Economic Development Authority

Monday, April 15, 2024
5:30 PM
Elk River City Hall

Regular Meeting
&
Work Session
Agenda

- Regular meeting in Council Chambers
- Work Session meeting in Upper Town Conference Room immediately following regular meeting

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1. CALL MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. CONSIDER AGENDA

4. CONSENT AGENDA

   Considered to be routine and noncontroversial and will be approved by one motion. There will be no separate discussion of these items unless there is a request to remove the item from the consent agenda to the regular agenda.

   4.1 Minutes

   4.2 Check Register

   4.3 Balance Sheet

   4.4 Revenue/Expenditure Reports

   4.5 Updated Agreement with OrangeBall Creative

5. OPEN FORUM

   An opportunity to provide comments and feedback regarding items not on the agenda. Information provided in Open Forum will not be discussed at this meeting; rather, the information will be referred to staff and/or scheduled for discussion at a future meeting.

6. PUBLIC HEARINGS

   An opportunity for the public to express their opinions and raise questions pertaining to the agenda item. All comments become part of the official public record. For this reason, all comments must be made at the podium so they can be heard and recorded. Comments may also be provided in writing. There will not be deliberations, discussions, or answers to questions until the hearing is closed. It is important to be courteous and allow each presenter to comment before adding additional testimony.

   6.1 Sale of Property at 13530 and 13566 185th Avenue NW (continued from March 18, 2024)

7. GENERAL BUSINESS

   Items in which the information is presented by city staff or consultants, then deliberation and action occur. General Business items are not opportunities to receive or provide public input. However, the presiding officer may, at its sole discretion, solicit public feedback.

   7.1 Committee Updates and Member Appointment

   7.2 Placer.ai Renewal

7.3 General Updates

8. MOTION TO ADJOURN REGULAR MEETING

9. WORK SESSION – UPPER TOWN CONFERENCE ROOM

Work Sessions are less formal meetings to encourage dialog. Official action or votes are not typically taken. At the conclusion of a discussion, a simple consensus provides staff direction for execution of the item. This portion of the agenda is audio recorded but not video recorded or broadcast. Work Sessions are open to the public; however, visitors who wish to provide input must be invited by the presiding officer, assume a seat at the discussion table and provide their full name and address for the official record.

9.1 Introduction - Acumen Business Solutions

9.2 Projects Update

10. MOTION TO ADJOURN

Meeting of the Economic Development Authority
Held at the Elk River City Hall
Monday, March 18, 2024

Members Present:	President Dan Tveite, Commissioners Cory Grupa, Matt Westgaard, Mike Beyer, Jennifer Wagner, Jeff Hartwig, and Charlie Blesener
Members Absent:	
Staff Present:	Economic Development Director Brent O'Neil, Economic Development Specialist Joshua Mollan, and Deputy City Clerk Jolene Richter
Others Present:	ERMU General Manager Mark Hanson and ERMU Administrations Director Sara Youngs

1. CALL MEETING TO ORDER

   Pursuant to due call and notice thereof, the meeting of the Elk River Economic Development Authority was called to order at 5:30 p.m. by President Tveite.

2. PLEDGE OF ALLEGIANCE

3. CONSIDER AGENDA

   Moved by Commissioner Westgaard and seconded by Commissioner Grupa to approve the agenda. Motion carried 7-0.

4. CONSENT AGENDA

   Considered to be routine and noncontroversial and will be approved by one motion. There will be no separate discussion of these items unless there is a request to remove the item from the consent agenda to the regular agenda.

   Moved by Commissioner Blesener and seconded by Commissioner Wagner to approve the following consent agenda: Motion carried 7-0.

   4.1 February 20, 2024, Regular Meeting Minutes

   4.2 Check Register

   4.3 Balance Sheet

4.4 Revenue/Expenditure Reports

5. OPEN FORUM

An opportunity to provide comments and feedback regarding items not on the agenda. Information provided in Open Forum will not be discussed at this meeting; rather, the information will be referred to staff and/or scheduled for discussion at a future meeting.

6. PUBLIC HEARINGS

An opportunity for the public to express their opinions and raise questions pertaining to the agenda item. All comments become part of the official public record. For this reason, all comments must be made at the podium so they can be heard and recorded. Comments may also be provided in writing. There will not be deliberations, discussions, or answers to questions until the hearing is closed. It is important to be courteous and allow each presenter to comment before adding additional testimony.

6.1 Sale of Property at 13566 and 13530 185th Ave. NW

Mr. O'Neil presented the staff report.

President Tveite opened the public hearing. There being no one to speak to this issue, President Tveite continued the public hearing to April 15, 2024.

Moved by Commissioner Westgaard and seconded by Commissioner Beyer to continue Item 6.1 Sale of Property at 13566 and 13530 185th Ave NW to the April 15, 2024, Economic Development Authority meeting Motion carried 7-0.

7. GENERAL BUSINESS

Items in which the information is presented by city staff or consultants, then deliberation and action occur. General Business items are not opportunities to receive or provide public input. However, the presiding officer may, at its sole discretion, solicit public feedback.

7.1 Beautification and Public Art Committee Update and Art Selection

Mr. Mollan presented the staff report. He provided the following summaries:

Beautification Award: The committee is ready to accept applications and nominations starting in May for the award.

Public Art Project: They reviewed and scored the proposals for the public art project, "Where Energy Flows" by Carey Dean scored the highest. The project is budgeted at $20,000. They are working on securing a public art grant of $8,000 for this project and are asking the commission for a $10,000 contribution. The remainder of the costs will be raised from local businesses. Staff is working with the Multipurpose Facility Advisory Commission regarding the project as that is where the project is proposed to be located.

Moved by Commissioner Blesener and seconded by Commissioner Hartwig to a financial contribution of $10,000 to support the curation of Carey Dean's "Where

Energy Flows". Motion carried 7-0.

7.2 Together Elk River Committee Update

Mr. Mollan presented the staff report. He provided the following summaries:

At its February meeting, the Together Elk River Committee recommended that the EDA continue services with OrangeBall Creative in 2024 to support the 169 Redefine project. Staff is working with OrangeBall on an updated agreement for 2024 services. It is anticipated OrangeBall will start work in April.

Staff is working on an additional marketing piece in connection with the Main Street closure to support the businesses impacted by the closure.

The Downtown banners will be printed in-house this year as it will be significantly cheaper.

7.3 General Updates

Mr. O'Neil presented the staff report and provided the following update summaries:

The April EDA meeting: there will be two work sessions in April regarding the Heritage Millwork project and a discussion with a hotel group that would like to work with the EDA and address the commission. There will be a public hearing on the sale of Fox Haven and working with Shoot Steel to close out the TIF.

Thunderstruck closed on the sale of the property on 170th. They are now going through designs to get the project ready to go in late Spring. Staff will be working on accounting with the finance team due to the transfer of property and then bring it back to the EDA and Council for the transaction.

They considered re-engaging in the MN Twins yearbook depending on the train service operations for the games. They did determine they are running the train this year for the games. Staff put together a piece highlighting Elk River and the ability to take the train to the games.

Mr. Mollan put together an annual report for 2023 which is on the website to view.

8. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Wagner and seconded by Commissioner Beyer to adjourn the regular meeting of the Economic Development Authority. Motion carried 7-0.

The regular meeting adjourned at 5:44 p.m. President Tveite called the work session to order at 5:47 p.m.

9. WORK SESSION - UPPER TOWN CONFERENCE ROOM

Work Sessions are less formal meetings of the Economic Development Authority to encourage dialog between themselves, staff, consultants and invited members of the public. The EDA does not typically take official action on items under discussion.

At the conclusion of the discussion, a simple EDA consensus provides staff direction for execution of the item. This portion of the agenda is audio recorded but not video recorded or broadcast. Work Sessions are open to the public, however, visitors who wish to provide input must be invited by the President, assume a seat at the discussion table and provide their full name and address for the official record.

