



ECONOMIC DEVELOPMENT AUTHORITY MEETING
Community Center: 23340 Cree St. NW
Thursday, October 24, 2024 at 6:00 PM

AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **ELECTION OF OFFICERS**
4. **APPROVAL OF MINUTES**
 - A. EDA Minutes - May 3, 2023
 - B. EDA Minutes - August 22, 2023
5. **APPROVAL OF AGENDA**
6. **NEW BUSINESS**
 - A. LOI - NorthShore Development
 - B. 2023 Annual Report
7. **MEMBER REPORTS**
8. **ADJOURNMENT**



ST. FRANCIS ECONOMIC DEVELOPMENT AUTHORITY
St. Francis City Hall, 23340 Cree Street NW
Tuesday, May 3, 2023 at 5:30 PM

MINUTES

1. CALL TO ORDER

Meeting called to order at 5:38 pm on May 3, 2023

2. ROLL CALL

Present: Brenda Pavelich-Beck, Joe Muelbauer, MaraLynn Kubacki, Michael Rodger, and Steve Feldman.

Also Present: City Administrator Kate Thunstrom and Community Development Director Colette Baumgardner.

3. APPROVAL OF MINUTES

Motion: Muehlbauer
Second: Rodger
Motion Carried: 5-0

4. APPROVAL OF AGENDA

Motion: Rodger
Second: Kubacki
Motion Carried: 5-0

5. NEW BUSINESS

A. Annual Report for 2022

City Administrator Thunstrom reviewed the Staff report in regard to the EDA Annual Report for 2022.

Motion to accept the Annual Report for 2022.

Motion: Muehlbauer
Second: Kubacki
Motion Carried: 5-0

B. Approve Real Property Transfer from City

Thunstrom reviewed the Staff report concerning the transfer of property from the City to the EDA. She noted that this is the parcel that is north of the EDA's 3731 Bridge Street property.

Rodger noted that this will give access to the site off of Ambassador.

Thunstrom added that this transfer does not include the site that is a part of the road program.

Motion to adopt Resolution 2023-01 accepting the transfer of real property and granting signatory authority.

Motion: Feldman
Second: Pavelich-Beck
Motion Carried: 5-0

C. Transfer Real Property to the City

Thunstrom reviewed the Staff report in regard to the transfer of property from the EDA to the City. She explained that the EDA acquired four properties alongside the City properties that are being developed into the City Hall Fire Station and they all need to be in the name of the City to move forward.

Feldman asked if this would become one PID. Thunstrom said yes.

Rodger asked if funds were taken out of the EDA budget to purchase this property. Thunstrom said yes. Rodger asked if they will be getting any of these EDA funds back. Thunstrom explained that there were limited funds in the EDA budget and the funds that were there were transferred from the City for the EDA to spend. She said she has not have any conversations with the Council about repaying any portion to the EDA. She added that if there were projects done on the line that the EDA wanted to look into, they could put in a request to Council to look into these projects.

Rodger asked if there are still funds available through the County. Thunstrom said yes, around \$300,000.

Motion to adopt Resolution 2023-02 transferring real property and granting signatory authority.

Motion: Kubacki
Second: Feldman
Motion Carried: 5-0

D. EDA Application to Register Land

Thunstrom reviewed the Staff report concerning the registration of the land at 3731, 3765, and 3757 Bridge Street. She explained that they would be applying to the courts to set a judicial land marker to seal in a survey point for these locations.

Feldman asked when the 'auditor's plat' was done. Thunstrom said it was done around 100 years ago.

Rodger asked how they are granting a permit to the dentist's office next door if they do not know where the boundary lines are. Thunstrom shared that a lot of the surrounding properties have been surveyed and any errors that are found are very slight. She added that the survey work has been done, this is just a formality to clean things up legally.

Motion to complete the application and proceed with legal counsel on the process.

Motion: Muehlbauer

Second: Kubacki
Motion Carried: 5-0

E. Easement Agreement with St. Francis Dental

Community Development Director Baumgardner reviewed the Staff report in regard to an easement agreement with the St. Francis Dental Office.

Rodger shared that he is a patient of this dental office and asked if he should recuse himself from the decision. He added that being a patient would not sway his opinion one way or another. The Commission said Rodger would not benefit from this decision so he does not need to recuse himself.

Rodger asked how much of the land will they be letting the dental office use. He asked if they will be putting up a temporary fence around the area that they will be using. Baumgardner said they will not be putting up a temporary fence; however, it is something they could ask to be done. She added that the easement area is shown in the packet.

Rodger said he would like to see some kind of language in the agreement that states that they have to put up temporary fencing if it becomes an issue.

Baumgardner explained that there is language in the agreement that states that the dental offer will need to take out an insurance policy to cover the equipment that will be stored there. She noted they will also have an end date on when they would no longer be allowed to access the easement area.

Kubacki asked if there would also be a trail on the easement or if it would just be equipment. Baumgardner shared that it is her understanding that it would just be equipment.

Rodger shared that he worked in construction for many years and the sites that were not fenced in always had trouble. He said he would like something put into the agreement about this so if the Police Department is getting consistent calls to this location with people vandalizing the equipment, something can be done about it. He noted that when they begin constructing the City Hall Fire Station, this will be chained off for protection.

Feldman noted that the City Hall Fire Station project is much different as it is bigger and will have other equipment. He said they could add this language on the off chance they need it.

The Commission agreed that language should be added about requiring temporary fencing if issues arise.

Thunstrom said they can reach out to the applicant and see if they have any plans in place if these kinds of issues arise.

Baumgardner shared that she believes the applicants will take the safety measures that they feel necessary to protect their construction equipment.

Motion to approve the Temporary Easement Agreement with St. Francis Dental, with addition of language to add temporary fencing if deemed necessary.

Motion: Muehlbauer
Second: Feldman
Motion Carried: 5-0

6. ADJOURNMENT

Muehlbauer made a motion to adjourn the meeting at 6:06 p.m. Feldman seconded.

Jennifer Wida, City Clerk

DRAFT



ST. FRANCIS ECONOMIC DEVELOPMENT AUTHORITY
St. Francis City Hall, 23340 Cree Street NW
Tuesday, August 22, 2023 at 5:30 PM

MINUTES

1. CALL TO ORDER

Meeting called to order at 5:30 on August 22, 2023

2. ROLL CALL

Present: Brenda Pavelich-Beck, Joe Muelbauer, MaraLynn Kubacki, Michael Rodger, and Sarah Udvig.

Also Present: City Administrator Kate Thunstrom and Community Development Director Colette Baumgardner.

3. APPROVAL OF AGENDA

Motion: Muehlbauer
Second: Pavelich-Beck
Motion Carried: 5-0

4. NEW BUSINESS

A. MOU Proposal for 3731 Property

Community Development Director Baumgardner reviewed the Staff report concerning the MOU from Northshore Development Partners who is interested in all of the properties surrounding the 3731 properties north of the dental office along Bridge Street.

Pavelich-Beck asked if there have been any other inquiries on this property. Baumgardner shared that they have had inquiries before and that they reviewed another proposal at the last meeting in November for this property. She noted that the last developer interested, BlueWaters, did not have a proposal that filled the housing gap as well at Northshore’s proposal. She added that she has gotten a lot of phone calls about this property from developers.

