

NOTICE OF AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

[City of Forest Lake - Link to Meeting Livestream](#)

Forest Lake City Center – Council Chambers
Forest Lake, Minnesota

July 8, 2024 – 5:30 PM

- 1) Call to Order
- 2) Roll Call
- 3) Pledge of Allegiance
- 4) Approve the Agenda
- 5) Approve Minutes from Regular Meeting of June 10, 2024
- 6) 280 Broadway Avenue West Contract for Real Property Purchase and Private Development
- 7) 2025 Budget Recommendation
- 8) Headwaters 123 Update
- 9) Updates
 - a. City
 - i. Quarterly Development Report
 - b. Washington County
 - c. Forest Lake Area Chamber of Commerce
 - d. Other
- 10) Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale Lot 1, Block 2, Deponti First Addition, and Lot 1, Block 1, Deponti Third Addition, Washington County, Minnesota.
- 11) Adjourn

EDA MISSION STATEMENT

Assist and support the economic climate of the City of Forest Lake through programming and communication to achieve the greatest outcome for its citizens and businesses by:

- Marketing the City and its assets
- Supporting existing businesses
- Supporting new businesses
- Creating partnerships
- Providing a vision for the future of commercial areas

*A quorum of the City Council is possible at all Board and Commission Meetings



ECONOMIC DEVELOPMENT AUTHORITY

1408 Lake Street South
Forest Lake, MN 55025
www.ci.forest-lake.mn.us

Regular Meeting

~ Minutes ~

Monday, June 10, 2024

5:30 PM

City Center – Community Room

[City of Forest Lake - Livestream and Recorded Meetings](#)

1. Call to Order

2. Roll Call

Attendee Name	Title	Status	Arrived
Mara Bain	EDA President	Present	
Sam Husnik	EDA Member	Present	
Jenny Lorge	EDA Member	Present	
Jeff Larson	EDA Member	Present	
Jill Grindahl	EDA Member	Absent	
Chris Hoyt	EDA Member	Present	Arrived at 5:55 p.m.
Eric Langness	EDA Member	Present	

3. Pledge of Allegiance

4. Approve the Agenda

Motion: EDA Member Lorge made a Motion to Approve the Agenda as submitted.
Motion seconded by EDA Member Langness. Motion carried 5-0.

5. Election of Officers

Community Development Director Wittman reviewed the requirements for the election of officers for the Economic Development Authority.

President Bain asked if there was a recommendation from City staff for the vice-treasurer and secretary position.

Community Development Director Wittman stated she would be an appropriate option for these positions.

President Bain stated she was surprised that the treasurer position was not a City staff member.

Community Development Director Wittman stated it would be appropriate to review these requirements.

President Bain commented there are areas that are not aligned with the Economic Development Authority and the City Council. She stated that it would make sense for the treasurer role to be a City Council member to assist with alignment.



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Motion: EDA Member Larson made a Motion to Nominate Mara Bain as the President of the Economic Development Authority.

Motion seconded by EDA Member Husnik. Motion carried 5-0.

President Bain requested to combine the roles of Vice President and Treasurer if it was allowed.

Community Development Director Wittman confirmed this information.

Motion: EDA President Bain made a Motion to Nominate EDA Member Husnik as the Vice President and Treasurer of the Economic Development Authority.

Motion seconded by EDA Member Larson. Motion carried 4-0-1 (Husnik Abstained).

Motion: EDA President Bain made a Motion to Nominate Community Development Director Wittman as the Secretary and Assistant Treasurer for the Economic Development Commission

Motion seconded by EDA Member Larson. Motion carried 5-0.

6. Approve EDA Meeting Minutes from Regular Meeting of April 8, 2024

Motion: EDA Member Husnik made a Motion to Approve the EDA minutes from the Regular Meeting of April 8, 2024, as submitted.

Motion seconded by EDA Member Larson. Motion carried 5-0.

7. Consideration of 2025 Budget Recommendation

Community Development Director Wittman reviewed the 2024 budget update and the 2025 annual budget request. She presented the proposed expenditures and explained the increase in budget with the addition of a Planning Manager to the Community Development Department in 2025.

EDA Member Langness stated that the wages for board members should be higher to allow for single-parent community members to participate in boards and commissions so that they may be able to afford childcare.

EDA Member Lorge asked about the purchase and registration of a booth to go to shows.

Community Development Director Wittman stated that they considered advertising for Headwaters 123 in 2025 and this could be a part of the planning dollars. This would likely be an operations line item, but she has not looked at the costs of a booth to know the approximate costs.

EDA President Bain asked for clarification of the funding for professional services.

Community Development Director Wittman responded that those funds for 2024 were being utilized for the shoreland study and the southwest area study. In 2025, those funds would be considered for the local affordable housing program and Headwaters 123.



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EDA Member Lorge asked if there was a balance left to pay the outfit completing the downtown planning.

Community Development Director Wittman answered that they have already paid for the services rendered to date.

EDA President Bain asked if the new position proposed would be 50 percent Economic Development Authority fund and 50 percent general fund.

Community Development Director Wittman clarified that the new position would be 25 percent Economic Development Authority fund, 25 percent airport commission fund, and 50 percent general fund.

EDA President Bain stated that the Economic Development Authority could use a workshop session to understand the next projects related to the downtown plan and the current progress of the shoreline study before the budget finalization.

Community Development Director Wittman stated she could prepare something for the July meeting, but this would be after the Economic Development Authority submitted its budgets. She explained how the Economic Development Authority prepares projects, and the City can at times finalize the projects. She asked if the Economic Development Authority was in general support.

EDA Member Husnik asked for additional information.

Interim City Administrator Handt stated that they would need the recommendation by July 8, so the Economic Development Authority would have a bit more time to clarify the budget information.

EDA Member Larson voiced favor for waiting for more information.

EDA Member Langness agreed.

EDA President Bain stated she was comfortable supporting the budget tonight but would like further conversation about the projects downtown to ensure the budget is complete.

8. Consideration of Local Affordable Housing Aide Discussion

Community Development Director Wittman explained the framework for the Local Affordable Housing Aid from the State of Minnesota. She noted that there would need to be parameters developed around the use of the funds and provided examples of how the funds may be used.



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Interim City Administrator Handt asked if there was still discussion in partnership with the County.

Community Development Director Wittman stated that the County was willing to disperse the funds on behalf of the City. At this time, they are exploring this partnership but need to ensure the County has staffing to disperse these funds.

EDA Member Langness asked what the AMI was in Forest Lake.

Community Development Director Wittman responded that she would need to check. They have the AMI from 2018-2019 before adopting the 2040 Comprehensive Plan. The AMI has increased in the region since this time.

EDA Member Langness asked if there was a pilot program before this legislation with other cities.

Community Development Director Wittman answered that other cities that disperse funds have well-established programs in place. Forest Lake could use similar parameters. The City staff would like to create a safe space for the money and engage with partners who can help use these funds in the City, without straining City staff.

EDA President Bain voiced favor for establishing partnerships. There is a level of administration that the City does not provide currently.

EDA Member Hoyt agreed that there would be additional stress on staff. This could be an entire department.

Interim City Administrator Handt stated that the CDA would be asking the Washington County Board to cover the staffing for this. There was a change in this legislative session that you could not use the funding for administration.

Community Development Director Wittman stated that the housing goals were to preserve affordable housing and provide new affordable housing. There are no goals stated for rental assistance. She asked if the Economic Development Authority would like the City staff to continue to look for options for partners in rental assistance or to focus on rehabilitation and new construction to meet the goals.

EDA Member Lorge asked if this funding was something that could be declined.

City Development Director Wittman answered that this funding was accepted and if it was not used, it could be returned in three years.



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Interim City Administrator Handt stated that if it is not used in three years, it goes to the State. If there is a partnership with the County, it could return to the County and the funding could remain regional.

EDA Member Lorge voiced confusion about receiving the funding without allowing for administrative costs. She stated there would need to be City funding for administration.

Community Development Director Wittman stated that the staff was not in favor of creating a position to administer the funds. There is merit in exploring options for partnerships with agencies or nonprofits that could help utilize the funding. She stated that the City could create an agreement with certain parameters with an agency or a nonprofit that already has programs in place.

EDA Member Lorge clarified this information.

Community Development Director Wittman stated that some nonprofit organizations could use the City dollars to disperse funds and use nonprofit dollars to cover administrative costs. This would need to be explored further.

EDA Member Husnik asked if it would go to another entity, the City would be involved and there would be some administrative costs to some extent.

Community Development Director Wittman answered that there would be some administrative costs, especially when setting up agreements on how to use the funds.

Interim City Administrator Handt provided an example of how the funds could be given to Washington County to use within Forest Lake.

EDA President Bain asked for feedback on the prioritization of the four categories of funding.

EDA Member Langness stated he would prefer to avoid administrative costs and work with the County first and then with nonprofits. If the City could not find a way to avoid administrative costs, he suggests sending the money back to the State. The amount of work the staff would have to put in for the amount of funding given might not be worthwhile.

Interim City Administrator Handt stated that not all the funds would need to be spent in one year.

EDA Member Langness voiced approval for creating a trust fund to be used by a developer to create affordable housing. He commented that he was concerned about the administrative costs and cautioned about spending future money not yet received.



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EDA President Bain agreed with the sentiments expressed by EDA Member Langness. She stated rehabilitation of owner-occupied programs could be an area that would slip through the cracks. She commented that affordable housing is located in older neighborhoods, but there might need to be funds provided to extend the life of these homes.

EDA Member Husnik stated that remodeling projects can become expensive.

EDA Member Lorge commented that it would be difficult to determine who to give these funds to if it was used for remodeling.

EDA Member Hoyt stated that rentals in Forest Lake are the highest they have ever been. He suggested using the funding for this category.

Community Development Director Wittman encouraged continual conversation regarding this funding in the future.

9. Updates

a. City

i. 2024 Work Plan Review

Community Development Director Wittman provided an update on the 2024 Work Plan. She stated that the draft business subsidy policy needed to be strengthened as suggested by the City Attorney. The shoreline study was released to the City Council, who accepted the findings. There will be a meeting with the Department of Natural Resources to discuss this study. Headwaters 123 received a request for information for a potential business looking to relocate to Minnesota. Project Maxwell was looking to secure land for a moderate industrial facility, but the staff did not submit because they could not provide the electrical needs. They are setting up a meeting to discuss the ramp-up electrical capacity of Headwaters 123.

EDA President Bain asked if there was power available at that site with Xcel

Community Development Director Wittman stated that there might be, but she would need to talk with Xcel Energy and Great River Energy. She stated there was electrical nearby, but the infrastructure was not complete.

EDA Member Lorge suggested inquiring about the water usage abilities as well.

EDA President Bain stated that from the initial RFI to the project completion might take a while to create.



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Community Development Director Wittman stated that a lot of the data on the site is six years old, but the supply and demand of the market has changed which impacts the current conditions. She stated she would pull together additional information in the next couple of months.

EDA Member Husnik stated that there is an interceptor line going right through the property. He suggested considering smaller parcels since the costs to move the interceptor line are very high.

b. Washington County

None.

c. Forest Lake Area Chamber of Commerce

Nannette LaNasa provided a background of activities that the Forest Lake Area Chamber of Commerce has participated in. She stated that the Annual Golf Event and Lakefest Street Dance will occur this summer. They will be hosting a summit with career launch for teachers.

d. Other

None.

10. Adjourn

Motion: EDA Member Langness made a Motion to Adjourn the Regularly Scheduled EDA Meeting at 6:41 p.m.

Motion seconded by EDA Member Lorge. Motion carried 5-0.

Date: July 8, 2024

To: Mayor Bain and EDA Commissioners

From: Abbi Wittman, Community Development Director

Re: 280 Broadway Avenue West Contract for Real Property Purchase and Private Development

Since 2021 City staff have been in discussions with GLG Forest Lake Properties LLC about the rehabilitation and revitalization of the Houle elevator, located at 55 2nd Street SW. Along with the adaptive reuse of the elevator for retail purposes, the redevelopment plans of the site include a second phase which would accommodate a retail greenhouse, outside nursery area, and associated pedestrian and parking improvements. Once complete, the entirety of the 200 block of Broadway Avenue West will be developed to an urban standard. To accomplish their full site build out, GLG Forest Lake Properties LLC has submitted an offer letter to the City to purchase 280 Broadway Avenue West for \$70,000.