9.1 Downtown Electric Vehicle Chargers

Mr. O'Neil presented the staff report.

The Elk River Municipal Utilities (ERMU) recently shared with the EDA its desire to no longer own and operate electric vehicle chargers in the downtown area. Rather than remove them, ERMU inquired whether the EDA would be interested in taking over ownership of the chargers.

ERMU General Manager Mark Hansen and Sara Youngs of ERMU were present to share operational and financial information.

There was a discussion on the costs, rates, locations, and benefits of transferring the electric vehicle chargers to the EDA. The EDA is supportive of taking on the charges and doing an evaluation in the next 18 months. Staff will work on the transition.

10. MOTION TO ADJOURN WORK SESSION

Moved by Commissioner Beyer and seconded by Commissioner Blesener to adjourn the meeting of the Economic Development Authority. Motion carried 7-0.

The meeting adjourned at 6:08 p.m.

Minutes prepared by Jolene Richter.

Dan Tveite, EDA President

Tina Allard, City Clerk

4.2.

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
E C M PUBLISHERS INC	NOTICE OF PH, SALE OF PROP	EDA	Economic Development	111.80
	PROGRESS EDITION-HRA/EDA	EDA	Economic Development	540.00
			TOTAL:	651.80
E D A M	2024 WINTER CONF-EDA	EDA	Economic Development	350.00
	2024 WINTER CONF-EDA	EDA	Economic Development	350.00
			TOTAL:	700.00
CITY OF ELK RIVER	REIMB SALARIES MAR 24	EDA	Economic Development	14,179.57
	REIMB SALARIES MAR 24	EDA	Economic Development	1,050.00
	REIMB SALARIES MAR 24	EDA	Economic Development	1,070.97
	REIMB SALARIES MAR 24	EDA	Economic Development	875.22
	REIMB SALARIES MAR 24	EDA	Economic Development	206.83
	REIMB SALARIES MAR 24	EDA	Economic Development	2,392.20
	REIMB SALARIES MAR 24	EDA	Economic Development	147.00
	REIMB SALARIES MAR 24	EDA	Economic Development	68.63
	REIMB SALARIES MAR 24	EDA	Economic Development	25.00
			TOTAL:	20,015.42
KENNEDY & GRAVEN CHARTERED	LEGAL SVCS - EDA	EDA	Economic Development	586.50
	LEGAL SVCS - EDA	EDA	Economic Development	65.00
			TOTAL:	651.50
MNCAR	2ND QTR 2024 ACCESS FEES	EDA	Economic Development	590.00
			TOTAL:	590.00
JOSHUA MOLLAN	REIMB MILEAGE 3/15/24	EDA	Economic Development	15.48
			TOTAL:	15.48
BRENT O'NEIL	REIMB MILEAGE	EDA	Economic Development	40.60
	REIMB MILEAGE & PARKING	EDA	Economic Development	133.23
	REIMB MILEAGE	EDA	Economic Development	44.82
			TOTAL:	218.65
PROFESSIONAL SPORTS PUBLICATIONS	ADVERTISING/MARKETING	EDA	Economic Development	2,500.00
			TOTAL:	2,500.00
REDICOMPS	ADVERTISING/MARKETING	EDA	Economic Development	1,800.00
			TOTAL:	1,800.00
US BANK	EDA CC PAYMENT	EDA	Economic Development	262.90
			TOTAL:	262.90

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT

=============== FUND TOTALS ================

920 EDA	27,405.75
GRAND TOTAL:	27,405.75

TOTAL PAGES: 2

BALANCE SHEET

AS OF: MARCH 31ST, 2024

4.3.

920-EDA

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE		
ASSETS				
======				
920-1010	Cash - EDA	1,865,185.45		
920-1610	Land Held for Resale	175,000.00		
			2,040,185.45	
	TOTAL ASSETS			2,040,185.45
				==============
LIABILITIES				
===========				
EQUITY				
======				
920-2400	Fund Balance	1,867,515.88		
	TOTAL BEGINNING EQUITY	1,867,515.88		
	TOTAL REVENUE	212,768.68		
	TOTAL EXPENSES	40,099.11		
	TOTAL REVENUE OVER/(UNDER) EXPENSES	172,669.57		
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.		2,040,185.45	
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.			2,040,185.45
				==============

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MARCH 31ST, 2024

4.4.

920-EDA

FINANCIAL SUMMARY 25.00% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUE SUMMARY					
EDA	434,950.00	7,386.13	212,768.68	48.92	222,181.32
TOTAL REVENUES	434,950.00	7,386.13	212,768.68	48.92	222,181.32
EXPENDITURE SUMMARY					
Economic Development					
Economic Development	434,950.00	14,851.29	40,099.11	9.22	394,850.89
TOTAL Economic Development	434,950.00	14,851.29	40,099.11	9.22	394,850.89
TOTAL EXPENDITURES	434,950.00	14,851.29	40,099.11	9.22	394,850.89
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(7,465.16)	172,669.57		(172,669.57)

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MARCH 31ST, 2024

920-EDA

25.00% OF YEAR COMP.

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
EDA					
===					
Taxes					
920-3-0000-3111 Property Taxes	415,950.00	0.00	8,528.95	2.05	407,421.05
TOTAL Taxes	415,950.00	0.00	8,528.95	2.05	407,421.05
Intergovernmental Rev					
Other Revenue					
920-3-0000-3621 Interest Income	15,000.00	7,386.13	16,972.38	113.15	(1,972.38)
TOTAL Other Revenue	15,000.00	7,386.13	16,972.38	113.15	(1,972.38)
Other Financing Sources					
920-3-0000-3910 Sale of Assets	0.00	0.00	187,267.35	0.00	(187,267.35)
TOTAL Other Financing Sources	0.00	0.00	187,267.35	0.00	(187,267.35)
Transfers In					
920-3-0000-3949 Transfer-HRA	4,000.00	0.00	0.00	0.00	4,000.00
TOTAL Transfers In	4,000.00	0.00	0.00	0.00	4,000.00
TOTAL EDA	434,950.00	7,386.13	212,768.68	48.92	222,181.32
TOTAL REVENUE	434,950.00	7,386.13	212,768.68	48.92	222,181.32

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MARCH 31ST, 2024

920-EDA

Economic Development 25.00% OF YEAR COMP.

Economic Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
Personal Services					
920-4-6210-4101 Regular Pay	123,900.00	9,453.04	14,179.56	11.44	109,720.44
920-4-6210-4103 Part-time Pay	12,600.00	1,050.00	2,100.00	16.67	10,500.00
920-4-6210-4104 PERA	9,500.00	716.48	1,078.47	11.35	8,421.53
920-4-6210-4105 FICA	8,350.00	613.17	924.56	11.07	7,425.44
920-4-6210-4107 Medicare	2,000.00	145.58	220.59	11.03	1,779.41
920-4-6210-4108 Insurance	24,300.00	2,392.20	4,784.40	19.69	19,515.60
920-4-6210-4109 Workers Comp	550.00	0.00	147.00	26.73	403.00
TOTAL Personal Services	181,200.00	14,370.47	23,434.58	12.93	157,765.42
Supplies					
920-4-6210-4201 Office Supplies	2,500.00	54.32	78.42	3.14	2,421.58
920-4-6210-4212 Fuels & Lubes	50.00	0.00	0.00	0.00	50.00
TOTAL Supplies	2,550.00	54.32	78.42	3.08	2,471.58
Services & Charges					
920-4-6210-4304 Legal Fees	10,000.00	426.50	426.50	4.27	9,573.50
920-4-6210-4319 Professional Services	27,000.00	0.00	0.00	0.00	27,000.00
920-4-6210-4321 Telephone	400.00	0.00	0.00	0.00	400.00
920-4-6210-4322 Postage	200.00	0.00	0.00	0.00	200.00
920-4-6210-4331 Travel, Conferences & Schools	10,450.00	0.00	650.71	6.23	9,799.29
920-4-6210-4349 Advertising/Marketing	67,200.00	0.00	6,631.50	9.87	60,568.50
920-4-6210-4359 Publishing	350.00	0.00	77.40	22.11	272.60
920-4-6210-4361 Insurance	250.00	0.00	25.00	10.00	225.00
920-4-6210-4404 Software Services	11,100.00	0.00	3,600.00	32.43	7,500.00
920-4-6210-4433 Dues & Subscriptions	4,750.00	0.00	2,175.00	45.79	2,575.00
920-4-6210-4440 Miscellaneous	73,500.00	0.00	3,000.00	4.08	70,500.00
TOTAL Services & Charges	205,200.00	426.50	16,586.11	8.08	188,613.89
Capital Outlay					
Transfers Out					
920-4-6210-4721 Transfer-General Fund	46,000.00	0.00	0.00	0.00	46,000.00
TOTAL Transfers Out	46,000.00	0.00	0.00	0.00	46,000.00
TOTAL Economic Development	434,950.00	14,851.29	40,099.11	9.22	394,850.89
TOTAL Economic Development	434,950.00	14,851.29	40,099.11	9.22	394,850.89
TOTAL EXPENDITURES	434,950.00	14,851.29	40,099.11	9.22	394,850.89
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(7,465.16)	172,669.57		(172,669.57)

