

**CITY OF RAMSEY  
DEVELOPMENT AGREEMENT FOR COR SAPPHIRE ADDITION**

This Agreement (hereinafter the "Agreement") is dated as of this 7<sup>th</sup> day of OCTOBER, 2019 and is by and between the **CITY OF RAMSEY**, a Minnesota municipal corporation (the "CITY") and **Sapphire Apartment, LLC** ("DEVELOPER").

**WHEREAS**, the **DEVELOPER** is the fee owner of the following described property situated in the City of Ramsey, County of Anoka, State of Minnesota, and legally described as follows:

Outlot A, COR Parkview Addition, Anoka County, Minnesota

Or upon platting:

Lot 1, Block 1, COR Sapphire Addition, Anoka County, Minnesota

(the 'Subject Property');

**WHEREAS**, on July 9, 2019, pursuant to Resolution #19-140, the **CITY** approved the final plat for the Subject Property, which plat is known as **COR Sapphire Addition** (the "Plat"), which approval is contingent on certain requirements, including the **DEVELOPER** and the **CITY** entering into this Agreement.

**THEREFORE**, in consideration of the mutual promises set forth below, the **CITY** and the **DEVELOPER** agree as follows:

1. Conditions of Approval. The **CITY** has approved the Plat subject to satisfaction of the following conditions subsequent:
  - a. Development Agreement. That the **DEVELOPER** enter into this Agreement.
  - b. Marketable Title. That prior to recording the Plat, the **DEVELOPER** shall provide the **CITY** with proof of marketable title to the **Subject Property** either through a currently certified abstract, registered property abstract or title insurance commitment or policy.
  - c. Proof of Authority. That the **DEVELOPER** provide proof that the respective governing boards of the **DEVELOPER** have authorized the **DEVELOPER'S** execution of this Agreement. This proof of authority may be satisfied by providing the **CITY** with a certified copy of the minutes of the governing board of each entity which grants such authority.
2. The Plans. The term "Plans" as used in this Agreement means the Final Plat and Site Plans, dated February 28, 2019, revised May 29, 2019, prepared by Hakanson Anderson. The Plans remain subject to: (a) **CITY** Staff's review and approval of revisions in conformance with staff comments and (b) such further revisions as the

**DEVELOPER** may propose and the **CITY** approves. The Plans shall not be attached to this Agreement, but are in the **CITY'S** files.

3. Utilities. The **DEVELOPER** acknowledges that any structure constructed on the **Subject Property** shall be serviced with public utilities with all applicable standards in City Code.
4. Stage I Improvements. There are no Stage I Improvements required.
5. Stage I Financial Surety. There are no Stage I Improvements and therefore, there is no Financial Surety required.
6. Stage II CITY Improvements. The future improvements the **DEVELOPER** must construct or install are as follows:
  - a. Installation of survey monumentation.

(the "Stage II Improvements"). The **DEVELOPER** must complete the construction of the Stage II Improvements within one (1) year after the date upon which the Plat is recorded.

7. Payment of Development Fee's. The **DEVELOPER** must pay to the **CITY** the fees described on Exhibit A, which may include, but are not limited to, Park Land Dedication Fees, Trail Development Fees, and Storm Management Fees.
8. Financial Guaranty for Required Improvements. The **PERMITTEE** shall provide a financial guarantee to the **CITY** guaranteeing the construction of the Required Improvements, and their timely completion. The **PERMITTEE** shall be responsible for a financial guarantee in the amount of **(\$625,000)** which amount is 125% of the **CITY** Engineer's estimated cost of the Required Improvements. Upon completion of Required Improvements (including the removal of "temporary" erosion control measures as identified in the approved Grading Plan), acceptance by the **CITY**, supported by appropriate lien waivers, The **PERMITTEE** may request a reduction in the amount of the financial guarantee.
9. Inspection Fees for the Required Improvements. The **PERMITTEE** shall provide an inspection fee to the **CITY** to inspect the Required Improvements. The **PERMITTEE** shall be responsible for an inspection fee in the amount of **(\$25,000)**, which amount is 5% of the City Engineer's estimated cost of the Required Improvements. The inspection fee must be in the form of a cash escrow. The **PERMITTEE** may request a refund of the remaining balance in the escrow upon completion of the Stage I and Stage II Improvements, acceptance by the **CITY**.
10. Warranty for Required Improvements. The **PERMITTEE** shall provide a one year warranty in the amount of **\$125,000**, which is 25% of the cost of the Required Improvements. Said warranty shall be in force for one year following the final acceptance of any required improvements and shall guarantee satisfactory performance of said improvement. The warranty must be in the form of a Letter of Credit in a form acceptable to the **CITY'S** Finance Director or a cash escrow.

