City of Blaine
Economic Development Authority

December 18, 2023 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

The purpose of the Blaine Economic Development Authority is to increase the City's commercial/industrial tax base, provide employment opportunities, undertake redevelopment to enhance and maintain neighborhood economic stability, and address special needs, such as senior housing. As authorized under Minnesota State statutes, the Blaine City Council also serves as the Blaine Economic Development Authority.

AGENDA

1. Call to Order

2. Roll Call

3. Approval of Minutes

3.1. 2023-591 Approval of the November 20, 2023 Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

4. Public Hearing

4.1. RES 23-212 Approval of Minnesota Investment Fund Application in Connection with City of Blaine EDA for the Chandler Industries Project
Sponsors: Erik Thorvig, Community Development Director

5. New Business

5.1. RES 23-198 Approving Amendment to the Purchase Agreement for 10550 Radisson Road and Lease Agreement
Sponsors: Erik Thorvig, Community Development Director

5.2. RES 23-206 Adopt the 2024 EDA Fund Budget and Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

6. Old Business

7. Adjournment

City of Blaine
Economic Development Authority

November 20, 2023 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

The meeting was called to order at 9:18PM by President Sanders followed by the Roll Call.

2. Roll Call

PRESENT: President Tim Sanders, Commissioners Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: Commissioners Terra Fleming and Lori Saroya.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; and City Clerk Catherine Sorensen.

3. Approval of Minutes

3.1. 2023-553 Approval of the October 16, 2023 Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

Moved by Commissioner Newland, seconded by Commissioner Robertson, that the Minutes of October 16, 2023, be approved.

Motion adopted unanimously.

4. New Business

4.1. 2023-588 Agreement Extending and Amending the MOU for Anoka County Economic Development

Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig stated in 2017, Anoka County, in coordination with various cities (including Blaine), Connexus Energy and Metro North Chamber, created a task force to analyze and study ways Anoka County could be more competitive in economic development. A consultant was hired to complete a report and market analysis of business opportunities, targets, and strategies for economic development within Anoka County. An outcome of the process was the formation of Anoka County Regional Economic Development (ACRED). A dedicated staff person for economic development was hired and paid for by Anoka County to lead the efforts. Various subcommittees, which included city staff representatives, were formed to advance the economic development efforts in Anoka County. ACRED's 2023 budget was $21,780. Efforts focus around a presence at various real estate events, marketing, and hosting three Anoka County specific economic development events annually. The budget is provided via cost share based on the population amongst all cities in Anoka County. Blaine's share in 2023 was $4,003, which is funded from the Blaine EDA. The estimated cost in 2024 is $4,098.

Mr. Thorvig reported in 2019, a memorandum of understanding (MOU) was entered into by all Anoka County cities, Connexus Energy and Metro North Chamber of Commercial for the purpose of advancing economic development in Anoka County. The original 5-year term expires on January 10, 2024. Anoka County is seeking to extend the MOU an additional year. The original MOU created two options as the 5-year expiration drew near; either a new MOU would be created to facilitate continuation of services, OR the “final action plan” would be the mechanism to justify dissolution of the initiative and ACRED would cease to exist. Because services are planned to be continued, there is not a final action plan at this time. The 12-month extension keeps all other terms the same, besides extending the expiration deadline. Ideally, additional work over the next year will highlight opportunities that ACRED should focus on, which may/may not include new directions that aren’t currently being pursued. ACRED will take those future results and facilitate further discussion with the cities on what a longer-term MOU should entail to ensure that ACRED best supports the current needs of the cities rather than the 2017 objectives that don’t accurately reflect today’s economic challenges. In general, the City of Blaine doesn't rely heavily on the services of ACRED, as Blaine has dedicated economic development staff versus other smaller communities. However, the overall marketing efforts and ability the City has to attend various real estate events and the local events they host, there is an overall benefit to ACRED marketing and highlighting Anoka County and the north metro.

Moved by Commissioner Newland, seconded by Commissioner Massoglia to approve an Agreement Extending and Amending the MOU for Anoka County Economic Development.

Motion adopted unanimously.

4.2. RES 23-192 Authorizing an Interfund Loan between the Blaine Economic Development Authority and the City of Blaine
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated on November 6, 2023, the Blaine City Council approved an agreement with the National Sports Center Foundation to provide up to $500,000 of funding, referred to as Phase I, for engineering and preliminary excavation work related to the construction of turf fields. While future financing is being contemplated by the Blaine City Council for phase II of the construction project, the 105th Avenue Redvelopment Project is being driven by the Blaine EDA. For this reason, the attached resolution provides an inter-fund loan between the EDA and the City of Blaine with the following stipulations:

- Loan amount up to $500,000 from the Blaine EDA to the City of Blaine EDA Capital Projects Fund
- The interfund loan is issued at zero percent interest
- The loan automatically terminates if bonding is provided by the City of Blaine for phase II of the turf field project
- If the City of Blaine fails to issue bonding for phase II of the project by December 31, 2024, the inter-fund loan terminates and the Blaine EDA is required to transfer $500,000 of funds to the City of Blaine EDA Capital Projects Fund

Moved by Commissioner Robertson, seconded by Commissioner Newland, to Authorize an Interfund Loan between the Blaine Economic Development Authority and the City of Blaine.

Motion adopted unanimously.

5. Old Business

None.

6. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Newland, to adjourn the meeting at 9:23PM.

Motion adopted unanimously.

City of Blaine
Staff Report

File Number: RES 23-212

Agenda Date	Status
December 18, 2023	
In Control	**File Type**
Economic Development Authority	Resolution

Public Hearing - Erik Thorvig, Community Development Director

Agenda Item # 4.1

Approval of Minnesota Investment Fund Application in Connection with City of Blaine EDA for the Chandler Industries Project

Executive Summary

Background

Chandler Industries is a privately owned multi-site contract manufacturer of precision machined and fabricated sheet metal components and assemblies. Chandler was founded in 1962 by Chandler Olsen in Montevideo, MN. After two subsequent ownership changes, it was acquired in April 2011 by Arch Equity Partners, a private investment firm located in St. Louis, MO who formed Chandler Investment Group (CIG), which owns Chandler Industries, Inc. After the initial acquisition of Chandler, the company expanded its operations by acquiring 4 additional businesses in Minnesota. In 2023, Chandler consolidated its Minneapolis and Bethel divisions into a single new division in Blaine at the new Blaine 35 project located at 35W and County Road J. The Blaine division also serves as Chandler's corporate headquarters. Chandler currently serves customers in the aerospace, defense, industrial, medical, space and semiconductor, and electronic connector markets. Chandler employs approximately 300 people across all divisions.

The request for Minnesota Investment Fund assistance will assist in 3 primary areas – Machining, Assembly, and Quality. The project requires two large capital expenditure investments – $395,990 for a Haas VF-9 and $627,998 for a DMG DMU-50. The machining will take place in Chandler Industries' existing 100,000 SF leased facility, with approximately 1,000 SF used for each machine cell. Required leasehold improvements will primarily be for machine installation and work-cell setup and will not exceed $50,000. In addition to the capital expenditures, Chandler will expand the assembly and quality teams and work areas to support the increased volume by 10 jobs.

Chandler Industries has been working with the City of Blaine and the Minnesota Department of Employment and Economic Development (DEED) to help identify programs that can assist with these expenditures. Chandler is proposing to finance the project with a combination of bank financing and a $320,000 loan from the Minnesota Investment Fund (MIF), a DEED Program. The MIF provides financing to help add new workers and retain high-quality jobs on a statewide basis in manufacturing and technology-related industries. The MIF loan application is prepared and submitted by City staff and funds are awarded to the local unit of government (EDA) who provides the loan to the eligible business. Therefore, the City will act as a pass-through and administrator for the loan.

The MIF loan amount requested is $320,000. The Blaine EDA is allowed to set the interest rate between 0-3%, which staff has proposed at 0% which is consistent with other MIF loans in the state. Any interest collected would be split between DEED and the City. The no/low interest rate of MIF is attractive for businesses. The term is 7 years. This project is repayable only and does not qualify for partial loan forgiveness. The MIF loan is backed by collateral which will be collected in the event of default.

Assuming the resolution is approved, staff will submit the application forward for approval to DEED. If the loan is approved, Chandler will begin hiring and capital expenditures immediately.

