



## **Economic Development Authority Agenda**

1. **Call to Order**
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Agenda Modifications
  - d. Adopt Agenda
2. **Approval of Meeting Minutes from November 16, 2021 Special Meeting**
3. **Public Hearing**
  - a. Amendments to Business Subsidy Criteria
4. **Adjournment**

**Economic Development Authority  
Meeting Minutes  
November 16, 2021**

1. **Call to Order:** Chair Johnson called the meeting to order at 6:46 pm
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Paul Bergley, Luke Merrill, Dan Collison, and Jimmy Gordon  
Members Absent: Justin Nielson.  
Staff Present: Finance Director Mike Betker, HR Director Katie Grotte, City Engineer Jason Cook and Community Development Specialist Ryan Saltis
  - c. **Agenda Modifications:** None
  - d. **Adopt Agenda:** Motion by Merrill, second by Lundeen to adopt the agenda, motion passed 6-0.
2. **Business Items**
  - A. **Sale of Shovel Ready Site PID 16.125.0020:** Finance Director Betker explained that the Shovel Ready Site located at PID 16.125.0020 has an interested buyer, for \$1. Special Tools out of St Francis would like to expand their operations and intend to build and move into a 10,000 to 12,000 square foot building on this site. Adam, a representative of Special Tools, was present at the meeting and was asked questions by the EDA members. Gordon asked how many people are employed at Special Tools and how much they are looking to expand. The representative answered that Special Tools employs 3 people and are looking to grow in the future and up production requiring more employees in the long run. There was nobody else present to speak at the public hearing. Motion by Merrill, second by Lundeen to sell the Shovel Ready Site PID 16.125.0020 for \$1, motion passed 6-0.
3. **Other Business / Updates / Communications** None
4. **Adjournment:** Motion by Lundeen to adjourn second by Collison, motion passed 6-0 meeting adjourned at 6:50 pm.



## MEMORANDUM

**To:** Mayor Johnson and Members of the City Council, and EDA Members  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** January 4, 2021  
**Subject:** Public Hearing to Amend the Business Subsidy Criteria

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The Business Subsidy Criteria outlines the City's ability to grant business subsidies as governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995 (the "Statutes"). Some of the criteria established in the most recent version of the agreement was outdated or incongruent with our current standards. City staff reviewed the criteria and updated the redlined sections as show in the attached document.

The Economic Development Authority shall hold a public hearing allowing public comment on changes to the criteria.

**Proposed Action:**

Make a recommendation to the City Council to accept the amendments to the criteria as proposed and to approve Resolution 2022 -XXX APPROVING AMENDMENTS TO THE BUSINESS SUBSIDY CRITERIA.

**Attachments:**

- Business Subsidy Criteria



# Business Subsidy

## Criteria

City of Isanti, Minnesota

~~Business Subsidy Criteria~~

~~\_\_\_\_\_~~, 2002

### 1 PURPOSE AND AUTHORITY

- 1.1 The purpose of this document is to establish the criteria for the City of Isanti, Minnesota (the "Grantor") for granting of business subsidies for private development. These criteria shall be used as a guide in the processing and reviewing of applications requesting business subsidies.
- 1.2 The City's ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995 (the "Statutes").
- 1.3 Unless specifically excluded by the Statutes, business subsidies include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the subsidy, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.
- 1.4 These criteria are to be used in conjunction with other relevant policies of the Grantor.
- 1.5 The City may deviate from these criteria by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to the Department of ~~Trade~~Employment and Economic Development with the next annual report.

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1.6 The Grantor may amend this document at any time. Amendments to these criteria are subject to public hearing requirements contained in the Statutes. The Grantor may waive provisions of these criteria without holding a public hearing.

1.7 Any applicant who is not in good standing with the City, in regards to any licenses, fees, property taxes, or other specific City charges, will not be considered for business subsidies.

### 2 PUBLIC PURPOSE REQUIREMENT

- 2.1 All business subsidies must meet a public purpose.



- 2.2 The creation or retention of jobs may be, but is not required to be, a public purpose for granting a subsidy. The determination that jobs are not a public purpose for the subsidy and that the related wage and job goals are zero shall be made following a public hearing.
- 2.3 Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable. The City shall document the information used to determine the nature of the job loss.
- 2.4 The creation of tax base shall not be the sole public purpose of a subsidy.
- 2.5 The wage floor for wages to be paid for the jobs created shall be ~~six dollars (\$6) for commercial businesses and eight dollars fifty cents (\$8.50) as required by state and/or federal law~~ for Industrial businesses. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy.

2.6 The purposes, priorities, goals and objectives in providing a business subsidy to assist private development under this policy, include but are not limited to, achieving the following:

- a) To redevelop blighted or under-utilized areas of the City.
- b) To create additional job opportunities within the City.
- c) To retain local jobs in the City, where job loss is specific and demonstrable.
- d) To enhance the economic diversity of the City and to provide essential products and services within the City.
- e) To enhance economic growth and opportunity in the City.
- f) To increase the City's tax base.
- g) To create opportunities for affordable and workforce housing and/or a diversification of housing stock available within the City.
- h) To target assistance to businesses that demonstrate a clear and ongoing commitment to the community.

2.7 Because projects vary greatly in structure and public benefit derived, each project will be considered on its own merits. Subject to clause (e) below, consideration will be given to projects providing public benefits in one or more of the following categories:

i. Redevelopment projects that result in the stabilization of business districts or neighborhoods by elimination of blighting conditions.

ii. Projects that result in the development of affordable senior or workforce housing.

iii. Quality of Life based on business/projects. Those business/entities that provide a desirable



good or service and address an unmet demand in the community will be considered. New job wage requirements will apply to any new jobs created.

### **3 BUSINESS SUBSIDY APPROVAL CRITERIA**

~~3.1~~ All new projects approved by the Grantor should meet the following minimum approval criteria. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer.

3.1 The City reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits from the project. Meeting all or any portion of the policy criteria contained herein does not mean or guarantee the award of business assistance by the City to any project. Approval or denial of one project is also not intended to set precedent for approval or denial of another project. The City reserves the right, in its sole judgment and discretion, to approve or deny business assistance to a project based on the merits of the project and the overall benefit of the project to the community, using this policy and the criteria contained herein as the means of measuring overall benefit.

3.2 A business must submit a written request/application to the City for a Business Subsidy or other financial assistance with the required fee (if applicable). The business must submit all information as found in the Business Subsidy Application for any request for financial assistance from the City. The City of Isanti may request additional financial information as the deemed appropriate or necessary in its discretion to analyze and process the application.

3.23.3 To be eligible to receive a business subsidy, the recipient must meet the following minimum requirements:

- a) a. ~~\_\_\_\_\_~~ The subsidy must achieve a public purpose.
- b) b. ~~\_\_\_\_\_~~ The project must comply with local plans and ordinances.
- c) c. ~~\_\_\_\_\_~~ The recipient shall provide information demonstrating that granting the subsidy is necessary for the proposed development to occur.
- d) d. ~~\_\_\_\_\_~~ The recipient must enter into an agreement pursuant to these criteria and the Statutes.

3.33.4 The business subsidy shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies.



- 3.43.5 The project must be in accord with the Comprehensive Plan and Zoning Ordinances, or required changes to the plan and Ordinances must be under active consideration by the City at the time of approval.
- 3.53.6 Business subsidies will not be provided to projects that have the financial feasibility to proceed without the benefit of the subsidy. In effect, business subsidies will not be provided solely to broaden a developer's profit margins on a project. Prior to consideration of a business subsidy request, the Grantor may undertake an independent underwriting of the project to help ensure that the request for assistance is valid.
- 3.63.7 Prior to approval of a business subsidy, the developer ~~shall~~may be asked to provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and other information or data that the Grantor or its financial consultants may require in order to proceed with an independent underwriting.
- 3.73.8 Any developer requesting a business subsidy should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed.
- ~~3.8 — The developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, to establish the project management, and to initiate repayment of the business subsidy, if applicable.~~
- 3.9 A recipient of a business subsidy must enter into a subsidy agreement with the Grantor as described in Section 4.
- 3.10 A recipient of a business subsidy must make a commitment to continue operations within the City for at least five years after the benefit date.
- 3.11 Any business subsidy will be at the lowest possible level and for the least amount of time necessary, after the recipient maximizes the use of private debt and equity financing first.
- 3.12 A Business Subsidy of \$150,000 or more requires a public hearing with at least a 10-day notice in the official City newspaper. A public hearing for another purpose such as tax increment financing or abatement may be combined with the Business Subsidy hearing. A copy of the draft Business Subsidy agreement must be on file with the City.

#### **4 SUBSIDY AGREEMENT**



City of Isanti, Minnesota  
Business Subsidy Criteria

- 4.1 In granting a business subsidy, the Grantor shall enter into a subsidy agreement with the recipient that provides the information, wage and job goals, commitments to provide necessary reporting data and recourse for failure to meet goals required by the Statutes.
- 4.2 The subsidy agreement may be incorporated into a broader development agreement for a project.
- 4.3 The subsidy agreement will describe the requirements for the recipient to provide the reporting information required by the Statutes.
- 4.4 In all cases of business subsidy, where the subsidy is equal to or greater than the threshold prescribed in Minnesota Statutes, a subsidy agreement will be entered into between the City and the recipient. This agreement will comply with the requirements of Minn. Stat. § 116J.994, and delineate, among other required provisions, the subsidy structure and amount, as well as the expected public benefit. The agreement will include provisions for repayment and other resolution options if the expected public benefit is not achieved. Upon completion of the project, the actual costs of the elements of the project eligible for the business subsidy will be verified. All business subsidies will be subject to the criteria outlined in Minnesota Statutes, Sections 116J.933 through Section 116J.955, except those subsidies as exempted by the same.
- a) Business Subsidies in the form of grants must be structured as forgivable loans. For other types of Business Subsidies, the agreement must state the fair market value of the subsidy to the recipient, including the value of conveying property at less than a fair market price, or other in-kind benefits to the recipient.
- 4.5 The City shall monitor the progress by the recipient in achieving the goals contained in the business subsidy agreement, and the recipient shall cooperate in all respects in meeting the reporting requirements contained in Minn. Stat. § 116J.994.



## Economic Development Authority Agenda

### **I. Call to Order**

- a. Pledge of Allegiance
- b. Roll Call
- c. Agenda Modifications
- d. Adopt Agenda

### **2. Consider Adoption of Resolution Approving Organization of Advisory Bodies**

- a. Oath of Office (1 member)
- b. Election of 2022 President
- c. Election of 2022 Vice-President
- d. Election of 2022 Secretary
- e. Election of 2022 Treasurer
- f. Adoption of 2022 Meeting Schedule

### **3. Approval of Meeting Minutes from January 4, 2022 Meeting**

### **4. Public Hearing**

### **5. Business Item**

- a. Amendments to Special Tools Documents
  - i. Resolution 2022-XXX Approving Forgivable Loan for Special Tools
  - ii. Development and Subsidy Agreement
  - iii. Purchase Agreement
  - iv. Promissory Note

### **7. Adjournment**



## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** February 2, 2022  
**Subject:** Resolution 2022-1 ORGANIZING THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI MINNESOTA

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According to the By-laws of the EDA, the first meeting of the year is time to choose new officers of the Economic Development Authority. New elected or appointed Authority members must take an oral "Oath of Office" and sign the "Oath of Office" sheet.

- A. Oath of Office
  - 1) Verbal Oath
  - 2) "Oath of Office" signatures-Form to be provided if necessary
- B. Election of 2021 EDA President  
 Commissioner Johnson was appointed in 2021. The Role: Preside at all meetings; sign EDA documents; submit recommendations and information as considered proper concerning the business affairs and polices of the Authority. Staff recommends selection of a President for 2022 and adopting in attached Resolution 2022-2.
- C. Election of 2021 EDA Vice-President  
 Commissioner Lundeen was appointed in 2021. The Role: Perform duties in the absence of the President. Staff recommends selection of a Vice President for 2021 and adopting in attached Resolution 2022-1.
- D. Election of 2022 EDA Secretary (typically Staff)  
 Community Development Director Sheila Sellman was appointed Secretary in 2021. Staff would recommend appointing the Community Development Director, Stephanie Hillesheim for 2022. The Role: Keep minutes and maintain records. Staff recommends election of a Secretary and adopting in attached Resolution 2022-1
- E. Election of 2020 EDA Treasurer  
 Finance Director Mike Betker was appointed EDA Treasurer in 2021. Staff would recommend appointing the City of Isanti Finance Director for 2022. The Role: Signatory of the Authority. Books are maintained by the City of Isanti. (Finance Director). Staff recommends election of a Treasurer and adopting in attached Resolution 2022-1.
- F. Adoption of 2021 Meeting Schedule

**Request:**

Staff is requesting action on this item.

**Action Required:**

Staff recommends adoption Resolution 2022-1 which includes the meeting dates for the 2022 EDA meetings. The City Council has approved the proposed dates.

**Attachments:**

- Resolution 2022-1
- 2022 Meeting Schedule
- Conflict of Interest Form

**RESOLUTION 2022-1**

**ORGANIZING THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI MINNESOTA**

**WHEREAS**, the Board of Commissioners (the "Board") of the Economic Development Authority of the City of Isanti Minnesota (the "EDA") as follows:

1. Recitals.

(a) On February 18, 2014 the City of Isanti Minnesota (the "City"), acting through its City Council, adopted a modified enabling resolution pursuant to Minnesota Statutes, Sections 469.090 through 469.108 and the EDA adopted its Bylaws on June 2, 2015 and amended and restated Bylaws on January 7, 2020.

(b) The Board wishes to provide for the basic organization of the EDA, including appointment of officers.

2. Appointment of Officers. The Board hereby appoints and approves the following officers of the Economic Development Authority:

**President**

**Vice-President**

**Secretary:** Stephanie Hillesheim, City of Isanti Community Development Director

**Treasurer:** Mike Betker, City of Isanti Finance Director

**WHEREAS**, the President shall be the chief presiding officer of the Board and shall have such other responsibilities as may be required by law or conferred on the President by resolution of the Board. In the absence of the President, the Vice-President shall assume all of said responsibilities of the President. The offices of President, Vice President, Treasurer, and Secretary shall be elected annually, as required by law. The Secretary shall act as the chief recording officer for the Board and shall maintain a file of minutes of Board meetings and resolutions; and,

**WHEREAS**, in accordance with Minnesota Statutes, Section 469.096, Subdivision 8, all checks of the EDA shall be signed by the Treasurer shall state the nature of the claim for which the check is issued. As required by law, the EDA shall adopt an official seal; and,

**WHEREAS**, regular Meetings of the Board. The Board shall hold regular meetings immediately following the 1st City Council Meeting on the 1st Tuesday of every month at Isanti City Hall. In the event that the 1st City Council Meeting of the month is moved due to a conflict (e.g. Election Day or precinct caucuses) the Authority meeting date will move to the same day as the 1st City Council Meeting of the month. The Board's regular meetings shall be held at such times as the Board may designate. For 2021, the following meeting dates are attached on Exhibit A; and,

**WHEREAS**, the following Commissioners were present: \_\_\_\_\_  
and the following were absent: \_\_\_\_\_;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Economic Development Authority, the motion for the adoption of the foregoing resolution was introduced by Commissioner \_\_\_\_\_ and was duly seconded by Commissioner \_\_\_\_\_ and upon vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted and was signed by the President and Secretary.

The Resolution hereby approved by the Economic Development Authority Board of Commissioners on February 2, 2022.

Attest:

\_\_\_\_\_

Mayor Jeff Johnson

\_\_\_\_\_

Stephanie Hillesheim, Secretary

## **2022 ECONOMIC DEVELOPMENT AUTHORITY MEETING SCHEDULE**

The Economic Development Authority shall hold regular meetings immediately following the 1<sup>st</sup> 7:00 p.m. City Council Meeting on the 1<sup>st</sup> Tuesday of every month at Isanti City Hall. All meetings are held at Isanti City Hall at 110 1<sup>st</sup> Avenue NW, Isanti, MN 55040 in the City Council Chambers. The 2022 scheduled meeting dates are below:

January 4, 2022

February 2, 2022 (Wed.)

March 1, 2022

April 5, 2022

May 3, 2022

June 7, 2022

July 5, 2022

August 2, 2022

September 6, 2022

October 4, 2022

November 1, 2022

December 6, 2022

**CONFLICTS OF INTEREST  
DISCLOSURE FORM**

**Print Name** \_\_\_\_\_ **Position** \_\_\_\_\_

Public Officials of the City of Isanti listed by title in the Resolution are required to complete and file this Disclosure Form with the City Clerk in accordance with the provisions of the Conflicts of Interest Policy.

**1. Affiliations with Agencies Doing Business with the City**

Identify all positions as officer, director, partner, proprietor or employee of any firm or proprietary interest of ten percent (10%) or more in any company, business, enterprise, corporation, partnership, labor union or association doing business with the City.

<u>Name of Organization</u>	<u>Position Held</u>	<u>Compensation Involved</u>
_____	_____	Yes _____ No _____
_____	_____	Yes _____ No _____

**Not Applicable**

**2. Real Property Owned in the City of Isanti (*Exclude homestead property*)**

Identify real property items owned or being purchased by a Public Official, spouse, or child, or in which the Official has a beneficial interest. The actual value of any item is not required.

<u>Property Item</u>	<u>Address</u>	<u>PID #</u>
_____	_____	_____
_____	_____	_____

**Not Applicable**

**3. Assets**

Identify all ownership or beneficial interests in any company, business, enterprise, corporation, partnership, labor union or association doing business with the City where such interest exceeds ten percent (10%) of the total ownership.