Rodger asked if Northshore and BlueWaters are the same. Baumgardner said no and explained that they are two different groups. She noted that BlueWaters is potentially still interested in the commercial properties that the EDA owns along Bridge Street.

Pavelich-Beck asked if there has still been constant communication from BlueWaters about their interest. Baumgardner shared that they are reaching out every few months. She added that the title work on this property is complicated.

Muehlbauer asked if they would still be open for anyone but they are exclusively working with Northshore for the next 180 days. Baumgardner said yes.

Muehlbauer asked when they expected to be able to sell this property. Baumgardner explained that the judicial landmarker process gives the court six months to review the application once it gets to the court. She noted that the application is still at the County. She noted it is friendly to have the County property department look over this first and give their blessing before submitting it to the court with this blessing from both the County and the City. She added that there is not a required timeframe that the County has to get back to the City. She shared that the City attorneys submitted the application two months ago.

Rodger asked if this is something that they can request that the County representatives help push through. Baumgardner said this is not recommended.

Thunstrom explained that the person who would be reviewing this for the County is actually an employee of the State that works at the County level on behalf of a legal title. She noted that this is the process and has been the process for every parcel they have had to make these changes on.

Udvig asked if this process has been rather lengthy for all situations where they have sent it to the County. Thunstrom noted that it took four years to get the east shop site completed.

Udvig stated that they do not want these developers to lose interest in this site and if they have to wait a long period of time they likely will. Baumgardner shared that she has informed the developers of the process that the City is going through and why there is a delay.

Udvig asked if BlueWaters had an MOU when they were interested in this property. Baumgardner said no.

Rodger asked about the first line item on the agreement which states that if the parties do not mutually agree in writing to begin negotiations on a development agreement or a purchase agreement at the end of an exclusivity period then they have 45 days to sign a purchase agreement after the fact. He asked if this means that the developer would get an additional 45 days after the initial 180 days to come up with an agreement. Baumgardner explained that her understanding of this is that the exclusivity period would end at 180 days and they would then have a signed purchase agreement within 45 days of the end of the 180 days. She asked if there was a concern with these additional 45 days. Rodger asked if this is a legality and if they get a different offer after the initial 180 days if the additional 45 days would tie them into the exclusivity.

Kubacki asked how they would handle this if Northshore was doing their thing and another developer came in. She asked if they would start discussions with the other developer while they are still in the process of negotiating with Northshore. Rodger noted that they could not do this until after the 180 days.

Rodger asked if it is just 180 days of exclusivity or 180 days plus the additional 45 days. Baumgardner stated that she is not sure on this as it is not totally clear.

Pavelich-Beck stated they should figure this out.

Udvig explained that the fourth line item in the agreement states that if they have not begun negotiations on terms of the development agreement or purchase agreement for all or any portion of the project, the MOU would automatically terminate at 5:00 p.m. on the last day of the exclusivity period.

Rodger asked if they are looking at using TIF dollars for this. He noted that Northshore has used quite a bit of TIF funding on all of their projects. He asked what they would be looking for in TIF funding. Baumgardner explained that this would come out with the financial models that they put together. She noted that in some of the conversations she has had with Northshore they have said they will put together a report of what they expect the market rates to be and what their anticipated construction costs would be and what that gap would be. She added that they would start this conversation with Staff to ask the best ways to fill the gap. She noted that if TIF dollars were to be used for this then they would need to submit a business subsidy application and the application would then be reviewed by the Council. She stated that they would have to show that they need TIF funding in order to get it. She shared that it is her understanding that St. Francis is a community where it would be potentially challenging to get the rental rates to match the construction costs. She noted that they will be able to look at this in their financial analysis, which they will have during the 180 day period.

Thunstrom explained that a lot of the developers who come in looking for the multi-family and apartment housing buildings tend to be dependent on TIF funding. She shared one of the challenges in renting in St. Francis is that they are in the Minneapolis-St. Paul-Bloomington financial square so when they talk about affordable housing, it is considered market rate housing for St. Francis. She stated that looking at TIF is not putting the City's rents at a level in which they would not be at a market rate level already. She stated that they would not be bringing in a ton of affordable housing that is creating a demographic outside of what they already have in the City. She stated that TIF is a huge component of these multi-family developments and many are not developed without public subsidies.

Baumgardner noted that in the Met Council's 2022 median household income for a family of four is \$124,000 and one of the TIF levels is that you would have to be at 60% AMI. Thunstrom added that St. Francis' demographic is around the 60%.

Rodger stated that as he looks at the apartment building it shows that it has three to four levels. He asked if this puts the Fire Department in need of a ladder truck. Thunstrom noted that with the current mutual and auto aid agreements with the surrounding communities, they would not need to further their fleet for one building such as this.

Pavelich-Beck asked if the Council has ever had discussions about TIF and if this is something that they would be interested in. Muehlbauer explained that they had something go on and they had approved TIF funding at one point. He stated that he would personally not like to see any TIF funding, but he is not against it.

Rodger added that there are many different options for the TIF funding as it could be for infrastructure or lighting and landscaping. He stated that he is also not opposed to this, but is also not encouraging this.

Pavelich-Beck asked about the other funding options and if the developer would apply directly to the State for this. Baumgardner said yes.

Rodger asked if this would be managed solely between the developer and the State. Baumgardner said yes; however, she noted that the applications can be more successful if there is a letter of support from the City.

Thunstrom explained that there is one large scale TIF project that has already been closed out over off of Arrowhead. She stated that when it comes to apartment buildings subsidies are almost guaranteed because the construction is not affordable for the rents that they would be able to collect. She explained that they would test this to see how large the gap is which would help determine how long they are able to receive the TIF funds. She added that TIF is guided by State statute. She stated that TIF is very strict when it comes to the legislative pieces and this project would have to prove to Elhers that they meet all of the qualifications based on State law. She added that there are going to be a lot of people looking for TIF funds based on the current housing market.

Rodger shared he was told that in order for a project for senior assisted living there would have to be TIF money in order for there to be a subsidy for seniors through the State. He asked if this was true. Thunstrom explained that this has to do with affordability. She shared that seniors collect a voucher that is capped so they cannot charge the full rent, which is why they would need the subsidies to bring the gap down as they are not going to be able to get the monthly rent that they need to pay the bills to construct the building. She noted that when there is a targeted group, like the senior population, there is too much of a gap between what they can realistically charge for rent versus the cost of the construction to out up the building. She noted that with the current rates she sees this gap being pretty big due to the high interest rates.

Rodger stated that there is a lot more to the TIF funding than many people realize. Thunstrom explained that it is very complicated and stated that Staff would never try to do something like this in house and they will always request Elhers do the underwriting. She added that the project will pay for the escrow to cover the cost for Elhers. She reiterated that TIF funding is how multi-family housing projects are being built.

Rodger shared that the last newsletter from the County talked about they are working with the other cities in the County; however, St. Francis has not heard anything from the County on how they want to work with this EDA. Baumgardner stated that Staff does talk with the Anoka County Regional Economic Development Group. She shared that Greg with the Anoka County Regional Economic Development Group is interested in coming out and talking to cities and communities in the County, which he has talked about starting this fall. She added that she is inviting Greg to a Council meeting and can also invite him to the next EDA meeting. Rodger stated that he would love to hear what Greg has to say.