Strategic Plan Relationship

Board/Commission Review

Financial Impact

Public Outreach/Input

Staff Recommendation

Staff recommends holding a public hearing and approval of the resolution.

Attachment List

None

City of Blaine

Signature Copy

Resolution: RES 23-212

Approval of Minnesota Investment Fund Application in Connection with City of Blaine EDA for the Chandler Industries Project

WHEREAS, the City of Blaine, Minnesota (the "City"), desires to assist Chandler Industries which is proposing Capital Expenditures and job creation expenditures in the City; and

WHEREAS, the City of Blaine understands that Chandler Industries through and with the support of the City of Blaine EDA wishes to apply or has applied to the Minnesota Department of Employment and Economic Development's Minnesota Investment Fund Program for project financing; and

WHEREAS, the City of Blaine held an Economic Development Authority meeting on December 18, 2023 to consider this matter; and

NOW THEREFORE, BE IT RESOLVED, that, after due consideration, the Blaine Economic Development Authority hereby approves

PASSED by the Blaine Economic Development Authority this18th day of December 2023.

City of Blaine
Staff Report

File Number: RES 23-198

Agenda Date	Status
December 18, 2023	

In Control	File Type
Economic Development Authority	Resolution

New Business - Erik Thorvig, Community Development Director

Agenda Item # 5.1

Approving Amendment to the Purchase Agreement for 10550 Radisson Road and Lease Agreement

Executive Summary

Background

On August 21, 2023, the EDA approved a purchase agreement for the property at 10550 Radisson Road. The property is owned by Busch Investments, LLC and Dusty's Truck Repair is located on the property. The business and property are mutually owned. This property is part of the 105th Avenue redevelopment area.

City staff approached the owners in April 2023 regarding whether they would be interested in selling. After several meetings and correspondence, the EDA and owner agreed to a purchase price of $1,683,000. This purchase price was part of the purchase agreement approved by the EDA in August. Since then, the owners have requested an increase to the purchase price that was originally agreed upon. The City Council/EDA discussed an amended offer at a closed session on November 20, 2023. The EDA offered an increase in the sale price to $1,744,200, which the owner has agreed to. A revision to the purchase agreement is necessary to reflect the new purchase price. Closing would occur on or before January 31, 2024.

The current owner/business has indicated a desire to stay at the property through a portion of the summer. This arrangement can be accommodated through a lease agreement where the EDA would close on the property and allow the business to remain as a tenant. This occurred with Blake Driling when the EDA acquired their property at 10600 Radisson Road in 2021. The lease agreement identifies the ability for the business to remain until June 30, 2024, with a potential of 30-day extensions mutually agreed upon by both parties. Development isn't anticipated in this portion of the project until 2025, so there may be flexibility in the timing of when the business needs to vacate, dependent on the business needs and when the developer will purchase property from the EDA and begin construction. The company will lease the property for $1 and be responsible for all maintenance and utilities. The EDA will be responsible for property taxes during the lease period.

Strategic Plan Relationship

The 105th Avenue Redevelopment Area is identified as a Strategic Priority.

Board/Commission Review

Not applicable.

Financial Impact

The increase in sale price is $61,200. The EDA has sufficient funds on hand to purchase the property. Estimated property taxes are part of the 2024 EDA general fund levy budget.

Public Outreach/Input

Not applicable.

Staff Recommendation

Approve the attached resolution.

Attachment List

1. Purchase Agreement Revised
2. Lease Agreement

City of Blaine

Signature Copy

Resolution: RES 23-198

Approving Amendment to the Purchase Agreement for 10550 Radisson Road and Lease Agreement

WHEREAS, the City of Blaine Economic Development Authority has been active in acquiring property in the 105th Avenue Redevelopment Area; and

WHEREAS, the EDA is interested in acquiring the property at 10550 Radisson Road to advance redevelopment efforts; and

WHEREAS, the EDA approved a purchase agreement based on a mutually agreed upon sale price with the seller on August 21, 2023; and

WHEREAS, the seller has requested an increase in the sale price; and

WHEREAS, the EDA and seller have agreed to a new sale price of $1,744,200 ; and

WHEREAS, the business desires to remain in operation after the sale of the property; and

WHEREAS, the EDA and seller have agreed to a lease agreement that allows the ability for the business to remain at the property per terms of the agreement.

NOW, THEREFORE, BE IT RESOLVED that the Blaine Economic Development Authority hereby approves an amendment to the purchase agreement with Busch Investments, LLC for the purchase of property at 10550 Radisson Road and lease agreement.

PASSED by the Blaine Economic Development Authority this 18th day of December, 2023.

PURCHASE AGREEMENT

THIS AGREEMENT is made as of ____________________, 2023, between Busch Investments, LLC, a Minnesota limited liability company ("Seller"), and the Blaine Economic Development Authority, a political subdivision under the laws of the State of Minnesota ("Buyer").

In consideration of this Agreement, Seller and Buyer agree as follows:

1. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the following property (collectively the "Property").

(a) Real Property. The real property and fixtures located in Anoka County, located at 10550 Radisson., Blaine MN, 55449 legally described on the attached Exhibit A ("Land"), together with all easements and rights benefiting or appurtenant to the Land (collectively the "Real Property")

(b) Leases. Seller acknowledges existing lease agreements with various tenants. Seller shall provide the Buyer copies of existing lease agreements within 10 days of execution of this agreement. Upon closing of the property, Buyer shall assume the leases. If no lease agreements exist, tenants shall vacate the premises prior to the Closing Date.

2. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be One-million, Seven Hundred Forty-Four Thousand, Two Hundred ($1,744,200) Dollars, which Purchase Price shall be payable as follows:

(a) Buyer is not required to submit earnest money.

3. Contingencies. The obligations of Buyer under this Agreement are contingent upon each of the following:

(a) Representations and Warranties. The representations and warranties of Seller contained in this Agreement must be true now and on the Closing Date as if made on the Closing Date.

(b) Title. Title to the Property shall be acceptable to Buyer in Buyer's sole discretion, in accordance with the requirements and terms of Section 6 below.

(c) Performance of Seller's Obligations. Seller shall have performed all of the obligations required to be performed by Seller under this Agreement, as and when required by this Agreement. Included within the obligations of Seller under this Agreement shall be the following:

(i) Seller shall allow Buyer, and Buyer's agents, access to the Property without charge and at all reasonable times for the purpose of Buyer's investigation and testing of the same. Buyer shall pay all costs and expenses of such investigation and testing.

(ii) Seller shall execute such applications, covenants, plat or other documents as may be reasonably required by Buyer in order to make use of the Property which Buyer intends.

(iii) Buyer shall have completed the items set forth under paragraph 3 (b),(c), and (d) by December 31, 2023 and such contingencies shall not carry past such date.

(d) Document Review. Buyer shall have until December 31, 2023 to perform any and all due diligence inspection, review, and approved testing. Buyer shall have determined, on or before the December 31, 2023, that it is satisfied with its review and analysis of the Title Evidence to the Property. After December 31, 2023 Buyer may not terminate this Agreement.

If any such contingency has not been satisfied on or before the December 31, 2023, then this Agreement may be terminated, at Buyer's option, by written notice from Buyer to Seller. Such notice of termination may be given at any time on or before the December 31, 2023. Upon such termination, neither party will have any further rights or obligations regarding this Agreement or the Property and the parties shall execute a written cancellation of this Agreement. All of the contingencies set forth in this Agreement are specifically stated and agreed to be for the sole and exclusive benefit of the Buyer and the Buyer shall have the right to unilaterally waive any contingency by written notice to Seller.

4. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall be on or before January 31, 2024(the "Closing Date"). The closing shall take place at the office of the Title Company that provides the Title Commitment, or at such other place as may be agreed to. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

(a) Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively "Seller's Closing Documents"):

(1) Deed. A Warranty Deed, in form reasonably satisfactory to Buyer, conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances hereafter defined.

(2) Title Policy. The Title Policy, or a suitably marked up Commitment for Title Insurance initialed by the Title Company, in the form required by this Agreement.

(3) Seller's Affidavit. An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Real Property; that there has been no skill, labor or material furnished to the Real Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Real Property, together with whatever standard owner's affidavit and/or indemnity which may be required by the Title Company to issue an Owner's Policy of Title Insurance with the standard exceptions waived.

