

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, January 12, 2023
7:30 am
Council Chambers, 7550 Sunwood Drive NW

Remote Attendance available at www.cityoframsey.com/meetings.
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 December 8, 2022
4. **EDA Business**
 1. Consider Business Assistance Application and First Amendment to Purchase Agreement for Ramsey Properties, LLC
(A portion of this meeting may be closed to public)
 2. Consider Extension of CBRE Real Estate Listing Agreement for City Owned Land in COR
 3. Receive 2022 Business Retention and Expansion Presentation
5. **Member/Staff Input**
6. **Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 01/12/2023

Submitted For: Sean Sullivan, Community Development

By: Wendy Schlueter, Community Development

Title:

Approve Meeting Minutes for December 8, 2022

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 December 8, 2022 meeting minutes.

Action:

Motion to approve December 8, 2022 EDA meeting minutes.

Attachments

EDA Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Sean Sullivan	01/04/2023 12:21 PM
Brian Hagen	Brian Hagen	01/04/2023 05:04 PM
Form Started By: Wendy Schlueter		Started On: 12/12/2022 12:59 PM
Final Approval Date: 01/04/2023		

**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, December 8, 2022, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Michael Olson
 Member Chelsee Howell
 Member Rachal Johnson
 Member Chris Riley
 Member Shanna Stewart
 Member Scott Wiyninger

Members Absent: Member William MacLennan

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

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

2. APPROVE AGENDA

Motion by Member Riley, seconded by Member Wiyninger, to approve the agenda.

Motion carried. Voting Yes: Chairperson Olson, Members Riley, Wiyninger, Howell, Johnson, and Stewart. Voting No: None. Absent: Member MacLennan.

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated November 10, 2022

Motion by Member Stewart, seconded by Member Johnson, to approve the November 10, 2022, minutes as presented.

Motion carried. Voting Yes: Chairperson Olson, Members Stewart, Johnson, Howell, Riley, and Wiyninger. Voting No: None. Absent: Member MacLennan.

4. EDA BUSINESS

4.01: Consider Business Assistance Application for Ramsey Properties, LLC

Economic Development Manager Sullivan presented the staff report.

Chairperson Olson asked why the name was changed.

Emily Allegra, applicant, stated that from a legal standpoint they wanted to separate some of their entities and the name is much more simple.

Member Stewart commented that she does not understand all the details and asked if this project would be changing and moving to another location.

Economic Development Manager Sullivan explained that as of Tuesday everything was as presented, but they then received some information which may change the project. He noted that that a potential change would be to move the project to a larger City lot, add additional rooms but the economics and proposed deal structure would remain the same. He noted that if the project does change, it would come back to the EDA for consideration.

Ms. Allegra commented that it would be the same product and amenities, they would simply add more rooms. She stated that the concern was related to the tight space, and they will work through that in the next couple weeks.

Member Johnson asked if there is another site that might be more suited for this project.

Economic Development Manager Sullivan confirmed that there are other sites nearby in the COR that would work. He stated that the Hilton representative looked at the community and wanted the site to be located in The COR, noting that if a different location is needed it would likely be in the area across the street from this site. He noted that the project could also remain on the current site. He stated that at this time the EDA is considering the land cost write down and site improvements on Outlot A Gigi Addition, noting that without that assistance the project would not move forward.

Member Stewart asked for details on the pay-go note.

Jason Aarsvold, Ehlers, provided details on the process that Ehlers completes to determine the amount of assistance that could be appropriate. He noted that without any assistance, the returns on investments would be below the thresholds for a developer to move forward with this type of project and therefore the proposed assistance would be warranted and necessary for the project to move forward and be built. He explained how the pay-go note is reimbursed.

Member Stewart asked if there would still be funds available of this nature for a future project as well.

Economic Development Manager Sullivan provided details on how TIF is generated, can be used, and how it is paid back and acknowledged that there would be more TIF generated on this site than obligations incurred by the project assistance request.

Member Riley explained that Mr. Aarsvold works for Ehlers and the City contracts with Ehlers to complete these types of analysis for the City. He noted that it is also common for a developer to

create a new entity for a project. He appreciated that the applicant was present today and noted that he fully supports the project and looks forward to it moving forward.

Member Wyingner asked if the project is still on track to be open in 2024.

Economic Development Manager Sullivan replied that if the project moves forward as is, he would anticipate that applications would come through for review around April and if the project is shifted to another site that could be a one-month delay. He stated that either way, construction would plan to begin this year with an opening in 2024.

Member Howell stated that she is a little concerned adding the pay-go TIF and asked if this would be enough value to the community to justify the assistance requested. She commented that she is very excited about the project but is not as excited about adding another layer of assistance.

Economic Development Manager Sullivan replied that this TIF district runs through 2040 and therefore the obligations will be done before the districts ends and the project will generate additional TIF during that time. He stated that the City has expended funds on roads and infrastructure in the COR and TIF District No. 14 and this will help to increase cash flow within the district to pay off those obligations. He noted that staff also believes that this project will be a catalyst in bringing forward other desired retail and restaurant development.

Motion by Member Johnson, seconded by Member Wyingner, to recommend to City Council to approve Business Assistance and a TIF Agreement in the form of \$311,454 in TIF Land Cost Write Down and \$306,000 in Pay-Go TIF for Site Development/Improvements; subject to City Attorney Review.

Motion carried. Voting Yes: Chairperson Olson, Members Johnson, Wyingner, Riley, and Stewart. Voting No: Member Howell. Absent: Member MacLennan.

Chairperson Olson commented that he continues to be excited about this project and looks forward to it moving forward.

4.02: Consider Lease Agreement for 6701 Highway 10 NW: Case of God's Kingdom Ministry (Portions of the meeting may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Chairperson Olson asked what RALF stands for.

Economic Development Manager Sullivan replied that RALF is Right-of-way Acquisition Loan Fund and explained that in 2005 the City began acquiring parcels through this fund on the north side of Highway 10 to prepare for the future Hwy 10 project. He stated that the project has changed and most of the properties between the tracks and Highway 10 will not be needed for the project. He stated that the City has seven to ten properties that have been acquired with RALF Funding and some can be leased. He noted that when the properties are sold, some buildings could remain

while others will be torn down for redevelopment. He believed that building at 6701 Hwy 10 could remain.

Chairperson Olson commented that it appears the proposed tenant has been good at paying its rent and asked if there is any information on the impact to neighboring properties.

Economic Development Manager Sullivan replied that the last tenant in this space had issues with paying rent and therefore due diligence was completed on this potential tenant.

Member Riley asked how the common maintenance and plowing would be handled.

Economic Development Manager Sullivan replied that the maintenance and snow removal is outlined in the lease and the tenant responsibilities have been made clear.

Member Riley commented that this would be temporary in nature and asked if the tenant understands that this use is temporary.

Economic Development Manager Sullivan confirmed that there is a clause in the lease that provides the City the option to terminate the lease with 120 days of notice and the temporary nature has been communicated to the tenant.

Member Winyinger asked the purpose of the space, whether it is office or meeting space.

Economic Development Manager Sullivan replied that this would be a meeting space and noted that churches have occupied the space in the past and there has not been an issue with parking as Youth First is not open on weekends.

Member Johnson asked if this property would be taken out or would be listed for sale in the future.

Economic Development Manager Sullivan replied that this property would be listed for sale in the future. He anticipated that in the future the City Council would develop a policy related to the sale of these properties and the process that would be followed.

Member Stewart asked if the lease is renewed annually or whether there would be an option to extend past 2025.

Economic Development Manager Sullivan replied that this is a two-year lease with the end date in 2025. He noted that if there was a desire to extend the lease, that could be explored at that time. He stated that he set the expectations that the lease would end at that time so they could plan to move if needed at that time.

Motion by Member Stewart, seconded by Member Johnson, to recommend to City Council to approve the Lease as presented, subject to City Attorney review.

Motion carried. Voting Yes: Chairperson Olson, Members Stewart, Johnson, Howell, Riley, and Winyinger. Voting No: None. Absent: Member MacLennan.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided an update on upcoming meetings, progress on development projects and other topics of interest to the EDA.

Chairperson Olson noted that this will be his last EDA meeting and commented that he has been honored to serve as the Chair.

6. ADJOURNMENT

Motion by Member Wyingner, seconded by Member Riley, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Olson, Members Wyingner, Riley, Howell, Johnson, and Stewart. Voting No: None. Absent: Member MacLennan.

The regular meeting of the Economic Development Authority adjourned at 8:06 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: 01/12/2023

By: Sean Sullivan, Community Development

Title:

Consider Business Assistance Application and First Amendment to Purchase Agreement for Ramsey Properties, LLC

(A portion of this meeting may be closed to public)

Purpose/Background:

The EDA may choose to go into closed session pursuant to Minnesota Statutes section 13D.05, subdivision 3(c)(3) to consider offers or counteroffers for the purchase or sale of real or personal property. If the EDA chooses to enter into to closed session the statute and reason above needs to be referenced along with legal description (Part of Outlot A, COR TWO) and the Anoka County Tax ID number 28-32-25-22-0058.

The purpose of this case is to consider a Business Assistance request that involves the sale of Outlot A, COR TWO to Ramsey Properties, LLC (the "Developer"). The EDA and City Council have previously approved a Purchase Agreement to build an 60 unit hotel and a proposed deal structure involving a TIF land cost write-down of \$311,454. The EDA reviewed the Business Subsidy Application for this project at the December 9, 2022 meeting and recommended approval of a land cost write down of \$311,454 and Pay-Go Site Development Reimbursement of \$306,000 totaling \$617,454 in TIF Assistance. As mentioned at the previous EDA meeting the Developer was having some concerns relating to the site size (too small to accommodate 82 unit hotel) and the operational efficiency of the hotel at 82 units.

Staff has been working with the developed to address the site and has put together a new project on a + / - 2.85 acre site across Sunwood Drive NW. The new project has increased the number of units from 82 to 98. This site is not pad ready like the previous site, so it is estimated that \$350,000 of fill will be needed to bring it up to a buildable site. Estimated project costs have increased from 15.7M to 18.7M due to the additional site work, increased cost of land and the larger building footprint. It is possible that the site acreage could be reduced during the site plan process. If so, the Land valuation and Land Cost write-down will need to be adjusted. Staff has been working with the Developer and Ehlers to complete the revised Business Assistance application and review. Project costs still are coming in higher than the Developer has originally anticipated. The Developer has also adjusted the hotel floor plan/design to add an entrance to Sunwood Drive NW as requested by City planning staff to encourage activity and a connection along Sunwood Drive which have also added to the cost. Based on these additional costs have triggered the request by the Developer for additional TIF assistance which is shown in the attached Business Assistance Application. The assistance consists of \$434,511 in TIF Land Cost Write down and \$550,000 in Site Development and improvements.

Due to the change in site cost, project description and the one-month delay, the Developer has asked the City to enter into a First Amendment to the Development Agreement. City Attorney Knaak has reviewed the first amendment and has approved it as to form. The Developer has also created a new business entity called Ramsey Properties, LLC and has filled it with the Minnesota Secretary of State, so this will be the entity name moving forward. As with any Business Assistance project, both Staff and Ehler's have completed analysis determined if the amount of assistance provided is appropriate. A summary of this analysis is below and attached in a Memo put together by Jason Aarsvold from Ehlers:

In summary, the lower than average projected return on investment means the project does demonstrate a need for assistance. Providing the requested land write-down and PAYGO note will help facilitate development of the hotel without unduly enriching the developer.

We estimate the project will generate approximately \$129,435 annually (at full build-out) in tax increment within the COR TIF district. Some of that increment can be directed to repay the City's land write-down through an inter-fund loan, and some can be used to repay the PAYGO TIF note. We propose using 40% of the increment generated to repay the City's inter-fund loan with the remaining 60% directed to the PAYGO note payments.

Based on this structure, we estimate the PAYGO note could be repaid with 10 years of payments, assuming an interest rate on the note of 5%. This, coupled with the land write-down, would push the project's average cash on cash return to 9.9% by year 11 (at which point the TIF payments would stop). Repayment of the City's land through an interfund loan would take an estimated 12.5 years assuming the City charges the maximum interfund land interest rate of 5%.

Staff is looking for EDA to provide a recommendation to the City Council in support of the proposed business assistance amount and structure and the First Amendment to Purchase Agreement.

Notification:

Notification is not required.

Observations/Alternatives:

General Project Description

- 98 unit (up from 82), Four Story Hilton Home 2 Hotel with hot breakfast and indoor pool; a Certificate of Occupancy 16 months after Closing. If this is not done, the City may exercise the Right of Re-Entry.
- Tax Assessed Value 7.14M (up from 5.9M)
- Estimated Taxes - \$218,000 annually (up from \$180,000)
- 22 (up from 21) new jobs to be created paying at least \$18.22 / hr
- Catalyst project (provides more trips to COR and encourages investment in restaurants/retail)

General Terms of First Amendment to Purchase Agreement (and Business Assistance Package)

- Parcel: Changed to Part of Outlot A, COR TWO (previously Outlot A, Gigi Addition - +/- 1.43 acres)
- Purchase Price and Valuation: The purchase price for the Property is \$1.00 on +/- 2.85 acres (124,146 square feet) as outlined in Exhibit A (the "Purchase Price"). The property valuation is \$434,511 (increase of \$123,057). (\$3.50/SF)
- **\$550,000 (increase of \$244,000) in Pay-Go TIF Note for Site Development / Improvements (NEW REQUEST)**
- Inspection Period: Inspection Period ends May 26, 2023 (Extended two months)
- Right of Re-Entry Required
- Act of God language was added to the CONSTRUCTION DEADLINE Section.
- Reimbursement of Platting costs up to \$3,500 if project proceeds.

Business Assistance Application Review

Review and analysis of the Business Assistance Package has been completed by City Staff and Ehler's. The project scores a 29.65 which is a moderate to high score for our project rating system. Analysis by Ehlers supports the need for assistance for this project, its supports the TIF "But-For" test and does not unduly enrich the developer.

Staff believes that this Hotel project is a potential catalyst to draw in investment from restaurants, It is clear that TIF is needed to bring this project to fruition. The City only has the ability to provide TIF assistance for projects in the COR until November 2023.

Next Steps (Future Meetings)

In the event that the Developer is comfortable with the assistance package recommended, staff will begin to work with Ehlers and Taft Law to put together a TIF Agreement outlining the terms and conditions of the financial assistance and business subsidy. A public hearing will be held at a later date for the City Council to consider approval of the business subsidy. The Developer will submit a site plan /plat application for review and

approval by the Planning Commission and City Council. The site plan and TIF Assistance process will run concurrently.

Alternatives:

- 1) EDA Recommendation to the City Council to approve the First Amendment to Purchase Agreement, Business Assistance and a TIF Agreement in the form of \$434,511 in TIF Land Cost Write Down and \$550,000 in Pay-Go TIF for Site Development/Improvements (as presented); subject to City Attorney Review (Staff recommendation).
- 2) EDA Recommendation to the City Council to approve the First Amendment to Purchase Agreement, Business Assistance and a TIF Agreement in the form of \$434,511 in TIF Land Cost Write Down and \$550,000 in Pay-Go TIF for Site Development/Improvements (with changes); subject to City Attorney Review
- 3) Something else.

Funding Source:

This case is being handled as part of normal Staff duties. If financial assistance is provided, TIF District 14 will be the funding source and an interfund loan will need to be established.

Recommendation:

Staff recommends an EDA Recommendation to the City Council to approve the First Amendment to Purchase Agreement, Business Assistance and a TIF Agreement in the form of \$434,511 in TIF Land Cost Write Down and \$550,000 if Pay-Go TIF for Site Development/Improvements (as presented); subject to City Attorney Review.

Action:

Motion to recommend to the City Council to approve the First Amendment to Purchase Agreement, Business Assistance and a TIF Agreement in the form of \$434,511 in TIF Land Cost Write Down and \$550,000 if Pay-Go TIF for Site Development/Improvements (as presented); subject to City Attorney Review.

Attachments

- Site Location Map
- Business Assistance Application
- Ehlers Analysis Memo
- TIF Run - 40% Admin
- ACTION - First Amendment to PA
- REFERENCE - Executed Purchase Agreement Schiebout

Form Review

Inbox	Reviewed By	Date
Sean Sullivan (Originator)	Sean Sullivan	01/05/2023 05:14 PM
Brian Hagen	Sean Sullivan	01/06/2023 11:42 AM
Sean Sullivan (Originator)	Sean Sullivan	01/06/2023 12:07 PM
Brian Hagen	Brian Hagen	01/06/2023 02:06 PM
Form Started By: Sean Sullivan		Started On: 01/03/2023 09:06 AM
Final Approval Date: 01/06/2023		

Site Location Map Hilton 2



2.85 Acres

Parcel Information:

28-32-25-22-0058

RAMSEY
MN 55303

Plat: COR TWO

Approx. Acres: 2.85

Commissioner: MATT LOOK

Owner Information:

RAMSEY CITY OF
7550 SUNWOOD DRIVE
RAMSEY
MN
55303



Sean Sullivan

1:2,400

Date: 1/5/2023

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

EXHIBIT A
BUSINESS ASSISTANCE APPLICATION

A. APPLICANT INFORMATION

Name of Corporation/Partnership Ramsey Properties, LLC (and/or assigns)
 Address 8445 Bunker Lake Boulevard Northwest, Ramsey, MN 55303
 Primary Contact Emily Allegra
 Address 8445 Bunker Lake Boulevard Northwest, Ramsey, MN 55303
 Phone 763-516-1078 Fax _____ E-mail emily@schieboutfa.com

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 Brett Larson
 Address 1400 Fifth Street Towers 100 South Fifth Street Minneapolis, MN 55402
 Phone 612-672-3777 Fax 612-672-3777 E-mail blarson@messerlikramer.com

Contractor Name TBD
 Address _____
 Phone _____ Fax _____ E-mail _____

Engineer Name TBA
 Address _____
 Phone _____ Fax _____ E-mail _____

Architect Name David Wallace
 Address 542 Douglas Avenue Dunedin, FL 34698
 Phone 727-736-6000 Fax _____ E-mail dlw2@DLWARCHITECTS.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

- 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 7900 block of Sunwood Drive NW in, Ramsey, MN

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

Site Plan Attached: Yes No

Current Real Estate Taxes on Project Site: \$0.00

Estimated Real Estate Taxes Upon Completion:

Phase I	\$218,000
Phase II	\$ _____
Phase III	\$ _____
Total	\$ 218,000

Construction Start Date: Spring 2023 \$ _____

Construction Completion Date: Summer 2024

If Phased Project: _____ % Completed in _____ years
 _____ % Completed in _____ years
 _____ % 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	\$ 12,145,250
Other Loans	\$ _____
Owner Equity	\$ 5,555,239
Fed Grant/Loan	\$ _____
State Grant/Loan	\$ _____
Industrial Development Bonds	\$ _____
Tax Increment Financing	\$ 984,511 (\$434,511 L + \$550,000 SD)
Tax Abatement	\$ _____
Revolving Loan Fund	\$ _____
Other	\$ _____
TOTAL	\$ 18,685,000

<u>USES</u>	<u>AMOUNT rounded estimates)</u>
Land Acquisition	\$ 434,511
Site Development	\$ 839,500
Construction	\$ 12,453,500
Machinery & Equipment	\$ 2,187,300
Architectural/Engineering Fees	\$ 460,000
Debt Service Reserve	\$ 300,000
Contingencies	\$ 730,000
Other	\$ 1,280,189
TOTAL	\$ 18,685,000

Total Amount of business assistance requested from either Revolving Loan Fund, Abatement, Tax Increment Financing or another source: \$434,511 in TIF Land Cost Write Down + an additional \$550,000 (of the total bid of \$839,500) in Pay-Go TIF for Site Improvements/Development

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 Emily Allegra Date 01/03/2023

By _____

Its _____

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:

	Points:	<u>5</u>
\$ <u>17,700,489</u>	Private Investment	5:1 <u>5</u>
\$ <u>984,511</u>	Public Investment	4:1 <u>4</u>
<u>18:1</u>	Ratio Private : Public Financing	3:1 <u>3</u>
		2:1 <u>2</u>
		Less than 2:1 <u>1</u>

	Points:	<u>4</u>
<u>22</u>	Net <i>new</i> jobs (minimum 40 hours per week) or fulltime equivalents	50+ <u>5</u>
		20+ <u>4</u>
		10+ <u>3</u>
		5+ <u>2</u>
		Less than 2 <u>1</u>

D. Wage Level of jobs created:

	Points:	<u>4</u>
Average hourly wage	Over \$21/hour	<u>5</u>
Of <i>new</i> jobs <u>\$18.22</u>	\$18-21/hour	<u>4</u>
	\$14-17/hour	<u>3</u>
	\$10-13/hour	<u>2</u>
	Under \$10/hour	<u>1</u>

E. Ratio Of Business Assistance To New Jobs Created:	Points:	<u>2</u>
\$984,511 Business assistance requested	\$5,000 or less	<u>5</u>
<u>22</u> Number of net <i>new</i> jobs created	\$15,000 or less	<u>4</u>
\$ <u>44,750</u> of business assist. per net <i>new</i> job created	\$25,000 or less	<u>3</u>
	\$50,000 or less	<u>2</u>
	Over \$75,000	<u>1</u>

F. Project size:	Points:	<u>4</u>
This project will result in a building size of 65,162 square feet	75,000+	<u>5</u>
98 units	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:	Points:	<u>5</u>
<u>x</u> 100% Owner Occupied		<u>5</u>
<u> </u> Mix Owner Occupied & Investment		<u>3</u>
<u> </u> Investment Property		<u>1</u>

H. Likelihood that the project will result in unsubsidized, spin-off development:	Points:	<u>4</u>
<u>x</u> High		<u>5</u>
<u> </u> Moderate		<u>3</u>
<u> </u> Low		<u>1</u>

I.	<u>5</u>
	<u>4</u>
	<u>4</u>
	<u>2</u>
	<u>4</u>
	<u>5</u>
	<u>4</u>

Sub-Total Points 28 of a possible 35 points.

Bonus Points	Bonus Points:	<u>1.65</u>
The project will be 100% <i>pay-as-you-go</i> financing.		<u>1.65</u>
The project is a redevelopment project.		<u>0</u>

Total Points: 29.65

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

Home2 Suites - Ramsey, MN		
4 Story, Wood Frame, Indoor Pool		Number of Suites
		98
Land	\$434,511.00	\$4,433.79
Site Improvements (Curb cuts, utilities, earthwork, Construction	\$839,500.00	\$8,566.33
	\$12,453,548.00	\$127,077.02
Furniture, Fixtures, & Equipment/IT/Telecom/O	\$2,187,360.00	\$22,320.00
Intangibles	\$2,769,962.89	\$28,264.93
Total	\$18,684,881.89	\$190,662.06
Break even RevPAR, Stabilized FY3	1.035	\$87.70
Debt service and Operating Expenses, Stabilized FY3		\$3,040,130.23
A/E	\$ 417,971.02	\$ 4,265.01
Civil	\$ 50,370.00	\$ 513.98
Developer Fee	\$ 373,697.64	\$ 3,813.24
Impact Fees & Gov't Fees	\$ 88,200.00	\$ 900.00
Affiliation Fee	\$ 37,500.00	\$ 382.65
Loan Fees and Interest	\$ 536,209.40	\$ 5,471.52
Pre-Opening, Start-up Overhead, Debt Service Re:	\$ 340,000.00	\$ 3,469.39
Miscellaneous OS&E (Pre-opening)	\$ 196,000.00	\$ 2,000.00
Contingency	\$ 730,014.84	\$ 7,449.13
	\$ 2,769,962.89	\$ 28,264.93

	2021	2022	2023	2024	2025
	Year 1	Year 2	Year 3	Year 4	Year 5
Initial Purchase Price or Appreciated Value	\$18,684,881.89	\$15,350,704.44	\$17,069,318.81	\$18,078,998.84	\$19,097,759.67
Percent Increase in Value	-17.8%	-8.6%	-3.2%	-0.4%	2.2%
Number of Rooms	98	33770	33770	33668	33770
Rate	\$138.05	\$130.15	\$134.03	\$138.05	\$146.46
Occupancy	73.0%	61.0%	66.0%	68.0%	68.0%
RevPAR	\$101.54	\$79.38	\$88.46	\$93.87	\$99.39
Potential Gross Rental Income	4.00%	\$2,839,072.59	\$3,044,207.05	\$3,377,872.98	\$3,498,572.68
Gross Meeting/Floor Revenue	3.00%	\$0.00	\$0.00	\$0.00	\$0.00
Potential Gross Miscellaneous Income		\$98,488.65	\$106,334.90	\$109,756.08	\$109,436.20
Leases on 0 of (NIN)		\$0.00	\$0.00	\$0.00	\$0.00
Potential Gross Income (PGI)		\$2,937,566.21	\$3,270,443.95	\$3,467,629.06	\$3,568,028.88
Effective Gross Income (EGI)		\$2,937,566.21	\$3,270,443.95	\$3,467,629.06	\$3,568,028.88
Operating Expenses - Hotel	24.0%	\$1,333,279.68	\$1,708,671.89	\$1,832,251.61	\$1,807,629.23
Capital Reserve	2.0%	\$56,751.72	\$45,408.88	\$49,352.58	\$71,601.58
Management Fees	4.0%	\$117,503.45	\$130,817.76	\$138,705.16	\$143,721.16
Net Operating Income (NOI) (GOP)		\$1,228,056.36	\$1,365,545.50	\$1,446,319.91	\$1,486,317.90
NOI/CapEx		8.372%	7.308%	7.541%	7.955%
Capital Expenditures					
Leak Price		\$0.00	\$0.00	\$0.00	\$0.00
Sales Expenses	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
Payoff of Mortgage		\$0.00	\$0.00	\$0.00	\$0.00
Net Sales Price		\$0.00	\$0.00	\$0.00	\$0.00
Net Income	-\$18,684,881.89	\$1,228,056.36	\$1,365,545.50	\$1,446,319.91	\$1,486,317.90
Debt Service	\$12,145,173.23	\$1,018,821.07	\$1,018,821.07	\$1,018,821.07	\$1,018,821.07
Before Tax Cash Flows (BTCF)	-\$6,539,708.66	\$209,235.28	\$346,724.43	\$427,498.83	\$467,496.83
Rate of Return for NPV	3.00%				
Cash on Cash (ROE)		3.30%	6.30%	6.54%	7.15%
Net Present Value	\$5,583,250.94				
Before Tax Equity Reversion (BTERR)		\$0.00	\$0.00	\$0.00	\$0.00
Mortgage Information:					
Purchase Price		-\$18,684,881.89			
Loan to Value (PV)	65%	\$12,145,173.23			
Financing Costs	0.50%	-\$60,725.87			
Required Equity	35%	\$6,339,708.66	\$10,000,000.00		\$11,429,054.65
Term in Years (n)	35				
Future Value (FV)	\$0.00				
Interest Rate of Loan (rate)	6.75%				
Loan Type Schedule (beginning or end)	0				
Annual Principal		\$199,021.98	\$212,455.86	\$228,796.63	\$242,103.46
Annual Interest		\$619,799.19	\$666,367.89	\$723,024.45	\$776,715.07
Annual Payment		-\$1,018,821.07	-\$1,018,821.07	-\$1,018,821.07	-\$1,018,821.07
Monthly Payment		-\$83,912.40	-\$83,912.40	-\$83,912.40	-\$83,912.40
Loan Balance		\$11,946,151.35	\$11,733,695.49	\$11,506,898.86	\$11,264,793.46
Capitalization Rate		8.00%	8.00%	8.00%	8.00%
Return on Equity (ROE)		3.20%	5.30%	6.54%	7.15%
Gross Income Multiplier (GIM)		5.23	5.22	5.21	5.20
Debt Coverage Ratio (DCR)		120.54%	134.03%	141.96%	145.89%
Year Sold	6				
Internal Rate of Return (IRR) (after Debt Service)		N/A	N/A	N/A	N/A

Part 1

Ramsey Properties, LLC is a family business that began its roots when its founder, David Schiebout, had the vision to begin a custom manufacturing company in 1979 named, Delta ModTech® (DMT). DMT and its subsidiaries have placed manufacturing equipment around the globe in nearly 30 countries. This equipment manufactures medical, pharmaceutical, electronic, RFID, fuel cell/battery, and automotive products which are in turn delivered worldwide.

DMT had recently relocated their headquarters to Ramsey, MN. The Schiebout Family has been involved in serving their manufacturing business but also expanding into industrial and commercial real estate with many tenants that have partnered with the family for 20+ years. The Schiebout Family, now in their second generation, has the mission and vision to serve their customers, employees, tenants, and community. Part of the family's vision is to expand and diversify beyond their parent company of DMT and real estate arm, being steadfast with the same mission of servant leadership, as they provide opportunities for more positive economic growth in the communities they serve and as a catalyst for creating strong culture.

