

CITY OF WEST ST. PAUL
Economic Development Authority
1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

ECONOMIC DEVELOPMENT AUTHORITY MEETING
MUNICIPAL CENTER COUNCIL CHAMBER
AUGUST 8, 2016
IMMEDIATELY FOLLOWS THE CITY COUNCIL MEETING

1. Call To Order

2. Roll Call

3. Adopt Agenda

4. EDA Consent Agenda Items

4.A. Meeting Minutes

Documents:

[7-11-16 EDA WS MINS.PDF](#)

[7-11-16 EDA MINS.PDF](#)

[7-25-16 EDA MINS.PDF](#)

4.B. July 2016 Budget Report

Documents:

[JULY 2016 BUDGET TO ACTUAL REPORT.PDF](#)

5. Commissioner Comments

6. New Business

6.A. EDA Lots - Public Hearing To Discuss Purchase Offer

Documents:

[EDA LOTS PURCHASE OFFER.PDF](#)

6.B. 260 Marie Avenue - Business Subsidy Request

Documents:

[BUSINESS SUBSIDY REQUEST FOR 260 MARIE.PDF](#)

6.C. Consider Bid For Phase I And II Environmental Studies - 68 Moreland Avenue

Documents:

[EDA MEMO - BRAUN STUDY 8-08-16.PDF](#)

6.D. Town Center I - Preliminary Development Agreement With PEBB Enterprises

Documents:

[TOWN CENTER 1 PRELIMIN DEV AGREEMENT.PDF](#)

7. Old Business

8. Adjourn

*If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at
651-552-4100, TDD 651-322-2323 at least 5 business days prior to the meeting
www.wspmn.gov EOE/AA*

**City of West St, Paul
Economic Development Authority Work Shop Minutes
July 11, 2016 at 4:30 p.m.**

1. Open Work Session

President David Meisinger opened the regular EDA meeting at 4:30 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners Pat Armon, Dave Napier, Dick Vitelli, Jenny Halverson, John Bellows and Ed Iago.

Others: Executive Director/Community Development Director Jim Hartshorn, City Manager Matt Fulton, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott. Police Chief Manila Shaver arrived at 4:56 p.m.

3. Agenda Items

A. Town Center I – Preliminary Development Agreement

At the last EDA Work Session a few weeks ago, the Board reviewed a concept plan presented by representatives from PEBB Enterprises. They directed staff to move forward and negotiate with PEBB Enterprises to reach an agreement on project funding. The Board also directed the City Attorney to work with staff and PEBB Enterprises on a preliminary development agreement for the Board to discuss. The development includes Fresh Thyme grocer, a restaurant and other retail.

If the Board approves of the attached preliminary development agreement, then staff will add this item to the regular EDA Meeting Agenda for formal approval. This preliminary development agreement does not approve of any given project, but it does agree that the EDA will work with a specific developer for a specific amount of time to put together a project, including a funding plan.

Comments:

- Maaco meeting will happen this Wednesday and Director Hartshorn will meet with representatives from Langer Construction and the Maaco owner. There are some issues with construction item(s).
- Amoco has a price of \$800,000 and the site is worth \$560,000. The lease to Amoco is about \$150,000 annually.
- Granny's Donuts is ready to sell and came down to \$700,000. Director Hartshorn continues to negotiate with the owner. The property is worth \$240,000.
- Batteries Plus would like to be worked into the project.
- We have a half million dollars in grant funds from the County. We have TIF. Part of the development agreement will be project costs.
- Why doesn't the developer buy those properties and negotiate their own deals? Director Hartshorn said they are going to buy them but it will save us a quarter million. Director Hartshorn has a relationship with the owners through Venture Pass and they requested that he continue to work with the local businesses on the purchase and relocation issues.

- Maaco construction costs will be more if the project is pushed to 2017.
- Com. Halverson would like to wait and not have the developer invest a lot into this project quite yet. This feels very rushed.
- Com. Bellows doesn't understand what the problem is and would like to work with the developer. He is concerned about the County being only 50% done with the tunnel project. We have three developers who are independent and this is not a problem. We have heard from Town Center and PEBB. We are not obligating ourselves. Com. Bellows in favor.
- Com. Iago said 30 days ago we asked Director Hartshorn and Attorney Land to prepare what is before us. If we put hurdles in front of developers, this could put this deal in jeopardy. Let's move forward.
- Com. Halverson said we are binding ourselves to this particular developer. They will invest money and time in this project. So we are committing to that. She wants to be careful. Com. Iago said money and energy will be spent but either side can walk away so there is no reason to delay.
- PEBB folks understand this agreement and that there are hurdles until the end. The development agreement allows us to proceed in good faith. We should be consistent and do what we say we are going to do. Let's look at this option.
- Com. Halverson said there isn't a cohesive idea of what we want to see from PEBB and that's where we end up with problems. There is no direction for the developer right now. This worries her.
- PEBB is aware that the Renaissance Plan will be revealed soon. This is just an update to the existing plan. The update will be reviewed August 8.
- Com. Vitelli read from the preliminary agreement and he wonders why PEBB is not doing their own negotiations. Attorney Land explained that Director Hartshorn has worked very hard to build relationships and he continues negotiating and PEBB will sign the purchase agreement at closing. This is our standard preliminary development agreement.
- As for as our "wish list" - developers will come in and build what is feasible. We gave staff direction to do this so how can we stall it now?
- Manager Fulton said this project will impact other projects that you might consider. The Cunningham Plan is intended to try and bring in a new area to West St. Paul and this project will have an impact on that idea. From a planning standpoint, he suggests thinking about what the projects you consider important, because they are the community you are building. Cunningham will come in on August 8 to give you an update. There are big issues on the table that should have some Council discussion prior to committing to this agreement.
- Com. Bellows commented on all we are doing and that we do not have consensus on the Renaissance Plan. How long do we have to wait on that? We are pushing things back and planning is important and what is the market place going to deal with? The County said they would have something for us in July and now it's August. The Renaissance Plan has some serious opposition. What is the harm in entering to the agreement presented?
- Com. Armon is uncomfortable with the proposed.
- Com. Halverson said we owe it to our community and to this corridor because we have invested a lot of money. There needs to be much clearer direction, despite the tunnel or Renaissance Plan.
- President Meisinger said what do we need to look at? We have had two developers come in with plans and we were in favor and now we are saying we are not in favor. They think they fit and we say no, slow down. If not now, when? Com. Vitelli said two weeks when we hear from

the county and Cuningham on the Renaissance Plan. We have been working on this for a while. We have a developer who is ready to go.

- This shows that Council needs a shared vision. It makes good sense to review the Renaissance Plan update and this developer should understand that.
- Com. Iago doesn't believe that the people on the committee approved of the Renaissance Plan. There isn't consensus and that is a problem. It is clear to us that under this administration there will not be a tunnel so what are we waiting on?
- Manager Fulton said the big picture is very important. The Renaissance Plan will not have formal and complete consensus but you will see ideas and you will determine the future of Robert Street. Do you want two grocers across from each other? You don't want to shorten your opportunities. You have spent a lot of money on Robert Street and you should take time to review the opportunities. There are county funds to assist with parking due to the potential tunnel. More discussion about this project and the future will ensue in August.
- Com. Vitelli would like to discuss more about the tunnel and possible funds/grant dollars.
- August 8 the County will give the tunnel review.
- The PAC group modified the plan and will present this to Council. They were charged with a mission and they owe us a summary. Manager Fulton said they won't agree on all aspects of the plan. Have the PAC vote on each part of the package and come back with a consensus of the package.

EDA members would like Cuningham and the County to present findings on the Renaissance Plan and tunnel during the August 8 meeting. EDA would also like PAC members to be invited to allow an opportunity to hear a variety of voices.

4. Adjourn

The work session adjourned at 5:25 p.m.

Chantal Doriott
Chantal Doriott
City Clerk/Secretary
City of West St. Paul

**City of West St, Paul
Economic Development Authority Minutes
July 11, 2016**

1. Call to Order

President David Meisinger opened the regular EDA meeting at 7:32 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners Pat Armon, Dave Napier, Dick Vitelli, Jenny Halverson, John Bellows and Ed Iago.

Others: Executive Director/Community Development Director Jim Hartshorn, City Manager Matt Fulton, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott.

3. Adopt Agenda

The agenda was approved as presented.

4. EDA Consent Agenda Items

A. Meeting Minutes of June 27, 2016.

Motion was made by Com. Vitelli and seconded by Com. Armon to approve the meeting minutes as outlined above and as presented. All members present voted in favor. Com. Iago was not present during vote. The motion carried.

5. Commissioner Comments

Com. Armon "Shop Robert".

Com. Napier reminded everyone to stay local and shop here in West St. Paul.

Com. Vitelli said be patient and frequent our Robert Street businesses.

President Meisinger invited everyone to a Neighborhood Meeting; July 18 at 4:30 p.m. at Westview Park Community Room to discuss the future of the Southview Athletic Club at 260 Marie Ave.

Director Hartshorn will have additional information if you need it and Clerk Chantal Doriott will post the possible quorum notice..

6. New Business

6.A. Public Hearing to consider Purchase Offer for EDA Lots

Executive Director Jim Hartshorn gave an overview. Staff has been working with Metzen Realty, Inc. to market the EDA owned lots as one package. Commissioners reviewed the properties which were purchased from 2009 to 2011. Most properties were over 60 years old, vacant, blighted, foreclosed and were purchased under market value from a bank. The average tax value for a house valued between

low to mid \$200,000s is about \$2,500 annually. Developer Green Law has done several projects similar to the proposed. Our Building Official reviewed the project and is in favor. Director Hartshorn added that the homes will be built “zero energy” and meets our code requirements. These houses could come with solar panels, more windows, things like this that make them “green” and more energy efficient.

Commissioner comments:

- What if they don't build one house per year? Attorney Land said we would get the lots back.
- Com. Napier's only concern is what does this house look like? Director Hartshorn said they will probably be different looks and all five could be different.
- Com. Vitelli would like to see what they look like and is not supportive.
- Com. Bellows said it's not one house being built per year but five houses in five years; one house in the first year and the other 4 in the next years. He would like to see the development agreement provide more of a step-guide for the builder. He would like to continue this matter if possible.
- Com. Halverson said the buildings are varied in design.
- Com. Armon asked about closing costs and Attorney Land provided answers.
- Coms. would like to continue the issue so the builder can be present to answer questions.

Motion was made by Com. Bellows and seconded by Com. Halverson to continue this item until the builder can be present. All members present voted in favor. The motion carried.

7. Old Business

There was no old business to discuss.

8. Adjourn

Motion was made by Com. Bellows and seconded by Com. Halverson to adjourn the EDA meeting at 7:45 p.m. All members present voted in favor. The motion carried.

Chantal Doriott
Chantal Doriott
City Clerk/Secretary
City of West St. Paul

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
July 25, 2016**

1. Call to Order

President David Meisinger opened the work session at 8:40 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners Ed Iago, Jay Bellows, Dave Napier, Dick Vitelli and Jenny Halverson. Com. Pat Armon had an excused absence,

Others: Assistant City Manager Sherrie Le, Executive Director/Community Development Director Jim Hartshorn, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott.

3. Adopt Agenda

Motion was made by Com. Iago and seconded by Com. Halverson to adopt the agenda as presented. All members present voted in favor. The motion carried.

4. EDA Consent Agenda Items

4.A. Meeting Minutes

4.B. June 2016 Budget Report

Motion was made by Com. Halverson and seconded by Com. Bellows to approve the consent agenda items as presented. All members present voted in favor. The motion carried.

5. Commissioner Comments

Commissioner Jenny Halverson, President Meisinger and Commissioner Dave Napier all said "Shop Robert".

6. New Business

6.A. Bifurcation of Sherman II TIF Note - TIF District 1-2

Executive Director Jim Hartshorn gave an overview. Sherman Associates intends to sell a commercial property located at 1590 Robert Street to another developer. The subject property is located in TIF Dist. 1-2. Mr. Sherman is requesting to bifurcate the existing note between the commercial portion and the residential portion, next to the Dakota County library.

Com. Vitelli asked why hasn't Sherman been required to finish the townhomes? Director Hartshorn explained through the TIF they still pay tax to the city. The difference is in what Mr. Sherman receives. But the city is not getting any tax revenue for that property. Attorney Land said she believes the development agreement was amended and we could revisit that document if that's the direction of the commissioners. Com. Vitelli is concerned because Mr. Sherman doesn't seem to follow through on anything on the north end. President Meisinger said let's get the dates on the agreement. Com. Bellows added comments.

Motion was made by Com. Bellows and seconded by Com. Iago to approve and adopt Resolution No. 16-03 approving the division and replacement of a tax increment financing note. All members present voted in favor. The motion carried.

7. Old Business and Other Items

Commissioners discussed the five EDA lots that are for sale with a person (no name) who attended the meeting. Director Hartshorn will work with anyone interested in the property.

8. Adjourn

Motion was made by Com. Bellows and seconded by Com. Halverson to adjourn the EDA meeting at 8:51 p.m. all members present voted in favor. The motion carried.

[Chantal Doriott](#)

Chantal Doriott
City Clerk/Secretary
City of West St. Paul

City of West St Paul

Economic Development Authority

Income Statement

Through 07/31/2016

	2016 Budget	July Transactions	2016 YTD Actual	Budget - YTD Transactions	% used/ Rec'd
REVENUE					
Tax - Ad Valorem-Current	300,000.00	.00	150,000.00	150,000.00	50%
Investment - Interest	10,000.00	.00	.00	10,000.00	0%
Other Interest Earnings	50,000.00	.00	.00	50,000.00	0%
Misc Revenue - All Other	6,000.00	4,075.99	20,941.71	(14,941.71)	349%
REVENUE TOTALS	\$366,000.00	\$4,075.99	\$170,941.71	\$195,058.29	47%
EXPENSE					
Salaries - Full Time Reg	121,000.00	8,942.40	69,799.54	51,200.46	58%
Contributions - PERA	9,100.00	670.68	5,234.97	3,865.03	58%
Contributions - FICA	9,250.00	615.80	4,845.87	4,404.13	52%
Contributions - Health In	13,200.00	1,306.31	9,144.17	4,055.83	69%
Contributions - OthGrplns	330.00	26.75	187.25	142.75	57%
Supplies - Office	300.00	.00	.00	300.00	0%
Supplies - General	500.00	.00	11.77	488.23	2%
Auditing Services	2,000.00	2,000.00	2,000.00	.00	100%
Legal Fees	15,000.00	2,440.50	8,890.50	6,109.50	59%
Travel,Conference,Schools	5,000.00	214.38	1,362.68	3,637.32	27%
Advertising	5,000.00	.00	.00	5,000.00	0%
Postage	500.00	.00	3.47	496.53	1%
Printing & Publishing	1,000.00	.00	.00	1,000.00	0%
Insurance - Gen Liability	1,500.00	.00	1,530.00	(30.00)	102%
Utility Charges	.00	.00	482.19	(482.19)	na
Contractual - Misc Servic	74,125.00	28,544.00	105,016.13	(30,891.13)	142%
Subscriptions,Memberships	775.00	.00	250.00	525.00	32%
Misc Expenses	1,500.00	.00	173.15	1,326.85	12%
Business Subsidy	175,000.00	.00	18,340.04	156,659.96	10%
EXPENSE TOTALS	\$435,080.00	\$44,760.82	\$227,271.73	\$207,808.27	52%
REVENUE TOTALS	366,000.00	4,075.99	170,941.71	195,058.29	47%
EXPENSE TOTALS	435,080.00	44,760.82	227,271.73	207,808.27	52%
NET	(\$69,080.00)	(\$40,684.83)	(\$56,330.02)	(\$12,749.98)	

Cash Balance:

12/31/2015	401,333
1/31/2016	385,692
2/29/2016	366,557
3/31/2016	316,084
4/30/2016	279,260
5/31/2016	266,945
6/30/2016	385,244
7/31/2016	347,241

TO: EDA PRESIDENT AND BOARD
FROM: COMM. DEV. DIRECTOR
DATE: AUGUST 08, 2016



City of West Saint Paul

SUBJECT:

Public Hearing to Consider Purchase Offer for EDA Residential Lots.

BACKGROUND INFORMATION:

Staff received a proposal from Mr. Mark Schroeder to purchase the remaining five EDA lots.