Applicable Background

As early as 2021, City staff have been in discussions with GLG Forest Lake Properties LLC about the acquisition of 280 Broadway Avenue West for the purposes of full site buildout. However, it was not until early 2024 that City staff brought this request before the City Council and EDA to negotiate the private party's potential acquisition of this parcel. During the negotiation process, City staff reviewed with the EDA and City Council the history of the subject parcel.

Acquired in 2001, the subject parcel then contained a single-story, wood-framed commercial structure. The intended purpose for the acquisition was to aid Washington County in the construction of a new library and government center in the City's downtown area. Occupied at the time, the City's acquisition agreement compensated the non-residential users by paying for their relocation. The City leased the building until 2009 when it was demolished. The property has remained vacant since that time. In review of the property's history, it was determined the City paid \$221,000 for the property and an additional \$7,446 to demolish the building. Though the City did consider the sale of the property in 2010 for 77,755, City records reflect the sale did not go through.

The 280 Broadway Avenue West property was appraised in 2022 and had a valuation of \$138,000. However, as staff noted to the EDA and City Council, the valuation seemed high given the valuation of comparable vacant parcels along Broadway Avenue. When compared to the Washington County Estimated Market Value of nearby properties, most members of the EDA and City Council determined the property's valuation was much less than the City had paid in 2001, the appraisal valuation, and/or the estimated market valuation.

In a series of closed sessions, the EDA and City Council discussed the merits of accepting GLG Forest Lake Properties' offer for the full site buildout. This was largely on the basis that the sale of the property would help fulfill the following City of Forest Lake goals and objectives:

Plan	Goal
City Council Strategic Plan (2020)	<ul style="list-style-type: none"> Improve the environment for new and existing businesses/development by leveraging the City of Forest Lake's high quality of life, local advantages, natural resources, and strong schools."
2040 Comprehensive Plan (Adopted 2019)	<ul style="list-style-type: none"> Delineate and Improve the function and appearance of all business districts <ul style="list-style-type: none"> Rehabilitate, or where necessary, redevelop substandard and/or functionally obsolete commercial development through private means or, if necessary, public assistance Encourage business owners to remodel, rehabilitate, and enhance building exteriors when feasible Increase the vitality of the individual businesses and commercial areas to improve the appearance of business sites
Business Assistance Policy (2012)	<ul style="list-style-type: none"> Demonstrated financial gap; meets one or more goals presented in the City's strategic plan; and is consistent with the City's Comprehensive Plan "Primary development priority is to encourage high-value commercial development"
Tax Increment Finance District (2000)	<ul style="list-style-type: none"> Encourage concertation of new commercial activities; provide for a more attractive and pleasant pedestrian environment; provide expanded utilities and public services as a means of encouraging new commercial growth; and provide sites to accommodate new or expanding firms in the City

EDA Consideration

GLG Forest Lake Properties LLC has offered the City of Forest Lake \$70,000 for 280 Broadway Avenue West for the purposes of fulfilling their redevelopment plans. In discussions with the City Council, EDA members determined this was surplus property with no public purpose and that the sale of the property fulfilled numerous community and economic development goals (as cited above). In negotiations, GLG Forest Lake Properties has agreed to enter into the enclosed Contract for Real Property Purchase and Private Development by and between Forest Lake Economic Development Authority and GLG Forest

Lake Properties LLC which indicates GLG Forest Lake Properties LLC would develop the properties as intended and discussed and, if they do not by 12/31/2027, 280 Broadway Avenue West would revert back to the City.




Recommendation

City staff recommends the EDA *move to enter into a Contract for Real Property Purchase and Private Development by and between Forest Lake Economic Development Authority and GLG Forest Lake Properties LLC, a Minnesota Limited Liability Company.*

Attached

Site Location Map
Pre-Development Agreement

Legend

-  City Limits
-  Parcels (1/1/2024)
-  Lot Lines



**280 Broadway
Avenue West**

**Disclaimer:**

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Forest Lake is not responsible for any inaccuracies herein contained.

0 132 Feet

CONTRACT

FOR

REAL PROPERTY PURCHASE AND PRIVATE DEVELOPMENT

By and Between

FOREST LAKE ECONOMIC DEVELOPMENT AUTHORITY

And

**GLG FOREST LAKE PROPERTIES, LLC, A MINNESOTA LIMITED LIABILITY
COMPANY**

REAL PROPERTY PURCHASE AND PRE-DEVELOPMENT AGREEMENT

THIS REAL PROPERTY PURCHASE AND PRE-DEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of _____, 2024 (the “Effective Date”), by and between the Forest Lake Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (“EDA”), and GLG Forest Lake Properties, LLC, a Minnesota limited liability company (“Developer”).

RECITALS

Recital No. 1. The EDA was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1082, and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Forest Lake.

Recital No. 2. The EDA is the owner of certain vacant real property located in Forest Lake, Washington County, Minnesota, legally described on Exhibit A (the “Property”).

Recital No. 3. EDA will sell the Property to Developer on the terms and conditions of this Agreement.

Recital No. 4. Developer desires to purchase the Property from EDA.

Recital No. 5. Developer desires to develop the Property under the terms and conditions of this Agreement.

Recital No. 6. EDA believes that the sale and development of the Property pursuant to and in general fulfillment of this Agreement is in the vital and best interests of the City, will promote the health, safety, morals and welfare of its residents, and will be in accord with the public purposes and provisions of the applicable State and local laws and requirements.

NOW, THEREFORE, in consideration of the covenants and the mutual obligations contain herein, the parties hereby covenant and agree with each other as follows:

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

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

B. “Approvals” means, but is not limited to all government approvals, such as platting, zoning approvals and/or rezoning of the Property, conditional use permits, variances, access permits, signage permits, building permits, required licenses, site plan approvals, architectural approvals and other regulatory permits and approvals.

C. “Certificate of Completion” means the certificate, in the form contained in Exhibit B attached hereto, which will be provided to Developer pursuant to Section 10.7 of this Agreement.

D. “City” means the City of Forest Lake, a Minnesota municipal corporation.

E. “City Engineer” means the City Engineer of the City of Forest Lake or designees.

F. “Closing” or “Closing Date” means on or before thirty days after Contingency Date, unless otherwise agreed to by the parties.

G. “Commitment” means an irrevocable commitment to issue a title insurance policy for the Property received from Title Company in a form and substance satisfactory to Developer in Developer’s sole discretion, not disclosing any encumbrance not acceptable to Developer in Developer’s sole discretion.

H. “Concept Site Plan” means the Concept Site Plan attached hereto as Exhibit C. A copy is also on file with the City.

I. “Contingency Date” shall mean sixty (60) days from the Effective Date.

J. “Deed” means the general warranty deed in the form attached hereto as Exhibit D, by which the EDA will convey the Property to Developer.

K. “Developer” means GLG Forest Lake Properties, LLC, a Minnesota limited liability company.

L. “Earnest Money” means the earnest money deposit of Five Thousand Dollars and 00/100s (\$5,000.00) to be deposited with the EDA upon execution of this Agreement by Developer.

M. “EDA” means Forest Lake Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota.

N. “Event of Default” means an action by Developer or the EDA listed in Section 14 of this Agreement.

O. “Minimum Improvements” means the construction of a garden center to include a new greenhouse, outdoor sales yard, associated improved pedestrian ways, parking lots, drive aisles, lanes, and in/egress as well as site stormwater needs, generally depicted in the Concept Site Plan and as such final construction plans may be modified to meet the minimum standards of the City Municipal Code.

P. “Permitted Encumbrance” means any matters reflected on the Title Evidence which are not objected to by Developer within such time period or waived by Developer in accordance with Section 6.1 (other than such consensual liens).

Q. “Property” means the real property upon which the Minimum Improvements will be constructed, which property is legally described on Exhibit A attached hereto.

R. “Sale” means any sale, conveyance, lease, exchange, forfeiture, or other transfer of the Developer’s interest in the Minimum Improvements or the Property, whether voluntary or involuntary.

S. “Title Company” means DCA Title Company with offices at 1313 - 147th Street West, Suite 161 in Apple Valley, Minnesota, unless otherwise agreed to by the parties.

T. “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.

2. **Sale.**

2.1. **Sale.** Subject to the compliance with the terms and provisions of this Agreement, EDA shall sell the Property to Developer, and Developer shall purchase the same from EDA.

2.2. **Purchase Price.** The purchase price to be paid by Developer to EDA for the Property shall be Seventy Thousand Dollars (\$70,000.00) (the “Purchase Price”) payable as follows: (a) Five Thousand and zero/100 Dollars (\$5,000.00), as earnest money, deposited with the EDA at the time of execution of this Agreement; and (b) the balance on the Closing Date subject to those adjustments, prorations and credits described in this Agreement, in cash or certified funds or by wire transfer pursuant to instructions from the EDA or Title Company.

3. **Available Surveys, Tests, and Reports.** Within ten (10) days of the Effective Date, EDA shall cause to be delivered to Developer, (a) copies of any surveys, easement documents, property tax information (including any appeals), soil tests, environmental or engineering reports, wetland delineations, and any other studies and/or site analyses previously conducted on the Property and in the possession of EDA (b) copies of existing title work for the Property and in the possession of EDA (the “Due Diligence Materials”). EDA makes no representations or warranties regarding the accuracy of the Due Diligence Materials. If Developer so request, EDA shall request the preparers of any such surveys, soil tests, environmental reports, and any other studies and/or site analyses to re-issue or re-certify the same for the direct benefit of

Developer, at Developer's expense, so that Developer may rely on such site analyses or surveys as if prepared for Developer in the first instance, but EDA makes no representation as to whether any such reissuance or recertification will be available.

4. **Developer's Investigations.** For a period of up to the Contingency Date, EDA shall allow Developer and Developer's agents access to the Property without charge and at all times for the purpose of Developer's investigation and testing of the Property, including surveying and testing of soil and groundwater ("Developer's Investigations"); provided, however, Developer shall not perform any invasive testing unless (a) EDA gives its prior written approval of Developer's consultant that will perform the testing, which approval shall not be unreasonably withheld, conditioned or delayed, and (b) Developer gives EDA reasonable prior notice of such testing. EDA shall have the right to accompany Developer during any of Developer's Investigations of the Property. Developer shall provide to EDA copies of all third-party, non-confidential written test results and reports conducted as part of Developer's Investigations. Developer agrees to pay all of the costs and expenses associated with Developer's Investigations, to cause to be released any lien on the Property arising as a result of Developer's Investigations and to repair and restore, at Developer's expense, any damage to the Property caused by Developer's Investigations which, however, shall not include any duty by Developer to remediate any pre-existing environmental conditions discovered or disturbed at the Property. Developer shall indemnify and hold EDA and the Property harmless from all costs and liabilities, including, but not limited to, reasonable attorneys' fees, arising from Developer's Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement.

5. **Insurance; Risk of Loss.** EDA assumes all risk of destruction, loss or damage to the Property prior to the Closing Date. If, prior to the Closing Date, all or any portion of the Property or access thereto is condemned, taken by eminent domain, or damaged by cause of any nature, EDA shall immediately give Developer notice of such condemnation, taking or damage. After receipt of notice of such condemnation, taking or damage (from EDA or otherwise), Developer shall have the option (to be exercised in writing within thirty (30) days) either (a) to require EDA to (i) convey the Property at Closing to Developer in its damaged condition, upon and subject to all of the other terms and conditions of this Agreement without reduction of the Purchase Price, (ii) assign to Developer at Closing all of EDA's right, title and interest in and to any claims EDA may have to insurance proceeds, condemnation awards and/or any causes of action with respect to such condemnation or taking of or damage to the Property or access thereto, and (iii) pay to Developer at Closing by certified or official bank check all payments made prior to the Closing Date under such insurance policies or by such condemning authorities, or (b) to terminate this Agreement by giving notice of such termination to EDA, whereupon this Agreement shall be terminated, and thereafter neither party shall have any further obligations or liabilities to the other, except for such obligations as survive termination of this Agreement. If the right to terminate this Agreement is not exercised in writing within such thirty (30) day period, such right shall be deemed to have been waived. EDA shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Developer's prior written consent, which consent shall not be unreasonably withheld.

