

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, July 8, 2021
7:30 am
Council Chambers, 7550 Sunwood Drive NW

Remote Attendance available at www.cityoframsey.com/meetings. To maximize social distancing due to the COVID-19 Pandemic, those that can join remotely are encouraged to do so. Those joining remotely and requesting to speak are asked to use a webcam when speaking.

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
 1. Approve Meeting Minutes for June 10, 2021
- 4. EDA Business**
 1. Review Site Concept, Project Analysis and Recommendation for Public Hearing for TIF 18; Case of Oppidan
 2. Consider Loan Application for Restaurant Subsidy Program and Policy Amendment: Case of Stories Foundation
 3. Review Preliminary Concept Plan for Parcel 46 (COR): Case of Centra Homes
 4. Authorize 2021 Annual Ramsey EDA Business Expo Budget
 5. Select EDA Representative to Participate on the Interview Panel for the Deputy City Administrator/Community Development Director Position.
- 5. Member/Staff Input**
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 07/08/2021

By: Wendy Schlueter, Community
Development

Title:

Approve Meeting Minutes for June 10, 2021

Purpose/Background:

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior month. Background: The meeting minutes are attached for review and approval.

Notification:

Observations/Alternatives:

Funding Source:

Recommendation:

Approval of June 10, 2021 meeting minutes

Action:

Motion to approve June 10, 2021 EDA meeting minutes.

Attachments

EDA Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Sean Sullivan	06/21/2021 04:40 PM
Bruce Westby	Bruce Westby	06/24/2021 12:22 PM
Kurt Ulrich	Kurt Ulrich	07/01/2021 02:22 PM
Form Started By: Wendy Schlueter		Started On: 06/17/2021 03:00 PM
Final Approval Date: 07/01/2021		

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

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, June 10, 2021, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Scott Cords
 Member Chelsee Howell
 Member Rachal Johnson (remote)
 Member William MacLennan
 Member Michael Olson
 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 Cords, seconded by Member Olson, to approve the agenda.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Howell, Johnson, MacLennan, Olson, and Riley. Voting No: None. Absent: None.

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated May 13, 2021

Motion by Member Riley, seconded by Member Olson, to approve the May 13, 2021, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Cords, Howell, Johnson, MacLennan, and Olson. Voting No: None. Absent: None.

4. EDA BUSINESS

4.01: Consider Renovation and Lease of Old Town Hall

Economic Development Manager Sullivan presented the staff report.

Member Cords asked the last time the building was used for commercial or other official purposes.

Economic Development Manager Sullivan commented that he was unsure but believes perhaps the 1980s.

Member Riley asked for information on parking and signage.

Economic Development Manager Sullivan replied that there are some parking spaces on site and cross easement agreements likely would be used for shared parking. He noted that the business would start with night and weekend hours, which would be generally different than the hours of the bank and daycare. He stated that a sign could not be hung on the building but there is great visibility from Highway 47 and a standing monument sign could be placed out front to advertise the business.

Member Cords asked if there would be rules as to how the building could be used/restored because it is a historical site.

Economic Development Manager Sullivan commented that the building could be used for any purpose but confirmed that there are some regulations that would apply to renovations as outlined in the RCP report.

Chairperson Steffen commented that he did not recall an EDA case in 2018 to repair the roof and asked why that was done, and why only that was done.

Economic Development Manager Sullivan commented that case did not come before the EDA and only went to the City Council. He stated that the roof repairs were identified in the RCP report and if it were not repaired, the building would not have made it because of the poor condition.

Member Olson asked the estimated length of the renovation.

Economic Development Manager Sullivan was unsure of the length of time, noting that the repairs are not that significant. He stated that the length would be dependent on contractor availability. He stated that staff would need to do some research in terms of paint color palette acceptable for renovation standards.

Chairperson Steffen asked if the business owner is aware of the timeline and is okay with that.

Economic Development Manager Sullivan confirmed that the business owner is aware it will take time to make the improvements. He noted that the business is currently online, and the owner likes this location and building and is willing to follow the timeline of the City.

Member Olson asked if there is a specific type of contractor that would be used to complete the renovation that specializes in historical buildings.

Economic Development Manager Sullivan replied that is not required. He noted that the RCP report would be shared with a contractor to identify the things that would need to be followed.

Member Riley commented that if this is leased to a for profit entity, this would become a taxable property and this would also provide an opportunity for a local business owner. He referenced the miscellaneous cost budgeted and noted that while that is a healthy amount he would wonder if that should be increased because of the unknown items that could arise.

Economic Development Manager Sullivan replied that if the EDA decides to move forward, staff would go out and get quotes with a cost not to exceed \$50,000. He stated that the City Council could choose to increase the contingency.

Member MacLennan referenced the lease proposal and asked if this would be a three-year lease.

Economic Development Manager Sullivan confirmed that the proposal would be for a three-year lease at this time.

Member MacLennan asked if that length could be extended to five years to ensure the City receives a return on the investment.

Economic Development Manager Sullivan commented that while that is a good discussion, that would be a big ask for a start-up business that is moving from an online format to a brick and mortar location. He reviewed some of the offers the City has received in the past to lease the building. He commented that if the condition of the building is improved to support a business, the City would most likely not have a problem leasing the space for another use.

Member MacLennan asked if the monument sign would be the cost of the business, or whether that would remain in place to be used by a future user as well.

Economic Development Manager Sullivan replied that it would depend upon the type of sign the business chooses. He stated that it would be wonderful to have an interchangeable sign, but that would be discussed as this moves forward.

Chairperson Steffen asked if this was on the City's radar regardless of whether this is being brought forward because of the interest of the tenant.

Economic Development Manager Sullivan replied that this was on the radar of the City, but perhaps not at the top of the list. He stated that the City does continue to receive interest in the site, but it does not move forward because of the condition of the building.

Member Olson asked if the web address for the business is available.

Economic Development Manager Sullivan replied that he did not have the website, but staff could get that information.

Chairperson Steffen commented that he loves this idea. He noted that the roof has been repaired and it would make sense to complete the necessary renovations in order to support use.

Motion by Chairperson Steffen, seconded by Member MacLennan, to recommend to City Council to obtain quotes to complete the full renovation and to utilize EDA/HRA funds to complete the renovation and recommend that the City Council authorize staff to enter into negotiations with Small Town Girl Boutique.

Further discussion: Chairperson Steffen asked if the EDA would need to designate whether EDA or HRA funds should be used. Economic Development Manager Sullivan commented that if there is a preference, that should be specified. He reviewed the available EDA balance and noted that there could be a stipulation that if EDA funds are used, the lease revenue come back to the EDA fund. Chairperson Steffen asked if the EDA should recommend that HRA funds be used prior to suggesting the EDA fund. Economic Development Manager Sullivan noted that he would suggest using EDA funds, but either fund would be appropriate. Deputy City Administrator Gladhill explained that the HRA account is actually the Anoka County HRA fund and noted that fund is probably overprescribed for use with other projects. He stated that this would seem to be a good use of EDA funds, especially if the lease revenue were going to come back to the EDA fund. Chairperson Steffen confirmed that he would leave the motion as stated and allow staff to make the choice on the fund to be used, with the stipulation that the revenue come back to the EDA fund.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Steffen	aye
Member Cords	aye
Member Johnson	aye
Member MacLennan	aye
Member Olson	aye

Motion carried.

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

Chairperson Steffen recused himself from this discussion as the developer is a relative of his.

Economic Development Manager Sullivan presented the staff report.

Acting Chairperson Cords asked the status of the developer in terms of finding businesses to put within the proposed spaces.

Economic Development Manager Sullivan commented that there is open communication with the developer and the volume about the potential prospects has increased recently. He stated that retailers are starting to look in the market again following the pause during COVID.

Member Riley commented that it is clear as to why nothing has happened in the last year but is optimistic for the future. He stated that the fact the developer is willing to put in another \$10,000 is great and he supports this action.

Member MacLennan commented that he also supports this as the developer is interested, is willing to put up more money and is putting in the effort.

Acting Chairperson Cords commented that this has been ongoing for two years by the end of the proposed term and it sounds like the \$50,000 that will have been put into this by the developer would be equal to payment of the property taxes. He stated that he also likes that there is someone that is willing to continue to put money and effort into this.

Motion by Acting Chairperson Cords, seconded by Member MacLennan, to recommend approval of Fourth Amendment to Purchase Agreement for Lots 1, 2, and 3, Block 1, COR TWO, subject to City Attorney review.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Acting Chairperson Cords	aye
Member MacLennan	aye
Member Johnson	aye
Member Olson	aye

Motion carried.

Chairperson Steffen rejoined the group.

~~**4.03: Consider Offers for Outlot B Ramsey Town Center 7th Addition (portions of meeting may be closed to the public under Minnesota Statutes Section 13.D.05 Subdivision 3(e)(3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property)**~~ Item previously removed from the agenda.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan stated that invitations will be sent out for Business Appreciation Day this week and asked if there is a meal preference between steak or prime rib. He commented that Wells Catering was selected for the caterer.

It was the consensus of the EDA to choose prime rib.

Deputy City Administrator Gladhill commented that this will be his last EDA meeting as his last day with Ramsey will be June 22nd.

Chairperson Steffen thanked Deputy City Administrator Gladhill for his great work over the years and wished him well.

6. ADJOURNMENT

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

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Steffen	aye
Member Cords	aye
Member Johnson	aye
Member MacLennan	aye
Member Olson	aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:02 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: 07/08/2021

By: Sean Sullivan, Community
Development

Title:

Review Site Concept, Project Analysis and Recommendation for Public Hearing for TIF 18; Case of Oppidan

Purpose/Background:

The purpose of this case is to consider multiple actions related to the Oppidan, Inc. industrial project proposal, herein referred to as the Developer.

Please note that this case does not award financial assistance as the City Council has that authority. This case is simply to formulate a recommendation to the City Council for action relating to the approval of a business subsidy in the form of Pay-go Tax Increment Financing (TIF).

STEP 1 (this case): Review project benefits and underwriting of project pro-forma by Ehlers (a third party source) and determine if the business subsidy amount is appropriate. This process will evaluate the "But For Test" and the return on investment by the Developer to determine if providing assistance is necessary and appropriate. Additionally, this review process will evaluate the Developer's return on investment and ensure it is within industry standards (not unduly enriching the developer). The City will also evaluate the City's return on public investment in regards to increased jobs, increased tax base and other positive community impacts. The EDA should adopt a motion for recommendation to the City Council on the level of the Business Subsidy to be provided based on analysis of information provided.

STEP 2 (this case): Consider Recommendation to City Council to start process to approve the creation of TIF District #18. Process would include:

- Calling for a Public Hearing to Establish Tax Increment District No. 18 and to Award a Business Subsidy for Oppidan

STEP 3 (this case): Consider recommendation that the City Council approve a Tax Increment Financing (TIF) Agreement. This would be the formal award of a business subsidy of \$1,172,133. The award would require the creation of 50 new jobs with minimum wages of \$17.45 or greater per hour. The TIF Agreement will include the proposed business subsidy, statutory requirements and a Tax Increment Financing Note.

STEP 4 (future EDA case on August 12, 2021) Consider Recommendation to City Council to approve the creation of TIF District #18. Approval would include:

- Approving the Modification to the Development Program for Development District No. 1
- Establishing Tax Increment Financing District No. 18: Oppidan within Development District No. 1
- Approving the Tax Increment Financing Plan. The TIF plan outlines the, boundary of the district, TIF eligible expenses/costs and tax impacts (tax base and taxing jurisdictions). The TIF Plan outlines how the project follows statutory requirements for creation of the TIF District.

STEP 5 (future City Council Case - August, 2021): Council Approval. The City Council is tentatively scheduled to consider approval of this business subsidy on August 24, 2021, based on EDA recommendations.

BACKGROUND (project)

The project consists of:

(A) the purchase of 43 acres of land from Hageman Holdings for Oppidan, Inc and further development of Bunker Lake Business Park. The estimated total cost for this step is \$4.05M

(B) within the larger 43-acre parcel, the Developer desires to develop 3 industrial speculative buildings totaling 405,000 square foot for manufacturing and warehousing. The County Assessor as estimated the following values for the 3 buildings:

Building 1 - 8.9M
Building 2 - 11.2M
Building 3 - 11.5M

BACKGROUND (subsidy request)

The Developer has asked the City for public financial incentives related to both items above in relation to the project (A and B). Specifically, the Developer originally requested \$2.9M in Tax Increment Financing/Assistance to assist with eligible project costs. The Developer is requesting the City provide 9 years of pay-as-you-go (PayGo) TIF for the development of 405,000 square foot buildings and land purchase. Based on their modeling and project pro-forma, the Developer believes financial assistance is needed, in order to make this project work.

Based on City and analysis by Ehlers, City Staff has communicated that it is willing to support \$1,172,133 in pay-as-you-go TIF assistance to write down the cost of the land acquisition. This has been communicated to the Developer and they wish to move forward with a request of \$1,172,133. TIF runs conducted by Ehlers and City Staff support this level of assistance.

The Developer has completed and submitted a business subsidy application to staff, including a \$5,000 non-refundable fee to establish an project escrow. If the EDA moves this project forward, additional funds will be requested to pay for the Creation of the TIF Plan and TIF District. Staff has reviewed and scored the application. The application scores a 30 out of 35 which is a moderate to high score. The application states that this project will bring approximately 100-150 jobs to Ramsey upon completion of the of construction and opening of the new building. In addition, 50 or more new jobs will be created within 2.5 years of executing the TIF agreement, paying wages of at least \$17.45 per hour. In total, this project will likely result in at least 150 new, good paying jobs in Ramsey. The estimated tax assessed value of the completed project is \$31.6 Million Dollars and it is expected to generate in excess \$1M in total property taxes annually. Attached to this case is the Business Assistance Application and Policy for review. Ehlers has reviewed the updated request and has determined that is satisfies the "But-For" test and has conducted financial analysis determining that \$1,172,133 in assistance and the return on investment for the Developer is within industry standards and does not unduly enrich the Developer.

Notification:

N/A

Observations/Alternatives:

Project Benefits Summary

- 100-150 new jobs for the City of Ramsey. 50 new jobs are anticipated to be created paying a minimum wage of at least \$17.45 per hour excluding benefits.
- Opportunity for employment for Ramsey Residents.
- Payment of required outstanding 2011 and 2017 special assessments for the extension of Bunker Lake Boulevard and City Utilities (Bunker Lake Business Park / Puma Street) attributable to the developed parcel will be made at time of proposed property closing in September 2021.
- 42.7 Million Dollar project investment.
- \$1M in annual property taxes after project is completed. The newly created local tax revenue will be captured by the TIF District 18 for 9 years. When the district is decertified, the City can expect to receive around \$400,000 annually in property taxes (including fiscal disparities) from this project.
- The proposed 405,000 square foot manufacturing buildings are high-quality and market relevant. This industrial complex will be the largest in Ramsey and be a significant investment for the City's new Bunker

Lake Industrial Park.

- The proposed funding sources for the subsidy request would be from a newly created TIF District 18. Meaning, this subsidy will not have a direct impact on the existing general tax levy and Ramsey taxpayers. Also, like any TIF project, the existing tax base remains in place, 100%.
- The proposed \$1,172,133 in Tax Increment Financing will be through a PayGo Note (pay as you go) at 4.5% interest rather than "up-front" financing or bonding.
- The City of Ramsey is seeking retail and restaurant users. Common feedback from the development community and prospects is that Ramsey needs to improve their demographics in order attract these users. Ramsey can do that by increasing both population (rooftops) and increasing trip generation (i.e. large employers and destination users). The development of Bunker Lake Industrial Park will help improve demographics needed by retail and restaurant users (via new vehicle trip generation and increased daytime populations).

Further Analysis

- This business subsidy request has been reviewed and meets Ramsey's business subsidy policy criteria.
- The Developer's request for \$1,172,133 is justified and meets State of Minnesota Business Subsidy Statutes.
- Staff has contracted with Ehler's to conduct a third party analysis of the project and to evaluate if the project meets the "But For" test and it has been determined that this project meets that criteria. Findings satisfying this "But-For" test can be found within the attached Ehlers Memo dated June 30, 2021.
- Projected cash on cost return on investment for the Developer is 6.72% which falls within the industry standard of 6.5-7%. the analysis by Ehlers concludes that the \$1,172,133 in proposed City assistance does not unduly enrich the company.

Funding Source:

The Developer has submitted a TIF Application Fee of \$5,000 to cover the costs to process the TIF Application. Additional funds will be requested from the Developer to pay for the creation of the TIF District and TIF Plan if the EDA recommends proceeding with the project

Recommendation:

Staff recommends that the City Council call for a Public Hearing for the Modification to the Development Program for Development District No 1 and the Proposed Establishment of TIF District No. 18: Oppidan Industrial

and

Staff recommends that the EDA recommend to the City Council to provide a \$1,172,133 business subsidy to the Developer in the form of Pay-Go TIF Note.

The Planning Commission reviewed the project from a Planning/Zoning perspective. Consensus of the Planning Commission was positive, and recommended moving forward to official Site Plan Review for compliance with the Comprehensive Plan and Zoning Code.

Action:

Motion to recommend to the City Council:

1) To call for a Public Hearing for the Modification to the Development Program for Development District No 1 and the Proposed Establishment of TIF District No. 18: Oppidan Industrial

and

2) To provide a \$1,172,133 business subsidy to the Developer in the form of Pay-Go TIF Note.