Kubacki asked when this building goes up if it is determined how much rents will be full price, section 8, and section 42. Baumgardner stated that this would be discussed during the financing process. She stated that they do not necessarily have to use the sectioned programs if they are doing the TIF financing, they would just have to do their own income verification on the residents.

Rodger asked if there should be earnest money during the 180 day period. Kubacki explained that during the 180 days there is no contract between the parties. She noted

that once they enter into the 45 days where they have to make a purchase agreement then there would be earnest money.

Kubacki asked if the title is not ready on the property when this comes around if there are any financial repercussions to the City. Baumgardner explained that this is addressed in a clause at the end of Section #1.

Rodger shared that he was originally opposed to this before he heard about the title issue. He now noted that it would be foolish to not move into this agreement.

Motion: Rodger
Second: Kubacki
Motion Carried: 5-0

B. Election of Vice President
Nomination for Brenda Pavelich-Beck to be Vice President

Motion: Rodger
Second: Kubacki
Motion Carried: 5-0

5. ADJOURNMENT

Muehlbauer made a motion to adjourn the meeting. Udvig seconded.

There being no further business, Muehlbauer adjourned the EDA at 6:06 p.m.

Jennifer Wida, City Clerk

**EDA COMMISSION
AGENDA REPORT**

TO: St. Francis Economic Development Authority
FROM: Kate Thunstrom, EDA Executive Director
SUBJECT: 3731 Bridge St – Letter of Intent
DATE: October xx, 2024

ITEMS TO BE DISCUSSED:

On August 22, 2023, the EDA approved a memorandum of understanding to partner with Northshore Development on a multi-family unit building. This housing development is looking to occupy the EDA owned property at 3137 Bridge Street and the property to the North.

Tonight, the project is looking to take the next steps to enter into a Letter of intent to purchase the property with the EDA. This will allow the project to complete the steps through Planning, plan development and finance.

Preliminary notes about the concept, subject through adjustments through planning process:

- 120 units proposed
- Will be submitting a TIF application, however due to mandated timelines is waiting to get through preliminary steps before starting the process
- Also using other creative finance tools such as Greater MN Housing fund, 4D, etc. Projects such as this typically require multiple sources to construct.
- Concept shows:
 - 48 Units at 60% AMI
 - 42 Units at 80% AMI. To put that into perspective, 80% of Area Median Income (AMI) for the region is higher than St. Francis market rents.
 - 30 Units Market rate
- St. Francis WAC/SAC fee's are considered higher than typically metro areas, this is why they have requested the partnership on initial grading and site work.

- The city will work with Ehlers on land sale price. This is a tool that can be used to show city buy in, project equity and commitment when it comes to greater lending tools.

This project has not completed Zoning and Planning as it is still in the site plan phases. However, they are interested, if all the work can be completed, to break ground the spring/summer of 2025. After tonight's meeting the project will meet with City Planning and Engineering staff.

The attached documents have been reviewed by the City/EDA Legal team.

ACTION TO BE CONSIDERED

EDA to review and consider entering into a Letter of Intent with Northshore Development for the EDA property located at 3731 Bridge Street subject to attorney form.

ATTACHMENTS:

Northshore Development, Letter of Intent
Woodbine Extension
Site – concept renderings

October, 4, 2024

St. Francis Economic Development Authority
Attn; Kate Thunstrom

RE: Letter of Intent for Purchase of Property – St. Francis, Anoka County, MN

Dear Kate:

This letter of intent (“**LOI**”) is intended to set forth the general terms and conditions on which North Shore Development Partners LLC, a Minnesota limited liability company, and/or its assigns (“**Buyer**”) is prepared to commence the negotiation of a purchase agreement with The St. Francis Economic Development Authority (“**Seller**”). This LOI is non-binding on Buyer and Seller except with respect to the obligations of both parties related to confidentiality and exclusive negotiations. Accordingly, this letter does not constitute an offer, a contract, or an agreement, but has been prepared and executed to serve as an aid in the preparation and negotiation of the purchase agreement (“Purchase Agreement:”).

The proposed general terms and conditions are:

- Property.** The “Property” includes (i) the approximately 7.~~6695~~ acres of land located at 3731 Bridge Street NW and adjacent property with PID #'s St. Francis, Anoka County, Minnesota (PID # ~~323424340035 & 323424310016~~323424310020, 323424340035 & 323424310016), subject to that certain future public right-of-way, referred to as the Woodbine St. NW Extension and that certain future access/driveway easement reserved by Seller which may allow for maintenance and public safety vehicles and employees to access between the Woodbine St. NW Extension and the existing Ambassador Blvd. NW, that certain Development Performance Agreement by and between the parties hereto and/or deed covenant pursuant to Minn. Stat. Sec. 469.105 and subject to future conveyances as may be necessary or beneficial as determined by Seller in its discretion related to title clearing and registration noted below (“Real Property”), (ii) all other rights, privileges, hereditaments, appurtenances, and improvements located on and/or in any way related to the Real Property, and (iii) all contracts, permits, ~~warranties~~, and records relating to the Real Property in the possession of Seller. The legal description of the Real Property will be determined prior to Closing (defined below) and will conform to the title work for the Real Property as prescribed in the Purchase Agreement. ~~In connection with the sale of the Property, the following~~ subject to revisions made pursuant to that certain Land Title Registration Action, Anoka County Court File No. 02-CV-24-403. Buyer agrees to take title subject to the existing proposed legal description of the Real Property specified in such Land Title Registration Action, subject to approval of Buyer of further revisions thereto as noted herein. Seller specifically informs Buyer that there are current and pending title issues impacting the Real Property which are the subject of such action and that certain portions of the Real Property may be either conveyed or subjected to easements in favor of

third parties. Seller specifically reserves the right to convey or grant easements or refrain from conveying or granting easements in its discretion but the Purchase Agreement shall contain provisions to allow Buyer's obligations to be contingent upon acceptance of any such conveyance or grant. In connection with the sale of the Property, the following, if in the possession of Seller and Seller is not otherwise legally restricted from making such data public, if any, will also be included in the Purchase Price (as defined below):

- a. Any market studies;
 - b. Any appraisals;
 - c. Civil engineering documents;
 - d. ALTA survey, geotechnical reports, tree surveys, Phase 1& 2 Environmental reports.
2. **Purchase Price.** Buyer will pay a purchase price of One Dollar (\$1.00) ("***Purchase Price***"). ~~The Purchase Price has been calculated as follows:~~
3. **Earnest Money.** ~~The Purchase Price~~ Buyer shall ~~include~~ deposit Ten Thousand Dollars (\$10,000.00) of earnest money ("***Earnest Money***"); half of which shall be returned to Buyer upon a successful Closing, which will be paid to a title company of Buyer's choice ("***Title Company***") within five (5) business days of the execution of the Purchase Agreement, ~~with the remainder of the Purchase Price to be paid on the Closing Date (as defined below).~~ secure performance thereunder. During the Due Diligence Period (defined below), half of the Earnest Money will be fully refundable if Buyer, for any reason or for no reason, elects not to pursue purchasing the Property. After the Due Diligence Period, the Earnest Money will be nonrefundable in full unless (i) Seller defaults under the Purchase Agreement in any material respect and does not cure the default within the time permitted by the Purchase Agreement, or (ii) a condition precedent to Buyer's obligation to close is not satisfied and Buyer elects not to close, (iii) Seller is unable to provide Buyer with marketable title during the time permitted under the Purchase Agreement. ~~The, and in the event of any of such events, half of the~~ Earnest Money shall be ~~credited against development costs due from~~ refunded to Buyer ~~to Seller~~.
4. **Due Diligence Period.** Buyer shall be allowed Three Hundred (300) days after the execution of the Purchase Agreement ("***Due Diligence Period***") to conduct Buyer's due diligence related to the Property.
- a. **Delivery of Due Diligence Documents.** Upon execution of a Purchase Agreement, Seller shall provide Buyer with copies of various due diligence documents in the possession of Seller and Seller is not otherwise legally restricted from making such data public, if any, including, but not limited to, existing title work, surveys, environmental reports, geotechnical reports relating to the Property as well as items listed in items 1 above (collectively, the "***Due Diligence Documents***").
 - b. **Buyer's Inspections.** Buyer shall have the right, during the Due Diligence Period, at its sole expense, to review the Due Diligence Documents and to conduct and have prepared all tests, on-site inspections, or other procedures which Buyer deems