6. **Contingencies.**

6.1. Developer's Contingencies.

A. Unless waived by Developer in writing, Developer's obligation to proceed to Closing shall be subject to (a) performance by EDA of its obligations hereunder, (b) the continued accuracy of EDA's representations and warranties provided in Section 15.1, and (c) Developer's satisfaction, in Developer's sole discretion, as to the contingencies described in this Section 6.1 within the time periods set forth below:

(1) On or before the Contingency Date, Developer shall have determined, in their sole discretion, that they are satisfied with (a) the results of and matters disclosed by Developer's Investigations, surveys, soil tests, engineering inspections, hazardous substance and environmental reviews of the Property and (b) all other inspections and due diligence regarding the Property, including any Due Diligence Materials.

(2) On or before the Contingency Date, Developer shall have received from Title an irrevocable commitment to issue a title insurance policy for the Property in a form and substance satisfactory to Developer in Developer's sole discretion, not disclosing any encumbrance not acceptable to Developer in Developer's sole discretion.

(3) On or before the Closing Date, EDA shall have obtained releases of the Property from any and all mortgages or other monetary liens affecting any of the Property.

(4) On or before the Closing Date, Developer shall approve the forms of all closing documents.

The foregoing contingencies are for Developer's sole and exclusive benefit and one (1) or more may be waived in writing by Developer in their sole discretion. EDA shall reasonably cooperate with Developer's efforts to satisfy such contingencies, at no out of pocket cost to EDA or assumption of any obligation or liability by Developer. Developer shall bear all cost and expense of satisfying Developer's contingencies. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at Developer's option, by written notice from Developer to EDA. Such written notice must be given on or before the applicable date, or Developer's right to terminate this Agreement pursuant to this Section shall be waived. If Developer terminates this Agreement pursuant to this Section, then any amount previously paid by Developer to EDA, including the Earnest Money, shall immediately be refunded to Developer. Upon termination, neither party shall have any further rights or obligations against the other regarding this Agreement or the Property, except for such obligations as survive termination of this Agreement.

B. If Developer elect not to exercise any of the contingencies set out herein, such election may not be construed as limiting any representations or obligations of EDA set out in this Agreement, including without limitation any indemnity or representations with respect to environmental matters.

6.2 EDA's Contingencies. EDA's obligation to proceed to Closing shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

A. Developer shall have performed and satisfied all agreements, covenants and conditions required pursuant to this Agreement to be performed and satisfied by or prior to the Closing Date.

B. All representations and warranties of Developer contained in this Agreement shall be accurate as of the Closing Date.

C. There shall be no uncured default by Developer of any of Developer's obligations under this Agreement as of the Closing Date.

If any contingency contained in this Section has not been satisfied on or before the date described therein, and if no date is specified, then the Closing Date, then this Agreement may be terminated by written notice from EDA to Developer and no party shall have any further rights or obligations with respect to this Agreement or the Property, except for such obligations as survive termination of this Agreement. If termination occurs, EDA shall return the Earnest Money to Developer. All contingencies in this Section are for the benefit of EDA, and EDA may in its sole discretion waive any of the conditions precedent set out in this Section by written notice to Developer.

7. Closing. The closing of the purchase and sale contemplated by this Agreement shall occur on or before the Closing Date, unless otherwise agreed to by the parties. The EDA agrees to deliver legal and actual possession of the Property to Developer on the Closing Date. Closing shall occur at Title Company.

7.1 EDA's Closing Documents and Deliveries. EDA shall execute and/or deliver, as applicable, to Developer the following:

A. Deed. A general warranty deed conveying title to the Property to Developer, free and clear of all encumbrances, except the Permitted Encumbrances. The Deed shall include as a covenant running with the land the condition of Minnesota Statutes, Sections 469.090 to 469.1082 relating to the use of the Property. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the Deed.

B. Bring Down Certificate. EDA shall provide Developer with a certificate certifying that the representations and warranties of the EDA contained in this Agreement are true as of the Closing Date.

C. FIRPTA Affidavit. An affidavit of EDA certifying that EDA is not a “foreign person”, “foreign partnership”, foreign trust”, “foreign estate” or “disregarded entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

D. EDA’s Affidavit. A standard owner’s affidavit (ALTA form) from EDA which may be reasonably required by Title Company to issue an owner’s policy of title insurance with respect to the Property with the so-called “standard exceptions” deleted.

E. Settlement Statement. A settlement statement with respect to this transaction.

F. Copies of Resolutions. EDA shall provide Developer with copies of the resolutions for the various EDA and/or City public meetings showing the EDA and/or various City commissions and/or councils have approved this transaction, the Approvals, if required by Title Company.

G. General Deliveries. All other documents reasonably determined by Title Company to be necessary to transfer the Property to Developer and to evidence that EDA (a) has satisfied all monetary indebtedness with respect thereto, (b) has obtained such termination statements or releases from such secured creditors as may be necessary to ensure that the Property is subject to no monetary liens, (c) has obtained all consents from third parties necessary to effect EDA’s performance of the terms of this Agreement, including, without limitation, the consents of all parties holding an interest in the Property, (d) has provided such other documents as are reasonably determined by Title Company to be necessary to issue policies of title insurance to Developer with respect to the Property with the so-called “standard exceptions” deleted, and (e) has duly authorized the transactions contemplated hereby.

7.2. Developer Closing Documents and Deliveries. Developer shall execute and/or deliver, as applicable, to EDA the following:

A. Payment of Purchase Price. Developer shall pay the Purchase Price 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 the EDA or Title Company.

B. Bring Down Certificate. Developer shall provide EDA with a certificate, signed by an authorized officer of Developer, certifying that the

representations and warranties of the Developer contained in this Agreement are true as of the Closing Date.

C. Settlement Statement. A settlement statement with respect to this transaction.

D. FIRPTA Affidavit. An affidavit of Developer certifying that Developer is not a “foreign person,” “foreign partnership,” “foreign trust,” “foreign estate” or “disregarded entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

E. Developer’s Affidavit. A standard owner’s affidavit (ALTA form) from Developer which may be reasonably required by Title to issue an owner’s policy of title insurance with respect to the EDA Property with the so-called “standard exceptions” deleted.

F. Evidence of Authority. Developer shall provide EDA with copies of the resolutions showing Developer has met with necessary requirements to acquire the Property in accordance with this Agreement together with such proceedings, instruments and documents as may be reasonably required Title Company as a condition precedent to issuing the Title Policy in Developer’s name.

G. 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, including any purchaser’s affidavits or revenue or tax certificates or statements.

8. **Prorations, Adjustments, and Credits**. EDA and Developer agree to the following prorations and allocation of costs regarding this Agreement:

8.1 Title Evidence, Survey and Closing Costs. EDA shall pay all costs of the Commitment with respect to the Property, including search and exam fees. Developer shall pay all premiums for any title insurance policy it desires with respect to the Property. Developer shall pay all reasonable closing fees or charges imposed by Title Company and any and all escrow fees charged by Title Company.

8.3 Transfer Taxes. EDA shall pay all state deed tax regarding the Deed.

8.4 Recording Costs. Developer will pay all recording costs with respect to the recording of the Deed and this Agreement and for the recording of the mortgage, if any, and any mortgage registration tax, if any.

8.5 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 EDA and Developer 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.

8.7 Attorneys' Fees. EDA and Developer shall each pay its own attorneys' fees incurred in connection with this transaction, unless otherwise stated in this Agreement.

8.8 Survival. The obligations set forth in this Section 8 survive the Closing.

9. Title Examination. (i) Within ten (10) days following the Effective Date, EDA shall, at EDA's expense, provide to Developer a commitment for an owner's title insurance policy (ALTA Form 2006) issued by Title Company for the Property, and copies of all encumbrances described in the commitment (the "Commitment"); and (ii) within sixty (60) days following the Effective Date, Developer may obtain, at Developer's expense, an ALTA-certified survey bearing the legal description of the Property, and showing the area, dimensions and location of the Property and the matters shown in the Commitment (the "Survey," together with the Commitment, shall mean the "Title Evidence").

9.1 Developer's Objections. Within ten (10) days after Developer's receipt of the last of the Title Evidence, or ten (10) days after the date of execution of this Agreement, whichever occurs later, 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 the Survey. Any matters reflected on the Title Evidence which are not objected to by Developer within such time period or waived by Developer in accordance with Section 9.2(B) shall be deemed to be 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 which do not interfere with the Proposed Use, 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.

9.2 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 option to do any of the following:

- A. Terminate this Agreement with respect to all of the Property.
- B. Waive one or more of its objections and proceed to Closing.

9.3 If Developer so terminates this Agreement, 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 any amount previously paid by Developer to EDA, including the Earnest Money, shall be refunded to Developer.

10. **Construction of Minimum Improvements.**

10.1 **Construction of Minimum Improvements.** All Minimum Improvements constructed on the Property shall be constructed, operated and maintained in accordance with the terms of the Concept Site Plan, this Agreement, and all local, Minnesota and federal laws and regulations (including, but not limited to, Environmental Controls and Land Use Regulations). Developer will use commercially reasonable efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will use commercially reasonable efforts to meet, in a timely manner, the requirements of applicable Environmental Controls and Land Use Regulations which must be met before Developer's Minimum Improvements may be lawfully constructed.

10.2 **Zoning; Other Approvals.** The parties agree that the development of the Minimum Improvements is in the public interest, will provide significant and important benefits to the City and its residents, and is a desirable and appropriate use of the Property. Developer may elect to seek certain City zoning and building approvals in order for Developer to develop the Property for the Proposed Use, including rezoning the Property or receipt of a Planned Unit Development approval.

10.3 **Commencement and Completion of Construction.** Subject to Unavoidable Delays, Developer shall commence construction of the Minimum Improvements no later than December 31, 2027. "Commence Construction" shall mean the start of site grading and installation of utilities. Subject to Unavoidable Delays, Developer shall have substantially completed the construction of the Minimum Improvements no later than December 31, 2028. All work with respect to the Minimum Improvements to be constructed or provided by Developer on the Property shall be in substantial conformity with the Concept Site Plan and Developer will not modify the size or exterior appearance of the Minimum Improvements without the consent of the EDA and the City, which consent shall not be unreasonably withheld.

10.4 **Certificate of Completion.**

A. After substantial completion of the Minimum Improvements in accordance with the Concept Site Plan and all terms of this Agreement, EDA will furnish Developer with a Certificate of Completion in the form of Exhibit B hereto. Such certification by the EDA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the Deed

with respect to the obligations of Developer to construct the Minimum Improvements and the dates for the beginning and completion thereof. The Certificate of Completion shall only be issued after issuance of a certificate of occupancy by the City.

B. The Certificate of Completion provided for in this Section 10.4 shall be in such form as will enable it to be recorded in the proper county office in Washington County, Minnesota for the recordation of deeds and other instruments pertaining to the Property. If the EDA shall refuse or fail to provide such certification in accordance with the provisions of this Section 10.4, the EDA shall, within thirty (30) days after written request by Developer, provide Developer with a written statement, indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default of a material term of this Agreement, and what measures or acts will be necessary, in the reasonable opinion of the EDA, for Developer to take or perform in order to obtain such certification.

C. Reconstruction of Minimum Improvements. If the Minimum Improvements are damaged or destroyed before completion thereof and issuance of a Certificate of Completion, to the extent payment is actually made to Developer under a valid and collectible insurance policy in connection with such specific claim, issue or matter, Developer agrees, for itself and its successors and assigns, to reconstruct the Minimum Improvements within one (1) year of the date of the damage or destruction. The Minimum Improvements shall be reconstructed in accordance with the approved Concept Site Plan, or such modifications thereto as may be requested by Developer and approved by the EDA in accordance with Section 10 of this Agreement, which approval will not be unreasonably withheld. Developer's obligation to reconstruct the Minimum Improvements pursuant to this Section 10.4(C) shall end when the Certificate of Completion is issued.

11. **Insurance and Condemnation.**

11.1 **Required Insurance.** Developer agrees to provide and maintain or cause its general contractor to provide and maintain at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the EDA, furnish the EDA with proof of payment of premiums on:

A. 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 nonreporting form on the so-called "all risk" form of policy;

B. 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 \$1,500,000 for each occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

C. Workers' compensation insurance, with statutory coverage. The policies of insurance required pursuant to clauses (A) and (B) above shall be in form and content reasonably satisfactory to the EDA and shall be placed with financially sound and reputable insurers licensed to transact business in Minnesota. The policy of insurance delivered pursuant to clause (A) 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.