Request for Action

To
Economic Development Authority

Item Number
4.5

Meeting Date
April 15, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
Updated Agreement with OrangeBall Creative

Reviewed by:
Cal Portner

Action Requested
Approve, by motion, an updated agreement with OrangeBall Creative for 2024 services.

Background/Discussion
OrangeBall Creative has been engaged by the EDA since 2022 to assist in marketing, communication and business support during the 169 Redefine project. The original contract with OrangeBall contemplated three years of services, concluding after the 2024 project season. Due to changes in scope focusing primarily on social media, staff and OrangeBall feel it's necessary to reflect the adjusted scope with a new agreement for 2024.

Financial Impact
This expense is up to $5,700 and is in the 2024 budget.

Mission/Policy/Goal
Support impacted businesses and capitalize on opportunities associated with the 169 Redefine project.

Attachments
1. OrangeBall - 169 Redefine Year 3

223 West Court
NYA, MN 55368
orangeballcreative.com

PROPOSAL

DATE
3.14.2024

ORANGE I.D.
ELK003

SUBMITTED BY
John Gamades
952.994.0682
john@orangeballcreative.com

CLIENT INFORMATION
Name City of Elk River
Contact Brent O'Neil
Email BOneil@ElkRiverMN.gov

PROJECT
Name City of Elk River 169 Redefine Marketing Project 2024

DETAILS
- We will be working from the 169 Reasons campaign that began in 2022, leveraging the existing foundation that has been set.
- We will also continue leveraging the existing #169Reasons #TogetherElkRiver #169Redefine hashtags.
- The goal of this marketing project will be to promote the positive outcomes that will come from the construction, keep morale in the community high during the project, and address the "elephant in the room" reality that this will come with some challenges.
- The audience for this campaign will primarily be local business customers and the Elk River community. They wield the most power to create a positive impact for local businesses. It will be much harder to capture the attention of commuters and travelers as we lack some of the social media connections to these individuals and they will likely be looking for alternative routes during the project.
- Similar to 2022 & 2023, the project will be done in close collaboration with the Elk River City and Chamber of Commerce staff. This relationship will be especially key as we are developing social content that communicates project progress and timing, as well as helping connect OrangeBall with local businesses as needed. Pricing below is based on a combination of design/creative time as well as communication time.

SOCIAL CAMPAIGNS March-Oct 2023 $5,100+/year
- The social media campaign will include two posts/week on Tuesdays and Fridays, created by OrangeBall, starting in April and going through the end of May as the project is ramping up. The project will then transition to 1 post per week once construction season is in full swing, beginning in June and continuing through the end of October, with 4 additional posts where needed as traffic configurations change. In addition, the project includes a 1-hour calls each April & May, transitioning to 1/2 hour monthly calls in May and running through the end of October.
  - April: 9 posts (with 1 hours of calls) **$1,050**
  - May: 9 posts (with 1 hours of calls) **$1,050**
  - June: 4 posts (with .5 hour of calls) **$600**
  - July: 4 posts (with .5 hour of calls) **$600**
  - August: 4 posts (with .5 hour of calls) **$600**
  - September: 4 posts (with .5 hour of calls) **$600**
  - October: 4 posts (with .5 hour of calls) **$600**
  - Flex Posts: 4 additional posts where needed for traffic change notifications **$150 each - billed as used, if needed**
- Topics will be a combination of: Support Our Businesses, Construction Updates, Celebrating Progress, Getting Around Town
- OrangeBall creates social posts/content, your team posts them to social accounts
- TOTAL: 38-42 posts

PAYMENTS
Payments: Amount listed above will be billed at the end of each month upon completion of that month's projects.

If the information in this Proposal meets with Client's approval, Client's signature below authorizes OrangeBall Inc to begin work. Kindly return a signed copy of this Proposal/Agreement to your OrangeBall design associate.

OrangeBall Authorized Signature/Date ______________________ 3.14.2024

Client's Authorized Signature/Date ______________________

Client's Name and Title ______________________

TERMS AND CONDITIONS

RIGHTS The undersigned parties hereby agree that all work done is considered work for hire and all rights, copyrights, titles and interest in any design work performed by OrangeBall Inc on behalf of Client, belong solely and exclusively to the Client free from any claims whatsoever.

RUSH Rush, holiday and weekend work necessitated by Client's directive is billed in addition to the fees quoted at a mutually agreed upon fee, TBD.

PURCHASING All purchases made on client's behalf will be billed to client. In all cases, such prices will reflect a markup of 10%. Charges for sales tax, insurance, storage, and shipping and handling are additional to the price of each purchase. In the event client purchases materials, services, or any items other than those specified by the designer, the designer is not liable for the cost, quality, workmanship, condition, or appearance of such items.

MODIFICATIONS Modification of the Agreement must be written, except that the invoice may include, and Client shall pay, fees or expenses that were authorized via email in order to progress promptly with the work.

LIMITATION OF LIABILITY Client agrees that it shall not hold OrangeBall Inc liable for any incidental or consequential damages that arise from OrangeBall's failure to perform any aspect of the Project in a timely manner, regardless of whether such failure was caused by intentional or negligent acts or omissions of OrangeBall or a third party.

SCHEDULE OF PAYMENT All invoices are payable within 15 days of receipt. 3% convenience fee will be added to all Credit Card and PayPal payments.

DEFAULT IN PAYMENT The client shall assume responsibility for all collection of legal fees necessitated by default in payment.

TERM OF PROPOSAL The information contained in this proposal is valid for 30 days. Proposals approved and signed by the Client are binding upon the Designer and Client beginning on the date of Client's signature.

All information in this proposal is subject to the Terms and Conditions listed herein.

Request for Action

To
Economic Development Authority

Item Number
6.1

Meeting Date
April 15, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
Sale of Property at 13530 and 13566 185th Avenue NW (continued from March 18, 2024)

Reviewed by:
Cal Portner

Action Requested
Approve, by motion, a resolution authorizing the execution of a purchase agreement for the sale of property at 13530 and 13566 185th Avenue NW to Java Companies.

Background/Discussion
The EDA has received a purchase offer for the properties known as the Fox Haven site at 13530 and 13566 185th Avenue. Java Companies is proposing to buy the two properties with the primary focus of securing the construction of a neighborhood convenience store and gas station. There would be surplus property remaining for which Java may pursue an additional project such as a small restaurant.

The offer is for the full listing price of $360,000 and includes a refundable $20,000 earnest money payment. There is a due diligence period of 120 days, plus a buyer option to extend the period an additional 60 days in which $10,000 in earnest money shall convert to non-refundable. The closing must occur within 30 days of the due diligence period expiring. The agreement calls for a provision to be included in the deed which will require the commencement of construction of the convenience store within one year.

