

City of Ramsey
Agenda
Special Economic Development Authority (EDA)

Thursday, April 23, 2020

9:00 am

Remote Locations

Meeting by telephone or other electronic means in accordance with Minnesota Statute 13D.021

Join us via computer at www.cityoframsey.com/meetings.

To join via phone, please use the following information:

+1 480 712 7555 (US Toll)

Meeting ID: 116 6274 4365

Voice mail comments can be left at 763-433-9819

1. **Call to Order**
2. **Approve Agenda**
3. **Approve Minutes**
 1. Approve Meeting Minutes for April 7, 2020
4. **EDA Business**
 1. Consider Early Closing for Part of Outlot A, COR Stone Brook Academy to Ramsey Hotel Group, LLC
 2. Consider Approval of Lease with Mille Lacs Motor Sports (Power Lodge) at 6701 Hwy 10 NW
 3. Consider Adopting an Emergency Ordinance Allowing Temporary Signage within Public Rights-of-Way on an Interim Basis as Additional Business Assistance Tool Due to Stay at Home Order
5. **Member/Staff Input**
6. **Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 04/23/2020

By: Wendy Schlueter, Community
Development

Title:

Approve Meeting Minutes for April 7, 2020

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 April 7, 2020 meeting minutes

Action:

Motion to approve April 7, 2020 EDA meeting minutes.

Attachments

April 7 EDA Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Wendy Schlueter	04/17/2020 10:18 AM
Sean Sullivan	Sean Sullivan	04/17/2020 11:17 AM
Tim Gladhill	Tim Gladhill	04/20/2020 03:28 PM
Form Started By: Wendy Schlueter		Started On: 04/13/2020 03:44 PM
Final Approval Date: 04/20/2020		

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

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Tuesday, April 7, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota. Meeting by telephone or other electronic means in accordance with Minnesota Statute 13D.021.

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

Members Absent: None

Also Present: Sean Sullivan, Economic Development Manager
 Tim Gladhill, Deputy City Administrator

1. CALL TO ORDER

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

2. APPROVE AGENDA

Motion by Member Kuzma, seconded by Member Cords, to approve the agenda.

A roll call vote was performed by the Deputy City Administrator:

Member Kuzma	aye
Member Cords	aye
Member Riley	aye
Member Hardin	aye
Member Burandt	aye
Chairperson Steffen	aye

Motion carried.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated March 12, 2020

Motion by Member Hardin, seconded by Member Kuzma, to approve the March 12, 2020, minutes as presented.

Member Kuzma aye
Member Cords aye
Member Riley aye
Member Hardin aye
Member Burandt aye
Chairperson Steffen aye

Motion carried.

4. EDA BUSINESS

4.01: Appoint Chairperson and Vice Chairperson

Economic Development Manager Sullivan stated that the purpose of this case is to appoint a Chair and Vice Chair for the upcoming year that will run April 1, 2020 through March 31, 2021. He opened the floor for nominations for the position of Chair.

Motion by Member Riley, seconded by Member Hardin, to appoint Jim Steffen as Chairperson and Brian Burandt as the Vice Chairperson of the Economic Development Authority through March 31, 2021.

There were no further nominations.

Member Cords aye
Member Riley aye
Member Hardin aye
Member Kuzma aye
Member Burandt aye
Chairperson Steffen aye

Motion carried.

4.02: Receive Update on COVID-19 Impacts and Response Plans

Deputy City Administrator Gladhill presented the staff report and provided an update on the City's current response plans to the COVID-19 Pandemic as it relates to City operations, specifically Board and Commission meetings.

4.03: Consider Approval of Tax Increment Financing (TIF) Agreement for Ramsey Hotel Group, LLC

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked for more details on the Ehlers recommendation for a lookback provision.

Economic Development Manager Sullivan stated that the lookback provision would be moot as the City is providing the land through up-front financing. The city would be reimbursed through tax increment generated by the project. He explained that the City will review the sworn construction statement and costs to ensure they are in line with previous estimates in lieu of that lookback provision. He stated that staff does not recommend a formal lookback provision.

Member Cords asked what the cost to the City is for this deal.

Economic Development Director Sullivan replied that the cost to the City would be staff time, as with any deal. He explained any other costs associated, including the cost for consultant work, would be TIF eligible expenses that would be reimbursed through the TIF district and revenue generated by the project. He explained that the City has received \$5,000 from the developer to assist with the upfront cost.

Member Cords asked the percentage of the property tax that the City would receive annually.

Economic Development Director Sullivan replied that generally the City would receive 25 to 33 percent of the taxes. He explained that the City receives a higher portion of that during the TIF payback period, estimating about half of the property taxes coming back to the City during that time.

Member Cords stated that he was simply curious on the details of the seven to nine-year payback time.

Member Hardin asked if TIF District 14 is within Development District No. 1.

Economic Development Director Sullivan provided additional details on development district 1 and TIF district 14, which covers the majority of The COR and affirmed that TIF 14 was inside Development District No. 1.

Member Hardin asked if the City would have adequate financial guarantees to ensure the project is completed.

Economic Development Director Sullivan stated that the City's transaction is the land deal and the City would receive the assistance back through the financing. He stated that a Right-of-Re-entry agreement would ensure that the City would receive the land back if the project does not move forward.

Deputy City Administrator Gladhill provided details on the development agreement that would be done as part of the Site Plan process and that a letter of credit that would be required for some of the improvements.

Member Hardin asked if there are any letters of intent related to the restaurant at this time.

Economic Development Director Sullivan stated that the restaurant would be a Wissota Steak Chophouse, as with all corporate Cobblestone hotels. He stated that there is a example in Stevens Point, Wisconsin.

Member Hardin referenced the development agreement, Section 3.3, the third paragraph, related to the creation of jobs, which is set at zero. He stated that the next three paragraphs seem moot if job creation is not required.

Economic Development Director Sullivan confirmed that while jobs would be created, they would not be a requirement of the development agreement. He reviewed the other public benefits that would be provided through the project such as creation of tax base, satisfying market demand for lodging for commerce and diversity of business type.

Member Cords asked if there is an escrow or mechanism to recoup the upfront costs if the right-of-Re-entry is used.

Economic Development Director Sullivan provided additional details on the language included in the TIF Agreement for that purpose.

Chairperson Steffen asked for details on the timeline that would follow after today.

Economic Development Director Sullivan reviewed the timeline that would move forward if approved by the EDA, noting that if recommended for approval the item would move forward to an upcoming City Council meeting for consideration.

Chairperson Steffen stated that the EDA is excited about this project as it meets multiple goals of the City. He noted that it is clear from the Ehlers memorandum that this deal would not be possible but for the TIF assistance proposed to be provided by the City.

Motion by Member Cords, seconded by Member Kuzma, to recommend to City Council to approve the TIF Agreement, subject to City Attorney approval as to legal form.

Member Hardin	aye
Member Cords	aye
Member Riley	aye
Member Kuzma	aye
Member Burandt	aye
Chairperson Steffen	aye

Motion carried.

4.04: Consider Programs to Assist Restaurants and Retailers Impacted by COVID-19

Economic Development Manager Sullivan presented the staff report.

Member Cords asked if staff has been in contact with any of the restaurants, or hardest hit businesses.

Economic Development Manager Sullivan confirmed that staff contacted all of the restaurants in the community to develop the restaurant guide. He stated that it seems that the full-service restaurants have been hit the hardest, as some of those businesses remain closed. He noted that some of the quick service restaurants remain open for take-out orders. He stated that some of the full-service restaurants tried takeout but stopped because it was not economically working. Staff has also fielded many phone calls from businesses looking for help accessing assistance programs.

Chairperson Steffen noted that there is a nice list developed by staff and asked if staff is recommending that anything on the list not be included as an option.

Economic Development Manager Sullivan stated that the revolving loan fund typically is used for non-retail, non-restaurant businesses. He noted that the State has allowed cities to use the fund for that purpose through June 30 but was unsure what that program would look like. He noted that using that fund would also take the City's ability to use that for manufacturing purposes which generated this fund balance in the future away.

Chairperson Steffen asked for details on SBA programs.

Economic Development Manager Sullivan stated that City staff can only provide the information to the business. He stated that the business would then need to discuss that option with their banker. He noted that the Paycheck Protection Program (PPP) is available on a first come, first serve basis. He noted that he is unsure whether businesses have filled out the applications for the programs, but he believes that businesses are discussing the options with their bankers.