Development components include:

- The purchase price is \$104,900.
- The developer must submit construction plans for each property to the EDA for approval before construction can commence.
- The minimum home valuation for each home must meet or exceed \$205,000, unless approved by the EDA.
- All homes are built following the minimum improvements as stated in Exhibit B of the Development Agreement.
- The developer commences construction on the first home by December 31, 2016
- The developer must complete construction on one property per year with the exception of 848 Allen Avenue, which may be completed on a construction schedule approved by the EDA
- The developer must complete construction on all properties by December 31, 2021.
- Approval of Variance for 158 Haskell Street (the lot size is short by 226 sf).

The purchase and sales attachment shows that all of the lots were purchased from 2009-2011. Almost all of the homes were over 60 years old, vacant, blighted foreclosed and were purchased under market value from a bank. The average tax value for house valued between low to mid \$200's is about \$2,500 per year.

STAFF RECOMMENDATION:

Hold a Public Hearing to consider the purchase offer.

ATTACHMENTS:

- Letter from Mark Schroeder
- List of EDA Residential lots for sale
- Historical purchase and sales information
- Map showing locations of EDA lots
- Development Agreement

8/1/2016

MSEB

Introduction and Mission

Mark Schroeder; husband, father and carpenter, I think I am real good at all of them, oh yeah, a soon to be grandfather. My wife and I have lived in West St. Paul's 40 acres since 1991, in a home that we rehabbed. Also since 1991, I have been an estimator, project manager, site foreman and carpenter for a St. Paul construction company, Booker Construction Inc. Since 1997 I have been the qualifying person for the state contractor's license for Booker Construction Inc. As a residential contractor we have completed large remodels and homes from the ground up, as a concrete and masonry contractor we have completed projects ranging from a simple entry stoop to multi-million dollar commercial buildings, such as the Western Division Headquarters for the St. Paul Police Department at Hamline & I94 and many residential buildings.

Emmett Booker; I am a lifelong St. Paul resident, family man with a wife of 34 years a grown daughter that I am very proud of, and business owner of Booker Construction since 1987. Since the start of Booker Construction, my business has grown in the nearly 30 years we have been at it. Completed projects include a ground up single family home in Cottage Grove, a three unit, ground up, residential townhome in St. Paul and a mixed use property at Selby and Milton that houses a coffee shop, a tailor, massage therapy, and 3 residential apartments. With a seasonal business like concrete construction in Minnesota we would take on a remodel or two each winter, and as anyone in the business knows, remodeling is much more challenging than new construction, and that brings us to this opportunity.

Our Mission; the plan is, Emmett and Mark will hire Booker Construction Inc. as the general contractor to build a minimum of 1 house per year, all conventional on site construction- leaning towards split entry style. No architectural masterpieces or anything avant-garde. These will be standard homes, and well-built stock neighborhood housing. We look forward to filling these vacant lots with homes that anyone would be proud to call home. In fact Mark will be calling one of them home.

Respectfully, Mark & Emmett

West St. Paul Economic Development Authority (EDA) Vacant Lots for Sale

Available Lots For Sale	Lot Dimensions	Asking Price	Current Market Value
270 Annapolis Street East	40 X 144 = 5,760 sq. ft.		\$36,000
804 Dodd Road	42 X 120 = 5,040 sq. ft.		\$33,400
158 Haskell Street	38 X 123 = 4,674 sq. ft. (will need variance)		\$36,200
831 Deppe Street	Irregular (7,405 sq. ft.) *Includes two lots		\$50,400
848 Allen Ave	Irregular (23,086 sq. ft.) *Includes two lots		\$78,800

All sales are contingent upon EDA Board approval. Financing options are available. For more information please contact Jim Hartshorn at 651-552-4140.

City of West St. Paul
 EDA Owned Properties Costs
 4/25/2016

TABLE 1: EDA Properties Purchased in 2009

#	ADDRESS	PURCHASE PRICE	ABATEMENT/ DEMOLITION	TAXES/ ASSESSMENTS	TOTAL	RESALE AMOUNT	LOT DIMENSIONS
1	270 Annapolis St E	\$45,662.00	\$13,816.00		\$59,478.00		40 X 144
2	848 Allen Ave - Lot A (Northern)						80 X 110
	848 Allen Ave - Lot B (Southern)	\$75,456.00	\$10,115.00	\$1,632.00	\$87,203.00		Irregular (14,257 Sq. Ft.)
3	892 Bidwell St - sold - <i>CITY SOLD</i>	\$85,760.00	\$11,342.00		\$97,102.00	\$25,000.00	50 X 120
4	804 Dodd Rd	\$40,000.00	\$13,200.00	\$23.98	\$53,223.98		42 X 120
5	158 Haskell St	\$61,832.00	\$14,288.00	\$661.55	\$76,781.55		38 X 123
6	202 Kathleen Dr - sold	\$71,467.00	\$10,104.00		\$81,571.00	\$35,166.50	X
7	184 Thompson Ave W - sold	\$49,000.00	\$12,165.00	\$815.97	\$61,980.97	\$40,000.00	82 X 161
8	949 Robert Street S (Commercial)	\$50,000.00	\$13,621.00		\$63,621.00	\$50,000.00	45 X 140
	TOTAL	\$479,177.00	\$98,651.00	\$3,133.50	\$580,961.50	\$150,166.50	

TABLE 2: EDA Properties Purchased in 2010

#	ADDRESS	PURCHASE PRICE	ABATEMENT/ DEMOLITION	TAXES/ ASSESSMENTS	TOTAL	RESALE AMOUNT	LOT DIMENSIONS
1	978 Allen Ave - sold - <i>C.B. Stryker</i>	\$62,500.00	\$10,000.00		\$72,500.00	\$45,000.00	50 X 149
2	966 Bellows St - sold	\$70,000.00	\$13,495.00		\$83,495.00	\$83,495.00	80 X 149
3	305 Bernard St E - sold - <i>C.B. Stryker</i>	\$15,000.00	\$8,165.00		\$23,165.00	\$12,500.00	78 X 64
4	373 Butler Ave E - sold	\$37,000.00	\$12,350.00		\$49,350.00	\$32,000.00	121 X 129
5	188 Mainzer St - sold	\$78,000.00	\$12,465.00	\$621.08	\$91,086.08	\$32,000.00	X
6	1003 Stryker Ave - sold	\$80,000.00	\$15,080.00		\$95,080.00	\$95,080.00	71 X 150
	TOTAL	\$342,500.00	\$71,555.00	\$621.08	\$414,676.08	\$300,075.00	

TABLE 3: EDA Properties Purchased in 2011

#	ADDRESS	PURCHASE PRICE	ABATEMENT/ DEMOLITION	TAXES/ ASSESSMENTS	TOTAL	RESALE AMOUNT	LOT DIMENSIONS
1	1831 Deppe St	\$80,000.00	\$10,000.00		\$90,000.00		Irregular (7,600 Sq. Ft.)
2	1115 Oakdale Ave	\$0.00	\$8,700.00	\$0.00	\$8,700.00	\$0.00	X
	TOTAL	\$80,000.00	\$18,700.00	\$0.00	\$98,700.00	\$0.00	

EDA Owned Properties - 4/12/16
West St. Paul Street Map

848 Allen Ave.
804 Dodd Rd.
831 Deppe St.

270 Annapolis St. E.

158 Haskell St. E.

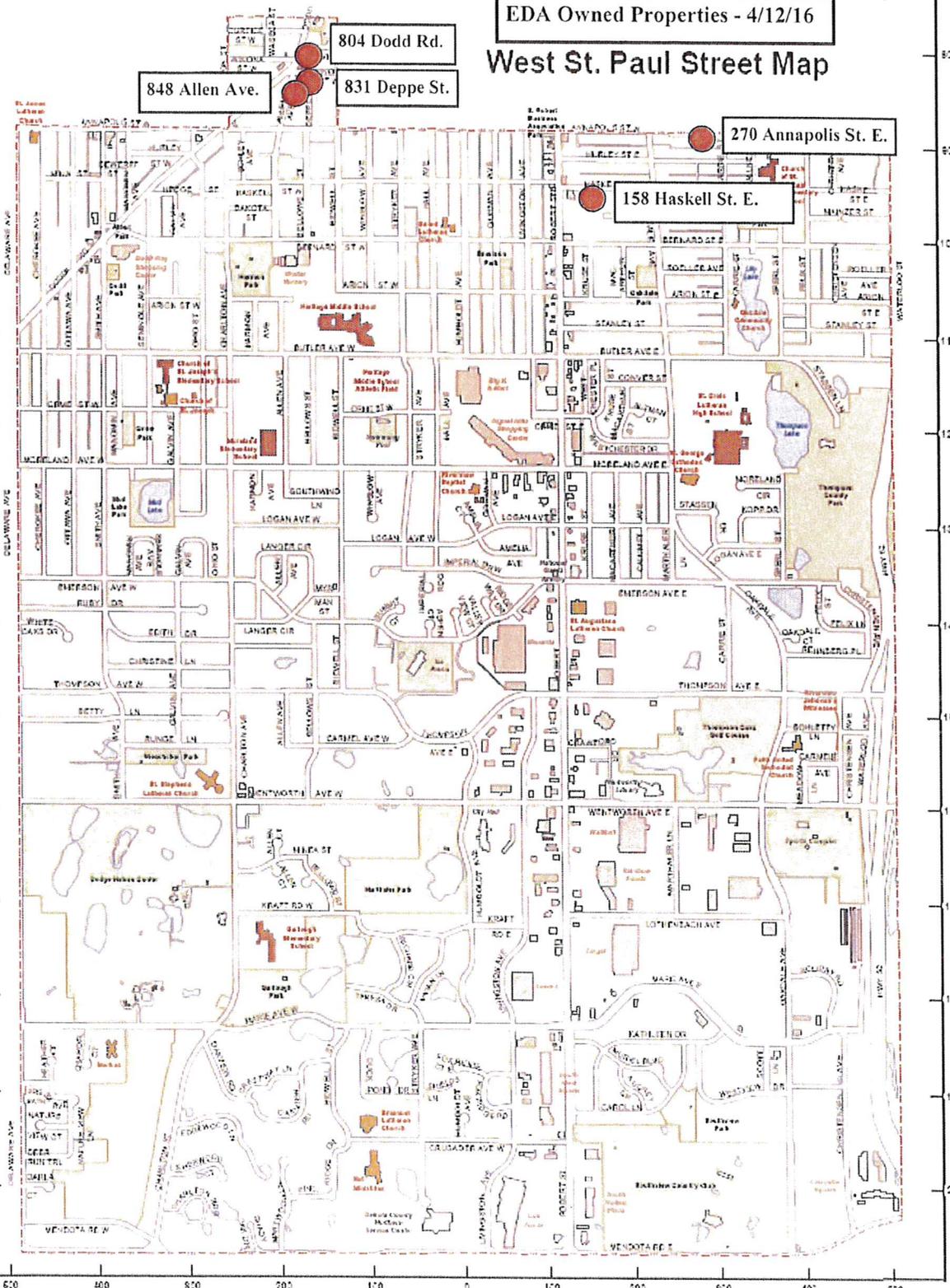


Figure 4.1 by the
Economic Development Authority of West St. Paul
4/12/16

CONTRACT FOR PRIVATE REDEVELOPMENT

THIS AGREEMENT, made on or as of the _____ day of _____, 2016, by and between West St. Paul Economic Development Authority (“EDA”), a Minnesota public body corporate and politic organized and existing under the Constitution and laws of Minnesota, located at 1616 Humboldt Avenue, West St. Paul, Minnesota 55118, and Mark Schroeder (“Developer”), an individual, 147 Winona Street, West St. Paul, Minnesota 55118.

WITNESSETH:

WHEREAS, the EDA was created pursuant to Minnesota Statutes, Sections 469.090 to 469.108, and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of West St. Paul (“City”); and

WHEREAS, in furtherance of the objectives of the Act, the EDA has undertaken various projects to promote the creation of housing, economic and job opportunities within the City, and in this connection is engaged in carrying out a Redevelopment Project known as the Housing Replacement Program in the City; and

WHEREAS, among the powers possessed by the EDA is the power to carry out within a Redevelopment Project undertakings and activities for the elimination or prevention of the development or spread of slums or blighted, deteriorating areas and for economic development; and

WHEREAS, there is located within the City parcels of real property, more particularly described in Exhibit A (the “Development Property”), comprised of five properties, some of which may be subdivided or combined and developed into more than one residential building, per property, which are in need of redevelopment in order to help maximize housing opportunities for the community; and

WHEREAS, in order to achieve the objectives of the EDA, the EDA is prepared to sell all of the properties in the Development Property to Developer for \$104,900.00, which is less than the EDA’s investment in the Development Property, in order to reduce blight; and

WHEREAS, the EDA believes that the redevelopment of the City pursuant to this Agreement, and fulfillment generally of this Agreement, are in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken.

NOW, THEREFORE, in consideration of the promises 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. In this Agreement, unless a different meaning clearly appears from the context:

“Agreement” means this Agreement, as the same may be modified, amended, or supplemented, in writing, by mutual agreement of both parties.

“City” means the City of West St. Paul, Minnesota.

“Closing Date” means on or before August 31, 2016.

“Condemnation Award” means the amount remaining from an award to the Developer for the acquisition of title to and possession of the Minimum Improvements or any material part thereof, after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such award.

“Construction Plans” means the plans, specifications, drawings, and related documents on the construction work to be performed by the Developer on the Development Property for each residential building, which (a) shall be detailed as the plans, specifications, drawings and related documents which are submitted to the building official of the City, and (b) shall include at least the following: (i) site plan; (ii) foundation plan; (iii) floor plan for each floor; (iv) cross sections of each (length and width); (v) elevations (all sides); (vi) landscape plan; and (vii) such other plans as the EDA may reasonably request to allow it to ascertain the nature and quality of the proposed Minimum Improvements.

“County” means Dakota County.

“Developer” means Mark Schroeder, an individual, and his heirs, successors or assigns.

“Development Property” or “Property” means the real property described in Exhibit A of this Agreement, which includes five (5) properties made up of different sized lots, some of which may be subdivided or combined in order to maximize the housing opportunities.

“Earnest Money” means the earnest money deposit of Five Thousand Dollars and no/100s (\$5,000.00) to be deposited with the EDA upon execution of this Agreement by Developer.

“EDA” means the West St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of the State of Minnesota, or its successor or assign.

“Event of Default” means an action by the Developer listed in Article VII of this Agreement.

“Holder” means the owner of a Promissory Note or Notes and Mortgage Deed.

“Maturity Date” means the date when the Developer has satisfied his obligations under the Agreement and the EDA has issued the Certificate of Completion.

“Minimum Improvements” means the acquisition of land and construction of a residential building or buildings. The Minimum Improvements are more fully described in Exhibit B, which is attached hereto and incorporate herein.

“Mortgage Deed” means any Mortgage Deed made by the Developer, which is secured in whole or in part, by the Development Property and which is a Permitted Encumbrance pursuant to the provisions of this Agreement.

“Net Proceeds” means any proceeds paid by an insurer to the Developer or the EDA under a policy or policies of insurance required to be provided and maintained by the Developer pursuant to Article V of this Agreement and remaining after deducting all expenses incurred in the collection of such proceeds.

“Permitted Encumbrances” means the following encumbrances on the title to the Development Property: (i) such encumbrances as are mutually agreed to by the EDA and the Developer; (ii) utility, drainage, and highway easements that do not interfere with use of the Development Property; (iii) easements, encroachments, and restrictions shown on the Plat; (iv) governmental regulations, if any, affecting the use and occupancy laws of the Development Property and Minimum Improvements; (v) zoning laws of the City, County, and State, reservations to the State, in trust for the taxing districts concerned, of minerals and mineral rights in those portions of the Development Property the title to which may have at any time heretofore been forfeited to the State for nonpayment of real estate taxes; (vi) terms and conditions of this Agreement and those Exhibits referenced herein and attached hereto; and (vii) a lien for any unpaid real estate taxes, if any, not presently payable but to be paid as part of the annual taxes to become due.

“Project” or “Redevelopment Project” means the redevelopment of the Development Property.

“Purchase Price” means One Hundred and Four Thousand, Nine Hundred Dollars and no/100s (\$104,900.00).

“State” means the State of Minnesota.