Name of Organization  
\_\_\_\_\_  
\_\_\_\_\_

**Not Applicable**

**Public Official**

**The Above is True and Correct**

\_\_\_\_\_  
Current Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

Home Phone Number \_\_\_\_\_

Cell Phone Number \_\_\_\_\_

Print Name \_\_\_\_\_ Signature \_\_\_\_\_

Date: \_\_\_\_\_

Received by the City Clerk/designee on: \_\_\_\_\_

**Economic Development Authority  
Meeting Minutes  
January 4, 2022**

1. **Call to Order:** Chair Johnson called the meeting to order at 7:36 pm
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Paul Bergley, Dan Collison, and Jimmy Gordon  
Members Absent: Luke Merrill  
Staff Present: Community Development Director Stephanie Hillesheim, City Clerk Jaden Strand, City Administrator Josi Wood, Finance Director Mike Betker
  - c. **Agenda Modifications:** None
  - d. **Adopt Agenda:** Motion by Lundeen, second by Collison to adopt the agenda, motion passed 5-0.
2. **Approval of Meeting Minutes from November 16, 2021 Special Meeting:** Motion by Collison, second by Lundeen to approve the meeting minutes, motion passed 5-0.
3. **Business Item – Public Hearing**
  - A. **Amendments to Business Subsidy Criteria:** Community Development Director Stephanie Hillesheim explained that the business subsidy criteria is overdue for an update and city staff has gone through this criteria line by line to make it current. Major updates include updates to the wage requirements and subsidy thresholds to meet the requirements set in State Statutes so that they will automatically follow the requirements versus having to update the policy continually. Members of the EDA agreed that these were minor changes and common sense. City Administrator Josi Wood pointed out that a lot of the language is included within State Statutes, however State Statute requires that the city has a policy as well. CD Director Hillesheim explained that this is not an EDA resolution but that the EDA has to recommend this to Council to hold a resolution. Mayor Johnson opened the public hearing on this item. There was no one from the public who was present to speak at the public hearing. Motion by Lundeen, second by Collison to recommend that the amendments to the business subsidy criteria be brought to City Council for approval, motion passed 5-0.
4. **Other Business / Updates / Communications** None
5. **Adjournment:** Motion by Lundeen to adjourn second by Bergley, motion passed 5-0 meeting adjourned at 7:41 pm.

A Community For Generations.



## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** January 28, 2022  
**Subject:** Resolution APPROVING A FORGIVABLE LOAN FOR CANE PROPERTIES LLC

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On November 16, 2021 the Economic Development Authority approved the sale of the property located at 640 East Dual Blvd to Special Tools, Inc to expand their business in Isanti. Special Tools, Inc has created an LLC to be the official title holder of the property, Cane Properties LLC. Special Tools, Inc. doing business as Cane Properties LLC is working with the Small Business Administration for loan funding and to be eligible to include the value of the land in their loan documents the structure of the transaction has been altered to allow for a forgivable loan to the purchaser in lieu of selling the land for \$1.00. The outcome of the closing will remain the same. Due to the change in name, and structure of the deal, all documents must be updated and reapproved.

**Request:**

Staff is requesting action on this item.

**Action Required:**

If the EDA concurs, it should by motion, approve Resolution as written, as well as the accompanying updated documents: Purchase Agreement, Development and Subsidy Agreement, and Promissory Note.

**Attachments:**

- Resolution 2022-XXX APPROVING A FORGIVABLE LOAN FOR CANE PROPERTIES LLC
- Promissory Note
- Purchase Agreement
- Business Subsidy Agreement

**RESOLUTION 2022-xxx**

**APPROVING A FORGIVABLE LOAN FOR CANE PROPERTIES LLC FOR CERTAIN REAL PROPERTY LOCATED AT PID 16.125.0020**

**WHEREAS**, the Economic Development Authority of the City of Isanti owns industrial property for the public purpose of creating quality jobs and increasing the City’s tax base; and,

**WHEREAS**, the Economic Development Authority entered into a Purchase Agreement with CANE Properties LLC for the sale of the property located at PID 16.125.0020; and,

**WHEREAS**, the EDA has received a request from CANE Properties LLC for assistance in the relocation and expansion of their business to 640 East Dual Blvd Northeast, as legally described as Lot 1 Block 1 Centennial Complex 8<sup>th</sup> Rearrangement; and,

**WHEREAS**, to support the business and the goals set forth in the Comprehensive Plan, the EDA agrees to provide a \$81,700 forgivable loan to CANE Properties LLC to support the growing business and filling an otherwise empty industrial lot; and,

**WHEREAS**, the \$81,700 loan will be forgiven upon compliance, by CANE Properties LLC, with the provision of paragraph 7(c) of the Development and Subsidy Agreement for CANE Properties LLC dated November 16, 2021; and

**WHEREAS**, the EDA has reviewed said request and found it to be in compliance with the City Code and Minnesota State Statutes.

**NOW, THEREFORE, BE IT RESOLVED** by the Economic Development Authority of the City of Isanti, Minnesota: that a \$81,700 deferred loan is awarded to CANE Properties LLC for assistance for the acquisition of real property, legally described as Lot 1 Block 1 Centennial Complex 8<sup>th</sup> Rearrangement.

This resolution was duly approved by the Isanti Economic Development Authority this 2nd of February, 2022.

**Attest:**

\_\_\_\_\_  
Mayor Jeff Johnson

\_\_\_\_\_  
Jaden Strand  
City Clerk

## CITY OF ISANTI

### DEVELOPMENT AND SUBSIDY AGREEMENT FOR CANE PROPERTIES LLC

This Agreement (hereinafter the “Agreement”) is entered into this 16th day of November, 2021 by and between the **City of Isanti**, a Minnesota municipal corporation (the “**City**”) and **CANE Properties LLC**, a corporation under the laws of Minnesota (the “**Developer**”).

1. Subject Property. Developer is, or will be, the owner of the Subject Property legally described as Lot OOA Isanti Centennial Complex 3<sup>rd</sup> Rearrange, County of Isanti, State of Minnesota, PID Number 16.125.0020. Sale of the Subject Property by the City to Developer at a price below market value is the subsidy contemplated by this Agreement.
2. Conditions of Approval. The City has approved development of the Subject Property, as subsidized by the City, subject to satisfaction of the following conditions:
  - a. The Developer’s Execution of this Agreement. That the Developer enter into this Agreement.
  - b. Marketable Title. That the Developer obtain, and retain, title to the Subject Property.
  - c. Proof of Authority. That the Developer provide proof that its governing board authorized the Developer’s execution of this Agreement. This proof of authority may be satisfied by providing the City with a certified copy of the minutes of the governing board.
  - d. Site Plan. That Developer’s site plans, as required by the Isanti City Code, be completed by Developer and reviewed and approved by the City.
3. The Plans. The term “Plans” as used in this Agreement means the Site Plans prepared by Developer. The Plans are subject to: (a) Planning Commission review;

(b) approval of the City Council; and (c) such further revisions as the Developer may propose and the City approves. The Plans shall not be attached to this Agreement but are in the City's files.

4. Required Private Improvements. The private improvements the Developer will construct or install are as follows:

- a. Sanitary sewer
- b. Water
- c. Storm drainage facilities
- d. Stormwater maintenance
- e. Parking lot
- f. Concrete curb and gutter
- g. Lot grading
- h. Landscaping

5. Payment of Development Fees. Developer shall, contemporaneously with execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account balance is reduced to \$1,000 or less, the Developer shall post additional sums of money to replenish the account to a maximum of \$2,000 to cover projected City costs as determined by the City. The escrow account shall always have a balance of no less than \$1,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer's escrow account. Sanitary Sewer Connection (Trunk) Fees, Water Connection (Trunk) Fees are collected at the time the building permit is issued.

6. Developer Defaults. If the Developer defaults in the performance of one or more of the Developer's obligations under this Contract, i) the City gives the Developer 30 days' written notice of the default and ii) the Developer fails to cure the default within said 30 days, then the City may pursue any and all remedies available at law or in equity including, but not limited to, the following:

- a. The City may, at its option, perform or engage one or more third parties to perform the Developer's obligations. If, in the reasonable judgment of the City's staff, the Developer's default creates an immediate risk to public health or safety, the City may perform or engage one or more third parties to perform the work before the City provides the notice described in the initial paragraph of this Section, but the City must use commercially reasonable efforts to notify the Developer as promptly as possible that the City is undertaking to perform the Developer's obligation or obligations. If the City performs one or more obligations of the Developer, the Developer must reimburse the City for any costs or expenses the City incurs, including costs and expenses for City staff time, to perform the work within 30 days

after the City notifies the Developer, in writing, of the costs and expenses the City incurred to perform the work. If the Developer does not reimburse the City within said 30day period, the City may pursue any remedies available to the City either at law or in equity or, in the alternative, the City may draw on the financial guaranty the Developer has provided to the City pursuant to this Agreement to reimburse itself for the expenses the City incurs to perform the work. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a Court Order for permission to enter the Developer Property. As an alternative to seeking recovery from the Developer or the financial guaranty, the City may levy special assessments against the Developer Property in accordance with Minnesota Statutes Section 429, and the Developer, for itself and its successors in title, hereby expressly waives any and all substantive and procedural objections or defenses the Developer may have to such special assessments;

- b. The City may commence an action in Isanti County District Court to pursue any remedy available to the City at law or in equity including, but not limited to, injunctive relief;
- c. The City may refuse to grant building permits for improvements to be constructed on the Subject Property until the Developer has cured all of its defaults; and
- d. The City may draw upon all or any portion of the financial guaranty the Developer has provided to the City and (i) use all or any portion of the proceeds from the financial guaranty to reimburse the City pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the City obtains against the Developer pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the City pursuant to Section 11 (j) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this paragraph.

7. Business Subsidy. As a condition of developing the Subject Property, Developer and City agree to the following terms:

- a. Subsidy. Developer acknowledges and agrees that it received a business subsidy from the City in the form of a reduced purchase price for the Subject Property. The Subject Property is valued at \$81,700. The City sold the Subject Property to Developer for \$81,700 subject to a forgivable loan as outlined in the Promissory Note dated \_\_\_\_\_. The value of the subsidy is \$81,700.
- b. Public Purpose. The public purposes for granting the subsidy are to create jobs within the City of Isanti and to increase the City's tax base.

- c. Subsidy Goals. Developer shall create a minimum of 5 full-time, or full-time equivalent, jobs within two years of the date of this Agreement. All jobs shall meet or exceed State minimum wage requirements. Developer shall continue to meet or exceed said employment goals for at least five years after the date of this Agreement. In the event these requirements are not met, Developer shall pay the City the amount of the subsidy in a single lump sum payment or as otherwise agreed to in writing by the parties.
- d. Statement of Need. Developer represents that without the business subsidy contemplated by this Agreement, Developer would not relocate its existing business to the City.
- e. Reporting. Developer shall provide reports to the City as required by Minnesota Statutes section 116J.994, subdivision 7, on forms provided by the City.

8. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- b. Written Amendments Only. The action or inaction of the City or the Developer shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by a resolution of the City Council. The City's or the Developer's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
- c. Compliance with Laws and Regulations. The Developer represents to the City that the Site Plan complies with all City, County, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the City determines that the site plan does not comply, the City may, at its option, refuse to allow any construction or development work on the Subject Property until the Developer does comply. Upon the City's demand Developer shall cease work until there is compliance.
- d. Mailbox Locations. If the Developer desires to construct a mailbox within the public right of way, the Developer agrees that the placement of a mailbox along public streets is subject to the approval by the Postmaster. Utility locates will be necessary.
- e. Not applicable.

- f. Construction, Hours and Entrance Signs. The City restricts construction and delivery hours to Monday through Friday 7:00 a.m. to 9:00 p.m., weekends and holidays, 8:00 a.m. to 8:00 p.m. The Developer is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed 80 square feet in size and must be clearly visible at all times during the construction period.
- g. Construction Site Maintenance. The Developer shall adhere to all of the City ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. The City reserves the right to withhold permits, inspections, or certificates of occupancy to correct violations relating to construction site maintenance.
- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Agreement as to the Required Private Improvements, unless qualified as fixed amounts, are estimated. The Developer agrees to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.
- i. Plat Approval Expenses. Not applicable.
- j. Reimbursement to the City. The Developer agrees to reimburse the City for all costs incurred by the City in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the City's Building Official, which authorizes the structure to be used for its intended purposes.
- l. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

To Developer:  
CANE Properties LLC  
Adam Klinkner  
3950 Stark Drive NW  
St. Francis MN 55070

To The City:  
Josi Wood  
City Administrator  
City of Isanti  
110 1<sup>st</sup> Ave. N.W.  
Isanti, MN 55040

*[The remainder of this page is intentionally left blank.]*

The Developer:

CANE Properties LLC

By: \_\_\_\_\_

Adam Klinkner

Its: Chief Executive Officer

STATE OF MINNESOTA )

)ss.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Adam Klinkner, Chief Executive Officer of Special Tools Inc, a corporation under the laws of the State of Minnesota on behalf of the corporation.

\_\_\_\_\_  
Notary Public

The City:

City OF ISANTI

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Clerk

STATE OF MINNESOTA            )  
  )ss.  
COUNTY OF ISANTI                    )

The forgoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_ 2021, by Jeff Johnson and Jaden Strand, the Mayor and the City Clerk, respectively, of the City of Isanti, a municipal corporation organized under the laws of the State of Minnesota on behalf of the City.

\_\_\_\_\_  
Notary Public

**This document drafted by:**  
Ratwik, Roszak & Maloney, P.A  
730 Second Ave. S., Suite 300  
Minneapolis, MN 5540

## PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Isanti**, a Minnesota municipal corporation (“Seller”), and **CANE Properties LLC** a corporation under the laws of Minnesota (“Buyer”).

- 1. EFFECTIVE DATE.** The effective date of this Agreement is February 2, 2022 (the “Effective Date”).
- 2. SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller the Property legally described as follows:

Lot 1 Block 1 of Isanti Centennial Complex 8th Rearrangement, County of Isanti, State of Minnesota

Isanti County PID Number: 16.125.0020

- 3. PURCHASE PRICE.** The purchase price for the Property is \$81,700 (the “Purchase Price”).
- 4. EARNEST MONEY.** None.
- 5. SURVEY.** Buyer may, at Buyer’s expense, obtain a survey (the “Survey”) from a duly licensed surveyor. If so obtained, a copy shall be provided to Seller within 30 days of receipt by Buyer.
- 6. TITLE COMMITMENT.**
  - a. Seller makes no representations or warranties with respect to the status of title to the Property. Within 30 business days after the Effective Date, Buyer may, at Buyer’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
  - b. Buyer shall have until the date 30 days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “**Title Objection Notice**”). Any

defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
  - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
  - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.

- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
  - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
  - f. The cost of any test or additional survey work will be borne solely by Buyer.
- 8. PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:
- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
  - b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
  - c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
  - d. The condition of the Property is fit for Buyer's intended use.
  - e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.
- 9. INSPECTION PERIOD.**

- a. Except as otherwise provided in Section 6, Buyer shall have **90 days from the Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property, if applicable) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Isanti or any other governmental entity. The City of Isanti will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.

**10. DEFINITIONS.** As used in this Agreement:

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

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

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

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

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

Seller:           Josi Wood  
                      City Administrator  
                      City of Isanti  
                      110 1<sup>st</sup> Ave. N.W.  
                      Isanti, MN 55040  
                      Email: [jwood@cityofisanti.us](mailto:jwood@cityofisanti.us)

Buyer:            CANE Properties LLC  
                      Adam Klinkner  
                      3950 Stark Drive  
                      St. Francis MN 55070

Email: [adamk@specialtoolsinc.com](mailto:adamk@specialtoolsinc.com)

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

**13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at City offices or at some other place as

the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the City to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
  - i. A limited warranty deed, duly executed and acknowledged on behalf of the City, conveying title to the Property, subject to (A) Building, Subdivision and Zoning Ordinances; (B) Matters that would be disclosed by an accurate survey of the Property; and (C) matters that constitute Permitted Exceptions pursuant to Section 6.
  - ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
  - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
  
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
  - i. Provide the Purchase Price; and
  - ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
  
- c. **Closing Costs.**
  - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
    1. Seller's own attorney's fees.
    2. The cost of real estate broker commission fees as prescribed in Section 14, if any.
  
  - ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
    1. Property taxes payable 2021, if any.
    2. Buyer's own attorney's fees.
    3. All closing fees.
    4. Documentary and recording fees for the deed(s).
    5. State deed tax.
    6. The cost of the title commitment.

7. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

**14. REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

**15. ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.

**16. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.

**17. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

**18. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

**19. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

**20. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

**21. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

## **22. REMEDIES.**

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

**23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

**24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.

**25. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

**26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

**27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

**28. CONSTRUCTION DEADLINE.** Buyer shall devote the Property to its intended use (Industrial) or begin work on the improvements to the Property to devote it to that use,

within two years after closing. In the event the above deadline is not met, Seller may cancel the sale and title shall return to Seller. Title to the Property may not be transferred by Buyer within one year of purchase without consent of Seller.

**29. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

**SELLER: The City of Isanti**

By: \_\_\_\_\_  
Jeff Johnson, Mayor

Dated: \_\_\_\_\_, 2021

By: \_\_\_\_\_  
Jaden Strand, City Clerk

Dated: \_\_\_\_\_, 2021

**BUYER: CANE Properties LLC**

By: \_\_\_\_\_  
Adam Klinkner

Dated: \_\_\_\_\_, 2021

Its: Chief Executive Officer

## Promissory Note

\$81,700.00

Date:

CANE Properties LLC. (“Undersigned”), for value received, promises to pay to the Economic Development Authority of the City of Isanti public body corporate and political of the State of Minnesota, or its assigns (collectively referred to herein as the “Holder”), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Eighty-One Thousand and Seven Hundred dollars (\$81,700) or so much thereof as may be advanced under this Note, without interest thereon, in any coin of currency that at the time or times of the payment is legal tender for the payment of private debts in the United States of America. The principal of this is Note is payable as follows:

1. The entire unpaid balance of principal shall be due and payable upon failure of the Undersigned to submit application for a building permit at PID 16.125.0020 within --- months of the date of this Note.
2. The entire unpaid balance of principal shall be due and payable upon the earlier of the following (i) thirty (30) days after the total or partial sale, transfer or conveyance, whether voluntarily or involuntarily, of the Property (as described in Exhibit A hereto), if such sale, transfer, or conveyance occurs within five (5) years after the effective date of the Repayment agreement, dated ----, between the Undersigned and the Holder (the “Agreement”). If the aforementioned events under this paragraph do not occur within five (5) years of the date of the Agreement, no payments shall be payable on this Note and the principal balance shall be forgiven.
3. This Note is given pursuant to the Agreement between the Undersigned and the Holder. If any information in the Agreement is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.
4. All of the agreements, conditions, covenants, provisions and stipulations contained in the Agreement are made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of the Note. If an Event of Default occurs under the Agreement, or any instrument securing this Note may at its right and option, without notice, declare immediately due and payable the

principal balance of this Note and interest accrued thereon, if any, together with reasonable attorney's fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Undersigned of this Note agree that the Holder of this Note may, without notice to and without affecting the liability of the Undersigned, accept additional or substitute security for this Note, or release any such security or any party liable for this Note or extend or renew this Note.

5. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Loan Agreement, or any instrument securing this Note and such default is not cured within the cure period specified in the Loan Agreement or other instrument, then the Holder of this Note may at its right and option, without further notice, declare immediately due and payable the principal balance of this Note, together with any costs of collection including attorney fees incurred by the Holder of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note. The Maker agrees that the Holder of this Note may, without notice to the Maker of this Note and without affecting the liability of the Maker of this Note, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.
6. The remedies of the Holder of this Note as provided herein, and in the Repayment Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof the Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder of this Note and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.
7. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of law's provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or any other related document.
  
9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the -- day of-----.

CANE Properties LLC

By \_\_\_\_\_

Its \_\_\_\_\_



## Economic Development Authority Agenda

1. Call to Order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Agenda Modifications
  - d. Adopt Agenda
2. Approval of Meeting Minutes from February 2, 2022 Meeting
3. Public Hearing
4. Business Item
  - a. Request from Barrack Realty LLC to purchase PID 16.029.1400 and Infrastructure Assistance
5. Announcements
  - a. East Central MN, thanks to GPS 45:93, is named as one of the top Smart21 Communities for 2022 by the Intelligent Communities Forum
    - i. Video is available here: <https://youtu.be/odOySk7NIGg>.
6. Adjournment

**Economic Development Authority  
Meeting Minutes  
February 2, 2022**

1. **Call to Order:** Chair Johnson called the meeting to order at 7:47 pm
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Paul Bergley, and Jimmy Gordon, Luke Merrill  
Members Absent: Dan Collison  
Staff Present: Community Development Director Stephanie Hillesheim, City Clerk Jaden Strand, City Administrator Josi Wood, Finance Director Mike Betker
  - c. **Agenda Modifications:** None
  - d. **Adopt Agenda:** Motion by Lundeen, second by Merrill to adopt the agenda, motion passed 5-0.
2. **Consider Adoption of Resolution Approving Organization of Advisory Bodies**
  - a. Oath of Office (1 member)
  - b. Election of 2022 President
  - c. Election of 2022 Vice-President
  - d. Election of 2022 Secretary
  - e. Election of 2022 Treasurer
  - f. Adoption of 2022 Meeting Schedule

A motion was made by Lundeen to keep the advisory body positions the same as the 2021 positions and adopt the 2022 Meeting Schedule as presented. The motion was seconded by Merrill, motion passed 5-0.

3. **Approval of Meeting Minutes from January 4, 2022 Meeting:** Motion by Lundeen, second by Bergley to approve the meeting minutes, motion passed 5-0.
4. **Public Hearing**                      None
5. **Business Item**
  - a. Amendments to Special Tools Documents
    - i. Resolution 2022-XXX Approving Forgivable Loan for Special Tools
    - ii. Development and Subsidy Agreement
    - iii. Purchase Agreement
    - iiii. Promissory Note

Community Development Director Stephanie Hillesheim explained that the Resolution will change the company name from the documents and that the Special Tools representative has created an LLC instead. This is common in that the LLC will own the property and not the company itself. Merrill asked the purpose of creating an LLC aside from the business name. Adam, a representative of Special Tools explained that this is important as a liability perspective so that it keeps the business and the property/building separate. Motion to adopt all of the amendments to the Special Tools documents by Lundeen, second by Bergley, motion passed 5-0.

6. **Other Business / Updates / Communications**      None
7. **Adjournment:** Motion by Bergley to adjourn second by Lundeen, motion passed 5-0 meeting adjourned at 7:52 pm.

A Community For Generations.



## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** March 1, 2022  
**Subject:** Request from Barrack Realty LLC

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The City has received a number of requests recently regarding industrial development in the limited remaining City owned parcels. One of the last platted parcels the City of Isanti has available is PID 16.029.1400. This site is located behind the UPS facility and is in need of access as well as utilities. We have received a request from Barrack Realty LLC to purchase the land for \$1.00 as well as for assistance paying for the utilities and access to the site.

Working with the City Engineer there are two options for providing access allowed by our City ordinance: A rough estimate of costs are

\$175,000 to include:

\$70,000 street cost (a temporary 24' paved, uncurbed, "street/driveway")

\$49,000 watermain cost.

\$55,000 grinder pump cost

If the City is going to require, according to ordinance a permanent industrial road width to include curb and gutter, costs would be upwards of \$300,000.

The request and application is attached.

**Request:**

Staff is requesting discussion and direction on this item. Any action will formally take place at a Public Hearing held at a later date.

**Attachments:**

- *Application for Business Subsidy*
- *Letter of Request from Applicant*
- *Business Proposal*
- *Preliminary Plat*
- *Utility Map*



**City of Isanti  
Pre-Application for  
Business Assistance Financing**

Legal Name of Applicant: Kadra Hussein

Name of Business: Barack Realty LLC

Business Address: 362H 133<sup>rd</sup> Ln NE Ham lake MN 55304

Telephone Number: 952-687-0696

E-mail Address: oromian@outlook.com

Business Website: N/A

Tax ID #: 871948077 NAICS Code: \_\_\_\_\_

Name of Contact Person: oda umar

**General Information:**

Principal(s)	Address	Phone	Social Security #	Title	% of Ownership
Kadra Hussein	362H 133 <sup>rd</sup> Ln NE Ham lake 55304	952-687-0696	215-73-2343	owner	100%

Type of Business: Sole Proprietorship:  LLC Corporation: \_\_\_\_\_  
Partnership: \_\_\_\_\_ New Business: \_\_\_\_\_

Date Established: 07/30/2021

Business Name: Barack Realty LLC

Address: 362H 133<sup>rd</sup> Ln NE Hamlake MN 55304

Web Address: N/A

Type (partnership, etc.): \_\_\_\_\_

Authorized Representative:  Phone: 952-687-0696

E-mail of contact person: oromian@hotmail.com

Description of Business: Truck driving school (CDL) services.

Legal Counsel: not assigned

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person: \_\_\_\_\_ E-mail: \_\_\_\_\_

Participating Bank: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person: \_\_\_\_\_ E-mail: \_\_\_\_\_

Accountant: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Financial Background:**

1) Have you ever filed for bankruptcy? NO

2) Have you ever defaulted on any loan commitment? NO

3) Have you applied for conventional financing for a project? NO

4) List Financial references:

a. North East Bank

b. Wellsfargo

c. \_\_\_\_\_

**Project Information:**

1) Location of proposed project: N/A

2) Amount of Business Assistance requested: \$200,000

- 3) Need for Business Assistance: \$200,000 (G & H)
- 4) Present ownership of site: N/A
- 5) Number of permanent jobs created as a result of project: 5 - 20 employees
- 6) Estimated annual sales: Present: NA Future: \$1.8 million
- 7) Market value of project following completion: \$2 million
- 8) Anticipated start date: April 2022 ±
- 9) Anticipated completion date: Aug 2023 ±

**Financial Information:**

**1) Estimated project related costs:**

- |                                      |                   |
|--------------------------------------|-------------------|
| a) Land Acquisition:                 | <u>\$ 1.00</u>    |
| b) Site development:                 | <u>\$300,000</u>  |
| c) Building cost:                    | <u>\$ 225,000</u> |
| d) Equipment:                        | <u>\$ 100,000</u> |
| e) Architectural / Engineering fees: | <u>\$ 84,000</u>  |
| f) Legal fees:                       | <u>\$ 12,000</u>  |
| g) Off-site development costs:       | <u>\$ 100,000</u> |
| h) Public infrastructure costs:      | <u>\$ 100,000</u> |
| i) Other (explain): _____            | <u>N/A</u>        |

Total \$ 1,221,001

Public/Private  
Total

**2) Sources of financing:**

- |                                   |                       |       |
|-----------------------------------|-----------------------|-------|
| a) Private Financing Institution: | \$ <u>—</u>           | _____ |
| b) Revolving Loan Funds:          | <u>—</u>              | _____ |
| c) Other Public Funds (identify): | <u>—</u>              | _____ |
| d) Developer Equity:              | <u>\$ 1.2 million</u> | _____ |

Total \$ 1.2 million

**Application Fees**

Applications Escrow (due at time of application)	\$1,000
Development Agreement Fee	\$1,000 plus costs
Establishment of New TIF District	\$4,800 or actual cost
TIF Development Agreement	\$2,500 plus costs
*other fees may apply	

**TO BE SIGNED BY APPLICANT**

I have willfully furnished this information to the City of Isanti for the purpose of applying for a assistance. I understand that this information will be available for review by the City of Isanti Staff, the City Attorney, or any other professional the City Council may request. I declare that the information provided in this application is true and to the best of my knowledge. I understand that the City of Isanti has the right to verify this information and will be in contact with those individuals and institutions involved in this proposed project as well as credit references. False information, in addition to disqualifying me from any further considerations and financial assistance, may also subject me to litigation or recover the City's expenses related to reviewing this application and/or costs to collect any loan balances.

Kadya  
Signature

01-20-2022  
Date

BARACK REALTY. 3624 133RD LN HAM LAKE MN 55304. 952-687-0696

02/23/2022

To: City of Isanti

Requesting accommodation from the city of Isanti to cover the cost of the public infrastructure, such as road, utility, water and sewer. We are also asking for the completion of the land purchase as soon as possible, because our project is projected to start early spring. We are already behind schedule due to the land.

There are many reasons why our business is essential to Isanti and our whole nation, but the major issue we are trying to contribute to is that, there national shortage of truck drivers, and school bus drivers, we feel the urge to do our part to produce as many drivers as possible to help our economy nationwide, not just Isanti.

This business is designed to bring a major economic boost to the city of Isanti, such as creating employment opportunities, educational opportunities, and creating diversity. Furthermore, with the number of students and teachers combined, over one hundred people will be utilizing the resources offered by the city, and most of all will be bringing business to the city of Isanti. Including shopping and many more opportunities that will contribute to the major growth of Isanti in general.

If given the opportunity, the difference we will bring to the city of isanti is endless. We would like you to welcome us and give us the opportunity to make a difference in the city of Isanti. If you have any questions, please contact Oda Umar project manager at 952-687-0696 or via email [oromian@hotmail.com](mailto:oromian@hotmail.com). Your time is greatly appreciated, and we look forward to working with you soon.

Thank you,

Project manager  
Oda Umar

# SEMI TRUCKING SCHOOL (CDL), SERVICE SHOP, TRUCK PARKING SERVICES AND TRAINING ALL MOVING MACHINES.

**Project owner:**

**Barack Realty LLC**

**3624 133<sup>rd</sup> In NE Ham Lake MN 55304**

**contact info 952-687-0696**

**email: [oromian@outlook.com](mailto:oromian@outlook.com)**

**Business proposal:** According to our construction consultant, due to covid-19 we might have shortage of construction engineers, contractor shortage, supply shortage. Due to this, the project may take longer to complete. Our project is divided into 4 phases. The 4 phases will be explained below.

## **Projection plan:**

- 1-1.5 total years for project to finish.
- 1.2 million dollars for project cost.
- Project will need 5 employees to start and that is projected to grow to 20 employees by the time the project end. (Management wage is up to 35 per hour, and 15-17 for other employees.
- Once the business starts, we expect about 75-100 customers on site daily.
- Total building square feet is 6000 sq.
- The remaining lot will be used for parking.

## **Phase 1**

1. Doing survey on the site.
2. Plan and structure will be completed in 3 months.

## **Phase 2**

1. Cleaning the lot and preparing the parking lot ready to use for semi-truck.

## **Phase 3**

2. Starting construction on the office and school totaling 3000 sq.
3. 3000 sq will be used as garage and body shop for the semi-truck.

## **Phase 4**

1. Building semi-truck service garage and repair shop.

If we get the opportunity to invest in this city, we believe that our contributions will make a major long-term difference in Isanti's growth. For instance, diversity and economic growth included but not limited to, gas station, hotels, grocery, and restaurants will have students from all over the United States bring business to them. We will also have employment opportunities to help serve our community. If given the opportunity, the possibilities are endless, we will do everything we can to contribute to the growth of Isanti.

# NAME OF PLAT PRELIMINARY PLAT

### LEGAL DESCRIPTION

(per document #207617)

Tract A  
The West 410 feet of the following described tract of land to-wit: All that part of the Southeast Quarter of the Northwest Quarter (SE 1/4 of NW 1/4) of section Twenty-nine (29), Township Thirty-five (35), Range Twenty-three (23), described as follows: to-wit: Commencing at the intersection of the north line of said forty acres and the westerly right-of-way line of Minnesota Highway No. 65, proceeding easterly and laid out, to said west line a distance of 25 feet, thence East and parallel with the north line of said forty acres a distance of 977 feet, more or less, and to the westerly right-of-way line of Minnesota Trunk Highway No. 65 as presently existing and laid out, thence Northeastly and along said westerly right-of-way line of Minnesota Trunk Highway No. 65 to the point of beginning and there to terminate, containing ten acres, more or less, and subject to existing highways.

Tract B  
The South sixty-six feet (S 66') and the East forty-eight feet (E 48') of Lot One (1), Block Five (5) Dual Industrial Park, as measured at right angles to the South line and the East line, respectively of said Lot 1, Isanti County.

AND

(per document #220748)  
That part of the Southwest Quarter of the Northwest Quarter of Section 29, Township 35, Range 23, Isanti County, Minnesota, described as follows:

Commencing at the southwest corner of Lot 1, Block 5 of the recorded; plat of Dual Industrial Park, Isanti County, Minnesota; thence northerly on an azimuth of 350 degrees 50 minutes 10 seconds, along the west line of said Lot 1, a distance of 60.00 feet to the point of beginning of the parcel to be herein described; thence westerly on an azimuth of 270 degrees 00 minutes 30 seconds, along the north line of Dual Boulevard, as dedicated on the plat of Dual Industrial Park, a distance of 50.00 feet; thence northerly on an azimuth of 16 degrees 13 minutes 10 seconds, a distance of 46.85 feet to the point of intersection with a line drawn parallel with and distant 36.00 feet west of the west line of said Lot 1, Block 5 of Dual Industrial Park, as measured at right angles to said west line of Lot 1; thence northerly on an azimuth of 358 degrees 50 minutes 10 seconds, along said parallel line, a distance of 379.81 foot to the north line of the SW 1/4 of NW 1/4 of Section 29; thence easterly on an azimuth of 89 degrees 58 minutes 50 seconds, along said north line, a distance of 36.00 feet to the northwest corner of said Lot 1, Block 5 of Dual Industrial Park; thence southerly on an azimuth of 178 degrees 50 minutes 10 seconds, along the west line of said Lot 1, a distance of 424.83 feet to the point of beginning.

AND

(per document #XXXXX)  
Lot 1, Block 5, XXXXXXXXXXXXX

### SURVEYOR'S NOTES:

- Contours are at 1 foot intervals.
- Orientation of the bearing system is based upon the Isanti County Coordinate System (NAD83), 1986 Adjustment.
- Underground utility lines and structures are shown in an approximate way only, according to information provided by others. A request that utilities be located for this survey was made through Gopher State One Call (Ticket No. 203500141). The underground utility lines and structures shown on this map represent the information provided to Bolton & Menk, Inc. as a result of that request. The surveyor does not guarantee that the information provided was either complete or accurate. The surveyor does not guarantee that there are no other underground utility lines and structures, active or abandoned, on or adjacent to the subject property.
- All distances and elevations are in feet.
- Vertical datum = NAVD 1988. Origin of levels is MNDOT Monument SANTI RM 1, Elevation 941.281 feet.

### OWNER/SUBDIVIDER:

CITY OF ISANTI  
110 FIRST AVENUE NW  
ISANTI, MN 55040

### CURRENT ZONING:

INDUSTRIAL PARK (I-1)