Attachments

Draft TIF Schedule

Proposed Site Plan 6.16.21

Scored Business Assistance Application

Ehlers - But for Analysis Summary

Ehlers TIF Run 60% Increment

Ehlers Rate of Return Analysis 6.30.21

Form Review

Inbox

Sean Sullivan (Originator)
Bruce Westby
Kurt Ulrich
Form Started By: Sean Sullivan
Final Approval Date: 07/01/2021

Reviewed By

Sean Sullivan
Bruce Westby
Kurt Ulrich

Date

07/01/2021 10:16 AM
07/01/2021 11:24 AM
07/01/2021 02:29 PM
Started On: 06/25/2021 03:39 PM

Schedule of Events

City of Ramsey Anoka County, Minnesota

For the proposed Modification to the Development Program
for Development District No. 1 & the proposed establishment of
Tax Increment Financing District No. 18 (Oppidan Industrial)
(an economic development district)

Draft as of June 30, 2021

- | | |
|-----------------|--|
| July 8, 2021 | EDA meeting to consider preliminary authorization of TIF for the proposed project. |
| July 9, 2021 | Project information, property identification numbers, fiscal impacts and maps sent to Ehlers for drafting documentation.

Ehlers confirms whether building permits have been issued on the property to be included in the TIF District. |
| July 12, 2021 | Ehlers conducts internal review of Plans. |
| July 23, 2021 | Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing) and County receives information for review of county road impacts. [Ehlers will distribute.]

<small>*The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because City staff believes that the proposed TIF district will not require unplanned county road improvements, the TIF Plan was not forwarded to the County Board 45 days prior to the public hearing. Please be aware the County Board could claim that tax increment should be used for county roads, even after the public hearing.</small> |
| August 13, 2021 | Publication of hearing notice and map in the Anoka County Union Herald (at least 10 days but not more than 30 days) |

prior to hearing). [Ehlers will submit notice, map and instructions. Publication deadline: August 10, 2021.]

August 12, 2021 EDA considers the Plans, resolution adopting the Plans and an interfund loan in connection with the TIF District. [Attorney provides resolution by August 3, 2021.]

August 24, 2021 City Council holds public hearing at 7:00 PM on the modification to the Development Program for Development District No. 1 and the proposed Establishment of Tax Increment Financing District No. 18 (Oppidan Industrial) and considers a resolution approving the Plans. [Ehlers and attorney provide packet information August 17, 2021.]

City considers an Interfund Loan resolution in connection with the TIF District.

One day after
August 24, 2021 City may issue building permits.

June 30, 2022 Ehlers files the Plans with the MN Department of Revenue, Office of the State Auditor, and requests certification of the TIF District with the County.

An action under subdivision 1, paragraph (a), contesting the validity of a determination by an authority under section 469.175, subdivision 3, must be commenced within the later of:

(1) 180 days after the municipality's approval under section 469.175, subdivision 3; or

(2) 90 days after the request for certification of the district is filed with the county auditor under section 469.177, subdivision 1.

PARKING ORDINANCE:
 9' X 18' W/ 24' AISLE
 OFFICE - 1:300
 INDUSTRIAL - 1:1000
 OFFICE WAREHOUSE - USE % OF ABOVE

TOTAL BUILDING (1): 111,300 GSF
 TOTAL PARKING NEEDED @ 20% OFFICE: 164
 TOTAL PARKING PROVIDED W/ ADA & ACCESS.: 170

TOTAL BUILDING (2): 147,000 GSF
 TOTAL PARKING NEEDED @ 20% OFFICE: 216
 TOTAL PARKING PROVIDED W/ ADA & ACCESS.: 216

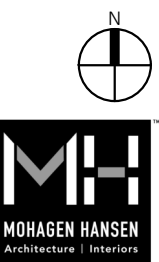
TOTAL BUILDING (3): 147,000 GSF
 TOTAL PARKING NEEDED @ 20% OFFICE: 216
 TOTAL PARKING PROVIDED W/ ADA & ACCESS.: 216



CONCEPTUAL SITE PLAN - 3 BUILDING OPTION

RAMSEY, MN
 03/31/2021

RAMSEY SPEC INDUSTRIAL



**EXHIBIT A
BUSINESS ASSISTANCE APPLICATION**

A. APPLICANT INFORMATION

Name of Corporation/Partnership OPPIDAN, INC.
 Address 400 WATER STREET, #200, EXCELSIOR, MN 55331
 Primary Contact JAY MORRIS
 Address (ABOVE)
 Phone 952 294 1246 Fax 612 850 7495 E-mail JAY @ OPPIDAN.COM
 CELL

Type of business assistance requested (select one):

Tax Abatement Tax Increment Financing Revolving Loan Fund Other

Have you been, or are you currently, involved in any bankruptcy proceedings or lawsuits related to other development projects with which you have been involved? If yes, please provide an explanation.

Yes No

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. **Attach as Part 1.**
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. **Attach as Part 2.**
- Brief description of the proposed project. **Attach as Part 3.**
- A *but for* analysis and narrative. **Attach as Part 4.**
- Completed Revolving Loan Fund Application. **Attach as Part 5 if required.**

Attorney Name DAVID SCOTT - OPPIDAN GENERAL COUNSEL
 Address (ABOVE)
 Phone 952 294 1245 Fax _____ E-mail DAVE @ OPPIDAN.COM

Contractor Name RJ RYAN - JACK GROTKIN
 Address _____
 Phone 651 365 7003 Fax _____ E-mail JGROTKIN @ RJRYAN.COM

Engineer Name KIMLEY HORN - MIKE BRANST
 Address _____
 Phone 651 643 0428 Fax _____ E-mail MIKE.BRANST @ KIMLEY HORN.COM

Architect Name MOTTAGEN - HANSEN - JENNIFER KAPLAN
 Address _____
 Phone 952 426 7421 Fax _____ E-mail JKAPLAN @ MOTTAGEN HANSEN.COM

B. PROJECT INFORMATION

The project will be: (Check all that apply)

- Industrial: (New Construction Redevelopment/Rehab Expansion)
- Office/research facility: (New Construction Redevelopment/Rehab Expansion)
- Commercial: (New Construction Redevelopment/Rehab Expansion)
- Housing: (New Construction Redevelopment/Rehab Expansion)
- Other _____

The project will be: Owner Occupied Leased Space *SPEC BUILDINGS*

- If leased space, please attach a list of names and addresses of future tenants and indicate the status of commitments or lease agreements. **Attach as Part 5.**

Project Address 20-32-25-43-0005

- Include Legal Description and PID number(s). **Attach as Part 6.**

Site Plan Attached: Yes No

Current Real Estate Taxes on Project Site: \$ 117,218.22

Estimated Real Estate Taxes Upon Completion:

Phase I	\$ <u>387,450</u>	<i>258,300 SF. x \$1.50</i>
Phase II	\$ <u>235,200</u>	<i>147,000 SF. x \$1.65</i>
Phase III	\$ _____	
Total	\$ <u>622,650</u> - <i>\$810,000</i>	

Construction Start Date: 9/15/21

Construction Completion Date: 11/1/23

Fully Assessed

If Phased Project:

<u>64</u>	% Completed in <u>16 MONTHS</u> years.
<u>36</u>	% Completed in <u>28</u> years <u>MONTHS</u>
_____	% Completed in _____ years

C. PUBLIC PURPOSE OBJECTIVES

It is the policy of the City and EDA of Ramsey that the business assistance should result in a public benefit as identified in items 1-10 below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as Part 7.**

- 1. To encourage redevelopment.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To create housing opportunities.
- 7. To provide a diversity of housing.
- 8. To provide a variety of family housing ownership alternatives and housing choices.
- 9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- 10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
 - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

D. SOURCES & USES OF FUNDS

Attach additional information as Part 8

<u>SOURCES</u>	<u>AMOUNT</u>
Bank Loan	\$ <u>30,855,672</u>
Other Loans	\$ _____
Owner Equity	\$ <u>10,675,935</u>
Fed Grant/Loan	\$ _____
State Grant/Loan	\$ _____
Industrial Development Bonds	\$ _____
Tax Increment Financing	\$ <u>1,172,133</u>
Tax Abatement	\$ _____
Revolving Loan Fund	\$ _____
Other	\$ _____
TOTAL	\$ <u>42,703,740</u>

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ 4,050,000
Site Development	\$ 2,697,000
Construction	\$ 24,479,830
Machinery & Equipment	\$
Architectural/Engineering Fees	\$ 1,829,266
Debt Service Reserve	\$ 1,182,203
Contingencies	\$ 2,310,600
Other	\$ 6,154,841
TOTAL	\$ 42,703,740

Total Amount of business assistance requested from either Revolving Loan Fund, Abatement, Tax Increment Financing or another source: \$ 1,172,133

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation.
All personal financial information will be kept private and confidential.

- 1. Written business plan or a description of the business, ownership/ management, date established, products and services, and future plans.
- 2. Financial statements for past two years, including profit and loss statements and balance sheets.
- 3. Two year financial projections.
- 4. Personal financial statements of all major shareholders (principals) including the most recent 2 years of tax returns. (If requested.)
- 5. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.
- 6. Administrative fee of up to \$5,000. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.
- 7. Attach the following documentation:

- _____ Part 1 – Corporation/Partnership Description
- _____ Part 2 – List of Shareholders/Partners
- _____ Part 3 – Description of Project
- _____ Part 4 – *But For* Analysis
- _____ Part 5 – List of Prospective Lessees (If requested)
- _____ Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
- _____ Part 7 – Public Purpose Narrative
- _____ Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City and EDA of Ramsey to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name Jay Moore Date 6/28/21

By Jay Moore

Its SVP DEVELOPMENT

EXHIBIT B
BUSINESS ASSISTANCE REVIEW WORKSHEET
FOR COMMERCIAL/INDUSTRIAL PROJECTS
TO BE COMPLETED BY APPLICANT AND CITY STAFF

A. The project meets which of the following objectives as set forth in Section C of the Business Assistance policy:

- 1. To encourage redevelopment.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
 - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

B. Ratio of Private to Public Investment in Project:

\$ 41,531,607 Private Investment
 \$ 1,172,133 Public Investment
35:1 Ratio Private : Public Financing

Points: 5

5:1	5
4:1	4
3:1	3
2:1	2
Less than 2:1	1

C. Job Creation:

100 Net *new* jobs (minimum 40 hours per week) or fulltime equivalents

Points: 5

50+	5
20+	4
10+	3
5+	2
Less than 2	1

D. Wage Level of jobs created:

Average hourly wage
 Of new jobs 17.45 *

Points: 4

Over \$21/hour	5
\$18-21/hour	4
\$14-17/hour	3
\$10-13/hour	2
Under \$10/hour	1

E. Ratio Of Business Assistance To New Jobs Created:

\$ 1,072,133 Business assistance requested
 Number of net *new* jobs created
 \$ 11,721 of business assist. per net *new* job created

	Points: <u>4</u>	15
\$5,000 or less	<u>5</u>	
\$15,000 or less	<u>4</u>	
\$25,000 or less	<u>3</u>	
\$50,000 or less	<u>2</u>	
Over \$75,000	<u>1</u>	

F. Project size:

The project will result in the construction
 of 405300 square feet

	Points: <u>5</u>
75,000+	<u>5</u>
50,000+	<u>4</u>
25,000+	<u>3</u>
10,000+	<u>2</u>
5,000 or less	<u>1</u>

G. Type of Project:

100% Owner Occupied
 Mix Owner Occupied & Investment
 Investment Property

	Points: <u>1</u>
	<u>5</u>
	<u>3</u>
	<u>1</u>

H. Likelihood that the project will result in unsubsidized, spin-off development:

High
 Moderate
 Low

	Points: <u>3</u>
	<u>5</u>
	<u>3</u>
	<u>1</u>

I.

<u>5</u>
<u>5</u>
<u>4</u>
<u>4</u>
<u>5</u>
<u>1</u>
<u>3</u>

Sub-Total Points 27 of a possible 35 points.

Bonus Points

The project will be 100% *pay-as-you-go* financing. ✓
 The project is a redevelopment project.

Bonus Points:

Points: <u>3</u>
<u>3</u>
<u>3</u>

Total Points: 30

Overall project analysis:	High	35 points
	Moderate	25 points
	Low	15 points
	Not Eligible	5 points

Moderate to High

Ramsey, MN – TIF Application 06/30/21

Part 1 – Corporation/Partnership Description

Oppidan

Oppidan Investment Company will be owner/developer of this development along with Rockpoint Group (Boston, MA). Oppidan is a national property development firm with headquarters in Minnesota and offices in California and North Carolina. We've developed more than 550 projects valued at more than \$4 billion and spanning 25 million-square feet throughout 39 states and parts of Canada.

Our more than 40 employees offer a full range of real estate services including asset management, construction project management, property management, and capital markets. We focus on senior housing, industrial and mixed-use developments. The strength of our employees defines our success, and we are a team that feels more like family. We work together seamlessly, sharing a relentless obsession with customer value and a passion for what we do.

This camaraderie extends to our client relationships, which are built around accountability and respect. We are nimble. We are fast. We are efficient. When you partner with Oppidan, you are partnering with agility.

We are more than a partner. We are a friend you can trust because of our track record of dependability and loyalty. We share your vision of striving to be best in class, and we're proud of our 100% client retention rate for the past 30 years.

Rockpoint

Rockpoint Group, L.L.C. ("Rockpoint") is a real estate private equity firm and Registered Investment Adviser headquartered in Boston and with additional primary offices in San Francisco, Dallas and London.

Rockpoint employs a fundamental value approach to investing and targets select product types located in major markets in the United States. Rockpoint utilizes a consistent strategy across distinct return profiles through its opportunistic and growth and income investment programs. Rockpoint targets assets with intrinsic long-term value, at attractive prices relative to replacement cost and stabilized cash flows, and with particular emphasis on value creation opportunities and complex situations.

Since 1994, Rockpoint's co-founders, with others, have sponsored 15 commingled funds and related co-investment vehicles through Rockpoint and a predecessor firm. In total, they have raised approximately \$25 billion in equity capital commitments and invested or committed to invest in 426 transactions with a total peak capitalization of approximately \$64 billion (inclusive of

fund equity, co-investor equity and debt). To learn more about Rockpoint Group, visit www.rockpoint.com.

Part 2 – List of Shareholders/Partners

Oppidan Investment Company

Rockpoint Group, LLC

Part 3 – Description of Project

Oppidan's Industrial project on Bunker Lake Blvd in Ramsey provides a unique opportunity for a high-quality industrial park development opportunity in the Twin Cities North Central Industrial Submarket. At a macro-level Ramsey, Anoka, and Coon Rapids are a subset within the North Central submarket. Users located in these communities seldom explore opportunities outside these communities. When migration from these communities has occurred it has largely been due to a lack of available opportunities in the immediate area (existing buildings and landsites).

Speculative development in this vicinity in the past 10 years has been limited to a 3-building design project developed directly south of Bunker Lake Business Park. These three buildings totaling approximately 175,000 SF (51K, 60K, & 64K SF) were developed in 2018 and 2019. All 3 projects were fully-leased within months of construction completion without any advertising to the brokerage community with tenants secured with limited broker representation. All three buildings are 24' clear and offer dock and drive-in loading. At present there are no speculative or BTS opportunities being marketed in Ramsey, Anoka, or Coon Rapids. There is one building under construction to the South of the proposed project consisting of approximately 72,000 s.f. that will be available in 2022.

Oppidan is planning to develop 3 buildings totaling 405,300 s.f. in Ramsey that are all class A quality. This product is going to be the crown jewel of Ramsey. Construction is expected to start (if economic hurdles can be overcome by way of TIF) in the fall of 2021 with grading and site work commencing. In the Spring of 2022 two buildings would be built to kick off the first phase of the project. The second phase of construction would commence in the Spring of 2023 and be completed in the late fall of 2023.

Part 4 – But For Analysis

Oppidan Investment Company believes there is a community need for industrial office/warehouse development in Ramsey, MN.

The site described in the application totals 43 acres with the intent to subdivide the land into multiple parcels providing approximately 33 acres for the Industrial buildings and keeping 10 acres of wetlands and community trails.

TIF is required to provide economic assistance to allow for the owner to make a minimum return on their investment. As demonstrated with the attached proforma, the project currently creates a 6.00% return on the investment. Typically Industrial projects require a 6.75% - 7.54% return for projects built within a primary market. The returns for this project in this market are lower due to increased costs of construction, increasing costs of labor, and lower rents for the Ramsey, MN market. Generally the overall costs have increased with a decrease of NOI. We still feel that the Ramsey market will benefit from having a state of the art Industrial office park and thus we are looking to work with the city to provide up to \$1.2M (Ehlers to Opine) of TIF assistance which would get us close to an acceptable return. We are very enthused about the demand but concerned about the economics that the current market conditions present.

The jobs created with this development are unknown at this point. However, we are comfortable assuming 100-150 jobs will be at the level of \$17.45 or greater. We feel this is a reasonable goal to achieve and quite frankly would be surprised if that does exceed this number by a longshot.

Part 5 - List of prospective Lessees

The leasing process will not begin until the full development is approved via the City process, however the Market Report from CBRE confirms that there is demand and interest in the Ramsey market for Industrial users.

Part 6 – Legal Description and PID Numbers, maps of the project area and project renderings

Lot 2 Block 1, Amsterdam Extension

PID – 20-32-25-43-0005

Part 7 – Public Purpose Narrative

Oppidan's Industrial project on Bunker Lake Blvd in Ramsey will provide jobs, infrastructure, a growing tax base, public trail system, and use of public utilities within Ramsey.

This proposed project will create jobs during construction and even better create long term jobs in the area allowing those employees to shop in around the greater Ramsey area for goods and services. The City of Ramsey has invested in the roadways and infrastructure for these types of uses and this type of development is good for the City.

Part 8 – Sources and Uses of Funds – Additional Information

Attached in Application.