Although the Schiebout Family has been successfully developing and leasing industrial and commercial real estate since 1977, they have not ventured into the hospitality space. However, with due diligence and strong community support, they believed there was an unmet need in Ramsey for a new lodging offering. Because of this, the family pursued the potential of pioneering the prospect of this service-oriented business to our community. However, with the risk of the post-Covid environment, economic impact of the economy, and elevated construction costs, the family is requesting assistance from the city to pursue this unmet need.

The Schiebout Family desires to continue their focus on their mission and values of servant leadership in their working relationships with their tenants and community as a real-estate company and now venturing into Ramsey as a hospitality provider. The Schiebout Family is committed to continuing these values into the new opportunity of hospitality by providing a high-service, high quality result, based on servant leadership, the Golden Rule, and importance of serving our community.

Part 2

The Shareholders who will be owners in this proposed project are as follows:

- David & Ronda Schiebout (Founders of DMT, G1 family owners), board member of DMT, Members of Schiebout Family Owner's Council
- Wendy Schiebout (G2 in family business) works at DMT in leadership and operations, board member of DMT, Members of Schiebout Family Owner's Council
- Evan Schiebout (G2 in family business) works at DMT on leadership and engineering, board member of DMT, Members of Schiebout Family Owner's Council
- Emily Allegra (G2 in family business) works at DMT as family leader and asset management, board member of DMT, Members of Schiebout Family Owner's Council

All 5 people are family members and owners of DMT and the business will be female-majority owned.

Part 3

The proposed project is a 124,146 -square foot (2.85-acre) parcel to be improved with a limited-service, extended-stay lodging facility; the hotel will be associated with a nationally affiliated hotel brand such as Home2 Suites by Hilton. The proposed subject property, which is expected to open on July 1, 2024, will feature 98 rooms. The hotel will also contain the appropriate parking capacity and all necessary back-of-the-house space. The proposed project would offer a pool, free breakfast, laundry facilities, and a fitness center.

The owners recently invested in a revision of the plan after hearing from the City of Ramsey of the desire for a “main street” feel along Sunwood Drive. In the family’s desire to build community with Ramsey and help develop the next economic opportunities, the owners committed to redesigning their prototype to offer a dual entrance on the North and South of the building, add additional design and windows to the North entrance, and to incorporate more gathering options along the main street for the appeal of the COR’s long-term vision of the area.

This change created a loss in revenue of 1 room shifting the keys from 99 to 98 and increased the construction and design cost.

The family was also advised after meeting with Hilton to relocate to an alternative parcel in order to accommodate and develop a larger hotel to better meet the needs of the growing community and align with Hilton's preferred key count. This change required the family to evaluate a different parcel due to the issue with expansion and parking with the original lot. The family worked with the city to determine an alternative location best suited for the change and aligning with the COR district. Due to the decrease in construction-ready land, this new parcel will required substantial earth work and underground work to accommodate the build.

Part 4

Based on the City’s request and recommendation to offer a dual entrance to promote the community and guest pedestrian experience and to provide access for future city development and surrounding amenities, we instructed our design team to make multiple changes. We had to increase the lobby square footage by approximately 50%, and we added significantly more glass than the brand requires to give the Sunwood façade a primary entrance. This change created a loss in revenue of 1 room shifting the keys from 99 to 98 and increased the construction and design cost.

Additionally, the market study is supportive of a higher percentage of queen/queen rooms which also added additional square footage and cost which we believe will better serve the needs of our community, while simultaneously increasing the potential tax revenue to the city.

Conservatively, we increased our cost for the redesign to be approximately \$500,000-\$600,000.

Along with the redesign costs, we have analyzed the shift to the alternative parcel in order to accommodate a larger hotel and we are projected to incur substantially more costs associated with the ground work and earth work in order to move the development forward.

Based on these additional unanticipated and additional costs, we are requesting additional support from the City for the land cost as we as site improvements in order to better meet the needs of our community. Our initial bid for the site improvement work is estimated at of \$839,500. After discussions with the city, we determined to request an amount of \$550,000 of this cost to support the site improvement for the project to commence.

Our current rate of return calculation and proforma show the risk and slow ramp up of this project due to the slow market penetration and substantial increase in operations costs and projected inflation. Our forecasts, independently analyzed, show a below average ADR and occupancy rates in comparison to the industry and specifically lower than the brand average.

Part 6 – See attached Site plan and building renderings

- Tax ID number: Part of 28-32-25-22-0058
- Legal Description: Part of Outlot A, COR TWO
- Approximately 2.85 acres

Part 7 – See section C

Part of the mission of our family and business is to serve our community. When we evaluated the needs of our company, employees and their families, as well as our greater community in Ramsey, we realized there was a need in our local area for a high-quality lodging that would provide an extended stay option. Currently there are no offerings of this type within Ramsey.

This potential development will create many new employment opportunities with a strong national brand that offers top of the industry training, benefits, and support. Beyond the direct employment impact, it will also drive economic demand and higher revenues in the community, as well as indirect jobs through suppliers, gig-workers, and vendors. The versatility of the hotel will provide short-term and long-term lodging options for many of the companies and families requiring temporary longer stay lodging while between homes or even for construction crews that are working on other projects in the City.

We are also committed to partnering with a top national brand and flag to bring into Ramsey which will create a stimulus for bringing in more national brands for future restaurants and retail locations for the city of Ramsey. We see this as a win-win for the community we serve, the city we support, and future economic growth for all stakeholders and the city at large.

This unmet need was validated through the demand study and feasibility analysis that showed Ramsey's unmet need for an extended stay hotel with the closest similar product over 10 miles away outside of Ramsey. Even though there are other lodging options in Ramsey, our project will meet a different market offering the extended stay which will increase the overall economic impact and draw new customers and additional tax revenue into our community.

Based on these unmet needs determined through the demand study and the partnership with the City, we decided to pursue the project despite the uncertainty of the post-Covid lodging market, as well as the significant upfront cost that the project will incur. With the support of the City of Ramsey, we believe that the best opportunity to drive more economic growth is to take the risk and pioneer this project.

Part 8 – See Section 8



GUESTROOM MATRIX		
Name	Area	Count
Level 1		
Double Queen Studio	432 SF	6
King One Bedroom	594 SF	1
King Studio	348 SF	4
Level 2		
Accessible Double Queen Studio	576 SF	1
Accessible King One Bedroom	715 SF	1
Double Queen Studio	432 SF	16
King One Bedroom	621 SF	2
King Studio	360 SF	9
Level 3		
Accessible King One Bedroom	715 SF	1
Accessible King Studio	576 SF	1
Double Queen Studio	432 SF	16
King One Bedroom	621 SF	2
King Studio	360 SF	9
Level 4		
Accessible King One Bedroom	715 SF	1
Accessible King Studio	576 SF	1
Double Queen Studio	432 SF	16
King One Bedroom	621 SF	2
King Studio	360 SF	9

No.	DESCRIPTION	DATE

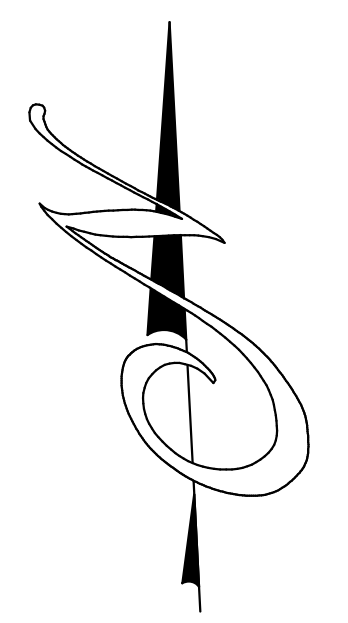
PARKING SCHEDULE	
Type	Comments
Accessible Parking Space	4
Standard Parking Space	97
	103

BUILDING GROSS SF	
Level	Area
Level 1	16,369 SF
Level 2	16,264 SF
Level 3	16,264 SF
Level 4	16,264 SF
	65,162 SF

Home2 Suites by Hilton
 Sunwood Drive NW,
 Ramsey, Minnesota
 Emily Allegra



DRAWN	PC / AS
PROTOTYPE VERSION	
ISSUE DATE	11/22/2022
SCALE	1" = 20'-0"
JOB NUMBER	22-014
PROJECT STATUS	YS
SHEET NAME	SITE - Reference & Egress Plan
LOCATION / INN CODE	
SHEET NUMBER	A091

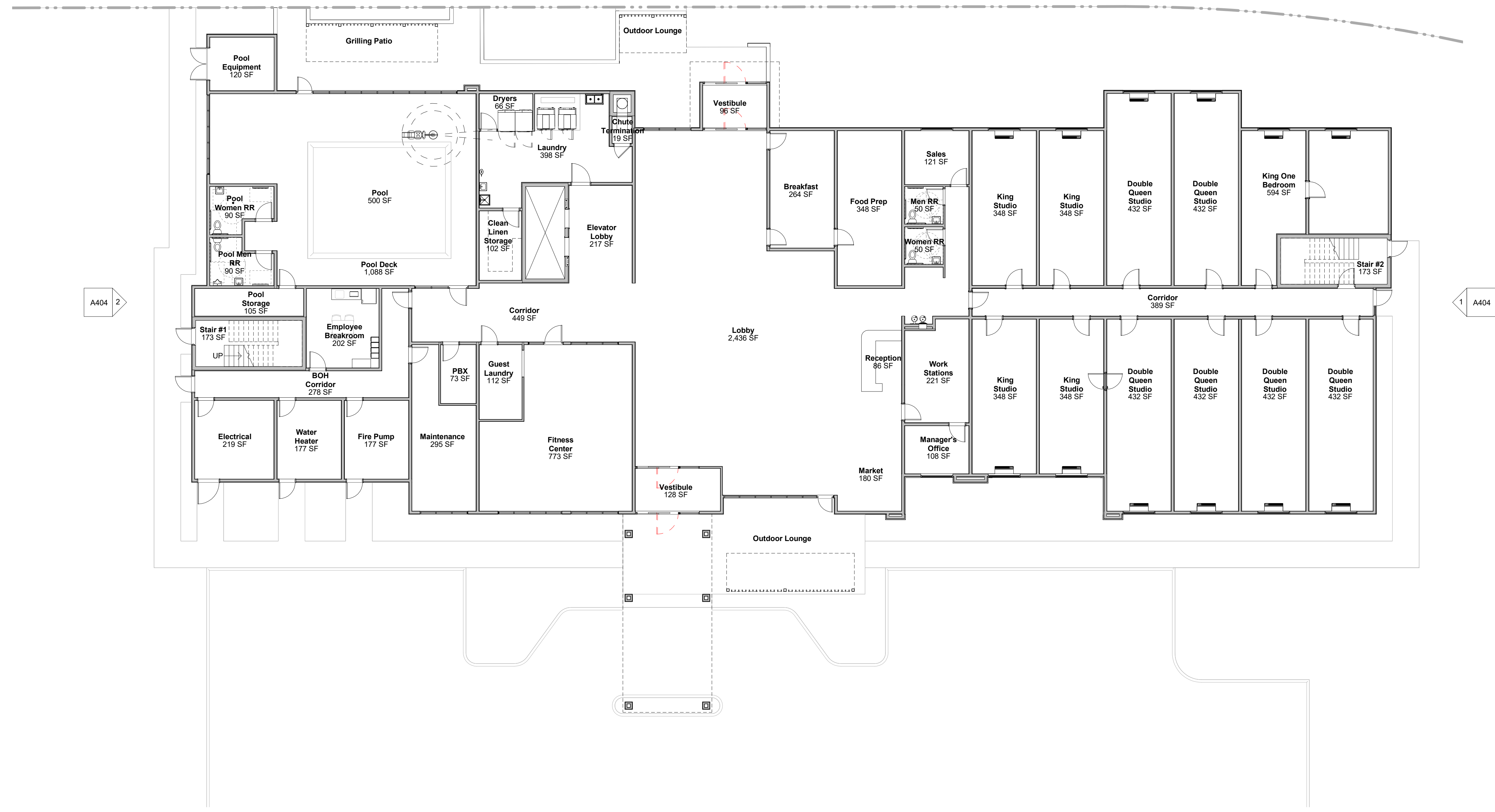


PLOT DATE: 12/15/2022 6:52:35 PM
 1
 A091 Reference Site Plan
 1" = 20'-0"

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1ST FLOOR GUESTROOM SCHEDULE		
Name	#	Area
Double Queen Studio	6	432 SF
King One Bedroom	1	594 SF
King Studio	4	348 SF
Total	11	

No.	DESCRIPTION	DATE



Home2 Suites by Hilton
Sunwood Drive NW,
Ramsey, Minnesota
Emily Allegra



DRAWN	PC/AS
PROTOTYPE VERSION	
ISSUE DATE	11/22/2022
SCALE	3/32" = 1'-0"
JOB NUMBER	22-014
PROJECT STATUS	YS
SHEET NAME	LEVEL 1 - Floor Plan
LOCATION / INN CODE	

1 Level 1 Floor Plan
 A101 3/32" = 1'-0"

SHEET NUMBER
A101

2ND FLOOR ROOM SCHEDULE		
Name	#	Area
Accessible Double Queen Studio	1	576 SF
Accessible King One Bedroom	1	715 SF
Double Queen Studio	16	432 SF
King One Bedroom	2	594 SF
King Studio	9	348 SF
Total	29	

No.	DESCRIPTION	DATE
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Home2 Suites by Hilton
Sunwood Drive NW,
Ramsey, Minnesota
Emily Allegra

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DRAWN	PC/AS
PROTOTYPE VERSION	
ISSUE DATE	11/22/2022
SCALE	3/32" = 1'-0"
JOB NUMBER	22-014
PROJECT STATUS	YS
SHEET NAME	LEVEL 2 - Floor Plan
LOCATION / INN CODE	
SHEET NUMBER	A104

1
 A104 **Level 2 Floor Plan**
 3/32" = 1'-0"

PLOT DATE: 12/15/2022 6:52:59 PM

3RD FLOOR ROOM SCHEDULE		
Name	#	Area
Accessible King One Bedroom	1	715 SF
Accessible King Studio	1	576 SF
Double Queen Studio	16	432 SF
King One Bedroom	2	594 SF
King Studio	9	348 SF
Total	29	

No.	DESCRIPTION	DATE



Home2 Suites by Hilton
Sunwood Drive NW,
Ramsey, Minnesota
Emily Allegra

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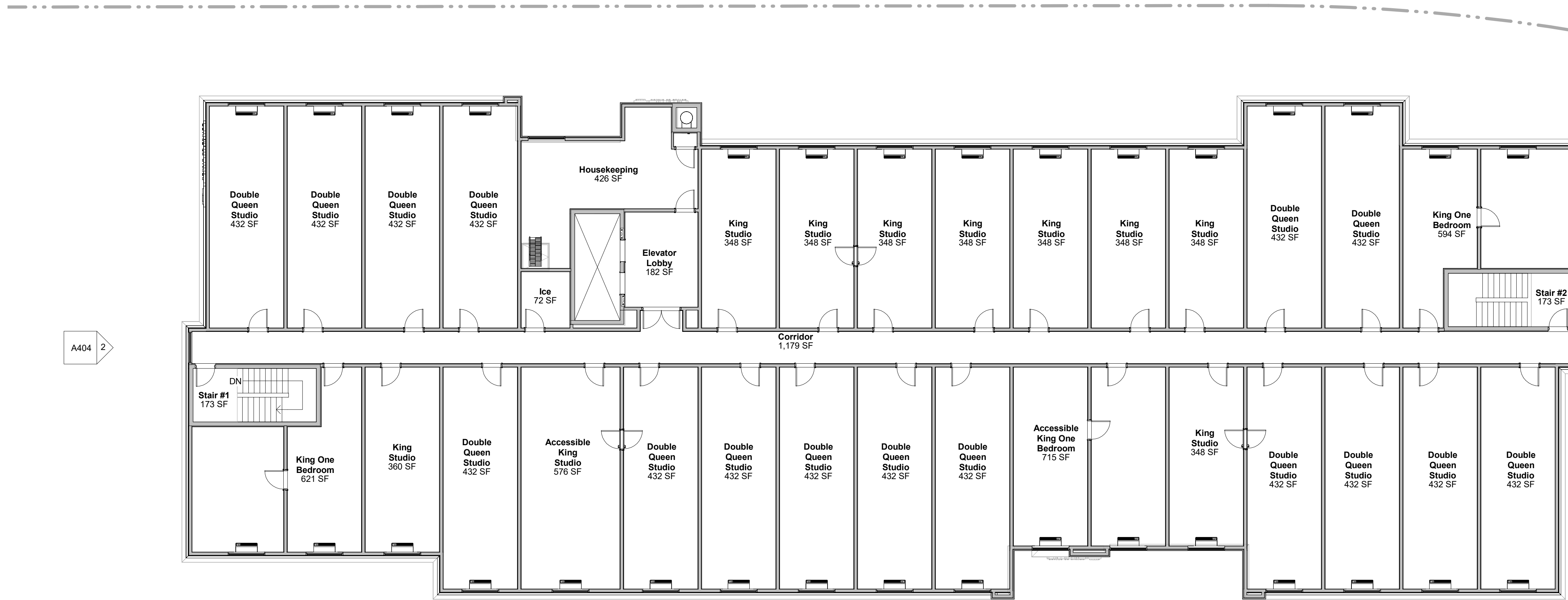


DRAWN	PC/AS
PROTOTYPE VERSION	
ISSUE DATE	11/22/2022
SCALE	3/32" = 1'-0"
JOB NUMBER	22-014
PROJECT STATUS	YS
SHEET NAME	LEVEL 3 - Floor Plan
LOCATION / INN CODE	
SHEET NUMBER	A107

1 Level 3 Floor Plan
 A107 3/32" = 1'-0"

PLOT DATE: 12/15/2022 6:53:01 PM

PLOT DATE: 12/15/2022 6:03:03 PM



4TH FLOOR ROOM SCHEDULE		
Name	#	Area
Accessible King One Bedroom	1	715 SF
Accessible King Studio	1	576 SF
Double Queen Studio	16	432 SF
King One Bedroom	2	594 SF
King Studio	9	348 SF
Total	29	

No.	DESCRIPTION	DATE

Home2 Suites by Hilton
Sunwood Drive NW,
Ramsey, Minnesota
Emily Allegra

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DRAWN	PC/AS
PROTOTYPE VERSION	
ISSUE DATE	11/22/2022
SCALE	3/32" = 1'-0"
JOB NUMBER	22-014
PROJECT STATUS	YS
SHEET NAME	LEVEL 4 - Floor Plan
LOCATION / INN CODE	

1 Level 4 Floor Plan
A110 3/32" = 1'-0"

SHEET NUMBER
A110



1 Building Elevation
A403 3/32" = 1'-0"



2 Building Elevation
A403 3/32" = 1'-0"

No.	DESCRIPTION	DATE
-----	-------------	------

Home2 Suites by Hilton
Sunwood Drive NW,
Ramsey, Minnesota
Emily Allegra

dllw
architects
542 Douglas Avenue
Dunedin, FL 34698
727.736.6000
www.dlwarchitects.com
ESTABLISHED 1981

DRAWN PC PROTOTYPE VERSION
ISSUE DATE 10/04/2022
SCALE 3/32" = 1'-0"
JOB NUMBER 22-014
PROJECT STATUS YS
SHEET NAME Color Building Elevations
LOCATION / INN CODE
SHEET NUMBER A403

PLOT DATE: 12/15/2022 6:53:20 PM



1 Building Elevation
A404 3/32" = 1'-0"



2 Building Elevation
A404 3/32" = 1'-0"

No.	DESCRIPTION	DATE
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Home2 Suites by Hilton
Sunwood Drive NW,
Ramsey, Minnesota
Emily Allegra

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DRAWN	PC
PROTOTYPE VERSION	
ISSUE DATE	10/04/2022
SCALE	3/32" = 1'-0"
JOB NUMBER	22-014
PROJECT STATUS	YS
SHEET NAME	Color Building Elevations
LOCATION / INN CODE	

SHEET NUMBER
A404

Memo

To: Sean Sullivan, Economic Development Manager
From: Jason Aarsvold, Ehlers
Date: 1-4-2023
Subject: Home2 Suites – Request for Assistance

The City of Ramsey received a request for assistance to construct a 98 room Home2 Suites within the COR area on City-owned land. The developer is requesting the City write-down the cost of the land to \$1 and provide a pay-as-you-go (PAYGO) TIF note in the amount of \$550,000 to make the project financially feasible.

You requested that Ehlers review the developer’s proposal to determine whether the request is reasonable and within industry standards. Ehlers conducted a thorough review of the developer’s budget and operating pro forma to ensure all development costs, anticipated revenues, and expenditures were represented appropriately. The table below depicts the sources and uses of funds for the project as proposed by the developer.

SOURCES			
	Amount	Pct.	Per Room
First Mortgage	12,145,250	66.5%	123,931
TIF PAYGO Note	550,000	3.0%	5,612
Developer Equity	5,555,239	30.4%	56,686
TOTAL SOURCES	18,250,489	100%	186,229

USES			
	Amount	Pct.	Per Room
Acquisition Costs	1	0.0%	0
Construction Costs	14,023,063	76.8%	143,092
Permits/Fees	88,200	0.5%	900
Furniture, Fixtures, & Equipment	2,187,360	12.0%	22,320
Professional Services	497,500	2.7%	5,077
Financing Costs	536,209	2.9%	5,472
Developer Fee	373,698	2.0%	3,813
Cash Accounts/Escrows	544,458	3.0%	5,556
TOTAL USES	18,250,489	100%	186,229

Analysis

Generally, this project meets the expectations of a limited service, or upper midscale, hotel project as it relates to the financing structure, projected revenues, developer fee, and on-going operational costs. Following are our findings from the analysis completed for the project:

- The Developer proposes to finance the entire hotel project with a combination of equity and debt. The proposed financing includes 30.4% equity and 69.5% debt in the form a first mortgage and the PAYGO portion of the developer loan. For a project of this nature, we would expect to see an equity contribution of at least 25%. The developer indicates the first mortgage would include a 25-year term with 6.75% interest. While these terms are within industry standards and are used for the analysis, we were not given an actual lending commitment to review.
- The total development cost (TDC) for this project is \$18.25 million or \$186,229 per room, assuming no payment for the land. Based on our experience with similar projects, we would expect total development costs to range between \$175,000 and \$200,000 per room with a payment for land. The development costs are within an acceptable range, but we did not receive a detailed breakdown for review.
- The developer fee of \$373,698 is 2.0% of total development costs. For a project of this nature, we would expect to see a developer fee of no more than 5%. The proposed fee is acceptable.
- The developer proposes an Average Daily Rate (ADR) of \$130 in year one with a 61% percent occupancy assumption. This increases to an ADR of \$138 by year three with a 68% occupancy assumption. The projected ADR is consistent with a third-party market analysis prepared for the project and is, therefore, an acceptable assumption for this project.
- The total operating costs are projected at just over \$20,626 per room (at stabilization) and represent 58% of effective gross income. The proposed operating costs are within industry standards.
- The project's *average* cash on cash return (annual cash flow / equity) without any assistance is 5.2% in year three and increases to 7.7% by year 10. Hotel developer/owners would like to see a cash-on-cash return of 8% to 10%.

Recommendations

In summary, the lower than average projected return on investment means the project does demonstrate a need for assistance. Providing the requested land write-down and PAYGO note will help facilitate development of the hotel without unduly enriching the developer.

We estimate the project will generate approximately \$129,435 annually (at full build-out) in tax increment within the COR TIF district. Some of that increment can be directed to repay the City's land write-down through and inter-fund loan, and some can be used to repay the PAYGO TIF note. We propose using 40% of the increment generated to repay the City's inter-fund loan with the remaining 60% directed to the PAYGO note payments.

Based on this structure, we estimate the PAYGO note could be repaid with 10 years of payments, assuming an interest rate on the note of 5%. This, coupled with the land write-down, would push the project's average cash on cash return to 9.9% by year 11 (at which point the TIF payments would stop). Repayment of the City's land through an interfund loan would take an estimated 12.5 years assuming the City charges the maximum interfund land interest rate of 5%.

Home2 Suites - No Inflation

City of Ramsey, MN

98 Room Hotel



ASSUMPTIONS AND RATES

DistrictType:	Redevelopment	
District Name/Number:	TIF 1-14 COR	
County District #:	V7	
First Year Construction or Inflation on Value	2023	
Existing District - Specify No. Years Remaining	16	
Inflation Rate - Every Year:	0.00%	
Interest Rate:	5.00%	
Present Value Date:	1-Aug-24	
First Period Ending	1-Feb-25	
Tax Year District was Certified:	Pay 2011	
Cashflow Assumes First Tax Increment For Development:	2025	
Years of Tax Increment	16	
Assumes Last Year of Tax Increment	2040	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Outside(A)	
Incremental or Total Fiscal Disparities	Incremental	
Fiscal Disparities Contribution Ratio	34.1376%	Prelim. Pay 2023
Fiscal Disparities Metro-Wide Tax Rate	133.6670%	Prelim. Pay 2023
Maximum/Frozen Local Tax Rate:	110.413%	2011 - Frzn
Current Local Tax Rate: (Use lesser of Current or Max.)	95.108%	Prelim. Pay 2023
State-wide Tax Rate (Comm./Ind. only used for total taxes)	34.0000%	Prelim. Pay 2023
Market Value Tax Rate (Used for total taxes)	0.23956%	Prelim. Pay 2023

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 \$100,000		0.75%
Over \$100,000		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	28-32-25-22-0058	City of Ramsey	Unassigned	311,790	0	311,790	100%	311,790	Pay 2011	Exempt	-	C/I Pref.	5,486	1
				311,790	0	311,790		311,790			0		5,486	

Note:

1. Base values are for pay 2023 based review of the county website on 1-4-2023. Full parcel is 30.76 acres, the project will use 2.84 acres
2. Located in SD #11 and WS Lower Rum River (UTA 630110)

Home2 Suites - No Inflation
 City of Ramsey, MN
 98 Room Hotel



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 2023	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	First Year Full Taxes Payable
1	Hotel	72,867	72,867	98	7,141,000	C/I Pref.	142,070	1,450	50%	100%	100%	100%	2026
TOTAL					7,141,000		142,070						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				98	7,141,000		142,070						

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
Hotel	142,070	48,499	93,571	88,993	64,828	47,539	17,107	218,467	2,229.25
TOTAL	142,070	48,499	93,571	88,993	64,828	47,539	17,107	218,467	

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	218,467
less State-wide Taxes	(47,539)
less Fiscal Disp. Adj.	(18,701)
less Market Value Taxes	(17,107)
less Base Value Taxes	(5,217)
Annual Gross TIF	129,903



Home2 Suites - No Inflation

City of Ramsey, MN

98 Room Hotel

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
							-	-	-	-				02/01/25
100%	71,035	(5,486)	-	65,549	95.108%	62,343	31,171	(112)	(12,424)	18,635	17,737	0.5	2025	08/01/25
100%	142,070	(5,486)	-	136,584	95.108%	129,903	31,171	(112)	(12,424)	18,635	35,042	1	2025	02/01/26
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	70,221	1.5	2026	08/01/26
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	104,541	2	2026	02/01/27
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	138,025	2.5	2027	08/01/27
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	170,691	3	2027	02/01/28
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	202,561	3.5	2028	08/01/28
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	233,654	4	2028	02/01/29
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	263,988	4.5	2029	08/01/29
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	293,583	5	2029	02/01/30
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	322,455	5.5	2030	08/01/30
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	350,624	6	2030	02/01/31
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	378,105	6.5	2031	08/01/31
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	404,916	7	2031	02/01/32
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	431,073	7.5	2032	08/01/32
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	456,593	8	2032	02/01/33
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	481,489	8.5	2033	08/01/33
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	505,779	9	2033	02/01/34
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	529,476	9.5	2034	08/01/34
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	552,595	10	2034	02/01/35
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	575,150	10.5	2035	08/01/35
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	597,155	11	2035	02/01/36
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	618,624	11.5	2036	08/01/36
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	639,569	12	2036	02/01/37
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	660,002	12.5	2037	08/01/37
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	679,938	13	2037	02/01/38
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	699,387	13.5	2038	08/01/38
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	718,362	14	2038	02/01/39
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	736,874	14.5	2039	08/01/39
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	754,935	15	2039	02/01/40
100%	142,070	(5,486)	-	136,584	95.108%	129,903	64,951	(234)	(25,887)	38,830	772,555	15.5	2040	08/01/40
							64,951	(234)	(25,887)	38,830	789,746	16	2040	02/01/41
Total							2,010,880	(7,239)	(801,456)	1,202,185				
							1,320,998	(4,756)	(526,497)	789,746				
		Present Value From 08/01/2024		Present Value Rate		5.00%								

**FIRST AMENDMENT
TO
PURCHASE AGREEMENT**

This is the First Amendment to the Purchase Agreement by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP** and/or its assigns, a Minnesota Limited Partnership (“Buyer”), with an Effective Date of August 26, 2022.