(4) FIRPTA Affidavit. A non-foreign affidavit, properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations.

(5) IRS Form. A Designation Agreement designating the "reporting person" for purposes of completing Internal Revenue Form 1099.

(6) Well Certificate. A Certificate signed by Seller warranting that there are no "Wells" on the Property, or if there are "Wells", a Well Certificate in the form required by law.

(7) Other Documents. All other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances.

(b) Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively "Buyer's Closing Documents"):

(1) Purchase Price. The Purchase Price by Buyer’s check.

(2) Title Documents. Such affidavits of Purchaser, Certificate of Real Estate Value or other documents as may be reasonably required by the Title Company in order to record the Seller's Closing Documents and issue the Title Insurance Policy required by this Agreement.

(3) Leaseback Agreement.

5. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

(a) Title Insurance and Closing Fee. Seller will pay all costs of Title Evidence, and the fees charged by Title for any escrow regarding Buyer's Objections. Buyer will pay all premiums required for the issuance of an ALTA Owner's Title Insurance Policy. Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge imposed by any closing agent designated by the Title Company.

(b) Deed Tax. Seller shall pay all state deed tax regarding the Warranty Deed to be delivered by Seller under this Agreement.

(c) Real Estate Taxes and Special Assessments. Seller will pay on or before the Closing Date, all special assessments levied, pending or constituting a lien against the Real Property as of the Closing Date including without limitation any installments of special assessments including interest payable with general real estate taxes in the year of Closing. General real estate taxes and installments of special assessments payable in all years prior to the year of Closing will be paid by Seller. General real estate taxes payable in the year of Closing shall be prorated by Seller and Buyer as of the Closing Date based upon a calendar year. Seller shall pay all deferred real estate taxes or special assessments which may become payable as a result of the sale contemplated hereby. If the amount of such general real estate taxes and installments of special assessments payable therewith cannot be determined on the Closing Date, Seller will deposit with the Title Company, from the Purchase Price, an amount equal to 110% of the most current estimate of such taxes and special assessment installments, assuming for estimating purposes that the Real Property will be fully assessed. Such deposit will be held in escrow and all interest earnings on such deposit will be paid to Seller. The Title Company will retain such deposit to pay Seller's share of the actual general real estate taxes payable in year of Closing and installments of special assessments including interest payable therewith, paying any excess over to Seller. Seller will pay any deficiency, when such general real estate taxes and installments of special assessments including interest payable therewith are known.

(d) Recording Costs. Seller will pay the costs of recording all documents necessary to place record title in the condition warranted in this Agreement.

Buyer will pay the cost of recording all other documents.

(e) Other Costs. All other operating costs of the Property, will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs payable before the Closing Date, and Buyer pays that part of such operating costs payable from and after the Closing Date.

(f) Attorney's Fees. Each of the parties will pay its own attorneys fees, except that a party defaulting under this Agreement or any closing document will pay the reasonable attorney's fees and court costs incurred by the nondefaulting party to enforce its rights regarding such default.

6. Title Examination. Title Examination will be conducted as follows:

(a) Seller's Title Evidence. Seller shall within five (5) days after the later of the date of this Agreement or Buyer’s election of title company, to order the following (collectively the "Title Evidence") to Buyer:

(1) Title Evidence. Seller shall, at its cost, provide a Commitment for an ALTA Owner's Policy of Title Insurance insuring title to the Real Property, form the title company of Buyer’s choosing, deleting standard exceptions and including affirmative insurance regarding zoning, appurtenant easements, and such other matters as may be identified by Buyer, in the amount of the Purchase Price.

(b) Buyer's Objections. Within fifteen (15) days after receiving the last of the Title Evidence, Buyer will make written objections ("Objections") to the form and/or contents of the Title Evidence, or at Buyer's expense to make application for an ALTA Owner's Title Insurance Policy. Buyer's failure to make Objections within such time period will constitute a waiver of Objections. Any matter shown on such Title Evidence and not objected to by Buyer shall be a "Permitted Encumbrance" hereunder. Seller will have fifteen (15) days after receipt of the Objections to cure the Objections, during which period the Closing Date will be postponed as necessary. Seller shall use its best efforts to correct any Objections. To the extent an Objection can be satisfied by the payment of money, Buyer shall have the right to apply a portion of the cash payable to Seller at the Closing to satisfaction of such Objection and the amount so applied shall reduce the amount of cash payable to Seller at the Closing. If the Objections are not cured within such 15-day period, Buyer will have the option to do any of the following:

(1) Terminate this Agreement.

(2) Waive the Objections and proceed to close.

7. Operation Prior to Closing. During the period from the date of Seller's acceptance of this Agreement to the Closing Date (the "Executory Period"), Seller shall operate and maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. Seller shall execute no contracts, leases or other agreements regarding the Property during the Executory Period that are not terminable on or before the Closing Date, without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion.

Seller must ensure that all tenants, other than the tenant identified in Exhibit B, have vacated the Real Property prior to Closing.

8. Representations and Warranties by Seller. Seller represents and warrants to Buyer as follows:

(a) Authority. If Seller is a corporation, partnership or other entity, Seller represents that it is duly organized and is in good standing under the laws of the State of Minnesota; Seller is duly qualified to transact business in the State of Minnesota; Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Seller and have been duly executed and delivered; such execution, delivery and performance by Seller of such documents does not conflict with or result in a violation of Seller's Articles of Organization or Operating Agreement, or any judgment, order, or decree of any court or arbiter to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.

(b) Title to Property. To the best of Seller's knowledge Seller owns the Property, free and clear of all encumbrances except the Permitted Encumbrances identified on Exhibit B attached hereto (the "Permitted Encumbrances").

(c) Utilities. To the best of Seller's knowledge Seller has received no notice of actual or threatened reduction or curtailment of any utility service now supplied to the Real Property.

(d) Rights of Others to Purchase Property. To the best of Seller's knowledge Seller has not entered into any other contracts for sale of the Property, nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the consummation of this Agreement.

(e) Seller's Defaults. To the best of Seller's knowledge Seller is not in default concerning any of its obligations or liabilities regarding the Property.

(f) FIRPTA. Seller is not a "foreign person", foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

(g) Proceedings. To the best of Seller's knowledge, there is no action, litigation, investigation, condemnation or proceeding of any kind pending or threatened against Seller or any portion of the Property.

(h) Agents and Employees. To the best of Seller’s knowledge no management agents or other personnel employed in connection with the operation of the Property have the right to continue such employment after the Closing Date. There are no claims for brokerage commission or other payments with respect to the existing Property, including leases which will survive and remain unpaid after the Date of Closing.

(i) Wells. The Seller certifies and warrants that the Seller does not know of any "Wells" on the described Property within the meaning of Minnesota Statutes. This representation is intended to satisfy the requirements of that statute.

(j) Storage Tanks. To the best of Seller’s knowledge, no above ground or underground tanks, are located in or about the Property, or have been located under, in or about the Property and have subsequently been removed or filled. To the extent storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable Federal, state and locate statutes, regulations, ordinances and other regulatory requirements.

9. Damage. (Intentionally omitted as Buyer will demolish the building subsequent to the conclusion of the Leaseback term).

10. Condemnation. If, prior to the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty (30) days after Seller's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If Buyer shall fail to give such notice then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date, Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent.

11. Broker's Commission. Seller and Buyer agree that there are no brokers representing either party.

12. Mutual Indemnification. Subject to paragraph 14, Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees) or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

13. Assignment. Either party may assign its rights under this Agreement before or after the Closing. Any such assignment will not relieve such assigning party of its obligations under this Agreement and Buyer assigns Buyers rights and obligations hereunder Seller shall have the remedy of specific performance against Buyer and any assignee thereunder in the case of Buyer default.

14. Survival. All of the terms of this Agreement will survive and be enforceable after the Closing for a period of six (6) months.

15. Notices. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering it personally to Buyer; or if mailed in a sealed wrapper by United States registered or certified mail,

return receipt requested, postage prepaid; or if transmitted by facsimile or electronic mail, copy followed by mailed notice as above required; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Busch Investments, LLP
10550 Radisson Road
Blaine, MN 55449
dustysbodyshop@sbwireless.net and abusch234@aol.com

If to Buyer: Blaine Economic Development Authority
10801 Town Square Drive
Blaine, MN 55449

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit that the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified ten (10) days prior to the effective date of such change.

