

DRAFT

City of Ramsey
Agenda
Revised
Economic Development Authority (EDA)
Thursday, August 8, 2019
7:30 am
Council Chambers, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Approve Agenda**
3. **Approve Minutes**
 1. Approve Meeting Minutes for July 11, 2019
4. **EDA Business**
 1. Review Draft 2020 Preliminary EDA Budget and Levy
 2. REVISED: Consider Resolution #19-188 Approving Right of Re-Entry Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; Case of Knoll Properties LLC.
5. **Member/Staff Input**
6. **Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 08/08/2019

By: Wendy Schlueter, Community
Development

Title:

Approve Meeting Minutes for July 11, 2019

Purpose/Background:

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior months.

Background: The meeting minutes are attached for review and approval.

Notification:

Observations/Alternatives:

Funding Source:

Recommendation:

Approval of July 11, 2019 meeting minutes

Action:

Motion to approve July 11, 2019 EDA meeting minutes

Attachments

July Minutes

Form Review

Inbox

Sean Sullivan

Tim Gladhill

Form Started By: Wendy Schlueter

Final Approval Date: 07/18/2019

Reviewed By

Sean Sullivan

Tim Gladhill

Date

07/11/2019 03:38 PM

07/18/2019 03:08 PM

Started On: 07/11/2019 03:28 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, July 11, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Shang Berg
 Member Brian Burandt
 Member Glen Hardin
 Member Dominic Kanaventi
 Member Mark Kuzma (arrived at 7:47 a.m.)
 Member Chris Riley

Also Present: Sean Sullivan, Economic Development Manager
 Tim Gladhill, Community Development Director

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, Berg, Burandt, and Riley. Voting No: None. Absent: Member Kuzma.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated June 13, 2019

Motion by Member Hardin, seconded by Member Burandt, to approve the June 13, 2019, minutes as presented.

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

4. EDA BUSINESS

4.01: Consider Approving First Amendment to Purchase Agreement for Lots 1, 2, and 3, Block 1, COR TWO; Case of RGH Ramsey LLC (Portions may be closed to the public)

Chairperson Steffen he will not be participating in the discussion or vote for this case as the developer is his Uncle. Chair Steffen stepped down from his seat and observed the meeting

Economic Development Manager Sullivan presented the staff report.

Member Hardin asked who is drafting the amendments.

Economic Development Manager Sullivan stated that staff drafted changes to the boilerplate agreement. The City Attorney has reviewed the agreement.

Member Hardin stated that it appears that this is a redraft of the Purchase Agreement rather than attaching an amendment. He asked if this is the proper method.

Economic Development Manager Sullivan noted that either option would be acceptable and that the intent of this document was to replace the original Purchase Agreement.

Member Hardin referenced page seven, Item 13, C4, where it states as described in Section 15 and asked if that should state Section 14.

Community Development Director Gladhill stated the City Attorney would be reviewing the final document to ensure everything is consistent and the right references are made before signature.

Economic Development Manager Sullivan acknowledged that the change should be made and ensured that the correction would be made.

Member Hardin asked for details on commission.

Economic Development Manager Sullivan provided additional details on the commission.

Member Hardin referenced the language related to extensions and noted that there are multiple references to building permit and certificate of occupancy no later than July 15, 2020. He explained that those items are not obtained at the same time and wondered why the language is linked.

Economic Development Manager Sullivan stated that in the past the certificate of occupancy is the trigger for the right of re-entry and therefore would strike building permit language where needed. He explained that the extension would change that date to November 15, 2020 rather than July 15, 2020. Sullivan thanked Member Hardin for his comments and questions.

Community Development Director Gladhill stated that if one item is going to be removed, it should be building permit. Pulling a building permit does not mean that construction has been completed and therefore the certificate of occupancy would be the desired trigger.

Motion by Member Hardin, seconded by Member Riley, to recommend to City Council to approve the First Amendment to Purchase Agreement, which also provides flexibility in the final determination of the site layout, subject to City Attorney approval.

Motion carried. Voting Yes: Acting Chairperson Burandt, Members Hardin, Riley, Berg, and Kanaventi. Voting No: None. Absent: Member Kuzma.

Chairperson Steffen rejoined the EDA.