“Title Company” means DCA Title, 1276 S. Robert St., West St. Paul.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused, which are the direct result of strikes, other labor troubles, weather, fire, or other casualty to the Minimum Improvements or Site Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, results in delays, or acts of any federal, state or local governmental unit (other than the EDA in exercising its rights under this Agreement) that result in delays.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the EDA. The EDA makes the following representations:

(a) The EDA is duly organized and existing under the laws of the State. Under the provisions of the Act, the EDA has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the EDA are undertaken for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight, and for the purposes of increasing the tax base and housing opportunities within the City.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) Developer has paid the Earnest Money to the EDA.

(b) The Developer is an individual.

(c) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the EDA on the Development Property may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts, the existence of which would cause it to be in violation of any local, state, or federal environmental law, regulation or review procedure or which give any person a valid claim under any of the foregoing.

(d) The Developer will complete the Minimum Improvements in accordance with all local, state, federal laws or regulations.

(e) The Developer will obtain, in a timely manner, all required permits, licenses, insurance, 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 Minimum Improvements may be lawfully constructed or acquired.

(f) The Developer is prepared to immediately commence construction of the Minimum Improvements and has the financial capacity to meet his obligations specified in this Agreement.

(g) The Developer will have satisfied the terms and conditions contained in this Agreement prior to the Maturity Date or posted surety bonds for future fulfillment of all requirements contained in the Agreement.

(h) The Developer will convey each residential building within the Development Property to a buyer who shall personally occupy the single-family residential buildings pursuant to the Housing Replacement Program Guidelines. The buyer may not sell, lease, sublet, let or rent the Development Property to another person without prior written approval of the EDA. This provision shall run with the land and shall survive the Certificate of Completion.

(i) The Developer shall cooperate with the EDA with respect to any litigation, other than litigation in which the EDA and the Developer are adverse parties, commenced with respect to the Project or Minimum Improvements.

(j) In the event that this Agreement is terminated by the EDA as a result of an Event of Default, the Developer agrees that it will, within ten (10) days of written demand by the EDA, reimburse the EDA for all of its costs and expenses, including reasonable fees for attorneys and consultants, incurred in connection with the negotiation, preparation and implementation of this Agreement.

(k) Whenever any Event of Default occurs and the EDA employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten (10) days of written demand by the EDA, pay to the EDA the reasonable fees for attorneys and other expenses so incurred by the EDA.

Section 2.3. Environmental Conditions

(a) As Is. Developer shall take the Property in an “as is” condition and shall assume the risk of any and all adverse environmental conditions. The EDA represents and warrants that during its ownership, to its knowledge, it has taken no actions that would negatively impact the environmental condition of the Property.

(b) Copies of Information. Upon the execution of this Agreement, the EDA shall provide Developer with true and correct copies of all studies, correspondence and other data in the EDA’s possession with respect to the environmental condition of the Property

(c) Hold Harmless. Developer agrees to indemnify and hold the EDA harmless from any costs, expenses and/ or claims associated with, occasioned by or arising out of Developer's entry and testing of the Property.

ARTICLE III

Conveyance of Property

Section 3.1. Status of Development Property. The EDA presently owns the Development Property. The EDA agrees that it will convey the Development Property to the Developer in accordance with and subject to the terms and conditions stated in this Article III.

Section 3.2. Conveyance of the Development Property. The EDA shall convey title to and possession of the Development Property to the Developer under a Quit Claim Deed, which is attached hereto as Exhibit C and incorporated herein. All special assessments levied or pending as of the date of the conveyance shall be paid by the EDA. The conveyance of the Development Property and the Developer's use of the Development Property shall be subject to all of the conditions, covenants, restrictions and limitations imposed by this Agreement. The Developer's use of the Development Property shall also be subject to Permitted Encumbrances, building and zoning laws and ordinances, and all other local, state and federal laws and regulations.

Section 3.3. Time of Conveyance.

(a) Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before the Closing Date. The EDA agrees to deliver legal and actual possession of the Property to Developer on the Closing Date. Closing shall occur at Title Company.

(b) EDA's Closing Documents and Deliveries. On the Closing Date, EDA shall execute and/or deliver, as applicable, to Developer the following:

- (i) Quit Claim Deed. A quit claim deed conveying title to the Property to Developer, free and clear of all encumbrances, except the Permitted Encumbrances (the "Deed").
- (ii) Settlement Statement. A settlement statement with respect to this transaction.
- (iii) General Deliveries. All other documents reasonably determined by Title Company to be necessary to evidence that Developer has duly authorized the transactions contemplated hereby and evidence the authority of Developer to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Developer pursuant to this Agreement, or may be required of Developer under applicable law

(c) Developer Closing Documents and Deliveries. On the Closing Date, Developer shall execute and/or deliver, as applicable, to EDA the following:

- (i) Payment of Purchase Price. The Purchase Price, less Earnest Money, shall be payable on the Closing Date, subject to those adjustments, pro-rations and credits described in this Agreement, in certified funds or by wire transfer pursuant to instructions from EDA.
- (ii) Park Dedication Fees. The Developer shall pay any Park Dedication Fees on the Closing Date, as determined by the EDA.
- (iii) Settlement Statement. A settlement statement with respect to this transaction.
- (iv) General Deliveries. All other documents reasonably determined by Title to be necessary to evidence that Developer has duly authorized the transactions contemplated hereby and evidence the authority of Developer to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Developer pursuant to this Agreement, or may be required of Developer under applicable law, including any Developer's affidavits or revenue or tax certificates or statements.

(d) Prorations. EDA and Developer agree to the following prorations and allocation of costs regarding this Agreement:

- (i) Title Evidence and Closing Fee. Developer shall pay all premiums for any title insurance policy it desires with respect to the Property. Developer and EDA shall each pay one half (1/2) of any reasonable closing fee or charge imposed by Title Company.
- (ii) Transfer Taxes. EDA shall pay all state deed tax regarding the Deed.
- (iii) Recording Costs. Developer will pay all recording costs with respect to the recording of the Deeds, this Agreement, for the recording of the mortgage, if any, and any mortgage registration tax, if any.
- (iv) Real Estate Taxes and Special Assessments. General real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between Developer and EDA on a daily basis as of 12:00 a.m. CT on the Closing Date based upon a calendar fiscal year, with EDA paying those allocable to the period prior to the Closing Date and Developer being responsible for those allocable to the Closing Date and subsequent thereto. EDA shall pay in full all special assessments (and charges in the nature of or in lieu of such assessments) levied, pending,

postponed or deferred with respect to any of the Property as of the Closing Date. Developer shall be responsible for any special assessments that are levied or become pending against the Property after the Closing Date, including, without limitation, those related to Developer's development of the Property.

(v) Attorneys' Fees. EDA and Developer shall each pay their own attorneys' fees incurred in connection with this transaction.

(e) Title Examination. Developer shall obtain a commitment for an owner's title insurance policy (ALTA Form 2006) issued by Title for the Property (the "Title Evidence").

(i) Developer Objections. Within ten (10) days after Developer's receipt of the last of the Title Evidence, Developer may make written objections ("Objections") to the form or content of the Title Evidence. The Objections may include without limitation, any easements, restrictions or other matters which may interfere with the proposed use of the Property or matters which may be revealed by any survey. Any matters reflected on the Title Evidence which are not objected to by Developer within such time period or waived by Developer shall be deemed to be permitted encumbrances ("Permitted Encumbrances"). Notwithstanding the foregoing, the following items shall be deemed Permitted Encumbrances: (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any; (b) Reservation of minerals or mineral rights by the State of Minnesota, if any; (c) Utility and drainage easements which do not interfere with the Proposed Use; and (d) Applicable laws, ordinances, and regulations. Developer shall have the renewed right to object to the Title Evidence as the same may be revised or endorsed from time to time.

(ii) EDA's Cure. EDA shall be allowed twenty (20) days after the receipt of Developer's Objections to cure the same but shall have no obligation to do so. If such cure is not completed within said period, or if EDA elects not to cure such Objections, Developer shall have the options set forth in Section 3.4.

Section 3.4. Contingencies. This Agreement and the closing on the sale of the Property shall be contingent upon the following contingencies being satisfied on or before the Closing Date:

(a) Approval of Sale. This Agreement shall be contingent upon the EDA approving the sale of the Property for the Purchase Price at a public hearing to be held on or before August 31, 2016.

(b) Title. This Agreement shall be contingent upon Developer being satisfied with the Title Evidence by the Closing Date.

(c) Environmental. This Agreement shall be contingent upon Developer being satisfied with the environmental conditions of the Property.

If the contingencies in Section 3.4 are not met or waived, the Agreement shall be terminated and neither EDA nor Developer shall be liable to the other for any further obligations under this Agreement (except for such obligations as survive termination of this Agreement) and the Earnest Money shall be refunded to Developer. If contingencies are met but EDA refuses to proceed to Closing, EDA shall refund Earnest Money to Developer. If contingencies are met but Developer refuses to proceed to Closing, EDA shall be entitled to retain Earnest Money

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with Exhibit B and the approved Construction Plans and at all times prior to the Maturity Date, will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved, and kept in good repair and condition.

Section 4.2. Construction Plans.

(a) The Developer shall submit Construction Plans to the EDA for each residential building. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, with the Housing Replacement Program Guidelines and all applicable state and local laws and regulations. The EDA shall approve the Construction Plans if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to previously approved preliminary site and design plans and all applicable federal, State and local laws, ordinances, rules and regulations; (iii) the Construction Plans are adequate to provide for the construction of the Minimum Improvements; (iv) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer for the construction of the Minimum Improvements; and (v) no Event of Default has occurred. No approval by the EDA shall relieve the Developer of his obligation to comply with the terms of state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements. No approval by the EDA shall constitute a waiver of an Event of Default. Such Construction Plans shall be deemed approved unless rejected in writing by the EDA, in whole or in part. Such rejection shall set forth in detail the reasons and shall be made within 20 working days after the date of their receipt by the EDA. If the EDA rejects the Construction Plans, in whole or in part, the Developer shall submit new or corrected Construction Plans within 20 days after written notification of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the EDA.

(b) If the Developer desires to make any material change(s) in the Construction Plans after their approval by the EDA, the Developer shall submit the proposed change to the EDA for

its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the EDA shall approve the proposed change(s) and notify the Developer in writing of its approval. Such change in the Construction Plans shall be deemed approved by the EDA unless rejected, in whole or in part, by written notice to the Developer. Such rejection shall be made within 20 working days after receipt of the notice of change(s). The EDA's approval of a proposed change shall not be unreasonably withheld or denied.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements pursuant to the following schedule:

(a) Developer shall commence construction on one of the properties within the Development Property by December 31, 2016; and

(b) Developer shall complete construction on one property per year with the exception of 848 Allen Avenue, which may be completed on a construction schedule approved by the EDA; and

(c) Developer shall complete construction on all properties contained in the description of the Development Property by December 31, 2021.

All work with respect to the Minimum Improvements to be constructed by the Developer on the Development Property shall be in conformity with the Construction Plans submitted by the Developer and approved by the City. The Developer shall not do any work or furnish any materials not covered by the Construction Plans for which reimbursement is expected from the EDA.

The Developer agrees for himself, his successors and assigns, and every successor in interest to the Development Property, and the Quit Claim Deed shall contain covenants on the part of the Developer for himself and such successors and assigns, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the construction of the Minimum Improvements on the Development Property, and that such construction shall in any event be commenced and completed within the period specified in Section 4.3 of this Agreement. It is intended and agreed, and the Quit Claim Deed shall so expressly provide, that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, be binding for the benefit of the EDA and enforceable by the EDA against the Developer and his successors and assigns. Subsequent to conveyance of the Development Property to the Developer, and until construction of the Minimum Improvements has been completed, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the EDA, as to the actual progress of the Developer with respect to such construction.

Section 4.4. Certificate of Completion.

(a) Promptly after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for beginning and completion), the EDA will furnish the Developer with an appropriate instrument certifying the completion of said Minimum Improvements for each Property within the Development Property. Such certification by the EDA shall be a conclusive satisfaction and termination of the agreements and covenants in the Agreement and in the Quit Claim Deed with respect to the obligations of the Developer for each lot, and his successors and assigns, to construct the Minimum Improvements within the timeframe established by this Agreement. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 4.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments substantially similar to the form attached hereto as Exhibit D and incorporated herein. If the EDA shall refuse or fail to provide any certification in accordance with the provisions of Section 4.4 of this Agreement, the EDA shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the EDA, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be completed when such Minimum Improvements are substantially completed. Such Minimum Improvements will be deemed to be substantially completed when the Developer has received a Certificate of Completion from the City.

ARTICLE V

Insurance and Condemnation

Section 5.1. Insurance.

(a) The Developer shall provide and maintain insurance in the following types and amounts at all times during the process of construction the Minimum Improvements, and shall provide to the EDA upon it request proof of payment of the requisite premiums and proof of current insured status:

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in

non-reporting form on the so-called "all risk" form of policy. The interest of the EDA shall be protected in accordance with a clause in form and content satisfactory to the EDA;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in a form and content satisfactory to the EDA and shall be placed with financially sound and reputable insurers licensed to transact business in the State. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the EDA in the event of cancellation of such policy or change affecting the coverage thereunder.

(b) Upon completion of construction of the Minimum Improvements and prior to the Maturity Date, the Developer shall maintain or cause to be maintained, at his sole cost and expense, and from time to time at the request of the EDA shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal and collapse in an amount not less than the full insurable replacement value of the Minimum Improvements.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property in the minimum amount for each occurrence and for each year of One Million Five Hundred Thousand Dollars (\$1,500,000.00), which shall be endorsed to show the EDA as additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of his liability for worker's compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained with responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer shall deposit annually with the EDA policies evidencing all such insurance coverages, or a certificate

or certificates or binders of the respective insurers stating that such insurance is in full force and effect. Unless otherwise provided in Article V of this Agreement, each policy shall contain a provision that the insurer shall not cancel nor modify it without giving written notice to the Developer and the EDA at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer shall furnish the EDA evidence satisfactory to the EDA that the policy has been renewed or replaced by another policy conforming to the terms of this Agreement. In lieu of separate policies, the Developer shall deposit with the EDA a certificate or certificates of the respective insurers as to the amount of coverage in force.

(d) The Developer agrees to notify the EDA immediately in the case of damage exceeding five thousand dollars (\$5,000.00) in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In the event that any such efforts to repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or the extent necessary to accomplish such repair, reconstruction and restoration, the Developer shall apply the Net Proceeds of any insurance settlement or payment relating to such damage received by the Developer to the payment or reimbursement of the costs. Net Proceeds of any insurance settlement or payment relating to such damage up to five thousand dollars (\$5,000.00) shall be paid directly to the Developer.

In the event the Minimum Improvements or any portion thereof are destroyed in fire or other casualty and the damage or destruction is estimated to equal or exceed five thousand dollars (\$5,000.00), then the Developer shall, unless otherwise mutually agreed, within one hundred and eighty (180) days after such damage or destruction, use his best efforts to proceed to repair, reconstruct and restore the damaged Minimum Improvements to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer shall apply the Net Proceeds of any insurance settlement or payment relating to such damage or destruction received by the Developer from the EDA to the payment or reimbursement of the costs thereof. Any Net Proceeds remaining after completion of construction shall be disbursed to the Developer.

(e) If the Developer is in compliance with the terms and conditions of this Agreement, then any Net Proceeds of insurance relating to such damage or destruction received by the EDA shall be released on a schedule as determined by the EDA to the Developer upon the receipt of:

(i) A certificate of an authorized representative of the Developer specifying the expenditures made or to be made or the indebtedness incurred in connection with such repair, reconstruction and restoration and stating that such Net Proceeds, together with any other monies legally available for such purposes, will be sufficient to complete such repair, construction and restoration; and

(ii) If Net Proceeds equal or exceed five thousand dollars (\$5,000.00) in amount, the written approval of such certificate by an independent architect or engineer.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance settlement or payment received by the Developer for such purposes are sufficient to pay for the same. Any Net Proceeds remaining after completion of such repairs, construction and restoration shall be remitted to the Developer.

Section 5.2. Condemnation. In the event that title to and possession of the Minimum Improvements or any material part thereof shall be taken in condemnation or by the exercise of eminent domain authority by any governmental body or other person (except the EDA) prior to the Maturity Date, the Developer shall, with reasonable promptness after such taking, notify the EDA as to the nature and extent of such taking. Upon receipt of any Condemnation Award and subject to the rights of the first Mortgagee, the Developer shall use the entire Condemnation Award to reconstruct the Minimum Improvements (or, in the event only a part of the Minimum Improvements have been taken, then to reconstruct such part) within the Project.

