

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, May 11, 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 April 13, 2023

4. **EDA Business**
 1. Consider Recommendation for approval of TIF Agreement and Use Restriction with Ramsey Properties, LLC
(A portion of this meeting may be closed to public)

 2. Consider Purchase Agreement and Right of Re-Entry Agreement for B & A Cylinder site (37a); Case of CBN Enterprises LLC (Jam Hops)
(Portions may be closed to the public)

5. **Member/Staff Input**

6. **Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 05/11/2023

Submitted For: Sean Sullivan, Community Development

By: Wendy Schlueter, Community Development

Title:

Approve Meeting Minutes for April 13, 2023

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 April 13, 2023 meeting minutes.

Action:

Motion to approve April 13, 2023 EDA meeting minutes.

Attachments

EDA Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Sean Sullivan	04/20/2023 05:29 AM
Brian Hagen	Brian Hagen	04/20/2023 12:56 PM
Form Started By: Wendy Schlueter		Started On: 04/18/2023 02:47 PM
Final Approval Date: 04/20/2023		

**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, April 13, 2023, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson William MacLennan
 Member Chelsee Howell (virtual)
 Member Rachal Johnson
 Member Brittany Lindahl
 Member Chris Riley
 Member Shanna Stewart
 Member Scott Wiyninger

Members Absent: None

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

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

2. APPROVE AGENDA

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

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Member Wiyninger	aye
Chairperson McLennan	aye
Member Johnson	aye
Member Stewart	aye
Member Lindahl	aye

Motion carried.

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated March 9, 2023

Motion by Member Riley, seconded by Member Stewart, to approve the March 9, 2023, minutes as presented.

A roll call vote was performed:

Member Lindahl	aye
Member Stewart	aye
Member Johnson	aye
Chairperson MacLennan	aye
Member Wyingner	aye
Member Riley	aye
Member Howell	aye

Motion carried.

4. EDA BUSINESS

4.01: Elect Chairperson and Vice Chairperson

Economic Development Manager Sullivan presented the staff report. He suggested that commissioners that would like to serve as Chair be given the opportunity to state that and then nominations could be opened.

Member Johnson asked if Chairperson MacLennan would like to continue to serve in the Chairperson role, as he is the longest standing member.

Chairperson MacLennan replied that he does like serving in that capacity and would like to continue to do so.

Member Wyingner stated that he would be interested in the Chair position and provided some background information on his business experience.

Chairperson MacLennan opened the floor for nominations.

Motion by Member Stewart, seconded by Member Riley to elect Scott Wyingner as Chairperson of the Economic Development Authority through March 31, 2024.

A roll call vote was performed:

Member Lindahl	aye
Member Stewart	aye
Member Johnson	nay
Member Riley	aye
Member Howell	aye
Chairperson MacLennan	abstain

Member Wiyninger abstain

Motion carried.

Member Wiyninger was elected as Chairperson. He asked for interest from the members in the position of Vice Chairperson.

Member Stewart commented that she is interested in the position and provided details on her interest.

Member MacLennan stated that he had spoken with Member Stewart prior to the meeting, and she had expressed interest, therefore he would not want to compete against her for that position and would prefer to be a regular member of the EDA.

Chairperson Wiyninger opened the floor for nominations for the position of Vice Chairperson.

Motion by Member MacLennan, seconded by Member Johnson, to elect Shanna Stewart as Vice Chairperson of the Economic Development Authority through March 31, 2024.

A roll call vote was performed:

Member Lindahl	aye
Member Johnson	aye
Member MacLennan	aye
Chairperson Wiyninger	aye
Member Riley	aye
Member Howell	aye
Member Stewart	abstain

Motion carried.

Member Stewart was elected as Vice Chairperson.

4.02: Select 2023 Ramsey Business of the Year

Economic Development Manager Sullivan presented the staff report.

Member Stewart asked who has been on the list for the last three years.

Economic Development Manager Sullivan reviewed the nominee list and number of years each has been on the list.

Member MacLennan asked how the businesses are put on the list.

Economic Development Manager Sullivan commented that the list was created years ago with input from staff and/or the EDA, providing additional explanation.

Member MacLennan asked if businesses are notified when they are placed on the list.

Economic Development Manager Sullivan explained that the staff process is based on the input at this meeting. He stated that when businesses are added to the small list they are encouraged to fill out the questionnaire to provide the feedback.

Member Riley commented that Dynamic Group is a good business in Ramsey and has been on the list probably the longest. He asked for information on their community involvement.

Economic Development Manager Sullivan commented that the business has been on the list a long time and often those new to the list are more enthusiastic about filling out the questionnaire.

Member Riley commented that the business does have a good employment base and would tend to lean towards that business but was open for further discussion.

Member MacLennan referenced the questionnaire from B&F Fastener and noted answers that stood out to him, such as raising \$40,000 with the polar plunge, the torch run, and partnerships with law enforcement and military. He commented that it is a family run business which he also likes. He stated that he likes the answers to the questions and does not know much more about the businesses other than their replies.

Member Johnson agreed noting that she also was attracted to those responses. She stated that she also was also drawn to the responses from Globe Glove, which has been in Ramsey for 20 years. She asked how long B&F Fasteners has been in Ramsey.

Economic Development Manager Sullivan replied that B&F Fasteners has been in Ramsey since 1999.

Member Stewart commented that she likes seeing how involved the businesses are with the community and would lean towards B&F Fastener.

Member Johnson asked why a school would be considered a business.

Economic Development Manager Sullivan commented that he was not working for Ramsey when the school was added to the list. He agreed that it does seem a bit odd to have a school on the list and the list could be amended following this discussion if desired.

Motion by Member Stewart, seconded by Member Johnson, to select B&F Fastener Supply as the 2023 Ramsey EDA Business of the Year.

A roll call vote was performed:

Member Lindahl	aye
Member Stewart	aye
Member Johnson	aye

Member McLennan	aye
Chairperson Wyingner	aye
Member Riley	aye
Member Howell	aye

Motion carried.

Economic Development Manager Sullivan commented that there are three remaining businesses on the small list and welcomed any amendments.

Member Johnson suggested removing the school from the list.

Member Riley commented that while he agrees that PACT is a great institution in the city, he does not believe they would fit under this category.

Chairperson Wyingner agreed that he does not believe a school should be included on this type of list. He confirmed consensus to remove PACT from the list.

Economic Development Manager Sullivan reviewed businesses from the large list that could be considered to move to the small list and provided information about the businesses. He suggested moving Barton Sand and Gravel, MultiSource Manufacturing, InTech, and RM Golf Carts to the small list.

Member MacLennan stated that he was thinking of adding a business to the large list for consideration and agreed some businesses should be moved from the large list to the small list.

Member Riley agreed with the suggestions of staff on the four businesses to move to the small list, noting that additional businesses could then be added to the large list.

Member MacLennan commented that he has had personal dealings with RM Golf Carts and agreed that although small, are a great business that has been in Ramsey a long time.

Chairperson Wyingner confirmed the consensus of the EDA to add Barton Sand and Gravel (Martin Marietta), MultiSource Manufacturing, InTech, and RM Golf Carts to the small list.

Member MacLennan requested to add Fabtech Plastics to the large list as they have done a great job hiring and have been around a long time.

Chairperson Wyingner asked that Delta ModTech also be considered for the large list.

Member Riley commented that Delta ModTech did receive recognition as a holiday sponsor and agreed the business should be added to the large list.

Economic Development Manager Sullivan asked to remove Premier Properties from the large list as that business is no longer located in Ramsey. He confirmed consensus to remove that business from the large list and add Fabtech Plastics and Delta ModTech.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided an update on the registration of businesses for the upcoming Business Expo and asked that interested members alert staff if they would like to volunteer at the event. He provided an update on the progress of development proposals and anticipated projects.

Member Riley asked if there is anything to report from the Highway 10 open house that was held the previous day.

Economic Development Manager Sullivan commented that this process has been very transparent with a lot of information provided and opportunities for businesses and residents to receive updates. He provided a brief update on the morning and evening sessions.

6. ADJOURNMENT

Motion by Member Stewart, seconded by Member Johnson, to adjourn the meeting.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Wyingner	aye
Member MacLennan	aye
Member Johnson	aye
Member Stewart	aye
Member Lindahl	aye

Motion carried.

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: 05/11/2023

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Recommendation for approval of TIF Agreement and Use Restriction with 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 closed session the statute and reason above needs to be referenced along with legal description (Part of Outlot A, COR TWO to be platted as Lot 1, Block 1, Ramsey Properties Addition) and the Anoka County Tax ID number 28-32-25-22-0058.

The purpose of this case is to review the TIF agreement based on the Business Assistance request that involves the sale of a portion of Outlot A, COR TWO (to be platted as Lot 1, Block 1, Ramsey Properties Addition) to Ramsey Properties, LLC (the "Developer"). The EDA and City Council have previously approved a Purchase Agreement and a First Amendment to Purchase Agreement to build a 98 unit Hilton Home 2 hotel including a proposed deal structure involving a TIF land cost write-down of \$434,511 and \$550,000 in Pay-GO TIF Assistance for Site Improvement (referenced in Resolution #23-034). Staff and Ehler's have completed analysis determined if the amount of assistance provided is appropriate. A summary of this previous 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%.

The next step in the process is to review the TIF Agreement to ensure it encapsulates the terms previously discussed by the EDA and City Council. Once the document is acceptable by both parties, a Public Hearing will be held at the City Council Meeting to consider approval of the TIF Agreement and awarding of the business subsidy. Taft Law has worked with City Staff and Ehlers to put together a draft TIF Agreement for review.

In addition to the TIF Agreement the Developer has asked the City to consider a Deed Use Restriction/Agreement on the remnant Outlot A, Ramsey Properties Addition to help with the establishment and successful operation of the new Hotel. The heart of the restriction request is as follows and is included in the attached draft agreement:

1. **Imposition of Restrictions; Term.** The Restricted Property may not be used for hotel, lodging or similar uses, and no multi-family apartment uses for rent terms of less than six months are permitted on the Restricted Property (the “**Restrictions**”). The Restrictions shall be in effect for a period of ten (10) years from the date the Restricted Property is conveyed by the City to a third party for development (the “**Term**”).

Staff is asking the EDA for comments and a recommendation on the willingness to enter into temporary use restrictions for Outlot A, Ramsey Properties Addition. There is still some work to be done in terms of the Agreement or to memorialize as a deed restriction, but the request is straight-forward and the EDA should provide a recommendation to the City Council. It should be noted that the City Attorney has not been able to review the draft Agreement at the time of this memo but could possibly have some feedback by the date of the EDA meeting. Use Restrictions are not uncommon in commercial developments and the city has also agreed to some in the purchase agreement with Aldi.