Economic Development Manager Sullivan reviewed the potential list of programs and the possible funding for the programs. He noted that staff can cost out the options the EDA selects, and the City Council can review those recommendations. He also reviewed the current actions the City is taking to provide flexibility to businesses.

Member Burandt stated that given that these are extraordinary times and restaurants are important businesses to the community, he would support using the EDA fund to offer some of these options to local restaurants.

Member Kuzma stated that he would like the City to wait a few more weeks to see how things shake out, as \$100 or \$500 really does not make that much of a difference.

Deputy City Administrator Gladhill stated that these programs would not necessarily be approved but noted that direction from the EDA would be helpful as to whether staff could focus effort. He noted that some actions have minimal impacts, such as waiving certain licensing or permitting fees.

Member Cords stated that he would support the options that have the least impact, as just mentioned by staff, as they could provide quick benefit to those businesses.

Chairperson Steffen asked for input from staff on the desire to waive, reduce or defer those fees.

Economic Development Manager Sullivan stated that he would look to waive/reduce the entire liquor license renewal fee, as those businesses will have been closed for at least one to two months. He stated that he is unsure how long this will run and therefore he would support a lease deferral, or late fee waiver for the Highway 10 RALF properties.

Member Hardin stated that he is leery of waivers and grants but would be open to deferrals or no/low interest loans if that would be beneficial to businesses. He stated that he would like to see specific details on how programs would operate before anything moved forward.

Economic Development Manager Sullivan asked if the loan programs would be targeted to business impacted by the order to close (restaurants, salons, etc.).

Member Hardin stated that he would be worried about picking and choosing industries. He stated that if there was a low/no interest loan program, he would want that open to the entire business community in Ramsey rather than picking and choosing industries.

Member Riley stated that he has talked to bankers and accountants and they are busy trying to submit loan applications for the PPP and SBA programs. He stated that he would be concerned that they do not fully know what is available right now and while there is a need, he was unsure that the City could assess the need. He stated that he does like the list of the items the City has direct control over, such as the fees. He stated that if something moves forward, he would want to ensure that needs are being addressed through targeted efforts.

Chairperson Steffen stated that if no/low interest loans are offered, he believes that City staff would be inundated by requests similar to banks. He asked the timeline suggested by staff.

Economic Development Manager Sullivan explained that the development of a low/no interest loan program would take time, as the City would not want to duplicate what is available and would instead want to create something unique to fill gaps. He stated that he likes the idea of offering things that could be done immediately, using the example of purchasing gift cards from businesses. He stated that option would place cash in hands immediately and the City could use those gift cards for event prizes in the future. He stated that the list of businesses developed by staff are the ones that have been shutdown the longest.

Chairperson Steffen asked if that would be normal course of business to purchase gift cards for the golf event.

Economic Development Manager Sullivan confirmed that the City does that in normal course of business but noted that the intent would be to purchase additional cards.

Deputy City Administrator Gladhill summarized some of the immediate action options, along with the direction to further explore other options, based on the discussion from today's meeting.

Member Riley asked if the liquor license renewal fee would apply only to restaurants or whether that would include liquor stores.

Economic Development Manager Sullivan stated that he would recommend only waiving the fee for restaurants as liquor stores have been deemed essential and have remained open.

Motion by Member Burandt, seconded by Member Steffen, to recommend to City Council to approve the following:

- Approve the following now
 - Waiver of On-Sale Liquor License Renewal Fee (City Fee Only)
 - Waive Advertising Fees for Ramsey Resident for Ramsey Businesses
 - Waive Late Fees for Lease Payments on City Owned Property (added, see below)
- Continue to explore the following and bring back to future meeting
 - Short Term
 - Marketing Assistance Program
 - Deferral of Lease Payments on City Owned Property for 60-120 day
 - Gift Card Purchase Program
 - Long Term
 - Low to No Interest Loan Program

Further discussion: Economic Development Manager Sullivan asked if a recommendation could be included to temporarily waive late fees for City owned properties for the time being with potential for deferral in the future. Deputy City Administrator confirmed the consensus to add that action to the motion.

Member Cords	aye
Member Hardin	aye
Member Kuzma	aye
Member Riley	aye
Member Burandt	aye
Chairperson Steffen	aye

Motion carried.

4.05: Consider Waiver of Registration Fees for Ramsey Businesses for 2020 Ramsey Business Expo and Discuss Future Planning and Dates

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked how long staff could wait to select a date.

Economic Development Manager Sullivan confirmed that the decision could be postponed to May. He noted that he continues to receive interest from businesses for the event. He stated that the event is currently sold out for businesses, with a waiting list. He noted that the postponement could result in losing some businesses but could bring additional Ramsey businesses. He asked the EDA to consider waiving the registration fee for Ramsey businesses. He stated that if the decision is made to waive the fees, he would want to wait until the event is over to refund the fee to ensure those businesses signed up still participate.

Chairperson Steffen confirmed the consensus of the EDA to waive the registration fees for Ramsey businesses for the event, reimbursing the fee after the event takes place.

Motion by Member Riley, seconded by Member Kuzma, to waive registration fees for 2020 Business Expo for Ramsey Businesses and continue to plan for a late July date, pending the status of the current COVID-19 Pandemic.

Member Cords	aye
Member Hardin	aye
Member Riley	aye
Member Kuzma	aye
Member Burandt	aye
Chairperson Steffen	aye

Motion carried.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided a brief development update, highlighting Gigi's Salon and Cobblestone Hotel and their intent to continue to move forward with their projects.

6. ADJOURNMENT

Motion by Member Kuzma, seconded by Member Cords, to adjourn the meeting.

Member Riley	aye
Member Kuzma	aye
Member Hardin	aye
Member Cords	aye
Member Burandt	aye
Chairperson Steffen	aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:49 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: 04/23/2020

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Early Closing for Part of Outlot A, COR Stone Brook Academy to Ramsey Hotel Group, LLC

Purpose/Background:

Ramsey Hotel Group, LLC has requested that the City close prior to site plan approval in order to guarantee financing of its project. Due to COVID-19 most lenders have become tighter with the issuance of loans in business sectors relating to retail and hospitality. Ramsey Hotel Group, does not want to proceed with formal submittal of its site plan and the purchasing of the architectural drawing plan set without signed loan documents from its lender. Typically a commitment letter is sufficient for borrowers as to the their comfort level moving forward. The Lender is requiring that the Ramsey Hotel Group, LLC own the land (additional equity) in order to close on the financing. Due to the uncertainty in the lending environment Ramsey Hotel Partners wants its financing guaranteed and requesting that it close simultaneously on the city land and its financing prior to site plan approval.

A reminder that the Purchase Agreement spells out an initial transaction of \$1, with the City recouping the sales price through Tax Increment Financing (TIF). Protection from the scenario where a project does not occur, meaning tax increment is not generated, is key in this instance. Additionally, the City's standard policy to wait until Site Plan Approval before closing retains leverage to experience the desired design. Staff does not want to lose this leverage. A compromise scenario is outlined below.

Notification:

N/A

Observations/Alternatives:

The request to close on the land prior to site plan approval requires the City to put in place agreements that guarantee that the City interest in the land and quality of the project are protected. The City typically uses a Right of Re-Entry Agreement and Purchase Agreement to assure that the Developer obtains required City approvals, constructs the project to city standards and completes the project on time. This also reserves the City's right to take back the land if the developer does not perform. City Attorney Langel and Staff have worked together to draft a more restrictive Right of Re-Entry Agreement that protects the City's interest in the event that the Developer does not deliver on the project. The Developer and Lender have reviewed to th attached Right of Re-Entry Agreement and are comfortable executing and filing it at the simultaneous closing of the land and financing. In addition, there will likely be additional documents from Community Development that outline processes moving forward relating to the platting and associated development fees, and sureties.

Key terms of the Right of Re-Entry Agreement include the following:

- Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3 of the Purchase Agreement, or to re-enter and take possession of the Property pursuant to Paragraph 4 of the Purchase Agreement, in the event that any of the following Conditions are not satisfied by Buyer
 - Buyer must obtain site plan approval and a certificate of occupancy for the construction of a minimum 60-unit 4-story hotel with restaurant compliant with COR zoning requirements prior to January 1, 2022.
 - Buyer must maintain proof of sufficient financing from the date of closing until issuance of a certificate of occupancy. Said proof shall be in the form a letter of credit in an amount equal to 110% of the value of construction remaining to be completed, or a sworn statement from the bank(s)

financing the development indicating that Buyer has cash accounts and/or loan proceeds sufficient to cover 110% of the value of construction remaining to be completed. The form for the proof of financing is subject to approval by the City. If Buyer utilizes a sworn statement in lieu of a letter of credit, the City reserves the right to periodically request updated statements throughout the construction period of the project until a certificate of substantial completion is issued.