necessary with respect to the Real Property. Buyer shall also have the right to engage an environmental consultant to complete a Phase I Environmental Site Assessment of the Real Property. Buyer and its agents shall be permitted reasonable access to the Real Property during business hours of Seller for the purpose of such inspections, provided that Buyer shall provide Seller with at least 24 hours advance notice of such access and provided further that Seller or its agent shall have the right to accompany Buyer or its agents during such inspections and tests. In the event Buyer shall perform inspections or testing, Buyer shall restore the Real Property to its prior condition. Buyer shall indemnify Seller against any and all mechanic's liens or personal injury arising from Buyer's access onto the Real Property and Buyer's inspections or testing and such indemnification obligation shall survive termination of the Purchase Agreement and delivery of the deed.

- c. Engineering/Subdivision/Platting. Any additional wetland delineation work, soil borings, survey, site planning, and development application fees shall be conducted by and paid for by the Buyer. Any additional subdivision/platting of the Real Property shall be conducted by Buyer at Buyer's sole cost and expense. (Buyer is not authorized to subdivide until after Closing). Any additional architectural, interior design or engineering services will be paid by Buyer. Seller shall reasonably cooperate in signing of all reasonable application documents.
 - d. Seller's site work: Seller will complete the necessary site work on the property prior to closing, such work includes: Erosion control, site clearing and grubbing, earthwork, stormwater ponding and utilities extended into the boundary of the property.
 - e. Termination of Purchase Agreement during Due Diligence Period. If, during the Due Diligence Period, Buyer determines, in its sole discretion that the acquisition of the Property is not feasible or practical, then Buyer shall have the right to terminate the Purchase Agreement and receive a ~~full~~-refund of half of any Earnest Money paid.
5. **Title and Survey**. Within five (5) days after the execution of a purchase agreement, Buyer shall order and pay for a commitment for a standard owner's title policy, including all name searches and a search for special assessments. Buyer shall have fifteen (15) days from receipt of a title commitment in which to review, approve or object to the status of the title to the Property. Additionally, Buyer shall pay for any survey of the or such objections shall be deemed waived and such encumbrances shall be deemed permitted encumbrances and may be included as exceptions on the deed conveyed at Closing (this provision shall survive delivery of the deed and the deed to be conveyed at Closing shall be in the form of a quit claim deed). Permitted Exceptions are intended to include any right-of-way created for the Woodbine St. NW Extension, an access/driveway easement created to allow access in between Woodbine St. NW Extension and the existing Ambassador Blvd. NW and the Development Performance Agreement and/or deed covenant related to the same (Minn. Stat. Sec. 469.105). Additionally, Buyer shall pay for any survey of the Real Property and any owner's or mortgagee's title insurance policy. Seller will provide a copy of the survey of this Real Property and other pertinent documents specified herein to the Buyer within five (5) days of execution of the Purchase Agreement. Buyer shall have the option to order and pay for a new survey ("**Survey**") if it determines that it needs a new survey for purposes of its title and survey review.

6. **City Participation.** Buyer will work with ~~Seller~~the City of St. Francis and the City's Financial Consultants to potentially create a TIF district for the purposes of creating a TIF Note for the benefit of the Buyer. ~~The Seller with also work to reduce, or remove, when possible, all city driven charges (Met Council SAC excluded) such as park dedication fees and utility access fees~~The Seller does not control the City of St. Francis, nor guarantee any TIF district will be created.
7. **~~Representations and Warranties.~~** The Purchase Agreement shall require Seller to provide ~~normal and customary~~limited representations, to the best of the knowledge of Seller, which may be limited to the primary governing officer of Seller, but no warranties ~~and/or~~ indemnifications, and this provision shall not be construed to bind Seller to any proposed representation and the parties agree that representations will be negotiated by the parties in the Purchase Agreement. Other than the representations negotiated, the Real Property will be sold and conveyed AS IS, and without representation or warranty and any representation shall be actionable for one year after Closing. The Purchase Agreement shall also contain a provision allowing Buyer to terminate the Purchase Agreement in the event of any material change in such representations ~~or warranties.~~
8. **Conditions to Buyer's Performance.** Buyer's obligation to close on the purchase of the Property will be conditioned upon Buyer's satisfaction with
- a. Buyer's inspection of the Property during the Due Diligence Period;
 - b. Buyer's confirmation that the Property complies with all municipal requirements;
 - c. Buyer's confirmation that its intended use for the Property is feasible and that there is suitable water/sewer availability to the Property; and
 - d. Buyer's approval of revisions to the proposed legal description of the Real Property described in that certain Land Title Registration Action noted hereinbefore, if any.
9. **Transaction Costs; Prorations.** Closing costs will be paid in accordance with customary practices for Minnesota real estate transactions. Buyer shall be responsible for all abstracting, title examination, premiums required for the issuance of the title policy, mortgage registration tax, recording fees, and one-half of the closing fees charged by the title insurance company. Seller shall be responsible for payment of the state deed tax, ~~the cost of issuing the title insurance commitment,~~ and one-half of the closing fee charged by the title insurance company.
10. **Taxes and Assessments.** Seller shall pay any deferred taxes that become payable upon the recording of the deed by Buyer. Seller shall pay all special assessments, whether deferred, levied or pending, as of the Closing Date, unless related to Buyer's development of the Real Property. Real estate taxes payable in the year of the ~~closing~~Closing shall be prorated to the date of ~~closing~~Closing.
11. **Closing.** Buyer shall ~~use its best efforts to~~ close on the purchase of the Property on or before the date that is Thirty (30) days after the expiration of the Due Diligence Period or such earlier date as selected by Buyer upon ten (10) business days' prior written notice to Seller ("Closing" or "Closing Date"), except that Seller shall not be bound to close on

such date if Seller has not yet completed its Title Registration Action noted hereinbefore. The Purchase Agreement shall provide for a mechanism of reasonable extension by Seller in such event to be negotiated by the parties in the Purchase Agreement.