### LOT REQUIREMENTS AND SETBACKS:

BOLTON & MENK, INC.  
7533 SUNWOOD DRIVE NW  
SUITE 206  
RAMSEY, MN 55303

FRONT YARD 30 FEET  
SIDE YARD 15 FEET  
REAR YARD 30 FEET

### DATE OF PREPARATION:

XXXXXXXXXX

### FIELD TOPOGRAPHY PROVIDED BY:

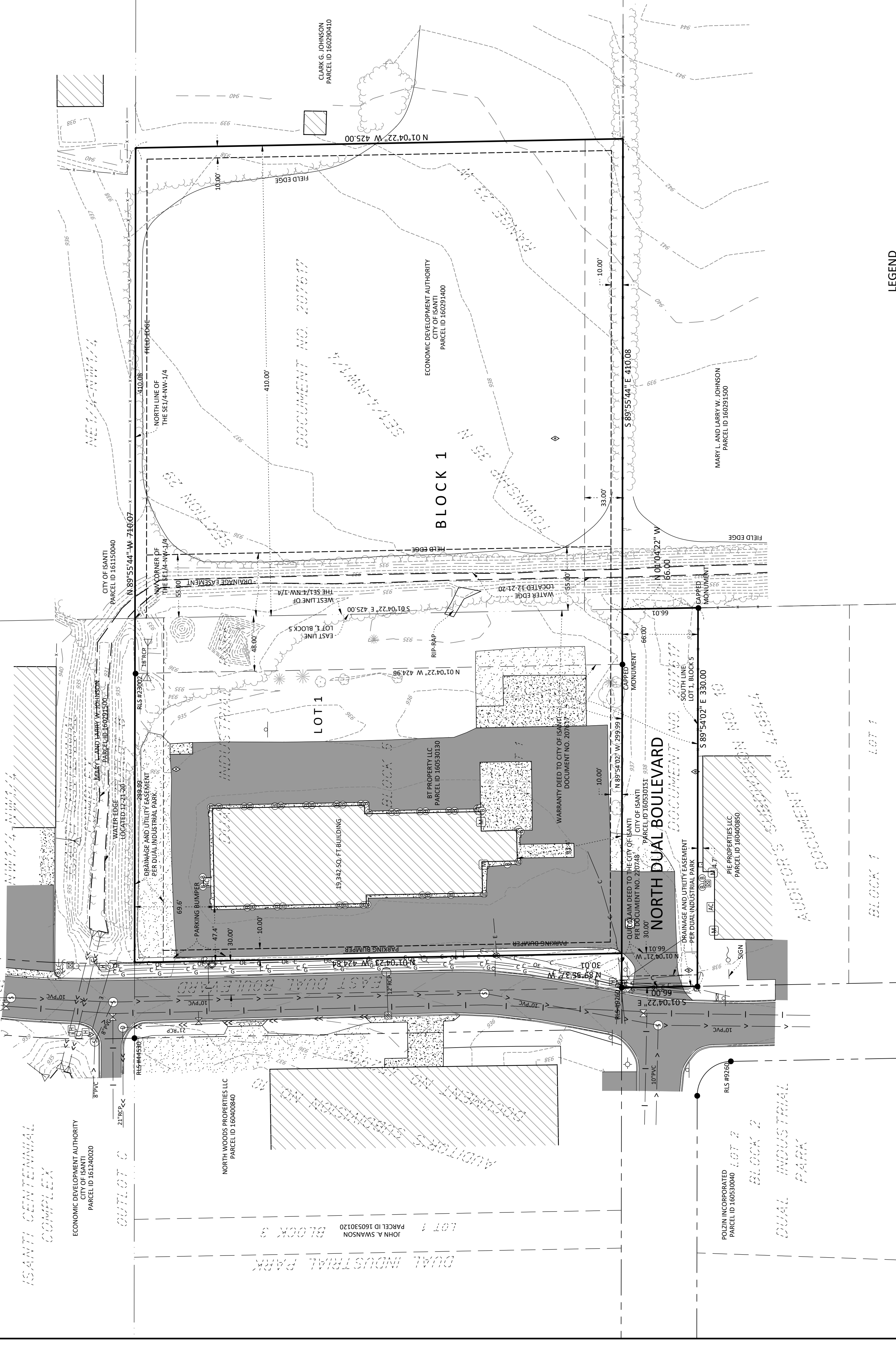
BOLTON & MENK, INC.  
7533 SUNWOOD DRIVE NW  
SUITE 206  
RAMSEY, MN 55303

### SURVEYOR'S CERTIFICATION

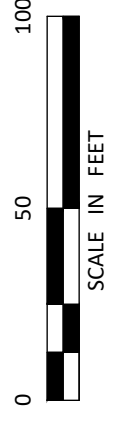
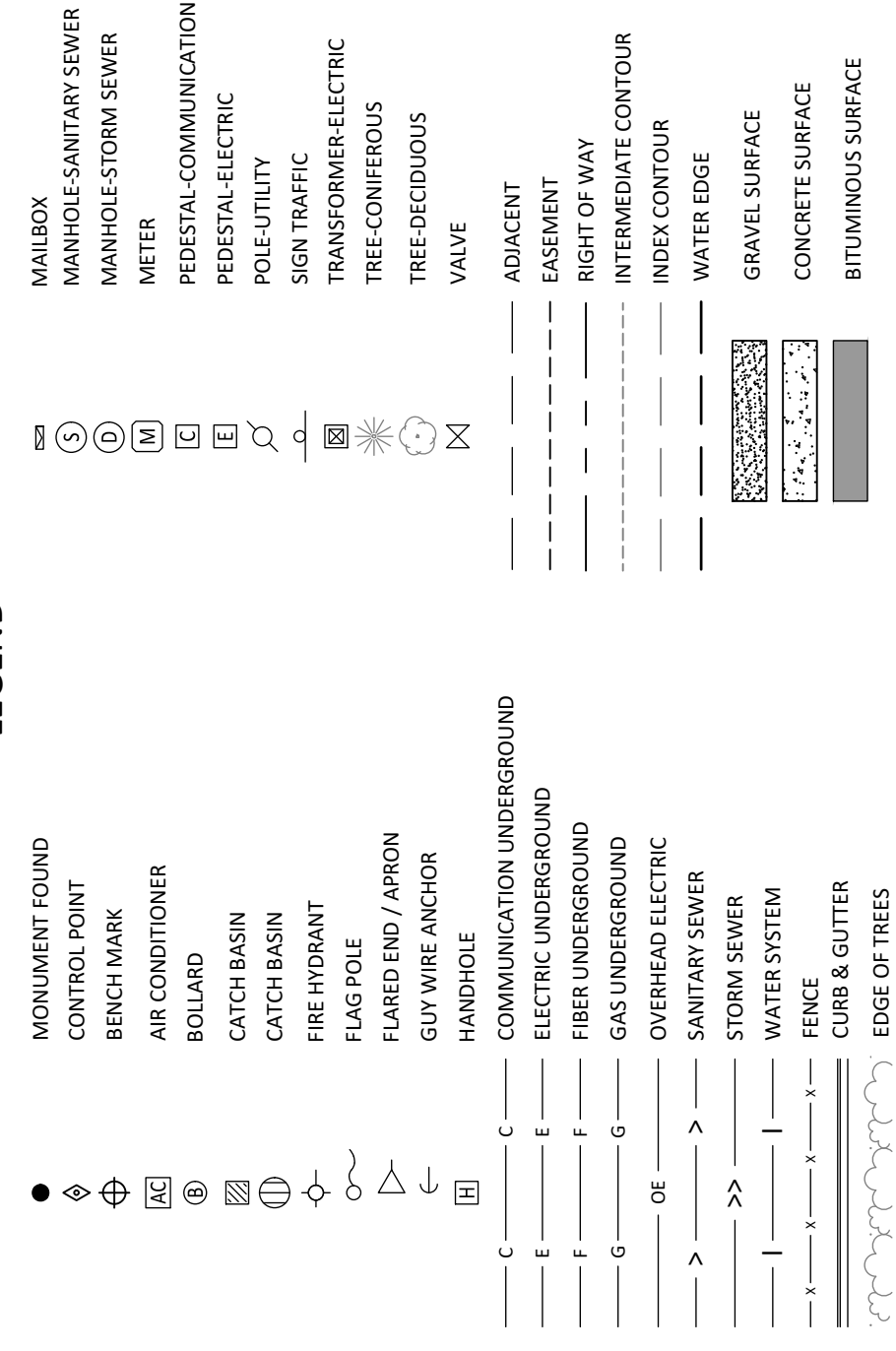
I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.

Andrew Hill  
License Number 57632

XX/XX/XXXX  
DATE

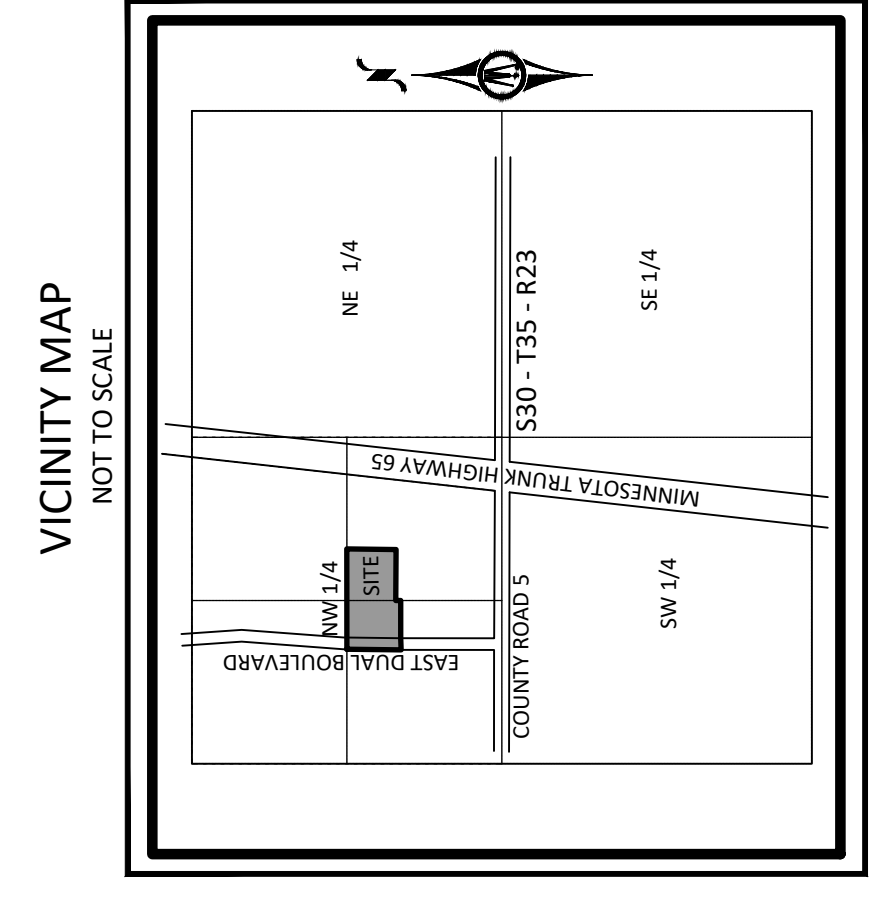


### LEGEND



**AREA TABULATION:**

LOT 1	SO. FT.	ACRES
RIGHT OF WAY	SO. FT.	ACRES
TOTAL AREA	323,474 SQ. FT.	7.426 ACRES





**Legend**

- Parcels (6-30-2020)
- Sanitary Valve
  - Original
  - GPS
- Sanitary Bypass Valve
- Sanitary Clean Out
- Sanitary Manhole
- Sanitary Air Release Manhole
- Sanitary Splitter Box
- Sanitary Wet Well
- Sanitary Lift Station
- Sanitary Pipe
- Sanitary Forcemain
- Storm Manhole
  - Original
  - GPS
- Storm Pipe
- Water Curb Stop
- Water Valve
  - Mainline Valve - Original
  - Service Valve - Original
  - Mainline Valve - GPS
  - Hydrant Valve - GPS
  - Service Valve - GPS
- Water Hydrant
- Watermain
- City Limits

**4 Acre City Parcel**



**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 Isanti is not responsible for any inaccuracies herein contained.



Real People. Real Solutions.





## **Economic Development Authority Agenda**

1. Call to Order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Agenda Modifications
  - d. Adopt Agenda
2. Approval of Meeting Minutes from March 1, 2022 Meeting
3. Public Hearing
  - a. Request from RK Unlimited LLC to purchase PID 16.157.0030 and Approval of Resolution 2022-4 Approving Forgivable Loan for RK Unlimited
4. Business Item
  - a. Resolution 2022-5 Cancellation of Crop Lease for City Owned Land
  - b. EDA Owned Industrial Land
5. Announcements
6. Adjournment

**Economic Development Authority  
Meeting Minutes  
March 1, 2022**

1. **Call to Order:** Chair Johnson called the meeting to order at 7:56 pm
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, and Jimmy Gordon, Dan Collison  
Members Absent: Luke Merrill, Paul Bergley  
Staff Present: Community Development Director Stephanie Hillesheim, City Engineer Jason Cook, City Clerk Jaden Strand, City Administrator Josi Wood, Finance Director Mike Betker
  - c. **Agenda Modifications:** None
  - d. **Adopt Agenda:** Motion by Lundeen, second by Collison to adopt the agenda, motion passed 4-0.
2. **Approval of Meeting Minutes from February 2, 2022 Meeting:** Motion by Lundeen, second by Collison to approve the meeting minutes, motion passed 4-0.
3. **Public Hearing**                      None
4. **Business Item**
  - a. Request from Barack Realty LLC to purchase PID 16.029.1400 and Infrastructure Assistance

Community Development Director Stephanie Hillesheim explained the request to purchase the 4-acre parcel. Mayor Johnson asked if UPS was planning on expanding onto this parcel. Hillesheim said that they did not want to move forward with their first right of refusal. Mayor Johnson asked about access to the site and if there is a road that will be put in to the south of the UPS building. Hillesheim explained that the access to the site would come from the city owned parcel and would take roughly \$175,000 to make a temporary road for access as well as to bring sewer and water to the site. This would include adding a driveway which would eventually be intended to turn into a permanent street. Council member Collison asked if this temporary driveway would be able to hold the weight of large semi-trucks since the business will be using the site for a CDL training facility. City Engineer Jason Cook explained that the topic of a driveway entrance as opposed to a street will need to be explored more by the client's engineers to see what will withstand as far as thickness and materials to allow for these sized trucks. Council member Lundeen asked if the applicant is requesting that the city pay for all utilities and the access. Hillesheim confirmed that the applicant is asking the city to cover these costs. Council member Gordon admitted that he liked the idea of this business in Isanti and asked staff if there are any other parcels in town that would accommodate this business with existing access. Hillesheim said that the City is running out of properties with easily accessible services. There are 66 acres designated for Industrial Use in the north end of the city but would require utility and service work across the site and is not immediately available. The applicant was present at the meeting to explain his business and was available for questions. Topics covered in staff and EDA members conversation included the temporary driveway, utilities, appraisal values for the property, and who would pay the costs for these services. After deliberation, it was determined by the EDA that the land would be willing to sell the land for \$1 as long as the applicant pay for sewer and water services and roadwork leading to the site. Hillesheim pointed out to the EDA members that in order to sell the land for \$1, there will need to be a public hearing and a vote will be taken at a later date to determine an outcome.

**5. Announcements**

- a. East Central MN, thanks to GPS 45:93, is named as one of the top Smart21 Communities for 2022 by the Intelligent Communities Forum
  - i. Video is available here: <https://youtu.be/odOySk7NIGg>.

**6. Adjournment:** Motion by Lundeen to adjourn second by Collison, motion passed 4-0 meeting adjourned at 8:53 pm.

A Community For Generations.



## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** April 5, 2022  
**Subject:** Approving the Sale of the Property located at PID 16.157.0030 to RK Unlimited Properties LLC and Resolution 2022-4 APPROVING A FORGIVABLE LOAN FOR RK UNLIMITED PROPERTIES LLC

---

The City of Isanti has received a request from RK Unlimited Properties LLC to purchase City owned parcel identified as PID 16.157.0030. RK Unlimited Properties LLC is working with the Small Business Administration for loan funding and to be eligible to include the value of the land in their loan documents the structure of the transaction has been altered to allow for a forgivable loan to the purchaser in lieu of selling the land for \$1.00. The outcome of the closing will remain the same.

Upon closing RK Unlimited Properties LLC must adhere to the requirements and conditions listed in the attached Development and Subsidy Agreement.

**Request:**

Staff is requesting action on this item.

**Action Required:**

If the Council concurs, it should by motion, approve Resolution as written, as well as the accompanying documents: Purchase Agreement, Development and Subsidy Agreement, and Promissory Note.

**Attachments:**

- **Resolution 2022-4 APPROVING A FORGIVABLE LOAN FOR RK UNLIMITED PROPERTIES LLC**
- Promissory Note
- Purchase Agreement
- Business Subsidy Agreement

**RESOLUTION 2022-4**

**APPROVING A FORGIVABLE LOAN FOR RK UNLIMITED PROPERTIES LLC FOR CERTAIN REAL PROPERTY LOCATED AT PID 16.157.0030**

**WHEREAS**, the Economic Development Authority of the City of Isanti owns industrial property for the public purpose of creating quality jobs and increasing the City's tax base; and,

**WHEREAS**, the Economic Development Authority entered into a Purchase Agreement with RK Unlimited Properties LLC for the sale of the property located at PID 16.157.0030; and,

**WHEREAS**, the EDA has received a request from RK Unlimited Properties LLC for assistance in the relocation and expansion of their business to 605 East Dual Blvd, as legally described as Lot 3 Block 1 Centennial Complex 7<sup>th</sup> Rearrangement; and,

**WHEREAS**, to support the business and the goals set forth in the Comprehensive Plan, the EDA agrees to provide a \$142,100 forgivable loan to RK Unlimited Properties LLC to support the growing business and filling an otherwise empty industrial lot; and,

**WHEREAS**, the \$142,100 loan will be forgiven upon compliance, by RK Unlimited Properties LLC, with the provision of paragraph 7(c) of the Development and Subsidy Agreement for RK Unlimited Properties LLC dated April 5, 2022; and

**WHEREAS**, the forgivable loan is in lieu of selling the land for \$1.00 to meet the requirements of the 504 SBA Loan RK Unlimited Properties LLC is acquiring for the construction project; and,

**WHEREAS**, the EDA has reviewed said request and found it to be in compliance with the City Code and Minnesota State Statutes.

**NOW, THEREFORE, BE IT RESOLVED** by the Economic Development Authority of the City of Isanti, Minnesota: that a \$142,100 deferred loan is awarded to RK Unlimited Properties LLC for assistance for the acquisition of real property, legally described as Lot 3 Block 1 Centennial Complex 7<sup>th</sup> Rearrangement.

This resolution was duly approved by the Isanti Economic Development Authority this 5th of April, 2022.

**Attest:**

\_\_\_\_\_  
Jeff Johnson, President

\_\_\_\_\_  
Stephanie Hillesheim  
Secretary

## Promissory Note

\$142,100

Date:

RK Unlimited Properties (“Undersigned”), for value received, promises to pay to the Economic Development Authority of the City of Isanti a public body corporate and political subdivision of the State of Minnesota, or its assigns (collectively referred to herein as the “Holder”), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of One Hundred Forty-Two Thousand and One Hundred dollars (\$142,100), without interest thereon, upon notification by the Economic Development Authority of the City of Isanti that the failure to comply set forth in section 1 below has occurred, in any coin of currency that at the time or times of the payment is legal tender for the payment of private debts in the United States of America. The principal of this Note is payable as follows:

1. The entire unpaid balance of principal shall be due and payable upon failure of the Undersigned to comply with the provisions of paragraph 7(c) of the Development and Subsidy Agreement for RK Unlimited Properties LLC. dated April 5, 2022 (the “Development and Subsidy Agreement”).
2. All of the agreements, conditions, covenants, provisions and stipulations contained in the Development and Subsidy Agreement are made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein.
3. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
4. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Undersigned has caused this Note to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_ in year of 2022.

RK Unlimited Properties LLC

By \_\_\_\_\_

Its \_\_\_\_\_

STATE OF MINNESOTA                    )  
  )ss.  
COUNTY OF \_\_\_\_\_                    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Joe Kliever, Chief Executive Officer of RK Unlimited Properties LLC, a corporation under the laws of the State of Minnesota on behalf of the corporation.

DRAFT

## PURCHASE AGREEMENT

This Agreement is entered into by and between the **Economic Development Authority of the City of Isanti**, a Minnesota municipal corporation (“Seller”), and **RK Unlimited Properties LLC** a corporation under the laws of Minnesota (“Buyer”).