Recitals

1. The BUYER interest has been assigned from THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP (the “Assignor”) to RAMSEY PROPERTIES, LLC (the “Assignee)
2. **EFFECTIVE DATE.** The Effective Date remains August 26, 2022.
3. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 2.85 acres (124,146 SF) of vacant land, legally described as follows and depicted on Exhibit A:

Outlot A, COR TWO, to be platted as:

T.B.D. Anoka County, Minnesota

PID Number: Portion of 28-32-25-22-0058 (the “Property”)

4. **PURCHASE PRICE.** The purchase price for the Property is \$1.00 on +/- 2.85 acres (124,146 square feet) as outlined in Exhibit A (the “Purchase Price”). The Property Valuation is \$434,511.
5. **INSPECTION PERIOD.** The Inspection Period is changed from March 26, 2023 to May 26, 2023.
6. **CONSTRUCTION DEADLINE.** Buyer shall obtain a certificate of occupancy from the City of Ramsey for the construction of minimum 98 unit - 4 story hotel with pool compliant with COR Zoning requirements to be further defined by an approved Site Plan 16 months after closing; provided, however, that if completion of performance shall be delayed at any time by reason of acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty, or any cause beyond such Party’s reasonable control, then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused. At Closing, a “Right of Re-Entry Agreement” must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to

the parcel(s) for which a certificate of occupancy was not obtained.

7. **CONTINGENCIES.** In addition to all other requirements and contingencies by the Buyer and Seller herein, Buyer’s obligation to acquire the Property and the Purchase Price of \$1.00 is contingent on the following:

- a. Satisfactory review of the underwriting by the Seller demonstrating the need of financial assistance in the form of a land write down of \$434,511.
- b. City Council approval and execution of a Tax Increment Financing Agreement between the Seller and Buyer and or its assigns.
- c. City Council approval of Business Subsidy for Buyer and or its assigns.
- d. Hotel feasibility study supporting a viable market in the City of Ramsey, Developer obtaining surveys, environmental and geotechnical reports, wetland studies and such other items Developer determines to be necessary to build and operate the proposed hotel.
- e. Seller’s approval of a replat of the Property.
- f. Buyer and Seller entering into a Development Agreement on such terms as are satisfactory to Buyer;
- g. Any shared access easement(s) between the Property and any adjacent property required by Seller is in existence or has been obtained

Agreement

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

SELLER: City of Ramsey, a Minnesota municipal corporation

By: _____
Mark E. Kuzma, Mayor

Dated: _____, 2023

By: _____
Brian Hagen, City Administrator

Dated: _____, 2023

BUYER (ASSIGNOR): THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP

By: _____
Emily Allegra, Partner

Dated: _____, 2023

BUYER (ASSIGNEE): RAMSEY PROPERTIES, LLC


By: _____
Emily Allegra, Partner

Dated: _____, 2023

EXHIBIT A

Site Location Map Hilton 2



	Parcel Information: 28-32-25-22-0058 RAMSEY MN 55303 Plat: COR TWO	Approx. Acres: 2.85 Commissioner: MATT LOOK	Owner Information: RAMSEY CITY OF 7550 SUNWOOD DRIVE RAMSEY MN 55303
	Sean Sullivan	1:2,400	Date: 1/5/2023

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (sometimes, "Seller" or "City"), and **THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP** and/or its assigns, a Minnesota limited partnership ("Buyer").

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

1. **EFFECTIVE DATE.** The effective date of this Agreement is **August 26, 2022** (the "Effective Date").
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 1.43 acres of vacant land, legally described as follows:

Outlot A, Gigi Addition, to be platted as: T.B.D.

Anoka County PID Number: 28-32-25-23-0020
3. **PURCHASE PRICE.** The purchase price for the Property is \$1.00 on +/- 1.43 acres (62,290 square feet) as outlined in Exhibit A (the "Purchase Price"). The property valuation is \$311,454.
4. **INITIAL DEPOSIT; EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Buyer has previously deposited the sum of Five Thousand and No/100 Dollars (\$5,000.00) (the "Initial Deposit") with the City to pay costs of third party tax increment financing ("TIF") analysis and the preparation of the TIF Agreement. Within five business days after the Effective Date, Buyer must deposit the sum of \$1.00 (the "Earnest Money") with Guaranty Commercial Title, Inc. ("Escrow Agent"), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller's right to terminate, Seller's right to terminate is extinguished.
 - b. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with

Section 9(b), this Agreement automatically terminates, and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.

- d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.

5. SURVEY; SELLER DELIVERIES. Seller has provided the Buyer an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) for Outlot B, COR One (the "Survey") from a duly licensed surveyor dated April 18, 2017. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense. The City also has provided the Buyer with the recorded Gigi Addition plat. The Seller shall also provide to Buyer within ten (10) days of the Effective Date, copies of all environmental, geotechnical, wetland or other reports, plans or studies it has in its possession related to the Property.

6. TITLE COMMITMENT.

- a. Seller represents it has fee title to the Property. Seller makes no other representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception**." Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer ("**Buyer's Title Termination Notice**"). If Buyer

does not deliver a Buyer's Title Termination Notice to Seller within the three (3) business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
 - f. The cost of any test or additional survey work will be borne solely by Buyer.

- 8. PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement

pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to **March 26, 2023** (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to

obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.

- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds, and the Seller shall pay any remaining Initial Deposit to Buyer.

10. DEFINITIONS. As used in this Agreement:

"Claim" or **"Claims"** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"Hazardous Substance" or **"Hazardous Substances"** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such

Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

- 12. NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Central Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
Email: bhagen@cityoframsey.com

Buyer: THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP
Emily Allegra
8445 Bunker Lake
Blvd. NW
Ramsey, MN 55303
Email: emily@schieboutfa.com

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

- 13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement; provided, however, Buyer may extend the Closing a total of two (2) times, each time for a period of sixty (60) days, by depositing an additional One Thousand and 00/100 Dollars (\$1,000.00) earnest money with Escrow Agent for each extension. Each \$1,000 extension payment shall be non-refundable, but applicable to the Purchase Price. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; and (B)

matters that constitute Permitted Exceptions pursuant to Section 6;

- ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and
- iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and
- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller shall pay all outstanding property taxes, including but not limited to, Payable 2022 for the Property.
 2. Seller's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. The cost of real estate broker commission fees as prescribed in Section 14.
 5. State Deed Tax.
 6. Such other reimbursements to Buyer pursuant to the terms of this Agreement.
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
 1. Buyer's portion of prorated property taxes.
 2. Buyer's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. Documentary and recording fees for the deed(s).
 5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

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

- 14. REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. (“Sellers Broker”). Seller shall pay Seller’s Broker as required by their agreement 3% of final gross sale price. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker’s fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller’s Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney’s fees.
- 15. ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.
- 16. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.
- 17. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.
- 18. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
- 19. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.
- 20. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
- 21. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.
- 22. REMEDIES.**

 - a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller’s sole remedy in the event of Buyer’s default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.

b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Deposit and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

28. CONSTRUCTION DEADLINE. Buyer shall obtain a certificate of occupancy from the City of Ramsey for the construction of minimum 60 unit - 4 story hotel with pool compliant with COR Zoning requirements to be further defined by an approved Site Plan a year after closing. At Closing, a "Right of Re-Entry Agreement" must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained.

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

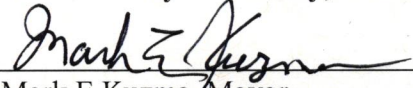
performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

30. PLATTING & DEVELOPMENT AGREEMENT. Buyer must be in the process of obtaining an approved final plat, development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards. City of Ramsey will reimburse Buyer up to \$3500 for re-platting expense. The reimbursement will only take place upon a successful closing and City of Ramsey is not responsible for any cost reimbursement if Buyer does not close on subject property. Buyer to provide written documentation of platting costs for reimbursement.

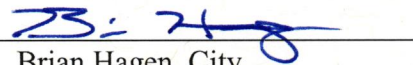
31. CONTINGENCIES. In addition to all other requirements and contingencies by the Buyer and Seller herein, Buyer's obligation to acquire the Property and the Purchase Price of \$1.00 is contingent on the following:

- a. Satisfactory review of the underwriting by the Seller demonstrating the need of financial assistance in the form of a land write down of \$311,454.
- b. City Council approval and execution of a Tax Increment Financing Agreement between the Seller and Buyer and or its assigns.
- c. City Council approval of Business Subsidy for Buyer and or its assigns.
- d. Hotel feasibility study supporting a viable market in the City of Ramsey, Developer obtaining surveys, environmental and geotechnical reports, wetland studies and such other items Developer determines to be necessary to build and operate the proposed hotel.
- e. Seller's approval of a replat of the Property.
- f. Buyer and Seller entering into a Development Agreement on such terms as are satisfactory to Buyer;
- g. Any shared access easement(s) between the Property and any adjacent property required by Seller is in existence or has been obtained.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: 
Mark E Kuzma, Mayor

Dated: August 26, 2022

By: 
Brian Hagen, City
Administrator

Dated: August 26, 2022

BUYER: THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP

By: THE SCHIEBOUT FAMILY LIMITED PARTNERSHIP, LLLP

Emily Allegra
Emily Allegra, Partner

Dated: 8/26/2022, 2022

Exhibit A

GIGI ADDITION

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

KNOW ALL PERSONS BY THESE PRESENTS, That the City of Ramsey, a Minnesota municipal corporation, owner of the following described property:
TRAIL A, COR. STONE BROOK ACADAMY, Anoka County, Minnesota.
Has adopted the plans to be surveyed and platted as GIGI ADDITION and does hereby dedicate to the public for public use the drainage utility easements as shown on this plat.
In witness whereof the City of Ramsey, a Minnesota municipal corporation, has caused these presents to be signed by its proper officers this 21st day of May, 2021.

WITNESSED: City of Ramsey
By: David E. Hagrone Mayor
In Presence of: Colleen Sankala Clerk
STATE OF MINNESOTA
COUNTY OF STERNA
The following persons were the duly sworn and qualified voters of the City of Ramsey, a Minnesota municipal corporation, in witness whereof the City of Ramsey, a Minnesota municipal corporation, has caused these presents to be signed by its proper officers this 21st day of May, 2021.
Wendy R. Schmeier Mayor
My Commission Expires: 10/17/24
My Commission Expires: 10/17/24

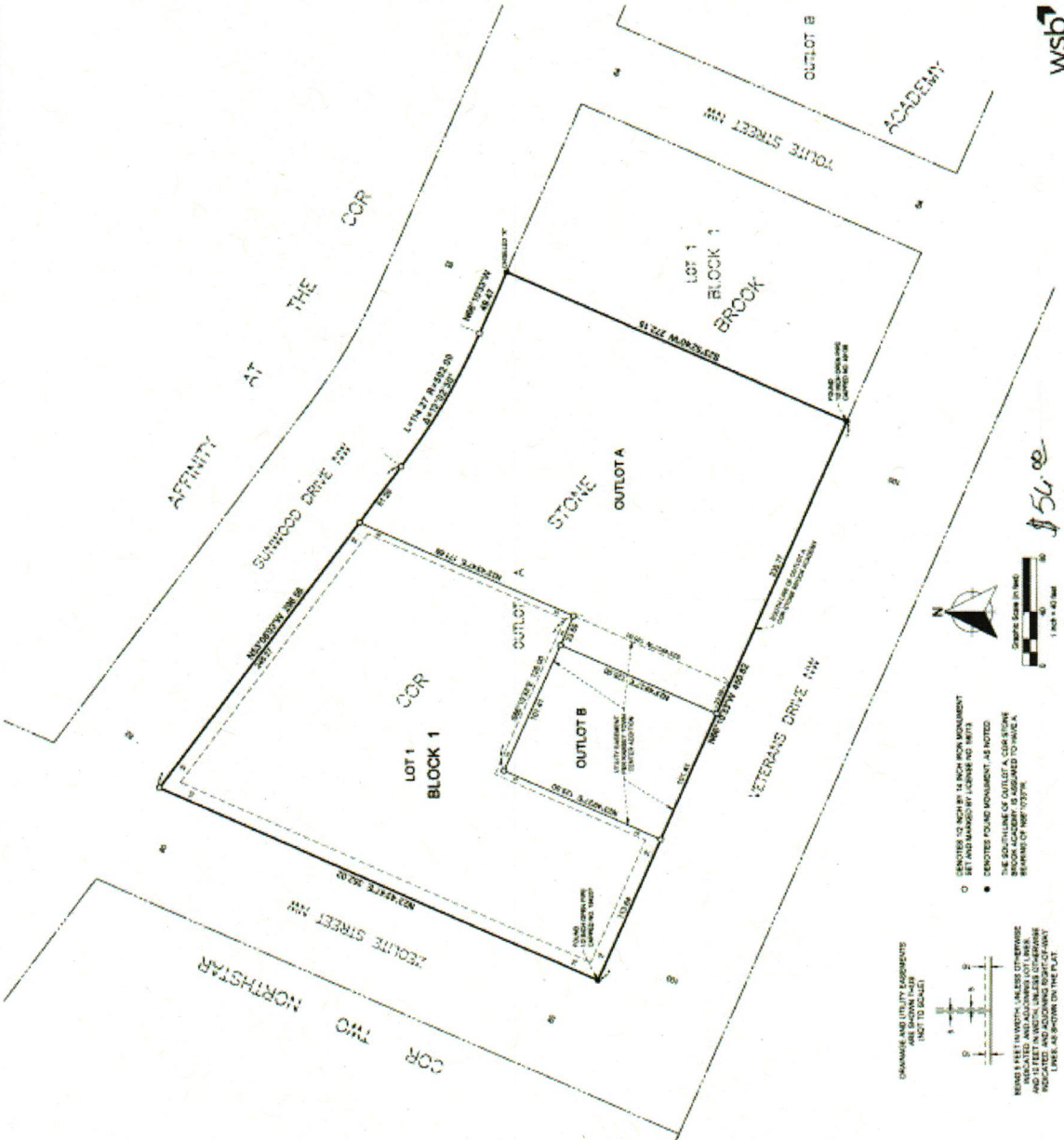
Section 2, Article 10, Minnesota Constitution, requires that the plat be prepared by me or under my direct supervision, that I am a duly licensed and duly qualified surveyor in the State of Minnesota, and that I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota. I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota. I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota. I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota.

STATE OF MINNESOTA
COUNTY OF RAMSEY
I, David E. Hagrone, Mayor, do hereby certify that the plat was prepared by me or under my direct supervision, that I am a duly licensed and duly qualified surveyor in the State of Minnesota, and that I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota. I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota. I am duly sworn and qualified to perform the duties of a surveyor in the State of Minnesota.

CITY COUNCIL, CITY OF RAMSEY, MINNESOTA
The plat of GIGI ADDITION was approved and adopted by the City Council of the City of Ramsey, Minnesota, at a regular meeting thereof held on the 21st day of May, 2021, and was filed in compliance with the provisions of Minnesota Statutes, Section 463.01, Subd. 2.
City Council: David E. Hagrone Mayor
City Council: Colleen Sankala Clerk

COUNTY SURVEYOR
I hereby certify that a copy of this plat, as recorded with Minnesota Statutes, Section 463.01, Subd. 11, has been filed in the office of the County Recorder of Ramsey, Minnesota, and that the same is a true and correct copy of the original as shown on this plat.
Surveyor: David M. Bergstrom
My Commission Expires: 10/17/24

COUNTY RECORDER / TREASURER
I hereby certify that a copy of this plat, as recorded with Minnesota Statutes, Section 463.01, Subd. 11, has been filed in the office of the County Recorder of Ramsey, Minnesota, and that the same is a true and correct copy of the original as shown on this plat.
Recorder: David M. Bergstrom
My Commission Expires: 10/17/24



wsb

Extended Stay Hotel
Sunwood Drive NW, Ramsey
Minnesota
Emily Allegra

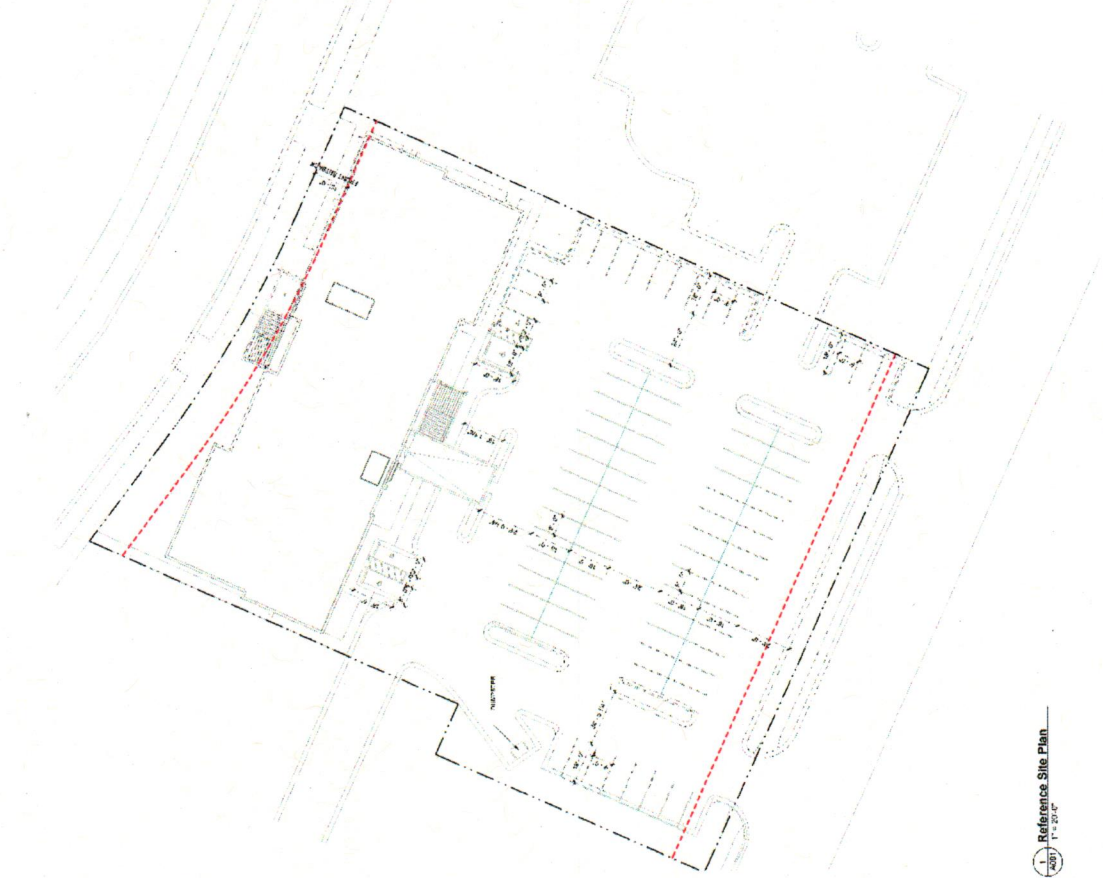
dm
 DESIGN MANAGEMENT
 10000 Sunwood Drive NW
 Suite 100
 Ramsey, MN 55403
 Phone: 763.883.8888
 Fax: 763.883.8889
 www.designmanagement.com

A091

QUESTIONS/ANSWERS		
Name	Area	Count
Level 1		
Double Queen Studio	422 SF	4
King Studio	548 SF	3
Level 2		
Double Queen Studio	422 SF	1
Double Queen Studio ADA	524 SF	2
King One Bedroom	691 SF	1
King One Bedroom ADA	793 SF	1
King Studio ADA	490 SF	1
Level 3		
Double Queen Studio	422 SF	3
King One Bedroom	691 SF	1
King One Bedroom ADA	811 SF	1
King Studio	510 SF	12
Level 4	0 SF	1
Level 5		
Double Queen Studio	422 SF	3
King One Bedroom	694 SF	2
King One Bedroom ADA	810 SF	13
King Studio ADA	490 SF	1
Level 6		
King Studio ADA	490 SF	1
Level 7		
King Studio ADA	490 SF	1
Level 8		
King Studio ADA	490 SF	1
Level 9		
King Studio ADA	490 SF	1
Level 10		
King Studio ADA	490 SF	1
Level 11		
King Studio ADA	490 SF	1
Level 12		
King Studio ADA	490 SF	1
Level 13		
King Studio ADA	490 SF	1
Level 14		
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Level 15		
King Studio ADA	490 SF	1
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Level 95		
King Studio ADA	490 SF	1
Level 96		
King Studio ADA	490 SF	1
Level 97		
King Studio ADA	490 SF	1
Level 98		
King Studio ADA	490 SF	1
Level 99		
King Studio ADA	490 SF	1
Level 100		
King Studio ADA	490 SF	1

PARKING SCHEDULE		
Type	#	Area
ADA Double Parking	2	13,873 SF
Standard Parking	81	13,873 SF
Max ADA Double Parking	2	13,873 SF
		44,619 SF

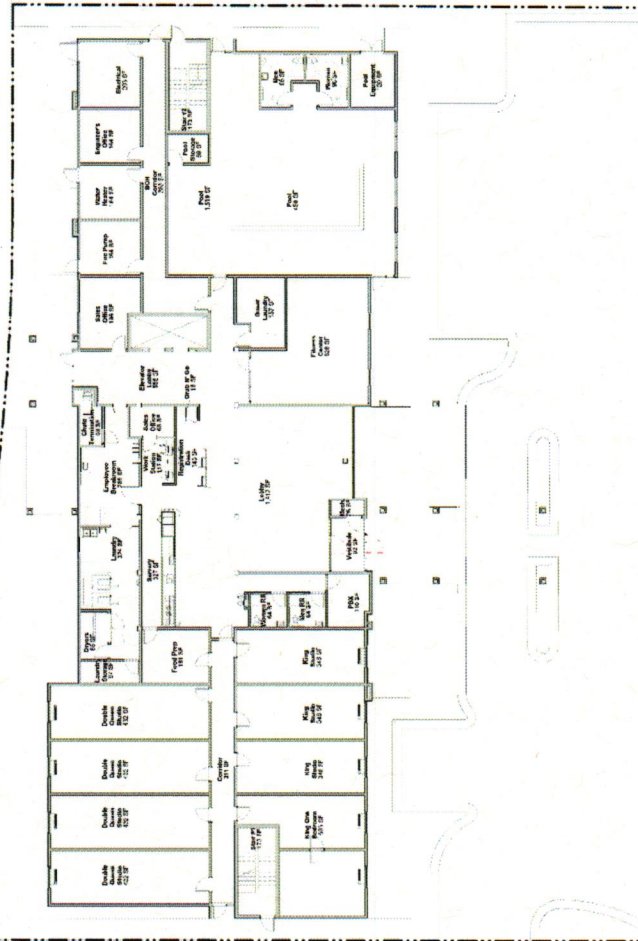
Rm. Only Gross SF		
Level	Area	Count
Level 1	13,873 SF	4
Level 2	13,873 SF	3
Level 3	13,873 SF	3
Level 4	13,873 SF	3
Level 5	13,873 SF	3
Level 6	13,873 SF	3
Level 7	13,873 SF	3
Level 8	13,873 SF	3
Level 9	13,873 SF	3
Level 10	13,873 SF	3
Level 11	13,873 SF	3
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Level 94	13,873 SF	3
Level 95	13,873 SF	3
Level 96	13,873 SF	3
Level 97	13,873 SF	3
Level 98	13,873 SF	3
Level 99	13,873 SF	3
Level 100	13,873 SF	3



Reference Site Plan
 11/11/2011
 11/11/2011

1ST FLOOR ROOM SCHEDULE

Name	#	Area
Double Queen Studio	4	423 SF
King One Bedroom	1	593 SF
King Studio	3	348 SF
Total		

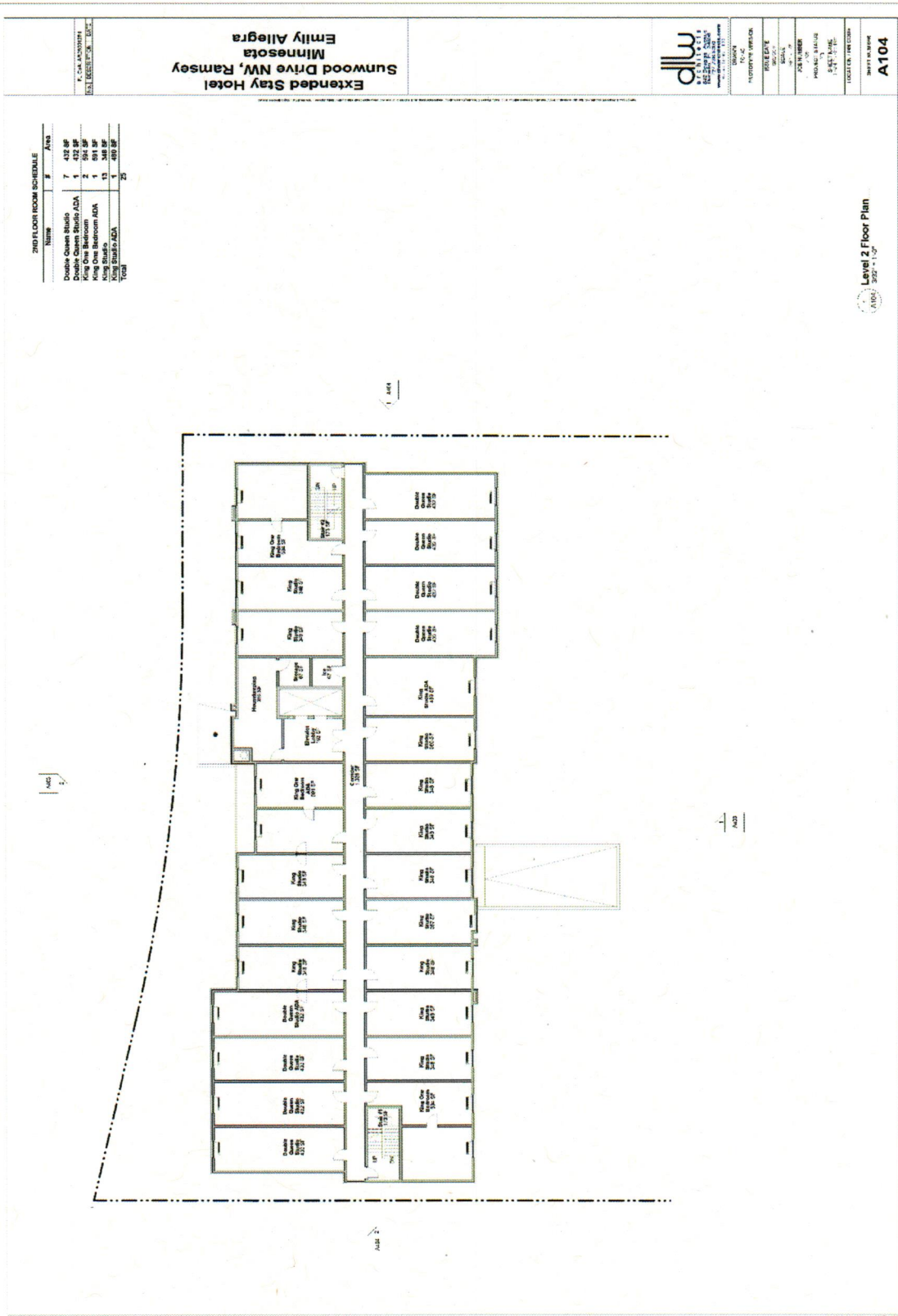


Extended Stay Hotel
 Sunwood Drive NW, Ramsey
 Minnesota
 Emily Allegra



PROJECT INFORMATION
 PROJECT NAME: EXTENDED STAY HOTEL
 PROJECT NUMBER: 10000 W. 10TH AVE., SUITE 100, GOLDEN, CO 80231
 PROJECT LOCATION: 10000 W. 10TH AVE., SUITE 100, GOLDEN, CO 80231
 PROJECT DATE: 10/1/2010
 PROJECT ARCHITECT: DLW
 PROJECT ENGINEER: DLW
 PROJECT CONTRACTOR: DLW
 PROJECT OWNER: DLW