Notification:

Notification is not required.

Observations/Alternatives:

General Project Description

- 98 unit, 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
- Estimated Taxes - \$218,000 annually
- 11 new jobs created with a starting minimum wage of \$14.75 ~~22 new jobs to be created paying at least \$18.22/hr~~ (more anticipated to be created but only willing to commit to 11)
- \$14.75 minimum wage is lower than our Business Subsidy Policy (\$18.22/hr) but is allowed as long as it is communicated to DEED.
- Average hourly wage for Jobs Created: \$22.97 ~~\$18.22~~
- 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: Part of Outlot A, COR TWO to be platted as Lot 1, Block 1, Ramsey Properties Addition +/- 2.813 acres
- Purchase Price and Valuation: The purchase price for the Property is \$1.00 on ~~+/- 2.85 acres (124,146 square feet)~~ 2.813 acres (122,543 SF) as outlined in Preliminary Plat Document (the “Purchase Price”). The property valuation is \$434,511 . ~~(\$3.50/SF)~~(\$3.55/SF)
- \$550,000 in Pay-Go TIF Note for Site Development / Improvements
- Inspection Period: Inspection Period ends May 26, 2023
- Right of Re-Entry Required
- 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 28.65 (one point lower due to job commitment) which is still a moderate to high score for our project rating system. Analysis by Ehlers supports the need for assistance for this project, it 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 and other retailers, 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.

TIF Agreement and Subsequent Public Hearing

The EDA is charged with review of the TIF Agreement to ensure that it reflects the correct terms and conditions of the deal structure and assistance and to make a formal recommendation to the City Council. Once a recommendation has been made by the EDA, a Public Hearing date will need to be scheduled for the June 14, 2023 City Council Meeting.

Alternatives for TIF Agreement:

- 1) EDA Recommendation to the City Council to approve the TIF Agreement and Business Subsidy 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 TIF Attorney Review (Staff recommendation).
- 2) EDA Recommendation to the City Council to approve the TIF Agreement and Business Subsidy 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 TIF Attorney Review
- 3) Something else.

Alternatives for Use Restriction on Land to be Platted as Outlot A, Ramsey Properties Addition:

- 1) EDA Recommendation to the City Council to approve a 10 year Use Restriction for other hotels and short-term rental (under 6 months) for apartments on land to be platted as Outlot A, Ramsey Properties Addition; subject to City Attorney review
- 2) 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 TIF Agreement and Business Subsidy 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 TIF Attorney review.

Staff is supportive of an EDA Recommendation to the City Council to approve a temporary Use Restriction for other hotels and short-term rental (under 6 months) for apartments on land to be platted as Outlot A, Ramsey Properties Addition; subject to City Attorney review.

Action:

Motion to recommend to the City Council to approve the TIF Agreement and Business Subsidy 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 TIF Attorney Review.

Motion to EDA Recommendation to the City Council to approve a temporary(5, 7 or 10 year) Use Restriction for other hotels and short-term rental (under 6 months) for apartments on land to be platted as Outlot A, Ramsey Properties Addition; subject to City Attorney review

Attachments

Site Location Map

ACTION - Draft TIF Agreement

Draft Final Plat

Sample Use Restriction Agreement

Ehlers Analysis Memo

REFERENCE - Executed Purchase Agreement Schiebout

REFERENCE - 1st Amendment to PA
REFERENCE - Resolution #23-034 1st Amendment
TIF Run - 40% Admin

Form Review

Inbox

Sean Sullivan (Originator)
Brian Hagen
Form Started By: Sean Sullivan
Final Approval Date: 05/04/2023

Reviewed By

Sean Sullivan
Brian Hagen

Date

05/03/2023 04:24 PM
05/04/2023 11:39 AM
Started On: 05/01/2023 10:30 AM

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.

TAX INCREMENT FINANCING (TIF) AGREEMENT

BY AND BETWEEN

CITY OF RAMSEY, MINNESOTA

AND

RAMSEY PROPERTIES, LLC

This document drafted by:

TAFT STETTINIUS & HOLLISTER LLP
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

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TAX INCREMENT FINANCING (TIF) AGREEMENT

THIS AGREEMENT, made as of the ____ day of _____, 2023, by and between the City of Ramsey, Minnesota (the "City"), a municipal corporation existing under the laws of the State of Minnesota, and Ramsey Properties, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 to 469.133, the City has heretofore established Development District No. 1 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16 and Minnesota Laws 2021, Chapter 14, Article 9, Section 10 (collectively, "Special Legislation") and the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has heretofore established, within the Development District, Tax Increment Financing (Redevelopment) District No. 14 (the "Tax Increment District") and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, apply to this Agreement; and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Law, after a public hearing for which notice was published; and

WHEREAS, the Council has approved this Agreement as a subsidy agreement under the Business Subsidy Law;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement, as the same may be from time to time modified, amended or supplemented;

Assessment Agreement means the agreement, in substantially the form of the agreement contained in Exhibit D attached hereto and hereby made a part of this Agreement, among the Developer, the City and the Assessor for the County, entered into pursuant to Article III of this Agreement;

Assessor's Minimum Market Value means the agreed minimum market value of the Development Property and Project and for calculation of real property taxes as determined by the Assessor for the County pursuant to the Assessment Agreement;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Ramsey, Minnesota, its successors and assigns;

City Development Agreement means, the Development Agreement for _____ by and between the City and _____ dated as of _____, 2023, as the same may be from time to time modified;

County means Anoka County, Minnesota;

Developer means Ramsey Properties, LLC, a Minnesota limited liability company, its successors and assigns;

Development District means Development District No. 1, including the real property described in the Development Program;

Development Program means the development program approved in connection with the Development District;

Development Property means the real property described in Exhibit A attached to this Agreement;

Event of Default means any of the events described in Section 4.1 hereof;

Legal and Administrative Expenses means the fees and expenses actually incurred by the City in connection with the review and analysis of the development proposed under this Agreement, the adoption and administration of the Tax Increment Financing Plan and establishment of the Tax Increment District, the preparation of this Agreement and the issuance of

the TIF Note and the recording of the Assessment Agreement including, but not limited to, attorney and municipal advisor fees and expenses;

Note Payment Date means August 1, 2025, and each February 1 and August 1 of each year thereafter to and including February 1, 2038; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in Minneapolis, Minnesota, as its "prime rate" or "reference rate" or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the construction of a 98-unit, four-story hotel facility by the Developer on the Development Property to be used for a Hilton Home 2 Hotel;

Site Improvements means the site improvements undertaken or to be undertaken on the Development Property, more particularly described on Exhibit C attached hereto.

State means the State of Minnesota;

Tax Increments means 60% of the tax increments derived from the Development Property as calculated by the City in its sole discretion and which have been received and retained by the City in accordance with the provisions of Minnesota Statutes, Section 469.177;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means Tax Increment Financing (Redevelopment) District No. 14 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on December 14, 2010, and any amendments thereto;

Termination Date means the earlier of (i) February 1, 2038, (ii) the date the TIF Note is paid as provided in the TIF Note, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms;

TIF Note means the Tax Increment Revenue Note (Ramsey Properties, LLC Project) to be executed by the City and delivered to the Developer pursuant to Article III hereof, the form of which is attached hereto as Exhibit B; and

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, global pandemic (including the current pandemic known as COVID-19), epidemic, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, results in delays, or acts of any federal, state or local governmental unit other than the City.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10, and was created, adopted and approved in accordance with the terms of the Special Legislation.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for a portion of the costs of certain Site Improvements incurred in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so will not violate its articles of organization, member control agreement or operating agreement, if any, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, the City Development Agreement, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(4) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all

applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(6) The Developer will cooperate fully with the City with respect to any litigation commenced with respect to the Project.

(7) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(8) The construction of the Project shall commence no later than August 1, 2023, and barring Unavoidable Delays will be substantially completed by December 31, 2024.

(9) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the construction and installation of the Site Improvements as provided in Article III.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1. Project, Site Improvements and Legal and Administrative Expenses.

(1) The parties agree that the Site Improvements are essential to the successful completion of the Project. The costs of the Site Improvements and the Project shall be paid by the Developer. The City shall reimburse the Developer the lesser of (a) \$550,000 or (b) the costs of the Site Improvements incurred and paid by the Developer (the "TIF Amount"), as further provided in Section 3.3 hereof.

(2) The Site Improvements to be reimbursed by the City must be completed and paid for by the Developer by November 28, 2023.

(3) The Developer shall pay all Legal and Administrative Expenses incurred by the City.

Section 3.2. Limitations on Undertaking of the City. Notwithstanding the provisions of Section 3.1, the City shall have no obligation to the Developer under this Agreement to reimburse the Developer for the costs identified in Section 3.1, if the City, at the time or times such payment is to be made, is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.3. Reimbursement: TIF Note. The City shall reimburse the Developer under Section 3.1 for costs of the Developer's construction and installation of the Site Improvements through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the Developer has (i) completed the Project and (ii) the Developer incurred and paid the costs of the Site Improvements, as described in and limited by Section 3.1 and shall have submitted paid invoices for the costs of the Site Improvements in an amount not less than the TIF Amount.

(2) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at 5.0% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(3) The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

(4) On each Note Payment Date and subject to the provisions of the TIF Note and Section 3.5, the City shall pay, against the principal and interest outstanding on the TIF Note, any Tax Increments received by the City during the preceding 6 months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.

(5) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal and interest on the TIF Note. If, on any TIF Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future TIF Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirements that: (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement beyond any applicable notice and/or cure period and (B) this Agreement shall not have been rescinded pursuant to Section 4.2.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.3, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 3.4. Business Subsidies Act.

(1) In order to satisfy the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidies Act"), the Developer acknowledges and agrees that the amount of the "Business Subsidy" granted to the Developer under this Agreement is \$984,511, which is comprised of (a) the value of the Development Property (\$434,511) sold to the Developer for \$1.00, and (b) the cost of the Site Improvements of (\$550,000) and that the Business Subsidy is needed because the Project is not sufficiently feasible for the Developer to undertake without the Business Subsidy. The Tax Increment District is a redevelopment district and the public purpose of the Business Subsidy is to create high-quality job growth in the City. The Developer agrees that it will cause the tenants of the Project to meet the following goals (the "Goals") in connection with the development of the Development Property: it shall create at least eleven (11) full time jobs in the City at an average hourly wage totaling of at least \$14.75 per hour, excluding benefits, within two years from the "Benefit Date," which is the earlier of the date the Developer completes the construction of the Project or the Developer occupies the Project.