Financial Impact
Anticipated net proceeds to the EDA of approximately $330,000 upon closing.

Mission/Policy/Goal
Attract new business development to Elk River to build the City's economic vibrancy, job offerings, and tax base.

Attachments
1. Purchase Agreement Fox Haven
2. Resolution Authorizing Sale
3. Site Context
4. JAVA Concept

PURCHASE AGREEMENT

1. PARTIES. This Purchase Agreement (this "Agreement") is made on this _____ day of ________________, 2024 (the "Effective Date"), by and between the Elk River Economic Development Authority, a Minnesota body corporate and politic (the "EDA") and Java Companies LLC, a Minnesota limited liability company and its permitted assigns (the "Buyer").

2. SALE OF PROPERTY. The EDA agrees to sell to the Buyer and the Buyer agrees to buy from the EDA, the real estate located at 13530 and 13566 185th Avenue NW in the City of Elk River, Sherburne County, Minnesota, legally described on the attached Exhibit A (the "Property").

3. PURCHASE PRICE AND MANNER OF PAYMENT. The Buyer shall pay the EDA Three Hundred and Sixty Thousand and no/100ths Dollars ($360,000.00) for the Property (the "Purchase Price"). Upon approval and execution of this Agreement by the Buyer and the EDA, the Buyer shall deposit $20,000.00 in initial earnest money (the "Earnest Money") to be held in escrow by Servion Commercial Title (the "Title Company"). The Earnest Money shall be credited against the Purchase Price at Closing.

4. OBLIGATIONS OF THE EDA. Buyer's obligation to close the transaction is specifically conditioned upon the following (the "Buyer's Closing Conditions"):

4.1. Representations and Warranties. The representations and warranties of the EDA contained in this Agreement must be true now and on the Closing Date in all material respects as if made on the Closing Date and the EDA shall have delivered to the Buyer on the Closing Date, a certificate dated the Closing Date, signed by an authorized representative of the EDA, certifying that such representations and warranties are true as of the Closing Date in all material respects (the "Closing Certificate").

4.2. Title. Title to the Property shall have been found marketable, or been made marketable, in accordance with the requirements and terms of Section 8 below.

4.3. Performance of the EDA's Obligations. The EDA shall have performed all of the obligations required to be performed by the EDA under this Agreement in all material respects. Included within the obligations of the EDA under this Agreement shall be the following:

4.3.1. The EDA agrees to cooperate with the Buyer as reasonably necessary to permit the Buyer to investigate the Property.

4.3.2. The EDA shall deliver to the Buyer the Title Evidence required in Section 8 10 business days from the Effective Date of this Agreement.

4.3.2 The EDA shall deliver to the Buyer copies of any surveys, plats, civil plans, soils reports, environmental reports (including all investigations performed on the Property in the last five years), and title work relating to the Property which are in the EDA's possession or control the "Due Diligence Materials"

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within 10 days from the Effective Date of this Agreement and the date the EDA delivers all of the Due Diligence Materials to the Buyer is referred to herein as the "Delivery Date".

5. CONTINGENCIES WHICH MUST BE EXERCISED BY WRITTEN NOTICE TO THE EDA ON OR BEFORE 120 DAYS AFTER THE DELIVERY DATE (THE "INITIAL CONTINGENCY PERIOD"):

5.1. Buyer's Contingencies.

5.1.1. Inspection and Testing. The Buyer shall have determined, in its sole determination, that the Buyer is satisfied with the results of, and matters disclosed by, any environmental site assessments (including a Phase I and Phase II if necessary), soil tests, surveys, engineering inspections, hazardous substances, and environmental reviews of the Property. The Buyer may enter the Property by providing 24 hours' notice of its intended entry to the EDA.

a. The Buyer shall promptly repair and restore any damage to the Property caused by the Buyer's testing and return the Property to substantially the same condition as existed prior to entry. Buyer shall have no obligation to repair or remediate any environmental condition discovered or uncovered by Buyer or its agents or contractors.

b. The Buyer shall indemnify, defend, and hold the EDA harmless from any claim for damage to person or property arising from any investigation or inspection of the Property conducted by the Buyer, the Buyer's agents or contractors, including the cost of attorneys' fees.

c. Copies of any written reports, studies or test results obtained by the Buyer in connection with the Buyer's inspection of the Property or investigation relating to the Property shall be delivered to the EDA promptly upon receipt of the same at no cost to the EDA. The Buyer makes no warranties to EDA regarding the accuracy or completeness of any such tests or test results.

d. The Buyer shall be responsible for the costs of all investigation and testing performed by the Buyer with respect to the Property.

5.1.2. Land Use Approvals. The Buyer shall have obtained, at the Buyer's sole cost and expense, on or before the Contingency Date, all consents, agreements, approvals, easements, licenses, and adequate assurances that are legally necessary for the Buyer to use the Property as intended, including, but not limited to, land use approvals from the City of Elk River or otherwise required by the Buyer, in Buyer's sole determination.

5.1.3 Financing. The Buyer shall have obtained acceptable financing for the purchase of the Property upon terms and conditions acceptable to Buyer in Buyer's sole determination.

Notwithstanding the foregoing Buyer may elect to extend the Initial Contingency Period for one additional period of sixty (60) by delivering written notice (the "Extension Notice") to the EDA on or before the last day of the Initial Contingency Period. The Initial Contingency Period and the Additional Period elected by Buyer hereunder are collectively referred to as the "Contingency Period" and the last day of the Contingency Period is referred to herein as the "Contingency Date". Upon extension of the contingency period, $10,000 of the initial earnest money will become non-refundable.

5.2. EDA's Contingencies.

5.2.1. Determination by the EDA after a holding a public hearing required by Minnesota Statutes Section 469.105, subdivision 2 that the sale and conveyance of the Property to the Buyer is in the best interests of the City of Elk River and its people, and that the transaction furthers the EDA's general plan of economic development.

If, on or before the Contingency Date, either party determines that any of their respective contingencies listed in this Section have not been satisfied in their sole discretion, then this Agreement may be terminated by written notice from the party to the other, which notice must give no later than the Contingency Date. If the party does not give written notice of termination on or before the Contingency Date, all of such contingencies will be deemed to have been satisfied and the parties shall proceed to close this transaction in accordance with the terms 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 respective party and each party shall have the right to unilaterally waive any of its contingencies by written notice to the other party. If this Agreement is terminated by either party in accordance with this Section, the Title Company shall disburse the Earnest Money to Buyer and neither party shall have any further rights or obligations regarding this Agreement or the Property.

6. CLOSING. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur 30 days after the Contingency Date or such other date on which the parties may agree (the "Closing Date"). The EDA agrees to deliver possession of the Property to the Buyer on the Closing Date.

6.1. EDA's Closing Documents. On the Closing Date, the EDA shall execute and deliver to the Buyer the following (collectively, "EDA's Closing Documents"), all in form and content reasonably satisfactory to the EDA and the Buyer:

6.1.1. Deed. A quit claim deed (the "Deed") conveying the Property to the Buyer. The Deed shall contain a covenant running with the Property that the construction of the footings and foundation for an approximately 5,800 square foot gas station/convenience store on the Property must commence within one year from the date of the Deed, or the Property will be subject to a reversionary interest in favor of the EDA pursuant to Minnesota Statutes Section 469.105, subdivisions 5 and 6. The Buyer may also construct a fast food restaurant on the Property subject to the consent of the EDA, which approval shall not be unreasonably withheld, and receiving any necessary land use approvals. The Deed shall contain provisions for the EDA to execute and record a Certificate of Completion evidencing that the required improvements have been completed.

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

6.1.3. Original Documents. Original copies of any surveys, plans and records in the EDA's possession.

6.1.4. FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by the Internal Revenue Code Section 1445(b)(2) and its regulations.