- 12. **Delivery of Purchase Agreement.** As soon as possible after the acceptance of this Letter by Seller and Buyer, the parties shall, in good faith, endeavor to negotiate a formal Purchase Agreement that will embody the general terms and conditions of this LOI and which will be binding upon all parties and govern the transaction. Seller acknowledges that Buyer will be creating a new affiliated entity to take ownership of the Property and the Purchase Agreement will allow the assignment of rights by Buyer to such affiliated entity but general assignment shall not be permitted.
- 13. **Exclusive Negotiations.** Following the execution of this LOI, Seller agrees to not negotiate with any other third parties for the for the sale of the Property or enter into any other purchase agreements or options for the Property until the earlier of the following: (a) thirty (30) days; or (b) Buyer notifies Seller, in writing, that it will not be pursuing the purchase of the Property and that this proposal has been withdrawn. This provision will be binding upon Seller, as provided in the introductory paragraph, in the event that this letter of intent is executed.

~~**Confidentiality.** Buyer and Seller agree to maintain the details of this transaction in strict confidence and to not disclose information about this proposal to the public.~~

As stated above, this letter of intent is intended to be an outline of the terms and conditions for a possible sales transaction between Seller and Buyer. It contemplates that the parties will negotiate in good faith to enter into a mutually satisfactory Purchase Agreement and, in addition to the terms outlined in this letter, will incorporate other provisions as may be normal and customary in standard purchase agreements.

If the general terms and conditions of this letter of intent are acceptable to you, please execute this letter of intent below. We look forward to working with you!

Very truly yours,

North Shore Development Partners LLC

MATT ALEXANDER
By: Matt S. Alexander
Its: President

Agreed to and Accepted by:

St. Francis Economic Development Authority, Minnesota

By:

