SDR 35	295	L.F.	\$35.00	\$10,325.00
4 8" PVC, 10'-12' Deep SDR 35	20	L.F.	\$35.00	\$700.00
5 8" PVC, 12'-14' Deep SDR 35	100	L.F.	\$40.00	\$4,000.00
6 8" PVC, 14'-16' Deep SDR 26	60	L.F.	\$61.00	\$3,660.00
7 8' Standard Manhole (48") w/Joint Seal ape	4	Each	\$2,500.00	\$10,000.00
8 Manhole - Extra Depth > 8'	5	L.F.	\$120.00	\$600.00
9 Furnish and Install Castings w/Rings	4	Each	\$450.00	\$1,800.00
10 4" x 8" PVC Wye	12	Each	\$150.00	\$1,800.00
11 4" Schedule 40 PVC Service Pipe	400	L.F.	\$20.00	\$8,000.00
12 Pipe Insulation	125	S.Y.	\$2.00	\$250.00
13 Test and Televiser Sewer	1	L.S.	\$1,500.00	\$1,500.00
SUBTOTAL SCHEDULE A - SANITARY SEWER				\$45,635.00

PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd
 PROJECT NO.: KRZ14029 003
 LOCATION: Ramsey, MN
 CONTRACT MANAGER: RCH
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

SCHEDULE B - WATERMAIN

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1 Connect to Existing Watermain	2	Each	\$1,000.00	\$2,000.00
2 6" DIP, Class 52	90	L.F.	\$38.00	\$3,420.00
3 12" DIP, Class 52	550	L.F.	\$60.00	\$33,000.00
4 12" Gate Valve w/ Box	2	Each	\$3,750.00	\$7,500.00
5 Hydrant w/ 6" Gate Valve	2	Each	\$5,000.00	\$10,000.00
6 Fittings	1000	Lbs.	\$7.00	\$7,000.00
7 1" Copper Service Pipe	400	L.F.	\$20.00	\$8,000.00
8 1" Corp and Curb Stop	12	Each	\$350.00	\$4,200.00
10 Testing Watermain	1	L.S.	\$1,200.00	\$1,200.00
11 Remove Exist 12" Watermain	300	L.F.	\$15.00	\$4,500.00
SUBTOTAL SCHEDULE B - WATERMAIN				<u>\$80,820.00</u>

SCHEDULE C - STORM SEWER

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1 15" RCP, Class 5	280	L.F.	\$35.00	\$9,800.00
2 2' x 3' Catch Basin	4	EACH	\$1,800.00	\$7,200.00
3 48" Dia. Manhole	2	EACH	\$2,000.00	\$4,000.00
4 Connect to Existing	4	EACH	\$750.00	\$3,000.00
5 Install Casting W/ Rings	6	EACH	\$575.00	\$3,450.00
SUBTOTAL SCHEDULE C - STORM SEWER				<u>\$27,450.00</u>

PRELIMINARY OPINION OF ESTIMATED COSTS



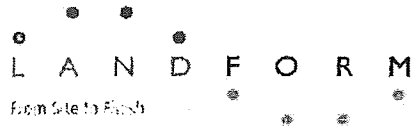
Harvest Est. 2nd
 PROJECT NO.: KRZ14029 003
 LOCATION: Ramsey, MN
 CONTRACT MANAGER: RCH
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

SCHEDULE D - STREETS

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Subgrade Preparation	2800	S.Y.	\$1.00	\$2,800.00
2	Bituminous Parking Lot Removal	870	S.Y.	\$5.00	\$4,350.00
3	Aggregate Base Class 5 - 4"	630	Tons	\$16.00	\$10,080.00
4	Bituminous Non-Wear Course Mix 2.0" (SPWEA340C)	300	Tons	\$70.00	\$21,000.00
5	Bituminous Wearing Course Mix 1.5" (SPNWB230C)	225	Tons	\$80.00	\$18,000.00
6	Tack Coat	135	S.Y.	\$1.00	\$135.00
7	Concrete Curb and Gutter (Surmountable)	1600	L.F.	\$13.00	\$20,800.00
8	4" Concrete Sidewalk 6' Wide on Sand Base	350	S.Y.	\$35.00	\$12,250.00
9	Raise Structures/ Gate Valves	9	Each	\$400.00	\$3,600.00
10	Signage	4	Each	\$350.00	\$1,400.00
11	Pedestrian Ramps	3	Each	\$600.00	\$1,800.00
12	Two Rows Sod Behind Curbs	550	S.Y.	\$6.50	\$3,575.00
	SUBTOTAL SCHEDULE D - STREETS				<u>\$99,790.00</u>

PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd
 PROJECT NO.: KRZ14029 003
 LOCATION: Ramsey, MN
 CONTRACT MANAGER: RCH
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

SCHEDULE E - GRADING

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Mobilization	1	L.S.	\$5,000.00	\$5,000.00
2	Sawcut Bituminous	60	L.F.	\$3.00	\$180.00
3	Remove Existing Bituminous	1,000	S.Y.	\$3.00	\$3,000.00
4	Clearing & Grubbing	0.5	ACRE	\$4,000.00	\$2,000.00
5	* Silt Fence	1,200	L.F.	\$1.50	\$1,800.00
6	Rock Construction Entrance	2	Each	\$1,300.00	\$2,600.00
7	Inlet Protection	6	Each	\$150.00	\$900.00
8	Wetland Buffer Signage	4	Each	\$190.00	\$760.00
9	Street Sweeper	1	L.S.	\$1,100.00	\$1,100.00
10	Common Excavation	4,000	C.Y.	\$2.00	\$8,000.00
11	* Common Import (L.V.)	25,000	C.Y.	\$8.00 10. ⁰⁰	\$200,000.00 250,000
12	* Subgrade Correction	1,000	C.Y.	\$2.00	\$2,000.00
13	Topsoil Respread - 6" Import	1,200	C.Y.	\$8.00	\$9,600.00
14	* Seed & Mulch	4	Acre	\$600.00	\$2,400.00
15	Fiber Blanket (Steep Slopes)	3000	S.Y.	\$1.50	\$4,500.00
16	Remove Silt Fence	4100	L.F.	\$1.00	\$4,100.00

* Contractor to be Paid per Field Measure Quantities

SUBTOTAL SCHEDULE E - GRADING

297,940
~~247,940.00~~

PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd
 PROJECT NO.: KRZ14029 003
 LOCATION: Ramsey, MN
 CONTRACT MANAGER: RCH
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

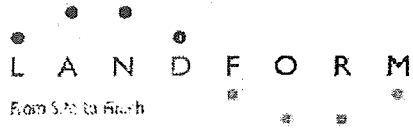
SCHEDULE F - LANDSCAPING

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Deciduous Trees	21	Each	\$275.00	\$5,775.00
2	Coniferous Trees	21	Each	\$275.00	\$5,775.00
SUBTOTAL SCHEDULE F - LANDSCAPING					\$11,550.00

SUMMARY- DEVELOPMENT COSTS

SCHEDULE A - SANITARY SEWER	\$45,635.00	
SCHEDULE B - WATERMAIN	\$80,820.00	
SCHEDULE C - STORM SEWER	\$27,450.00	
SCHEDULE D - STREETS	\$99,790.00	
SCHEDULE E - GRADING	\$247,940.00	297,940
SCHEDULE F - LANDSCAPING	\$11,550.00	
SUB TOTAL	\$513,185.00	563,185
10% CONTIGENCY	\$51,318.50	36,815
TOTAL	\$564,503.50	600,000

PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd
 PROJECT NO.: KRZ14029 003
 LOCATION: Ramsey, MN
 CONTRACT MANAGER: RCH
 FILE: Cost Estimate - Single Family xls
 Date: 5-Apr-18

SCHEDULE G - SOFT COSTS

1 Engineering and Surveying	1	L.S.	\$50,000.00	\$50,000.00
2 Construction Services (Inspection), 5% Construction Cost	1	L.S.	\$12,700.00	\$12,700.00
3 Construction Services (Testing)	1	L.S.	\$5,000.00	\$5,000.00
4 Wetland Consultant Services	0	L.S.	\$0.00	\$0.00

