



HRA Regular Session - 6:50 p.m.

CITY COUNCIL AGENDA
Tuesday, December 6, 2016
7:00 p.m.
Coon Rapids City Center
Council Chambers

Call to Order

Pledge of Allegiance

Roll Call

Adopt Agenda

Proclamations/Presentations

Approval of Minutes of Previous Meeting

1. Approve Minutes of November 15, 2016 Special Meeting
2. Approve Minutes of November 15, 2016 Regular Meeting

Consent Agenda

3. Adopt Resolution 16-129, Amending the Recycling Center Budget for the Purchase of Additional Carts
4. Approve Final Payment for Project 15-3, Street Reconstruction
5. Approve Final Payment for Project 15-1, Street Reconstruction
6. Adopt Resolution 16-130 Misc. Assessment Abatement (1232 98th Lane)
7. Approve Final Payment for Project 15-20, 2016 Park Redevelopment Projects
8. Approve Contract Extension with Togle Inspections for Electrical Inspections

9. Adopt Resolution 16-133, Authorizing Purchase of Two (2) New Rooftop Heat Units for Public Communications
10. Approve 2017 Business License Renewals
11. Accept Informational Item: Corporate Officer Changes for Business Licenses

Public Hearing

12. Hold Currency Exchange License Public Hearing and Consider License Application for Your Exchange
13. Consider Resolution 16-132 Approving Minnesota Investment Fund Loan Documents for a Project by RMS Company
14. Truth-In-Taxation Public Hearing and Adoption of 2017 Budget and Tax Levy

Bid Openings and Contract Awards

Old Business

New Business

15. Consider Resolution 17-6(8) Approving Plans and Specifications and Ordering Advertisement for Bids - Project 17-6, 2017 Sanitary Sewer Lining
16. PC16-26, Consider Resolution 16-131 Approving Preliminary and Final Plat, Woods at Crooked Lake, 2928 129th Avenue
17. Keith Kuter, 10031 Norway Street NW, Rental License Denial Appeal

Open Mic/Public Comment

Reports on Previous Open Mic

Other Business

Adjourn



City Council Regular

1.

Meeting Date: 12/06/2016

Subject: Approve Minutes of November 15, 2016 Special Meeting

From: Joan Lenzmeier, City Clerk

INTRODUCTION

DISCUSSION

RECOMMENDATION

Attachments

November 15, 2016 Special Meeting

COON RAPIDS CITY COUNCIL MEETING MINUTES OF NOVEMBER 15, 2016

CALL TO ORDER

A special meeting of the Coon Rapids City Council was called to order by Mayor Jerry Koch at 6:50 p.m. on Tuesday, November 15, 2016, in the Council Chambers.

ROLL CALL

Members Present: Mayor Jerry Koch, Councilmembers, Ron Manning, Jennifer Geisler, Brad Johnson, Denise Klint, Wade Demmer and Steve Wells

NEW BUSINESS

1. CANVASS NOVEMBER 8, 2016 ELECTION RESULTS

The Staff report was shared with Council.

MOTION BY DEMMER, SECONDED BY GEISLER TO APPROVE CANVASS FOR GENERAL ELECTION CONDUCTED NOVEMBER 8, 2016, AND DECLARE THE WINNERS OF THE NOVEMBER 8, 2016 GENERAL ELECTION TO BE: BRAD GRESKOWIAK FOR WARD 1; BILL KIECKER FOR WARD 2; AND STEVE WELLS FOR COUNCILMEMBER AT LARGE. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

None.

ADJOURN

MOTION BY COUNCILMEMBER GEISLER, SECONDED BY COUNCILMEMBER MANNING, TO ADJOURN THE MEETING AT 6:55 P.M. THE MOTION PASSED UNANIMOUSLY.

Jerry Koch, Mayor

ATTEST:

Stephanie Lincoln, Deputy City Clerk



City Council Regular

2.

Meeting Date: 12/06/2016

SUBJECT: Approve Minutes of November 15, 2016 Regular Meeting

Attachments

November 15, 2016 Regular Meeting

UNAPPROVED

COON RAPIDS CITY COUNCIL MEETING MINUTES OF NOVEMBER 15, 2016

CALL TO ORDER

The second regular meeting of the Coon Rapids City Council for the month of November was called to order by Mayor Jerry Koch at 7:00 p.m. on Tuesday, November 15, 2016, in the Council Chambers.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Koch led the Council in the Pledge of Allegiance.

ROLL CALL

Members Present: Mayor Jerry Koch, Councilmembers Denise Klint, Ron Manning, Wade Demmer, Jennifer Geisler, Brad Johnson and Steve Wells

Members Absent: None

ADOPT AGENDA

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER DEMMER, TO ADOPT THE AGENDA AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

PROCLAMATIONS/PRESENTATIONS

1. CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
-

Mayor Koch presented Francine Hanson with the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for year ending December 31, 2015. A round of applause was offered by all in attendance.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

2. NOVEMBER 1, 2016, COUNCIL MEETING
-

MOTION BY COUNCILMEMBER GEISLER, SECONDED BY COUNCILMEMBER DEMMER, FOR APPROVAL OF THE MINUTES OF THE NOVEMBER 1, 2016, COUNCIL MEETING. THE MOTION PASSED UNANIMOUSLY.

CONSENT AGENDA/INFORMATIONAL BUSINESS

None.

PUBLIC HEARING

3. HOLD PUBLIC HEARING ON LIQUOR LICENSE FEES AND CONSIDER ORDINANCES AND RESOLUTIONS SETTING 2017 FEES AND CHARGES

The Staff report was shared with Council.

Mayor Koch opened and closed the public hearing at 7:06 p.m. since no one appeared to address the Council.

MOTION BY COUNCILMEMBER KLINT, SECONDED BY COUNCILMEMBER MANNING, TO ADOPT AN ORDINANCE TO REVISE CERTAIN LICENSE FEES, SERVICE FEES AND RELATED CHARGES EFFECTIVE JANUARY 1, 2017. THE MOTION PASSED UNANIMOUSLY.

MOTION BY COUNCILMEMBER KLINT, SECONDED BY COUNCILMEMBER GEISLER, TO ADOPT AN ORDINANCE ESTABLISHING PERMIT AND INSPECTION FEES FOR THE BUILDING INSPECTIONS DIVISION AS AUTHORIZED BY MINNESOTA STATUTES SECTION 16B.62, SUBDIVISION 1 EFFECTIVE JANUARY 1, 2017. THE MOTION PASSED UNANIMOUSLY.

MOTION BY COUNCILMEMBER DEMMER, SECONDED BY COUNCILMEMBER MANNING, TO ADOPT RESOLUTION NO. 16-125 ESTABLISHING CERTAIN FEES AND CHARGES EFFECTIVE JANUARY 1, 2017. THE MOTION PASSED UNANIMOUSLY.

MOTION BY COUNCILMEMBER DEMMER, SECONDED BY COUNCILMEMBER GEISLER, TO ADOPT RESOLUTION NO. 16-124 ESTABLISHING CERTAIN FEES AND CHARGES FOR USE OF CTN STUDIO FACILITIES EFFECTIVE JANUARY 1, 2017. THE MOTION PASSED UNANIMOUSLY.

BID OPENINGS AND CONTRACT AWARDS

None.

OLD BUSINESS

None.

NEW BUSINESS

4. ORDER PREPARATION OF FEASIBILITY REPORT AND PREPARATION OF
 PLANS FOR PROJECT 17-1, STREET RECONSTRUCTION

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 17-1(3) ORDERING PREPARATION OF FEASIBILITY REPORT; AND RESOLUTION NO. 17-1(6) ORDERING PREPARATION OF PLANS.

Councilmember Demmer requested further comment from staff on how the City selected streets for repair. Public Works Director Himmer stated based upon the age or condition of the roadway a mill and overlay was not always an option. He explained that due to the age of the roads within this project area a full reconstruction was necessary.

THE MOTION PASSED UNANIMOUSLY.

5. ORDER PREPARATION OF FEASIBILITY REPORT AND PREPARATION OF
 PLANS FOR PROJECT 17-2, MSA STREET RECONSTRUCTION

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER WELLS, TO ADOPT RESOLUTION NO. 17-2(3) ORDERING PREPARATION OF FEASIBILITY REPORT; AND ADOPT RESOLUTION NO. 17-2(6) ORDERING PREPARATION OF PLANS.

Councilmember Klint questioned why only a portion of Shenandoah was being reconstructed. Public Works Director Himmer stated this portion of Shenandoah had broken down due to poor soils and was in need of reconstruction.

THE MOTION PASSED UNANIMOUSLY.

6. ORDER PREPARATION OF FEASIBILITY REPORT AND PREPARATION OF
 PLANS FOR PROJECT 17-3, STREET RECONSTRUCTION

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 17-3(3) ORDERING PREPARATION OF FEASIBILITY REPORT; AND ADOPT RESOLUTION NO. 17-3(6) ORDERING PREPARATION OF PLANS.

Public Works Director Himmer reported that portions of this project were a mill and overlay.

THE MOTION PASSED UNANIMOUSLY.

7. ORDER PREPARATION OF FEASIBILITY REPORT AND PREPARATION OF
 PLANS FOR PROJECT 17-4, STREET RECONSTRUCTION

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER GEISLER, TO ADOPT RESOLUTION NO. 17-4(3) ORDERING PREPARATION OF FEASIBILITY REPORT; AND RESOLUTION NO. 17-4(6) ORDERING PREPARATION OF PLANS. THE MOTION PASSED UNANIMOUSLY.

8. CONSIDER RESOLUTION 16-128 CALLING BONDS OF 2008A

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER GEISLER, SECONDED BY COUNCILMEMBER DEMMER, TO ADOPT RESOLUTION NO. 16-128 CALLING FOR REDEMPTION OF 2008A IMPROVEMENT BONDS. THE MOTION PASSED UNANIMOUSLY.

9. CONSIDER RESOLUTIONS 16-126 AND 16-127 ESTABLISHING 2017 FEES AND
 CHARGES FOR USE OF CITY PARK FACILITIES & ADULT SPORTS LEAGUES

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 16-126 ESTABLISHING CERTAIN FEES AND CHARGES FOR USE OF CITY PARK FACILITIES EFFECTIVE JANUARY 1, 2017. THE MOTION PASSED UNANIMOUSLY.

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER GEISLER, TO ADOPT RESOLUTION NO. 16-127 ESTABLISHING CERTAIN FEES AND CHARGES FOR ADULT SPORTS LEAGUES EFFECTIVE JANUARY 1, 2017. THE MOTION PASSED UNANIMOUSLY.

10. CONSIDER PLAYGROUND EQUIPMENT EXPENDITURES FOR 2017 PARK IMPROVEMENTS

The Staff report was shared with Council.

Mayor Koch asked if the Park Commission supported staff's recommendation. Public Works Director Himmer explained the Park Commission had approved of the playground equipment purchase.

Councilmember Manning believed it was important for the City to receive grant funding for this project. He indicated this was a very important park in the City and he wanted to see it well done.

Councilmember Demmer agreed stating the proposed playground equipment would take this park from a good park to a great park. He asked what the City would do with the old playground equipment. Public Works Director Himmer reported the equipment would be donated to a third world country if the equipment was deemed to still have a useful life.

Councilmember Geisler believed Boulevard Park would be a very fun and unique park amenity for the City and its residents.

Mayor Koch questioned if any trail connections could be made to Boulevard Park down 109th. Public Works Director Himmer stated a trail connection from 109th to Mississippi was proposed in the future.

MOTION BY COUNCILMEMBER GEISLER, SECONDED BY COUNCILMEMBER JOHNSON, TO AUTHORIZE THE EXPENDITURE OF \$109,236.28 FOR THE PURCHASE OF PLAYGROUND EQUIPMENT AT BOULEVARD PARK; AND ADOPT RESOLUTION 16-123, AMENDING THE PARK IMPROVEMENT FUND BUDGET AND AUTHORIZING THE EXPENDITURE OF \$35,583.88 FOR THE PURCHASE OF PLAYGROUND EQUIPMENT FOR THE SOCCER COMPLEX. THE MOTION PASSED UNANIMOUSLY.

Public Works Director Himmer asked the Council for feedback on the concept park plan.

Councilmember Johnson stated he supported the park plan as presented and hoped the playground surfaces would be of a soft synthetic nature. He suggested the Council consider creating other signature parks in the City. Public Works Director Himmer explained over half of the park would have a soft synthetic texture making it ADA accessible and the remainder of the park would have wood chips.

Councilmember Geisler supported the concept plan and believed the playground equipment was in the correct location. In addition, she believed the playground equipment had the right mix of age appropriate components.

Councilmember Klint recommended the slides be placed properly to avoid full sun exposure. Public Works Director Himmer reported shade components had been worked into the plan to assist with protecting the equipment.

11. **CONSIDER FAIR HOUSING IMPLEMENTATION COUNCIL – AUTHORIZATION OF FIRST AMENDMENT TO COOPERATIVE FUNDING AGREEMENT-PROGRAM YEARS 2015-2019**

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER WELLS, TO AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE COOPERATIVE FUNDING AGREEMENT FOR FAIR HOUSING ACTIVITIES, TOGETHER WITH ANY NECESSARY DOCUMENTS, WITH PARTICIPATING JURISDICTIONS OF THE FAIR HOUSING IMPLEMENTATION COUNCIL, TO FACILITATE AND IMPLEMENT CERTAIN ACTIVITIES IN DEVELOPMENT OF AN ADDENDUM TO THE REGIONAL ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING AND THE RELATED FAIR HOUSING ACTION GUIDE. THE MOTION PASSED UNANIMOUSLY.

OPEN MIC/PUBLIC COMMENT

Mayor Koch reviewed the rules of order for the Open Mic/Public Comment portion of the meeting.

REPORTS ON PREVIOUS OPEN MIC

None.

OTHER BUSINESS

Councilmember Demmer reported the Frisbee golf course was now open at Woodcrest Park. He invited the public to take advantage of this great amenity.

Mayor Koch asked how the 2016 street projects were coming along. Public Works Director Himmer provided the Council with an update on the street projects noting renovation work would continue to next spring. He explained that some of the projects took longer than anticipated due to the higher level of rains received this summer. He thanked the contractors for the great work they completed on behalf of the City.

Councilmember Manning reported Foley Boulevard was a County road. He questioned what would happen to Foley Boulevard if not completed prior to winter. Public Works Director Himmer stated this project was wrapping up and anticipated the contractor would button this up as best as possible to keep the lanes passable throughout the winter months.

City Manager Stemwedel indicated City Hall would be closed on Thursday and Friday of next week for the Thanksgiving holiday.

City Manager Stemwedel thanked the City Clerk, her entire staff and all of the election judges for their efforts during the recent election.

ADJOURN

MOTION BY COUNCILMEMBER KLINT, SECONDED BY COUNCILMEMBER JOHNSON, TO ADJOURN THE MEETING AT 7:47 P.M. THE MOTION PASSED UNANIMOUSLY.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

3.

Meeting Date: 12/06/2016

Subject: Adopt Resolution 16-129, Amending the Recycling Center Budget for the Purchase of Additional Carts

Submitted For: Colleen Sinclair, Recycling Coordinator

From: Colleen Sinclair, Recycling Coordinator

INTRODUCTION

Council is being asked to approve resolution 16-129 for the the purchase of additional carts for the automatic cart tipper that is currently in use at the Recycling Center.

DISCUSSION

Additional carts are needed to use with the cart tipper that was installed earlier this year. With the addition of on-site paper shredding at the Recycling Center there is now a need for additional carts to assist with the temporary storage of recyclables for bailing. These carts are custom made to work with the cart tipper that was previously manufactured and purchased for our facility. 15 additional carts with lids are requested; totaling \$9,653.75.

RECOMMENDATION

Approve Resolution 16-129 amending the Recycling Center budget for the purchase of 15 additional carts.

Attachments

Quote
Resolution

RESOLUTION NO. 16-129

**RESOLUTION AMENDING THE BUDGET FOR ADDITIONAL CARTS AT THE
RECYCLING CENTER**

WHEREAS, Section 1-700 of the City Charter provides for adoption of an annual budget and the subsequent amendments; and

WHEREAS, the 2016 budget does not include funds for purchasing the carts at the Recycling Center; and

WHEREAS, the Recycling Center is in need of additional carts to allow for the operation to run;
And

WHEREAS, the total cost to complete the purchase is estimated to be \$9,653.75; and

WHEREAS, capital outlay purchases must specifically be identified and funded per the City Code 2-803,

WHEREAS, sufficient funds are available in the Recycling Fund to make this purchase.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota to increase the Recycling Fund budget by \$9,623.75 for the purchase of additional Carts.

Adopted this 6th day of December, 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

4.

Meeting Date: 12/06/2016

Subject: Approve Final Payment for Project 15-3, Street Reconstruction

Submitted For: Sharon Legg, Finance Director

From: Dianne Nelson, Advanced Accounting Technician

INTRODUCTION

The City Engineer recommends final payment to North Valley, Inc. for Project 15-3, Street Reconstruction.

DISCUSSION

A summary of Project 15-3 is as follows:

Contract completion date	9/30/15
Substantial completion date	8/28/15
Final completion date	10/30/15

Contract amount	\$1,603,832.40
Total additions/deletions	26,811.34
Final contract amount	1,630,643.74
Actual project costs	1,564,266.58
Less: previous payments by City	(1,469,333.66)
Amount due	94,932.92
Amount under final contract	\$(66,377.16)

The change order for the project was to salvage and replace reclaim base material along streets and additional subgrade excavation. All of the above dates and amounts are reasonable and accurate according to the project file. No liquidated damages are recommended.

RECOMMENDATION

Staff recommends approval of change order and final payment to North Valley, Inc. in the amount of \$94,932.92 for Project 15-3, Street Reconstruction.



City Council Regular

5.

Meeting Date: 12/06/2016

Subject: Approve Final Payment for Project 15-1, Street Reconstruction

Submitted For: Sharon Legg, Finance Director

From: Dianne Nelson, Advanced Accounting Technician

INTRODUCTION

The City Engineer recommends final payment to North Valley, Inc. in the amount of \$100,275.57 for Project 15-1, Street Reconstruction (Hanson/121st & Main).

DISCUSSION

A summary of Project 15-1 is as follows:

Contract completion date	9/30/15
Substantial completion date	8/28/15
Final completion date	9/30/15

Contract amount	\$1,619,855.60
Total additions/deletions	\$57,582.31
Final contract amount	\$1,677,437.91
Actual project costs	\$1,639,199.15
Less: previous payments by City	(\$1,538,923.58)
Amount due	\$100,275.57
Amount under final contract	\$38,238.76

The changes for the project were for a gate valve replacement, salvage and replacement reclaim base material, to replace a butterfly valve and stream bank protection work. The actual project costs were less than the final contract amount due to quantity adjustments from original bid.

RECOMMENDATION

Staff recommends approval of change orders and the final payment to North Valley, Inc. in the amount of \$100,275.57 for Project 15-1, Street Reconstruction (Hanson Boulevard/121st & Main).



City Council Regular

6.

Meeting Date: 12/06/2016

Subject: Adopt Resolution 16-130 Misc. Assessment Abatement (1232 98th Lane)

Submitted For: Sharon Legg, Finance Director

From: Heidi Cederstrand, Assessment Clerk II

INTRODUCTION

Staff is recommending re-assigning an assessment totaling \$643.94, which includes assessment fees and interest, from the parcel 26-31-24-42-0017 to the parcel 26-31-24-24-0017.

DISCUSSION

On November 24, 2014, there was a citation for not having a rental license on the property at 1232 98th Lane (PIN: 26-31-24-24-0017). The parcel number was transposed in error and the assessment was incorrectly levied to the unassigned parcel at 26-31-24-42-0017, which is owned by Anoka County. Anoka County who contacted the City on November 18, 2016 of the error. The correct parcel did receive notification and the assessment should be levied.

Staff requests to have an abatement submitted to Anoka County to remove the assessment from parcel 26-31-24-42-0017 (the Anoka County property) and collected on parcel number 26-31-24-24-0017.

RECOMMENDATION

Adopt Resolution 16-130 Re-assigning the Assessment from PIN 26-31-24-42-0017 to the parcel 26-31-24-24-0017 .

Attachments

rs 16-130

RESOLUTION NO. 16-130

**RESOLUTION RE-ASSIGNING ASSESSMENT FROM PIN 26-31-24-42-0017 TO THE
PARCEL 26-31-24-24-0017**

WHEREAS, the assessment roll for project MIS2015A-1 with the Anoka County Fund number of 84816, was adopted on February 3, 2015 for collection with the 2016 property taxes; and

WHEREAS, the assessment roll included assessments totaling \$630, plus interest of \$13.94 for code violation fees on parcel 26-31-24-42-0017; and

WHEREAS, these fees were incorrectly assessed to the parcel; and

WHEREAS, the fees are to be collected on the correct parcel 26-31-24-24-0017.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota that the assessment amount of \$643.94 (includes interest) should be removed from parcel number 26-31-24-42-0017 and collected on parcel 26-31-24-24-0017.

Adopted by the Coon Rapids City Council this 6th of December 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk--



City Council Regular

7.

Meeting Date: 12/06/2016

Subject: Approve Final Payment for Project 15-20, 2016 Park Redevelopment Projects

Submitted For: Sharon Legg, Finance Director

From: Dianne Nelson, Advanced Accounting Technician

INTRODUCTION

The City Engineer has recommended final payment to Custom Builders, Inc. in the amount of \$49,464.00 for Project 15-20, 2016 Park Redevelopment Projects.

DISCUSSION

A summary of Project 15-20 is as follows:

Contract completion date	11/18/16
Substantial completion date	9/30/16
Final completion date	11/18/16

Contract amount	\$810,523.50
Total additions/deletions	\$24,543.13
Final contract amount	\$835,066.63
Actual project costs	\$810,034.04
Less: previous payments by City	(\$760,570.04)
Amount due	\$49,464.00
Amount under final contract	\$25,032.59

The changes for the project were for additional material and labor to add rebar to curbs, time and material layout and additional work at Woodcrest and Mason Parks not included in original bid. The actual project costs were less than the final contract amount due to quantity adjustments from original bid.

RECOMMENDATION

All of the above dates and amounts are reasonable and accurate according to the project file. No liquidated damages are recommended. Staff recommends approval of change orders and final payment to Custom Builders, Inc. in the amount of \$49,464.00 for Project 15-20, 2016 Park Redevelopment Projects.



City Council Regular

8.

Meeting Date: 12/06/2016

Subject: Approve Contract Extension with Togle Inspections for Electrical Inspections

From: Greg Brady, Chief Building Official

INTRODUCTION

Staff is recommending that the Council authorize an extension to the Professional Services Agreement with Peter A. Togle for contract electrical inspection services through June 30, 2017.

DISCUSSION

In November, the City's electrical inspector took a job with another municipality and staff has not yet rehired a replacement inspector. This situation has created high demand for both plan reviews and inspections in a short time frame as construction work moves forward. Staff has been able to cover the demand with a contract inspector (Peter A. Togle) for the time being. However, this contract expires on December 31, 2016, which will create a disruption in services. Staff is recommending that an extension be approved for up to 6 months (if necessary), while the recruitment process is underway for a new full-time electrical inspector.

RECOMMENDATION

Approve an extension to the Professional Services Agreement with Peter A. Togle for contract electrical inspection services through June 30, 2017.

Attachments

Electrical Inspection Contract

**PROFESSIONAL SERVICES CONTRACT
FOR ELECTRICAL INSPECTION SERVICES**

THIS AGREEMENT, entered into this 20th day of December, 2016, by and between Peter A. Tokle of Tokle Inspections Incorporated, herein referred to as "Contractor", and the City of Coon Rapids, a Minnesota municipal corporation, hereinafter referred to as "City";

WITNESSETH:

WHEREAS, the City requires the services of a professional electrical inspector to administer the provisions of City Code Chapter 12-700 and the laws and rules regulating the licensing of electricians and inspections of electrical installations in the State of Minnesota;

WHEREAS, Contractor is a qualified State of Minnesota electrical inspector who is properly licensed, and is willing and able to perform such services;

NOW, THEREFORE, in consideration of One Dollar (\$1.00), the mutual covenants of the parties contained herein, and other good and valuable consideration, the parties hereby agree as follow.

1. Services Performed. Contractor will perform the services of electrical inspector pursuant to the terms of Chapter 12-700 and in compliance with all laws, rules and regulations related to electrical installations and services.

a. Electrical inspection services shall be available to City, at the direction of the Building Official, on an "on-call" basis at all hours that City offices are generally open to the public. Contractor shall provide City with information necessary to allow for immediate contact with Contractor when electrical inspection services are required.

b. Electrical inspection services shall include, but may not be limited to, providing required on-site inspection services related to permits, retaining all pertinent records and copies of permits and correspondence related to each permit in a manner consistent with a professional inspector and make those records available to City upon request, and code review of electrical plans for sites and buildings prior to construction.

c. Contractor will have office hours available upon request of the City during normal business hours at which time property owners and staff may consult with Contractor and coordinate work and inspections with the City Chief Building Official.

d. Contractor will provide regular and/or annual reports as required by City, including fully detailed written reports documenting all inspections performed by Contractor.

e. Contractor's inspections and inspection reports shall be made, as nearly as possible, within one business day of City requesting the inspection and/or report.