Level 1 Floor Plan
 10000 W. 10TH AVE., SUITE 100, GOLDEN, CO 80231
A101



2ND FLOOR ROOM SCHEDULE

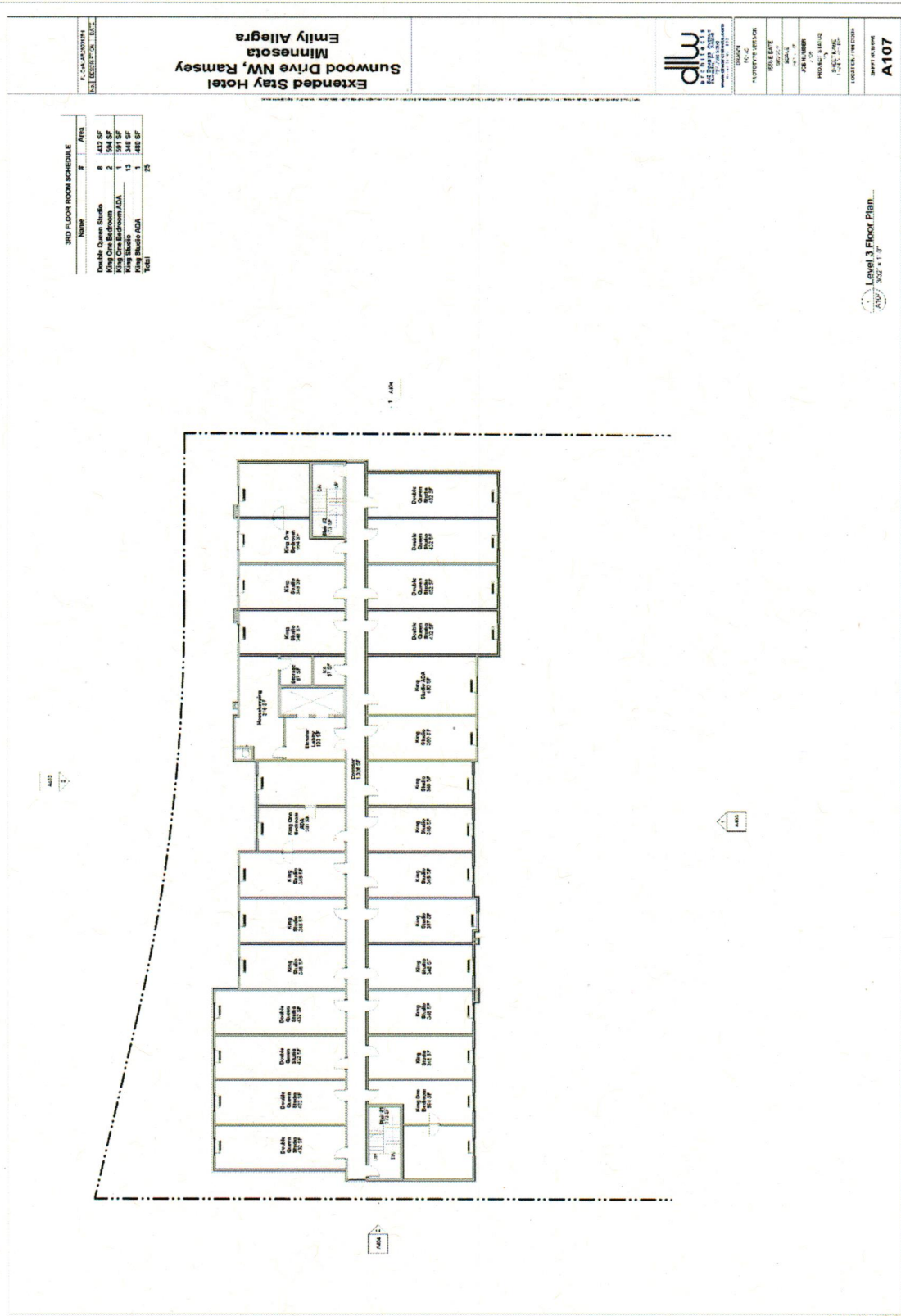
Name	#	Area
Double Queen Bed	7	432 SF
Double Queen Bed ADA	1	432 SF
King One Bedroom	2	594 SF
King One Bedroom ADA	1	594 SF
King One Bedroom	1	489 SF
King One Bedroom ADA	1	489 SF
Total	25	

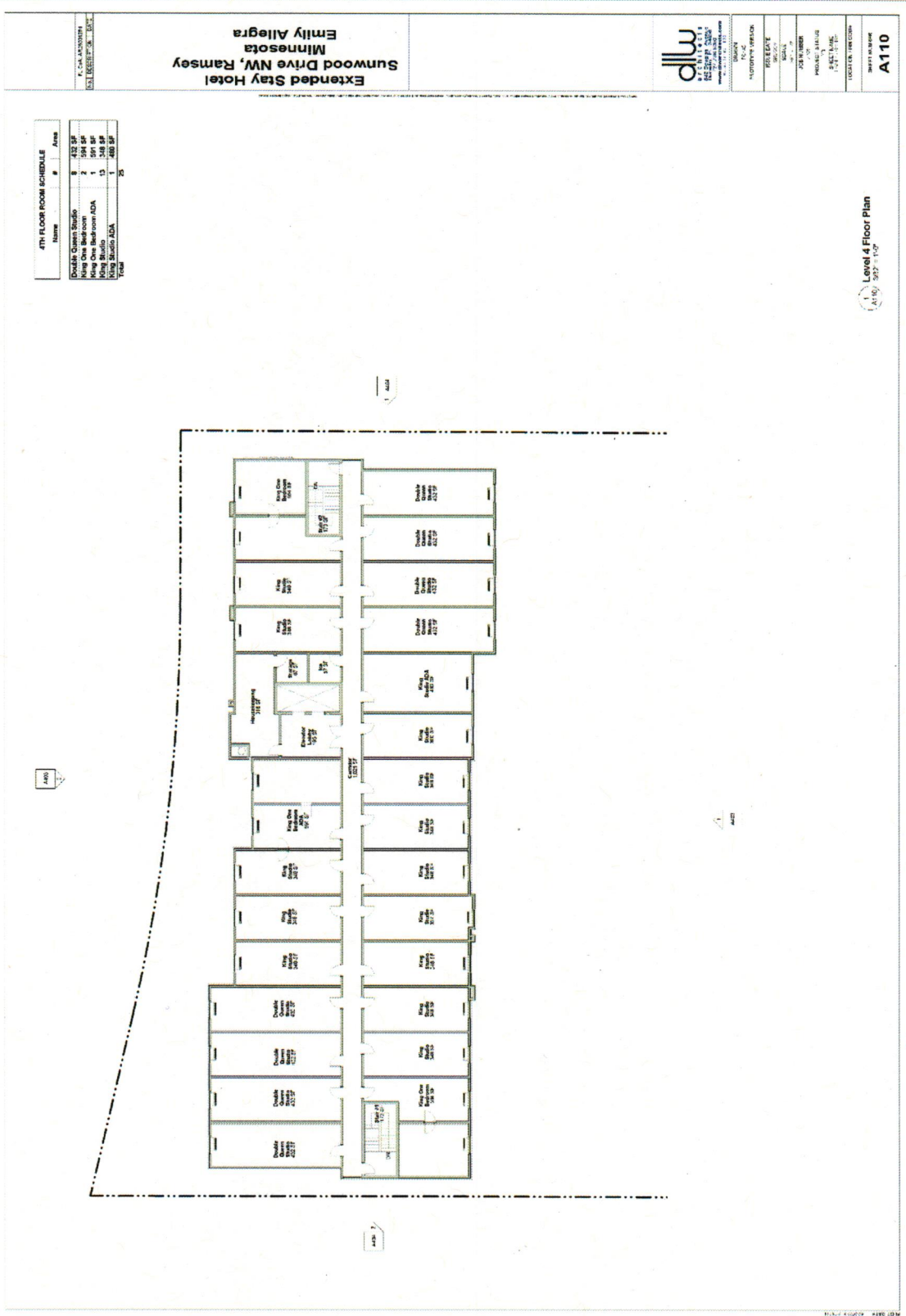
Extended Stay Hotel
Sunwood Drive NW, Ramsey
Minnesota
Emily Allegra



PROJECT NO. 20-02
PROJECT NAME
PROJECT LOCATION
PROJECT DATE
PROJECT ARCHITECT
PROJECT ENGINEER
PROJECT CONTRACTOR

Level 2 Floor Plan
A104





4TH FLOOR ROOM SCHEDULE

Name	#	Area
Double Queen Studio	9	432 SF
King One Bedroom	2	594 SF
King Two Bedrooms ADA	13	534 SF
King Studio ADA	1	480 SF
Total	25	

Extended Stay Hotel
 Sunwood Drive NW, Ramsey
 Minnesota
 Emily Allegra

dllw
 DESIGN
 CONSULTANTS
 ARCHITECTS
 INTERIORS
 10000 15th Avenue NW
 Suite 1000
 Seattle, WA 98148
 Phone: 206.465.1100
 Fax: 206.465.1101
 www.dllw.com

PROJECT NO. 1000015000
 SHEET NO. 404
 DATE: 08/11/10

DESIGNED BY: J. S. HARRIS
 CHECKED BY: J. S. HARRIS
 PROJECT MANAGER: J. S. HARRIS
 PROJECT ARCHITECT: J. S. HARRIS
 PROJECT ENGINEER: J. S. HARRIS

SCALE: AS SHOWN

DATE: 08/11/10

PROJECT NO. 1000015000

SHEET NO. 404

DATE: 08/11/10

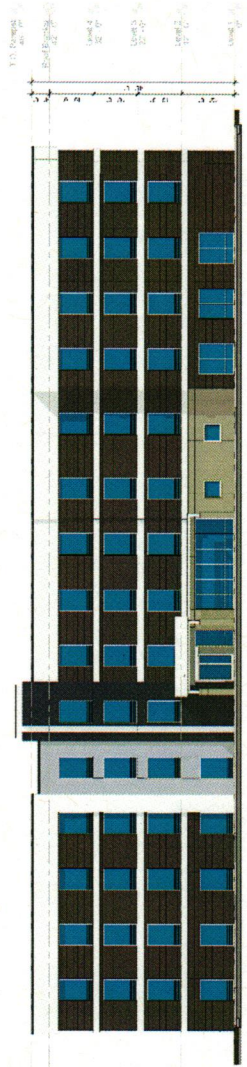
PROJECT MANAGER: J. S. HARRIS

PROJECT ARCHITECT: J. S. HARRIS

PROJECT ENGINEER: J. S. HARRIS

A110

Level 4 Floor Plan
 08/11/10



1 Building Elevation
3/24' = 1" @



2 Building Elevation
3/24' = 1" @

P. C. & ASSOCIATES
10000 15th Avenue NW
Suite 1000
Eden Prairie, MN 55324

Extended Stay Hotel
Sunwood Drive NW, Ramsey
Minnesota
Emily Allegra



ARCHITECT

PROJECT LOCATION

OWNER

DESIGNER

DATE

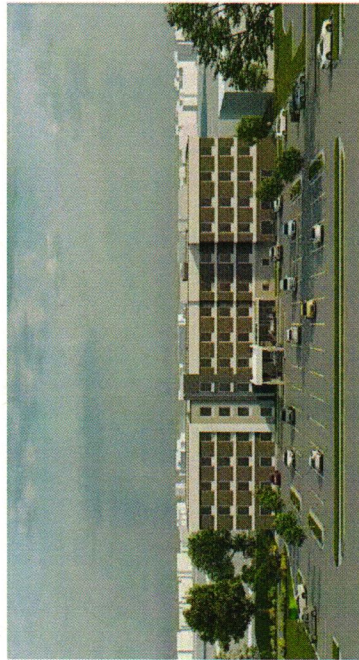
PROJECT NUMBER

DATE OF ISSUE

PROJECT NAME

PROJECT ADDRESS

SHEET NUMBER
A403



Rendering - Veterans Dr View



Rendering - Sunwood Dr View



Rendering - Veterans Dr View



Rendering - Sunwood Dr View

PLANNING
DEPARTMENT

Extended Stay Hotel
Sunwood Drive NW, Ramsey
Minnesota
Emily Allegra



PROJECT INFORMATION
PROJECT NAME
SHEET NO.
SCALE
DATE
DESIGNER
DRAWN BY
CHECKED BY
DATE
PROJECT NUMBER
SHEET NUMBER
A406

Economic Development Authority (EDA)

4. 2.

Meeting Date: 01/12/2023**By:** Sean Sullivan, Community Development**Title:**

Consider Extension of CBRE Real Estate Listing Agreement for City Owned Land in COR

Purpose/Background:

The purpose of this case is to consider extending the listing agreement with CBRE for some of the City owned land held for resale. The City currently lists some of its own property utilizing Costar/Loopnet and MNCAR through the Anoka County access. City Staff has been satisfied with the work of Brian Pankratz with CBRE on the current listings and we communicate frequently. The proposed listing agreement with CBRE would be from February 1, 2023 - January 31, 2024.

There are currently two active purchase agreements and an LOI on CBRE listed parcels. Two purchase agreements have been from city generated leads (Cor Trust Bank, Hotel) and the third was collaboration between CBRE and the City to garner interest and ultimately an LOI (convenience grocer). CBRE has been working with many interested parties for the development of portions of Parcel 46 but some of the leads have been staff generated as well. Development interest has slowed for Parcel 50a due to the pending construction of the interchange on Hwy 10 at Ramsey Boulevard. Java Properties asked to terminate their PA due to this project. Having a reputable company like CBRE helps broadcast our available sites to a large group of contacts as noted in the 2023 City of Ramsey Land Review provided by CBRE.

Notification:

Notification is not required.

Observations/Alternatives:

The listing agreement is proposed to be extended 1 year to January 31, 2024. All other terms and condition remain the same as July 10, 2019 Listing Agreement The following changes (and current status) have been made to the properties on the attached listing agreement below:

1. Parcel 50a - 28-32-25-41-0024
2. Parcel 47f -28-32-25-23-0020 (Currently under PA with Hotel Group)
3. Parcel 46 - 28-32-25-22-0058 -Multiple Developers (Housing, Apartments, Single Family Housing) have expressed sincere interest in site (Working on Wetland information and COR Infrastructure project).
4. Parcel 42a -7994 Sunwood Drive - 28-32-25-23-0012 (LOI Convenience Grocer)
5. Parcel 42b - 7990 Sunwood Drive - 28-32-25-23-0011 (Pt LOI Convenience Grocer)
6. Parcel 42c - 7992 Sunwood Drive- 28-32-25-23-0013 (LOI Convenience Grocer)
7. Parcel 48a -28-32-25-24-0017 (Pt. COR Trust Bank PA)
8. Parcel 48c - 28-32-25-31-0025 (Muni Plaza Retail - Site on Market)

Some of the CBRE real estate signs in the COR and surrounding areas have become weathered. These signs will be updated upon execution an extension of the Listing Agreement. Brian Pankratz will be in attendance to answer questions.

Alternatives include, but are not limited to the following:

1. Recommendation to City Council approval of Listing Agreement as presented. (Recommended)
2. Recommendation to City Council approval of Listing Agreement with changes.
3. Something else.

Funding Source:

There is no immediate or initial up front costs. CBRE is only paid at time of sale, and a commission is deducted from the gross sales price rather than an hourly rate. In addition, Staff negotiated a reduction of commission from 5% to 3% for City generated leads on CBRE listed property which continues in this Listing Agreement term.

Recommendation:

Staff recommends approval of the Listing Agreement with CBRE from February 1, 2023 - January 31, 2024 as presented.

Action:

Motion to recommend to the City Council approval of the attached Listing Agreement with CBRE from February 1, 2023 - January 31, 2024.

Attachments

- ACTION - Listing Agreement with CBRE
- Parcel Map of Listings in COR
- CBRE Property Listing Activity
- CBRE Sign locations
- CBRE Listing Agreement (Reference)
- CBRE 2023 Land Review
- MPLS Office Market
- MPLS Industrial Market

Form Review

Inbox	Reviewed By	Date
Sean Sullivan (Originator)	Sean Sullivan	01/05/2023 10:52 AM
Brian Hagen	Brian Hagen	01/05/2023 11:47 AM
Form Started By: Sean Sullivan		Started On: 01/03/2023 08:02 AM
Final Approval Date: 01/05/2023		



AMENDMENT TO LISTING AGREEMENT

CBRE, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

January 5, 2023

This is an Amendment to the Exclusive Sales Listing Agreement ("Listing") dated July 10, 2019 between City of Ramsey ("Owner") and CBRE, INC. ("Broker") for the real property described as Multiple Land Parcels, City of Ramsey, Minnesota.

1. Parcel 50c - 28-32-25-41-0024
2. Parcel 47f - 28-32-25-23-0020
3. Parcel 46 - 28-32-25-22-0058
4. Parcel 42a - 7994 Sunwood Drive - 28-32-25-23-0012
5. Parcel 42b - 7990 Sunwood Drive - 28-32-25-23-0011
6. Parcel 42c - 7992 Sunwood Drive- 28-32-25-23-0013
7. Parcel 48a -28-32-25-24-0017
8. Parcel 48c - 28-32-25-31-0025

Owner and Broker hereby agree to amend the Listing as follows:

1. That the Listing Term be extended for another period commencing February 1, 2023 and ending midnight January 31, 2024
2. All other terms and conditions remain the same.

As used herein the term "Owner" shall be deemed to include a tenant wishing to affect a sublease, lease assignment or lease cancellation.

Except as expressly set forth in this Amendment, the Listing shall remain in full force and effect.

BROKER:

CBRE, Inc.
Licensed Real Estate Broker

By: _____

Jeffrey V. Jiovanazzo

Title: _____

Managing Director

Address: _____

800 LaSalle Avenue

Suite 1900

Minneapolis, MN 55402

Telephone: _____

(952) 924-4600

Date: _____

OWNER:

City of Ramsey

By: _____

Brian Hagen

Title: _____

City Administrator

Address: _____

7550 Sunwood Drive NW

Ramsey, MN 55303

Telephone: _____

(763) 433-9845

Date: _____

Minnesota Sale/Lease Disclosures

Property: Multiple Land Parcels, City of Ramsey, Minnesota

Seller/Landlord Disclosure of Material Facts, Delivery of Reports, and Compliance with Laws. Sellers/landlords are hereby requested to disclose directly to buyers/tenants all facts known to sellers/landlords that materially affect the value or desirability of the Property and are not readily observable nor known to the buyer/tenant, including, but not limited to, facts regarding hazardous materials, zoning, construction, design, engineering, soils, title, survey, fire/life safety, proneness to natural hazards such as earthquakes, and other matters, and to provide buyers/tenants with copies of all reports in the possession of or accessible to sellers/landlords regarding the Property. Sellers/landlords and buyers/tenants must comply with all applicable federal, state and local laws, regulations, codes, ordinances and orders, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

Americans with Disabilities Act (ADA). The Americans With Disabilities Act (42 United States Code §12101 et seq.) and other federal, state and local requirements may require changes to the Property. Have your experts investigate and evaluate these matters.

Taxes. Sales, leases and other real estate transactions can have federal, state and local tax consequences. In sales transactions, Internal Revenue Code §1445 requires buyers to withhold and pay to the IRS 15% of the gross sales price within 20 days of the date of a sale unless the buyers can establish that the sellers are not foreigners, generally by having the sellers sign a Non-Foreign Seller Affidavit. Depending on the structure of the transaction, the tax withholding liability can exceed the net cash proceeds to be paid to sellers at closing. Have your experts investigate and evaluate these matters.

Flood Zones. Many lenders require flood insurance for properties located in flood zones, and government authorities may regulate development and construction in flood zones. Whether or not located in a flood zone, properties can be subject to flooding and moisture problems, especially properties on a slope or in low-lying areas. Buyers/tenants should have their experts confirm whether the Property is in a flood zone and otherwise investigate and evaluate these matters.

Fires. Properties, whether or not located in a fire hazard zone, are subject to fire/life safety risks and may be subject to state and local fire/life safety-related requirements, including retrofit requirements. Have your experts investigate and evaluate these matters.

Hazardous Materials and Underground Storage Tanks. Due to prior or current uses of the Property or in the areas or the construction materials used, the Property may have hazardous or undesirable metals (including but not limited to lead-based paint), minerals (including but not limited to asbestos), chemicals, hydrocarbons, petroleum-related compounds, or biological or radioactive/emissive items (including but not limited to electrical and magnetic fields) in soils, water, building components, above or below-ground tanks/containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. If the Property was built before 1978 and has a residential unit, sellers/landlords must disclose all reports, surveys and other information known to them regarding lead-based paint to buyers/tenants and allow for inspections (42 United States Code §4851 et seq.). Have your experts investigate and evaluate these matters.

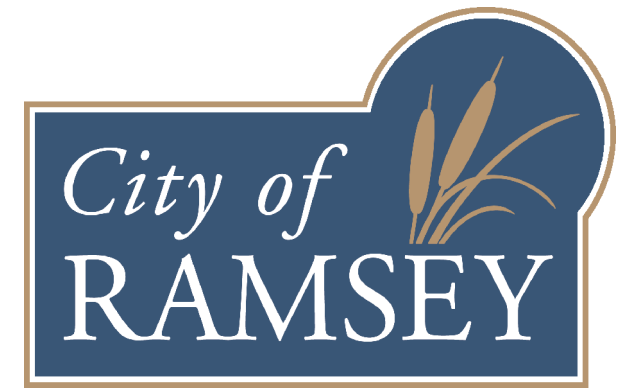
Property Inspections and Evaluations. Buyers/tenants should have the Property thoroughly inspected and all parties should have the transaction thoroughly evaluated by the experts of their choice. Ask your experts what investigations and evaluations may be appropriate as well as the risks of not performing any such investigations or evaluations. Information regarding the Property supplied by the real estate brokers has been received from third party sources and has not been independently verified by the brokers. Have your experts verify all information regarding the Property, including any linear or area measurements, the availability of all utilities, applicable zoning, and entitlements for the intended use. All work should be inspected and evaluated by your experts, as they deem appropriate. Any projections or estimates are for example only, are based on assumptions that may not occur, and do not represent the current or future performance of the property. Real estate brokers are not experts concerning, nor can they determine if any expert is qualified to provide advice on, legal, tax, design, ADA, engineering, construction, soils, title, survey, fire/life safety, insurance, hazardous materials, or other such matters. Such areas require special education and, generally, special licenses not possessed by real estate brokers. Consult with the experts of your choice regarding these matters.

CONSULT YOUR ADVISORS – This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. This form is not intended to substitute for any disclosures the law requires that the parties make to each other. These are questions for your attorney and financial advisors.

NOTICE: IF YOU RELIST WITH ANOTHER BROKER WITHIN THE OVERRIDE PERIOD AND THEN LEASE YOUR PROPERTY TO ANYONE WHOSE NAME APPEARS ON THIS LIST, YOU COULD BE LIABLE FOR FULL COMMISSIONS TO BOTH BROKERS. IF THIS NOTICE IS NOT FULLY UNDERSTOOD, SEEK COMPETENT ADVICE.

NOTICE: THE COMPENSATION FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S CLIENT.

WHERE PERMITTED BY LAW, WE EACH KNOWINGLY AGREE TO WAIVE ANY AND ALL RIGHTS TO HAVE A DISPUTE ON ANY MATTER RELATING TO, OR ARISING FROM THIS AGREEMENT DETERMINED BY A JURY.

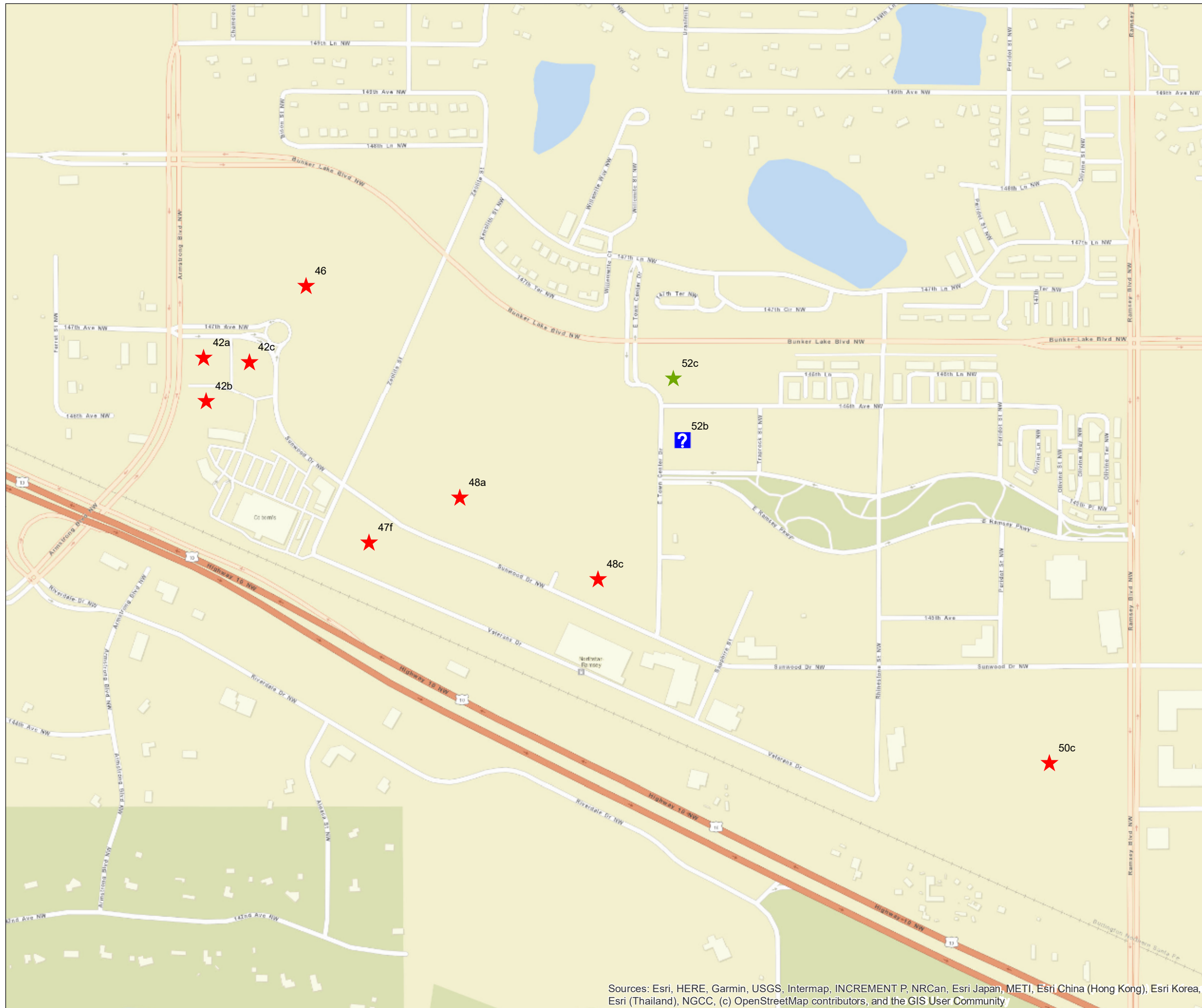


City Listings COR Area

Listings

Listings type

- ★ CBRE
- ★ City
- ❓ PENDING



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

January 2022 City of Ramsey Land Review

City of Ramsey-CBRE Closed Deals

1. Municipal Center NIK
2. Aeon
3. Centra Homes
4. Common Bond
5. Inland Development/Affinity
6. PSD, LLC
7. Coastal Living
8. Stone Brook Daycare
9. Purmort Homes
10. Muni Center-Meadow Creek
11. GiGi's Salon
12. Java Properties – O'Reilly
13. Stories Foundation

City of Ramsey-CBRE Under Contract/PA Status

1. Rob Hardy-PA (Parcel 42a, 42b, and 42c)
2. Java Properties-PA (Parcel 50c)

Prospects (sample list)

Prospect	Active or Met with City	Inactive met with City	CBRE Reach Out-No Response	CBRE Reach Out-Not Interested
Enclave Development- Looking for apartment sites				X
Kindercare				x
Discount Tire				x
Panera				X
Red Savoy				x
Pizza Luce				X
Public Storage			x	
Centra Homes	X			
Integrate Properties			X	
Scooters Coffee			X	
Casey's	x		X	

HJ Development			x	
Lennar	x			
DR Horton			x	
Pulte			x	
David Weekley Homes			x	
Vincent-apartments and townhomes			x	
LMC-apartments			x	
Sota Car Wash			X	
Zips Car Wash			X	
Border Foods			x	
Inland-Looking at 46 for housing	X			
Dunkin	X-Reviewing demo's, traffic counts, likes growth story			
Heartland Dental Group	x-Looking for expansion site. Want to be near grocery			
Kwik Trip	X			
Aldi	X			
Hy-Vee	X looking for Fast & Fresh Concept locations	x		
Starbucks	x-Looking for sites. Provided locations in COR			
Jimmy Johns			x	
NAPA			x	
Cub Foods				x-supplier to Coburns
Ryan Companies		X-potential for medical use		

Opus Companies		X		
IDP	X			
Hampton Companies		x-Opened facility south of Hwy 10		
PSD	X	x-under construction/completed industrial, apartment and retail in Ramsey		
Paxmar	X			
Dollar Tree	X	x		
Fourteen Foods-DQ franchisee				X
New Horizon				X
YMCA		X		
Speedway	X			
Holiday	X			
Abra/Caliber	X			
Oppidan	X			
United Properties for senior housing				X
Lifetime Fitness				X
Scannell Development				X
Ebbert Companies				X
Summit Development-senior housing				X
Charter School Fund		X		
Continental Properties	X-interested in non COR site for apartment development			
Excelsior Group				X
Mister Car Wash	X			
LGI Homes				X
Mills Fleet Farm				X

Wal-Mart				X
Metro Self Storage	X			
Platinum Development		X		
Willie McCoy's	X			
Culver's				X-Franchisee led
Noodles				X
Chipolte				X
Smashburger				X
Raising Canes				X
Chick Fil A				X
All American Car Wash				X
Panera Bread				X
Taco Bell				x

Monthly Blast of properties to 3000 prospects including brokers, builders, contractors, developers, investors, etc. Properties are posted on MnCAR/Catalyst, Loopnet, Costar, CBRE.com.