1. **EFFECTIVE DATE.** The effective date of this Agreement is April 5, 2022 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller the Property legally described as follows:

Lot 3 Block 1 of Isanti Centennial Complex 7th Rearrangement, County of Isanti, State of Minnesota

Isanti County PID Number: 16.157.0030

3. **PURCHASE PRICE.** The purchase price for the Property is \$142,100 (the “Purchase Price”).
4. **EARNEST MONEY.** None.
5. **SURVEY.** Buyer may, at Buyer’s expense, obtain a survey (the “Survey”) from a duly licensed surveyor. If so obtained, a copy shall be provided to Seller within 30 days of receipt by Buyer.
6. **TITLE COMMITMENT.**
  - a. Seller makes no representations or warranties with respect to the status of title to the Property. Within 30 business days after the Effective Date, Buyer may, at Buyer’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
  - b. Buyer shall have until the date 30 days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “**Title Objection Notice**”). Any

defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a **"Permitted Exception."** Within three business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions (**"Seller's Title Notice"**). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 13, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 13, Buyer may, at any time with three business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated (**"Buyer's Title Termination Notice"**). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
  - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
  - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.

- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
  - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
  - f. The cost of any test or additional survey work will be borne solely by Buyer.
- 8. PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:
- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
  - b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
  - c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
  - d. The condition of the Property is fit for Buyer's intended use.
  - e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

## 9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have **90 days from the Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property, if applicable) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Isanti or any other governmental entity. The City of Isanti will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.

## 10. DEFINITIONS. As used in this Agreement:

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

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

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

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

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

Seller:           Josi Wood  
                      City Administrator  
                      City of Isanti Economic Development Authority  
                      110 1<sup>st</sup> Ave. N.W.  
                      Isanti, MN 55040  
                      Email: [jwood@cityofisanti.us](mailto:jwood@cityofisanti.us)

Buyer:           RK Unlimited Properties LLC  
                      Joe Kleiver  
                      13941 Lincoln St  
                      Suite 100  
                      Ham Lake, MN 55304

Email: [joe@unlimitedwelding-fab.com](mailto:joe@unlimitedwelding-fab.com)

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

**13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at City offices or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the City to avoid the necessity for a Closing at which the Parties are present.

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

- i. A limited warranty deed, duly executed and acknowledged on behalf of the City, conveying title to the Property, subject to (A) Building, Subdivision and Zoning Ordinances; (B) Matters that would be disclosed by an accurate survey of the Property; and (C) matters that constitute Permitted Exceptions pursuant to Section 6.
- ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
- iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Provide the Purchase Price; and
- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
  1. Seller's own attorney's fees.
  2. The cost of real estate broker commission fees as prescribed in Section 14, if any.
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
  1. Property taxes payable 2021, if any.
  2. Buyer's own attorney's fees.
  3. All closing fees.

4. Documentary and recording fees for the deed(s).
5. State deed tax.
6. The cost of the title commitment.
7. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession**. Seller must deliver possession of the Property to Buyer at Closing.

**14. REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

**15. ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.

**16. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.

**17. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

**18. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

**19. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

**20. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

**21. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

## **22. REMEDIES.**

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
  - b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.
- 23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
- 24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.
- 25. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
- 26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. CONSTRUCTION DEADLINE.** Buyer shall devote the Property to its intended use (Industrial) or begin work on the improvements to the Property to devote it to that use,

within two years after closing. In the event the above deadline is not met, Seller may cancel the sale and title shall return to Seller. Title to the Property may not be transferred by Buyer within one year of purchase without consent of Seller.

**29. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

**SELLER: The Economic Development Authority of the City of Isanti**

By: \_\_\_\_\_  
Jeff Johnson, President

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Stephanie Hillesheim, Secretary

Dated: \_\_\_\_\_, 2022

**BUYER: RK Unlimited Properties LLC**

By: \_\_\_\_\_  
Joe Kliever

Dated: \_\_\_\_\_, 2022

Its: President

**CITY OF ISANTI**

**DEVELOPMENT AND SUBSIDY AGREEMENT FOR RK UNLIMITED  
PROPERTIES LLC**

This Agreement (hereinafter the “Agreement”) is entered into this 5th day of March, 2022 by and between the **City of Isanti**, a Minnesota municipal corporation (the “**City**”) and **RK Unlimited Properties LLC**, a corporation under the laws of Minnesota (the “**Developer**”).

1. Subject Property. Developer is, or will be, the owner of the Subject Property legally described as Lot 3 Block 1 Isanti Centennial Complex 7<sup>th</sup> Rearrange, County of Isanti, State of Minnesota, PID Number 16.157.0030. Sale of the Subject Property by the City to Developer at a price below market value is the subsidy contemplated by this Agreement.
2. Conditions of Approval. The City has approved development of the Subject Property, as subsidized by the City, subject to satisfaction of the following conditions:
  - a. The Developer’s Execution of this Agreement. That the Developer enter into this Agreement.
  - b. Marketable Title. That the Developer obtain, and retain, title to the Subject Property.
  - c. Proof of Authority. That the Developer provide proof that its governing board authorized the Developer’s execution of this Agreement. This proof of authority may be satisfied by providing the City with a certified copy of the minutes of the governing board.
  - d. Site Plan. That Developer’s site plans, as required by the Isanti City Code, be completed by Developer and reviewed and approved by the City.

3. The Plans. The term “Plans” as used in this Agreement means the Site Plans prepared by Developer. The Plans are subject to: (a) Planning Commission review; (b) approval of the City Council; and (c) such further revisions as the Developer may propose and the City approves. The Plans shall not be attached to this Agreement but are in the City’s files.
4. Required Private Improvements. The private improvements the Developer will construct or install are as follows:
  - a. Sanitary sewer
  - b. Water
  - c. Storm drainage facilities
  - d. Stormwater maintenance
  - e. Parking lot
  - f. Concrete curb and gutter
  - g. Lot grading
  - h. Landscaping
5. Payment of Development Fees. Developer shall, contemporaneously with execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account balance is reduced to \$1,000 or less, the Developer shall post additional sums of money to replenish the account to a maximum of \$2,000 to cover projected City costs as determined by the City. The escrow account shall always have a balance of no less than \$1,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer’s escrow account. Sanitary Sewer Connection (Trunk) Fees, Water Connection (Trunk) Fees are collected at the time the building permit is issued.
6. Developer Defaults. If the Developer defaults in the performance of one or more of the Developer’s obligations under this Contract, i) the City gives the Developer 30 days’ written notice of the default and ii) the Developer fails to cure the default within said 30 days, then the City may pursue any and all remedies available at law or in equity including, but not limited to, the following:
  - a. The City may, at its option, perform or engage one or more third parties to perform the Developer’s obligations. If, in the reasonable judgment of the City’s staff, the Developer’s default creates an immediate risk to public health or safety, the City may perform or engage one or more third parties to perform the work before the City provides the notice described in the initial paragraph of this Section, but the City must use commercially reasonable efforts to notify the Developer as promptly as possible that the City is undertaking to perform the Developer’s obligation or obligations. If the City performs one or more obligations of the Developer, the Developer

must reimburse the City for any costs or expenses the City incurs, including costs and expenses for City staff time, to perform the work within 30 days after the City notifies the Developer, in writing, of the costs and expenses the City incurred to perform the work. If the Developer does not reimburse the City within said 30day period, the City may pursue any remedies available to the City either at law or in equity or, in the alternative, the City may draw on the financial guaranty the Developer has provided to the City pursuant to this Agreement to reimburse itself for the expenses the City incurs to perform the work. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a Court Order for permission to enter the Developer Property. As an alternative to seeking recovery from the Developer or the financial guaranty, the City may levy special assessments against the Developer Property in accordance with Minnesota Statutes Section 429, and the Developer, for itself and its successors in title, hereby expressly waives any and all substantive and procedural objections or defenses the Developer may have to such special assessments;

- b. The City may commence an action in Isanti County District Court to pursue any remedy available to the City at law or in equity including, but not limited to, injunctive relief;
- c. The City may refuse to grant building permits for improvements to be constructed on the Subject Property until the Developer has cured all of its defaults; and
- d. The City may draw upon all or any portion of the financial guaranty the Developer has provided to the City and (i) use all or any portion of the proceeds from the financial guaranty to reimburse the City pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the City obtains against the Developer pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the City pursuant to Section 11 (j) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this paragraph.

7. Business Subsidy. As a condition of developing the Subject Property, Developer and City agree to the following terms:

- a. Subsidy. Developer acknowledges and agrees that it received a business subsidy from the City in the form of a reduced purchase price for the Subject Property. The Subject Property is valued at \$142,100. The City sold the Subject Property to Developer for \$142,100 subject to a forgivable loan as outlined in the Promissory Note dated April 5, 2022. The value of the subsidy is \$142,100.

- b. Public Purpose. The public purposes for granting the subsidy are to create jobs within the City of Isanti and to increase the City's tax base.
  - c. Subsidy Goals. Developer shall create a minimum of 10 full-time, or full-time equivalent, jobs within two years of the date of this Agreement. All jobs shall meet or exceed State minimum wage requirements. Developer shall continue to meet or exceed said employment goals for at least five years after the date of this Agreement. In the event these requirements are not met, Developer shall pay the City the amount of the subsidy in a single lump sum payment or as otherwise agreed to in writing by the parties.
  - d. Statement of Need. Developer represents that without the business subsidy contemplated by this Agreement, Developer would not relocate its existing business to the City.
  - e. Reporting. Developer shall provide reports to the City as required by Minnesota Statutes section 116J.994, subdivision 7, on forms provided by the City.
8. Miscellaneous.
- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
  - b. Written Amendments Only. The action or inaction of the City or the Developer shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by a resolution of the City Council. The City's or the Developer's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
  - c. Compliance with Laws and Regulations. The Developer represents to the City that the Site Plan complies with all City, County, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the City determines that the site plan does not comply, the City may, at its option, refuse to allow any construction or development work on the Subject Property until the Developer does comply. Upon the City's demand Developer shall cease work until there is compliance.
  - d. Mailbox Locations. If the Developer desires to construct a mailbox within the public right of way, the Developer agrees that the placement of a mailbox along public streets is subject to the approval by the Postmaster. Utility locates will be necessary.

- e. Not applicable.
- f. Construction, Hours and Entrance Signs. The City restricts construction and delivery hours to Monday through Friday 7:00 a.m. to 9:00 p.m., weekends and holidays, 8:00 a.m. to 8:00 p.m. The Developer is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed 80 square feet in size and must be clearly visible at all times during the construction period.
- g. Construction Site Maintenance. The Developer shall adhere to all of the City ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. The City reserves the right to withhold permits, inspections, or certificates of occupancy to correct violations relating to construction site maintenance.
- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Agreement as to the Required Private Improvements, unless qualified as fixed amounts, are estimated. The Developer agrees to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.
- i. Plat Approval Expenses. Not applicable.
- j. Reimbursement to the City. The Developer agrees to reimburse the City for all costs incurred by the City in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the City's Building Official, which authorizes the structure to be used for its intended purposes.
- l. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

To Developer:  
RK Unlimited Properties LLC  
Joseph Kliever  
13941 Lincoln St.  
Suite 100  
Ham Lake, MN 55304

To The City:  
Josi Wood  
City Administrator  
City of Isanti  
110 1<sup>st</sup> Ave. N.W.

Isanti, MN 55040

*[The remainder of this page is intentionally left blank.]*

The Developer:

RK UNLIMITED PROPERTIES LLC

By: \_\_\_\_\_

Joe Kliever

Its: Chief Executive Officer

STATE OF MINNESOTA            )

)ss.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Joe Kliever, Chief Executive Officer of RK Unlimited Properties LLC, a corporation under the laws of the State of Minnesota on behalf of the corporation.

\_\_\_\_\_

Notary Public

The Economic Development Authority:

THE ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF ISANTI

By: \_\_\_\_\_  
Its: President

By: \_\_\_\_\_  
Its: Secretary

STATE OF MINNESOTA                    )  
  )ss.  
COUNTY OF ISANTI                    )

The forgoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_ 2022, by Jeff Johnson and Stephanie Hillesheim, the President and the Secretary, respectively, of the Economic Development Authority of the City of Isanti, a municipal corporation organized under the laws of the State of Minnesota on behalf of the City.

\_\_\_\_\_  
Notary Public

**This document drafted by:**  
Ratwik, Roszak & Maloney, P.A  
730 Second Ave. S., Suite 300  
Minneapolis, MN 5540



## MEMO

**To:** Economic Development Authority

**From:** Stephanie Hillesheim, Community Development Director

**Date:** April 5, 2022

**Subject:** Consider Resolution 2022-5 CANCELLING THE LEASE OF CITY OWNED CROP LAND PARCEL B

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**Background:**

On June 2<sup>nd</sup> the EDA Directed Staff to publicly advertise for crop lease quotes for crop year 2022 for EDA owned land. City Staff opened the quotes at 11 AM on July 15, 2021 and read them aloud. Mr. Bjorklund was awarded the 2022 crop lease of the 4 acre parcel located at PID 16.029.1400 through resolution 2021-4 Awarding Quote for the Lease of City of Isanti EDA Owned Crop Land

The agreement specifically outlines the EDA's right to develop stating the following:

*Right to Develop:*

*The EDA/City reserves the right to develop the property at any time through the contract period. If the EDA/City exercises this right, the EDA/City shall compensate the successful bidder for the fair market value of the crop destroyed valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township in the event such records are not available for the specific field herein.*

In March of 2022 Barack Realty LLC entered into an agreement with the City to purchase the aforementioned parcel. Therefore, it is within the EDA's rights to cancel the lease and develop the property.

Mr. Craig Bjorklund has been contacted and made aware of the future sale of the parcel and that the contract for the crop lease of the parcel will be come null and void if this resolution passes, if the EDA so desires. To which Mr. Bjorklund will be refunded the \$70 for the first half of the lease payment which was due on December 1, 2021.

**Requested Action:**

Staff recommends adoption of the attached resolutions to cancel the lease on Parcel 16.029.1400.

**Attachments:**

Resolution 2022-5 **CANCELLING THE LEASE OF CITY OWNED CROP LAND PARCEL B**

**RESOLUTION NO. 2022-5**

**CANCELLING THE LEASE OF CITY OWNED CROP LAND PARCEL B**

**WHEREAS**, the City of Isanti agreed to lease 4 Acres of Crop land to Craig Bjorklund in 2022 for \$140; and

**WHEREAS**, the City has reserved the rights in the Crop lease agreement entered into on the 4<sup>th</sup> of August 2021 as follows:

“The City reserves the right to develop the property at any time through the contract period. If the City exercises this right, the City shall compensate Mr. Bjorklund for the fair market value of the crop destroyed, valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop, based on the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township, in the event such records are not available for the specific crop field herein;” and,

**WHEREAS**, the City has received an offer and entered into an agreement to sell the parcel for development on March 15, 2022; and,

**WHEREAS**, the City will refund Mr. Bjorklund the balance of his payments towards the lease.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, by the Economic Development Authority of the City of Isanti, Minnesota: that the Crop Lease Agreement entered into on the 4<sup>th</sup> of August 2021 is null and void.

This resolution was duly adopted by the Economic Development Authority for the City of Isanti this 5th day of April 2022.

**Attested:**

\_\_\_\_\_  
Mayor Jeff Johnson

\_\_\_\_\_  
Stephanie Hillesheim  
Secretary

(SEAL)

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## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** April 5, 2022  
**Subject:** EDA Owned Industrial Land

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The City of Isanti has seen increased interest in industrial land within City limits in the past two years. Assuming all current offers close on City and EDA owned parcels within Isanti Centennial Complex, only one 1.21 acre parcel will remain. City staff have been working to find the best options forward for industrial development within the City to allow for continued growth and to meet requests of interested parties. As you are aware, the City owns 66 acres north of the Isanti Waste Water Treatment Plant. The site has been identified as one of very few BNSF rail industrial sites within the country, though the City is not prepared to make the financial investment in the rail spur at this time, the remaining parcels provide a great opportunity for growth in the present.

After many discussions between myself, Jason Cook, the City Engineer, Finance Director Betker and City Administrator Wood, we have concluded that our best opportunity lies within platting the parcel according to the attached concept. The plan would allow the EDA to form 4 parcels that allow for roughly 2.75 acres of buildable space for industrial development. Presently, sewer and water exist a few blocks south on the western side of 3<sup>rd</sup> Avenue. The cost to extend infrastructure to the lots is hefty. In the future we foresee the need to extend utilities to these sites to be much more cost effective as development occurs within the gap. City staff recommend allowing industrial users to install individual septic systems and wells according to their needs until City services are available, at which time all owners would be required to connect. This would be outlined in all development agreements for the parcels.

**Request:**

Staff is requesting action on this item.

**Action Required:**

If the EDA Board concurs, it should by motion, approve staff to move forward with platting the parcels as outlined in the attached concept, with the intent on allowing developers to install individual septic systems and wells until City services are made readily available.