2. Independent Contractor. Contractor's services shall be performed as an independent contractor. Nothing contained in this agreement or in the scope of Contractor's services shall be construed to create an employer/employee relationship between City and Contractor.

a. Contractor will not receive benefits generally available to City employees nor any rights afforded to City employees pursuant to any employee handbook or personnel policies. Contractor is not entitled to any benefits related to unemployment compensation or public employee retirement as a result of this Agreement.

b. Contractor will provide at his/her sole expense all tools, equipment, office space and transportation necessary to perform the services required pursuant to this agreement and City Code Chapter 12-700.

c. Contractor may perform inspection services for other entities and engage in other business activities so long as other work does not conflict with performance of electrical inspection services required pursuant to this agreement.

d. Contractor shall, at his/her sole expense, provide any workers' compensation insurance coverage to the extent required by law.

e. Permits and Compensation: Contractor will be paid \$35.00 per inspection. Contractor will bill the City \$70.00 per hour for plan review and other consultation services. Contractor will invoice the City on a monthly basis and City will pay Contractor's invoices within 30 days or as soon thereafter as reasonably possible.

3. Indemnification. Contractor will indemnify and hold City, its officers, agents and Employees harmless against and from any and all claims or damages, including reasonable attorney fees, by or on behalf of any person or persons from personal injuries, wrongful death, loss of use and property damage arising out of his/her performance under the terms of this Agreement and the duties prescribed by City code. City, on its behalf, may assert any governmental immunities or tort liability caps that may exist.

4. Insurance. Contractor will maintain at his/her sole expense liability insurance covering the Contractor's negligent acts or omissions occurring during the performance of

Contractor's duties pursuant to this Agreement.

a. City shall be named as an additional insured and a certificate of insurance shall be provided to the City on an annual basis. Contractor's insurance shall contain a clause that it cannot be canceled without 30 day's written notice to City prior to cancellation.

b. Contractor's insurance shall be in the amount of \$1,000,000 each negligent act, error or omission and \$1,000,000 aggregate or higher amount as may be required by law or required as a professional electrical inspector.

c. Contractor shall maintain at all times motor vehicle liability insurance as required by law and any other professional liability insurance as may be required for continuing licensure that may be required of Contractor's trade.

d. At any time during the term of this agreement, City may require Contractor to provide proof of insurance in a form satisfactory to City. If in City's opinion the required insurance is not being maintained, City may immediately terminate this agreement by written notice without liability whatsoever to Contractor.

e. In addition to all coverage, the Contractor shall procure and maintain an Umbrella or Excess liability policy in a minimum limit of 1,000,000.

5. Breach by Contractor. Upon the failure of Contractor to satisfactorily perform the services contemplated pursuant to the terms of this agreement the City may immediately terminate this agreement by written notice to Contractor.

6. Term. This agreement shall be in effect from January 1, 2017 to March, 31 2017.

a. First Renewal Period. This agreement shall automatically renew upon the same terms and conditions for an additional year (April 1, 2017 to June 30, 2017) unless either party gives written notice of termination at least 30 days prior to the expiration date.

b. This agreement may be terminated by Contractor at any time for any reason, or for no reason, on 60 days written notice.

c. This agreement may be terminated by City at any time for any reason, or for no reason, on 30 days written notice.

7. Notices. Any notices required by this Agreement shall be sent as follows:

TO CITY:

Building Official
City of Coon Rapids
11155 Robinson Drive
Coon Rapids, MN 55433

TO CONTRACTOR:

Peter Tokle
Tokle Inspections Inc.
1748 123rd Ave NW
Coon Rapids MN 55448

8. Effect. If any provision of this agreement shall be declared invalid or unenforceable, the remainder hereof shall continue in full force and effect.

9. No Assignment. This agreement and the duties and rights secured hereby shall not be assigned or transferred to any other person, entity, or party for any reason by Contractor. The death, incapacitation or termination of either party shall act as an automatic termination of this agreement without liability whatsoever to the other party.

10. Data Practices Requests. Contractor shall comply, to the extent required, with the Minnesota Data Practices Act. Contractor will immediately notify the City if Contractor receives a request for information. The City will cooperate with the Contractor in determining an appropriate response to the request for information.

11. Entire Agreement. This agreement contains the entire understanding and contract of the parties. No modification, either oral or written, may be made without the formal approval the City Council.

12. Code of Conduct. Contractor shall at all times while performing duties under this agreement maintain a professional appearance and demeanor and shall treat all members of the public with due respect. Contractor shall not take any action, nor communicate with others in a manner that will project a negative image of City or its employees.

IN WITNESS WHEREOF, the parties hereto have signed below as their free, voluntary and knowing act on the date written above.

CITY OF COON RAPIDS

CONTRACTOR

Jerry Koch, Mayor

Its _____

Matt Stemwedel, City Manager



City Council Regular

9.

Meeting Date: 12/06/2016

Subject: Adopt Resolution 16-133, Authorizing Purchase of Two (2) New Rooftop Heat Units for Public Communications

From: Sharon Legg, Finance Director

INTRODUCTION

Council is being asked to approve Resolution 16-133 amending the budget to cover the costs for two rooftop units for the Public Communication Building.

DISCUSSION

One of the rooftop units has failed and another is near the end of its life on the Public Communications building. Staff is in the process of obtaining quotes for the replacement of both of them from responsible vendors. Because this was unanticipated, there was not an amount budgeted for this capital outlay item. The amount to replace the units is estimated to cost approximately \$25,000. The units will be purchased from the vendor with the lowest quote.

RECOMMENDATION

Approve Resolution No.16-133 Authorizing an Appropriation of Funds for Rooftop Units for the Public Communication Building.

Attachments

RS 16-133

RESOLUTION NO. 16-133

**RESOLUTION AMENDING THE BUDGET FOR TWO ROOFTOP UNITS FOR THE
PUBLIC COMMUNICATION BUILDING**

WHEREAS, Section 1-700 of the City Charter provides for adoption of an annual budget and the subsequent amendments; and

WHEREAS, the 2016 budget does not include funds for replacing rooftop units on the Public Communication Building; and

WHEREAS, Public Communications building is in need of rooftop units to replace the existing units that have failed; and

WHEREAS, the total cost to complete the purchase is estimated to be \$25,000; and

WHEREAS, capital outlay purchases must specifically be identified and funded per the City Code 2-803,

WHEREAS, sufficient funds are available in the Public Communication Fund balance to make this purchase.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota to increase the Public Communication Fund budget by \$25,000 for the purchase of two rooftop units.

Adopted this 6th day of December, 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

10.

Meeting Date: 12/06/2016

Subject: Approve 2017 Business License Renewals

From: Stephanie Lincoln, Deputy City Clerk

INTRODUCTION

City Code Section 5 contains provisions for licensing of certain establishments within the City of Coon Rapids. Attached is a tabulation of those licenses which require City Council approval.

DISCUSSION

All of the license applications are renewals. As indicated on the tabulation, most license renewals are complete, with the exception of those businesses missing the indicated items. Certain licenses such as tobacco and massage therapists are approved by staff and are not part of the attachment. The renewals were processed using the 2017 fee schedule. All missing items are expected to be received by Friday, December 19, 2016.

RECOMMENDATION

Staff recommends Council consider approval of the 2017 business license renewals as listed on the attached tabulation, subject to receipt of additional information as noted.

Attachments

Business License Renewal Report

Business Licenses for Council Approval



Printed: 12/1/2016

	<u>License #</u>	<u>License Type</u>
AMC Theatres Coon Rapids 16		
10051 WOODCREST DR		
	# 9	Theater License
Applebee's Neighborhood Grill & Bar		
3470 129TH AVE		
	# 151	On-Sale Intoxicating Liquor License - A
	# 152	On-Sale Sunday Liquor Sales License
Best Buy		
12633 RIVERDALE BLVD		
	# 20	Secondhand Dealer License - Class A
Bluesky Spa LLC		
2393 COON RAPIDS BLVD		
	# 477	Massage Enterprise License
Bodyworks Therapeutic Massage		
11031 BITTERSWEET ST		
	# 23	Massage Enterprise License
Boston's Gourmet Pizza Restaurant & Sports Bar		
12794 RIVERDALE BLVD		
	# 178	On-Sale Intoxicating Liquor License - A
	# 267	On-Sale Sunday Liquor Sales License
	# 268	On-Sale 2 AM Liquor Sales License
Boulevard Bar & Grille		
3395 COON RAPIDS BLVD		
	# 311	On-Sale Intoxicating Liquor License - A
	# 312	On-Sale Sunday Liquor Sales License
	# 313	On-Sale 2 AM Liquor Sales License
Broadway Bar and Pizza @ Coon Rapids		
3420 129TH AVE		
	# 440	On-Sale Intoxicating Liquor License - A
	# 448	On-Sale Sunday Liquor Sales License
Buffalo Wild Wings		
3395 RIVER RAPIDS DR		
	# 161	On-Sale Intoxicating Liquor License - A
	# 220	On-Sale Sunday Liquor Sales License
Carbones Pizza / CR's Sportsbar		
8525 COTTONWOOD ST		
	# 279	On-Sale Intoxicating Liquor License - A
	# 280	On-Sale Sunday Liquor Sales License
	# 281	On-Sale 2 AM Liquor Sales License
	# 282	On-Sale Tavern License
Chanticlear Pizza & Grill		
11706 CROOKED LAKE BLVD		
	# 251	On-Sale Intoxicating Liquor License - A
	# 252	On-Sale Sunday Liquor Sales License
	# 253	On-Sale 2 AM Liquor Sales License

	License #	License Type
Cheers Pablo Coon Rapids		
12759 RIVERDALE BLVD	# 307	On-Sale 3.2 License
	# 308	On-Sale Wine License
	# 309	On-Sale Strong Beer License
	# 310	On-Sale Sunday Liquor Sales License
Classic Bowl Inc		
11707 ROUND LAKE BLVD	# 13	Bowling Center License
	# 146	On-Sale Intoxicating Liquor License - A
	# 232	On-Sale Sunday Liquor Sales License
	# 233	On-Sale 2 AM Liquor Sales License
	# 234	On-Sale Tavern License
Coon Rapids American Legion Post #334		
11640 CROOKED LAKE BLVD	# 227	On-Sale Club License
	# 228	On-Sale Sunday Liquor Sales License
	# 229	On-Sale 2 AM Liquor Sales License
	# 230	On-Sale Tavern License
Coon Rapids Liquor		
11239 FOLEY BLVD	# 179	Off-Sale Intoxicating Liquor License - A
Coon Rapids VFW Post #9625		
1919 COON RAPIDS BLVD	# 202	On-Sale Club License
	# 203	On-Sale Sunday Liquor Sales License
	# 204	On-Sale Tavern License
Costco Wholesale #372		
12547 RIVERDALE BLVD	# 145	Off-Sale Intoxicating Liquor License - B
Cub Foods		
2050 NORTHDALE BLVD	# 177	Off-Sale 3.2 License
Cub Foods North		
12900 RIVERDALE DR	# 144	Off-Sale 3.2 License
Davanni's Pizza & Hot Hoagies		
3430 129TH AVE	# 143	On-Sale 3.2 License
	# 264	On-Sale Wine License
	# 265	On-Sale Strong Beer License
	# 266	On-Sale Sunday Liquor Sales License
El Loro Mexican Restaurant		
11590 ROBINSON DR	# 141	On-Sale Intoxicating Liquor License - A
	# 255	On-Sale Sunday Liquor Sales License
Famous Dave's		
3211 NORTHDALE BLVD	# 139	On-Sale Intoxicating Liquor License - A
	# 140	On-Sale Sunday Liquor Sales License
GameStop #2352		
12613 RIVERDALE BLVD	# 28	Secondhand Dealer License - Class A

	License #	License Type
Grand Slam		
2941 COON RAPIDS BLVD	# 8	Amusement Center License
Ikes Wine & Spirits		
89 85TH AVE	# 187	Off-Sale Intoxicating Liquor License - A
Kendall's Tavern & Chophouse		
12800 BUNKER PRAIRIE DR	# 284	On-Sale Intoxicating Liquor License - A
	# 285	On-Sale Sunday Liquor Sales License
Khan's Mongolian BBQ		
2085 NORTHDALDA BLVD	# 269	On-Sale Intoxicating Liquor License - A
	# 270	On-Sale Sunday Liquor Sales License
KwikTrip #465		
9250 SPRINGBROOK DR	# 205	Off-Sale 3.2 License
La Casita		
8955 SPRINGBROOK DR	# 153	On-Sale Intoxicating Liquor License - A
	# 256	On-Sale Sunday Liquor Sales License
Massage by Craig		
12685 RIVERDALE BLVD	# 422	Massage Enterprise License
Massage Envy Coon Rapids		
12580 RIVERDALE BLVD #103	# 94	Massage Enterprise License
Muddy Cow		
133 COON RAPIDS BLVD	# 486	On-Sale Intoxicating Liquor License - A
	# 487	On-Sale Sunday Liquor Sales License
	# 488	On-Sale 2 AM Liquor Sales License
My Massages		
12685 RIVERDALE BLVD	# 560	Massage Enterprise License
Noodles & Company		
3479 RIVER RAPIDS DR	# 134	On-Sale Wine License
	# 248	On-Sale 3.2 License
	# 249	On-Sale Sunday Liquor Sales License
Olive Garden #1459		
150 COON RAPIDS BLVD	# 207	On-Sale Intoxicating Liquor License - A
	# 208	On-Sale Sunday Liquor Sales License
Osaka Steakhouse		
77 85TH AVE	# 188	On-Sale Intoxicating Liquor License - A

Items outstanding:
 Entire Renewal Application Packet, Payment, and Certificate of
 Liquor Liability Insurance.

222 On-Sale Sunday Liquor Sales License

Items outstanding:
 Entire Renewal Application Packet, Payment, and Certificate of
 Liquor Liability Insurance.

	License #	License Type
Osaka Sushi & Hibachi		
12580 RIVERDALE BLVD, #101		
	# 271	On-Sale Intoxicating Liquor License - A
	# 278	On-Sale Sunday Liquor Sales License
Outback Steakhouse		
8880 SPRINGBROOK DR		
	# 191	On-Sale Intoxicating Liquor License - A
	# 212	On-Sale Sunday Liquor Sales License
Pawn America Minnesota, LLC		
15 COON RAPIDS BLVD		
	# 33	Pawnbroker License
	# 87	Precious Metals Dealer License
Pizza Flame / Dyno, Inc		
2016 105TH AVE		
	# 260	On-Sale 3.2 License
	# 261	On-Sale Wine License
	# 262	On-Sale Sunday Liquor Sales License
	# 263	On-Sale Strong Beer License
Posh22 Salon & Spa		
13060 Riverdale Dr NW #600		
	# 175	Massage Enterprise License
Rapids Warehouse Liquor		
455 99TH AVE #220		
	# 159	Off-Sale Intoxicating Liquor License - A
Relief Therapy Solutions, Inc		
199 Coon Rapids Blvd #213		
	# 359	Massage Enterprise License
Riverdale Liquors, Inc.		
12940 RIVERDALE DR		
	# 160	Off-Sale Intoxicating Liquor License - A
Sammy Perrella's Pizza & Restaurant		
445 99TH AVE		
	# 246	On-Sale Intoxicating Liquor License - A
	# 247	On-Sale Sunday Liquor Sales License
Scoops Sports Bar		
482 NORTHDALE BLVD		
	# 183	On-Sale Intoxicating Liquor License - A
	# 184	On-Sale Sunday Liquor Sales License
	# 201	On-Sale 2 AM Liquor Sales License
Shortstop Bar & Grill		
421 NORTHDALE BLVD		
	# 163	On-Sale Intoxicating Liquor License - A
	# 206	On-Sale 2 AM Liquor Sales License
Simonson's Salon & Spa		
	# 21	Massage Enterprise License
Smashburger #1496		
13111 RIVERDALE DR		
	# 351	On-Sale 3.2 License

Items outstanding: Certificate of Liquor Liability Insurance

352 On-Sale Sunday Liquor Sales License

Items outstanding: Certificate of Liquor Liability Insurance

	License #	License Type
Split Second Carwash / Holiday 3500		
10120 UNIVERSITY AVE		
	# 190	Off-Sale 3.2 License
Star Liquor		
3197 NORTHDALE BLVD		
	# 181	Off-Sale Intoxicating Liquor License - A
Super America #4197		
3155 COON RAPIDS BLVD		
	# 157	Off-Sale 3.2 License
Super America #4290		
2015 NORTHDALE BLVD		
	# 158	Off-Sale 3.2 License
Super America #5010		
1523 COON RAPIDS BLVD		
	# 446	Off-Sale 3.2 License
T.G.I. Fridays		
12519 RIVERDALE BLVD		
	# 411	On-Sale Intoxicating Liquor License - A
<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Items outstanding: Food License </div>		
	# 412	On-Sale 2 AM Liquor Sales License
<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Items outstanding: Food License </div>		
	# 413	On-Sale Sunday Liquor Sales License
<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Items outstanding: Food License </div>		
Team Liquor Wine & Spirits		
1921 COON RAPIDS BLVD		
	# 277	Off-Sale Intoxicating Liquor License - A
Texas Roadhouse		
2780 MAIN ST		
	# 155	On-Sale Intoxicating Liquor License - A
	# 221	On-Sale Sunday Liquor Sales License
The Image Creator Hair Salon		
	# 121	Massage Enterprise License
The Well Sports Tavern & Grill		
35 COON RAPIDS BLVD		
	# 240	On-Sale Intoxicating Liquor License - A
	# 241	On-Sale Sunday Liquor Sales License
	# 243	On-Sale 2 AM Liquor Sales License
	# 587	On-Sale Tavern License
Twin Cities Pawn		
1923 COON RAPIDS BLVD		
	# 470	Pawnbroker License
	# 471	Precious Metals Dealer License
Valu Plus Liquors		
1804 NORTHDALE BLVD		
	# 244	Off-Sale Intoxicating Liquor License - A

License # License Type

Willy's Neighborhood Bar & Grill

2501 COON RAPIDS BLVD

- # 223 On-Sale Intoxicating Liquor License - A
- # 224 On-Sale Sunday Liquor Sales License
- # 225 On-Sale 2 AM Liquor Sales License
- # 226 On-Sale Tavern License

Wiser Choice Liquor

2929 COON RAPIDS BLVD

- # 274 Off-Sale Intoxicating Liquor License - A

Items outstanding:
Liquor Liability Insurance Certificate

End of Report



City Council Regular

11.

Meeting Date: 12/06/2016

Subject: Accept Informational Item: Corporate Officer Changes for Business Licenses

From: Stephanie Lincoln, Deputy City Clerk

INTRODUCTION

Representatives from the following business license holders have notified the City of changes in corporate officers:

- Coon Rapids VFW Post # 9625
- Coon Rapids American Legion Post #334
- Costco Wholesale #372
- Cub Foods
- Kendall's Tavern & Chophouse
- Game Stop #2352
- SuperAmerica Stores: #4197, #4290, #5010
- Texas Roadhouse

DISCUSSION

City Code Section 5-216(6) and Section 5-2705(1) requires that the City Council be notified of any change in legal ownership or beneficial interest of a license holder. The business license renewal applications indicated that the following corporate officers are new:

- Coon Rapids VFW at 1919 Coon Rapids Blvd NW: Charles A. Hawkins, Sr & Jerrold Brletich
- Coon Rapids American Legion at 11640 Crooked Lake Blvd NW: Richard Kittelson, Ervin Eckmann, Arnie Vaplon, Thomas Bohlman
- Costco Wholesale at 12547 Riverdale Blvd NW: Rue Jenkins
- Cub Foods at 2050 Northdale Blvd NW: Dale J. Lewis
- Kendall's Tavern & Chophouse at 12800 Bunker Prairie Rd: Philip Jungwirth & Christopher Morrissey
- Game Stop at 12613 Riverdale Blvd NW: Troy Crawford
- Texas Roadhouse at 2780 Main Street NW: Scott Christian Jacobsen
- SuperAmerica Stores at 3155 Coon Rapids Blvd NW, 2015 Northdale Blvd NW, and 1523 Coon Rapids Blvd NW: Roger Burton

RECOMMENDATION

This is provided for information only.



City Council Regular

12.

Meeting Date: 12/06/2016

Subject: Hold Currency Exchange License Public Hearing and Consider License Application for Your Exchange

From: Stephanie Lincoln, Deputy City Clerk

INTRODUCTION

The Minnesota Department of Commerce has forwarded for Council consideration the currency exchange license application of SJB Enterprises Inc ,doing business as (DBA) Your Exchange, 3070 Coon Rapids Boulevard.

DISCUSSION

Minnesota Statutes Chapter 53A.04 requires the governing body to hold a public hearing and render a decision regarding the currency exchange license application within 60 days, or by January 1, 2017. The notice of public hearing was published in the Anoka County Union Herald on November 18, 2016.

The Minnesota Department of Commerce conducted a state level background review on the appropriate personnel. No matters which would impact concurrence with the license were discovered.

SJB Enterprises Inc, DBA Your Exchange's fee schedule is attached.

RECOMMENDATION

Your Exchange Currency exchange license application:

- a. Conduct public hearing;
 - b. Concur with the Minnesota Department of Commerce approval of the 2017 currency exchange license for SJB Enterprises Inc ,DBA Your Exchange, 3070 Coon Rapids Boulevard.
-

Attachments

Fee Schedule

Current Fee Schedule

Check Type	Fee
Government & Payroll \$0 - \$29.99	\$1.00
Government & Payroll \$30 - \$59.99	\$2.00
*Government \$60 - \$499.99	2% \$0.75 surcharge
*Payroll \$60 - \$499.99	2.5% \$0.75 surcharge
**Government & Payroll \$500 - \$999.99	2.5% \$1.50 surcharge
**Government & Payroll over \$1000	3% \$1.50 surcharge
Insurance	4%
*Handwritten	5% \$0.75 surcharge
*Money Orders/Cashier Check	5% \$0.75 surcharge
*Personal	10%



City Council Regular

13.

Meeting Date: 12/06/2016

Subject: Consider Resolution 16-132 Approving Minnesota Investment Fund Loan Documents for a Project by RMS Company

From: Matt Brown, Economic Development Coordinator

INTRODUCTION

The Council is asked to consider a resolution approving Minnesota Investment Fund loan documents for an expansion project by RMS Company and hold a public hearing on the business subsidy.

DISCUSSION

RMS Company, Coon Rapids' largest private employer, proposes an expansion project. A subsidiary of Cretex Companies based in Elk River, RMS manufactures machined and molded components used in the medical device and aerospace industries. Located at 8600 Evergreen Boulevard since 1992, RMS completed expansions in 1998, 2006, and 2011. The proposed expansion project involves construction of a 60,000 square foot addition to its 215,000 square foot facility. The building construction portion of the project is estimated at \$6,900,000 and at least \$10,000,000 of equipment is expected to be purchased.

On May 17, 2016, the City Council adopted Resolution 16-63, which authorized an application for economic development funding from the State of Minnesota to assist with an expansion project by RMS Company. A forgivable loan in the amount of \$700,000 from the State's Minnesota Investment Fund (MIF) was subsequently awarded. The loan will be 100 percent forgivable provided RMS retains at least 711 employees (its current number) and adds at least 100 new employees within two years. The new jobs must pay at least \$17.00 per hour exclusive of benefits and at least \$25.00 per hour including benefits. RMS also agrees to remain in Coon Rapids for at least five years. If the company falls short of its job creation goals, the funds must be returned on a pro rata basis. MIF program guidelines also require local governments to provide a financial contribution for economic development projects receiving State funding. To meet this requirement, the HRA will consider documents for \$138,000 in assistance at its December 6 meeting. The HRA's assistance will largely be funded by loan repayments from past Minnesota Investment Fund projects, rather than the HRA fund. Both loans will be secured against the equipment that will be purchased.

Because the loan amount exceeds \$150,000, the City must hold a public hearing to comply with Minnesota Statutes Section 116J.993 to 116J.995, the "Business Subsidy Act." In addition, the Council is asked to adopt Resolution 16-132, which approves the loan documents, including a

Grant Contract, Loan Agreement, Promissory Note, and Security Agreement substantially in the form presented.

RECOMMENDATION

Staff recommends that the Council:

1. Conduct a public hearing.
2. Adopt Resolution 16-132 approving Minnesota Investment Fund loan documents for a project by RMS Company.

Attachments

Location Map

Grant Contract

Loan Agreement

Promissory Note

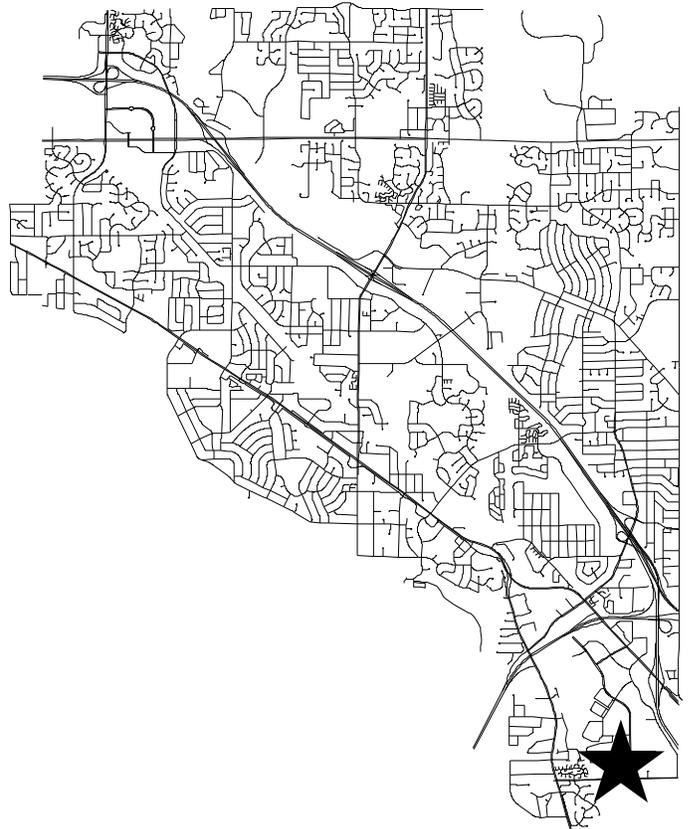
Security Agreement

Corporate Guaranty

Intercreditors Agreement

Subordination Agreement

Resolution 16-132



**STATE OF MINNESOTA
GRANT CONTRACT**

**DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT DIVISION**

Minnesota Investment Fund Grant Contract

Grant Number: CDAP-16-0013-H-FY16

Grant Amount: \$700,000

Grantee: City of Coon Rapids

Borrower: RMS Company

This Grant Contract is between the State of Minnesota, acting through the Department of Employment and Economic Development, Economic Development Division, 332 Minnesota St., Suite E200, St. Paul, MN 55101 ("STATE") and City of Coon Rapids, 11155 Robinson Dr. Coon Rapids, MN 55433("GRANTEE").