16. 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.

17. 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 of any of its terms will be effective unless in a writing executed by the parties.

18. Binding Effect. This Agreement binds and benefits the parties and their successor and assigns.

19. Controlling Law. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

20. Remedies. If Buyer defaults in the performance of this agreement due to no fault of Seller, then Seller may, as its sole and exclusive remedy, terminate this agreement in accordance with Minn. Stat. §559.21. The termination of this Agreement will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages or specific performance but shall reimburse Seller for out of pocket transaction costs. If Seller defaults under this Agreement, this provision does not preclude Buyer from seeking and recovering from Seller damages for nonperformance or specific performance of this Agreement. If Seller defaults under this Agreement, Buyer shall have no right to seek damages from Seller for Buyer's loss of its bargain in failing to acquire the Property, but Buyer shall recover as damages from Seller all of Buyer's out-of-pocket costs and fees including without limitation attorneys' fees, accountants' fees and other consultants' fees incurred by Buyer in preparing and negotiating this Agreement, preparing for the closing, obtaining financing commitments, investigating the status, title and condition of the Property, and other similar and reasonable costs and expenses.

21. Relocation Fee. Buyer agrees to pay seller a relocation fee of $50,000 and such sum is not part of the Purchase Price and shall be paid in addition to the Purchase Price. No relocation fees will be applied to any other tenants on the property. Relocation fee shall be paid to the seller upon vacation of the property under terms identified in the leaseback agreement, Exhibit C.

22. Leaseback. Seller and Buyer agree to enter into a lease agreement whereby the tenant will have the ability to lease the property from the Buyer for a period of time subject to the terms identified in the EXHIBIT C (the "Leaseback Agreement").

22. Personal Property. Seller agrees to removal all personal property from the building and property prior to expiration of the Lease Agreement. Personal property shall mean anything not affixed to the structure or land, trade fixtures or any other property Seller desires to remove. Costs to remove any personal property not removed by the Seller shall be responsibility of the seller. Buyer is not liable for any injuries, theft, or damage that may occur as a result of the Seller accessing the property to remove personal property.

Seller and Buyer have executed this Agreement as of the date first written above.

SELLER:
Busch Investments, LLC

By:___________________________
Its: President

BUYER:

By:___________________________
Its: Executive Director

By:____________________________
Its: President

EXHIBIT A - REAL PROPERTY DESCRIPTION

PID: 21-31-23-24-0002

The North 250 feet of the South 685 feet of the West 550 feet of the SE ¼ of the NW ¼ of Section 121, Township 31, Range 23.

Subject to an easement over the east 30 feet thereof for road purposes.
T

EXHIBIT B – Existing Lease with Dusty’s Body Shop

EXHIBIT C – Leaseback Agreement

STANDARD LEASE AGREEMENT (GROSS)

THIS LEASE AGREEMENT (hereafter called the "**Lease Agreement**") made as of the ____ day of __________, 2023, by and between **City of Blaine Economic Development Authority,** having offices at 10801 Town Square Drive NE Blaine, MN 55449 (hereafter called the "**Landlord**") and ___________________________a Minnesota Limited Liability Company having its main office at 10550 Radisson Road NE Blaine, MN 55449 (hereafter called the "**Tenant**").

WITNESSETH

FOR AND IN CONSIDERATION of the sum of One Dollar ($1.00) in hand paid by each of the parties to the other, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1 - PREMISES AND TERM

A. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, that area depicted on Exhibit A-1 attached hereto, and by this reference incorporated herein, and described as **10550 Radisson Road NE Blaine, MN** hereafter called the "**Premises**", County of Anoka, State of Minnesota. The term "**Building**" as it is used herein shall consist of the land and building(s) set forth in Exhibit A-1 attached hereto.

B. Tenant may have and hold the Premises for a term commencing on the Closing date of the Purchase Agreement between the City of Blaine Economic Development Authority (Buyer) and Busch Investments, LLC (Seller) (the Closing date is anticipated to be on or before January 31, 2024) and expiring on June 30th, 2024 (hereafter called the "Term") subject to the conditions set forth in this Lease Agreement and the Exhibits attached hereto.

C. Landlord may consider allowing (30) day extensions of the Term if mutually agreed upon both parties. The landlord's intent is to demolish and redevelop the property. Depending on timing of said redevelopment, the landlord may allow additional time for the tenant to occupy the property. Terms and conditions of this agreement shall apply during any extension.

ARTICLE 2 - USE / RATE

For the duration of the Lease term, the Tenant shall have the right to use the Premises for the existing operations of Blake Drilling Company, Inc. in the same use and manner as being conducted as on the Lease Commencement Date and for lawful purposes incidental thereto.

Tenant agrees to pay to Landlord during the Term as minimum rental (hereafter called "**Minimum Rental**") for the Premises, without notice, set-off or demand, the following amounts per month:

Period of Term	Annual Gross Rate Total	Monthly Minimum Rental
Per Article 1B above	$1.00	N/A

Said monthly installments shall be due and payable by Tenant in advance on the first day of each calendar month during the Term of this Lease Agreement, or any extension or renewal thereof, at the office of Landlord set forth in the preamble to this Lease Agreement or at such other place as Landlord may designate in writing; provided, however, that if the first day of the Term shall be a day other than the first day of a calendar month or the last day of the Term shall be a day other than the last day of a calendar month, the Minimum Rental installment for such first or last fractional month shall be prorated accordingly. Tenant agrees to pay, as Additional Rental, which shall be collectible to the same extent as Minimum Rental, all amounts which may become due to Landlord under this Lease Agreement. **First year's gross rent of $1.00 shall be due at the time this Lease is executed.**

ARTICLE 3 - CONSTRUCTION: THIS SECTION OMITTED.

ARTICLE 4 - POSSESSION

Except as otherwise provided, Landlord shall deliver possession of the Premises on or before the date hereinabove specified for commencement of the Term. By occupying the Premises as a tenant, or to install trade fixtures or equipment, or to perform finishing work, Tenant shall be conclusively deemed to have accepted the same and to have acknowledged that the Premises are in the condition required by this Lease Agreement. Following Tenant's occupancy of the Premises and within ten (10) days of Landlord's request, Landlord and Tenant shall execute a ratification agreement which shall set forth the final commencement and expiration dates of the Term, shall acknowledge the Minimum Rental, the rentable square footage of the Premises, delivery of the Premises in the condition required by this Lease Agreement and shall include such other matters as Landlord may reasonably request (hereafter the "**Ratification Agreement**"). Tenant is taking the space in it's "AS-IS" condition.

ARTICLE 5 - TENANT'S PRO RATA SHARE OF REAL ESTATE TAXES AND OPERATING EXPENSES

This is a gross Lease. Tenant shall not be responsible for the payment of any property taxes during the term of this lease.

ARTICLE 6 - UTILITIES AND SERVICE

A. Tenant shall contract with the appropriate service provider for electricity and for heat (gas) and shall have sole responsibility for any / all payments to the service provider(s) for these utility expenses during the entire term of the Lease.

B. No interruption or failure of any of the foregoing services under this Article 6 incidental to the making of repairs, alterations or improvements, or due to accidents, labor disputes, energy use restrictions or conditions or events not under Landlord's reasonable control, shall be deemed an eviction of the Tenant or relieve Tenant from its obligation to pay the rentals as and when due hereunder or from any of the Tenant's other obligations hereunder.

C. Tenant shall be responsible for their own trash service.

D. Tenant shall be responsible for their own telephone and data service.

ARTICLE 7 - NON-LIABILITY OF LANDLORD

Landlord shall not be liable for and Tenant hereby waives all claims against Landlord for any damage to any property or any injury to any person in or about the Premises or the Building by or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes and plumbing facilities, and gas, fire, oil, electricity or theft), except to the extent caused by the gross negligence or willful misconduct of Landlord or its contractors, agents or employees. In no event shall Landlord be liable to Tenant for any consequential damages.