MEMORANDUM

TO: Sean Sullivan, Economic Development Manager
 FROM: Jason Aarsvold - Ehlers
 DATE: June 30, 2021
 SUBJECT: Oppidan, Inc TIF Request

The City of Ramsey (the “City”) received a request for tax increment financing (TIF) assistance from Oppidan, Inc, (the “Developer”) to facilitate development of 3 industrial buildings totaling 405,300 sq. ft. located north of Bunker Lake Blvd. and west of Armstrong Blvd (PID# 20-32-25-43-0005). The Developer is requesting \$2.9 million in tax increment assistance to off-set the extraordinary construction costs given current market fluctuations. The proposed project qualifies for inclusion in an economic development TIF district, which has a nine-year maximum duration.

The purpose of this memorandum is to review the need for TIF assistance based on our analysis of the Developer’s project budget and projections, generally known as a pro forma. This analysis is commonly referred to as the “but for” test, meaning the project would not occur on this site “but for” the public assistance being provided. Based on this analysis, we determined TIF assistance in the amount of \$1.172 million is warranted for the project as further described in the recommendations section below.

Pro Forma Analysis

Generally, this project meets the expectations of a flex industrial project with regards to project costs, financing, projected revenues, and return on investment. The proposed sources and uses of funds for the project are included below, followed by our findings relating to the analysis of the project:

Sources		
	Amount	Pct.
First Mortgage	30,877,947	72%
TIF Mortgage	1,172,000	3%
Equity	10,683,316	25%
TOTAL SOURCES	42,733,263	100%

Uses			
	Amount	Pct.	Per Sq. Ft.
Acquisition Costs	4,050,000	9.48%	9.99
Construction Costs	31,076,396	72.72%	76.68
Professional Services	3,824,068	8.95%	9.44
Financing Costs	1,792,553	4.19%	4.42
Developer Fee	1,500,000	3.51%	3.70
Cash Accounts	490,246	1.15%	1.21
TOTAL USES	42,733,263	100%	105.44

- The developer is proposing permanent financing (including the recommended TIF portion) for 75% of the project costs and will bring 25% in equity, or approximately \$10.68 million. This financing structure is in line with typical industrial projects.
- The total development costs for this project are approximately \$42.73 million, or \$105.44 per square foot. Based on our experience with similar projects, this is a bit higher than is typical, and being driven by the extraordinary construction costs and market fluctuations.
- For a project of this nature, we would expect to see a developer fee between 3% and 4% of total development costs. The developer's proposed fee is 3.51% of total development costs and is within an acceptable range.
- The proposed rents are assumed at a blended rate of \$6.33 per square foot (\$5.50/sq. ft. warehouse and \$11.00/sq. ft. office). This is based on assumed 15% office and 85% warehouse/production buildout. Because these are speculative buildings, the actual rents are unknown currently. The final rents will depend on the tenant's buildout. \$6.33 per square foot is a reasonable assumption in the market.

Recommendations

Based on current projections, the project cannot generate enough TIF in the nine-year life of the district to meet the developer's full request. The recommendation below balances the use of TIF for the project to meet the developer's return on investment expectations with the need for the City to complete necessary infrastructure improvements using TIF from the project.

Industrial developers are typically seeking a yield-on-cost return of between 6.5% and 7%. The yield on cost is calculated by dividing the project's net operating income by total development costs. Current projections show the Developer averaging 6.36% yield on cost over the next 10 years without any TIF assistance, which is below the desired threshold.

In order to support a market based return on investment for the project, and to preserve tax increment for other City infrastructure needs in the area, we recommend providing "pay-as-you-go" TIF assistance in an amount up to \$1,172,000. With "pay-as-you-go" TIF assistance, the City does not provide any funding up-front. Instead, the City enters into an agreement to provide tax increment payments that are generated solely from the project's actual increased property taxes. The Developer uses those future tax increment payments to obtain additional debt and/or support returns on investment. If the tax increment is insufficient to pay the TIF assistance in full, the City does not make up the shortfall.

This assistance would be payable from 60% of the tax increment received in the district over its nine-year life. With this assistance, the projected average yield on cost over the next 10 years increases to 6.72%, which is within a typical market range and not unduly enriching the project. The remaining 40% of increment would be available to the City for administration and to support construction of new infrastructure.

Oppidan Industrial - No Inflation

City of Ramsey, MN

405,300 sq. ft. Industrial



ASSUMPTIONS AND RATES

DistrictType:	Economic Development
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2021
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	0.00%
Interest Rate:	4.50%
Present Value Date:	1-Aug-22
First Period Ending	1-Feb-23
Tax Year District was Certified:	Pay 2022
Cashflow Assumes First Tax Increment For Developmen	2023
Years of Tax Increment	9
Assumes Last Year of Tax Increment	2031
Fiscal Disparities Election [Outside (A), Inside (B), or N/A]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	37.5610% Pay 2021
Fiscal Disparities Metro-Wide Tax Rate	139.5040% Pay 2021
Maximum/Frozen Local Tax Rate:	91.206% Pay 2021
Current Local Tax Rate: (Use lesser of Current or Max.)	91.206% Pay 2021
State-wide Tax Rate (Comm./Ind. only used for total tax)	35.9780% Pay 2021
Market Value Tax Rate (Used for total taxes)	0.23694% Pay 2021

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$174,000		0.75%
Over \$174,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
1	20-32-25-43-0005	Hageman Hldgs.	Unassigned	2,947,800	0	2,947,800	100%	2,947,800	Pay 2022	C/I Pref.	58,206	C/I Pref.	58,206	1
				2,947,800	0	2,947,800		2,947,800			58,206		58,206	

Note:

1. Base values are for pay 2022 based upon review of County website on 6-16-21.
2. Located In SD # 11

Oppidan Industrial - No Inflation

City of Ramsey, MN
405,300 sq. ft. Industrial



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	Percentage Completed 2024	First Year Full Taxes Payable
1	Industrial	79.96	80	111,300	8,900,000	C/I Pref.	177,250	2	25%	100%	100%	100%	2024
1	Industrial	76.19	76	147,000	11,200,000	C/I Pref.	223,250	2	25%	100%	100%	100%	2024
2	Industrial	78.23	78	147,000	11,500,000	C/I Pref.	229,250	2	0%	25%	100%	100%	2025
TOTAL					31,600,000		629,750						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				405,300	31,600,000		629,750						

Note:

- Market values are based upon estimates from the County Assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Industrial	177,250	66,577	110,673	100,941	92,877	63,231	21,088	278,137	2.50
Industrial	223,250	83,855	139,395	127,137	116,981	79,781	26,537	350,436	2.38
Industrial	229,250	86,109	143,141	130,554	120,125	81,940	27,248	359,866	2.45
TOTAL	629,750	236,540	393,210	358,631	329,983	224,952	74,873	988,440	

Note:

- Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	988,440
less State-wide Taxes	(224,952)
less Fiscal Disp. Adj.	(329,983)
less Market Value Taxes	(74,873)
less Base Value Taxes	(33,147)
Annual Gross TIF	325,484



Oppidan Industrial - No Inflation
 City of Ramsey, MN
 405,300 sq. ft. Industrial

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 40%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	100,125	(58,206)	(15,745)	26,174	91.206%	23,872	11,936	(43)	(4,757)	7,136	6,825	0.5	2023	02/01/23
							11,936	(43)	(4,757)	7,136	13,500	1	2023	02/01/24
100%	457,812	(58,206)	(150,096)	249,510	91.206%	227,568	113,784	(410)	(45,350)	68,025	75,732	1.5	2024	08/01/24
							113,784	(410)	(45,350)	68,025	136,595	2	2024	02/01/25
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	221,729	2.5	2025	08/01/25
							162,742	(586)	(64,862)	97,294	304,990	3	2025	02/01/26
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	386,419	3.5	2026	08/01/26
							162,742	(586)	(64,862)	97,294	466,055	4	2026	02/01/27
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	543,940	4.5	2027	08/01/27
							162,742	(586)	(64,862)	97,294	620,111	5	2027	02/01/28
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	694,605	5.5	2028	08/01/28
							162,742	(586)	(64,862)	97,294	767,460	6	2028	02/01/29
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	838,712	6.5	2029	08/01/29
							162,742	(586)	(64,862)	97,294	908,397	7	2029	02/01/30
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	976,547	7.5	2030	08/01/30
							162,742	(586)	(64,862)	97,294	1,043,199	8	2030	02/01/31
100%	629,750	(58,206)	(214,678)	356,866	91.206%	325,484	162,742	(586)	(64,862)	97,294	1,108,383	8.5	2031	08/01/31
							162,742	(586)	(64,862)	97,294	1,172,133	9	2031	02/01/32
Total							2,529,825	(9,107)	(1,008,287)	1,512,431				
		Present Value From 08/01/2022	Present Value Rate	4.50%			1,960,613	(7,058)	(781,422)	1,172,133				



City of Ramsey

Oppidan Industrial - 60% PAYGO

405,300 Sq. Ft. Industrial

15-year operating Proforma

ASSUMPTIONS	
Rental Revenue Inflation	3.00%
Other Income Inflation	3.00%
Commercial Inflation (Every year)	3.00%
Inflation on Expenses	2.00%
Vacancy Rate	5.00%

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income										
Commercial Income	2,563,523	2,640,428	2,719,641	2,801,230	2,885,267	2,971,825	3,060,980	3,152,809	3,247,394	3,344,815
Less: Vacancy	-128,176	-132,021	-135,982	-140,062	-144,263	-148,591	-153,049	-157,640	-162,370	-167,241
Less: Expense on Vacancy	0	0	0	0	0	0	0	0	0	0
Total Commercial Income	2,435,346	2,508,407	2,583,659	2,661,169	2,741,004	2,823,234	2,907,931	2,995,169	3,085,024	3,177,575
Effective Gross income	2,435,346	2,508,407	2,583,659	2,661,169	2,741,004	2,823,234	2,907,931	2,995,169	3,085,024	3,177,575

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Expenses										
Reserves	0	81,060	81,060	81,060	81,060	81,060	81,060	81,060	81,060	81,060
Total Expenses	0	81,060	81,060	81,060	81,060	81,060	81,060	81,060	81,060	81,060
Net Operating Income	2,435,346	2,427,347	2,502,599	2,580,109	2,659,944	2,742,174	2,826,871	2,914,109	3,003,964	3,096,515
TIF Payments	14,272	136,049	194,587	194,587	194,587	194,587	194,587	194,587	194,587	0
Adjusted Net Operating Income	2,449,618	2,563,396	2,697,186	2,774,696	2,854,531	2,936,761	3,021,458	3,108,696	3,198,551	3,096,515
Debt Service										
Debt Service - Series A	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728
Debt Service - Series B	0	0	0	0	0	0	0	0	0	0
Debt Service - Series C	0	0	0	0	0	0	0	0	0	0
Total Debt Service	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728	2,137,728
Annual Debt Coverage	114.59%	119.91%	126.17%	129.80%	133.53%	137.38%	141.34%	145.42%	149.62%	144.85%
CASH FLOW AFTER FINANCING	311,890	425,668	559,458	636,968	716,803	799,033	883,730	970,968	1,060,823	958,786
Other Expenses Paid From Net Cash Flow	0	0	0	0	0	0	0	0	0	0
NET CASH TO DEVELOPER	311,890	425,668	559,458	636,968	716,803	799,033	883,730	970,968	1,060,823	958,786
Returns Analysis										
Cash on Cash Annual Return	2.92%	3.98%	5.24%	5.96%	6.71%	7.48%	8.27%	9.09%	9.93%	8.97%
Cash on Cash Average Annual Return	2.92%	3.45%	4.05%	4.53%	4.96%	5.38%	5.79%	6.21%	6.62%	6.86%
Cash on Cost Annual Return - With TIF	5.73%	6.00%	6.31%	6.49%	6.68%	6.87%	7.07%	7.27%	7.48%	7.25%
Cash on Cost Annual Return - Without TIF	5.70%	5.68%	5.86%	6.04%	6.22%	6.42%	6.62%	6.82%	7.03%	7.25%
Cash on Cost Average - With TIF	5.73%	5.87%	6.01%	6.13%	6.24%	6.35%	6.45%	6.55%	6.66%	6.72%
Year	1	2	3	4	5	6	7	8	9	10

Economic Development Authority (EDA)

4. 2.

Meeting Date: 07/08/2021

By: Sean Sullivan, Community
Development

Title:

Consider Loan Application for Restaurant Subsidy Program and Policy Amendment: Case of Stories Foundation

Purpose/Background:

Purpose / Background:

The purpose of this case is to review the proposed request for assistance and to consider amending the current Restaurant Subsidy Program. Feedback from residents, businesses, visitors, and elected/appointed officials states that attracting more restaurants is a priority for Ramsey. On February 8, 2021 the City of Ramsey adopted a new SAC/WAC Assistance program. This Restaurant Subsidy Program is only for "new for-profit restaurants" but does have the ability to consider exceptions for existing businesses that are relocating or expanding. The city has received an application from Stories Foundation to utilize the Restaurant Subsidy Loan relating to SAC and WAC Fees for a mixed use project. The Restaurant Subsidy Program would need to be amended to allow for non-profit applicants and flexibility relating to mixed use projects.

The SAC Charge (Metropolitan Council) is estimated to be \$37,275 and the WAC Charge (City of Ramsey) is estimated to be \$19,965. These fees total \$57,240. Stories Foundation is requesting to utilize the 70% Restaurant Subsidy Program. Staff supports the application and consideration for financial assistance.

Notification:

N/A

Observations/Alternatives:

Observations:

Project costs for this new mixed use project are approximately 2.2M. The owner is securing \$1.67M in bank financing, an injection of 558,071 in cash and a city SAC and WAC loan. Staff supports approval of a 70%, 0% interest loan, forgivable loan for both the SAC and WAC Fees in the amount of \$40,068; subject to satisfactory underwriting. The applicant would also be required to pay \$17,172 (30%) for the SAC and WAC charges upfront and closing costs estimated to be \$500-\$750. The financing of this deal would likely include a loan agreement, and a subordinated UCC filing or mortgage against collateral owned by the applicant. Staff will work with the applicant and CMDC to underwrite and put together the appropriate documents to secure the City interest.

The current Restaurant Subsidy Program would require an amendment or a City Council exception to allow for this non-profit business to be eligible. The program has been extended and/or modified multiple times in the past to address current economic conditions and City retail/restaurant goals.

Alternatives:

Loan Approval

1. The EDA recommend to the City Council approval of 70%, 0% interest loan, forgivable loan for both the SAC and WAC Charges in the amount of \$40,068 for Stories Foundation (would also need to amend the Restaurant Subsidy Program to allow for non-profit businesses to be eligible for the loan)
2. Something else

Restaurant Subsidy Program Changes

1. The EDA could recommend to the City Council to amend the Restaurant Subsidy Program to allow for non profit businesses to be eligible for loans. (see attached draft policy)
2. Something else

Funding Source:

Funding for financial assistance would come from the City's EDA Cash Balance. The EDA Cash Balance is estimated to be \$1.137M.

Recommendation:

Staff recommends

Loan Approval

The EDA recommend to the City Council approval of 70%, 0% interest loan, forgivable loan for both the SAC and WAC Charges in the amount of \$40,068 for Stories Foundation

and;

Restaurant Subsidy Program Changes

1. The EDA could recommend to the City Council to amend the Restaurant Subsidy Program to allow for non profit businesses to be eligible for loans. (see attached draft policy)

Action:

Motion to recommend to the City Council to amend the Restaurant Subsidy Program to allow for non profit businesses to be eligible for loans.

and;

Motion to recommend to the City Council approval of 70%, 0% interest loan, forgivable loan for both the SAC and WAC Charges in the amount of \$40,068 for Stories Foundation; subject to satisfactory underwriting.

Attachments

Redacted Biz Subsidy Application

Draft Restaurant Subsidy Program 7.8.21

SAC and WAC Summary

Form Review

Inbox	Reviewed By	Date
Sean Sullivan (Originator)	Sean Sullivan	07/01/2021 12:36 PM
Bruce Westby	Bruce Westby	07/01/2021 02:16 PM
Kurt Ulrich	Kurt Ulrich	07/01/2021 02:31 PM
Form Started By: Sean Sullivan		Started On: 06/25/2021 03:42 PM
Final Approval Date: 07/01/2021		

EXHIBIT A
BUSINESS ASSISTANCE APPLICATION

A. APPLICANT INFORMATION

Name of Corporation/Partnership Stories Foundation
 Address 5001 Edinbrook Terrace P.O. Box 431022 Brooklyn Park, MN. 55443
 Primary Contact Stephanie Page
 Address [REDACTED]
 Phone [REDACTED] Fax [REDACTED] E-mail [REDACTED]

Type of business assistance requested (select one):

Tax Abatement Tax Increment Financing Revolving Loan Fund Other

Have you been, or are you currently, involved in any bankruptcy proceedings or lawsuits related to other development projects with which you have been involved? If yes, please provide an explanation.