Recitals

1. Under Minn. Stat. §116J.993 and 116J.994 which established the guidelines for providing business subsidies, and 116J.8731, which established the Minnesota Investment Fund, the State is empowered to enter into this Grant Contract.
2. The State is in need of local government to administer financial assistance to eligible projects in accordance with Minn. Stat. § 116J.8731 Minnesota Investment Fund; Minnesota Rules Chapter 4300; and policies and procedures developed by the State.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this Grant Contract to the satisfaction of the State.
4. The Grantee and State are entering into this Grant Contract for public purposes that include the creation or retention of jobs that pay quality wages, the enhancement of economic growth in the State of Minnesota and the expansion of the tax base of the local community where the business will locate or expand.

Defined Terms

Defined terms. As used in this Grant Contract, the following terms shall have the meanings set out respectively after such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined), unless the context specifically indicates otherwise:

"Application" means the Grantee's application to the State for a Minnesota Investment Fund award for the purpose of providing a loan to RMS Company ("BORROWER").

"Benefit Date" means the date equipment financed through a Minnesota Investment Fund loan is fully operational or the date a building certificate of occupancy is issued for real property financed through a Minnesota Investment Fund loan.

"Compliance Date" is the date two years from the Benefit Date at which job creation and wage goals by the Borrower must be completed.

“Full-Time Equivalent (FTE)” is one or more people working a sum of 2,080 hours in a calendar year.

“Loan Agreement” is a document between the Grantee and Borrower defining the terms and conditions of the Loan.

1. **Term of Agreement**

1.1 **Effective Date:** June 20, 2016

Per Minn. Stat. § 16B.98 subd. 5 and Minn. Stat. § 16B.98 subd. 7, no payments will be made to the Grantee until this Grant Contract is fully executed.

1.2 **Benefit Date:** October 20, 2016

1.3 **Compliance Date:** October 20, 2018

1.4 **Expiration Date:** January 20, 2019

1.5 **Survival of Terms.** The following clauses survive the expiration or cancellation of this Grant Contract: 8. Liability; 9. State Audits; 10. Government Data Practices; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction and Venue; 15. Data Disclosure; and Exhibit A 4. Repayments.

2. **Grantee’s Duties**

The Grantee, who is not a State employee, will:

2.1 Perform the duties specified in Exhibit A which is attached and incorporated into this Grant Contract.

2.2 Include in any contract and sub-grant, including the Loan Agreement with the Borrower, in addition to provisions that define a sound and complete agreement, such provisions that require contractors, sub-grantees and the Borrower to comply with applicable state and federal laws.

2.3 Ensure that all contractors and subcontractors performing work covered by this Grant are paid for their work that is satisfactorily completed.

2.4 Grantee shall make all reasonable efforts to collect and shall bear all costs associated with monitoring, servicing, reporting, and enforcing the terms of the Loan Agreement.

3. **Time**

The Grantee must comply with all of the time requirements described in this Grant Contract. In the performance of this Grant, time is of the essence.

4. **Consideration of payment**

4.1 **Consideration.** The State will pay the Grantee under this Grant Contract as follows:

a) **Compensation.** The Grantee will be reimbursed according to the approved Budget contained in Exhibit B, which is attached and incorporated into this Grant Contract.

b) **Total Obligation.** The total obligation of the State for all compensation and reimbursement to the Grantee under this Grant Contract will not exceed \$ 700,000.

4.2 **Payment Request.** The State will disburse funds to the Grantee pursuant to this Grant Contract, based upon payment requests submitted by the Grantee and reviewed and approved by the State. Payment requests must be accompanied by supporting invoices that relate to the activities in the approved budget and the documentation detailed in Section 5.3 of this Grant Contract. The State will provide payment request forms.

If the Grantee has received invoices from the Borrower for expenditures made after effective date of this Grant Contract but before the Grant is closed or until all funds are disbursed, whichever is earlier, the Grantee shall submit those invoices to the State for review and approval no later than 25 days after the end date of the state fiscal year of June 30th. To ensure that all funds are drawn down by the expiration date of the Grant Contract, all Grantee payment requests must be received by the State at least 30 days prior to the Expiration Date.

4.3 **Documentation.** The following information must be submitted and approved by the State before funds will be released:

- a) **Loan Documents.** Minnesota Investment Fund Loan Agreement, promissory note, corporate guaranty, and evidence of security filings (security agreement and UCC filing)
- b) **Lender Documents.** Documentation that participating lenders and or equity injections have closed on their financing:
 - 1) Promissory note for \$138,000 from the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota
 - 2) Evidence that funds were disbursed to the Borrower within 21 days of receipt by Grantee
 - 3) Evidence of equity injection in the amount of \$14 million
- c) **Invoices.** Invoices or other documentation as approved by DEED Loan Officer for \$ 700,000 MIF reimbursement costs and \$10 million in leverage costs.
- d) **Eligible Costs.** Eligible costs include the costs identified in Exhibit B of this Grant Contract that are incurred during the contract period.

5. **Conditions of Payment.**

All services provided by the Grantee under this Grant Contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state or local law.

The State will not authorize disbursement of funds if there has been any adverse change in the Borrower's financial condition, organization, operations, or their ability to repay the project financing.

6. **Authorized Representative.**

The State's Authorized Representative is Abdullahi Mohamed, Senior Loan Officer, 1st National Bank Building, 332 Minnesota Street, Suite E200, St. Paul, MN 55101, 651-259-7456,

Abdullahi.mohamd@state.mn.us, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this Grant Contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each payment request form submitted for payment.

The Grantee's Authorized Representative (Staff Contact) is Mathew Brown, Economic Development Coordinator, 1115 Robinson Dr. Coon Rapids, MN 55433, 763-767-6460, mbrown@coonrapidsmn.gov, or his/her successor. If the Grantee's Authorized Representative changes at any time during this Grant Contract, the Grantee must immediately notify the State.

7. **Assignment, Amendments, Waiver, and Grant Contract Complete**

7.1 **Assignment.** The Grantee shall neither assign nor transfer any rights or obligations under this Grant Contract without the prior written consent of the State, approved by the same parties who executed and approved this Grant Contract, or their successors in office.

7.2 **Amendments.** Any amendment to this Grant Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Grant Contract, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this Grant Contract, that failure does not waive the provision or the State's right to enforce it.

7.4 **Grant Contract Complete.** This Grant Contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this Grant Contract, whether written or oral, may be used to bind either party. Where provisions of the Application are inconsistent with the other provisions of this Grant Contract, the other provisions of this Grant Contract will take precedence over the provisions of the Application.

8. **Liability**

Subject to the provisions and limitations of Minn. Stat. § 466, the Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this Grant Contract by the Grantee or the Grantee's agents or employees. This Clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this Grant Contract.

9. **State Audit**

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of seven (7) years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10. **Government Data Practices**

10.1 **Government Data Practices.** The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. § Ch. 13, as it applies to all data provided by the State under this Grant Contract, as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this Grant Contract. The civil remedies of

Minn. Stat. § 13.08 apply to the release of data referred to in this Clause by either the Grantee or the State.

If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with all applicable law.

11. Workers' Compensation

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12. Publicity and Endorsement

12.1 Publicity. Any publicity regarding the subject matter of this Grant Contract must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Grant Contract.

12.2 Endorsement. The Grantee and the Borrower must not claim that the State endorses its products or services.

13. Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this Grant Contract. Venue for all legal proceedings out of this Grant Contract, or its breach, must be in the appropriate state court with competent jurisdiction in Ramsey County, Minnesota.

14. Termination

14.1 Termination by the State. The State may immediately terminate this Grant Contract with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro-rata basis for approved costs incurred.

14.2 Termination for Cause. The State may immediately terminate this Grant Contract if the State finds that there has been a failure to comply with the provisions of the Grant Contract, legal documents required for disbursement have not been executed within 90 days of execution of this Grant Contract, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to distribute additional funds and requiring the return of all or part of the funds already disbursed.

14.3 Termination for Insufficient Funding. The State may immediately terminate this Grant Contract if:

- a) It does not obtain funding from the Minnesota Legislature;
- b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or electronic notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective

date of termination. However, the Grantee will be entitled to payment determined on a pro-rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of lack of funding within a reasonable time of the State's receiving that notice.

15. Data Disclosure

Under Minn. Stat. § 270C.65, subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state agencies and state personnel involved with the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

Other Provisions

16. Conflict of Interest

The Grantee shall comply with the Conflict of Interest provisions of Minn. Stat. §§ 471.87 and 471.88.

17. Successors and Assignees

This Grant Contract shall be binding upon any successors or assignees of the parties.

18. Minnesota Business Subsidy Law

This Grant Contract must comply with the Minnesota Business Subsidy Law, Minn. Stat §§ 116J.993-116J.995 as applicable.

19. Affirmative Action

The Grantee is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled and submit the plan to the Commissioner of Human Rights as required by Minn. State. § 363A.36, Subd. 1.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § §16A.15 and 16C.05.

Signed: _____

Date: _____

SWIFT Contract/PO No(s)

3. STATE AGENCY

By: _____

(with delegated authority)

Title: _____

Date: _____

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

Distribution:
Agency
Grantee
State's Authorized Representative – Photo Copy

**EXHIBIT A
GRANTEE DUTIES**

The Grantee, who is not a State employee, will,

1. Administer the project in accordance with the requirements of the Minnesota Investment Fund Program, Minn. Stat. § 116J.8731; Minn. Rules, Chapter 4300; and policies and procedures developed by the State.
2. Enter into a Loan Agreement with the Borrower for \$700,000, (“LOAN”) and assure the following conditions are included in such Loan Agreement:

2.1 Conditions

- 1.a) Loan Term: Five years from the Benefit Date.
- 1.b) Interest Rate: 3% if goals are not met by the Compliance Date.
- 1.c) Collateral: machinery and equipment
- 1.d) The corporate guaranty of Cretex Companies, Inc. is required.

2.2 Job Creation and Wages

- a) The Borrower identified 711 full time equivalent (FTE) base jobs that must be maintained through the Compliance Date.
 - b) The Borrower will create 100 permanent non-contract FTE jobs, all paying at least \$20.00 or \$8.00 per hour or more in wages, exclusive of benefits, and \$28.00 per hour including benefits on the Compliance Date. Benefits are defined as one or more of the following: health, dental, life and disability insurance, retirement program and profit sharing paid by the Borrower.
 - c) If the Borrower fails to meet the job creation and wage goal level commitments on the Compliance Date, the Grantee may, after holding a public hearing, extend the grant period for one year from the Compliance Date, after approval by the State. If, after the extension, the Borrower fails to meet the job creation goal and wage level commitment, the Borrower will be required to repay the Grantee all or a proportional share of the Loan funds on an accelerated term. The Grantee will then also be required to return to the State all or a proportional share of the Loan funds.

2.3 Payment of Prevailing Wages to Contractors

Minn. Stat. § 116J.871 applies if a business receives \$500,000 or more in State loan funds and the State funds are used for construction, installation (including equipment), remodeling and repairs.

2.4 Surety Deposits Required for Construction Contracts

Minn. Stat. § 290.9705, pertains to foreign corporations that perform construction work in Minnesota and applies if state funds are used for construction.

2.5 Job Listing Agreement

Minn. Stat. § 1161L.66, subd. 1, applies when a business or private enterprise receives \$200,000 or more per year in funds from the State. When applicable, the business or private enterprise shall agree to enter into a Job Listing Agreement with the MN Department of

Employment and Economic Development.

2.6 Loan Forgiveness

If the job creation goals and wage level commitments detailed in Sections 2.2 in Exhibit A of this Agreement are met by the Compliance Date, the Loan will be forgiven.

3. Require the Grantee's attorney to review the loan agreement, promissory note, security agreement, mortgage, guaranty and/or other documents, if any, considered necessary to secure the loan to ensure they are valid, binding and enforceable.
4. Reporting
 - a) Minnesota Investment Fund Annual Progress Reports
 - 1) Submit to the State annual progress reports on forms provided by the State until the project goals have been met or until the Compliance Date, whichever is later. These reports must be submitted January 25th of each year for the period ending December 31, for as long as the project remains open.
 - 2) The final report must be submitted no later than 25 days after the Compliance Date.
 - 3) The State, at its discretion, may require the submittal of additional progress reports.
 - 4) Information required in these reports may include, but is not limited to the following:
 - Permanent jobs created
 - Hourly base wage
 - Date of hire
 - Job titles
 - Hourly value of benefits
 - Benefits provided
 - Project expenditures
 - Status of project
 - Status of payments
 - Payroll Report
 - b) Minnesota Business Assistance Form (MBAF) Reports
 - 1) Submit to the MN Department of Employment and Economic Development, Office of Economic Analysis, no later than April 1st of each year until the project goals have been met.
5. Keep financial records, including properly executed contracts, invoices, receipts, vouchers, and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures made pursuant to this Grant Contract. Accounting methods must be in accordance with generally accepted accounting principles.
6. Complete the project in accordance with the approved budget within the time frames specified in this Grant Contract.
7. Promptly notify the State of any proposed material change in the scope of the project, budget or completion date, which must be approved by the State, prior to implementation.
8. Have on file the necessary documentations to show that all project funds have been used for the items stated in the application.

Exhibit B

Approved Budget

**LOAN AGREEMENT
MINNESOTA INVESTMENT FUND**

THIS AGREEMENT is made and entered into as the ___ day of _____, 20__ by and between the City of Coon Rapids (the "Lender") and rms Company the "Borrower");

Recitals

1. The Lender has applied to the Minnesota Department of Employment and Economic Development for a Minnesota Investment Fund Grant (the "MIF Grant") pursuant to an application (the "Grant Application") and received approval for the grant; and
2. Grant Contract Number CDAP-16-0013-H-FY16 (the "Grant Contract") between the Minnesota Department of Employment and Economic Development (the "State") and the Lender has been executed and requires that the Borrower provide sufficient funds to complete financing and agree to loan terms with the Lender regarding the MIF Grant; and
3. The parties hereto agree to incorporate into this Loan Agreement by reference the Grant Application and Grant Contract; and
4. Borrower and Lender wish to set forth the terms and conditions upon which Lender will make the Loan to Borrower and for the repayment thereof.

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

**ARTICLE 1
Definitions**

Section 1.1. **Definitions.** In this Loan Agreement, unless a different meaning clearly appears from the context:

"Benefit Date" means June 20, 2016

"Benefit" is defined as one or more of the following non-mandated compensation items paid by the Borrower on behalf of employees: health, dental, life and disability insurance, retirement program or profit-sharing.

"City" means City of Coon Rapids, MN.

"County" means Anoka County.

"Compliance Date" means June 20, 2018.

"Expiration Date" means September 20, 2019

"Development Property" means the real property described in Exhibit A attached (MIF funds used to purchase real estate or property improvements, equipment).

"Equipment" means the equipment purchased by the Borrower with the Loan Proceeds and described in Exhibit B attached.

"Full-Time Equivalent (FTE)" is one or more people working a sum of 2,080 hours in a calendar year.

"Grant Contract" means Minnesota Department of Employment and Economic Development Grant Contract # CDAP-16-0013-H-FY16 and attached as Exhibit C.

"Initial Disbursement Date" means the date of the first disbursement of any loan proceeds by the Lender to the Borrower.

"Jurisdiction" means within the corporate boundaries of the Lender.

"Loan" means the funds loaned by the Lender to the Borrower pursuant to this Loan Agreement.

"Loan Proceeds" means the funds disbursed to the Borrower pursuant to this Loan Agreement and any proceeds thereof.

"MIF" means the Minnesota Investment Fund, Minn. Stat. § 116J.8731 and Minn. Rules Chapter 4300.

"MIF Grant" means the award of funds by the State to the Lender pursuant to the Grant Contract.

"New Jobs" means the new permanent, full time equivalent, non-contract, non-seasonal jobs to be created by the Borrower.

"Project" means the Borrower's addition of 60,000 square feet of building area and associated equipment purchase at 8600 Evergreen Boulevard in Coon Rapids, Minnesota.

"State" means the Minnesota Department of Employment and Economic Development.

"Termination Date" means the date of the final payment made by the Borrower to the Lender.

ARTICLE 2

Loan, Use of Proceeds and Conditions of Repayment

Section 2.1. **MIF Loan/Funds.** The Lender agrees, on the terms and subject to the conditions hereinafter set forth, to make a loan to the Borrower in an aggregate principal amount not to exceed \$700,000 to purchase machinery and equipment. The obligation of the Borrower to repay the Loan shall be evidenced by the Promissory Note. The Borrower's obligations under this Loan Agreement are

expressly contingent on the Lender's receipt of funds from the State in an amount adequate to make the Loan.

Section 2.2. **Non-MIF (Other) Project Funds.** The Borrower has secured a commitment for the private financing necessary to complete the Project, in a form and under conditions satisfactory to the Borrower and Lender.

(a) The Borrower shall commit not less than \$10 million of equity or other private financing for the completion of the Project.

(b) Other Project Funds described in the Grant Application must be used at the same amount, for the same purposes and under the same terms, rates and conditions as specified unless written consent is received from the State prior to expenditure.

Section 2.3. **Loan Terms.** FORGIVABLE LOAN: The Loan shall be forgiven by the Lender and the State upon satisfaction by the Borrower of the terms of this Loan Agreement. The Loan terms may not be modified without prior written approval from the State.

Section 2.4. **Early Repayment.** The Promissory Note may be prepaid in whole or in part at any time without penalty. A prepayment shall first be applied against any accrued interest, and then against any outstanding and past due payments which are due and owing hereunder or under the Loan Agreement, and then the remaining portion of such prepayment shall be applied against the remaining outstanding and unpaid principal balance.

Section 2.5. **Maintenance and Operation of the Project.** As long as any portion of the Loan is still outstanding, Borrower shall maintain and operate the Project and use the proceeds of the Loan in compliance with the terms of the Act, this Loan Agreement, and all applicable federal, state and local laws, regulations and ordinances, including but not limited to all environmental laws and regulations.

Article 3 Conditions of Lending

Section 3.1. **Condition Precedent to Any Advance.** The obligation of the Lender to close the Loan and disburse the proceeds thereof to Borrower shall, subject to waiver by State, be subject to the condition precedent that the Lender shall have received on or before the date of such closing the Promissory Note duly executed by the Borrower.

Section 3.2. **Further Conditions Precedent to Disbursement.** The obligation of the Lender to disburse the proceeds of the Loan shall also be subject to the following conditions precedent:

(a) The Loan which is being made to the Borrower shall be consistent with the provisions of the Minnesota Investment Fund Program.

(b) No Event of Default, as defined in Article 5, hereunder or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

Section 3.3. **Disbursement and Deposit of Loan Proceeds.** Upon the execution of this Loan Agreement and the satisfaction of all of the conditions specified in Section 6, the Lender shall disburse the full proceeds of the Loan to the Borrower.

Section 3.4. **Termination.** This Loan Agreement shall automatically terminate without any notice to Borrower:

(a) If no loan proceeds have been disbursed to the Borrower prior to the Compliance Date;
or

(b) If the Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or is the subject of an order for relief in such bankruptcy case, or is adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for it, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment.

ARTICLE 4

Acknowledgments, Representations, and Warranties

Section 4.1. **Acknowledgments.**

(a) The Borrower acknowledges that the Lender, in order to obtain funds for part of the Borrower's activities in connection with the Project, has applied for the MIF Grant to the State under the Minnesota Investment Fund Program, Economic Development Division, and that the Lender has entered into the Grant Contract with the State, setting forth the terms, conditions, and requirements of the MIF Grant. The Borrower further acknowledges that it has made certain representations and statements in the Grant Application concerning its activities relating to the Project, and that the Borrower is designated and identified under the Grant Contract.

(b) A copy of the Grant Contract and this Loan Agreement shall be on file in the offices of the Lender. In the event any provision of this Loan Agreement relating to the Borrower's obligations

hereunder is inconsistent with the provisions of the Grant Contract relating to the Borrower's activities there under, the provisions of the Grant Contract shall prevail.

(c) The Borrower acknowledges that nothing contained in the Grant Contract or this Loan Agreement, nor any act of the State or the Lender, shall be deemed or construed to create between the State and the Borrower (or, except as Borrower and Lender between the Lender and the Borrower) any relationship, including but not limited to that of third party beneficiary, principal and agent, limited or general partnership, or joint venture. As such, the Borrower agrees to hold the state harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Loan Agreement, any events related to the Project or the Borrower's participation in this Loan, or Borrower's activities on the Development Property.

Section 4.2. **Representations and Warranties.** The Borrower warrants and represents, in connection with the Loan and for the benefit of the State and the Lender, that:

(a) It is a Minnesota business entity organization, registered and in good standing under the laws of the State of Minnesota, and is authorized to enter into this Loan Agreement and perform any of the acts required herein.

(b) It has the legal authority and is duly authorized to operate the Project, to ensure the indebtedness of the Promissory Note and the obligations of this Loan Agreement, to execute and deliver this Loan Agreement, Promissory Note and all other documents referred to herein to which it is a party and it has taken all actions necessary and incident to its execution and delivery of this Loan Agreement and other related documents.

(c) Its execution and delivery of this Loan Agreement, the Promissory Note, and all other documents referred to herein to which it is a party, and its incurrence of the loan and obligations evidenced by the Promissory Note, this Loan Agreement, and such other documents, does not violate any provision of law or Borrower's corporate documents.

(d) The Promissory Note was duly and validly authorized, executed and delivered, and it constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms. This Loan Agreement and all other documents referred to herein to which it is a party, have been duly and validly authorized, executed and delivered, and are the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency or other law affecting creditor's rights, or the application of equitable principles generally.

(e) It is not in violation of any provisions of its organizational documents or of the laws of local governments, State of Minnesota or U.S. Government, and there are no actions, suits or proceedings pending, or to its knowledge threatened, before or by any judicial body or governmental authority, against or effecting it, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter

into this Loan Agreement or to perform any of the acts required of it in this Loan Agreement or any document referred to herein to which it is a party.

(f) Neither the execution and delivery of this Loan Agreement, the Promissory Note, or any document referred to herein to which it is a party, nor compliance with any of the terms, conditions, requirements or provisions contained herein or in such referenced documents, is prevented by, is a breach of, or will result in a breach of any term, condition or provision of any agreement or document to which it is now a party or by which it is bound.

(g) It will maintain adequate capital for the proper operation and administration of its duties under this Loan Agreement.

(h) It will comply with Minn. Stat. § 116J.8731 and Minn. Rules Chapter 4300 and all of the terms, conditions, provisions and requirements, contained in this Loan Agreement, the Promissory Note, and all documents referred to herein to which it is a party.

(i) Representations, statements, and other matters provided by the Borrower relating to those activities of the Project to be completed by the Borrower, which were contained in the Grant Application, were true and complete in all material respects as of the date of submission to the Lender and that such representations, statements, and other matters are true as of the date of this Loan Agreement and that there are no adverse material changes in the financial condition of the Borrower's business.

(j) The Borrower acknowledges that the State, in selecting the Lender as recipient of the Grant, relied in material part upon the assured completion of the Project to be carried out by the Borrower, and the Borrower warrants that said Project will be carried out as promised.

(k) The Borrower warrants that to the best of its knowledge, it has obtained all federal, state, and local governmental approvals, reviews, and permits required by law to be obtained in connection with the Project and has undertaken and completed all actions necessary for it to lawfully execute this Loan Agreement as binding upon it.

(l) The Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the Other Project Funds, as defined in Section 2.2, and that any duly authorized representative of the State shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the Borrower specific to the Project for six years after the expiration of the Loan Agreement or until such time that the Lender and the State have both determined that all issues, requirements, and close-out procedures relating to or arising out of the Loan have been settled and completed, whichever is later.

(m) The Borrower warrants that no transfer of any or all of the Loan Proceeds by the Lender to the Borrower shall be or be deemed an assignment of loan proceeds, and the Borrower shall neither succeed to any rights, benefits, or advantages of the Lender under the Grant Contract, nor attain any right, privileges, authorities, or interest in or under the Grant Contract.

Section 4.3. **Affirmative Covenants.** Borrower further warrants and agrees that:

- (a) It has sufficient funds to complete the purposes of the Project and sufficient capacity to administer the Project.
- (b) The Project will be performed in full compliance with all applicable federal, state and local laws, regulations, rules and ordinances, which include but are not limited to all applicable environmental laws, regulations and rules.
- (c) Borrower agrees to submit reports required in Article 7 and Article 8.

ARTICLE 5

Events of Default and Rights and Remedies

Section 5.1. **Events of Default.** Any one or more of the following events shall be deemed and shall constitute an “Event of Default”:

(a) The interest or principal due under the Promissory Note, or any other payments due and payable under this Loan Agreement or any other document referred to herein, are not paid when due and such nonpayment is not remedied within ten (10) business days after written notice thereof to the Borrower by the Lender;

(b) The Borrower is in breach of any of the requirements, terms, conditions, covenants or other agreements in this Loan Agreement, Promissory Note or other document referred to herein and remains in breach in any material respect for thirty (30) business days after written notice thereof to the Borrower by the Lender; provided, however, that if such breach shall reasonably be incapable of being cured within such thirty (30) business days after notice, and if the Borrower commences and diligently prosecutes the appropriate steps to cure such breach, no default shall exist so long as the Borrower is proceeding to cure such breach in reasonable period of time;

(c) Any representation or warranty made by the Borrower in this Loan Agreement, the Promissory Note, any other document referred to in such documents, or any financial statement, certificate, or report furnished pursuant to this Loan Agreement, or any representation or warranty made order to induce the Lender to close the Loan or disburse the proceeds of the Loan, which proves to have been untrue in any material respect or materially misleading as of the time such representation or warranty was made.