ARTICLE VI

Prohibitions Against Assignment and Transfer; Indemnification

Section 6.1. Representation as to Redevelopment. The Developer represents and agrees that his purchase of the Development Property, and his other undertakings pursuant to this Agreement, are, and will be used, for the purpose of redevelopment of the Development Property and not for speculation. The Developer further recognizes that, in view of (a) the importance of the redevelopment of the Development Property to the general welfare of the community; and (b) the substantial financing and other public aids that have been made available by the EDA for the purpose of making such redevelopment possible, the identity of the Developer is of particular concern to the community and the EDA. The Developer further recognizes that it is because of Developer's qualifications and identity that the EDA is entering into this Agreement with the Developer, and in so doing, is further willing to accept and rely on the obligations of the Developer for the faithful performance of all undertakings and covenants hereby to be performed.

Section 6.2. Prohibition Against Transfer of Property and Assignment of Agreement. For the foregoing reasons the Developer represents and agrees that until the Maturity Date:

(a) The Developer has not made or created, and that it will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the EDA.

(b) The EDA shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that:

(i) Any proposed transferee shall have the qualifications and financial responsibilities, as determined by the EDA, necessary and adequate to fulfill the obligations

undertaken in this Agreement by the Developer (or in the event the transfer is of or relates to part of the Development Property, such obligations to the extent that they relate to such part);

(ii) Any proposed transferee, by instrument in writing satisfactory to the EDA and in form recordable with the land records, shall, for itself, and assigns, and expressly for the benefit of the EDA, expressly assume all of the obligations of the Developer under this Agreement and agree to be subject to all the conditions and restrictions to which the Developer is subject (or, in the event the transfer is of or relates to part of the Development Property, such obligations, conditions and restrictions to the extent that they relate to such part) unless the Developer agrees to continue to fulfill those obligations, in which case the preceding provisions of this Section 6.2(b)(ii) shall not apply: Provided, that the fact that any transferee of, or any other successor in interest whatsoever to the Development Property or any part thereof, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the EDA) deprive or limit the EDA of or with respect to any rights or remedies or controls with respect to being the intent that no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the EDA of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Development Property and the construction and acquisition of the Minimum Improvements that the EDA would have had, had there been no such transfer or change; and

(iii) There shall be submitted to the EDA for review all instruments and other legal documents involved in effecting transfer; and if approved by the EDA, its approval shall be indicated to the Developer in writing.

Section 6.3. Release and Indemnification Covenants.

(a) The Developer covenants and agrees that the EDA, the City and the City Council, and its officers, agents, servants and employees are not liable for and agrees to release, indemnify and, hold harmless the EDA, the City and the City Council, officers, agents, servants and employees against any 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 Minimum Improvements, except for loss or damage resulting in willful misconduct or willful negligence of the EDA, the City or the City Council, officers, agents, servants or employees.

(b) Except for any willful misrepresentations or any willful or wanton misconduct or negligence of the following named parties, the Developer agrees to protect and defend the EDA, the City and the City Council, and its officers, agents, servants and employees, now and forever, and further agrees to hold the EDA harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements.

(c) Except as otherwise specifically provided in this Agreement, the EDA, the City and the City Council, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of Developer, his officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person other than the EDA, the City or the City Council members, officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA and not of any City Council member, officer, agent, servant or employee of the City or the EDA in his or her individual capacity.

(e) Developer shall indemnify, release, and hold harmless the EDA, its officers, agents, servants and employees, as well as the City, the City Council, and its officers, agents, servants and employees, against all costs, damages or expenses the EDA may incur in enforcing any obligation, agreement or covenant that runs with the Development Property, including attorneys' fees.

ARTICLE VII

Events of Default

Section 7.1. Events of Default Defined. The term "Event of Default" shall mean any one or more of the following events:

(a) Failure by the Developer to pay when due any payments required to be paid under this Agreement.

(b) Failure by the Developer to commence, construct and/or complete the Minimum Improvements when required pursuant to Article IV of this Agreement.

(c) Failure by the Developer to pay real estate taxes due for the Development Property in a timely manner.

(d) Failure by the Developer to observe or perform any other covenant, condition, obligation or agreement on his part to be observed or performed hereunder.

(e) If the Developer:

(i) Files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or state law; or

(ii) Makes an assignment for the benefit of his creditors; or

(iii) Admits in writing his inability to pay his debts generally as they become due; or

(iv) Is in default under any mortgage and fails to cure such default within thirty (30) days of a written demand from the EDA to do so; or

(v) Is adjudicated bankrupt or insolvent, or if a petition or answer proposing the adjudication of the Developer, as a 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 ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Developer and shall not be discharged without ninety (90) days after such appointed, or if the Developer shall consent to or acquiesce in such appointment.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 of this Agreement occurs, the EDA may exercise its right under Section 7.2(a) below without notice to Developer and may take any one or more of the actions described in Section 7.2(b)-(e) after providing thirty (30) days written notice, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default cannot be cured within thirty (30) days, the Developer does not provide assurance to the EDA reasonably satisfactory to the EDA that the Event of Default will be cured as soon as reasonably possible:

(a) The EDA may suspend its performance under the Agreement until it receives assurances from the Developer, deemed adequate by the EDA, that the Developer will cure his default and continue his performance under the Agreement.

(b) The EDA may cancel and rescind or terminate this Agreement.

(c) The EDA may withhold the Certificate of Completion.

(d) The EDA may withhold the Net Proceeds from the insurance policies provided to the EDA pursuant to Section 5.1 of this Agreement and in accordance with the terms of the policies.

(e) The EDA may require the Developer to re-convey all remaining undeveloped properties and properties with incomplete projects within the Development Property to the EDA, free and clear of all liens and encumbrances.

(f) The EDA may take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the EDA to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement. Developer shall indemnify the EDA, EDA's officers, employees and agents against all costs, damages or expenses the EDA may incur in enforcing any obligation, agreement or covenant, including attorneys' fees.

Section 7.3. No Remedy Exclusive. No remedy conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative.

Section 7.4. No Additional Waiver Implied by One Waiver. In the event any condition contained in this Agreement should be breached by either party and thereafter waived by the 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.

ARTICLE VIII

Additional Provisions

Section 8.1. Conflict of Interests; EDA Representatives Not Individually Liable. No member, official, or employee of the EDA shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects personal interests or the interests of any corporation, partnership or association in which the person is directly or indirectly interested. No member, official, or employee of the EDA shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the EDA or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 8.2. Restriction on Use. The Developer agrees for himself, his 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 devote the Development Property to the uses specified in Section 2.2 of this Agreement, and shall not discriminate upon the basis of race, color, creed, age, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected on it. These covenants, restrictions and conditions shall run with the land and be binding on all parties having any right of title or interest in the Development Property.

Section 8.3. 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 8.4. Notices and Demands. Except as otherwise provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

(a) Developer:

Mark Schroeder
147 Winona St.
West St. Paul, Minnesota 55118

(b) EDA:

West St. Paul Economic Development Authority
Attn: Executive Director
1616 Humboldt Avenue
West St. Paul, Minnesota 55118

Section 8.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 8.6. Survival of Provisions. The provisions of this Agreement and the representations, warranties and indemnities contained herein shall survive the execution and delivery of the Development Property Deed and the conveyance thereunder, shall not be merged therein, and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 8.7 Recording. The parties agree that this document shall be recorded against all properties in Development Property at the Dakota County Recorder's Office.

[Remainder of page intentionally blank]

EXHIBIT A

DEVELOPMENT PROPERTY

Legal Description

Real property in Dakota County, Minnesota, legally described as follows:

Property 1: PID: 42-83750-01-060

158 Haskell St. E.

Lot 6, Block 1, West Side Real Estate Co.'s Addition to the City of South St. Paul,
Dakota County, Minnesota

Property 2: PID: 42-44580-02-100

804 Dodd Rd.

Lot 10, Block 2, Lawton's Addition to St. Paul, Dakota County, Minnesota

Property 3: PID: 42-47700-01-110

270 Annapolis St. E.

Lot 11, Block 1, McClung and McMurrans Addition to St. Paul, Dakota County,
Minnesota

Property 4: PID: 42-20101-02-290 & PID: 42-20101-02-311

848 Allen Ave.

Lots Eight (8), Nine (9) and the North one-half (N ½) of Lot Ten (10) Except the East One Hundred and thirty five (135) feet thereof; All of Lots Twenty-eight (28), Twenty-nine (29); Thirty (30) and Thirty-one (31) and that part of Lot Twenty-seven (27) described as follows, to-wit: Commencing at a point on the North line of said Lot 27, 15 feet East of the Northwest corner thereof, thence Southeasterly in a straight line to a point on the South line of said Lot 27, 15 feet West of the Southeast corner thereof, thence North to the Northeast corner of said Lot 27, thence West to the place of beginning, all of said Lots being in Block Two (2) of Deppe's Second Addition to Saint Paul, Dakota County, Minnesota;

and

Lots 30 and 31, Block 2, Deppe's Second Addition to St. Paul, Dakota County,
Minnesota

Property 5: PID: 42-20101-02-010

831 Deppe St.

Lots 1 and 2, Block 2, Deppe's Second Addition to St. Paul, Dakota County, Minnesota

EXHIBIT B

DESCRIPTION OF MINIMUM IMPROVEMENTS

Construct at least one single family residential building on each property per the plans submitted and approved by the Building Official and on file with the City, including all landscaping and site improvements in accordance with the West St. Paul Housing Replacement Program Guidelines.

Additionally, the following General Specifications must be followed, except for such reasonable deviations as the EDA, in its sole discretion may permit:

- A. Construction Requirements and Design Guidelines. New home construction means conventional, on-site, stick built construction. Moved-in Home or manufactured housing are not acceptable.
- B. Occupancy. The residence must be owner-occupied for a period of two (2) years upon completion. This means that the Developer shall either personally occupy the residence for two (2) years from the date of issuance of the Certificate of Completion or shall convey the Redevelopment Property to a buyer who will occupy the single-family home for two (2) years from the Closing Date on the sale of the Redevelopment Property to the buyer.
- C. Site Preparation and Building Placement.
 - (1) Placement of the dwelling shall complement the site and be oriented to the street, neighboring structures and existing trees, unless otherwise approved by the Community Development Director and City Planner.
 - (2) All site plans shall include the location of existing trees. Existing trees should be preserved whenever possible. Snow fencing shall be placed and maintained at the drip line of existing trees during construction to protect existing root systems.
 - (3) Utility meters shall be screened from street view.
 - (4) Air conditioning units shall be located in the rear yard or screened if located on the side.
 - (5) Site preparation and building placement shall be architecturally consistent with the surrounding properties.
 - (6) The construction site grading and finished structure must not have a detrimental impact on storm water drainage patterns in the neighborhood. Neighboring properties should not be disturbed to create drainage swales.
 - (7) The construction process must not disturb adjoining properties. The construction site, neighboring properties and adjacent public streets must be kept free of construction debris at all times. No construction workers, equipment or materials shall enter neighboring properties without the permission of the property owners.

D. Construction Plans.

- (1) Only single family, detached dwellings may be constructed.
- (2) All building and construction plans shall be prepared in consultation with an Architect or an Architectural Designer with a minimum two-year technical degree.
- (3) All building and construction plans shall be architecturally consistent with the surrounding area.

E. Landscaping.

- (1) All sites must be fully landscaped upon completion and should include sod, walkways, trees and foundation plantings.
- (2) Existing trees shall be preserved whenever possible.
- (3) A landscaping plan must be provided to and approved by the City Planner.
- (4) Landscaping must be completed within six (6) months of the completion of the Home and warranted for a period of one year from installation.

F. Minimum Home Values. Upon completion, the lot plus house must meet or exceed the target end value of \$205,000.

G. Main Entry.

- (1) The dwelling shall contain a prominent main entrance with a covered entry or porch.
- (2) A sidewalk shall be provided from the driveway to the front entry of the dwelling.
- (3) The front entry shall be oriented to the street.

H. Interior Requirements.

- (1) A minimum of two (2) finished bedrooms are required.
- (2) The dwelling shall have a minimum of one and one-half (1 ½) baths.
- (3) The basement shall be at least one-half (½) the foundation size.

I. Exterior Materials and Roofing.

- (1) Exterior Materials may be comprised of the following:
 - (a) Maintenance Free Siding (Vinyl, Steel, and Aluminum)
 - (b) Cedar Shakes or Cedar Siding Boards (no Panels)
 - (c) Stucco
 - (d) Brick
 - (e) Stone
 - (f) LP Smartside Siding & Exterior Trim
- (2) Composite type siding (Masonite) is not acceptable.
- (3) Roof valleys must be metal, not woven. The roof pitch direction, if toward

neighboring homes, requires gutters to be installed.

J. Exterior Trim.

- (1) The dwelling shall have window trim consisting of standard-sized “brick mold” or 3½ -inch trim boards.
- (2) Shutters, if appropriate to style of dwelling, window size and placement, may be substituted for window trim.
- (3) Fascia and soffit shall be proportional and consistent with respect to style and scale of dwelling.

K. Garage and Driveway.

- (1) A single car garage is required and the garage should be consistent with the dwelling in style and exterior materials used.
- (2) The appearance of the garage from the street should be minimized.
- (3) Driveways may be no wider than 25 feet at the public right-of-way.

**EXHIBIT C
(SAMPLE)
QUIT CLAIM DEED**

THIS INDENTURE, between the West St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the constitution and laws of Minnesota (the “Grantor”), and Mark Schroeder, an individual (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$104,900.00 and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, quit claim and convey to the Grantee, his heirs and assigns forever, all the tract or parcel of land lying and being in the County of Dakota and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

Property 1: PID: 42-83750-01-060
158 Haskell St. E.

Lot 6, Block 1, West Side Real Estate Co.’s Addition to the City of South St. Paul,
Dakota County, Minnesota

Property 2: PID: 42-44580-02-100
804 Dodd Rd.

Lot 10, Block 2, Lawton’s Addition to St. Paul, Dakota County, Minnesota

Property 3: PID: 42-47700-01-110
270 Annapolis St. E.

Lot 11, Block 1, McClung and McMurrans’s Addition to St. Paul, Dakota County,
Minnesota

Property 4: PID: 42-20101-02-290 & PID: 42-20101-02-311
848 Allen Ave.

Lots Eight (8), Nine (9) and the North one-half (N ½) of Lot Ten (10) Except the East One Hundred and thirty five (135) feet thereof; All of Lots Twenty-eight (28), Twenty-nine (29); Thirty (30) and Thirty-one (31) and that part of Lot Twenty-seven (27) described as follows, to-wit: Commencing at a point on the North line of said Lot 27, 15 feet East of the Northwest corner thereof, thence Southeasterly in a straight line to a point on the South line of said Lot 27, 15 feet West of the Southeast corner thereof, thence North to the Northeast corner of said Lot 27, thence West to the place of beginning, all of said Lots being in Block Two (2) of Deppe’s Second Addition to Saint Paul, Dakota County, Minnesota;

and

Lots 30 and 31, Block 2, Deppe’s Second Addition to St. Paul, Dakota County,
Minnesota

Property 5: PID: 42-20101-02-010
831 Deppe St.