CITY OF RAMSEY PROPERTY SIGNS





1900 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, MN 55402
+1 952 924 4600

July 10, 2019

BY ELECTRONIC MAIL

City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Attention: Sean Sullivan and Kurt Ulrich

**Re: *Exclusive Sales Listing Agreement
Multiple Land Parcels, City of Ramsey, Minnesota ("Property")
Vacant Land Exhibit B***

Dear Sean and Kurt,

Thank you for selecting CBRE, Inc. ("CBRE") to represent you. The terms of our engagement are contained in this agreement ("Agreement").

1. This Agreement shall terminate six months from August 1, 2019 ("Term").
2. During the Term, you appoint us your exclusive agent with the right to list and market the Property for sale and to negotiate agreements for the sale of the Property (which includes portions thereof). If, during the Term, the Property is removed from the market because escrow is opened or an offer to purchase the Property is accepted, and if the sale is not consummated for any reason, then the Term will be extended by the longer of the number of days that (i) escrow was open or (ii) the Property was removed from the market, but in no event more than 180 calendar days in the aggregate.
3. We will commit the appropriate number of qualified and licensed professionals to this engagement. Your "Listing Team" is comprised of Brian Pankratz. We will have the right to change members of the Listing Team as necessary and appropriate. The Listing Team shall owe you duties of trust, confidence and loyalty.
4. We will offer the Property at an initial listing price that is per separate agreement and Acceptable to Owner, although the Property may be sold upon such other terms as you may agree. However, it is your right to: (a) approve, modify, reject or disapprove any and all proposals and offers as well as any prospective purchasers for the Property and (b) adjust the terms and conditions of any offer made, including but not limited to, adjusting the Property's listing price.
5. We will work with you to create and implement a sales strategy for the Property, including preparation of appropriate and customary marketing materials (such as an offering brochure). In developing the strategy, we will rely on (without requirement to verify) any information provided to us by you, your agents, affiliates and/or any of the Property's managers. However, we will not issue any written marketing materials without your prior written approval. Further, you authorize us to place one or more signs on the Property as we deem appropriate.
6. The success of this engagement relies, in part, on cooperation and communication between City of Ramsey and CBRE Listing Team. Therefore, you agree to: (i) provide us with all available information to assist us in marketing the Property; (ii) make CBRE Listing Team aware of all inquiries regarding CBRE listed properties; and (iii) work with CBRE Listing Team to conduct

negotiations with prospective purchasers as needed. If a prospective buyer is a City generated lead that has not had prior discussions with CBRE Listing Team, and CBRE services are not required, CBRE commissions will be reduced from 5% to 3%..

7. You represent that you either are the fee owner of or otherwise have control over the Property. You further represent that you have full authority to enter into this Agreement without violating anyone else's rights, or any other agreements or contractual obligations.
8. We will present all offers to you and assist you in developing and negotiating counteroffers until a PSA is signed and all contingencies are satisfied or waived. You agree that you and/or your legal counsel are solely responsible for determining the legal sufficiency of the documents related to this engagement and the tax consequences of any transaction. You are also responsible for evaluating any offers and determining with whom you will negotiate or enter into a transaction. While we may assist you in gathering reasonably available information, we cannot represent or warrant the creditworthiness of any prospect and/or their ability to satisfy their obligations under a purchase agreement. All final business and legal decisions shall be made solely by you. Notwithstanding any designation of us as "agent" in this Agreement, we will have no right, power, or authority to enter into any agreement with any prospective purchaser, real estate broker, or any other person in the name of, on behalf of, or otherwise binding upon you.
9. **NOTICE: THE COMPENSATION FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S CLIENT.**
10. We will earn (and you agree to pay) a commission in accordance with this Agreement and the attached Commission Schedule (Exhibit "A") if either of the following occur:
 - (a) during the Term, you sell the Property to a purchaser, whether procured by us, you or anyone else; or
 - (b) within one hundred eighty (180) days after the expiration of the Term or after the Agreement otherwise terminates (the "Override Period"), the Property is sold to, or negotiations continue, resume or commence and thereafter continue leading to a sale of the Property to any person or entity (including his/her/its successors, assigns or affiliates) with whom, during the Term, CBRE either negotiated (either directly or through another broker or agent) or to whom the Property was submitted during the Term ("Existing Prospect"). You agree that CBRE is authorized to continue negotiations with Existing Prospects. We will submit to you a list of such Existing Prospects in a "Protective List" within seventy-two (72) hours following the expiration or termination of the Term as required by M.S.A. §82.66(1); provided, however, that if a written offer has been submitted prior to said expiration or termination date, then it shall not be necessary to include the offeror's name on the list. The protective list may include only persons who have, during the Term, either made an affirmative showing of interest in the property by responding to an advertisement, or by contacting the Broker or having been physically shown the property by the Broker.

NOTICE: IF YOU RELIST WITH ANOTHER BROKER WITHIN THE OVERRIDE PERIOD AND THEN SELL YOUR PROPERTY TO ANYONE WHOSE NAME APPEARS ON THIS LIST, YOU COULD BE LIABLE FOR FULL COMMISSIONS TO BOTH BROKERS. IF THIS NOTICE IS NOT FULLY UNDERSTOOD, SEEK COMPETENT ADVICE.

11. You agree that we are authorized to cooperate with and, if appropriate, share our commission with "Cooperating Brokers" (such as a broker representing a purchaser). We will be responsible for paying the fee or commission due to the Cooperating Broker (if any) provided the Cooperating Broker: (i) represents the prospective purchaser pursuant to a written agreement, a copy of which is furnished to us prior to the execution of the transaction; (ii) is properly licensed; and (iii) executes and delivers to us an acceptable cooperating brokerage agreement. Market conditions may exist whereby the Cooperating Broker receives an above-standard fee and/or broker bonus. If so, our commission shall be increased by (and you agree to pay) an amount such that we receive no less than 50% of the total fee in accordance with the Commission Schedule.

12. If you lease the Property to anyone during the Term or Post-Term, you agree to pay CBRE a lease commission in accordance with Exhibit A.
13. The Listing Team are your designated agents to the exclusion of all of CBRE's other licensees. All other CBRE licensees shall be referred to as "Non-Listing Team Agents" and shall be considered Cooperating Brokers. You acknowledge that we are an international brokerage firm and that we may represent prospective purchasers. You consent to the representation of such prospective purchasers by Non-Listing Team Agents and consent to any dual agency created by such representation. You acknowledge that Non-Listing Team Agents owe duties of trust, confidence and loyalty exclusively to their clients. The Listing Team and Non-Listing Team Agents shall not disclose the confidential information of one principal to the other.
14. Questions regarding environmental and zoning issues may arise during the course of our representation. CBRE is not obligated to perform, and has not made any investigation of the physical conditions or zoning issues relating to the Property. You agree to disclose to us and allow us to disclose to prospective purchasers everything you know (after reasonable inquiry by you) regarding present and future property issues including, but not limited to, structural, mechanical, hazardous materials, zoning and environmental matters affecting the Property and/or the Property's condition.
15. If the Property becomes the subject of foreclosure proceedings before the expiration of the Term, then in our sole and absolute discretion we may: (a) suspend this Agreement until we may elect to reinstate it or (b) terminate this Agreement and enter into a listing agreement with any receiver, party initiating foreclosure, party purchasing the Property at a foreclosure sale, or any other third party.
16. While we are confident that our relationship will be mutually satisfactory, if there is a dispute between us, then we agree to resolve it subject to the following:
 - (a) if either party institutes a legal proceeding against the other party relating to this Agreement, the prevailing party shall recover from the non-prevailing party all of its (i) reasonable attorneys' fees and costs, (ii) expert-related fees and costs and (iii) other related expenses. All past due amounts shall bear interest at twelve percent (12%) per annum or the maximum rate permitted in the state in which the Property is located. No party will be entitled to punitive, special and/or consequential damages, and we each waive all rights to and claims for relief other than for compensatory damages; and
 - (b) **WHERE PERMITTED BY LAW, WE EACH KNOWINGLY AGREE TO WAIVE ANY AND ALL RIGHTS TO HAVE A DISPUTE ON ANY MATTER RELATING TO, OR ARISING FROM THIS AGREEMENT DETERMINED BY A JURY.**
17. You and CBRE agree to comply with all applicable laws, regulations, codes, ordinances and administrative orders. Further, we both acknowledge that: (a) it is illegal to refuse to display or lease or sell to or from any person because of one's membership in a protected class, e.g.: race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental handicap, familial status or any other class protected by applicable law and (b) the Property will be offered in compliance with all applicable anti-discrimination laws.
18. This Agreement is our entire agreement and supersedes all prior understandings between us regarding this engagement and is governed by the laws of the state where the Property is located, without regard to its conflict of laws principles. This Agreement will be binding and inure to the benefit of our lawful representatives, heirs, successors, designees and assignees. It may not be altered or terminated except in a writing signed by both you and CBRE. Neither party's failure to exercise any of its rights under this Agreement will relieve the other party of its obligations hereunder. Nothing herein is or may be deemed a waiver or full statement of any of our rights or remedies, whether at law or in equity, all of which are expressly reserved. If any provision of this Agreement is unenforceable or void under applicable law, the remaining provisions will continue to be binding. This Agreement and the rights, interests or obligations created hereunder will not be assigned by either of the parties without the prior written consent of the other party. We each agree that we have both participated in the negotiation and drafting of this Agreement. You acknowledge that the person signing this Agreement on your behalf has your full authority to execute it. This

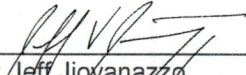
Agreement will be binding whether signatures are exchanged electronically or by hand, by mail, by fax, by electronic transfer or image, by photocopy or in counterparts.

19. Either party can cancel the Listing Agreement after 6 months with 30 day written notice.

Thank you again for this opportunity. We look forward to working with you.

Very truly yours,

CBRE, Inc.
Licensed Real Estate Broker

By: 
Name: Jeff Jiovanazzo
Title: Managing Director

Date: July 18, 2019

AGREED:

City of Ramsey

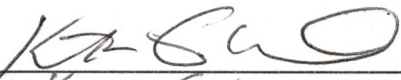
By: 
Name: Kurtis G. URICK
Title: CITY Administrator
Date: 7-29-19

EXHIBIT A – Commission Schedule

- A. *Sale.* As to sales of real property, CBRE's commission shall be five percent (5%) of the gross sales price. If a cooperating broker or salesperson procures the sale, the commission will be seven percent (7%) of the gross sales price. Gross sales price shall include any and all consideration received or receivable, in whatever form, including but not limited to assumption or release of existing liabilities. In the event this sale is in connection with a "build to suit" transaction, the commission shall be calculated on the gross sales price plus the gross construction cost of the building to be constructed on the Property. The commission shall be earned and paid on the date title to the Property is transferred to the purchaser; provided, however, that if the transaction involves an installment contract, then payment shall be made upon execution of such contract. In the event you contribute or convey the Property or any interest therein to a corporation, joint venture, partnership, or other business entity, the commission shall be calculated on the fair market value of the Property or the portion thereof that is so transferred, and shall be earned and paid at the time of the contribution or transfer. If you are a partnership, corporation, or other business entity, and an interest in the partnership, corporation or other business entity is transferred, whether by merger, outright purchase or otherwise, in lieu of a sale of the Property, and applicable law does not prohibit the payment of a commission in connection with such sale or transfer, the commission shall be calculated on the fair market value of the Property, rather than the gross sales price, multiplied by the percentage of interest so transferred, and shall be paid at the time of the transfer.
1. *Definitions.* Under this Agreement the terms "sell," "sale" or "sold" shall mean: (a) an exchange of the Property; (b) the granting of an option to purchase the Property; or (c) any other transfer, conveyance or contribution of a controlling interest in the Property or in the entity which owns the Property, including, but not limited to, situations where you are a corporation, partnership or other business entity and a controlling interest in such corporation, partnership or other business entity is transferred, whether by merger, outright purchase or otherwise, in lieu of a sale of the Property.
 2. *Option to Purchase.* If you grant an option to purchase the Property, you agree to pay us a commission in accordance with this Commission Schedule, on the price paid for the option and for any extensions when you receive payment for any such option and/or extensions. If the option is exercised, whether during the Term or after, we will earn a further commission in accordance with this Agreement. Notwithstanding the foregoing, to the extent that all or part of the price paid for the option or any extension thereof is applied to the sales price of the Property, then any commission previously paid by you to us on account of the option payments will be credited against the commission payable to us on account of the exercise of the option.
 3. Broker (CBRE) shall receive a minimum fee based on a sales price of \$1.50 per gross SF for the sale of any industrial or office land and a minimum fee of \$5,000.00 for the sale of any residential parcel of land \$5,000.00 for the sale of any residential parcel of land greater than \$45,000; and, a minimum fee of \$3,500.00 for the sale of any residential parcel of land less than or equal to \$45,000.
 4. If a potential prospect/buyer is generated by the City of Ramsey with no prior contact or discussions with/from CBRE than the commission will be reduced to 3% of the gross sales price to calculate commissions. If potential buyer generated by City of Ramsey has a cooperative broker the CBRE Listing Team commission will be equal to the cooperative broker and in no event will be no higher than 3.5%.

EXHIBIT B – Subject Parcels

1. Parcel 50a - 28-32-25-41-0020
2. Parcel 52b - AEON 2 Parcel-28-32-25-13-0092
3. Parcel 47c - 28-32-25-31-0023
4. Parcel 47e - 28-32-25-23-0018
5. Parcel 46 - 28-32-25-22-0058
6. Parcel 42a -7994 Sunwood Drive - 28-32-25-23-0012
7. Parcel 42b - 7990 Sunwood Drive - 28-32-25-23-0011
8. Parcel 42c - 7992 Sunwood Drive- 28-32-25-23-0013
9. Parcel 48a -28-32-25-24-0017
10. Parcel 48c - 28-32-25-31-0025

Owner Marketing Approval

Property Name:	City of Ramsey Land Parcels
Property Address:	Ramsey, MN
Broker(s):	Brian Pankratz

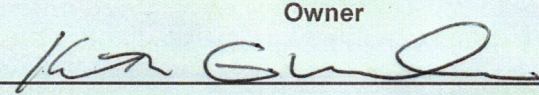
I hereby authorize CBRE to actively market the above-referenced property for signage, spec sheets, brochures, postcards, company web page, campaign logic, MNCAR, Co-Star & Loopnet:

TOTAL BUILDING SQUARE FOOTAGE:	
AVAILABLE SQUARE FOOTAGE:	
OFFICE SQUARE FOOTAGE:	
WAREHOUSE SQUARE FOOTAGE:	
LOT AREA:	66.27
CLEAR HEIGHT:	
LOADING:	
CONSTRUCTION:	
YEAR BUILT:	
SPRINKLERED:	
POWER:	
COLUMN SPACING:	
PARKING:	
LEASE RATES/SALE PRICE:	
EST. 2019 REAL ESTATE TAXES:	
EST. 2019 CAM:	
EST. 2019 TOTAL:	
COMMENTS:	

APPROVED this 29th day of July, 2019

City of Ramsey

Owner

By: 

Title: City Administrator

© 2018 CBRE, Inc. The information about this property has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.

Minnesota Sale/Lease Disclosures

Property: City of Ramsey Land

Seller/Landlord Disclosure of Material Facts, Delivery of Reports, and Compliance with Laws. Sellers/landlords are hereby requested to disclose directly to buyers/tenants all facts known to sellers/landlords that materially affect the value or desirability of the Property and are not readily observable nor known to the buyer/tenant, including, but not limited to, facts regarding hazardous materials, zoning, construction, design, engineering, soils, title, survey, fire/life safety, proneness to natural hazards such as earthquakes, and other matters, and to provide buyers/tenants with copies of all reports in the possession of or accessible to sellers/landlords regarding the Property. Sellers/landlords and buyers/tenants must comply with all applicable federal, state and local laws, regulations, codes, ordinances and orders, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

Americans with Disabilities Act (ADA). The Americans With Disabilities Act (42 United States Code §12101 et seq.) and other federal, state and local requirements may require changes to the Property. Have your experts investigate and evaluate these matters.

Taxes. Sales, leases and other real estate transactions can have federal, state and local tax consequences. In sales transactions, Internal Revenue Code §1445 requires buyers to withhold and pay to the IRS 15% of the gross sales price within 20 days of the date of a sale unless the buyers can establish that the sellers are not foreigners, generally by having the sellers sign a Non-Foreign Seller Affidavit. Depending on the structure of the transaction, the tax withholding liability can exceed the net cash proceeds to be paid to sellers at closing. Have your experts investigate and evaluate these matters.

Flood Zones. Many lenders require flood insurance for properties located in flood zones, and government authorities may regulate development and construction in flood zones. Whether or not located in a flood zone, properties can be subject to flooding and moisture problems, especially properties on a slope or in low-lying areas. Buyers/tenants should have their experts confirm whether the Property is in a flood zone and otherwise investigate and evaluate these matters.

Fires. Properties, whether or not located in a fire hazard zone, are subject to fire/life safety risks and may be subject to state and local fire/life safety-related requirements, including retrofit requirements. Have your experts investigate and evaluate these matters.

Hazardous Materials and Underground Storage Tanks. Due to prior or current uses of the Property or in the areas or the construction materials used, the Property may have hazardous or undesirable metals (including but not limited to lead-based paint), minerals (including but not limited to asbestos), chemicals, hydrocarbons, petroleum-related compounds, or biological or radioactive/emissive items (including but not limited to electrical and magnetic fields) in soils, water, building components, above or below-ground tanks/containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. If the Property was built before 1978 and has a residential unit, sellers/landlords must disclose all reports, surveys and other information known to them regarding lead-based paint to buyers/tenants and allow for inspections (42 United States Code §4851 et seq.). Have your experts investigate and evaluate these matters.

Property Inspections and Evaluations. Buyers/tenants should have the Property thoroughly inspected and all parties should have the transaction thoroughly evaluated by the experts of their choice. Ask your experts what investigations and evaluations may be appropriate as well as the risks of not performing any such investigations or evaluations. Information regarding the Property supplied by the real estate brokers has been received from third party sources and has not been independently verified by the brokers. Have your experts verify all information regarding the Property, including any linear or area measurements, the availability of all utilities, applicable zoning, and entitlements for the intended use. All work should be inspected and evaluated by your experts, as they deem appropriate. Any projections or estimates are for example only, are based on assumptions that may not occur, and do not represent the current or future performance of the property. Real estate brokers are not experts concerning, nor can they determine if any expert is qualified to provide advice on, legal, tax, design, ADA, engineering, construction, soils, title, survey, fire/life safety, insurance, hazardous materials, or other such matters. Such areas require special education and, generally, special licenses not possessed by real estate brokers. Consult with the experts of your choice regarding these matters.

CONSULT YOUR ADVISORS – This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. This form is not intended to substitute for any disclosures the law requires that the parties make to each other. These are questions for your attorney and financial advisors.

January 2023 City of Ramsey Land Review

Market Conditions:

1. Economic factors impacting new development-interest rates, construction costs, labor availability
2. Zero to limited traditional office demand
3. Sectors with demand
 - a. Retail
 - b. Medical Office
 - c. Apartments
 - d. Senior housing
 - e. For Sale Housing
 - f. Industrial
4. Impact of Hwy 10 on new development unknown
5. Increased traffic counts and population increasing interest
6. Create flexible zoning districts
7. Drive thru in demand from QSR and fast food operators

City of Ramsey-CBRE Closed Deals

1. Municipal Center NIK
2. Aeon
3. Centra Homes
4. Common Bond
5. Inland Development/Affinity
6. PSD, LLC
7. Coastal Living
8. Stone Brook Daycare
9. Purmort Homes
10. Muni Center-Meadow Creek
11. GiGi's Salon and Spa
12. Java Properties – O'Reilly Auto Parts
13. Stories Foundation

City of Ramsey-CBRE Under Contract/PA Discussion

1. COR Trust Bank – Pt. Parcel 48a
2. Ramsey Properties, LLC (Hilton Home 2) Currently Parcel 47f. move to Pt. Parcel 46?
3. Aldi – Part of Parcels 42a, 42b and 42c.

Monthly Blast of properties to 3000 prospects including brokers, builders, contractors, developers, investors, etc. Properties are posted on MnCAR/Catalyst, Loopnet, Costar, CBRE.com.

FIGURES | MINNEAPOLIS OFFICE | Q3 2022

Rising sublease activity as users navigate workplace strategies and economic shifts

▲ 20.6%
Vacancy Rate

▼ (291,456)
SF Net Absorption

◀ 350,000
SF Under Construction

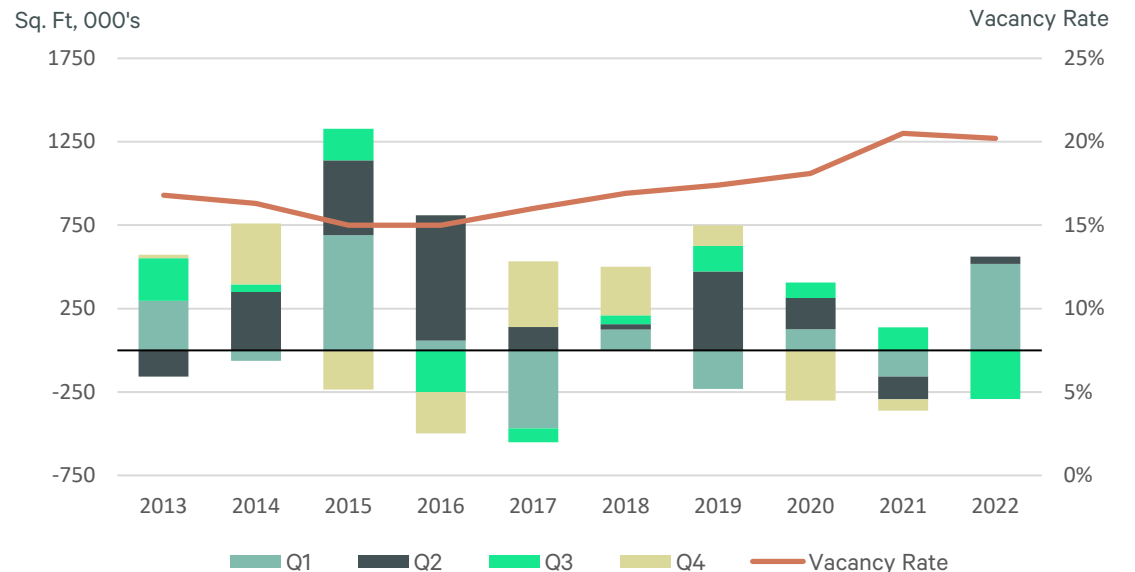
▲ \$16.93 PSF
Average Asking Rate (NNN)

Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- Q3 absorption in Minneapolis fell to (291,456) sq. ft. Most of the large move-in activity occurred within Class A spaces in the 394, BEA, Northeast, and St Paul CBD submarkets. Larger move-outs were seen predominantly from Class B properties in the 394, St Paul CBD, and Suburban St Paul submarkets, a continued signal towards flight to quality trends.
- The Minneapolis office market has seen an increase in available sublease space since 2020, with 2.8 million sq. ft. currently available. This represents 14% of the total available space in the market and accounts for an increase of over 400% from pre-pandemic rates.
- Vacancy rates remained steady at 20.6%, a 20 bps increase from the previous quarter. The lowest vacancy rates are seen in Class A buildings downtown at just 15% compared to 31% for Class B and 29% for Class C.
- Downtown asking rates have increased 5% year over year, averaging \$17.33 per sq. ft. The highest asking lease rates were in the 394 submarket averaging \$20.14 per sq. ft, 19% higher than the overall metro markets average

FIGURE 1: Quarterly and Annual Net Absorption vs. Vacancy



Source: CBRE Research, Q3 2022.

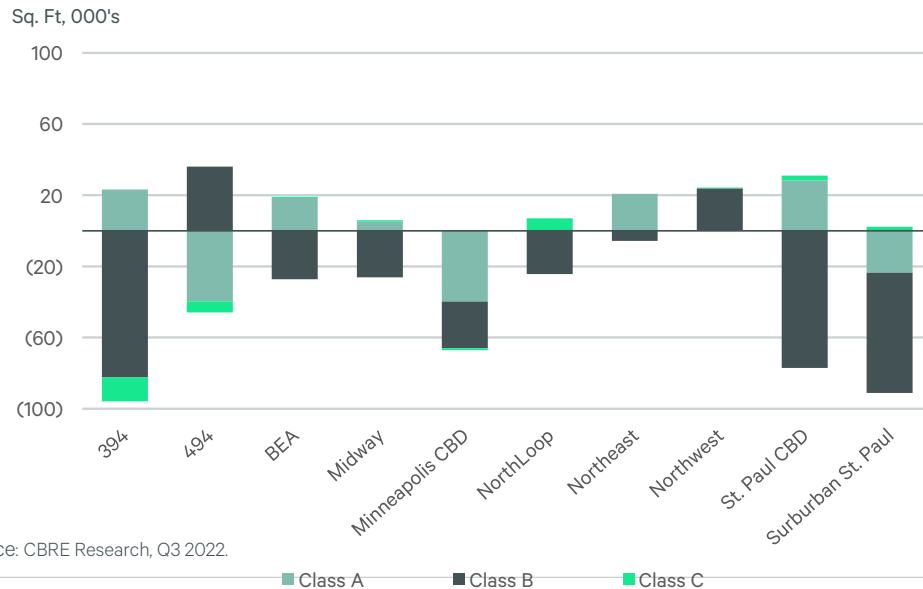
Absorption, Vacancy, and Lease Rates

In the Minneapolis office market, Q3 absorption fell negatively to (291,456) sq. ft. Most of the large move-in activity occurred within Class A spaces in the 394, BEA, Northeast, and St Paul CBD submarkets. Larger move-outs were seen predominantly from Class B properties in the 394, St Paul CBD, and Suburban St Paul submarkets.

Overall, vacancy rates remained steady this quarter at 20.6%. The lowest vacancy rates are seen in Class A buildings downtown at just 15% compared to 31% for Class B and 29% for Class C. The suburban vacancy rate remains relatively constant between class sizes near 20%.

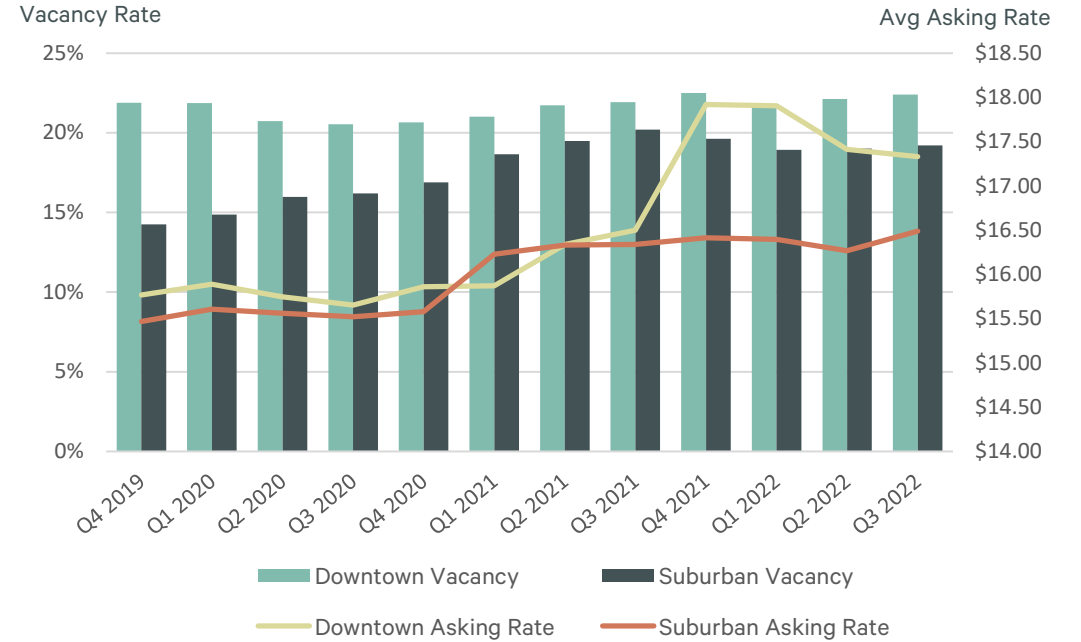
The highest asking lease rates in the market were in the 394 submarket with an average asking rate of \$20.14 per sq. ft, 19% higher than the overall metro markets average of \$16.92 per sq. ft. Downtown asking rates have increased 5% year over year, averaging \$17.33 per sq. ft.

FIGURE 2: Q3 2022 Net Absorption by Submarket and Class



Source: CBRE Research, Q3 2022.

FIGURE 3: Historical Vacancy Rates vs Asking Rates



Source: CBRE Research, Q3 2022.

FIGURE 4: Q3 2022 Downtown vs Suburban Vacancy by Class



Source: CBRE Research, Q3 2022.