(d) Borrower shall make an assignment for the benefit of its creditors, or shall be dissolved, or shall commit an act of bankruptcy under the United States Bankruptcy Act (as now or hereafter amended), or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall become or be adjudicated as bankrupt or insolvent, however defined, or shall file a petition seeking any reorganization, dissolution, liquidation, arrangement, composition, readjustment or similar relief under any present or future bankruptcy or insolvency

statute, law or regulation, or shall file an answer admitting to or not contesting the material allegations of a petition filed against it in such proceedings, or shall not, within 60 days after the filing of such a petition against it, have the same dismissed or vacated, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties, or shall not, within 60 days after the appointment (without its consent or acquiescence) of a trustee, receiver or liquidator of any material part of its properties, have such appointment vacated.

(e) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Borrower seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or any trustee, receiver or liquidator of such entity, shall be appointed without the consent or acquiescence of State.

(f) Borrower shall refuse to allow State, at any reasonable time and upon prior written notice, to inspect, audit, copy or abstract, any and all of its books, records, papers or other documents specific to the Project and relevant to the Borrower's use of the proceeds of the Loan.

(g) Borrower shall refuse to allow the Minnesota Legislative Auditor or the State Auditor for the State of Minnesota, at any reasonable time and upon prior written notice, to inspect, audit, copy or abstract, any and all books referred to in Section 4.1(l).

(h) Borrower shall fail to provide annual reporting information as described herein.

(i) The Borrower sells, conveys, transfers, encumbers, or otherwise disposes of all or any part of the Development Property or the Equipment without the prior written approval of the State and Lender;

(j) The Borrower merges or consolidates with any other entity without the prior written approval of the Lender;

(k) There is a loss, theft, substantial damage, or destruction of all or any part of the Development Property or the Equipment that is not remedied to the Lender's satisfaction within sixty (60) business days after written notice thereof by the Lender to the Borrower; or

(l) The Borrower is in breach of the requirements of Article 7 and Article 8, the Business Subsidy Agreement and Progress Reporting.

(m) The occurrence of any other act or event that is noncompliant under the Program.

Section 5.2. **Rights and Remedies.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender, the Lender may, at its option, exercise any and all of the following rights and remedies (as well as any other rights and remedies available to it):

(a) The Lender may, by notice in writing to the Borrower, refrain from disbursing any of the proceeds of the Loan; provided, however, the Lender may make such disbursements after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder, or waiving its right to make any additional disbursements.

(b) The Lender may, by written notice to the Borrower, declare immediately due and payable all principal and interest due under the Promissory Note, together with all other sums payable under this Loan Agreement, the Promissory Note and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived.

(c) The Lender shall have the right, in addition to any other rights provided by law or equity, to enforce its rights and remedies under this Loan Agreement and the Promissory Note, or any other document referred to herein.

(d) The Lender shall have the right, in addition to any other rights provided by law or equity, to initiate litigation for the breach of any term, condition, covenant, requirement or provision contained in this Loan Agreement, the Promissory Note, or any document referred to herein, and to recover damages for such breach.

(e) The Lender shall have the right, in addition to any other rights provided by law or equity, to apply to any court, state or federal, for specific performance of any term, condition, covenant, requirement or provision contained in this Loan Agreement, the Promissory Note, or any other document referred to herein; for an injunction against any violation of any such term, condition, covenant, requirement and/or provision; or for such other relief as may be appropriate, since the injury to the Lender arising from a default under any of the terms, conditions, covenants requirements and/or provisions of this Loan Agreement, the Promissory Note or any other document referred to herein, would be irreparable and the amount of damage would be difficult to ascertain.

Section 5.3. **Rights and Remedies Cumulative.** The rights and remedies of the parties to this Loan Agreement, whether provided by operation of law or by this Loan Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not be construed to preclude or waive its right to exercise, at the same or different times, any of the other such remedies for the same default or breach, or of any of its remedies for any other default or breach by the other party.

No waiver made by either such party with respect to the performance, manner or time thereof, of any obligation of the other party or any condition to its own obligation under this Loan Agreement or any document referred to herein, shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party. No delay or failure by either party to exercise any right or remedy shall be a waiver of such right or

remedy, and no single or partial exercise by either party of any right or remedy shall preclude other or further exercise thereof for the exercise of any other right or remedy at any other time.

Section 5.4. **Collection.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender and State, Borrower agrees to pay all costs and expenses of the Lender, including, but not limited to, reasonable attorney's fees, in the collection of any of the obligations or the enforcement of any of the Lender's rights. If any notice of sale, disposition or other intended action by the Lender is required by law to be given to Borrower, such notice shall be deemed reasonably and properly given if mailed to Borrower at the address specified in Section 9.14, or at such other address of Borrower as may be shown on the Lender's records, at least 15 days before such sale, disposition or other intended action.

Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender and State, the Lender shall have the right as its option and without demand or notice, to declare all or any part of the Loan immediately due and payable, and in addition to the rights and remedies granted hereby, the Lender shall have all of the rights and remedies available under the Uniform Commercial Code and any other applicable law.

Section 5.5. **Assignment.** If, prior to the Termination Date, the Borrower sells, conveys, transfers, further mortgages or encumbers, or disposes of the Development Property, or any part thereof or interest therein, or enters into an agreement to do any of the foregoing, the Borrower shall immediately repay all amounts then outstanding on the Loan. This shall be in addition to any other remedies at law or equity available to the Lender.

Section 5.6. **Appointment for Foreclosure.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender and State, Borrower agrees that the Lender may appoint an individual or entity to handle the default proceedings.

ARTICLE 6

Disbursement Provisions

Section 6.1. **Payment Requisition Documentation.** The Lender will disburse the loan funds upon receipt and approval by the Lender and the State of the following documentation:

- (a) This Loan Agreement, fully executed;
- (b) Promissory note;
- (c) Evidence of equity injection in the amount of \$10 million, including equipment purchases after June 20, 2016;
- (d) Security Agreement;
- (e) Promissory Notes from the following Lenders:

1) Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota in the amount of \$138,000.

- (f) Documentation of total project expenditures.
- (g) The Corporate Guarantee(s) of Names Cretex Companies, Inc. is required.
- (h) The Borrower shall maintain insurance in adequate amounts covering loss or damage to the collateral. The Lender must be listed as loss payee.

Upon receipt of such information, the Loan will be disbursed in a lump sum.

Section 6.2. **Review of Documents.** The Borrower shall not be entitled to any disbursement of loan proceeds until the Lender's legal counsel and the State have reviewed and approved this Loan Agreement and the exhibits attached hereto.

Section 6.3. **Adverse Changes.** The Lender and the State will not authorize disbursement of funds if there has been any adverse change in the Borrower's financial condition, organization, operations or their ability to repay the project financing.

ARTICLE 7 Progress Reporting

Section 7.1. **Progress Information.** The Borrower shall provide to the Lender information for incorporation into the Minnesota Investment Fund progress reports, as required by the State and as needed by the Lender, to monitor the Project for compliance with State and Lender guidelines. This information must be provided until the project goals have been met or until the Compliance Date, whichever is later. At the discretion of the State or Lender additional reporting may be required. This information must be submitted to the Lender no later than:

- (a) January 15, 2017 for the period ending December 31, 2016;
- (b) January 15, 2018 for the period ending December 31, 2017;
- (d) Fifteen days after the Compliance Date.

Section 7.2 **Documentation to be provided to the Lender:**

- (a) **Project status and the status of payments.**

(b) **Additional Leverage.** The Borrower must provide to the Lender invoices, sworn construction statements, and or any other information, with each progress report, to document Other Project Funds in addition to the originally included project costs.

(c) **Job Creation Documentation.** The Borrower shall provide to the Lender information on the hiring of each New Job on forms provided by the Lender. This information must include:

- (1) Permanent jobs created;
- (2) Job title of each New Job;
- (3) Date of hire of each new employee;
- (4) Hourly base wage paid;
- (5) List of Benefits provided; and
- (6) Hourly value of Benefits paid.

(d) **Payroll Report.** A formal payroll report verifying job information will be due at the Compliance Date.

ARTICLE 8

Business Subsidy Agreement and Reporting

Section 8.1. **Business Subsidy Agreement.** The provisions of this Section constitute the “Business Subsidy Agreement” for purposes of the Minnesota Business Subsidy Act (Minn. Stat. § 116J.993 – § 116J.995 and its successor statute.)

(a) The Borrower acknowledges and agrees that the provisions of Minnesota’s Business Subsidy Act apply to this Loan Agreement, as Borrower is receiving government assistance under the terms of this Loan Agreement.

- (1) The subsidy provided to the Borrower includes the \$700,000 loan made hereunder which will be used for machinery and equipment.
- (2) The public purposes and goals of the subsidy are to increase net jobs in the City.
- (3) The goals for the subsidy are to create jobs that pay a livable wage, per Section 8.1(b) of this Loan Agreement.
- (4) If the goals are not satisfied, the Borrower shall make payment to the Lender as required in Section 8.2 of this Loan Agreement.
- (5) The subsidy is needed because the cost of equipment make the Project economically infeasible without the Loan.
- (6) The Borrower must continue operations in the Jurisdiction for at least five years following the Benefit Date.
- (7) The Borrower **does** have a parent corporation.
Name of Parent: Cretex Companies, Inc.
Address of parent: 311 Lowell Ave., Elk River, MN 55330
- (8) In addition to the assistance provided under this Loan Agreement, the Borrower has received or expects to receive as part of this project, the following financial assistance from other “grantors” as defined in the Business Subsidy Act: Housing and Development Authority in and for the City of Coon Rapids, Minnesota \$138,000.

- (b) On the Compliance Date, the Borrower shall have:
- (1) Maintained 711 permanent, non-contract, non-seasonal FTE jobs; and
 - (2) The Borrower will create 100 permanent non-contract FTE jobs, all paying at least \$17.00 per hour or more in cash wages, exclusive of Benefits, and \$25 per hour including Benefits. Benefits are defined as one or more of the following: health, dental, life and disability insurance, retirement program and profit sharing paid by the Borrower. In addition, the weighted average cash wage level for new permanent non-contract FTE jobs shall exceed \$20.00 per hour.

Section 8.2. Default on Business Subsidy Act Requirements.

(a) If the Borrower fails to meet the job creation goal and wage level commitment by the Compliance Date, the Lender may, after holding a public hearing, extend the Compliance Date for one year, after approval from the State. If after the extension, the Borrower fails to meet the job creation goal and wage commitment, the borrower will be required to repay to the Lender a pro rata share of the Loan principal at \$7,000 per FTE job not created, plus interest as defined in Section 8.2 (b) at an accelerated rate.

(b) In an Event of Default arising from a breach by the Borrower of any provision of Section 8.1 of this Loan Agreement, if the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31st of the previous year, exceeds three percent (3.00)% on the date of the earliest such Event of Default, the Borrower shall, in addition to any other payment required hereunder, pay to the Lender the difference between the present value of the interest actually paid and accrued on the Loan as of the date of the payment required by this Section 8.2 and the amount of interest that would have been paid and accrued on the Loan if the interest rate of the Loan at all times had been equal to the implicit price deflator on the date of the earliest Event of Default;

(c) Interest required in Section 8.2 (b) shall commence to accrue as of the Initial Disbursement Date;

(d) Nothing in this Section 8.2 shall be construed to limit the Lender's rights or remedies under any other provision of this Loan Agreement, and the provisions of Section 8.2 are in addition to any other such right or remedy the Lender may have available.

(e) The Borrower shall provide to the Lender information regarding job and wage goals and results for two years after the Benefit Date or until the goals are met, whichever is later. This reporting requirement will expire if the goals are met by the Compliance Date. If the goals are not met, the Borrower must continue to provide information on the Loan until the Loan is repaid. The information must be filed on the Non-JOBZ Minnesota Business Assistance form as found on the MN Department of Employment and Economic Development website and shall include the following:

- (1) the type, public purpose, and amount of subsidies and type of district, if the subsidy is tax increment financing;
- (2) the hourly wage of each job created with separate bands of wages;
- (3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;
- (4) the date the job and wage goals will be reached;
- (5) a statement of goals identified in the subsidy agreement and an update on achievement of those goals;
- (6) the location of the recipient prior to receiving the business subsidy;
- (7) the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy;
- (8) why the recipient did not complete the project outlined in the subsidy agreement at their previous location, if the recipient was previously located at another site in Minnesota;
- (9) the name and address of the parent corporation of the recipient, if any;
- (10) a list of all financial assistance by all grantors for the project; and
- (11) other information the commissioner may request.

(f) This information must be provided to the Lender no later than March 1 of each year for the previous year. If the Borrower does not submit the report, the Lender shall mail the Borrower a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the Borrower fails to provide a report, the Borrower must pay to the Lender a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000.

ARTICLE 9

Other Conditions

Section 9.1. **Project Time Frame.** The time frame outlined in the Grant Application and Grant Contract pertaining to the Project shall be met by the Borrower.

Section 9.2. **Promissory Note.** The Borrower shall execute a promissory note in substantially the form set forth by the State.

Section 9.3. **Collateral.** The Borrower shall furnish the Lender Description of collateral.

Section 9.4. **Annual Financial Statements.** For the term of the Loan, upon request of the Lender, the Borrower's parent, Cretex Companies, Inc., shall submit the most recent annual financial statement prepared in accordance with generally accepted accounting principles. The annual financial statements shall include a profit and loss statement, balance sheet, and statement of cash flow, notes and an opinion from the accountants of such statements acceptable to the Lender.

Section 9.5. **Discrimination on Account of Race, Creed, or Color.** The provisions of Minn. Stat. § 181.59 and any successor statutes, which relate to civil rights and discrimination, shall be considered

a part of this Loan Agreement as though wholly set forth herein and the Borrower shall comply with each such provision throughout the term of this Loan Agreement.

Section 9.6. **Job Listing Agreement.** (Minn. Stat. § Section 116L.66 and any successor statutes). When the Loan is for \$200,000 or more, the Borrower shall enter into a Job Listing Agreement with the local Workforce Development Center, MN Department of Employment and Economic Development.

Section 9.7. **Prevailing Wage.** If the Borrower is awarded \$500,000 or more of loan proceeds and the Loan is used for construction, installation (including equipment), remodeling and or repairs, the Borrower shall fully and completely comply with all applicable prevailing wage requirements contained in Minn. Stat. § 116J.871 and § 177.42, subd. 6.

(a) **Documentation.** The Borrower shall maintain or ensure access to all documentation necessary to establish that the required prevailing wage was paid and shall allow the Lender, the Commissioner of the Department of Labor and Industry and the State reasonable access to such data.

(b) **Penalty.** It is a misdemeanor for the Borrower, who has certified that prevailing wages will be paid to laborers and mechanics to subsequently fail to pay the prevailing wage. Each day a violation of this subdivision continues is a separate offense.

Section 9.8. **Surety Deposits Required for Construction Contracts.** If the Loan is used for construction, and the Borrower is hiring, contracting, or having a contract with a nonresidential person or foreign corporation to perform construction work, the Borrower must comply with Minnesota Statutes 290.9705, as amended, by deducting and withholding eight percent of cumulative calendar year payments to the contractor which exceeds \$50,000.

This condition may be waived if (1) the contractor gives the commissioner a cash surety or a bond, secured by an insurance company licensed by Minnesota, conditioned that the contractor will comply with all applicable provisions of this chapter and chapter 297A, or (2) the contractor has done construction work in Minnesota at any time during the three calendar years prior to entering the contract and has fully complied with all provisions of this chapter and chapter 297A for the three prior years.

Section 9.9. **Publicity and Endorsement**

(a) **Publicity.** Any publicity regarding the subject matter of this Loan Agreement must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract.

(b) **Endorsement.** The Lender and the Borrower must not claim that the State endorses its products or services.

Section 9.10. **Workers Compensation Insurance.** The Borrower has obtained workers compensation insurance as required by Minn. Stat. § Section 176.181, subd. 2. The Borrower's workers compensation insurance information is as follows:

(a) Company Name: _American Zurich Insurance Company

(b) Policy Number: _WC 6726363-04

(c) Local Agent: __Andrew Mahoney, Willis Towers Watson

Section 9.11. **Effect on Other Agreements.** Nothing in this Loan Agreement shall be construed to modify any term of any other agreement to which the Lender and the Borrower are parties.

Section 9.12. **Release and Indemnification Covenants.** Except for any breach of the representations and warranties of the Lender or the negligence or other wrongful act or omission of the following named parties, the Borrower agrees to protect and defend the Lender and the governing body members, officers, agents, servants, and employees thereof, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, maintenance, and operation of the Project and the Borrower's activities on the Development Property.

Section 9.13. **Modifications.** This Loan Agreement may be modified solely through written amendments hereto executed by the Borrower and the lender and approved by the State.

Section 9.14. **Notices and Demands.** Any notice, demand, or other communication under this Loan Agreement by either party to the other shall be sufficiently given or delivered only if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

- (a) as to the Lender: City of Coon Rapids
ATTN: Matt Brown
11155 Robinson Dr.
Coon Rapids, MN 55433

- (b) as to the Borrower: rms Company
ATTN: Lee Zachman
8600 Evergreen Blvd.
Coon Rapids, MN 55433

or at such other address with respect to any party as that party may, from time to time, designate in writing and forward to the others as provided in this Section 9.14.

Section 9.15 Conflict of Interests; Representatives Not Individually Liable.

(a) No employee, officer or agent of the Lender shall participate in the administration of a contract supported by this loan if a conflict of interest, real or apparent, would be involved. No employee, officer or agent of the Lender may obtain a financial interest in any agreement with respect to the Loan. No employee, officer, or agent of the Lender shall be personally liable to the Borrower or any successor in interest in the event of any default or breach by the Lender or for any amount that may become due to the Borrower or on any obligation or term of this Loan Agreement.

(b) To the best of the Borrower's knowledge, no member, officer, or employee of the Lender, or its officers, employees, designees, or agents, no consultant, member of the governing body of the Lender, and no other public official of the Lender, who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project or in any activity, or benefit there from, which is part of the Project.

Section 9.16. Binding Effect. The covenants and agreements in this Loan Agreement shall bind and benefit the heirs, executors, administrators, successors, and assigns of the parties to this Loan Agreement.

Section 9.17. Provisions Not Merged With Deed. None of the provisions of this Loan Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Loan Agreement.

Section 9.18. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Loan Agreement are inserted only for convenience of reference and shall be disregarded in construing or interpreting any of its provisions.

Section 9.19. Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.20. Choice of Law and Venue. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Loan Agreement shall be heard in the state of Minnesota, and all parties to this Loan Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 9.21. Waiver. The failure or delay of any party to take any action or assert any right or remedy, or the partial exercise by any party of any right or remedy shall not be deemed to be a waiver

of such action, right, or remedy if the circumstances creating such action, right, or remedy continue or repeat.

Section 9.22. **Entire Agreement.** This Loan Agreement, with the exhibits hereto, constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Loan Agreement.

Section 9.23. **Separability.** Wherever possible, each provision of this Loan Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Loan Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Loan Agreement or any other related document.

Section 9.24. **Immunity.** Nothing in this Loan Agreement shall be construed as a waiver by the Lender of any immunities, defenses, or other limitations on liability to which the Lender is entitled by law, including but not limited to the maximum monetary limits on liability established by Minn. Stat. § Chapter 466.

IN WITNESS WHEREOF, the Lender has caused this Loan Agreement to be duly executed in its name and behalf and the Borrower has caused this Loan Agreement to be duly executed in its name and behalf as of the date first above written.

City of Coon Rapids

By _____
Jerry Koch, Mayor

By _____
Matt Stemwedel, City Manager

rms Company

By _____
Lee Zachman, President

EXHIBIT A
Legal Description of Development Property

EXHIBIT B
Equipment List

EXHIBIT C
Grant Contract

PROMISSORY NOTE

\$700,000.00

___, 2016

rms Company, a Minnesota corporation (the “Borrower”), for value received, hereby promises to pay to the City of Coon Rapids (the “Lender”) or its assigns at its designated principal office or such other place as the Lender may designate in writing, the principal sum of Seven Hundred dollars and No/100 (\$700,000.00) (the “Loan”) or so much thereof as may be advanced under this Promissory Note (this “Note”), with interest as hereinafter provided, in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America.

1. a. Except as provided in Section 1.c. of this Note, the Loan shall bear interest at zero percent (0.0%). Interest, if any in accordance with Section 1.c. of this Note, shall commence to accrue as to the amount of the Loan disbursed as of the date disbursed in accordance with the Loan Agreement between the Borrower and the Lender of even date herewith (the “Loan Agreement”) evidencing the terms of the loan evidenced by this Note.
 - b. Subject to the provisions of Section 8.1 (b) of the Loan Agreement, up to \$700,000 of the principal balance of this Note (the “Forgivable Loan”) shall be forgiven and deemed paid on the Expiration Date (as defined in the Loan Agreement).
 - c. If the goals are not met by the Compliance Date (as those terms are defined in the Loan Agreement), or the extended Compliance Date as provided for in Section 8.2(a) of the Loan Agreement, the Lender agrees to repay all or a part of the principal amount of this Note on a pro rata basis (as further described in this Section 1. c. the “Recaptured Principal”), plus interest set at the greater of 3.0% or the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2 (“Recapture Interest”), accruing from and after the Initial Disbursement Date, compounded annually. Recaptured Principal plus Recapture Interest thereon shall be repaid not later than 30 days after the Lender notifies the Developer of the amount to be repaid pursuant to Section 8.2 of the Loan Agreement. If the Goals are only met in part by the Compliance Date, the Borrower will repay a pro rata portion of the principal amount of this Note (plus Recapture Interest).
 - d. Except as provided in Section 1(c), no payments shall be due on the Forgivable Loan; provided, however, accrued interest from the date of disbursement at the greater of 3.0% or the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2 will be added to any Recaptured Principal due pursuant to Section 1(c).
2. The Borrower shall have the right to prepay the principal of this Note, in whole or in part, without prepayment penalty.

3. This Note is given pursuant to the Loan Agreement and is secured by a Security Agreement of even date herewith (the "Security Agreement") covering equipment located in County of Anoka, Minnesota. In the event any such security is found to be invalid for whatever reason, such invalidity shall constitute an event of default hereunder.

4. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Loan Agreement, or any instrument securing this Note, and continues beyond any applicable notice and cure periods, the Lender of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with any costs of collection including attorney fees incurred by the Lender of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note. The Borrower agrees that the Lender of this Note may, without notice to the Borrower of this Note and without affecting the liability of the Borrower of this Note, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Lender of this Note as provided herein, and in the Loan Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Lender of this Note, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Lender of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender of this Note and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

7. The headings used in this Note are solely for convenience of reference, are no part of this Note, and are not to be considered in construing or interpreting this Note.

8. This Note, with the other Loan Documents, constitutes the entire Note between the parties pertaining to its subject matter and it supercedes all prior contemporaneous Notes, representations, and understandings of the parties pertaining to the subject matter of this Note.

9. Separability. Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or any other related document.

10. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

[Signature page follows.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed as of the ___ day of _____, 2016.

By _____

Its President

By _____

Its Treasurer

SECURITY AGREEMENT

This security agreement (the "Security Agreement") is made and given as of this _____ day of _____, 2016, by rms Company with its principal place of business at 8600 Evergreen Boulevard Coon Rapids, MN 55433 (the "Borrower") in favor of the City of Coon Rapids, with its offices at 11155 Robinson Drive Coon Rapids, MN 55433 and its endorsees, successors and assigns (the "Lender").

RECITALS

- A. Lender and Borrower have entered into a certain Loan Agreement, dated _____ as of the date hereof (the "Loan Agreement"), pursuant to which Lender will loan to Borrower no more than \$700,000 (the "Loan") to assist with the purchase of machinery and equipment on the Development Property (as defined in the Loan Agreement). The Borrower has agreed to grant to the Lender a security interest in certain pieces of equipment (the "Equipment") described on the Exhibit B attached hereto, such Equipment to be located at the Development Property site described on the Exhibit A attached hereto (the "Development Property"). Borrower's payment obligations under the Loan Agreement will be evidenced by a promissory note (the "Note") dated as of the date hereof.
- B. As security for the repayment of the Loan, Lender has required that Borrower execute and deliver to Lender this Security Agreement granting a security interest to Lender in the Equipment.
- C. The Note, this Security Agreement, and any other instruments or documents given as security for the Loan are herein referred to as the "Loan Documents".

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Borrower, it is agreed as follows:

1. Grant of Security Interest. As security for the payment and performance of the Note and all other liabilities, obligations, and indebtedness of Borrower to Lender due or to become due, direct or indirect, absolute or contingent, joint or several, howsoever created, now or hereafter at any time created, arising, or evidenced under or pursuant to the Note or this Agreement or any other document or instrument evidencing or securing the Note, Borrower does hereby transfer, assign, and grant to Lender a security interest in all of Borrower's right, title, and interest in and to the following (hereinafter collectively referred to as the "Collateral"), whether now owned or hereafter acquired or arising:

- (a) the Equipment; and
- (b) any and all proceeds of the foregoing.

2. Borrower's Representations, Warranties and Covenants. Borrower represents, warrants, covenants, and agrees:

(a) Organization. Borrower is a Minnesota corporation validly existing and in good standing under the laws of the state of Minnesota, and Borrower has full power and authority to execute, deliver, and perform the Loan Documents, and to own its property and conduct its business as presently conducted and as proposed to be conducted.