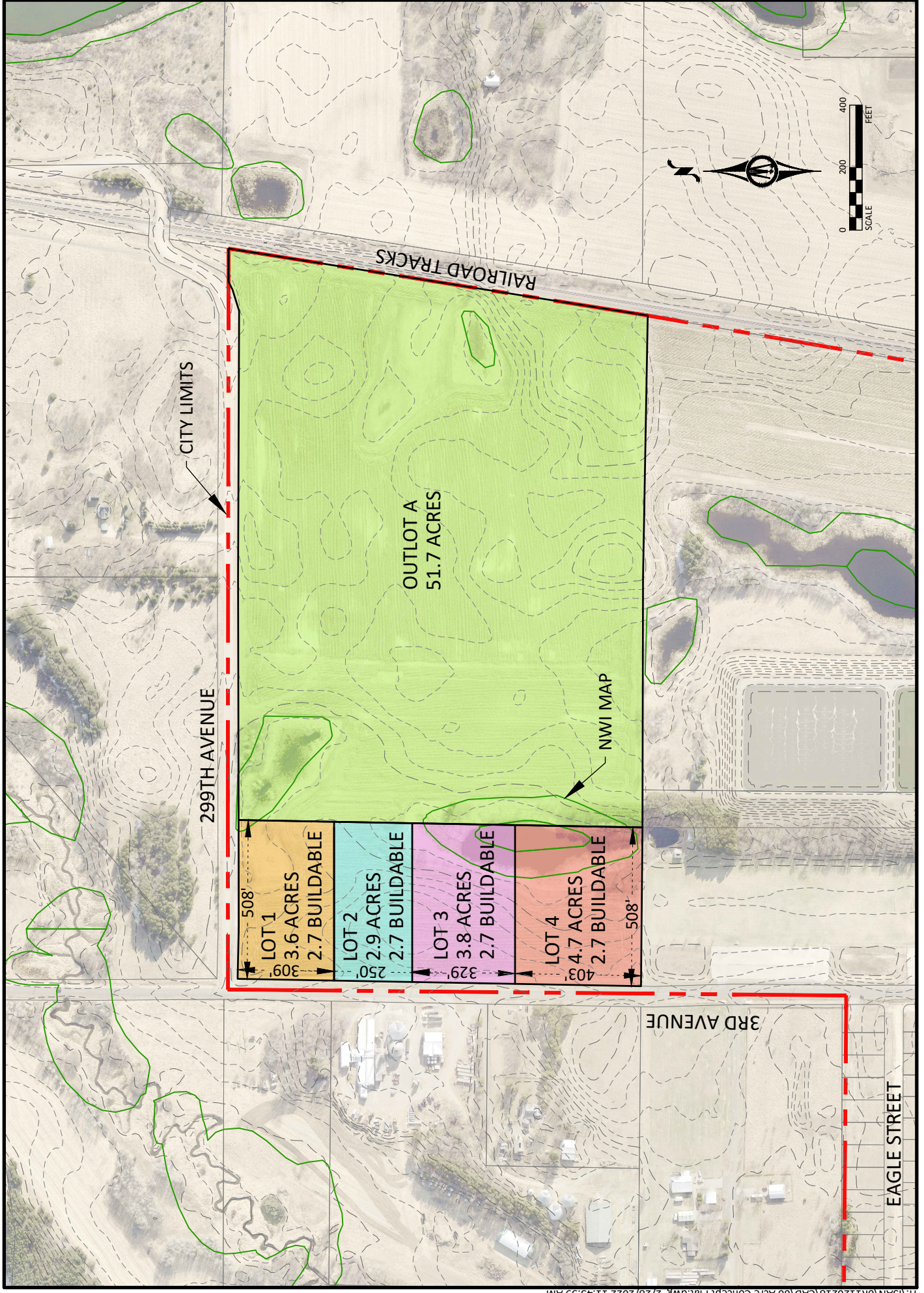
**Attachments:**

- Concept 66-Acre Subdivision Layout

# Concept 66-Acre Subdivision Layout

CITY OF ISANTI

February 2022





**Economic Development Authority**

1. Call to Order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Agenda Modifications
  - d. Adopt Agenda
  
2. Approval of Meeting Minutes from April 5, 2022 Meeting
  
3. Public Hearing
  - a. Request from Iron Eagle Farms, LLC to purchase PID 16.115.0010 and Approval of Resolution 2022-5 Approving the Sale of EDA-Owned Industrial Land and Business Subsidy Agreement for PID 16.115.0010.
  
4. Business Item
  - a. Bid advertisement for Request for Quotes for Lease of EDA/City Owned Crop Land
  
5. Announcements
  
6. Adjournment

**Economic Development Authority  
Meeting Minutes  
April 5, 2022**

1. **Call to Order:** Chair Johnson called the meeting to order at 7:50 pm
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Dan Collison, Luke Merrill, Paul Bergley  
Members Absent: Jimmy Gordon  
Staff Present: Community Development Director Stephanie Hillesheim, City Clerk Jaden Strand, City Administrator Josi Wood, Finance Director Mike Betker, City Engineer Jason Cook
  - c. **Agenda Modifications:** None
  - d. **Adopt Agenda:** Motion by Lundeen, second by Collison to adopt the agenda, motion passed 5-0.
2. **Approval of Meeting Minutes from February 2, 2022 Meeting:** Motion by Lundeen, second by Collison to approve the meeting minutes, motion passed 5-0.
3. **Public Hearing**
  - a. Request from RK Unlimited LLC to purchase PID 16.157.0030 and Approval of Resolution 2022-4 Approving Forgivable Loan for RK Unlimited

Stephanie Hillesheim explained the request to purchase the remaining 5 acres within the Centennial Complex. The resolution explained the forgivable loan, in which deals are structured through the SBA 504 loan similar to other businesses in the city. Lundeen asked if this was for a shovel ready dollar lot site. Hillesheim confirmed that it is similar to the other lots such as Wolf River Electric and Special Tools. The applicants approached the podium to answer questions from the EDA members. Luke Merrill asked what the future plan is for the 5 acres. The applicants said that they intend to construct a manufacturing facility of roughly 30,000 square ft. Mayor Johnson asked what type of manufacturing will occur in the facility. The applicants said that they do fabrication work and milling and that they have a facility in Ham Lake. Lundeen asked how many employees the company currently has and how many they plan on adding. The applicant said that they have 22 employees currently and hope to add around 10 more in the future. Hillesheim said that the number of employees requirement has been reduced in their contract given the current labor market and that the city doesn't want to hold them to a higher standard than they would be able to meet. Merrill mentioned that there may be concerns for the infrastructure in the area on E Dual Blvd for large truck and traffic circulation entering and exiting the Industrial Park. Mayor Johnson said that the County is aware of the need for a stoplight at this intersection of E Dual Blvd and Heritage Blvd. Mayor Johnson opened the public hearing. There was no one from the public present at the public hearing to speak on this item. Merrill made a motion to approve the item, and was seconded by Lundeen, motion passed 5-0.

**4. Business Items**

- a. Resolution 2022-5 Cancellation of Crop Lease for City Owned Land

Stephanie informed the EDA members of the cancellation of the 4-acre crop lease. A motion was made by Lundeen to approve of the cancellation of the crop lease and was seconded by Merrill, motion passes 5-0.

**b. EDA Owned Industrial Land**

CD Director Hillesheim explained that there is continued interest in Industrial land in Isanti and that there is currently only one 1.2-acre site available. Staff explored options for land that is currently owned by the city, and determined that a 66-acre site just north of the current industrial park would best for creating large industrial lots. Merrill asked why there is a 51-acre parcel on the provided map and what the future plans are for this. Hillesheim explained that the City of Isanti has been planned to provide a future rail park of 137 acres total which includes the current wastewater treatment plant. The plan is to create 4 rail lots of 20 acres each providing a great opportunity for the city however there is no timeline on these lots readiness hence the reason to provide immediate lots to the west of this designated area. Merrill asked if these parcels on the map are planned to be shovel ready \$1 lots. Hillesheim said that these will not be shovel ready properties and the recommendation by staff is to allow for well and septic at these sites due to the high cost in infrastructure to get utilities to these sites. Collison asked if the property to the west of Knife River is looking to sell. Hillesheim said that she has had conversation with the owners but they are not ready to sell. Lundeen said that he would like to see the city use their current owned land that has been vacant for years rather than invest money buying other people's land just to sell the lots for \$1. Collison said that his only concern for this area of the new industrial lots is that it is nearby residential areas and the soccer fields. Discussion was had on the zoning designation of industrial land around a residential area. The EDA members also discussed selling at market value with potential negotiations and determined this was the route to take when looking at who to sell the lots to. A motion was made by Merrill to move forward with the platting process as proposed and to sell the lots at market value with options for negotiations. This motion was seconded by Lundeen, motion passed 5-0.

5. **Announcements** Stephanie announced that they received a \$1,000 grant for the EDA Intern. She also announced that the city closed on a 4-acre parcel for the trucking school and that there was a ribbon cutting at the Little North Boutique site.
6. **Adjournment:** Motion by Lundeen to adjourn second by Collison, motion passed 5-0 meeting adjourned at 8:17 pm.

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## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** June 7, 2022  
**Subject:** Approving the Sale of Property to Iron Eagle Farms, LLC and Resolution 2022-5  
Approving the Sale of EDA-Owned Industrial Land and Business Subsidy Agreement for  
PID 16.115.0010

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The City of Isanti has received a request from Iron Eagle Farms, LLC to purchase EDA-owned parcel identified as PID 16.115.0010. Iron Eagle Farms, LLC is the real estate holding company for Blackhawk PCS currently located in East Dual Condominiums and are looking to expand.

Upon closing Iron Eagle Farms, LLC must adhere to the requirements and conditions listed in the attached Development and Subsidy Agreement.

**Request:**

Staff is requesting action on this item.

**Action Required:**

If the EDA concurs, it should by motion, approve Resolution as written, as well as the accompanying documents: Purchase Agreement and Development and Subsidy Agreement.

**Attachments:**

- Resolution 2022-5 Approving the Sale of EDA-Owned Industrial Land and Business Subsidy Agreement for PID 16.115.0010
- Purchase Agreement
- Business Subsidy Agreement
- Site Concept Plan

**RESOLUTION 2021-5**

**AUTHORIZING THE SALE OF EDA-OWNED INDUSTRIAL LAND AND BUSINESS  
AND SUBSIDY AGREEMENT FOR PID 16.115.0010**

**WHEREAS**, the EDA owns certain real property at 706 East Dual Blvd NE PID 16.115.0010 in the City of Isanti, County of Isanti, state of Minnesota; and

**WHEREAS**, the subject site is part of the Certified Shovel Ready Program; and

**WHEREAS**, the buyer Iron Eagle Farms, LLC. proposes to build an 8,000 square foot facility within the first two years of the purchase date, allowing them to expand their existing business located in Isanti Centennial Complex; and

**WHEREAS**, the sale of the land is in the best interest of the city to expand tax and employment growth and furthers its general plan of economic development; and

**WHEREAS**, the purchase agreement and business and subsidy agreement have been reviewed by City Staff for the sale of the land from the EDA to Iron Eagle, LLC for \$1.00; and

**WHEREAS**, said purchase is subject to site plan approval and must adhere to the zoning ordinance as applicable and outlined in City Code.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Economic Development Authority of the City of Isanti, approves the sale of said property to Iron Eagle Farms, LLC. and authorizes staff to execute any documents necessary for the sale and recommends approval of the subsidy agreement to the City Council.

This Resolution hereby approved by the Isanti EDA this 7<sup>th</sup> day of June 2022.

Attest:

\_\_\_\_\_  
EDA President Jeff Johnson

\_\_\_\_\_  
Stephanie Hillesheim  
EDA Secretary/Community Development Director

## PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Isanti**, a Minnesota municipal corporation (“Seller”), Iron Eagle Farms, LLC a corporation under the laws of Minnesota (“Buyer”).

1. **EFFECTIVE DATE.** The effective date of this Agreement is May 3, 2022 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller the Property legally described as follows:

Lot 1 Block 1 of Isanti Centennial Complex 2nd Rearrangement, County of Isanti, State of Minnesota

Isanti County PID Number: 16.115.0010

3. **PURCHASE PRICE.** The purchase price for the Property is \$1.00 (the “Purchase Price”).
4. **EARNEST MONEY.** None.
5. **SURVEY.** Buyer may, at Buyer’s expense, obtain a survey (the “Survey”) from a duly licensed surveyor. If so obtained, a copy shall be provided to Seller within 30 days of receipt by Buyer.
6. **TITLE COMMITMENT.**
  - a. Seller makes no representations or warranties with respect to the status of title to the Property. Within 30 business days after the Effective Date, Buyer may, at Buyer’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
  - b. Buyer shall have until the date 30 days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “Title Objection Notice”). Any defects in or encumbrances on Seller’s title that Buyer does not identify in a timely

Title Objection Notice are each a “**Permitted Exception.**” Within three business days after Seller’s receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions (“**Seller’s Title Notice**”). If Seller’s Title Notice indicates that Seller unconditionally agrees to make Seller’s title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller’s Title Notice indicates that Seller does not unconditionally agree to make Seller’s Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three business days after Buyer’s receipt of Seller’s Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three business days after Buyer’s receipt of Seller’s Title Notice, than Seller must perform in accordance with Seller’s Title Notice, Buyer shall be deemed to have waived Buyer’s objections to the extent Seller has not agreed to address them in Seller’s Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller’s Title Notice.

7. **RIGHT OF ENTRY.** Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
  - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all “Claims,” as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer’s employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
  - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.

- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
- e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
- f. The cost of any test or additional survey work will be borne solely by Buyer.

**8. PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

**9. INSPECTION PERIOD.**

- a. Except as otherwise provided in Section 6, Buyer shall have **90 days from the Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property, if applicable) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Isanti or any other governmental entity. The City of Isanti will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.

**10. DEFINITIONS.** As used in this Agreement:

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

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

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

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

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

Seller:           Josi Wood  
                      City Administrator  
                      City of Isanti  
                      110 1<sup>st</sup> Ave. N.W.  
                      Isanti, MN 55040  
                      Email: [jwood@cityofisanti.us](mailto:jwood@cityofisanti.us)

**Buyer:**           Iron Eagle Farms, LLC  
                      165 Bridgepoint Drive  
                      South St. Paul, MN 55075

Email: [steve@blackhawkpcs.com](mailto:steve@blackhawkpcs.com)

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

**13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at City offices or at some other place as

the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the City to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
  - i. A limited warranty deed, duly executed and acknowledged on behalf of the City, conveying title to the Property, subject to (A) Building, Subdivision and Zoning Ordinances; (B) Matters that would be disclosed by an accurate survey of the Property; and (C) matters that constitute Permitted Exceptions pursuant to Section 6.
  - ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
  - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
  
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
  - i. Provide the Purchase Price; and
  - ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
  
- c. **Closing Costs.**
  - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
    1. Seller's own attorney's fees.
    2. The cost of real estate broker commission fees as prescribed in Section 14, if any.
  
  - ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
    1. Property taxes payable 2021, if any.
    2. Buyer's own attorney's fees.
    3. All closing fees.
    4. Documentary and recording fees for the deed(s).
    5. State deed tax.
    6. The cost of the title commitment.

7. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

**14. REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

**15. ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.

**16. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.

**17. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

**18. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

**19. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

**20. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

**21. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

## **22. REMEDIES.**

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
  - b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.
- 23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
- 24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.
- 25. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
- 26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. CONSTRUCTION DEADLINE.** Buyer shall devote the Property to its intended use (Industrial) or begin work on the improvements to the Property to devote it to that use,

within two years after closing. In the event the above deadline is not met, Seller may cancel the sale and title shall return to Seller. Title to the Property may not be transferred by Buyer within one year of purchase without consent of Seller.

**29. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

**SELLER: The City of Isanti**

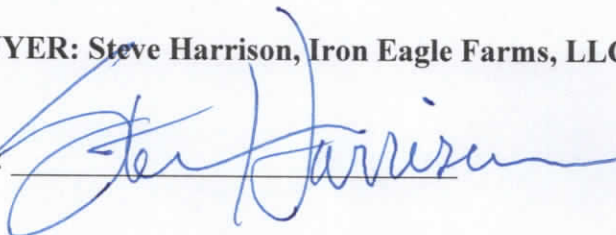
By: \_\_\_\_\_  
Jeff Johnson, Mayor

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Jaden Strand, City Clerk

Dated: \_\_\_\_\_, 2022

**BUYER: Steve Harrison, Iron Eagle Farms, LLC**

By:  \_\_\_\_\_

Dated: 4/20, 2022

Its: **President**

## CITY OF ISANTI

### DEVELOPMENT AND SUBSIDY AGREEMENT FOR IRON EAGLE FARMS, LLC

This Agreement (hereinafter the “Agreement”) is entered into this 7th day of June, 2022 by and between the **City of Isanti**, a Minnesota municipal corporation (the “**City**”) and Iron Eagle Farms, LLC, a corporation under the laws of Minnesota (the “**Developer**”).

1. Subject Property. Developer is, or will be, the owner of the Subject Property legally described as Lot 001 Block 001 of Isanti Centennial Complex 2nd Rearrangement, County of Isanti, State of Minnesota, PID Number 16.115.0010. Sale of the Subject Property by the City to Developer at a price below market value is the subsidy contemplated by this Agreement.
2. Conditions of Approval. The City has approved development of the Subject Property, as subsidized by the City, subject to satisfaction of the following conditions:
  - a. The Developer’s Execution of this Agreement. That the Developer enter into this Agreement.
  - b. Marketable Title. That the Developer obtain, and retain, title to the Subject Property.
  - c. Proof of Authority. That the Developer provide proof that its governing board authorized the Developer’s execution of this Agreement. This proof of authority may be satisfied by providing the City with a certified copy of the minutes of the governing board.
  - d. Site Plan. That Developer’s site plans, as required by the Isanti City Code, be completed by Developer and reviewed and approved by the City.
3. The Plans. The term “Plans” as used in this Agreement means the Site Plans prepared by Developer. The Plans are subject to: (a) Planning Commission review;

(b) approval of the City Council; and (c) such further revisions as the Developer may propose and the City approves. The Plans shall not be attached to this Agreement but are in the City's files.

4. Required Private Improvements. The private improvements the Developer will construct or install are as follows:

- a. Sanitary sewer
- b. Water
- c. Storm drainage facilities
- d. Stormwater maintenance
- e. Parking lot
- f. Concrete curb and gutter
- g. Lot grading
- h. Landscaping

5. Payment of Development Fees. Developer shall, contemporaneously with execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account balance is reduced to \$1,000 or less, the Developer shall post additional sums of money to replenish the account to a maximum of \$2,000 to cover projected City costs as determined by the City. The escrow account shall always have a balance of no less than \$1,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer's escrow account. Sanitary Sewer Connection (Trunk) Fees, Water Connection (Trunk) Fees are collected at the time the building permit is issued.

6. Developer Defaults. If the Developer defaults in the performance of one or more of the Developer's obligations under this Contract, i) the City gives the Developer 30 days' written notice of the default and ii) the Developer fails to cure the default within said 30 days, then the City may pursue any and all remedies available at law or in equity including, but not limited to, the following:

- a. The City may, at its option, perform or engage one or more third parties to perform the Developer's obligations. If, in the reasonable judgment of the City's staff, the Developer's default creates an immediate risk to public health or safety, the City may perform or engage one or more third parties to perform the work before the City provides the notice described in the initial paragraph of this Section, but the City must use commercially reasonable efforts to notify the Developer as promptly as possible that the City is undertaking to perform the Developer's obligation or obligations. If the City performs one or more obligations of the Developer, the Developer must reimburse the City for any costs or expenses the City incurs, including costs and expenses for City staff time, to perform the work within 30 days

after the City notifies the Developer, in writing, of the costs and expenses the City incurred to perform the work. If the Developer does not reimburse the City within said 30-day period, the City may pursue any remedies available to the City either at law or in equity or, in the alternative, the City may draw on the financial guaranty the Developer has provided to the City pursuant to this Agreement to reimburse itself for the expenses the City incurs to perform the work. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a Court Order for permission to enter the Developer Property. As an alternative to seeking recovery from the Developer or the financial guaranty, the City may levy special assessments against the Developer Property in accordance with Minnesota Statutes Section 429, and the Developer, for itself and its successors in title, hereby expressly waives any and all substantive and procedural objections or defenses the Developer may have to such special assessments;

- b. The City may commence an action in Isanti County District Court to pursue any remedy available to the City at law or in equity including, but not limited to, injunctive relief;
- c. The City may refuse to grant building permits for improvements to be constructed on the Subject Property until the Developer has cured all of its defaults; and
- d. The City may draw upon all or any portion of the financial guaranty the Developer has provided to the City and (i) use all or any portion of the proceeds from the financial guaranty to reimburse the City pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the City obtains against the Developer pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the City pursuant to Section 11 (j) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this paragraph.