Tenant shall not be liable for and Landlord hereby waives all claims against Tenant for any damage to any property or any injury to any person in or about the Premises or the Building by or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes and plumbing facilities, and gas, fire, oil, electricity or theft), except to the extent caused by the gross negligence or willful misconduct of Tenant or its contractors, agents or employees. In no event shall Tenant be liable to Landlord for any consequential damages.

ARTICLE 8 - CARE OF PREMISES

A. Tenant agrees:

1. To keep the Premises in as good condition and repair as they were in at the time Tenant took possession of same, reasonable wear and tear and damage from fire and other casualty for which insurance is normally procured excepted;

2. To keep the Premises in a clean and sanitary condition;

3. Not to commit any nuisance or waste on the Premises, overload the Premises or the electrical, water and/or plumbing facilities in the Premises or Building, throw foreign substances in plumbing facilities, or waste any of the utilities furnished by Landlord;

B. If Tenant shall fail to keep and preserve the Premises in the state of condition required by the provisions of this Article 8, the Landlord may at its option put or cause the same to be put into the condition and state of repair agreed upon, and in such case the Tenant, within ten (10) days following Tenant’s receipt of an invoice therefore, shall pay the cost thereof as Additional Rental.

ARTICLE 9 - NON-PERMITTED USE

Tenant agrees to use the Premises only for the purposes set forth in Article 2 hereof. Tenant further agrees not to commit or permit any act to be performed on the Premises or any omission to occur which shall be in violation of any statute, regulation or ordinance of any governmental body or which will increase the insurance rates on the Building or which will be in violation of any insurance policy carried on the Building by the Landlord. Tenant, at its expense, shall comply with all governmental laws, ordinances, rules and regulations applicable to the use of the Premises and its occupancy and shall promptly comply with all governmental orders, rulings and directives for the correction, prevention and abatement of any violation upon, or in connection with the Premises or Tenant's use or occupancy of the Premises, all at Tenant's sole cost and expense; provided, however, Tenant shall not be responsible for making any alterations or improvements to the Building or Premises unless they are occasioned by Tenant’s own use of the Premises or its negligence.

ARTICLE 10 - INSPECTION

The Landlord and its employees, agents and contractors shall have the right, upon reasonable verbal notice to Tenant at the Premises (except that no notice need be given in the case of an emergency and without any diminution of rent or other charges payable hereunder by Tenant, to enter the Premises at all reasonable times for the purpose of exhibiting the Premises to prospective purchasers, but nothing contained in this Article shall be construed so as to impose any obligation on the Landlord to make any repairs, alterations or improvements. Landlord shall have the right to enter the space within the last 90 days of the Lease period to show the space to new/other prospective Tenant’s. These showings shall take place Monday through Friday from 8am – 5pm.

ARTICLE 11 - ALTERATIONS

Tenant will not make any alterations, repairs, additions or improvements in or to the Premises without the express written consent of the Landlord, which consent shall not be unreasonable witheld.

ARTICLE 12 - SIGNS

Tenant and Landlord agree that all existing signage shall be allowed and that no new signage or other advertising materials shall be erected, attached or affixed to any portion of the exterior of the Premises or the Building or to any portion of the interior of the Premises visible from the common areas or the outside of the Building with exception of temporary help wanted portable signage**.**

ARTICLE 13 - COMMON AREAS

A. There are no common area's in the Premises.

ARTICLE 14 - ASSIGNMENT AND SUBLETTING

Tenant agrees not to assign, sublet, license, mortgage or encumber this Lease Agreement, the Premises, or any part thereof, whether by voluntary act, operation of law, or otherwise, without the specific prior written consent of the Landlord.

ARTICLE 15 - LOSS BY CASUALTY

If the Building is damaged or destroyed by fire or other casualty, the Landlord shall have the right to terminate this Lease Agreement, provided it gives written notice thereof to the Tenant within ninety (90) days after such damage or destruction. If a portion of the Premises is damaged by fire or other casualty, and Landlord does not elect to terminate this Lease Agreement, the Landlord shall, at its expense, restore the Premises to as near the condition which existed immediately prior to such damage or destruction, as reasonably possible, and the rentals shall abate during such period of time as the Premises are untenantable, in the proportion that the untenantable portion of the Premises bears to the entire Premises.

ARTICLE 16 - WAIVER OF SUBROGATION

Landlord and Tenant hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

ARTICLE 17 - EMINENT DOMAIN

This Lease is NOT subject to taking by eminent domain and shall remain in full effect for the entire term of the Lease.

ARTICLE 18 - SURRENDER

On the last day of the Term of this Lease Agreement or on the sooner termination thereof in accordance with the terms hereof, Tenant shall peaceably vacate and surrender possession of the Premises in good condition and repair consistent with Tenant's duty to make repairs as provided in Article 8 hereof. On or before said last day, Tenant shall at its expense remove all of its furnishings, equipment and other personal property from the Premises, repairing any damage caused thereby, and any property not removed shall be deemed abandoned. All alterations, additions and fixtures other than Tenant's trade fixtures, which have been made or installed by either Landlord or Tenant upon the Premises shall remain as Landlord's property and shall be surrendered with the Premises as a part thereof, or shall be removed by Tenant, in which event Tenant shall at its expense repair any damage caused thereby. If the Premises are not vacated and surrendered at the end of the Term or the sooner termination thereof, Tenant shall indemnify Landlord against any and all loss, cost, damage, liability and expense resulting from delay by Tenant in so vacating and surrendering the Premises, including, without limitation, claims made by any succeeding tenant founded on such delay, which indemnity obligation shall survive the expiration or earlier termination of this Lease Agreement. Tenant shall promptly surrender all keys for the Premises to Landlord at the place then fixed for payment of rentals and shall inform Landlord of combinations on any locks and safes on the Premises.

ARTICLE 19 - NON-PAYMENT OF RENT, DEFAULTS

If any one or more of the following occurs: (1) a rent payment or any other payment due from Tenant to Landlord shall be and remain unpaid in whole or in part for more than ten (10) days after same is due and payable; (2) Tenant shall violate or default on any of the other covenants, agreements, stipulations or conditions herein, or in any parking agreement(s) or other agreements between Landlord and Tenant relating to the Premises, and such violation or default shall continue for a period of ten (10) days after written notice from Landlord of such violation or default; (3) if Tenant shall commence or have commenced against Tenant proceedings under a bankruptcy, receivership, insolvency or similar type of action; or (4) if Tenant shall vacate any substantial portion of the Premises for a period of more than fifteen (15) days; then it shall be optional for Landlord, without further notice or demand, to cure such default or to declare this Lease Agreement forfeited and the said Term ended, or to terminate only Tenant's right to possession of the Premises, and to re-enter the Premises, subject to applicable law, and Landlord shall not be liable for damages by reason of such forfeiture or re-entry; but notwithstanding re-entry by Landlord or termination only of Tenant's right to possession of the Premises, the liability of Tenant for the rent and all other sums provided herein shall not be relinquished or extinguished for the balance of the Term of this Lease Agreement and Landlord shall be entitled to periodically sue Tenant for all sums due under this Lease Agreement or which become due prior to judgment, but such suit shall not bar subsequent suits for any further sums coming due thereafter. Tenant shall be responsible for, in addition to the rentals and other sums agreed to be paid hereunder, the cost of any necessary maintenance, repair, restoration, reletting (including related cost of removal or modification of tenant improvements) or cure as well as reasonable attorneys' fees incurred or awarded in any suit or action instituted by Landlord to enforce the provisions of this Lease Agreement, regain possession of the Premises, or the collection of the rentals due Landlord hereunder. Tenant shall also be liable to Landlord for the payment of a late charge in the amount of ten percent (10%) of the rental installment or other sum due Landlord hereunder if said payment has not been received within ten (10) days from the date said payment becomes due and payable. Tenant agrees to pay interest at the rate of twelve percent (12%) per annum or the maximum permissible rate under the applicable usury statutes, whichever is less, on all rentals and other sums due Landlord hereunder not paid within ten (10) days from the date same become due and payable. Each right or remedy of Landlord provided for in this Lease Agreement shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease Agreement now or hereafter existing at law or in equity or by statute or otherwise.

ARTICLE 20 - LANDLORD'S DEFAULT

Landlord shall not be deemed to be in default under this Lease Agreement until Tenant has given Landlord written notice specifying the nature of the default and Landlord does not cure such default within thirty (30) days after receipt of such notice or within such reasonable time thereafter as may be necessary to cure such default where such default is of such a character as to reasonably require more than thirty (30) days to cure.