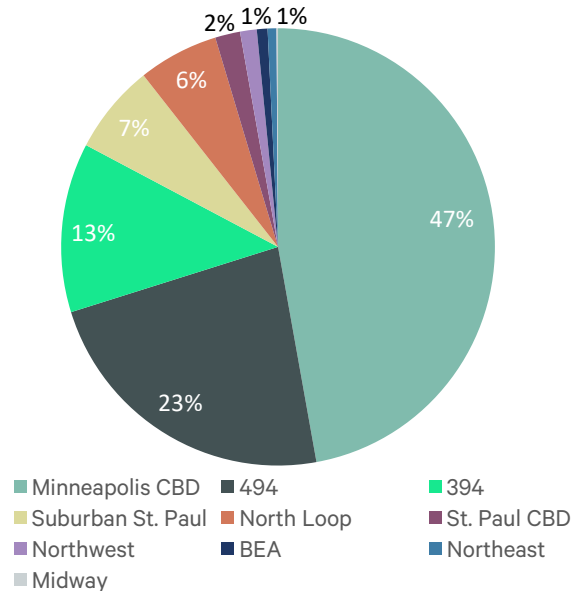
Subleasing

The Minneapolis office market has seen an increase in available sublease space since 2020, with 2.7 million sq. ft. currently available. This represents 14% of the total available space in the market and accounts for an increase of over 400% from pre-pandemic rates compared to 512,626 sq. ft. available in Q1 2020. Currently, 43% of the total availabilities on the market are large spaces 100,000 sq. ft. or more.

Nearly half of available sublease space is within the Minneapolis CBD submarket, including several of the largest listings at 33 South Sixth and Capella Tower. Several large suburban subleases are expected to come onto the market following with recent activity from Prime Therapeutics in Eagan.

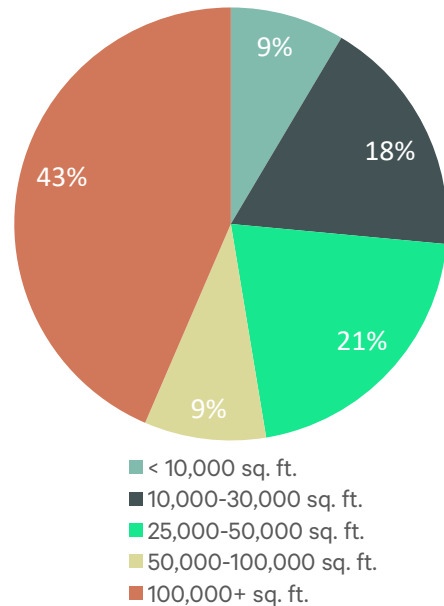
The average remaining term on sublease availabilities is 3.1 years with 46% of available space with terms seven years or greater. The top three largest sublease spaces currently available expire in at least six years.

FIGURE 5: Sublease Availability by Submarket



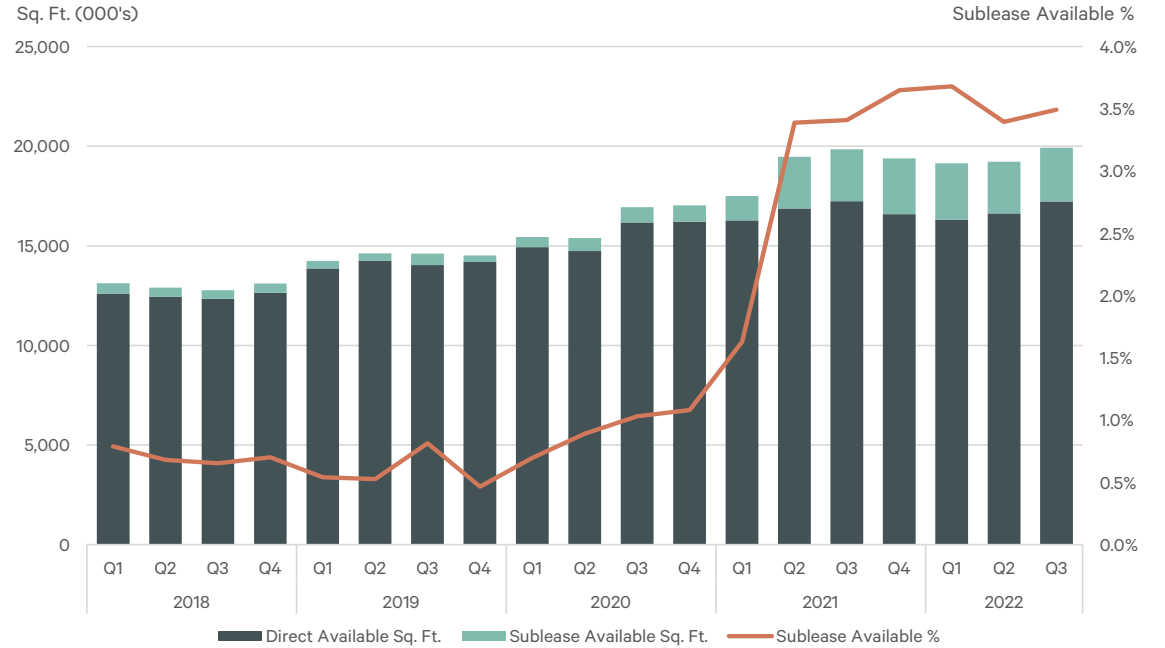
Source: CBRE Research, Q3 2022.

FIGURE 6: Sublease Available Spaces by Size



Source: CBRE Research, Q3 2022.

FIGURE 7: Historical Sublease vs Direct Availability



Source: CBRE Research, Q3 2022.

FIGURE 8: Top Sublease Spaces

Available SF	Property Name	Submarket	Lease Expiration
825,776	33 South Sixth	Minneapolis CBD	12/13/2030
136,125	2815 Cleveland Ave N	Suburban St. Paul	12/31/2032
135,646	Capella Tower	Minneapolis CBD	10/31/2028
132,604	10380 Bren Rd	494	7/31/2026
76,573	3701 Wayzata Boulevard	394	7/24/2030
67,714	901 S 3rd Avenue	Minneapolis CBD	12/31/2024

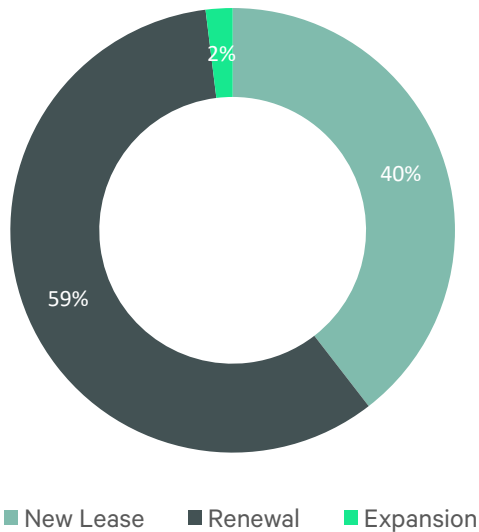
Source: CBRE Research, Q3 2022.

Leasing Velocity

In the Minneapolis market, Q3 leasing activity fell to 300,000 sq. ft. compared to a high of 524,000 sq. ft. the previous quarter. This 43% decrease is the lowest quarterly leasing velocity the office market has seen since early in the pandemic. The majority of activity in Q3 was focused primarily in the 394 market, which posted 141,000 sq. ft. of leases signed.

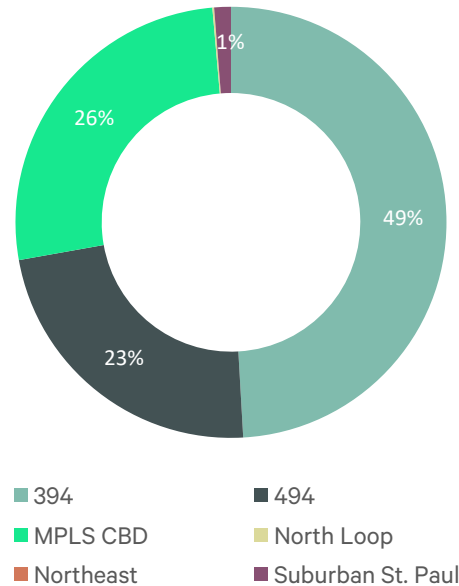
Renewals represented nearly 60% of total leasing volume in Q3 with new leases accounting for 40%. Among the most notable deals, Minnesota Medical Scanning Corp renewed for nearly 67k at Park Place East in the 394 submarket. Several new leases were signed for spaces above 20,000 sq. ft., demonstrating that tenants are continuing to stay active in the market amid the affects of hybrid and work-from-home operations.

FIGURE 9: Lease Transaction Types



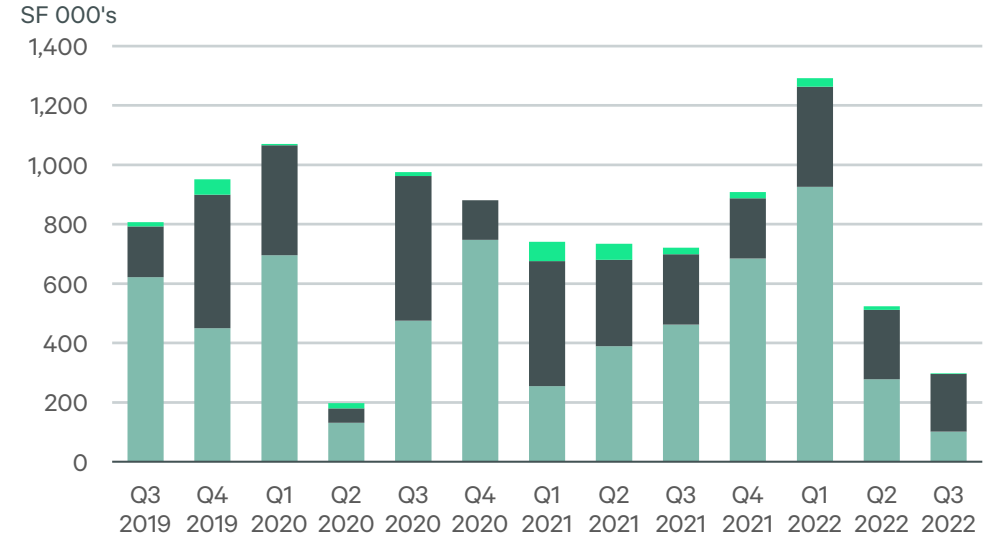
Source: CBRE Research, Q3 2022.

FIGURE 10: Lease Activity by Submarket



Source: CBRE Research, Q3 2022.

FIGURE 11: Historical Leasing Velocity by Class



Source: CBRE Research, Q3 2022.

FIGURE 12: Key Transactions

Transaction Type	Size (SF)	Tenant	Property	Submarket
Renewal	66,911	MN Medical Scanning Corp	Park Place East	394
New Lease	33,100	GSA	Norman Pointe II	494
New Lease	27,478	Workbox	121 S 8 th St	Minneapolis CBD
New Lease	22,060	Physician Reliance	Maple Grove Specialty Center	Northwest

Source: CBRE Research, Q3 2022.

Investment Sales

- **Volume:** Investment sales volume totaled \$220 million in Q3, bringing the 2022 year-to-date total volume to \$938 million. This is a 31% increase year-over-year.
- **Buyer Composition:** Private sales account for the largest percentage of 2022 YTD activity at 76% followed by institutional buyers with 11.5% and Listed/REITs with 7.5% of all sales.
- **Property Type:** Q3 sales were predominantly led by suburban sales with \$214 million in total volume in contrast to \$6 million for CBD sales.

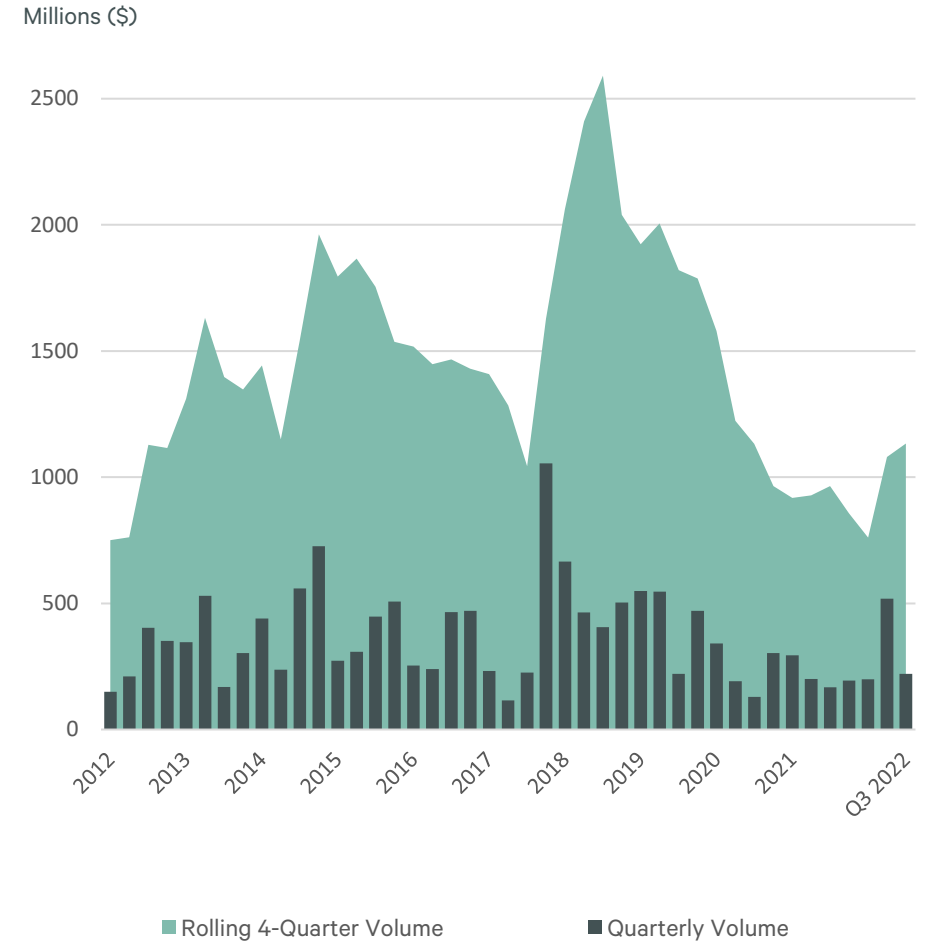
CBRE represented the seller in the sale of the New Brighton Office Center this quarter. In total, CBRE transacted \$18.7M of total office sales this quarter, representing 8.4% of the market activity.

FIGURE 13: Notable Minneapolis Office Investment Sales, Q3 2022

Property	Location	Buyer	Sale Price	Size (SF)
Normandale Lake Office Park	Bloomington	Opal Holdings	365,900,000	1,700,000
Broadway Ridge	Minneapolis	Singer Capital	30,100,000	185,488
Prudential	Plymouth	Scannell	20,400,000	450,000
BLN Office Park	Bloomington	Hempel	18,700,000	372,545
New Brighton Office Center	New Brighton	Edgewood REIT	18,500,000	115,667
Carlson Center East II	Minnetonka	Dahl Real Estate	10,500,000	65,000

Source: CBRE Research, Q3 2022

FIGURE 14: Minneapolis Office Investment Sales Volume, 2012 – Q3 2022



Source: Real Capital Analytics

Market Summary Statistics

FIGURE 15: Minneapolis/St. Paul Office Market Statistics, Q3 2022 (cont. on next page)

Submarket	MT Rentable Area (Sq. Ft.)	MT Direct Availability Rate	MT Direct Vacancy Rate	Y-o-Y Vacancy Trend	Avg Dir Asking Ls Rate	Y-o-Y Asking Rate Trend	Q2 Net Absorption (Sq. Ft.)	Y-o-Y Quarterly Absorption Trend	Multi-Tenant and Single-Tenant Combined Stats	
									MT & ST Rentable Area (Sq. Ft.)	MT & ST Vacancy Rate
Metro Overall	76,651,422	22.0%	19.9%	↓	\$16.92	↑	(291,456)	↓	96,159,227	16.5%
A	37,562,933	18.5%	16.1%	↓	\$18.89	↑	(7,068)	↓	49,909,994	12.8%
B	31,988,104	25.8%	23.7%	↓	\$15.52	↑	(277,267)	↓	37,990,236	20.5%
C	7,100,385	23.6%	22.4%	↑	\$15.61	↑	(7,121)	↓	8,258,997	20.6%
Minneapolis CBD	22,975,415	23.7%	21.8%	↑	\$18.31	↑	(67,188)	↓	28,890,626	17.9%
A	14,243,494	16.6%	14.4%	→	\$20.46	↑	(39,773)	↓	19,531,901	10.9%
B	7,172,093	36.8%	35.3%	→	\$16.69	↑	(26,251)	↓	7,275,368	35.3%
C	1,559,828	28.2%	27.3%	↑	\$16.79	↑	(1,164)	↓	2,083,357	22.1%
394	11,651,502	20.0%	18.8%	↓	\$20.14	↓	(72,601)	↓	12,908,891	18.6%
A	5,949,679	20.0%	18.7%	↓	\$22.22	↑	23,242	↑	6,985,129	17.9%
B	4,686,491	22.6%	21.3%	↑	\$17.92	↑	(82,443)	↓	4,875,430	21.3%
C	1,015,332	8.1%	7.7%	↓	\$15.23	↓	(13,400)	↓	1,048,332	9.9%
494	16,962,381	20.0%	17.7%	↓	\$16.28	↓	(9,902)	↓	19,685,885	15.6%
A	8,478,788	17.8%	15.2%	→	\$17.99	→	(39,622)	↓	10,396,835	12.8%
B	7,017,416	22.3%	20.3%	↑	\$14.68	↑	36,074	↑	7,822,873	18.5%
C	1,466,177	21.4%	19.8%	↓	\$14.50	↓	(6,354)	↓	1,466,177	20.1%
North Loop	4,146,263	26.6%	24.5%	↓	\$18.60	↓	(17,337)	↑	4,383,763	25.6%
A	877,775	12.6%	10.8%	↓	\$23.02	↑	0	→	1,115,275	10.9%
B	2,244,628	31.3%	29.0%	↓	\$18.79	↓	(24,361)	↓	2,244,628	30.7%
C	1,023,860	28.4%	26.5%	↑	\$16.13	↑	7,024	↑	1,023,860	30.5%

Source: CBRE Research, Q2 2022.

FIGURE 15: Minneapolis/St. Paul Office Market Statistics, Q3 2022 (cont. from previous page)

Submarket	MT Rentable Area (Sq. Ft.)	MT Direct Availability Rate	MT Direct Vacancy Rate	Y-o-Y Vacancy Trend	Avg Dir Asking Ls Rate	Y-o-Y Asking Rate Trend	Q2 Net Absorption (Sq. Ft.)	Y-o-Y Quarterly Absorption Trend	Multi-Tenant and Single-Tenant Combined Stats	
									MT & ST Rentable Area (Sq. Ft.)	MT & ST Vacancy Rate
Midway	2,534,180	14.5%	14.2%	↓	\$16.12	↓	(20,330)	↓	3,608,522	10.7%
A	603,984	24.2%	24.2%	↑	\$16.50	↑	5,227	↑	603,984	24.7%
B	1,531,962	11.7%	11.5%	↓	\$15.21	↓	(26,249)	↓	2,325,917	8.6%
C	398,234	10.5%	9.3%	↑	\$18.73	↑	692	↓	678,621	5.4%
Northeast	2,424,556	9.5%	8.6%	↓	\$14.74	↑	15,025	↓	2,709,710	7.9%
A	465,813	21.8%	18.6%	↓	\$15.44	↓	20,791	↑	465,813	18.6%
B	1,819,117	5.7%	5.4%	↓	\$14.61	↓	(5,766)	↓	2,104,271	5.0%
C	139,626	17.5%	15.7%	↓	\$12.47	↓	0	→	139,626	15.7%
BEA	3,644,915	25.5%	22.5%	↓	\$12.45	↓	(8,249)	↓	5,145,417	16.0%
A	1,806,727	21.8%	18.2%	↓	\$13.89	↓	18,460	↑	2,345,765	14.0%
B	1,709,176	30.7%	28.1%	↓	\$11.88	↓	(27,335)	↓	2,670,640	18.0%
C	129,012	10.3%	8.5%	↓	\$11.23	↑	626	↑	129,012	8.5%
Northwest	1,374,588	22.6%	19.7%	↓	\$12.98	↑	24,313	↑	2,564,191	10.6%
A	244,850	6.5%	5.5%	↓	\$13.28	↑	0	→	1,245,981	1.1%
B	851,663	26.7%	22.4%	↑	\$13.12	↑	23,881	↑	1,040,135	18.3%
C	278,075	24.1%	24.1%	↑	\$12.45	↑	432	↑	278,075	24.1%
St. Paul CBD	6,042,576	23.7%	19.5%	↓	\$12.94	↑	(46,165)	↓	8,707,661	13.8%
A	2,685,792	20.0%	17.8%	↓	\$13.06	↓	28,181	↑	3,240,792	15.0%
B	3,047,791	26.8%	20.6%	↓	\$12.57	↑	(77,143)	↓	5,157,876	12.4%
C	308,993	25.3%	23.5%	↓	\$16.06	↓	2,797	↑	308,993	23.5%
Suburban St. Paul	4,863,145	27.6%	24.4%	↓	\$13.66	↑	(89,022)	↓	7,522,660	16.3%
A	2,120,799	28.2%	21.2%	↓	\$14.03	→	(23,574)	↓	3,893,287	12.6%
B	1,956,199	21.6%	21.2%	↓	\$13.74	↑	(67,674)	↑	2,521,530	16.4%
C	786,147	41.0%	41.0%	↑	\$10.85	↓	2,226	↑	1,107,843	28.9%

Source: CBRE Research, Q2 2022.

Economic Overview

The problems associated with inflation continue to run their course. Although the pace of inflation may have started to plateau, the Federal Reserve’s hawkish response has been unequivocal in a way that caught markets by surprise. Aggressive rate hikes and Fed balance sheet reductions have successfully resulted in a strong dollar and higher mortgage rates, and the beginning of a slowdown in the U.S. economy.

Higher rates are not just impeding household decisions; a higher corporate cost of capital is forcing firms to rethink hiring plans. So far resilient consumers have driven further economic growth but now the realities of lower savings rates and chronically poor sentiment suggest excess spending is coming to an end. Consequently, we expect the economy to contract early next year, and unemployment to rise. This should push inflation down toward 3% by year-end 2023. It is possible the Fed may be able to reduce inflation and maintain the unemployment rate below 5%, but we should not bank on that. Once inflation is tamed, both capital and real estate markets will become more predictable again



FIGURES | MINNEAPOLIS INDUSTRIAL | Q3 2022

9M sq. ft. of new construction underway with 2M delivered in the third quarter

▼ 3%
Vacancy Rate

▲ 2.6M
SF Net Absorption

▲ 9M
SF Under Construction

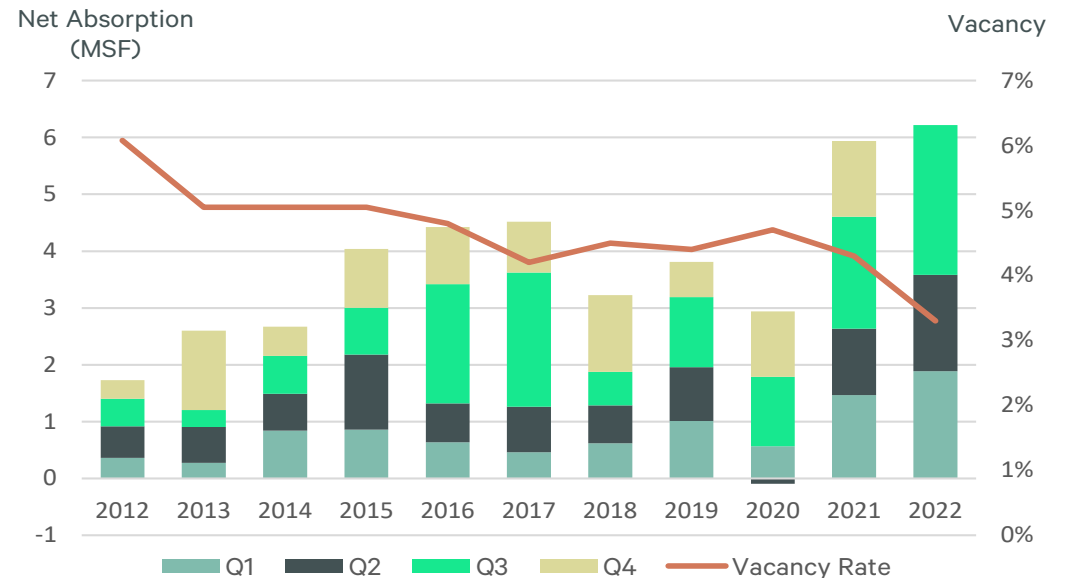
▲ \$7.26 PSF
Average Asking Rate (NNN)

Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- In Q3, the Minneapolis industrial market absorbed 2.6 million sq. ft., bringing the 2022 year-to-date total up to 6.2 million sq. ft.
- Vacancy rates were 3%, a decrease of 120 basis points year-over-year.
- The construction pipeline remained strong, with 8.9 million sq. ft. under construction and 8 buildings delivered this quarter adding 2 million sq. ft.
- Speculative deliveries this quarter include the 610 Broadway Business Center in Brooklyn Park, Arbor Lakes Business Park III in Maple Grove, Chaska Creek 1, and the Nordeast Business Center in Minneapolis.
- Strong Q3 2022 leasing activity was led by the Northwest and Southwest submarkets. Overall, Q3 leasing activity totaled just over 3 million sq. ft
- New leases and expansions accounted for 67% of all market activity in Q3,. In the Northwest submarket, 81% of Q3 activity was with new leases.

FIGURE 1: Quarterly and Annual Net Absorption vs. Vacancy



Source: CBRE Research, Q3 2022.

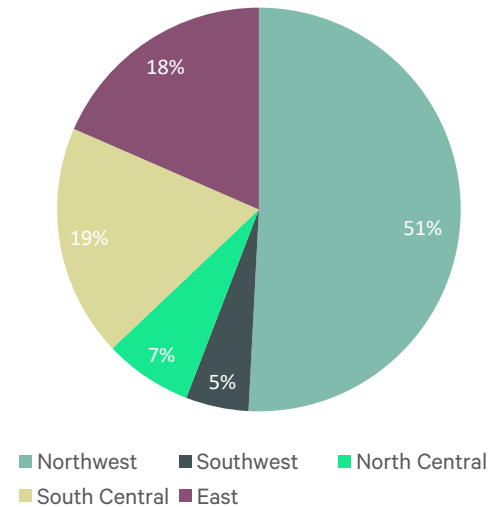
Absorption, Vacancy, and Construction

In Q3, the Minneapolis industrial market absorbed 2.6 million sq. ft., bringing the 2022 year-to-date total up to 6.2 million sq. ft. The Northwest and East submarkets experienced the strongest positive absorption with 1.1 million sq. ft. and 573,971 sq. ft. respectively. Following such strong activity, vacancy rates this quarter dropped to 3%, a decrease of 50 basis points year-over-year.

There are currently 8.9 million sq. ft. of new industrial development under construction in the Minneapolis market. Of that, 69% is speculative development with 37% percent pre-leased. Several large speculative projects underway include the 1M sq. ft. Cubes at French Lake in Dayton, the Cottage Grove Logistics Park 2, and the I-94 East Logistics Center in Woodbury.

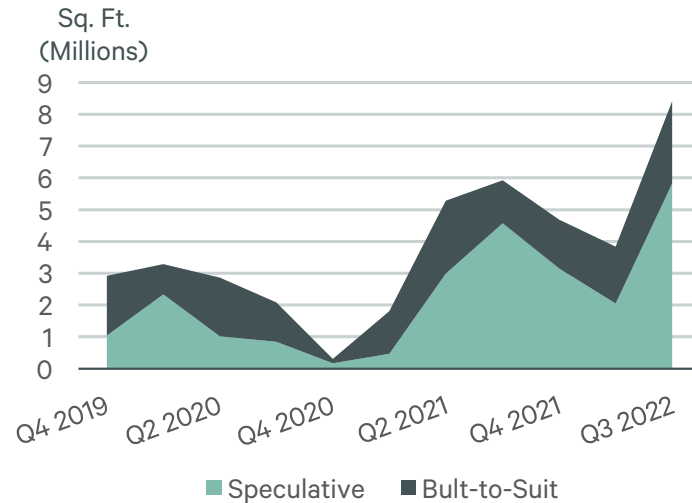
In Q3, there was 2 million sq. ft. of new construction delivered including the 610 Broadway Business Center in Brooklyn Park, Arbor Lakes Business Park III in Maple Grove, Chaska Creek 1, and the Nordeast Business Center in Minneapolis.