CITY FEES

5 Park Dedication Fee	12	Each	\$2,700.00	\$32,400.00
6 Trail Dedication Fee	12	Each	\$725.00	\$8,700.00
7 Final Plat Fee	1	L.S.	\$350.00	\$350.00
8 Final Plat Escrow	1	L.S.	\$1,500.00	\$1,500.00
9 Water Residential Connection Charge	12	Each	\$1,700.00	\$20,400.00
10 Sewer Residential Connection Charge	12	Each	\$1,126.00	\$13,512.00

TOTAL SOFT COSTS \$144,562.00

TOTAL HARD + SOFT COSTS	\$709,065.50
--------------------------------	---------------------

*507,800
 include
 City*

Meeting Date: 07/12/2018

By: Katie Schmidt, Administrative Services

Title:

Review Updated Restaurant Subsidy Program

Purpose/Background:

PURPOSE/ BACKGROUND

The city has received feedback from residents, businesses, visitors, and elected/ appointed officials that attracting more restaurants is a priority for Ramsey. The purpose of this case is to review the proposed restaurant subsidy program documents that be the basis of this economic development program. This case was reviewed at the May EDA Meeting, and a first draft of the policy was presented at the June EDA meeting. Updates for the final policies are now offered for adoption.

Notification:

Observations/Alternatives:

STRATEGIES

(1) Full Service Restaurant Subsidy: Water Availability Charge Program

See attached draft policy. This policy is focused on forgiving 70% of the city's water access charges. The City has used this subsidy two times in the past (Acapulco and Falls Cafe). The Falls Cafe ended up not using the subsidy. WAC fees on a single new restaurant can run 10's of thousands of dollars. This program funds the subsidy from designated EDA funds, and in turn, the restaurant user receives a reduction in the fee that they pay.

The traditional Business Subsidy Application has been attached for review. Included in this application is the financial analysis as requested by the EDA. Please note that this Application has not yet been specifically updated to reflect the WAC Program. Before resources are spent updating this Application, Staff desires to know if the overall approach is consistent with previous EDA direction.

(2) Establish a Sign & Awning Grant Program

Please see attached draft Sign and Awning Program policy and application. The program provides a one-time grant to help users with the cost to upgrade/ replace/ construct new signs and awnings. The City would use the EDA Fund as the funding source. many City's use this type of program as a relatively low cost way to enhance commercial exteriors for new businesses.

This document has been updated to require Proof of Financing from a qualified lending institution as requested by the EDA.

A discussion topic will be forwarded to the Planning Commission in the future to discuss appropriate color pallettes as requested by the EDA.

(3) Expand City's Business Welcome Services

Today, when a new business comes to the City of Ramsey, staff offers "business welcome" opportunities. This includes a free facebook post, twitter post, city newsletter article, website article, grand opening ceremony services from the chamber, and a newspaper article lead. For new restaurants, staff believes the city could expand these services to include free admission to various city events*. Please see attached draft Marketing Opportunitites.

*EDA Business Expo, EDA Golf Tournament hole sponsor, Happy Days Business Expo, Happy Days parade, Draw Event Series signage, etc.

Funding Source:

Funding for financial assistance would come from the City's EDA Account.

Recommendation:

Staff recommends approving the three draft documents as part of the Restaurant Subsidy Program.

Action:

Motion to recommend that the City Council approve the attached policies/programs related to recruiting new restaurants.