4.02: Consider Approving Amended Right of Re-Entry Agreement for Cottages at the COR: Case of Centra North

Economic Development Manager Sullivan presented the staff report.

Member Kanaventi stated that he noticed that work began onsite once the snow cleared and therefore, he would support the request.

Community Development Director Gladhill noted that five building permit have been submitted and the developer/builder is moving forward.

Motion by Member Hardin, seconded by Member Kanaventi, to recommend to City Council to approve the proposed Amended Right of Re-Entry Agreement, subject to City Attorney review as to legal form.

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

4.03: Anoka Area Chamber of Commerce: Manufacture Cohort: 2019 Partnership Subscription Renewal

Economic Development Manager Sullivan introduced John LeTourneau with the Chamber of Commerce.

John LeTourneau, Chamber of Commerce, stated that he is presenting to the EDA to gain support for manufacturing in the Anoka County region, specifically through the Manufacturing Cohort of the Chamber of Commerce. He provided background information on how the cohort was formed.

Member Kuzma arrived.

Mr. LeTourneau explained that the cohort meets on a regular basis to develop and support programing to strengthen local manufacturing. He stated that the three main areas of focus are workforce acquisition, workforce training and continuous improvement. He highlighted some of the community partners that the Chamber works with that have found the program valuable and participate in the cohort. He also provided a list of 24 manufacturing businesses in Ramsey that the cohort has interacted with this year, noting that the cohort works with about 115 unique

manufactures throughout the County. He provided details on the workforce model and the work the cohort has done to help prepare students at Anoka High School through programming and educational opportunities. He reviewed statistics on Anoka County employment noting that there is a continued demand. He stated that the cohort continues to build on the workforce model and is looking for new opportunities moving forward.

Member Hardin left the meeting.

Chairperson Steffen commented that it is exciting to see how the program has expanded over the years. He noted that the Chamber includes seven cities but only Anoka and Ramsey are included as partners.

Mr. LeTourneau stated that as the program continues to expand it will continue to look for additional partners. He stated that currently the group is able to focus more on Anoka and Ramsey with Anoka County also participating. He noted that other cities have been invited to participate. He noted that the cohort activities are funded through the trusted partners and that manufacturers are not charged or required to be a member of the Chamber to interact with the cohort. He explained that the cohort felt that if membership were required there would not be the same level of participation initially.

Member Burandt stated that he cannot say enough positive things about the work the cohort is doing. He noted that this is fulfilling a need in the community as manufacturing is the backbone of the community and this cohort has been a great leader. He stated that the \$5,000 is a minor contribution in comparison to the taxes generated by the businesses in the community and the jobs that can be created through this program.

Mr. LeTourneau noted that he has heard similar comments from businesses throughout the community.

Chairperson Steffen asked who is teaching the trades curriculum at the high school.

Mr. LeTourneau stated that the Anoka Hennepin School District has its own teachers at the high school and utilizes the STEP program at the Anoka Technical College. He noted that part of the process with the ISD 11 was also to update some of the classrooms with updated technology and equipment.

Member Kanaventi stated that he is very impressed with the program. He asked what the source that was used to estimate the average salary for employment.

Mr. LeTourneau stated that he reviewed information in Anoka County over 11 employment sectors. The data was mined from the Minnesota Department of Labor.

Member Kuzma stated that this program allows young people in the community to stay in the community as they age.

Motion by Member Burandt, seconded by Member Berg, to recommend continued support the Anoka Area Chamber Manufacture Cohort in 2019 including \$5,000 in funding.

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

Economic Development Manager Sullivan noted that these programs support expansion of Ramsey businesses that are committed to adding new employees including Anderson Dahlen Vision Ease, and Delta ModTech.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan stated that LazyDays RV is holding a ribbon cutting today. He provided an update on Business Appreciation Day noting registration was ahead of last year. He noted that Delta ModTech continues to move through the approval process and hopes to pull permits in August.

Community Development Director Gladhill provided an update on the Highway 10 improvement process. He stated that there are still boards in the lobby of City Hall and additional information can be found on the website.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:26 a.m.

