

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, November 14, 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 October 10, 2019
- 4. EDA Business**
 1. Consider Purchase Agreement for Part of Outlot A, COR Stone Brook Academy; Case of GiGi's Salon and Spa, Inc.
(Portions may be closed to the public)
 2. Consider Resolution #19-272 Approving Second Purchase Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; Case of Knoll Properties LLC
 3. Consider Alternative Land Use Options for Northwest Quadrant of The COR
- 5. Member/Staff Input**
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 11/14/2019

By: Wendy Schlueter, Community
Development

Title:

Approve Meeting Minutes for October 10, 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 October 10, 2019 meeting minutes

Action:

Motion to approve October 10, 2019 EDA meeting minutes

Attachments

October 10.10.19 EDA Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Sean Sullivan	11/04/2019 04:06 PM
Tim Gladhill	Tim Gladhill	11/07/2019 11:56 AM
Form Started By: Wendy Schlueter		Started On: 10/24/2019 01:58 PM
Final Approval Date: 11/07/2019		

**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, October 10, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Scott Cords
 Member Mark Kuzma
 Member Chris Riley

Members Absent: Member Glen Hardin

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 Cords, seconded by Member Burandt, to approve the agenda.

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

3. APPROVE MINUTES

3.01 : Approve Meeting Minutes Dated September 12, 2019

Motion by Member Riley, seconded by Member Kuzma, to approve the September 12, 2019, minutes as presented.

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

4. EDA BUSINESS

4.01 : Consider Site Selection Option for New Salon Concept

Economic Development Manager Sullivan presented the staff report. He stated that staff believes that this is a worthy project for this parcel and is generally comfortable with either alternative site selection, noting that the salon group would prefer the western portion of the site.

Chairperson Steffen asked if the parcel would be split in half and whether the salon would choose a smaller portion, leaving a larger portion for the hotel.

Economic Development Manager Sullivan confirmed that there would be enough space remaining for the hotel group. He stated that he did speak with the hotel group and they would be comfortable with the eastern site. He noted that the lot line will be based on site plan submittals and COR requirements.

Community Development Director Gladhill stated that staff will ensure that the lots created will not create an awkward remnant parcel.

Member Cords asked if there is a proposed timeline for the development of the salon.

Economic Development Manager Sullivan explained that would occur once the purchase agreement is complete and provided additional details on the process. He estimated perhaps a spring or summer 2020 construction. He stated that he would anticipate that the purchase agreement could come back to the EDA at the next meeting in November.

Member Cords asked if the construction for the salon would conflict with a similar building process for the hotel.

Economic Development Manager Sullivan explained that once the property line and lot size is determined, construction could occur on each site on their own timelines. He stated that at this time it is unknown whether either project will truly move forward and therefore staff is simply asking for direction for the site plan being presented for the salon.

Chairperson Steffen confirmed the consensus that the EDA would like to see this project continue to move forward.

4.02 : Recommend 2020 EDA Work Plan

Economic Development Manager Sullivan presented the staff report. He noted that the purpose is to review and amend the 2019-2020 City of Ramsey Economic Development Work Plan. He noted that a 2019 EDA Work Plan was not developed or adopted due to the timing of the transition to the new Economic Development Manager. The City Council adopted its revised Strategic Plan in 2019 and the items relating to the EDA have been included in the proposed 2019-2020 Work Plan.

Member Cords asked if the comments related to fill were in relation to the large piles of fill from the COR Infiltration Basin.

Economic Development Manager Sullivan confirmed that to be true.

Member Riley stated that residents continue to desire restaurants and retail and asked if there is a way to emphasize or target that development.

Chairperson Steffen confirmed that restaurants and retail should be added to number two. He asked for details on the item related to zip code.

Economic Development Manager Sullivan stated that City Administrator Ulrich continues to work on that task and provided an update.

Community Development Director Gladhill confirmed that obtaining a zip code for the City of Ramsey remains a goal of the City and was recently discussed at the City Council meeting related to legislative platform and goals. He explained that while the zip code continues to be a priority for the City, it was decided that the State legislative platform was perhaps not the best method in attempting to complete that task.

Member Riley commented that the Council discussed the State legislative platform and noted that the State does not appear to have the ability to push that task and therefore more of an effort will be made on the Federal level.

Motion by Chairperson Steffen, seconded by Member Kuzma, to recommend to City Council to approve the 2020 EDA Work Plan.

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

5. MEMBER / STAFFUPDATE

The EDA reviewed the Staff Update.

Economic Development Manager Sullivan indicated a Save the Date that will be emailed for the 2019 Highway 10 Business Network Breakfast. He noted that the goal is to secure speakers from the County, MnDOT, Bolton & Menk, and City staff. He stated that he and Community Development Director Gladhill attended the Upriver Event at TPC in Blaine, which highlighted development opportunities in Anoka County and Ramsey.

Community Development Director Gladhill noted that the website and social media pages have been updated with current development project updates. He stated that Delta ModTech held a groundbreaking ceremony earlier in the week. He also provided updates on the Armstrong Retail project, Sapphire Apartments, two self-storage projects, and Suite Living. He noted that River Walk Village will hopefully begin the cleanup process of their site this fall to prep for development of that site this spring.

Chairperson Steffen asked for an update on the ICO Station property.

Community Development Director Gladhill stated that some cleanup and improvements on the site have occurred noting that there is still some question to the user for the front business area.

Chairperson Steffen asked if Anderson-Dahlen would be a spring construction.

Economic Development Manager Sullivan explained that the Anderson Dahlen project is on hold by the direction of the business. He stated that staff recently toured the Affinity at Ramsey project earlier this month and residents are expected to move in the week of October 15th.

6. ADJOURNMENT

Motion by Chairperson Steffen, seconded by Member Kuzma, to adjourn the meeting.

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

The regular meeting of the Economic Development Authority adjourned at 7:58 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: 11/14/2019

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Purchase Agreement for Part of Outlot A, COR Stone Brook Academy; Case of GiGi's Salon and Spa, Inc. (Portions may be closed to the public)

Purpose/Background:

The City of Ramsey and GiGi's Salon have been negotiating the terms of a purchase agreement over the past two months. Gigi's Salon has agreed to the attached purchase agreement according to the general terms and conditions outlined on the attached Term Sheet. The proposed purchase price is within the City's approved deal range for this parcel; however, it still will require site plan approval through the normal zoning process.

The proposed purchase agreement includes a development concept previously reviewed by the EDA and Planning Commission. The lot configuration as currently presented allows leaves over 1.5 acres for a future project. The time periods, and extensions outlined in the term sheet and PA are consistent with the standard template.

Notification:

Notification is not required.

Observations/Alternatives:

The following items are worth highlighting:

Earnest Money	\$5,000, Nonrefundable after a Notice to Proceed has been given by the Buyer.
Inspection Period	180 days from Effective Date (Date City Council Approves) (city requires plat/ site plan approval before sale).
Closing	Within 30 days of Notice to Proceed.
Extensions	Developer will deposit \$1,000 in escrow for each 60 day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
Performance	City to require construction of a minimum 5,000 SF building and obtain a Certificate of Occupancy one year after Closing. If this is not done, the City may exercise the Right of Re-Entry.

Funding Source:

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

Recommendation:

Staff recommends approval of the attached Purchase Agreement, subject to City Attorney approval.

Action:

Motion to recommend that the City Council approve the attached Purchase Agreement for part of Outlot A, COR Stone Brook Academy, subject to City Attorney approval.

Attachments

Term Sheet

Signed PA and Concept Plan

Form Review

Inbox

Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 11/07/2019

Reviewed By

Sean Sullivan
Tim Gladhill

Date

11/04/2019 04:06 PM
11/07/2019 01:53 PM
Started On: 10/29/2019 11:24 AM

TERM SHEET FOR GIGI'S SALON AND SPA – 11.14.19

Real Estate	Tax ID Number: Portion of 28-32-25-23-0018. Part of Outlot A, COR Stone Brook Academy
Acreage	Approximately 1.5 acres or 65,340 SF (T.B.D.)
Asking Price	\$392,040 (\$6.00 / SF) (Subject to change based on approved site plan)
Offer Price	\$261,360 (\$4.00 / SF) (Subject to change based on approved site plan)
Earnest Money	\$5,000.00 Non-refundable upon Notice to Proceed being executed.
Inspection Period	180 days from Effective Date (Date City Council approves) (city requires plat/ site plan. approval before sale)
Closing	Within 30 days of Notice to Proceed.
Extensions	Developer will deposit \$1,000 in escrow for each 60 day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
City take care of	Provide existing ALTA Survey and updated Title Work. The Developer will contract to plat the property and the City will reimburse costs of platting.
Performance	City to require construction of a minimum 5,000 SF building and obtain a Certificate of Occupancy one year after Closing. If this is not done, the City may exercise the Right of Re-Entry.
Assignment	Requires city approval if not same owners / company.
Review	EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry Planning Commission (Tim): Land Use, Development Agreement, Site Plan, Plat City Council: Final Approval on both items

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **GIGI’S SALON AND SPA, INC.** and/or its assigns, a Minnesota Corporation (“Buyer”).