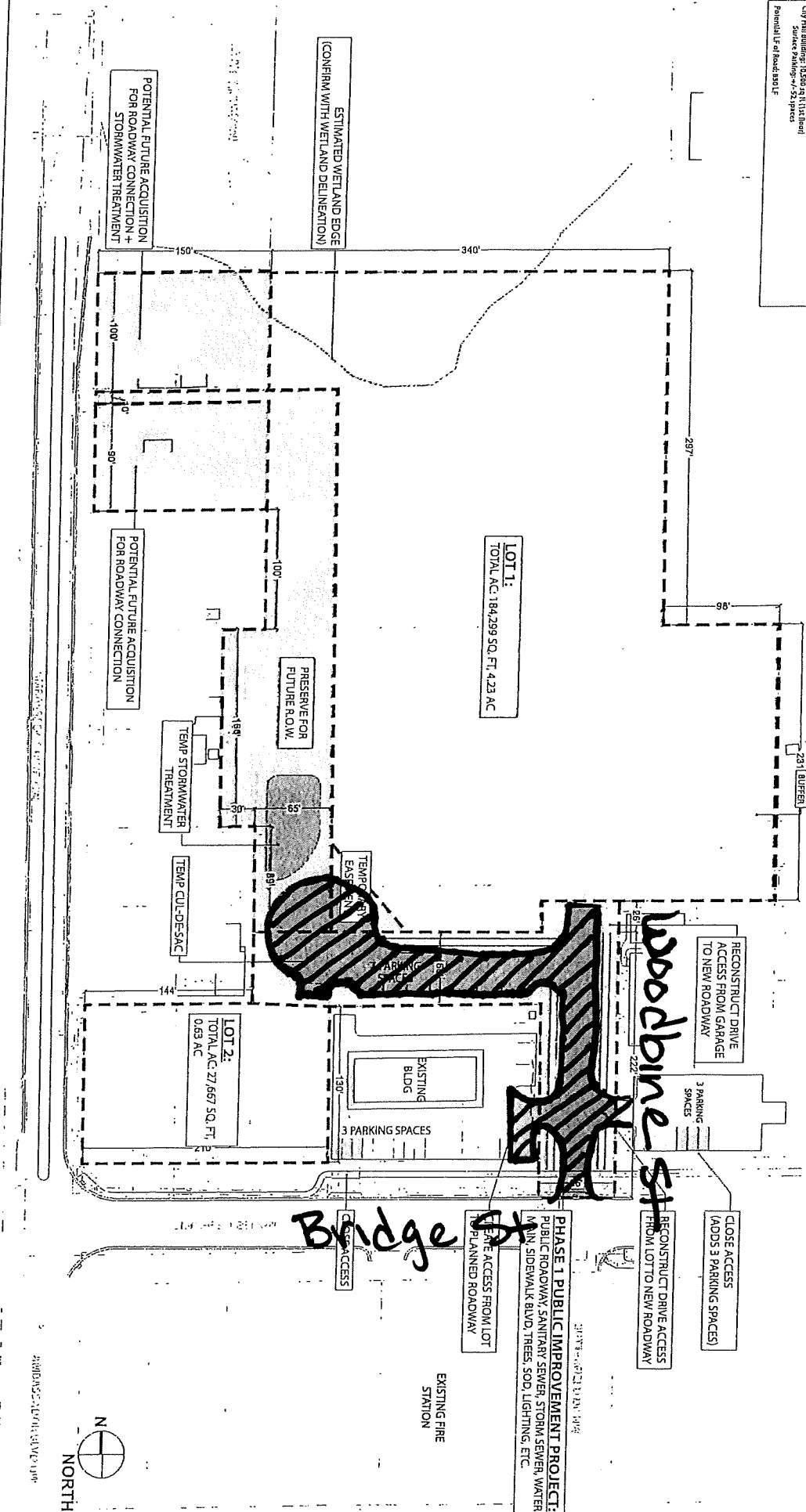
Its: _____

~~EXHIBIT A~~
~~SOFT COSTS REIMBURSABLE TO SELLER~~



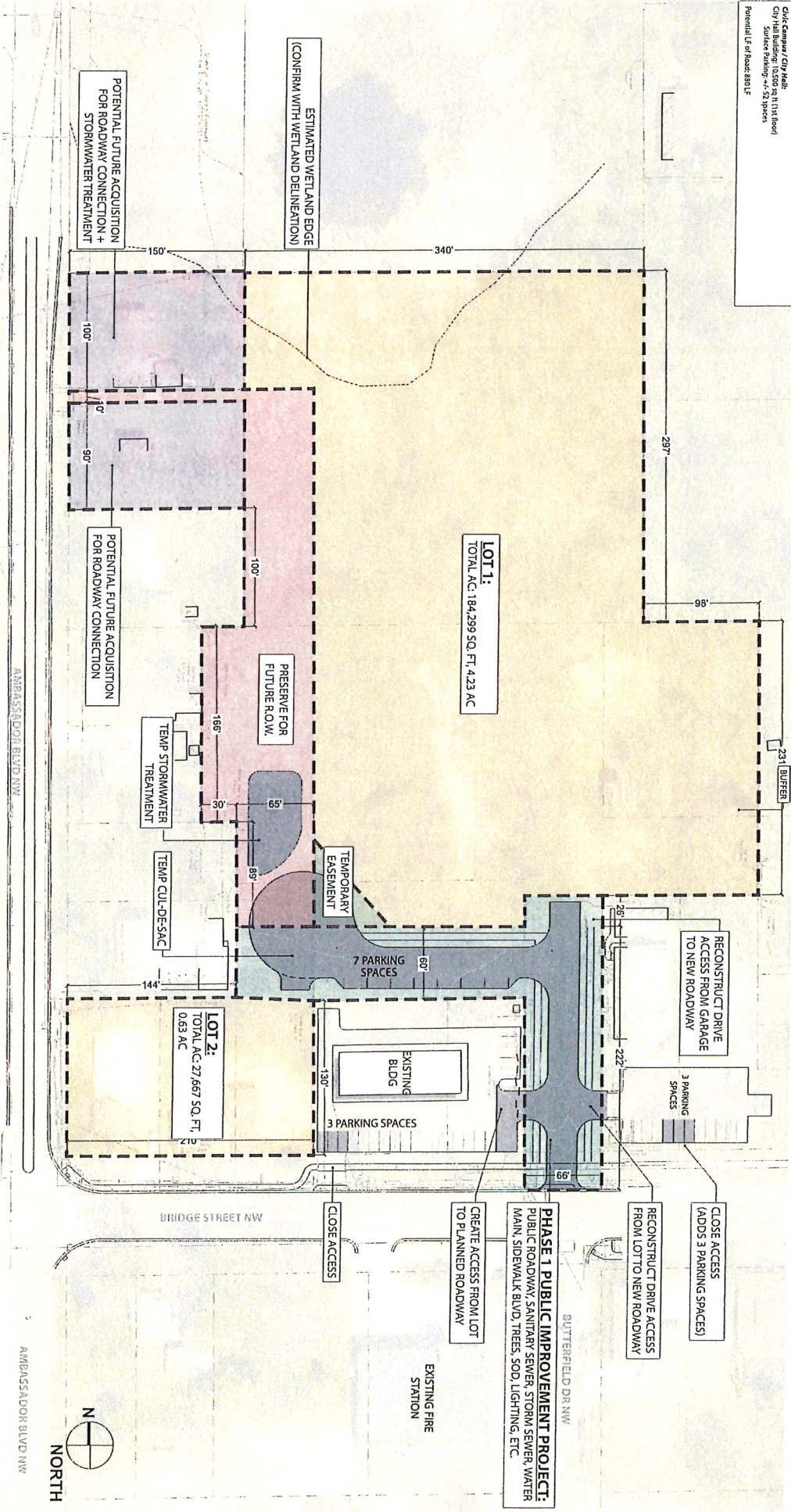
PHASE 2 DEVELOPMENT PROPOSAL SUMMARY:
 Acquisition of bridge structure
 Reconstruction of bridge structure
 Underground parking: 46 (100 spaces; surface parking: 42 spaces
 Total: 88 spaces
 Commercial building: 4,200 sq ft
 Surface parking: 42 spaces
 Potential U of Road: 1,200 U of Roadway
 Total Acquisition of AC's is 1,200 U of Roadway
 City/County of City Hall
 City Hall Building: 10,500 sq ft (1st floor)
 Surface parking: 42 spaces
 Potential U of Road: 1,200 U of Roadway

INSPIRE CREATE ENDURE



PHASE 1 PUBLIC IMPROVEMENT PROJECT:
 PUBLIC ROADWAY, SANITARY SEWER, STORM SEWER, WATER MAIN, SIDEWALK, BLVD, TREES, SOD, LIGHTING, ETC.

PHASE 2 DEVELOPMENT PROPOSAL SUMMARY:
 With *side of Bridge Street*
 Potential building: 1st floor 23,000 sq ft (underground parking)
 Potential building: 2nd floor 10,000 sq ft (1st floor)
 Potential parking: 170 spaces (Surface parking: 114 spaces)
 Potential: 1,000 sq ft x 8
 Commercial Building: 8,200 sq ft
 Surface Parking: 47, 24 spaces
 Potential: 1/2 of Road: 41, 1,980 LF of roadway
 Total acquisition of A/C in street: 306, 173 sq ft, 6.79 AC
 City of Capitol City Hall
 City Hall Building: 10,000 sq ft (1st floor)
 Surface Parking: 47, 24 spaces
 Potential: 1/2 of Road: 880 LF



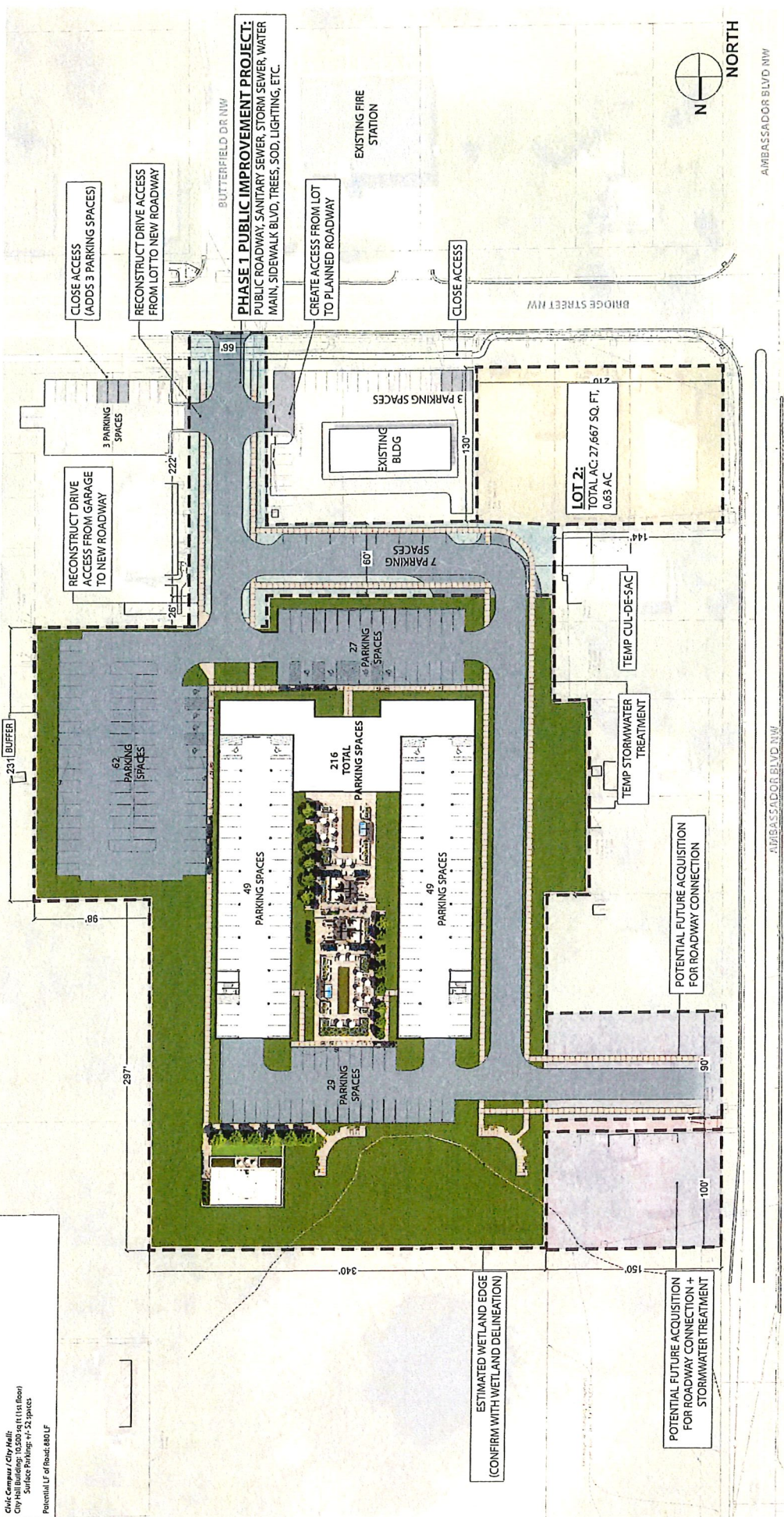
PHASE 1 PUBLIC IMPROVEMENT PROJECT:
 PUBLIC ROADWAY, SANITARY SEWER, STORM SEWER, WATER MAIN, SIDEWALK BLVD, TREES, SOD, LIGHTING, ETC.