Lots 1 and 2, Block 2, Deppe's Second Addition to St. Paul, Dakota County, Minnesota

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging in now or hereafter pertaining, to the said Grantee, his heirs and assigns, forever,

Provided:

SECTION 1

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement entered into between the Grantor and Grantee on the _____ day of _____, 2016 identified as "Contract for Private Redevelopment" (hereinafter referred to as the "Agreement") and that the Grantee shall not convey the Property, or any part thereof, without the consent of the Grantor, until a Certificate of Completion of this Agreement as to the Property or such part thereof then to be conveyed, has been placed of record with Dakota County. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of Property hereby conveyed and from erecting improvements in conformity with the Agreement, any applicable redevelopment plan and applicable provisions of the Zoning Ordinance of the City of West St. Paul, Minnesota.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of the satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and his heirs and assigns, to construct the improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Dakota County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what

respects the Grantee has failed to complete with the improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2

In the event the Grantee herein shall, prior to the recording of the certificate of completion referred to above:

(a) Fail to begin construction of the improvements provided for in this Deed and the Agreement in conformity with the Agreement and such failure is not due to Unavoidable Delays and is not cured within thirty (30) days after written notice to do so; or

(b) Default in or violate his obligations with respect to the construction of the improvements provided for in this Deed and the Agreement, or shall abandon or substantially suspend construction work, and such default, violation or failure is not due to Unavoidable Delays and any default or violation, abandonment or suspension is not cured, ended or remedied within thirty (30) days after written demand by the Grantor to do so; or

(c) Fail to pay real estate taxes or assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by the Agreement with the Grantor, or shall suffer any levy or attachment to be made, or any mechanic's liens, or any other unauthorized encumbrances or liens to attach, and such taxes or assessments shall not have been paid or the encumbrance or lien removed or discharged, or provisions satisfactory to the Grantor made for such payments, removal or discharge, within 30 days after written demand by the Grantor to do so; provided, that if the Grantee shall first notify the Grantor of his intention to do so, it may in good faith contest any mechanic's or other lien filed or established and in such event the Grantor shall permit such mechanic's or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal, but only if the Grantee provides the Grantor with a bank letter of credit or other security in the amount of the lien, in a form satisfactory to the Grantor pursuant to which the bank will pay to the Grantor the amount of any lien in the event that the lien is finally determined to be valid and during the course of such contest the Grantee shall keep the EDA informed respecting the status of such defense; or

(d) Cause, in violation of the Agreement or of this Deed, any transfer of the Property or any part thereof, and such violation shall be not cured within sixty (60) days after written demand by the Grantor to the Grantee; or

(e) Fail to comply with any of his other covenants under the Agreement and fail to cure any such noncompliance within thirty (30) days after written demand to do so; or

(f) Default under the terms of a mortgage loan authorized by the Agreement and the holder of the mortgage exercises any remedy provided by the mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the mortgage;

then the Grantor shall have the right to re-enter and take possession of the Property and to terminate and revert in the Grantor the estate conveyed by this Deed to the Grantee, his heirs or successors in interest, but only if the events stated in Section 2(a-f) have not been cured within the time periods provided above, or if the events cannot be cured within such time periods, and the Grantee does not provide assurances to the EDA, reasonably satisfactory to the EDA, that the events will be cured as soon as reasonably possible.

The Grantor certifies that the Grantor does not know of any wells on the described real property.

SECTION 3

The Grantee agrees for himself and his heirs and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such heirs and assigns shall:

(a) Devote the Property to, and only to and in accordance with, the uses specified in any applicable redevelopment plan as amended and extended;

(b) Convey the Development Property to a buyer who will occupy the residential building. The Developer may not sell, lease, sublet, let or rent the Development Property without prior written consent of the EDA;

(c) Not discriminate on the basis of race, color, creed, national origin, age or sex in the sale, lease, rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, his heirs and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed beneficiary of the agreements and covenants provided herein. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled. Grantor shall be entitled to recover the costs for such enforcement, including attorneys' fees.

SECTION 4

This Deed is also given subject to:

- (a) Provision of the ordinances, building and zoning laws of the City of West St. Paul, state and federal laws and regulations in so far as they affect this real estate.
- (b) Taxes payable subsequent to the date of this conveyance.

[Remainder of page intentionally blank]

EXHIBIT D
(SAMPLE)
CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

WHEREAS, the West St. Paul Economic Development Authority, a public body corporate and politic, (the “Grantor”), by a Deed recorded in the Office of the County Recorder or the Registrar of Titles in and for the County of Dakota and State of Minnesota, as Document Number _____, has conveyed to Mark Schroeder, an individual (the “Grantee”), the following described land in the County of Dakota and State of Minnesota to-wit:

Property 1: PID: 42-83750-01-060
158 Haskell St. E.

Lot 6, Block 1, West Side Real Estate Co.’s Addition to the City of South St. Paul,
Dakota County, Minnesota

Property 2: PID: 42-44580-02-100
804 Dodd Rd.

Lot 10, Block 2, Lawton’s Addition to St. Paul, Dakota County, Minnesota

Property 3: PID: 42-47700-01-110
270 Annapolis St. E.

Lot 11, Block 1, McClung and McMurrans’s Addition to St. Paul, Dakota County,
Minnesota

Property 4: PID: 42-20101-02-290 & PID: 42-20101-02-311
848 Allen Ave.

Lots Eight (8), Nine (9) and the North one-half (N ½) of Lot Ten (10) Except the East One Hundred and thirty five (135) feet thereof; All of Lots Twenty-eight (28), Twenty-nine (29); Thirty (30) and Thirty-one (31) and that part of Lot Twenty-seven (27) described as follows, to-wit: Commencing at a point on the North line of said Lot 27, 15 feet East of the Northwest corner thereof, thence Southeasterly in a straight line to a point on the South line of said Lot 27, 15 feet West of the Southeast corner thereof, thence North to the Northeast corner of said Lot 27, thence West to the place of beginning, all of said Lots being in Block Two (2) of Deppe’s Second Addition to Saint Paul, Dakota County, Minnesota;

and

Lots 30 and 31, Block 2, Deppe’s Second Addition to St. Paul, Dakota County,
Minnesota

Property 5: PID: 42-20101-02-010
831 Deppe St.

Lots 1 and 2, Block 2, Deppe's Second Addition to St. Paul, Dakota County, Minnesota

and

WHEREAS, said Deed contained certain covenants and restrictions, the breach of which by Grantee, his heirs and assigns, would result in a forfeiture and right of re-entry by Grantor, its successors and assigns; and

WHEREAS, said Grantee has to the present date performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been performed by the Grantee therein and that the provisions for forfeiture of title and right to re-entry for breach of condition subsequent by the Grantor therein is hereby released absolutely and forever insofar as it applies to the land described herein, and the County Recorder or the Registrar of Titles in and for the County of Dakota and State of Minnesota is hereby authorized to accept for recording and to record this instrument, which is a conclusive determination of the satisfactory termination of the covenants and conditions of the contract referred to in said Deed, the Breach of which would result in a forfeiture and right of re-entry, but the remaining covenants created by Sections 2 and 3 of said Deed shall remain in full force and effect as set forth therein.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director and has caused its corporate seal to be hereunto affixed this _____ day of _____, 2016.

WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Its: President

By: _____

Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ and _____, the President and Executive Director respectively, of the West St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

Notary Public

This instrument was drafted by:

Korine L. Land
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831

TO: EDA PRESIDENT AND BOARD
FROM: EXECUTIVE DIRECTOR
DATE: AUGUST 08, 2016



City of West Saint Paul

SUBJECT:

Business Subsidy Request – 260 Marie Avenue

BACKGROUND INFORMATION:

On May 23, the Board reviewed a Concept Plan from James, Dan and Noah Tilsen, the owners of Westview Park Apartments. The Board requested that they hold a neighborhood meeting and present the neighbors' comments to the Board at a future meeting.

The project involves purchasing 260 Marie Avenue, demolishing the building and constructing a new \$8 million dollar, three-story, 58-unit market rate apartment facility. The facility would include 58 underground parking stalls and 58 above ground stalls. The current tax value equals \$10,000. The new estimated tax value would generate \$150,000 annually.

The applicant is requesting \$49,450 to cover half of the demolition costs. The subsidy would be contingent on all City approvals, including rezoning and site plan approval. Bolander and Sons Company submitted the lowest bid totaling \$98,900 (see attached bids).

The subject area would also need to be rezoned from I-1 Industrial to R-4 multi-family (see attached map). Rezoning will take approximately two months and could be reviewed by the Planning Commission on September 20 and final approval by the City Council on September 26.

		Amount
Fund:	EDA Fund	
Department:	Comm. Dev.	
Account:	N/A	\$49,450

STAFF RECOMMENDATION:

Review the attached comments from the neighborhood meeting. If the Board wishes to move forward, staff will present a request from the Tilsen's at the regular EDA meeting for consideration of a business subsidy of \$49,450 for demolition assistance.

ATTACHMENTS:

- Letter from the owners of Westview Park Apartments
- Summary of Neighborhood Meeting
- Concept Drawing
- Zoning Map
- Business Subsidy Application
- Demolition Bids
- Development Agreement

WESTVIEWPARK APARTMENT HOMES

*285 Westview Drive
West St. Paul, Minnesota 55118
Office 651-451-2998 Fax 651-455-4948*

City of West Saint Paul

Honorable Members of the Board:

We are negotiating the purchase the health center on 260 Marie. The property abuts our property to the north and is currently vacant. We are very concerned about its current blighted condition.

We believe a new market rate apartment building would be the best option and would greatly benefit the neighborhood and our city. As it stands now, an unused and unsightly building is bringing nothing to the community and has remained virtually untouched for over ten years. There has not been many new multi-family housing being built in West Saint Paul over the last thirty years. This new building will help property value of the direct residential neighbors. The proposed building would cost over \$8,000,000 to construct. This would increase the property taxes paid from \$10,000 to over \$150,000 per year.

Our proposal is to build a 58 unit three story apartment building with underground parking for 58 spots along with 58 surface parking spots.

In order to accomplish this we are asking for increased density to 58 units and setbacks that currently exist on the property, 40' front and 15' setback to the industrial. The plan also has the decks encroaching into the front setback by 6'. We feel this is justified because of the triangular nature of the site and the extra-large 100' right-of-way for Marie Avenue.

We hope to create green energy-efficient higher-end market-rate living situations that will complement the neighborhood, the community, and our city.

The current building's large cement box which covers the pool will be approximately the same height as what we intend to build. The property is currently zoned for Light Industrial. Offices are becoming harder to fill and warehouses for this property would be too small. Our expertise is in multi-family housing and we believe this would be an appropriate option in this location, as it is already next to our apartment homes.

Westview Park Apartments is West Saint Paul's largest apartment community with 298 market-rate units. We are family owned and operated and we take pride to be located in West Saint Paul. Westview Park looks forward to working with the City of West Saint Paul to make our community the best it can be.

Thank you very much,

James Tilsen
Daniel Tilsen
Noah Tilsen

Westview Park Apartments Limited Partnership

A Summary of the Community Meeting Regarding the Future of 260 Marie Ave Held at Westview Park Apartments' Community Room

12 People signed in, however more were in attendance, including Councilmember Bellows.

- Both councilmembers of the ward attended, Bellows & Napier
- The seller's realtor, Dean Trongard attended
- Westview Park representatives were present: James Tilsen, Dan Tilsen, Noah Tilsen, Janie Tilsen, and Debbie Brookins

9 Comment cards were received

- 5 support Westview's apartment proposal (2 did not attend meeting, 1 was filled by an employee)
- 4 were opposed

Concerns:

- Traffic
- Foot Traffic
- Parking issues
- Line of sight entering Marie
- Placement of garage/ obstructing Marie
- Crime
- Noise
- Neighbors being able view residents from balcony
- Water runoff / reservoir placement
- Youth hangout / congregation

Suggestions:

- All brick
- Upscale apartment
- Install more trees / privacy fence / raised earth

Other suggested uses:

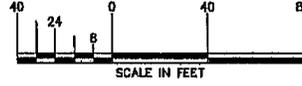
- Office
- Something 9-5 m-f only, not 24/7 365
- Park
- Green space

WESTVIEW PARK

APARTMENT HOMES

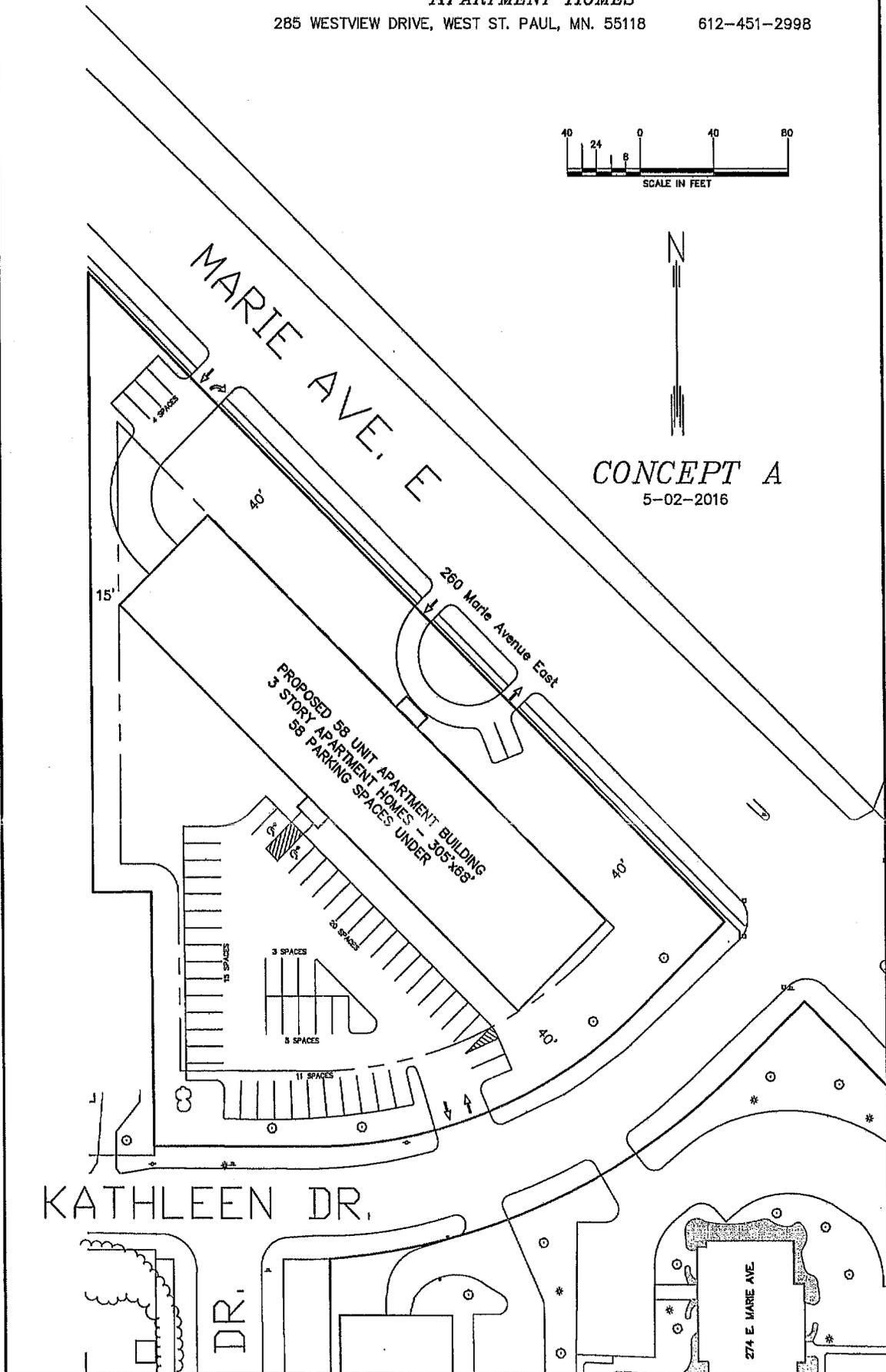
285 WESTVIEW DRIVE, WEST ST. PAUL, MN. 55118