Yes No

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. **Attach as Part 1.**
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. **Attach as Part 2.**
- Brief description of the proposed project. **Attach as Part 3.**
- A *but for* analysis and narrative. **Attach as Part 4.**
- Completed Revolving Loan Fund Application. **Attach as Part 5 if required.**

* Attorney Name Winthrop & Weinstein Noreen Sedgewick & Amber Krueger
 Address 225 South Sixth Street Mpls., MN. 55402 Suite 3500
 Phone [REDACTED]

Contractor Name Dolezal Creative Design & Build
 Address 7760 France Avenue S, #1100 Edina, MN. 55435
 Phone [REDACTED]

Engineer Name Plowe Engineering - Chuck Plowe
 Address 6776 Lake Drive #110 Lino Lakes, MN. 55014
 Phone [REDACTED]

Architect Name Littfin Design - Mitch Littfin
 Address 23513 Zion Ave. Winsted, MN. 55395
 Phone [REDACTED]

C. PUBLIC PURPOSE OBJECTIVES

It is the policy of the City and EDA of Ramsey that the business assistance should result in a public benefit as identified in items 1-10 below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as Part 7.**

1. To encourage redevelopment.
2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
3. To enhance and/or diversify the City's economic base.
4. To encourage additional unsubsidized private (re)development.
5. To remove blight and/or encourage (re)development of commercial and industrial areas.
6. To create housing opportunities.
7. To provide a diversity of housing.
8. To provide a variety of family housing ownership alternatives and housing choices.
9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
- Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

D. SOURCES & USES OF FUNDS

Attach additional information as Part 8

<u>SOURCES</u>	<u>AMOUNT</u>
Bank Loan	\$ <u>1,674,215 (or less)</u>
Other Loans	\$ <u>—</u>
Owner Equity	\$ <u>558,071 (or more)</u>
Fed Grant/Loan	\$ <u>—</u>
State Grant/Loan	\$ <u>—</u>
Industrial Development Bonds	\$ <u>—</u>
Tax Increment Financing	\$ <u>—</u>
Tax Abatement	\$ <u>—</u>
Revolving Loan Fund	\$ <u>—</u>
Other	\$ <u>7090 of SAE & WAC charges</u>
TOTAL	\$ <u>2,232,286 (or less)</u>

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ <u>67,953.60</u>
Site Development	\$ <u>86,295</u>
Construction	\$ <u>2,092,560</u>
Machinery & Equipment	\$ _____
Architectural/Engineering Fees	\$ <u>53,431</u>
Debt Service Reserve	\$ _____
Contingencies	\$ _____
Other	\$ <u>100% of SAC & WAC</u>
TOTAL	\$ <u>2,300,239.60</u>

Total Amount of business assistance requested from either Revolving Loan Fund, Abatement, Tax Increment Financing or another source: \$ _____

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation.
All personal financial information will be kept private and confidential.

1. Written business plan or a description of the business, ownership/ management, date established, products and services, and future plans.
2. Financial statements for past two years, including profit and loss statements and balance sheets.
3. Two year financial projections.
4. Personal financial statements of all major shareholders (principals) including the most recent 2 years of tax returns. (If requested.) *NA*
5. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project. *GETTING*
6. Administrative fee of up to \$5,000. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval. *NA*
7. Attach the following documentation:
- _____ Part 1 – Corporation/Partnership Description
- _____ Part 2 – List of Shareholders/Partners
- _____ Part 3 – Description of Project
- _____ Part 4 – *But For* Analysis
- _____ Part 5 – List of Prospective Lessees (If requested)
- _____ Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
- _____ Part 7 – Public Purpose Narrative
- _____ Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City and EDA of Ramsey to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name STORIES FOUNDATION Date 6-3-2021

By MARK THURSTON

Its VICE CHAIRMAN - BOARD OF DIRECTORS

SITE PLAN

PART 1

A BRIEF HISTORY

Stories Foundation has been operating as a 501c3 nonprofit since late 2015 putting on multiple awareness conferences and facilitating in-home conversations around trafficking and other related social justice issues. The Freedom Truck was started in 2017 and operated for 3 seasons to expand the organization's awareness reach and prove that a social impact business model centered around housemade sauces and authentic falafels is sustainable. Stories Foundation also operates Storyteller Catering, an online store and has built a network of nonprofit partners.

- 2012** Mother & daughter, Sherrill Thurston and Stephanie Page, learned about human trafficking and knew that they needed to do be a part of fighting against it. The idea of a nonprofit cafe was born.
- 2013** Sherrill and Steph co-founded Stories Cafe. A logo and branding was created, a website built, social media presence and awareness activities started.
- 2014** JANUARY - 1st Proclaim Freedom Awareness Conference, Roseville, MN
NOVEMBER - 2nd Proclaim Freedom Conference, St. Cloud, MN
- 2015** NOVEMBER - Received 501c3 letter from the IRS, confirming Stories Foundation as nonprofit organization.
- 2016** FEBRUARY - 3rd Proclaim Freedom Conference, Princeton, MN
MARCH - Started 30 day crowd-funding campaign for the Freedom Food Truck, raised \$32,000 in 30 days.
JUNE - 1st Superhero 5K Run
- 2017** JUNE - AUGUST - Launched 1st season of the Freedom Truck
JUNE - 2nd Superhero 5k Run
- 2018** MARCH - Hired a full time creative director/food manager.
APRIL - OCTOBER - 2nd Freedom Truck Season
AUGUST - 3rd Superhero 5K Run
NOVEMBER - 1st Storyline Fundraiser
JANUARY - Launched Storyteller Catering
- 2019** APRIL - OCTOBER - 3rd Freedom Food Truck Season
AUGUST - Launched StoryChangers Coffee Club
SEPTEMBER - Launched in-home awareness dinners
NOVEMBER - Met with Prins Bank to begin to talk about financing Storyteller Cafe
- 2020** JANUARY - Launched in home awareness make and take events
FEBRUARY - Signed a contract with Dolezal Design & Build for Storyteller Cafe.
APRIL - 1st Virtual Awareness Event + 2nd Storyline Fundraiser with over 6,000 views on Zoom and social media.
JUNE - Released online curriculum The Root Causes of Human Trafficking and Sexual Violence
JUNE - Launched Connecting Our Stories Podcast

CASE STATEMENT

WHY STORIES FOUNDATION & STORYTELLER CAFE?

STORIES FOUNDATION

The mission of Stories Foundation is to empower communities to end the cycle of human trafficking by starting and supporting social enterprises that raise awareness, offer opportunities for economic independence for survivors and fund the fight against human trafficking.

Our communities are overwhelmed by issues of injustice with human trafficking at the epicenter. Community members need a place where they can come together to change systems of injustice by listening, learning and being activated to take steps towards change through conversation and social impact business.

Stories Foundation is committed to activating community members in Minnesota and beyond by sharing the message that when it comes to fighting injustice, every story matters. Stories Foundation believes that when each person commits to learning about the issues of injustice and then taking small steps towards personal change (e.g. what they purchase, how they talk about people who are different than them and how they see relationships) then we all will the stories of injustice change around us.

We believe that change happens through awareness, relationships and opportunities. That is why we are committed to opening and operating Storyteller Cafe. This cafe will be a social impact business that will create space for awareness, meaningful conversations through relationships, and income generating opportunities. Nonprofit organizations and survivors and those vulnerable to injustice will receive restorative support.



STORYTELLER CAFE

The Storyteller Cafe building project which includes income generating cafe space, retail space, and awareness space, as well as collaborative office space and two apartments to be used for clients costs \$1.3 million.

Recently Stories Foundation released an online, self guided awareness curriculum on the root causes of human trafficking and sexual violence, started a podcast highlighting stories of individuals who have stepped into spaces of injustice and has an active newsletter list and social media presence.

Storyteller Cafe is vital to ending the injustice of human trafficking and exploitation in our communities.

PROBLEM

Human Trafficking is a \$150 billion industry worldwide, resulting in approximately 40 million slaves. There are more slaves in our world today than at any other point in history. The average cost of a person is \$90; human trafficking is the fastest growing industry worldwide, and 1 in 4 victims of trafficking are children.

Human trafficking is defined by the UN as "the recruitment, transport, transfer, harboring or receipt of a person by such means as threat or use of force or other forms of coercion, of abduction, or fraud or deception for the purpose of exploitation."

The definition of trafficking consists of three core elements:

- 1) The **Action** of trafficking which means the recruitment, transportation, transfer, harboring, or receipt of persons
- 2) The **Means** of trafficking which includes threat of or use of force, deception, coercion, abuse of power, or position of vulnerability
- 3) The **Purpose** of trafficking which is always exploitation. In the words of the Trafficking Protocol, article 3, "exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude, or the removal of organs."

Human trafficking exists because vulnerabilities exist in individuals. Vulnerabilities such as poverty, homelessness, abuse, trauma, lack of a stable home, racial inequalities, the need for a job, food, shelter, clothing, etc. Traffickers are trained to spot these vulnerabilities and exploit them for profit through abuse. Anybody is at risk to be trafficked because there is not a single person who has not found themselves in a vulnerable situation at some point in their lives.

Vulnerabilities may include being new to a school or neighborhood and needing a place to belong, not feeling loved or worthy of attention, having an unstable home life, or looking for a job opportunity that takes someone away from home. Stories Foundation exists to empower community members to recognize and cover those vulnerabilities. The question is, will we come alongside the vulnerable or wait for someone who will exploit them to fill the gap? Stories Foundation is creating pathways for engagement through virtual and in-person awareness

events, in-home dinners, catering events, StoryChanger Coffee Club, Storyteller Catering, and our online store. We create avenues for conversations that create change, collaboration, and unique forms of fundraising, all to decrease demand and provide new opportunities for survivors and the vulnerable among us.

As with any market, without demand there would be no supply. Our oversexualized, materialistic culture that uses sex to sell and promotes fast fashion has created an environment that is a breeding ground for demand, both for sex and labor trafficking.



PROBLEM OPPORTUNITY

Human trafficking exists as we know it today because our society has ignored the root causes (materialism, pornography, objectification, and oversexualization) which has contributed to this climate that breeds the exploitation of human beings for financial gain.

Human trafficking is a cultural issue and therefore is going to take each and every one of us to make changes in the conversations we have, the things we ignore, and the products we buy. This issue is solvable if individuals come together and choose to make these changes. At Stories Foundation we believe that every person has a story and every story has value; each of us has the ability and power to be a part of ending trafficking and exploitation.

There are individuals, government officials, agencies, and groups, along with nonprofit and religious organizations, who are spreading awareness about human trafficking. The conversation has started and awareness is spreading about the facts surrounding the issue. Money is being raised for restoration homes, and laws are changing so that those who have been exploited are taken care of instead of being further abused by the legal system. Prevention efforts are materialising. Headway is being made, yet there is still more to do. **The statistics are growing, instead of decreasing. The number of slaves has almost doubled in the last 7 years, rising from 27 million in 2012 to 43 million in 2019.**

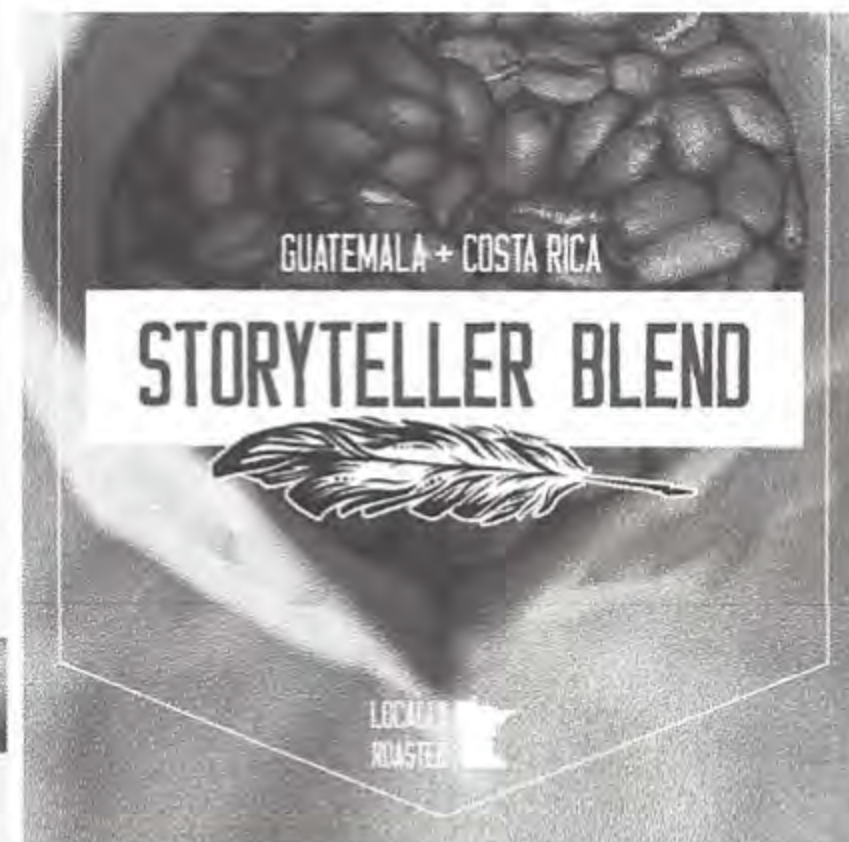
What if every community had a place where they could come and instead of feeling overwhelmed by the issues of human trafficking and social injustice that feed it, they were empowered to make a difference?

What if we not only learned the facts about trafficking, but went a step further to learn about how human trafficking affects us and about the changes we can make to begin to end it in our communities? What if our purchasing habits created a ripple effect of good? What if we changed the conversations we are having, stepped outside of ourselves, and came alongside vulnerable people before they were exploited? What if by supporting social impact business we could financially fund prevention, awareness, and restoration work? What if there was a place for everyone to belong, be seen, loved, known, and empowered to create a positive impact with who they are, where they are? This place is Storyteller Cafe.

Stories Foundation seeks to do this through its social impact business enterprises.

Stories Foundation wants to bring awareness while serving good food, thereby empowering community members to understand trafficking and make small changes that will move us toward the end of trafficking and exploitation.

In order to see real change in the issue of human trafficking, every person has to choose to come together in community, awareness, and action.



MISSION

We exist to empower communities, first in Minnesota, then nationally and globally to end the cycle of human trafficking by starting and supporting social enterprises that raise awareness, offer opportunities for economic independence for survivors, and fund the fight against human trafficking.



THEORY OF CHANGE

We believe that a social impact cafe is key to ending human trafficking and exploitation. A social impact cafe gives consumers a new way to support social justice issues, nonprofits a new way to fundraise, survivors and those vulnerable new opportunities for income and job training, and a space that creates endless opportunities for awareness.

In the past 8 years, we have seen the successful launch of many social-impact/give-back businesses such as Warby Parker, TOMS, Honest Co., Thrive Causemetics, and Bombas, to name a few. This shows us that if given a choice, consumers will choose to spend their money with companies who are giving back with their profits. Consumers want tangible ways that they can be a part of ending human trafficking and exploitation. At Stories Foundation we can apply the principles from these successful businesses to the implementation of Storyteller Cafe.

Storyteller Catering's products and cafe are house-made, allergy-friendly food that also offers people a feel-good, give-back opportunity.. Our menus are small and ingredients fresh, which create a sustainable model. Unlike the traditional nonprofit structure, our commercial nonprofit structure allows people to support the work we are doing by purchasing as well as donating. In this way, customers are giving back to the community while also walking away with something of value in return.

Business creates income which creates jobs, and jobs give people a dignified way to support themselves, receive skills training, and have community and purpose. Financial support, developing new skills, community support, and purpose promote healing, restoration, and hope for the future. This is what will exist through the social impact business of Storyteller Cafe: opportunities to create income that creates impact through jobs that provide dignified work, community and purpose.



OUR SOLUTION

Storyteller Cafe and the subsequent social impact businesses are crucial to ending trafficking and exploitation by creating opportunities for community members to become aware and involved, opportunities for nonprofits to fundraise and collaborate, and opportunities for survivors to have job training, community, and dignified work. Storyteller Cafe will connect consumers to the issue of human trafficking and exploitation and give them tangible ways to understand and act. Customers will also have the opportunity to be a part of ending trafficking and exploitation by purchasing healthy, delicious, affordable food options, fair trade locally roasted coffee, and other merchandise. Volunteers will have a place to engage in anti-trafficking work in the cafe space, retail space, and through awareness events. Nonprofits will have new avenues for collaboration and fundraising. Survivors and those vulnerable will have opportunity for community, jobs, job training, and housing (limited).

Our management structure for our social impact enterprises is:

Our Executive Director manages the vision and direction of Stories Foundation as a whole.

Our Creative Director oversees marketing, communications and creative development (menu and product development)

Cafe Manager will manage all aspects of the cafe as well as work with volunteers and schedule staff.

Our strategic partnerships and connections are with ACT United, The WellMN, Compassion Connect, Corrie's House, Amborella House, Running for Justice, Trafficking Justice, Anchor13, Fresh Winds of Hope, and Fierce Freedom.

We partner with many local businesses, community groups, nonprofit organizations, and individuals to cater events, business meetings, and luncheons to continue to create revenue and increased awareness.

Stories is building relationships with the Fair Trade Federation to learn about the process of becoming fair trade certified. We are working towards bottling and selling our products to create more revenue and increased awareness.

Stories Foundation chose to become a 501(c)3 nonprofit so that we can utilize fundraising and business as well as volunteers and staff, giving everyone an opportunity to be a part of ending trafficking and exploitation.

Stories Foundation's impact through the Freedom Truck and Storyteller Catering as well as awareness events is as follows:

\$55,200 raised through food sales to support human trafficking awareness, nonprofit collaboration, and social impact business

\$3,445 in onsite donations & tips through food service

6,700+ people activated to fight human trafficking through food truck and catering events

1,000+ people at Stories Foundation Proclaim Freedom Conferences and Superhero 5K Brought **awareness to thousands** through speaking to MOPS groups, Bible Studies, Justice Groups, Women's retreats, Lions Clubs, Conferences, Business networking groups, Cargill, Medtronic, Sunday Schools, Food Co-ops, Women's brunches, Sunday morning church congregations, High schools, Seniors groups, Youth groups, parent groups, and more.

The most recent virtual awareness event, *Storyline - Connecting our Stories*, reached over 6,600 individuals. The Stories Foundation website has 1,550 page views per month and we have over 2,000 individuals following our social media, which we use to spread awareness.