Respectfully submitted,

Sean Sullivan
Economic Development Manager

ATTEST:

Wendy Schlueter
Economic Development Administrative Assistant

Draft by Amanda Staple, *TimeSaver Off Site Secretarial, Inc.*

Economic Development Authority (EDA)

4. 1.

Meeting Date: 08/08/2019

By: Sean Sullivan, Community Development

Title:

Review Draft 2020 Preliminary EDA Budget and Levy

Purpose/Background:

Annually, the EDA makes a recommendation to the City Council for the coming year's EDA budget and levy. The EDA levy is included within the City's general levy and calculates into the city's overall tax capacity rate. The City Council will be considering the City's preliminary levy in September. All budgets and levies are preliminary and will not become finalized until December 2019. Once the preliminary levy is set in September, it can only be lowered, not raised.

The purpose of this case is to develop a recommendation from the EDA to the City Council for the 2020 EDA levy.

Notification:

Notification is not required.

Observations/Alternatives:

Staff is proposing a slight decrease to the EDA budget. Staff feels the existing EDA budget is adequate to meet the needs of the EDA in 2020, based on the EDA Workplan and the City Council Strategic Plan. Therefore, staff does not believe significant discussion is required.

Major Accounts: Staff uses the 6249 account for various events (EDA Golf Tourney, EDA Business Expo, Fall Networking Event, Minnesota Marketing Partnership.). Staff uses the 6315 account for professional services (Ehlers, WSB, Hakanson Anderson, Briggs and Morgan, CMDC) for appraisals, site investigation, site concepts, tax runs, TIF runs, legal assistance, underwriting assistance, and supplemental staff as needed). 6246 is the marketing and advertising budget (graphic arts, pictures, ads, maps, ICSC, campaigns, marketing materials, marketing subscriptions, signs).

Funding Source:

EDA levy supports the EDA operating budget.

Recommendation:

Staff recommends that the City Council adopt the 2020 Preliminary EDA Budget and Levy as presented.

Action:

Motion to recommend the City Council adopt the 2020 Preliminary EDA Budget and Levy.

Attachments

Proposed 2020 EDA Budget

Form Review

Inbox

Reviewed By

Date

Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 08/02/2019

Sean Sullivan
Tim Gladhill

08/01/2019 11:10 AM
08/02/2019 09:52 AM
Started On: 07/30/2019 03:24 PM

FUND

ECONOMIC DEVELOPMENT AUTHORITY

DEPARTMENT:

N/A

FUNCTION:

N/A

Business Unit	Object Account	Description	2017 Actual	2018 Actual	2019 Adopted Budget	2020 Requested Budget
9230	4011	CURRENT-AD VALOREM TAXES	92,287	84,583	101,663	101,413
9230	4012	DELINQUENT-AD VALOREM TAXES	467	919	-	
9230	4014	FISCAL DISPARITIES	10,591	18,824	-	
9230	4273	OTHER STATE GRANTS & AIDS		-	-	
9230	4609	OTHER MISCELLANEOUS REVENUES	53,544	3,816	-	
9230	4701	INTEREST ON INVESTMENTS	11,899	16,059	7,500	7,500
9230	4901	TRANSFER IN FROM OTHER FUNDS	9,355	-	-	
Total Revenue			178,142	124,202	109,163	108,913

Business Unit	Object Account	Description	2017 Actual	2018 Actual	2018 Adopted Budget	2019 Requested Budget
9230	6102	F.T. REGULAR-WAGES & SALARIES	-	-	-	
9230	6105	TEMPORARY-WAGES & SALARIES	1,205	1,435	2,000	2,000
9230	6121	PERA CONTRIBUTIONS	-	-	-	
9230	6122	FICA/MEDICARE CONTRIBUTIONS	82	120	153	153
9230	6131	GROUP INSURANCE	-	-	-	
9230	6133	WORKERS COMP INSURANCE PREMIUM	4	7	10	10
0130	6246	MARKETING	6,495	4,150	30,000	30,000
9230	6249	MISCELLANEOUS OPERATING SUPPLY	13,307	15,261	19,000	19,000
9230	6304	LEGAL FEES	-	-	-	
9230	6315	MISCELLANEOUS PROFESSIONAL SER	60,658	27,889	53,000	53,000
9230	6322	POSTAGE	71	-	-	
9230	6323	CELLULAR PHONES	-	-	-	
9230	6331	TRAVEL & LODGING	126	347	1,000	1,000
9230	6335	TRAINING	89	511	1,000	1,000
9230	6361	GENERAL LIABILITY/PROPERTY INS	822	511	1,000	750
9230	6371	ELECTRIC UTILITIES	-	-	-	
9230	6439	OTHER MISCELLANEOUS	206,910	-	-	-
9230	6451	MEMBERSHIP DUES	1,370	1,370	2,000	2,000
9230	6452	SUBSCRIPTIONS	-	-	-	-
Total Expenditure			291,140	51,601	109,163	108,913