ARTICLE 21 - HOLDING OVER

Tenant will, at the expiration of this Lease Agreement, whether by lapse of time or termination, surrender immediate possession of the Premises to Landlord. If Tenant fails to surrender possession of the Premises the Landlord may, at its option, serve written notice upon Tenant that such holdover constitutes the creation of a month-to-month tenancy. If Landlord does not give said notice, Tenant's holdover shall create a tenancy at sufferance. In any event, the tenancy shall be upon the terms and conditions of this Lease Agreement, except that the Minimum Rental shall be double the Minimum Rental Tenant was obligated to pay Landlord under this Lease Agreement immediately prior to expiration (in the case of tenancy at sufferance such Minimum Rental shall be prorated on the basis of a 365 day year for each day Tenant remains in possession); excepting further that in the case of a tenancy at sufferance, no notices shall be required prior to commencement of any legal action to regain possession of the Premises. The provisions of this Article shall not constitute a waiver by Landlord of any right of re-entry as otherwise available to Landlord; nor shall receipt of any rent or any other act in apparent affirmance of the tenancy operate as a waiver of the right to terminate this Lease Agreement for a breach by Tenant hereof.

ARTICLE 22 - SUBORDINATION

Tenant agrees that this Lease Agreement shall be subordinate to any mortgage(s) that may now or hereafter be placed upon the Building or any part thereof, and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements, and extensions thereof, provided the Mortgagee named in any such mortgage shall agree to recognize this Lease Agreement and not disturb Tenant’s rights hereunder in the event of foreclosure provided the Tenant is not in default. This subordination and non-disturbance shall be self-operative and no further certificate or instrument of subordination need be required by any such Mortgagee. In confirmation of such subordination and non-disturbance, however, Tenant shall within ten (10) days of Tenant’s receipt thereof, execute and deliver any instrument, in recordable form, as required by Landlord's Mortgagee. In the event of any Mortgagee electing to have this Lease Agreement a prior encumbrance to its mortgage, then and in such event upon such Mortgagee notifying Tenant to that effect, this Lease Agreement shall be deemed prior in encumbrance to the said mortgage, whether this Lease Agreement is dated prior to or subsequent to the date of said mortgage.

ARTICLE 23 - INDEMNITY, INSURANCE AND SECURITY

A. Tenant will keep in force at its own expense for so long as this Lease Agreement remains in effect commercial general liability insurance insuring Tenant against liability for bodily injury, property damage (including loss of use of property) and personal injury, which insurance shall (i) name Landlord, its property manager and such other parties as Landlord may designate, as additional insureds, (ii) be with companies and in form acceptable to Landlord, and (iii) have a minimum limit of liability of One Million and 00/100ths Dollars ($1,000,000.00) per occurrence and a general aggregate limit of no less than Two Million and 00/100ths Dollars ($2,000,000.00). Said insurance shall also provide for contractual liability coverage. The amount and coverage of such commercial general liability insurance shall not limit Tenant’s liability nor relieve Tenant of any of its obligations under this Lease Agreement. Tenant shall further provide for business interruption insurance to cover a period of not less than six (6) months. Tenant will deposit with Landlord certificate(s) of the policy or policies of such insurance, which shall provide that Landlord shall be notified in writing thirty (30) days prior to cancellation, material change, or failure to renew the insurance. Tenant further covenants and agrees to indemnify and hold Landlord and Landlord's property manager harmless from and defend them against all claims, liabilities, judgments, demands, causes of action, losses, damages and costs and expenses, including reasonable attorneys’ fees, for damage to any property or injury to or death of any person arising from: (i) any act or omission by Tenant, its contractors, agents, employees or invitees in, at, or around the Premises or the Building; (ii) the negligence or willful misconduct of Tenant; (iii) Tenant's failure to comply with any and all governmental laws, rules, ordinances or regulations applicable to the use of the Premises and its occupancy; and/or (iv) any breach or default by Tenant under this Lease Agreement. Tenant’s indemnity obligations under this Article shall survive the expiration or earlier termination of this Lease Agreement. If Tenant shall not comply with its covenants made in this Article, Landlord may, at its option, cause insurance as aforesaid to be issued and in such event Tenant agrees to pay the premium for such insurance promptly upon Landlord's demand.

B. Tenant shall be responsible for the security and safeguarding of the Premises and all property kept, stored or maintained in the Premises. Tenant represents that it is satisfied that following the completion of any Tenant Improvements to be made to the Premises, the construction of the Building and the Premises, including the floors, walls, windows, doors and means of access thereto will be suitable for the particular needs of Tenant's business. Tenant further represents that it is satisfied with the security of said Building and Premises for the protection of any property which may be owned, held, stored or otherwise caused or permitted by Tenant to be present upon the Premises. The placement and sufficiency of all safes, vaults, cash or security drawers, cabinets or the like placed upon the Premises by Tenant shall be at the sole responsibility and risk of Tenant. Tenant shall maintain in force throughout the Term, property insurance upon all furnishings, equipment, trade fixtures and other personal property in the Premises and upon any alterations, additions, fixtures, or improvements in the Premises acknowledged by Landlord to be the Tenant's.

C. Landlord shall carry and cause to be in full force and effect a fire and extended coverage insurance policy on the Building, but not contents owned, leased or otherwise in possession of Tenant. The cost of such insurance and any other insurance maintained by Landlord for the Building shall be Landlord’s expense.

ARTICLE 24 - NOTICES, DEMANDS AND OTHER COMMUNICATIONS

All notices, demands, requests, consents, approvals and other communications required or permitted to be given pursuant to the terms of this Lease Agreement shall be in writing (unless a provision of this Lease Agreement shall expressly provide for verbal notice) and shall be deemed to have been properly given if: (a) with respect to Tenant, they are (i) deposited in the U.S. mails, certified mail with return receipt requested and postage prepaid, (ii) deposited with a reputable courier service for delivery no later than the next business day, or (iii) delivered by hand, in each case addressed to Tenant at the address for the Premises; and (b) with respect to Landlord, they are (i) deposited in the U.S. mails, certified mail with return receipt requested and postage prepaid, (ii) deposited with a reputable courier service for delivery no later than the next business day, or (iii) delivered by hand, in each case addressed to Landlord at its address first above set forth along with a copy to any Mortgagee, if Tenant has been advised of the address for such Mortgagee, delivered in the same manner; provided however that in no event shall Minimum Rental or Additional Rental be deemed to have been paid or delivered until actually received by Landlord. Tenant shall have the right to designate one (1) additional address to which copies of all notices and other written communications to the Tenant pursuant to this Article shall be sent. Landlord and Tenant shall each have the right from time to time to specify as its address for purposes of this Lease Agreement any other address in the United States of America upon fifteen (15) days' written notice thereof, similarly given, to the other party and any Mortgagee. Landlord's property manager and attorneys are authorized to send notices and other written communications to Tenant on behalf of Landlord.

ARTICLE 25 - APPLICABLE LAW

This Lease Agreement shall be construed under the laws of the State of Minnesota.

ARTICLE 26 - MECHANICS' LIEN

In the event any mechanic's lien shall at any time be filed against the Premises or any part of the Building by reason of work, labor, services or materials performed or furnished to Tenant or to anyone holding the Premises through or under Tenant, Tenant shall forthwith cause the same to be discharged of record. If Tenant shall fail to cause such lien forthwith to be discharged within fifteen (15) days after being notified of the filing thereof, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due, or by bonding, and the amount so paid by Landlord and all costs and expenses, including reasonable attorneys' fees incurred by Landlord in procuring the discharge of such lien, shall be due and payable in full by Tenant to Landlord on demand.

ARTICLE 27 - RIGHTS RESERVED BY LANDLORD

Landlord shall have the following rights, exercisable without liability by Landlord to Tenant: (a) to change the Building's name and/or street address; (b) to install, affix and maintain any and all signs on the exterior and in the interior of the Building. Landlord also reserves all airspace rights above, below and to all sides of the Premises; (d) to change the normal business hours of the Building so long as the new hours do not vary substantially with the hours maintained by comparable office buildings in the area where the Building is located; and (e) to grant anyone the exclusive right to conduct any business or render any service in or to the Building, so long as it does not exclude Tenant's permitted use of the Premises.