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

1. **EFFECTIVE DATE.** The effective date of this Agreement is _____ (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 1.5 acres of vacant land, legally described as follows:

The west half of Outlot A, COR Stone Brook Academy, to be platted as:

T.B.D. Anoka County PID Number: Portion. of 28-32-25-23-0018

3. **PURCHASE PRICE.** The purchase price for the Property is \$4.00 per usable square foot including the easement area on +/- 1.5 acres (65,340 square feet) subject to a lot split as outlined in Exhibit B plus or minus the prorations and credits as provided for herein (the “Purchase Price”).
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$5,000.00 (the “Earnest Money”) with Commercial Partners Title Company _____ (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money 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 22 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 has provided the Buyer an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) for Outlot B, COR One (the "Survey") from a duly licensed surveyor dated April 18, 2017. 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 **_180 days from the effective date _____** (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-plat 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: GIGI'S SALON AND SPA, INC.
Ginger Edin
36296 Xenon St NW
Princeton, MN 55371
Email: gingerberg80@yahoo.com

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

13. CLOSING. This transaction shall close 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 One Thousand and 00/100 Dollars (\$1,000.00) earnest money with Escrow Agent for each extension. Each \$1,000 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 shall pay all outstanding property taxes, including but not limited to, Payable 2019 for the Property.
 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 14.
 5. State Deed Tax
 - ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:

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

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

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than Premier Commercial Properties LLC ("Buyer's Broker") and CBRE, Inc. ("Sellers Broker"). Seller shall pay Seller's Broker as required by their agreement 6% of final gross sale price to be evenly split between Premier Commercial Properties, LLC and CBRE, Inc.. 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 for 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 ventures 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. CONSTRUCTION DEADLINE.** Buyer shall obtain a certificate of occupancy from the City of Ramsey for the construction of minimum 5,000 SF building compliant with COR Zoning requirements to be further defined by an approved Site Plan a year after closing. At Closing, a “Right of Re-Entry Agreement” must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained.
- 29. 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.
- 30. PLATTING & DEVELOPMENT AGREEMENT.** Buyer must be in the process of obtaining 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. City of Ramsey will reimburse Buyer up to \$3500 for re-platting expense. The reimbursement will only take place upon a successful closing and City of Ramsey is not responsible for any cost reimbursement if Buyer does not close on subject property. Buyer to provide written documentation of platting costs for reimbursement.

SELLER: The City of Ramsey, a Minnesota municipal corporation

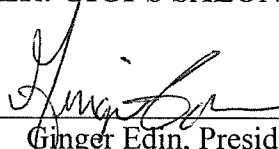
By: _____
John LeTourneau, Mayor

Dated: _____, 2019

By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2019

BUYER: GIGI'S SALON AND SPA, INC. .

By: 
Ginger Edin, President

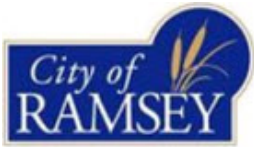
Dated: Oct, 25, 2019

Exhibit A

Western +/-1.5-acre portion of PID 28-32-25-23-0018

Legal Description-Outlot A, COR Stone Brook Academy

Exhibit B



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: 11/14/2019

By: Sean Sullivan, Community
Development

Title:

Consider Resolution #19-272 Approving Second Purchase Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; Case of Knoll Properties LLC

Purpose/Background:

PURPOSE

The purpose of this case is to consider a recommendation of Resolution #19-272 approving a Purchase Agreement for Lot 1, Block 1, Anderson Dahlen South Addition. This new Purchase Agreement would replace the previously executed Purchase Agreement with an Effective Date of April 23, 2019. While the technical application is a new Purchase Agreement, as a practical matter, the request is to extend the date to provide a Notice to Proceed to January 31, 2020. The City has not refunded any Earnest Money, and the Buyer has not proposed depositing additional Earnest Money.

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 and approved changes to the Right of Re-Entry Agreement extending the deadline to construct and occupy to project to December 31, 2020. The Purchase Agreement has now technically expired as the Inspection Period has ended and a Notice to Proceed has not been given. The Buyer has provided a letter outlining the difficulties to perform under the April 23, 2019 Purchase Agreement and has requested an extension to try to see if the project can still be completed.

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 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 (Purchase Agreement)

Attached to this case is a Draft Purchase Agreement defining the new terms of the extended time period to close and complete the project. The purchase price remains at \$675,000 and the size of the proposed project remain unchanged.

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 after the Notice to Proceed is given by the Buyer (No later than January 31, 2019) . 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:** no later then 45 days after the Notice to Proceed has been provided to the City. (No later than March 16, 2020).
- **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. This project has taken longer than originally anticipated by Anderson Dahlen.
- **Right of Re-Entry Agreement:** The current Right of Re-Entry Agreement is attached with a Certificate of Occupancy date of 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.
- **Project Readiness:** Survey, site plan and plat are approved. Building plans drafting and environmental is complete and paid for by Buyer. This project is ready to go if a manufacturing contract can be secured by Buyer by January 31, 2020.

ALTERNATIVES

1. Approve

The EDA could recommend adoption of the attached Resolution #19-272 and Draft Purchase Agreement

2. Deny

The EDA could recommend no changes and to terminate the existing Purchase Agreement and not enter into the attached Draft Purchase Agreement.

3. Something else

Based on Discussion

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 #19-272 Approving Purchase 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 #19-272 approving Purchase Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; subject to City Attorney review and approval.

Attachments

Original PA 4.23.19

Original Right of ReEntry Agreement

Draft Resolution #19-272

Draft PA 11.5.19

Anderson Dahlen Letter 11.2.19

Form Review

Inbox

Tim Gladhill
Sean Sullivan (Originator)
Tim Gladhill
Kurt Ulrich
Form Started By: Sean Sullivan
Final Approval Date: 11/07/2019

Reviewed By

Sean Sullivan
Sean Sullivan
Tim Gladhill
Tim Gladhill

Date

11/06/2019 11:06 AM
11/06/2019 11:09 AM
11/07/2019 02:30 PM
11/07/2019 02:33 PM
Started On: 11/05/2019 01:52 PM

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **KNOLL 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 **April 23, 2019** (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller 9.3 acres of vacant land, legally described as follows:

The North 9.3 acres of Lot 1, Block 1, Bury and Carlson Addition, Anoka County, Minnesota. (the “Property”)

Addresses: 7XXX 143rd Avenue Northwest, Ramsey, MN 55303

Anoka County Property Identification: The North 9.3 acres of 27-32-25-34-0009;

3. **PURCHASE PRICE.** The purchase price for the Property is \$675,000.00 (the “Purchase Price”).
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within (5) business days after the Effective Date, Buyer must deposit the sum of \$67,500.000 (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.
 - a. If Buyer does not deposit the Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.

- b. 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 22 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;
- d. The condition of the Property is fit for Buyer's intended use; and
- 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 **June 23, 2019** (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-plat 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: Knoll Properties , LLC
David Knoll
6850 Sunwood Drive NW
Ramsey, MN 55303
Email: knod@andersondahlen.com

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

- 13. CLOSING.** This transaction shall close 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 thirty (60) days at a cost of Five Thousand and 00/100's Dollars (\$5,000.00). Each \$5,000.00 extension payment to the City 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 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. To the extent allowed by law, 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 for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

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

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

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

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

19. ENTIRE AGREEMENT / MODIFICATION. This written Agreement 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.

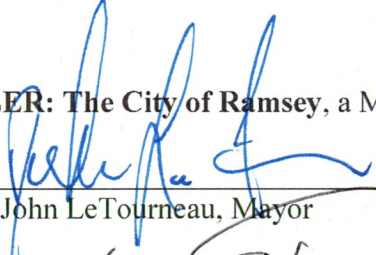
- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless 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. CONSTRUCTION DEADLINE.** Buyer shall obtain a certificate of occupancy from the City of Ramsey for the construction of a minimum of 60,000 SF manufacturing facility

on the Property by July 31, 2020. At Closing, a "Right of Re-Entry Agreement" must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained or in the alternative, and at Seller's sole discretion, Buyer shall pay Seller a \$150,000 penalty. In the event the penalty is not paid within 30 days of receipt of notice, Seller may certify the penalty to Anoka County as an assessment against the Property.

