

## REGULAR EDA MEETING – AGENDA #8

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Christian Eriksen, Commissioners Boyd Morson, Xp Lee, Maria Tran, and Tony McGarvey  
Assistant Executive Director Jay Stroebel and Secretary Seng Moua.

If you need these materials in an alternative format or reasonable accommodations for an EDA meeting, please provide a 72-hours' notice to Seng Moua by calling 763-493-8059 or emailing [Seng.Moua@brooklynpark.org](mailto:Seng.Moua@brooklynpark.org).

Si usted necesita esta información en español, llame al 763-424-8000 y solicite un intérprete.

Yog xav tau kev pab, hu 763-493-8059.

***Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.***

### ***Our Brooklyn Park 2025 Goals:***

***• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader***

#### **I. ORGANIZATIONAL BUSINESS**

##### **1. CALL TO ORDER/ROLL CALL**

##### **2. APPROVAL OF AGENDA**

#### **II. PUBLIC INVOLVEMENT**

##### **3. PUBLIC COMMENT AND RESPONSE**

Provides an opportunity for the public to address the EDA on items which are not on the agenda. Public Comment will be limited to 15 minutes (*if no one is in attendance for Public Comment, the regular meeting may begin*), and it may not be used to make personal attacks, to air personality grievances, to make political endorsements or for political campaign purposes. Commissioners will not enter into a dialogue with members of the public. Questions from the EDA will be for clarification only. Public Comment will not be used as a time for problem-solving or reacting to the comments made but, rather, for hearing from members of the public for informational purposes only.

##### **3A. RESPONSE TO PRIOR PUBLIC COMMENT**

##### **3B. PUBLIC COMMENT**

##### **3C. PUBLIC PRESENTATIONS**

##### **3D. PUBLIC ANNOUNCEMENTS**

#### **III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION**

##### **4. CONSENT**

**4.1** Consider Approving the May 20, 2024, EDA Regular Meeting Minutes and June 3, 2024, Special EDA Work Session Meeting Minutes

**A.** MAY 20, 2024, DRAFT REGULAR MEETING MINUTES

**B.** JUNE 3, 2024, DRAFT SPECIAL WORK SESSION MEETING MINUTES

**4.2** Consider Authorizing the Interim Executive Director to Delegate Signing Authority to the Economic Development and Housing and Workforce Development Program Directors for Contracts up to \$10,000.00

**A.** RESOLUTION

The following items relate to the EDA's long-range policy-making responsibilities and are handled individually for appropriate debate and deliberation. (Those persons wishing to speak to any of the items listed in this section should fill out a speaker's form and give it to the Secretary. Staff will present each item, following in which audience input is invited. Discussion will then be closed to the public and directed to the EDA table for action.)

**5. PUBLIC HEARINGS**

**6. GENERAL ACTION ITEMS**

**6.1** Consider Terminating the Clubhouse Management Services Agreement with D'Amico & Partners Catering Effective December 31, 2024, and Authorizing the Recreation and Parks Director to Advertise a Request for Proposal Seeking a Vendor to Operate the Restaurant, Beverage Cart, and Provide Alcohol Catering for Room Rentals and Events at the Clubhouse

**A.** RESOLUTION

**B.** CLUBHOUSE MANAGEMENT SERVICES AGREEMENT

**IV. DISCUSSION – These items will be discussion items, but the EDA may act upon them during the meeting.**

**7. DISCUSSION ITEMS**

**7.1** EDA Status Updates

**A.** CEO START FLYER

**7.2** Verbal Commissioner Reports and Announcements

**V. ADJOURNMENT**

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided for the EDA on each agenda item in advance from city staff; and decisions are based on this information and past experiences. Items requiring excessive time may be continued to another meeting.

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website. To access the agenda and packet, go to [www.brooklynpark.org](http://www.brooklynpark.org).  
**The next scheduled EDA meeting is Monday, July 15, 2024.**

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	4.1	<b>Meeting Date:</b>	June 17, 2024
<b>Agenda Section:</b>	Consent	<b>Prepared By:</b>	Seng Moua, EDA Secretary
<b>Resolution:</b>	N/A	<b>Presented By:</b>	Jay Stroebel, Assistant Executive Director
<b>Attachments:</b>	1		
<b>Item:</b>	Consider Approving the May 20, 2024, EDA Regular Meeting Minutes and June 3, 2024, EDA Special Work Session Meeting Minutes		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO APPROVE THE MAY 20, 2024, EDA REGULAR MEETING MINUTES.

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO APPROVE THE JUNE 3, 2024, EDA SPECIAL WORK SESSION MEETING MINUTES.

**Overview:** N/A

**Primary Issues/Alternatives to Consider:** N/A

**Budgetary/Fiscal Issues:** N/A

## Attachments:

- 4.1A MAY 20, 2024, DRAFT EDA REGULAR MEETING MINUTES
- 4.1B JUNE 3, 2024, DRAFT EDA SPECIAL WORK SESSION MEETING MINUTES



**Economic Development Authority**  
 City Hall (Room A203 and Council Chambers)  
 5200 85th Ave N, Brooklyn Park, MN 55443

Monday, May 20, 2024

6:30 PM or Immediately following the Special City Council Meeting

## **REGULAR EDA MEETING MINUTES – AGENDA #6**

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Christian Eriksen, Commissioners Boyd Morson, Xp Lee, Maria Tran, and Tony McGarvey  
 Executive Director Kim Berggren, Assistant Executive Director Jay Stroebel, and Secretary Seng Moua.

### **I. ORGANIZATIONAL BUSINESS**

#### **1A. CALL TO ORDER/ROLL CALL at 6:47 P.M.**

**PRESENT:** McGarvey, Morson, Tran, Eriksen, and Winston.

**ABSENT:** Klonowski and Lee

*Klonowski joins virtually but does not participate in discussion or voting.*

#### **1B. APPROVAL OF AMENDED AGENDA TO TABLE 4.3 FOR DISCUSSION**

**MOTION:** ERIKSEN, **SECOND:** MCGARVEY

**AYES:** Eriksen, Tran, McGarvey, Morson, and Winston

**NAYS:** None

**MOTION CARRIES WITH 5 AYES, 0 NAYS, 0 ABSENTION**

### **II. WORK SESSION**

#### **2. WORKSESSION ITEM**

##### **2.1** Discuss Joint Request for Qualifications (RFQ) Draft and Selection Process for Oxbow and Former Park & Ride Sites

**A.** LOCATION MAP – OXBOW SITES

**B.** LOCATION MAP – FORMER PARK & RIDE

**C.** DRAFT REQUEST FOR QUALIFICATIONS

Staff proposed a series of next steps and a drafted a document to solicit new development proposals. Questions discussed include approving the vision for the site, issuing a Request for Qualifications (RFQ) vs a Request for Proposals (RFP), and the community engagement process.

##### **2.2** Discuss Naturally Occurring Affordable Housing (NOAH) Properties and Program in Brooklyn Park

**A.** TABLE OF APARTMENT COMMUNITIES IN BROOKLYN PARK

**B.** NOAH PROGRAM GUIDELINES

**C.** NOAH SUPPLEMENTAL INFORMATION

**D.** MN HOUSING PARTNERSHIP REGIONAL NOAH DATA

Consider the Brooklyn Park Economic Development Authority's (EDA) NOAH preservation program and new programs to preserve housing affordability.

***Work session recessed at 8:08 P.M.***

***Regular EDA Meeting in the Council Chamber called to order at 8:17 P.M.***

### **III. PUBLIC INVOLVEMENT**

#### **3. PUBLIC COMMENT AND RESPONSE**

##### **3A. RESPONSE TO PRIOR PUBLIC COMMENT**

##### **3B. PUBLIC COMMENT**

Collete Guyott-Hempel made a public comment about bonding bill failure and apartment ordinance.

John Kamara made a public comment about lifting the rental restriction.

Rich Xiong made a public comment about the RFQ draft and selection comments.

Tracy Winters made a public comment about the rental restriction.

- 3C. PUBLIC PRESENTATIONS - NONE**  
**3D. PUBLIC ANNOUNCEMENTS - NONE**

**IV. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION**

**4. CONSENT**

**APPROVAL OF CONSENT AGENDA**

**MOTION: ERIKSEN, **SECOND: TRAN****

**AYES:** Morson, McGarvey, Tran, Eriksen, and Winston

**MOTION CARRIES WITH 5 AYES AND 0 NAYS.**

- 4.1** Consider Approving the April 15, 2024, EDA Meeting Minutes  
**A.** APRIL 15, 2024 DRAFT REGULAR MEETING MINUTES
- 4.2** Consider Authorizing EDA Executive Director to Enter into an Amended Contract for Consulting Services from Thrive LLC  
**A.** SCOPE OF WORK
- 4.3** Consider Amending the By-Laws of the Brooklyn Park Economic Development Authority by Adding Section 2.3J to Add Directions Related to an Interim Executive Director as Proposed  
**A.** DRAFT AMENDED BY-LAWS OF THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
**MOTION: WINSTON, **SECOND: ERIKSEN**  
**AYES:** McGarvey, Tran, Eriksen, and Winston  
**NAYS:** Morson  
**MOTION CARRIES WITH 4 AYES, 1 NAYS.****
- 4.4** Consider Approval for the Appointment of Commissioner Christian Eriksen as the Economic Development Authority Representative to the Brooklyn Park Development Corporation Board of Directors

**The following items relate to the EDA's long-range policy-making responsibilities and are handled individually for appropriate debate and deliberation. (Those persons wishing to speak to any of the items listed in this section should fill out a speaker's form and give it to the Secretary. Staff will present each item, following in which audience input is invited. Discussion will then be closed to the public and directed to the EDA table for action.)**

**5. PUBLIC HEARINGS**

**6. GENERAL ACTION ITEMS**

- 6.1** Consider Authorizing the Executive Director to Lift Certain Restrictive Covenants Requiring Owner Occupancy **per provision 3, including or adding appeals process to the EDA and including conditions of major life events including household size, marriage, divorce, military deployment, financial hardship, or retirement**  
**A.** RESOLUTION  
**B.** LOCATION MAP  
**C.** ACTIVE RENTAL RESTRICTIVE PROPERTIES

Request the Economic Development Authority (EDA) Commissioners to consider approving a process allowing exceptions to the rental restrictive covenants. The rental restrictive covenants apply to 222 single family homes (6.1D).

The original intention of imposing the rental restrictive covenants was to promote and protect homeownership in Brooklyn Park however, over the past decade this policy has created a few challenges for impacted homeowners.

**MOTION ERIKSEN, **SECOND TRAN, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-15 AUTHORIZING THE EXECUTIVE DIRECTOR TO LIFT CERTAIN RESTRICTIVE COVENANTS REQUIRING OWNER OCCUPANCY PER PREVISION 3, INCLUDE OR ADDING APPEALS PROCESS TO THE EDA AND INCLUDING CONDITIONS OF MAJOR LIFE EVENTS INCLUDING HOUSEHOLD SIZE, MARRIAGE, DIVORCE, MILITARY DEPLOYMENT, FINANCIAL HARSHIP, OR RETIREMENT.****

**AYES:** Morson, Tran, Eriksen, and Winston

**NAYS:** McGarvey

**MOTION CARRIES WITH 4 AYES AND 1 NAY.**

- V. **DISCUSSION – These items will be discussion items, but the EDA may act upon them during the meeting.**
  - 7. **DISCUSSION ITEMS**
    - 7.1 Status Updates – Staff presented verbal updates based on the information provided in the staff report and answered questions.
      - A. SBC MEMBERSHIP REPORT
    - 7.2 Housing Updates – Staff presented verbal updates based on the information provided in the staff report
    - 7.3 2023 Economic Development Authority Year-End Activity Report
      - A. 2023 YEAR-END ACTIVITY SUMMARY
    - 7.4 Verbal Commissioner Reports and Announcements
- VI. **ADJOURNMENT at 9:36 P.M.**

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website.  
To access the agenda and packet, go to [www.brooklynpark.org](http://www.brooklynpark.org).  
**The next scheduled EDA meeting is Monday, June 17, 2024.**



Monday, June 3, 2024  
6:00 PM

**Economic Development Authority**  
Meeting Room A203 (Work Session)  
5200 85th Avenue North, Brooklyn Park, MN 55443

## **SPECIAL EDA WORK SESSION MEETING MINUTES – #7**

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Christian Eriksen,  
Commissioners Boyd Morson, Xp Lee, Tony McGarvey, and Maria Tran,  
Assistant Executive Director Jay Stroebel and Secretary Seng Moua.