6.1.5 Closing Certificate. The Closing Certificate.

6.1.6 Seller's Settlement Statement. A Seller's Settlement statement reflecting the Purchase Price and the proration of costs and expenses in the manner required by this Agreement.

6.1.7. Other Documents. Any other documents reasonably required or reasonably requested by the Title Company in order to complete the transaction contemplated by this Agreement.

6.2. Buyer's Closing Documents. On the Closing Date, the Buyer shall execute, as appropriate, and deliver to the EDA the following (collectively, "Buyer's Closing Documents"):

6.2.1. Purchase Price. The Purchase Price in collected funds (certified or cashier's check or wire transfer) deposited with the Title Company on the Closing Date.

6.2.2 Buyer's Settlement Statement. A Buyer's settlement statement reflecting the Purchase Price and the proration of costs and expenses in the manner required by this Agreement.

6.2.3. Other Documents. Such affidavits of Purchaser, Certificates of Value or other documents may be reasonably required or reasonably requested by the Title Company in order to complete the transaction contemplated by this Agreement.

7. PRORATIONS. The EDA and the Buyer agree to the following prorations and allocation of costs regarding this Agreement:

7.1. Title Insurance and Closing Fees. The EDA shall pay the cost of the title insurance commitment, including any associated title examination and search charges. The Buyer shall pay the cost of any title insurance Buyer elects to purchase or endorsement premiums for such policy. The parties shall share equally the closing fee charged by the Title Company.

7.2. Real Estate Taxes and Special Assessments. The EDA shall pay the state deed tax. The EDA shall also pay, on or before the Closing Date, all special assessments levied, ordered or pending against the Property as of the Closing Date including, without limitation, any installments of special assessments that are payable with general real estate taxes ("Taxes") in the year in which Closing occurs. The EDA shall pay all Taxes for all of the years prior to the year in which the Closing occurs. Taxes for the year in which the Closing occurs shall be prorated between the parties as of the Closing Date.

7.3. Recording Costs. The EDA shall pay the cost of recording all documents necessary to vest marketable title in the EDA and cure title objections, if any. The Buyer shall pay the cost of recording all other documents, including, but not limited to, the Deed.

7.4. Attorneys' Fees. Each of the parties shall pay its own attorneys' fees.

7.5. Brokers' Fees. The EDA is represented by Ryan Hardin of Hardin Companies (the "EDA's Broker"). The Buyer is represented by JLL (the "Buyer's Broker"). Brokerage fees for the EDA's Broker shall be paid to the EDA's Broker by the EDA at Closing. These brokerage fees shall be equally split with the Buyer's Broker. Each party shall indemnify, defend and hold the other party harmless from the claims of any broker hired by that party for fees or commissions.

8. TITLE EXAMINATION. Title examination shall be conducted as follows:

8.1. EDA's Title Evidence. Within 10 business days of the Effective Date, the EDA shall, at its expense deliver the following (collectively, "Title Evidence") to the Buyer:

8.1.1. Title Commitment. A title insurance commitment for the Property issued by the Title Company

8.1.2. Survey. The Buyer, at the Buyer's option, may obtain, at the expense of the Buyer, a survey of the Property. Any survey obtained by the Buyer shall be certified and delivered to the EDA as well as the Buyer and any other parties that the Buyer may designate.

8.2. Buyer's Objections. No later than 14 days after receiving the updated Title Commitment, the Buyer must make written objections ("Objections") to the marketability of title to the Property based on the Title Evidence. If the Buyer elects to obtain a survey, Objections based upon the survey must be made within 14 days after receipt of said survey but in no event later than the Contingency Date. The Buyer's failure to make Objections within such time periods will constitute a waiver of Objections. However, any matter which is not referenced in the title commitment and is first recorded, discovered, or disclosed after the effective date of the title commitment, may be objected to by the Buyer in the manner described herein. If not sooner satisfied, the EDA shall cause the Property to be released from any mortgages or other liens against the Property at the closing. Any matter shown on such Title Evidence, other than a mortgage or other lien and not objected to by the Buyer shall be a "Permitted Encumbrance" hereunder. Within seven days after receipt of the Buyer's Objections, the EDA shall notify the Buyer in writing if the EDA elects not to cure the Objections. If such notice is given within said seven-day period, the Buyer may either waive the Objections or terminate this Agreement by giving written notice of termination to the EDA within 10 days after the EDA's notice is given to the Buyer. If written notice by the EDA is not given within the 10-day period, the EDA shall use commercially reasonable efforts to correct any Objections within 30 days after the expiration of the 10-day period ("Cure Period"). If the Objections are not cured within the Cure Period, the Buyer shall have the option to do any of the following:

8.2.1. Terminate this Agreement by giving written notice to the EDA and the Title Company within 10 days after the expiration of the Cure Period and neither the EDA nor the Buyer shall have further rights or obligations hereunder. In such event the Title Company shall immediately disburse the Earnest Money to the Buyer.

8.2.2. Waive the objections and proceed to close without reduction in the Purchase Price.

The Buyer shall make the election within 10 days after expiration of the EDA's Cure Period. A failure to make an election within such period shall be deemed an election to proceed to close pursuant to subsection 8.2.2.

9. REPRESENTATIONS AND WARRANTIES BY THE EDA. The EDA represents and warrants to the Buyer that the following are true in all material respects now and as modified by any changes about which the EDA notifies the Buyer in writing following after the date hereof, will be true in all material respects on the Closing Date:

9.1. Authority. The EDA is a public body corporate and politic, duly created under and subject to the laws of the State of Minnesota; the EDA has the requisite power and authority to enter into and perform this Agreement and those EDA Closing Documents signed by it; such documents have been or will be duly authorized by all necessary action on the part of the EDA and have been or will be duly executed and delivered; such execution, delivery and performance by the EDA of such documents does not conflict with or result in a violation of any judgment, order, or decree of any court or arbiter to which the EDA is a party; such documents are valid and binding obligations of the EDA, and are enforceable in accordance with their terms, subject to bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally and principles of equity.

9.2. Rights of Others to Purchase the Property. The EDA has not entered into any other contracts for the 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 sale of the Property contemplated by this Agreement.

9.3. Use of the Property. To the best of the EDA's knowledge without investigation, the Property is usable for its current uses without violating any federal, state, local or other governmental building, zoning, health, safety, platting, subdivision or other law, ordinance or regulation, or any applicable private restriction.

9.4. Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best of the EDA's knowledge without investigation, threatened against the EDA with respect to the Property or any portion of the Property.

9.5. Wells. No wells exist on the Property.

9.6. Sewage Treatment Systems. No sewage treatment system exists on the Property.

9.7. Title. The EDA owns fee title to the Property.

The EDA's representations shall be true, accurate and complete as of the date of this Agreement, in all material respects and, as modified by any notices given by the EDA to the Buyer, on the Closing Date in all material respects. If any time prior to Closing, the Buyer shall determine that any representation herein made by the EDA was not true in all material respects when made, the Buyer's sole remedy shall be to terminate this Agreement by giving notice to the EDA and seeking any applicable remedies for breach from the EDA. The earnest money paid by the Buyer shall be returned to the Buyer.

Notwithstanding the above paragraph, all representations and warranties shall terminate on the Closing Date. Any claim by the Buyer not made by written notice delivered to the EDA before the date the representation or warranty terminates shall be deemed waived.