(2) If the Goals are not met within two years of the Benefit Date, the Developer agrees to repay all of the Business Subsidy to the City, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually. If the Goals are met in part, the Developer will repay a portion of the Business Subsidy (plus Interest) determined by multiplying the Business Subsidy by a fraction, the numerator of which is the number of jobs in the Goals which were not created at the wage level set forth above and the denominator of which is eleven (11) (i.e. number of jobs set forth in the Goals).

(3) The Developer agrees to (i) report its progress on achieving the Goals to the City until the later of the date the Goals are met or two years from the Benefit Date, or, if the Goals are not met, until the date the Business Subsidy is repaid, (ii) include in the report the information required in Minnesota Statutes, Section 116J.994, Subdivision 7 on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the City. The Developer agrees to file these reports no later than March 1 of each year commencing March 1, 2025, and within 30 days after the deadline for meeting the Goals. The City agrees that if it does not receive the reports, it will mail the Developer a warning within one week of the required filing date. If within 14 days of the post marked date of the warning the reports are not made, the Developer agrees to pay to the City a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$1,000.

(4) The Developer agrees to continue operations within the City for at least five (5) years after the Benefit Date.

(5) There are no other state or local government agencies providing financial assistance for the Project.

(6) There is no parent corporation of the Developer.

(7) The Developer certifies that it does not appear on the Minnesota Department of Employment and Economic Development's list of recipients that have failed to meet the terms of a business subsidy agreement.

Section 3.5. Real Property Taxes. Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

The Developer agrees that prior to the Termination Date:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(3) It will not seek any tax deferral or abatement, either presently or prospectively authorized under Minnesota Statutes, Section 469.1813, or any other State or federal

law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement and the Termination Date.

(4) The Developer may seek through petition or other means to have the market value of the Development Property and the Project reduced, provided however, that the Developer shall not seek a reduction of such market value below the Assessor's Minimum Market Value. Until the TIF Note is fully paid, such activity must be preceded by written notice from the Developer to the City indicating its intention to do so. Upon receiving such notice, or otherwise learning of the Developer's intentions, the City may suspend payments due under the TIF Note until the actual amount of the reduction is determined, whereupon the City will make the suspended payments less any amount that the City is required to repay the County as a result of any reduction in market value of the Development Property and the Project. During the period that the payments are subject to suspension the City may make partial payments on the TIF Note if it determines, in its sole and absolute discretion that the amount retained will be sufficient to cover any repayment which the County may require. The City's suspension of payments on the TIF Note pursuant to this Section shall not be considered a default under this Agreement.

Section 3.6. Prohibition Against Transfer of Project and Assignment of Agreement. The Developer represents and agrees that prior to the termination date of this Agreement the Developer shall not transfer the Project or any part thereof or any interest therein, without the prior written approval of the City. The City shall be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

(2) Any proposed transferee, by instrument in writing satisfactory to the City shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

(3) There shall be submitted to the City for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Project.

(4) Notwithstanding the provisions of this Section 3.6, the Developer may assign this Agreement to a 1031 exchange company to facilitate the Developer's use of proceeds derived from the sale of other property for the construction of the Project, without the consent of the City, provided the documentation creating the exchange are provided to the City.

Section 3.7. Execution of Assessment Agreement. Simultaneously with the execution of this Agreement, the Developer and the City shall execute an Assessment Agreement pursuant to the provisions of Minnesota Statutes, Section 469.177, Subdivision 8, specifying the Assessor's Minimum Market Value for the Development Property and the Project for calculation of real property taxes. Specifically, the Developer shall agree to a market value for the Development Property and the Project which will result in a market value as of January 2, 2025 of not less than \$7,141,000 until December 31, 2040 (such minimum market value at the time applicable is herein

referred to as the "Assessor's Minimum Market Value"). Nothing in the Assessment Agreement shall limit the discretion of the Assessor to assign a market value to the property in excess of such Assessor's Minimum Market Value. The Assessment Agreement shall remain in effect until December 31, 2040. The Assessment Agreement shall be certified by the Assessor for the County as provided in Minnesota Statutes, Section 469.177, Subdivision 8, upon a finding by the Assessor that the Assessor's Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Project to be constructed on the Development Property and the market value previously assigned to the Development Property. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 8, the Assessment Agreement shall be filed for record in the office of the county recorder or registrar of titles of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property (or part thereof), whether voluntary or involuntary, and such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage recorded against the Development Property.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes and special assessments levied against the Development Property and all public utility or other City payments due and owing with respect to the Development Property when due and payable.

(2) Failure of the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement and the City Development Agreement.

(3) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(4) If the Developer shall:

file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

make an assignment for the benefit of its creditors; or

admit in writing its inability to pay its debts generally as they become due; or

be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days:

(1) The City may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement;

(2) The City may cancel and rescind the Agreement and the TIF Note; or

(3) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, within thirty (30) days' demand therefor, pay to the City the fees of such attorneys and such other expenses so incurred by the City.

Section 4.6. Indemnification of City.

(1) The Developer (a) releases the City and its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees (collectively, the "Indemnified Parties") from, (b) covenants and agrees that the Indemnified Parties shall not be liable for, and (c) agrees to indemnify and hold harmless the Indemnified Parties against, any claim, cause of action, suit or liability for loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or on the Development Property.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Project causing the Tax Increment District to not qualify or cease to qualify as a "redevelopment district" under

Section 469.174, Subdivision 10, of the Act and Section 469.176, Subdivision 4j, or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4j.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

ARTICLE V

DEVELOPER'S OPTION TO TERMINATE AGREEMENT

Section 5.1. The Developer's Option to Terminate. (a) This Agreement may be terminated by the Developer, if (i) the Developer is in compliance with all material terms of this Agreement, including satisfaction of the requirements of Section 3.3, and no Event of Default has occurred; and (ii) the City fails to comply with any material term of this Agreement, and, after written notice by the Developer of such failure, the City has failed to cure such noncompliance within ninety (90) days of receipt of such notice, or, if such noncompliance cannot reasonably be cured by the City within ninety (90) days, of receipt of such notice, the City has not provided assurances, reasonably satisfactory to the Developer, that such noncompliance will be cured as soon as reasonably possible.

(b) At any time upon ten (10) days written notice to the City, the Developer may elect to terminate this Agreement upon the Developer's repayment in full of all portions of the TIF Amount previously paid to the Developer by the City.

Section 5.2. Action to Terminate. Termination of this Agreement pursuant to Section 5.1 must be accomplished by written notification by the Developer to the City within sixty (60) days after the date when such option to terminate may first be exercised. A failure by the Developer to terminate this Agreement within such period constitutes a waiver by the Developer of its rights to terminate this Agreement due to such occurrence or event.

Section 5.3. Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement, including without limitation any representations or covenants made herein or obligations hereunder, shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party in each case, or to recover amounts which had accrued and become due and payable prior to the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at its own expense and without regard to the provisions of this Agreement; provided, however, that the City shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.3.

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1. Restrictions on Use. Until termination of this Agreement, the Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as hotel facilities and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

Section 6.2. Conflicts of Interest. No member of the governing body or other official of the City (each, a "City Party") shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested; provided, however, that neither of the foregoing prohibitions shall be applicable to the holding of a non-controlling interest by any City Party in any publicly traded entity. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.3. Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (1) in the case of the Developer is addressed to or delivered personally to:

c/o Ramsey Properties, LLC
8445 Bunker Lake Blvd. NW
Ramsey, MN 55303
Attn: Emily Allegra
Email: Emily@schieboutfa.com

with a copy to:
Messerli / Kramer
Attention: Carrie L Bazella
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402

(2) in the case of the City is addressed to or delivered personally to the City at:
City of Ramsey, Minnesota
Attention: City Administrator
Ramsey City Hall
7550 Sunwood Drive NW
Ramsey, MN 55303

with a copy to:
Taft Stettinius & Hollister LLP
Attention: Mary Ippel
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.6. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.7. Expiration. This Agreement shall expire on the Termination Date.

Section 6.8. Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.9. Assignability of TIF Note. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CITY OF RAMSEY, MINNESOTA

By _____
Mark E. Kuzma
Its Mayor

By _____
Brian Hagen
Its City Administrator

This is a signature page to the Tax Increment Financing Agreement by and between the City of Ramsey, Minnesota, and Ramsey Properties, LLC.

RAMSEY PROPERTIES, LLC

By _____
Emily Allegra
Its _____

This is a signature page to the Tax Increment Financing Agreement by and between the City of Ramsey, Minnesota, and Ramsey Properties, LLC.

EXHIBIT A

Description of Development Property

Property located in the City of Ramsey, Anoka County, Minnesota with the following legal description and parcel identification number:

Lot 1, Block 1, Ramsey Properties Addition

Part of Property Tax Identification number: 28-32-25-22-0058

EXHIBIT B

Form of TIF Note

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY

TAX INCREMENT REVENUE NOTE
(HILTON HOME 2 HOTEL PROJECT)

The City of Ramsey, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Ramsey Properties, LLC, a Minnesota limited liability company (the "Developer") or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$550,000 as provided in that certain Tax Increment Financing Agreement, dated as of _____, 2023, as the same may be amended from time to time (the "TIF Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple non-compounded rate of five percent (5.0%) per annum. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2025, and on each February 1 and August 1 thereafter to and including February 1, 2038, or, if the first should not be a Business Day (as defined in the TIF Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date, subject to the provisions of Section 3.5 of the TIF Agreement, the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All payments made by the City under this Note shall first be applied to accrued interest and then to principal.

This Note is subject to prepayment on any date at the option of the City, in whole or in part and without penalty.

The Payment Amounts due hereon shall be payable solely from 60% of tax increments (the "Tax Increments") from the Development Property (as defined in the TIF Agreement) within the City's Tax Increment Financing (Redevelopment) District No. 14 (the "Tax Increment District") within its Development District No. 1 which are paid to the City and which the City is entitled to retain pursuant to Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16 and Minnesota Laws 2021, Chapter

14, Article 9, Section 10 (collectively, the "Special Law") and the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act") . This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the TIF Agreement under Section 4.2(2) thereof or the Developer shall have terminated the TIF Agreement under Article V thereof, on the date the Tax Increment District is terminated, or on the date that all amounts payable hereunder shall have been paid in full, whichever occurs earliest.