### **I. ORGANIZATIONAL BUSINESS**

#### **1. CALL TO ORDER/ROLL CALL at 6:00 P.M.**

**PRESENT:** Commissioners' McGarvey, Morson, Eriksen, Klonowski, Lee and Winston

**ABSENT:** Tran

### **II. WORK SESSION – The Work Session will be recorded but not televised.**

#### **2. WORK SESSION**

**2.1** Consider A Senior Housing Proposal from MWF Properties at 7849 West Broadway

- A.** LOCATION MAP
- B.** ABOUT MWF PROPERTIES
- C.** EHLERS OVERVIEW MEMO
- D.** LETTER OF SUPPORT FROM REVIVE CHURCH

Discussed considering an affordable senior project at 7849 West Broadway. The current owner of the property, Revive Church (currently a tax-exempt use), has been interested in selling the western portion of its property for development for some time. Several proposals on the site have not gone forward in the past five years for various reasons. MWF Properties has come forward with a two-phased, total 300-unit proposal which would require EDA support. If the EDA is interested in moving forward, the next step is a preliminary resolution of support from the City Council for a tax-exempt bond application to the Minnesota Office of Management and Budget (MMB) which is due at 4:30 p.m. on June 24.

### **III. ADJOURNMENT at 6:48 P.M.**

The Brooklyn Park Economic Development Authority's Agenda Packet is posted on the City's website.

To access the agenda packet, go to [www.brooklynpark.org](http://www.brooklynpark.org)

**The Next Scheduled EDA Meeting is Monday, June 17, 2024.**

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	4.2	<b>Meeting Date:</b>	June 17, 2024
<b>Agenda Section:</b>	Consent	<b>Prepared By:</b>	Catrice O'Neal, Workforce Development Program Director Michelle Basham, Economic Development & Housing Director
<b>Resolution:</b>	X	<b>Presented By:</b>	Catrice O'Neal, Workforce Development Program Director
<b>Attachments:</b>	1		
<b>Item:</b>	Consider Authorizing the Interim Executive Director to Delegate Signing Authority to the Economic Development and Housing and Workforce Development Program Directors for Contracts up to \$10,000.00		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-\_\_\_\_\_, TO AUTHORIZE THE INTERIM EXECUTIVE DIRECTOR TO DELEGATE SIGNING AUTHORITY TO THE ECONOMIC DEVELOPMENT AND HOUSING AND WORKFORCE DEVELOPMENT PROGRAM DIRECTORS FOR CONTRACTS UP TO \$10,000.00.

## Overview:

This action is to request EDA approval to authorize the Economic Development and Housing Director and Workforce Development Program Director the authority to approve EDA contracts up to \$10,000.00. This approach aligns with the practices in other municipalities and will increase efficiency.

Staff will also bring this forward to the Brooklyn Park City Council meeting on June 24th, 2024, for consideration of city-wide implementation.

**Primary Issues/Alternatives to Consider:** N/A

## Budgetary/Fiscal Issues:

The request to authorize additional signatories will improve the timeliness of contract execution and allow for improved delivery of programs and services provided under the EDA.

The delegation of authority by the Executive Director of the EDA and Assistant Executive Director of the EDA will also allow for greater oversight and authorization of EDA contracts.

## Attachments:

4.2A RESOLUTION

RESOLUTION #2024-\_\_\_\_\_

RESOLUTION TO AUTHORIZE THE INTERIM EXECUTIVE DIRECTOR TO DELEGATE SIGNING AUTHORITY TO THE ECONOMIC DEVELOPMENT AND HOUSING AND THE WORKFORCE DEVELOPMENT PROGRAM DIRECTORS FOR CONTRACTS UP TO \$10,000.00.

WHEREAS, under Section 5.5 of the Bylaws of the Brooklyn Park Economic Development Authority (the "Authority") "[a]ll contracts ... and other written instruments ... shall be executed by the President and/or the Executive Director or by such other Commissioners or Officers of the Authority as the Board may be resolution prescribe"; and

WHEREAS, the Board recognizes that certain contracts agreements are routine in nature, and it is desirable to allow the Executive Director to delegate signing authority for certain agreements to designated staff; and

WHEREAS, the Executive Director has requested that the Board permit them to delegate signature authority to the Economic Development and Housing Director and Workforce Development Program Director for contracts with total expenditures of up to \$10,000.00,

WHEREAS, Staff will also bring this forward to the Brooklyn Park City Council meeting on June 24th, 2024 for consideration of city-wide implementation; and

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park EDA authorizes the Executive Director of the Authority to delegate their signing authority to the Economic Development and Housing Director and the Workforce Development Program Director for contracts with total expenditures of up to \$10,000.00.

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	6.1	<b>Meeting Date:</b>	June 17, 2024
<b>Agenda Section:</b>	General Action Items	<b>Prepared By:</b>	Brad Tullberg, Recreation & Parks Director
<b>Resolution:</b>	X	<b>Presented By:</b>	Brad Tullberg, Recreation & Parks Director
<b>Attachments:</b>	2		
<b>Item:</b>	Consider Approving the Termination of the Clubhouse Management Services Agreement with D'Amico & Partners Catering Effective December 31, 2024, and Authorizing the Recreation and Parks Director to Advertise a Request for Proposal Seeking a Vendor to Operate the Restaurant, Beverage Cart, and Provide Alcohol Catering for Room Rentals and Events at the Clubhouse		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-\_\_\_\_\_ APPROVING THE TERMINATION OF THE CLUBHOUSE MANAGEMENT SERVICES AGREEMENT WITH D'AMICO & PARTNERS CATERING EFFECTIVE DECEMBER 31, 2024, AND AUTHORIZING THE RECREATION AND PARKS DIRECTOR TO ADVERTISE A REQUEST FOR PROPOSAL SEEKING A VENDOR TO OPERATE THE RESTAURANT, BEVERAGE CART AND PROVIDE ALCOHOL CATERING FOR ROOM RENTALS AND EVENTS AT THE CLUBHOUSE.

## Overview:

The Clubhouse at Edinburgh USA is both a community public recreation facility and an economic development strategy designed to meet the leisure time needs of golf course patrons, residents, community groups, organizations, and the public to enhance the quality of life in Brooklyn Park.

The Brooklyn Park Economic Development Authority (EDA) owns the Edinburgh USA Clubhouse, while the Recreation and Parks Department provides the supervision of the Clubhouse operations. The EDA entered into a Clubhouse Management Agreement to provide food and beverage service in the restaurant and catering service in the banquet rooms with D'Amico & Partners Catering beginning January 1, 2019, and expiring on December 31, 2025. Due to poor financial performance, D'Amico has requested an early termination of the agreement on December 31, 2024. Staff are recommending terminating the Clubhouse Management Services Agreement with D'Amico & Partners Catering effective December 31, 2024.

## Background:

The clubhouse has utilized a third-party food and beverage/catering provider for more than 30 years and has struggled to generate enough revenue to fund the operational and capital asset replacement needs of the facility. Staff have considered several options for operation of the clubhouse beginning January 1, 2025:

- Continue using a third-party vendor for restaurant, beverage cart, room rentals, catering and St. Andrews Club management.
- City staff operate restaurant, beverage cart, room rentals, catering and St. Andrews Club membership. In this model, room rentals would be able to select any licensed caterer for their event.
- Seek a third-party restaurant and beverage cart operator. City staff would operate room rentals, catering and St. Andrews Club. In this model, room rentals would be able to select any licensed caterer for their event. Alcohol for catered events would be provided by the restaurant operator.

**Primary Issues/Alternatives to Consider:**

- **Which model should be considered for operating the restaurant, beverage cart, room rentals, catering and managing St. Andrews Club membership effective January 1, 2025?**

Staff are recommending that the EDA seek a third-party restaurant, beverage cart operator and catering alcohol provider. City staff would operate room rentals, catering and St. Andrews Club. In this model, room rentals would be able to select any licensed caterer for their event.

**Next Steps:**

If approved, staff would draft and advertise a Request for Proposal seeking a vendor to operate the restaurant, beverage cart and provide alcohol catering for room rentals and events at the Clubhouse.

**Budgetary/Fiscal Issues:**

The change in operating models would require the Recreation & Parks department to hire staff to manage the room rentals, catering and St. Andrews Club. These roles are currently staffed by D'Amico as part of the Clubhouse Management Services Agreement. The Recreation & Parks Department would also need to hire staff or a contractor to clean the clubhouse. Cleaning services are currently the responsibility of D'Amico as part of the Clubhouse Management Service Agreement.

Staff are working on the business and budget models for the new operational structure. The new structure will give more opportunity for revenues to cover operating and capital asset replacement costs, but staff do expect 2025 catering and room rentals to be reduced due to the transition period. This will be reflected in the 2025 budget development process for the Edinburgh Clubhouse.

In 2019, D'Amico purchased the kitchen equipment from Lancer Catering as part of the transition with a loan provided by the EDA. To allow users to allow any licensed caterer for events, the EDA will need to purchase the kitchen equipment from D'Amico. A third party will be used to establish the current fair market value.

**Recommendation:**

The Executive Director of the EDA recommends termination of the agreement with D'Amico & Partners Catering effective December 31, 2024, and the release of a Request for Proposal seeking a vendor to operate the restaurant, beverage cart and alcohol catering for room rentals at the Clubhouse.

**Attachments:**

- 6.1A RESOLUTION
- 6.1B CLUBHOUSE MANAGEMENT SERVICES AGREEMENT

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2024\_\_\_\_\_

RESOLUTION APPROVING THE TERMINATION OF THE CLUBHOUSE MANAGEMENT SERVICES AGREEMENT WITH D'AMICO & PARTNERS CATERING EFFECTIVE DECEMBER 31, 2024, AND AUTHORIZING THE RECREATION AND PARKS DIRECTOR TO ADVERTISE A REQUEST FOR PROPOSAL SEEKING A VENDOR TO OPERATE THE RESTAURANT, BEVERAGE CART AND PROVIDE ALCOHOL CATERING FOR ROOM RENTALS AND EVENTS AT THE CLUBHOUSE

WHEREAS, the Clubhouse at Edinburgh USA is both a community public recreation facility and an economic development strategy designed to meet the leisure time needs of golf course patrons, residents, community groups, organizations, and the public to enhance the quality of life in Brooklyn Park; and

WHEREAS, the Brooklyn Park Economic Development Authority (EDA) owns the Edinburgh USA Clubhouse, while the Recreation and Parks Department provides the supervision of the Clubhouse operations; and

WHEREAS, the EDA entered into a Clubhouse Management Agreement to provide food and beverage service in the restaurant and catering service in the banquet rooms with D'Amico & Partners Catering beginning January 1, 2019, and expiring on December 31, 2025; and

WHEREAS, due to poor financial performance, D'Amico has requested an early termination of the agreement on December 31, 2024; and

WHEREAS, Staff have considered several options for operation of the clubhouse beginning January 1, 2025, including 1) Continue using a third-party vendor for restaurant, beverage cart, room rentals, catering and St. Andrews Club management; 2) City staff operate restaurant, beverage cart, room rentals, catering and St. Andrews Club membership; 3) Seek a third-party restaurant and beverage cart operator. City staff would operate room rentals, catering and St. Andrews Club; and

WHEREAS, a change in operating models would require the Recreation & Parks department to hire a staff to manage the room rentals, catering, St. Andrews Club and cleaning of the clubhouse; and

WHEREAS, to allow users to allow any licensed caterer for events, the EDA will need to purchase the kitchen equipment from D'Amico using a third party to establish the current fair market value; and

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park EDA to approve the termination of the clubhouse management services agreement with D'Amico & Partners Catering effective December 31, 2024 and authorizing the Recreation and Parks Director to advertise a request for proposal seeking a vendor to operate the restaurant, beverage cart and provide alcohol catering for room rentals and events at the clubhouse

AMENDED AND RESTATED  
EDINBURGH USA CLUBHOUSE FOOD AND BEVERAGE SERVICE AGREEMENT

THIS AMENDED AND RESTATED EDINBURGH USA CLUBHOUSE FOOD AND BEVERAGE SERVICE AGREEMENT (as amended, the “Agreement”) is made effective this 10<sup>th</sup> day of February, 2021 by and between the BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota whose principal offices are located at 5200 85th Avenue North, Brooklyn Park, Minnesota 55443 (the “EDA”) and D’AMICO CATERING, LLC, a Minnesota limited liability company whose principal offices are located at 211 North First Street, Suite 175, Minneapolis MN 55401 (the “Clubhouse Services Manager”).