11.2 **Evidence of Insurance.** All insurance required in this Section 11.2 shall be taken out and maintained in responsible insurance companies selected by Developer which are authorized under the laws of Minnesota to assume the risks covered thereby. Until the Certificate of Completion is issued, Developer agrees to deposit annually with the EDA copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Section 11.2, each policy shall contain a provision that the insurer shall not cancel nor materially modify it without giving written notice to 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, Developer shall furnish the EDA evidence satisfactory to the EDA that the policy has been renewed or replaced by another policy conforming to the provisions of this Section 11.2, or that there is no necessity therefor under the terms of this Agreement. In lieu of separate policies, Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event Developer shall deposit with the EDA a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

11.3 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) after Closing but prior to the Commencement of Construction, as defined in Section 10.6, 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, 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 Property.

12. Environmental Considerations.

12.1 Definitions. For purposes of this Agreement,

A. “Hazardous Substances” shall include, without limitation, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, and shall include, without limitation, substances defined as “hazardous substances”, “toxic substances”, “hazardous waste”, “pollutants or contaminants” or similar substances under any Environmental Law, as hereinafter defined.

B. “Environmental Law” shall mean (a) the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601-9657, as amended, or any similar state law or local ordinance, (b) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., (c) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., (d) the Clean Air Act, 42 U.S.C. § 7401, et seq., (e) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., (f) the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., (g) any law or regulation governing aboveground or underground storage tanks, (h) any other federal, state, county, municipal, local or other statute, law, ordinance or regulation, including, without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01, et seq., (i) all rules or regulations promulgated under any of the foregoing, and (j) any amendments of the foregoing.

C. “Environmental Conditions” shall mean any release or threatened release of any Hazardous Substances into the drainage systems, soils, groundwater, waters or atmosphere, which release is the result of the control, use, occupancy and/or operation of the Property prior to the Closing Date.

12.2 Environmental Conditions. Developer acknowledges and agrees that the EDA has not made, and the EDA hereby specifically disclaims, any representation, warranty or covenant of any kind, oral or written, expressed or implied, or arising by operation of law, with respect to the Environmental Conditions of the EDA Property. Subject to the Developer’s Investigations, as stated in Section 4 of this Agreement,

Developer agrees to accept the EDA Property and acknowledges that the sale of the EDA Property as provided for herein is made by the EDA on an "AS IS," "WHERE IS," and "WITH ALL FAULTS" basis. The limitations set forth in this paragraph shall survive the Closing and shall not merge in the Deed.

12.3 Developer Indemnification Obligation. Developer agrees to pay and protect, indemnify and release EDA from and hold EDA harmless against any and all loss, liability, damage, cost, expense (including attorneys' fees and expenses), cause of action, regulatory proceeding, suit, claim, demand or judgment, against EDA or its agents, employees, contractors, and legal consultants or the Property arising in connection with or in relation to Environmental Conditions, or any clean-up thereof, including, specifically, claims by adjacent property owners for damages resulting from the contamination of adjacent properties due to the migration of any Environmental Conditions. Notwithstanding anything else set forth in this Agreement, Developer's indemnification obligation set forth in this Section shall survive the Closing or any termination of this Agreement. This indemnification shall not be limited as a result of any investigations conducted by EDA or Developer.

12.4 Reporting Requirements. EDA and Developer agree to comply with all reporting requirements set out in any Environmental Law.

13. Prohibition Against Sale; Encumbrances.

13.1 Prohibition Against Sale of Minimum Improvements. Developer represent and agree that their use of the Property and other undertakings pursuant to the Agreement, are, and will be, for the purpose of development of the Property and not for speculation in land holding. Developer further recognizes that in view of the importance of the construction of the Minimum Improvements on the Property to the general welfare of the City and the substantial assistance that has been made available by the EDA for the purpose of making such development possible, the fact that any act or transaction involving or resulting in a significant change in the identity of Developer are of particular concern to the EDA. Developer further recognize that it is because of such qualifications and identity that the EDA is entering into the Agreement with Developer, and, in so doing, is further willing to accept and rely on the obligations of Developer for the faithful performance of all undertakings and covenants hereby by it to be performed. For the foregoing reasons, Developer represent and agree that, prior to the issuance of the Certificate of Completion, there shall be no sale of the Property or the Minimum Improvements by Developer nor shall Developer suffer any such sale to be made, without the prior written approval of the EDA.

A. As security for the obligations of Developer under this Agreement, Developer represents and agrees that prior to the issuance of the Certificate of Completion, Developer will maintain its existence as a Minnesota limited liability company and shall not consolidate with or merge into another entity and shall not dissolve or otherwise dispose of all or substantially all of its assets except as permitted by this Agreement. Nothing herein shall prevent Developer from selling or issuing additional membership interests in

Developer. Developer and any entity succeeding to all or part of Developer's rights in the Minimum Improvements or any part under this Section ("Successor Developer") may consolidate with or merge into another entity or sell or otherwise transfer to a company or limited liability company, or other legal entity, or an individual, all or any part of its interest in this Agreement and the Minimum Improvements and thereafter be discharged from liability hereunder to the extent of the interest so transferred, if Developer or such Successor Developer, as applicable, is not in default of any of its material obligations under this Agreement, if the transferee company, limited liability company, entity or individual enters into a written agreement assuming all of the obligations of Developer under this Agreement not retained by Developer, if any, with respect and to the extent of the interest so transferred, in form and substance reasonably acceptable to the EDA, and the transferee company, limited liability company, entity or individual is financially capable of and has experience in performing the obligations of Developer under this Agreement and is approved by the EDA. In the event of a consolidation, merger or sale in accordance with this subsection, Developer or other transferor shall not be liable for any actions of the Successor Developer or purchaser or have any liability under this Agreement with respect to matters arising subsequent to such consolidation, merger or sale which relate to the interest so transferred.

B. Developer or any Successor Developer may not sell, transfer, lease or convey the Property and its rights and obligations under this Agreement with respect to such parcel to another entity, whether or not such Successor Developer is under common management and control with Developer, or is related to Developer, except in accordance with the terms of this Agreement. Except as provided in Section 13.1 no such sale, transfer, conveyance or lease shall be effective or recognized for any purpose hereunder, unless:

(1) The Successor Developer will assume all of Developer's obligation under any agreement relative to a credit provider and the Successor Developer is approved by the credit provider and enters into a written assumption agreement reasonably acceptable to the credit provider; and

(2) The Successor Developer will assume all of Developer's financial obligations to the EDA and the Successor Developer is approved by the EDA and enters into a written assumption agreement in form and substance reasonably acceptable to the EDA.

13.2 Limitation Upon Encumbrance of Property. Prior to the issuance of the Certificate of Completion, Developer agrees not to engage in any financing creating any mortgage or other encumbrance or lien upon the Property or the Minimum Improvements, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Property or the Minimum Improvements, other than the liens or encumbrances directly and solely related to construction of the Minimum Improvements and approved by the EDA, which approval shall not be withheld or delayed unreasonably if the EDA determines that such lien or encumbrance will not threaten its security in the Property or the Minimum Improvements.

14. **Events of Default.**

14.1 **Events of Default Defined.** Each and every one of the following shall be an Event of Default under this Agreement:

A. Failure by the EDA or Developer to proceed to Closing on the Property after compliance with or the occurrence of all conditions precedent to Closing;

B. Failure by Developer to commence and complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Section 10 of this Agreement, including the timing thereof, unless such failure is caused by an Unavoidable Delay;

C. Failure by Developer to pay real estate taxes or special assessments on the Property and Minimum Improvements as they become due;

D. Use by Developer or others of the Minimum Improvements for purposes other than those contemplated and permitted by this Agreement;

E. Transfer or Sale of the Property or the Minimum Improvements or any part thereof by Developer in violation of Section 13.1 of this Agreement and without the prior written permission by the EDA;

F. If Developer shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors or shall consent to the appointment of a receiver; or

G. Failure by any party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

14.2 **Remedies on Default.** Whenever any Event of Default referred to in Section 14.1 of this Agreement occurs, the non-defaulting party may take any one or more of the following actions after providing thirty (30) days' written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

A. Suspend its performance under this Agreement, including refusing to close on the Property, until it receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its default and continue its performance under this Agreement;

B. If the EDA defaults under this Agreement for any reason (other than Developer's default), Developer shall be entitled to terminate this Agreement in which event the Earnest Money shall be promptly refunded to Developer.

C. If Developer defaults under this Agreement for any reason (other than the EDA's default) prior to the Closing Date, the EDA shall be entitled to terminate this Agreement and to retain the Earnest Money paid by Developer pursuant to this Agreement.

D. If the default occurs prior to completion of the Minimum Improvements and remains uncured following the cure period, the EDA may withhold the Certificate of Completion; or

E. Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party under this Agreement.

14.3 Revesting Title in EDA on Failure to Commence Construction Subsequent to Conveyance to Developer. Pursuant to Minn. Stat. §469.105 subd. 5, if Developer fails to commence construction pursuant to this Agreement by December 31, 2027, the EDA shall have the right to re-enter and take possession of the Property and to terminate the estate conveyed in the Deed to Developer, it being the intent of this provision that the conveyance of the Property to Developer shall be made upon and a deed containing a condition subsequent to the effect that in the event that Developer fails to commence construction pursuant to this Agreement and fails to request and receive additional time for commencement, the EDA at its option, may declare a termination in favor of the EDA of the title and of all the rights and interests in and to the Property conveyed to Developer. In such circumstances, all title, rights and interests of Developer and any assigns or successors in interest to and in the Property, shall revert to the EDA. If Developer does commence construction pursuant to this Agreement, a Release of Right to Re-enter and Revest shall be filed with Office of the County Recorder and Registrar of Titles in and for the County of Washington and State of Minnesota memorializing the commencement of Minimum Improvements and releasing Developer from the EDA's right to re-enter and take possession of the parcel and to terminate the estate conveyed in the Deed to Developer pursuant to Minn. Stat. §469.105, subd. 5, although all additional covenants and provisions of this Agreement and the Deed shall remain in effect.

14.4 Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the EDA of title to and/or possession of the Property or any part thereof as provided above, the EDA shall, pursuant to its responsibilities under law, use its best efforts to sell the Property or part thereof as soon and in such manner as the EDA shall find feasible to a qualified and responsible party, who will assume the obligation of making or completing Minimum Improvements or such other improvements in their stead as shall be satisfactory to the EDA in accordance with the uses specified for such parcel or part thereof. During any time while the EDA has title to and/or possession of a parcel obtained by reverter, the EDA will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the Property or any part thereof, the proceeds thereof shall be applied:

A. First, to reimburse the EDA for all reasonable costs and expenses incurred by the EDA, including but not limited to brokerage fees, all taxes, assessments and water and sewer charges accrued with respect to the Property or part thereof prior to revesting of title; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of revesting of title thereto in the EDA or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, or Successor Developer; any expenditures made or obligations incurred by EDA with respect to the making or completion of the Minimum Improvements; and any amounts otherwise owing the EDA by Developer or its Successor Developer; and

B. Second, to reimburse Developer or Successor Developer, up to the amount equal to (i) the Purchase Price paid by Developer; plus (ii) the amount actually invested by it in making any of the subject improvements on the Property or part thereof, less (iii) any gains or income withdrawn or made by it from the Agreement or the Property.

C. Any balance remaining after such reimbursements shall be retained by the EDA as its property.

Nothing in this Section 14 shall in any way affect or diminish Developer's right to terminate this Agreement in accordance with Section 6.1.

14.5 No Remedy Exclusive. No right or remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other available right or remedy herein or provided by law, but each and every such remedy shall be cumulative and shall be in addition to every other right or remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the EDA or Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in Section 14.2 of this Agreement.

14.6 No Additional Waiver Implied by One Waiver. In the event any covenant or agreement 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.