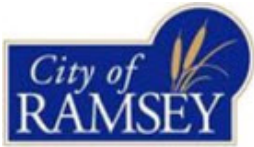
DESCRIPTION OF SERVICES:

The primary objective of the Economic Development Authority is to aid, assist and promote the growth and expansion of commercial, retail and industrial development in the City of Ramsey.

GOALS OF CURRENT YEAR BUDGET:

- Enhance Business Retention and Expansion Program
- Increase number of jobs
- Increase retail base
- Reduce the amount of land owned by City for development

	2016	2017	2018	2019
Sale of ALL City owned land (acres)	32.87	3	8	3
Employment	6521	6,758	6900	7,100
Unemployment Rates	3.5%	3.10%	3.5%	3.50%



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. 2.

Meeting Date: 08/08/2019

By: Sean Sullivan, Community
Development

Title:

REVISED: Consider Resolution #19-188 Approving Right of Re-Entry Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; Case of Knoll Properties LLC.

Purpose/Background:

PURPOSE

Consider Recommendation of Approval of Right of Re-Entry Agreement between the City of Ramsey and Knoll Properties, LLC.

BACKGROUND (Subject Property)

This 9.3 acre site is located at the SE corner of 143rd Avenue NW and Jasper St NW, just west of Molin Concrete and is currently zoned E-2 Employment District. The entire 19.88 acre property was purchased by the City in 2008 for redevelopment / Public Works purposes for a price of \$1,593,500. The site is vacant, tax exempt, and is available. The City had the north 9.3 acres property listed on MNCAR through Anoka County for \$1,000,000. This is not a CBRE listing. Proceeds from the sale of this property would go to Public Works. The City entered into a Purchase Agreement with Knoll Properties dated April 23, 2019. The PA references the execution of a Right of Re-Entry Agreement with a Certificate of Occupancy date of July 31, 2020. Knoll Properties, LLC has requested that the Certificate of Occupancy date be moved to December 31, 2020.

BACKGROUND (Andersen Dahlen & Knoll Properties, LLC)

Knoll Properties LLC is a holding company based out of Ramsey and managed by Tom and Dave Knoll. Both entities are in good standing with State of Minnesota (business and lien system).

Anderson Dahlen was founded in the 1940s and was purchased by Richard Knoll in 1978. In 1984, Tom and Dave Knoll purchased 20% of the company. Tom and Dave Knoll purchased the remaining 80% of the company and consolidated into a 48,000 facility in Coon Rapids. In 2000, Anderson Dahlen built a 84,000 SF facility and moved its operations to Ramsey. In 2018, a 101,000 expansion opened at their Ramsey location. Currently, Anderson Dahlen employs over 300 employees.

Anderson Dahlen is now out of space at their current location and needs to secure additional space for the growth of its business. The development proposal includes commencing construction of 60,000-75,000 square feet of manufacturing space (with the ability to add 40-60,000 square feet at a later date) on the Subject Property (City owned property). The project would be completed no later than July 31, 2020. The total investment in Phase one of this project is anticipated to be near \$6 Million Dollars. Anderson Dahlen plans to (a) keep their existing facility and (b) construct/operate from the new facility in Ramsey on the Subject Property. Anderson-Dahlen currently has over 300 full time employees and plans to add 60 over the next 3 years as a result of this proposed business expansion.

BACKGROUND (Right of Re-Entry Agreement)

Attached to this case is the proposed Right of Re-Entry Agreement with language pertaining to the extension of the Certificate of Occupancy date from July 31, 2020 to December 31, 2020 and the reimbursement of the \$675,000 purchase price if construction does not commence, less City costs incurred related to the Purchase Agreement.