RECITALS

WHEREAS, the EDA is the owner of certain premises located at 8700 Edinbrook Crossing, Brooklyn Park, Minnesota and commonly known as the “Edinburgh USA Clubhouse”.

WHEREAS, the EDA desires to hire a Clubhouse Services Manager to manage (i) all areas of the Edinburgh USA Clubhouse building which are shaded in the depiction attached as **Exhibit A** (collectively, the “Edinburgh Indoor Service Areas”), including without limitation, the clubhouse, restaurant, bar, banquet rooms, pantries, condiment stands, kitchens, storage and preparation areas, beverage carts, office space, public restrooms, the receiving dock used by vendors to deliver products to the Clubhouse Services Manager, the St. Andrew’s Club Room and Locker Rooms and all adjacent areas and related facilities and any indoor future improvements located at Edinburgh USA Clubhouse agreed to pursuant to Section 4 hereof, but specifically excluding the pro shop, plus (ii) certain outdoor areas cross-hatched on **Exhibit A** along with a future outdoor ceremony venue and any outdoor future improvements located at Edinburgh USA Clubhouse agreed to pursuant to Section 4 hereof, (the “Edinburgh Outdoor Service Areas”) plus (iii) mobile concessions on the adjacent golf course, but specifically excluding all other aspects and operations of the golf course (collectively, the “Facility”).

WHEREAS, the EDA, conducted a process whereby proposals were sought to provide full-service, food and beverage catering services and food and beverage concession services at the Facility, including without limitation, mobile concessions on the adjacent golf course (the “Proposal Process”); and

WHEREAS, after having fully and diligently reviewed and analyzed all proposals received in response to the Proposal Process, including the proposal submitted by Clubhouse Services Manager, the EDA has determined that it is in the best interests of the Edinburgh USA Clubhouse, the EDA and its citizens, in order to enhance the services provided at and the mutual financial feasibility and revenue generating capability of the Edinburgh USA Clubhouse and the adjacent golf course, to engage the services of Clubhouse Services Manager to provide full-service restaurant operations, food and beverage catering services and concession services at the Facility in accordance with the terms and conditions contained in this Agreement.

WHEREAS, pursuant to EDA authorization on October 1, 2018, the EDA and the Clubhouse Services Manager entered into that certain EDINBURGH USA FOOD AND BEVERAGE SERVICE AGREEMENT, dated as of October 31, 2018 (the “Original Agreement”), whereby the EDA has engaged the Clubhouse Services Manager to, among other things, equip, maintain, manage and operate the Facility and the EDA and the Clubhouse Services Manager have subsequently determined that certain changes to the Original Agreement are needed.

WHEREAS, pursuant to EDA authorization on November 23, 2020, the EDA has entered into this Agreement with the Clubhouse Services Manager, which amends and restates the Original Agreement in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged by EDA and Clubhouse Services Manager, the parties agree as follows:

1. **Appointment as Clubhouse Services Manager**

Clubhouse Services Manager hereby accepts the exclusive appointment made by the EDA, subject to the terms and conditions of this Agreement, to provide full service restaurant operations, food and beverage catering/banquet services, concession services and other services set forth herein (the “Services”) in the Edinburgh Indoor Service Areas and the Edinburgh Outdoor Service Areas, along with mobile concessions on the Edinburgh golf course, for the Term or Extended Term of this Agreement (as defined in Section 7.1). The Services to be provided by the Clubhouse Services Manager to the EDA pursuant to this Agreement include but are not limited to the preparation and service of meals and beverages (including alcoholic and non-alcoholic beverages) to guests attending certain events and meetings at the Facility. The EDA hereby also grants Clubhouse Services Manager, subject to all the terms and conditions of this Agreement, the exclusive right to sell at the Facility: (a) food and beverages (including alcohol and non-alcoholic beverages), and (b) such other consumable products as may be approved in writing by EDA, or its designee (the “Consumable Products”).

2. **Clubhouse Services Manager’s Operating Responsibilities**

2.1 The Clubhouse Services Manager and representatives of the EDA shall consult regularly, which consultations shall include quarterly meetings, with reference to the operations of Clubhouse Services Manager, to review such operations to provide services in a proper manner for persons attending the Facility. The Clubhouse Services Manager shall seek in good faith to resolve any and all questions or concerns raised by the EDA relating to the operations of the Facility including, without limitation, the acceptability of services rendered, number of service areas required, levels of staffing by area, portions, products, and manner of performance.

2.2 Clubhouse Services Manager shall keep the operations open during the hours as may be reasonably required to adequately meet public demand as determined by the EDA pursuant to such regular consultations between Clubhouse Services Manager and the EDA.

Operating Standards, EDA Approval Required.

2.3 Clubhouse Services Manager shall operate the Services in such a manner consistent with restaurant and catered food and beverage operating standards employed by a First Class Center, as defined below. All food and beverages prepared and served by Clubhouse Services Manager shall be of the highest standard of quality and purity and shall be appropriately prepared and appropriately served. In addition, all food, drinks, beverages, confections and other items shall at all times equal or exceed the Minimum Food and Beverage Quality Standards (the “Minimum Quality Standards”) set forth on **Exhibit C** attached hereto. The Clubhouse Services Manager’s provision of the Services shall conform to the requirements of all applicable federal, state, county and municipal laws and ordinances. Clubhouse Service Manager shall also provide the Services hereunder in a manner consistent with the City’s “Core Values,” as set forth on **Exhibit D** attached hereto and incorporated herein. For purposes of this Agreement, a “First Class Center” means a restaurant, catering and meeting facility which maintains high standards of cleanliness and maintenance, with appropriately trained and uniformed staff and would normally be generally recognized as a leading catering and restaurant facility in Minnesota and the surrounding four states.

2.4 Subject to this section of this Agreement, all rates charged for Services by Clubhouse Services Manager to guests of the Facility for provision of the Services shall be set by the Clubhouse Services Manager. Prior to the Effective Date (as defined in Section 7.1), and annually thereafter Clubhouse Services Manager shall submit to the EDA, or its designee, a listing of all rates charged for Services by Clubhouse Services Manager to guests of the Facility for provision of the Services including without limitation an initial rate and charge structure for menu items in the restaurant at the Facility. The Clubhouse Services Manager shall seek in good faith to resolve any and all questions or concerns raised by the EDA relating to the rates charged for Services. Any posted changes to the rate structure for rates charged for Services by Clubhouse Services Manager to guests of the Facility made by Clubhouse Services Manager thereafter shall be such that the rates and charges are competitive with First Class Centers. If Clubhouse Services Manager proposes a price increase in menu items for the restaurant, Clubhouse Services Manager shall provide written notice thereof to EDA, along with documentation in support of such suggested price changes, based on either increased market pricing of menu items or commodities (wholesale cost to Clubhouse Services Manager) or increased operating costs payable by Clubhouse Services Manager. Menu item price increases in the restaurant shall require the mutual agreement of both parties; provided, however, that EDA shall not unreasonably withhold, delay or condition consent to a requested price increase so long as Clubhouse Services Manager provides documentation to EDA reasonably establishing that the requested price increase is based on increased market pricing of menu items or commodities or increased operating costs payable by Clubhouse Services Manager. Increases in general menu prices for the restaurant shall not occur more than twice per Contract Year. It is the understanding of both Clubhouse Services Manager and the EDA that the Services be operated in a manner that generates the optimum profit for the EDA.

2.5 During all events at the Facility, the Clubhouse Services Manager shall post signs and provide menus advertising the prices of items offered for sale. The Clubhouse Services Manager shall set up equipment and small wares for all foodservice events. The Clubhouse

Services Manager shall be responsible for setting up and tearing down all portable equipment, including work tables, if any, supplied by the EDA or owned by the Clubhouse Services Manager.

2.6 The Clubhouse Services Manager shall obtain, own, operate and provide necessary beverage carts and coordinate golf course outings and beverage cart service on the golf course with the Golf Manager of the City of Brooklyn Park Recreation and Parks Department as further set forth in **Exhibit B**.

Manager Maintenance Costs and Obligations.

2.7 Clubhouse Services Manager, as a Direct Operating Cost, shall, at all times, maintain those areas assigned to Clubhouse Services Manager and those to which Clubhouse Services Manager has access in connection with events held at the Facility, in a neat, clean and sanitary condition. These areas include all Edinburgh Indoor Service Areas and Edinburgh Outdoor Service Areas, plus mobile concessions on the adjacent golf course, but specifically excluding all other aspects and operations of the golf pro shop and golf course. For purposes of this Section 2.7, maintenance includes providing daily janitorial services, maintenance and repair of damage due to daily operations under this Agreement (including without limitation dings in walls, damage to interior wall coverings and other “touch up” repairs, backed up toilets and sinks, etc.) and, with respect to kitchen exhaust fans and grease traps, professional cleaning annually or more frequently if needed. After reinvestment of approximately \$1,500,000 in the Facility by the EDA pursuant to Section 4.1, Clubhouse Services Manager shall be responsible for repairing and replacing floorings damaged in connection with the provision of Services hereunder (i.e. above and beyond normal wear and tear, the cost of which shall be shared in accordance with the last two sentences of this Section 2.7) and wall paint/covering in the Edinburgh Indoor Service Areas, as necessary to maintain a fresh appearance. Ceilings shall be maintained by EDA with the exception of painting and touch ups by Clubhouse Services Manager and repairs of any damage occurring as a result of the provision of Services by Clubhouse Services Manager hereunder. If the EDA determines that floor coverings need to be replaced due to normal wear and tear, the cost thereof shall initially be paid by the EDA; thereafter, the Clubhouse Services Manager shall reimburse the EDA for a portion of such cost equal to (i) half of the flooring replacement cost multiplied by (ii) a ratio the numerator of which is the number of years remaining in the then current term and the denominator of which is the expected life of the flooring. If the Clubhouse Services Manager subsequently extends the term of this Agreement pursuant to Section 7.1, the Clubhouse Services Manager shall pay the EDA an additional amount equal to the difference between the amount the Clubhouse Services Manager previously paid and the amount the Clubhouse Services Manager would have paid if the extended term had been added to the numerator in the calculation in the preceding sentence.

2.8 Clubhouse Services Manager, as a Direct Operating Cost, shall be responsible for repairing and replacing all worn out, obsolete or damaged beverage carts, tables, chairs and other furnishings. Clubhouse Services Manager shall also be responsible for any damage to on-site audio/visual equipment and alarm system occurring as a result of the provision of Services by Clubhouse Manager hereunder.

2.9 Subject to Section 5.4, Clubhouse Services Manager, as a Direct Operating Cost, shall be responsible for repairing and replacing all worn out, obsolete or damaged kitchen and food

and beverage service equipment within the Facility. All such equipment replaced by Clubhouse Services Manager shall be the property of Clubhouse Services Manager, subject to the EDA's option to repurchase the same pursuant to Section 4.4, and shall be listed as such on the Asset and Equipment Ownership List as defined in Section 4.1.

2.10 Clubhouse Services Manager shall, as a Direct Operating Cost, repair or replace any utility service or lines damaged by the Clubhouse Services Manager.