- Seller may impose a separate penalty of \$311,020 against the Property if site plan is not approved and the certificate of occupancy is not obtained 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.
- 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.

Funding Source:

Costs associated with legal and administration can be covered with TIF District 14 through an interfund loan.

Recommendation:

Staff recommends approval of the early closing and associated protections to the City. In recent projects, the land would have been paid up front and the Developer would have recouped cost through Tax Increment Financing. In this project, the City is selling the land for \$1 and the City is recouping the cost through Tax Increment Financing. We still have protections through an enhanced Right of Re-Entry Agreement. The EDA and City Council explicitly allowed a deviation from current policies to encourage this development proposal to move forward.

Action:

Motion to recommend that the City Council allow Cobblestone Hotel to close on the property prior to Site Plan Approval and Approve a Right of Re-Entry Agreement.

Attachments

Original Purchase Agreement

First Amendment to PA

Right of Re-Entry Agreement

Form Review

Inbox	Reviewed By	Date
Sean Sullivan (Originator)	Sean Sullivan	04/20/2020 10:59 AM
Tim Gladhill	Tim Gladhill	04/20/2020 03:42 PM
Tim Gladhill	Tim Gladhill	04/20/2020 04:20 PM
Tim Gladhill	Tim Gladhill	04/20/2020 04:22 PM
Form Started By: Sean Sullivan		Started On: 04/17/2020 01:57 PM
Final Approval Date: 04/20/2020		

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **COBBLESTONE HOTEL DEVELOPMENT, LLC** and/or its assigns, a Wisconsin 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 February 5, 2020 (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 East 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 \$1.00 including the easement area on +/- 1.5 acres (65,340 square feet) subject to a lot split as outlined in Exhibit A plus or minus the prorations and credits as provided for herein (the “Purchase Price”). The property valuation is \$326,700, is proposed to be reimbursed through Tax Increment Financing.
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$1.00 (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: COBBLESTONE HOTEL DEVELOPMENT, LLC
Brian Wogernese
980 American Drive
Neenah, WI 54956
Email: bwogernese@staycobblestone.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 2020 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 CBRE, Inc. ("Sellers Broker"). Seller shall pay Seller's Broker as required by their agreement 3% of final gross sale price. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting 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 60 unit 4 story hotel with restaurant 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.

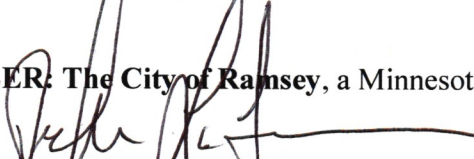
29. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Pacific Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action 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 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. 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.

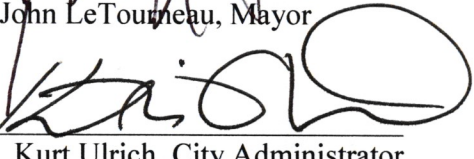
31. CONTINGENCIES. In addition to all other requirements and contingencies by the Buyer and Seller herein, the Purchase Price of \$1.00 is contingent on the following:

- a. Satisfactory review of the underwriting by the Seller demonstrating the need of financial assistance in the form of a land write down of \$326,699.
- b. City Council approval and execution of a Tax Increment Financing Agreement between the Seller and Buyer and or its assigns.
- c. City Council approval of Business Subsidy for Buyer and or its assigns.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: 
John LeTourneau, Mayor

Dated: 02/05/2020, 2020

By: 
Kurt Ulrich, City Administrator

Dated: 02/03/2020, 2020

BUYER: COBBLESTONE HOTEL DEVELOPMENT, LLC .

By: Cobblestone Hotel Development, LLC



Brian Wogernese, Managing Member

Dated: January 30, 2020

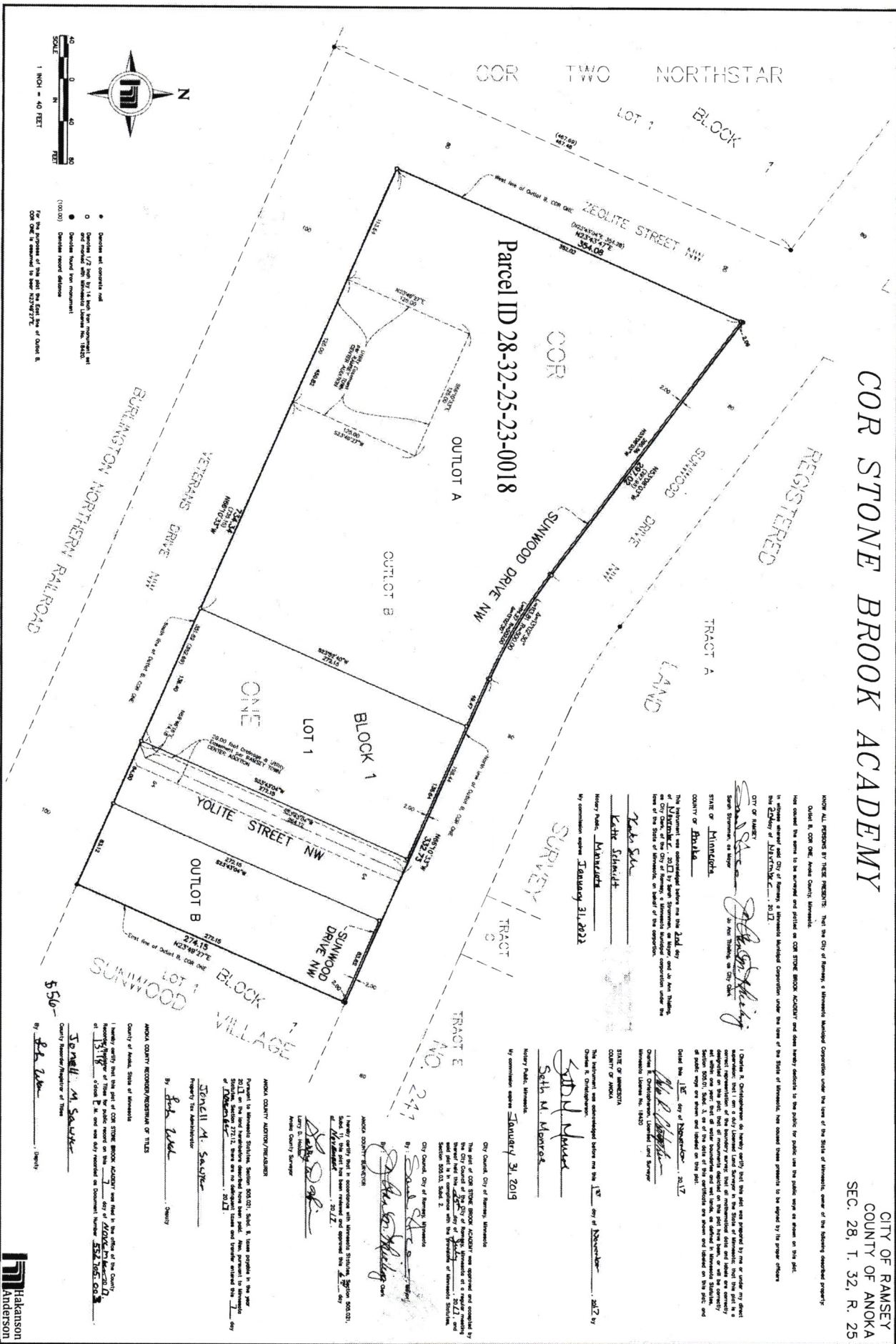
EXHIBIT A

COR STONE BROOK ACADEMY

OFFICIAL PLAN

552-765-003

CITY OF RAMSEY
COUNTY OF ANOKA
SEC. 28, T. 32, R. 25



KNOW ALL PERSONS BY THESE PRESENTS, that the City of Ramsey, a Minnesota Municipal Corporation under the laws of the State of Minnesota, owner of the following described property:

Parcel ID 28-32-25-23-0018, located in the City of Ramsey, Ramsey County, Minnesota.

has caused the same to be surveyed and plotted as COR STONE BROOK ACADEMY and does hereby dedicate to the public for public use the public ways as shown on this plat.

In witness whereof and City of Ramsey, a Minnesota Municipal Corporation under the laws of the State of Minnesota, has caused these presents to be signed by its proper officers and the City Clerk, on this 21st day of December, 2017.