11. **DEVELOPER Defaults.** If the **DEVELOPER** defaults in the performance of one or more of the **DEVELOPER'S** obligations under this Contract, and i) the **CITY** gives the **DEVELOPER** 30 days written notice of the default and ii) the **DEVELOPER** fails to cure the default within said 30 days, then the **CITY** may pursue any and all remedies available at law or in equity including, but not limited to, the following:
- a. The **CITY** may, at its option, perform or engage one or more third parties to perform the **DEVELOPER'S** obligations. If, in the reasonable judgment of the **CITY'S** staff, the **DEVELOPER'S** default creates an immediate risk to public health or safety, the **CITY** may perform or engage one or more third parties to perform the work before the **CITY** provides the notice described in the initial paragraph of this Section, but the **CITY** must use commercially reasonable efforts to notify the **DEVELOPER** as promptly as possible that the **CITY** is undertaking to perform the **DEVELOPER'S** obligation or obligations. If the **CITY** performs one or more obligations of the **DEVELOPER**, the **DEVELOPER** must reimburse the **CITY** for any costs or expenses the **CITY** incurs, including costs and expenses for **CITY** staff time, to perform the work within 30 days after the **CITY** notifies the **DEVELOPER**, in writing, of the costs and expenses the **CITY** incurred to perform the work. If the **DEVELOPER** does not reimburse the **CITY** within said 30 day period, the **CITY** may pursue any remedies available to the **CITY** either at law or in equity or, in the alternative, the **CITY** may draw on the financial guaranty the **DEVELOPER** has provided to the **CITY** pursuant to this Agreement to reimburse itself for the expenses the **CITY** incurs to perform the work. This Agreement is a license for the **CITY** to act, and it shall not be necessary for the **CITY** to seek a Court Order for permission to enter the **DEVELOPER'S** Property. As an alternative to seeking recovery from the **DEVELOPER** or the financial guaranty, the **CITY** may levy special assessments against the **DEVELOPER** Property in accordance with Minnesota Statutes Section 429, and the **DEVELOPER**, for itself and its successors in title, hereby expressly waives any and all substantive and procedural objections or defenses the **DEVELOPER** may have to such special assessments;
  - b. The **CITY** may commence an action in Anoka County District Court to pursue any remedy available to the **CITY** at law or in equity including, but not limited to, injunctive relief;
  - c. The **CITY** may refuse to grant building permits for improvements to be constructed on any lots within the Plat until the **DEVELOPER** has cured all of its defaults; and

- d. The **CITY** may draw upon all or any portion of the financial guaranty the **DEVELOPER** has provided to the **CITY** pursuant to Section 4 and (i) use all or any portion of the proceeds from the financial guaranty to reimburse the **CITY** pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the **CITY** obtains against the **DEVELOPER** pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the **CITY** pursuant to Section 9 (h) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this Section 8(d).

12. Maintenance Guarantee for Landscaping. It is herein agreed that the Developer shall provide a maintenance guarantee to ensure the survival of the plantings for Cor Sapphire Addition. Said maintenance guarantee shall consist of cash or a Letter of Credit, approved as to form by the City, in the amount of \$6,682.50. [# tree plantings (46 trees) x cost/planting (\$300/tree x 30% average non-survival rate) + [# shrub plantings (113 shrubs) x cost/planting (\$75/shrub x 30% average non-survival rate)], which shall be in effect for a two-year period commencing on the date of the City's acceptance of said plantings as part of the Required Private Improvements.

At the end of the two-year period, the maintenance guarantee shall be returned to the Developer. The determination that all plantings that have been planted in accordance with the Site Plan have either survived or have been replaced shall be made by the Community Development Department. In the event the Permittee fails to maintain the required plantings for a two-year period, the City Council may order the replacement of plantings with City day labor and/or by letting contracts and draw upon the escrow for payment. Only the City Council shall have the authority to direct replacement of the plantings and withdraw from the escrow account. The Permittee hereby grants permission and a license to the City and/or its contractors and assigns to enter upon the Site for the purpose of replacing plantings in the event of the Permittee's default.

13. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraphs or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- b. Written Amendments Only. The action or inaction of the **CITY** or the **DEVELOPER** shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by a resolution of the **CITY** Council. The **CITY'S** or the **DEVELOPER'S** failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.

- c. Compliance with Laws and Regulations. The **DEVELOPER** represents to the **CITY** that the Plat complies with all **CITY**, County, metropolitan, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the **CITY** determines that the Plat does not comply, the **CITY** may, at its option, refuse to allow any construction or development work in the platted area until the **DEVELOPER** does comply. Upon the **CITY'S** demand **DEVELOPER** shall cease work until there is compliance.
  