2.11 Clubhouse Services Manager, as a Direct Operating Cost, shall pay and provide the cost of refuse disposal and shall deposit in receptacles all waste (garbage, recyclables, refuse) which accumulates in the Facility and shall keep the Facility in good, clean and sanitary condition. Waste removal from areas assigned to Clubhouse Services Manager shall be the sole responsibility of Clubhouse Services Manager, as a Direct Operating Cost. All waste receptacles shall be cleaned and sanitized by Clubhouse Services Manager to insure a high standard of sanitation. Clubhouse Services Manager is responsible for providing the dumpsters and for the emptying of them from the Facility. Clubhouse Services Manager agrees to utilize and follow rules and programs of the Facility relating to recycling, including without limitation composting and organics recycling.

2.12 Clubhouse Services Manager shall repair or remedy any damage to sewer lines inside the exterior boundaries of the Facility occurring in connection with or as a direct result of the provision of Services by Clubhouse Services Manager hereunder, as a Direct Operating Cost, and Clubhouse Services Manager shall take all precautionary measures necessary to assure that grease is not discharged in the sewers. Grease removal to avoid collection and spillage will be arranged and provided by Clubhouse Services Manager.

2.13 Clubhouse Services Manager may, at its option and if the City consents, hire City maintenance workers to provide necessary repairs and maintenance as provided in this Agreement; provided however that Clubhouse Services Manager shall pay a market rate hourly fee for such service plus the cost of any necessary parts and materials.

2.14 If the Clubhouse Services Manager fails to perform its maintenance obligations with respect to any aspect of the Facility, as specified above, in accordance with the terms of this Agreement, the EDA may, but is not obligated to, perform such maintenance obligations, as provided in this paragraph, after notice required below and expiration of the applicable cure period. If the EDA reasonably believes that the Clubhouse Services Manager has failed to perform any such maintenance obligations in accordance with this Agreement, the EDA shall provide written notice thereof to Clubhouse Services Manager. If such failure continues for 30 days after the EDA gives the Clubhouse Services Manager written notice of such failure or, if such tasks cannot be completed within 30 days, after such time period as may be reasonably required to complete the required tasks provided that the Clubhouse Services Manager is making a good faith effort to complete said task, then the EDA and City maintenance staff shall have the right to enter Facility to perform such maintenance tasks at the Clubhouse Services Manager's cost, to the extent such cost would otherwise been allocated to the Clubhouse Services Manager in this Agreement. In such case, the EDA shall send an invoice to the Clubhouse Services Manager for all costs associated with the maintenance performed by the EDA or the City at a market rate hourly fee for such service plus the cost of any necessary parts and materials. Notwithstanding the foregoing, in the event of an emergency, as reasonably determined by the City Engineer, EDA shall only be

required to provide such notice and cure period as is practicable under the circumstances, and the Clubhouse Services Manager shall reimburse the City in the same manner as set forth above for the reasonable costs incurred by the EDA in curing the default by Clubhouse Services Manager.

Direct Operating Costs.

2.15 Unless otherwise agreed to between the parties, Clubhouse Services Manager, as a Direct Operating Cost, shall procure and maintain, during the Term or Extended Term of this Agreement, all appropriate licenses and permits which may be required for the operation of the Services; provided, however, that EDA shall provide Clubhouse Services Manager with such assistance as Clubhouse Services Manager shall reasonably request in connection with any application by Clubhouse Services Manager for any such license or permit or the renewal thereof. Notwithstanding the foregoing, EDA shall be responsible for obtaining and maintaining a Certificate of Occupancy (or equivalent) from the City of Brooklyn Park or other applicable governmental entity.

2.16 EDA shall obtain and maintain all licenses necessary to permit the sale of liquor, beer, and wine at the Facility and via the beverage cart service. Clubhouse Services Manager, as a Direct Operating Cost, shall reimburse the EDA for the cost of such license and shall sell and serve alcoholic beverages under such license in strict accordance with Minnesota state law, including without limitation maintaining appropriate insurance coverage required in connection therewith. Notwithstanding 1992 Laws of Minnesota, Chapter 365, Clubhouse Services Manager agrees to act as the sole seller of alcoholic beverages for purposes of Minnesota Statutes Section 340A.801 and Clubhouse Services Manager solely assumes all liability related to the sale of intoxicating liquor and wine at the Facility and via the beverage cart service. Clubhouse Services Manager shall not engage in or consent to any activities at the Facility or via the beverage cart service which may or will jeopardize in any way the validity or cause the suspension or cancellation of the liquor licenses or permits obtained in connection with Facility or beverage cart service operations. Any fines or penalties against the liquor license held by the Clubhouse Services Manager as a result of violations of law committed by Clubhouse Services Manager or any employee or person acting on behalf of Clubhouse Services Manager shall be paid by Clubhouse Services Manager. EDA shall not take, and shall use its reasonable best efforts not to permit any other person, firm or entity to take any action that is inconsistent with, or would constitute a violation of, any of the terms and conditions of the on-site liquor license for the Facility, or any other license or permit obtained by Clubhouse Services Manager in connection with the operation of the Services hereunder.

2.17 Clubhouse Services Manager, as a Direct Operating Cost, shall pay and discharge when due all sales, use, excise and other taxes imposed on Clubhouse Services Manager's provision of Services at the Facility and shall provide evidence of the payment of such taxes annually to the EDA.

2.18 Clubhouse Services Manager shall, as a Direct Operating Cost, pay all social security, unemployment insurance, and other federal, Minnesota and local taxes, which are measured by the wages, salaries or other remuneration paid to persons employed by Clubhouse Services Manager.

2.19 Subject to Section 5.5, Clubhouse Services Manager, as a Direct Operating Cost, shall monthly pay and provide the cost of separately metered utilities including HVAC, electricity, gas, and water service, and utility distribution systems necessary to operate the Services in the Edinburgh Indoor Service Areas. Clubhouse Services Manager agrees to utilize prudent energy management and follow rules and programs of the Facility relating to conservation. EDA and Clubhouse Services Manager agree to complete an energy audit within 12 months after the date of this Agreement and work together to reduce utility costs at the Facility.

2.20 Clubhouse Services Manager shall, as a Direct Operating Cost, provide all service tables, bars, linen, skirting, place settings and appropriate room and table decor on a timely basis, as well as removing same immediately following each catered event.

2.21 Clubhouse Services Manager shall, as a Direct Operating Cost, furnish all common and skilled labor to stock, set up, dismantle and move foodservice stands, equipment, portables, catering tables and chairs.

2.22 Clubhouse Services Manager, as a Direct Operating Cost, shall at all times, provide a sufficient number of appropriately trained and capable managerial, food preparation, wait person, customer service, beverage cart and other personnel to provide first class products and services with respect to its operation of the Services consistent with operating as a First Class Center. Clubhouse Services Manager shall ensure that employees are clean, courteous, efficient and properly trained. Clubhouse Services Manager shall also be responsible for providing all uniforms for its employees and food, beverage and cleaning supplies necessary to conduct the services. The Clubhouse Services Manager shall seek in good faith to resolve any and all questions or concerns raised by the EDA relating to unsuitable uniforms or other attire of Employees. Employees shall be attired in clean uniforms at all times when the Facility is open to the general public or other patrons or potential patrons. Clubhouse Services Manager shall further designate and physically situate a General Manager at the Facility throughout the Term or Extended Term of this Agreement, whose responsibilities shall include serving as the primary contact person for the EDA. The EDA, or its designee, shall have the right to approve the Clubhouse Services Manager's Director of Hospitality. All persons hired by Clubhouse Services Manager shall be employees of Clubhouse Services Manager and not employees of the EDA. Clubhouse Services Manager shall comply with all applicable federal, state, county, and municipal laws and ordinances pertaining to wages and hours of employment for all its employees at the Facility. Clubhouse Services Manager shall not discriminate against any employee or applicant for employment because of race, creed, sex, color, national origin, age, or disability in violation of any applicable federal, state, county, or municipal law or ordinance.

2.23 Clubhouse Services Manager shall, as a Direct Operating Cost, conduct regularly scheduled training sessions for employees. Clubhouse Services Manager and EDA shall confer in good faith to discuss the scope any required training, which may include specialized training for Clubhouse Services Manager's managerial personnel employed at the Facility. The Clubhouse Services Manager shall seek in good faith to resolve any and all questions or concerns raised by the EDA relating to deficiencies in training of employees at the Facility.

2.24 At a minimum, Clubhouse Services Manager shall maintain a full-time management staff. EDA and Clubhouse Services Manager will mutually agree on any increases or decreases of the minimum staff requirement as indicated by economic circumstances.

Advertising and Branding.

2.25 All advertising rights at the Facility belong to the EDA. Clubhouse Services Manager shall not advertise any brand names in the Facility without the written approval of the EDA, or its designee, other than the brand names of specific food and beverage items served by Clubhouse Services Manager at the Facility. Clubhouse Services Manager shall not use the name or logo of the Facility on any advertising or marketing material in a manner or form which had not theretofore been approved by the EDA. No advertising of any kind is allowed on any of Clubhouse Services Manager or third party's equipment unless approved by the EDA, or its designee, other than the respective brand names of specific pieces of equipment, as located thereon.

2.26 Clubhouse Services Manager shall update and manage messages on all dynamic message board(s) the Edinburgh USA Clubhouse to promote on site activities. The City and EDA, or a designee thereof, may direct, from time to time, that certain messages shall be displayed on such dynamic message board(s) and the City and EDA, or a designee thereof, will coordinate any such messages through the Clubhouse Services Manager.

2.27 The EDA and the Clubhouse Services Manager agree to cross promote golf and dining, including using one another's logos on marketing and advertising as appropriate.

2.28 Notwithstanding anything herein to the contrary, the EDA may sell advertising and sponsorship packages for the Facility that may include product availability rights at the Facility, where allowed by law. The Clubhouse Services Manager shall be notified and provided an opportunity to consult with the EDA on the operational and financial effect the advertising and sponsorship deal may have on the Clubhouse Services Managers operations prior to executing the agreement. Notwithstanding the foregoing, however, the EDA, or its designee, retains final decision-making authority regarding advertising and sponsorship packages. The Clubhouse Services Manager shall honor all rights granted to these advertisers. Notwithstanding the foregoing, EDA acknowledges that Clubhouse Services Manager is a party to an agreement to sell Coca-Cola products at its facilities, and EDA consents thereto.

2.29 Clubhouse Services Manager shall use commercially reasonable efforts to assist the EDA in securing additional corporate sponsorship in the Facility.

2.30 Clubhouse Services Manager shall develop a restaurant concept for the Facility on behalf of the EDA. The restaurant and bar trade names and branding shall belong to the EDA. The restaurant will be full service provided that breakfast may be limited to items "to go" in order to have breakfast opportunities available for golfers in the early morning.

Business Records and Accounting Systems.

2.31 Within thirty (30) days following the end of each Accounting Period, Clubhouse Services Manager will provide EDA a report as to all Gross Revenues from the Services, broken down as between the operation of the restaurant at the Facility and the catering/banquet operation

at the Facility, along with a report detailing all restaurant Direct Operating Costs and the allocation of any Direct Operating Costs between the restaurant and the catering/banquet operation (collectively referred to as the “Monthly Reports”). An example of the format for the Monthly Report is attached as **Exhibit E**.

2.32 Within forty-five (45) business days following the end of each Contract Year, Clubhouse Services Manager shall provide EDA with an Annual Financial Report which shall contain the following information: (a) a statement of all Gross Revenues from the Services for the Contract Year in question, (b) a statement detailing the allocation during such year of any Direct Operating Costs as between the restaurant and the catering/banquet services at the Facility; (c) all Direct Operating Costs incurred in connection with the operation of the restaurant at the Facility; (d) a summary of all utility expenses paid by Clubhouse Services Manager relating to the Facility and (e) calculation as to the total amount to be paid to, or due from, the EDA pursuant to Section 5 of this Agreement. Such financial statements shall be certified in writing by the Chief Financial Officer of Clubhouse Services Manager or other Clubhouse Services Manager officer of comparable or higher rank.