612-451-2998

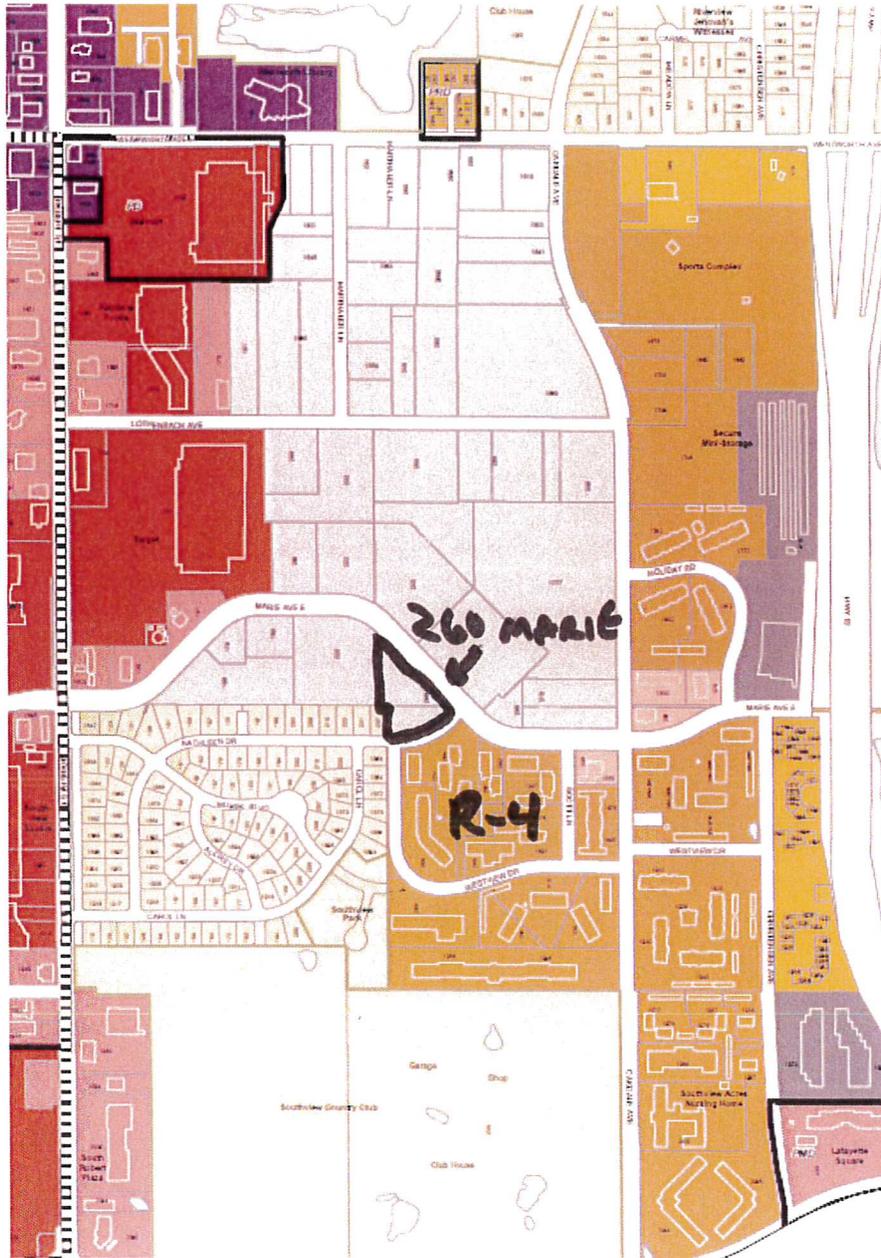


CONCEPT A

5-02-2016



260 Marie – Zoning Map



Residential

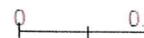
- R-1 - One Family Residential
- R-2 - Two Family Residential
- R-3 - Townhouse Residential
- R-4 - Multiple Family Residential
- C - Conservancy District

Commercial

- B-1 - Limited Business
- B-2 - Neighborhood Business
- B-3 - General Business
- B-4 - Shopping Center
- B-5 - Gateway North Mixed-Use District
- B-6 - Town Center Mixed-Use District

Industrial

- I-1 - Light Industrial
- I-2 - General Industrial



Scheduled Project (Demolition and Screening) Start Date: October 2016

Project Completion Date: November 2016

We have offered the fire and police departments use of the building for training before demolition and they both are interested.

New Building 2017

Sources of Funds:

	Source Amt.	Pct. Rate	Term	Collateral	Payment
Personal Equity	\$		N/A	N/A	N/A
Business Equity	\$ 68,525				
Bank:					
Bank:					
Other:					
West St. Paul EDA	\$ 49,450				
Total Sources	\$ 117,975	100%			

All grants require at least equal to the amount of the grant.

Please include the following with your application:

A map showing the location of the project.

A statement indicating why the funds are necessary to undertake this project, how proposal meets business subsidy criteria, and if the project will proceed without assistance.

- The existing building has been vacant for almost 10 years and is a danger and an eyesore to the neighborhood, and depresses surrounding property values. Our understanding is that the City had previously planned on completing this demolition on its own. The feasibility and success of our proposed new multi-family building is contingent upon the cost, and this demolition is a major cost.
- New building will provide modern homes and substantial property tax increase for the City.

Additional information may be requested as needed. The City of West St. Paul reserves the right to approve or deny applications for the Business Subsidies Program.

I certify that the above information, and any additional information enclosed herein, is true and correct to the best of my knowledge.

Signature of Applicant: _____ Date: _____

Submit to: Jim Hartshorn, Community Development Director
City of West St. Paul
1616 Humboldt Avenue
West St. Paul, MN 55118
Or email to jhartshorn@wspmnp.gov

For further information or clarification, call (651) 552-4140



251 STARKEY ST. - P.O. BOX 7216
SAINT PAUL, MINNESOTA 55107
PHONE: (651) 224-6299 FAX: (651) 223-8197

To: Noah Tilsen
Westview Park Apartments
(651) 451-2998 w
(651) 455-4948 f
285 Westview Drive
West Saint Paul, MN 55118

Bid Date: August 1, 2016
Project: Southview Athletic Club
260 Marie Ave
West St. Paul, MN

Bolander submits pricing as follows: Structure Demolition \$ 98,900.00

Inclusions:

1. Complete structure demolition including city demo permit.
2. Allowance of \$2,500.00 for water and sewer disconnects.
3. Category one non-friable, non-regulated ACM on flashing and other above grade areas.
4. Slope basements and surrounding areas for OSHA safe slopes.
5. Seed and Mulch disturbed area.

Exclusions:

1. Bond; add 1% if required
2. Testing, monitoring & inspections, survey, layout work
3. Engineering, design, preconstruction video and survey
4. Shoring, bracing, earth retention, underpinning
5. **Asbestos/lead/chemicals/hazardous materials testing or removal**
6. Sealing of wells
7. Underground tanks
8. Removal and disposal of Municipal Solid Waste (MSW)
9. Removal or relocation of buried: debris, rubble, and/or obstructions
10. Dust/weather/safety barriers
11. Utility relocates/re-routes
12. Traffic control

This proposal is subject to review by Bolander in 30 days.

Thank you for the opportunity to bid this project to your firm.

Sincerely,

Andy Ristrom
612-242-4118 cell



1301 South Concord Street
South St. Paul, MN 55075
Direct: 651.457.3600
Fax: 651.731.7794
www.kamishexcavating.com

PROPOSAL

To: Noah Tilson
(651) 451-2998 phone #
noahwestview@gmail.com

Job: 260 Marie Ave.
"Athletic Club Demo"

From: Brad Ensrude

Date: 8/01/16

INCLUDES: Complete demolition, removal, and disposal of the commercial building located at 260 Marie Ave in West St Paul, MN.. This would include all necessary permits, One sewer and water disconnect at the property line, MPCA demolition notification, City demolition permit, erosion control as per city requirements, complete foundation removal, proper disposal of the demolition debris, disposal of the non-friable foundation waterproofing along with the foundation debris, and rough grading of the site with on-site soil.

Total \$121,350.00

Alternates: 1.) Add for removal and disposal of the asphalt parking lot. \$12,500.00

- NOT INCLUDED:**
- 1.) Asbestos / Hazardous materials abatement
 - 2.) Payment of any outstanding water bills or taxes to get permits.
 - 3.) Import of fill material, or topsoil and seed for final ground cover.
 - 4.) Clearing & grubbing of trees and shrubs.
 - 5.) Temporary hydro-seeding of the lot if required.

Submitted by: Brad Ensrude (Brad Ensrude - 651.775.0848 cell)

AGREEMENT FOR DEMOLITION ASSISTANCE

THIS AGREEMENT, made on this _____ day of _____, 2016, by and between the West St. Paul Economic Development Authority, a Minnesota public body corporate and politic, located at 1616 Humboldt Avenue, West St. Paul, Minnesota 55118 (“the EDA”), and Westview Park Apartments Limited Partnership, a Minnesota limited partnership, located at 285 Westview Drive, West St. Paul, Minnesota 55118 (“Westview Park”).

RECITALS

WHEREAS, the EDA was created pursuant to Minnesota Statutes, Sections 469.001 through 469.047 and 469.090 through 469.108 (“the Act”), and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of West St. Paul (“the City”);

WHEREAS, in furtherance of the objectives of the Act, the EDA has undertaken various projects to promote the creation of housing, economic and job opportunities within the City, and in this connection is engaged in carrying out a redevelopment project currently known as the 260 East Marie Avenue Project (“the Project”); and

WHEREAS, among the powers possessed by the EDA is the power to carry out within a redevelopment project undertakings and activities for the elimination or prevention of the development or spread of slums or blighted, deteriorating areas and for economic development; and

WHEREAS, the Project is located on a parcel of real property, more particularly described and incorporated herein as Exhibit A (“Redevelopment Property”), which is in need of redevelopment in order to help maximize economic development opportunities for the community; and

WHEREAS, the Redevelopment Property is in a substandard condition and the deterioration caused blight to adjoining properties; and

WHEREAS, in order to achieve the objectives of the EDA, the EDA is prepared to assist with demolition of the Redevelopment Property to promote economic development; and

WHEREAS, the Project will increase the property tax base through new construction; and

WHEREAS, Westview Park has requested a Loan for demolition assistance, as it intends to demolish the existing structure and remove all construction debris and Westview Park intends to redevelop the property with a development that is consistent with the City Code, Zoning Ordinance, and the EDA's Minimum Improvements (attached as Exhibit B); and

WHEREAS, if Westview Park commences demolition within 90 days, commences construction on the Property that complies with the Minimum Improvements within 1 year and completes the Project within 3 years, 100% of the Loan will be forgiven but, if Westview Park fails to comply, 100% of the Loan, with interest, will be immediately due and payable to the EDA; and

WHEREAS, the EDA believes that the redevelopment of the Property pursuant to this Agreement, and fulfillment generally of this Agreement are in the best interests of the EDA and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

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. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Section 469.001 through 469.047 and Section 469.090 through 469.108.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented, in writing.

“City” means the City of West St. Paul, Minnesota.

“Commencement Date” or “Commence Construction” shall mean the date that demolition permits are approved for demolition of the existing building or means the date that building permits for the construction of a new building are approved by the City, as applicable.

“Construction Plans” means the plans, specifications, drawings, and related documents on the construction work to be performed by the Developer on the Redevelopment Property, which shall be sufficiently detailed to include all plans that the City may reasonably request to allow it to ascertain the nature and quality of the proposed Minimum Improvements.

“County” means Dakota County.

“Demolition Costs” means the cost to demolish and remove the existing structures on the Redevelopment Property.

“EDA” means the West St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of the State of Minnesota, or any successor or assign.

“Event of Default” means an action by the Developer listed in Article VI of this Agreement.

“Minimum Improvements” means the demolition and removal of the current structures, and construction of a new market-rate apartment building on the Property that is owned by Developer. The Minimum Improvements are more fully described in Exhibit B, hereby incorporated.

“Developer” means Westview Park Apartments Limited Partnership, a Minnesota limited partnership, located at 285 Westview Drive, West St. Paul, Minnesota 55118.

“Loan” means the amount of reimbursement of Demolition Costs that the EDA will pay to Developer pursuant to this Agreement.

“Permitted Encumbrances” means the following encumbrances on the title to the Redevelopment Property: (i) such encumbrances as are mutually agreed to by the EDA and the Developer; (ii) governmental regulations, if any, affecting the use and occupancy laws of the Redevelopment Property and Minimum Improvements; (iii) zoning laws of the City, County, and State, reservations to the State, in trust for the taxing districts concerned, of minerals and mineral rights in those portions of the Redevelopment Property the title to which may have at any time been forfeited to the State for nonpayment of real estate taxes; and (iv) the lien of unpaid real estate taxes, if any, not presently payable but to be paid as part of the annual taxes to become due.

“Project” or “Redevelopment Project” means the demolition of the existing buildings at 260 East Marie Avenue, West St. Paul, Minnesota and construction of a 3-story market-rate apartment building with approximately 58-units, with underground and surface parking, or such plans that are approved by the City Council and EDA, which is valued at approximately \$8 million.

“Redevelopment Property” or “Property” means the real property described in Exhibit A of this Agreement.

“State” means the State of Minnesota.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused, which are the direct result of strikes, other labor troubles, weather, fire, or other casualty to the Minimum Improvements, litigation commenced by third parties which, by

injunction or other similar judicial action, results in delays, or acts of any federal, state or local governmental unit (other than the EDA in exercising its rights under this Agreement) that result in delays.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the EDA. The EDA makes the following representations as the basis for the undertaking on its part:

- (a) The EDA is duly organized and existing under the laws of the State. Under the provisions of the Act, the EDA has the power to enter into this Agreement and carry out its obligations.
- (b) The activities of the EDA are undertaken for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight, for the purposes of increasing the tax base and economic development opportunities within the City.
- (c) The Redevelopment Property is properly zoned or will be properly zoned by the Commencement Date for construction of the Project.
- (d) Upon proof of paid receipts or paid invoices of the Demolition Costs, the EDA will reimburse the Developer for a portion of the actual Demolition Costs, in an amount not to exceed _____ Dollars (\$_____). If the Developer Commences Construction of a market rate apartment building on the Property within one (1) year of the date of this Agreement, and completes construction in accordance with the Minimum Improvements within three (3) years, then 100% of the Loan will be forgiven.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

- (a) The Developer intends to acquire the Redevelopment Property.
- (b) The undertakings in this Agreement are and will be used for the purpose of redevelopment of the Redevelopment Property and not for speculation.
- (c) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the EDA in the Redevelopment Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the EDA is aware). The Developer is aware of no facts, the existence of which would cause it to be in violation of any local, state, or federal environmental law, regulation or review procedure or which give any person a valid claim under any of the foregoing.
- (d) The Developer will obtain, in a timely manner, all required permits, licenses, insurance and approvals, and will meet all requirements of all applicable local, state, and federal

laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed or acquired.

- (e) The Developer will cooperate with the EDA with respect to any litigation other than litigation in which the EDA and the Developer are adverse parties, commenced with respect to the Redevelopment Project.
- (f) In the event that this Agreement is terminated by the EDA as a result of an Event of Default, the Developer agrees that the Developer will, within 10 days of a written demand by the EDA, reimburse the EDA for all of its costs and expenses, including reasonable fees of attorneys and consultants, incurred in connection with the negotiation, preparation and implementation of this Agreement.
- (g) Whenever any Event of Default occurs and the EDA employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that the Developer shall, within 10 days of written demand by the EDA, pay to the EDA the reasonable fees of attorneys and other expenses so incurred by the EDA.

ARTICLE III

Demolition of Redevelopment Property

Section 3.1. Demolition of Redevelopment Property. The Developer shall commence demolition of existing buildings on the Redevelopment Property at the Developer's expense within 90 days of acquiring the Property and complete demolition and removal of all demolition debris within 90 days of the Commencement Date of demolition.

Section 3.2. Time of Reimbursement for Demolition. Subject to satisfaction of the terms and conditions contained in this Agreement and the timing of Section 3.1, and after the EDA has confirmed that the requirements of Section 3.1 have been satisfied, as long as the Developer is not in default, then upon proof of paid receipts or paid invoices of the Demolition Costs, the EDA will reimburse the Developer for actual Demolition Costs, in an amount not to exceed _____ Dollars (\$_____) within 30 days of submission of such paid receipts.

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. The Developer agrees that the Developer will construct the Minimum Improvements on the Redevelopment Property pursuant to Exhibit B.

Section 4.2. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall Commence Construction of the market-rate apartment building within one (1) year of the date of this Agreement. Subject to Unavoidable Delays, the Developer shall complete construction in accordance with the Minimum Improvements within three (3) years of the date of this Agreement.

The Developer agrees for the Developer, any successors and assigns, and every successor in interest to the Redevelopment Property shall contain covenants on the part of the Developer and such successors and assigns, that the Developer, and such successors and assigns, will promptly begin and diligently prosecute to completion the Redevelopment Property through the construction of the Minimum Improvements, and that the construction will in any event be commenced and completed within the period specified in Sections 3.1 and 4.2 of this Agreement. It is intended and agreed that any agreements and covenants will be covenants running with the land and that they will, in any event, and without regard to technical classification or designation, be binding for the benefit of the EDA and enforceable by the EDA against the Developer and the Developer's successors and assigns.