(b) Authorization. The execution, delivery, and performance of this Security Agreement have been duly authorized by all necessary action and will not:

- (i) require any consent or approval of any entity that has not been obtained; or
- (ii) violate any provision of any indenture, contract, agreement, or instrument to

which Borrower is a party or by which it is bound.

- (c) Performance by Borrower. Unless Borrower obtains Lender's prior written consent, Borrower shall not:
- (i) terminate its interest in any of the Collateral; or
 - (ii) sell, transfer, or assign, or offer to sell, transfer or assign all or any part of the Collateral or permit all or any part of the Collateral to be sold, transferred, or assigned; or
 - (iii) remove or consent to the removal of any of the Equipment from the Development Property.
- (d) Title to Collateral. Borrower shall keep good marketable title to all of the Collateral, and none of the Collateral is subject to any lien or security interest except for the security interest created by this Security Agreement and other security interests consented to in writing by Lender. Borrower has not granted, and will not grant or permit to exist, any lien or security interests in all or a portion of the Collateral other than the liens in favor of Lender and other liens consented to in writing by Lender. Borrower shall defend the Collateral against all claims and demands of all and any other persons at any time claiming any interest therein adverse to Lender.
- (e) Actions and Proceedings. There are no actions at law, suits in equity, or other proceedings pending before or expected to be filed with any court, governmental agency, commission, bureau, tribunal, or other arbitration proceedings against or affecting Borrower that if adversely determined would adversely affect Borrower's interest in the Collateral or would adversely affect the rights of Borrower to pledge and assign all or a part of the Collateral or the rights and security afforded Lender hereunder.
- (f) Insurance. Borrower agrees it will keep the Equipment insured at all times against loss by fire and other hazards concerning which, in the judgment of Lender, insurance protection is reasonably necessary and in amounts sufficient to protect against loss or damage of the Equipment. Such policy or policies will contain a loss payable clause in favor of Lender or its successors or assigns, in form satisfactory to Lender, provided, however, that Borrower may, at its reasonable discretion, self-insure the Equipment.
- (g) No Fixture. If any of the Collateral is or becomes a fixture, Borrower agrees to furnish Lender, at Lender's request, with a statement or statements signed by all persons who have or claim an interest in the real estate concerned, which statements shall provide that the signer consents to the security interest created hereby and disclaims any interest in the Collateral as fixtures.
- (h) Understandings Regarding Collateral. Borrower acknowledges that the Collateral is of the design, capacity, and manufacture specified for and by Borrower, and that Borrower is satisfied that the same is suitable for its intended purposes. Borrower further acknowledges and agrees that Lender has not made, and does not make, any representation, warranty, or covenant with respect to merchantability, fitness for any purpose, durability, patent, copyright or Economic mark infringement, suitability, or capability of any item of Collateral in any respect or in connection with any other purpose or use of Borrower, or any other representation, warranty, or covenant of any kind or character expressed or implied with respect thereto. Borrower accordingly agrees not to assert any claim whatsoever against Lender based thereon. Borrower further agrees, regardless of cause, not to assert any claim whatsoever against Lender for loss of

anticipatory profits or consequential damages.

(i) Use of Collateral. The Collateral will be used for its intended business purpose and will at all times be located at the Development Property.

(j) Condition of Collateral. Borrower will keep the Collateral in good condition and repair, reasonable wear and tear excepted, will permit Lender to enter upon the Development Property at reasonable times for the purpose of examining the Collateral.

(k) Costs of Collection. In the event of any action or proceeding to collect or realize upon the Collateral or to enforce any of Lender's rights hereunder, Borrower shall pay:

(i) all of Lender's attorneys fees and other legal expenses, with interest thereon, incurred by Lender;

(ii) all taxes, levies, insurance expenses, and costs of repairs to, or maintenance of, the Collateral; and

(iii) all costs of Lender incurred in taking possession of, disposing of or preserving the Collateral after any Event of Default (defined below).

3. Event of Default. Upon the event of a default under the Loan Agreement, Lender may exercise any remedy available to it under the terms of the Loan Agreement.

4. Further Assurances. Borrower shall execute and deliver to Lender, promptly and at Borrower's expense, Uniform Commercial Code ("Code") financing statements and evidence of tax filings and payments, including without limitation a UCC-1 Financing Statement in substantially the form set forth by the Minnesota Secretary of State's Office. Borrower agrees that: (i) Lender is authorized, at its option, to file a carbon, photographic, or other reproduction of this Agreement as a financing statement and that such statement shall be sufficient as a financing statement under the Code; and (ii) Lender is authorized to file financing statements or amendments thereto without the signature of Borrower, provided that if a signature is required by law, then Borrower appoints Lender as Borrower's attorney-in-fact to execute any such financing statements.

5. Cumulative Remedies. All of Lender's rights and remedies herein are cumulative and in addition to any rights or remedies available at law or in equity including the Code, and may be exercised concurrently or separately. Borrower shall pay all costs, expenses, losses, damages and legal costs (including attorneys fees) incurred by Lender as a result of enforcing any terms or conditions of this Agreement.

6. No Liability Imposed on Lender. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty, or liability, nor shall this Agreement operate to place responsibility for the control, care, or management of the Equipment upon Lender.

7. Indemnification. Borrower agrees to defend, protect, indemnify and hold Lender harmless of and from any and all liability, loss, and damage that Lender does, may, or might incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings to perform or discharge any of the terms, covenants, or agreements contained herein. Should Lender incur any such liability or be required to defend against any such claims or demands, or should a judgment be entered against Lender, the amount thereof, including costs, expenses, and reasonable attorney's fees, shall bear interest thereon at the rate then in effect on the Note, shall be secured hereby, shall be added to the Loan, and Borrower shall reimburse

Lender for the same immediately upon demand, and upon the failure of Borrower so to do, Lender may declare the Loan immediately due and payable.

8. Expenses of Borrower. All expenses in protecting, storing, warehousing, insuring, handling, and shipping of the Collateral, all costs of keeping the Collateral free of liens, encumbrances and security interests (other than the security interest created by this Agreement) and the removing of the same and all excise, property, sales, and use taxes imposed by state, federal, or local authority on any of the Collateral or with respect to the sale thereof, shall be borne and paid for by Borrower and if Borrower fails to promptly pay any amounts thereof when due, Lender may, at its option, but shall not be required to, pay the same, and upon such payment the same shall constitute obligations and shall bear interest at the rate specified in the Note and shall be secured by the security interests granted hereunder.

9. Continuing Rights. The rights and powers of Lender hereunder shall continue and remain in full force effect until the Loan is paid in full.

10. Books and Records. Borrower will permit Lender and its representatives to examine Borrower's books and records (including data processing records and systems) with respect to the Collateral and make copies thereof at any time and from time to time, and Borrower will furnish such information reports to Lender and its representatives regarding the Collateral as Lender and its representatives may from time to time request. Lender shall have the authority, at any time, to require Borrower to place upon Borrower's books and records relating to the Collateral and other rights to payment covered by the security interest created in this Agreement a notation stating that any such Collateral and other rights of payment are subject to a security interest in favor of Lender.

11. Effect on Other Agreements. Nothing in this Agreement shall be construed to modify any term of any other agreement to which Lender and Borrower are parties.

12. Release and Indemnification Covenants. Except for any breach of the representations and warranties of Lender or the negligence or other wrongful act or omission of the following named parties, Borrower agrees to protect and defend Lender and the governing body members, officers, agents, servants and employees thereof, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, maintenance, and operation of the Equipment.

13. Modifications. This Agreement may be modified solely through written amendments hereto executed by Lender and Borrower and approved by the State.

14. Notices and Demands. Any notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered only if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

(a) as to the Lender: City of Coon Rapids
ATTN: Matt Brown
11155 Robinson Drive NW
Coon Rapids, MN 55433

(b) as to the Borrower: rms Company
ATTN: Lee Zachman
8600 Evergreen Blvd
Coon Rapids, MN 55433

or at such other address with respect to any party as that party may, from time to time, designate

in writing and forward to the others as provided in this Section 14.

15. Conflict of Interests; Representatives Not Individually Liable. No officer or employee of Lender may acquire any financial interest, direct or indirect, in this Agreement, the Equipment, or in any contract related to the Equipment. No officer, agent, or employee of Lender shall be personally liable to Borrower, or any successor in interest, in the event of any default or breach by Lender or for any amount which may become due to Borrower or on any obligation or term of this Agreement.

16. Binding Effect. The covenants and agreements in this Agreement shall bind and benefit the heirs, executors, administrators, successors, and assigns of the parties to this Agreement.

17. Merger. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

18. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of whom shall constitute one and the same instrument.

20. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

21. Waiver. The failure of any party to take any action or assert any right or remedy, or the partial exercise by any party of any right or remedy, shall not be deemed to be a waiver of such action, right, or remedy if the circumstances creating such action, right, or remedy continue or repeat.

22. Entire Agreement. This Agreement, with the other Loan Documents constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement.

23. Separability. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.

24. Immunity. Nothing in this Agreement shall be construed as a waiver by the Lender of any immunities, defenses, or other limitations on liability to which the Lender is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

25. Other Matters. All representations and warranties contained in this Agreement or in any other agreement between Borrower and Lender shall survive the execution, delivery and performance of this Agreement and the creation and payment of any indebtedness to Lender. Borrower waives notice of the acceptance of this Agreement by Lender.

IN WITNESS WHEREOF, Lender has caused this Agreement to be duly executed in its name and behalf and Borrower has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

City of Coon Rapids

By _____

Its Mayor

By _____

Its City Manager

rms Company

By _____

Its _____

By _____

Its _____

**EXHIBIT A
DEVELOPMENT PROPERTY**

LEGAL DESCRIPTION

LEGAL DESCRIPTION HERE

EXHIBIT B TO SECURITY AGREEMENT

DESCRIPTION OF EQUIPMENT

|

GUARANTY – CORPORATE

In order to induce the City of Coon Rapids (the "Lender"), to extend credit or other financial accommodations to rms Company, a Minnesota corporation (the "Borrower"), in an original principal amount of \$700,000 (the "Loan"), and as evidenced by the City of Coon Rapids Promissory Note (the "Note") of even date herewith executed by the Borrower in the original principal amount of \$700,000 payable to the order of the Lender, the undersigned (the "Guarantor") hereby:

I. Unconditionally and absolutely guarantees to the Lender:

(a) The full and prompt payment when due, whether at the maturity date specified in the Note or earlier upon acceleration of maturity pursuant to the provisions thereof, of principal, interest, and late charges, if any, specified in the Note and any and all renewals thereof including notes taken in substitution therefore; and,

(b) The payment and performance by the Borrower and any accommodating parties of their obligations under and pursuant to the Loan and any and all documents related thereto, including specifically, but not by way of limitation, the City of Coon Rapids Loan Agreement (the "Loan Agreement"), the City of Coon Rapids and the City's Security Agreement each of even date herewith and to which Borrower is a party.

(The Note and such other liability, indebtedness and obligations, are hereinafter collectively referred to as the "Obligations"); together with the full and prompt payment of any and all of Lender's fees, costs and expenses of and incidental to the enforcement of the Obligations, and the enforcement of this Guaranty, including, without limitation, reasonable attorneys' fees, plus interest thereon at the lesser of 3% per annum based upon a 365 day year or the highest rate authorized by law.

2. Agrees that the Lender may demand payment from the Guarantor of any installment (or portion thereof) of principal or interest on the Loan, when due, and the Guarantor shall immediately pay the same to the Lender, and the Lender may demand payment or performance of any or all of the Obligations, when such payment or performance is due or required, and the Guarantor shall immediately pay or perform the same, whether or not the Lender has commenced repossession of any or all collateral or security, or foreclosure of any security interest, mortgage or other lien in or on any of such collateral and security, or otherwise exercised its rights and remedies hereunder or under the Loan, the documents related thereto, or applicable law.

3. Waives (i) presentment, demand, notice of non-payment, protest and notice of protest and dishonor on the Obligations, (ii) notice of acceptance of this Guaranty by the Lender, and, (iii) notice of the creation or incurrence of the Obligations by the Borrower.

4. Grants to Lender, without notice to the Guarantor, which notice is hereby waived by the

Guarantor, and subject only to the provisions of any agreement between the Borrower or any other party and Lender at the time in force, the following powers:

(a) To modify or otherwise change any terms of all or any part of the Obligations or the rate of interest thereon, (but not to increase the principal amount of the Note), to grant any extension or renewal thereof and any other indulgence with respect thereto, and to effect any release, comprise or settlement with respect thereto;

(b) To enter into any agreement of forbearance with respect to all or any part of the Obligations, or with respect to all or any part of the collateral or security, and to change the terms of any such agreement;

(c) To forbear from calling for additional collateral or security, or to secure any obligation comprised in any collateral pledged to secure repayment of the Obligations;

(d) To consent to the substitution, exchange, or release of all or any part of the collateral or security, whether or not any such collateral or security received by the Lender upon any such substitution, exchange, or release shall be of the same or of a different character or value than the collateral or security surrendered by Lender; and

(e) In the event of nonpayment when due, whether by acceleration or otherwise, of any of the Obligations, or in the event of default in the performance of any obligation comprised in the collateral or security, to realize on such collateral or any part thereof, as a whole or in such parcels or subdivided interest as the Lender may elect, at any public or private sale or sales, for cash or on credit or for future delivery, without demand, advertisement of notice of the time or place of sale or any adjournment thereof (the Guarantor hereby waiving any such demand, advertisement and notice to the extent permitted by law), or by foreclosure or otherwise, or to forbear from realizing thereon, all as Lender in its sole and uncontrolled discretion may deem proper, and to purchase all or any part of such collateral or security for its own account at any such sale or foreclosure, such powers to be exercised only to the extent permitted by law.

5. Agrees that the Lender shall not be required to first resort for payment to the Borrower or any other person, corporation or entity, or their properties or estates, or any collateral or security, or other rights or remedies whatsoever, prior to enforcing this Guaranty.

6. Agrees that this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty without regard to (i) the validity, regularity or enforceability of the Obligations, or the disaffirmance thereof in any insolvency or bankruptcy proceeding relating to the Borrower, or (ii) any event or any conduct or action of the Borrower, the Lender, or any other party which might otherwise constitute a legal or equitable discharge of a surety or guarantor but for this provision.

7. Agrees that this Guaranty shall remain in full force and effect and be binding upon the

Guarantor until the Obligations are paid in full.

8. Agrees that no act, omission or thing, except full payment and discharge of the Obligations, which but for this provision could act as a release or impairment of the liability of the Guarantor, or any of them, and the Guarantor waive any and all defenses of the Borrower pertaining to the Obligations, any evidence thereof, and any collateral or security therefore, except the defense of discharge by payment in full.

9. Agrees that the Lender is expressly authorized to forward or deliver any or all collateral or security which may at any time be placed with it by the Borrower, the Guarantor, or any other person, directly to the Borrower for collection and remittance or for credit, or to collect the same in any other manner and to renew, extend, compromise, exchange, release, surrender or modify the installments of, any or all of such collateral or security with or without consideration and without notice to the Guarantor, and without in any manner affecting the absolute liability of the Guarantor hereunder. Further that the liability of the Guarantor hereunder shall not be affected or impaired by the failure, neglect or omission on the part of the Lender to realize upon the Obligations, or upon any collateral or security therefore, nor by the taking by the Lender of any other guaranty or guaranties to secure the Obligations or any other indebtedness of the Borrower to the Lender, nor by the taking by the Lender of collateral or security of any kind, nor by any act or failure to act whatsoever which, but for this provision, might or could in law or in equity act to release or reduce the Guarantor's liability hereunder.

10. Guarantor' obligations hereunder, and the rights of Lender in the collateral or security, shall not be released, discharged or in any way affected, nor shall the Guarantor have any rights or recourse against Lender, by reason of the fact that (i) any of such collateral or security may be in default at the time of acceptance thereof by Lender or later, (ii) a valid lien in any of such collateral or security may not be conveyed to, or created in favor of, Lender, (iii) any of such collateral or security may be subject to equities or defenses or claims in favor of others, or may be invalid or defective in any way, (iv) any of the Obligations may be invalid for any reason whatsoever, (v) the value of any of such collateral or security, or the financial condition of the Borrower or of any obligor under or guarantor of any of such collateral or security, may not have been correctly estimated or may have changed or hereafter change, (vi) there may have been any deterioration, waste, or loss by fire, theft, otherwise of any of such collateral or security, unless such deterioration, waste, or loss be caused by the willful act or willful failure to act of the Lender.

11. Agrees that so long as any portion of the Obligations are due and owing, or to become due and owing, by the Borrower to the Lender, the Guarantor shall not, without the prior written consent of the Lender, collect or seek to collect from the Borrower the claim, if any, by subrogation or otherwise, acquired by the Guarantor through payment of any part or all of the Obligations.

12. Agrees that the liability of the Guarantor hereunder shall not be affected or impaired by the existence or creation from time to time, with or without notice to the Guarantor which

notice is hereby waived, of indebtedness from the Borrower to the Lender in addition to the indebtedness evidenced by the Note. .

13. Agrees that the possession of this instrument of guaranty by the Lender shall be conclusive evidence of due execution and delivery hereof by the Guarantor.

14. Agrees that this Guaranty shall be binding upon the legal representatives, successors and assigns of the Guarantor, and shall inure to the benefit of the Lender and its successors, assigns and legal representatives. That, notwithstanding the foregoing, the Guarantor shall have no right to assign or otherwise transfer its rights and obligations under this Guaranty to any third party without the prior written consent of the Lender, and that any such assignment or transfer shall not release or affect the liability of the Guarantor hereunder in any manner whatsoever.

15. Agrees that the Guarantor may be joined in any action or proceeding commenced against the Borrower in connection with or based upon the Obligations, and recovery may be had against the Guarantor in any such action or proceeding or in any independent action or proceeding against the Guarantor should the Borrower fail to duly and punctually pay any of the principal of or interest on the Obligations, without any requirement that the Lender first assert, prosecute or exhaust any remedy or claim against the Borrower or against any collateral or security.

16. Agrees that upon the occurrence at any time of an event of default under either the Note or the Loan Agreement, and during the continuance thereof, the Lender shall have the right to set off any and all amounts due hereunder by the Guarantor to the Lender against any indebtedness or obligation of the Lender to the Guarantor.

17. Agrees that the Guarantor shall be liable to the Lender for any deficiency remaining after foreclosure of any mortgage or any security interest granted by the Borrower, the Guarantor or any third party to the Lender to secure repayment of the Obligations and the subsequent sale by the Lender of the property subject thereto to a third party (whether at a foreclosure sale or at a sale thereafter by the Lender in the event the Lender purchases said property at the foreclosure sale), notwithstanding any provision of applicable law which may prevent the Lender from obtaining a deficiency judgment against, or otherwise collecting a deficiency judgment from, the Borrower, including, without limitation, Minn. Stat. § 582.30.

18. Notwithstanding any payment or payments made by the Guarantor hereunder or any setoff or application of funds of the Guarantor by the Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Lender against the Borrower or any other guarantor or any collateral, security or guarantee or right of offset held by the Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other guarantor in respect of payments made by the Guarantor hereunder, until all amounts owing to the Lender by the Borrower on account of the Obligations are irrevocably paid in full. If any amount shall be paid to the Guarantor on

account of such subrogation rights at any time when all of the Obligations shall not have been irrevocably paid in full, such amount shall be held by the Guarantor in trust for the Lender, segregated from other funds of the Guarantor, and shall forthwith upon receipt by the Guarantor be turned over to the Lender in the exact form received by the Guarantor (duly endorsed by the Guarantor to the Lender if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Lender may determine. Notwithstanding any of the foregoing, to the extent any right of subrogation which the Guarantor may have pursuant to this Guaranty or otherwise, or any right of reimbursement or contribution or similar right against the Borrower, any property of the Borrower or any other guarantor of any of the Obligations would result in the Guarantor being a "creditor" of the Borrower within the meaning of Section 547 of Title 11 of the United States Bankruptcy Code as now in effect or hereafter amended, or any comparable provision of any successor statute, the Guarantor hereby irrevocably waives such right of subrogation, reimbursement or contribution .

19. Agrees that this Guaranty shall be deemed a contract made under and pursuant to the laws of the State of Minnesota, and shall be governed by and construed under the laws of such state. That, wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty, and to such extent the provisions of this Guaranty shall be severable.

20. Agrees that no failure on the part of the Lender to exercise, and no delay in exercising, any right or remedy hereunder shall operate as or constitute a waiver thereof, nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right or remedy granted hereby or by any related document or by law.

21. Waives any and all claims against the Lender and defenses to performance and payment hereunder relating in any way, directly or indirectly, to the performance of the Lender's obligations or exercise of any of its rights under the Note and the documents related thereto.

22. Warrants and represents to the Lender as follows:

(a) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency or other similar laws affecting creditors' rights generally).

(b) There is no action, suit or proceeding pending or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor which, if adversely determined, would have a material adverse effect on the condition (financial or otherwise), properties or assets of the Guarantor, or which would question the validity of this Guaranty or any

instrument, document or other agreement related hereto or required hereby, or impair the ability of the Guarantor to perform its obligations hereunder or thereunder.

(c) Guarantor are not in default of any material provision under any material agreement, instrument, decree or order to which it is a party, or by which it or its property is bound or affected.

(d) No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Guaranty or any of the agreements or instruments herein mentioned to which the Guarantor is a party, or the carrying out or performance of any of the transactions required or contemplated hereby or thereby, or, if required, such consent, approval, order or authorization has been obtained or such registration, declaration or filing has been accomplished, or such notice has been given prior to the date hereof.

(e) Guarantor have filed all tax returns required to be filed, and have paid all taxes shown thereon to be due, including interest and penalties, which are not being contested in good faith and by appropriate proceedings, and it has no information or knowledge of any objections to or claims for additional taxes in respect of federal income or excess profits tax returns for prior years.

23. Agrees that the liability of the Guarantor and any other guarantor of the Obligations shall be joint and several.

24. Acknowledge, understand, and agree that if Lender enters into, has entered into, or will enter into, any form of guaranty with any other lending institution under which it guaranties a portion of the Obligations, then the Guarantor will not be a coguarantor with the Lender shall have no right of contribution with the Lender, shall have no right of contribution against the Lender, and all liability hereunder shall continue notwithstanding payment by the Lender under any guaranty to such other lending institution.

25. Agrees that the Guarantor will directly or indirectly benefit by the making of the Loan, and that the Lender has agreed to make the Loan in reliance upon this Guaranty.

26. Agrees that if, at any time, all or any part of any payment previously applied by the Lender to any of the Obligations must be returned by the Lender for any reason, whether by court order, administrative order or settlement, the Guarantor shall remain liable for the full amount returned as if said amount had never been received by the Lender, notwithstanding any term of this Guaranty or the cancellation or return of any note or other agreement evidencing the Obligations.

27. Agrees that all liability hereunder shall continue notwithstanding the incapacity, lack of authority, death, or disability of any one or more of the Guarantor, and that any failure by the

Lender or its assigns to file or enforce a claim against the estate of any of the Guarantor shall not operate to release any other of the Guarantor from liability hereunder. The failure of any other person to sign this Guaranty shall not release or affect the liability of any of the Guarantor.

28. Consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Guaranty, waives any argument that venue in such forums is not convenient, and agrees and consents that any litigation initiated by either the Borrower, the Guarantor or the Lender relating to and in connection with this Guaranty shall venue in the District Court for the County of Anoka, State of Minnesota.

29. Upon demand by Lender or holder of the Note, agrees to furnish Lender or the holder of the Note, so long as any part of the Obligations remain unpaid, an annual audited financial statement setting forth, in reasonable detail, the assets, liabilities, and net worth of the Guarantor.

THE UNDERSIGNED entered into and executed this City of Coon Rapids Guaranty on the day and date indicated immediately below their respective signatures.

GUARANTOR: Cretex Companies, Inc.

Executed on _____, 2016.

STATE OF MINNESOTA

COUNTY OF _____

The foregoing City of _____ Guaranty was acknowledged before me _____, 2016, by _____, _____ of _____ on his/her own behalf.

Notary Public

Executed on _____, 2016.

STATE OF MINNESOTA

COUNTY OF _____

The foregoing City of _____ Guaranty was acknowledged before me
_____, 2016, by _____, _____ of _____ on his/her own
behalf.

Notary Public

INTERCREDITOR AGREEMENT

THIS AGREEMENT, dated the ____ day of _____, 20____, is made and entered into by and between City of Coon Rapids and the Housing and Redevelopment Authority in and for the City of Coon Rapids, a public body corporate and politic under the laws of the State of Minnesota (hereinafter "HRA"); together known as the "Creditors" and rms Company, (hereinafter "rms")

WITNESSETH:

WHEREAS, City of Coon Rapids has loaned to rms the principal sum of Seven Hundred Thousand and no/100 Dollars (\$700,000.00). Said loan will be made pursuant to a Loan Agreement dated _____, 201____, a Promissory Note dated _____, 201____, and Security Agreement of even date.

WHEREAS, the HRA has loaned to rms Company the principal sum of One Hundred Thirty-Eight Thousand and no/100 Dollars (\$138,000.00) pursuant to a Loan agreement dated _____, 201____, Promissory Note dated _____, 201____, and Security Agreement of even date.

WHEREAS, the purpose of this agreement is to set forth the respective rights of the parties in said security and to set forth procedures to be taken upon occurrence of an event of default under the various loan documents.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. All property pledged as security in the loan documents referenced herein above are collectively referred to as "Collateral".
2. This agreement shall only relate to the relative position of the Creditors and shall have no effect on the credit obligations between each Creditor and rms.
3. The Creditors hereto agree that their respective security interests are of equal priority, regardless of the dates or times of recording or perfecting liens for security interests. It is the understanding of the parties hereto that they shall have a shared first priority security interest/lien in the Collateral,
4. The filling of a Partial Termination Statement by a Creditor shall only effect Its secured position relative to the property released. The filling of a Termination Statement by a Creditor shall release its secured interest in the assets of rms; however, the Creditor shall be bound by the terms of this Intercreditor Agreement during the entire term of this agreement.
5. This agreement shall commence on the date herein and shall remain in full force

and effect so long as a Debtor-Creditor relationship exists between rms and the Creditors.