2.33 All financial information provided to EDA by Clubhouse Services Manager, whether under this Section or any other Section of this Agreement, shall be true and complete and shall be prepared in accordance with generally accepted accounting principles. The Clubhouse Services Manager shall maintain books and records with respect to Gross Revenues at the Facility and the allocation of Direct Operating Costs as between the restaurant and the catering/banquet facility in a format approved by EDA, or its designee, and these shall be open for inspection at any time upon at least 24 hours’ notice (except in the case of a bona fide emergency) during the term of this Agreement and for a reasonable period, not to exceed six (6) years thereafter. Any moneys due and payable to the EDA, including undisputed discrepancies found in audits, are due thirty (30) days from date the findings are released. Any unpaid amounts due to either party under this Agreement shall bear interest at an interest rate of four percent (4%) per annum, in excess of the “Prime Rate of Interest,” as published in the Wall Street Journal, pro-rated daily from the day such moneys are due.

2.34 Clubhouse Services Manager must use computerized cash or point-of-sale registers that accept credit and debit cards at sales locations including without limitation the restaurant, portable and permanent concession and retail stands, and beverage carts. The EDA shall have access to all such sales and management reports and the Clubhouse Services Manager shall provide the EDA monthly point-of-sale reports. The EDA and the Clubhouse Services Manager mutually agree the security of credit and personal data of guests of the Facility is of the utmost importance. Both parties agree they will cooperate, to the best of its ability, to insure all point-of-sale registers comply with the Payment Card Industry (PCI) Data Security Standards.

2.35 On or before July 15 of each Contract Year, Clubhouse Services Manager shall have prepared and delivered to appointed representative of the EDA a capital improvement proposal (the “Annual Capital Improvement Proposal”) with respect to the next Contract Year detailing such capital improvements Clubhouse Services Manager recommends to be budgeted by the EDA to assure the continued success and profitability of the Facility. Such Annual Capital Improvement Proposal shall be subject to approval by the EDA, or its designee. Subject to Section 19, Clubhouse Services Manager shall be permitted to make expenditures consistent with the

Annual Capital Improvement Proposal as approved by the EDA. Contemporaneously with submission of the Annual Capital Improvement Proposal, Clubhouse Services Manager shall provide to the EDA a Gross Revenue projection for the Facility for such Contract Year, along with a projection, if applicable, of any and all amounts needed to be to be paid hereunder by the EDA in accordance with the terms of Section 5 hereof for such Contract Year.

2.36 As further provided in Section 5.6, all revenues of the Facility and all funds furnished by EDA pursuant to this Agreement and amounts received by Clubhouse Services Manager in the operation of the Facility, including without limitation all Gross Revenues, shall be deposited in the Agency Account of the Clubhouse Services Manager. The Agency Account shall be maintained for the EDA in a bank selected by Clubhouse Services Manager and approved by EDA, or its designee. Such monies shall not be commingled with any other funds of Clubhouse Services Manager. As long as this Agreement is in effect, Clubhouse Services Manager shall have sole signing authority with respect to the Agency Account and all funds deposited in the Agency Account.

2.37 The Clubhouse Service Manager's records with respect to Gross Revenues from the Facility, Direct Operating Costs for the restaurant, allocation of Direct Operating Costs as between the restaurant and the catering/banquet operation at the Facility and calculation of all utility costs paid by Clubhouse Services Manager hereunder shall be kept at the Facility and shall be available, upon at least 24 hours prior notice (except in the case of a bona fide emergency) for routine inspection and audit by EDA at EDA's expense at any time during the Term to the extent required to verify Clubhouse Services Manager's compliance with the terms of the Agreement and to allow EDA to perform such audit; provided, however, that such inspection or audit shall not unreasonably interfere with Clubhouse Services Manager's provision of the Services. EDA shall have the right, upon reasonable notice being given to Clubhouse Services Manager, to review and to audit such records during reasonable business hours at the Facility and at Clubhouse Services Manager's central accounting offices in the State of Minnesota. The routine audits and inspections referred to herein will not be conducted more frequently than twice in any consecutive twelve-month period, subject to EDA's right to conduct special audits whenever it deems such audits to be necessary or appropriate. At the end of the Contract Services Term, or in the event of termination of this Agreement for any reason, EDA shall have the continuing right for a period of three (3) years after termination (or longer if required by a governmental authority) to reasonable access to and inspection and copying of Clubhouse Services Manager's records within the categories set forth above in this Section 2.37.

2.38 Upon any termination of this Agreement, and after payment to the Clubhouse Services Manager of any and all monies due and owing the Clubhouse Manager, pursuant to this Agreement, including without limitation any Management Fee, all such books and records described in Section 2.37, along with any information relating to scheduled private events to be held at the Facility, shall be turned over to the EDA

2.39 On or before November 30 of each Contract Year thereafter, Clubhouse Services Manager shall have prepared and delivered to the EDA an annual business plan for the provision of the Services at the Facility, setting forth the following with respect to the next Contract Year (the "Annual Business Plan"):

- (a) projected Gross Revenues from the provision of Services at the Facility;
- (b) a marketing plan aimed at maximizing the visibility and profitability of the Facility and Clubhouse Services Manager's plans for implementing the marketing plan, including any plans to change the theme for the restaurant; and
- (c) a cost estimate for the repair, replacement, or addition of fixtures that Clubhouse Services Manager proposes to be undertaken during next Contract Year.

Manager shall be permitted to amend the Annual Business Plan as necessary during each Contract Year and shall notify the EDA, or its designee, in writing of any such amendments. Any provisions in the Annual Business Plan for replacement or addition of fixtures shall be subject to approval by the EDA, or its designee.

Misc. Duties of Clubhouse Services Manager.

2.40 Clubhouse Services Manager shall comply with and observe all federal, Minnesota and local laws, ordinances and regulations as to sanitation, the purity of food and beverages, recycling or otherwise relating to its operation under this Agreement.

2.41 Clubhouse Services Manager agrees that its employees and agents will comply with and observe all rules and regulations concerning conduct of its employees at the Facility which EDA may from time to time reasonably impose upon Clubhouse Services Manager's employees and agents at the Facility, so long as such rules and regulations are not in conflict with any restrictions imposed upon Clubhouse Services Manager by any federal, state or local statute, law, code or regulations or by any collective bargaining agreement or other contract affecting such employee or agent.

2.42 To the extent permitted by law, EDA shall have the option, at its sole discretion, to purchase equipment and supplies through Clubhouse Services Manager's suppliers.

2.43 Clubhouse Services Manager will be responsible for the timely return of items such as pallets, crates, linen carts, and other equipment used in the conduct of operations that belong to the suppliers.

2.44 Subject to the restrictions set forth in Section 2.45 below, each Contract Year Clubhouse Services Manager shall permit, subject to availability of dates based on prior bookings, up to five (5) EDA or City sponsored catered events. There will not be a room rental fee charged to the EDA or City for such EDA or City sponsored events and food, beverages and services shall be provided at a twenty-five percent (25%) percent discount. City or EDA shall provide Clubhouse Services Manager a list of such up to five (5) EDA or City sponsored catered events for each year on or before January 31 of such year. In addition, Clubhouse Services Manager shall permit, subject to availability of dates based on prior bookings and subject to the selection by Clubhouse Services Manager of the appropriate meeting room for such event based on size and availability, EDA or City to hosts events of up to 25 people billed at \$10 per person for events of 4 hours or less or \$20 per person for events of 8 hours or less and without minimum food and beverage requirements.

2.45 Each year Clubhouse Services Manager shall permit, subject to availability of dates based on prior bookings, up to three (3) community-oriented catered golf events which have been identified and approved by the City Manager. Food, beverages and services shall be provided at a twenty-five percent (25%) percent discount at such events. Notwithstanding the foregoing to the contrary, no EDA or City sponsored event and no community-oriented event shall be held on a holiday and only two (2) such events may be held on a weekend day or weekend evening in each Contract Year.

2.46 Clubhouse Services Manager shall not charge City or EDA for use of any on-site audio/visual equipment at any event hosted or sponsored by City or EDA.

### 3. **Responsibilities of EDA.**

3.1 EDA hereby represents and warrants that as of the Effective Date, EDA owns outright, title and interest in and to the Edinburgh USA Clubhouse, including without limitation the Facility and the Edinburgh USA golf course. Unless otherwise agreed to by the Clubhouse Services Manager and the EDA, all rights and claims of ownership and title to such facilities shall at all times remain vested in the EDA.

3.2 The EDA shall provide the Facility, including access thereto, in good order and condition to provide the Services at the Edinburgh USA Clubhouse. The Facility shall consist of The Edinburgh Indoor Service Areas, the Edinburgh Outdoor Service Areas and other physical space within the Edinburgh USA Clubhouse, reasonably necessary to conduct the Services, including, without limitation, facilities associated with the storage, preparation and sale of Consumable Products and non-consumable products, storage/warehouse space, offices, a check in/out cash handling area and loading areas. Clubhouse Service Manager shall not serve food or beverages outside of the Edinburgh Indoor Service Areas and the Edinburgh Outdoor Service Areas, other than the beverage carts operating on the golf course, without the consent of the EDA. Except as otherwise set forth in the last sentence of this Section 3.2, nothing herein contained shall be held to limit or qualify the right of the EDA to a free and unobstructed use, occupation, and control of the Facility, or of the EDA's right of ingress and egress to the Facility for itself, its Clubhouse Services Manager, and the public. The EDA shall have the right to enter upon and have access to all spaces occupied by the Clubhouse Services Manager at any time upon at least twenty four (24) hour notice, except in the case of a bona fide emergency, in which case only such notice as is practicable under the circumstances shall be required.

3.3 At all times during the continuance of this Agreement, EDA shall maintain, repair and replace all portions and elements of the Edinburgh USA Clubhouse, including without limitation the Facility, which are not the responsibility of Clubhouse Services Manager to maintain, including without limitation the roofs and all exterior walls, HVAC systems, plumbing systems, electrical system, and elevator, and provide all structural maintenance of the Edinburgh USA Clubhouse building, including without limitation the Facility, in full compliance with all applicable federal, state, and local laws, regulations and governmental orders.

3.4 If the EDA fails to perform its maintenance obligations with respect to any portion or element of the Facility, as specified above, in accordance with the terms of this Agreement, the Clubhouse Services Manager may, but is not obligated to, perform such maintenance obligations,

as provided in this paragraph, after notice required below and expiration of the applicable cure period. If the Clubhouse Services Manager reasonably believes that the Clubhouse Services Manager has failed to perform any such maintenance obligations in accordance with this Agreement, the Clubhouse Services Manager shall provide written notice thereof to the EDA. If such failure continues for 30 days after the Clubhouse Services Manager gives the EDA written notice of such failure or, if such tasks cannot be completed within 30 days, after such time period as may be reasonably required to complete the required tasks provided that the EDA is making a good faith effort to complete said task, then, subject to Section 19 hereof, the Clubhouse Services Manager and its contractors shall have the right to perform such maintenance tasks at the EDA's cost, to the extent such cost would otherwise be allocated to the EDA in this Agreement. In such case, the Clubhouse Services Manager shall send an invoice to the EDA for all costs associated with the maintenance performed by or on behalf of the Clubhouse Services Manager at a market rate hourly fee for such service plus the cost of any necessary parts and materials. Notwithstanding the foregoing, in the event of an emergency, as reasonably determined by the Clubhouse Services Manager, Clubhouse Services Manager shall only be required to provide such notice and cure period as is practicable under the circumstances, and the EDA shall reimburse the Clubhouse Services Manager in the same manner as set forth above for the reasonable costs incurred by the Clubhouse Services Manager in curing the default by the EDA.