INSPIRE CREATE ENDURE.





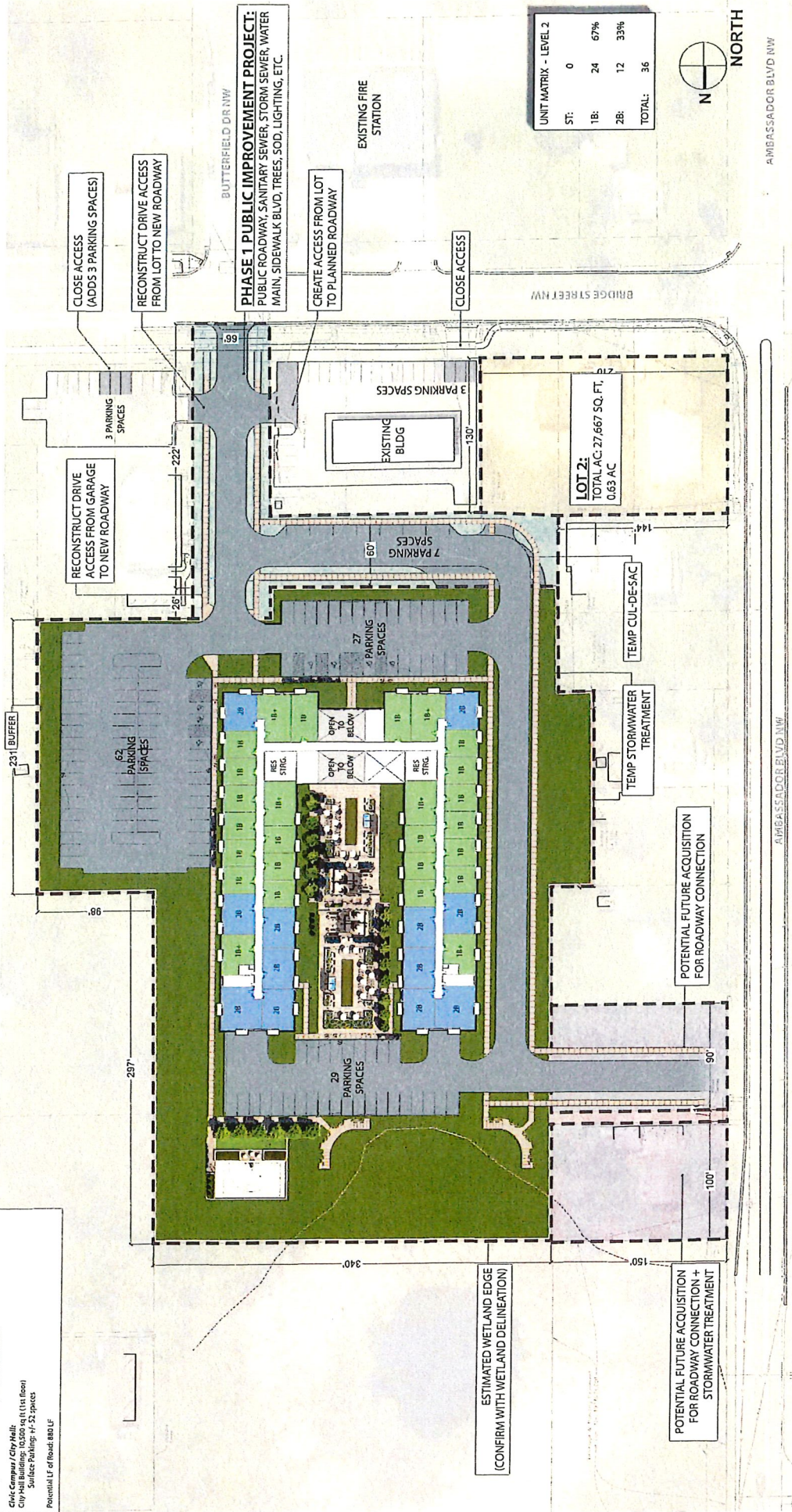
PHASE 2 DEVELOPMENT PROPOSAL SUMMARY:
Northside of Bridge Street:
 Total Building: 1st floor 21,600 sq ft (underground parking)
 Total Building: 2nd floor 21,600 sq ft (underground parking)
 Underground parking: +/- 100 spaces, Surface parking: +/- 82 spaces
 Townhomes: 1,000 sq ft x 8
 Commercial Buildings: 8,200 sq ft
 Surface Parking: +/- 24 spaces
 Potential LF of Road: +/- 1,000 LF of roadway
 Total Acquisition of AC (as shown): 296,173 sq ft (6.79 AC)
Chick Canyon / City Hall:
 City Hall Building: 10,500 sq ft (1st floor)
 Surface Parking: +/- 52 spaces
 Potential LF of Road: 880 LF



INSPIRE. CREATE. ENDURE.



PHASE 2 DEVELOPMENT PROPOSAL SUMMARY:
North Side of Bridge Street:
 Residential Building: 1st floor 21,800 sq ft (underground parking)
 Underground parking: +/- 106 spaces, Surface parking: +/- 82 spaces
 Townhomes: 1,000 sq ft (1 x 8)
 Commercial Buildings: 8,200 sq ft
 Surface parking: +/- 41 spaces
 Potential LF of Road: +/- 1,000 LF of roadway
 Total Acquisition of AC (as shown): 296,173 sq ft (6.77 AC)
City Campus / City Hall:
 City Hall: 111,111 sq ft (1.11 floor)
 Surface parking: +/- 52 spaces
 Potential LF of Road: 800 LF