Attachments

WAC Assistance Program

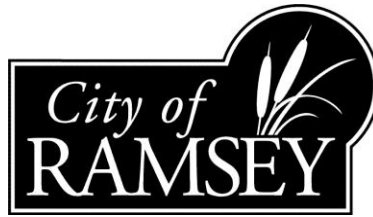
Sign and Awning Assistance Program

Restaurant Marketing Opportunities

Business Subsidy Policy Application

Form Review

Inbox	Reviewed By	Date
Tim Gladhill	Tim Gladhill	07/06/2018 08:14 AM
Kurt Ulrich	Kurt Ulrich	07/06/2018 10:07 AM
Kathy Schmitz	Kathy Schmitz	07/06/2018 10:26 AM
Kurt Ulrich	Kurt Ulrich	07/06/2018 10:59 AM
Kurt Ulrich	Kurt Ulrich	07/06/2018 11:23 AM
Form Started By: Katie Schmidt		Started On: 06/15/2018 09:55 AM
Final Approval Date: 07/06/2018		



Full-Service Restaurant Subsidy: Water Availability Charge Program

The Program

This subsidy program is intended to serve as a catalyst for securing new restaurants in Ramsey by providing financial assistance to qualified restaurant businesses. The full-service restaurant must be located in The City of Ramsey.

To facilitate new full-service restaurants, the EDA would provide zero interest, forgivable loans to eligible full-service restaurants for the purpose of financing their water connection fees. The maximum loan amount would be 70% of the proposed restaurant's Water Availability Charge (WAC fee). The 70% cap would ensure that the businesses are covering some of the fixed capital costs for the City's water system. The loan would be recorded as a subordinated mortgage and the principal would be forgiven if the restaurant remained in operation and in good standing with the City for five years. The loan principal would be forgiven at a rate of 20% per year.

In establishing the loan amount and the percentage of WAC subsidy, the EDA would advise the Ramsey City Council regarding several factors. The factors are (1) the size of the restaurant's capital investment, (2) the financial need and potential for long-term viability, and (3) the quality of the restaurant's concept. A full-service restaurant is defined as one that has washable plates, cups and utensils, wait staff, food served at tables, and whose projected SAC/WAC fees are charged at a rate of X unit per seat.

Funding Source

The funding for the Water Availability Charge Program will come from the EDA Fund.

Eligibility

Eligible applicants are for-profit restaurant businesses considering new or additional restaurants in The City of Ramsey. The City is willing to consider exceptions for existing business who are relocating or expanding.

Eligible businesses must devote a majority of their floor space to the restaurant concept. All applicants must be a permitted use in compliance with all laws, zoning ordinances, rules and regulations applicable to the business. The Ramsey EDA will review each application on a case-by-case basis and reserves the right to exclude activities not consistent with the City's Comprehensive Plan, or if the concept does not benefit the health, safety and welfare of the community.

Application Process

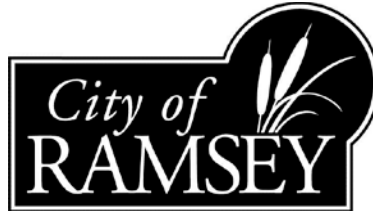
The applicant must submit a completed Business Assistance Application and all required attachments to the City's Economic Development Department. The Ramsey Economic Development Authority will make a recommendation on the full-service restaurant subsidy to the Ramsey City Council. Applicants will be notified of EDA and City Council meetings and may be asked to attend to present their request for assistance. Any financial assistance to full-service restaurants as part of this program is subject to City Council approval. Moreover, such financial assistance is limited by the availability of City Water Funds.

Implementation Procedures

The program does require the applicant pay upfront permit fees and all applicable Sewer Access Charge (SAC fees) that the City of Ramsey is required to pay on behalf of the project to the Metropolitan Council. To be in good standing with the City, applicant and/or landlords must be current on all municipal taxes, special assessments, City utility bills, or EDA loans. Principal forgiveness will cease if the applicant and/or landlords fail to be current on these obligations. Principal forgiveness will cease if the applicant discontinues the business, moves the business, or fails to comply with any and all building, fire, health, or zoning codes or regulations.

Sunset Date

The Full-Service Restaurant Subsidy Policy and Program Guidelines will expire three years (and at the end of the month) from the date this policy is approved. Financial assistance that has been approved for projects that have not yet begun by the sunset date would still be valid, unless otherwise determined by the City Council.



