

**ZERO ZONE REFRIGERATION, LLC
DEVELOPMENT AGREEMENT
CITY OF RAMSEY, ANOKA COUNTY, MINNESOTA**

This Agreement (hereinafter the “Agreement”) is dated as of this 14th day of October, 2025, and is by and between the City of Ramsey, a Minnesota municipal corporation (the “**CITY**”) and **ZERO ZONE REFRIGERATION, LLC**, a Minnesota limited liability company, (the “**PERMITTEE**”).

Recitals

- A. The **PERMITTEE** is the fee title owner of land generally known as 6151 140th Avenue Northwest, Ramsey, MN 55303 and legally described as:
- Lot 1, Block 1, ZERO ZONE ADDITION, Anoka County, Minnesota.
- (the “**Subject Property**”)
- B. That on May 12, 2025, the **CITY** received a Land Use Application from Mr. Trevor Gruys of Loucks, Inc., on behalf of Zero Zone Refrigeration, LLC (the “**PERMITTEE**”) requesting a Minor Plat and Variance as part of a proposal to construct an addition to an existing industrial building on the **Subject Property**, and associated site improvements (cumulatively, the “**New Building**”).
- C. That on September 25, 2025, the City Council adopted Resolution #25-219 approving the Final Plat.
- D. That on October 2, 2025, the Planning Commission reviewed and approved the Variance to impervious coverage of the **Subject Property** with the adoption of Resolution #25-215.
- E. The **PERMITTEE** intends to cause the Required Improvements to the **Subject Property** to be constructed.

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 final plans (the "**Plans**") prepared by Loucks, Inc. and dated September 11, 2025. 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 driveways in accordance with City Code requirements and in conjunction with the instructions of the Fire Chief.
6. **Required On-Site 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	75% of Cost Release Amount
a. Site Work	\$653,531	\$490,148.25
b. Earthwork	\$91,563	\$68,672.25
c. Erosion & Sediment Control	\$23,109	\$17,331.75
d. Utilities – Storm Sewer	\$168,563	\$126,422.25
e. Utilities – Watermain	\$74,255	\$55,691.25
f. Landscaping & Restoration	\$86,002	\$64,501.50
Total	\$1,097,023	\$822,767.00

("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 issuance of the building permit 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 **Eight Hundred Twenty-Two Thousand Seven Hundred Sixty-Seven Dollars and No Cents (\$822,767.00)**, which is 75% of the **CITY**'s estimated cost of the **Required Improvements** for the on-site 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-Four Thousand Eight Hundred Fifty-One Dollars and No Cents (\$54,851.00)** (5% x \$1,097,023.00). 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**.

SECTION II DEVELOPMENT FEE INFORMATION

The **Subject Property** is being re-platted as a buildable lot of record through the "Zero Zone Addition" plat. Two of the three parcels included in the plat have already paid development fees. The third parcel, a 0.06-acre outlot, has not been charged development fees and those fees are as follows, due upon release of the plat for recording:

- a. Park and Trail Dedication. Park dedication totaling \$270.00 based on the rate of \$4,500 per acre and Trail dedication at \$84.00 based on the rate of \$1,400 per acre.
- b. Water Trunk (Connection) Fee of \$454.00 based on the rate of \$7,563 per acre.
- c. Sanitary Sewer Trunk (Connection) Fee of \$251.00 based on the rate of \$4,185 per acre.
- d. Stormwater Management Fee of \$329.00 based on the rate of \$5,481 per acre.

SECTION III PERMITS AND OCCUPANCY

10. 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 IV ON-SITE LANDSCAPING

11. **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 **Six Thousand One Hundred Forty-Two Dollars and No Cents (\$6,142.00)** [# plantings (57 trees and 45 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 V
GENERAL**

12. **As-Built Record Plan.** The **PERMITTEE** shall provide the **CITY** with a set of reproducible as-built plans in Computer Aided Drafting (CAD) format upon completion of storm sewer, sanitary sewer, and water connections at the stubs.
13. **Survey Monumentation.** The **PERMITTEE** must protect all lot corner stakes and survey monumentation at all lot corners.
14. **Preconstruction Meeting.** The **PERMITTEE** shall schedule and hold a pre-construction meeting with the City Engineer prior to commencing site work.
15. **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.
16. **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.
17. **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.
18. **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.
19. **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.
20. **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.
21. **Existing Private Utilities.** The movement or disturbance of any private utilities on the Subject Property, including the costs thereof, are the responsibility of the **PERMITTEE** and must be coordinated with the applicable utility company.

22. **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**.
23. **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.
24. **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.
25. **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.
26. **Agreement Binding on Successors and Assigns.** The **PERMITTEE** agrees that this **Agreement** shall be binding upon its successors and assigns.
27. **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:

Zero Zone Refrigeration, LLC
Attn: Barry DeRousse
110 N. Oakridge Drive
North Prairie, WI 53153-9792

TO THE CITY:

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

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