- d. Mailbox Locations. If the **DEVELOPER** desires to construct mailboxes within the public right of way, the **DEVELOPER** agrees that the placement of mailboxes along public streets is subject to the approval by the **CITY**. Utility locates will be necessary.
  
- e. Boulevard and Wetland Restoration. The **DEVELOPER** shall be responsible for the cost of establishing seed in all boulevards within 30 days of the completion of the street improvements, and restoring all other areas disturbed by the development grading operation in accordance with the approved Grading and Erosion Control plan. The **DEVELOPER** shall be responsible for the cost of cleaning any soil, earth, or debris from the wetlands within and adjacent to this Plat resulting from grading performed in the development of the Plat.
  
- f. Plat Approval Expenses. The **DEVELOPER** agrees that it will pay to **CITY** all **CITY** expenses incurred in the approval of the Plat, including, but not limited to, administration expenses, engineering and legal fees. Said expenses incurred after recording of the Final Plat shall also be paid within said fifteen (15) day billing period. Failure to pay the **CITY'S** expenses within the fifteen (15) day billing period will permit the **CITY** to draw upon any of the escrows required by this Agreement for payment.
  
- g. Reimbursement to the CITY. The **DEVELOPER** agrees to reimburse the **CITY** for all costs incurred by the **CITY** in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
  
- h. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the **CITY'S** Building Official, which authorizes the structure to be used for its intended purposes.

- i. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

**TO DEVELOPER:**

Sapphire Apartment, LLC  
Attn: Matt Kuker  
7533 Sunwood Drive, Suite 315  
Anoka, MN, 55303

**TO THE CITY:**

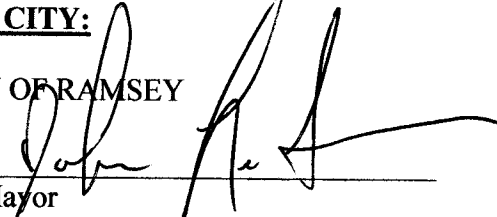
City of Ramsey  
Attn: Community Development Director  
7550 Sunwood Drive NW  
Ramsey, MN 55303

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**THE CITY:**

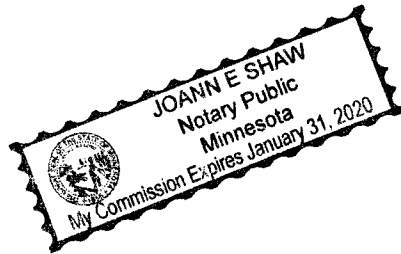
CITY OF RAMSEY

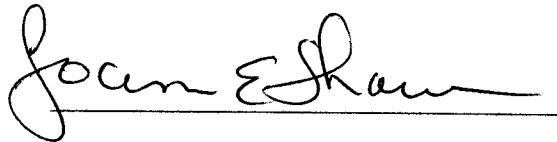
By:   
Its: Mayor

By:   
Its: City Administrator

STATE OF MINNESOTA            )  
  )ss.  
COUNTY OF ANOKA            )

The forgoing instrument was acknowledged before me on this 15<sup>th</sup> day of October, 2019, by John LeTourneau and Kurtis G. Ulrich, the Mayor and the City Administrator of the City of Ramsey, a charter city and municipal corporation organized under the laws of the state of Minnesota on behalf of the City.



  
Notary Public

**This document drafted by:**  
City of Ramsey  
7550 Sunwood Drive NW  
Ramsey, MN 55303

**EXHIBIT A**

**Fees Payable to the City**

	<u>Units</u>	<u>Unit Type</u>	<u>Unit Price</u>	<u>Total</u>	<u>Notes</u>
<b>Park Dedication and Trail Development</b>					
Park Dedication					
20+ units per acre	118	per unit	\$2,550	\$255,765	15% density bonus (\$45,135 credit)
Trail Development	118	per unit	\$1,500	\$177,000	
<b>Subtotal Park and Trail Development</b>				<b>\$432,765</b>	
<b>Water and Sewer Fees</b>					
Water Trunk (Connection)	118	per acre	\$1,807	\$213,226	
Sanitary Sewer Trunk (Connection)	118	per acre	\$1,213	\$143,134	
<b>Subtotal Water and Sewer Fees</b>				<b>\$356,360</b>	
<b>Stormwater Management Fees</b>					
Stormwater Management	118	per acre	\$487	\$57,466	
<b>Subtotal Stormwater Management</b>				<b>\$57,466</b>	

**GRAND TOTAL FOR DEVELOPMENT FEES**

**\$846,591**