3.5 EDA shall pay and provide the cost of all real and personal property taxes applicable to the Facility, if any. However, if the Facility becomes subject to real property taxes as a result of this Agreement, (i) the parties shall cooperate in good faith to amend this Agreement in a fashion which is mutually acceptable to the parties and which results in the elimination of the real property tax against the Facility within 6 months of receipt of the notice of the assessment thereof from the taxing authorities, (ii) if the parties are not able to make changes to this Agreement which results in elimination of the real property tax against the Facility, then the parties shall negotiate in good faith to share the real property tax expense in a way that is mutually satisfactory and financially feasible for both parties, (iii) if the parties are not able to negotiate a mutually satisfactory and financially feasible sharing arrangement regarding the real property tax expense within 8 months of receipt of the notice of the assessment thereof from the taxing authorities, the EDA shall pay such expense but the EDA shall be permitted to terminate this Agreement effective as of (A) the end of the initial Term hereof by written notice given to Clubhouse Services Manager no later than one (1) year after receipt by the EDA of the notice of assessment, or (B) during an Extended Term, the later of the end of the calendar year in which such real property taxes are payable or 6 months after written notice is given to Clubhouse Services Manager; in either such case, except as set forth below in this Section 3.5, Clubhouse Services Manager shall not have the right to further extend the Term pursuant to Section 7.1 hereof. Notwithstanding the foregoing, in the event that EDA elects to terminate this Agreement pursuant to the preceding sentence, Clubhouse Services Manager shall have the option, exercisable by written notice given to EDA within thirty (30) days after receipt of the EDA's notice of termination, to elect to pay the real property tax assessed against the Facility, in which case the renewal option(s) available to Clubhouse Services Manager shall not terminate and this Agreement, including without limitation such renewal options, shall remain in full force and effect. However, notwithstanding Section 2.30 and Section 11.2, if the Clubhouse Services Manager's renewal option is terminated pursuant to this Section, the Clubhouse Services Manager shall have the option to retain the restaurant and bar trade names and branding and the EDA's rights therein shall be terminated if the Clubhouse Services Manager exercises such option.

3.6 EDA shall pay and provide the cost of all landscaping, mowing and snow removal at the Edinburgh USA Clubhouse, including without limitation the Facility.

3.7 EDA shall provide the Clubhouse Services Manager, for use in providing the Services under this Agreement, telephone, internet and data service through the EDA's telephone and network service provider(s).

3.8 EDA shall, or shall cause the City to, pay and provide all costs of the operation, maintenance and repair or replacement of the Pro Shop in the Edinburgh USA Clubhouse building, including without limitation, refuse disposal and separately metered utilities including HVAC, electricity, gas, and water service, and utility distribution systems.

3.9 EDA will permit the Clubhouse Services Manager and the Clubhouse Services Manager's employees, agents, contractors and guests to use the parking areas adjacent to the Facility.

#### 4. **Investment and Improvements.**

4.1 EDA and Clubhouse Services Manager will collaborate to create a plan for the reinvestment of approximately \$1,500,000 in the Facility by the EDA designed to raise the marketplace profile of Edinburgh USA Golf Course and Clubhouse and its food and beverage offerings, maximize food and beverage revenue, and increase revenues to EDA. The scope of the reinvestment will include:

- (a) refreshing and rebranding the restaurant, including furniture and fixtures;
- (b) refreshing the banquet areas and the entry lobby;
- (c) constructing an outdoor ceremony venue; and
- (d) completing any other initiatives the parties jointly determine will be beneficial to the business of the golf course and clubhouse and its image & reputation in the community.

Attached as **Exhibit F** is the initial listing of the ownership of fixed assets and equipment as allocated between the EDA and Clubhouse Services Manager which shall be updated by the Clubhouse Services Manager annually, at the same time as the Annual Capital Improvement Proposal submitted pursuant to Section 2.35, to reflect the ownership of any additions or replacements in accordance with this Agreement (as amended, the "Asset and Equipment Ownership List"). Any furniture, equipment or other personal property purchased by or on behalf of the EDA pursuant to this Section 4.1 shall be and remain the property of the EDA, subject to replacement by Clubhouse Services Manager pursuant to Section 2.9, and shall be listed as such on the Asset and Equipment Ownership List.

Within ten (10) business days after the date of this Agreement, representatives of EDA and Clubhouse Services Manager shall meet to negotiate in good faith the scope and nature of the proposed reinvestment in the Facility, the process for disbursement of funds to pay the cost thereof and the timing of any improvements to be made in connection therewith.

4.2 EDA and the Clubhouse Services Manager shall work together to evaluate the currently-existing equipment, furnishings and small wares at the Facility. EDA shall initially purchase any mutually agreed to existing equipment, furnishings and small wares from the preceding operator of the Facility together with any additional equipment, furnishings, and small wares requested by the Clubhouse Services Manager and agreed to by the EDA, at its sole discretion, and, subject to prior consent to the purchase price therefor, the Clubhouse Services Manager shall acquire such items for use at the Facility from EDA by paying to the EDA the cost thereof in 84 equal monthly installments, without interest, commencing January 20, 2019 and continuing on the 20<sup>th</sup> day of each month over the initial 7 Contract Years of the Agreement, which obligation shall cease in the event of any earlier termination of this Agreement. Title to all such existing equipment, furnishings and smallwares so purchased by the EDA shall pass to Clubhouse Services Manager upon full payment of the amounts due to EDA pursuant to the preceding sentence, and shall be listed as such on the Asset and Equipment Ownership List as defined in Section 4.1. The Clubhouse Services Manager will be responsible for replacement of such items and any additional equipment, furnishings or small wares in future years, as a Direct Operating Cost. Copies of all invoices will be provided to the EDA at the time of purchase and such items shall be added to the Asset and Equipment Ownership List. All such equipment purchased or replaced by Clubhouse Services Manager shall be the property of Clubhouse Services Manager, subject to the EDA's option to repurchase the same pursuant to Section 4.4, and shall be listed as such on the Asset and Equipment Ownership List. Any fixed assets or equipment to be disposed of due to wear and tear will be first approved by the EDA, or its designee, and the Asset and Equipment Ownership List so adjusted.

4.3 Clubhouse Services Manager shall be responsible for maintaining, as a Direct Operating Cost, all equipment, furnishings and small wares used in the performance of its Services, including rolling stock, in a good state of repair subject only to normal wear and tear. Clubhouse Services Manager shall maintain par levels of all equipment, improvements, uniforms, and small wares as necessary to efficiently provide the Services at the Facility, as mutually agreed upon with the EDA. EDA and Clubhouse Services Manager agree that prior to the beginning of each Contract Year, a representative of the parties hereto shall inspect all equipment, furnishings and small wares used for the purposes of this Agreement and at that time by mutual agreement determine the condition of said equipment, furnishings and small wares.

4.4 Except to the extent the same is covered by any insurance policy maintained (or, if the EDA is in default with respect to maintenance of any insurance required hereunder, would have been covered if EDA had maintained the required insurance) by or on behalf of the EDA or the City, the Clubhouse Services Manager shall be responsible for any waste, injury, or damage upon or to the Facility and its equipment, furnishings, improvements, decor and appurtenances caused or permitted by the Clubhouse Services Manager, its agents, employees or contractors, in the course of providing Services hereunder. At the expiration of the Agreement, the Clubhouse Services Manager shall leave the Facility and its equipment, furnishings, improvements, decor and appurtenances, and deliver same to EDA, in at least the same condition as that which they were at the later of the Effective Date of the Agreement, or upon any improvement pursuant to Section 4.1 hereof, less wear and tear and insured casualty. In addition, any additions to furnishings, small wares, equipment purchases and improvements made by the Clubhouse Services Manager during the Term or Extended Term of this Agreement will become the property of the EDA, at the option of the EDA in its sole discretion, to purchase at fair market value such items as are selected by the

EDA utilizing a process similar to the process utilized pursuant to Section 4.2 in connection with the acquisition of items from the prior manager of the Facility. If agreement cannot be reached as to a purchase price for such items within thirty (30) days after delivery to the EDA of the final accounting pursuant to Section 5.8, the purchase price shall be determined pursuant to an independent appraisal conducted by a qualified appraiser selected by the Clubhouse Services Manager and the EDA. The EDA may assign its option to purchase the equipment and inventory to any replacement manager it may hire or appoint.

4.5 The Clubhouse Services Manager shall not make any alterations in, or additions to, nor post any signs upon any part of the premises, or permit signs to be posted, for advertising of services of any nature on the premises or on the Clubhouse Services Manager's person, employees, or equipment without prior permission of the EDA.

4.6 The Clubhouse Services Manager shall not remove any article, piece of equipment or other property furnished to the Facility without the express written permission of the EDA.

## 5. **Financial Arrangements.**

5.1 Throughout this Agreement, the following terms shall have the following meanings unless otherwise stated:

(a) "Accounting Period" refers to each of thirteen (13) four-week periods in periods in each of Clubhouse Services Manager's Contract Year.

(b) "Contract Year" shall mean the period of time between January 1, 2019 and December 31, 2019, and every January 1st through December 31st thereafter until the termination of this Agreement.

(c) "Direct Operating Costs" are the annual actual out-of-pocket costs of the Services incurred by Clubhouse Services Manager at the Facility pursuant to this Agreement, as approved by the EDA, or its designee, which approval shall not be unreasonably withheld or delayed, and paid for by the Clubhouse Services Manager. Except as otherwise provided herein, these costs include but are not limited to, the actual expense of the products necessary to provide the Services including on-site payroll, payroll taxes, fringe benefits and other on-site operating expenses such as credit card processing fees, communication costs, repairs, maintenance, cleaning, utilities, waste removal, and office supplies, advertising costs to promote Facility Services, insurance, Management Fee, and interest expense. Direct Operating Costs do not include any costs incurred by the Clubhouse Services Manager which can reasonably be considered non-EDA approved corporate allocations, late fees, or the expenses of any person or entity having an ownership interest in the Clubhouse Services Manager.

(d) "Gross Revenues" shall mean the total revenue generated from the Clubhouse Services Manager's catering operations (i) for Services rendered at the Facility including, but not limited to, all amounts received for catering fees or from the sale of food and beverages (including alcoholic beverages) and catering services, including any collected deposits from clients which are retained, in accordance with Clubhouse Services Manager's customary cancellation policies, by Clubhouse Services Manager after

cancellation of a catering event and (ii) for the sale of food prepared or produced at or from the Facility, but not served or sold at the Facility; provided, however, that the term “Gross Revenues” shall not include (i) retail sales taxes and other direct taxes imposed on the receipts collected from customers; (ii) tips, gratuities, labor charges and service charges (subject to quarterly review by the EDA as contemplated by Section 2.1 hereof); (iii) refunds to customers; (iv) uncollected or uncollectible credit accounts; (v) dishonored checks (vi) delivery charges, (vii) labor charges (subject to quarterly review by the EDA as contemplated by Section 2.1 hereof), (viii) rentals or (ix) any other miscellaneous “pass through” event charges to the clients (excluding charges for food and beverage sales), such as photography, rentals, valet service or music. All collected deposits or prepaid charges (whether paid before or after the Effective Date) shall constitute Gross Revenues as of the date of the event in connection with which such deposits or other amounts were paid.

(e) “Management Fee” shall refer to the amount paid, monthly, to Clubhouse Services Manager for providing the Services beginning on February 20, 2019 through the remaining Term of this Agreement, based on a percentage of Gross Revenues.

(f) “Net Income” shall be, for each Accounting Period, the difference between Gross Revenues and the sum of Direct Operating Costs.

5.2 The EDA shall pay the Clubhouse Services Manager for operating the Services pursuant to this Agreement, a monthly Management fee equal to:

(a) Subject to 5.3, Ninety percent (90%) of the banquet food, beverage and room rental Gross Revenues; plus

(b) One hundred percent (100%) of the first \$1,000,000 of restaurant and beverage cart Gross Revenues per Contract Year and Ninety percent (90%) of the restaurant and beverage cart Gross Revenues thereafter.

EDA authorizes the Clubhouse Services Manager to pay the Management Fee from the Agency Account on the twentieth (20<sup>th</sup>) day of the month following the month in which the Management Fee is earned.