LEADERSHIP TEAM & BOARD OF DIRECTORS

LEADERSHIP TEAM

Stephanie Page // Executive Director and Co-Founder

Background in local and international missions, relief work, and leadership of volunteer teams as well as internet marketing, speaking, and writing.

Sherrill Thurston // Co-Founder

Ana Lena Copeland // Creative Director

Background in graphic design, project management, and coffee shop management.

Rachel Firkus // Events Coordinator

Background in social impact business, public speaking, advocacy

BOARD OF DIRECTORS

Holly Miller // Board Chair

Background in corporate fundraising and strategic planning

Mark Thurston // Vice Chair

Background in church relations and real estate

Tyler Tong // Treasurer

B.A. in Business & Organizational Leadership, MBA Candidate, Director of Campus Activities at Columbia International University

Kierstin Bird

B.A. in Ministry to Victims of Sexual Exploitation, Case Manager at the Salvation Army

Jennifer Teres

Nick Brattin

Development Director, Master's Apprentice

Jason Pierce

St. Paul police officer



REVENUE MODEL

The Stories Foundation Freedom Truck operated sustainably for 3 seasons. In 2019 we implemented our Giveback program, giving away 10% of sales each month to a partner nonprofit. See projected model below. Freedom Truck financials are also available.

Stories Foundation social impact cafe, catering, and store needs \$600,000 in startup capital. The sources available for startup capital are in-kind donations from businesses (i.e: contractor sponsor, builder sponsor, design sponsor), other business sponsors, individuals who believe in social impact businesses, and community. We are also seeking a loan from Prins Bank. The burn rate is three months. We will grow our catering and product arms each year giving us the ability to scale our organization, setting us up for growth.

Please see our Project Pro Forma Income Statement and Revenue Projections for cash flow projections. We believe that with the multiple revenues of income-generating activity, partnered with our giveback model and awareness strategies, alongside our small, simple, fresh, allergy-conscious food products, we will be profitable and sustainable.

We also allow for businesses, organizations, and individuals to sponsor events. With this model we are able to open up job opportunities in food prep in partnership with local nonprofits. We are partnering with local restoration houses to offer meaningful work opportunities to survivors of sexual exploitation and human trafficking. We are also able to donate more than 10% of our revenue to nonprofits when our initial costs are covered.

Cafe (Future)

Why Invest in Stories Cafe?

- Increased human trafficking and demand-decreasing awareness
- Increased nonprofit collaboration
- Increased funding to aid in anti-trafficking initiatives
- Increased opportunities for survivors and those vulnerable through jobs, job training, and housing initiatives
- Increased volunteer opportunities for community members

.....

MEASUREMENT & EVALUATION

Monthly reports on the awareness and giveback activities will be provided to the Development Committee of the Stories Foundation Board of Directors. Along with the review of financial statements, adjustments will be made as needed. We also track monthly the amount of income generated, number of volunteers and volunteer hours used, the number of people we encounter, the amount of collaborative events, and the amount of food we serve.

MESSAGING & COMMUNICATION

Human trafficking is an issue that affects every community. We believe that together we can work to end human trafficking and exploitation, and one of the ways we can do this is by doing the things we already do differently. For example, changing where you buy our coffee or eat lunch, who caters your event, or where you go for a night out. We also believe that awareness is crucial to ending trafficking and exploitation, so spreading the message that every person can be a part of changing the human trafficking story by becoming more aware of the vulnerabilities around them is key. There are many nonprofits doing anti-trafficking work, and for us to be able to see more, long lasting change, we need to do more collaboratively - awareness campaigns, initiatives, programs, and fundraising. Finally, survivors and those vulnerable need a safe place for community, life and job skills, as well as job training and housing. Having a social impact business that creates these opportunities through product development and sales is sustainable and offers dignified opportunities to survivors and those vulnerable.

We have an active Facebook and Instagram presence as well as a website. We have marketing materials for our catering and food truck. We host events, as well as participate as vendors at others' events. We have presentations that vary from 5 minutes to 45 minutes to share about the issue and what we are doing to partner with communities towards the end of sexual exploitation. We also have a Pitch Deck for sponsors and investors.

ECOSYSTEM

Human trafficking is an issue that people are becoming more familiar with. However, the enormity of it makes it difficult for people to understand how they can make a tangible impact. The organizations and nonprofits that are doing prevention, rescue, and restorative work need support from community members, but community members cannot give to every organization that asks. Our solution for these challenges is to use social impact business to give consumers another way to make a difference through their purchasing power. By creating businesses that support anti-trafficking efforts and create jobs for survivors and those vulnerable, we are giving individuals a unique way to support anti-trafficking work through business. Stories Foundation

works with many different organizations in collaboration to fight to end trafficking and exploitation by giving community members the opportunity to learn more and find out where they might further invest their resources.

RISKS

We understand that the food and coffee service is considered a risky business. Yet we are confident that multiple income streams partnered with a small and efficient menu will minimize costs and time. With our nonprofit + social impact business model we can also create fundraising opportunities and utilize volunteers. We have a wonderful support network of volunteers, donors, and experts who are excited about our business model and excited to make themselves available to help strategize through issues that will arise.

SCALING STRATEGY

We desire to help any community that desires to create a center for collaboration, awareness, opportunities for survivors and those vulnerable, and unique avenues of fundraising by serving as a transparent resource and sharing our business plans, revenue model, and giveback program. With the addition of bottling our house made sauces and pickles, creating our own merchandise, and catering, we have streams of income with unlimited consumer possibilities.

We are joining a social movement that says business can be used for the good of all. We will use our space to promote collaboration, awareness, fundraising, and opportunities for those vulnerable and survivors, with the goal to empower community members to fight human trafficking and exploitation.



PART 2

OFFICERS: STORIES FOUNDATION

Executive Director: Stephanie Page

Vice Chairman – Board of Directors: Mark Thurston

Board of Director: Jenny Almquist

Board of Director: Nick Brattin

Board of Director: Samantha Buchanan

Board of Director: Jan Eitzen

Board of Director: Rachel Firkus

Board of Director: Holly Miller

Board of Director: Jennifer Terres

Board of Director: Sherrill Thurston

Board of Director: Sara Werner

Staff: Ana Lena Copeland

NOTE: No Officer, Staff Member, or Board of Director Member has any financial interest in the organization.

PART 3

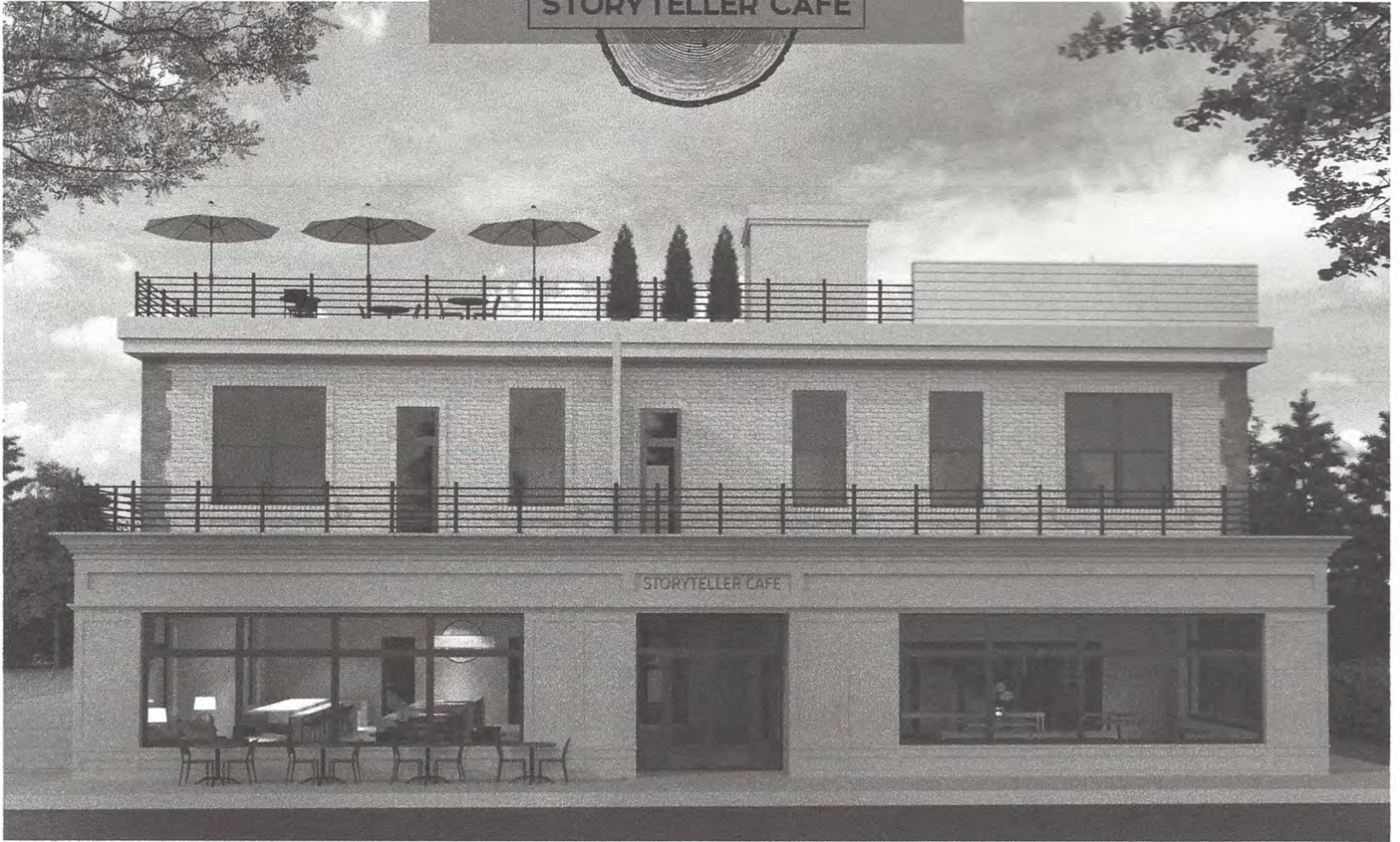
THE STORYTELLER CAFE will be a light counteracting the darkness of human trafficking by being a space of community, education, collaboration, intentional fundraising and opportunities for survivors and those vulnerable where dignity and value flourishes.

Mission + Vision of The StoryTeller Café:

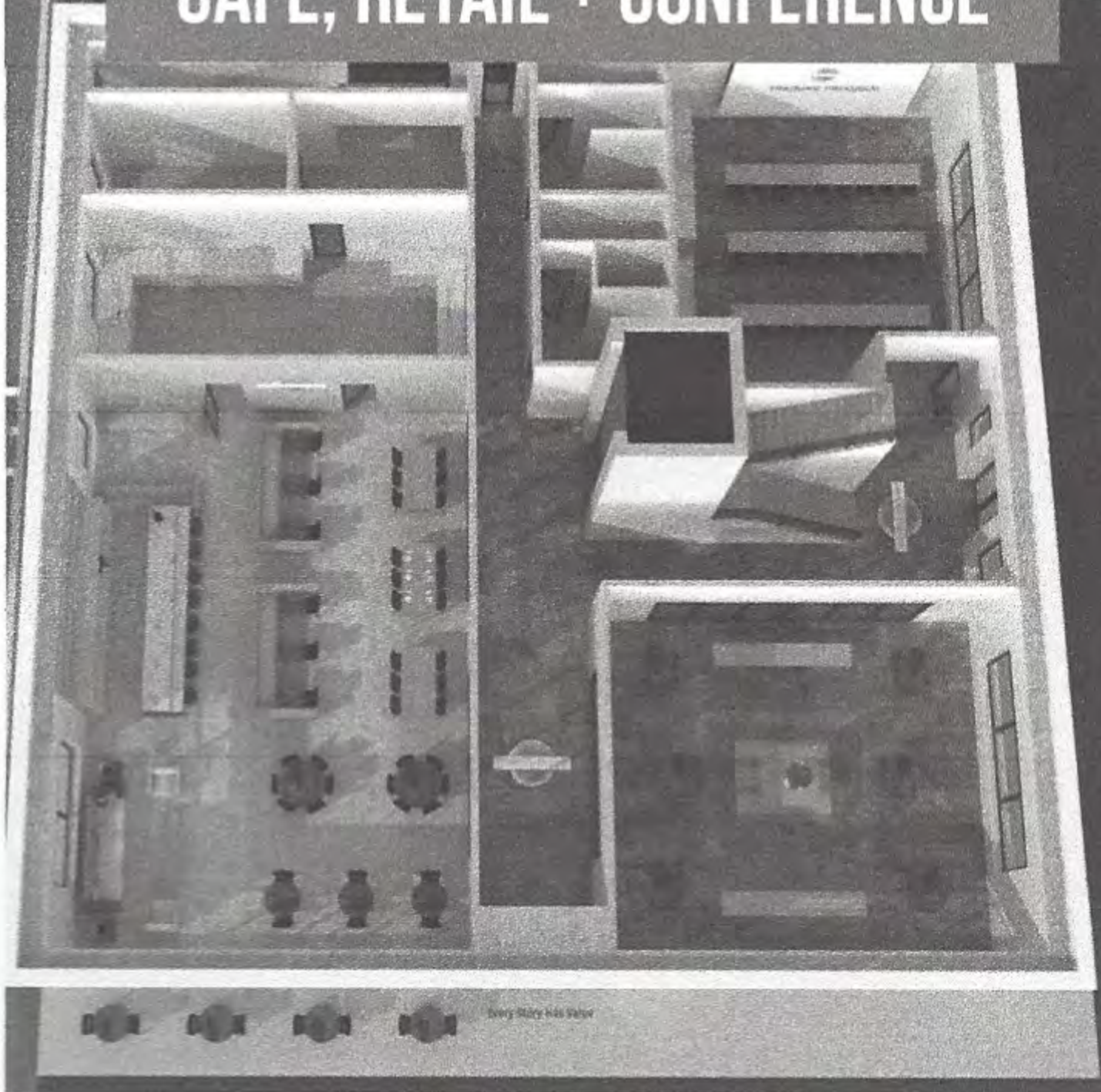
To create a central place of engagement and to support activism in the fight against human trafficking and modern day slavery.

The Cafe will be a hub in the community that facilitates a holistic approach to ending trafficking and exploitation. The Cafe will also provide opportunities and training to survivors, education and awareness that lead to tangible action steps for engagement with people and communities, and promotion of nonprofit organizations in the Twin Cities. All for the expressed purpose of supporting survivor needs.

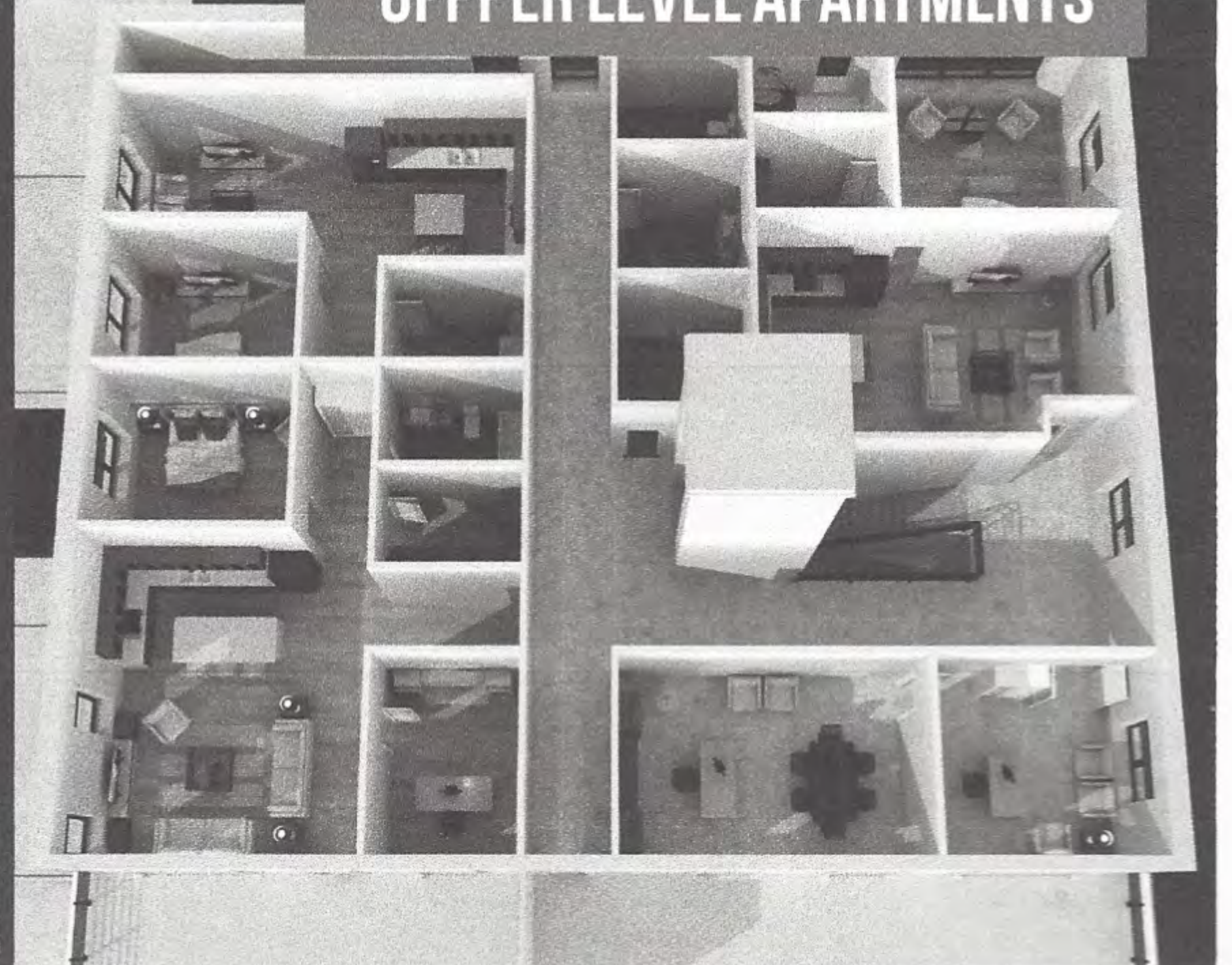
STORYTELLER CAFE



CAFE, RETAIL + CONFERENCE



UPPPER LEVEL APARTMENTS



SOCIAL ENTERPRISE AS A SOLUTION

WHY A GIVE-BACK CAFE?