FIGURE 2: Current Construction by Submarket



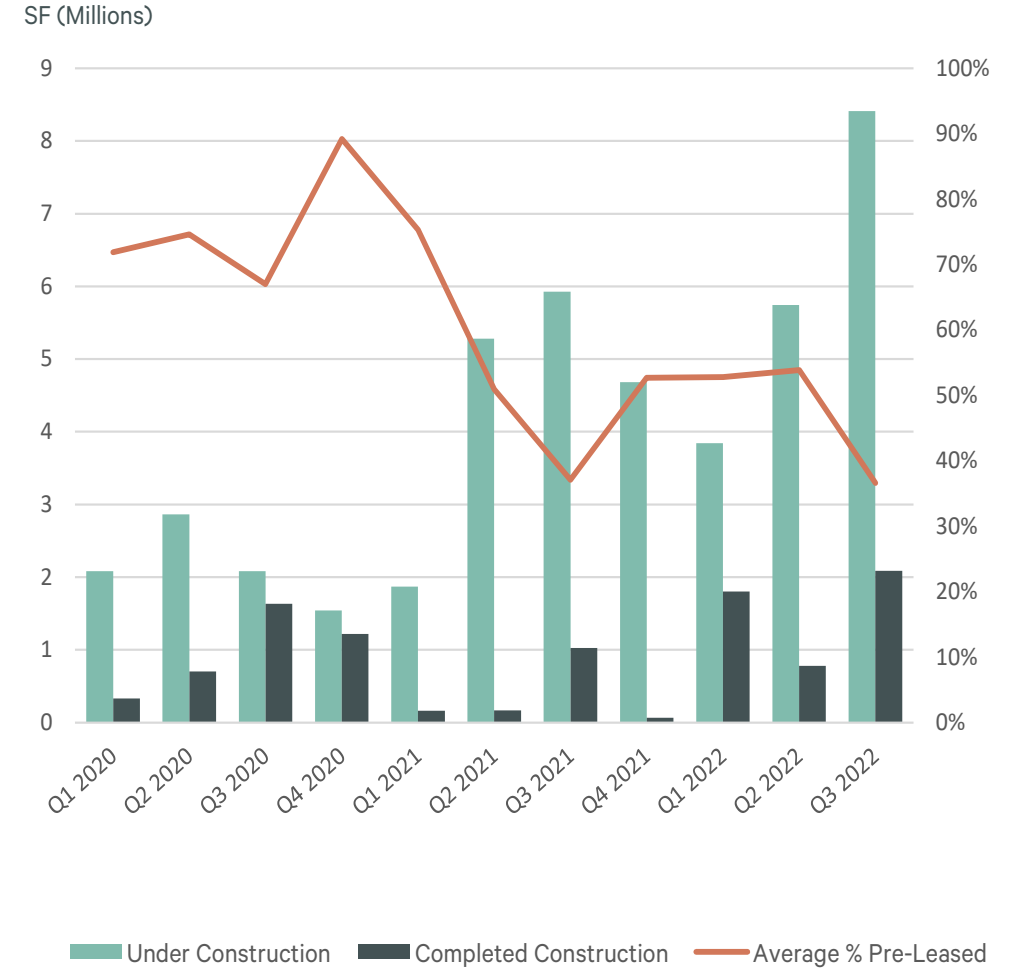
Source: CBRE Research, Q3 2022.

FIGURE 3: Speculative and Built-To-Suit Under Construction



Source: CBRE Research, Q3 2022.

FIGURE 4: Historic Construction Activity and Percentage of Buildings Pre-Leased



Source: CBRE Research, Q3 2022.

Leasing

Strong Q3 2022 leasing activity was led by the Northwest and Southwest submarkets which together accounted for 59% of leasing activity. Overall, Q3 activity totaled 2.9 million sq. ft.

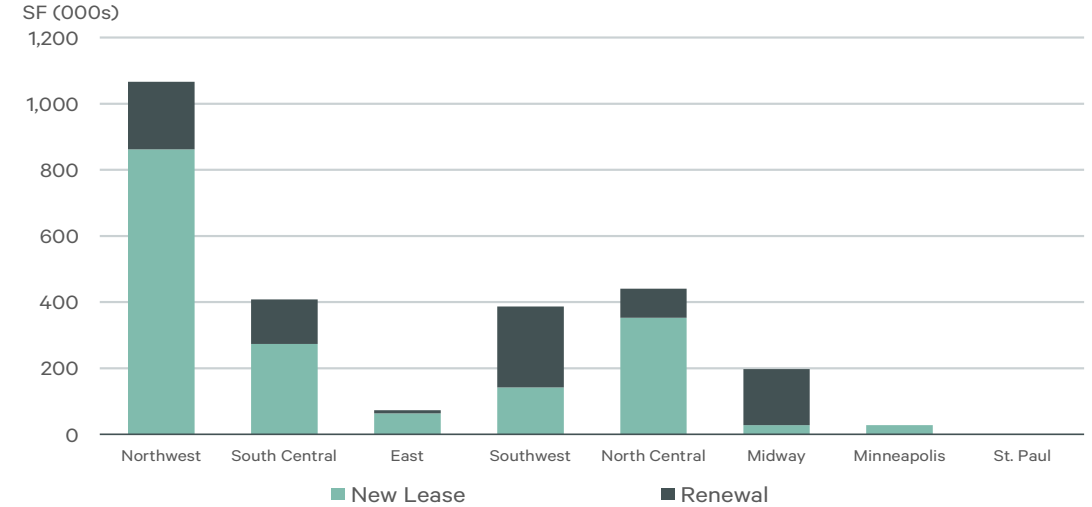
- New leases and expansions accounted for 59% of all market activity in Q3. In the Northwest submarket, 81% of Q3 activity was with new leases.
- The Northwest submarket led the Minneapolis market with 38% of all Q3 activity and 1.1 million sq. ft. transacted. The Southwest (21%), North Central (17%), and South Central (14%) submarkets shared the bulk of remaining activity.
- Manufacturing users accounted for the largest share of activity at 32% of all Q3 activity, followed by Wholesale users at 24%..

FIGURE 5: Top Transactions

Tenant	Size (Sq. Ft.)	Property	Submarket	Transaction Type	Industry
Anagram	218,643	Bloomington Distribution Center	Southwest	New Lease	Manufacturing
FedEx	172,057	Roseville Distribution Center	North Central	New Lease	Transportation/Distribution
Viking Electric Supply	162,618	Mid City Business Center West	Midway	Renewal	Wholesale
Border States Electric	125,112	Zachary Distribution Center	Northwest	New Lease	Wholesale

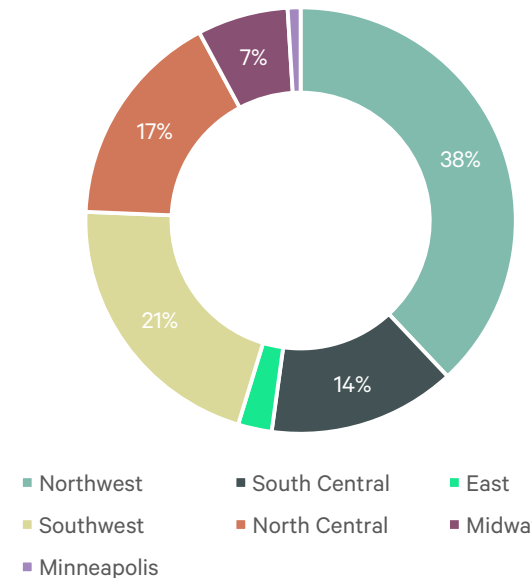
Source: CBRE Research, Q3 2022

FIGURE 6: Top Transaction Type by Submarket and Sq. Ft.



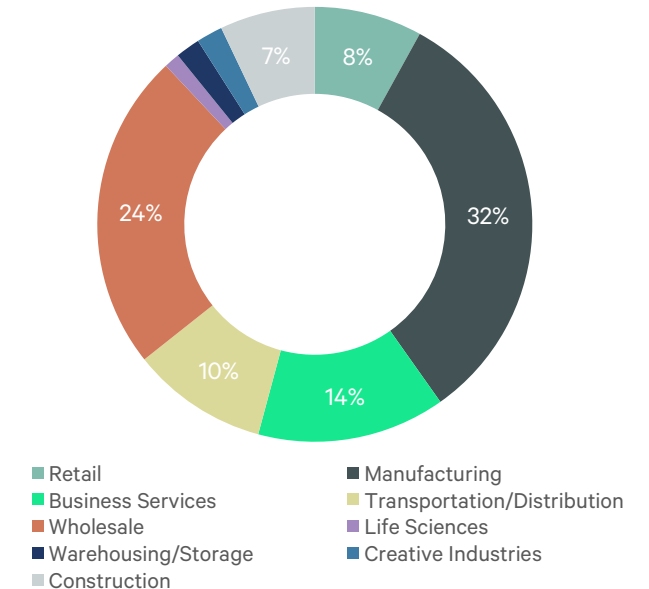
Source: CBRE Research, Q3 2022.

FIGURE 7: Top Transactions by Sq. Ft. by Submarket



Source: CBRE Research, Q3 2022.

FIGURE 8: Top Transactions by Industry Type



Source: CBRE Research, Q3 2022.

Investment Sales.

- **Volume:** Investment sales volume totaled \$305 million in Q3, bringing the 2022 year-to-date total volume to \$1.06 billion. This is a 22% increase year-over-year.
- **Buyer Composition:** Private sales account for the largest percentage of Q3 activity at 48% followed by Listed/REIT buyers with 26% and institutional buyers at 21% of all sales.
- **Product Type:** Q3 sales were predominantly for flex properties representing 58% of the total sales volume.

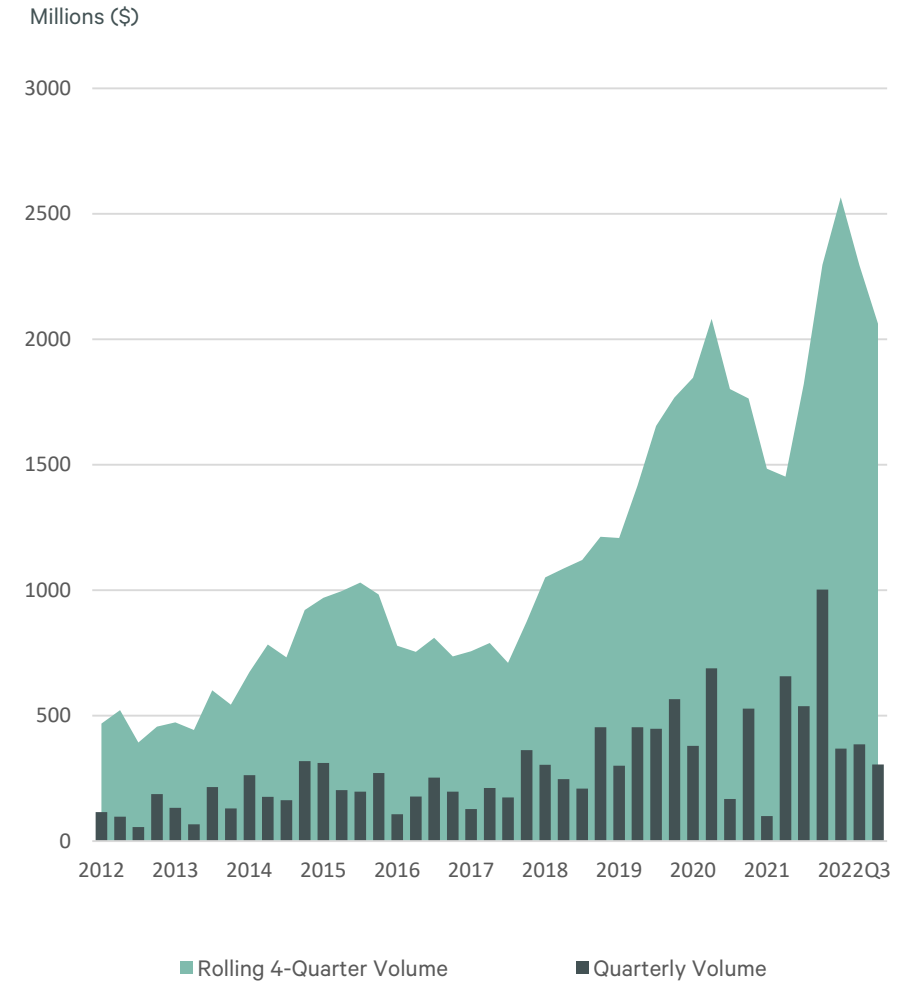
Of the largest deals this quarter, CBRE represented the seller in the sale of 4 properties as part of the Abbott Laboratories Life Sciences Campus deal and the sale of 4835 White Bear Parkway. In total, CBRE transacted \$110M of total industrial sales this quarter, representing 36% of the market activity.

FIGURE 9: Q3 2022 Top Investment Sales

Property	Location	Buyer	Sale Price	Size (SF)	Price Per SF (\$)
Abbott Laboratories Life Sciences Campus	Minnetonka	Virus RE Capital	53,000,000	280,000	189
Blackstone Waters Business Center Portfolio	Eagan	Hyde Development	37,100,000	328,546	113
Alidade Capital MI Industrial Portfolio	Various	Westmount Realty	33,200,000	314,553	106
4835 White Bear Parkway	White Bear Lake	Norman Properties	21,500,000	117,518	183
Times Venture MN Industrial Portfolio	Various	Capital Partners	19,800,000	159,530	124

Source: CBRE Research, Q3 2022.

FIGURE 10: Minneapolis Industrial Investment Sales Volume, 2012 – Q3 2022



Source: Real Capital Analytics.

FIGURE 11: Minneapolis/St. Paul Industrial Market Statistics

Submarket	Inventory (Sq. Ft.)	Total Availability Rate	Total Vacancy Rate	Q3 2022 Net Absorption (Sq. Ft.)	Avg. Net Blended Asking Rate (\$/Sq. Ft./Yr.)
Metro Overall	348,189,534	3.9%	2.9%	2,636,672	\$7.26
East	20,102,090	3.4%	3.0%	573,971	\$6.10
Northwest	77,355,601	4.4%	3.3%	1,153,991	\$7.75
Southwest	71,085,032	5.3%	4.3%	257,956	\$6.94
South Central	53,336,797	3.4%	2.5%	(89,267)	\$7.08
North Central	53,759,440	2.8%	2.3%	500,864	\$6.48
Minneapolis	25,546,336	3.2%	1.9%	95,499	\$6.23
St Paul	16,068,037	2.3%	1.6%	117,787	\$9.11
Midway	30,936,201	3.4%	1.4%	25,871	\$9.25

Source: CBRE Research, Q3 2022.

FIGURE 12: Minneapolis/St. Paul Industrial Construction Statistics

Submarket	Construction Starts	Starts Preleased	Spec Under Construction	BTS Under Construction	Total Under Construction	Spec Completed	BTS Completed	Construction Completions
Metro Overall	2,504,218	540,250	5,817,248	2,592,851	8,410,099	629,919	1,458,536	2,088,455
East	199,919	0	1,552,753	0	1,552,753	0	517,000	517,000
Northwest	2,304,299	540,250	2,764,145	1,510,251	4,274,396	331,419	941,536	1,272,955
Southwest	0	0	423,448	0	423,448	168,000	0	168,000
South Central	0	0	494,600	100,000	594,600	0	0	0
North Central	0	0	582,302	982,600	1,564,902	0	0	0
Minneapolis	0	0	0	0	0	130,500	0	130,500
St Paul	0	0	0	0	0	0	0	0
Midway	0	0	0	0	0	0	0	0

Source: CBRE Research, Q3 2022.

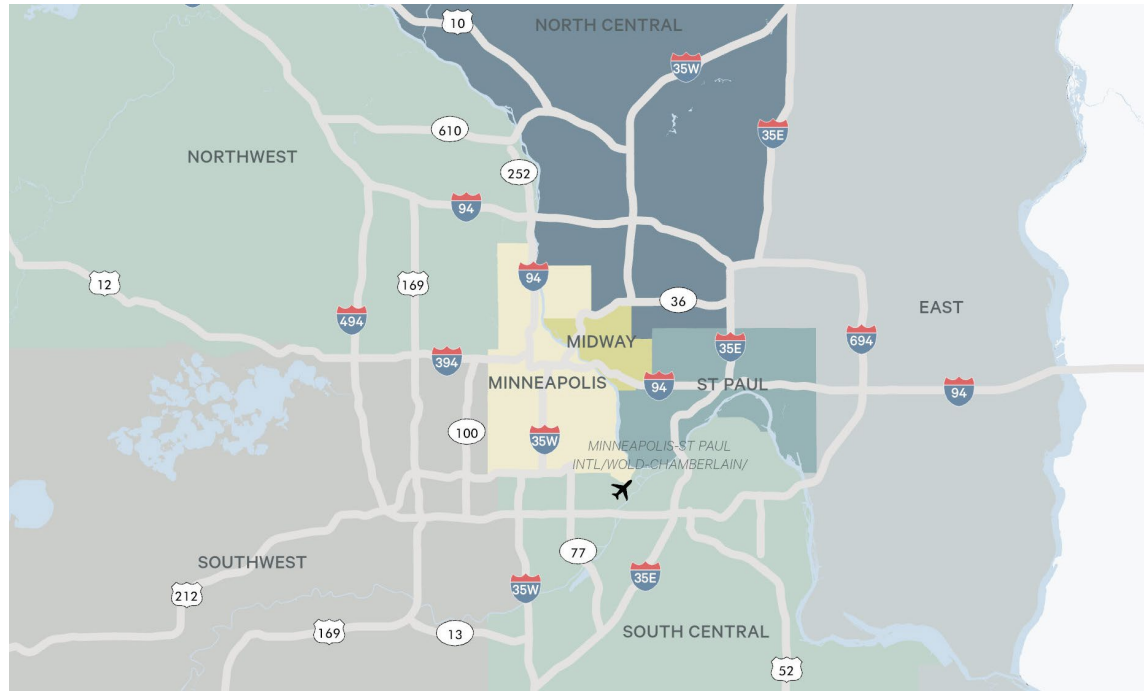
Economic Overview

The problems associated with inflation continue to run their course. Although the pace of inflation may have started to plateau, the Federal Reserve’s hawkish response has been unequivocal in a way that caught markets by surprise. Aggressive rate hikes and Fed balance sheet reductions have successfully resulted in a strong dollar and higher mortgage rates, and the beginning of a slowdown in the U.S. economy.

Higher rates are not just impeding household decisions; a higher corporate cost of capital is forcing firms to rethink hiring plans. So far resilient consumers have driven further economic growth but now the realities of lower savings rates and chronically poor sentiment suggest excess spending is coming to an end. Consequently, we expect the economy to contract early next year, and unemployment to rise. This should push inflation down toward 3% by year-end 2023. It is possible the Fed may be able to reduce inflation and maintain the unemployment rate below 5%, but we should not bank on that. Once inflation is tamed, both capital and real estate markets will become more predictable again.



Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days.

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in the Minneapolis/St. Paul market. Buildings which have begun construction as evidenced by site excavation or foundation work.

Contact

Maggie Parra

Senior Field Research Analyst
 +1 612 215 1268
 maggie.parra@cbre.com

Economic Development Authority (EDA)

4.3.

Meeting Date: 01/12/2023

By: Sean Sullivan, Community Development

Title:

Receive 2022 Business Retention and Expansion Presentation

Purpose/Background:

The purpose of this case is to receive the attached report/information on the 2022 Business Retention & Expansion Program with a focus on Business Visits/Surveys. The 2022 goal was to make 30 or more business visits. In 2022, 30 formal business visits/surveys were conducted. Most visits were done in person but some visits were still conducted via phone to accommodate the schedules for businesses.

The attached report/presentation is summary data from all the formal visits in 2022. These visits are a good way to strengthen relationships with businesses and to be better prepared to help them with future expansions.

Notification:

Notification is not required.

Observations/Alternatives:

See attached report for detailed observations and 2022 recommendation. Staff is recommending the following for 2023:

Balance Between Retail and Commercial / Industrial Businesses Formal Visits

- Visit Newer Businesses to Ramsey
- Goal of 30 or more Formal Visits in 2023
- Both Phone and In-Person Visits (Efficiency)
- Continued efforts to connect businesses with available business assistance programs
- Hwy 10 Construction Project Communication
- Review Business Contact Information on Business List
- Remove the Covid-19 impact questions from the 2023 Business Survey

Funding Source:

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

Recommendation:

Staff recommends that the EDA accept the 2022 Report and to set business retention goals for 2023 as outlined above.

Action:

Motion to accept 2022 Business Retention Report and adopt the plan for 2023 as outlined above.

Attachments

2022 Business Retention Report

Form Review

Inbox

Sean Sullivan (Originator)

Reviewed By

Sean Sullivan

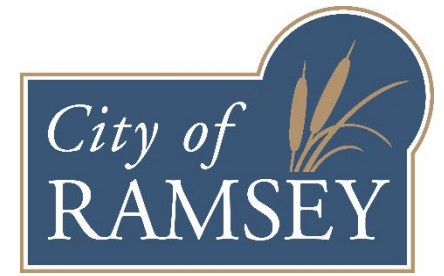
Date

01/05/2023 02:37 PM

Brian Hagen
Form Started By: Sean Sullivan
Final Approval Date: 01/05/2023

Brian Hagen

01/05/2023 03:46 PM
Started On: 01/03/2023 08:16 AM



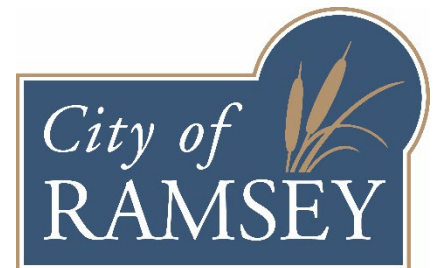
ECONOMIC DEVELOPMENT

2022 Business Retention & Expansion Program

2022 SUMMARY

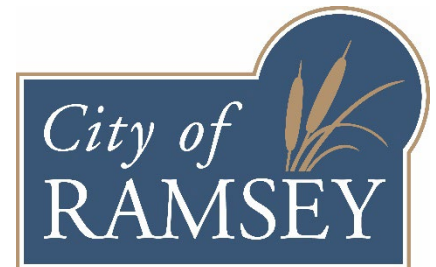
Business visits are conducted throughout the year by the Economic Development Manager and EDA Members. Each visit is 30-60 minutes long. The City uses questions based on the GMSP Salesforce survey template. These business visits help establish and maintain relationships with the business community and can identify areas in need of improvement or affirmation of current practices for the City. The 2022 goal was to have at least 30 formal business visits.

In 2022, a total of 30 formal visits were completed. Business are given the option between a phone call or in-person visit. Twenty percent of the business visits were conducted via phone. Many informal visits and communication with Ramsey businesses occurred but are not part of Summary Data provided within the report. According to Minnesota Department of Employment and Economic Development (DEED), the City of Ramsey saw an increase of 36 business establishments and 223 employees in 2022.

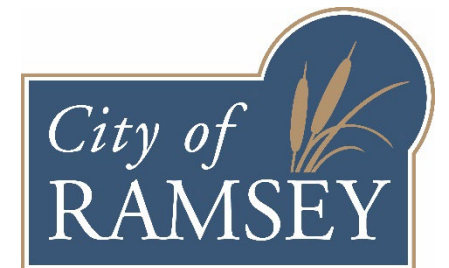
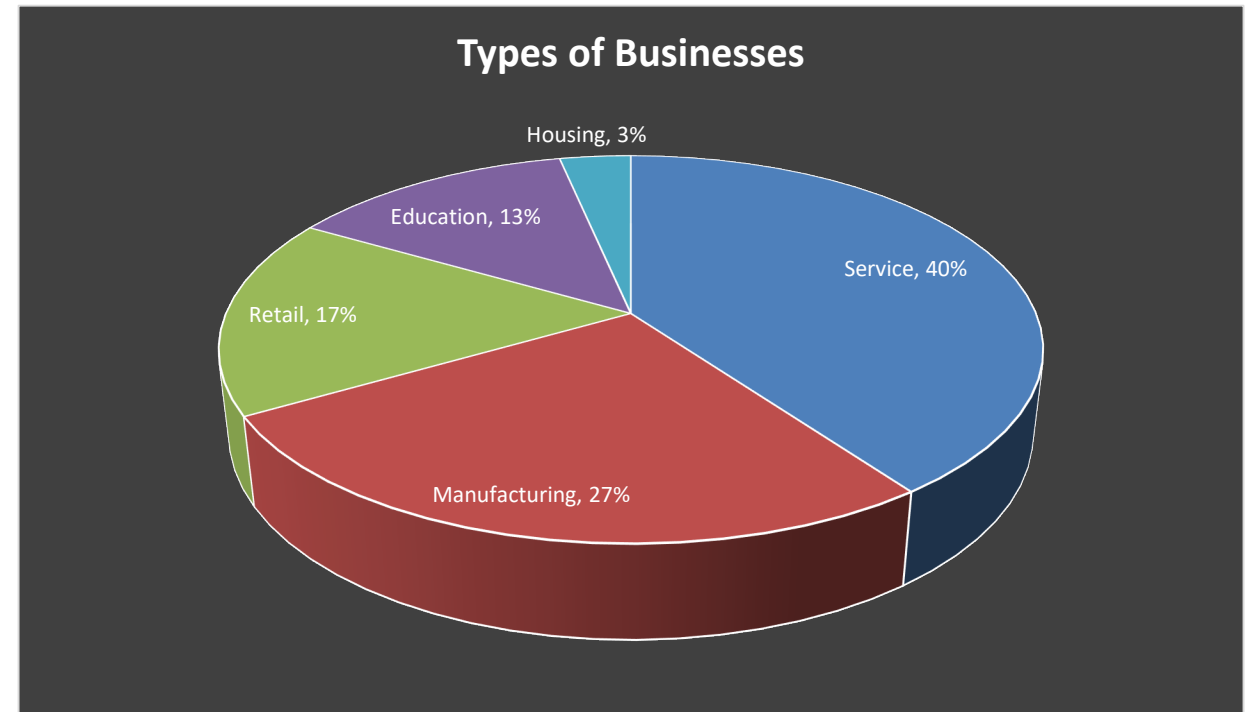
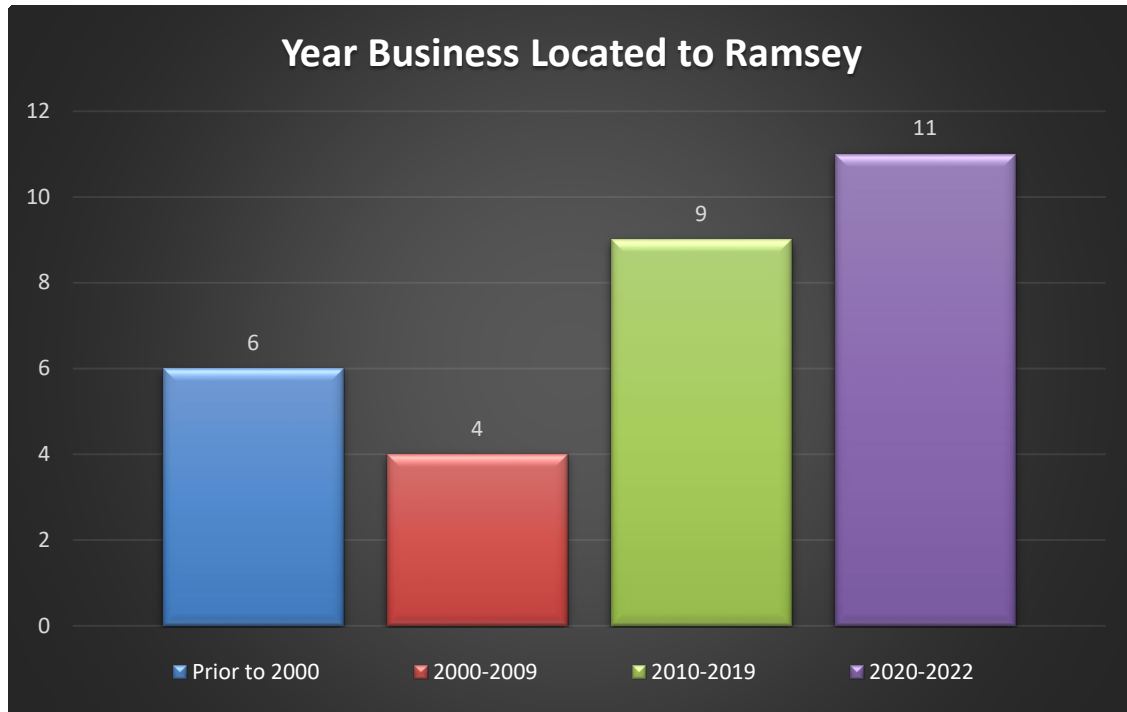


2022 BUSINESS VISITS (PHONE & IN-PERSON)

- Affinity at Ramsey
- American Pacific Mortgage
- AQK9, LLC
- Armstrong Ranch Kennels
- Auto Fitness & Service Center
- B & B Carpet One
- B & F Fastener Supply
- Bank of the West
- Big Adventures Academy
- Command Tooling Systems
- Country Side Services of MN Inc.
- Culligan Water
- Dedicated Networks Inc.
- E-CIG Warehouse, Inc.
- Fetched Up
- IDTS Medical
- In'Tech Industries
- Integrated Technology Inc.
- Lynnes Welding Training
- New Horizon Academy
- Power Lodge
- Roseth Realty
- RV World
- Sound Waves, Inc.
- Sparkle Pool
- Summer Lakes Beverage
- Team Packaging Co
- The Learning Lodge
- Top Shelf Tires
- Vision 11 Dance