5.3 If Direct Operating Costs of the restaurant exceed Gross Revenues of the restaurant and beverage cart, EDA shall reimburse the Clubhouse Services Manager for up to \$50,000 of such excess Direct Operating Costs per Contract Year upon the publication of the restaurant income statement at the end of each Accounting Period, from the 10% of the banquet food, beverage and room rental Gross Revenues retained by EDA in such Contract Year. At the end of the Contract Year, any such losses shall be subject to a full audit by EDA of the restaurant books and records. If Direct Operating Costs of the restaurant exceed Gross Revenues of the restaurant and beverage cart, by more than \$50,000 such Direct Operating Costs shall be the sole responsibility of Clubhouse Services Manager.

5.4 If repair and maintenance costs (as opposed to the cost of replacement of equipment) pursuant to Section 2.9 hereof exceed \$20,000 in any Contract Year, EDA shall reimburse the Clubhouse Services Manager for 50% of such Direct Operating Costs exceeding

\$20,000 per Contract Year, from the 10% of the banquet food, beverage and room rental Gross Revenues retained by EDA in such Contract Year.

5.5 If utility costs pursuant to Section 2.19 hereof exceed 3% of Gross Revenues in any Contract Year, EDA shall reimburse the Clubhouse Services Manager for 50% of such Direct Operating Costs exceeding 3% of Gross Revenues per Contract Year, from the 10% of the banquet food, beverage and room rental Gross Revenues retained by EDA in such Contract Year.

5.6 Clubhouse Services Manager shall collect all proceeds from the operation of the Services under this Agreement and maintain accurate records and reports with respect to such proceeds (categorized into such categories as the EDA may reasonably require) and deposit such proceeds on a daily basis into such account(s) as the EDA may require, including without limitation the Agency Account established pursuant to Section 2.36. In so doing Clubhouse Services Manager shall institute such security, inventory, supplies and alcohol control procedures as EDA may reasonably require ensuring the accurate accounting for and depositing of funds and preservation of inventory, supplies and Concession products. Without limiting the generality of the foregoing, Clubhouse Services Manager shall have the primary responsibility to respond to any security alarm at or relating to the Facility. If the EDA identifies unresolved security concerns relating to or resulting from the operations of the Clubhouse Services Manager at the Facility representatives of EDA and Clubhouse Services Manager shall meet to negotiate in good faith to determine an appropriate solution, including, without limitation, engaging security personnel for the Facility, if necessary, and the appropriate allocation of the cost thereof between the EDA and the Clubhouse Services Manager.

## 6. **Indemnification; Insurance.**

6.1 Except to the extent caused by the negligence or willful misconduct of any of the “EDA Indemnified Parties” (as defined below), Clubhouse Services Manager shall indemnify, hold harmless and defend EDA and its directors, trustees, officers, partners, managers, members, elected or appointed officials, agents, and employees (collectively, the “EDA Indemnified Parties”) from and against any claims, liability (including judgments and settlements), damages and expenses (including court costs and reasonable attorneys’ fees), including but not limited to claims arising out of the injury to, or death of, any person, resulting from (i) the service or the consumption of food or beverages, including intoxicating liquor or wine, provided by Clubhouse Services Manager or the provision of Services hereunder by Clubhouse Services Manager; (ii) defective equipment provided by Clubhouse Services Manager; (iii) the acts or omissions of Clubhouse Services Manager or its representatives, agents, employees, contractors or servants related to any aspect of this Agreement; (iv) any breach of any representation, warranty, covenant or agreement in this Agreement by Clubhouse Services Manager; or (v) the failure of Clubhouse Services Manager to pay any taxes required of Clubhouse Services Manager under this Agreement. This indemnity shall survive termination of this Agreement.

6.2 Except to the extent caused by the negligence or willful misconduct of any of the “Clubhouse Services Manager Indemnified Parties” (as defined below), EDA shall indemnify, hold harmless and defend Clubhouse Services Manager and its directors, officers, partners, managers, members, agents and employees (collectively, the “Clubhouse Services Manager Indemnified Parties”) from and against any and all claims, liability (including judgments and

settlements), damages and expenses (including court costs and reasonable attorneys' fees), including but not limited to claims arising out of injury to or death of any person, resulting from (i) any aspect of the operation of the Edinburgh USA Clubhouse and the Edinburgh USA golf course, pro shop or practice facilities for which Clubhouse Services Manager is not expressly assigned managerial responsibility hereunder, (ii) the acts or omissions of the City or the EDA or their respective representatives, agents, employees, contractors or servants related to performing its obligations under this Agreement; (iii) any breach of any representation, warranty, covenant or agreement in this Agreement by EDA; or (iv) the failure of EDA to pay any tax required of EDA under this Agreement. This indemnity shall survive the termination of this Agreement.

6.3 Clubhouse Services Manager's obligation to indemnify and hold EDA harmless pursuant to this Agreement shall be dependent upon EDA promptly notifying Clubhouse Services Manager in writing of any such claim or lawsuit against EDA as soon as reasonably practicable, but in no event later than twenty (20) business days after (a) EDA's receipt of the summons and complaint with respect to any lawsuit or other judicial proceeding; or (b) EDA's receipt of actual notice of any other claim or administrative proceeding. EDA agrees to forward to Clubhouse Services Manager any summons and complaints and all other documents which relate to any such claim lawsuit together with EDA's written notice of such claim or lawsuit under this Section 6.3. The failure of EDA to notify Clubhouse Services Manager of any such claim or lawsuit as provided in this Section 6.3 shall relieve Clubhouse Services Manager of any and all obligations whatsoever to indemnify EDA under Section 6.3. Clubhouse Services Manager shall have sole control over the defense, settlement and discharge of any such claim or lawsuit; provided, however, that EDA shall provide Clubhouse Services Manager with all assistance reasonably requested by Clubhouse Services Manager in connection with the defense, settlement and discharge of such claim or lawsuit. Nothing contained in this Agreement shall be either construed to waive, or to require the Clubhouse Services Manager to waive any statutory and common-law immunities and statutory limits of liability applicable to Clubhouse Services Manager with regard to any claim described herein.

6.4 EDA's obligation to indemnify and hold Clubhouse Services Manager harmless pursuant to this Agreement shall be dependent upon Clubhouse Services Manager promptly notifying EDA in writing of any such claim or lawsuit against Clubhouse Services Manager as soon as reasonably practicable, but in no event later than twenty (20) business days after (a) Clubhouse Services Manager's receipt of the summons and complaint with respect to any lawsuit or other judicial proceeding; or (b) Clubhouse Services Manager's receipt of actual notice of any other claim or administrative proceeding. Clubhouse Services Manager agrees to forward to EDA any summons and complaints and all other documents which relate to any such claim lawsuit together with Clubhouse Services Manager's written notice of such claim or lawsuit under this Section 6.4. The failure of Clubhouse Services Manager to notify EDA of any such claim or lawsuit as provided in this Section 6.4 shall relieve EDA of any and all obligations whatsoever to indemnify Clubhouse Services Manager under Section 6.4. EDA shall have sole control over the defense, settlement and discharge of any such claim or lawsuit; provided, however, that Clubhouse Services Manager shall provide EDA with all assistance reasonably requested by EDA In connection with the defense, settlement and discharge of such claim or lawsuit. Nothing contained in this Agreement shall be either construed to waive, or to require the EDA to waive the EDA's statutory and common-law immunities and statutory limits of liability with regard to any claim described herein.

6.5 Clubhouse Services Manager shall procure and maintain the following insurance:

(a) Workers Compensation Insurance coverage as provided by State law applicable to employees, agents, volunteers and assigns of Clubhouse Services Manager;

(b) Commercial General Liability coverage including Bodily Injury, Personal Injury Liability, Property Damage, Contractual Liability, and Products coverage with limits of \$2,000,000 per occurrence and \$5,000,000 in the aggregate; Automobile Insurance, covering for all owned, non-owned and hired vehicles, the minimum liability coverage shall be \$2,000,000 per accident or occurrence; Liquor Liability Insurance in an amount not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate. Such insurance shall be primary and not be subject to any deductible or self-insured retention. Such liquor liability insurance policy shall provide primary coverage as to liability arising in connection with the sale and consumption of wine, liquor and other intoxicating beverages at the Facility or via beverage cart service and shall name City and EDA as additional insureds.

6.6 Owner shall obtain and maintain at all times during the term of this Agreement the following insurance:

(a) comprehensive general liability policy, naming Clubhouse Services Manager as an Additional Insured, with aggregate policy limits of at least \$2,000,000 per occurrence and \$5,000,000 in the aggregate. Each such insurance policy will name D'Amico or Owner, as the case may be, as an additional insured; and

(b) a policy of casualty insurance insuring all buildings and other improvements in the Facility insured against loss due to fire, flood or any other cause normally covered by standard broad form property insurance on an estimated replacement cost basis.

6.7 Any insurance required to be maintained by either party may be carried under a blanket policy and shall be obtained from insurance companies or a Municipal Insurance Trust duly authorized to conduct insurance business in Minnesota. Certificates of Insurance naming the EDA, and the Clubhouse Services Manager together with their respective officials, employees, agents and assigns as Additional Insureds on all general liability policies shall be provided by the party responsible to carry such insurance to the other party prior to the Effective Date of this Agreement and the Clubhouse Services Manager's commencement of any operations hereunder at the Facility, and renewal certificates shall be provided to such other party throughout the term of this Agreement so that the required insurance coverage's described herein are shown to be in effect during the term of this Agreement. The party required to carry such insurance shall give written notice to the other party at least 30 days before the effective date of any cancellation or modification which reduces the coverage provided below the amounts required herein.

6.8 Notwithstanding the foregoing, with respect to liability for fire, explosion, or other casualty or risks for which the parties maintain, or are required to maintain, insurance coverage hereunder, EDA and Clubhouse Services Manager each hereby waives and releases its rights and claims, and the rights and claims of its subsidiaries

and affiliates, to recover from the other party hereto and its subsidiaries and affiliates for personal injury, death, or loss or damage to the Facility or to equipment, improvements and other property of every kind and description, unless caused by the willful misconduct of either the EDA's or Clubhouse Services Manager's employees or agents. This clause shall survive termination of this Agreement.

6.9 The indemnity obligations of the Clubhouse Services Manager and EDA under this Section 6 shall continue beyond the termination, cancellation, or expiration of this Agreement.

## 7. **Commencement; Termination; Default; Remedies.**

7.1 The term (the "Term") of this Agreement shall commence on January 1, 2019 (the "Effective Date") and remain in full force and effect until December 31, 2025 (the "Expiration Date"), unless terminated earlier or extended as provided herein. Provided that (i) this Agreement has not been terminated earlier in accordance with its terms and (ii) that in the penultimate year of the then-current Term or Extended Term, as applicable, EDA realizes Net Income of at least \$200,000 after payments of all costs of the Facility required to be paid by EDA pursuant to this Agreement, including without limitation, any reimbursements to the Clubhouse Services Manager pursuant to Sections 5.3, 5.4, and 5.5 hereof, this Agreement may be extended, upon written notification from the Clubhouse Services Manager delivered to the EDA (an "Extension Notice") at least ten (10) months prior to the Expiration Date (or the end of the Extended Term, as applicable), for two (2) consecutive five (5) year periods commencing the day after the Expiration Date (each such five year extension shall be referred to as an "Extended Term"). Each Extended Term shall be governed by the same terms and conditions contained in this Agreement, unless otherwise agreed to in writing by the EDA and Clubhouse Services Manager. If the Term or an Extended Term is not extended as provided in this Section 7.1, this Agreement or Extended Term thereof and all rights and interests therein, shall immediately terminate at 11:59 p.m. Central time on the Expiration Date or last day of an Extended Term, as the case may be.