Storyteller Cafe is a bridge between individuals, nonprofits and the social justice issues that are present in our communities. At Stories Foundation we use food and coffee as a way for individuals to take first steps in understanding these issues and being activated to find what they can do to fight against them. As a social enterprise, Storyteller Cafe offers income that will aid anti-trafficking work, opportunities for collaboration for nonprofits, community engaging and demand decreasing awareness, and opportunities for survivors through jobs and job training.

In order to change a culture that because of lack of awareness and understanding allows for issues like trafficking and exploitation to flourish we must start in spaces of community. This is what Storyteller Cafe is and represents. Communities coming together to be intentional with their patronage and purchasing. Choosing to listen to understand and create safe, healthy spaces for vulnerabilities to be covered and healing to take place.

Trafficking, exploitation and the myriad of social justice issues that are related do not only happen in the inner city. We are finding more and more that people are being abused and exploited in the suburbs and communities that we would least expect.

Storyteller Cafe counteracts this darkness as it is a space of light, community, collaboration, intentionality, and human dignity and flourishing.

OUR PARTNERS

7 Bells
ACT United
Amborella House
Anchor 13 Studio
Art 2 Heart
Compassion Connect
Cornerstone Services
Corrie's House
Custom & Kind

Fierce Freedom
Flora + Flame
Fresh Winds of Hope
Hope 4 Youth
Hope Lutheran
Love2Hope
National Christian Foundation
Running 4 Justice
Terebinth Refuge

The Well
Trafficking Justice
Wildflyer Coffee

THE END GOAL

STORYTELLER CAFE



STORYTELLER CAFE

Storyteller Cafe is bringing hope to a dark issue, it's existence says to those affected by trafficking, exploitation, and abuse that you are not alone. That there is a space for you, a healthy community for you to be in. Storyteller Cafe gives opportunity for those who haven't been exploited to be a part of the solution. By spending their dollars at a social enterprise cafe and retail space they are taking first steps to become more aware of the issues and to say that supporting businesses that give back to their community matters. Storyteller Cafe offers collaborative space for nonprofits to fundraise and grow their programs alongside each other.

In social justice spaces where there is much isolation, Storyteller Cafe is building a bigger table for the flourishing of our communities and the dignity of people, because every person has a story and every story has value.

VISION + MISSION OF STORYTELLER CAFE :

To create a central space of engagement to support activism in the fight against human trafficking.

How will we accomplish the vision of Stories Cafe? The Café will be the hub in the community that facilitates a holistic approach to ending human trafficking. The Café will provide opportunities and training to survivors; education, awareness and tangible action steps for engagement to the general public and promotion of non-profit organizations in the Twin Cities area. All for the expressed purpose of supporting survivor needs.



WHAT'S INSIDE STORYTELLER CAFE?

GROUND FLOOR

The Cafe

- Serving coffee, short breakfast & lunch menus
- Seats 50

Retail Space

- Stories Foundation merch and resources, fair trade products and local vendor products
- All display pieces are moveable for space versatility

Collaborative Space

- Multi-use room: meeting room, work space, awareness events & trainings, etc.
- Seats 30

UPPER FLOOR

Income Generating Apartments

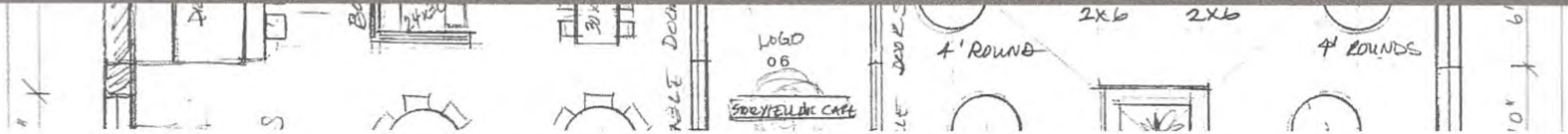
- 3 one bedroom apartments
- Secure access

Office Space

- Stories Foundation onsite space
- Office + meeting room

ROOFTOP

Patio:

- Roof top seating area
 - Elevator access
 - Seats: 15
- 

PART 4

BUT – FOR ANALYSIS AND NARRATIVE:

Stories Foundation exists to empower communities to end the cycle of human trafficking by starting and supporting social enterprises that raise awareness, offer opportunities for economic independence for survivors and fund the fight against human trafficking.

PART 5

**NOTE: At this point we do not believe we are applying
for the Revolving Loan Fund.**

BUSINESS PLAN

PROBLEM

Human Trafficking is a \$150 billion industry worldwide, resulting in approximately 40 million slaves. There are more slaves in our world today than at any other point in history. The average cost of a person is \$90; human trafficking is the fastest growing industry worldwide, and 1 in 4 victims of trafficking are children.

Human trafficking is defined by the UN as "the recruitment, transport, transfer, harboring or receipt of a person by such means as threat or use of force or other forms of coercion, of abduction, or fraud or deception for the purpose of exploitation."

The definition of trafficking consists of three core elements:

- 1) The **Action** of trafficking which means the recruitment, transportation, transfer, harboring, or receipt of persons
- 2) The **Means** of trafficking which includes threat of or use of force, deception, coercion, abuse of power, or position of vulnerability
- 3) The **Purpose** of trafficking which is always exploitation. In the words of the Trafficking Protocol, article 3, "exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude, or the removal of organs."

Human trafficking exists because vulnerabilities exist in individuals. Vulnerabilities such as poverty, homelessness, abuse, trauma, lack of a stable home, racial inequalities, the need for a job, food, shelter, clothing, etc. Traffickers are trained to spot these vulnerabilities and exploit them for profit through abuse. Anybody is at risk to be trafficked because there is not a single person who has not found themselves in a vulnerable situation at some point in their lives.

Vulnerabilities may include being new to a school or neighborhood and needing a place to belong, not feeling loved or worthy of attention, having an unstable home life, or looking for a job opportunity that takes someone away from home. Stories Foundation exists to empower community members to recognize and cover those vulnerabilities. The question is, will we come alongside the vulnerable or wait for someone who will exploit them to fill the gap? Stories Foundation is creating pathways for engagement through virtual and in-person awareness

events, in-home dinners, catering events, StoryChanger Coffee Club, Storyteller Catering, and our online store. We create avenues for conversations that create change, collaboration, and unique forms of fundraising, all to decrease demand and provide new opportunities for survivors and the vulnerable among us.

As with any market, without demand there would be no supply. Our oversexualized, materialistic culture that uses sex to sell and promotes fast fashion has created an environment that is a breeding ground for demand, both for sex and labor trafficking.



PROBLEM OPPORTUNITY

Human trafficking exists as we know it today because our society has ignored the root causes (materialism, pornography, objectification, and oversexualization) which has contributed to this climate that breeds the exploitation of human beings for financial gain.

Human trafficking is a cultural issue and therefore is going to take each and every one of us to make changes in the conversations we have, the things we ignore, and the products we buy. This issue is solvable if individuals come together and choose to make these changes. At Stories Foundation we believe that every person has a story and every story has value; each of us has the ability and power to be a part of ending trafficking and exploitation.

There are individuals, government officials, agencies, and groups, along with nonprofit and religious organizations, who are spreading awareness about human trafficking. The conversation has started and awareness is spreading about the facts surrounding the issue. Money is being raised for restoration homes, and laws are changing so that those who have been exploited are taken care of instead of being further abused by the legal system. Prevention efforts are materialising. Headway is being made, yet there is still more to do. **The statistics are growing, instead of decreasing. The number of slaves has almost doubled in the last 7 years, rising from 27 million in 2012 to 43 million in 2019.**

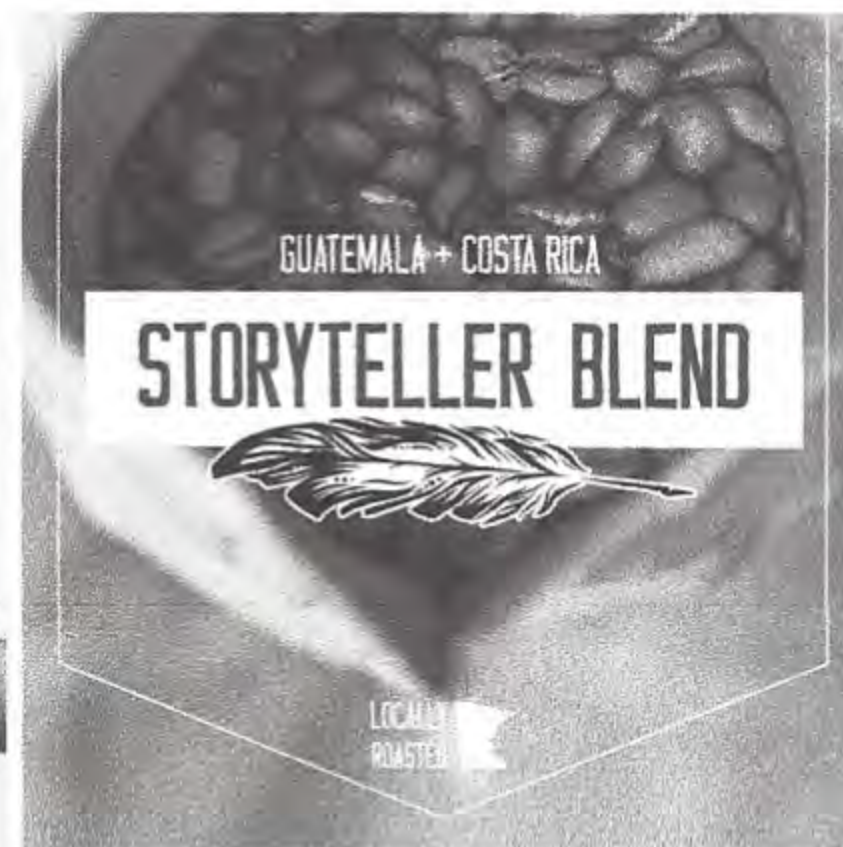
What if every community had a place where they could come and instead of feeling overwhelmed by the issues of human trafficking and social injustice that feed it, they were empowered to make a difference?

What if we not only learned the facts about trafficking, but went a step further to learn about how human trafficking affects us and about the changes we can make to begin to end it in our communities? What if our purchasing habits created a ripple effect of good? What if we changed the conversations we are having, stepped outside of ourselves, and came alongside vulnerable people before they were exploited? What if by supporting social impact business we could financially fund prevention, awareness, and restoration work? What if there was a place for everyone to belong, be seen, loved, known, and empowered to create a positive impact with who they are, where they are? This place is Storyteller Cafe.

Stories Foundation seeks to do this through its social impact business enterprises.

Stories Foundation wants to bring awareness while serving good food, thereby empowering community members to understand trafficking and make small changes that will move us toward the end of trafficking and exploitation.

In order to see real change in the issue of human trafficking, every person has to choose to come together in community, awareness, and action.



MISSION

We exist to empower communities, first in Minnesota, then nationally and globally to end the cycle of human trafficking by starting and supporting social enterprises that raise awareness, offer opportunities for economic independence for survivors, and fund the fight against human trafficking.



THEORY OF CHANGE

We believe that a social impact cafe is key to ending human trafficking and exploitation. A social impact cafe gives consumers a new way to support social justice issues, nonprofits a new way to fundraise, survivors and those vulnerable new opportunities for income and job training, and a space that creates endless opportunities for awareness.

In the past 8 years, we have seen the successful launch of many social-impact/give-back businesses such as Warby Parker, TOMS, Honest Co., Thrive Causemetics, and Bombas, to name a few. This shows us that if given a choice, consumers will choose to spend their money with companies who are giving back with their profits. Consumers want tangible ways that they can be a part of ending human trafficking and exploitation. At Stories Foundation we can apply the principles from these successful businesses to the implementation of Storyteller Cafe.

Storyteller Catering's products and cafe are house-made, allergy-friendly food that also offers people a feel-good, give-back opportunity.. Our menus are small and ingredients fresh, which create a sustainable model. Unlike the traditional nonprofit structure, our commercial nonprofit structure allows people to support the work we are doing by purchasing as well as donating. In this way, customers are giving back to the community while also walking away with something of value in return.

Business creates income which creates jobs, and jobs give people a dignified way to support themselves, receive skills training, and have community and purpose. Financial support, developing new skills, community support, and purpose promote healing, restoration, and hope for the future. This is what will exist through the social impact business of Storyteller Cafe: opportunities to create income that creates impact through jobs that provide dignified work, community and purpose.



OUR SOLUTION

Storyteller Cafe and the subsequent social impact businesses are crucial to ending trafficking and exploitation by creating opportunities for community members to become aware and involved, opportunities for nonprofits to fundraise and collaborate, and opportunities for survivors to have job training, community, and dignified work. Storyteller Cafe will connect consumers to the issue of human trafficking and exploitation and give them tangible ways to understand and act. Customers will also have the opportunity to be a part of ending trafficking and exploitation by purchasing healthy, delicious, affordable food options, fair trade locally roasted coffee, and other merchandise. Volunteers will have a place to engage in anti-trafficking work in the cafe space, retail space, and through awareness events. Nonprofits will have new avenues for collaboration and fundraising. Survivors and those vulnerable will have opportunity for community, jobs, job training, and housing (limited).

Our management structure for our social impact enterprises is:

Our Executive Director manages the vision and direction of Stories Foundation as a whole.

Our Creative Director oversees marketing, communications and creative development (menu and product development)

Cafe Manager will manage all aspects of the cafe as well as work with volunteers and schedule staff.

Our strategic partnerships and connections are with ACT United, The WellMN, Compassion Connect, Corrie's House, Amborella House, Running for Justice, Trafficking Justice, Anchor13, Fresh Winds of Hope, and Fierce Freedom.

We partner with many local businesses, community groups, nonprofit organizations, and individuals to cater events, business meetings, and luncheons to continue to create revenue and increased awareness.

Stories is building relationships with the Fair Trade Federation to learn about the process of becoming fair trade certified. We are working towards bottling and selling our products to create more revenue and increased awareness.

Stories Foundation chose to become a 501(c)3 nonprofit so that we can utilize fundraising and business as well as volunteers and staff, giving everyone an opportunity to be a part of ending trafficking and exploitation.

Stories Foundation's impact through the Freedom Truck and Storyteller Catering as well as awareness events is as follows:

\$55,200 raised through food sales to support human trafficking awareness, nonprofit collaboration, and social impact business

\$3,445 in onsite donations & tips through food service

6,700+ people activated to fight human trafficking through food truck and catering events

1,000+ people at Stories Foundation Proclaim Freedom Conferences and Superhero 5K Brought **awareness to thousands** through speaking to MOPS groups, Bible Studies, Justice Groups, Women's retreats, Lions Clubs, Conferences, Business networking groups, Cargill, Medtronic, Sunday Schools, Food Co-ops, Women's brunches, Sunday morning church congregations, High schools, Seniors groups, Youth groups, parent groups, and more.

The most recent virtual awareness event, *Storyline - Connecting our Stories*, reached over 6,600 individuals. The Stories Foundation website has 1,550 page views per month and we have over 2,000 individuals following our social media, which we use to spread awareness.



LEADERSHIP TEAM & BOARD OF DIRECTORS

LEADERSHIP TEAM

Stephanie Page // Executive Director and Co-Founder

Background in local and international missions, relief work, and leadership of volunteer teams as well as internet marketing, speaking, and writing.

Sherrill Thurston // Co-Founder

Ana Lena Copeland // Creative Director

Background in graphic design, project management, and coffee shop management.

Rachel Firkus // Events Coordinator

Background in social impact business, public speaking, advocacy

BOARD OF DIRECTORS

Holly Miller // Board Chair

Background in corporate fundraising and strategic planning

Mark Thurston // Vice Chair

Background in church relations and real estate

Tyler Tong // Treasurer

B.A. in Business & Organizational Leadership, MBA Candidate, Director of Campus Activities at Columbia International University

Kierstin Bird

B.A. in Ministry to Victims of Sexual Exploitation, Case Manager at the Salvation Army

Jennifer Teres

Nick Brattin

Development Director, Master's Apprentice

Jason Pierce

St. Paul police officer



REVENUE MODEL

The Stories Foundation Freedom Truck operated sustainably for 3 seasons. In 2019 we implemented our Giveback program, giving away 10% of sales each month to a partner nonprofit. See projected model below. Freedom Truck financials are also available.

Stories Foundation social impact cafe, catering, and store needs \$600,000 in startup capital. The sources available for startup capital are in-kind donations from businesses (i.e: contractor sponsor, builder sponsor, design sponsor), other business sponsors, individuals who believe in social impact businesses, and community. We are also seeking a loan from Prins Bank. The burn rate is three months. We will grow our catering and product arms each year giving us the ability to scale our organization, setting us up for growth.

Please see our Project Pro Forma Income Statement and Revenue Projections for cash flow projections. We believe that with the multiple revenues of income-generating activity, partnered with our giveback model and awareness strategies, alongside our small, simple, fresh, allergy-conscious food products, we will be profitable and sustainable.