6. The Creditors each agree to provide the other written notice promptly following their actual knowledge of an event of default under their respective loan documents (hereinafter "Notice of Default").
7. An event of default as to one Creditor shall constitute an event of default as to all Creditors.
8. Following a Notice of Default, any payments of principal or of interest which may be received by any of the Creditors, together with any and all proceeds from the sale or other disposition of the Collateral shall be applied as follow:
 - a. First, to the payment of costs and expenses of collection, including the payment of all taxes, assessments and other superior liens, if any, except liens subject to which such sale exercise of rights shall have been made.
 - b. Second, to the payment of the principal and secured interest then owing and unpaid on the loans made by the respective Creditors. Said payments shall be distributed on a pro rata basis to the respective Creditors according to the ratio of the principal and interest balance of each party's loan described herein to Borrower divided by the total principal and interest balances of the respective Creditor's loans described herein to rms.
 - c. Third, to payment of the surplus if any, to whomever shall be lawfully entitled to the same.
9. All notices, demands, requests and consents under this agreement shall be in writing and shall be mailed by first class mail, postage prepaid to the addresses of the parties as noted in the loan documents or applications.
10. This agreement shall be deemed a contract made under the laws of the State of Minnesota and for all purposes shall be construed in accordance with the laws of the State of Minnesota.
11. This agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the Creditors and their respective successors and assigns.
12. Any amendment of this agreement shall be in writing and shall require the signature of all the parties. The Creditors hereto agree that they will not change, modify or amend in any way the respective loan documents with rms without the prior written consent of the other Creditors.

IN WITNESS WHEREOF, the parties have executed this Intercreditor Agreement as of the day and year first above written.

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
COON RAPIDS

By: Jerry Koch, Chair

By: Brad Johnson, Secretary

CITY OF COON RAPIDS

By: Jerry Koch, Mayor

By: Matt Stemwedel, City Manager

rms COMPANY

By: Lee Zachman, President

SECURITY INTEREST SUBORDINATION AGREEMENT

This Agreement is entered into as of _____, 2016 by and among Wells Fargo Bank, National Association, a national banking association, in its capacity as collateral agent under the Intercreditor Agreement as defined below (in such capacity, “**Wells Fargo**”), the City of Coon Rapids (the “**City**”), and the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota (the “**HRA**”; together with the City, the “**Equipment Lenders**”).

Pursuant to a Security Agreement dated as of May 23, 2014, rms Company, a Minnesota corporation (the “**Grantor**”), has granted Wells Fargo, as collateral agent under the Intercreditor and Collateral Agency Agreement dated as of May 23, 2014 among Wells Fargo Bank, National Association, JPMorgan Chase Bank, National Association and various Noteholders, as defined therein (the “**Collateral Agency Agreement**”), a security interest in substantially all of the Grantor’s personal property (the “**Wells Fargo Security Agreement**”).

Pursuant to a Loan Agreement – Minnesota Investment Fund dated as of ***[the date hereof]*** between the City and the Grantor, the City has agreed to lend up to \$700,000 to the Grantor for the purchase of the Equipment, as defined below (the “**City Loan Agreement**”).

As a condition to making any loan under the City Loan Agreement, the City has required the execution and delivery of a Security Agreement, granting the City a security interest in the Equipment to secure payment of the Grantor’s obligations to the City under the City Loan Agreement and otherwise.

Pursuant to a Loan Agreement dated as of ***[the date hereof]*** between the HRA and the Grantor, the HRA has agreed to lend up to \$138, 000 to the Grantor for the purchase of the Equipment (the “**HRA Loan Agreement**”).

As a condition to making any loan under the HRA Loan Agreement, the HRA has required the execution and delivery of a Security Agreement, granting the HRA a security interest in the Equipment to secure payment of the Grantor’s obligations to the HRA under the HRA Loan Agreement and otherwise.

As a further condition to making any loan under the City Loan Agreement or the HRA Loan Agreement, the City and the HRA have required that Wells Fargo subordinate its security interest in the Equipment to the security interest of the City and the HRA.

ACCORDINGLY, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions. As used herein, the following terms have the meanings set forth below:

“**Equipment**” means the equipment owned by the Grantor and described in Exhibit A hereto.

“**Subject Property**” means all right, title and interest of the Grantor in and to the Equipment and all identifiable cash proceeds thereof.

2. Subordination of Security Interest. Wells Fargo agrees that (regardless of any priority otherwise available to Wells Fargo by law or by agreement) any security interest that Wells Fargo (for itself, as collateral agent, as administrative agent, or otherwise) has in the Subject Property shall be fully subordinate to any security interest that the City or the HRA holds in the Subject Property to secure the Grantor’s obligations under the City Loan Agreement or the HRA Loan Agreement.

3. Action by Parties. The City and the HRA may (as between the City and the HRA, on the one hand, and Wells Fargo on the other hand) take any action with respect to the Subject Property, all without notice to or consent of Wells Fargo and without any other obligation with respect thereto, except as expressly provided herein or required by law.

4. No Representations or Warranties. Neither Wells Fargo nor either of the City or the HRA makes or has made any representation or warranty to the other concerning the Subject Property or the validity, perfection or (except as to the subordination effected hereby) priority of any security interest therein.

5. No Effect on Other Rights. Notwithstanding paragraph 2, nothing in this Agreement shall affect or impair (i) the priority or parity of the rights and claims of the parties as general creditors of the Grantor (rather than as secured parties), (ii) the priority of the security interest in the Subject Property held by the City relative to the priority of the security interest in the Subject Property held by the HRA, or (iii) the priority of Wells Fargo's security interest in any property of the Grantor other than the Subject Property specifically described herein. Nothing herein shall be deemed a subordination of or any limitation of any rights in the Subject Property held by Wells Fargo in its capacity as the depository bank (rather than as the secured party under the Wells Fargo Security Agreement) with respect to any deposit account maintained at Wells Fargo into which proceeds of the Subject Property are deposited, or in any other capacity other than as the secured party under the Wells Fargo Security Agreement.

6. Failure to Perfect. The subordination effected hereunder shall be void and of no effect as to the City at any time in which the security interest in the Subject Property held by the City is unperfected. The subordination effected hereunder shall be void and of no effect as to the HRA at any time in which the security interest in the Subject Property held by the HRA is unperfected.

7. No Third-Party Beneficiary. This Agreement is solely for the benefit of the parties hereto, and neither the Grantor nor any other person is intended to be a third-party beneficiary hereunder or to have any right, benefit, priority or interest under, or because of the existence of, or to have any right to enforce, this Agreement.

8. Continuing Effect. This Agreement shall remain in effect until such time as there is no outstanding obligation of the Grantor under by the City Loan Agreement or the HRA Loan Agreement, each as in effect on the date hereof and in the form provided to Wells Fargo prior to the date hereof.

9. Miscellaneous. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns. This Agreement cannot be waived or changed, or the subordination hereunder terminated, except by a writing signed by the party to be bound thereby. This Agreement shall be governed by and construed in accordance with the internal laws (other than conflict laws) of the State of Minnesota. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by e-mail transmission of a PDF or similar copy shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart signature page to this Agreement by facsimile or by e-mail transmission shall also deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Collateral Agent under the
Collateral Agency Agreement**

By _____
Name: Joseph L. White
Title: Vice President

CITY OF COON RAPIDS

By _____
Name: Jerry Koch
Title: Mayor

By _____
Name: Matt Stemwedel
Title: City Manager

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
COON RAPIDS, MINNESOTA**

By _____
Name: Jerry Koch
Title: Chair

By _____
Name: Matt Stemwedel
Title: Executive Director

Exhibit A

Equipment

RESOLUTION NO. 16-132

**RESOLUTION APPROVING MINNESOTA INVESTMENT FUND LOAN DOCUMENTS FOR A
PROJECT BY RMS COMPANY.**

WHEREAS, rms Company, a subsidiary of Cretex Companies, Inc., proposes an expansion project for which funding is sought from the State of Minnesota; and

WHEREAS, on May 17, 2016, the City Council adopted a resolution agreeing to act as legal sponsor prior to submitting an application for funding.

WHEREAS, on June 20, 2016, the State of Minnesota awarded a Minnesota Investment Fund loan in the amount of \$700,000 to the City of Coon Rapids to fund rms Company's expansion project.

WHEREAS, the financial assistance is considered a business subsidy under Minnesota Statutes 116J.993 to 116J.995.

WHEREAS, the City Council held a public hearing on the business subsidy on December 6, 2016.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves the financial assistance to rms Company and approves the loan documents, including the Grant Contract, Loan Agreement, Promissory Note, Security Agreement, and any other related instruments, substantially in the form presented to the City Council.

BE IT FURTHER RESOLVED that the Mayor and City Manager, or their successors in office, are hereby authorized to execute the loan documents, as are necessary to implement the project on behalf of the City of Coon Rapids.

Adopted this 6th day of December, 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

14.

Meeting Date: 12/06/2016

Subject: Truth-In-Taxation Public Hearing and Adoption of 2017 Budget and Tax Levy

From: Sharon Legg, Finance Director

INTRODUCTION

The City Council must hold a Truth-In-Taxation (TNT) hearing and consider adoption of the 2017 budget and tax levy.

DISCUSSION

The proposed 2017 City budget was discussed at a work session on August 10, 2016. And, at the September 06, 2016 Council meeting, a preliminary levy was adopted to be certified to the County. December 6, 2016 was set as the Truth-in-Taxation public meeting at which the proposed budget for taxes payable year 2017 must be presented and discussed. At the hearing, the public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions. Staff is prepared to make a short budget presentation at the City Council meeting.

The tax rate is now estimated to be 44.164.

After the public hearing, resolutions adopting the budget and the tax levy are included for adoption.

RECOMMENDATION

Staff recommends:

- a. Conduct the Truth-In-Taxation hearing.
 - b. Approve Resolution 16-134 Adopting the 2017 Budget.
 - c. Approve Resolution 16-135 Adopting the 2017 Tax Levy.
-

Attachments

RS 16-134

RS 16-135

RESOLUTION NO. 16-134

RESOLUTION ADOPTING THE 2017 BUDGET

WHEREAS, the City Charter requires the City Manager to prepare a budget for all funds of the City; and

WHEREAS, the City Manager's proposed budget was presented to the City Council on August 10, 2016, well before the Charter requirement of the first meeting in September; and

WHEREAS, a tax levy for debt service payable February 1, 2017 for the G.O. Park Bonds has been included in the revenues; and

WHEREAS, the 2017 proposed budget was discussed at the Truth-In-Taxation hearing on December 6, 2016.

NOW, THEREFORE, BE IT RESOLVED that the Coon Rapids City Council hereby adopts the 2017 budget as presented, a summary of which follows:

REVENUES

General Fund

General Property Taxes	\$19,888,000
Licenses and Permits	1,691,700
Fines and Forfeitures	314,000
Investment Income	217,000
Intergovernmental	2,326,343
Charges from Current Services	1,855,200
Other	3,949,095

Total General Fund Revenues	30,241,338
Transfer from Other Funds	41,000

Total General Fund Revenues including Transfers	30,282,338
--	------------

Other Funds

Special Revenue Funds	2,691,474
Debt Service Funds	4,846,869
Capital Project Funds	6,406,671
Enterprise Funds	21,641,855
Internal Service Funds	266,000
Total Other Funds	35,852,869

Other Financing Sources

Bond Proceeds	11,069,930
Transfers from Other Funds	<u>3,293,863</u>
Total Revenues and Other Sources	<u>\$80,499,000</u>

EXPENDITURES

General Fund

General Government	\$ 4,237,955
Public Safety	15,189,940
Community Services	579,490
Community Development	2,068,410
Maintenance Services	7,220,195

Total General Fund Expenditures	29,295,990
Transfer to Other Funds	680,000

Total General Fund Expenditures including Transfers	29,975,990
--	------------

Other Funds

Special Revenue	2,424,213
Debt Service	4,738,174
Capital Project	17,654,729
Enterprise	21,456,522
Internal Service Funds	1,027,786

Total Other Funds	47,301,424
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Transfers to Other Funds	<u>2,654,863</u>
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Total Expenditures and Transfers	<u>\$79,932,277</u>
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Adopted by the Coon Rapids City Council this 6st day of December, 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-135

RESOLUTION ESTABLISHING 2017 TAX LEVY FOR THE CITY OF COON RAPIDS

WHEREAS, the Legislature of the State of Minnesota has enacted legislation providing for City certification of a final 2017 property tax levy prior to December 28, 2016; and

WHEREAS, the City Council has reviewed and adopted the 2017 budget and reviewed the tax levy as proposed by the City Manager; and

WHEREAS, the City held a truth-in-taxation public hearing on the levy on December 6, 2016; and

WHEREAS, a special election was held on November 5, 2013 in which the electorate authorized general obligation bonds to finance a \$17.4 million parks, open space and trail system project; and

WHEREAS, the payable 2017 tax levy will include \$451,540 the debt service in addition to \$761,703 for park improvements in accordance with stated referendum tax impacts, and

WHEREAS, a tax levy is not required to pay the G. O. Bonds of 2013A in 2017 due to cash available from special assessments so thereby can be cancelled.

NOW, THEREFORE, BE IT RESOLVED that the amounts listed below are given final certification for collection with payable 2017 taxes:

General Fund	\$19,888,000
Capital Projects	2,370,689
Debt Service:	
Special Assessments on city property	33,000
Equipment Certificates	175,000
Bonds of 2008	152,000
Bonds of 2010	85,000
Bonds of 2013B	207,730
Bonds of 2014	296,985
Bonds of 2015	202,850
Payment of bonds for another government	988,503
Park Improvement Bonds	451,540
Park Improvement Capital Projects	761,703
Total City Wide Levy	\$25,613,000
HRA Levy	<u>725,000</u>
TOTAL CITY AND HRA LEVY	\$26,338,000

NOW, THEREFORE, BE IT ALSO RESOLVED to cancel the tax levy for the G.O. Bonds of 2013A in the amount of \$240,932.

Adopted this 6th day of December 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

15.

Meeting Date: 12/06/2016

Subject: Consider Resolution 17-6(8) Approving Plans and Specifications and Ordering Advertisement for Bids - Project 17-6, 2017 Sanitary Sewer Lining

Submitted For: Tim Himmer, Public Works Director

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

As part of the 10 year capital improvement program, the City is planning to continue (and complete) the sanitary sewer lining program. Lining in 2017 is proposed in several areas as shown on the attached map. The City Council is requested to approve the plans and specifications and order the advertisement for bids.

DISCUSSION

The City is continuing the lining program for the sanitary sewer system that began in 2008. Lining will be done to complete all remaining segments of public sanitary sewer mains located in the City. At the September 20, 2016 regular City Council meeting, Council accepted a proposal from SEH that includes preparing a preliminary and final report, preparing construction plans and specifications, assisting the City in the bidding process, negotiating a construction contract with the successful bidder, and providing inspection services during construction of the lining project.

Plans and specifications are complete. If Council authorizes, bids will be advertised in the UnionHerald and on QuestCDN beginning December 9th, with the bid opening scheduled for January 5th and an award of contract on January 17th. Work would commence in the spring, and completion of the project is planned for the fall of 2017.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 17-6(8); approving the plans and specifications and ordering advertisement for bids for the 2017 Sanitary Sewer Lining Program.

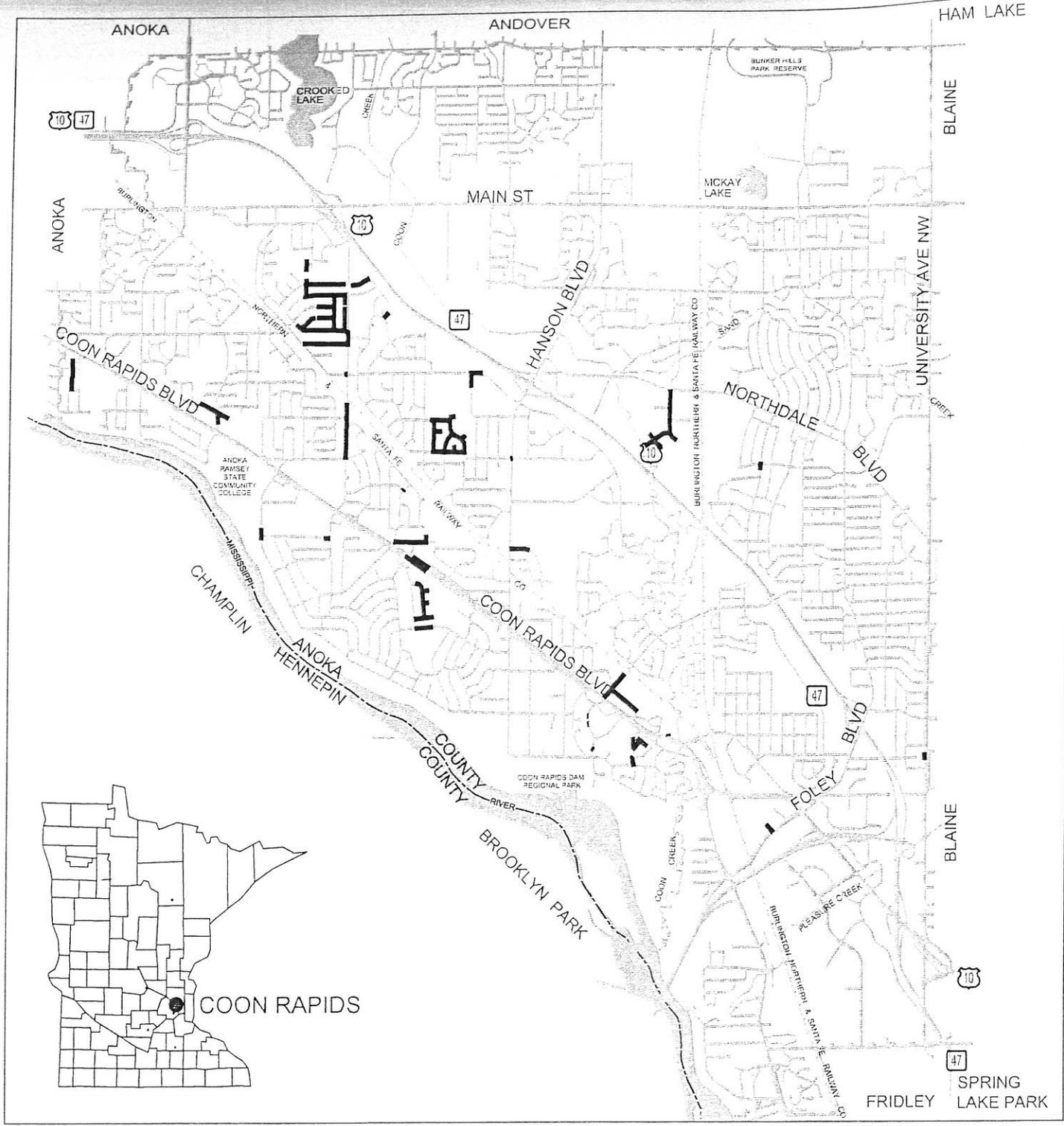
BUDGET IMPACT:

The SEH engineering services proposal contained a lump sum fee up to a maximum of \$65,820, and the estimated construction costs of the program are \$1,025,000. The 2017 Sanitary Sewer Utility Fund budget includes \$1.2M for this project.

Attachments

Location Map

Resolution No. 17-6(8)



VICINITY MAP
NO SCALE

DESIGNED BRH	CHECKED JKD	I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA. SIGNATURE: <i>Donald R Lutch</i> TYPED OR PRINTED NAME: DONALD R LUTCH DATE: 11/13/2016
DRAWN BRH	CHECKED DRL	
DATE 11/13/2016	APPROVED DRL	

PLANS PREPARED BY:



3535 VADNAIS CENTER DRIVE
ST. PAUL, MINNESOTA 55110
PHONE: 1.800.325.2055
www.sehinc.com

PLANS PREPARED FOR:



COON RAPIDS
Minnesota

RESOLUTION NO. 17-6(8)

**(8) RESOLUTION APPROVING PLANS AND SPECIFICATIONS
AND ORDERING ADVERTISEMENT FOR BIDS**

WHEREAS, SEH, Inc. has prepared plans and specifications for the improvement of the City's sanitary sewer system by lining existing sewer pipe and has presented such plans and specifications to the Council for approval; and

WHEREAS, the City of Coon Rapids expects to reimburse all or a portion of the project expenditures with the proceeds of debt to be incurred by the City; and

WHEREAS, this declaration is made pursuant to Section 1.103-18 of the Income Tax Regulations of the Internal Revenue Service.

NOW THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. Such plans and specifications, a copy of which is attached hereto and made a part hereof, are hereby approved.
2. The City Clerk shall prepare and cause to be inserted in the official paper and in a trade journal, if applicable, an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be done, shall state that bids will be received by the Clerk until 10:00 a.m. on the 5th day of January, 2017, at which time they will be publicly opened in the City Hall by the City Clerk and Engineer, will then be tabulated, and will be considered by the Council at 7:00 p.m. on the 17th day of January, 2017, in the Council Chambers, and that no bids will be considered unless sealed and filed with the Clerk and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the Clerk for 5% of the amount of such bid.

Adopted this 6th day of December, 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

16.

Meeting Date: 12/06/2016

Subject: PC16-26, Consider Resolution 16-131 Approving Preliminary and Final Plat, Woods at Crooked Lake, 2928 129th Avenue

From: Scott Harlicker, Planner

INTRODUCTION

The applicant is requesting preliminary and final plat approval to subdivide a 1.3 acre lot into four single family lots

DISCUSSION

Background

The applicant is proposing to subdivide a 1.3 acre parcel into four single family lots. The parcel is located at the southwest corner of 129th Avenue and Crooked Lake Boulevard. The parcel to be subdivided was created as Tract B, Registered Land Survey No. 269 in February 2016. The property is wooded, however minimal tree removal will be required to develop the lots. The lots will be custom graded to accommodate each house.

Lot Layout

The lots comply with the dimensional requirements of the LDR 2 zoning district. The minimum lot width is 80 feet, minimum lot depth is 135 feet and the minimum lot size is 10,800 square feet. Each lot is a minimum 80 feet wide and 160 feet deep. Three of the lots are 12,822 square feet and the corner lot is 16,828 square feet. Lot 4, the corner lot, has a 50 foot wide drainage and utility easement along Crooked Lake Boulevard. There is also a 10 foot wide private access easement with the adjacent property owner to allow a driveway along the rear or south property lines.

Grading, Drainage and Utilities

Because of the fairly level topography, mass grading will not be required to develop the lots. Rain gardens are proposed for each lot to handle stormwater runoff. There is a 50 foot wide drainage and utility easement across the east property line of Lot 4; and typical five and 10 foot easements are located along the other property lines.

Park Dedication

Park dedication for the three new lots is required. Park dedication in the amount of \$6,000 (\$2,000 x 3 lots) will have to be paid prior to releasing the plat for recording.

Planning Commission Meeting

At the Planning Commission meeting held on November 17th one resident spoke at the public hearing. He was concerned about tree preservation and maintenance of the stormwater ponds. Staff explained the process of approving a grading plan for each individual lot so the trees shown as being preserved are indeed saved. Once the lot is sold and the house is built, neither the developer nor the city has the authority to control what, if any, trees the new owner cuts down. The applicant is currently working with Coon Creek Watershed on a process for pond maintenance. The Commission voted unanimously to recommend approval of the preliminary plat.

RECOMMENDATION

In Planning Case 16-26, the City Council approve the preliminary plat and approve Resolution 16-131 approving the final plat for Woods at Crooked Lake with the following conditions:

1. All comments of the City Engineer be addressed.
2. Park dedication in the amount of \$6,000 be paid prior to releasing the plat for recording.
3. One street tree per lot be planted prior to the issuance of a Certificate of Occupancy.

Attachments

Location Map
Preliminary Plat
Final Plat
Grading Plan
Applicant's Narrative
Resolution 16-131

Location Map



THE WOODS AT CROOKED LAKE

PRELIMINARY PLAT

DESCRIPTION OF PROPERTY SURVEYED
(Per Schedule A of the herein referenced Title Commitment)

Tract B, Registered Land Survey No. 269, Anoka County, Minnesota.

Torrens Property
Torrens Certificate No. 132909.

- Site Address:** XXX 129th Ave NW, Coon Rapids, MN 55448
- Flood Zone Information:** This property appears to lie in Zone X (area determined to be outside the 0.2% annual chance flood plain) per Flood Insurance Rate Map, Community Panel No. 270011 0304 E, effective date of December 16, 2015.
- Parcel Area Information:** Gross Area: 55,292 s.f. ~ 1.269 acres
- Benchmark:** Elevations are based on MN/DOT Geodetic Station Name: 0215 AD which has an elevation of: 870.064 feet (NAVD88).
- Zoning Information:** The current Zoning for the subject property is Low Density Residential 2 per the City of Coon Rapids's zoning map. The setback, height, and floor space area restrictions for said zoning designation were obtained from the City of Coon Rapids found on their web site on the date of August 25, 2016 and are as follows:

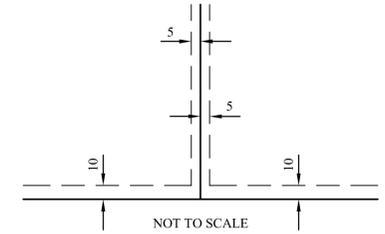
Principal Structure Setbacks - Front: 35 feet; Side: 10 feet (Street: 20 feet); Rear: 35 feet;
Height: 40 feet
Lot Coverage: 30 percent of lot area

Please note that the general restrictions for the subject property may have been amended through a city process. We could be unaware of such amendments if they are not in a recorded document provided to us. We recommend that a zoning letter be obtained from the Zoning Administrator for the current restrictions for this site.