The Tax Increment District includes properties other than the Development Property and Anoka County remits Tax Increment to the City on the basis of the captured tax capacity of the entire Tax Increment District. For purposes of this Tax Increment Revenue Note, the City will determine Tax Increment generated from the Development Property and improvements thereon in its sole discretion.

The City makes no representation or covenant, express or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the TIF Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the TIF Agreement the City elects to cancel and rescind the TIF Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the TIF Agreement, including without limitation Article III thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Special Law and the Tax Increment Act.

This Note may be assigned only with the consent of the City which consent shall not be unreasonably withheld, conditioned or delayed. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, City of Ramsey, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of _____, 20__.

City Administrator

Mayor

DO NOT EXECUTE UNTIL PAID INVOICES FOR THE SITE IMPROVEMENTS ARE GIVEN TO THE CITY - REFER TO SECTION 3.3(1).

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of Ramsey Properties, LLC, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
CITY ADMINISTRATOR

Ramsey Properties, LLC
8445 Bunker Lake Blvd. NW
Ramsey, MN 55303

EXHIBIT C

Site Improvements

Engineering
Environmental Testing
Foundations and Footings
Grading/earthwork
Landscaping, including irrigation
Onsite Utilities
Onsite Road, Curb, Gutter, Driveway, Sidewalk and Streetscape Improvements
Outdoor Lighting
Parking
Site Preparation
Site Utilities
Soil Testing & Boring
Storm Water/Ponding
Survey

EXHIBIT D

Form of Assessment Agreement

THIS AGREEMENT, dated as of this ___ day of _____, 2023 (the "Agreement"), is by and among the City of Ramsey, Minnesota (the "City") and Ramsey Properties, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH

WHEREAS, the City and the Developer have entered into a Tax Increment Financing (TIF) Agreement dated as of _____, 2023 (the "TIF Agreement") regarding certain real property located in the City (the "Development Property") which property is legally described on Exhibit A attached hereto and made a part hereof.

WHEREAS, it is contemplated that pursuant to the TIF Agreement, the Developer will construct a Project on the Development Property as described in the Development Agreement.

WHEREAS, the City and the Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177, Subdivision 8.

WHEREAS, the Developer has acquired the Development Property.

WHEREAS, the Developer has submitted the plans and specifications for the improvements to be constructed pursuant to the Development Agreement to the Anoka County Assessor (the "Assessor").

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2025 through and thereafter until December 31, 2040, the minimum market value which shall be assessed for the Project (as defined in the TIF Agreement) shall be not less than \$7,141,000.

The minimum market value herein established for the Project shall be of no further force and effect and this Agreement shall terminate on December 31, 2040.

3. This Agreement shall be recorded by the City with the County Recorder of Anoka County, Minnesota. The Developer shall pay all costs of recording.

4. Neither the preamble nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the TIF Agreement between the City and the Developer.

RAMSEY PROPERTIES, LLC

By _____
Emily Allegra

Its _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Emily Allegra, the _____ of Ramsey Properties, LLC, a Minnesota limited liability company, on behalf of said company.

Notary Public

Signature page for Assessment Agreement by and between the City of Ramsey, Minnesota and Ramsey Properties, LLC.

CERTIFICATION BY COUNTY ASSESSOR

The undersigned Assessor, having reviewed the plans and specifications for the improvements to be constructed, pursuant to that certain Assessment Agreement, by and between the City of Ramsey, Minnesota, and Ramsey Properties, LLC, dated _____, 2023, on the property legally described as follows:

and being legally responsible for the assessment of such property, hereby certifies that the market values assigned to such land and improvements are reasonable.

County Assessor for Anoka County

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

This instrument was acknowledged before me on _____, 2023, by _____, the County Assessor of Anoka County.

Notary Public

Signature page for Assessment Agreement by and between the City of Ramsey, Minnesota and Ramsey Properties, LLC.

EXHIBIT A TO ASSESSMENT AGREEMENT
LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Property located in the City of Ramsey, Anoka County, Minnesota with the following legal description and parcel identification number:

Lot 1, Block 1, Ramsey Properties Addition

Part of Property Tax Identification number: 28-32-25-22-0058

AGREEMENT

This Agreement (this “**Agreement**”), made this ____ day of _____, 2023 (the “**Effective Date**”), by the City of Ramsey, Minnesota, a Minnesota municipal corporation (the “**City**”), its successors and/or assigns.

RECITALS

- A. The City has this day sold to RAMSEY PROPERTIES, LLC, a Minnesota limited liability company (“**Ramsey Properties**”) the real property legally described as Lot 1, Block 1, Ramsey Properties Addition, Anoka County, Minnesota (the “**Ramsey Properties’ Land**”).
- B. The City owns the real property adjacent to the Ramsey Properties’ Land legally described as Outlot A, Ramsey Properties Addition, Anoka County, Minnesota (the “**Restricted Property**”).
- C. Ramsey Properties has requested, and the City has agreed, to impose restrictions on the Restricted Property for the benefit of the Ramsey Properties’ Land.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the City agrees as follows:

AGREEMENTS

1. **Incorporation of Recitals.** The Recitals above written are hereby incorporated and made a part of this Agreement.
2. **Imposition of Restrictions; Term.** The Restricted Property may not be used for hotel, lodging or similar uses, and no multi-family apartment uses for rent terms of less than six months are permitted on the Restricted Property (the “**Restrictions**”). The Restrictions shall be in effect for a period of ten (10) years from the date the Restricted Property is conveyed by the City to a third party for development (the “**Term**”).
3. **Amendment; Further Assurances.** This Agreement may not be modified or amended, except by written instrument signed by both the City and Ramsey Properties, their respective successors and/or assigns. Either the City or Ramsey Properties, their respective successors and/or assigns, may request such additional documentation from the other that may be reasonably required to confirm the Restrictions or the Term.
4. **Recording.** This Agreement shall be recorded with the County Recorder for Anoka County, Minnesota.
5. **Restrictions to Run with the Land.** The Restrictions shall run with the title to and burden the Restricted Property and shall benefit the Ramsey Properties’ Land.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, this Agreement is made effective as of the Effective Date.

CITY OF RAMSEY, MINNESOTA

By: _____
Name: _____
Title: _____

State of Minnesota)
) ss.
County of Anoka)

This instrument was acknowledged before me on _____, 202__, by _____, the _____ of the City of Ramsey, Minnesota, a Minnesota municipal corporation.

Notary Public

Drafted By:
Messerli & Kramer P.A.
100 South Fifth Street, Suite 1400
Minneapolis, MN 55402
(612) 672-3600

2785232.v1

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%.

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 unanticipated, 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

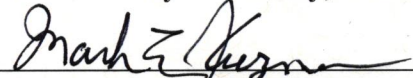
performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

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.

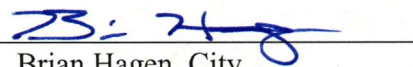
31. CONTINGENCIES. In addition to all other requirements and contingencies by the Buyer and Seller herein, Buyer's obligation to acquire the Property and the Purchase Price of \$1.00 is contingent on the following:

- 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 ACADemy, Anoka County, Minnesota.

Has adopted the plan 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 14th day of September, 2021.

CITY OF RAMSEY

By: David E. Hagrone Mayor By: Colleen Jankovic Clerk

STATE OF MINNESOTA
COUNTY OF STEARNS

The following persons were the 2nd day of March, 2021, by MARJORIE KUZMA, Clerk of the County, and Colleen Jankovic, Clerk of the City of Ramsey, a Minnesota municipal corporation, in witness whereof they have hereunto set their hands and seals at the County Office, Anoka County, Minnesota, this 14th day of September, 2021.

My Commission Expires: 10/17/24 My Commission Expires: 10/17/24

Witness Present Name: Wendy R. Schmeier

Witness Present Name: _____

I hereby certify that the plat was prepared by me or under my direct supervision, that it is a true and correct copy of the original plat on file in the office of the County Recorder, Anoka County, Minnesota, and that the same is a true and correct copy of the original plat on file in the office of the County Recorder, Anoka County, Minnesota, and that the same is a true and correct copy of the original plat on file in the office of the County Recorder, Anoka County, Minnesota.

Section 28.01, Subd. 3, of the State Constitution requires that all public works and public utility plans and plats be filed in the office of the County Recorder, Anoka County, Minnesota.

Dated this 14th day of April, 2021.

[Signature]
Anita K. Anoka, County Clerk in Charge
Minnesota Commission No. 18271

STATE OF MINNESOTA
COUNTY OF HENNING

This instrument was acknowledged before me on this 14th day of April, 2021, by David E. Hagrone, Mayor of the City of Ramsey, Minnesota, and Colleen Jankovic, Clerk of the City of Ramsey, Minnesota.

My Commission Expires: 1/1/25 My Commission Expires: 1/1/25

Witness Present Name: Josette Coulter

Witness Present Name: _____

CITY COUNCIL, CITY OF RAMSEY, MINNESOTA

This plat of GIGI ADDITION was approved and recorded by the City Council of the City of Ramsey, Minnesota, at a regular meeting thereof held on the 23rd day of March, 2021, and was also in compliance with the provisions of Minnesota Statutes, Section 468.01, Subd. 2.

City Council: City of Ramsey, Minnesota

By: David E. Hagrone Mayor By: Colleen Jankovic Clerk

COUNTY SURVEYOR

I hereby certify that a copy of this plat is on file in the office of the County Recorder, Anoka County, Minnesota, and that the same is a true and correct copy of the original plat on file in the office of the County Recorder, Anoka County, Minnesota.

Section 28.01, Subd. 3, of the State Constitution requires that all public works and public utility plans and plats be filed in the office of the County Recorder, Anoka County, Minnesota.

Dated this 14th day of September, 2021.

[Signature]
David P. Engelbrecht
Anoka County Engineer
Minnesota Commission No. 17352

COUNTY AUDITOR, TREASURER

Plat returned to Minnesota Statutes, Section 500.01, Subd. 3, upon expiration of the term for which I have been elected. Any person who is elected to the office of County Auditor, Treasurer, or Engineer of Anoka County, Minnesota, shall be required to file a true and correct copy of the original plat on file in the office of the County Recorder, Anoka County, Minnesota, and that the same is a true and correct copy of the original plat on file in the office of the County Recorder, Anoka County, Minnesota.

Section 28.01, Subd. 3, of the State Constitution requires that all public works and public utility plans and plats be filed in the office of the County Recorder, Anoka County, Minnesota.