CITY OF RAMSEY
Mayor: Kate Schmidt
City Clerk: Michelle Schmitt
By commission expires January 31, 2022

CITY OF RAMSEY
Mayor: Seth M. Morlock
City Clerk: Sarah Miller
By commission expires January 31, 2019

ANOKA COUNTY RECORDS/REGISTRAR
I, Stacy A. Sauer, Registrar of Anoka County, do hereby certify that the plat of COR STONE BROOK ACADEMY was approved and recorded by me on this 21st day of December, 2017, in accordance with the provisions of Minnesota Statutes, Section 502.021, Subd. 1, and that the same is a correct and true copy of the original as filed in my office.

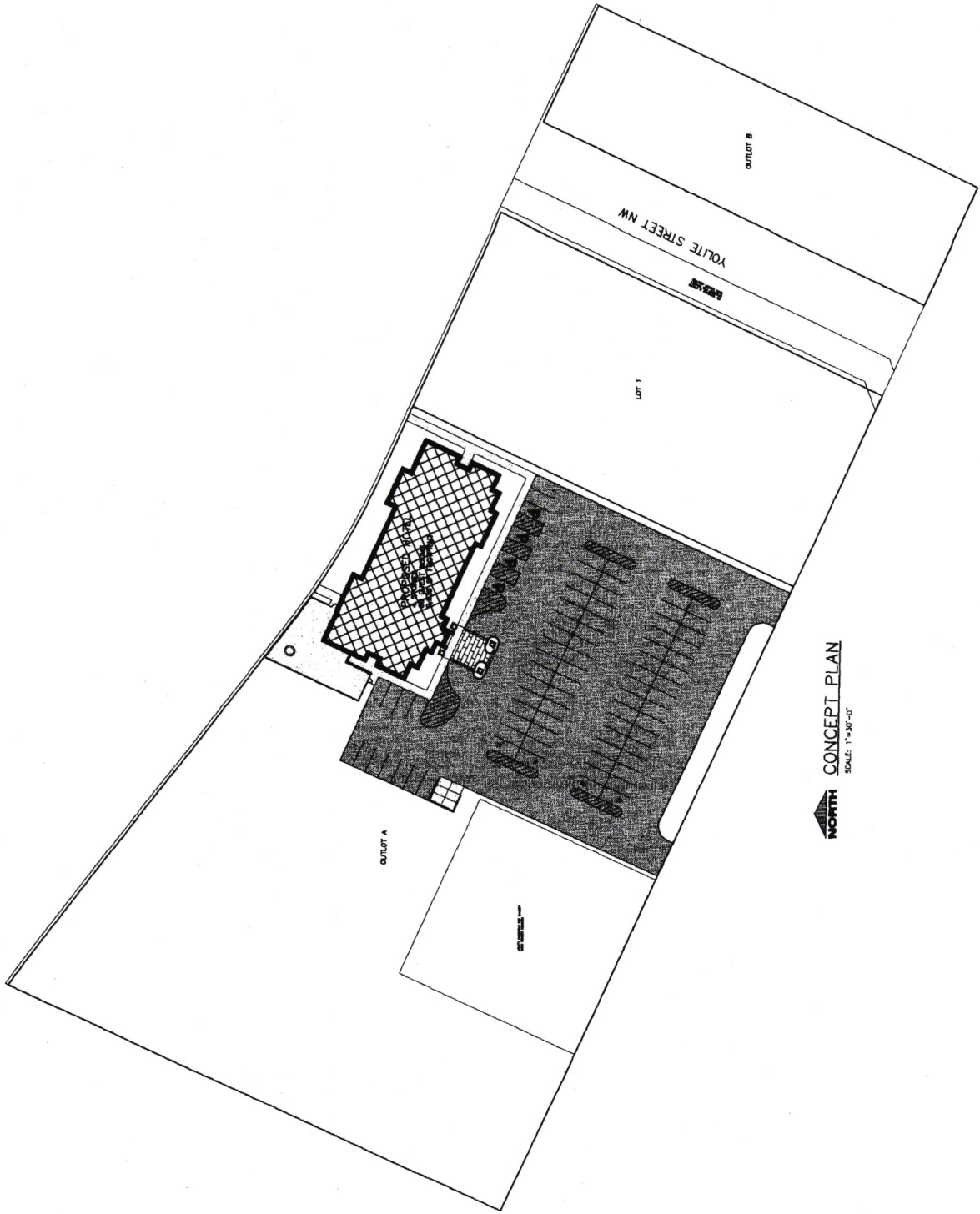
ANOKA COUNTY RECORDS/REGISTRAR
By: Stacy A. Sauer
County of Anoka, State of Minnesota

ANOKA COUNTY RECORDS/REGISTRAR
I, Stacy A. Sauer, Registrar of Anoka County, do hereby certify that the plat of COR STONE BROOK ACADEMY was approved and recorded by me on this 21st day of December, 2017, in accordance with the provisions of Minnesota Statutes, Section 502.021, Subd. 1, and that the same is a correct and true copy of the original as filed in my office.

ANOKA COUNTY RECORDS/REGISTRAR
By: Stacy A. Sauer
County of Anoka, State of Minnesota

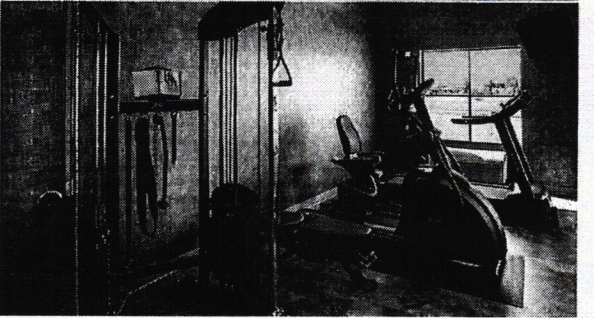
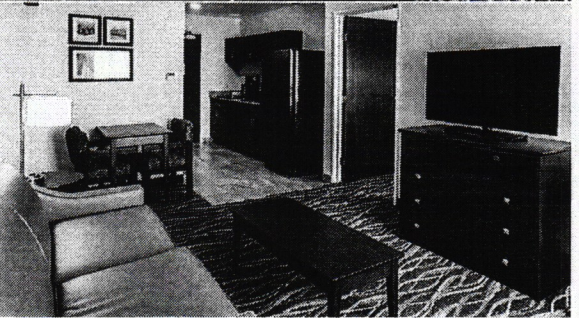
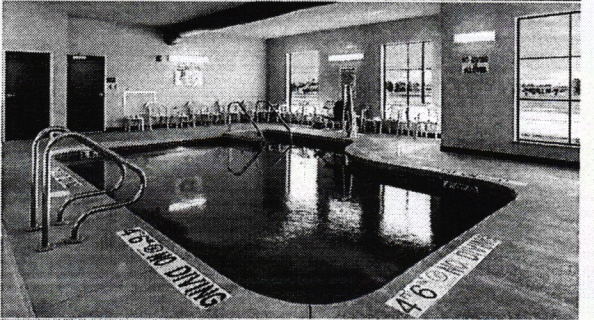
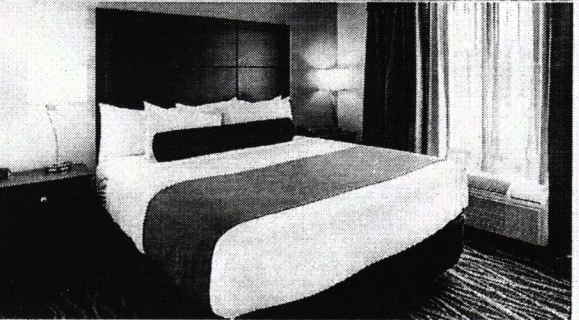
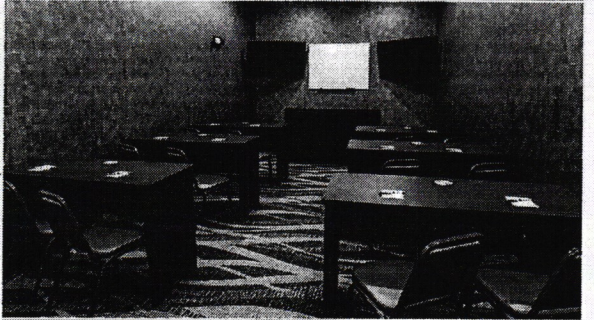
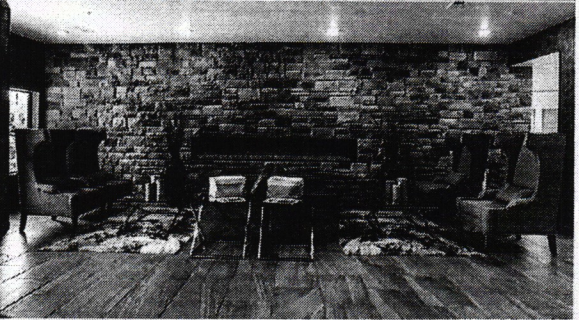
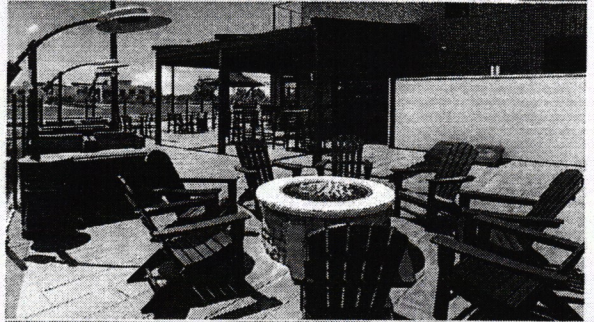
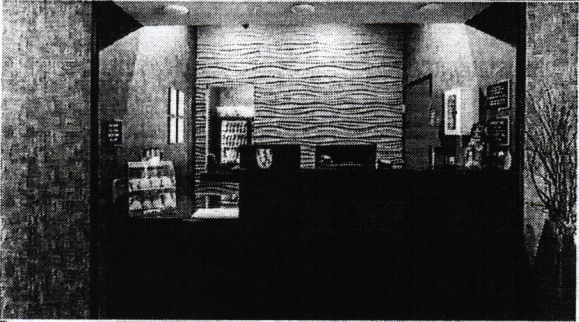
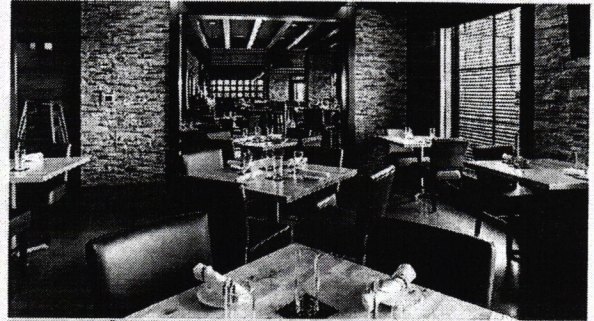
For the purposes of this plat the East line of Parcel B, COR ONE is returned to their 4257577777.