Notification:

Notification is not required.

Observations/Alternatives:

OBSERVATIONS

- **Zoning/Use:** The proposed development concept fits within the City's existing zoning regulations and the Site plan was approved on June 25, 2019
- **Sale Price:** The asking price for the subject property is \$2.47 per square foot (\$1,000,000). The offer price is \$1.66 per square foot (\$675,000). The offer price is "below the mid-range" (but within the total deal range) of the City's adopted "deal-range" for the subject property.
- **Property Taxes:** The proposed development is based on a 75,000 square foot building with the possibility for an additional 40,000 square foot expansion. Based on an estimated taxable market value of \$4,000,000 for Phase 1, this project will generate about \$133,000 in total annual property taxes, with the City receiving approximately 25% (\$33,250) annually when it hits the tax rolls.
- **Earnest Money:** This PA does include earnest money (\$67,500.00, 10%). Earnest money will become hard if the initial closing date is extended by the buyer. The Developer has provided a down payment of \$67,500 to the title escrow company according to the terms of the purchase agreement.
- **Broker Commission:** There is no broker commission for this transaction
- **Net Proceeds:** \$675,000.
- **Closing Date:** To be determined. Developer has expressed interest to close in August 2019.
- **Land Sale Policy:** The PA meets the intent of the City's draft "Land Sale Policy" and has been reviewed by the City Attorney, and staff. Several changes (and negotiations) have taken place between staff and the buyer.
- **Buyer:** The buyer (Knoll Properties / Anderson Dahlen) has a history of success and delivering on projects in Ramsey as shown by its expansion to its original building onsite and its commitment to creating "living wage" jobs in the community.
- **Right of Re-Entry Agreement:** A draft Right of Re-Entry Agreement is attached. Certificate of Occupancy date has been moved from July 31, 2020 to December 31, 2020. A clause was added to allow for partial reimbursement of the \$675,000 purchase price if the project does not move forward.

ALTERNATIVES

1. Approve

The EDA could recommend the proposed change to Certificate of Occupancy date from July 31, 2020 to December 31, 2020 is to account for the potential of a late project finish date if the project starts later than originally anticipated by the Developer and to allow for reimbursement of the Sale Price less City costs incurred relating to the Purchase Agreement.

2. Deny

The EDA could recommend no changes to the Standard template Right of Re-Entry Agreement .

Funding Source:

This case is being handled as part of normal Staff duties.

Recommendation:

Staff recommends that the EDA recommend to the City Council adoption of Resolution #19-188 Approving Right of Re-Entry Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; subject to City Attorney review and approval.

Action:

Motion to recommend to the City Council adoption of Resolution #19-188 Approving Right of Re-Entry Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; subject to City Attorney review and approval.

Attachments

Resolution #19-188

City Revisions to Right of ReEntry Agreement

Form Review

Inbox

Kurt Ulrich
Sean Sullivan (Originator)
Tim Gladhill
Kurt Ulrich
Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 08/07/2019

Reviewed By

Sean Sullivan
Sean Sullivan
Tim Gladhill
JoAnn Shaw
Sean Sullivan
Tim Gladhill

Date

08/01/2019 02:33 PM
08/01/2019 02:34 PM
08/02/2019 09:53 AM
08/02/2019 09:56 AM
08/07/2019 01:41 PM
08/07/2019 02:29 PM
Started On: 07/30/2019 03:36 PM

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

RESOLUTION #19-188

**RESOLUTION APPROVING RIGHT OF RE-ENTRY AGREEMENT FOR LOT 1,
BLOCK 1, ANDERSON DAHLEN SOUTH ADDITION**

WHEREAS, the City of Ramsey, herein referred to as the “City,” has authorized entering into a Purchase Agreement and Right of Re-Entry Agreement (the “Agreement”) with Knoll Properties, LLC (the “Developer”) on April 23, 2019; and

WHEREAS, the Developer has requested the obligation date to obtain a certificate of occupancy be extended from July, 31, 2020 to December 31, 2020 to account for a later completion date of the project than originally anticipated; and

WHEREAS, the Developer has requested that the Right of Re-Entry Agreement be amended to allow for reimbursement of the purchase price of \$675,000 less City costs incurred from City obligations of the Purchase Agreement dated April 23, 2019 if the City executes the remedy of the right of re-entry; and

WHEREAS, the City has drafted an amended Right of Re-Entry Agreement incorporating the negotiated changes by the Developer attached hereto as Exhibit A and retaining the \$150,000 penalty clause if the Certificate of Occupancy is not obtained per the terms of the Agreement.

