

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

RESOLUTION #20-100

RESOLUTION APPROVING SECOND AMENDMENT TO PURCHASE AGREEMENT FOR LOTS 1, 2 AND 3, BLOCK 1, COR TWO

WHEREAS, the City of Ramsey (the “City”) executed a Purchase Agreement with RGH Ramsey, LLC (the Developer”) to purchase Lots 1, 2 and 3, Block 1, COR TWO (the “Property”) on February 12, 2019; and

WHEREAS, the City executed a First Amendment to Purchase Agreement with the Developer to purchase Lots 1, 2 and 3, Block 1, COR TWO (the “Property”) with an Effective Date of July 23, 2019; and

WHEREAS, the Developer has communicated to the City that more time is needed to secure end users for the project due to the impacts of Covid-19 on the commercial / retail business sectors; and

WHEREAS, the Developer has requested that the Closing Date be extended from June 15, 2020 to January 15, 2021; and

WHEREAS, the Developer has requested that the Deadline date for the Certificate of Occupancy for Building 1 be extended from November 15, 2020 to July 15, 2021; and

WHEREAS, the Developer has requested that the Deadline date for the Certificate of Occupancy for Building 2 be extended from July 15, 2021 to February 15, 2022; and

WHEREAS, the Developer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the construction of Building 2, February 15, 2022 certificate of occupancy date outlined in the Second Amendment to Purchase Agreement; and

WHEREAS, the Second Amendment to Purchase Agreement requires future approvals for site plan and the execution of a Right of Re-Entry Agreement prior to closing on the Property; and

WHEREAS, RGH Ramsey, LLC has provided the City of Ramsey with the \$40,000 in Non-refundable Earnest Money for the Original Purchase Agreement and First Amendment to Purchase Agreement; and

WHEREAS, the EDA reviewed the Developer request for the Second Amendment to Purchase Agreement and recommended approval to the City Council.

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

- 1) The City of Ramsey authorizes the Mayor and City Administrator to execute the attached Second Amendment to Purchase Agreement; subject to City Attorney approval.
- 2) That the City of Ramsey authorizes the sale of Lots 1, 2 and 3, Block 1, COR TWO and authorizes the Mayor and City Administrator to execute a Right of Re-Entry Agreement and deed of transfer; subject to City Attorney approval.

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:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 9th day of June, 2020.

Mayor

ATTEST:

City Clerk

**PURCHASE AGREEMENT
SECOND AMENDMENT**

This is the Second Amendment is to the Purchase Agreement by and between RGH RAMSEY LLC, a Minnesota Limited Liability Company (“Buyer”), and the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), with an effective date of June _____, 2020.

Recitals

1. Pursuant to the terms of the original Purchase Agreement and First Amendment to Purchase Agreement, the Closing Date is to be no later than June 15, 2020.
2. Buyer seeks to move the Closing Date to be no later than January 15, 2021.
3. Pursuant to the terms of the Original Purchase Agreement and First Amendment to Purchase Agreement the Buyer shall obtain a certificate(s) of occupancy from the City of Ramsey for the construction of Building 1 (to be further defined) by November 15, 2020 and the construction of Building 2 by July 15, 2021.
4. Buyer seeks to move certificate(s) of occupancy dates for construction of Building 1 to July 15, 2021 and for the construction of Building 2 to February 15, 2022.
5. Buyer completed its inspection during the Inspection Period, which is expired, and Buyer also completed its examination of title and has formally given a Notice to Proceed to Seller.
6. Buyer has cited the impact of Covid-19 on the commercial/retail sector as reason to ask for additional time to complete project.
7. Buyer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the construction of Building 2, February 15, 2022 certificate of occupancy date.
8. The Seller has received \$40,000 in non-refundable Earnest Money from the Buyer.
9. Seller is willing to extend the Closing Date and Certificate(s) of Occupancy Dates due to the impacts of COVID-19 on the commercial/retail sector in accordance with the terms set forth below.
10. The legal description of the subject property in the Purchase Agreement and First Amendment to Purchase Agreement is Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”) and is not being modified.

Agreement

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

1. The above recitals are incorporated into the Agreement.
2. The Closing Date is hereby extended from June 15, 2020 to January 15, 2021.
3. The certificate(s) of occupancy dates are extended for construction of Building 1 to July 15, 2021 and for construction of Building 2 to February 15, 2022. The required certificate of occupancy date for the construction of Building 2 can be extended in one month increments with provision of \$5,000 in Non-refundable Earnest Money for each additional month beyond February 15, 2022, up to 6 months, or \$30,000. The required construction of Building 2 certificate of occupancy date will not be extended past August 15, 2022. The penalty provision of \$150,000 remains in place if Building 2 is not constructed according to the terms and conditions of set forth herein.
4. Buyer acknowledges that the Inspection Period expired on July 15, 2019 and that a Notice to Proceed was provided to the Seller.
5. All other terms of the Purchase Agreement and Purchase Agreement First Amendment remain unchanged except to the extent inconsistent with this Second Amendment to Purchase Agreement.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____ Dated: _____, 2020
John LeTourneau, Mayor

By: _____ Dated: _____, 2020
Kurt Ulrich, City Administrator

BUYER: RGH RAMSEY, LLC, a Minnesota Limited Liability Company.

By: _____ Dated: _____, 2020
Robert C. Hardy, Chief Manager