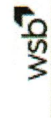
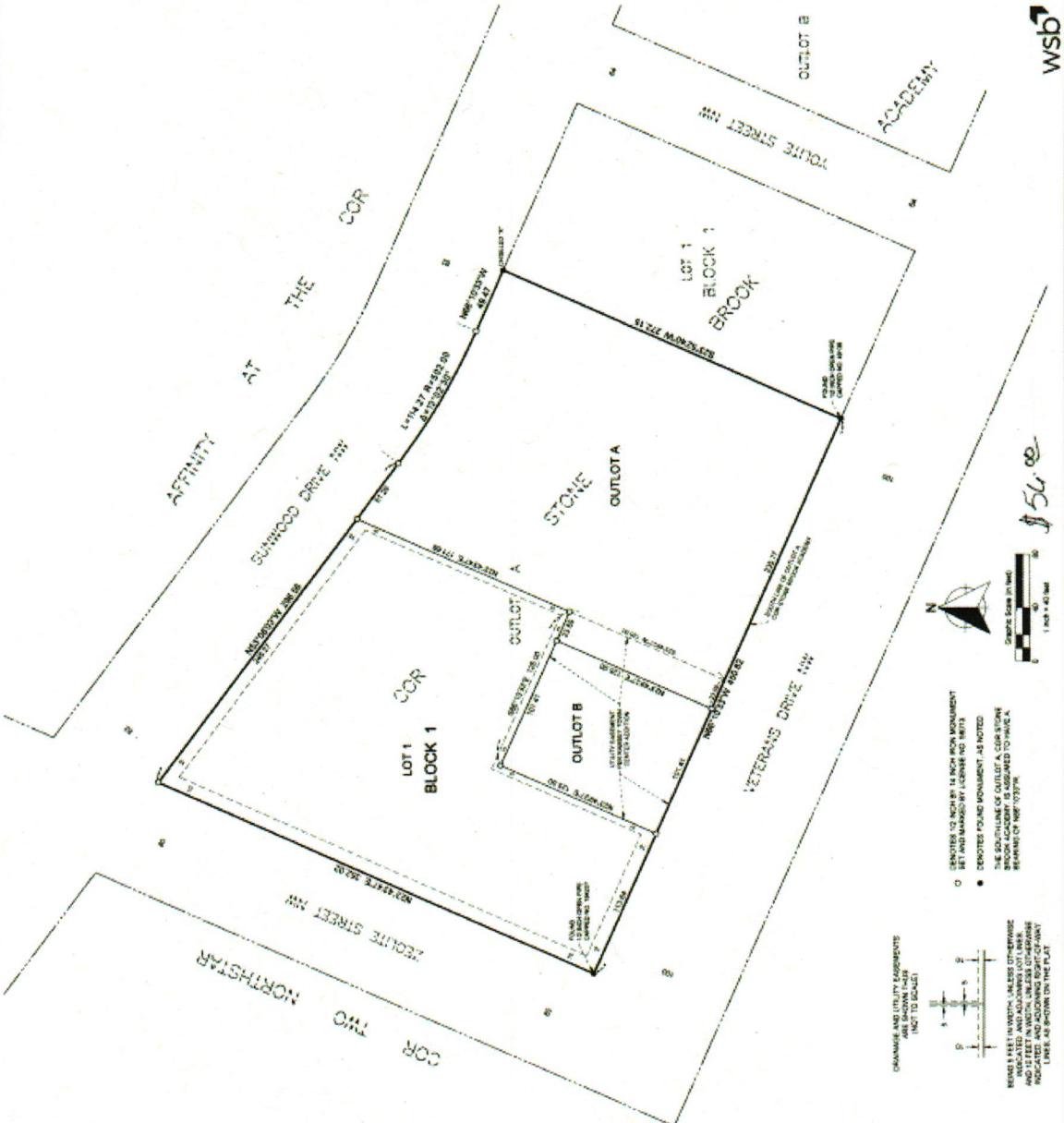
Dated this 14th day of September, 2021.

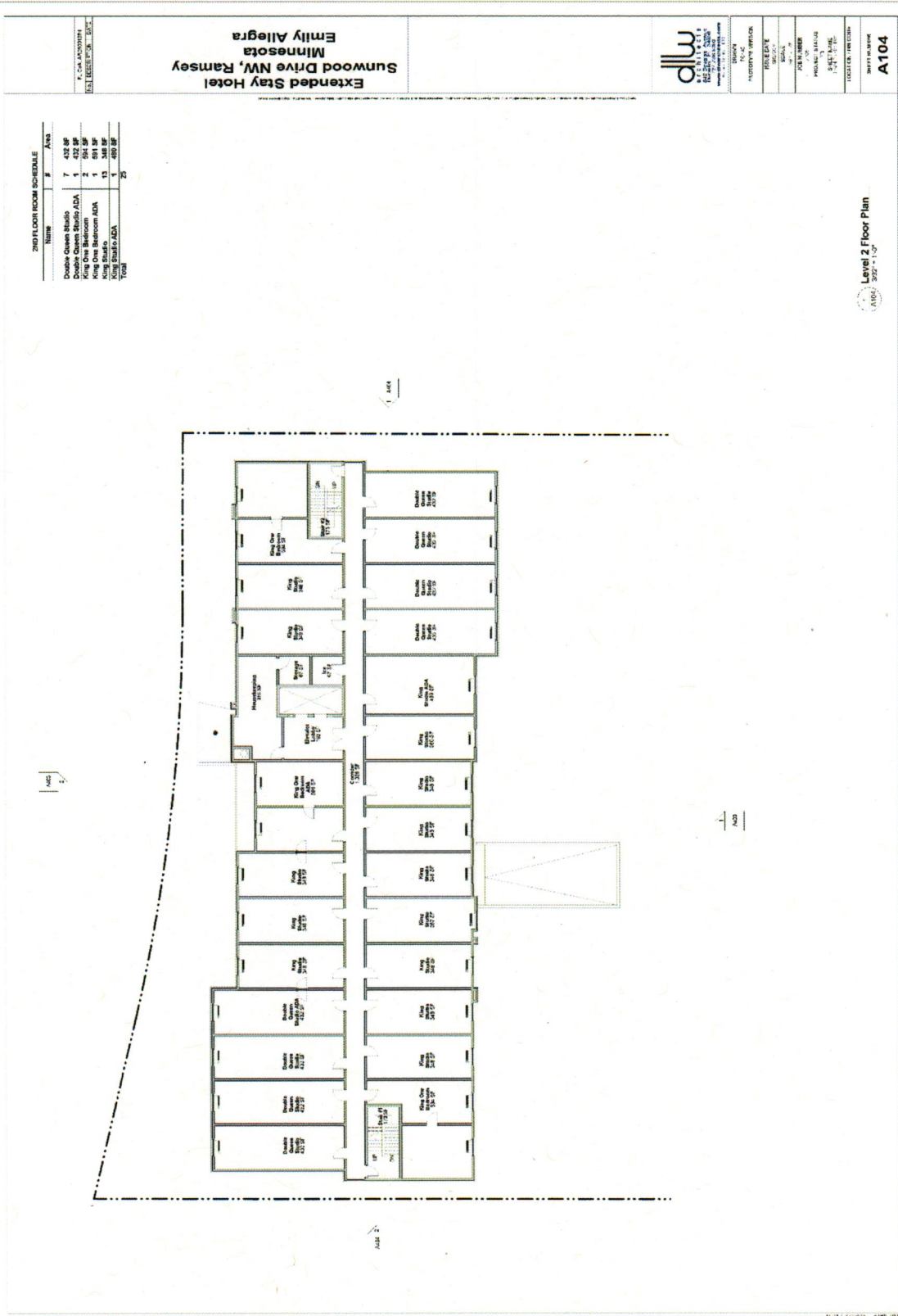
[Signature]
David P. Engelbrecht
Anoka County Auditor/Treasurer

COUNTY RECORDER / REGISTRAR OF TITLES
County of Anoka, State of Minnesota

I hereby certify that this plat of GIGI ADDITION was filed in the office of the County Recorder, Anoka County, Minnesota, on this 14th day of September, 2021, at 1:51 o'clock P.M. and was duly recorded in Document Number 202103022.

[Signature]
Doreen J. LeBlanc
County Recorder/Registrar of Titles





2ND FLOOR ROOM SCHEDULE

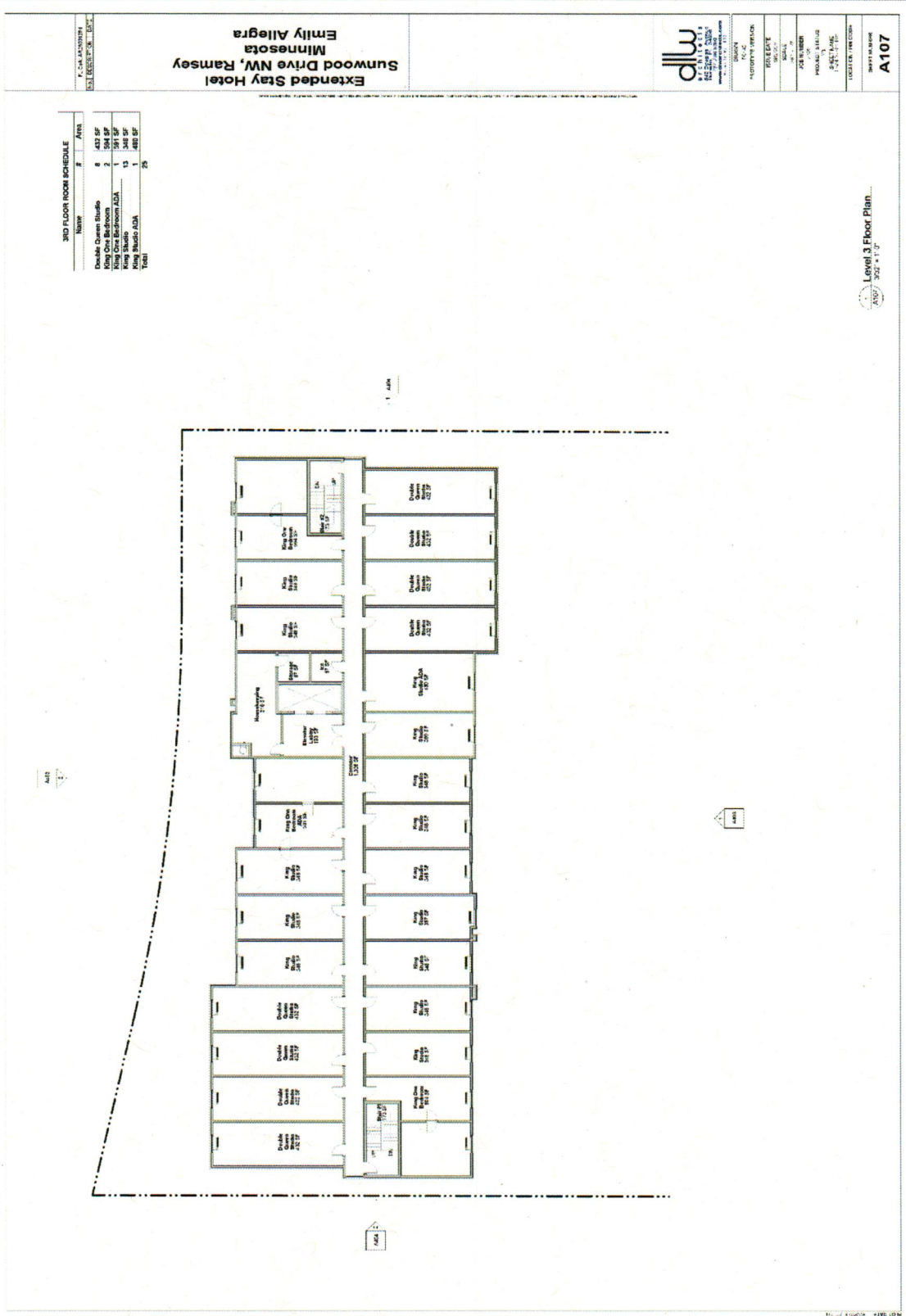
Name	#	Area
Double Queen Room	7	432 SF
Double Queen Room ADA	1	432 SF
King One Bedroom	2	594 SF
King One Bedroom ADA	1	594 SF
King One Bedroom	1	489 SF
King One Bedroom ADA	1	489 SF
Total	25	