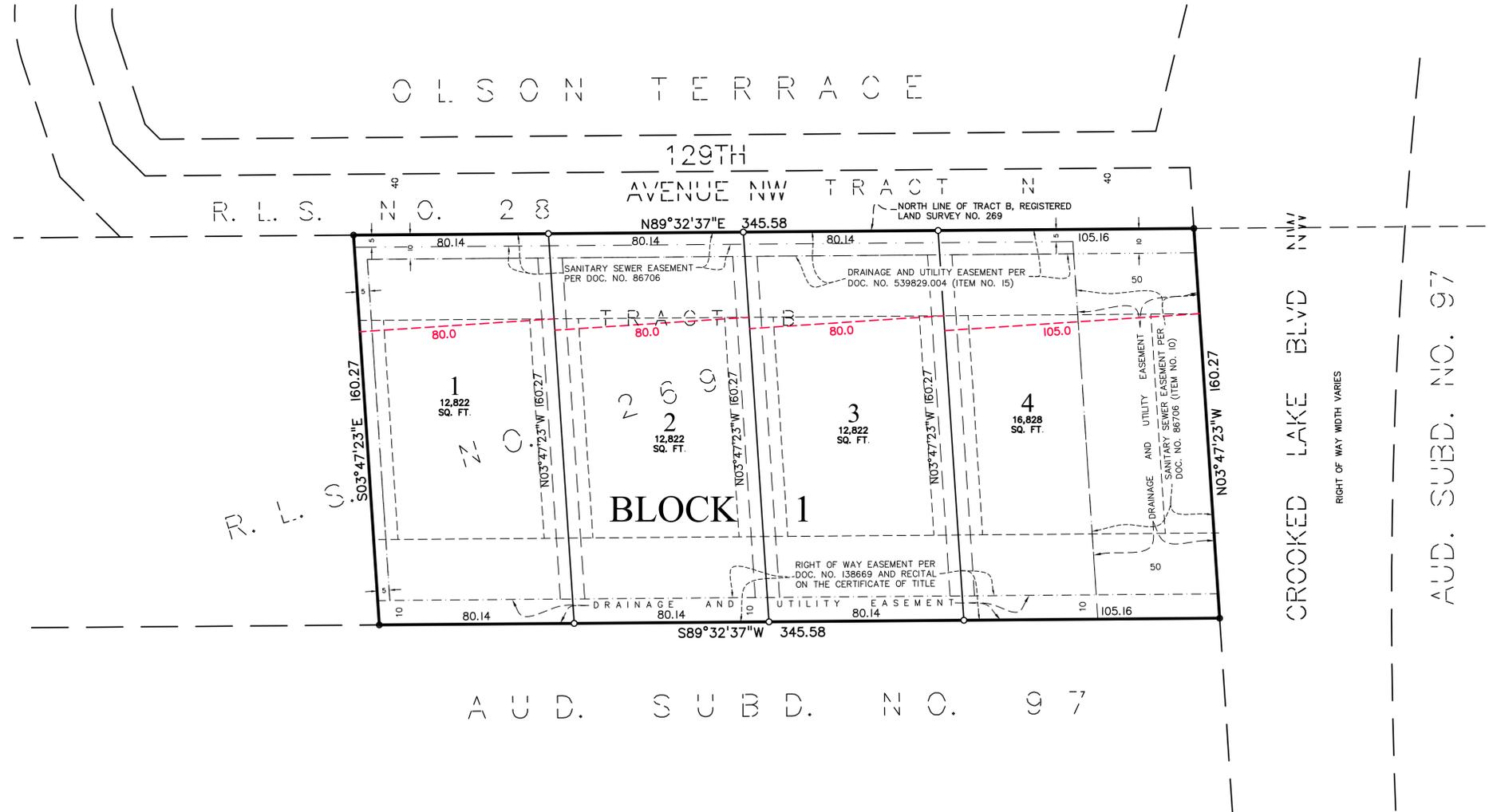
We have not received the current zoning classification and building setback requirements from the insurer.

- Utilities:** We have shown the location of utilities to the best of our ability based on observed evidence together with evidence from the following sources: plans obtained from utility companies, plans provided by client, markings by utility companies and other appropriate sources. We have used this information to develop a view of the underground utilities for this site. However, lacking excavation, the exact location of underground features cannot be accurately, completely and reliably depicted. Where additional or more detailed information is required, the client is advised that excavation may be necessary. Also, please note that seasonal conditions may inhibit our ability to visibly observe all the utilities located on the subject property. A Gopher State One Call was submitted for this survey. Please reference Ticket No. 500009784 and 500009783 for a list of utility operators in this area.

DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:



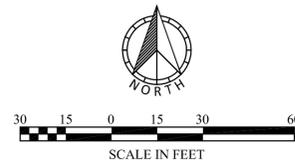
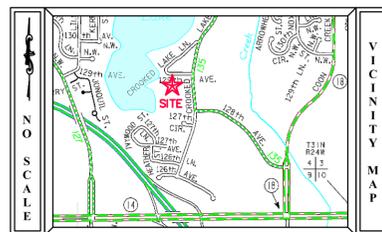
Being 5 feet in width and adjoining lot lines, unless otherwise indicated, and 10 feet in width and adjoining right of way lines, unless otherwise indicated, as shown on the plat.



PREPARED BY	PREPARED FOR
SURVEYOR SATHRE-BERGQUIST, INC. 150 SOUTH BROADWAY WAYZATA, MINNESOTA 55391 PHONE: (952) 476-6000 FAX: (952) 476-0104 CONTACT: JARED AVERBECK, P.L.S. EMAIL: JAVERBECK@SATHRE.COM	DEVELOPER Ramsay Development, Corp. 217 Dean Ave East Champlin, MN 55386 CONTACT: Bill Ramsay (763) 712-5325
LDR-2: 4 SINGLE FAMILY LOTS	
MIN. LOT AREA: 10,800 SQ. FT. (12,150 SQ. FT. CORNER)	FRONT: 35' SIDE: 10' 20' street REAR: 35'



SATHRE-BERGQUIST, INC.



- Denotes a 1/2 inch by 14 inch iron pipe set in the ground and marked by License No. 53642
- Denotes a Found Iron Monument
- ⊙ Denotes a Found Cast-Iron Monument

The basis for the bearing system is the north line of Tract B, REGISTERED LAND SURVEY NO. 269, and is assumed to bear North 89 degrees 32 minutes 37 seconds East.

THE WOODS AT CROOKED LAKE

CITY OF COON RAPIDS
 COUNTY OF ANOKA
 SEC. 04, TWP 31, RGE 24

KNOW ALL PERSONS BY THESE PRESENTS: That Ramsay Development, Corp., a Minnesota corporation, owner of the following described property:

Tract B, Registered Land Survey No. 269, Anoka County, Minnesota.

Has caused the same to be surveyed and platted as THE WOODS AT CROOKED LAKE and does hereby dedicate to the public for public use the drainage and utility easements as shown on this plat.

In witness whereof said Ramsay Development, Corp, a Minnesota corporation, has caused these presents to be signed by its proper officer this _____ day of _____, 2016.

By: Ramsey Development, Corp.

 William Ramsay, Chief Manager

STATE OF MINNESOTA
 COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 2016 by William Ramsay, Chief Manager of Ramsey Development, Corp., on behalf of the corporation.

 Notary Public, _____ County, Minnesota

 Notary Printed Name

My Commission Expires: _____

SURVEYORS CERTIFICATE

I Jared J. Averbeck do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 2016.

 Jared J. Averbeck, Licensed Land Surveyor
 Minnesota License No. 53642

STATE OF MINNESOTA
 COUNTY OF HENNEPIN

This instrument was acknowledged before me this _____ day of _____, 2016 by Jared J. Averbeck.

 Notary Public, Hennepin County, Minnesota

 Notary Printed Name

My Commission Expires: _____

COON RAPIDS PLANNING COMMISSION

Be it known that at a meeting held on this _____ day of _____, 2016, the Planning Commission of the City of Coon Rapids, Minnesota, did hereby review and approve this plat of THE WOODS AT CROOKED LAKE.

Planning Commission, City of Anoka, Minnesota.

By: _____, Chairman

CITY COUNCIL, CITY OF COON RAPIDS, MINNESOTA

This plat of THE WOODS AT CROOKED LAKE was approved and accepted by the City Council of the City of Coon Rapids, Minnesota at a regular meeting thereof held this _____ day of _____, 2016, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

By: _____, Mayor

By: _____, Clerk

COUNTY SURVEYOR

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this _____ day of _____, 2016.

By: _____
 Larry D. Hoium, Anoka County Surveyor

COUNTY AUDITOR/TREASURER

Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable in the year 20_____ on the land hereinbefore described have been paid. Also, pursuant to Minnesota Statutes, Section 272.12, there are no delinquent taxes and transfer entered this _____ day of _____, 2016.

 Property Tax Administrator

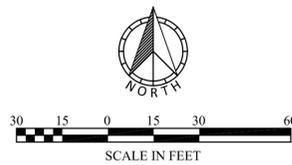
By: _____, Deputy

COUNTY RECORDER/REGISTRAR OF TITLES

I hereby certify that this plat of THE WOODS AT CROOKED LAKE was filed in the office of the County Recorder/Registrar of Titles for public record on this _____ day of _____, 2016, at _____ o'clock _____M. and was duly recorded in Book _____ Page _____, as Document Number _____.

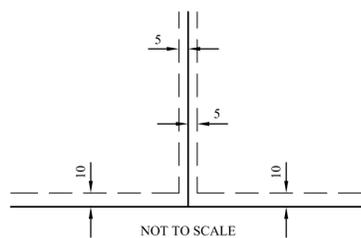
 County Recorder/Registrar of Titles

By: _____, Deputy



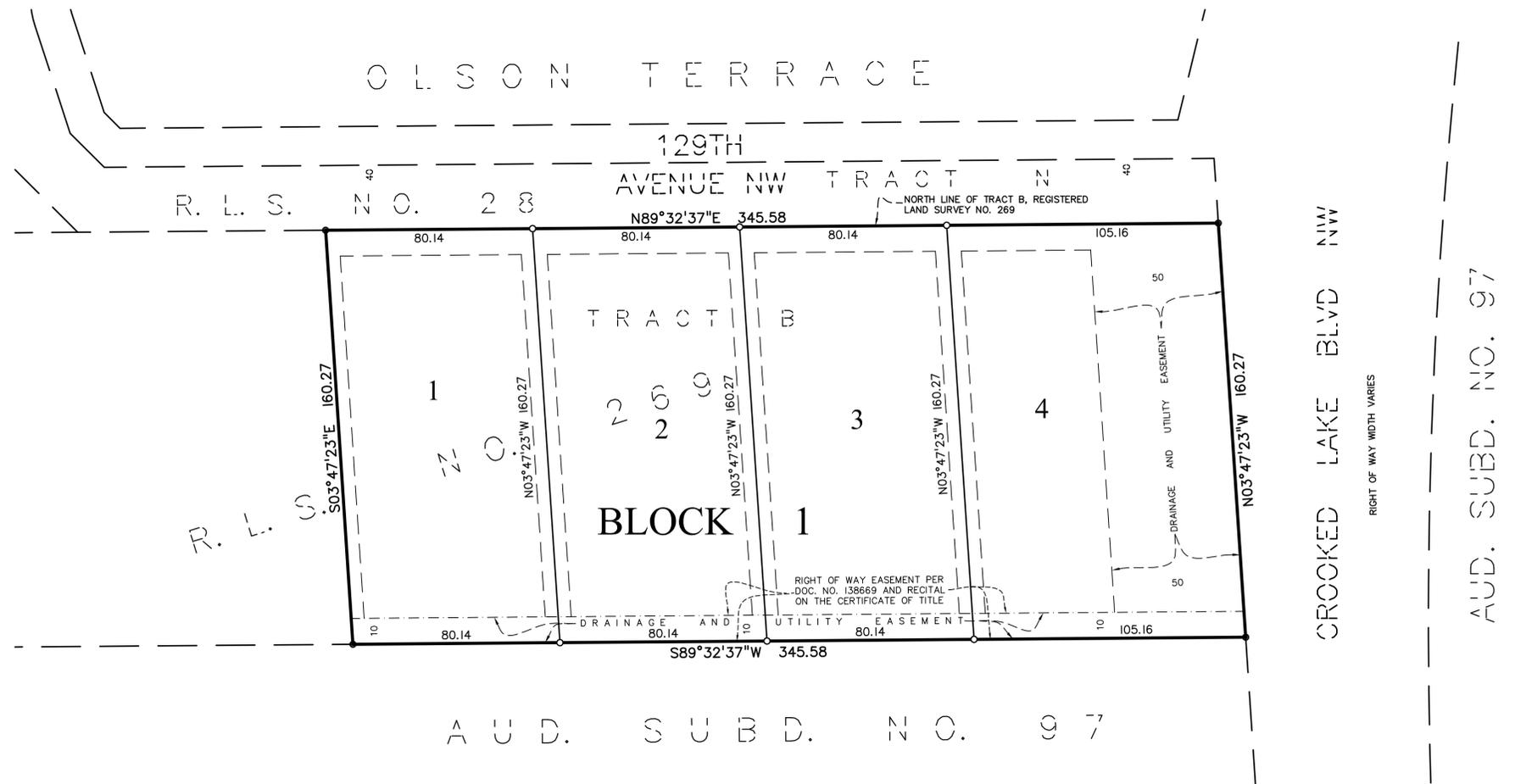
The basis for the bearing system is the north line of Tract B, REGISTERED LAND SURVEY NO. 269, and is assumed to bear North 89 degrees 32 minutes 37 seconds East.

DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:

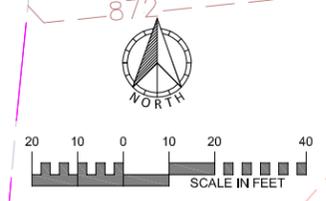
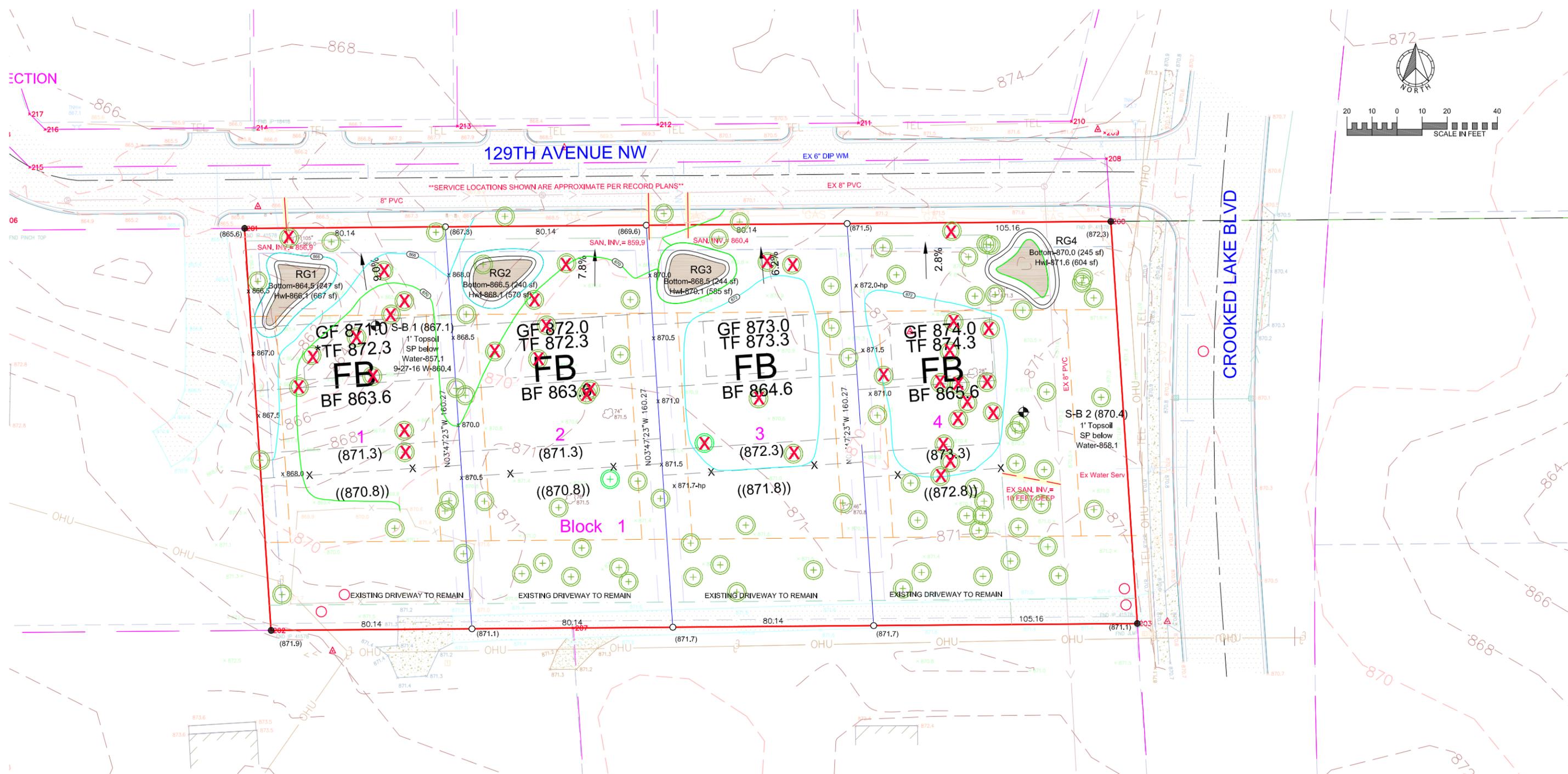


Being 5 feet in width and adjoining lot lines, unless otherwise indicated, and 10 feet in width and adjoining right of way lines, unless otherwise indicated, as shown on the plat.

- Denotes a 1/2 inch by 14 inch iron pipe set in the ground and marked by License No. 53642
- Denotes a Found Iron Monument



SATHRE-BERGQUIST, INC.



CROOKED LAKE BLVD

- Notes:
1. Custom Graded Lots - Certificates need to show 1 foot contours, erosion control, and tree removal.
 2. X - Denotes possible removed tree
 3. Groundwater Monitoring Data: 857.1 to 860.4, set Lowest Floor +3.0 ft 863.4.
 4. Rainwater Garden Design Data:
 - a. Locations to be shown on Final Lot Certificates
 - b. Assumptions - 2,500 sf house, 1,000 sf driveway
 - c. Basin Bottom - 240 sf, 1.5 ft depth

EXISTING UTILITIES SHOWN ARE SHOWN IN AN APPROXIMATE WAY ONLY. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ANY AND ALL EXISTING UTILITIES BEFORE COMMENCING WORK. HE AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES ARISING OUT OF HIS FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL EXISTING UTILITIES.

DRAWING NAME BASE CROOKED		NO.	BY	DATE	REVISIONS	USE (INCLUDING COPYING, DISTRIBUTION, AND/OR CONVEYANCE OF INFORMATION) OF THIS PRODUCT IS STRICTLY PROHIBITED WITHOUT SATHRE-BERGQUIST, INC.'S EXPRESS WRITTEN AUTHORIZATION. USE WITHOUT SAID AUTHORIZATION CONSTITUTES AN ILLEGITIMATE USE AND SHALL THEREBY INDEMNIFY SATHRE-BERGQUIST, INC. OF ALL RESPONSIBILITY. SATHRE-BERGQUIST, INC. RESERVES THE RIGHT TO HOLD ANY ILLEGITIMATE USER OR PARTY LEGALLY RESPONSIBLE FOR DAMAGES OR LOSSES RESULTING FROM ILLEGITIMATE USE.	I HEREBY CERTIFY THAT THIS PLAN OR SPECIFICATION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA. ROBERT S. MOLSTAD, P.E. Date: 10/04/16 Lic. No. 26428	 SATHRE-BERGQUIST, INC. 150 SOUTH BROADWAY WAYZATA, MN. 55391 (952) 476-6000	CITY PROJECT NO.	GRADING, DRAINAGE, & EROSION CONTROL PLAN THE WOODS AT CROOKED LAKE RAMSAY DEVELOPMENT CORP.	FILE NO. 7370-026		
DRAWN BY RSM												COON RAPIDS, MINNESOTA	GP
CHECKED BY RSM													GP
DATE 10/04/16													



SATHRE-BERGQUIST, INC.

150 SOUTH BROADWAY, WAYZATA, MINNESOTA,
55391 (952) 476-6000 FAX (952) 476-0104

Date: October 5, 2016

Subject: The Woods at Crooked Lake – 4 Lots – Final Plat Narrative

Prepared For: Ramsay Development Corp.

Contact: Bill Ramsay

Narrative:

The proposed preliminary/final plat for The Woods at Crooked Lake will consist of 4 single family residential lots. The site is located at the intersection of Crooked Lake Blvd. and 129th Avenue NW. (Please see the plat application package) the land is currently zoned as Low Density Residential 2 (LDR-2) and is proposed to meet the LDR-2 zoning. Home construction to be upon final plat approval.

The sanitary sewer and watermain services are existing so no further utility work will be needed for the development of the 4 lots. The stormwater will be collected and treated with the use of raingardens located on each lot. (See stormwater management plan and grading plan)

The development consists of 4 lots that will be custom graded to the needs of each lot. Currently the site has 111 trees (1,515 caliper inches) consisting of different types of pines, oaks, ash, as well as other types. The grading of the individual lots will determine the total tree removal. (See proposed grading plan/tree survey)

Resolution 16-131

A Resolution of the City of Coon Rapids Granting Approval of the Final Plat for Woods at Crooked Lake, Planning Case No. PC 16-26

WHEREAS, application has been made for approval of a final plat, pursuant to Section 11-1504.2 of the Coon Rapids Code of Ordinances, of the property legally described on attached Exhibit A and hereinafter referred to as “the Property”; and

WHEREAS, the Planning Commission on November 17, 2016 recommended approval of the preliminary plat of the Property;

WHEREAS, a preliminary plat of the Property was approved by the City Council on December 6, 2016; and

WHEREAS, the proposed final plat is consistent with the preliminary plat as approved by the City Council; and

NOW, THEREFORE, BE IT RESOLVED

1. It is hereby determined by the City Council for the City of Coon Rapids as follows:
 - A. The proposed subdivision is consistent with the Title 11, Chapter 1500 of the City Code of Ordinances and conforms with all of its requirements.
 - B. The proposed subdivision is consistent with all applicable general and specialized city, county, and regional plans including, but not limited to, the City’s Comprehensive Plan.
 - C. The physical characteristics of the site, including, but not limited to, topography, soils, vegetation, susceptibility to erosion and siltation, susceptibility to flooding, and drainage are suitable for the type and density of development and uses contemplated.
 - D. The proposed subdivision makes adequate provision for water supply, storm drainage, sewage transportation, parks and walkways, erosion control and all other services, facilities and improvements otherwise required herein.
 - E. The proposed subdivision will not cause substantial environmental damage.
 - F. The proposed subdivision will not have an undue or adverse impact on the reasonable development of neighboring land.
2. Approval of the final plat is hereby granted for the Property, subject to the conditions set forth in attached Exhibit B.
3. The officers of the City are hereby authorized, once the conditions set forth in Exhibit B are met

and complied with, to sign the final plat for the Property and to issue a certified copy of this Resolution giving final approval of the survey.

4. The owner of the Property is authorized to record the final plat as required by law and shall file proof of said recording with the City. No building permits will be issued for the Property until the registered land survey is recorded.
5. This final plat approval may be rescinded 90 days from the date of this resolution if the plat is not recorded within that time.

Adopted this 6th day of December 2016.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk (STATE OF MINNESOTA)
COUNTY OF ANOKA)ss. CERTIFICATION OF CLERK
CITY OF COON RAPIDS)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Coon Rapids, Minnesota, hereby certify that I have carefully compared the attached and foregoing Resolution with the original thereof on file in my office and the same is a full, true and complete transcript therefrom, insofar as the same relates to Planning Case 16-26.

WITNESS hand officially as such City Clerk and the corporate seal of the City of Coon Rapids this ____ day of _____, 2016.

Joan Lenzmeier, City Clerk

EXHIBIT A
LEGAL DESCRIPTION

Tract B, Registered Land Survey No. 269, Anoka County, Minnesota

EXHIBIT B
CONDITIONS OF APPROVAL

1. All comments of the Assistant City Engineer be addressed prior to releasing the plat for recording.
2. Park dedication in the amount of \$6,000 be paid prior to releasing the plat for recording.
3. One street tree per lot be planted prior to the issuance of a Certificate of Occupancy



City Council Regular

17.

Meeting Date: 12/06/2016

Subject: Keith Kuter, 10031 Norway Street NW, Rental License Denial Appeal

From: Kristin DeGrande, Neighborhood Coordinator

INTRODUCTION

City staff has denied Keith Kuter's request for a rental license for his property at 10031 Norway Street NW. Mr. Kuter is appealing Staff's decision.

DISCUSSION

On August 10, 2016, Staff received an inquiry about a possible rental property at 10031 Norway Street NW. No rental license was on file so on September 15, 2016, an administrative citation was issued to the owner of record (same address) giving him until October 17, 2016 to contact the City regarding the status of the property or obtain a rental license.

On October 7, 2016, the owner Keith Kuter contacted City staff regarding the administrative citation and stated that the property was being operated as a rental property. Application requirements were discussed including his criminal background potentially making him ineligible for a rental license.