10. "AS IS, WHERE IS." The Buyer acknowledges that the Buyer has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Such sale shall be without representation of warranties, express or implied, either oral or written, made by the EDA or any official, employee or agent of the EDA with respect to the physical condition of the Property, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Property or with respect to the compliance of the Property or its operation with any laws, ordinances, or regulations of any government or other body, except as stated above. The Buyer acknowledges and agrees that the EDA has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties EDA hereby expressly disclaims, except as stated above. The Buyer is relying entirely upon information and knowledge obtained from the Buyer's own investigation, experience, and knowledge obtained from the Buyer's own investigation, experience, or personal inspection of the Property. The Buyer expressly assumes, at closing, all environmental and other liabilities with respect to the Property whether such liability is imposed by statute or derived from common law including, but not limited to, liabilities arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Hazardous and Solid Waste Amendments Act, the Resource Conservation and Recovery Act ("RCRA"), the federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Act, the Superfund Amendments and Reauthorization Act, the Toxic Substances Control Act and the Hazardous Materials Transportation Act, all as amended, and all other comparable federal, state or local environmental conservation or protection laws, rules or regulations. The foregoing assumption shall survive Closing. All statements of fact or disclosures, if any, made in this Agreement or in connection with this Agreement, do not constitute warranties or representations of any nature. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing.

11. REPRESENTATIONS AND WARRANTIES BY THE BUYER. The Buyer represents and warrants to the EDA that the Buyer has the requisite capacity, power, and authority to enter into this Agreement and the Buyer's Closing Documents; such execution, delivery, and performance by the Buyer of such documents does not conflict with or result in a violation of any judgment, order or decree of any court or arbiter to which the Buyer is a party; such documents are valid and binding obligations of the Buyer, and are enforceable in accordance with their terms.

12. CONDEMNATION. If, prior to the Closing, eminent domain proceedings are commenced against all or any material part of the Property, the EDA shall immediately give notice to the Buyer of such fact and at the Buyer's option (to be exercised within 15 days after the EDA's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. Thereupon the Title Company shall disburse the Earnest Money to the Buyer. If the Buyer fails to give such notice, then there shall be no reduction in the Purchase Price, and the EDA shall assign to the Buyer at the Closing all of EDA's right, title, and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing, the EDA shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without the Buyer's prior written consent. For purposes of this section, the words "a material part" means a part if acquired by a condemning authority would materially hinder Buyer's operations on the Property. Notwithstanding any other term or condition of this Section 12 to the contrary, the EDA shall not commence nor consent to any eminent domain proceedings affecting all or any part of the Property without the Buyer's prior written consent, which consent shall not unreasonably be withheld.

13. COMMISSIONS. With the exception of the EDA's Broker, Hardin Companies and the Buyer's Broker, JLL, both the Buyer and the EDA represent that they have not entered into a contract with any other real estate broker, whereby the broker is entitled to a commission resulting from the transaction contemplated by this Agreement. Each party agrees to indemnify, defend and hold harmless the other party against any claim made by a real estate broker for a commission or fee based on alleged acts or agreements with the indemnifying party.

14. REMEDIES.

14.1. Buyer's Remedies. If the EDA fails to satisfy any of the Buyer's Closing Conditions or fails to otherwise consummate this Agreement for any reason except the Buyer's default or the termination of this Agreement pursuant to a right to terminate given herein, and such failure continues for longer than ten (10) days after the date Buyer delivers written default hereunder to the EDA (an "EDA Default") then the Buyer may, at its option, terminate this Agreement by written notice delivered to the EDA and the Title Company, in which event the Title Company shall immediately disburse the Earnest Money to the Buyer and upon such payment, neither party shall be further obligated to the other (except for the Buyer's and the EDA's indemnities set forth in this Agreement). The Buyer specifically waives any right to make a claim against the EDA for compensatory or consequential damages or any other type of monetary claim, except for the indemnity obligations set forth in this Agreement. Notwithstanding the forgoing, in lieu of terminating this Agreement the Buyer may also bring an action for specific performance to enforce the terms of this Agreement and if Buyer is successful in such action Buyer shall, in additional to all other relief ordered in such action, be entitled to recover is costs of the action.

14.2. EDA's Remedy. If the Buyer fails to consummate this Agreement for any reason except the EDA's default or the termination of this Agreement pursuant to a right to terminate given herein, the EDA's sole and exclusive remedy shall be to terminate this Agreement by giving 30 days' written notice to the Buyer, pursuant to Minnesota Statutes Section 559.21, as amended from time to time, in which case, the earnest money shall be retained by the EDA as liquidated damages.

14.3 Indemnification Remedy. Notwithstanding the foregoing provisions of this Section 14, in the event of any default by the Buyer or the EDA under or in connection with any indemnification pursuant to this Agreement, and in the event of any failure by the defaulting party to cure such default within 30 days after the date of notice of default by the non-defaulting party to the defaulting party, the non-defaulting party shall be entitled to seek and recover all legal and equitable relief available under applicable law, including, without limitation, monetary damages.

15. ASSIGNMENT. The Buyer may not assign the Buyer's rights under this Agreement without prior consent of the EDA, which shall not unreasonably be withheld. Notwithstanding the foregoing, the Buyer may assign this Agreement and the Buyer's rights hereunder to an entity controlled by or under common control with, the Buyer.

16. SURVIVAL. All of the terms of this Agreement and warranties and representations herein contained shall survive and be enforceable after the Closing.

17. NOTICES. Any notice required or permitted hereunder shall be given by personal delivery; or if deposited cost paid with a nationally recognized, reputable overnight courier; or by certified mail, return receipt requested; properly addressed as follows:

If to the EDA:	Elk River Economic Development Authority Attn: Executive Director 13065 Orono Parkway Elk River, MN 55330 Attn: Executive Director Or via Email Email: boneil@elkrivermn.gov
If to the Buyer:	Java Companies LLC Attn: Mark Krogh 879 Scheffer Avenue St. Paul, MN 55102 Or via Email Email: mark@javacompanies.com

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, 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 notice of such change 10 days prior to the effective date of such change.

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

19. ENTIRE AGREEMENT, MODIFICATIONS. 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.

20. BINDING EFFECT. This Agreement binds and benefits the parties and their heirs, successors, and assigns.

21. CONTROLLING LAW. This Agreement has been made under the substantive laws of the State of Minnesota, and such laws shall control its interpretation.

BUYER:

JAVA COMPANIES LLC

By: ____
Mark Krogh

Its: Chief Manager

SELLER:
ELK RIVER ECONOMIC DEVELOPMENT AUTHORITY

By: ____

Its: President

By: ____

Its: Executive Director

EXHIBIT A

Legal Description of the Property

Lot 1, Block 1 and Lot 2, Block 1, Fox Haven Commercial, according to the recorded plat thereof, Sherburne County, Minnesota.

PIDs 75-00597-0110 and 75-00597-0105

THE ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF ELK RIVER, MINNESOTA
COUNTY OF SHERBURNE
STATE OF MINNESOTA

RESOLUTION NO. 24-__

RESOLUTION APPROVING A PURCHASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ELK RIVER AND JAVA COMPANIES LLC., AND APPROVING THE CONVEYANCE OF LAND CONTAINED THEREIN.

WHEREAS, The Economic Development Authority of the City of Elk River, Minnesota (the "EDA") is the fee owner of real property located in Elk River, Sherburne County, Minnesota, (the "City") and consisting of land containing approximately 3.0 acres legally described in Exhibit A attached hereto and located at 13530 & 13566 185th Avenue NW in the City (the "Real Property"); and

WHEREAS, the EDA has reviewed a proposal by Java Companies, LLC, a Minnesota corporation (the "Developer"), to purchase the Real Property from the EDA; and

WHEREAS, the EDA and the Developer have negotiated a certain Real Estate Purchase Agreement (the "Purchase Agreement") in connection with the conveyance of the Real Property; and

WHEREAS, on March 18, 2024, and continued on April 15, 2024, the EDA conducted a duly noticed public hearing regarding the sale of the Real Property to Developer, at which all interested persons were given an opportunity to be heard; and

WHEREAS, the EDA finds and determines that conveyance by the EDA of the Real Property to the Developer is for a public purpose and is in the best interests of the City and its residents because it will further the objectives of the EDA's general plan of economic development for the City, will help increase the tax base in the City, and will create new jobs in the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners ("Board") of The Economic Development Authority of the City of Elk River as follows:

1. The Board approves the Purchase Agreement in substantially the form presented to the Board, including the provisions for the conveyance of the Real Property therein, together with any related documents or certifications necessary in connection therewith, including without limitation all documents and certifications referenced in or attached to the Purchase Agreement, and any deed or other documents necessary to convey the Real Property to Developer, all as described in the Purchase Agreement (collectively, the "Purchase Documents") and the President and the Executive Director are hereby authorized and directed to execute the Purchase Documents on behalf of the EDA and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.