15. Warranties and Representations.

15.1 By EDA. EDA warrants and represents the following to Developer, and acknowledges that Developer has relied on such representations and warranties in agreeing to enter into this Agreement:

A. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of EDA enforceable in accordance with its terms. EDA has been duly formed under the laws of the State of Minnesota and is in good standing under the laws of the jurisdiction in which the Property is located, is duly qualified to transact business in the jurisdiction in which the Property is located, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by EDA pursuant hereto. This Agreement and the documents and instruments required to be executed and delivered by EDA pursuant hereto have each been duly authorized by all necessary action on the part of EDA and such execution, delivery and performance does and will not conflict with or result in a violation of EDA's organizational agreement or any judgment or order.

B. The execution, delivery and performance by EDA of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to EDA, or (b) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which EDA is a party or by which it or any of its properties may be bound.

C. To EDA's knowledge, except as contemplated herein, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any other entity, is required on the part of EDA to authorize, or is required in connection with, the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, this Agreement, except for Developer obtaining all the Approvals.

D. To EDA's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting EDA or any of its properties, before any court or arbitrator, or any governmental department, board, agency or other instrumentality which in any of the foregoing (a) challenges the legality, validity or enforceability of this Agreement, or (b) if determined adversely to EDA, would have a material adverse effect on the ability of EDA to perform its obligations under this Agreement.

E. EDA has not received written notice, and has no knowledge, of (a) any pending or contemplated annexation or condemnation proceedings, or purchase in lieu of the same, affecting or which may affect all or any part of the Property, (b) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property, (c) any proposed changes in any road patterns or grades which would adversely and materially affect access to the roads providing a means of ingress or egress to or from all or any part of the Property, or (d) any uncured violation of any legal requirement, restriction, condition, covenant or

agreement affecting all or any part of the Property or the use, operation, maintenance or management of all or any part of the Property.

F. To EDA's knowledge, there are no wells or sewage treatment systems located on any portion of the Property. To EDA's knowledge, there has been no methamphetamine production on or about any portion of the Property. To EDA's knowledge, the sewage generated by the Property, if any, goes to a facility permitted by the Minnesota Pollution Control Agency and there is no "individual sewage treatment system" (as defined in Minnesota Statutes § 115.55, Subd. 1(g)) located on the Property.

G. EDA is not a "foreign person," "foreign corporation," "foreign trust," "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code.

H. To EDA's knowledge, except as may be disclosed as part of the Due Diligence Materials, (i) no condition exists on the Property that may support a claim or cause of action under any Environmental Law (as defined below) and there are no Hazardous Substances (as defined below) on the Property, (ii) there has been no release, spill, leak or other contamination or otherwise onto the Property, and (iii) there are no restrictions, clean ups or remediation plans regarding the Property. To EDA's knowledge, except as may be disclosed as part of the Due Diligence Materials, there is no buried waste or debris on any portion of the Property. "Environmental Law" shall mean (a) the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601-9657, as amended, or any similar state law or local ordinance, (b) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., (c) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., (d) the Clean Air Act, 42 U.S.C. § 7401, et seq., (e) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., (f) the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., (g) any law or regulation governing aboveground or underground storage tanks, (h) any other federal, state, county, municipal, local or other statute, law, ordinance or regulation, including, without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01, et seq., (i) all rules or regulations promulgated under any of the foregoing, and (j) any amendments of the foregoing. "Hazardous Substances" shall mean polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, and shall include, without limitation, substances defined as "hazardous substances," "toxic substances," "hazardous waste," "pollutants or contaminants" or similar substances under any Environmental Law.

I. To the EDA's knowledge, there are no leases, tenancies unrecorded agreements or other contracts of any nature or type relating to, affecting or serving the Property that will not be terminated as of the Closing Date.

J. There will be no indebtedness or sums due attributable to the Property which will remain unpaid after the Closing Date.

As used in this Agreement, the term “to EDA’s knowledge” shall mean and refer to only the current actual knowledge of the designated representative of EDA and shall not be construed to refer to the knowledge of any other partner, officer, manager, member, director, agent, authorized person, employee or representative of EDA, or any affiliate of EDA, or to impose upon such designated representative any duty to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon such designated representative any individual personal liability. As used herein, the term “designated representative” shall refer to EDA’s Executive Director.

The representations, warranties and other provisions of this Section 15.1 shall survive Closing; provided, however, EDA shall have no liability with respect to any breach of a particular representation or warranty if Developer shall fail to notify EDA in writing of such breach within two (2) years after the Closing Date, and provided further that EDA shall have no liability with respect to a breach of the representations and warranties set forth in this Agreement if Developer has actual knowledge of EDA’s breach thereof prior to Closing and Developer consummates the acquisition of the Property as provided herein.

Developer acknowledge and agree that, except as expressly specified in this Agreement and/or in any documents executed and delivered by the EDA at Closing, EDA has not made, and EDA hereby specifically disclaims, any representation, warranty or covenant of any kind, oral or written, expressed or implied, or rising by operation of law, with respect to the Property, including but not limited to, any warranties or representations as to the habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, physical or environmental condition, utilities, valuation, governmental approvals, the compliance of the Property with governmental laws, the truth, accuracy or completeness of any information provided by or on behalf of EDA to Developer, or any other matter or item regarding the Property. Developer agree that except as expressly specified in this Agreement and/or in any documents executed and delivered by the EDA at Closing, Developer shall accept the Property and acknowledges that the sale of the Property as provided for herein is made by EDA on an “AS IS,” “WHERE IS,” and “WITH ALL FAULTS” basis. Developer is an experienced purchaser of property such as the Property and Developer has made or will make its own independent investigation of the Property. The limitations set forth in this paragraph shall survive the Closing and shall not merge in the Deed.

15.2 By Developer. Developer warrant and represent the following to EDA, and acknowledge that EDA has relied on such representations and warranties in agreeing to enter into this Agreement:

A. Developer is a limited liability company and Developer is duly organized and in good standing under the laws of the State of Minnesota and is not in violation of any provisions of its company documents or its operating agreement. Developer have all requisite authority to enter into this Agreement and to perform all of its obligations under this Agreement.

B. The execution, delivery and performance by Developer of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to Developer, (b) violate or contravene any provision of the articles of incorporation or bylaws of Developer, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which Developer is a party or by which it or any of its properties may be bound.

C. Developer have received no notice or communication from any local, state or federal official that the activities of the Developer or the EDA on the Property may be or will be in violation of any environmental law or regulation. 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. Developer will complete the Minimum Improvements in accordance with all local, state, federal laws or regulations.

E. 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. Developer shall have satisfied the terms and conditions contained in this Agreement prior to the Closing Date or posted surety bonds for future fulfillment of all requirements contained in this Agreement.

G. Developer shall cooperate with EDA with respect to any litigation, other than litigation in which EDA and Developer are adverse parties, commenced with respect to the Minimum Improvements.

H. Whenever any Event of Default occurs and EDA employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Developer under this Agreement, Developer agree that Developer shall, within ten (10) days of written demand by EDA, pay to EDA the reasonable fees for attorneys and consultants and other expenses so incurred by EDA, including those costs incurred in the negotiation, preparation and implementation of this Agreement. The requirements of this provision shall survive any termination of this Agreement.

The representations, warranties and other provisions of this Section 15.2 shall survive Closing.

16. **Additional Obligations of EDA.**

16.1 Further Assurances. From and after the Closing Date, EDA agrees to execute, acknowledge and deliver to Developer such other documents or instruments of transfer or conveyance as may be reasonably required to carry out its obligations pursuant to this Agreement.

17. **Section Intentionally Reserved.**

18. **Additional Provisions.**

18.1 Commissions. Each party represents that all negotiations on its behalf relative to this Agreement and the transactions contemplated by this Agreement have been carried on directly between the parties, without the intervention of any party as broker, finder or otherwise, and that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Agreement.

18.2 Notice. Except as otherwise provided in this Agreement, any notice to be given by one party hereto shall be personally delivered (including messenger delivery) or be sent by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses in this Section (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, three (3) days after the date postmarked or one (1) business day after delivery to such overnight courier.

If to EDA:	Forest Lake Economic Development Authority 1408 Lake Street South Forest Lake, MN 55025 Attn: Abbi Jo Wittman, Community Development Director
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with a copy to:	Amanda Johnson LeVander, Gillen & Miller, P.A. 1305 Corporate Center Drive, Suite 300 Eagan, MN 55121
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If to Developer:	GLG Forest Lake Properties, LLC Gino Pitera 5715 Blaine Ave. Inver Grove Heights, MN 55076
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with a copy to:	Michael Kula Michael G. Kula, P.A. 1275 St. Clair Ave. St. Paul, MN 55105
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18.3 EDA Representatives Not Individually Liable. No member, official, or employee of the EDA shall be personally liable to 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 Developer or successor or on any obligations under the terms of the Agreement.

18.4 Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement, it will comply with all applicable equal employment and nondiscrimination laws and regulations.

18.5 Restrictions on Use. Developer, for itself and its successors and assigns, agrees to devote the Property and Minimum Improvements only to such land use or uses as may be permissible under the City's land use regulations.

18.6 Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties with respect to this transaction and supersedes any prior oral or written agreements between the parties regarding this transaction. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

18.7 Binding Effect; Survival. The provisions of this Agreement and the representations, warranties and indemnities contained herein shall survive the execution and delivery of the 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.

18.8 Disclaimer of Relationships. Developer acknowledge that nothing contained in this Agreement nor any act by EDA or Developer shall be deemed or construed by Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between EDA and Developer.

18.9 Developer's Assignment. Developer may assign this Agreement with the prior written consent of the EDA. No assignment shall relieve Developer from its obligations under this Agreement.

18.10 Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

18.11 Rules of Interpretation. The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof. References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

18.12 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, and all of the signatures to this Agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such counterpart. Facsimile or “PDF” signatures on this Agreement shall be treated as originals until the actual original signatures are obtained.

18.13 Represented by Counsel. Each party confirms that it has had the opportunity to be represented and advised by counsel in this transaction.

18.14 Titles of Sections. Any titles of the sections, or any subsections, of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

18.15 Recording. The parties agree that this document shall be recorded against the Property at the Washington County Recorder’s Office and Registrar of Titles.

18.16 Time of the Essence. Time is of the essence of this Agreement.

[remainder of page intentionally blank]

IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

**FOREST LAKE ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Mara Bain
Its President

By _____
Kristina Handt
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024 by Mara Bain and Kristina Handt, the President and Executive Director respectively, of the Forest Lake 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

DEVELOPER:
GLG Forest Lake Properties, LLC

By: _____
Name: _____
Its: _____

[illegible]

The foregoing instrument was acknowledged before me this ____ day of _____, 2024 by _____, the _____ of GLG Forest Lake Properties, LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

This document was drafted by:

LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
651-451-1831

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

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

Lot 1, Block 2, Northern Pacific Addition, Washington County, Minnesota.

Abstract Property.

280 Broadway Ave, West, Forest Lake, Minnesota, 55033

EXHIBIT B
FORM OF CERTIFICATE OF COMPLETION

WHEREAS, the Forest Lake Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (the “Grantor”), by a deed dated _____, _____, and recorded in the office of the County Recorder and Registrar of Titles in and for Washington County, Minnesota, as Document Nos. _____ and _____, has conveyed to GLG Forest Lake Properties, LLC, a Minnesota limited liability company (the “Grantee”), the following described land in County of Washington and State of Minnesota, to-wit:

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

Lot 1, Block 2, Northern Pacific Addition, Washington County, Minnesota.

Abstract Property.

280 Broadway Ave, West, Forest Lake, Minnesota, 55033

(the “Deed”); and

WHEREAS, said Deed was executed pursuant to that certain Real Property Purchase and Pre-Development Agreement (“Agreement”) by and between the Grantor and Grantee, dated _____, _____ and recorded in the office of the County Recorder and Registrar of Titles in and for Washington County, Minnesota, as Document Nos. _____ and _____, which Agreement contained certain covenants and restrictions regarding completion of the Minimum Improvements; and

WHEREAS, said Grantee has performed said covenants and conditions 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 construction of the Minimum Improvements specified to be done and made by the Grantee has been completed and the covenants and conditions in the Agreement have been performed by the Grantee therein, and the County Recorder and Registrar of Titles in Washington County, Minnesota, are hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the Minimum Improvements and the removal of the conditions, restrictions and limitations found in Sections 1 and 2 of the Deed.