Restaurant Subsidy: Sign and Awning Program

The Program

The purpose of this program is to offer assistance to new Restaurants in The City of Ramsey to create or change their signs and awnings. The signs and awnings should be designed to enhance and compliment the community as well as attract customers. The Sign and Awning program uses a grant to fund the applicant's project. The grant amount is up to \$1,500. Only one Sign and Awning Program Grant shall be approved per new business. If the cost of the signs and awning exceeds \$1,500, the applicant is responsible for the difference.

Eligibility

Eligible applicants are new for-profit restaurant businesses operating in The City of Ramsey and apply within 12 months of opening to receive this assistance. All signs and awnings must be in compliance with The City of Ramsey zoning ordinance; including any required sign permits. The applicant and/or company must be in good standing with the City, applicant and/or landlords must be current on all municipal taxes, special assessments, City utility bills, or EDA loans.

The Ramsey EDA will review each application on a case-by-case basis and reserves the right to exclude activities not consistent with the City's Comprehensive Plan, or if the concept does not benefit the health, safety and welfare of the community.

Eligible applicants must provide proof of financing from a qualified lending institution or other financial statements demonstrating the ability to successfully finance the overall project.

Application Process

The applicant must submit all required information. The Ramsey Economic Development Authority will make a recommendation on the Restaurant Subsidy: Sign and Awning Program. Applicants will be notified of EDA and City Council meetings and may be asked to attend to present their request for assistance. Any financial assistance for Sign and Awning grants as part of this program is subject to City Council approval. Moreover, such financial assistance is limited by the availability of the Ramsey EDA Fund.

Contractor & Permits

A minimum of two bids per project must be obtained from contractors, the lower of which will be reimbursed, unless the work is done by the applicant. All required permits are the responsibility of the applicant.

***Important: Please work with sign professionals and be clear about the sign specifications (i.e. wood vs. metal) when soliciting bids.

Work Completion

Weather permitting; all projects must be completed within 120 days of the funding approval date. If work is completed prior to obtaining funding approval, the applicant can submit an application requesting reimbursement under the guidelines of this program. If the applicant is seeking reimbursement, a final invoice must be included with the application. The final invoice must be dated within 60 days of the date the EDA receives the application.

Disbursement Process

After an inspection by the city to verify completion of the work, a check will be issued payable to the program applicant. Before funds can be released, the following must be received by the EDA:

- 1) Final invoice from contractor (or materials list from supplier).
- 2) Photograph(s) of completed project.
- 3) Confirmation of city sign permit and final inspection.
- 4) Final inspection by the city's Economic Development Manager.

Restaurant Subsidy: Sign and Awning Program Application

Business Owner: _____

Property Owner/Management Contact Name: _____

Business Name: _____

Address to be improved: _____

Phone(s): _____

Email: _____

Short Project Description: _____

Total Improvement Cost: _____ Grant Request: _____

Contractor Name Bid Amount

1. _____

2. _____

Your application is not complete if you do not include:

1. Proof of financing from a bank
2. Minimum two bids (If you are doing the work yourself, attach a copy of the material costs on letterhead from the material supplier)
3. Sketch/Image of Project
4. Sign Permit
5. (You may apply without a permit, but EDA staff must receive it prior to disbursing funds)
6. W-9 Form
7. Photograph(s) of building prior to improvement

I AGREE with and UNDERSTAND the following:

I have read and am within the guidelines for the Sign & Awning Grant Program. I understand that if any information is incorrect or incomplete, my chances of receiving funding will be delayed and/or hindered.

Prop. Owner/Mgmt Name: _____

Signature: _____

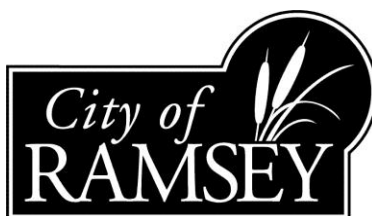
Date: _____

Applicant Name: _____

Signature: _____

Date: _____

Applications will be reviewed in the order they are received.