29. 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.

30. 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

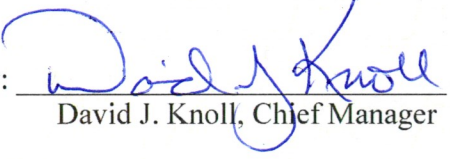
By: 
John LeTourneau, Mayor

Dated: 4-26-2019, 2019

By: 
Kurt Ulrich, City Administrator

Dated: 4/26, 2019

BUYER: KNOLL PROPERTIES, LLC, a Minnesota Limited Liability Company.

By: 
David J. Knoll, Chief Manager

Dated: APRIL 25, 2019

[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 60,000 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

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.

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)

_____ introduced the following resolution and moved for its adoption:

CITY COUNCIL RESOLUTION #19-272

**RESOLUTION APPROVING PURCHASE AGREEMENT FOR LOT 1, BLOCK 1,
ANDERSON DAHLEN SOUTH ADDITION**

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

WHEREAS, the City negotiated the terms of Purchase Agreement for the sale of the parcel legally described on **Exhibit A** (“the **Property**”), with Knoll Properties, LLC a Minnesota limited liability company; and

WHEREAS, the City and Knoll Properties, LLC have negotiated a Purchase price of \$675,000 for the Property referenced in the Purchase Agreement; and

WHEREAS, the City hereby declares the Property to be surplus City-owned land and is no longer needed for current or future City functions, and authorizes the property to be sold; and

WHEREAS, the formal Purchase Agreement with an effective date of November 26, 2019 requires a Right-of-Re-Entry Agreement be recorded at the closing of this land transaction; and

WHEREAS, the proposed Purchase Agreement replaces and supercedes the Purchase Agreement with an Effective Date of April 23, 2019; and

WHEREAS, Knoll Properties, LLC is a company that is active and in good standing as documented in the Office of the Secretary of State as of 11/14/19; and

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

- 1) That the City hereby declares the Property to be surplus City-owned land, and authorizes the property to be sold.
- 2) That the City hereby authorizes the sale of the Property to Knoll Properties, LLC, for \$675,000 for the development of a minimum 60,000 square foot manufacturing facility.
- 3) That the City authorizes execution of the Purchase Agreement with an effective date of November 26, 2019 and requires a Right-of-Re-Entry Agreement to be recorded at the closing of this land transaction.

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

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

and the following voted against the same:

None

and the following abstained:

None

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 26th day of November 2019.

Mayor

ATTEST:

City Clerk

**EXHIBIT A
DEVELOPMENT PROPERTY**

The North 9.3 acres of Lot 1, Block 1, Bury and Carlson Addition, Anoka County, Minnesota

Property to be platted as Lot 1, Block 1, Anderson Dahlen South Addition, Anoka County
Minnesota

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **KNOLL 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 **November 26, 2019** (the “Effective Date”).
- 2. SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller 9.3 acres of vacant land, legally described as follows:

The North 9.3 acres of Lot 1, Block 1, Bury and Carlson Addition, Anoka County, Minnesota.

To be platted as Lot 1, Block 1, Anderson Dahlen South Addition, Anoka County Minnesota (the “Property”)

Addresses: 7XXX 143rd Avenue Northwest, Ramsey, MN 55303

Anoka County Property Identification: The North 9.3 acres of 27-32-25-34-0009;

- 3. PURCHASE PRICE.** The purchase price for the Property is \$675,000.00 (the “Purchase Price”).
- 4. EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** The Buyer has deposited \$67,500.000 (the “Earnest Money”) with Commercial Partners Title Company, 200 South 6th Street, #1300, Minneapolis, MN 55402 (“Escrow Agent”), relating to the Purchase Agreement with an effective date of April 23, 2019. The Buyer agrees to transfer those for the purposes of executing this Agreement.
 - a. If Buyer does not transfer 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 22 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;
- d. The condition of the Property is fit for Buyer's intended use; and
- 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 **January 31, 2019** (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-plat 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: Knoll Properties , LLC
 David Knoll
 6850 Sunwood Drive NW
 Ramsey, MN 55303
 Email: knod@andersondahlen.com

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

13. CLOSING. This transaction shall close within 45 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent 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. To the extent allowed by law, Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

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

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

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

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

19. ENTIRE AGREEMENT / MODIFICATION. This written Agreement 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. CONSTRUCTION DEADLINE.** Buyer shall obtain a certificate of occupancy from the City of Ramsey for the construction of a minimum of 60,000 SF manufacturing facility

on the Property by December 31, 2020. At Closing, a “Right of Re-Entry Agreement” must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained or in the alternative, and at Seller’s sole discretion, Buyer shall pay Seller a \$150,000 penalty. In the event the penalty is not paid within 30 days of receipt of notice, Seller may certify the penalty to Anoka County as an assessment against the Property.

29. 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.

30. 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, Mayor

Dated: _____, 2019

By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2019

BUYER: KNOLL PROPERTIES, LLC, a Minnesota Limited Liability Company.

By: _____
David J. Knoll, Chief Manager

Dated: _____, 2019

November 2, 2019

Sean Sullivan
Economic Development Director
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Dear Sean,

Knoll Properties, LLC and Anderson Dahlen, Inc. would like to request that the City of Ramsey give us until January 31st 2020 to complete an agreement with our customer that would allow us to proceed with the purchase of the land and begin construction of a new facility on the old Bury Carlson site. If we do not have a signed agreement from our primary customer by that date, we will terminate our efforts to purchase the site.

Unfortunately, our customer had a change in leadership back in August of 2019 and the new leadership put the completion of a three-year manufacturing agreement we were about to close with them on hold. Under the terms of the agreement Anderson Dahlen was to build a new facility to manufacture, assemble, and test our customers tools. The facility was to be able to double in size over the next three years to accommodate their projected growth. We were to double our current rate for producing the tools and double again over the next two years. On the 22nd of August, one day before the scheduled closing we received an e-mail from the customer stating that in light of the departure of their president they were reconsidering the agreement and the new management wanted to consider having another source for the tools instead of single sourcing them with Anderson Dahlen, Inc. Since that time, we have been waiting for them to work through their revised plan for the sourcing these tools. They have now come back to us and want to complete the agreement with modifications. The new agreement is smaller in scope and would not require as large a facility as they do intend to have a secondary source.

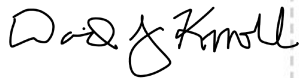
At this point Anderson Dahlen and Knoll Properties have over \$250,000.00 invested in this building project. The plans are complete, the survey work was done, the environment testing was finished, the legal work was completed and the many of the local government fees have been paid. We would like to try and salvage this work if we can. We have submitted to our customer our final changes to the agreement and it is in their hands to complete and sign. They have told us that it now must go to their Board of Directors for approval. This could take up to two months as they are a publicly traded company.

763 852 4700 Main
763 852 4790 Fax
Info@AndersonDahlen.com
AndersonDahlen.com
ISO 9001: 2008 Certified

6850 Sunwood Drive NW
Ramsey MN 55303

Tom and I are very sorry that we have been unable to complete the purchase as planned. It is very frustrating for us as we were moving quickly to have our contractor and suppliers ready for a fall of 2019 start. That is now not going to happen. We understand that the council and EDA have worked hard to help us get this ready to close and I am sure it has been as frustrating for you and your staff as it is for us. Regrettably, without this agreement Anderson Dahlen does not anticipate needing additional manufacturing space until 2024 at the earliest. Therefore, we would not elect to construct the space without this deal being in place. We certainly understand that the council would like to get this land back on the tax roles producing revenue for the city. If you are not able to hold the property until January 31st please let us know. We very much appreciate your patience while we try to complete this contract.

Sincerely,



David J. Knoll
CFO
Anderson Dahlen, Inc.

Economic Development Authority (EDA)

4. 3.

Meeting Date: 11/14/2019

By: Sean Sullivan, Community
Development

Title:

Consider Alternative Land Use Options for Northwest Quadrant of The COR

Purpose/Background:

Purpose:

The purpose of this case is to seek broad policy direction on potential land uses at the northwest quadrant of The COR from a real estate management perspective. This 30 Acre Parcel is currently guided as a mix of housing and retail. Staff has had inquiries from at least four housing developers interested in medium density housing. Over the past several years, there has been very little interest from retail developers due to location and access. It should be noted that the City has approximately 100 acres of land guided and generally shovel ready for retail development. Any potential change to this node will still leave a significant amount of area guided for a variety of retail developments.