CONCEPT PLAN
SCALE: 1"=30'-0"





**FIRST AMENDMENT
TO
PURCHASE AGREEMENT**

This is the First Amendment to the Purchase Agreement by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **COBBLESTONE HOTEL DEVELOPMENT, LLC** and/or its assigns, a Wisconsin limited liability company (“Buyer”), dated February 5, 2020.

Recitals

1. The Buyer desires to change the Buyer entity from Cobblestone Hotel Development, LLC, a Wisconsin limited liability company to Ramsey Hotel Group LLC, a Minnesota limited liability company.
2. **EFFECTIVE DATE.** The Effective Date remains February 5, 2020.
3. **SALE OF PROPERTY.** The Buyer and Seller desire to amend the acreage of the parcel to approximately 1.428 acres (62,204 SF).
4. **PURCHASE PRICE.** The purchase price for the approximate 1.428 acre (62,204 SF) parcel is \$1.00 (the “Purchase Price”), subject to the proposed site plan depicted in attached Exhibit A plus or minus the prorations and credits as provided for herein. The property valuation is \$311,020.
5. **CONTINGENCIES.** In addition to all other requirements and contingencies by the Buyer and Seller herein, the Purchase Price of \$1.00 is contingent on the following:
 - a. Satisfactory review of the underwriting by the Seller demonstrating the need of financial assistance in the form of a land write down of \$311,020.
 - b. City Council approval and execution of a Tax Increment Financing Agreement between the Seller and Buyer and or its assigns.
 - c. City Council approval of Business Subsidy for Buyer and or its assigns.

Agreement

1. **AMENDMENT APPROVAL.** Buyer and Seller hereby approve this First Amendment to Purchase Agreement as modified by above Recitals which are hereby incorporated herein.
2. **REMAINING TERMS.** All other provisions of the Purchase Agreement, as amended, remain unchanged except to the extent inconsistent with the terms of this First Amendment to Purchase Agreement. The terms used in this First Amendment to Purchase Agreement have the same meaning as in the Purchase Agreement.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
John LeTourneau, Mayor

Dated: _____, 2020

By: _____
Kurt Ulrich, City Administrator

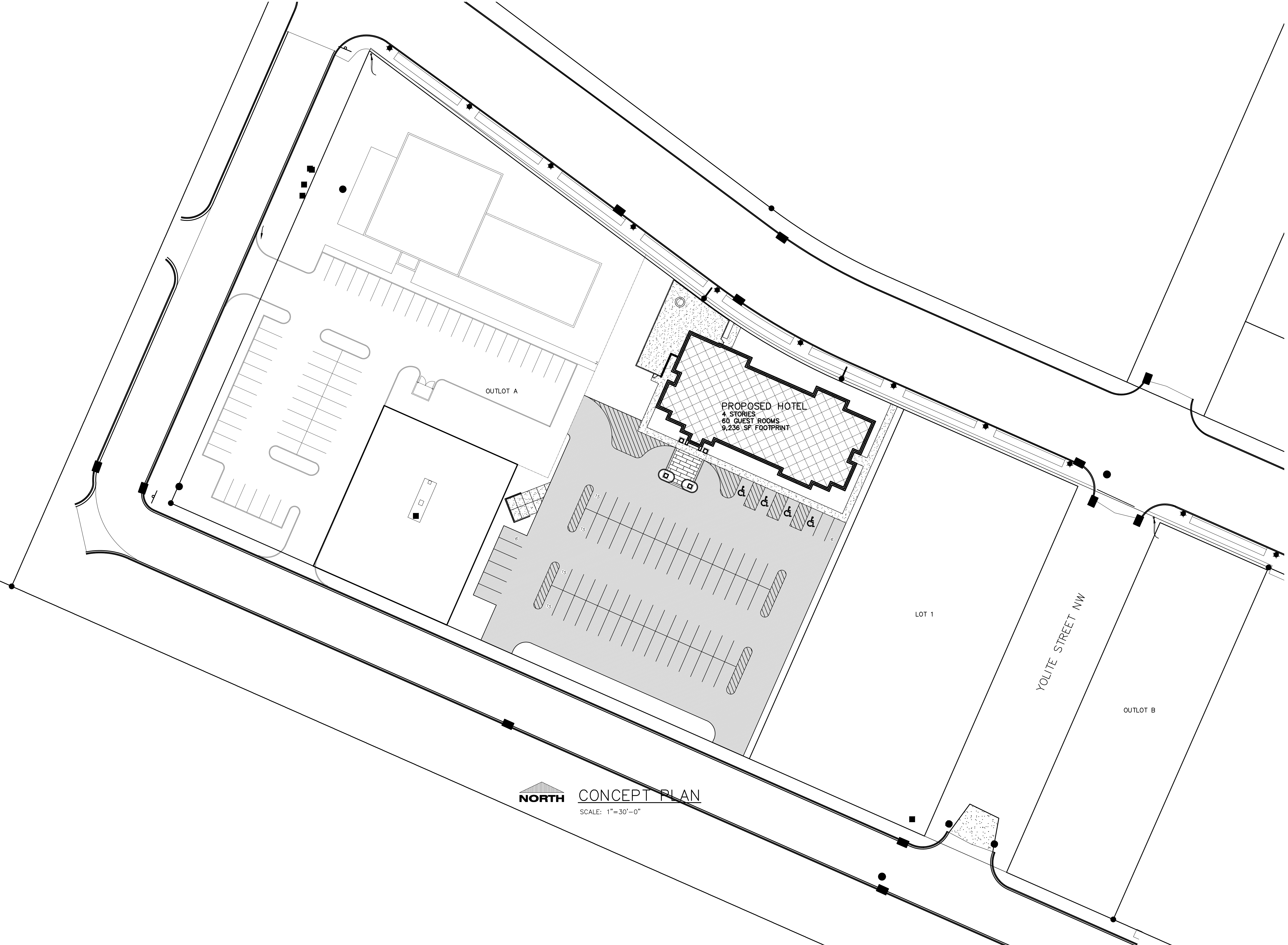
Dated: _____, 2020

BUYER: Cobblestone Hotel Development, LLC, a Wisconsin Limited Liability Company.