Restaurant Subsidy: Marketing Opportunities

The Program

The purpose of the program is to help welcome and offer opportunities for marketing to new Restaurants. There are several marketing outlets this subsidy programs has to offer through several organizations in order to maximize customer reach. These organizations include The COR, Anoka Area Chamber of Commerce, and ABC Newspapers. Marketing opportunities must be initiated by the new business. The City of Ramsey will utilize staff resources to arrange. Business responsible for applicable change. The Marketing opportunities offered by each organization are as follows.

The City of Ramsey

- A letter of recognition letter from the Ramsey Mayor, Economic Development Authority (EDA) Chair and City Administrator.
- The Business Grand Opening promoted on The COR social media including The Facebook and Twitter pages. Please provide an event flyer in PDF or JPEG format.
- A "Business Spotlight Article" in its next Ramsey Resident newsletter, circulated to about 10,000 households. Please provide your logo in JPEG format and the content you would like featured, in 250 words or less. Depending on the next issue date, the article could take 30-120 days to publish.
- Free Entry to EDA Events and Happy Days.
- Happy Days Parade and Expo with 7,000-15,000 attendees.
- Spring Business Expo with 200-500 attendees.
- Summer Golf Tournament hole sponsor with 110-144 golfers.
- Fall Networking Event with 70-90 businesses in attendance.
- To arrange any or all of these opportunities please contact The Communication and Events Specialist:

Anoka Area Chamber of Commerce

- A 'Ribbon Cutting' ceremony services for the Grand Opening. This includes giant scissors, a red ribbon, pictures, and potential media coverage to the Anoka Area of Commerce followers.
- To arrange, please contact Pete Turok, President of the Anoka Area Chamber of Commerce: 763-421-7130, pete@anokaareachamber.com

ABC Newspapers

- It is recommended that you inform the Anoka Union (ABC Newspapers) of your new business presence and/or grand opening event. They may be willing to publish an article.

- To arrange, please contact Jonathan Young, Managing Editor 763-712-3514
jonathan.young@ecm-inc.com

Eligibility

Eligible applicants are for-profit restaurant businesses that are not currently operating in The City of Ramsey. The City is willing to consider exceptions for existing business who are relocating or expanding. The applicant and/or company must be in good standing with the City, applicant and/or landlords must be current on all municipal taxes, special assessments, City utility bills, or EDA loans.

DRAFT

C. PUBLIC PURPOSE OBJECTIVES

It is the policy of the City and EDA of Ramsey that the business assistance should result in a public benefit as identified in items 1-10 below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as Part 7.**

- 1. To encourage redevelopment.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To create housing opportunities.
- 7. To provide a diversity of housing.
- 8. To provide a variety of family housing ownership alternatives and housing choices.
- 9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- 10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
 - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

D. SOURCES & USES OF FUNDS

Attach additional information as Part 8

<u>SOURCES</u>	<u>AMOUNT</u>
Bank Loan	\$ _____
Other Loans	\$ _____
Owner Equity	\$ _____
Fed Grant/Loan	\$ _____
State Grant/Loan	\$ _____
Industrial Development Bonds	\$ _____
Tax Increment Financing	\$ _____
Tax Abatement	\$ _____
Revolving Loan Fund	\$ _____
Other	\$ _____
TOTAL	\$ _____

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ _____
Site Development	\$ _____
Construction	\$ _____
Machinery & Equipment	\$ _____
Architectural/Engineering Fees	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ _____
Other	\$ _____
TOTAL	\$ _____

Total Amount of business assistance requested from either Revolving Loan Fund, Abatement, Tax Increment Financing or another source: \$ _____

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation.
 All personal financial information will be kept private and confidential.