2. EDA staff and officials are authorized to take all actions necessary to perform the EDA's obligations under the Purchase Documents as a whole, including without limitation execution of any documents or certifications to which the EDA is a party referenced in or attached to the Purchase

Agreement, and any deed or other documents necessary to convey the Real Property to Developer.

3. The approval hereby given to the Purchase Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA subject to the following conditions: (a) such modifications do not materially adversely affect the interests of the EDA; and (b) such modifications do not contravene or violate any policy of the EDA or applicable provision of law. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the EDA Attorney, may act in their behalf. This Resolution shall not constitute an offer and the purchase agreement shall not be effective until the date of execution thereof.

4. Upon execution and delivery of the Purchase Documents, the officers and employees of the EDA are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the EDA to implement the Purchase Documents.

Approved by the Board of Commissioners of The Economic Development Authority of the City of Elk River this 15th day of April, 2024.

____
President

ATTEST:

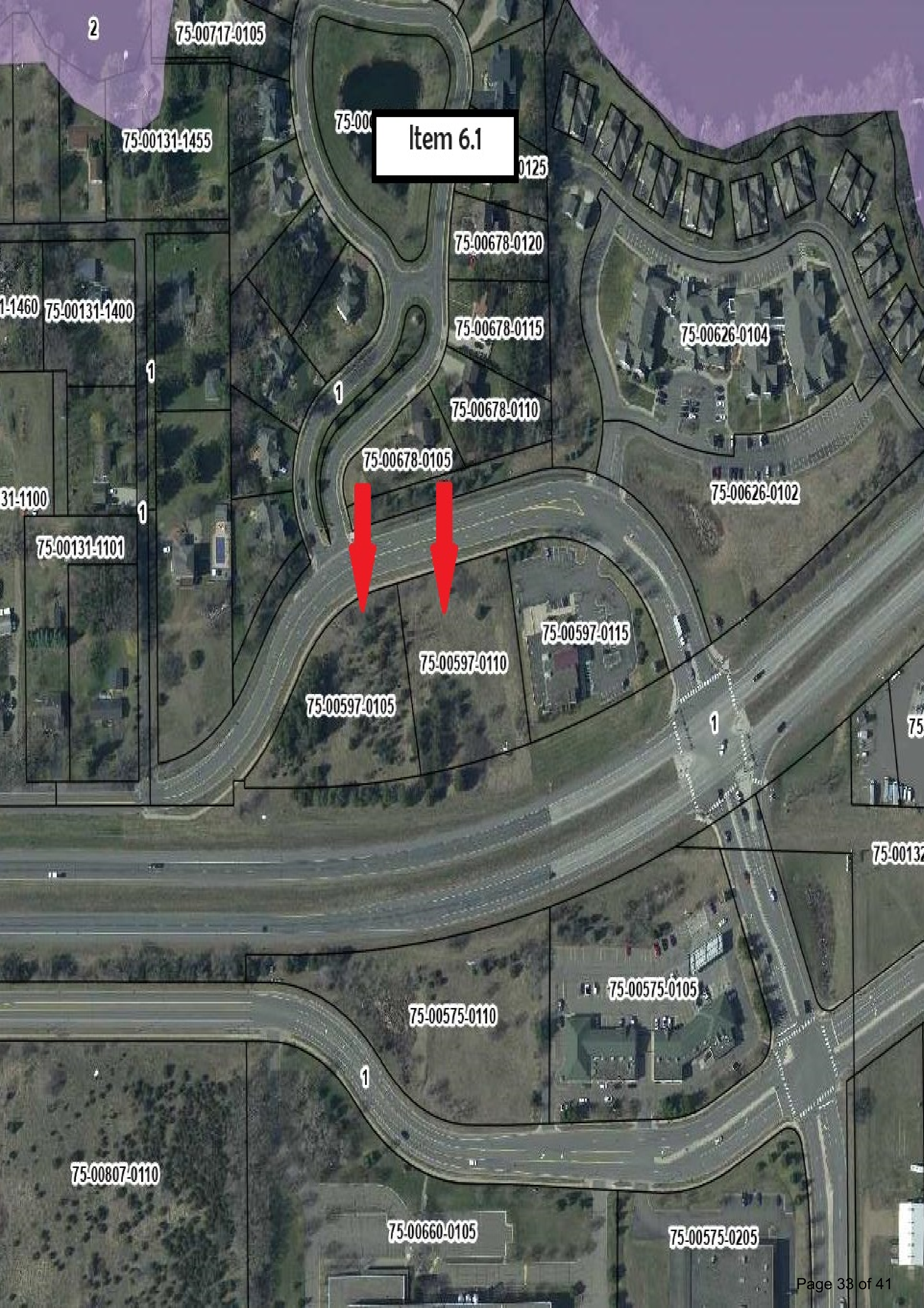
____
Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

Lot 1 and Lot 2, Block 1, Fox Haven Commercial, according to the recorded plat thereof, County of Sherburne, State of Minnesota.

PID No: 75-00579-0105
75-00597-0110


Item 6.1
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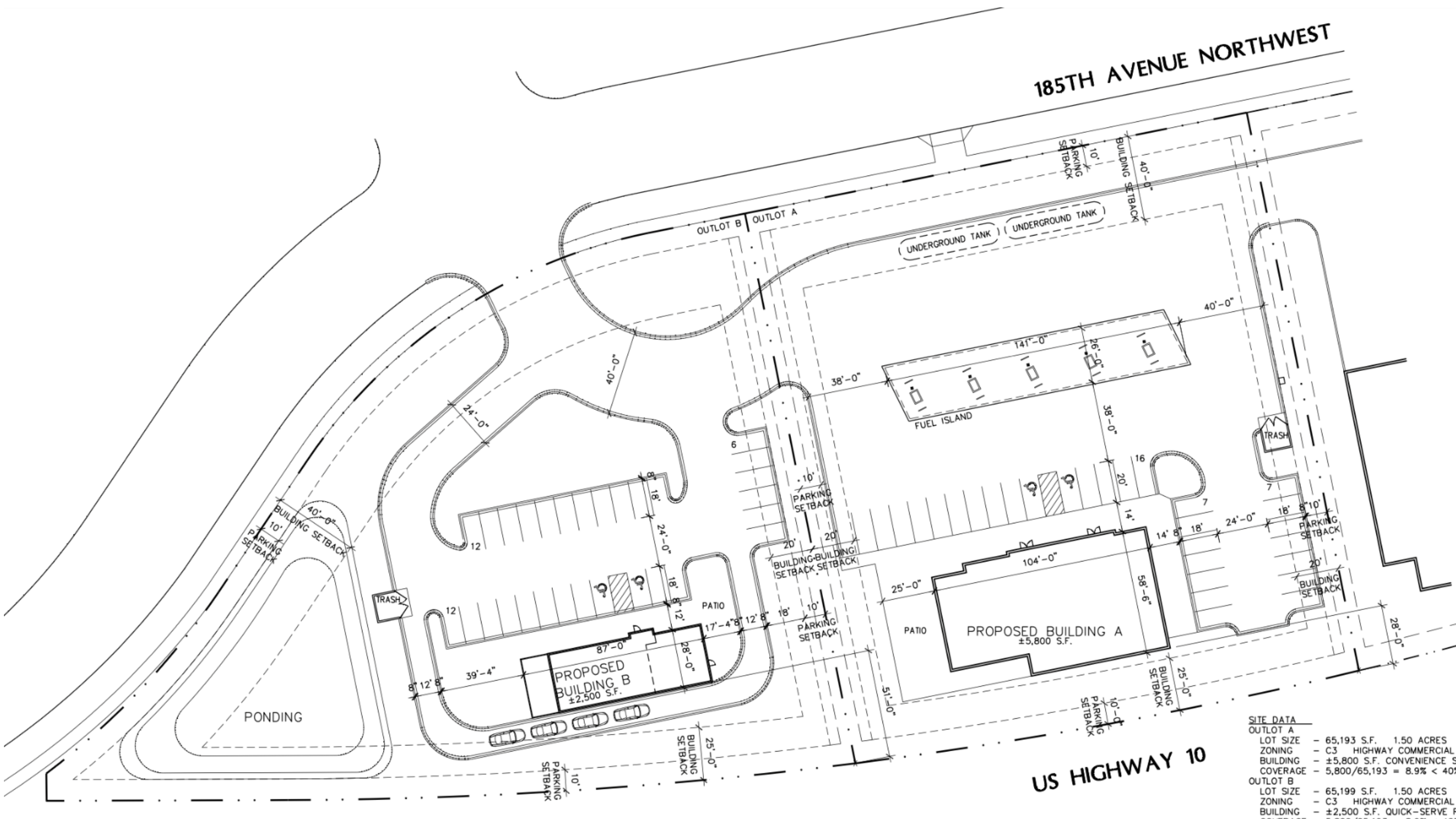