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
PROJECT OWNER

Level 2 Floor Plan
A104



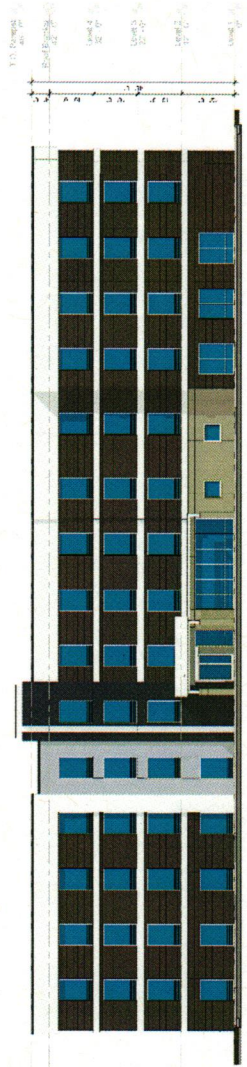
Extended Stay Hotel
 Sunwood Drive NW, Ramsey
 Minnesota
 Emily Allegra

dlw
 DESIGN GROUP
 10000 W. 130th Street
 Overland Park, MO 66204
 (816) 875-1100

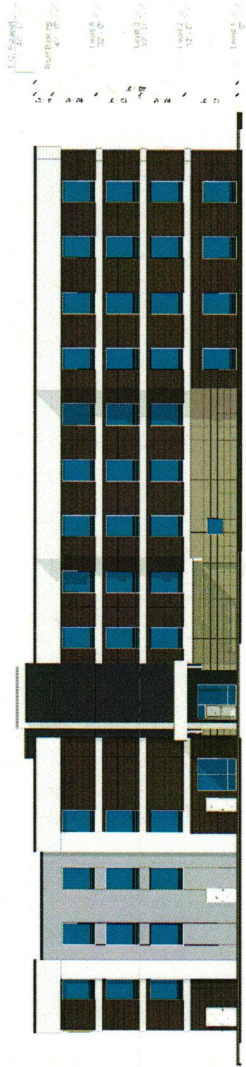
PROJECT APPROVAL
 PROJECT MANAGER
 PROJECT ARCHITECT
 PROJECT ENGINEER
 PROJECT SUPERVISOR
 PROJECT COORDINATOR
 PROJECT ADMINISTRATOR

DATE: 10/1/10
 SHEET NO. A107

Level 3 Floor Plan
 10/1/10



1 Building Elevation
3/22' x 1/2"



2 Building Elevation
3/22' x 1/2"

P. C. & ASSOCIATES
10000 15th Ave S
Minneapolis, MN 55425

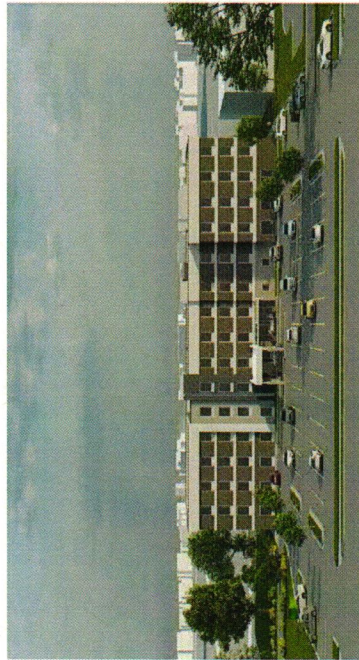
Extended Stay Hotel
Sunwood Drive NW, Ramsey
Minnesota
Emily Allegra



dlw
10000 15th Ave S
Minneapolis, MN 55425
763.442.1100
www.dlw.com

PROJECT LOCATION
10000 15th Ave S
Minneapolis, MN 55425

PROJECT NUMBER
A403



Rendering - Veterans Dr View



Rendering - Sunwood Dr View



Rendering - Veterans Dr View



Rendering - Sunwood Dr View

PLANNING & DESIGN
ARCHITECTURE & INTERIOR DESIGN

Extended Stay Hotel
Sunwood Drive NW, Ramsey
Minnesota
Emily Allegra



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

**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
Mark E. Kuzma, Mayor

Dated: January 26, 2023

By: Brian Hagen
Brian Hagen, City Administrator

Dated: January 26, 2023

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

By: Emily Allegra
Emily Allegra, Partner

Dated: 1/25/2023, 2023

BUYER (ASSIGNEE): RAMSEY PROPERTIES, LLC


By: Emily Allegra
Emily Allegra, Partner

Dated: 1/25/2023, 2023

EXHIBIT A

Site Location Map Hilton 2



	Parcel Information: 28-32-25-22-0058	Approx. Acres: 2.85 Commissioner: MATT LOOK	Owner Information: RAMSEY CITY OF 7550 SUNWOOD DRIVE RAMSEY MN 55303
	RAMSEY MN 55303 Plat: COR TWO	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.

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

RESOLUTION #23-034

RESOLUTION APPROVING FIRST AMENDMENT TO PURCHASE AGREEMENT FOR RAMSEY PROPERTIES, LLC

WHEREAS, the City of Ramsey, herein referred to as the “City,” owns various parcels throughout the City of Ramsey; and

WHEREAS, on August 23, 2022 the City approved Resolution #22-185 approving execution and the terms of Purchase Agreement for the sale of Outlot A, Gigi Addition to **Schiebout Limited Family Partnership, LLLP** and/or its assigns (the “Buyer”); and

WHEREAS, the **Schiebout Limited Family Partnership, LLLP** has requested its Buyer’s interest in the Purchase Agreement be assigned to **Ramsey Properties, LLC**; and

WHEREAS, the real estate being sold to the Buyer is amended from Outlot A, Gigi Addition to Part of Outlot A, COR TWO as identified on Exhibit A (the “Property”); and

WHEREAS, the City and Ramsey Properties, LLC have negotiated a First Amendment to Purchase Agreement for the sale of the Property including a purchase price of \$1.00 on +/- 2.85 acres (124,146 square feet) as outlined in Exhibit A (the “Purchase Price”). The property valuation is \$434,511; and

WHEREAS, the City hereby declares the Property to be surplus City-owned land and is no longer needed for current or future City functions, and authorizes the property to be sold as referenced in the underlying legal in Ordinance #15-05. The parent parcel authorized for sale is 28-32-25-22-0058; and

WHEREAS, the Purchase Agreement and First Amendment to Purchase Agreement requires the City and Buyer to execute a Right of Re-Entry Agreement be recorded at the closing of this land transaction; and

WHEREAS, on January 12, 2023. the Ramsey EDA adopted a motion recommending approval to the City Council of the First Amendment to Purchase Agreement and provision of a land cost write down of \$434,511 and Pay-GO TIF of \$550,000 for Site Improvements and Site Development on the Property.

WHEREAS, a public hearing to consider approval of TIF Financial assistance will be held at a later date and that this resolution does not bind the City Council to award a specific amount of financial assistance for the project; and

WHEREAS, the Buyer is a company that is active and in good standing as documented in the Office of the Secretary of State as of January 18, 2023.

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

- 1) That the City hereby authorizes execution of the First Amendment to Purchase Agreement including the sale of the Property to **Ramsey Properties, LLC**, for \$1.00 on +/- 2.85 acres (124,146 square feet) as outlined in Exhibit A (the "Purchase Price"). The property valuation is \$434,511 (\$3.50/SF); subject to the following contingencies:
 - 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.

- 2) That the City Council hereby authorizes the City Administrator and Mayor to sign any and all documents necessary to close on the sale of the Property, consistent with Charter and State law requirements.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Musgrove, and upon vote being taken thereon, the following voted in favor thereof:

Mayor Kuzma
Councilmember Specht
Councilmember Musgrove
Councilmember Olson
Councilmember Riley
Councilmember Woestehoff

and the following voted against the same:

Councilmember Howell

and the following abstained:

None

and the following were absent:

None

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 24th day of January, 2023.



Mayor

ATTEST:



City Clerk

Exhibit A
Legal Description of the Property

Part of Outlot A, COR TWO, to be platted as: T.B.D.

Anoka County PID Number: Part of 28-32-25-22-0058 (+/- 2.85 acres)

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%								

Economic Development Authority (EDA)

4. 2.

Meeting Date: 05/11/2023

By: Sean Sullivan, Community Development

Title:

Consider Purchase Agreement and Right of Re-Entry Agreement for B & A Cylinder site (37a); Case of CBN Enterprises LLC (Jam Hops)
(Portions may be closed to the 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 closed session, the statute and reason above needs to be referenced along with legal description (Part of Southwest Quarter of the Southwest Quarter of Section 27, Township 32, Range 25) and the Anoka County Tax ID number 27-32-25-33-0006.

