

**SKYLINE ON SUNWOOD
PSD, LLC
DEVELOPMENT AGREEMENT
CITY OF RAMSEY, ANOKA COUNTY, MINNESOTA**

This Agreement (hereinafter the “Agreement”) is dated as of this 23rd day of July, 2024, and is by and between the City of Ramsey, a Minnesota municipal corporation (the “**CITY**”) and **RAMSEY PSD, LLC**, a limited liability corporation under the laws of Minnesota, (the “**PERMITTEE**”).

Recitals

- A. The **PERMITTEE** is the fee title owner of land generally known as 7545 Sunwood Drive Northwest, Ramsey, MN 55303 and legally described as:
- Lot 1, Block 1, Skyline on Sunwood, Anoka County, Minnesota.
- (the “Subject Property”)
- B. That on May 13, 2024, the **CITY** received a Land Use Application from PSD, LLC, proposing to construct a four-story mixed residential/retail building on the **Subject Property** and associated site improvements (cumulatively, the “New Building”).
- C. That on July 9, 2024, the City Council approved the Plat and Site Plan for the proposed New Building.
- D. The **PERMITTEE** intends to cause the Required Improvements to the **Subject Property** to be constructed without financial participation by the **CITY**.

Agreement

**SECTION I
REQUIRED IMPROVEMENTS AND FINANCIAL RESPONSIBILITIES**

1. **City Code Compliance.** The **CITY** approves the site plan (the “Site Plan”) conditioned on the **PERMITTEE** developing the **Subject Property** in accordance with the applicable provisions of City Code.

2. **Conformance with the Plans.** The **Subject Property** shall be developed in accordance with the plans (the “Plans”) prepared by Hakanson Anderson, dated June 12, 2024, as subsequently revised per staff comments, and as approved by Resolution #24-170, including all conditions therein. The **Plans** remain subject to: (a) City Staff’s review and approval of the **Plans** to, among other things, confirm that the revisions requested in the **CITY’s** review have been made; and (b) such further revisions as the **PERMITTEE** may propose and the **CITY** approves. The **Plans** shall not be attached to this **Agreement**, but are in the **CITY’s** files.
3. **Incorporation of All City Code Requirements.** That the recitals above and the applicable provisions of the City Charter, Subdivision Code, and Zoning Code of the **CITY**, as amended to date hereof, are incorporated herein by reference.
4. **State Building Code Compliance.** The structure(s) shall be constructed in accordance with the requirements of the Building Code.
5. **Fire Lanes.** Fire lanes shall be maintained on the **Subject Property**. The exact locations of these items on the **Subject Property** shall be as directed by the Fire Chief. The **PERMITTEE** herein agrees to post “No Parking” signs along private streets in accordance with City Code requirements and in conjunction with the instructions of the Fire Chief.
6. **Required Improvements.** The **PERMITTEE** shall construct and install the following site improvements on the **Subject Property** in accordance with the specifications and location as shown on the **Plans**. The Required Improvements and the allocated costs therefor are as follows:

Required Improvement	Cost	125% of Cost Release Amount
a. Grading and Erosion Control	\$189,391.00	\$236,738.75
b. Sanitary Sewer	\$9,240.00	\$11,550.00
c. Watermain	\$58,010.00	\$72,512.50
d. Streets, Sidewalks, Parking Lot, and Storm Sewer	\$667,539.00	\$834,423.75
e. Landscaping	\$99,140.00	\$123,925.00
TOTAL	\$1,023,320.00	\$1,279,150.00

("Required Improvements")

The **PERMITTEE** agrees to construct the **Required Improvements** according to the terms and conditions of this **Agreement**, in accordance with the **Plans**, and in compliance with Staff review comments.

7. **Required Improvements Completion Date.** The **Required Improvements** shall be completed within twenty-four (24) months from the date of Site Plan approval for the New Building, subject to Unavoidable Delays. For the purposes of this Agreement, 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, 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.

8. **Required Improvements Financial Guaranty.** In order to ensure the installation of the **Required Improvements** in accordance with CITY specifications and in a timely manner, the **PERMITTEE** shall be required to deposit with the CITY a cash escrow or an irrevocable letter of credit, approved as to form by the CITY, in the amount of **One Million Two Hundred Seventy-Nine Thousand One Hundred Fifty Dollars and No Cents (\$1,279,150.00)**, which is 125% of the CITY's estimated cost of the **Required Improvements**. Prior to the issuance of the building permit, the financial guaranty must be provided as required herein.