By: _____
Brian Wogernese, Managing Partner

Dated: _____, 2020

EXHIBIT A



NORTH **CONCEPT PLAN**
 SCALE: 1" = 30'-0"

EXCEL
 ARCHITECTS • ENGINEERS • SURVEYORS
 Always a Better Plan
 100 Camelot Drive
 Fond Du Lac, WI 54935
 Phone: (920) 926-9800
 www.EXCELENGINEER.com

COLLABORATION
BM
BriMark
 Builders, LLC

PROJECT INFORMATION

NEW HOTEL FOR:
COBBLESTONE HOTEL AND SUITES
 SUNWOOD DRIVE NW • RAMSEY, MINNESOTA

PROFESSIONAL SEAL

PRELIMINARY DATES

AUG. 6, 2019
 FEB. 20, 2020

JOB NUMBER

1946540

SHEET NUMBER

C

NOT FOR CONSTRUCTION

SITE PLAN

[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement is entered into on _____, 2020, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Cobblestone Hotel Development, LLC**, a Minnesota Limited Liability Company (“Buyer”).

Recitals

A. On _____, 2020, Seller conveyed title of the following Property to Buyer:

The East 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

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 Cobblestone Hotel Development, LLC, dated February 5, 2020, 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 site plan approval and a certificate of occupancy for the construction of a minimum 60-unit 4-story hotel with restaurant compliant with COR zoning requirements prior to January 1, 2022.
 - b. Buyer must maintain proof of sufficient financing from the date of closing until issuance of a certificate of occupancy. Said proof shall be in the form a letter of credit in an amount equal to 110% of the value of construction remaining to be completed, or a sworn statement from the bank(s) financing the development indicating that Buyer has cash accounts and/or loan proceeds sufficient to cover 110% of the value of construction remaining to be completed. The form for the proof of financing is subject to approval by the City. If Buyer utilizes a sworn statement in lieu of a letter of credit, the City reserves the right to periodically request updated statements throughout the construction period of the project until a certificate of substantial completion is issued.
3. Seller may impose a separate penalty of \$311,020 against the Property if the certificate of occupancy is not obtained 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.
5. Upon satisfaction of the Conditions set forth in Section 2 above, this Right of Re-entry Agreement may be released in whole or in part in a recordable writing executed by the Seller's Mayor and City Administrator.
6. 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: _____
Kurtis G. Ulrich, City Administrator

This instrument was acknowledged before me on _____, 2020,
by John LeTourneau and Kurtis G. Ulrich as Mayor and City Administrator, respectively,
of the City of Ramsey, Minnesota.

Notary Public

BUYER: Cobblestone Hotel Development, LLC

By: _____
Brian Wogernese, Managing Member

This instrument was acknowledged before me on _____, 2020,
by Brian Wogernese, Managing Member of Cobblestone Hotel Development, LLC.

Notary Public

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

Economic Development Authority (EDA)

4. 2.

Meeting Date: 04/23/2020

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Approval of Lease with Mille Lacs Motor Sports (Power Lodge) at 6701 Hwy 10 NW

Purpose/Background:

Mille Lacs Motor Sports (Power Lodge) has requested use of an area behind the building at 6701 Hwy 10 for temporary storage of boats and inventory for its business for 60 days. The request stems from impacts of COVID-19 and its customers not picking up boats during the usual time frames due to a number of other factors. This is a temporary request for a temporary issue. Staff has worked with the City Attorney, Premier Commercial Properties and Mille Lacs Motor Sports to draft a lease agreement for a 60 period. The market rate for this lease would be \$420.00 for the area and time period needed. Due to the temporary nature of this lease, current COVID-19 impacts, the fact that this company currently has a lease with the City and is in good standing, Staff is recommending that the \$420.00 cost of the lease to be refundable if the tenant abides by the terms of the lease. Due to the unique nature of COVID-19 and its impacts to businesses in Ramsey, Staff is comfortable granting this request for the lease to be rent free. The rent payment can be seen as a security deposit to ensure the site is restored to original condition.

Notification:

N/A

Observations/Alternatives:

Observations:

The Terms of the lease are straight forward. Here are some of the specifics:

1. Lease. Landlord leases to Tenant the area outlined in Exhibit A along the rear property line of the property located at 6701 Highway 10 (PID 34-32-25-12-0009) (the Leased Area).
2. Term. The term of this Lease is from April 29, 2020, through June 30, 2020, unless extended by written agreement executed by both parties.
3. Use. The Leased Area may only be used for storage of Tenant's inventory and/or customer's boats. The Leased Area may not be used for employee parking or any other use without Landlord's written permission. No signage shall be installed by Tenant in or on the Leased Area. Tenant shall conduct its business and control its agents, employees, invitees and visitors in such a manner as not to create waste, odors, nuisance, or interfere with, annoy or disturb any other tenant of Landlord or Landlord's employees and agents in its operation of the 6701 Highway 10 property. Tenant acknowledges that the Leased Area is not fenced except along the rear of the property or otherwise secured in any manner and Landlord makes no representations as to the security of the Leased Area.
4. Access. To the extent reasonably practicable, the Leased Area shall be accessed by Tenant through the gate on the east fence of Outdoor Storage Area D located at the rear of 6745 Highway 10. A 15-foot-wide through lane between the rear of the building at 6701 Highway 10 and the Leased Area must be maintained at all times for emergency vehicle access and for City access to the rear of the 6701 building.
5. Rent. A lump sum fee of \$420.00 shall be paid by Tenant to Landlord upon execution of this Lease in full payment of rent for the full term of the Lease. Landlord shall refund the lump sum fee if Tenant is completely vacated from the Leased Area by the end of business on June 30, 2020. The Leased Area must be clear of all inventory, customers boats and refuse. If the Leased Area is not fully vacated as provided herein, the lump sum fee will not be refunded.
6. Maintenance and Improvements. Tenant is solely responsible for routine maintenance of the Leased Area

during the term of the Lease, including trash removal. Tenant shall not damage the existing parking surface, normal wear and tear excepted. Any damage to the Leased Area by Tenant, its employees, agents, customers or guests shall be repaired by Tenant at its sole cost. In the event Tenant does not complete said repairs, Landlord may do so and invoice the cost of such repairs to Tenant plus 15% for overhead incurred by Landlord. The Leased Area is provided "as is" and Landlord is not obligated to make any improvements to the existing property as part of this Lease. Tenant shall not make any improvements to the Leased Area without Landlord's written permission.

7. Assignment or subletting. Tenant may not assign, transfer, mortgage or encumber this Lease, and may not sublet, rent or permit occupancy or use of the Leased Area, or any part thereof, by any third party.
8. Entry by Landlord. Landlord, its employees, agents or representatives may enter the Leased Area at all reasonable hours to inspect or make repairs. Tenant waives any claim for damages or for any injury or inconvenience or for interference with Tenant's business, and any other loss occasioned thereby.
9. Hold Harmless and Liability Insurance. Except in the case of the negligence of Landlord, its agents or its employees, Tenant agrees to indemnify, save, hold harmless and defend Landlord against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising or resulting from the occupancy or use by Tenant of the Leased Area. Landlord shall not be liable to Tenant, its agents, employees, representatives, customers or invitees for any personal injury, death or damage to property caused by theft, burglary, fire or for any other cause occurring on or about the Leased Area. All property kept, stored or maintained within the Leased Area shall be so kept, stored or maintained at the sole risk of the Tenant. Tenant further agrees to defend and indemnify Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. Further, in no event shall Landlord be liable for damages caused by Tenant or Tenant's employees or agents. The provisions of this Paragraph shall survive the expiration or termination of this Lease with respect to any damage, injury, death, breach or default occurring prior to such expiration or termination.
10. During the Lease Term and any extension thereof, Tenant shall at all times have in full force and effect a policy of general public liability insurance in the amount of the greater of \$2,000,000.00 or the maximum liability for tort liability pursuant to Minnesota Statutes Section 466.04 and any amendments thereto, which insurance shall insure Landlord and Tenant against liability for acts of Landlord and Tenant.

Alternatives:

1. Approve lease, as presented, and recommend to City Council
2. Approve lease, with modifications, and recommend to City Council
3. Recommend denial of lease

Funding Source:

N/A.

Recommendation:

Staff recommends approval of the attached lease, as presented, and to recommend approval to City Council.

Action:

Motion to recommend approval of attached lease, as presented, to the City Council.