NORTH

1 A1 SITE PLAN
SCALE: 1" = 30'-0"

SITE DATA
OUTLOT A
LOT SIZE – 65,193 S.F. 1.50 ACRES
ZONING – C3 HIGHWAY COMMERCIAL
BUILDING – ±5,800 S.F. CONVENIENCE STORE
COVERAGE – 5,800/65,193 = 8.9% < 40%
OUTLOT B
LOT SIZE – 65,199 S.F. 1.50 ACRES
ZONING – C3 HIGHWAY COMMERCIAL
BUILDING – ±2,500 S.F. QUICK-SERVE RESTAURANT
COVERAGE – 5,800/65,193 = 8.9% < 40%

PARKING DATA
OUTLOT A
CONVENIENCE STORE
5,800 S.F. @ 1/200 S.F. = 29 STALLS
TOTAL STALLS REQUIRED = 29 STALLS
TOTAL STALLS PROVIDED = 30 STALLS

OUTLOT B
CLASS II RESTAURANT
750 S.F. @ 1/40 S.F. = 19 STALLS
CUSTOMER AREA
TOTAL STALLS REQUIRED = 19 STALLS
TOTAL STALLS PROVIDED = 30 STALLS

Request for Action

To
Economic Development Authority

Item Number
7.1

Meeting Date
April 15, 2024

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Committee Updates and Member Appointment

Reviewed by:
Brent O'Neil
Cal Portner

Action Requested
Receive updates on the Together Elk River Committee and the Beautification and Public Arts Committee. Approve, by motion, the appointment of Tamara Ackerman to serve on the Together Elk River Committee.

Background/Discussion
The Beautification and Public Art Committee applied for the Central Minnesota Arts Board (CMAB) Public Arts Grant in early April. The CMAB board review is May 9 when it will be determined if the $8,000 grant request will be awarded to Carey Dean's "Where Energy Flows" project. Staff will attend the April 22nd Multipurpose Facility Advisory Commission meeting to request final approval of the concept and location of the installation at the facility.

Regarding the Together Elk River Committee, staff has connected with multiple businesses on Carson Avenue to collaborate on promotional Facebook Reels. Additionally, staff and members of the chamber have met with OrangeBall and approved the first round of 169 Redefine social posts.

The committee is down to four members after a resignation last month and has desired to include more voices from local businesses to strengthen the reach and impact of the committee. Tamara Ackerman, Avalon Salon owner, is interested in joining the committee. Tamara is passionate about helping the city and businesses in the area. She previously served on the Beautification Committee. She is also an active member of the Downtown Elk River Business Association. She would be a valuable asset to the Together Elk River Committee.

Financial Impact
N/A

Mission/Policy/Goal
Support impacted businesses and capitalize on opportunities associated with the 169 Redefine project. Support and recognize public art initiatives and business beautification efforts.

Attachments
None

Request for Action

To
Economic Development Authority

Item Number
7.2

Meeting Date
April 15, 2024

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Placer.ai Renewal

Reviewed by:
Brent O'Neil
Cal Portner

Action Requested
Approve, by motion, a one-year renewal of the Placer.ai subscription.

Background/Discussion
City staff have continued implementing Placer.ai where beneficial. The platform has been used in the following ways, among others: local presentations and data sharing (Elk River Area Chamber of Commerce, Downtown Elk River Business Association), local event visitor analysis (Riverfront Concert Series, Farmers Market, EV Expo), 169 Redefine business impact and traffic analysis, annual leakage reporting, local facilities' visitation data for the city sponsorship package, traffic pin analysis to assist in billboard placement/timing, Orono Lake Improvement District collaboration for lake user analysis.

The software is set to renew on May 31st for $15,712. For the past two years, the annual charge has been split evenly between the EDA and HRA. Staff have found that the software is used for the activities of the EDA in a higher proportion than the HRA. Staff suggests updating the split where the EDA would cover 70% ($10,998.40) of the annual charge and the HRA would cover the remaining 30% ($4,713.60).

Staff plans to provide an updated Placer.ai presentation to the board at the May meeting.

Financial Impact
The EDA share of the one-year renewal is $10,998.40, which is 70% of the total annual charge of $15,712.

Mission/Policy/Goal
Attract new business development to Elk River to build the City's economic vibrancy, job offerings and tax base.

Attachments
None

Request for Action

To
Economic Development Authority

Item Number
7.3

Meeting Date
April 15, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
General Updates

Reviewed by:
Cal Portner

Action Requested
Item presented for information and discussion purposes.

Background/Discussion
This item is an opportunity to discuss relevant topics and other non-action items.

Financial Impact
N/A

Mission/Policy/Goal
Support Elk River's existing businesses through relationship building, programmatic offerings, and high-quality city services. Attract new business development to Elk River to build the city's economic vibrancy, job offerings and tax base.

Attachments
None

The Elk River Vision

A welcoming community with revolutionary and spirited resourcefulness, exceptional service, and community engagement that encourages and inspires prosperity

Request for Action

To
Economic Development Authority

Item Number
9.1

Meeting Date
April 15, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
Introduction - Acumen Business Solutions

Reviewed by:
Cal Portner

Action Requested
Item presented for information and discussion purposes.

Background/Discussion
Staff has been working with Acumen Business Solutions since late 2023 about hotel development opportunities in Elk River. As conversations have progressed staff has invited Acumen to meet with the EDA. While still in early stages, this is an opportunity to meet with Acumen and learn more about the steps Acumen is taking regarding adding hotel capacity in the community.

About Acumen (website):
"Acumen Business Solutions is a Minnesota-based Commercial Property Management, Real Estate Brokerage and Business Management Company offering third party property management services to Commercial and Hospitality related properties in the Twin Cities and surrounding community.

In addition to traditional commercial asset management, Acumen Business Solutions also offers hospitality, nightclub, golf club and hotel industry management services. The wide range of proven experience and successes allows Acumen Business Solutions to be a superior all-encompassing, full service commercial property and business management company."

Financial Impact
N/A

Mission/Policy/Goal
Attract new business development to Elk River.

Attachments
None

Request for Action

To
Economic Development Authority

Item Number
9.2

Meeting Date
April 15, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
Projects Update

Reviewed by:
Cal Portner

Action Requested
Item presented for information and discussion purposes.

Background/Discussion
Staff intends to share information on recent industrial projects and inquiries.

Financial Impact
N/A

Mission/Policy/Goal
Attract new business development to Elk River.

Attachments
None