Background (Site History):

Recently the City of Ramsey has received feedback from potential developers and CBRE that this area is not a viable retail site without access from Armstrong Boulevard and/or Bunker Lake Boulevard. City Staff has received a few iterations of development layouts that do not include retail options on the site or greatly reduces the retail footprint.

The retail landscape and how development occurs is changing reducing the number of power centers and new large format retailers. Ramsey is located in between two major retail hubs, Elk River/Ostego and Coon Rapids, which makes it difficult to recruit a large format retail user on a site like this that doesn't have visibility from Highway 10. Ramsey also sees retail competition from Andover as well. With a changing retail market, many of these retail centers have vacant retail space to fill, adding to the competition for Ramsey.

Staff believes that this site does have some retail potential in the future, but it could take many years to come to fruition. Staff is looking for some feedback from the EDA on its willingness to be flexible with the land use for this parcel and whether the use could be entirely residential in nature.

Background (Access):

The City has a Joint Powers Agreement with Anoka County that outlines available additional access points from Armstrong Boulevard and Bunker Lake Boulevard. Anoka County has indicated that there are some possibilities for additional, restricted access along these roadways. The most viable additional access is a "Right In" only option could potentially be added between Zeolite St and Armstrong Boulevard on Bunker Lake Boulevard with a distance of at least 800 feet from the stoplight. The City and Anoka County will soon begin working on preliminary design in 2020 for the Bunker Lake Boulevard improvement project to 4 lanes. The City will have clarity on allowable access during that process.

Notification:

Notification is not required for this case.

Observations/Alternatives:

Staff wants to be able to react and to guide developers on potential projects on this parcel. Staff understand that changing the use from Retail to Residential will likely have pricing implications for the site. Currently, the site is listed for \$6.00/SF with a mix of retail and residential envisioned. Two developers have recently explored multiple development scenarios on this site.

1. Mix of residential and retail
2. Residential only

Some common development considerations have emerged during these discussions.

- Fill and soil corrections
- Wetlands and stormwater management
- Retail market conditions/pro-forma
- Residential market conditions/pro-forma
- Costs of public infrastructure

Regardless of the development scenario, it appears that the current pricing strategy for this parcel is unrealistic as a result of the development costs of this parcel as outlined above.

Staff understands that the community has invested greatly in creating the vision for The COR. This case is simply a high level policy discussion and a report back on feedback from the development community. As the City has done before, the broader question on approach is important to discuss.

- Is the City willing to wait a longer period of time to achieve the desired vision?

Funding Source:

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

Recommendation:

Based on discussion.

Action:

No action is being requested.

Attachments

The COR Land Use Plan

The COR Vision

Form Review

Inbox

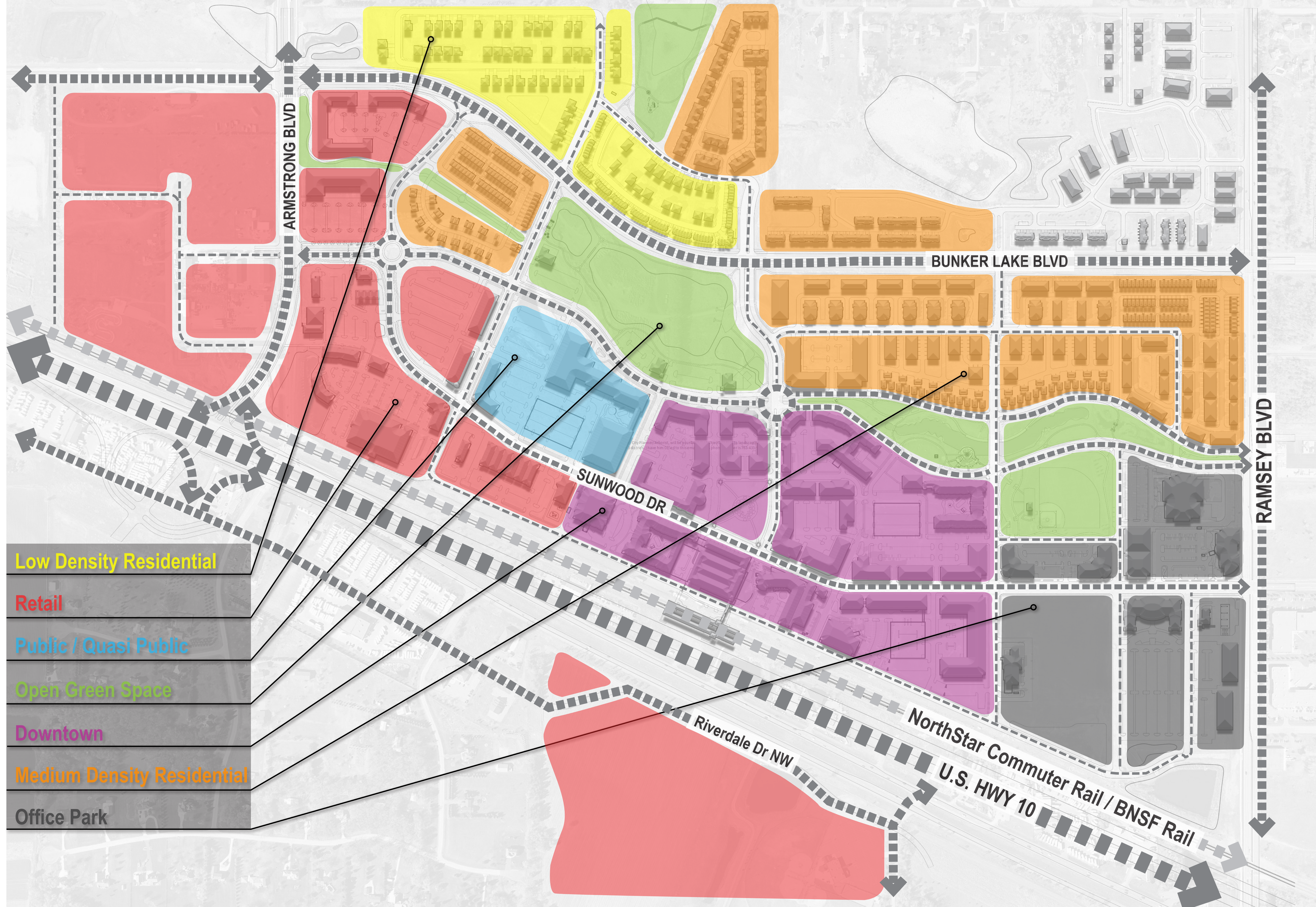
Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 11/07/2019

Reviewed By

Sean Sullivan
Tim Gladhill

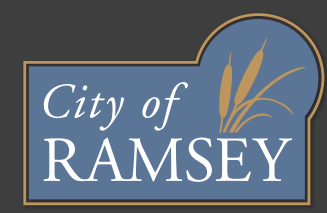
Date

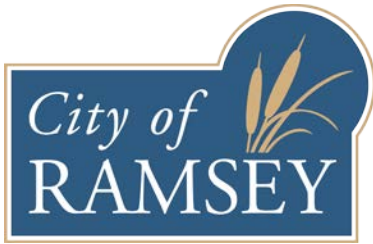
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11/07/2019 02:11 PM
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- Low Density Residential
- Retail
- Public / Quasi Public
- Open Green Space
- Downtown
- Medium Density Residential
- Office Park

The COR Land Use





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The COR Interim Development Plan

Anticipated Adoption: 2017

City Council

Mayor Sarah Strommen
Councilmember At-Large John LeTourneau
Councilmember At-Large Kristine Williams
Ward 1 Councilmember Jill Johns
Ward 2 Councilmember Mark Kuzma
Ward 3 Councilmember Melody Shryock
Ward 4 Councilmember Chris Riley

Planning Commission

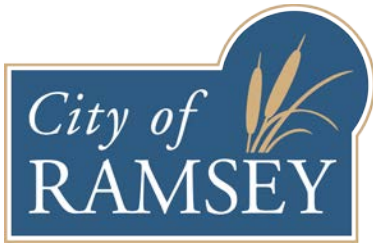
Chairperson Randy Bauer
Vice-Chairperson Gary Van Scoy
Bruce Anderson
Ralph Brauer
Cheri Gengler
Cindy Nosan
Patrick Surma
Former Chairperson Gary Levine (in memory)

Economic Development Authority

Chairperson Jim Steffen
Vice-Chairperson Wayne Skaff
Philip Brundt
Brian Burandt
Glen Hardin
Chris Riley (Council Representative)
Kristine Williams (Council Representative)

Parks and Recreation Commission:

Shane Bennett, Chairperson
Russell Bayer
Andrew Fyten
Jennifer Lestico
Brandon Sis
Charles Tchuinkwa
Jon Trappen



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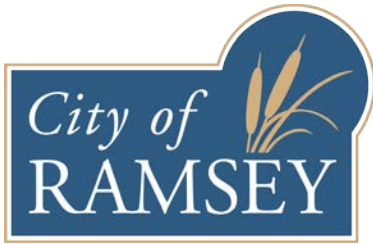
Environmental Policy Board

Thomas Stadola, Chairperson
Michael Valentine, Vice-Chairperson
Colleen Anderson
Reid Bernard
Jane Covart
Michael Hiatt
Lucas Trossen

Staff Team:

Tim Gladhill, Community Development Director
Kurt Ulrich, City Administrator
Patrick Brama, Asst. City Administrator/Economic Dev. Manager
Chris Anderson, City Planner
Bruce Westby, City Engineer
Mark Riverblood, Parks and Asst. Public Works Superintendent

Version: I:\The Cor\2015 Vision Clarification\Vision Document 2017\Interim Development Plan\The COR Interim Development Plan.Docx 4/3/2017 2:07 PM



Purpose of Interim Plan

The purpose of this document is to set into motion potential land use policy changes for The COR. In 2015, the City's Planning Commission described a need to evaluate and clarify the vision for The COR in response to several project approvals.