At the request of **PERMITTEE**, the CITY shall, not more frequently than once monthly, release that part of the Financial Guaranty for any completed portion of the **Required Improvements** in the amount set forth in Section 6 that have been accepted in writing by the CITY. Upon completion of the construction of all or any remaining of the **Required Improvements** and written acceptance by the CITY, the financial guaranty shall be returned to the **PERMITTEE** and the **PERMITTEE** shall be required to provide the landscaping maintenance guaranty described in Section III Paragraph 11 of this **Agreement**. The determination of completion of the construction of the **Required Improvements** shall be made by the CITY. In the event the **PERMITTEE** fails to construct and install the **Required Improvements** as required herein, the City Council may order the completion of the **Required Improvements** with CITY day labor and/or by letting contracts for said completion and draw upon the escrow for payment. Only the City Council shall have the authority to direct completion of the **Required Improvements** and withdraw from the escrow account. The **PERMITTEE** hereby grants permission and a license to the CITY and/or its contractors and assigns to enter upon the **Subject Property** for the purpose of completing the construction and installation of the **Required Improvements** in the event of the **PERMITTEE's** default.

9. **Site Inspection Fees.** The **PERMITTEE** shall be responsible for all site inspection costs incurred by the CITY related to the installation of **Required Improvements**. The **PERMITTEE** shall make a cash deposit into the appropriate escrow account at the CITY and the CITY shall have the authority to draw upon these funds for the purpose of compensating for inspection services. The amount of the deposit shall be equal to five percent (5%) of the estimated cost of the **Required Improvements**, which equates to **Fifty-One Thousand One Hundred Sixty-Six Dollars and No Cents (\$51,166.00)** (5% x \$1,023,320.00). Upon completion of the **Required Improvements** to the satisfaction of the CITY, any surplus balance remaining in the CITY's escrow account shall be refunded to the **PERMITTEE**.
10. **Storm Water Regional Basin Contribution.** In lieu of constructing on-site storm water management basins, the **PERMITTEE** shall contribute an equal amount as the cost of constructing on-site basins to the CITY for use of the regional storm water basin in the amount of **Eleven Thousand Dollars and No Cents (\$11,000.00)**.
11. **City Fees Methodology.** The following sections list the required fees that cover infrastructure costs. As a mixed-use project, the following fees are calculated as a combination of residential rates and commercial rates. The residential rates are charged per residential unit (133 units). The commercial fees are calculated on a per-acre basis for the area of the leasable retail tenant spaces (13,776 square feet or 0.32 acres).
12. **Storm Water Management Fee.** The **PERMITTEE** is responsible for satisfying applicable

Storm Water Management Fee requirements for the plat of Skyline on Sunwood. **PERMITTEE** must pay a Storm Water Management Fee of **\$72,705.00** (0.32 acres x \$5,321.00 per acre and 133 units x \$534.00 per residential units).

13. **Park Dedication.** The **PERMITTEE** is responsible for satisfying applicable Park Dedication requirements with the plat of Skyline on Sunwood. **PERMITTEE** must pay **\$510,338.00** (park dedication) and **\$199,911.00** (trail development). These amounts are based off 0.32 acres at \$5,100 per commercial acre and 133 residential units at \$3,825.00 per unit (park dedication) and \$1,300 per commercial acre and 133 residential units at \$1,300.00 per unit (trail development).
14. **Sanitary Sewer Connection (Trunk) Fees.** The **PERMITTEE** is responsible for satisfying applicable Sanitary Sewer Trunk Fee requirements for the plat of Skyline on Sunwood. **PERMITTEE** must pay a Sanitary Sewer Trunk Fee of **\$180,702.00** (0.32 acres x \$4,063.00 per acre and 133 units x \$1,349.00 per residential unit).
15. **Water Connection (Trunk) Fees.** The **PERMITTEE** is responsible for satisfying applicable Water Trunk Fee requirements with the plat of Skyline on Sunwood. **PERMITTEE** must pay a Water Trunk Fee of **\$269,519.00** (0.32 acres x \$7,343.00 per acre and 133 units x \$2,009.00 per residential unit).

SECTION II PERMITS AND OCCUPANCY

16. Requirements for Building Permit.

- a. No building permit shall be issued until the **PERMITTEE** has: (a) installed a Class 5 driving surface to within 300 feet of the structure; (b) provided the **CITY** Building Official with a Certificate of Survey; (c) the financial guaranty described in Section I Paragraph 8 to the **CITY**; and (d) obtained all necessary permits from the Lower Rum River Watershed Management Organization and has provided a copy of such permit to the **CITY**, if applicable; and
- b. No occupancy permit shall be issued until the **PERMITTEE** has: (a) constructed vehicular access to the lot, including the installation of at least one layer of bituminous surfacing; and (b) constructed all utilities and storm water facilities this **Agreement** requires to serve the lot and such utilities and storm water facilities are in place, operational and accepted by the **CITY**.

SECTION III ON-SITE LANDSCAPING

17. **Maintenance Guaranty for Landscaping.** It is herein agreed that the **PERMITTEE** shall provide a maintenance guaranty to ensure the survival of the plantings. Said maintenance guaranty shall consist of cash or an irrevocable letter of credit, approved as to form by the **CITY**, in the amount of **Fourteen Thousand One Hundred Seventy-Five Dollars and No Cents (\$14,175.00)** [# plantings (55 trees and 410 shrubs) x cost/planting (\$300/tree and \$75/shrub) x 30% average non-survival rate], which shall be in effect for a two (2) year period commencing on the date of the **CITY's** written acceptance of said plantings as part of the **Required Improvements**.