We also allow for businesses, organizations, and individuals to sponsor events. With this model we are able to open up job opportunities in food prep in partnership with local nonprofits. We are partnering with local restoration houses to offer meaningful work opportunities to survivors of sexual exploitation and human trafficking. We are also able to donate more than 10% of our revenue to nonprofits when our initial costs are covered.

Cafe (Future)

Why Invest in Stories Cafe?

- Increased human trafficking and demand-decreasing awareness
- Increased nonprofit collaboration
- Increased funding to aid in anti-trafficking initiatives
- Increased opportunities for survivors and those vulnerable through jobs, job training, and housing initiatives
- Increased volunteer opportunities for community members

.....

MEASUREMENT & EVALUATION

Monthly reports on the awareness and giveback activities will be provided to the Development Committee of the Stories Foundation Board of Directors. Along with the review of financial statements, adjustments will be made as needed. We also track monthly the amount of income generated, number of volunteers and volunteer hours used, the number of people we encounter, the amount of collaborative events, and the amount of food we serve.

MESSAGING & COMMUNICATION

Human trafficking is an issue that affects every community. We believe that together we can work to end human trafficking and exploitation, and one of the ways we can do this is by doing the things we already do differently. For example, changing where you buy our coffee or eat lunch, who caters your event, or where you go for a night out. We also believe that awareness is crucial to ending trafficking and exploitation, so spreading the message that every person can be a part of changing the human trafficking story by becoming more aware of the vulnerabilities around them is key. There are many nonprofits doing anti-trafficking work, and for us to be able to see more, long lasting change, we need to do more collaboratively - awareness campaigns, initiatives, programs, and fundraising. Finally, survivors and those vulnerable need a safe place for community, life and job skills, as well as job training and housing. Having a social impact business that creates these opportunities through product development and sales is sustainable and offers dignified opportunities to survivors and those vulnerable.

We have an active Facebook and Instagram presence as well as a website. We have marketing materials for our catering and food truck. We host events, as well as participate as vendors at others' events. We have presentations that vary from 5 minutes to 45 minutes to share about the issue and what we are doing to partner with communities towards the end of sexual exploitation. We also have a Pitch Deck for sponsors and investors.

ECOSYSTEM

Human trafficking is an issue that people are becoming more familiar with. However, the enormity of it makes it difficult for people to understand how they can make a tangible impact. The organizations and nonprofits that are doing prevention, rescue, and restorative work need support from community members, but community members cannot give to every organization that asks. Our solution for these challenges is to use social impact business to give consumers another way to make a difference through their purchasing power. By creating businesses that support anti-trafficking efforts and create jobs for survivors and those vulnerable, we are giving individuals a unique way to support anti-trafficking work through business. Stories Foundation

works with many different organizations in collaboration to fight to end trafficking and exploitation by giving community members the opportunity to learn more and find out where they might further invest their resources.

RISKS

We understand that the food and coffee service is considered a risky business. Yet we are confident that multiple income streams partnered with a small and efficient menu will minimize costs and time. With our nonprofit + social impact business model we can also create fundraising opportunities and utilize volunteers. We have a wonderful support network of volunteers, donors, and experts who are excited about our business model and excited to make themselves available to help strategize through issues that will arise.

SCALING STRATEGY

We desire to help any community that desires to create a center for collaboration, awareness, opportunities for survivors and those vulnerable, and unique avenues of fundraising by serving as a transparent resource and sharing our business plans, revenue model, and giveback program. With the addition of bottling our house made sauces and pickles, creating our own merchandise, and catering, we have streams of income with unlimited consumer possibilities.

We are joining a social movement that says business can be used for the good of all. We will use our space to promote collaboration, awareness, fundraising, and opportunities for those vulnerable and survivors, with the goal to empower community members to fight human trafficking and exploitation.



A BRIEF HISTORY

Stories Foundation has been operating as a 501c3 nonprofit since late 2015 putting on multiple awareness conferences and facilitating in-home conversations around trafficking and other related social justice issues. The Freedom Truck was started in 2017 and operated for 3 seasons to expand the organization's awareness reach and prove that a social impact business model centered around housemade sauces and authentic falafels is sustainable. Stories Foundation also operates Storyteller Catering, an online store and has built a network of nonprofit partners.

2012 Mother & daughter, Sherrill Thurston and Stephanie Page, learned about human trafficking and knew that they needed to do be a part of fighting against it. The idea of a nonprofit cafe was born.

2013 Sherrill and Steph co-founded Stories Cafe. A logo and branding was created, a website built, social media presence and awareness activities started.

2014 JANUARY - 1st Proclaim Freedom Awareness Conference, Roseville, MN
NOVEMBER - 2nd Proclaim Freedom Conference, St. Cloud, MN

2015 NOVEMBER - Received 501c3 letter from the IRS, confirming Stories Foundation as nonprofit organization.

2016 FEBRUARY - 3rd Proclaim Freedom Conference, Princeton, MN
MARCH - Started 30 day crowd-funding campaign for the Freedom Food Truck, raised \$32,000 in 30 days.
JUNE - 1st Superhero 5K Run

2017 JUNE - AUGUST - Launched 1st season of the Freedom Truck
JUNE - 2nd Superhero 5k Run

2018 MARCH - Hired a full time creative director/food manager.
APRIL - OCTOBER - 2nd Freedom Truck Season
AUGUST - 3rd Superhero 5K Run
NOVEMBER - 1st Storyline Fundraiser
JANUARY - Launched Storyteller Catering

2019 APRIL - OCTOBER - 3rd Freedom Food Truck Season
AUGUST - Launched StoryChangers Coffee Club
SEPTEMBER - Launched in-home awareness dinners
NOVEMBER - Met with Prins Bank to begin to talk about financing Storyteller Cafe

2020 JANUARY - Launched in home awareness make and take events
FEBRUARY - Signed a contract with Dolezal Design & Build for Storyteller Cafe.
APRIL - 1st Virtual Awareness Event + 2nd Storyline Fundraiser with over 6,000 views on Zoom and social media.
JUNE - Released online curriculum The Root Causes of Human Trafficking and Sexual Violence
JUNE - Launched Connecting Our Stories Podcast

CASE STATEMENT

WHY STORIES FOUNDATION & STORYTELLER CAFE?

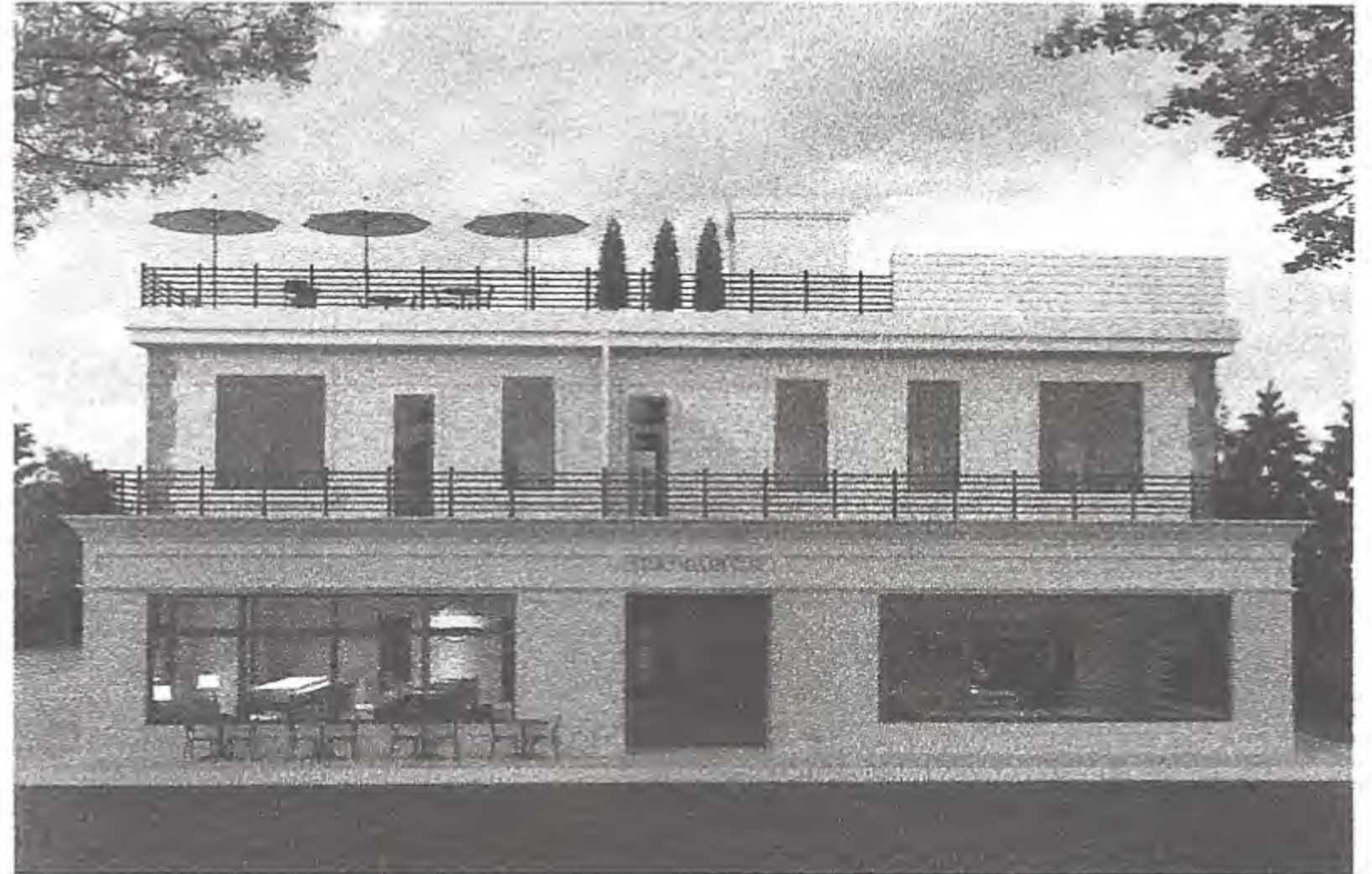
STORIES FOUNDATION

The mission of Stories Foundation is to empower communities to end the cycle of human trafficking by starting and supporting social enterprises that raise awareness, offer opportunities for economic independence for survivors and fund the fight against human trafficking.

Our communities are overwhelmed by issues of injustice with human trafficking at the epicenter. Community members need a place where they can come together to change systems of injustice by listening, learning and being activated to take steps towards change through conversation and social impact business.

Stories Foundation is committed to activating community members in Minnesota and beyond by sharing the message that when it comes to fighting injustice, every story matters. Stories Foundation believes that when each person commits to learning about the issues of injustice and then taking small steps towards personal change (e.g. what they purchase, how they talk about people who are different than them and how they see relationships) then we all will the stories of injustice change around us.

We believe that change happens through awareness, relationships and opportunities. That is why we are committed to opening and operating Storyteller Cafe. This cafe will be a social impact business that will create space for awareness, meaningful conversations through relationships, and income generating opportunities. Nonprofit organizations and survivors and those vulnerable to injustice will receive restorative support.



STORYTELLER CAFE

The Storyteller Cafe building project which includes income generating cafe space, retail space, and awareness space, as well as collaborative office space and two apartments to be used for clients costs \$1.3 million.

Recently Stories Foundation released an online, self guided awareness curriculum on the root causes of human trafficking and sexual violence, started a podcast highlighting stories of individuals who have stepped into spaces of injustice and has an active newsletter list and social media presence.

Storyteller Cafe is vital to ending the injustice of human trafficking and exploitation in our communities.

FINANCIAL STATEMENTS



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Full-Service Restaurant Subsidy: Water Availability Charge (WAC) and Sewer Availability Charge (SAC) Program

The Program

This subsidy program is intended to serve as a catalyst for securing new restaurants and to promote the expansion of existing restaurants in Ramsey by providing financial assistance to qualified restaurant businesses. The full-service restaurant must be located in The City of Ramsey. To facilitate new full-service restaurants, the EDA would provide zero interest, forgivable loans to eligible full-service restaurants for the purpose of financing their water and sewer connection fees. The maximum loan amount would be 70% of the proposed restaurant's Water Availability Charge (WAC fee) and Sewer Availability Charge (SAC fee). The 70% cap would ensure that the businesses are covering some of the fixed capital costs for the City's water system. The loan would be recorded as a subordinated mortgage, or security and the principal would be forgiven if the restaurant remained in operation and in good standing with the City for five years. The loan principal would be forgiven at a rate of 20% per year.

In establishing the loan amount and the percentage of WAC and SAC subsidy, the EDA would advise the Ramsey City Council regarding several factors. The factors are (1) the size of the restaurant's capital investment, (2) the financial need and potential for long-term viability, and (3) the quality of the restaurant's concept. A full-service restaurant is defined as one that has washable plates, cups and utensils, wait staff, food served at tables, and whose projected SAC/WAC fees are charged at a rate of X unit per seat.

Funding Source

The funding for the Water Availability Charge (WAC) and Sewer Availability Charge (SAC) Program will come from the EDA Fund.

Eligibility

Eligible applicants are restaurant businesses considering new, additional or the expansion of existing restaurants in The City of Ramsey. Number of SAC Units associated with Restaurant use will be eligible for the Program. All applicants must be a permitted use in compliance with all laws, zoning ordinances, rules and regulations applicable to the business. The Ramsey EDA will review each application on a case-by-case basis and reserves the right to exclude activities not consistent with the City's Comprehensive Plan, or if the concept does not benefit the health, safety and welfare of the community.

Deleted: for-profit

Deleted: Eligible businesses must devote a majority of their floor space to the restaurant concept.

Application Process

The applicant must submit a completed Business Assistance Application and all required attachments to the City's Economic Development Department. The Ramsey Economic Development Authority will make a recommendation on the full-service restaurant subsidy to the Ramsey City Council. Applicants will be notified of EDA and City Council meetings and may be asked to attend to present their request for assistance. Any financial assistance to full-service restaurants as part of this program is subject to City Council approval. Moreover, such financial assistance is limited by the availability of City Water Funds. The City will underwrite the loan request to ensure that the business concept is financially viable.

Implementation Procedures

The program does require the applicant pay upfront permit fees, and a minimum of 30% of all applicable Water Access Charges (WAC) and Sewer Access Charge (SAC fees) that the City of Ramsey is required to pay on behalf of the project to the City and Metropolitan Council. To be in good standing with the City, applicant and/or landlords must be current on all municipal taxes, special assessments, City utility bills, or EDA loans. Principal forgiveness will cease if the applicant and/or landlords fail to be current on these obligations. Principal forgiveness will cease if the applicant discontinues the business, moves the business, or fails to comply with any and all building, fire, health, or zoning codes or regulations.

Sunset Date

There is no Sunset Date on this program and it will remain in place until such date that the City Council determines it is no longer necessary.

SAC and WAC Charge Summary

15 SAC Units

	SAC		WAC		Total
Project total	\$	37,275.00	\$	19,965.00	\$ 57,240.00
70% Loan	\$	26,092.50	\$	13,975.50	\$ 40,068.00
30% Stories	\$	11,182.50	\$	5,989.50	\$ 17,172.00

SAC Charge per Unit

\$ 2,485

WAC Charge per Unit

\$ 1,331

Economic Development Authority (EDA)

4. 3.

Meeting Date: 07/08/2021

By: Sean Sullivan, Community
Development

Title:

Review Preliminary Concept Plan for Parcel 46 (COR): Case of Centra Homes

Purpose/Background:

The purpose of this case is to review development concept plan and re-affirm the vision of Parcel 46.

Staff has received a concept plan from Centra Homes. The Developer is interested in purchasing a significant portion of this parcel and developing it residentially. The Developer is asking for initial feedback on the plan and the proposed use of the site.

Notification:

N/A

Observations/Alternatives:

The preliminary concept plan proposed by the developer that includes 100% residential development does not appear to be consistent with previous vision for Parcel 46. Both the EDA and Planning Commission have shown some past support for a balance of residential, retail and mixed use. The attached concept plan with retail and mixed-use markups is consistent with what the EDA and Planning Commission have previously supported. Staff is asking the EDA for preliminary comments and to review the vision for Parcel 46.

Alternatives:

- 1) Support new vision and preliminary concept plan with 100% residential development and provide general comments
- 2) Re-affirm previous vision and to provide feedback to the developer asking for a portion of the site be guided for retail and to provide a revised concept plan
- 3) Something else

Funding Source:

This project is being managed under normal staff duties.

Recommendation:

Staff recommends re-affirming previous vision and to provide feedback to the developer asking for a portion of the site be guided for retail and to provide a revised concept plan.