ARTICLE 28 - BROKERAGE

Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees (collectively "**Leasing Commissions**") in connection with this Lease Agreement, and agrees to indemnify the other party against, and hold it harmless from all liabilities arising from any claim for Leasing Commissions asserted by a broker, agent or other person or entity claiming through the indemnifying party, including without limitation, reasonable attorneys' fees incurred in connection therewith.

ARTICLE 29 - SUBSTITUTION (N/A)

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ARTICLE 30 - ESTOPPEL CERTIFICATES AND FINANCIAL STATEMENTS

This paragraph is intentionally omitted.

ARTICLE 31 - PATRIOT ACT

Tenant represents to Landlord, and Landlord represents to Tenant, that the representing party is not (and such party is not engaged in this transaction on behalf of) a person or entity with which either party is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security ("**Anti-Terrorism Laws**") and; such party has not violated and, to the best of such party's knowledge it is not under investigation for, the violation of any Anti-Terrorism Laws pertaining to money laundering. "Anti-Terrorism Laws", as referenced above, shall specifically include, but shall not be limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56 (aka, the USA Patriot Act); Executive Order 13224; the Bank Secrecy Act, 31 U.S.C. Section 5311 et. Seq.; the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. Seq.; the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. Seq.; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control ("OFAC"), as well as laws related to the prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

ARTICLE 32 - SECURITY DEPOSIT

Simultaneously with Tenant's execution hereof, Tenant shall pay Landlord the sum of **$1.00** (the "**Security Deposit**") to guarantee the payment of rent and the performance by Tenant of all the terms and provisions of this Lease Agreement. Such amount held as a Security Deposit shall bear no interest. Upon the occurrence of any default under this Lease Agreement by Tenant, Landlord may use said Security Deposit to the extent necessary to cure such default, whether rent or otherwise. Any remaining balance of said Security Deposit shall be returned to Tenant upon compliance with the terms and provisions of this Lease Agreement, including, without limitation, Article 19 hereof. Tenant understands that its potential liability under this Lease Agreement is not limited to the amount of the Security Deposit. Use of such Security Deposit by Landlord shall not constitute a waiver, but is in addition to any other remedies available to Landlord under this Lease Agreement and under law. Upon the use of all or any part of the Security Deposit to cure any default of Tenant, Tenant shall forthwith deposit with Landlord the amount of Security Deposit so used.

ARTICLE 33 - EXCULPATION

Tenant agrees to look solely to Landlord's interest in the Building for the recovery of any judgment from Landlord, it being agreed that Landlord and Landlord's partners, whether general or limited (if Landlord is a partnership) or its directors, governors, officers, managers, members or shareholders (if Landlord is a limited liability company or corporation), shall never be personally liable for any such judgment.

ARTICLE 34 - GENERAL

This Lease Agreement does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationship between Landlord and Tenant being that of lessor and lessee. No waiver of any default by a party hereunder shall be implied from any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. The covenants of Tenant to pay the Minimum Rental and the Additional Rental are each independent of any other covenant, condition, or provision contained in this Lease Agreement. The marginal or topical headings of the several Articles, paragraphs and clauses are for convenience only and do not define, limit or construe the contents of such Articles, paragraphs or clauses. All preliminary negotiations are merged into and incorporated in this Lease Agreement. This Lease Agreement can only be modified or amended by an agreement in writing signed by the parties hereto. All provisions hereof shall be binding upon the heirs, successors and assigns of each party hereto. If any term or provision of this Lease Agreement shall to any extent be held invalid or unenforceable, the remainder shall not be affected thereby, and each other term and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law. If Tenant is a legal entity, each individual executing this Lease Agreement on behalf of said entity represents and warrants that s/he is duly authorized to execute and deliver this Lease Agreement on behalf of said entity in accordance with a duly adopted resolution of the governing body of said entity or in accordance with the organizational documents of said entity, and that this Lease Agreement is binding upon said entity in accordance with its terms. No receipt or acceptance by Landlord from Tenant of less than the monthly rent herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid stipulated rent; no endorsement or statement of any check or any letter or other writing accompanying any check or payment of rent to Landlord shall be deemed an accord and satisfaction, and Landlord may accept and negotiate such check or payment without prejudice to Landlord's rights to (i) recover the remaining balance of such unpaid rent or (ii) pursue any other remedy provided in this Lease Agreement. Neither party shall record this Lease Agreement or any memorandum thereof, and any such recordation shall be a breach of this Lease Agreement, void and without effect. Time is of the essence with respect to the due performance of the terms, covenants and conditions herein contained.

ARTICLE 35 - SUBMISSION

Submission of this Lease Agreement by Landlord to Tenant for examination and/or execution shall not in any manner bind Landlord and no obligations on Landlord shall arise under this Lease Agreement unless and until this Lease Agreement is fully signed and delivered by Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Lease Agreement to Landlord shall constitute an offer by Tenant of the terms, covenants and conditions contained in this Lease Agreement, which offer may not be revoked for a period of thirty (30) days after such delivery.

ARTICLE 36- EXPIRATION OF THE LEASE

Tenant may terminate this Lease at anytime prior to the expiration of the Lease term shown in Article 1b, herein, by providing Landlord with thirty (30) days prior written notice to vacate. There shall be no additional fee's or penalties of any kind, including additional utilities for tenant's early termination of the Lease term. Tenant shall cancel heat, electric, trash and telecommunications on the 30^{th} day following it's written notice to Landlord.

IN WITNESS WHEREOF this Lease Agreement has been duly executed by the parties hereto as of the day and year indicated above.

TENANT: ______________________________, LLC

By:____

Its:____

Date: ____

LANDLORD: City of Blaine Economic Development Authority

By:____

It's: ______________________________

Date: ______________________________

By: ____

It's: ______________________________

Date: ______________________________

EXHIBIT A-1 PREMISES

City of Blaine
Staff Report

File Number: RES 23-206

Agenda Date	Status
December 18, 2023	

In Control	File Type
Economic Development Authority	Resolution

New Business - Jason Zimmerman, Finance Director

Agenda Item # 5.2

Adopt the 2024 EDA Fund Budget and Property Tax Levy

Executive Summary

The Board is asked to adopt the 2024 Property Tax Levy and EDA Budget.

Background

The 2024 budget process began with the discussions at the July and August small group meetings and continued with further discussions throughout the fall. The budget as presented is intended to connect the operating activities of the EDA with the board's goals and objectives.

Minnesota statutes allow special taxing districts to certify property tax levies on all real property within their jurisdiction. The Blaine Economic Development Authority (EDA) functions as a special taxing district and is therefore authorized to levy taxes under state law.

The preliminary 2024 property tax levy for the Blaine EDA was adopted on September 18, 2023 and was certified at $1,000,000, which represents the same amount certified for 2023. As a reminder, this amount can only be reduced at the time the final levy is set per MN State Statute.

In November 2023, parcel specific estimates of property taxes for 2024 were mailed by Anoka and Ramsey Counties to property owners. The estimated taxes were based on the preliminary tax levy adopted at the September 18, 2023, EDA Board Meeting.

From the City's most recent Comprehensive Plan, Blaine will encourage "through land use and the City's EDA (Economic Development Authority), development that creates access to sustainable jobs for the residents of Blaine. Development of corporate offices, professional and financial services, research, medical manufacturing and medical services, education and emerging industrial technology will be focal points in helping to create a well-balanced and vital economy for the City and its residents." The City, through the EDA, will "dedicate staff resources to monitoring the economic health of the City and assisting businesses in relocation or expansion within the City."

The proposed final 2024 EDA levy is equal to the preliminary levy amount of $1,000,000. As previously noted, this levy is proposed to be the same as the 2023 levy. At the proposed preliminary levy amount, the median value single family property in Blaine valued at $327,400, which experienced an increase in valuation of 2.18%, is estimated to have the EDA's share of their property tax bill decrease by approximately $3.20 or 11.65% for 2024. As a reminder, assessed values are still subject to change slightly. The proposed levy is anticipated to result in an approximate tax capacity rate of 0.759%.

Strategic Plan Relationship

Adoption of the property tax levy and an annual budget ensures the overall financial stability of the EDA.