7. Business Subsidy. As a condition of developing the Subject Property, Developer and City agree to the following terms:

- a. Subsidy. Developer acknowledges and agrees that it received a business subsidy from the City in the form of a reduced purchase price for the Subject Property. The Subject Property is valued at \$39,200. The City sold the Subject Property to Developer for \$1.00. The value of the subsidy is \$39,200.
- b. Public Purpose. The public purposes for granting the subsidy are to create jobs within the City of Isanti and to increase the City's tax base.

- c. Subsidy Goals. Developer shall at a minimum maintain their current level of full-time, or full-time equivalent, jobs within two years of the date of this Agreement. All jobs shall meet or exceed State minimum wage requirements. Developer shall continue to meet or exceed said employment goals for at least five years after the date of this Agreement. In the event these requirements are not met, Developer shall pay the City the amount of the subsidy in a single lump sum payment or as otherwise agreed to in writing by the parties.
  - d. Statement of Need. Developer represents that without the business subsidy contemplated by this Agreement, Developer would not relocate its existing business to the City.
  - e. Reporting. Developer shall provide reports to the City as required by Minnesota Statutes section 116J.994, subdivision 7, on forms provided by the City.
8. Miscellaneous.
- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
  - b. Written Amendments Only. The action or inaction of the City or the Developer shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by a resolution of the City Council. The City's or the Developer's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
  - c. Compliance with Laws and Regulations. The Developer represents to the City that the Site Plan complies with all City, County, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the City determines that the site plan does not comply, the City may, at its option, refuse to allow any construction or development work on the Subject Property until the Developer does comply. Upon the City's demand Developer shall cease work until there is compliance.
  - d. Mailbox Locations. If the Developer desires to construct a mailbox within the public right of way, the Developer agrees that the placement of a mailbox along public streets is subject to the approval by the Postmaster. Utility locates will be necessary.
  - e. Not applicable.

- f. Construction, Hours and Entrance Signs. The City restricts construction and delivery hours to Monday through Friday 7:00 a.m. to 9:00 p.m., weekends and holidays, 8:00 a.m. to 8:00 p.m. The Developer is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed 80 square feet in size and must be clearly visible at all times during the construction period.
- g. Construction Site Maintenance. The Developer shall adhere to all of the City ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. The City reserves the right to withhold permits, inspections, or certificates of occupancy to correct violations relating to construction site maintenance.
- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Agreement as to the Required Private Improvements, unless qualified as fixed amounts, are estimated. The Developer agrees to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.
- i. Plat Approval Expenses. Not applicable.
- j. Reimbursement to the City. The Developer agrees to reimburse the City for all costs incurred by the City in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the City's Building Official, which authorizes the structure to be used for its intended purposes.
- l. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

To Developer:  
Iron Eagle Farms, LLC  
165 Bridgeport Drive  
South St. Paul, MN 55075

To The City:  
Josi Wood  
City Administrator  
City of Isanti  
110 1<sup>st</sup> Ave. N.W.  
Isanti, MN 55040

*[The remainder of this page is intentionally left blank.]*



The City:

City OF ISANTI

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Clerk

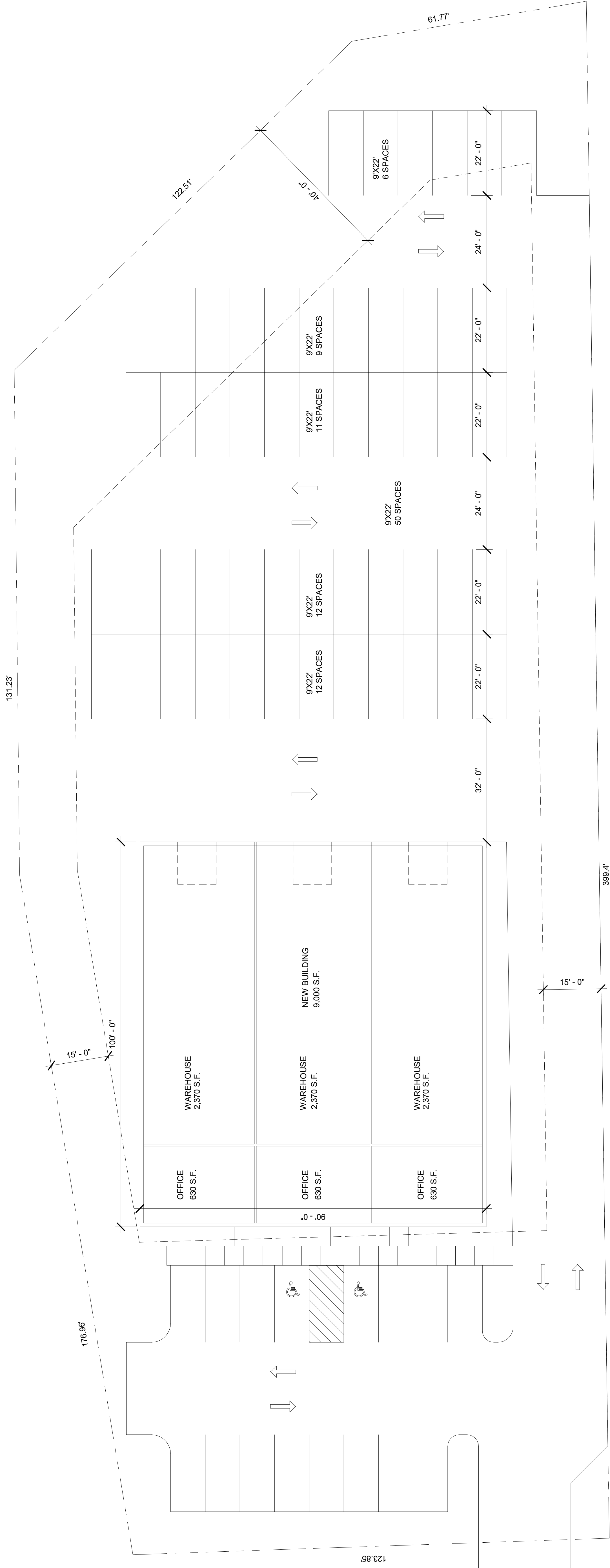
STATE OF MINNESOTA            )  
  )ss.  
COUNTY OF ISANTI                    )

The forgoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_ 2022, by Jeff Johnson and Jaden Strand, the Mayor and the City Clerk, respectively, of the City of Isanti, a municipal corporation organized under the laws of the State of Minnesota on behalf of the City.

\_\_\_\_\_  
Notary Public

**This document drafted by:**  
Ratwik, Roszak & Maloney, P.A  
730 Second Ave. S., Suite 300  
Minneapolis, MN 5540

EAST DUAL ROAD



A Community For Generations.



MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** April 5, 2022  
**Subject:** Advertising for Crop Lease Bids for the EDA/City owned land

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The current leases expire at the end of the 2022 growing season. Staff is requesting permission to advertise for quotes for the remaining EDA/City Owned parcels. Attached is the bid advertisement for the newly platted Isanti Railview North Industrial Park Outlot A and the land adjacent to the WWTP.

**Request:**

Staff is requesting action on this item.

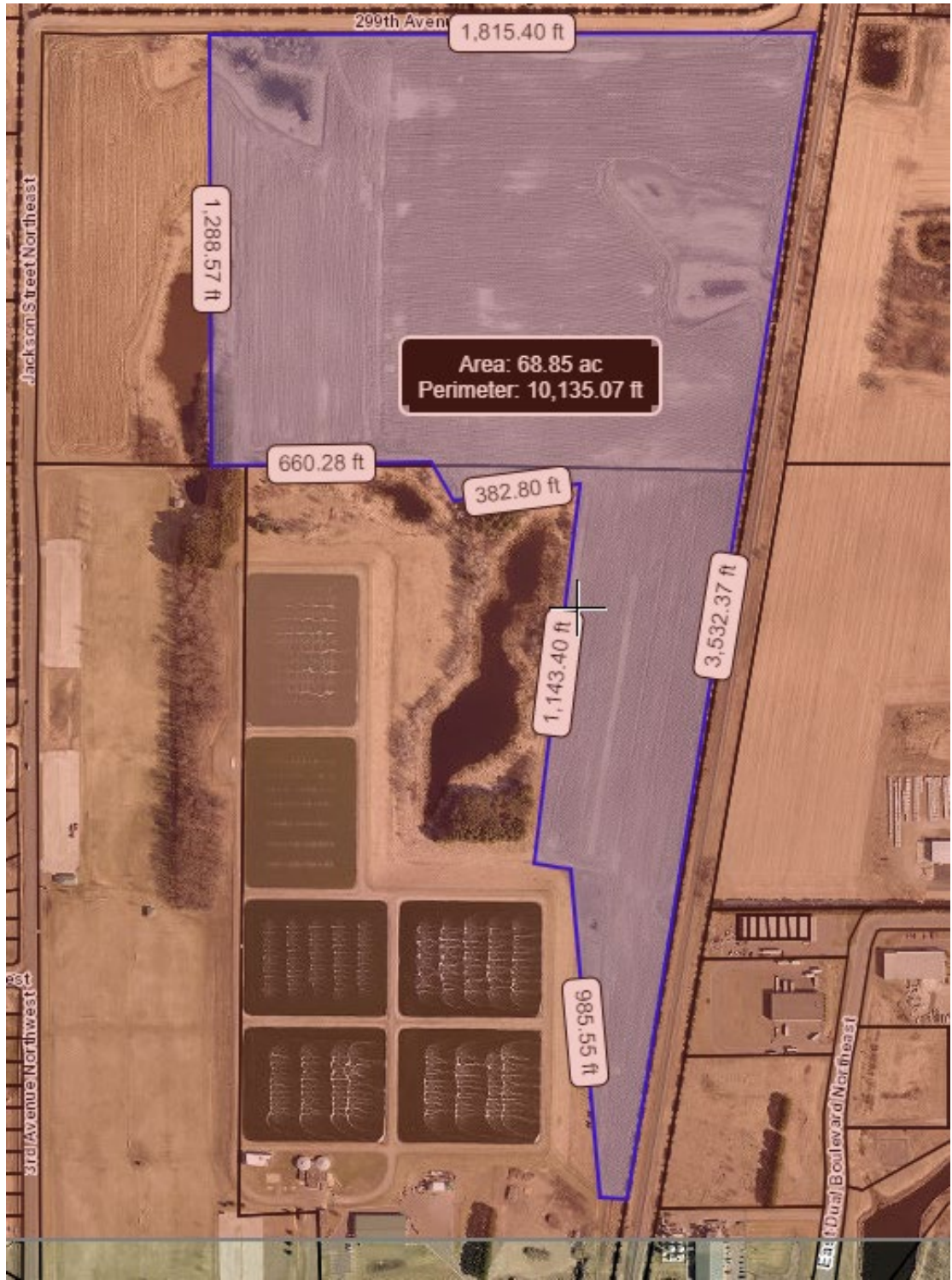
**Attachments:**

*Advertisement for Request for Lease Bids for EDA/City Owned Land*  
*Map of the Crop Land*

**CITY OF ISANTI**  
**REQUEST FOR QUOTES FOR LEASE OF EDA/CITY OWNED CROP LAND**

The EDA/City of Isanti is accepting quotes for leasing EDA/City owned property for crop farming for the 2023 crop year. Specifications are available upon request from the Community Development Director's Office at Isanti City Hall, 110 - 1<sup>st</sup> Avenue NW, PO Box 428, Isanti MN 55040. 763-444-5512. The City of Isanti Economic Development Authority reserves the authority to waive irregularities and award in the best interest of the City of Isanti. Bids shall be submitted in sealed envelopes addressed to the Community Development Director at 110 - 1<sup>st</sup> Avenue NW, PO Box 428, Isanti MN 55040. All bids submitted must be clearly marked as "Quote for Leasing EDA/City Crop Land". Bids will be accepted until 11:00 a.m. Wednesday July 20, 2022. The EDA/City reserves the right to accept or reject any and/or all quotes.

Stephanie Hillesheim  
Community Development Director





**Economic Development Authority**

The July 5, 2022 regular meeting of the Economic Development Authority has been cancelled.



**Economic Development Authority**

1. Call to Order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Agenda Modifications
  - d. Adopt Agenda
  
2. Approval of Meeting Minutes from June 7, 2022 Meeting
  
3. Public Hearing
  
4. Business Item
  - a. Resolution 2022-7 Awarding the Bid for the EDA Crop Lease for 2023
  
5. Announcements
  
6. Adjournment

**Economic Development Authority  
Meeting Minutes  
June 7, 2022**

1. **Call to Order:** Chair Johnson called the meeting to order at 8:02 pm
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Jimmy Gordon, Dan Collison Luke Merrill, and Paul Bergley  
Staff Present: Community Development Director Stephanie Hillesheim, Police Chief Travis Muyres  
**Agenda Modifications:** None
  - c. **Adopt Agenda:** Motion by Lundeen, second by Merrill to adopt the agenda, motion passed 6-0.
2. **Approval of Meeting Minutes from April 5, 2022 Meeting:** Motion by Bergley, second by Collison to approve the meeting minutes, motion passed 6-0.
3. **Public Hearing**
  - a. Request from Iron Eagle Farms, LLC to purchase PID 16.115.0010 and Approval of Resolution 2022-5 Approving the Sale of EDA-Owned Industrial Land and Business Subsidy Agreement for PID 16.115.0010. Hillesheim stated the applicant is requesting to purchase the 1.22-acre parcel to expand their company, which is already located in Isanti and is planning to construct a 9,000 square foot industrial building. Hillesheim described they currently own half of the NHH building located in the industrial park. Staff has confirmed their site plan concept will work in the space and that a 9,000 square foot building is near the maximum allowed to be constructed on this site for impervious surface coverage and stormwater. Mayor Johnson opened the public hearing at 8:06pm and there was no public comment made during this time. Collison asked what the Blackhawk PCS company was in the business of doing. Hillesheim explained they remove discarded construction site materials from the sites and own roll off containers they use on the sites and dispose of the materials. Merrill asked where the site was located compared to where they are currently. She stated the new lot is on the opposite side of the street and south of a few spaces where they currently are located. Merrill asked if the site was shovel ready. Hillesheim stated that it was indeed a shovel ready site, but they were aware of stormwater management requirements of the site. Merrill wanted to know if they were expanding jobs since the goal of the sites were to create more jobs. Hillesheim stated they are trying to expand their business but that due to the hiring climate we don't want to hold them to stringent hiring standards. Their goal is to hire approximately 10 new employees. Merrill stated he is concerned they will use the site for storage. Hillesheim explained the site includes an office as well in the concept plans. Mayor Johnson stated he would be concerned if they weren't building a 9,000 square foot building. Lundeen stated a 9,000 square foot building was increasing the tax base, an empty lot was not. Merrill said he just wants to make sure since we were running out of available lots that this was going to be the highest and best use. Collison stated it was the last lot. Lundeen described the number of hiring signs he sees along his morning commute and said he agrees that we should make increased hiring a hurdle for this business due to the size of the investment they are making. Hillesheim stated they are using private financing and are well established. She also reiterated they are excited to grow here in Isanti. Lundeen said he wants to make sure they understand any outside storage must be screened and Hillesheim confirmed the applicants were aware of the requirements. Bergley stated he agrees with the hiring concerns Lundeen stated. Merrill questioned the parking lot requirements for ingress and egress. Hillesheim stated the plan was a concept and all zoning requirements will be upheld. Collison made a motion to approve the request and Lundeen seconded the motion. The motion passed 6-0.

**4. Business Item**

**a.** Bid advertisement for Request for Quotes for Lease of EDA/City Owned Crop Land  
Hillesheim explained the request for the City and EDA to place an advertisement in the paper to bid for lease of the remaining crop land. Mayor Johnson asked to confirm the land was still for sale. Hillesheim stated the land was for sale and that the contract stipulated if the land is sold after crops have been planted and prior to harvesting the city would reimburse the lease holder up to an identified amount of the value of the crop. She explained this was for the 2023 season. Motion to approve by Lundeen with a second by Bergley. The motion passed 6-0.

**5. Announcements**

**6. Adjournment:** Motion by Bergley to adjourn, second by Merrill; motion passed 6-0 meeting adjourned at 8:15 pm.

Respectfully submitted by Stephanie Hillesheim,  
Community Development Director.

A Community For Generations.



MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** April 5, 2022  
**Subject:** Advertising for Crop Lease Bids for the EDA/City owned land

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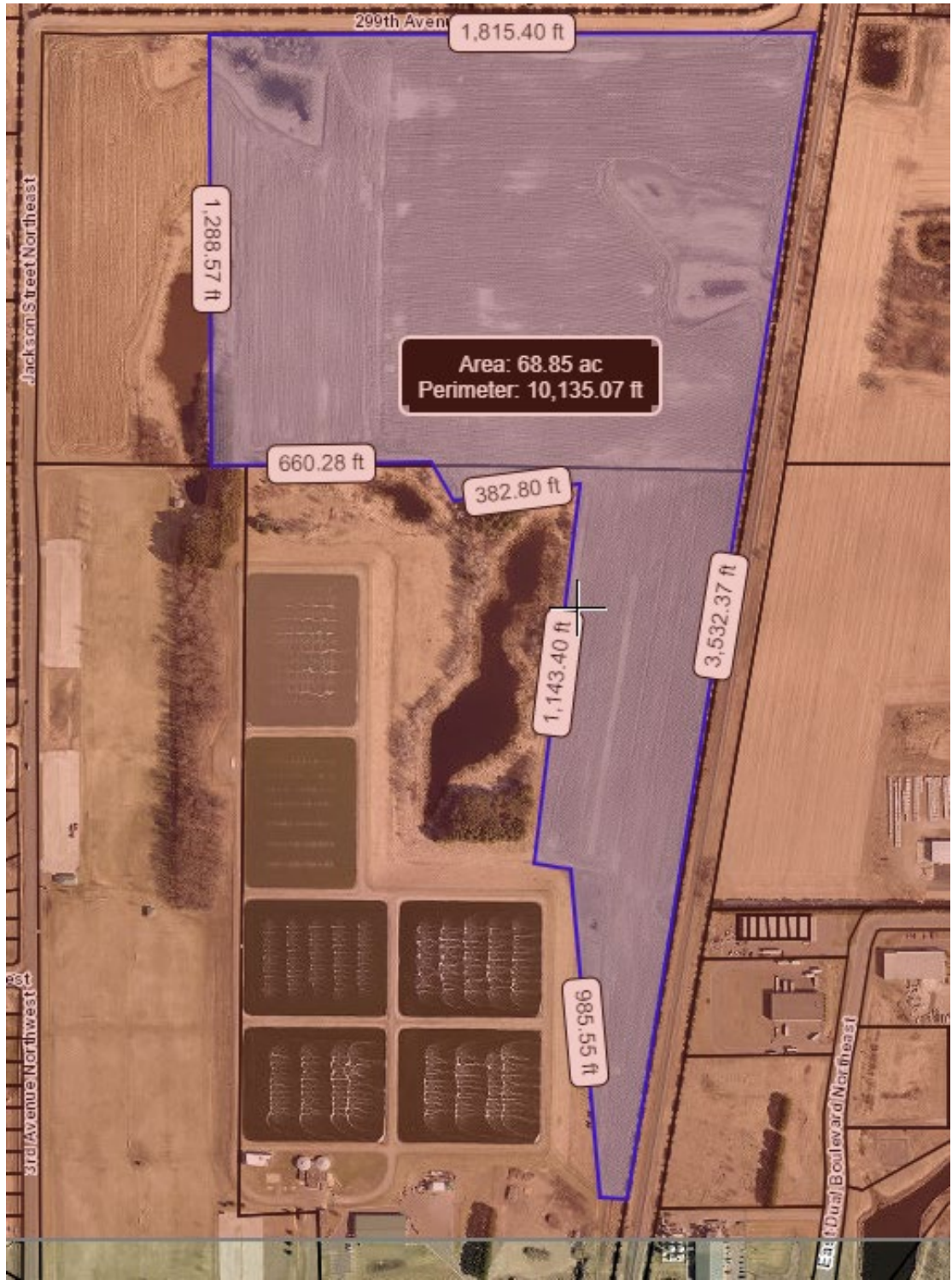
The current leases expire at the end of the 2022 growing season. Staff is requesting permission to advertise for quotes for the remaining EDA/City Owned parcels. Attached is the bid advertisement for the newly platted Isanti Railview North Industrial Park Outlot A and the land adjacent to the WWTP.

**Request:**

Staff is requesting action on this item.

**Attachments:**

*Advertisement for Request for Lease Bids for EDA/City Owned Land*  
*Map of the Crop Land*



**CITY OF ISANTI**

**July 20, 2022**

**12:00 p.m.**

**QUOTE OPENING**

**Land Lease – 2023 Crop Year**

<b>Quoter Name</b>	<b>Parcel A</b>
Wayne Calander Calander Farms	<b>\$ 6800.00</b>



**Exhibit A**  
**Map of Parcel A**



**APPROVED RENTER:**

**WAYNE CALANDER, CALANDER FARMS**

Signature

Date

**City Council Chambers**

**Tuesday, September 6, 2022  
Regular Meeting Following the 7:00pm City Council**



**Economic Development Authority**

The September 6, 2022 regular meeting of the Economic Development Authority has been canceled.



**Economic Development Authority**

The October 4, 2022 regular meeting of the Economic Development Authority has been canceled.



**Economic Development Authority**

The November 1, 2022 regular meeting of the Economic Development Authority has been canceled.



**Economic Development Authority**

1. Call to Order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Agenda Modifications
  - d. Adopt Agenda
  
2. Approval of Meeting Minutes from August 3, 2022 Meeting
  
3. Public Hearing
  
4. Business Item
  - a. Resolution 2022-8 Approving the Sale of EDA and City Owned Industrial Land to Midcontinent Communications.
  
5. Announcements
  
6. Adjournment

**Economic Development Authority  
Meeting Minutes  
August 3, 2022**

1. **Call to Order:** Chair Johnson called the meeting to order at 7:35 pm.
  - a. **Pledge of Allegiance**
  - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Jimmy Gordon, Dan Collison Luke Merrill, and Paul Bergley  
Staff Present: City Administrator Josi Wood, City Clerk Jaden Strand, Community Development Director Stephanie Hillesheim, Community Development Intern Mason Voshell, Police Chief Travis Muyres
  - c. **Agenda Modifications:** None
  - d. **Adopt Agenda:** Motion by Collison, second by Bergley to adopt the agenda, motion passed 6-0.
2. **Approval of Meeting Minutes from June 7, 2022 Meeting:** Motion by Merrill, second by Bergley to approve the meeting minutes, motion passed 6-0.
3. **Public Hearing**
4. **Business Item**
5. **Resolution 2022-7 Awarding the Bid for the EDA Crop Lease for 2023.**  
Community Development Intern Mason Voshell stated there was one bid for crop lease for the 2023 season for \$6,800 by Wayne Calander for the 68 acres advertised in the lease. Jimmy Gordon asked why the price for the lease was reduced from last year. Voshell commented the reduction is based upon a reduced number of acres from the previous years. Paul Bergley asked how it measured up to past years and Hillesheim stated it actually was still higher than previous years for a larger acreage. A motion to approve was made by Merrill with a second by Bergley. The motion passed 6-0.
6. **Announcements**
7. **Adjournment:** Motion by Bergley to adjourn, second by Merrill; motion passed 6-0 meeting adjourned at 7:38pm.

Respectfully submitted by Stephanie Hillesheim,  
Community Development Director.

A Community For Generations.



## MEMO

**To:** Economic Development Authority  
**From:** Stephanie Hillesheim, Community Development Director  
**Date:** December 6, 2022  
**Subject:** Request from Midcontinent Communications

---

The EDA recently decided to plat 4 industrial lots and create the plat for Isanti Railview North Industrial Park. Midcontinent Communications is interested in purchasing Lot 1 Block 1 Isanti Railview North Industrial Park and extend City services to their site.

Working with the City Engineer we have arrived at an estimated cost breakdown of the costs to extend City Sewer and Water services to the sites:

Purchase Price of \$118,000 for the lot paid by Midco.  
The total build out of infrastructure for all 4 sites- \$598,650  
Total paid infrastructure costs paid by Midco: \$262,450  
Total from markup on 3 parcels: (\$112,066 each) \$336,200

All costs for the project would be bore by the sites.

### **Request:**

Staff is requesting a recommendation to accept the purchase agreement from Midco. Any action will formally take place at a City Council meeting with a Public Hearing held on December 20, 2022.

### **Attachments:**

- *Resolution 2022-8 Approving the Sale of EDA and City Owned Industrial Land to Midcontinent Communications*
- *Purchase Agreement*
- *Development Agreement*

**RESOLUTION 2022-8**

**AUTHORIZING THE SALE OF EDA-OWNED INDUSTRIAL LAND FOR PID  
16.XXX.XXXX**

**WHEREAS**, the EDA owns certain real property legally described as Lot 1 Block 1 Isanti Railview North Industrial Park in the City of Isanti, County of Isanti, state of Minnesota; and,

**WHEREAS**, the Midcontinent Communications, a general partnership under the laws of South Dakota, proposes to build an 10,000 square foot facility within the first two years of the purchase date, allowing them to expand their business located in Isanti; and,

**WHEREAS**, the sale of the land is in the best interest of the city to expand tax and employment growth and furthers its general plan of economic development; and,

**WHEREAS**, the purchase agreement and business and development agreement have been reviewed by City Staff for the sale of the land from the EDA to Midcontinent Communications for \$118,000; and,

**WHEREAS**, said purchase is subject to site plan approval and must adhere to the zoning ordinance as applicable and outlined in City Code.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Economic Development Authority of the City of Isanti, approves the sale of said property to Midcontinent Communications and authorizes staff to execute any documents necessary for the sale and recommends approval of the development agreement to the City Council.

This Resolution hereby approved by the Isanti EDA this 6<sup>th</sup> day of December 2022.

Attest:

\_\_\_\_\_  
EDA President Jeff Johnson

\_\_\_\_\_  
Stephanie Hillesheim  
EDA Secretary/Community Development Director

## PURCHASE AGREEMENT

This Agreement is entered into by and between the **Economic Development Authority of the City of Isanti**, a Minnesota municipal corporation (“Seller”), and **Midcontinent Communications** a general partnership under the laws of South Dakota (“Buyer”).

- 1. EFFECTIVE DATE.** The effective date of this Agreement is November 8, 2022 (the “Effective Date”).
- 2. SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller the Property legally described as follows:

Lot 1 Block 1 of Isanti Railview North Industrial Park, City of Isanti, County of Isanti,  
State of Minnesota

Isanti County PID Number: 16.xxx.xxxx

- 3. PURCHASE PRICE.** The purchase price for the Property is \$118,000 (the “Purchase Price”).
- 4. EARNEST MONEY.** \$5,000.
- 5. SURVEY.** Buyer may, at Buyer’s expense, obtain a survey (the “Survey”) from a duly licensed surveyor. If so obtained, a copy shall be provided to Seller within 30 days of receipt by Buyer.
- 6. TITLE COMMITMENT.**
  - Seller makes no representations or warranties with respect to the status of title to the Property. Within 30 business days after the Effective Date, Buyer may, at Buyer’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
  - Buyer shall have until the date 30 days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “**Title Objection Notice**”). Any

defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 13, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 13, Buyer may, at any time with three business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
  - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
  - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.

- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
  - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
  - f. The cost of any test or additional survey work will be borne solely by Buyer.
- 8. PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:
- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
  - b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
  - c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
  - d. The condition of the Property is fit for Buyer's intended use.
  - e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

## 9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have **90 days from the Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property, if applicable) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Isanti or any other governmental entity. The City of Isanti will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.

## 10. DEFINITIONS. As used in this Agreement:

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

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

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

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

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

Seller:           Josi Wood  
                    City Administrator  
                    City of Isanti Economic Development Authority  
                    110 1<sup>st</sup> Ave. N.W.  
                    Isanti, MN 55040  
                    Email: [jwood@cityofisanti.us](mailto:jwood@cityofisanti.us)

Buyer:           Midcontinent Communications  
                    3901 N Louise Ave  
Sioux Falls, SD 57107

Email: [tony.zwart@midco.com](mailto:tony.zwart@midco.com)  
And: [notices@midco.com](mailto:notices@midco.com)

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

**13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual,

written agreement. The Closing shall take place at City offices or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the City to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
  - i. A limited warranty deed, duly executed and acknowledged on behalf of the City, conveying title to the Property, subject to (A) Building, Subdivision and Zoning Ordinances; (B) Matters that would be disclosed by an accurate survey of the Property; and (C) matters that constitute Permitted Exceptions pursuant to Section 6.
  - ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
  - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
  - i. Provide the Purchase Price; and
  - ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
- c. **Closing Costs.**
  - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
    1. Seller's own attorney's fees.
    2. The cost of real estate broker commission fees as prescribed in Section 14, if any.
  - ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
    1. Property taxes payable 2022, if any.
    2. Buyer's own attorney's fees.
    3. All closing fees.
    4. Documentary and recording fees for the deed(s).
    5. State deed tax.

6. The cost of the title commitment.
7. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession**. Seller must deliver possession of the Property to Buyer at Closing.

- 14. REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.
- 15. ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.
- 16. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.
- 17. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.
- 18. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
- 19. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.
- 20. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
- 21. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

## **22. REMEDIES.**

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
  - b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.
- 23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
- 24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.
- 25. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
- 26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. CONSTRUCTION DEADLINE.** Buyer shall devote the Property to its intended use (Industrial) or begin work on the improvements to the Property to devote it to that use,

within two years after closing. In the event the above deadline is not met, Seller may cancel the sale and title shall return to Seller. Title to the Property may not be transferred by Buyer within one year of purchase without consent of Seller.

**29. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

**SELLER: The Economic Development Authority of the City of Isanti**

By: \_\_\_\_\_  
Jeff Johnson, President

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Stephanie Hillesheim, Secretary

Dated: \_\_\_\_\_, 2022

**BUYER: Midcontinent Communications**

By: Midcontinent Communications Investor, LLC  
Managing Partner of Midcontinent Communications

By: \_\_\_\_\_  
Dan Geiger

Dated: \_\_\_\_\_, 2022

Its: VP of Risk Management and Facilities

## CITY OF ISANTI

### DEVELOPMENT AGREEMENT FOR MIDCO

This Agreement (hereinafter the “Agreement”) is entered into this \_\_\_st day of September, 2022 by and between the **City of Isanti**, a Minnesota municipal corporation (the “**City**”) and Midcontinent Communications, a general partnership under the laws of South Dakota (the “**Developer**”).

1. Subject Property. Developer is, or will be, the owner of the Subject Property legally described as Lot 1, Block 1, Isanti Railview North Industrial Park, County of Isanti, State of Minnesota, PID Number 16.xxx.xxxx
2. Conditions of Approval. The City approved development of the Subject Property, as subsidized by the City, subject to satisfaction of the following conditions:
  - a. The Developer’s Execution of this Agreement. That the Developer enters into this Agreement.
  - b. Marketable Title. That the Developer obtain, and retain, title to the Subject Property through completion of development.
  - c. Proof of Authority. That the Developer provide proof that its governing board authorized the Developer’s execution of this Agreement. This proof of authority may be satisfied by providing the City with a certified copy of the minutes of the governing board.
  - d. Site Plan. That Developer’s site plans, as required by the Isanti City Code, be completed by Developer and reviewed and approved by the City.
3. The Plans. The term “Plans” as used in this Agreement means the Site Plans prepared by Developer. The Plans are subject to: (a) Planning Commission review; (b) approval of the City Council; and (c) such further revisions as the Developer may propose and the City approves. The Plans shall not be attached to this Agreement but are in the City’s files.

4. Municipal Improvements. Upon execution of this agreement and payment of required escrows, the City will install sanitary sewer and water main improvements (Municipal Improvements) The developer shall pay \$262,450 towards the cost of the Municipal Improvements. Said payment shall be submitted to the City in certified funds or wire transfer within \_\_\_ days of full execution of this Agreement. Said funds may be comingled with other City funds, but shall be accounted for separately by the City and used to defray the costs of the Municipal Improvements.
  
5. Required Private Improvements. The private improvements the Developer will construct or install are as follows:
  - a. Sanitary sewer from the main stub onto the Subject Property as needed
  - b. Water from the main line onto the Subject Property as needed
  - a. Storm drainage facilities
  - b. Parking lot
  - c. Concrete curb and gutter
  - d. Lot grading
  - e. Landscaping
  
6. Payment of Development Fees. Developer shall, within \_\_\_ days following the execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account balance is reduced to \$2,000 or less, the Developer shall post additional sums of money to replenish the account to always have a balance of no less than \$2,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer's escrow account.
  
7. Developer Defaults. If the Developer defaults in the performance of one or more of the Developer's obligations under this Contract, i) the City gives the Developer 30 days' written notice of the default and ii) the Developer fails to cure the default within said 30 days, then the City may pursue any and all remedies available at law or in equity including, but not limited to, the following:
  - a. The City may commence an action in Isanti County District Court to pursue any remedy available to the City at law or in equity including, but not limited to, injunctive relief;
  - b. The City may refuse to grant building permits for improvements to be constructed on the Subject Property until the Developer has cured all of its defaults; and
  - c. The City may draw upon all or any portion of the financial guaranty the Developer has provided to the City and (i) use all or any portion of the

proceeds from the financial guaranty to reimburse the City pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the City obtains against the Developer pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the City pursuant to Section 8 (j) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this paragraph.

8. Miscellaneous Provisions.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- b. Written Amendments Only. The action or inaction of the City or the Developer shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by a resolution of the City Council. The City's or the Developer's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
- c. Agreement to Run with Land. The Developer agrees to record this Agreement among the land records of Isanti County, Minnesota contemporaneously within 14 days of its execution. The provisions of this Agreement shall run with the land and be binding upon the Developer and its successors in interest. Notwithstanding the foregoing, no conveyance of the Subject Property or any part thereof shall relieve the Developer of its personal liability for full performance of this Agreement unless the City expressly so releases the Developer in writing.
- d. Release. Upon completion and approval of all work required herein and satisfaction of all of the Developer's obligations under this Agreement, the City agrees to execute a recordable instrument releasing the Property from the terms of this Agreement.
- e. Compliance with Laws and Regulations. The Developer represents to the City that the Site Plan complies with all City, County, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the City determines that the site plan does not comply, the City may, at its option, refuse to allow any construction or development work on the Subject Property until the Developer does comply. Upon the City's demand Developer shall cease work until there is compliance.
- f. Mailbox Locations. If the Developer desires to construct a mailbox within the public right of way, the Developer agrees that the placement of a

mailbox along public streets is subject to the approval by the Postmaster. Utility locates will be necessary.

- g. Construction, Hours and Entrance Signs. The City restricts construction and delivery hours to Monday through Friday 7:00 a.m. to 9:00 p.m., weekends and holidays, 8:00 a.m. to 8:00 p.m. The Developer is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed 80 square feet in size and must be clearly visible at all times during the construction period.
- h. Construction Site Maintenance. The Developer shall adhere to all of the City ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. The City reserves the right to withhold permits, inspections, or certificates of occupancy to correct violations relating to construction site maintenance.
- i. Cost. It is understood and agreed that the cost of the Required Private Improvements are the sole responsibility of the Developer, including interest, engineering and legal fees related thereto.
- j. Reimbursement to the City. The Developer agrees to reimburse the City for all costs incurred by the City in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the City's Building Official, which authorizes the structure to be used for its intended purposes.
- l. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

To Developer:  
Midco

To The City:  
Josi Wood  
City Administrator  
City of Isanti  
110 1<sup>st</sup> Ave. N.W.  
Isanti, MN 55040

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