- 1. Written business plan or a description of the business, ownership/ management, date established, products and services, and future plans.
- 2. Financial statements for past two years, including profit and loss statements and balance sheets.
- 3. Two year financial projections.
- 4. Personal financial statements of all major shareholders (principals) including the most recent 2 years of tax returns. (If requested.)
- 5. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.
- 6. Administrative fee of up to \$5,000. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.
- 7. Attach the following documentation:
 - _____ Part 1 – Corporation/Partnership Description
 - _____ Part 2 – List of Shareholders/Partners
 - _____ Part 3 – Description of Project
 - _____ Part 4 – *But For* Analysis
 - _____ Part 5 – List of Prospective Lessees (If requested)
 - _____ Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
 - _____ Part 7 – Public Purpose Narrative
 - _____ Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned’s knowledge. The undersigned authorizes the City and EDA of Ramsey to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name _____ Date _____

By _____

Its _____

Economic Development Authority (EDA)

5. 1.

Meeting Date: 07/12/2018

By: Katie Schmidt, Administrative Services

Title:

Update: Two Shovel Ready Certifications

Purpose/Background:

PURPOSE

Provide an update on two shovel ready applications previously submitted to the State of Minnesota. Both sites have been certified as "Shovel Ready" by the Minnesota Shovel Ready Program.

BACKGROUND: Sites

- **Bunker Lake Industrial Park**, south side, PSD, LLC (45.1 acres).
- **#50, City Owned Property** located in the SE corner of The COR, near Casey's (14.7 acres).

BACKGROUND: Shovel Ready

The State of Minnesota development ready certification program (known as "DEED Shovel Ready" certifications) is a pro-active process/ effort that attempts to collect all information that would be needed by a developer/ investor to consider a project in Ramsey ahead of time. The intention of the process is to eliminate risk, unknowns, speed up the development process, and make Ramsey sites more competitive. More information can be found at <http://mn.gov/deed/government/shovel-ready/program-overview/index.jsp>.

Notification:

Notification is not required.

Observations/Alternatives:

Please see the attached exhibits for detailed information.

Funding Source:

No additional funding is required at this time.

Recommendation:

No action is requested at this time.

Action:

No action is requested at this time.

Attachments

Letter of Certification - Bunker Lake Industrial Park

Marketing Package - Bunker Lake Industrial Park

Letter of Certification - COR Office Park

Marketing Doc - COR Office Park

Inbox

Tim Gladhill
Kurt Ulrich
Form Started By: Katie Schmidt
Final Approval Date: 07/06/2018

Reviewed By

Tim Gladhill
Kurt Ulrich

Date

07/05/2018 09:15 PM
07/06/2018 10:57 AM
Started On: 07/03/2018 01:03 PM

June 12, 2018

Katie Schmidt
Economic Development
7550 Sunwood Dr. NW
Ramsey, MN 55303



Regarding: Shovel Ready Certification for the City of Ramsey

Dear Katie,

Thank you for your continued effort and support of the Minnesota Shovel Ready Program. This letter is to inform you that the Future Biz Park site in Ramsey has been certified as "Shovel Ready".

Your site will be loaded onto our website at mn.gov/deed/business. The listing will include your final application, a description of the site/community, a one-page overview created by the city, and the site's industry specific certifications. Based on the characteristics of the site, DEED has determined that it is best suited to the following industry uses:

- Light Manufacturing
- Small Food Processing
- General Commercial/Industrial

You will also want to have the site loaded on www.locationone.com, so please contact Laura Winge at laura.winge@state.mn.us if you need a site login.

We thank you for your continued commitment to economic development in the State of Minnesota and the City of Ramsey. Please do not hesitate to contact me at (651) 259-7436 should you have any questions concerning this program.

Best regards,

A handwritten signature in black ink, appearing to read "Kyle Jordan".

Kyle Jordan
Regional Business Development Manager
Department of Employment and Economic Development

MINNESOTA IS SHOVEL READY

Business Park

Ramsey, MINNESOTA

A CERTIFIED DEVELOPMENT SITE READY FOR YOUR NEXT PROJECT!