The Land Use Plan and Zoning Code are not the vision. They are the tool to achieve the vision. Focus on the elements that are important to us, regardless of the land use (examples include, but are not limited to greenway connections, sense of place, walkability). There are ways to achieve the vision, regardless of the use.

Common Terms

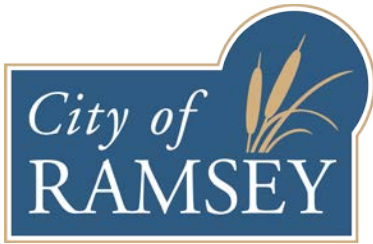
The COR Development Plan. This is the existing land use plan for The COR circa 2011. This is the official control and legal basis for land use decisions within The COR. Also referred to as the 'Development Plan'. This is the 'second generation plan' for the development, preceded by the Ramsey Town Center Master Plan.

The COR Interim Development Plan. This is the document you are reading now. While the City continues to refine land use recommendations and feasibility analysis for The COR, this document is intended to be a guiding policy document to review quality projects that do not meet the strict adherence to The COR Development Plan. Also referred to as the 'Interim Development Plan'.

The COR Development Plan Amendment. This is a future document. This will be the document that updates the Zoning Code, otherwise known as the official controls, for The COR. This will replace existing Comprehensive Plan, Zoning Code, and Design Framework. Also referred to as the 'Plan Amendment'. This will be considered the 'third generation plan' for The COR.

Using this Document

This land use plan is an interim plan that will guide land use decisions prior to a formal amendment for The COR. Uses currently allowed in The COR Development Plan shall be allowed consistent with applicable law. Projects consistent with options contained within this Interim Development Plan, but conflict with the existing plan, may proceed forward, but shall require a formal Plan Amendment. The policy directives of this document are advisory in nature, and are not binding. If a proposed project meets the minimum requirements of the existing Development Plan, it shall be considered consistent with the Development Plan and Zoning Code and shall be approved.



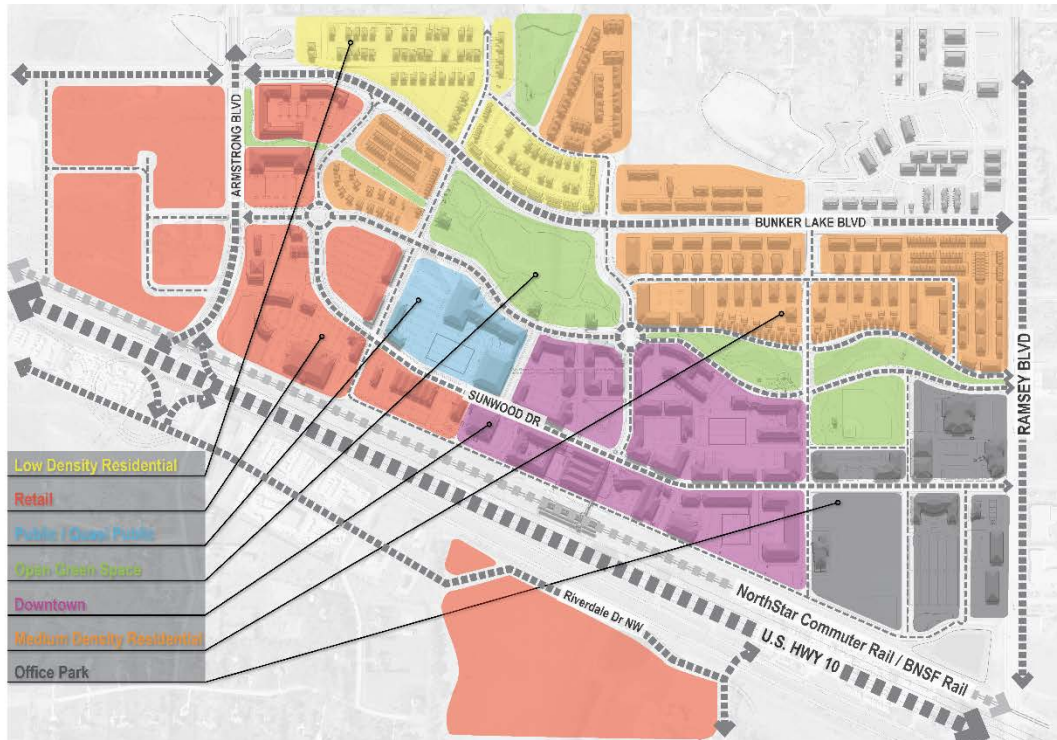
Vision

The Vision Statement was created for the purpose of crafting update land use scenarios and is not intended to approve or disapprove individual projects. Projects must be reviewed using the City's Zoning Code as the official land use control. The Vision Statement is not a regulatory tool, yet a visionary tool.

The COR will serve as a City Center primarily to bring people of Ramsey together that embraces natural market opportunities. The COR will also attract energy from the surrounding region. It will be a unique destination, technology-accessible, and serve as a gathering place. It will feature unique architecture stressing historical feel and function.

Development-Wide Assumptions

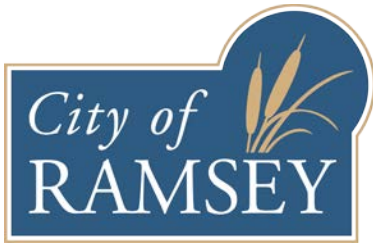
1. The development is part of a broader **GROWTH MANAGEMENT STRATEGY** that protects the City's primary land use goal to respect the **BALANCE OF RURAL AND URBAN CHARACTER**.
2. The development shall take a **MIX OF USES** within the development, which is also known as **HORIZONTALLY MIXED USE** approach versus a strict adherence to traditional mixed-use definitions to require vertically mixed-use buildings. The mix of land use districts and land use types within the development as a whole shall guide success of mixed use, not strictly mix of uses within a building, block, or individual district. These types of mixes although not required, are encouraged. The 'mix of uses' approach shall not preclude flexible first floor and vertically mixed use buildings.
3. Our vision includes significant areas guided for a variety of **RETAIL OFFERINGS**. **HOUSING DENSITY** is important to that vision. The emphasis of the master plan concepts is to **GUIDE LAND USE**, and is **NOT SPECIFIC SITE PLAN REVIEW**. Future developers shall have the creative freedom to propose other concepts that are generally in line with **OVERALL VISION**.



Land Use District (Sub-District) Descriptions and Requirements

The COR is divided into five (5) distinct land use districts that ensure a mix of uses and guides quality private and public development. These districts are considered sub-districts and can be amended easier than traditional zoning districts. The overall land use mix shall be provided. Amending sub-districts shall be approved by resolution of the City Council after recommendation by the Planning Commission, but shall not require a Public Hearing. Amending sub-district boundaries shall not require a Comprehensive Plan Amendment so long as the over land use balance is preserved.

1. Downtown District (COR-1)
2. Retail District (COR-2)
3. Office District (COR-3)
4. Residential District (COR-4)
5. Parks and Open Space District (COR-5)



The Downtown District (COR-1)

Downtown District Description. The Downtown District shall be a high-density district with a mix of uses. Vertically mixed use buildings are not required, but are encouraged. The Downtown District shall be predominantly high-density residential to support existing transit and City growth-management goals, but is not required. Shared parking districts are an integral part of the success of this district. Urban design shall also emphasize build-to lines and pedestrian interaction. The district shall have the most robust architectural design standards amongst all City land use districts.