[remainder of page intentionally blank]

**FOREST LAKE ECONOMIC
DEVELOPMENT AUTHORITY**

Dated: _____, ____.

By _____
Mara Bain
Its President

By _____
Kristina Handt
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 202____ by Mara Bain and Kristina Handt, the President and Executive Director respectively, of the Forest Lake 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 document was drafted by:

LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
651-451-1831

EXHIBIT C
CONCEPT SITE PLAN

EXHIBIT C
CONCEPT SITE PLAN

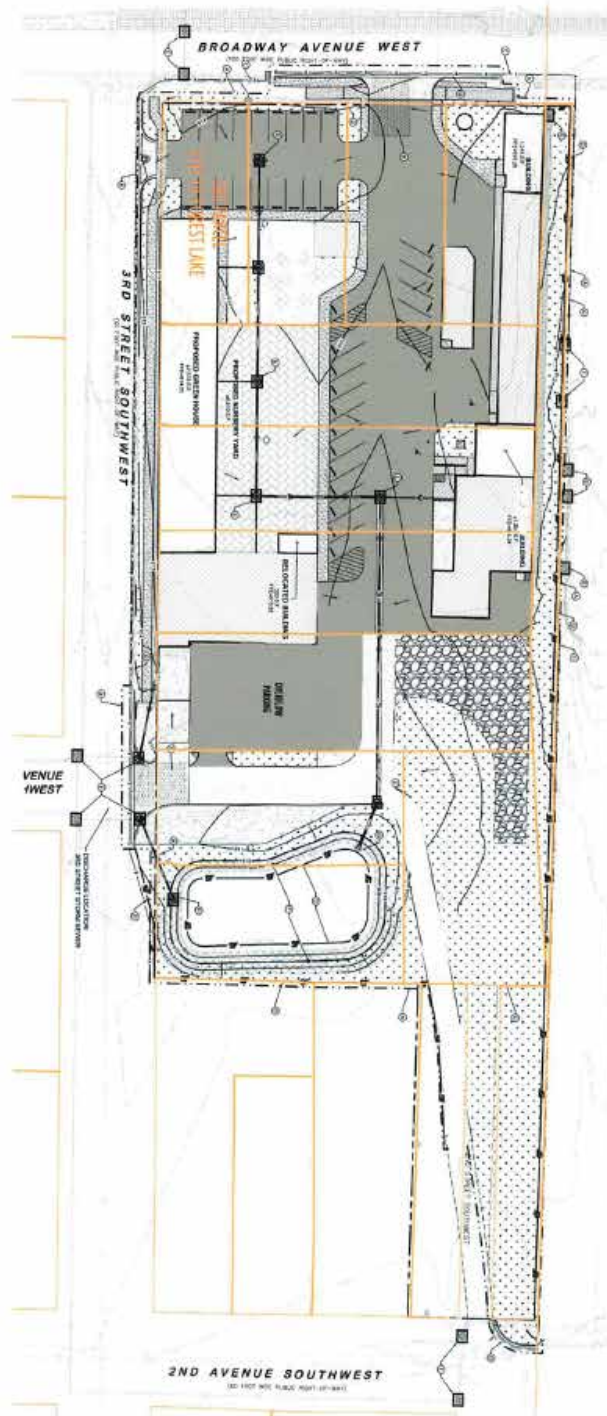


EXHIBIT D
FORM OF DEED

WARRANTY DEED

eCRV _____

DEED TAX DUE: _____

DATE: _____, 202__

THIS INDENTURE, between the Forest Lake Economic Development Authority, a public body corporate and politic organized and existing under the constitution and laws of Minnesota (the “Grantor”), and GLG Properties, a Minnesota limited liability company (the “Grantee”).

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

See attached Exhibit A.

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, their 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 _____, 2024 identified as “Real Property Purchase and Pre-

Development Agreement” (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 Washington 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 Forest Lake, 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 their 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 and Registrar of Titles, Washington 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:

- 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 such other amount of time as may be commercially reasonable; or
- b. Default in or violate its 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 its 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 revest in the Grantor the estate conveyed by this Deed to the Grantee, its heirs, successor 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 itself and its heirs, successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such heirs and assigns shall 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, its heirs, successors and assigns, 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 Forest Lake, 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]

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.

FOREST LAKE ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Mara Bain
Its: President

By: _____
Kristina Handt
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024 by Mara Bain and Kristina Handt, the President and Executive Director respectively, of the Forest Lake 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:

LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
651-451-1831
TITLE NOT EXAMINED

SEND TAX STATEMENT TO:

Gino Pitera
Forest Lake Properties, LLC
5715 Blaine Ave.
Inver Grove Heights, MN 55076
651-450-1501

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

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

Lot 1, Block 2, Northern Pacific Addition, Washington County, Minnesota.

Abstract Property.

280 Broadway Ave, West, Forest Lake, Minnesota, 55033

Date: July 8, 2024

To: President Mara Bain and EDA Commissioners

From: Abbi Wittman, Community Development Director

Re: 2025 Annual Budget Request

At the EDA's last regularly-scheduled meeting in July, the EDA requested additional information about the proposed 2025 EDA budget. The enclosed information summarizes not only the proposed EDA budget but also projects the EDA has been involved in and how they are moving forward in the City's 2025 budget and 10-year Capital Improvement Plan (CIP) process.

Economic Development Fund Proposal

2024 Budget, 2025 EDA Draft Expenditures and % Increase			
Category	2024 Budget	2025 Proposed	% Change
Wages	\$78,147	\$117,989	50.98%
Operations	\$6,000	\$6,000	-
Contract Services	\$7,500	\$7,500	-
Planning	\$22,500	\$22,500	-
Program Funds	\$50,000	\$50,000	-
Total	\$164,147	\$203,989	24.27%

As previously noted, the proposed expenditures total \$203,989. Staff is recommending that, aside from an increase in wages, no additional funding be requested for operations, contracted services, planning, and program funds. The sizable increase in wages is due to staff's proposal of a Planning Manager to the Community Development Department in 2025. Similar to the City's Community Development Director Position, where 50% of the position is funded from the Economic Development Fund, 25% of the new Planning Manager's position would be funded from the Economic Development Fund. While there is a significant increase to proposed wages, the overall increase is just under 25%. Staff is proposing the EDA request the EDA levy is increased to accommodate this increase.

Summarizing the remaining budget line items, staff offers the following information:

- Operations: These funds are specifically tied running the EDA. Expenses include operating supplies (including <https://www.investinforeslake.com/>), seminars and trainings, dues and subscriptions, and legal expenses.

- **Contracted Services:** These funds are for the Forest Lake Area Chamber of Commerce to administer the City's Business Retention and Expansion (BR&E) program.
- **Planning:** These funds are to help cover costs associated with EDA work plan administration. As a reminder to the EDA, the 2025 work plan includes developing policies related to Local Affordable Housing Aid (LAHA), HW123 consensus building and Requests for Proposals, and 2025 downtown priorities. Staff has not broken out the funding, specifically allowing for EDA flexibility.
- **Program Funds:** These funds are specific to the EDA's Commercial Incentive Improvement Program (CIIP). As a reminder, this forgivable loan program will reimburse local businesses 10% (up to \$5,000) of work that improves the exterior of a property.

City Budget and Capital Improvement Plan

As the EDA is aware, the EDA has had a significant focus on the development and implementation of the Downtown Plan (adopted in July, 2022). A copy of the Downtown Plan's *Implementation* chapter is enclosed for EDA review.

At their May 20 work session, the City Council discussed priorities to focus on in the 2025 Budget/Capital Improvement Plan. The top five priorities (listed in order of priority) included: Prioritize 10 year Staffing Plan, Prioritize projects in the 10 year plan, City Aesthetics, Downtown Plan and Shoreline Plan, and Downtown Redevelopment and dedicated funds. Based on this information and to further the efforts of the EDA, there are several projects in the Downtown Plan which staff have requested to be considered as part of this year's budget/CIP processes. They include:

- **Broadway Avenue Gateway (\$725,000)** – The median landscaping project includes the potential rehabilitation of gateway landscaping, lighting and furnishings on either side of Broadway Avenue between the Hardwood Creek Trail and Lake Street round about. In addition to this work, the City is seeking estimates for costs associated with improving the median plantings along Broadway Avenue, which will further assist in general community beautification efforts. It is anticipated this *Catalyst*¹ project work would start in 2025 (4th Street to Lake Street) and finish in 2026 (4th Street to Interstate 35).
- **Veteran's Memorial (\$700,000)** – Currently designed by the Veteran's Memorial Committee, this project is to be located at the apex of Broadway Avenue in Lakeside Memorial Park. The project includes decorative paving, a center sculpture monument, landscaping, lighting, and interpretative panels. Pending City Council approval of the final design in fall, 2024, it is anticipated the *Catalyst*¹ project will start in the fall of 2025, continue in early spring 2026, and be dedicated on Memorial Day 2026.
- **Shoreline Enhancement (\$1.4m)** - This project rehabilitates the Lakeside Memorial Park shoreline to be more aesthetically-pleasing, to protect the shore from erosion and to provide greater foot traffic access to the water. It is anticipated this *Catalyst* project

¹ Catalyst Projects are ready to be implemented in the first couple years from Plan adoption

could occur in 2026.

- Boat Ramp Relocation (\$1.06) or Boat Launch Rehabilitation (\$500,000) – The downtown plan calls for the potential relocation of the downtown boat launch. In a 2024 study, it was determined that a suitable location adjacent to the downtown area is possible; however, that location would require the acquisition of private land. Understanding the potential relocation could be quite some time in the future, staff is in discussions with the MnDNR about options for launch rehabilitation which could occur in 2026.

Given these items have been requested to be considered, staff would not recommend the EDA identify additional Downtown Plan projects for consideration in the 2025 budget. That said, if there is a desire of the EDA to further review the Downtown Plan projects and prioritize how the EDA might like to recommend the community work on them in the coming decades, staff will place this topic on upcoming EDA agendas to better help guide the EDA (and, subsequently the Council) in the long-range planning of significant downtown development projects.

Requested Action

Staff recommends the EDA review the proposed expenditures for 2025 and, if favorable, move to submit the EDA's proposed budget to the City Council and request a 24.27% EDA levy increase to accommodate the proposed expenses.

Attached

Downtown Plan's *Implementation* chapter

4	Paseo Project	\$879,336	Early Phase	Memorial Park quadrant of downtown.
5	Downtown Loop Trail Project	\$1,714,705	Early Phase	Broad pedestrian way from Lake Street to the Forest Lake shoreline roughly in line with the current boat launch.
6	Hardwood Creek Trail Wayside Project	\$888,129	Early Phase	A nearly one-mile recreational trail loop around the downtown district.
7-a	Lakeside Parkway Project (Broadway - 2nd NE)	\$2,716,254	Later Phase	A pocket park as a downtown gateway adjacent to the Hardwood Creek Trail.
7-b	Lakeside Parkway Project (1st St SE - Broadway)	\$1,918,145	Opportunistic	A parkway loop from the Lake Street/1 st St. SE intersection, past Lakeside Memorial Park to the Lake Street/NE 2 nd Avenue intersection.
8-a	Centennial Dr. Streetscape Proj. (Broadway - 2nd NW)	\$804,071	Opportunistic	A parkway loop from the Lake Street/1 st St. SE intersection, past Lakeside Memorial Park to the Lake Street/NE 2 nd Avenue intersection.
8-b	Centennial Dr. Streetscape Proj. (2nd SW - Broadway)	\$804,071	Opportunistic	Streetscape enhancement to the Centennial Drive corridor.
9	Broadway Avenue Gateway Project	\$141,648	Catalyst	Streetscape enhancement to the Centennial Drive corridor.
10	1st Avenue SW Neighborhood Trail Connector Project	\$174,208	Opportunistic	Rehabilitation of gateway landscaping, lighting and furnishings on either side of Broadway Avenue between the Hardwood Creek Trail and Lake Street round-about.
	Ramp Relocation Project	\$1,000,000	Later Phase	A short trail link from the proposed wayside park, across the Hardwood Creek Trail, to SW 2 nd Street a block east of the regional trail.
	Port Boat Dock Project	\$1,594,200	Early Phase	Removal of the downtown motorized boat launch and associated parking to a predetermined location away from Lakeside Memorial Park.
	Great Bandshell Project	\$2,430,538	Later Phase	Expansion of transient, short-term stay camps at downtown's Lakeside Memorial Park.
				A performance venue in the portion of Lakeside Memorial Park

IMPLEMENTATION

Implementing the Forest Lake Downtown Master Plan is not a single step. It is considered a fifteen to twenty-year plan, although experience tells us that implementation will find its greatest success if organized across the next decade. Achieving the vision established in the plan involves a series of interrelated actions. This chapter provides a guide for actions and investments required to implement the master plan and set a vibrant trajectory for downtown Forest Lake. Several factors will be key to successfully realizing the vision. They apply regardless of the actual form and timing of the actions.