On October 13, 2016, Mr. Kuter submitted his rental license application and criminal background form to the City. On October 25, 2016, the Police Department completed Mr. Kuter's criminal background check. The result of the background check, which includes local records, license, warrant and criminal history revealed that Mr. Kuter was charged and convicted in July 2004 of Felony Pattern of Harassing Conduct related to a domestic assault under Minnesota State Statute 609.749 Subd. 5. This conviction is specifically listed in Minnesota State Statute 299C.67 Subd. 2 as a background check crime under what is commonly known as the Koskinen Law. The Koskinen Law was created to protect the safety of tenants. Under this law, no person with a background check crime, such as the one listed above, would be allowed to have access into a tenant's home. These standards apply to only property managers, but also to rental property owners who often have management responsibilities and access to tenant units. Under the Coon Rapids Rental License Code (City Code 12-916(e)), Mr. Kuter's Pattern of Harassing Communication conviction prevents him from being eligible to obtain a rental license in the city of Coon Rapids.

The criminal background check revealed additional convictions including a felony conviction for 2nd Degree Controlled Substance in February 2004, a felony conviction for 5th Degree

Controlled Substance in January 2005, a felony conviction for 1st Degree Controlled Substance in August 2005, and a felony conviction for 2nd Degree Controlled Substance/Receiving Stolen Property in September 2014. While the above convictions are not a basis for denying a rental license, staff wanted Council to be aware of Mr. Kuter's complete history.

On November 2, 2016, a letter was sent to Mr. Kuter denying his application for a rental license and a refund of \$540 (\$585 of fees paid minus the \$45 background fee) was processed. A copy of the denial letter was also sent to the tenants living in the property. Mr. Kuter subsequently submitted a written appeal of Staff's decision.

Findings to consider for this rental license denial appeal:

1. Mr. Kuter submitted a rental license application
2. Mr. Kuter was convicted of a Pattern of Harassing Conduct related to a domestic assault under which is a felony and a background check crime under what is commonly known as the Koskinen Law

RECOMMENDATION

Staff recommends the City Council affirm the denial of a rental license to Keith Kuter, property owner of 10031 Norway Street NW.

Attachments

Appeal
Rental License Application
Police Background Check
Supporting Documentation & Communication

Subject: Request to appeal the denial rental application

City Manager, Matt Stemwedel

Coon Rapids MN,



MRS. Z'OO gm

Good day to you sir, my name is Keith Kuter and I am the home owner at 10031 Norway St NW, in Coon Rapids. I recently submitted a "Rental License Application" that was denied on the grounds of my felony conviction of "Pattern of Harassment". I would like to respectfully request an appeal to the Coon Rapids City Council on this matter. I have multiple reasons for my appeal but I would like to focus on a couple facts. First, the conviction happened more than 12 years ago. I have fully completed all the terms of my sentence and I have been released from probation for seven years. Next, I have reviewed the statute (609.749 Subd. 5) with counsel and I am looking for clarification as to if my past felony fit the statute. I would appreciate an open dialog with the City Council and the Planning/ Housing / Law Enforcement officials to understand the application of the Coon Rapids City Code 12-916(e)) in regards to my ownership of the property and possibility of renting it out. I worked so hard to be able to buy the house. I had never planned to move out, rent or sell. Fortunately, I have been able to be in an amazing relationship for five years. She recently purchased a home and we are now living in her new home. I am a believer in compliance and enforcement of regulations. I do believe that if I had a chance to speak to the City Council on appeal that they would see I am a responsible and dedicated property owner. Thank you in advance for your time with this matter.

Respectfully,

A handwritten signature in black ink that reads "Keith Kuter".

Keith Kuter

651-235-3349

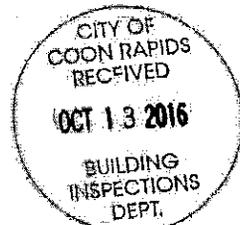
kkuter@yahoo.com

* Still need payment of \$585.00



Item 1

Page 1 of 2



M.B.S.

Rental License Application

For office use only: License No. <u>666308</u>	PID No. _____
---	---------------

RENTAL ADDRESS	
COMPLEX NAME: (if multi-family)	RENTAL ADDRESS: <u>10031 Norway SE, NW Coon Rapids 55433</u>
DWELLING UNIT INFORMATION	
Type of dwelling: <input checked="" type="checkbox"/> single-family <input type="checkbox"/> twin home <input type="checkbox"/> townhome <input type="checkbox"/> apartment	# of buildings: <u>1</u> total # of units: <u>1</u>

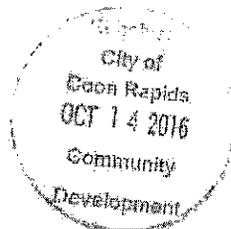
RENTAL PROPERTY OWNER INFORMATION			
OWNER NAME: <u>Keith Kuter</u>	DATE OF BIRTH: <u>10-02-1978</u>	PHONE:	
ADDRESS: <u>6766 E. Shadow Lake Dr.</u>	CITY: <u>Lino Lakes</u>	STATE: <u>MN</u>	ZIP: <u>55014</u>
EMAIL ADDRESS:			

MANAGER CONTACT INFORMATION (if other than owner)			
CONTACT NAME: <u>Same</u>	DATE OF BIRTH:	PHONE:	
ADDRESS:	CITY:	STATE:	ZIP:
EMAIL ADDRESS:			

The undersigned hereby applies for a rental dwelling license and acknowledges receipt of a copy of City Ordinance Chapter 12-900; acknowledges the provisions of the Building Maintenance and Occupancy Code have been reviewed; and attests the subject premises will be operated and maintained according to the requirements contained therein, subject to applicable sanctions and penalties. The undersigned further agrees the subject premises may be inspected by the compliance official as provided in Chapter 12-900 of said ordinance. The undersigned hereby certifies that the above information is true and correct to the best of their knowledge.

Applicant Signature [Signature] Date: 10-11-2016

Your property must pass a City of Coon Rapids rental property inspection conducted by a Housing Inspector before a rental license is issued. An inspection time will only be scheduled after Neighborhood Reinvestment Division staff have received and reviewed all five items listed on the 'Licensing of Rental Property Application Checklist.' Rental property inspections are performed Monday through Friday between 9:00 a.m. and 3:00 p.m.



Item 2

Page 1 of 2

LICENSING OF RENTAL PROPERTY

Criminal Background Investigation Form

W00-066398

City Code 12-904 Requires a criminal background investigation be conducted on the Property Owner listed on the Rental License Application. If the property is owned by more than one individual the City may request additional information from the license applicant regarding all Property Owners.

Rental Property Address(es): 10031 Norway St. NW Coon Rapids Mn 55433

Keith Joseph Kuter 10-02-1978
 First Middle Last Name Date of Birth

6766 E. Shadow Lk Dr. Lino Lakes Mn 55014
 Home Address City State Zip Code

 Daytime Phone Number

Have you ever been convicted of a crime; Felony, Gross Misdemeanor or Misdemeanor?

Yes
 No

If yes, list the location, nature of the offense, and the disposition: Dakota County 2nd Degree Drug Pos,

Pattern Harass (Pled Guilty) Washington County, 3rd Degree Drug Pos, Pos. Stolen Prop. (guilty plea) Ramsey County, 1st Degree Pos (guilty plea) Gross Mis. DUI (guilty plea)

I understand that the City has the need to investigate my background and history in order to better evaluate my rental license application. I authorize any law enforcement official and any other person to furnish information regarding my criminal background to the City, and to permit the City to inspect and make copies of any such information. I further authorize any such persons to answer any questions concerning my criminal background. I fully understand that the information so obtained by the City may be used in the evaluation of my rental license application.

I hereby release any person who complies with this authorization and provides information from any and all liability for having done so.

DATE: 10-11-2016

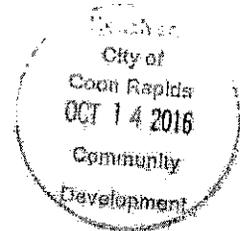
SIGNATURE: [Signature]

For office use only:	Date Received <u>10-13-16</u>
<input checked="" type="checkbox"/> Make and attach a photocopy of the government issued ID shown by the applicant.	
<input checked="" type="checkbox"/> The \$45.00 Background Investigation fee has been paid:	Cash <input type="checkbox"/> Check <input type="checkbox"/> <u>Credit Card</u> <u>CH 167498</u>



Item 2

Page 2 of 2



LICENSING OF RENTAL PROPERTY Minnesota Bureau of Criminal Apprehension Computerized Criminal History (CCH) Data Request

NO: 66398

The following information is necessary for the Police Department to properly identify the applicant for the required criminal background investigation. This information will be retained only by the Police Department, as required by law, and will not be included in any investigative report submitted to the City Council or representatives, and will not become a part of the public record or released to the public except as required by law.

Keith Joseph Kuter
First Middle Last

10-02-1978
Date of birth

Male

Female

Race: White

Note that "Race" cannot be left blank by the applicant. We are required to collect race data, as provided by the applicant, to perform a Computerized Criminal History.

Received
City of
Coon Rapids
OCT 14 2016
Community
Development

WO: 66398

MINNESOTA
DRIVER'S LICENSE

KEITH JOSEPH KUTER
10031 NORWAY ST NW
COON RAPIDS, MN 55433

Date of Birth 10-02-1978
Sex M Eyes BLU Class D
Height 5-11 Weight 230 DOMG
ISSUED 08-2015 EXPIRES 10-02-2018

A761028909314

Keith Kuter



W01 066398

Registration Form

Please Print Clearly

The training and student manual provided by the Coon Rapids Police Department is intended to foster safe neighborhoods through landlord involvement to reduce illegal activity. This information should not be regarded as legal advice or considered a replacement for the landlord's responsibility to be familiar with the law. In that regard, I release the police department and its employees from all liability and responsibility from my participation in this training program.

Keith Kuter 10-11-2016
Signature Date

Keith Kuter
Name (as you would like on your certificate)

6766 E. Shadow LK Dr
Mailing address

Lino Lakes Mn 55011
City, State Zip

Coon Rapids
In what city is your rental property located?

Daytime Phone _____

Training Date(s) Requested:
Next Spring 2017
(sign up early as space is limited)

Please complete a separate registration form for each person attending. Fee is \$40 per attendee.

Mail registration form & check payable to the City of Coon Rapids to:
Crime Free Rental Housing Coordinator
Coon Rapids Police Department
11155 Robinson Dr. N.W.
Coon Rapids, MN 55433

Note: If you wish to attend a class offered by another city, you must contact that city to register.

How do I sign up?

- Pre-registration is required. Complete and submit the attached registration form for each person attending. **No refunds if attendance is cancelled within 10 days of the class.**
- If you require special accommodations (including dietary) to participate call: Officer Tanya Harmoning 763-767-6488
- Eight hours of P.O.S.T. credits are available for peace officers.
- Realtor License Continuing Education Credits may be available. Contact your local board of realtors for more info.
- The \$40 registration fee includes a student manual, boxed lunch, and refreshments.

The full 8-hour class is required for CFMH certification.

Where is the training?

Bunker Hills Event Center
12800 Bunker Prairie Rd
Coon Rapids, MN 55448

From Highway 10:

- Take Foley Boulevard North
- Turn left on Bunker Prairie Rd.

From Bunker Lake Blvd:

- South on County Rd A through Bunker Park
- Turn right on Bunker Prairie Rd



Coon Rapids Police presents:

Crime Free Rental Housing Phase 1 Training

Keeping Illegal Activity Out of Rental Property

Course Schedule

Visit the City of Coon Rapids webpage: www.coonrapidsmn.gov under "Police" Department click "Crime Free Multi-Housing" Or call 763-767-6481

Hours for full day courses: 8am - 5pm

\$40.00 per attendee

*Pat. w/ce
02167498*

PERMIT

City of Coon Rapids

11155 Robinson Drive
Coon Rapids, MN 55433
763-767-6476
www.coonrapidsmn.gov



Permit Type: User Defined
Permit Number: CR167498



CR167498

Date Issued: 10/14/2016

Site Address: 10031 Norway St

Lot: 10 Block: 4 Addition: Woodcrest
PID: 25-31-24-22-0020
Use:



25-31-24-22-0020

Description:

Sub Type: Rental Comments:
Work Type: Renewal
Description: Rental Licens Application
City Land Use: - Remarks:

Comments:

Fee Summary:

Description	Amount	Revenue Code
UD- Crime Free Training	\$40.00	75200,4522,752001
UD- New rental conversion Fee	\$500.00	LRENT
UD-Background Check	\$45.00	LRENT
Total:	\$585.00	

PAID
cc

Contractor:

Owner:

- Applicant -

Keith Kuter
10031 Norway St
Coon Rapids MN 55433

PERMIT HOLDER AGREES TO ASSURE THAT HOUSE NUMBERS ARE PROPERLY DISPLAYED AT THE TIME OF FINAL INSPECTION.

Applicant/Permittee: Signature

Issued By: Signature



Coon Rapids Police Department

Incident #: 16242463
Case #: 16242463

Incident Initial Report

10031 NORWAY ST NW COON RAPIDS, MINNESOTA 55433

<i>Description of Incident:</i>	RENTAL BACKGROUND	<i>Reported Date:</i>	10/25/2016 13:18:00
<i>Time Assigned:</i>	13:18	<i>Time Arrived:</i>	13:18
<i>Time Cleared:</i>	13:18		

PERSON MENTIONED (1)

KUTER, KEITH JOSEPH

<i>DOB:</i>	10/02/1978	<i>Age:</i>	38
<i>Race:</i>	WHITE	<i>Sex:</i>	MALE
<i>Address:</i>	6766 E SHADOW LK DR	<i>City:</i>	LINO LAKES
<i>State:</i>	MINNESOTA	<i>Zip Code:</i>	55014
<i>Cell Phone:</i>			

Charge (1)

BKGRNDCK BACKGROUND/EMPLOYMENT/CCH CHECK 9000 MISC CODE 9999

<i>Felony/Misdemeanor:</i>	<null
----------------------------	-------

Narrative (1)

ORIGINAL OFFICER NARRATIVE

--

Incident #: 16242463

THE CITY OF COON RAPIDS NEIGHBORHOOD REINVESTMENT DEPARTMENT REQUESTED A BACKGROUND CHECK ON RENTAL LICENSE APPLICANT, KUTER. CRIM HIST, DVS, AND CR IN-HOUSE RECORDS CHECKED. KUTER SHOWS MULTIPLE FELONY DRUG POSSESSION CONVICTIONS AND A GROSS MISDEMEANOR DUI. KUTER ALSO SHOWS A FELONY CONVICTION OF 609.749.5, PATTERN OF HARASSING CONDUCT, WHICH IS COVERED UNDER THE KOSKINEN LAW. INFORMATION TO CITYWORKS; COPY TO CODE ENFORCEMENT. NO FURTHER ACTION TAKEN. CLEARED.

Badge #: 107

Officers (1)

Reporting Officer: Harmoning, Tanya (K107) 10/25/2016 13:18:00

Criminal/Traffic/Petty Case Records Search Results

Skip to Main Content | Contact My Account | Search Menu | New Criminal/Traffic/Petty Search Refine Search

Location: All MINNESOTA Cases - Case Search - Help

Record Count: 13

Search By: Defendant Exact Name on Party Search Mode: Name Last Name: Kuter First Name: Keith All All Sort By: Filed Date

Case Number	Citation Number	Defendant Info	Filed/Locational/Judicial Officer	Type/Status	Charge(s)	Disposition/Level of Sentence
71-TA-96-010998Z	SC 073249 SC 073249	KUTER, KEITH JOSEPH 10/02/1978 Shelburne	12/26/1996	5th Degree Assault Converted Closed	5TH DEG ASSAULT DISORDERLY CONDUCT	Dismissed Guilty
02-K6-03-002074		KUTER, KEITH JOSEPH 10/02/1978 Anoka	03/03/2003	Gross Misd - DWI Converted Closed	18 GM 3RD DEG DWI (Not applicable - GOC) 18 GM 3RD DEG O.10% (Not applicable - GOC)	Convicted Dismissed
19-K2-04-000460		KUTER, KEITH JOSEPH 10/02/1978	02/17/2004 Dakota-Hastings - Criminal/Traffic/Petty	Felony Closed	2ND DEG (Not applicable - GOC)	Convicted
19-KX-04-002411		KUTER, KEITH JOSEPH 10/02/1978	07/23/2004 Dakota-Hastings - Criminal/Traffic/Petty	Domestic Assault - FEL Closed	PATTERN HARASSING CONDUCT (Not applicable - GOC)	Convicted
82-K4-04-0005940		KUTER, KEITH JOSEPH 10/02/1978	09/24/2004 Washington - Stillwater	Felony Closed	Drugs - 2nd Degree Possess 8 Grams or More Cocaine/Heroin/Meth Receiving Stolen Property	Convicted Conviction deemed a Misdemeanor pursuant to M.S. 609.13 Convicted
25-K4-05-000175		KUTER, KEITH JOSEPH 10/02/1978	01/28/2005 Goodhue	Petty Misdemeanor Converted Closed	CONT SUB 5TH DEGREE (Not applicable - GOC) POSS DRUG PARAPHERNALIA (Not applicable - GOC)	Dismissed Convicted
82-K6-05-002547		KUTER, KEITH JOSEPH 10/02/1978	08/01/2005 Ramsey Criminal/Traffic/Petty Downtown	Felony Closed	Drugs - 1st Degree - Sale 10 Grams or More Cocaine/Heroin/Meth w/in 90-Day Period	Convicted Conviction deemed a Misdemeanor pursuant to M.S. 609.13
82-TA-05-002039Z	905215601 905215601 905215601	KUTER, KEITH JOSEPH 10/02/1978	08/31/2005 Ramsey Criminal/Traffic/Petty Downtown	Moving - Misdemeanor Converted Closed	DAS (169) HIT & RUN EXCUSES INATTENTIVE DRIVING (105)	Guilty Dismissed Dismissed
02-VB-08-11896	959288	KUTER, KEITH JOSEPH 10/02/1978	06/12/2008 Anoka	Crim/Traf Non-Mand Closed-Physical File Destroyed	Traffic Regulation-Seat belt Traffic: DWI - Operate Motor Vehicle Under Influence of Alcohol	Convicted Convicted of a Gross Misdemeanor
02-CR-13-3219		KUTER, KEITH JOSEPH 10/02/1978	05/13/2013 Anoka	Under Court Jurisdiction	Traffic: DWI - Second- Degree Driving While Impaired - Alcohol Concentration 0.08 or More Within 21H (Not applicable - GOC)	Dismissed

10/13/2016

pa.courts.state.nj.us/Search.asp?ID=100

Case No.	Date	Name	Status	Category	Notes
02-VB-14-596	02/15/2014	KUTER, KEITH JOSEPH	Crim/Traf Non-Mand	(Not applicable - GOC) DRIVING AFTER REVOCATION	Convicted Conviction deemed a Petty Misdemeanor pursuant to N.J.S.A. 17:27, P. 23.02
02-VB-14-774	02/02/2014	KUTER, KEITH JOSEPH	Crim/Traf Non-Mand	DRIVING AFTER REVOCATION	Convicted Conviction deemed a Petty Misdemeanor pursuant to N.J.S.A. 17:27, P. 23.02
02-CR-14-3714	06/13/2014	KUTER, KEITH JOSEPH	Crim/Traf Mandatory	Drivers License-Drivering Without a Valid License or Vehicle Class/Type: Multiple Licenses Prohibited	Convicted Convicted of a Misdemeanor



Property Report

Report Date: 11/30/2016

PROPERTY ADDRESS: 10031 NORWAY ST

PIN: 253124220020

Work Order #65577

Rental Complaint

CLOSED

Task Name	Projected Start	Actual Start	Assigned To	COMMENTS
INFORMATION		8/10/16	SMALL, MATT	<p>COMMENTS</p> <p>Inquiry regarding status of rental license application at this address. \$300 Citation issued for unlicensed rental property. Owner contacted staff and discussed application requirements. Owner explained that he will submit payment and app before citation compliance date. E-mail attached. Owner submitted application and criminal background information via e-mail. Will be submitting payment in person on 10.14.16 Application materials received? Citation dismissed - application materials received. Rental complaint wo closed. Application materials received - citation dismissed.</p>
CITATION ISSUED		9/15/16	SMALL, MATT	
COMMUNICATE W OWNER		10/7/16	SMALL, MATT	
COMMUNICATE W OWNER		10/13/16	SMALL, MATT	
CITATION REINSPECT	10/18/16	11/1/16	SMALL, MATT	
COMPLIANCE		11/1/16	SMALL, MATT	

~ ADMINISTRATIVE CITATION INFORMATION ~ If blank, no Administrative Citation was issued on this work order.

City Code	Inspection Date	Fine	Inspected By	Compliance Date & Instructions	Citation Issued To
Citation # 27068					
12-903(1) Rental Dwelling License Required.	9/15/16	300	SMALL, MATT	Please submit a rental license application and pay the appropriate fee.	KEITH KUTER ISSUE DATE: 9-15-2016 10031 NORWAY ST NW COON RAPIDS, MN 55433
	0/17/16			compliance date	

Files attached to this work order:

- \\WorkOrder\65577\2016 Criminal Bkgrnd and Owner Contact Info.pdf
- \\WorkOrder\65577\2016 Owner Contact Info.pdf

Work Order #66398

New Rental

OPEN

PROPERTY ADDRESS: 10031 NORWAY ST

PIN: 253124220020

<u>Task Name</u>	<u>Projected Start</u>	<u>Actual Start</u>	<u>Assigned To</u>	<u>COMMENTS</u>
APPLICATIONS	10/13/16	10/13/16	JAROMBEB, REBECCAC	New rental license application received.
CONVERSION FEE RCVD	10/14/16	10/14/16	JAROMBEB, REBECCAC	\$500 conversion paid along w/\$45 background check and \$40 crime free training. CC CR167498.
CRIME FREE TRAINING	10/14/16	10/14/16	JAROMBEB, REBECCAC	Owner Keith paid and registered for CRPD CFT event to be held Spring 2017 - scanned & attached.
BACKGROUND TO PD	10/14/16	10/14/16	JAROMBEB, REBECCAC	Criminal background information submitted to PD.
BACKGROUND CHECK	10/25/16	10/25/16	HARMONING, TANYA	Background check completed on 10/25/16 (c/n 16242463); crim hist, dvs, and cr in-house records checked; multiple felony drug convictions, gm du, felony pattern of harassment (609.749.5)
DENIED	11/2/16	11/2/16	SMALL, MATT	Written notice of license denial sent to owner and tenants via US Mail - denial letter and refund request attached.
RENTAL INSPECTION				
LICENSE ISSUED				
LICENSE RENEWAL DUE				
NEXT INSPECTION DUE				

Files attached to this work order:

- \\WorkOrder\66398\2016 Refund Request.pdf
- \\WorkOrder\66398\2016 Rental License Application.pdf
- \\WorkOrder\66398\Kuter Denial Ltr.pdf

End of Report for 10031 NORWAY ST



Welcome to the Web site of

Anoka County
Minnesota

Property Details

Parties

Property ID	25-31-24-22-0020	Situs Address	10031 NORWAY ST NW , COON RAPIDS, MN 55433-0000
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Parties					
Role	Percent	Name	Address	Since	To
Mortgage Company	100.00	BELL STATE BANK & TRUST	3100 13TH AVENUE SO, FARGO, ND 58103	08/17/2016	Current
Owner	100.00	KEITH KUTER	10031 NORWAY ST NW, COON RAPIDS, MN 55433-0000 UNITED STATES	10/18/2013	Current
Taxpayer	100.00	KEITH KUTER	10031 NORWAY ST NW, COON RAPIDS, MN 55433-0000 UNITED STATES	10/18/2013	Current

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November 2, 2016

Keith Kuter
10031 Norway St NW
Coon Rapids, MN 55433

Re: Rental License Application for 10031 Norway St NW Coon Rapids, MN 55433

Dear Mr. Kuter,

On October 13, 2016, the City of Coon Rapids received a rental license application from you for the above identified property. As required by Minnesota Statute 299C.67-69, a background check was performed. The background check revealed a conviction for you under Minnesota Statute 609.749 Subd. 5 - Felony Pattern of Harassment. This conviction is a background check crime as defined in Minnesota Statute 299C.67 Subd. 2 and disqualifies you as the applicant / property owner from obtaining a rental license in the City of Coon Rapids (Coon Rapids City Code Section 12-916 (e)).

Your payment of \$540.00 will be refunded to you by the City Finance Department. You should expect to see the payment within 14 business days. The \$45 criminal background investigation fee cannot be refunded since the background was completed and the service rendered by City staff.

Your responsibility as the owner of 10031 Norway St is to notify the tenants of the need to vacate the property. The property must be vacant by January 1, 2017. If the property remains occupied by anyone other than the owner after that date, this matter may be referred to the City Attorney's Office for consideration of criminal charges. In addition, you may be subject to the penalties as described in City Code Section 12-900.

You have the right to appeal in writing to the City Manager's Office within 7 days of receiving notice.

Please contact me if you have any questions I will be happy to assist you.

Sincerely,

Matt Small
Housing Official
City of Coon Rapids
763-767-6420
msmall@coonrapidsmn.gov

cc: Tenants at 10031 Norway St NW Coon Rapids, MN



Welcome to the Web site of

Anoka County

Minnesota

Property Details

Summary

General Information	
Property ID	25-31-24-22-0020
Tax Year	2016
Situs Address	10031 NORWAY ST NW , COON RAPIDS, MN 55433-0000
Property Description	WOODCREST LOT 10 BLK 4 WOODCREST
Linked Property Group Position	
Status	Active
Abstract/Torrens	Abstract

Property Classification	
Tax Year	Classification
2017	1A-Residential Homestead
2016	1A-Residential Homestead

Property Characteristics	
Lot Size	W100*150
Year Built	1954

* Lot Size: Approximate lot size in feet, clockwise beginning with the direction the lot faces

Tax District Information	
City Name	COON RAPIDS
School District Number and Name	ANOKA-HENNEPIN SCHOOL DISTRICT #11
Watershed	COON CREEK WATERSHED

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