At the end of the two (2) year period, the **PERMITTEE** shall contact the **CITY** to schedule a final inspection of the landscaping. The determination that all plantings that have been planted in

accordance with the **Plans** have either survived or have been replaced shall be made by the **CITY**. Upon approval of the final landscape inspection by the **CITY**, the maintenance guaranty shall be returned to the **PERMITTEE**. In the event the **PERMITTEE** fails to maintain the required plantings for a two (2) year period, the City Council may order the replacement of plantings with **CITY** day labor and/or by letting contracts and draw upon the escrow for payment. Only the City Council shall have the authority to direct replacement of the plantings and withdraw from the escrow account. The **PERMITTEE** hereby grants permission and a license to the **CITY** and/or its contractors and assigns to enter upon the **Subject Property** for the purpose of replacing plantings in the event of the **PERMITTEE** default.

SECTION IV GENERAL

18. **Construction activities in public rights-of-way.** As an urban-style development where the New Building is constructed with minimal front setbacks as well as sidewalk and streetscape improvements, construction activities will need to occur in the adjacent public rights of way. The **PERMITTEE** is permitted to use the adjacent parking lanes of the adjacent streets for construction-related activities, subject to a barricade plan approved by the City Engineer. Any damage to or debris left in the right-of-way after construction activities are completed are the responsibility of the **PERMITTEE** and if there is a failure to correct the damage and/or clean the debris, costs incurred by the **CITY** shall be billed to the **PERMITTEE**'s site inspection fee escrow.
19. **Boulevard and Area Restoration.** The **PERMITTEE** shall be responsible for restoring all areas disturbed by the development grading operation in accordance with the approved erosion and sediment control plan. The **PERMITTEE** shall also be responsible for the cost of cleaning any soil, earth or debris from the wetlands within and adjacent to the **Subject Property** resulting from grading performed in the development of the land.
20. **Construction Site Maintenance.** The **PERMITTEE** shall adhere to all **CITY** ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc.
21. **Construction, Hours and Entrance Signs.** The **CITY** restricts construction and delivery hours to Monday through Saturday 7:00 a.m. to 10:00 p.m. The **PERMITTEE** is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed eighty (80) square feet in size and must be clearly visible at all times during the construction period.
22. **Estimated Cost.** It is understood and agreed that cost amounts set forth in this **Agreement** as **Required Improvements**, unless specified as fixed amounts, are estimated. The **PERMITTEE** agrees to pay the entire cost of said improvements including interest, engineering and legal charges.
23. **Site Plan Approval Expenses.** The **PERMITTEE** agrees that it will pay to the **CITY** all **CITY** expenses incurred in the approval of the **Site Plan**, including, but not limited to administration expenses, engineering and legal fees. Said expenses shall be paid within fifteen (15) days of billing by the **CITY** and outstanding billings shall be paid prior to issuance of the building permit. Any expenses incurred after the release of the building permit shall also be paid within said fifteen (15) day billing period. Failure to pay the **CITY**'s expenses within the fifteen (15) day billing period will permit the **CITY** to draw upon any of the escrows required by this contract for payment.

24. **Reimbursement to the City.** The **PERMITTEE** agrees to reimburse the **CITY** for all costs incurred by the **CITY** in defense or enforcement of this **Agreement**, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
25. **Invalidity of Any Section.** If any portion, section, subsection, sentence, clause, paragraph or phrase of this **Agreement** is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect or void any of the other provisions of this **Agreement**.
26. **Proof of Authority.** When the **PERMITTEE** is a corporation, the **CITY** requires proof of authority by the corporation to execute this **Agreement**. This proof of authority may be satisfied by providing the **CITY** with a certified copy of minutes of the corporate Board of Directors granting such authority.
27. **Violation of This Permit.** If the **PERMITTEE** fails to perform any of the terms of this **Agreement** in the manner required by the **CITY**, the **CITY** shall be entitled to recover, from the **PERMITTEE** or the issuer of **PERMITTEE** financial guarantee, the full amount of any and all financial guarantees. Breach of any of the terms of this **Agreement** by the **PERMITTEE** shall also be grounds for denial of Building Permit or issuance of Certificate of Occupancy.
28. **Certificate of Occupancy.** The term "Certificate of Occupancy" as used in this **Agreement** shall be defined as a document issued by the **CITY's** Building Official, which authorizes the structure to be used for its intended purposes.
29. **Agreement Binding on Successors and Assigns.** The **PERMITTEE** agrees that this **Agreement** shall be binding upon its successors and assigns.
30. **Notices.** Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

TO PERMITTEE:

PSD, LLC
Attn: Mathias Kuker
7533 Sunwood Drive NW, Suite 315
Ramsey, MN 55303

TO THE CITY:

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

THE PERMITTEE:

PSD, LLC

By: _____
Mathias Kuker
Its: President

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by Mathias Kuker, the President of PSD, LLC, a limited liability company, under the laws of the State of Minnesota on behalf of the company.

Notary Public