This district is the focal point of the development. This quarter-mile radius is key to land use supportive of transit and other City land use goals. The City of Ramsey and its funding partners (Anoka County, CTIB-Counties Transit Improvement Board, and Metropolitan Council) invested nearly \$14 Million Dollars on the Northstar Commuter Rail – Ramsey Station, relying on The COR Development Plan. This district is described as predominantly high-density residential, with a number of commercial uses along Sunwood Drive. There should be a **MIX OF USES** within this district.

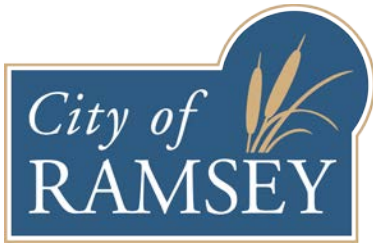
Planning Commission Recommendation: The City should focus on original visions to better manage parking and maximize land use of individual parcels. This includes reverting back to a **FLOOR AREA RATIO (FAR) OF 0.75** and retaining a strict adherence to **MAXIMUM PARKING** standards and shared **PARKING DISTRICT** requirements. Minimum density shall be fifteen (15) units per acre with no maximum density required.

4/25/17 City Council Work Session Comment. Concern was raised over reverting back to the 0.75 FAR, thus requiring vertical shared parking in the downtown district. Consensus was generally to study cost/benefit further, with acknowledgment of the need for flexibility.

5/25/17 EDA Comment. Open to discussion and reviewing further parking districts and parking ramps. However, the City should not force or require shared parking. Shared parking and parking ramps should be encouraged and strived for, but not required of private development. The City should not revert back to the 0.75 FAR.

The Retail District (COR-2)

Retail District Description. The Retail District shall be focused on providing retail offerings to support the community and beyond. This district shall focus on smaller, unique shops, while allowing larger format retailers along Highway 10 where visibility and access is best.



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Places to eat, shop, and be entertained were a key component of the original development. While other land uses have succeeded in continued growth, retail goals have struggled to keep pace. The City has continued to evaluate our retail marketing strategy, and amendments to this plan represent a broader effort to advance these goals.

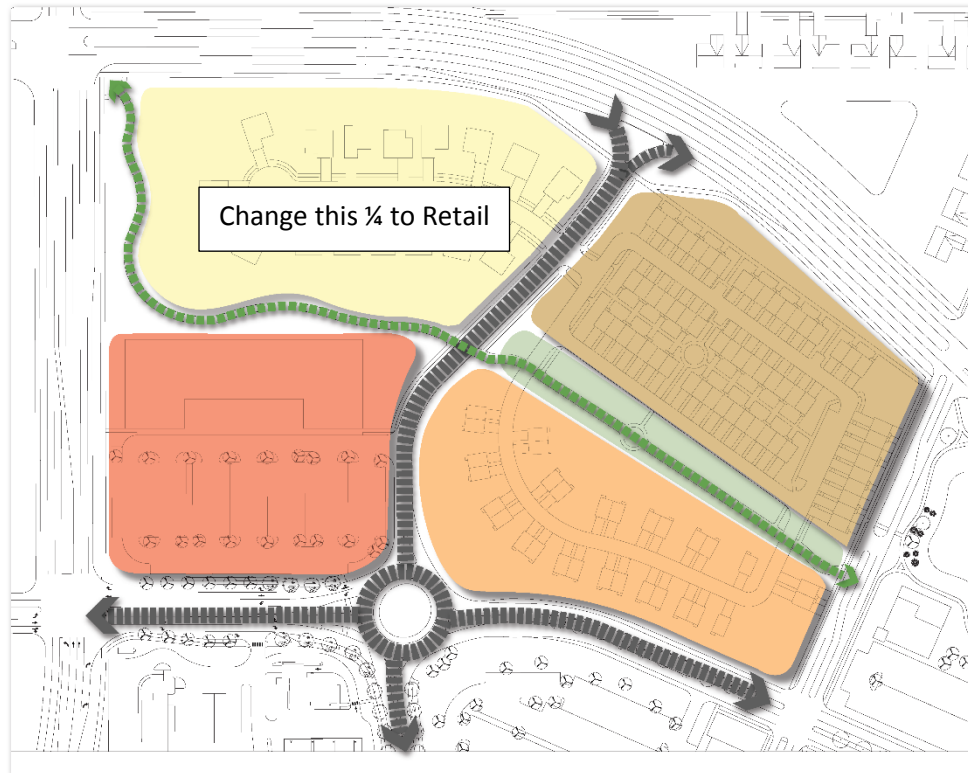
Citywide, the community has over 150 acres of undeveloped or redevelopment areas guided for future retail growth. In comparison, the Riverdale shopping center in Coon Rapids is approximately 200 acres. Coupled with proximity to Elk River and physical barriers such as the Mississippi River and Rum River, it is not likely that the City will be successful in developing this amount of retail within this 20 year planning period, if at all. Additionally, the market for larger retail users is quickly changing with adapting technologies. The City's market experts have encouraged the City to re-evaluate its retail strategies.

EMPHASIS: The City continues to plan for a significant amount of retail growth within The COR and throughout the community. The recommendations below are not intended to de-emphasize our retail goals, yet strengthen said retail goals and focus on more appropriate areas for future growth.

Planning Commission Recommendation: The northwest quadrant of the development (bordered by Armstrong Boulevard, Bunker Lake Boulevard, Zeolite Street, and Sunwood Drive) should be amended to strengthen the **LAKE ITASCA GREENWAY**, create **SMALLER DESTINATION RETAIL USERS**. Half of this quadrant should be re-guided for an **APPROPRIATE RESIDENTIAL USE**, with **DENSITY** appropriate for the type of overall land use plan for The COR.

This is the area of **MOST SIGNIFICANT CHANGE** recommended by the Planning Commission. The Planning Commission collaborated on developing multiple land use scenarios. The overall approach was to divide the northwest quadrant into four (4) smaller sub-quadrants divided by future public roadways and greenways and allocating half the quadrants to smaller, destination retailers and the other half to residential uses. Based on feedback and reconciling multiple angles of consensus, the land use map below represents the primary recommended land use map.

Primary NW Quadrant Land Use Map – Vertical Split (this will be the model of the actual land use map [focus on polygons per land use, less focus on detailed site planning])





Strengths

- Continuous greenway corridor
- Removes struggling 'big-box' retail
- Introduces smaller destination retail
- Moderate return on tax base
- Transition of mix of uses

Weaknesses

- Land use types desired by community



The COR Development Concept E

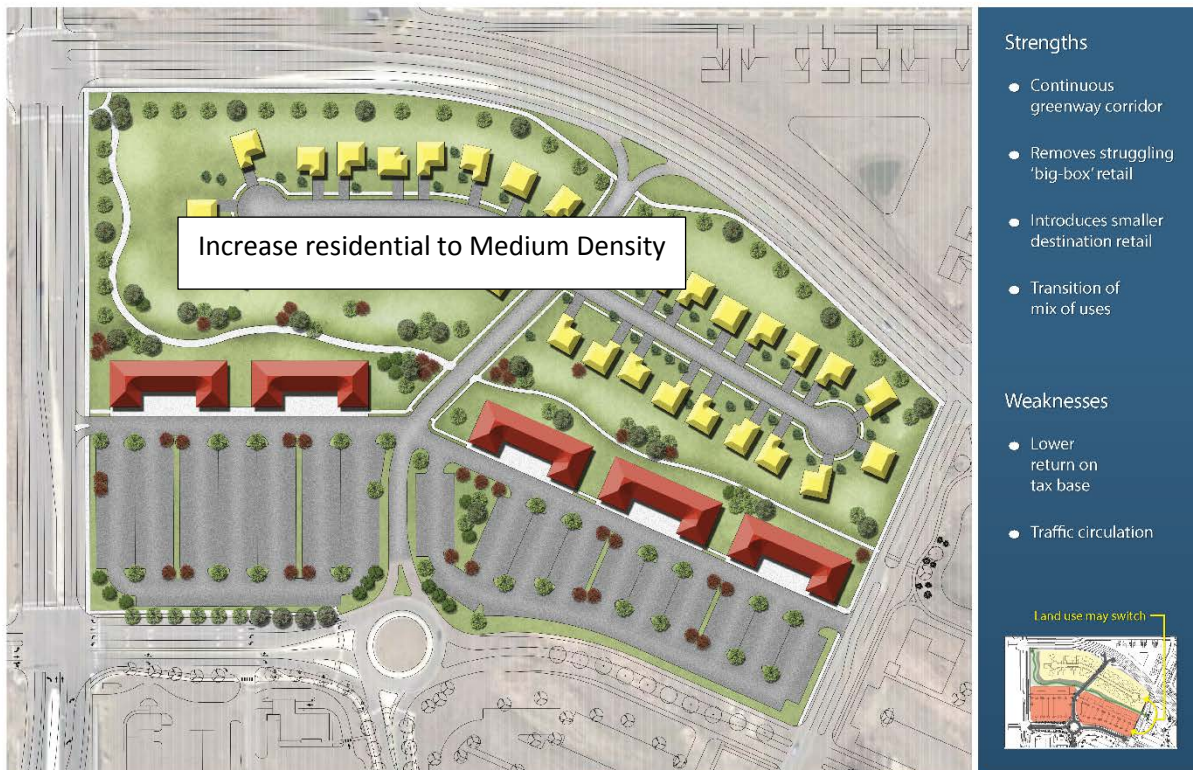


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NW Quadrant Acceptable Alternatives

The alternatives listed below would require a future plan amendment, but are afforded certain policy feedback in advance. These can be viewed as 'pre-screened' alternatives.