Board/Commission Review

N/A

Financial Impact

The proposed budget, if adopted, will result in revenues of $1,143,000, a $20,000 (-1.7%) decrease, and expenditures of $1,141,916, a $103,544 decrease (-8.3%), from the 2023 adopted budget.

Public Outreach/Input

N/A

Staff Recommendation

By motion, adopt the resolution included herein.

Attachment List

1. 2024 Summary Budget EDA Fund
2. EDA 2024 Budget Presentation

City of Blaine

Signature Copy

Resolution: RES 23-206

Adopt the 2024 EDA Fund Budget and Property Tax Levy

WHEREAS, a proposed EDA Budget for the fiscal year commencing January 1, 2024 has been prepared by the Executive Director; and

WHEREAS, said proposed Budget has been prepared and presented to the EDA Board in accordance with all statutes and ordinances of the City of Blaine; and

WHEREAS, the EDA has examined, studied, and reviewed said proposed Budget; and

WHEREAS, the EDA has, after due consideration and deliberation, made such amendments and adjustments in the proposed 2024 Budget as they consider necessary, desirable, or expedient.

WHEREAS, the Blaine Economic Development Authority (the "EDA") has the powers provided in Minnesota Statutes 469.001 through 469.017 (the "ACT"); and

WHEREAS, the EDA will continue to develop and implement programs in accordance with the Act and consistent with the City's 2040 Comprehensive Plan; and

WHEREAS, Minnesota Statutes, Section 469.033, Subdivision 6, allows the levy of a special district tax not to exceed 0.0185% (.000185) of taxable market value for purposes specified therein.

NOW, THEREFORE, BE IT RESOLVED by the EDA of the City of Blaine as follows:

1. That the proposed EDA Budget shown below is approved.
2. That the 2024 budget appropriations shown below are approved.
3. That the City Manager/Executive Director is authorized and directed to implement and to administer, within the budgetary funding limits and relevant State and City laws and regulations, said approved EDA Budget.
4. That the Blaine Economic Development Agency approves of and consents to a final levy in the amount of $1,000,000, but not to exceed 0.0185% of taxable market value of the City as authorized by the Act and described above.

REVENUES:	**AMOUNT**
Property taxes	$1,000,000
Lodging taxes	5,000
TIF administration fees	40,000
Building rentals	15,000
Investment earnings	80,000

Other	3,000
TOTAL REVENUES	**$1,143,000**
EXPENDITURES:	**AMOUNT**
Personnel services	$195,666
Supplies	700
Professional services	6,500
Dues, subscriptions, training	9,600
3M Tournament	122,000
Targeted redevelopment	250,000
Fire suppression grants	35,000
Business appreciation	30,000
Property holding costs	83,500
General administrative fees	408,950
TOTAL EXPENDITURES	**$1,141,916**

PASSED by the Blaine Economic Development Authority this 18th day of December 2023.

CITY OF BLAINE, MINNESOTA

2024 SUMMARY BUDGET
EDA FUND - 213

	2023 Adopted Budget	2024 Proposed Budget	2023 Adopted vs. 2024 Proposed	
Beginning Fund Balance	**$ 5,132,547**	**$ 5,050,087**		
REVENUES				
Tax levy	$ 1,000,000	$ 1,000,000	$ -	0.0%
Lodging Tax Fee	5,000	5,000	-	0.0%
TIF Admin Fees	40,000	40,000	-	0.0%
Building Rentals	20,000	15,000	(5,000)	-25.0%
Program Fees	15,000	-	(15,000)	-100.0%
Investments	80,000	80,000	-	0.0%
Other	3,000	3,000	-	0.0%
TOTAL REVENUE	**$ 1,163,000**	**$ 1,143,000**	**$ (20,000)**	**-1.7%**
EXPENDITURES				
Operating				
Personal Services	$ 177,480	$ 195,666	$ 18,186	10.2%
Supplies	700	700	-	0.0%
Contractual Services	6,500	6,500	-	0.0%
Programs				
3M Tournament	118,500	122,000	3,500	3.0%
City Monument signage	100,000	-	(100,000)	-100.0%
Economic Development Programs				
Targeted Redevelopment	275,000	250,000	(25,000)	-9.1%
Fire Supression Grants	75,000	35,000	(40,000)	-53.3%
Business Appreciation	24,000	30,000	6,000	25.0%
Property holding costs	65,500	83,500	18,000	27.5%
Dues, subscriptions, training	8,600	9,600	1,000	11.6%
Gen Fund Admin Fees	393,300	407,900	14,600	3.7%
Facilities Maintenance	750	920	170	22.7%
Facilities Replacement	130	130	-	0.0%
TOTAL EXPENSES	**$ 1,245,460**	**$ 1,141,916**	**$ (103,544)**	**-8.3%**
Increase (Decrease) in Fund Balance	**$ (82,460)**	**$ 1,084**		
Ending Fund Balance	**$ 5,050,087**	**$ 5,051,171**		

Economic Development Authority (EDA) 2024 Budget

Economic Development Authority| Finance

12/18/2023

Printed 12/18/2023

Slide 1

Agenda

- EDA Background, Services, Programs, and Budget
- Next Steps

EDA Background, Services, Programs, and Budget

Section 1 of 2

EDA Background

- Blaine EDA was established in 1988
- Blaine EDA is comprised of the seven city councilmembers
- Staff include:
  - Executive Director (City Manager)
  - Community Development Director
  - Economic Development Specialist
- Powers and laws are identified in Minnesota Statute 469

Primary powers of an EDA are:

- Set a property tax levy
- Issue revenue and general obligation bonds
- Purchase and sell property for development and redevelopment
- Serve to promote business and to recruit new b usinesses
- Serve as a financial partner to businesses and non-profits through loans, tax increment
- Tax Increment Financing (TIF) and other financial mechanisms
- Carry out marketing and promotional efforts on behalf of the city

About Blaine's Businesses

- Blaine has a strong and growing industrial and commercial business sector. Blaine is home to nearly 1,400 businesses, including:
  - Aveda Corporation
  - Infinite Campus
  - Northtown Shopping Mall
  - Bermo, Inc.
  - Dayton Rogers Manufacturing Company
- Over 24,000 people are employed by businesses located within the city
- The city maintains eleven industrial parks
- Blaine is the home of the Anoka County-Blaine Airport, which is the metro area's busiest reliever airport

EDA Services

- The Blaine Economic Development Division offers a variety of services to businesses, developers, and real estate professionals. Services include:
  - Assisting developers in identifying potential sites
  - Business retention & expansion visits
  - Coordinating redevelopment needs
  - Providing information about Blaine development activity
  - Identifying public and private development financing alternatives
  - Coordinating various city approvals for developments
  - Providing staff support to the Blaine Economic Development Authority Board and City Council

EDA Programs and Initiatives

- General Programs
  - 3M Tournament Sponsorship
  - City Monument Signs
- Economic Development Programs
  - Targeted Redevelopment
  - Fire Suppression Grant
  - Blaine Business Appreciation Day
  - Property Holding

EDA Budget Summary

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Proposed 2024 Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY				
TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $5,797,600 or 15.62% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase				
Pay Year	Final - 2023	Prelim Levy - 2024	TNT - 2024	'23 to TNT '24
Market Value	320,400	327,400	327,400	2.18%
Market Value Exclusion	(8,404)	(7,774)	(7,774)	-7.50%
Taxable Market Value	311,996	319,626	319,626	2.45%
Tax Capacity	3,120	3,196	3,196	
Tax Capacity Rates:				
City	31.800%	34.340%	33.216%	4.45%
EDA	0.880%	0.759%	0.759%	-13.75%
Property Taxes:				
City	992.16	1,097.51	1,061.58	69.42
EDA	27.46	24.26	24.26	(3.20)
Total	1,019.62	1,121.77	1,085.84	$ 66.22
			City	7.00%
			EDA	-11.65%
			Total	6.49%

EDA Levy

- 0% Increase

Property Value

- 2.18% Increase

City Tax Bill

- 11.65% Decrease

Based on Preliminary Values provided by Anoka & Ramsey County

Printed 12/18/2023

Next Steps

Section 2 of 2

Questions and Notes for Council

- EDA deliberation, discussion, and comments
- Consider resolution adopting the 2024 EDA Fund Budget and Property Tax Levy