ARTICLE V

Prohibitions Against Assignment and Transfer; Indemnification

Section 5.1. Prohibition Against Transfer of Property and Assignment of Agreement.
The Developer represents and agrees that:

- (a) The Developer has not made or created, and will not make or create, or suffer to be made or created, any total or partial sale, assignment, lease, conveyance or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Redevelopment Property or any part of or any interest in, or any contract or agreement to do any of the same, without the prior written approval of the EDA.
- (b) The EDA is entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that:
 - i Any proposed successor Developer shall have the qualifications and financial responsibilities, as determined by the EDA, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer (or in the event the transfer is of or relates to part of the Redevelopment Property, such obligations to the extent that they relate to such part);
 - ii Any proposed successor Developer, by instrument in writing satisfactory to the EDA and in recordable form, for itself, and its heirs and assigns, and expressly for the benefit of the EDA, shall expressly assume all of the obligations of the Developer under this Agreement and agree to be subject to all the conditions and restrictions to which the Developer is subject (or, in the event the transfer is of or relates to part of the Redevelopment Property, such obligations, conditions and restrictions to the extent that they relate to such part) unless the Developer agrees to continue to fulfill those obligations, and
 - iii All instruments and other legal documents involved in effecting transfer shall be submitted to the EDA for review; and if approved, written notice will be sent to the Developer.

Section 5.2. Release and Indemnification Covenants.

- (a) The Developer covenants and agrees that the EDA, the City and the City Council, officers, agents, servants and employees are not liable for and agrees to release, indemnify and, hold harmless the EDA, the City and the City Council, officers, agents, servants and employees against any 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 Minimum Improvements, except for loss or damage resulting in willful misconduct or willful negligence of the EDA, City or the City Council, officers, agents, servants or employees.
- (b) Except for any willful misrepresentations or any willful or wanton misconduct or negligence of the following named parties, the Developer agrees to protect and defend the EDA, the City and the City Council, officers, agents, servants and employees, now and forever, and further agrees to hold the EDA harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated by it or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements.
- (c) Except as otherwise specifically provided in this Agreement, the EDA, the City and the City Council, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of Developer, officers, agents, servants or employees or any other person who may be about the Redevelopment Property or Minimum Improvements due to any act of negligence of any person other than the EDA, City or City Council, officers, agents, servants or employees.
- (d) All covenants, stipulations, promises, agreements and obligations of the EDA contained in this Agreement are deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA and not of any City Council member, officer, agent, servant or employee of the EDA in his or her individual capacity.

ARTICLE VI
Events of Default

Section 6.1. Events of Default Defined. The term “Event of Default” shall mean any one or more of the following events:

- (a) Failure by the Developer to Commence Construction and complete Minimum Improvements as required pursuant to Articles III and IV and Exhibit B of this Agreement.
- (b) Failure by the Developer to pay real estate taxes due for the Redevelopment Property in a timely manner.
- (c) Failure by the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

(d) Failure by the Developer to provide sufficient proof of paid receipts or paid invoices.

(e) The Developer:

- i Files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law; or
- ii Admits in writing inability to pay debts generally as they become due; or
- iii Is adjudicated bankrupt or insolvent, or if a petition or answer proposing the adjudication of the Developer as bankrupt 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 90 days after the filing thereof; or a receiver, trustee or liquidator of the Developer and shall not be discharged without 90 days after such appointment, or if the Developer consents to or acquiesces in such appointment.

Section 6.2. Remedies on Default. Whenever any Event of Default referred to in Section 6.1 of this Agreement occurs, the EDA may exercise its right under 6.2 after providing 20 days written notice, but only if the Event of Default has not been cured within said 20 days or, if the Event of Default cannot be cured within 30 days, the Developer does not provide assurance to the EDA reasonably satisfactory to the EDA that the Event of Default will be cured as soon as reasonably possible:

- (a) Cancel and rescind or terminate the Agreement.
- (b) 100% of the Loan, with interest, will be immediately due and payable to the EDA upon an event of default. Failure to repay the Loan shall result in the Loan being assessed against the Property by the City, pursuant to Minn. Stat. Ch. 429 as a special assessment. Developer hereby waives its assessment appeal rights up to the Loan amount which constitutes a benefit pursuant to Minn. Stat., Ch. 429 in the manner authorized by Minnesota Statutes § 462.3531 in return for the EDA's efforts to facilitate the Project;
- (c) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the EDA to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement, including assessing the costs against the Property.

Section 6.3. No Remedy Exclusive. No remedy conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative.

Section 6.4. No Additional Waiver Implied by One Waiver. In the event any condition contained in this Agreement should be breached by either party and thereafter waived by the

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.

ARTICLE VII
Additional Provisions

Section 7.1. EDA Representatives Not Individually Liable. No member, official, or employee of the EDA shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the EDA or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 7.2. Restriction on Use. The Developer agrees for any successors and assigns and every successor in interest to the Redevelopment Property, that the Developer, successors and assigns, shall devote the Redevelopment Property to the uses specified in this Agreement, and shall not discriminate upon the basis of race, color, creed, age, sex or national origin in the sale, use or occupancy of the Redevelopment Property or any improvements erected on it. These covenants, restrictions and conditions shall run with the land and be binding on all parties having any right, title or interest in the Redevelopment Property.

Section 7.3. 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 7.4. Notices and Demands. Except as otherwise provided in this Agreement, a notice, demand or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

Developer:

Westview Park Apartments Limited Partnership
285 Westview Drive
West St. Paul, MN 55118

EDA:

West St. Paul Economic Development Authority
Executive Director
1616 Humboldt Avenue
West St. Paul, MN 55118

Section 7.5. Counterparts. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 7.6. Survival of Provisions. The provisions of this Agreement and the representations, warranties and indemnities contained herein shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 7.7. Recording. The parties agree that Developer shall record this document at the Dakota County Recorder's Office.

Section 7.8. Termination. Upon completion of Minimum Improvements, or any repayment or assessment of the Loan, this Agreement shall terminate. The EDA shall execute a Certificate of Completion upon termination of this Agreement.

[Remainder of page intentionally blank]

EXHIBIT A

**LEGAL DESCRIPTION OF
REDEVELOPMENT PROPERTY**

Part of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 20, Township 28, Range 22; Beginning at a point 166.82 feet East of the Southwest corner of said SW $\frac{1}{4}$, SE $\frac{1}{4}$, Thence North and parallel to the West line of said SW $\frac{1}{4}$, SE $\frac{1}{4}$ distance of 332.71 feet to the Southerly line of Marie Avenue, thence South 45 degrees 00 minutes East along the Southerly line of Marie Avenue, a distance of 471.25 feet to the south line of said SW $\frac{1}{4}$, SE $\frac{1}{4}$ thence West 328.83 feet to the point of beginning, Dakota County, Minnesota, according to the Government Survey thereof.

AND

Part of the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 29, Township 28, Range 22; beginning at a point 198.0 feet East of the Northwest corner of said NW $\frac{1}{4}$, NE $\frac{1}{4}$, thence South along the East line of A.E. Rehnberg's Southview Addition, a distance of 135.0 feet to the North line of East Kathleen Drive, thence East 76.32 feet to the point of beginning of a curve to the Northeast central angle 45 degrees 00 minutes, radius 252.94 feet, thence along the curve a distance of 214.37 feet to the point of curve, thence North 45 degrees 00 minutes East a distance of 58.11 feet, to the Southerly line of Marie Avenue, thence North 45 degrees 00 minutes West a distance of 20.0 feet, to the North line of Section 29, thence West along the North line of Section 29, a distance of 297.65 feet to the point of beginning, according to the United States Government Survey thereof and situate in Dakota County, Minnesota.

EXHIBIT B

DESCRIPTION OF MINIMUM IMPROVEMENTS

Commence demolition of all existing structures on the Property within 90 days of acquisition of the Property. Complete demolition and removal of any and all construction debris within 90 days of the Commencement Date of demolition. Commence construction and significant pursuit of construction of a 3-story green energy-efficient higher-end market rate apartment building, with approximately 58-units, with underground and surface parking, or such plans that are approved by the City Council and EDA, which is valued at approximately \$8 million, within one (1) year of the date of this Agreement. Complete construction within three (3) years of the date of this Agreement.

TO: EDA PRESIDENT AND BOARD
FROM: EXECUTIVE DIRECTOR
DATE: AUGUST 08, 2016



City of West Saint Paul

SUBJECT:

Proposal to conduct a Phase I and possibly a Phase II Environmental Study (if necessary) on 68 Moreland.

BACKGROUND INFORMATION:

The EDA Board has directed Staff to continue with the pursuit of acquiring the Maaco property for the redevelopment efforts in Town Center 1. A key component in acquiring the site is the relocation of Maaco to 68 Moreland. Staff has become aware of potential environmental issues at 68 Moreland and therefore is recommending some investigation. A Phase I study researches the history of a site to determine if a Phase II is necessary, which involves examining soils samples.

You may recall, 68 Morland Avenue is the preferred relocation site for Maaco. The owner of the property has given his permission to conduct an environmental study on his property. Staff will apply for grants from the CDA to complete the study. However, it will take approximately four weeks to get approval. Therefore, staff is also requesting to spend up to \$15,000 if needed to complete the phase II study. The phase II on the golf course was \$14,000. Braun Intertec submitted the attached proposal for a phase I study. The cost of phase II has not yet been determined.

EXPENSES:

		Amount
Fund:		
Department:		
Account:	N/A	Phase I Study \$2,200. The cost of Phase II has not yet been determined. Staff estimates up to \$15,000.

STAFF RECOMMENDATION:

Consider the attached proposal from Braun Intertec to complete a Phase I Environmental Study for 68 Morland Avenue for \$2,200. Also, if a Phase II is necessary, then staff is requesting to spend up to \$15,000 to complete phase II.

ATTACHMENTS:

1. Proposal from Braun Intertec to conduct a Phase I Environmental Study.

TO:
FROM:
DATE:

EDA PRESIDENT AND BOARD
EXECUTIVE DIRECTOR
AUGUST 08, 2016



City of West Saint Paul

SUBJECT:

Town Center I Preliminary Development Agreement.

BACKGROUND INFORMATION:

On June 13, Eric Hochman, Director of Development for PEBB Enterprises presented a Concept Plan that included a 28,500 square foot Fresh Thyme store in the Town Center I area, along with other retail and a sit down restaurant. Staff was directed to draft a preliminary development agreement with PEBB for discussion at the next EDA Work Session. At the last EDA Work Session, the Board decided to postpone the discussion until after the proposed amendments to the Renaissance Plan could be reviewed by the Council. The discussion would also include a possible tunnel crossing under Robert Street.

If the Board chooses to move forward with PEBB's proposed project, they will be responsible for all the items listed in Section 4. of the Development Agreement. Staff will also work with Ehlers Associates to revise the financial proforma, which includes determining how much TIF the project would generate.

Attached is a preliminary development agreement for your review, (pending the outcome of the Renaissance Plan review and tunnel discussion).

Some discussion points include:

1. Estimated Market Value on the Fresh Thyme building equals \$9.25 million dollars.
2. Approximately 72 full-time jobs would be created with average wages \$52,000 annually. These numbers do not include the additional retail/restaurant portion of the project.
3. Approximately 33 part-time jobs would be created with average wages \$13,000 annually.
4. The average weekly wages per store is \$32,500. For a total of approximately \$1.7 million annually.

EXPENSES:

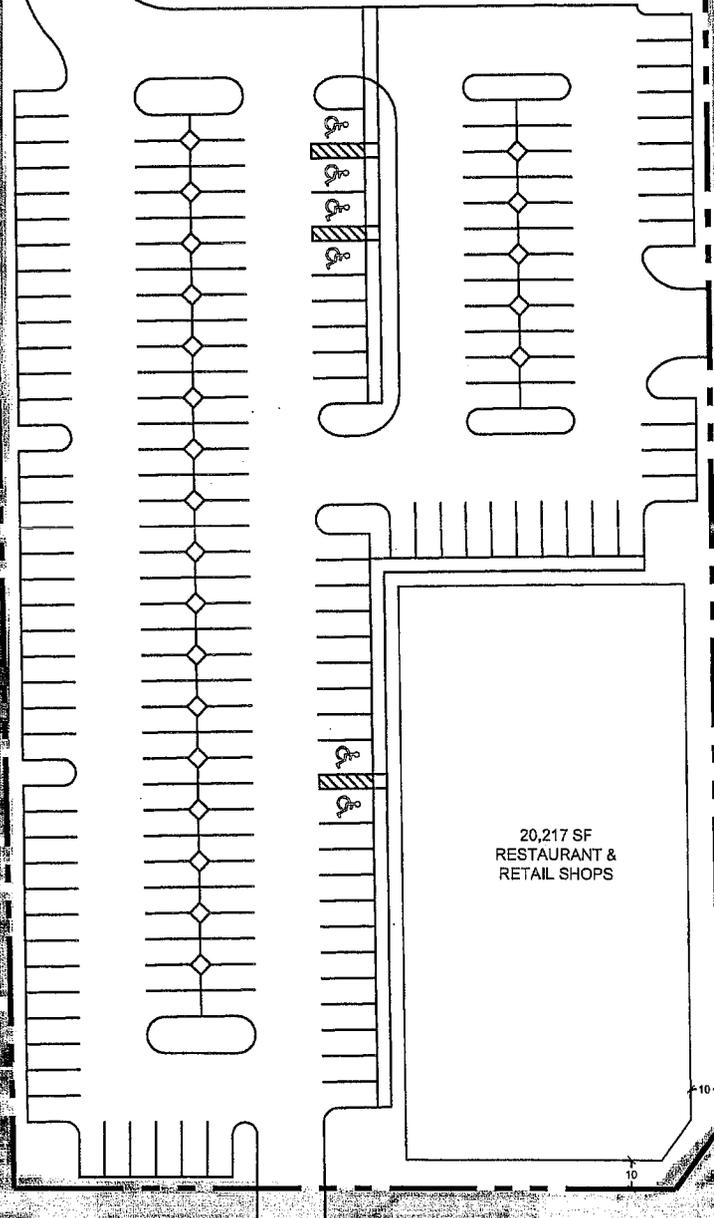
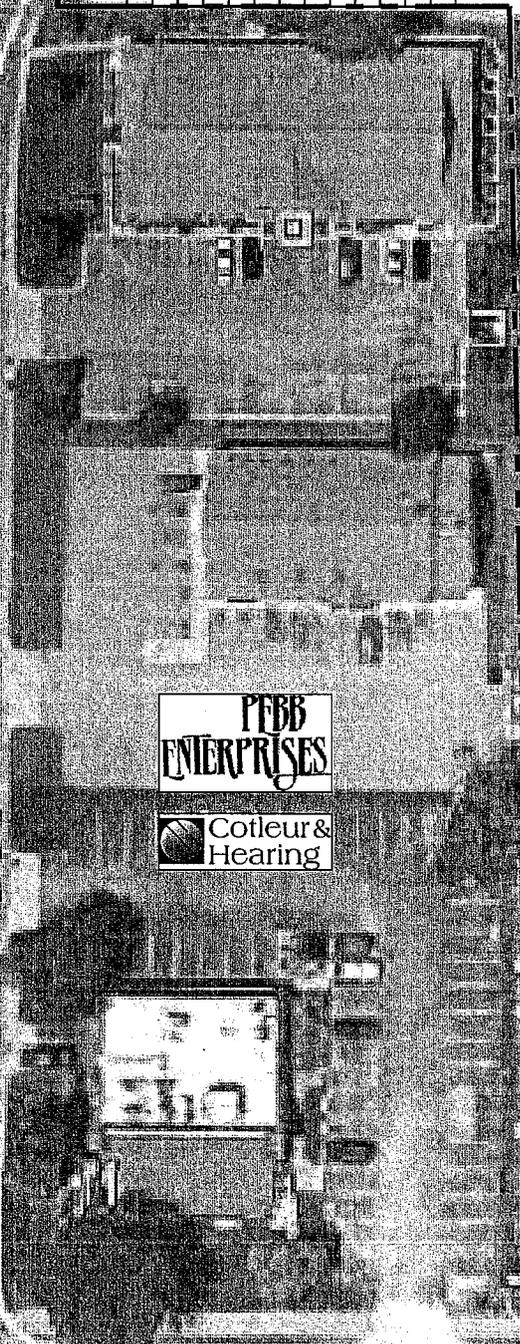
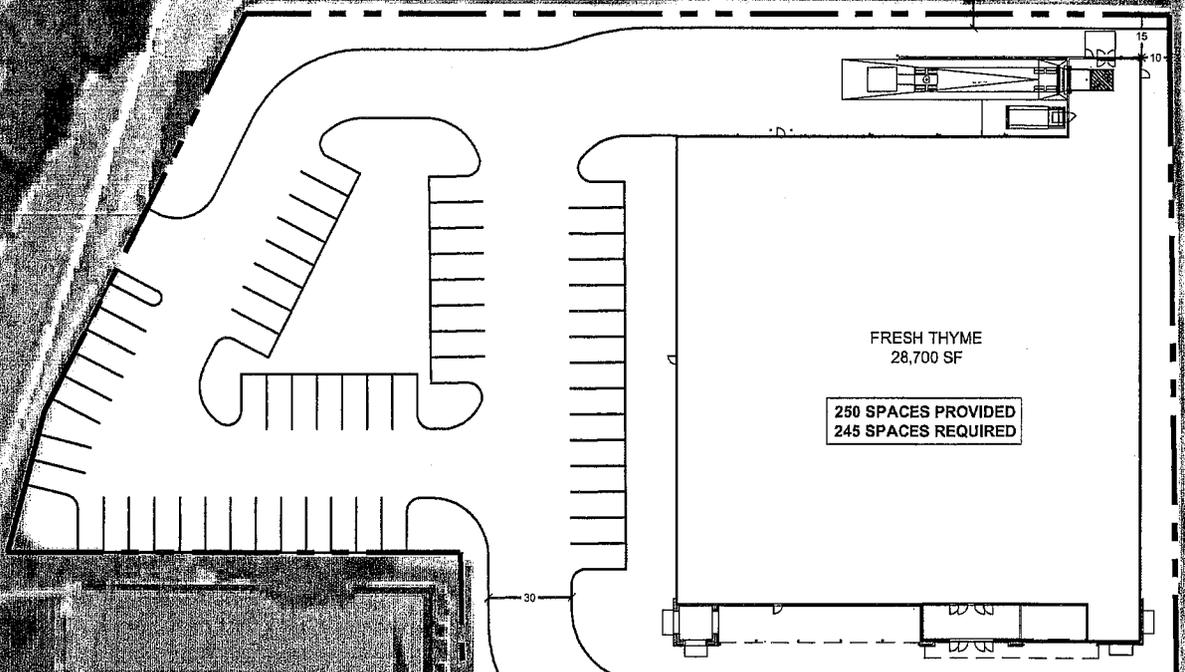
		Amount
Fund:		
Department:		
Account:	N/A	Unknown at this time

STAFF RECOMMENDATION:

Consider the attached Preliminary Development Plan with PEBB Enterprises.