Action:

Based on Discussion

Attachments

Site Location Map

Centra Concept Plan with Markup

Form Review

Inbox

Sean Sullivan (Originator)
Bruce Westby
Kurt Ulrich
Form Started By: Sean Sullivan
Final Approval Date: 07/01/2021

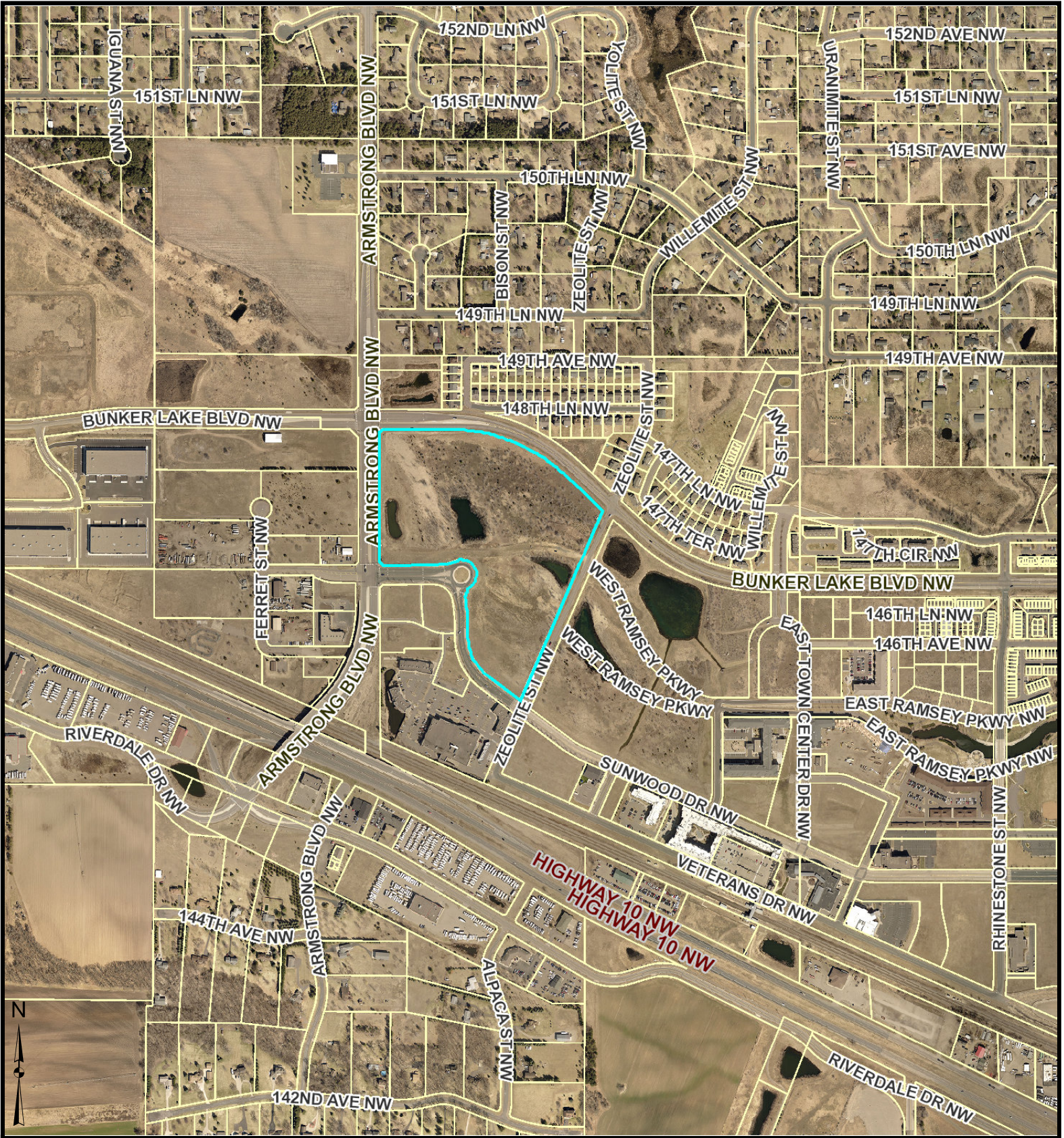
Reviewed By

Sean Sullivan
Bruce Westby
Kurt Ulrich

Date

06/29/2021 12:53 PM
06/30/2021 06:07 PM
07/01/2021 02:33 PM
Started On: 06/25/2021 03:54 PM

Parcel 46 - Site Location Map



Parcel Information: Approx. Acres: 30.76
 28-32-25-22-0058 Commissioner: MATT LOOK

Owner Information:



RAMSEY
 MN 55303
 Plat: COR TWO

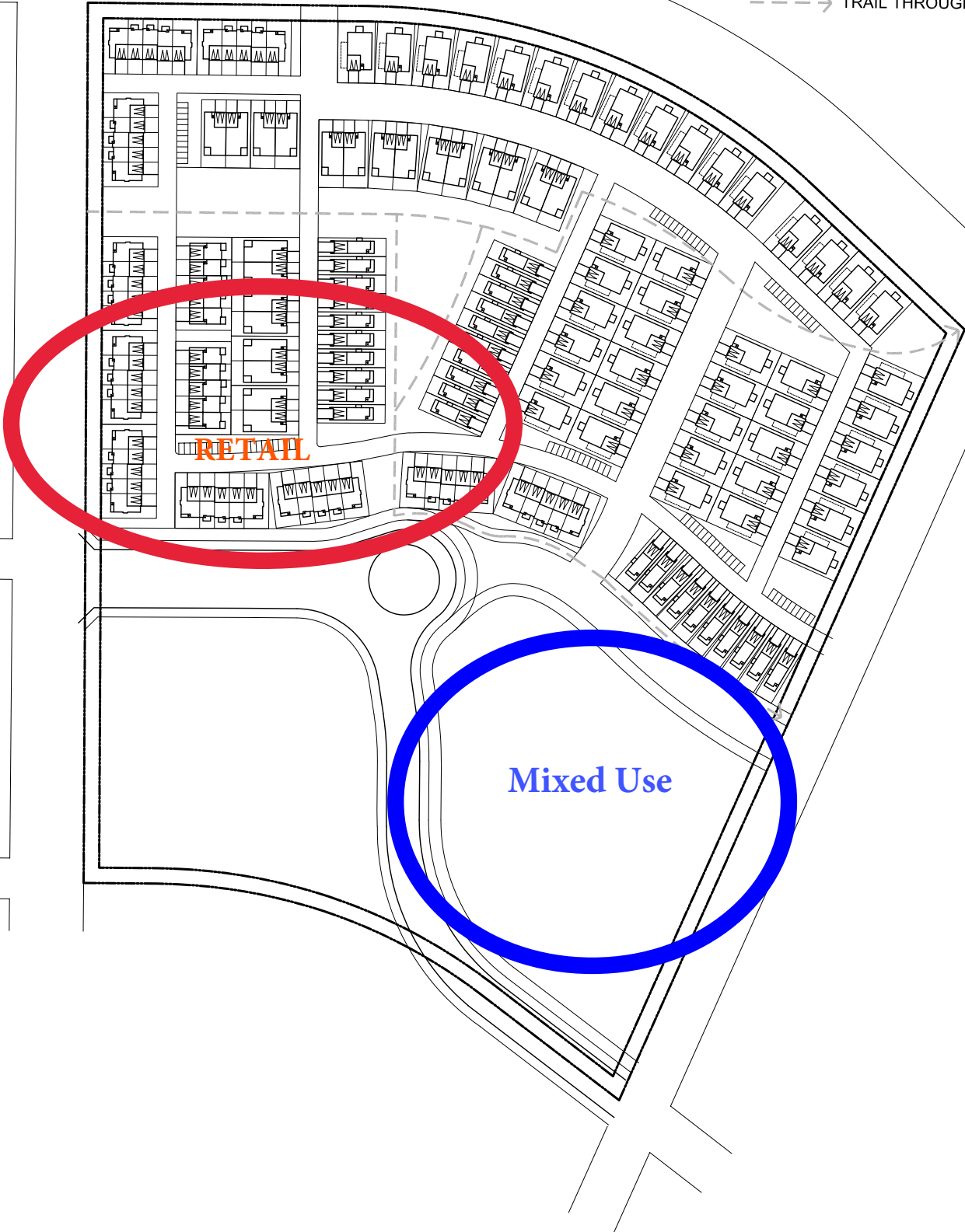
UNIT MIX

- TOWNHOMES: 60 units
- TWINS: 22 Units
- SF COTTAGE: 30 Units
- SF 50' PRODUCT: 44 Units
- TOTAL: 156 UNITS

156 UNITS / 24.6 ACRES = 6.34 DU/ACRE

88 PARKING SPACES

---> TRAIL THROUGH PROPERTY



Economic Development Authority (EDA)

4. 4.

Meeting Date: 07/08/2021

By: Sean Sullivan, Community
Development

Title:

Authorize 2021 Annual Ramsey EDA Business Expo Budget

Purpose/Background:

The purpose of this case is to provide an update and to get authorization for an EDA allocation for the 2021 Ramsey EDA Business Expo.

Annually, the Ramsey EDA sponsors a Business Expo. The purpose of this annual event is to promote Ramsey's businesses (typically retail and service industries) to the community. In the past, this event typically drew 200-300 people and had 45-50 business exhibitors. In 2019, the event was moved to Adrenaline Sports Center and attendance increased to 500-600 people with 61 exhibitors. The logistical set-up was also different as the EDA contracted with an event planning organization to prepare the booths, pipe and drape. Staff is excited to bring the Community Event for businesses back in 2021

In 2019, the EDA allocated \$7,000 for the event and resulted in \$586.41 net revenue after all expenditures. Preliminary Planning has commenced for the 2021 Expo proposed to be held on October 16, 2021 and staff is working on ways to get the best return on investment from EDA expenditures while maintaining a quality event. To maximize event configuration, Staff is proposing 60 booths for 2021. The EDA previously directed staff to keep the event at Adrenaline, based on the success of the venue in 2019. In 2020, Staff received two (2) quotes for the event materials and setup and both quotes were less than the 2019 vendor. In response, Staff recommends reducing the registration fee for Ramsey Businesses from \$60 to \$50. Staff has already prepaid a few vendors (Cenaiko and Touch of Magic) based on the the previous event cancellations. These vendors have given the City credit for the proposed 2021 event.

Notification:

Notification is not required.

Observations/Alternatives:

Typically the Business Expo is held in the spring of the year as a kick-off city event. Due to Covid-19, there was no spring event in 2020-2021. Coming out of Covid-19 is a challenging time for many Ramsey Businesses. The proposed event date of October 16, 2021 was suggested considering the slate of upcoming city events: Business Appreciation Day (August), Happy Days (September), City Recycling Event (May/September) and Business Network Meeting (November /December).

Below is a status update on a number some of items related to this event (a project budget is attached for review):

- Venue: Adrenaline Sports Center (\$800)
- Event Date and Time: Adrenaline Sports, 10AM-2PM
- Equipment Rentals and Pipe, Drape and Electricity: tables, chairs and drapes (\$2,335 estimated)
- Event Flyer and Registration: Not created yet (No cost, internal)
- Proposed Base Registration Fees for 2020: Ramsey Business -\$50 (**Reduced from \$60**), Non-Ramsey Business-\$75, Electricity-\$75
- Preference given to Ramsey area retail, service, restaurant and other industries. Craft / Merchant vendors and Non-Ramsey businesses will be placed on a waiting list.
- Giveaway: TBD, Last year we did Ramsey Bags (\$1,000 estimated)

- Entertainment: Balloon Artist (\$1,235 estimated)
- Supplies (\$100)
- Marketing:
 - Express Signs (5) + PW Signs (\$725.00)
 - Color Full Page Color Flyers - New to design 2021 flyer (2020 draft flyer attached)
 - Anoka County Shopper Ad Space (\$200.00)
 - Anoka County Union Article
 - Ramsey Resident, Facebook, City Website

The EDA allocated \$7,000 for last year's event. Staff is proposing a \$6,500 allocation for the 2021 Expo, a reduction of \$500 from 2019.

Funding Source:

The Ramsey EDA Business Expo is funded as part of the 2021 EDA Budget. A portion of the EDA Levy is used to fund this expense, along with additional Event Revenue. See attached budget.

Recommendation:

Staff recommends that the EDA approve the proposed budget for the 2021 EDA Business Expo and to hold the event at Adrenaline on October 16, 2021

Action:

Motion to authorize the proposed budget for the 2021 Ramsey EDA Business Expo and to hold the event at Adrenaline on October 16, 2021

Attachments

2020 Draft Flyer

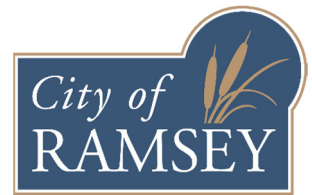
Proposed 2021 Business Expo Budget

Form Review

Inbox	Reviewed By	Date
Sean Sullivan (Originator)	Sean Sullivan	06/29/2021 04:18 PM
Bruce Westby	Sean Sullivan	06/30/2021 02:37 PM
Sean Sullivan (Originator)	Sean Sullivan	06/30/2021 02:49 PM
Bruce Westby	Bruce Westby	06/30/2021 06:08 PM
Kurt Ulrich	Kurt Ulrich	07/01/2021 02:37 PM
Form Started By: Sean Sullivan		Started On: 06/29/2021 03:15 PM
Final Approval Date: 07/01/2021		

New Date

12th Annual City of Ramsey
Economic Development Authority



Business Expo 2020



Join us for the 12th Annual Ramsey Business Expo!

Explore the variety of businesses that the City of Ramsey has to offer. Bring the whole family for a day of giveaways and fun activities. Meet local retailers and restaurants, discover local professional services and visit the city booth to meet staff and learn about what's happening in Ramsey.

Highlights

- Admission is **FREE**
- Each guest will receive a City of Ramsey bag at the door!
- 60 Exhibitors
- Samples, giveaways & drawings
- Activities for children and adults
- Local business coupons, deals & information
- Balloon art & airbrush tattoos by "A Touch of Magic"

Event: Ramsey Business Expo

Date: Saturday, May 30, 2020

Time: 10:00 am – 2:00 pm

Location:

Adrenaline Sports Center
8310 147th Lane NW
Ramsey, MN 55303

For more information:

cityoframsey.com

econdev@cityoframsey.com

763-433-9828 or

763-433-9868

2021 EDA Business Expo Budget

Acct 9230-6249

EXPENSES	Details	2019 Actual	2021 Projected	2021 Actual	Notes:
Venue-Adrenaline Sports Ctr		\$ (800.00)	\$ (800.00)		
Electricity / Venue	Venue Charge \$75/booth		\$ (1,050.00)		
Booths: Pipe/Draping, Tables, Chairs, set up, take down	Cenaiko Expo w/\$175 weekend pick up	\$ (6,237.00)	\$ (2,335.00)		Total for 2021 is \$2335 - \$1,170 (2020 credit) = \$1,165 Balance due
Giveaway at door	2020 - Ace Sales 400 bags x 1.72/bag + \$79 Shipping	\$ (787.50)	\$ (1,000.00)		@125 bags left over from 2019
Express Signs	5 signs	\$ (675.00)	\$ (725.00)		
Do All - 4 Sandwich board signs	8 - 2' x3' posters for 4 sandwich boards x \$24	\$ (192.00)	\$ (250.00)		
Shopper Ad space	Front page "A" section	\$ (150.00)	\$ (200.00)		
Balloon Artist (A Touch of Magic)	Balloon Art/Airbrush tattoo	\$ (1,068.00)	\$ (964.00)		Total for 2021 is \$1,235 - \$964 (2020 credit) = \$271 Balance due
Social media advertising	Facebook, Connexus, AAC, Explore MN online advertising	\$ -	\$ -	\$ -	
Do All - parking sign covers*	20 covers, rush 12	\$ (150.00)	\$ -		
Pin boards (2)	29"x 66" on wheels (\$25/show)		\$ 50.00		
Misc. Supplies	Candy, Water, hand sanitizers	\$ (62.09)	\$ (100.00)		
Total Expenses		\$ (10,121.59)	\$ (7,374.00)	\$ -	
REVENUES					
Applications		\$ 3,690.00	\$ 2,700.00		
Electrical hookup	Based on 2019: 14 booths		\$ 1,050.00		
EDA allocation		\$ 7,000.00	\$ 4,366.00		\$2,134 paid for in 2020 (\$6,500 EDA Event Allocation)
Balloon Artist (A Touch of Magic)	TOM- Credit (Paid in 2020)		\$ 964.00		
Booths: Pipe/Draping, Tables, Chairs, set up, take down	Cenaiko - Credit (Paid in 2020)		\$ 1,170.00		
Total Revenues		\$ 10,690.00	\$ 8,116.00	\$ -	
BALANCE:		\$ 568.41	\$ 742.00	\$ -	
	<i>Fees Charged</i>				
		<i>Ramsey</i>	\$60	\$50	
		<i>Non-Ramsey</i>	\$75	\$75	
Inputs/estimated	# Booths	61	54		
Public/Non Profit	No Fee Booths		6		

Past Booth fees waived for: City of Ramsey, Ramsey Foundation, Anoka Co Water Task Force, Rum River Art Center, Touch of Magic, Bob FM (free ad)

Economic Development Authority (EDA)

4. 5.

Meeting Date: 07/08/2021

By: Katie Schmidt, Administrative Services

Title:

Select EDA Representative to Participate on the Interview Panel for the Deputy City Administrator/Community Development Director Position.

Purpose/Background:

Purpose:

The purpose of the this case is to select an EDA representative to participate on the interview panel (for first interviews) in hopes of filling the vacant Deputy City Administrator/Community Development Director position.

First interviews are scheduled to take place during the day and/or the evening the week of July 26, 2021 (date/time to be determined) and may require up to eight hours or more of the interview panel's time. The interview panel will include: three City Council members, a Planning Commission and Economic Development Commission representative, the City Administrator and three Department Heads.

Notification:

Notification is not required.

Observations/Alternatives:

Funding Source:

N/A

Recommendation:

Based on discussion.

Action:

Select an EDA Representative to Participate on the Interview Panel for the Deputy City Administrator/Community Development Director Position.

Attachments

No file(s) attached.

Form Review

Inbox	Reviewed By	Date
Colleen Lasher	Colleen Lasher	06/30/2021 10:45 AM
Sean Sullivan	Sean Sullivan	06/30/2021 11:06 AM
Sean Sullivan	Sean Sullivan	06/30/2021 11:07 AM
Bruce Westby	Bruce Westby	06/30/2021 05:42 PM
Kurt Ulrich	Kurt Ulrich	07/01/2021 02:35 PM
Form Started By: Katie Schmidt		Started On: 06/29/2021 08:41 AM
Final Approval Date: 07/01/2021		