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

- 1) That the City authorizes the City Administrator and Mayor to sign the Right-of-Re-Entry Agreement attached hereto as Exhibit A; subject to City Attorney review.

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

and the following voted against the same:

and the following abstained:

and the following were absent:

Existing Vacancy
Existing Vacancy

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this 12th of August, 2019.

Mayor

ATTEST:

City Clerk

EXHIBIT A

TO BE ATTACHED

[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement is entered into on _____, 2019, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Knoll Properties, LLC**, a Minnesota Limited Liability Company (“Buyer”).

Recitals

A. On _____, 2019, Seller conveyed title of the following Property to Buyer:

LOT 1, BLOCK 1, ANDERSON DAHLEN SOUTH ADDITION, Anoka County,
Minnesota

B. Title to the Property was conveyed subject to Buyer fulfilling certain Conditions as set forth below.

C. As indicated in the Purchase Agreement between the City of Ramsey and Knoll Properties, LLC, dated April 23, 2019, Section 28, it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Conditions.

Agreement

1. The recitals are incorporated herein as if fully set forth.
2. Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3, or to re-enter and take possession of the

Property pursuant to Paragraph 4, in the event that any of the following Conditions are not satisfied by Buyer:

- a. Buyer must obtain a certificate of occupancy from the City of Ramsey, for the project described below by December 31, 2020.

Project Description:

- i. Knoll Properties, LLC Site Plan, approved by the City of Ramsey on June 25, 2019 by Resolution #19-139.
 - ii. Development Agreement for Knoll Properties, LLC, approved by the City of Ramsey on August 12, 2019 by Resolution #19-193.
3. Seller may impose a penalty of \$150,000.00 against the Property if the certificate of occupancy is not obtained by December 31, 2020, for the construction of a minimum 75,000 square foot manufacturing/warehouse building (the “Project”), pursuant to the deadline set forth above. The penalty is due upon written notice to Buyer from Seller of the failure to satisfy a contingency. In the event the penalty is not paid within 30 days of receipt of the notice, Seller may, but is not required to, certify the penalty to Anoka County as an assessment against the Property. Buyer waives any and all rights under Minnesota Statutes, chapter 429, and any other applicable law, including any right to notice of hearing and hearing, the right to object, and the right to appeal the assessment. Buyer further waives any requirements of the City Charter that may apply to said assessment.
 4. As an alternative to imposition of a financial penalty and not in addition thereto, Seller may re-enter and take physical possession of the Property. Title to the Property shall be restored in Seller, and Buyer shall execute whatever documents and undertake whatever steps are necessary to establish and confirm Seller’s fee simple interest in the Property free of any claims or encumbrances, including mechanic’s liens. In the event that Seller re-enters and takes physical possession of the Property, Seller shall, within 30 days thereof, pay to Buyer Six Hundred Seventy-Five Thousand and 00/100 Dollars (\$675,000.00), the purchase price that Buyer paid to Seller for the Property pursuant to the April 23 Purchase Agreement, less expenses relating to the Purchase Agreement incurred by the Seller. The Seller waives the right to re-enter and take physical possession of the Property if the Buyer obtains a Building Permit within three (3) months of Closing and commences construction of the Project but reserves the right to impose a financial penalty defined in Paragraph 3.
 5. This Right of Reentry Agreement shall automatically terminate as of July 31, 2021, if Seller has not exercised its right of reentry under Paragraph 4 or if no

Deleted: June 25

Deleted: 139

Deleted: 60

Deleted:

Deleted: as well as the fair market value of all improvements and landscaping constructed subsequent to Buyer’s purchase of the Property.