The City of Ramsey and CBN Enterprises. LLC (Jam Hops) have been in discussions to develop a recreational facility in Ramsey. Activities to be conducted in this building include: pre-school and school-age gymnastic and Ninja classes. They also will have open gym (trampolines), birthday parties, field trips and a theater program. The Developer has interest in a 4.14 acre site south of Soderholm and Associates and west of the old Public Works site. This property was not on the market but based on recent discussion with Anoka County it has been determined that none of this parcel is needed for highway purposes. As such, Staff was comfortable entering into negotiations for development of this site. The proposed project would be the construction of a 22,000 square foot facility with the ability to add 8,000 or more square feet at a later date. The project would be a relocation of the Anoka facility off of Bunker Lake Boulevard to Ramsey. Staff has received a preliminary sketch identifying the location of the proposed building and a generic site layout. Staff has reviewed the proposed layout and has requested more detailed information relating to building footprint (and expansion), materials and some preliminary building elevations. Staff is generally acceptable to the site plan and use and has communicated the need for compliance with City Code when constructing the building. Part of this project will require the extension of City Sewer and Water to the site (estimated to be about 100-200 feet). Being that this is City owned land and we are a quasi-developer, it is not unreasonable share in some of the cost of bringing utilities to the site. There is an expansion project for Soderholm and Associates that will likely occur this year which could lead to some cost savings for the extension of City Sewer and Water. The City has received a Retroactive No Association Determination letter from the MPCA which helps clear the way for development on this site. The Buyer will need to have its bank sign off on the environmental work and RNAD letter the City has completed. The Buyer has requested that the City give site control through execution of a Purchase Agreement so it can start "spending money" on building design, site engineering and project costs to further define the project. No incentives are being asked for by the Developer on this project.

The Planning Commission will still need to review the formal site plan to ensure the layout is consistent with City zoning and code. The time periods, and extensions outlined in the term sheet and PA are consistent with recent PA templates aside from the requirement for a Certificate of Occupancy being 16 months rather than the usual 12. The change is due to the longer timeframes the construction industry is seeing for obtaining building materials.

Notification:

Notification is not required.

Observations/Alternatives:

Observations: The proposed site (27-32-25-33-0006) will be +/- 4.14 acres upon completion of the Final Plat. The purchase price is \$600,000 (\$3.32 / SF). This price per/SF is within the approved "deal range". Staff understands that the square footage of building does not maximize the site potential. However, the developer is asking to be able to put in excess parking so that it can accommodate multiple events and keep all its customers onsite. A copy of the preliminary site concept plan is attached but will likely be modified. This was a city generated lead for a city un-listed parcel, so only Premier Commercial Properties (Buyer Broker) will receive 3% commission.

The following Purchase Agreement items are worth highlighting:

Earnest Money	\$10,000, Nonrefundable after a Notice to Proceed has been given by the Buyer.
Inspection Period	180 days from Effective Date (Date City Council Approves) (city requires plat/ site plan approval before sale).
Closing	Within 30 days of Notice to Proceed.
Extensions	Developer will deposit \$10,000 in escrow for each 60 day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
Performance	City to require construction of a minimum 22,000 SF building and obtain a Certificate of Occupancy 16 months after Closing. If this is not done, the City may exercise the Right of Re-Entry Agreement.

Project Profile:

Acreage: 4.14 Acres
 Use: Indoor Recreation
 Customer Count: 400-500 per week
 Building Size: 22,000 SF with 8,000 or more SF expansion
 Project Budget : 5M
 Estimated Tax Assessed Project Valuation: 3.5M-4.5M
 Tax Estimate: \$98,000 - \$127,000
 City Portion: 15K - 19K (not including fiscal disparities)
 Jobs On Site: 3-4 FT and 15-20 PT

Alternatives:

1. Recommendation to City Council to approve Purchase Agreement and Right of Re-Entry Agreement as presented. (Staff recommendation)
2. Recommendation to City Council to approve Purchase Agreement and Right of Re-Entry Agreement with changes.
3. Something else.

Funding Source:

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

Recommendation:

Staff recommends a recommendation to the City Council of the attached Purchase Agreement and Right of Re-Entry Agreement as presented, subject to City Attorney review.

As noted above. Planning Commission has yet to review this site concept so this will be handled during the site plan application process and is likely to change.

Action:

Motion to recommend that the City Council approve the attached Purchase Agreement and Right of Re-Entry Agreement for B & A Cylinder site (37a), subject to City Attorney review.

Attachments

Site Location Map

ACTION - PA - CBN Enterprises, LLC

ACTION - RORE Agreement - CBN Enterprises, LLC

ACTION- Term Sheet - CBN Enterprises LLC

Form Review

Inbox

Sean Sullivan (Originator)

Brian Hagen

Form Started By: Sean Sullivan

Final Approval Date: 05/04/2023

Reviewed By

Sean Sullivan

Brian Hagen

Date

05/02/2023 03:14 PM

05/04/2023 11:42 AM

Started On: 05/01/2023 10:33 AM

Parcel 37a (27-32-25-33-0006)



Parcel Information: Approx. Acres: 4.14328798
27-32-25-33-0006 Commissioner: MATT LOOK
14165 RAMSEY BLVD NW
RAMSEY
MN 55303
Plat:

Owner Information:
RAMSEY CITY OF
7550 SUNWOOD DRIVE
RAMSEY
MN
55303



Sean Sullivan

1:2,400

Date: 5/2/2023

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 (“Seller”), and **CBN Enterprises, LLC**, a Minnesota Limited Liability Company (“Buyer”).

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

- 1. EFFECTIVE DATE.** The effective date of this Agreement is _____, **2023** (the “Effective Date”).
- 2. SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 4.14 acres (180,338 SF) of vacant land, legally described as follows:

All that part of the West 31 rods of the Southwest Quarter of the Southwest Quarter of Section 27, Township 32, Range 25, Anoka County, Minnesota, described as follows: Commencing at a point on the West line thereof, distant 335.51 feet South from the Northwest corner thereof, as measured along said West line; thence South along said West line a distance of 335.51 feet, more or less, to its intersection with the Northerly right of way line of Northern Pacific Railway; thence Southeasterly along said Northerly right of way line to its intersection with the East line of said West 31 rods; thence North along said East line thereof a distance of 448.92 feet, more or less, to a point on said East line thereof distant 448.92 feet South from the Northeast corner of said West 31 rods as measured along said East line thereof; thence Northwesterly in a straight line to the point of beginning. Anoka County, Minnesota. Abstract Property;

To be platted as:

T.B.D. Anoka County, Minnesota

PID Number: 27-32-25-33-0006 (“Property”)

- 3. PURCHASE PRICE.** The purchase price for the Property is \$3.32 / square foot or \$600,000 subject to square footage of Final Plat (the “Purchase Price”).
- 4. EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$10,000.00 (the “Earnest Money”) with Land Title Company or other title company that is mutually agreed upon

("Escrow Agent"), via wire transfer or delivery of a certified check payable to Escrow Agent.

- a. If Buyer does not deposit the Earnest Money as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller's right to terminate, Seller's right to terminate is extinguished.
 - b. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates, and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.
 - d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller has provided the Buyer a 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof for the underlying legal (the "Survey") from a duly licensed surveyor dated March 5, 2018. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in

the Title Objection Notice and the time frame in which Seller will take those actions (“**Seller’s Title Notice**”). If Seller’s Title Notice indicates that Seller unconditionally agrees to make Seller’s title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller’s Title Notice indicates that Seller does not unconditionally agree to make Seller’s Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer’s receipt of Seller’s Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three (3) business days after Buyer’s receipt of Seller’s Title Notice, then 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.
 - g. The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement and are referred to herein as the "Surviving Obligations."
- 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 **INSERT date 180 Days after Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

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

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental

statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

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

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

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

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

Buyer: CBN Enterprises, LLC
Brenda Nolby, President
15423 Jackson St NE
Ham Lake, MN 55304
Email: bnolby@jamhops.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 for each lot 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 Ten Thousand and 00/100 Dollars (\$10,000.00) earnest money with Escrow Agent for each extension. Each \$10,000 extension payment shall be non-refundable, but applicable to the Purchase Price. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
- ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer;
- iii. The Right of Re-Entry Agreement provided for in Section 28 below; and
- iv. 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;

- ii. Execute and deliver the Right of Re-Entry Agreement provided for in Section 28 below; and
- iii. 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 2023 for the Property.
 - 2. Seller shall pay all special assessments levied or pending against the Property as of the Closing Date.
 - 3. Seller's own attorney's fees.
 - 4. One-half the cost of any closing fees.
 - 5. The cost of real estate broker commission fees as prescribed in Section 14.
 - 6. State Deed Tax
 - ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
 - 1. Buyer's portion of prorated property taxes.
 - 2. Buyer's own attorney's fees.
 - 3. One-half the cost of any closing fees.
 - 4. Documentary and recording fees for the deed(s).
 - 5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
- d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than Premier Commercial Properties ("Buyer's Broker"). Seller shall pay Buyer's Broker 3% of final gross sales 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 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 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

- 23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
- 24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.
- 25. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
- 26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. CONSTRUCTION DEADLINE.** Within 16 months from the Closing Date Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 22,000 square foot commercial building compliant with City Zoning requirements to be further defined by an approved Site Plan. At Closing, a “Right of Re-Entry Agreement” shall be executed and recorded against 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.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
Mark E. Kuzma, Mayor