NW Quadrant Horizontal Split



Continued on next page.


NW Quadrant All Retail



- Strengths**
- Continuous greenway corridor
 - Removes struggling 'big-box' retail
 - Introduces smaller destination retail
 - Higher return on tax base
- Weaknesses**
- Transition of mix of uses




The COR Development Concept C

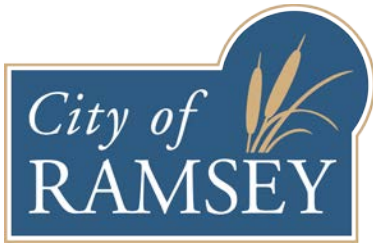



The Office District (COR-3)

This district represented the area of highest consensus amongst the Planning Commission.

Planning Commission Recommendation: **NO AMENDMENTS** to this district are recommended. However, the City should look at strategies to encourage parking districts within this land use district as well.

Note. During the January 24, 2017 Joint Work Session between the City Council and Planning Commission, it was noted that an office user may be possible in the northeast quadrant currently guided for retail use. Staff's recommendation, while a potentially positive amendment, would be to consider



this possibility under a separate amendment, as the overall plan currently has a good balance of office planned, and a more comprehensive look would be needed for such an amendment.

The Residential District (COR-4)

The Residential District is further divided into three (3) categories. The descriptions below include recommended adjustments to density ranges.

- 'Low' Density (COR-4a). This is predominantly detached single-family located north of Bunker Lake Boulevard. The minimum density shall be four (4) units per acre and densities up to fifteen (15) units per acre shall be allowed.
- Medium Density (COR-4b). These predominantly include townhomes, both attached and detached. Minimum density shall be eight (8) units per acre with a maximum density of fifteen (15) units per acre. Additional density may be allowed via Conditional Use Permit.
- High Density (COR-4c). These areas are focused immediately north of The Draw Park and Amphitheater and provide a unique opportunity for interaction and transition. The emphasis on mix of uses is muted compared to the Downtown District. The minimum density of this district shall be fifteen (15) units per acre with no cap of maximum density.

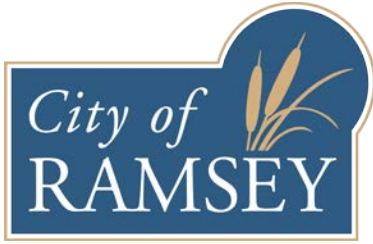
Planning Commission Recommendation:

The remaining undeveloped area immediately north of The Draw currently owned by K Hovnanian Homes shall be re-guided to High Density Residential. The Planning Commission recognizes the success of high density residential abutting The Draw on the south side (Parkview East) and sees this as an opportunity for consistent design when coupled with the future Aeon Apartment Development (north side).

Parks and Public Spaces (COR-5)

This district is governed by The COR Parks + Public Spaces Plan, and is included by reference as an integral part of The COR Interim Development Plan. Neither document shall be interpreted as a wholly separate document, and neither document shall be adopted or otherwise amended unless coinciding with each other. An amendment to one plan shall be considered an amendment to the other. This document has been adopted as a 'working draft' by consensus of the City Council. The intent is to adopt as a formal plan as part of the overall COR Development Plan Amendment.

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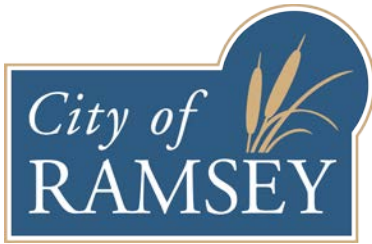
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Implementation Plan

The Interim Development Plan represents Phase I of a three (3) phase project.

1. Interim Development Plan (this step)
2. System Plans (roads, utilities, parking structures, infrastructure, etc.).
3. Development Pro-Forma (funding and financing options).

Continued on next page.



Major Planning COR Planning Efforts

EFFORT #1

COR Re-Visioning

PURPOSE

Update/ amend the vision for The COR.

1. Update COR Master Plan (map that shows vision, how the COR will look, how buildings will be oriented, where infrastructure should be located, etc.)
2. Update zoning district map (underlying land use regulations that will ensure the master plan will be implemented at the time individual projects come forward for review by the City)
3. Direction on outstanding major policy items:

- Is vertically mixed use development a requirement?
- appropriate size and location of retail uses?
- Is there flexibility in location of zoning district borders?
- Define basic vision and policy for community center.
- Define basic vision and policy for parking ramps.

RESPONSIBLE BOARD

Planning Commission will draft a recommendation for Council consideration.

TIMING

Anticipated to have draft completed by April 2017. Once a draft is completed, it should be checked against COR System Plans and COR Pro-Forma. May need to be adjusted.

EFFORT #2

COR System Plans

PURPOSE

The City purchased The COR with two goals in mind (a) recover previous public investments, and (b) ensure the vision of The COR is implemented.

As a result, the City of Ramsey has taken the role of master developer for The COR. With the role, various assumed responsibilities are assigned to the City. Developers, businesses, and residents expect the city to have concept plans/ policies in place for the following items:

1. Storm water plan (regional)
2. Road plan (public roads)
3. Sign plan (development signs, way finding signs, etc.)
4. Park & Trails plans
5. Community Center plan/ policy
6. Parking Ramp(s) plan/ policy
7. Cut/fill basic plan

There are many benefits to having this preliminary information ready—please see system plan dashboard for details. These plans are intended to be preliminary/ concept level only—for the sake of planning and budgeting.

RESPONSIBLE BOARD

Likely, all boards will be involved with this process. However, for the sake of efficiencies, the EDA will lead this effort. Findings will be presented to the Planning Commission and City Council.

TIMING

Upon completion of 1st draft of COR re-vision, staff would like to order this work for completion (i.e. begin May 2017). This work will take 6-9 months. Once draft is completed, it should be checked against COR Master Plan and COR Pro-Forma. May need to be adjusted.

EFFORT #3

COR Pro-Forma

PURPOSE

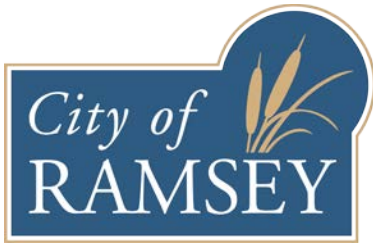
1. Update COR pro-forma based on updated vision and system plans. COR pro-forma will display the city's financial performance forecast/ project cash-flow over time (expenditures/ obligations versus revenues/ available funding).
2. Update COR TIF plan/ TIF analysis previously completed by Ehlers. This plan plays a major role in the "funding" side of the COR pro-forma. Because actual TIF revenues are based on actual completed projects, it would be helpful to update periodically. NOTE: TIF can only be used for projects completed before 2021.
3. Update COR land proceeds policy. Staff would like to (a) clearly identify what previous expenditures the City wishes to repay itself, (b) consider using land proceeds only for non TIF eligible costs, and (c) update the City's land sale proceeds forecasts.

RESPONSIBLE BOARD

EDA will draft a recommendation for Council consideration.

TIMING

Upon completion of COR re-vision and COR system plans, staff will complete this work (i.e. begin late 2017). This work will take 1-2 months. Once draft is completed, it should be checked against COR Master Plan and COR system plans. May need to be adjusted.



The group then formulated a broad work plan to accomplish the many steps to complete an overall plan amendment and update.