Commitment to the plan and patience go hand-in-hand. This plan does not simply seek to invest in downtown. It seeks to move the district toward a cohesive vision for the future. There is a difference. Commitment to the plan means the willingness to actively promote public and private investments that achieve the vision, and to deter actions that do not. Not all decisions will be easy.

Comprehensiveness. The master plan is a comprehensive framework for guiding public and private investments in the downtown district. Viewed in its entirety, undertaking the plan may seem to be an overwhelming task. Implementing the plan, however, is not a single step but a series of actions that will span more than a decade.

Public/Private Partnerships. Leveraging public/private partnerships will make plan implementation achievable. This approach ensures that public monies are used to leverage desired public outcomes in combination with the interests of private investors.

Strategic Investments. With limited funds, every expenditure is strategic. It is not possible to immediately undertake all of the actions described in the plan. Needs and opportunities not contemplated in the plan may arise in the future. Every investment should be evaluated for its impact on achieving the vision for downtown.

Financial Planning. The ability to make strategic investments relies on the City's wise financial planning. Implementing the plan should be viewed as a series of interrelated actions. In some instances, downtown investments will yield revenues (such as TIF) that can offset related public investment demands. Other instances will require up-front public investments to attract private ones. The ability to coordinate public actions with private development will be key to implementation success. Failure to consider the implementation relationships between elements of the plan will lead to missed opportunities and increased risk for the City of Forest Lake.

Forest Lake Downtown Guide Plan

0 200 400 Feet

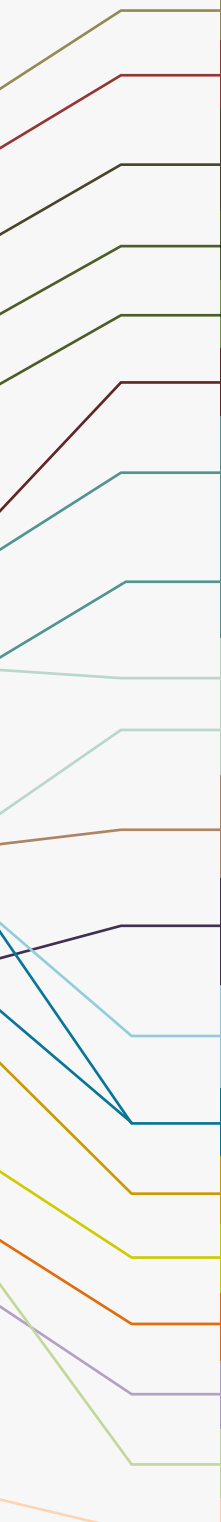


DOWNTOWN GUIDE PLAN PROJECTS

The Downtown Guide Plan illustrates a full-spectrum vision for downtown change. Identified projects that translate into capital investments are highlighted in the figure above and listed at right.



Downtown Plan
Forest Lake, MN



Project Legend		Project Estimates	Phase
1	Lake Street Streetscape Project	\$7,398,912	Early Phase
2	District Parking Ramp Project	\$8,119,540	Opportunistic
3	Lake Street Skyway Project	\$3,894,912	Opportunistic
4	Paseo Project	\$879,336	Early Phase
5	Downtown Loop Trail Project	\$1,714,705	Early Phase
6	Hardwood Creek Trail Wayside Project	\$888,129	Early Phase
7-a	Lakeside Parkway Project (Broadway - 2nd NE)	\$2,716,254	Later Phase
7-b	Lakeside Parkway Project (1st St SE - Broadway)	\$1,918,145	Opportunistic
8-a	Centennial Dr. Streetscape Proj. (Broadway - 2nd NW)	\$804,071	Opportunistic
8-b	Centennial Dr. Streetscape Proj. (2nd SW - Broadway)	\$804,071	Opportunistic
9	Broadway Avenue Gateway Project	\$141,648	Catalyst
10	1st Avenue SW Neighborhood Trail Connector Project	\$174,208	Opportunistic
11	Boat Ramp Relocation Project	\$327,175	Later Phase
12	Transient Boat Dock Project	\$265,942	Early Phase
13	Lakefront Bandshell Project	\$3,430,528	Later Phase
14	Wild Ice Winter Recreation Project	\$95,904	Catalyst
15	Veteran's Memorial Project	\$0	Catalyst
16	Beach House Project	\$941,850	Opportunistic
17	Shoreline Enhancement Project	\$275,649	Catalyst
18	Snowmobile Lake Trail Project	\$25,415	Catalyst
19	Downtown Plan Implementation Budget	\$400,000	Catalyst
Total Budget		\$35,216,394	

FIGURE 7.1 DOWNTOWN GUIDE PLAN PROJECTS, COSTS, AND PHASING

PROJECT BUDGETS

The projects outlined in this chapter are key to the incremental implementation of the Downtown Plan. The project budget estimates represent a preliminary, high-level accounting of hard and soft project costs plus escalation (inflation) based on the preliminary phasing strategy. This level of budgeting will be fundamental in building Capital Improvement Programs (CIPs) if future Forest Lake budgets and conducting informed decisions with potential financial partners.

- The budgets are built from high-level cost estimating based on a quantification of elements included with each project along with past project experience. Budgets include a full spectrum of anticipated construction, contingency, and professional service costs, which are referred to as hard and soft costs.
- Contingencies are included with each project budget. Project budgeting at this preliminary stage cannot anticipate all the obstacles each project will face. Carrying contingencies within the budget is an increasingly-used hedge against unanticipated costs.
- Design/Administration fees are included with each project budget. The budget generally identifies the industry norm for this category of cost although some projects use lower percentages based on their simplicity.
- Project hard and soft costs are calculated at the “current value of money.” However, escalation/inflation has also been factored into project budgets based on the preliminary implementation phasing strategy.

PHASING

The phasing categories identified with each project are as follows:



Catalyst Projects: Relatively lower-cost that are ready to implement over the next two years from plan adoption.



Early-Phase Projects: Projects identified for implementation within five years.



Later-Phase Projects: Projects identified for implementation five to ten years out.



Opportunistic Projects: Projects that are either dependent on other efforts or could be opportunistically coupled with the efforts of others. Forest Lake should be prepared and looking for opportunities to leverage in completing projects in this category.

PROJECT DESCRIPTIONS

E

1. LAKE STREET STREETScape PROJECT: \$7.4M

This project enhances pedestrian comfort and character along both sides of Lake Street through the district. The project includes narrowing parts of Lake Street to create wider sidewalk spaces and adding decorative lighting, electrical hookups, street trees, landscaping, decorative pavement, pedestrian-activated crossing signals, irrigation, furnishings, and wayfinding.

Some elements could be implemented opportunistically with adjacent redevelopment.

O

2. DISTRICT PARKING RAMP PROJECT: \$8.1M

This project constructs a parking ramp in one of three alternative locations identified in the Downtown Plan. The quantity of parking to be built (which drives cost) will remain fluid until a specific site is chosen and detailed parking analysis completed. Cost estimating is based on a 150-stall ramp, which does not fully satisfy but approaches what has been preliminarily identified as the current district parking shortfall. Two of the three identified sites are redevelopment opportunity sites and, as a result, a parking structure could be coupled with private redevelopment. Also, the identified site west of Lake Street could be a more expensive project than the other options if the skyway project is determined essential to connecting parking with the lakefront.

O

3. LAKE STREET SKYWAY PROJECT: \$3.9M

This project constructs a pedestrian skyway over Lake Street from an optional district parking ramp location to the Lakeside Memorial Park quadrant of downtown. The skyway would connect with the parking ramp elevator core on one end and include a rampway/stairs touching down on the paseo on the other end. Discussion through the downtown planning process suggests consideration of the skyway project only if a district parking ramp is constructed west of Lake Street.

E

4. PASEO PROJECT: \$880K

This project constructs a broad pedestrian way from Lake Street to the Forest Lake shoreline roughly in line with the current boat launch. The project includes decorative paving, street trees, landscaping, decorative lighting, furnishings, and wayfinding. The project could be implemented in conjunction with private redevelopment and is reliant on some form of land procurement (acquisition or otherwise) for the portion closest to Lake Street.

E

5. DOWNTOWN LOOP TRAIL PROJECT: \$1.7M

This project establishes a nearly one-mile recreational trail loop around the downtown district. Part of the loop is already in place with the Hardwood Creek Trail. The remaining project includes trail pavement, street crosswalks, pedestrian-scale lighting, landscaping, furnishings, and wayfinding. Note that the cost of pedestrian-activated crossing signals at Lake Street are included with the Lake Street Streetscape Project rather than this one.

E

6. HARDWOOD CREEK TRAIL WAYSIDE PARK PROJECT: \$890K

This project creates a pocket park as a downtown gateway and teen-centric space adjacent to the Hardwood Creek Trail. The wayside includes skate park/spot, picnic facilities, shelter, lighting, landscaping, water, bathrooms, bike lockers/racks, and wayfinding. The project could be implemented in conjunction with private redevelopment and is reliant on some form of land procurement (acquisition or otherwise).

L

7. LAKESIDE PARKWAY PROJECT

A. BROADWAY AVE TO 2ND AVE NE: \$2.7M

O

B. 1ST ST SE TO BROADWAY AVE: \$1.9M

This project constructs a parkway loop from the Lake Street/1st St. SE intersection, past Lakeside Memorial Park to the Lake Street/NE 2nd Avenue intersection. The north segment (A) is from Broadway Avenue to 2nd Avenue NE. The south segment (B) stretches from 1st Street SE to Broadway Avenue. The project will unify/make coherent the circulation to the park rather than vehicles circulating through a series of parking lots. The project includes reconfiguration of current parking lot adjacent to the park, an on-parkway parking bay and parkway paving, curb & gutter, decorative lighting, street trees, streetscape elements, and wayfinding.

The south segment (B) is placed in the opportunistic implementation category to suggest it can be coupled with adjacent redevelopment.

O

8. CENTENNIAL DRIVE STREETScape PROJECT

A. BROADWAY AVE TO 2ND AVE NW: \$800K

B. 2ND AVE SW TO BROADWAY AVE: \$800K

This project enhances the Centennial Drive corridor. The north segment is from Broadway Avenue to 2nd Avenue NW. The south segment stretches from 2nd Avenue SW to Broadway Avenue. Because the current right-of-way is too narrow to accommodate most of these improvements, the project will be implemented in cooperation with adjacent landowners. As a result, the project may be implemented incrementally and opportunistically. The project includes sidewalks, decorative lighting, ornamental street trees (to accommodate overhead power lines), landscaping and wayfinding.

C

9. BROADWAY AVENUE GATEWAY PROJECT: \$140K

The project includes the rehabilitation of gateway landscaping, lighting and furnishings on either side of Broadway Avenue between the Hardwood Creek Trail and Lake Street round-about.

O

10. 1ST AVENUE SW NEIGHBORHOOD TRAIL CONNECTOR PROJECT: \$170K

This project creates a short trail link from the proposed wayside park, across the Hardwood Creek Trail, to SW 2nd Street a block east of the regional trail. The alignment generally follows 1st Avenue SW. The project includes the trail, pedestrian lighting, and landscaping. The project could be implemented in conjunction with adjacent site improvements and in cooperation with the landowner.



L

11. TRAILER PKG / BOAT RAMP RELOCATION PROJECT: \$330K

If a suitable relocation site can be determined and secured, this project relocates the downtown boat trailer parking and, if feasible, motorized boat launch to a yet-to-be-determined location away from Lakeside Memorial Park. The project includes demolition of the current launch, restoration of the launch area to parkland, and parking lot re-striping. Project budgeting does not include land procurement for a new launch or construction of new parking or launch. Costs and strategies for these items will be determined with a boat launch relocation study identified in the Downtown Plan Implementation Activities category.