Deleted: 3

penalty has been certified to Anoka County under Paragraph 3. Upon request, Seller shall execute a termination of this Agreement in recordable form and deliver it to Buyer.

Deleted: 4

6. Buyer's obligation to obtain a certificate of occupancy by December 31, 2020, and Seller's right to pursue its remedies under Paragraphs 3 and 4, shall be extended in the event of any failure or delay caused by or resulting from acts beyond Buyer's control, including, without limitation: acts of God; flood, fire, earthquake, tornado or explosion; war, invasion, hostilities (whether war is declared or not), terroristic threats or acts, riot, or other civil unrest; government order or law; actions, embargoes, or blockades; action by any governmental authority; and strikes or labor stoppages or slowdowns. If a force majeure event listed above occurs and results in a failure or delay, Buyer shall give notice to Seller within 60 days, stating the period of time that the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and ensure that the effects of such force majeure event are minimized.
7. This document constitutes the entire Right of Re-entry Agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by both parties.

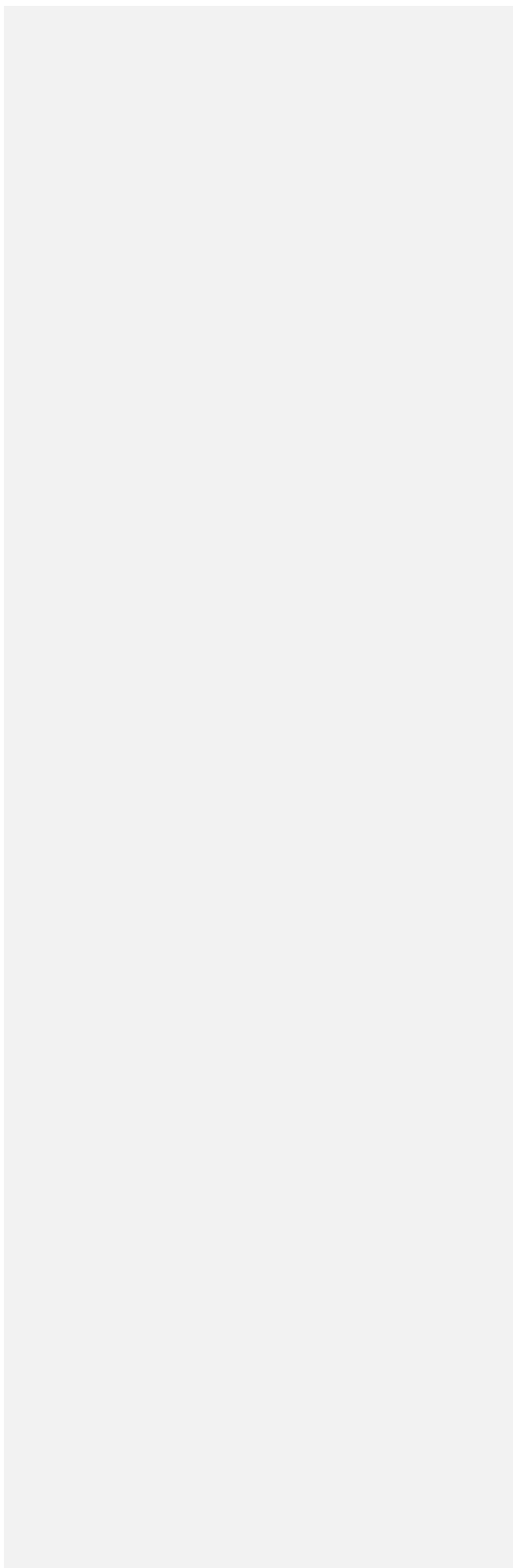
CITY OF RAMSEY

By: _____
John LeTourneau, Mayor

By: _____
Kurt Ulrich, City Administrator

This instrument was acknowledged before me on _____, 2019,
by John LeTourneau and Kurt Ulrich as Mayor and City Administrator, respectively, of
the City of Ramsey, Minnesota.

Notary Public



Knoll Properties, LLC, a Minnesota Limited Liability Company.

By: _____
David J. Knoll, Chief Manager

This instrument was acknowledged before me on _____, 2019,
by David J Knoll, Chief Manager of Knoll Properties, LLC.

Notary Public

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