The COR Development Plan Update Plan of Action												
	2017											
	January	Quarter 1		April	Quarter 2		July	Quarter 3		October	Quarter 4	
Task 1: Land Use Plan Update (Planning Commission)												
Draft Vision Statement												
Draft Land Use/District Map												
Draft District Descriptions												
Draft Development and Design Standards												
Draft Development Plan Update (Zoning Code)												
Adopt Final Version of Development Plan												
Task 2: System Plan/Infrastructure Study (EDA)												
Stormwater Plan												
Road Plan												
Sign Plan												
Parks and Recreation Plan												
Community Center Plan or Policy Statement												
Parking Ramp/District Plan or Policy Statement												
Cut/Fill Plan (Grading)												
Task 3: Project Pro Forma (EDA)												
Pro-Forma												
Tax Increment Financing (TIF) Plan												
COR Land Sale Proceeds Policy												

Public Engagement

A key component of any policy decision is collaboration amongst its residents. These processes are part of natural and organic community conversations around key policy topics. The City will couple this policy discussion with ongoing workshops and community events as part of its overall Comprehensive Plan Update. For more information on this effort, please visit www.cityoframsey.com/ramsey2040.

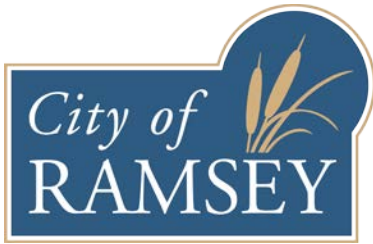
4/25/17 City Council Work Session Note: All Boards and Commissions should review this document before the City Council considers formal adoption. The City Council should review the final document and approve before distributing to the public and stakeholders/landowners.

Mobile Comprehensive Plan Tour

The City is planning a Mobile Comprehensive Plan Tour for policy makers that will include local examples of plans and policies being discussed in the Comprehensive Plan Update. The tour is planned to include examples discussed in this Interim Development Plan as well.

Market Analysis

The Planning Commission recommends completion of a market analysis to confirm the policy directives of this document as it relates to the planned retail area. The Planning Commission continues to stress the importance of attracting retail uses to the Development, but want to ensure that there is not too much areas guided for retail growth beyond what the community can sustain.



Community Center

The Planning Commission desires to continue to plan for a Community Center in The COR. The Planning Commission feels that this type of use would benefit the community and be a draw for other users within the development. This analysis will be completed as a separate planning process.

Architectural Standards

A key component of the policy discussion for The COR has been architectural design standards. The Planning Commission believes several recent projects fell short of community expectations. While originally intended to be part of Phase I of The COR Development Plan Update, the Planning Commission continues to refine these recommendations and will continue throughout Phase II and Phase III to bring a quality recommendation forward with a full Plan Amendment.

The standards below are not an exhaustive list of current design requirements, yet a focus on key topics that have been raised for future discussion. Upon final amendment, the City will prepare a side-by-side comparison of all existing and proposed design requirements. The final version of this Interim Development Plan will also include drawings/illustrations to illustrate the narrative being discussed.

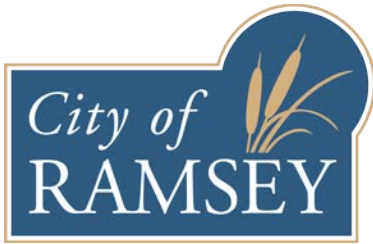
The COR should continue to focus on four-sided architecture visible from the public realm. Quality signage on all four sides of the building should be allowed. The community should be able to park on public streets and reasonably access the building.

Planning Commission Recommendation:

In the interim, the Planning Commission shall serve as an ad-hoc architectural review committee. Projects shall complete an architectural review prior to official Site Plan Review. The Planning Commission reserves the right to establish an ad-hoc sub-committee to serve as this Architectural Review Committee. The Planning Commission recommends that the City supplement the Development Review Team with the services of a licensed architect to help develop updated design standards and review development proposals. This will add value to the process, hopefully streamline review, and is in line with other professional services the City employs in development review. The cost of these services are the responsibility of the Developer.

Additional Discussion Points:

* The intent of design requirements is to maintain a consistent development look and acknowledge the



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pride and planning that went into the vision of this development. The tradeoff of a more densely developed areas was an acknowledgement of the need to 'step up' architectural design.

* All single-family homes in The COR shall include/not include a porch that protrudes from the front of the home, even with the garage, and not a recessed entry in the middle of the home.

* Over the next several months, the Planning Commission will better define front porches and if any additional design requirements or restrictions (i.e. split entry homes) are warranted. .

* Buildings in the Downtown District shall include a minimum of 50% brick. Vinyl siding shall not be allowed. Fiber cement panels shall be allowed as a complimentary material.

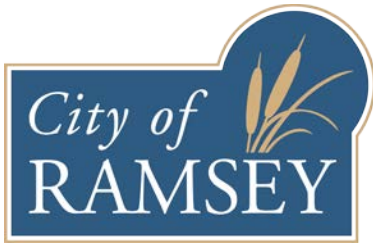
* Buildings in the Residential District shall have a minimum of 35% brick or stone on the front façade. Vinyl siding is allowed.

Private Open Space and Stormwater Design

The Planning Commission has expressed a concern over a perceived lack of private open space in medium density development as well as depth and steep slopes of stormwater ponds within the development due to the higher density nature. This concern has not yet been resolved, but will continue to be discussed during Phases II and III of the Plan Amendment. The City shall take into account sidewalks, greenways, and other private and innovative improvements (such as wonerfs).

Site Selection Process

The City is in a unique situation as Property Owner and Regulatory Authority. This presents opportunity, but also requires special attention to remain accountable to the public. In order to balance this approach without creating burdensome processes, the following steps shall be followed when considering a Purchase Agreement with the City in The COR.



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Any perspective buyer of City-Owned Property in The COR shall first meet with City Staff to discuss appropriate sites. This is known as the Site Selection Process. The City and Buyer shall review multiple sites before selecting a preferred location. Depending on the complexity of the project, the City reserves the right to take this Site Selection Process to the Planning Commission, EDA, and City Council before reviewing a specific site.

The Buyer shall provide a site concept to be reviewed by the Planning Commission, EDA, and City Council before approving a Purchase Agreement. When a single-user proposes to purchase a portion of an undeveloped block or area, a series of 'site concepts' shall be developed before reviewing with any City board or commission. These site concepts shall demonstrate at least one reasonable concept for the remaining portion of the site that fits the vision and requirements of that area/district.

The Buyer must still complete the official Site Plan Review (and Subdivision) process after the Purchase Agreement Phase.

History of Policy Discussion

This Interim Development Plan is the result of a Planning Commission initiative dating back to 2015. The City has invested a significant amount of time, energy, and resources in order to ensure a **MARKET RELEVANT PLAN** that balances **COMMUNITY VISION**.

Joint Work Sessions

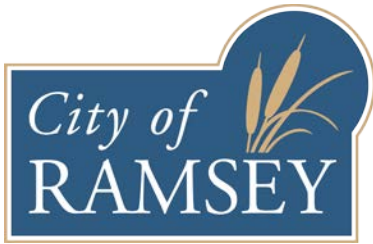
The City Council and Planning Commission have met on multiple occasions to frame the policy question, discuss strategies, and identify solutions.

- March 26, 2015 = Joint Work Session
- July 12, 2016 = Joint Work Session
- January 24, 2017 = Joint Work Session

Surveys

In 2016, the City surveyed its Board and Commission Members on key topics related to The COR Development Plan.

The key directive coming out of review of these results on July 12, 2016 was to create a forum for policy makers to ask questions and receive direct feedback from developers and market experts, rather than completing another market study.



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Market Panel Event

On October 27, 2016, the City hosted several market experts to respond to a wide range of policy topics raised by community policy makers. The output from this event served as an important foundation for land use recommendations developed by the Planning Commission.

Planning Commission Work Sessions

The information gleaned from the steps above were utilized to begin important policy discussions about the future of The COR. Following review of the Market Panel Event, the City Council authorized the Planning Commission to begin formulating land use recommendations for The COR. The Planning Commission met Work Sessions dedicated to The COR on multiple occasions.

- January 5, 2017 (to prepare for the January 24, 2017 Joint Work Session with the City Council)
 - Develop a Vision Statement
- February 2, 2017
 - Refine the Vision Statement
 - Collaborate on a Future Land Use Map
- March 2, 2017
 - Refine the Vision Statement
 - Refine the Future Land Use Map and Alternative Future Land Use Maps
- April 18, 2017
 - Refine the Vision Statement
 - Refine the Future Land Use Map and Alternative Future Land Use Maps
- April 25, 2017
 - Draft document reviewed by City Council and Planning Commission in Joint Session.
 - Authorization to review with internal advisory boards and commissions.
- May 25, 2017
 - Draft document reviewed by EDA. Feedback/comments added to document.
- June 1, 2017
 - EDA comments reviewed by Planning Commission.

The Interim Development Plan is anticipated to be adopted in 2017.