Attachments

6701 Hwy 10 Lease Area (proposed)
Proposed Lease - Executed by Tenant

Form Review

Inbox

Sean Sullivan (Originator)

Reviewed By

Sean Sullivan

Date

04/20/2020 09:17 AM

Tim Gladhill
Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 04/20/2020

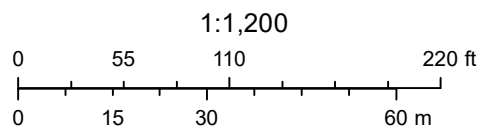
Sean Sullivan
Sean Sullivan
Tim Gladhill

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04/20/2020 03:48 PM
Started On: 04/17/2020 10:13 AM

Exhibit A - 6701 Hwy 10 - Temporary Storage Area



April 16, 2020



CITY OF RAMSEY

TEMPORARY STORAGE LEASE

This Temporary Storage Lease is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (Landlord) and **Mille Lacs Motor Sports II, Inc.**, a Minnesota corporation (Tenant).

Recitals

- A. Landlord currently leases to Tenant real property located at 6781 Highway 10 in Ramsey, which contains Tenant's "Power Lodge" motorsports business.
- B. Tenant provides winter boat storage services to its customers. Due to the COVID-19 pandemic, Tenant's customers are not retrieving their boats from storage, causing Tenant to have inadequate space for incoming product inventory.
- C. Landlord owns the two parcels to the southeast, namely 6745 and 6701 Highway 10. Pursuant to the existing Lease Agreement, Tenant leases Outdoor Storage Areas C and D behind and adjacent to the building located at 6745 Highway 10.
- D. Tenant desires to temporarily store customer boats and/or inventory in the row of parking spaces at the rear of the 6701 Highway 10 property.
- E. Landlord is willing to allow temporary storage of customer boats and/or inventory in said parking area pursuant to the terms of this temporary lease agreement.

Agreement

- 1. Lease. Landlord leases to Tenant the area outlined in Exhibit A along the rear property line of the property located at 6701 Highway 10 (PID 34-32-25-12-0009) (the Leased Area).
- 2. Term. The term of this Lease is from April 29, 2020, through June 30, 2020, unless extended by written agreement executed by both parties.
- 3. Use. The Leased Area may only be used for storage of Tenant's inventory and/or customer's boats. The Leased Area may not be used for employee parking or any other use without Landlord's written permission. No signage shall be installed by Tenant in or on the Leased Area. Tenant shall conduct its business and control its agents, employees, invitees and visitors in such a manner as not to create waste, odors, nuisance, or interfere with, annoy or disturb any other tenant of Landlord or Landlord's employees and agents in its operation of the 6701 Highway 10 property. Tenant acknowledges that the Leased Area is not fenced except along

the rear of the property or otherwise secured in any manner and Landlord makes no representations as to the security of the Leased Area.

4. Access. To the extent reasonably practicable, the Leased Area shall be accessed by Tenant through the gate on the east fence of Outdoor Storage Area D located at the rear of 6745 Highway 10. A 15-foot-wide through lane between the rear of the building at 6701 Highway 10 and the Leased Area must be maintained at all times for emergency vehicle access and for City access to the rear of the 6701 building.
5. Rent. A lump sum fee of \$420.00 shall be paid by Tenant to Landlord upon execution of this Lease in full payment of rent for the full term of the Lease. Landlord shall refund the lump sum fee if Tenant is completely vacated from the Leased Area by the end of business on June 30, 2020. The Leased Area must be clear of all inventory, customers boats and refuse. If the Leased Area is not fully vacated as provided herein, the lump sum fee will not be refunded.
6. Maintenance and Improvements. Tenant is solely responsible for routine maintenance of the Leased Area during the term of the Lease, including trash removal. Tenant shall not damage the existing parking surface, normal wear and tear excepted. Any damage to the Leased Area by Tenant, its employees, agents, customers or guests shall be repaired by Tenant at its sole cost. In the event Tenant does not complete said repairs, Landlord may do so and invoice the cost of such repairs to Tenant plus 15% for overhead incurred by Landlord. The Leased Area is provided "as is" and Landlord is not obligated to make any improvements to the existing property as part of this Lease. Tenant shall not make any improvements to the Leased Area without Landlord's written permission.
7. Assignment or subletting. Tenant may not assign, transfer, mortgage or encumber this Lease, and may not sublet, rent or permit occupancy or use of the Leased Area, or any part thereof, by any third party.
8. Entry by Landlord. Landlord, its employees, agents or representatives may enter the Leased Area at all reasonable hours to inspect or make repairs. Tenant waives any claim for damages or for any injury or inconvenience or for interference with Tenant's business, and any other loss occasioned thereby.
9. Hold Harmless and Liability Insurance. Except in the case of the negligence of Landlord, its agents or its employees, Tenant agrees to indemnify, save, hold harmless and defend Landlord against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising or resulting from the occupancy or use by Tenant of the Leased Area. Landlord shall not be liable to Tenant, its agents, employees, representatives, customers or invitees for any personal injury, death or damage to property caused by theft, burglary, fire or for any other cause occurring on or about the Leased Area. All

property kept, stored or maintained within the Leased Area shall be so kept, stored or maintained at the sole risk of the Tenant. Tenant further agrees to defend and indemnify Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. Further, in no event shall Landlord be liable for damages caused by Tenant or Tenant's employees or agents. The provisions of this Paragraph shall survive the expiration or termination of this Lease with respect to any damage, injury, death, breach or default occurring prior to such expiration or termination.

During the Lease Term and any extension thereof, Tenant shall at all times have in full force and effect a policy of general public liability insurance in the amount of the greater of \$2,000,000.00 or the maximum liability for tort liability pursuant to Minnesota Statutes Section 466.04 and any amendments thereto, which insurance shall insure Landlord and Tenant against liability for acts of Landlord and Tenant.

10. Hazardous Materials. Tenant shall not bring hazardous materials onto, or otherwise store hazardous materials on, the Leased Area other than the fuel that is properly contained and secured in fuel tanks in the boats and other equipment stored in the Leased Area. For purposes of this paragraph, Hazardous Material means and includes any hazardous, toxic or dangerous waste, substance or material defined as such in (or for the purpose of) the Comprehensive Environmental Response, Compensation and Liability Act, and so-called Superfund law, or any federal state or local statute, law, ordinance, code rule regulation, order or decree relating to or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect. Tenant will indemnify and hold harmless Landlord from any losses, liabilities, damages, costs or expenses (including reasonable attorney's fees) which Landlord may suffer or incur as a result of Tenant's introduction into or onto the Premises, of any Hazardous Material. This paragraph shall survive expiration or termination of this Lease.
11. Default. If Tenant shall be declared bankrupt or insolvent according to law or if Tenant shall make an assignment for the benefit of its creditors or if Tenant shall violate or default in any other covenants, agreements, stipulations or conditions herein and such violation or default shall continue for five days after written notice from Landlord of such violation or default, then and in such case Landlord lawfully may immediately, or at any time thereafter, and without notice or demand, enter into and upon the Leased Area, or any part thereof, in the name of the whole, and repossess the same and expel Tenant and those claiming under it and remove their effects, forcibly if necessary, without being taken or deemed to be guilty of any manner of trespass, and prejudice, and Landlord shall have all

remedies and recourse which might otherwise be used by Landlord for any breach of covenants contained in this Lease.

12. Notices. All communications, demands, notices or objections permitted or required to be given or served under this Lease shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent or if deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, and addressed to the other party to this Lease at the addresses set forth below for each party, or if to a person not a party to this Lease, to the address designated by a party to this Lease in the foregoing manner.

Landlord: City Administrator
City of Ramsey
7550 Sunwood Drive
Ramsey, Minnesota 55303

Landlord's Agent Premier Commercial Realty
299 Coon Rapids Blvd. NW
Coon Rapids, MN 55433

Tenant: Mille Lacs Motor Sports II, Inc.
6781 Highway 10 N.W.
Ramsey, MN 55303

Either party may, by written notice to the other party, designate a different address to which notices must be sent. Such written notice designating a different address must state the party's newly designated address and must be provided by following the above notice requirements. Commencing on the 10th day after a party gives notice designating a new address to which notices must be sent, the newly designated address shall be the party's address for the purpose of all communication, demands, notices or objections permitted or required to be given or served under this Lease.

13. Entire Agreement. This Lease constitutes the entire agreement between the parties relating to the subject matter described herein. The terms of this Lease are contractual and are intended to be legally binding. This Lease supersedes any and all prior agreements between the parties relating to the subject matter described herein. No party has relied upon any statements, representations, or promises that are not set forth in this Lease. No changes to this Lease will be valid or enforceable unless they are in writing and signed by both parties.