Dated: _____, 2023

By: _____
Brian Hagen, City Administrator

Dated: _____, 2023

BUYER: CBN Enterprises, LLC

By: _____
Brenda Nolby, Chief Manager

Dated: _____, 2023

Exhibit A

Legal Description

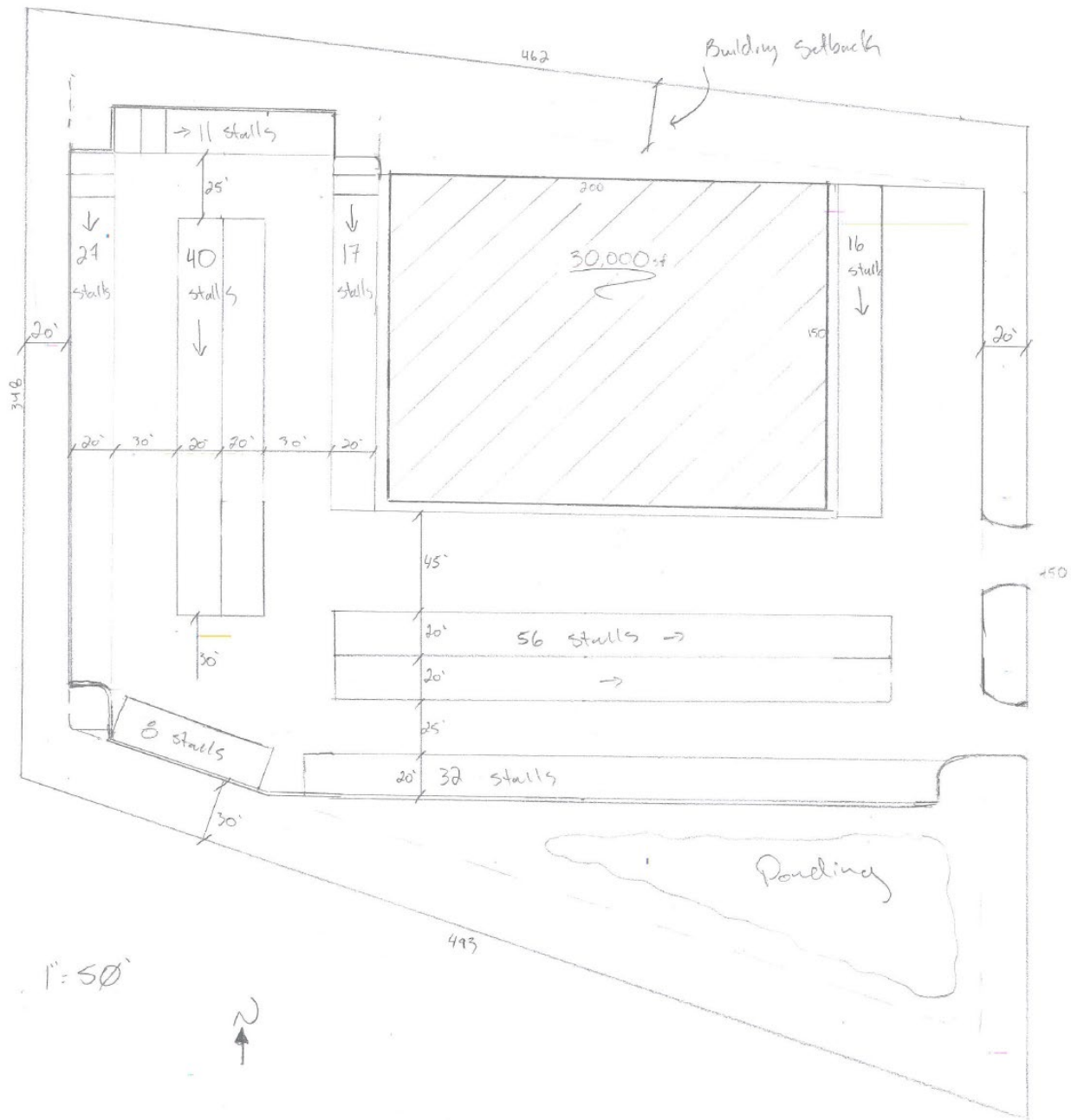
All that part of the West 31 rods of the Southwest Quarter of the Southwest Quarter of Section 27, Township 32, Range 25, Anoka County, Minnesota, described as follows: Commencing at a point on the West line thereof, distant 335.51 feet South from the Northwest corner thereof, as measured along said West line; thence South along said West line a distance of 335.51 feet, more or less, to its intersection with the Northerly right of way line of Northern Pacific Railway; thence Southeasterly along said Northerly right of way line to its intersection with the East line of said West 31 rods; thence North along said East line thereof a distance of 448.92 feet, more or less, to a point on said East line thereof distant 448.92 feet South from the Northeast corner of said West 31 rods as measured along said East line thereof; thence Northwesterly in a straight line to the point of beginning. Anoka County, Minnesota. Abstract Property;

To be platted as:

T.B.D. Anoka County, Minnesota

PID Number: 27-32-25-33-0006 ("Property")

Exhibit B



[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement is entered into on _____, 2023, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **CBN Enterprises, LLC**, a Minnesota Limited Liability Company (“Buyer”).

Recitals

A. On _____, 2023, Seller conveyed title of the following Property to Buyer:

All that part of the West 31 rods of the Southwest Quarter of the Southwest Quarter of Section 27, Township 32, Range 25, Anoka County, Minnesota, described as follows: Commencing at a point on the West line thereof, distant 335.51 feet South from the Northwest corner thereof, as measured along said West line; thence South along said West line a distance of 335.51 feet, more or less, to its intersection with the Northerly right of way line of Northern Pacific Railway; thence Southeasterly along said Northerly right of way line to its intersection with the East line of said West 31 rods; thence North along said East line thereof a distance of 448.92 feet, more or less, to a point on said East line thereof distant 448.92 feet South from the Northeast corner of said West 31 rods as measured along said East line thereof; thence Northwesterly in a straight line to the point of beginning. Anoka County, Minnesota. Abstract Property;

To be platted as:

T.B.D. Anoka County, Minnesota

PID Number: 27-32-25-33-0006 (“Property”)

B. Title to the Property was conveyed subject to Buyer fulfilling certain Conditions as set forth below.

- C. As indicated in the Purchase Agreement and between the City of Ramsey and **CBN Enterprises, LLC**, with an Effective Date of **(Insert Date of PA)**, Section 28, it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Conditions.

Agreement

1. The recitals are incorporated herein as if fully set forth.
2. Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3, or to re-enter and take possession of the Property pursuant to Paragraph 4, in the event that any of the following Conditions are not satisfied by Buyer:
 - a. Buyer must obtain a certificate of occupancy from the City of Ramsey, for the project described below by **Insert Date 16 months from Closing date**.

Project Description:

- i. **CBN Enterprises, LLC** Site Plan, approved by the City of Ramsey on _____ by Resolution # _____.
 - ii. Development Agreement for **CBN Enterprises, LLC**, approved by the City of Ramsey on _____ by Resolution # _____.
3. Seller may impose a penalty of \$50,000.00 against the Property if the certificate of occupancy is not obtained, for the construction of a minimum **INSERT APPROVED SF from Site Plan** square foot retail building, pursuant to the deadline set forth above. The penalty is due upon written notice to Buyer from Seller of the failure to satisfy a contingency. In the event the penalty is not paid within 30 days of receipt of the notice, Seller may, but is not required to, certify the penalty to Anoka County as an assessment against the Property. Buyer waives any and all rights under Minnesota Statutes, chapter 429, and any other applicable law, including any right to notice of hearing and hearing, the right to object, and the right to appeal the assessment. Buyer further waives any requirements of the City Charter that may apply to said assessment.
4. As an alternative to imposition of a financial penalty and not in addition thereto, Seller may re-enter and take physical possession of the Property. Title to the Property shall be restored in Seller, and Buyer shall execute whatever documents and undertake whatever steps are necessary to establish and confirm Seller's fee simple interest in the Property free of any claims or encumbrances, including mechanic's liens.
5. This document constitutes the entire Right of Re-entry Agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by both parties.

CITY OF RAMSEY

By: _____
Mark E. Kuzma, Mayor

By: _____
Brian Hagen, City Administrator

This instrument was acknowledged before me on _____, 2023, by Mark E. Kuzma and Brian Hagen as Mayor and City Administrator, respectively, of the City of Ramsey, Minnesota.

Notary Public

CBN Enterprises, LLC

By: _____
Brenda Nolby, Chief Manager

This instrument was acknowledged before me on _____, 2023, by Brenda Nolby, Chief Manager of **CBN Enterprises, LLC**, a Minnesota Limited Liability Company under the laws of Minnesota, on behalf of the Minnesota limited liability company.

Notary Public

This instrument drafted by:
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303
763-433-9868

TERM SHEET FOR CBN ENTERPRISES, LLC (Jam Hops) – 5/1/23

Real Estate Tax ID Number: 27-32-25-33-0006. Legally described as: All that part of the West 31 rods of the Southwest Quarter of the Southwest Quarter of Section 27, Township 32, Range 25, Anoka County, Minnesota, described as follows: Commencing at a point on the West line thereof, distant 335.51 feet South from the Northwest corner thereof, as measured along said West line; thence South along said West line a distance of 335.51 feet, more or less, to its intersection with the Northerly right of way line of Northern Pacific Railway; thence Southeasterly along said Northerly right of way line to its intersection with the East line of said West 31 rods; thence North along said East line thereof a distance of 448.92 feet, more or less, to a point on said East line thereof distant 448.92 feet South from the Northeast corner of said West 31 rods as measured along said East line thereof; thence Northwesterly in a straight line to the point of beginning. Anoka County, Minnesota. Abstract Property

Acreege	Approximately + / - 4.14 acres or (180,338 SF) Subject to Final Plat
Asking Price	\$631,183 (\$3.50 / SF) (SF Subject to change based on approved Plat)
Offer Price	\$600,000 (\$3.32 / SF) (SF Subject to change based on approved Plat)
Earnest Money	\$10,000. Non-refundable upon Notice to Proceed being executed.
Inspection Period	180 days from the later of Effective Date (Date City Council approves) or a fully executed PA is delivered to buyer (city requires plat/ site plan approval before sale)
Closing	Within 30 days of Notice to Proceed.
Commission	This was a City generated lead for an unlisted city property. The City will Pay 3% of gross sales price to Buyer's Broker (Premier Commercial Properties) at Closing
Extensions to Close	Developer will deposit \$10,000.00 in escrow for each 60-day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
City take care of	Provide existing ALTA Survey and updated Title Work. City to bring City Sewer and Water to Site (potential cost share/connection charges to be determined in Development Agreement) and provide Retroactive No-association determination for past actions letter and Environmental reports on file at the City. The Developer will contract to plat the property as part of the site plan process.
Performance	City to require construction commercial/industrial building compliant with city Zoning requirements and obtain a Certificate of Occupancy 16 months after Closing. The Developer will enter into a Right of Re-Entry Agreement with initial minimum building square footage requirement of 22,000 square feet with a

future expansion for a minimum of another 8,000 square feet. The City may exercise the Right of Re-Entry if performance requirement is not met.

Assignment Requires city approval if not same owners / company.

Contingencies Financing contingency (180 days)

Review EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry
Planning Commission (Staff To Be Determined): Land Use, Development Agreement, Site Plan, Plat
City Council: Final Approval on both items