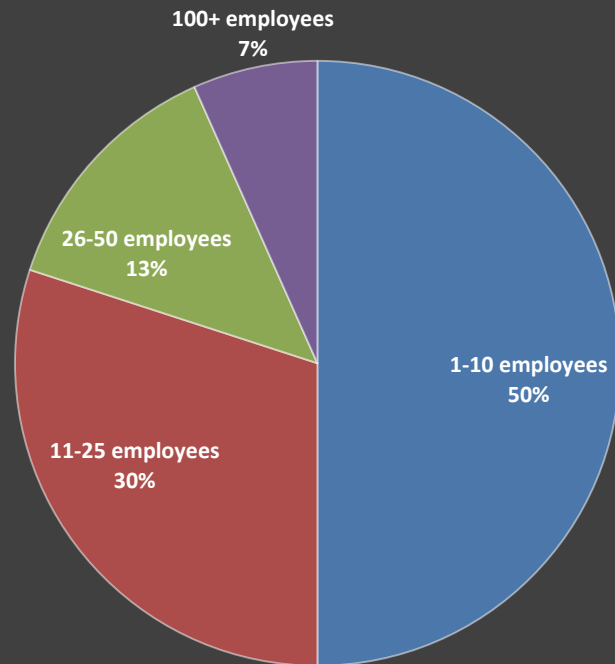


BUSINESS PROFILES



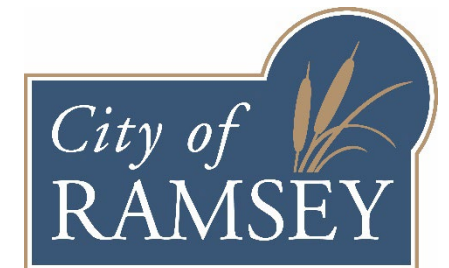
EMPLOYEES

Number of Employees (FTE)

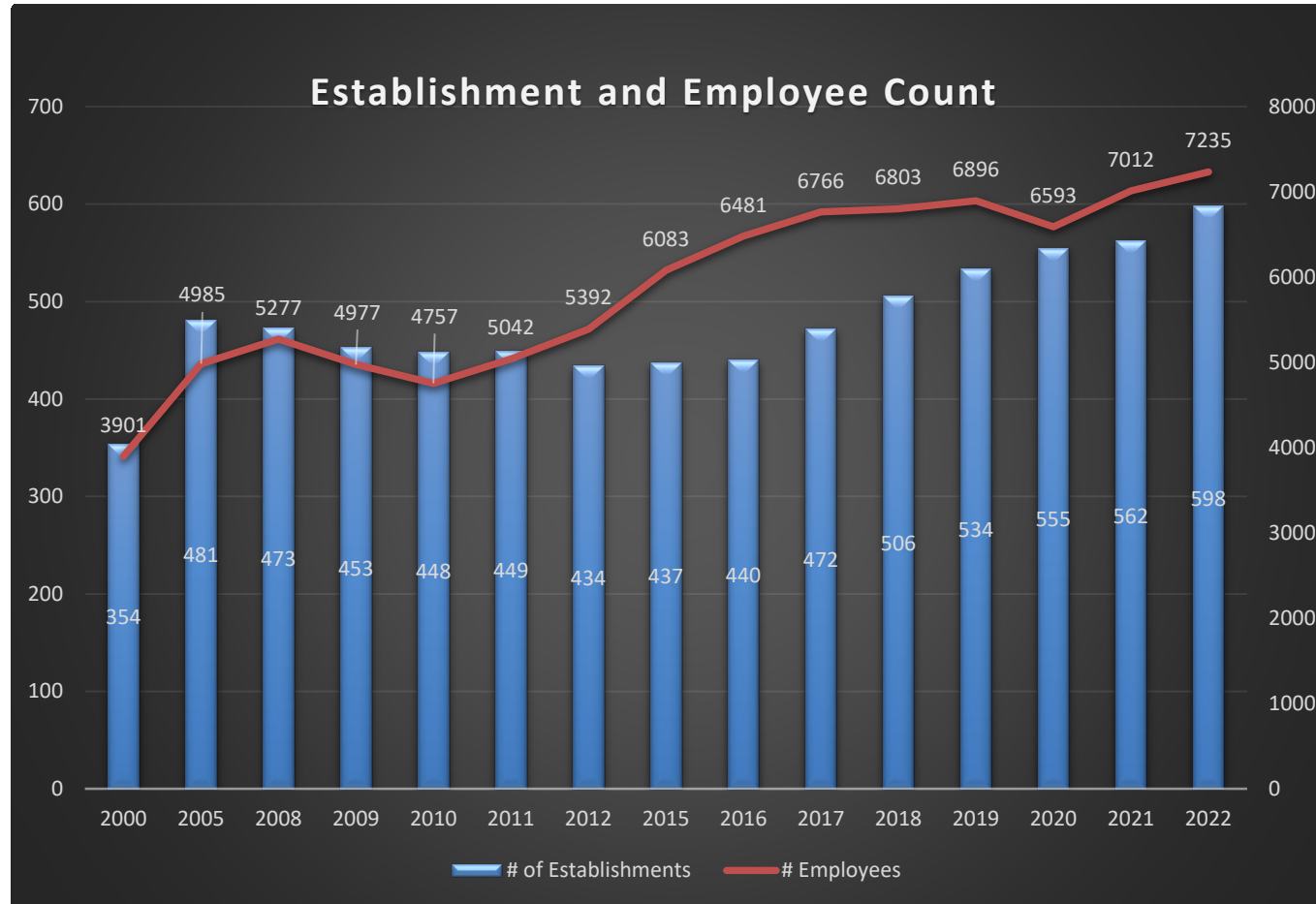


- 97% Businesses plan to hire in next 2-5 years (73% in 2021)
- Reasons Job Openings Hard to Fill:
 - 42% Lack of candidates
 - 16% Poor work ethic
 - 16% Other*
 - 13% Competition
 - 9% Lack of technical skills
 - 4% Lack of basic education

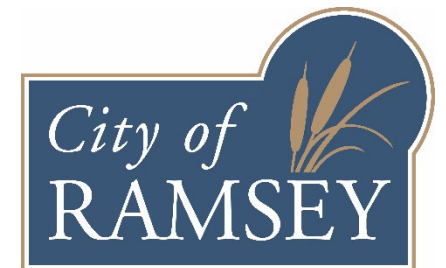
**Other examples include: Weekend work, COVID, dirty work, interview no shows, Hwy 10 construction, no desire to work*



EMPLOYEE / ESTABLISHMENT CHANGES

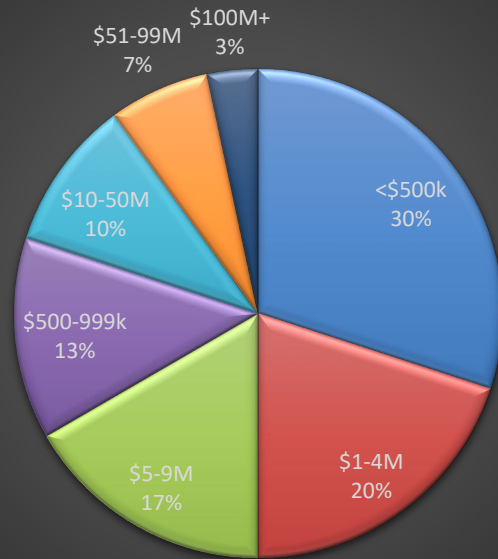


Source: Minnesota Department of Employment and Economic Development (DEED)

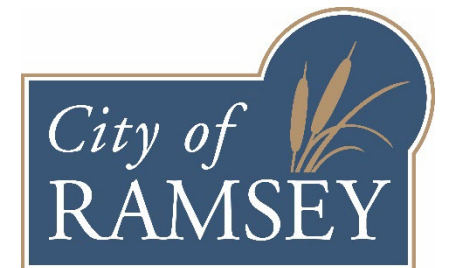
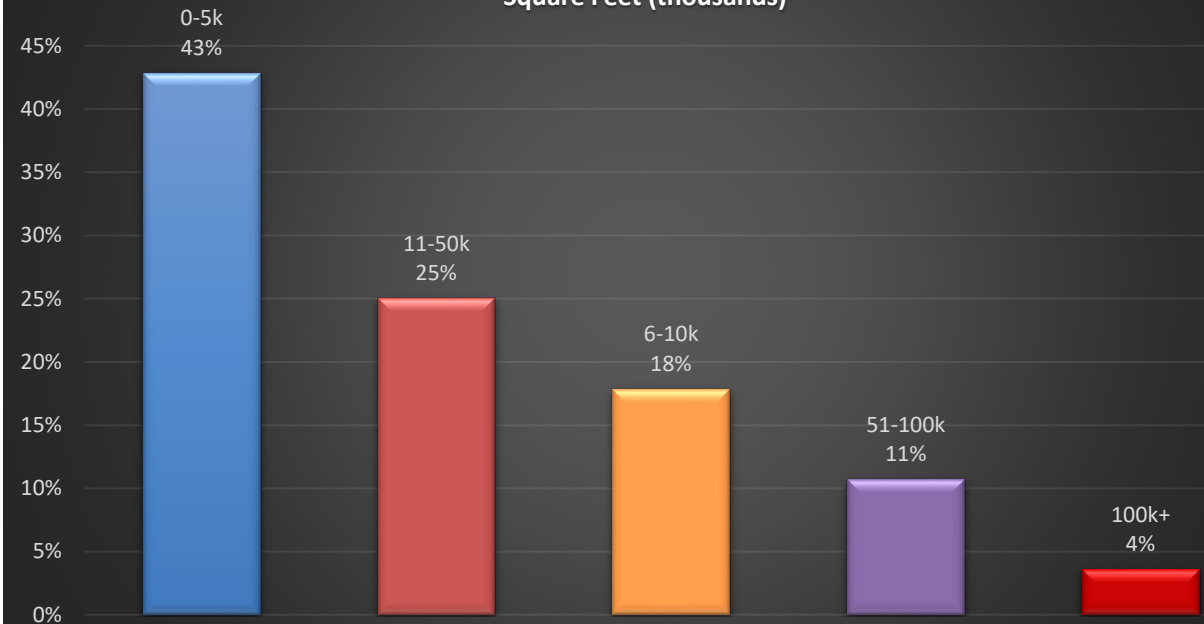


ANNUAL SALES / FACILITY SIZE

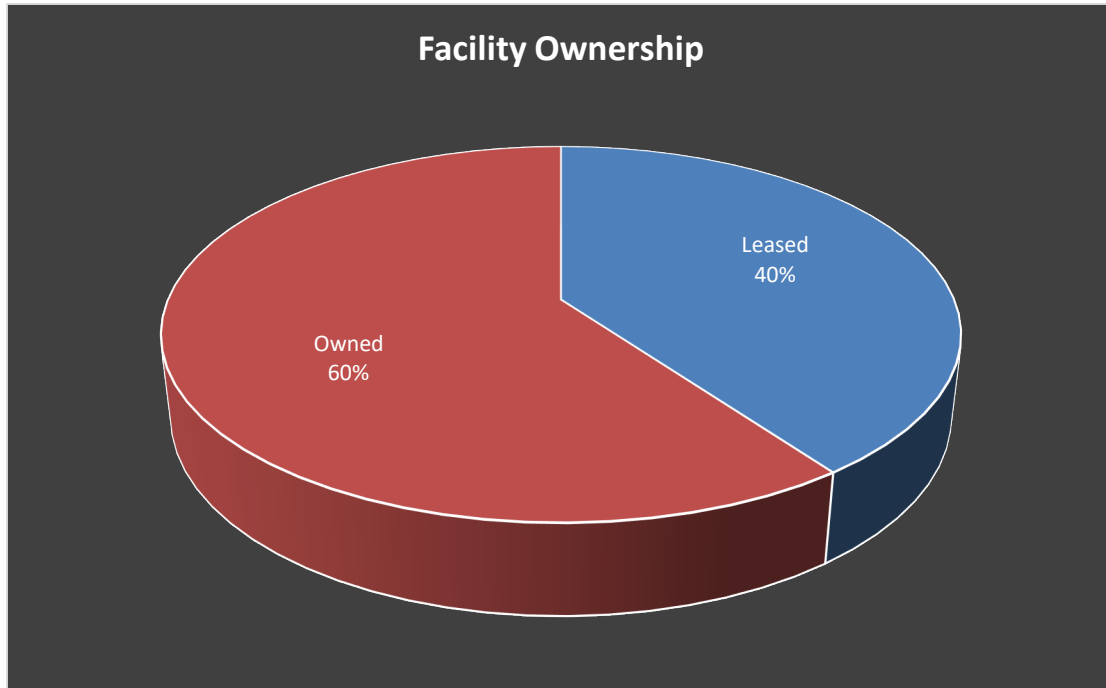
Annual Sales (Gross)



Facility Size Square Feet (thousands)



OWNERSHIP / EXPANSION



Expansion

Does this company plan to...?

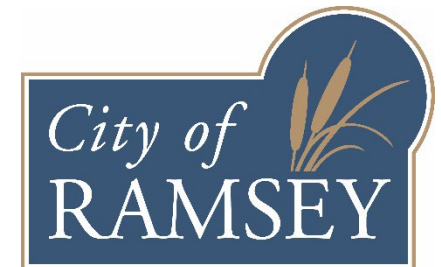
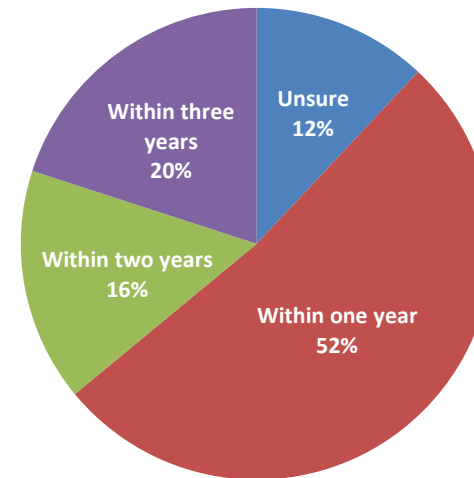
37% Invest in new facilities (27% in 2021)

26% Renovate/Expand current facilities

18% Make major equipment purchases

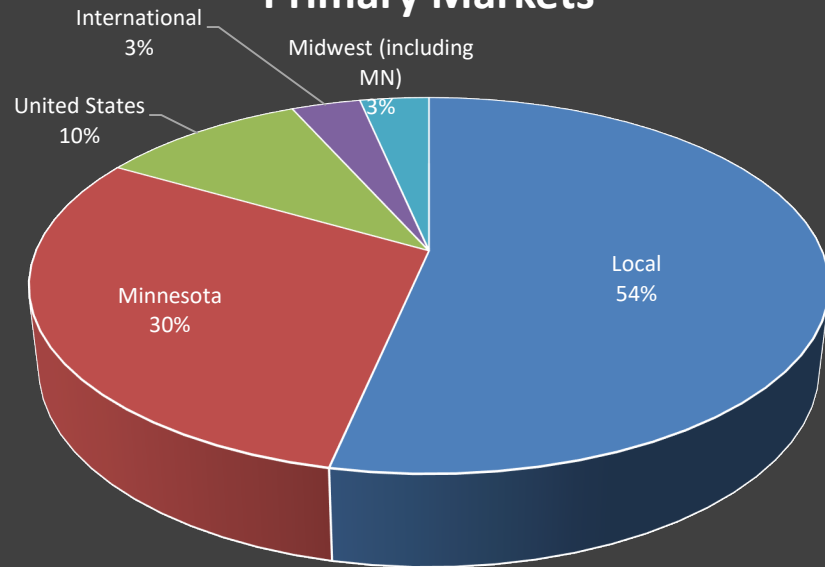
18% Not Identified

Approx. Date of Investment

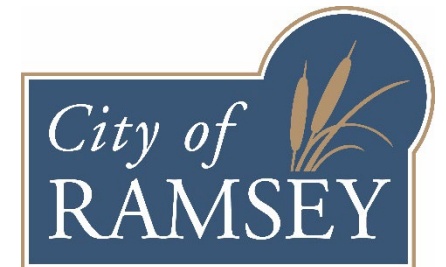
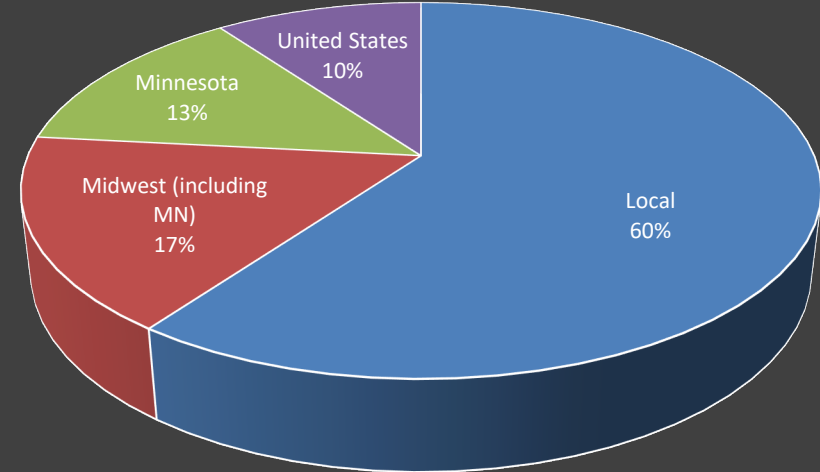


MARKETS SERVED / OUTLOOK

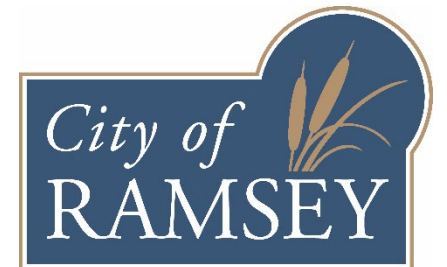
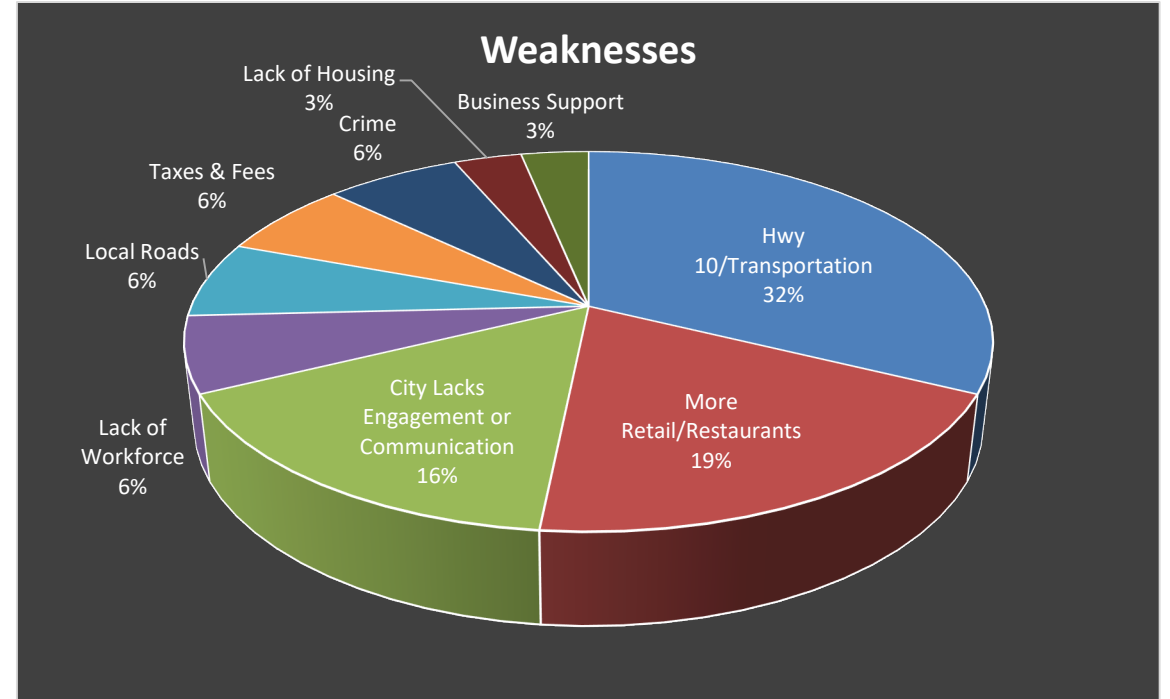
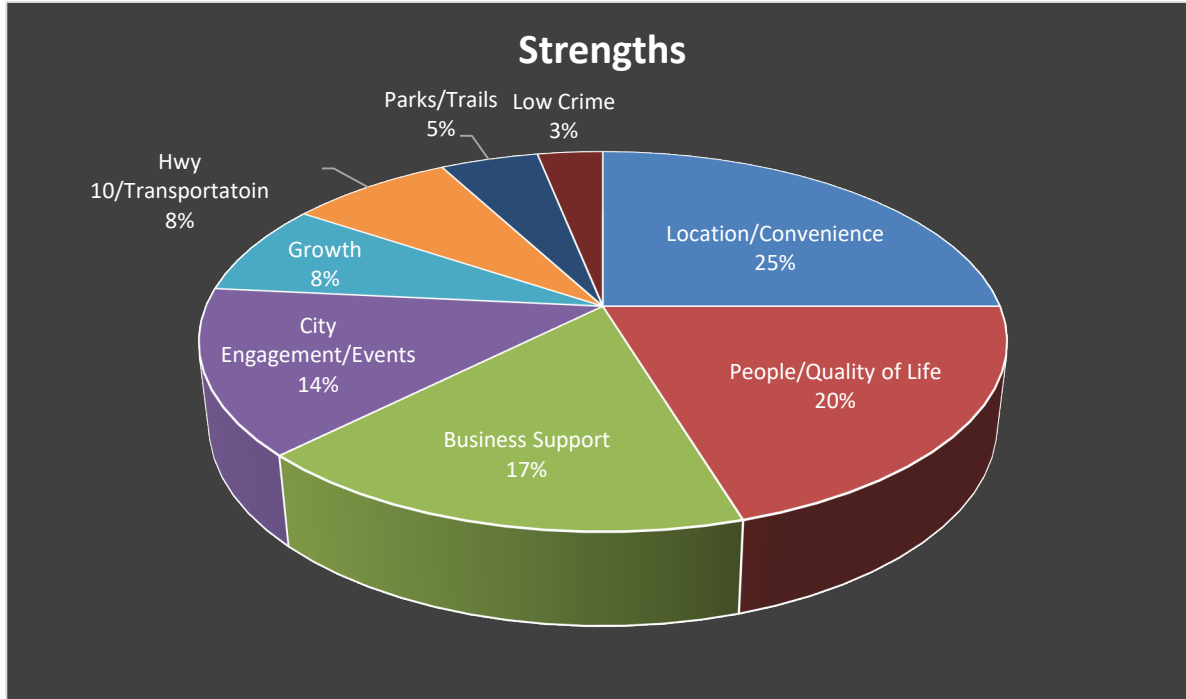
Primary Markets



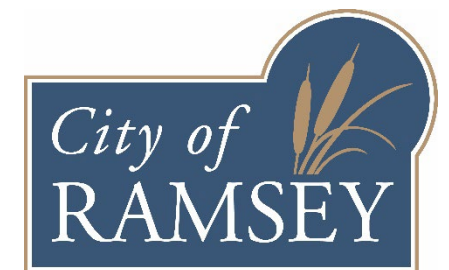
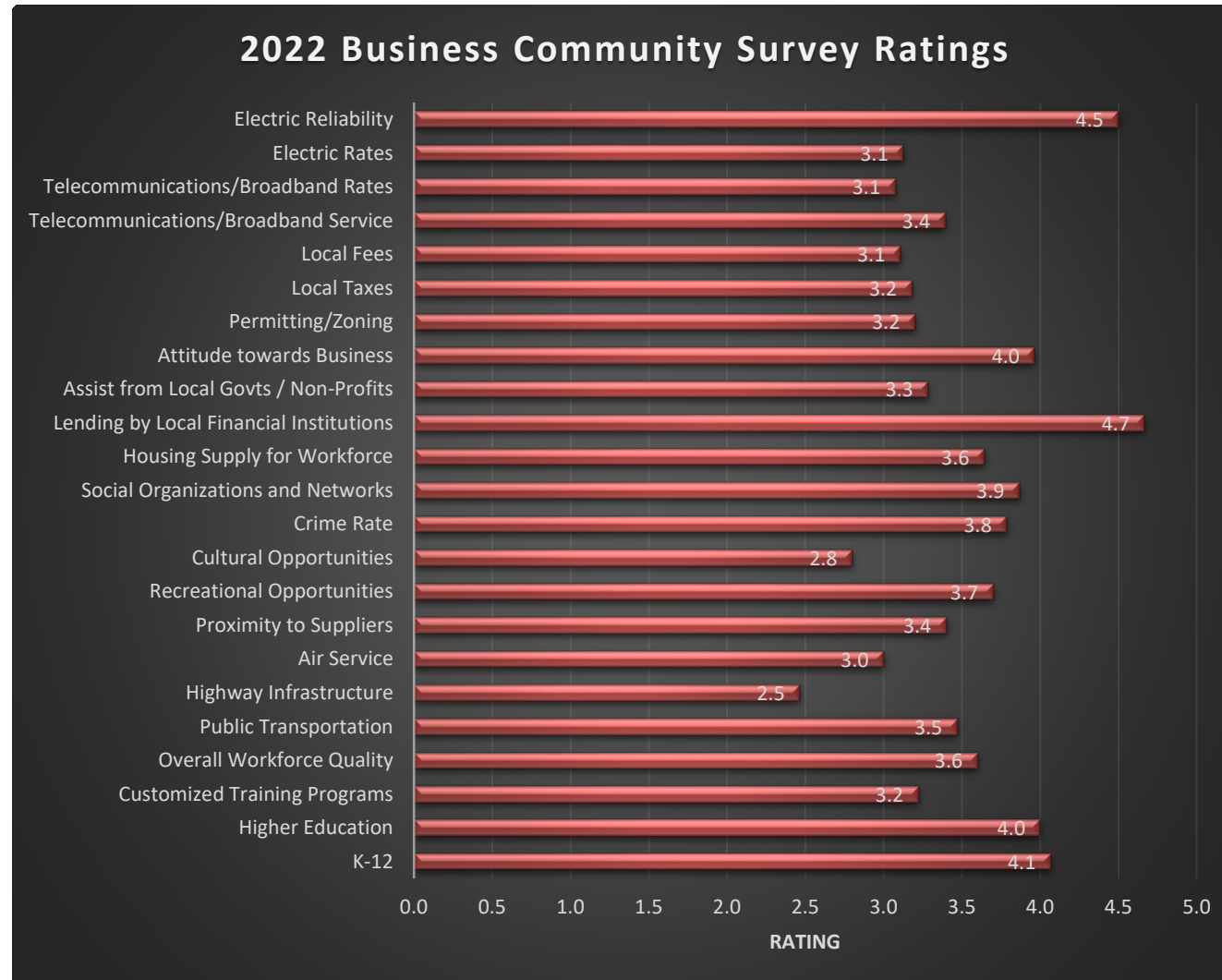
Fastest Growing Geo Markets



COMMUNITY STRENGTHS & WEAKNESSES



COMMUNITY RATINGS



PRIORITY PROJECTS TO IMPROVE BUSINESS

30% Highway 10 Project

10% More Restaurants

10% Promote Local Businesses

10% Community Events

10% Keep Up Good Work

5% Large Park in COR

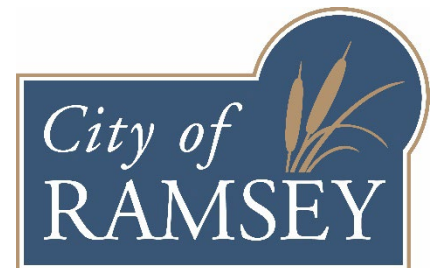
5% More Shopping

5% More Office Space

5% Local Roads

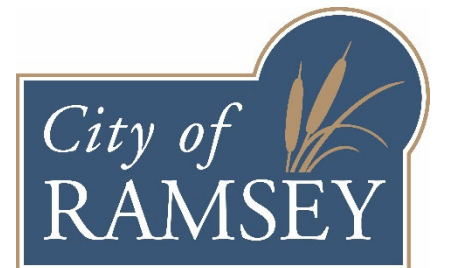
5% More Land

5% More Workforce



GOALS FOR 2023

- Conduct 30 or more Business Visits
- Visit Newer Businesses to Ramsey
- Blend of Commercial / Industrial and Retail
- Visit Hwy 10 Based Businesses
- Hwy 10 Construction Project Communication
- Review Business Contact Information on Business List



QUESTIONS