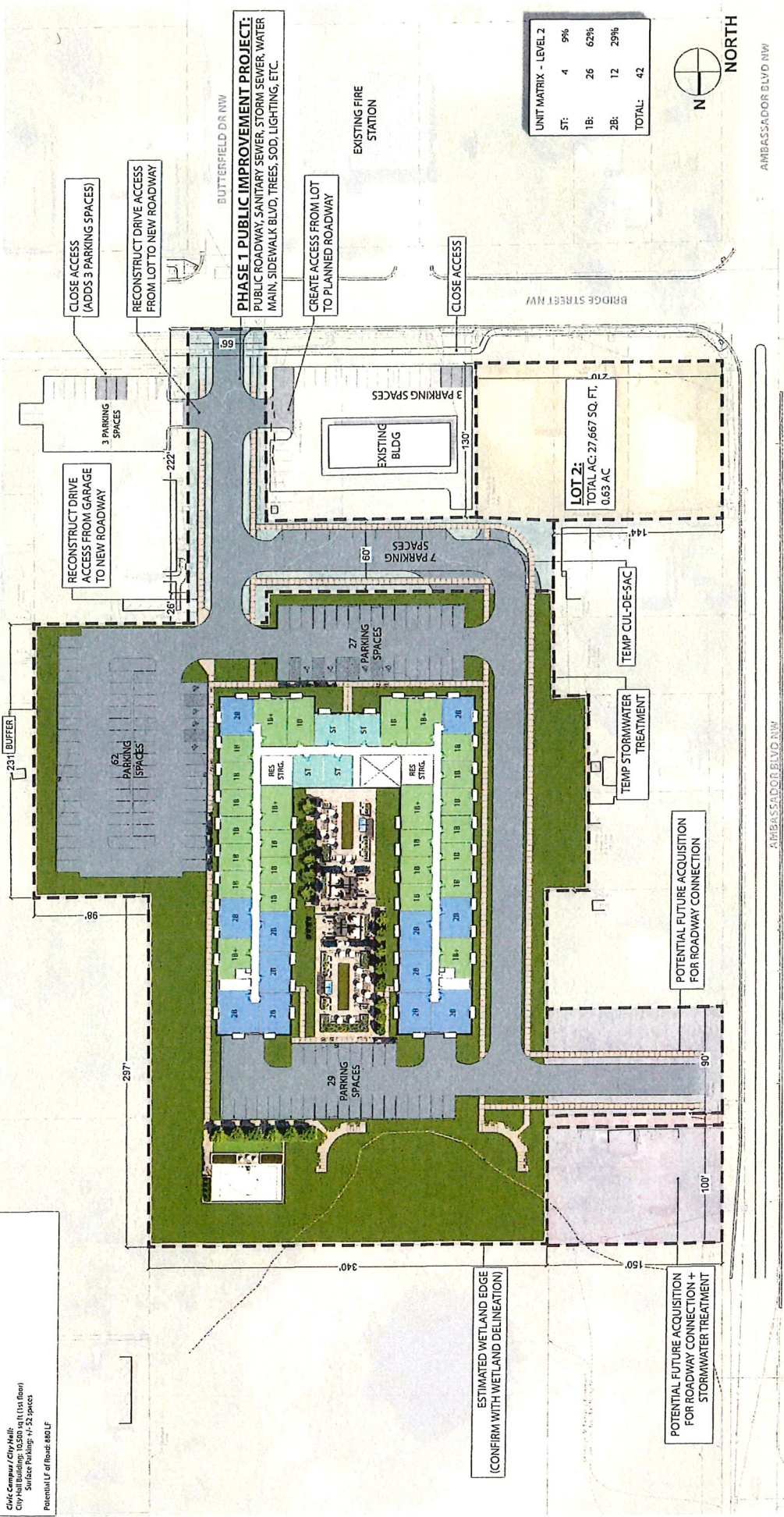


UNIT MATRIX - LEVEL 2

ST:	0	67%	33%
1B:	24	67%	33%
2B:	12		
TOTAL:	36		

INSPIRE. CREATE. ENDURE.

PHASE 2 DEVELOPMENT PROPOSAL SUMMARY:
North-side of Bridge Street:
 Residential Buildings: 1st floor: 3,000 sq ft (underground parking)
 Underground parking: +1, -100 spaces, Surface parking: +1, -81 spaces
 Townhomes: 1,000 sq ft x 8
 Commercial Buildings: 8,300 sq ft
 Surface Parking: +1, -24 spaces
 Potential LF of roads: +1, -1,000 LF of roadway
Total Acquisition of AC (as shown): 296,173 sq ft (6.79 AC)
Grid Square / City Block:
 City Block: 1,000 sq ft (1st floor)
 Surface Parking: +1, -52 spaces
 Potential LF of roads: 880 LF



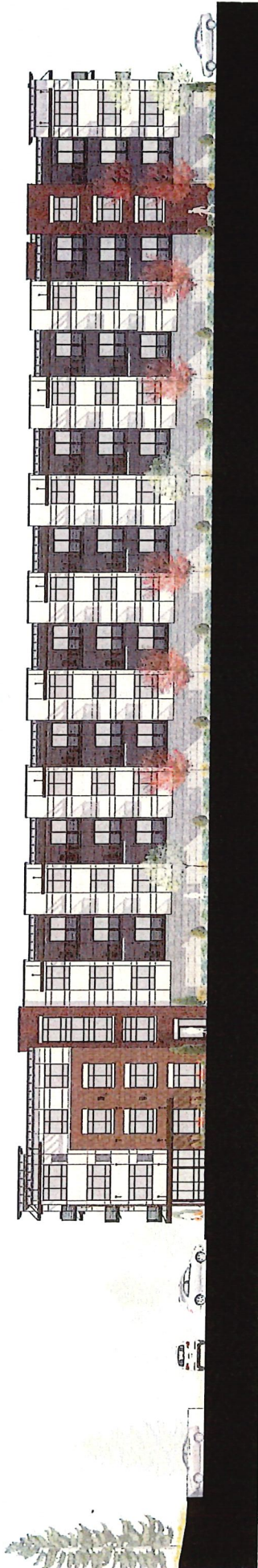
UNIT MATRIX - LEVEL 2

ST:	4	9%
1B:	26	62%
2B:	12	29%
TOTAL:	42	



INSPIRE. CREATE. ENDURE.





INSPIRE. CREATE. ENDURE.



ANNUAL REPORT 2023

Respectfully Submitted by:

Kate Thunstrom, SFEDA Executive Director

Economic Development Authority Annual Report for 2023

The City of St. Francis created an Economic Development Authority (SFEDA) for the purpose of encouraging, attracting and promoting development that would support an economically sound industry and commerce for the City. Council established the SFEDA in 2008.

Meetings:

The Economic Development Authority held two meetings in 2023. Meetings and agenda for each meeting were as follows:

- **May 3, 2023**
 - Items discussed included the 2022 Annual report, approval of a real property transfer to the City for the City Hall / Fire Station construction, a transfer of real property to the EDA from the City for the property north of 3731 and an easement agreement with the dental office to allow them to store equipment onsite for their expansion. Note: Expansion did not occur with dental office

- **August 22, 2023**
 - Items discussed included an MOU Agreement with Northshore Development Partners for a 120-unit apartment building. The building site would include the EDA owned property at 3731 Bridge and the parcel to the north.

Property held by the EDA:

- 3731 Bridge Street – working with Northshore Development Partners since 2023
- 3757 and 3765 Bridge Street – no current development discussions, parcels are dependent on road completion to the north happening 2025 by Public Works
- 3518 Bridge – no current development partners

Projects:

- EDA Lunch and Learn – in December staff hosted a lunch and learn for area businesses to gain knowledge on new legislative requirements surrounding Earned Sick and Safe Time. Feedback was positive. Additional opportunities for business education are being planned.

New Commercial growth recognized in 2023:

- Dollar General – Hwy 47
- Tasty’s moved into Patriot Lanes
- New restaurant in St. Francis Mall
- Renovations continued at St. Francis Mall

Financial Update:

Fund Balance on January 1, 2023:	\$40,862.43
Fund Balance on December 31, 2023:	\$43,736.24
Expenses during 2023 included:	\$-0-
Revenues during 2023 included:	\$2,873.81

Revenues gains are from interest on the cash balance.