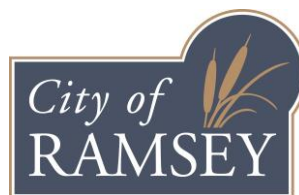
Site Highlights:

- 45.1 acres certified, 28 acres available
- Easy access to Hwy 10, Armstrong Blvd and Bunker Lake Blvd
- Some infrastructure in place including fiber,
- 4 MW electric & 150,000 gpd sewer capacity
- Pad ready sites and greenfield sites
- Two buildings completed
 - 64,000 sf, 24' clear, Adrenaline Sports, 8,000 sf available
 - 56,000 sf, 24' clear, Spec Building
- Easy subdivision possible
- Zoned commercial/industrial B-2: Business District
- Close to Anoka Technical College
- Build to suit pad sites available for sale



For more information on the Ramsey Shovel Ready Site, contact:

Tim Gladhill
City of Ramsey
Direct: 763.433.9826
[email](#) | [website](#)



June 7, 2018

Katie Schmidt
Economic Development
7550 Sunwood Dr. NW
Ramsey, MN 55303



Regarding: Shovel Ready Certification for the City of Ramsey

Dear Katie,

Thank you for your continued effort and support of the Minnesota Shovel Ready Program. This letter is to inform you that the 50A site in Ramsey has been certified as "Shovel Ready".

Your site will be loaded onto our website at mn.gov/deed/business. The listing will include your final application, a description of the site/community, a one-page overview created by the city, and the site's industry specific certifications. Based on the characteristics of the site, DEED has determined that it is best suited to the following industry uses:

- Light Manufacturing
- Small Food Processing
- General Commercial/Industrial

You will also want to have the site loaded on www.locationone.com, so please contact Laura Winge at laura.winge@state.mn.us if you need a site login.

We thank you for your continued commitment to economic development in the State of Minnesota and the City of Ramsey. Please do not hesitate to contact me at (651) 259-7436 should you have any questions concerning this program.

Best regards,

A handwritten signature in black ink, appearing to read "Kyle Jordan".

Kyle Jordan
Regional Business Development Manager
Department of Employment and Economic Development

MINNESOTA IS SHOVEL READY

Commercial Land

Ramsey, MINNESOTA

A CERTIFIED DEVELOPMENT SITE READY FOR YOUR NEXT PROJECT!

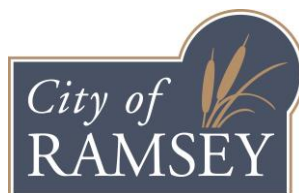
Site Highlights:

- 14.7 acres certified
- Immediate access to Sunwood Dr
- Easy access to Hwy 10, Ramsey Blvd, Armstrong Blvd and Bunker Lake Blvd
- Close proximity to full-access interchange at U.S. Highway 10 and Armstrong Blvd
- 4 MW electric & 150,000 gpd sewer capacity
- Zoned COR 3 (Commercial)
- Close to Anoka Technical College
- Part of the COR, Ramsey's downtown, transit oriented development
- Easy subdivision possible



For more information on the Ramsey Shovel Ready Site, contact:

Tim Gladhill
City of Ramsey
Direct: 763.433.9826
[email](#) | [website](#)



Economic Development Authority (EDA)

5. 2.

Meeting Date: 07/12/2018

By: Katie Schmidt, Administrative Services

Title:

Business Retention and Expansion Update

Purpose/Background:

The purpose of this case is to provide a rolling update on the City's BR&E program. The goal for 2018 is to complete 24 formal business visits.

- Goal Per Year: 24
- Original Target list, 44
- Completed visits, 16
- Pending/ scheduled visits, 0
- Contact made, no response, 28
- Contact yet to be made, 0

Notification:

No action. Update only.

Observations/Alternatives:

Please note that no additional business visits have been scheduled since the last EDA Meeting. It is anticipated that the new EDA Manager will be able to complete the remaining number of business visits in the first 30 to 60 days of employment to met or exceed the annual target.

Funding Source:

NA

Recommendation:

NA

Action:

NA

Attachments

No file(s) attached.

Form Review

Inbox

Tim Gladhill

Kurt Ulrich

Form Started By: Katie Schmidt

Final Approval Date: 07/05/2018

Reviewed By

Tim Gladhill

Kurt Ulrich

Date

07/03/2018 01:30 PM

07/05/2018 02:29 PM

Started On: 07/03/2018 12:55 PM