ATTACHMENTS:

1. Proposed Concept Plan
2. Preliminary Development Plan



PRELIMINARY DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of July, 2016, by and between the West St. Paul Economic Development Authority (the "EDA"), a corporate body public and politic, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118, and PEBB Acquisitions, LLC a Florida limited liability company (the "Developer") 7900 Glades Road, Suite 600, Boca Raton, FL 33434.

WITNESSETH:

WHEREAS, the EDA and Developer desire to enter into a Preliminary Development Agreement for the consideration of the redevelopment of the area depicted on Exhibit A ("Redevelopment Property"); and

WHEREAS, the EDA is the owner of certain real properties within the Redevelopment Property (the "EDA Properties"), identified on Exhibit B; and

WHEREAS, the Developer has presented to the EDA a concept plan (the "Development") for the Redevelopment Property which proposal contemplates the EDA's conveyance of the EDA Properties to the Developer, attached hereto as Exhibit C; and

WHEREAS, the Redevelopment Property is located within the City of West St. Paul's (the "City") Town Center Mixed Use District, which was specifically created to attract high quality commercial and mixed use developments; and

WHEREAS, the EDA seeks assurance that the Developer will work diligently together with the EDA toward the assemblage of the Redevelopment Property so that there is an orderly and phased development that is consistent with the expectations of the EDA's concept for the Town Center Mixed Use District, including the landscaping designs for Robert Street; and

WHEREAS, the EDA and Developer intend to proceed with the Development if: (i) a design for a phased master plan for the Development can be agreed upon by the EDA and the Developer; (ii) a satisfactory agreement can be reached regarding the purchase price to be paid by the Developer for the EDA Properties and remaining properties to be assembled as part of the Redevelopment Property; (iii) satisfactory financing for the Development can be secured; and (iv) the economic feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the covenants and obligations of the parties hereto, the EDA and the Developer hereby agree as follows:

Section 1. Preliminary Nature of Agreement. The EDA and Developer agree that this Agreement is intended to be preliminary in nature. Before the EDA and Developer can make a decision on whether to proceed with the implementation of the Developer's Development concept or any modification thereof, it will be necessary to assemble and consider information relative to the uses, design, economics and other aspects of the Development. The purpose of

this Agreement is to allow the Developer an opportunity to assemble such necessary information, to refine or modify the above referenced Development concept, and to negotiate with the EDA concerning the execution of a purchase and development agreement (the "Development Agreement") which, if executed, will set forth the rights and responsibilities of the EDA and the Developer with respect to the Development.

During the term of this Agreement, the EDA agrees that it will not enter into or negotiate a similar agreement or Development Agreement with any party other than the Developer for a project on the Redevelopment Property.

Section 2. Present Intent of Parties. It is the intention of the parties that this Agreement document their present understanding and commitments and that if the following conditions can be fulfilled to the satisfaction of the EDA and Developer that the parties will proceed in an attempt to formulate a mutually satisfactory Development Agreement:

- (a) The Developer demonstrates the feasibility of the Development as refined pursuant to this Agreement;
- (b) The Developer provides such documentation regarding the economic feasibility of the Development as the EDA may wish to receive during the term of this Agreement;
- (c) The completion of all undertakings required by this Agreement in a satisfactory and timely manner;
- (d) The satisfaction of such other conditions as are determined to be appropriate by written agreement by the parties as provided for in Section 10; and
- (e) The Development is generally consistent with the proposal submitted to the EDA on June 13, 2016.

Section 3. Development Design. The Developer's concept for the Development on the Redevelopment Property is preliminary in nature and must be refined or modified before implementation. The concept as proposed involves the construction of a commercial/retail development together with related improvements.

Section 4. Developer Undertakings. During the term of this Agreement the Developer shall use commercially reasonable efforts to do the following:

- (a) Continue to refine or modify its site and building plans for the Development.
- (b) Seek to secure tenants for the Development; provided that the Developer has no authority by virtue of this Agreement to lease or otherwise encumber the EDA Properties, without the EDA's written consent.

- (c) Submit to the EDA a proposed schedule for the Development as well as the timing of the closing on financing.
- (d) Seek to secure a commitment for financing sufficient for construction of the Development or fund the Development with equity.
- (e) Using title information and a survey provided by the EDA, update evidence of title to the EDA Properties and provide to the EDA any objections to title.
- (f) Submit to the EDA a project pro forma detailing all costs of the Development and the sources and uses of all funds to be raised to finance the Development, including justification for the amount proposed to be paid by the Developer, if any, to acquire the EDA Properties and City assistance necessary to proceed with development of the Redevelopment Property.
- (g) Undertake preliminary engineering and soil testing of the Redevelopment Property as Developer determines, in its sole discretion. For this purpose, the Developer and its contractors shall have the right to enter upon the EDA Properties at reasonable times and after notice to the EDA. The Developer shall indemnify, defend and hold the EDA harmless from and against any claims or damage, of whatsoever nature, arising out of the entry onto the EDA Properties and shall repair any damage caused to the EDA Properties.
- (h) Using environmental reports and studies provided by the EDA and such other studies and testing deemed necessary by Developer, determine the acceptability of the environmental condition of the Redevelopment Property.
- (i) Use commercially reasonable efforts to acquire the Redevelopment Property or secure options or purchase agreements or assignments of purchase agreements with the owners of such property.
- (j) Identify public improvements expected or required to be completed as part of the Development.
- (k) Work with the EDA or City to provide information necessary to apply for funding grants from governmental grant sources.
- (l) Make all required presentations to the City Council, the EDA and the Planning Commission in connection with approvals of the Development.

Except as otherwise provided herein, all of the information described above shall be prepared or collected at the sole expense of the Developer. The Developer agrees that it will provide the EDA with status reports on progress made with respect to its activities under this Agreement when requested by the EDA.

Section 5. EDA Undertakings. During the term of this Agreement, the EDA will undertake the following:

- (a) Assist in identifying public improvements necessary to be constructed in connection with the Development.
- (b) Identify construction, permit, application, utility and any other fees and the amount of such fees that the Developer may be expected to pay in connection with the Development.
- (c) Identify the approval process and timeframes for development approvals that may be expected for the Development.
- (d) Identify the sources of public financial assistance that may be made available to the Developer in connection with the Development such as tax increment financing, state, local and federal grants and land write down assistance. If any such financial assistance is actually provided in connection with the Development, the amount, timing and terms of such assistance will be set forth in the definitive Development Agreement and no commitment is being made in this Agreement that any such assistance will be provided to the Developer.
- (e) Provide to the Developer title information based on which the Developer can update evidence of title to the EDA Properties.
- (f) Cause to be prepared drafts of the Development Agreement.
- (g) Provide to the Developer any surveys, existing tenant leases, service contracts and environmental reports related to the EDA Properties that are in the possession of the EDA.
- (h) Analyze information provided by the Developer to determine if the conveyance of the EDA Properties for a purchase price that is less than its market value is justified.
- (i) Continue to assist with and facilitate the acquisition of the remaining properties within the Redevelopment Property either by entering into assignable purchase agreements or acquiring the properties.

Section 6. Contingencies. The parties acknowledge and agree that proceeding with the Development is subject to a number of contingencies that are required. Except as otherwise being for the benefit of Developer as set forth herein, the contingencies are for the benefit of both parties and must be waived by both parties in writing. Such contingencies include, but are not limited to, the following:

- (a) The Developer acquires all or part of the Redevelopment Property by direct purchase or has options or purchase agreements for such properties within the Development.
- (b) The EDA and the Developer having obtained all necessary approvals for the Development from any participating governmental authority.
- (c) The Developer having obtained such zoning modifications, rezoning, planned unit

development approvals, conditional use permits and such other zoning approvals as are necessary to allow the Development to move forward.

- (d) Title to the EDA Properties is acceptable to the Developer in its sole discretion.
- (e) The Developer having conducted such soils, well, engineering, hazardous waste, environmental and other testing as it determines necessary.
- (f) The Developer having obtained financing for the Development acceptable to Developer.
- (g) The economic feasibility of the Development being acceptable to Developer.
- (h) The Developer agreeing to provide the City with necessary temporary and permanent easements it needs within the Redevelopment Property.
- (i) The assemblage of the remaining properties within the Redevelopment Property to allow the Developer to complete the contemplated Development.

Section 7. Negotiation of Development Agreement. During the term of this Agreement, the EDA and the Developer shall proceed in good faith with the negotiation of a Development Agreement relative to the Development if the conditions of Section 2 are satisfied. The decision to enter into a Development Agreement shall be in the sole discretion of each of the parties. If the parties have negotiated in good faith but are not able to agree to acceptable Development Agreement terms, it shall so notify the other party, whereupon this Agreement shall terminate and neither party shall have any rights or obligations to the other or to any third party under or with respect to this Agreement, except as provided in Section 9 regarding costs incurred prior to such termination and except as to a right of first refusal described herein. If the Developer determines during the term of this Agreement that undertaking the Development is not financially feasible, it will promptly notify the EDA of such determination and the parties will terminate this Agreement.

Section 8. Effect of Approvals. No approval given by the EDA hereunder or in connection herewith shall be deemed to constitute an approval of the Development for any purpose other than as stated herein and the process outlined in this Agreement shall not be deemed to supersede any concept review, conditional use permit, vacation, subdivision, or other zoning or planning approval process of the EDA or the City relative to the development of real estate.

Section 9. Payment of Costs. In consideration of the EDA's covenants and agreements set forth herein, the Developer agrees that it will pay costs incurred by the EDA in connection with the preparation of this Agreement and costs incurred from the effective date for financial analysis, the negotiation, preparation and implementation of the Development Agreement. The Developer shall deposit \$5,000 with the EDA upon execution by Developer of this Agreement. The EDA shall have the right to draw upon such amounts to pay its costs as provided herein. If the amount on deposit becomes depleted, the EDA shall have the right to request that the Developer replenish such funds upon which the Developer shall remit to the EDA additional funds to be held on deposit and used to pay costs. If on termination of this Agreement, the amounts held by the EDA are insufficient to pay the EDA's costs, the Developer shall be liable for any deficiency. If this Agreement is terminated in accordance with the terms

hereof, any sums remaining on deposit with the EDA, after the EDA pays or reimburses itself for costs incurred to the date of termination, shall be returned to the Developer within 14 days of termination. No other financial obligations shall exist between the parties, other than those that may be negotiated and contained in the Development Agreement.

Section 10. Modifications. This Agreement may be modified and the term hereof may be extended only through written amendments hereto signed by both of the parties to this Agreement.

Section 11. Exclusive Rights. In consideration of the time, effort and expenses to be incurred by Developer in pursuing the undertakings set forth herein and in further consideration of the funds paid to the EDA, the receipt of which is hereby acknowledged, the EDA hereby agrees that for the term of this Agreement it will not provide or enter into any Development Agreement or an agreement for provision of financial assistance to any third party in connection with any proposed development within the Town Center Mixed Use District. During such period the Developer shall have the exclusive right to work with the EDA in establishing a definitive Development Agreement for the Redevelopment Property. Said exclusive rights shall continue, unless earlier terminated as provided herein, for the period described within Section 12 of this agreement.

Section 12. Neither party shall record this Agreement.

Section 13. Termination. This Agreement shall be effective until December 31, 2016. If for any reason a Development Agreement has not been entered into by the parties by such date or any mutually approved extension thereof, this Agreement shall be null and void and neither party shall have any liability or obligations to the other, except as provided in Section 9 regarding EDA costs incurred prior to the termination of this Agreement.

This agreement may be terminated by the EDA as to all or a portion of the Redevelopment Property upon the giving of written notice to the Developer that the Developer is not diligently pursuing its required activities under this Agreement. Developer shall have a reasonable time, but in no event less than 30 days to effect a cure of such default, or to demonstrate that it is diligently pursuing such cure. The EDA may also terminate this agreement for the failure of the Developer to make any payment due in accordance with Section 9 if such payment is not made within 15 days of notice requesting payment.

This Agreement may be terminated by Developer as set forth in Section 7.

Section 14. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of this Agreement.

Section 15. Notices. Notice, demand, or other communication from one party to the other shall be deemed effective if sent by U.S. mail, postage prepaid, return receipt requested or delivered personally to a party at its address in the first paragraph of this Agreement, or at such other address or other acceptable form of communication as such party may designate in writing to the other party.

Section 16. Assignability. Developer may not directly or indirectly assign or transfer any of Developer's rights, obligations and interests under this Agreement, to any person or entity without the prior written consent or approval of the EDA, which consent or approval must be requested in writing and received by the EDA not less than five (5) business days prior to the Closing Date and which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that the EDA hereby consents to Developer's assignment of Developer's rights, obligations and interests under this Agreement to an entity in which the Developer, or any member or members of the Developer, is a member, partner or officer. Upon any such assignment or other transfer, Developer and such assignee or transferee shall be jointly and severally liable for the obligations of the Developer under this Agreement, which liability shall survive the assignment or transfer and the Closing.

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

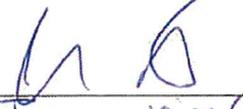
WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By _____
David Meisinger, President

By _____
James Hartshorn, Executive Director

Date _____

PEBB ACQUISITIONS, LLC

By 

Its: Manager

Date 7/7/16

EXHIBIT A

Depiction of Redevelopment Property



November 24, 2015

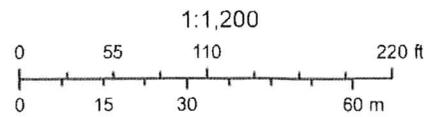


EXHIBIT B

Legal Description of EDA's Properties

Parcel A: 1589 Robert Street South (vacant property formerly occupied by Car-X)

Lots 4, 5, 6 and 7, Block 1, Erchingers Addition to South St. Paul, Dakota County, Minnesota

PIN 42-24200-01-070

Abstract

Parcel B: 1539 Robert Street South (vacant property formerly occupied by Blockbuster)

Lots 3 and 4, Block 1, City Center Addition, according to the recorded plat thereof, Dakota County, Minnesota

PIN 42-17800-01-030 and 42-17800-01-040

Abstract and Torrens

EXHIBIT C

Concept Plan