CITY OF RAMSEY

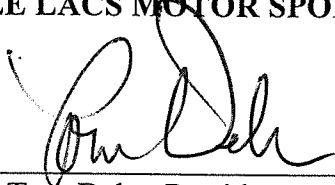
By: _____
John LeTourneau, Mayor

Date: _____

By: _____
Kurtis G. Ulrich, City Administrator

Date: _____

MILLE LACS MOTOR SPORTS II, INC.

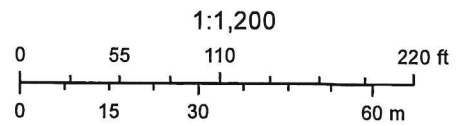
By:  _____
Tom Dehn, President

Date: 4/20/20

Exhibit A - 6701 Hwy 10 - Temporary Storage Area



April 16, 2020



Lease Reference Map

A: 22,000 SF, Power Lodge,
Outdoor

B: 15,000 SF, Power Lodge,
Outdoor

C: 3,200 SF, Power Lodge,
Outdoor

D: 12,000 SF, Power Lodge,
Outdoor

E: 7,900 SF, Power Lodge,
Indoor

F: 2,150 SF, RM Golf Carts,
Indoor



A handwritten signature or mark consisting of a stylized, looping scribble.

Economic Development Authority (EDA)

4. 3.

Meeting Date: 04/23/2020

By: Chris Anderson, Community
Development

Title:

Consider Adopting an Emergency Ordinance Allowing Temporary Signage within Public Rights-of-Way on an Interim Basis as Additional Business Assistance Tool Due to Stay at Home Order

Purpose/Background:

The Anoka County Board of Commissioners recently authorized the placement of temporary signage within county rights-of-way as a means of assistance to businesses due to COVID-19. This temporary authorization is valid for two (2) months after the end of the Governor's stay at home order. Their action specified certain standards that must be adhered to, including size (sign plate can be 3 feet wide and 2 feet high), height (cannot be taller than 3.5 feet from ground to top of sign), signs must consist of an 'H' frame wire stakes that can be inserted into the ground by hand or foot, etc. Their action does not override a municipality's ability to enforce local sign regulations. Thus, Staff is seeking a recommendation from the EDA as to whether the City should consider implementing a similar exemption specific to business re-openings and alternative service delivery options.

Notification:

N/A

Observations/Alternatives:

The City's Sign Ordinance prohibits the placement of temporary signs in public rights-of-way (Section 117-465). However, during the current pandemic and the impacts it is having on our business community, it seems that there may be an opportunity to provide some 'assistance' by allowing certain temporary signs in the right-of-way that focus on business re-openings and alternative service delivery options. Anoka County has already established a framework of standards that could be utilized should this opportunity be supported by the EDA and City Council.

In an attempt to help focus on those re-openings and alternative service delivery options, Staff would recommend that this be restricted to business and employment zoning districts and, more specifically, exclude residential zoning districts. Furthermore, the dimensional standards approved by Anoka County, along with their 'dos and don'ts', would help limit potential site line obstructions and other potential safety concerns. Staff would further recommend that any of these temporary signs that are installed should be limited to being placed in front of the specific business, meaning that these types of signs could not be installed in numerous locations throughout the city.

If the City Council desires to implement this short-term allowance of temporary signs within the public right-of-way, it can be done via an Emergency Ordinance, as it would be for the health and welfare of the business community. This could be considered by the City Council at their April 28, 2020 meeting and, since it would be an Emergency Ordinance, it could be adopted that same evening.

Staff believes this is another tool that can be offered by the City to provide some assistance to the business community and one that could be implemented without incurring any additional cost.

Funding Source:

This is being handled as part of Staff's regular duties.

Recommendation:

Staff recommends approving an Emergency Ordinance to provide relief for the business community by allowing placement temporary signage within public right-of-way beginning immediately and remaining in place until two (2) months after the end of the Governor's stay at home order.

Action:

Motion to recommend City Council adopt an Emergency Ordinance to allow temporary signage in public rights-of-way during the current stay at home order and up to two (2) months after that order ends.

Attachments

Anoka County Press Release re: Temporary Signage

Form Review

Inbox

Sean Sullivan

Tim Gladhill

Form Started By: Chris Anderson

Final Approval Date: 04/20/2020

Reviewed By

Sean Sullivan

Tim Gladhill

Date

04/20/2020 09:15 AM

04/20/2020 03:49 PM

Started On: 04/17/2020 10:39 AM



April 16, 2020

Contact: Erik Thorson, Communications Director, 763-324-4612, or e-mail:
Erik.Thorson@co.anoka.mn.us

FOR IMMEDIATE RELEASE

County Board Allowing Temporary Signage for Businesses

The Anoka County Board of Commissioners April 14 authorized placement of temporary signage within the county right-of-way, for the purpose of announcing re-openings and alternative service delivery options during the COVID-19 pandemic restriction period.

Signage must be placed with H-frame wire stakes that can be pressed into the ground with a hand or foot, and all signage must adhere to Anoka County Highway Department specifications. Those specifications include:

- A maximum dimension of the sign plate of 3 feet wide by 2 feet high.
- A maximum height, measured from the ground to the top of the sign, of 3.5 feet.
- Signs must be legible and not contain vulgar or discriminative images or language.
- Balloons, lighting or other attachments are not allowed.

Temporary signs also must be placed at least 300 feet apart, at least 50 feet away from all roadway intersections, and they cannot impact roadway sightlines. Signs must not impede business or residential access, they cannot be placed in the center median of a roadway, it is prohibited to attach them to existing county signage or posts, and signs cannot hinder access to pedestrian push buttons or sidewalks.

“The Anoka County Board of Commissioners is allowing temporary signage in county right-of-way areas to assist our local businesses in this time of economic uncertainty,” said Scott Schulte, chair, Anoka County Board of Commissioners. “If businesses choose to take advantage of this opportunity, they should follow rules recently established by our Highway Department for this type of signage.”

-more-

Respectful, Innovative, Fiscally Responsible

Government Center ▲ 2100 3rd Avenue, Suite 700 ▲ Anoka, MN 55303-5024 ▲ www.anokacounty.us
Office: 763-324-4700 ▲ Fax: 763-324-5490

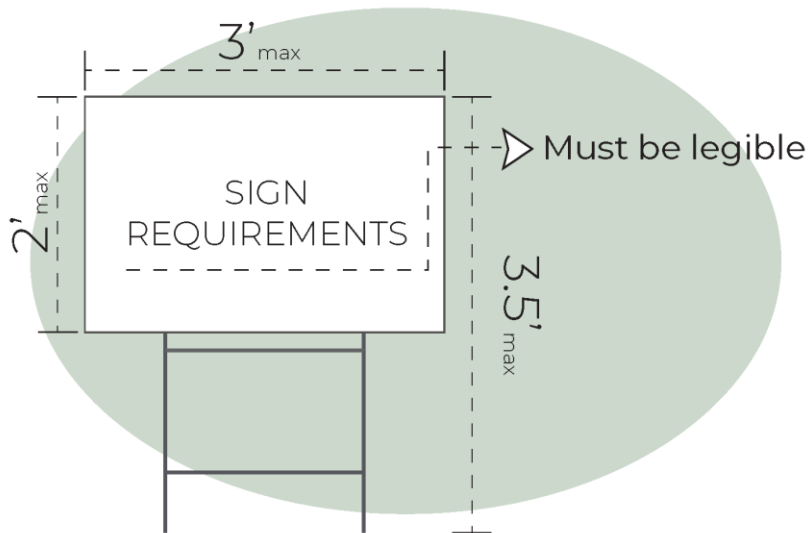
Affirmative Action / Equal Opportunity Employer

County Board Allowing Temporary Signage for Businesses – Add 1

Signs that do not meet the dimensions specified by the Highway Department, pose a threat to the safety of roadway users, or are incorrectly installed will be removed. Temporary signs will be allowed for two months after the governor ends the stay-at-home order.

Prior to installing any signs, all underground utilities need to be located. To contact Gopher State One, call 811 or 651-454-0002, or email gopherstateonecall.org at least 48 hours prior to installing any signs. Anyone with questions or comments can contact the Anoka County Highway Department at RS-HWYDEPT-Support@co.anoka.mn.us or 763-324-3100.

Temporary Sign do's



Temporary Sign don'ts

- X** Balloons
- X** Lighting/other attachments
- X** Vulgar/discriminative images or language