E

12. TRANSIENT BOAT DOCK PROJECT: \$270K

This project expands the number of transient (short-term stay) boat slips at downtown's Lakeside Memorial Park. The project also creates a more inviting and secure docking experience by building finger docks from a primary or terminal dock (today, boats tie up directly to a terminal dock, which many boat owners dislike). The Guide Plan illustrates two potential locations for the docks. One is reliant on relocation of the downtown boat launch.

L

13. LAKEFRONT BANDSHELL PROJECT: \$3.4M

This project constructs a performance venue in the portion of Lakeside Memorial Park currently occupied by the boat launch. The project includes a bandshell structure with built-in restrooms, reconfiguration of surrounding walkways, landscaping, furnishings, and site lighting. The project is dependent on relocation of the downtown boat launch.

C

14. WILD ICE WINTER RECREATION PROJECT: \$100K

This project establishes a lake-ice recreation facility on Lake One at the downtown lakefront. Most of the costs associated with the project are in the O&M category but there are capital costs in temporary lighting, rink boards, skate ramp and miscellaneous furnishings.

C

15. VETERAN'S MEMORIAL PROJECT: NOT ESTIMATED

This project is currently being designed by a community group to be located the apex of Broadway Avenue in Lakeside Memorial Park. The project includes decorative paving, sculpture, landscaping, interpretive panels, furnishings, and decorative lighting.

O

16. BEACH HOUSE PROJECT: \$940K

This project replaces the current beach house in an alternative location adjacent to the beach but less obstructive to views of the lake. The project includes public bathrooms, changing facilities, and a warming room for wintertime lake recreation. The project is placed in the opportunistic phasing category to leverage other park investments and because the current beach house has useful life remaining but will likely reach the end of its useful life within the implementation window of this plan.

C

17. SHORELINE ENHANCEMENT PROJECT: \$280K

This project rehabilitates the Lakeside Memorial Park shoreline to be more esthetically-pleasing, to protect the shore from erosion and to provide greater foot-traffic access to the water. The project also creates a canoe/kayak beach

landing with lock stanchions so boaters can secure their craft while visiting downtown.

C

18. SNOWMOBILE LAKE TRAIL PROJECT: \$30K

This project formalizes and clarifies the snowmobile access route from Hardwood Creek Trail to Forest Lake, Lake 1 via 2nd Avenue SW. The project includes wayfinding, landscape modifications and minor grading/soil stabilization.

C

19. DOWNTOWN PLAN IMPLEMENTATION ACTIONS: \$400K

There are studies and budget allocations apart from construction projects that will support project implementation. They include:

- Wayfinding Plan that leverages previous signage plans to create a district-wide wayfinding strategy that will guide visitors.
- Boat Launch Relocation Study to identify potential locations, costs and actions necessary to relocate the downtown boat launch.
- Ongoing Planning Services that “work the plan,” maintain partner communications and continually pursues implementation.



- Land Acquisition Fund that allows for seizing on acquisition opportunities needed to accomplish the plan.

ACTIONS MATRIX

The vision for downtown Forest Lake will be achieved by the cohesive implementation of the actions adopted through the Downtown Plan. The following table outlines all the actions identified in the Directives chapter and the translation of

ACTIONS	Budget	Phase
Incentives for retail frontage	\$100,000	Catalyst
Broadway Avenue Gateway Project	\$141,648	Catalyst
Shoreline Enhancement Project	\$275,649	Catalyst
Snowmobile Lake Trail Project	\$25,415	Catalyst
Downtown Land Acquisition Fund	\$200,000	Catalyst
Wild Ice Winter Recreation Project	\$95,904	Catalyst
Veteran's Memorial Project	\$0	Catalyst
Zoning code adjustments for parking, retail frontage and subdivision.	\$5,000	Catalyst
Coordinate with development interests.	N/A	Catalyst
District wayfinding strategy.	\$5,000	Catalyst
Keep development financial tools up-to-date.	N/A	Catalyst
New activation strategy.	N/A	Catalyst
Boat launch relocation study	\$15,000	Catalyst
Ongoing downtown planning services	\$50,000	Catalyst
Lake Street Streetscape Project	\$7,398,912	Early Phase
Paseo Project	\$879,336	Early Phase
Downtown Loop Trail Project	\$1,714,705	Early Phase
Hardwood Creek Trail Wayside Project	\$888,129	Early Phase
Transient Boat Dock Project	\$265,942	Early Phase
Lakeside Parkway Project (Broadway - 2nd NE)	\$2,716,254	Later Phase
Boat Ramp Relocation Project	\$327,175	Later Phase
Lakefront Bandshell Project	\$3,430,528	Later Phase
District Parking Ramp Project	\$8,119,540	Opportunistic
Lake Street Skyway Project	\$3,894,912	Opportunistic
Lakeside Parkway Project (1st St SE - Broadway)	\$1,918,145	Opportunistic
Centennial Dr. Streetscape Proj. (Broadway - 2nd NW)	\$804,071	Opportunistic
Centennial Dr. Streetscape Proj. (2nd SW - Broadway)	\$804,071	Opportunistic
1st Avenue SW Neighborhood Trail Connector Project	\$174,208	Opportunistic
Beach House Project	\$941,850	Opportunistic
District parking feasibility/impact study.	\$25,000	w/redevelopment
Expand sidewalk network in adjacent residential neighborhood.	N/A	ongoing

TABLE 7.1 DOWNTOWN PLAN IMPLEMENTATION ACTIONS

Date: July 8, 2024

To: President Bain and EDA Members

From: Abbi Wittman, Community Development Director

Re: Headwaters 123 Update

At the EDA's last meeting staff advised the EDA that staff did not submit a response to a Request for Inquiries (RFI) released by the Minnesota Department of Employment and Economic Development (DEED) for the Headwaters 123 (HW123) site. While this was largely due to staff's inability to confirm electrical capacity, there are a number of other factors that went into the decision to not submit. Information provided to the City prior to submission included:

Project Name	Brief Description	Site Needs	Opportunities	Constraints
Maxwell	Construction of headquarters to manufacture permanent magnets.	<ul style="list-style-type: none"> ○ 15 – 25 acres ○ 70' Building Height ~ ○ 120 – 150 parking spaces ○ 5 – 10 minutes major highway Roads Access ○ >185,000 gallons of water per day 	<ul style="list-style-type: none"> ○ Capital Investment \$37,500,000 in land and building ○ 175 FTE 	<ul style="list-style-type: none"> ○ Moderate Industrial Zoning ○ Hazardous Materials Chemical processing onsite ○ 20 – 25 Megawatts Power

As the EDA can see, there were a number of *constraints* that contributed to staff's decision but, ultimately, staff does not have the best information to adequately respond to these RFIs in the limited timelines allotted (for reference – Project Maxwell submissions were due in two business days).

Historical RFIs

Inquiry was made about the number of RFIs the City has received and how many of them staff have responded to. In the last two years, the City has received seven RFIs and responded to two. Of the five the City had not submitted for, there are a couple primary constraints:

- Proposed Property Use – Such as Project Maxwell, a number of companies were seeking

Industrial property to allow for manufacturing that may not fit the Business Park Zoning District whose purpose is to “Reserve larger areas for multi-use buildings, offices, wholesale showrooms, light manufacturing, research and development, training, limited retail uses, and uses accessory to conducting business within a coordinated, well-defined campus environment.” Though *manufacturing* is a permitted use in this zoning district, many of the Project RFIs suggested manufacturing would be a heavier in nature (i.e. hazardous materials, air quality permitting, etc.) and some require a buffer distance from residential properties.

- Site Size – rarely the City is receiving RFIs for properties the size of HW123. While Projects Lemontree (in 2024) and Wafer (in 2022) sought 100 acres and 300 acres, respectively, moreover than not, the RFIs are for projects seeking 10-50 acres. Additionally, many of the Projects are seeking a pad-ready site. As the EDA may remember, there have been a couple times in the last couple years staff has inquired of the EDA’s interest in moving forward with developments that were smaller in nature.

Future Headwaters RFIs

Staff understands EDA members were concerned with the decision to not submit for the Project Maxwell RFI and, even greater, there may be some site constraints that make this parcel less than originally thought. However, staff views this as an opportunity to not only re-establish baseline information in City files but to also strengthen connections with development partners (i.e. MN DEED, utility providers, etc.).

Since Project Maxwell’s RFI was released, staff has discussed the HW123 site with representatives of both Connexus and Xcel Energy. In consultation with Chris Eng, staff is hoping to bring both utility providers together to discuss opportunities for the site – including confirmation of redundant services. Additionally, staff has reached out to our commercial broker to discuss the total number of inquiries (and types) the City has had in the last year and discussed pulling together all information about the site for improved marketing efforts.

Over the next couple months, staff will be pulling together data in hopes the City may be better informed of HW123’s opportunities and constraints, able to respond to these inquiries, as well as aid in 2025 work plan discussions (scheduled for 4th Quarter, 2024) about the site. That said, the property is still being actively marketed in a few arenas (City’s commercial broker, MN Tech Corridor, and WA County EDA’s site) and staff will continue to review all DEED RFIs for appropriateness and response.

Requested Action:

This is provided as an FYI; no action is needed at this time.

Forest Lake Quarterly Development Report (Reporting Period: Q1-Q2, 2024)

The intent of the Quarterly Development Report is to provide the Forest Lake Economic Development Authority with an update of developments happening within the City of Forest Lake that help further the EDA's mission:

To assist and support the economic climate of the City of Forest Lake through programming and communication to achieve the greatest outcome for its citizens and businesses by:

- *Marketing the City and its assets*
- *Supporting existing businesses*
- *Supports new businesses*
- *Creating partnerships*
- *Provision a vision for the future of commercial areas*

Policy Development

Zoning Code Reformatting	In April, 2024, the City Council approved Ordinance No. 736 which reformatted the City's Zoning Code. This was the first step in a series of changes the City will make to the Zoning Code for overall ease of use, modernization, etc.
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Recent Entitlements

Chase Bank	Located at 1232 Broadway Avenue West in the B-2: Highway Business Zoning District, this full site redevelopment will contain a 3,500 s.f. financial institution with drive-up ATM.
Precision Exteriors	Located at 932 2nd Street NW in the RR: Rural Residential Zoning District, this property has gained conditional Zoning Map Amendment approval (to be B-3: Limited Industrial Zoning District) which will allow the former Kinder Korner Child Care building to be used by Precision Exteriors for office and storage.
Westlake	Located at 119 12th Street SW in the B-2: Highway Business Zoning District, this greenfield development allows for the construction of a 9,600 s.f. (potentially multi-tenant) retail building east of Northern Tool.

Active Construction

Mister Car Wash	Located at 1106 Broadway Street West in the B-2: Highway Business Zoning District, this property will contain an automatic, drive-through carwash.
PGA	Located at WA County PID 2003221120011 , a vacant parcel at the corner of HWY 97 and Forest Road in the I: Industrial Zoning District, this development will construct a single 9,000 s.f. industrial office warehouse building with 1-3 users.

WA County NEC HHW	Located at 6065 Headwaters Parkway in the I: Industrial Zoning District, the Northern Environmental Center/Household Hazardous Waste site will also residents to dispose of a variety of materials, including hazardous waste, yard waste and recyclables. The project requires the extension of Headwaters Parkway (across HWY 61) which should occur this summer/fall.
Wynco	Located at 1017 Centennial Drive Southwest in the MU-2: General Mixed Use Zoning District, this greenfield development project will contain a 5,800 s.f. dental clinic.
Forest Creek Estates	This multi-family residential project, located at 19948 Headwaters Blvd. North in the NC: Neighborhood Commercial Zoning District, will contain a 71-unit apartment building with an outdoor pool/pool building.
Hidden Creek	This single-family residential project, located at the western end of Headwaters Parkway in the MXR-1: Mixed Residential, Single and Townhouse District, is the first of several phases for this 125-lot development. This first phase, nearing completion

Nearing Completion/Completed

Forest Lake Ford	Located at 508 15th Street SW in the B-3: Limited Industrial Zoning District, the new Forest Lake Ford is anticipated to gain its Certificate of Occupancy prior to the next Quarterly Development Report (October, 2024).
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