7.2 Formal Review by EDA. Notwithstanding anything contained herein to the contrary, upon receipt of an Extension Notice from Clubhouse Services Manager, EDA shall have the right to conduct a review of the performance of Clubhouse Services Manager under this Agreement. In the event that EDA determines that the performance of Clubhouse Services Manager hereunder is unsatisfactory in any material respect, EDA may provide written notice thereof to Clubhouse Services Manager no more than thirty (30) days after the date of the applicable Extension Notice (an "EDA Performance Notice"), stating with reasonable specificity the nature and basis for EDA's complaints with respect to the performance of Clubhouse Services Manager hereunder. Clubhouse Services Manager shall then have a period of ninety (90) days to address the complaints set forth in the EDA Performance Notice and shall, within such 90-day period, provide a written report to EDA stating the steps taken by Clubhouse Services Manager to address such complaints. If the EDA is not then satisfied, in its reasonable discretion, with the steps taken by Clubhouse Services Manager to address the EDA complaints noted in the EDA Performance Notice, EDA may elect, by written notice to Clubhouse Services Manager given at least one hundred fifty (150) days prior to the expiration date of the then current term hereof, to terminate this Agreement effective as of the expiration date of the then current term hereof, and Clubhouse Services Manager shall have no further right to extend the term hereof under Section

7.1 above. If EDA does not so terminate this Agreement within the time period specified in the preceding sentence, then the Extension Notice shall be valid and the Term hereof shall be conclusively deemed extended for the applicable Extended Term.

7.3 Default by Clubhouse Services Manager and Remedies of EDA.

(a) “Clubhouse Services Manager’s Default” shall include but not be limited to:

(i) The failure of Clubhouse Services Manager to make any payment of Accounting Period Payments, or any other payment to EDA as required in this Agreement for a period of fifteen (15) days after written notice of non-payment; or

(ii) The failure of Clubhouse Services Manager to perform any other obligation, duty or covenant contained in this Agreement for a period of thirty (30) days after written notice from EDA specifying in reasonable detail the nature of the default (a “Default Notice”) (or if such failure cannot reasonably be cured within said thirty (30) days, then Clubhouse Services Manager shall have such additional time to cure such default, not to exceed an additional sixty (60) days, so long as Clubhouse Services Manager initiates efforts to cure such default within said thirty (30) days and thereafter diligently and continuously proceeds to cure same)

(iii) Clubhouse Services Manager’s voluntary abandonment of any portion of the Facility, except as agreed to in writing by EDA; or

(iv) The failure of Clubhouse Services Manager to secure all material necessary decrees, acts, orders, consents, licenses, certificates, and/or permits and insurance necessary to perform the Services for a period of five (5) days after a Default Notice; or

(v) The failure of Clubhouse Services Manager to meet the Minimum Quality Standards (as defined in Section 2.3 hereof), for a period of thirty (30) days after a Default Notice; or

(vi) The failure to provide customer service scores of third party secret shoppers of at least 80 within a period of thirty (30) days after a Default Notice; or

(vii) The failure to provide Services in manner reasonably acceptable to the EDA to support the City’s golf operations and the operations of the St. Andrews Club (“SAC”), for a period of thirty (30) days after a Default Notice; or

(viii) The filing by Clubhouse Services Manager of a voluntary petition in bankruptcy or insolvency, or a petition for reorganization; or

(ix) The consent to an involuntary petition in bankruptcy or the failure to vacate within ninety (90) calendar days from the date of entry thereof any order approving an involuntary petition by Clubhouse Services Manager; or

(x) The entry of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, which adjudicates Clubhouse Services Manager as bankrupt or insolvent or approves a petition seeking reorganization, or appoints a receiver, trustee or liquidator of all or a substantial part of such party's assets, and such order, judgment or decree continues unstated and in effect for any period of one hundred twenty (120) consecutive days.

(b) if EDA elects, in its sole and absolute discretion, the EDA may terminate this Agreement and/or exercise any other right or remedy available at law or in equity, upon Clubhouse Services Manager's Default, if Clubhouse Services Manager fails to cure the same as follows:

(i) if such Clubhouse Services Manager's Default is the result of Clubhouse Services Manager's failure to perform any term, condition or obligation of this Agreement that has resulted, or is likely to result, in immediate serious injury or illness, or any material health, food safety or safety violation, security issue or other similar exigent circumstance (each, an "Exigent Circumstance"), then Clubhouse Services Manager shall have forty-eight (48) hours to cure said failure (or if same cannot be cured within said forty-eight (48) hours, Clubhouse Services Manager shall commence to cure same within said forty-eight (48) hours and shall diligently and continuously proceed to cure same); or,

(ii) in all other Clubhouse Service Manager's Defaults, Clubhouse Services Manager diligently and continuously proceed to cure the same within the period specified in clause (a) above.

(iii) If Clubhouse Services Manager shall timely cure Clubhouse Services Manager's Default as herein provided, then the Default Notice shall automatically be deemed null and void and of no further force and effect. Notwithstanding anything contained in this Agreement to the contrary, Clubhouse Services Manager's Default shall not release EDA from payment of any amount due to Clubhouse Services Manager hereunder, provided, however, that EDA may offset any payment or other amounts due EDA from Clubhouse Services Manager hereunder against any such amount due Clubhouse Services Manager hereunder.

7.4 Upon termination of this Agreement due to a Clubhouse Services Manager's Default. Clubhouse Services Manager will be paid by EDA for all service actually, timely, and faithfully rendered up to the date of termination less any amount then due hereunder from Clubhouse Services Manager to EDA.

7.5 At least ninety (90) days prior to the expiration or earlier termination of this Agreement pursuant to the terms hereof, Clubhouse Services Manager shall deliver to the EDA a final accounting in form and level of detail satisfactory to both Clubhouse Services Manager and the EDA for the purpose of winding-up the affairs of Clubhouse Services Manager with respect to the Facility. Such final accounting shall be subject to subsequent adjustments for transactions that are not fully consummated as of the date of such final accounting. All Facility payables and receivables affected during the Term of the Agreement shall be the obligation/property of

Clubhouse Services Manager. All cash on the books of the Facility, after paying any portion of the Management Fee due and payable to the Clubhouse Services Manager, shall be the EDA's property. As further provided in Section 4.4, the EDA shall be permitted, in its sole discretion, to purchase any or all equipment and/or inventory owned by the Clubhouse Services Manager as of the expiration or earlier termination of this Agreement at a price equal to its fair market value as mutually agreed by EDA and Clubhouse Services Manager. All booking records and advance deposits received by the Clubhouse Services Manager with respect to weddings, banquets, private parties, etc. and all dues received by the Clubhouse Services Manager from the St. Andrews Club or similar clubs for any date or period subsequent to the expiration or termination of this Agreement shall be transferred to the EDA if and so long as the EDA releases the Clubhouse Services Manager from providing Services in connection with such event(s).

7.6 Default by EDA. Clubhouse Services Manager shall have the right to terminate this Agreement, and/or exercise any other right or remedy available at law or in equity, in the event that EDA fails to remedy any EDA's Default as defined below within the specified cure period. A default by EDA (an "EDA's Default") shall be limited to (i) EDA's failure to pay any sum payable to Clubhouse Services Manager under this Agreement within fifteen (15) calendar days after written notice from Clubhouse Services Manager specifying in detail the nature of the default, (ii) the failure of EDA to perform any other obligation, duty or covenant contained in this Agreement for a period of thirty (30) days after written notice from Operation (or if EDA's Default cannot reasonably be cured within said thirty (30) days, then EDA shall have such additional time to cure such default, not to exceed an additional sixty (60) days, so long as EDA initiates efforts to cure such default within said thirty (30) days and thereafter diligently and continuously proceeds to cure same); or (ii) the filing of any petition or claim for relief by or against EDA under any federal or state laws relating to bankruptcy or insolvency. However, if EDA cures EDA's Default within the applicable cure period, then any termination notice shall automatically be deemed null and void and of no further force and effect.

7.7 In the event either party initiates litigation arising out of or relating to this Agreement, the prevailing party in such litigation (i.e. the party whose position is substantially upheld) shall be entitled to reimbursement from the non-prevailing party of all costs and expenses, including without limitation reasonable attorney's fees, paid or incurred by the prevailing party in connection therewith.

7.8 Notwithstanding the foregoing, the parties agree to mediate to attempt to resolve any dispute that arises about the terms or conditions of this Agreement. Either party requesting mediation must do so in writing, and the mediation will be conducted pursuant to the Minnesota Civil Mediation Act. (Minnesota Statutes, Sections 572.31-572.30) The mediator will be mutually agreed upon by the parties. If the parties cannot resolve the dispute by mediation within 60 days after a request for mediation has been made, either party may then seek any other available legal remedy.

8. **Independent Contractor Relationship.**

It is understood and agreed by the parties hereto that an independent contractor relationship is established under the terms and conditions of this Agreement and that Clubhouse Services Manager and the employees of Clubhouse Services Manager are not nor shall they be deemed to be employees of the EDA, and that employees of EDA are not, nor shall they be deemed to be, employees of the Clubhouse Services Manager. Neither party has the authority to bind or obligate the other except with the express written consent of the other first had and obtained.

9. **Excused Performance**

In case the performance of any of the terms or provisions of this Agreement (other than the payment of monies) shall be frustrated, delayed or prevented because of compliance with any law, decree or order of any governmental agency or authority, or because of riots, war, public disturbances, strikes, lockouts, differences with workman, fires, floods, acts of God, or any other reason whatsoever which is not within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence said party is unable to prevent, the party whose performance is interfered with may at its option, suspend the performance of its obligations hereunder (other than the payment of monies) during the period such interference continues and for no longer.

10. **Representations and Warranties**

All the parties hereto represent and warrant each to the other that they have the respective right and authority to enter into this Agreement and perform the obligations set forth herein. The parties acknowledge that this Agreement constitutes a legal, valid, and binding obligation in accordance with its terms.

11. **Trade Names, Trademarks and Systems**

11.1 All Clubhouse Services Manager's trade names, proprietary information or property (such as menus and recipes and systems), acquired or developed independently of the Facility, are exclusively the property of the Clubhouse Services Manager. No provision of this Agreement and no right or remedy of EDA hereunder shall confer upon EDA, or any transferee, assignee, or successor of EDA, or any person, firm, or corporation claiming by or through EDA, the right to use, rent, lease, license, transfer, reproduce, network, display, or distribute any such Clubhouse Services Manager's trade names, proprietary information or property or systems or use any such Clubhouse Services Manager's trade names in the use and operation of the Facility, and EDA shall have no right to use such systems or the Clubhouse Services Manager's trade names.

11.2 EDA's trade names, including but not limited to the restaurant/bar name and any other trade names acquired or developed in connection with the Facility, are exclusively the property of EDA. No provision of this Agreement and no right or remedy of the Clubhouse Services Manager hereunder shall confer upon the Clubhouse Services Manager, or any transferee, assignee, or successor of the Clubhouse Services Manager, or any person, firm, or corporation claiming by or through the Clubhouse Services Manager, the right to use, rent, lease, license, transfer, reproduce, network, display, or distribute any such EDA's trade names or use any such

EDA's trade names other than in connection with operation of the Facility pursuant to this Agreement.

11.3 Either party shall be entitled to enforce its rights under this paragraph by actions for damages or relief by injunction and by the pursuit of any other right or remedy available to the party at law or equity. This provision shall survive the termination of this Agreement, and EDA shall be obligated to remove all use of the Clubhouse Services Manager's trade names from the Facility premises within fifteen (15) days after the termination of this Agreement. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between EDA and the Clubhouse Services Manager.

11.4 Clubhouse Services Manager shall have the right, but not the obligation, to identify itself as manager of the Facility on any and all websites, advertisements and other materials used in connection with the Facility and the business of the Clubhouse Services Manager and any of its Affiliates, and to post such signs, after approval of the EDA, or its designee, in the lobby or other exterior or interior locations of the Facility as it may desire to so identify itself.

12. **Transfer of Existing Catering Contracts and Related Deposits.**

EDA will assist the Clubhouse Services Manager with the coordination of an orderly transfer of all existing contracts and deposits for events at the Facility after January 1, 2019, from the preceding operator to the Clubhouse Services Manager.

13. **St. Andrews Club ("SAC").**

The SAC is a unique private club-like experience within a public golf course, setting Edinburgh USA Golf Course apart from other public golf courses. EDA and Clubhouse Services Manager agree to determine the most effective method for operating the SAC to continue to realize the revenue of such a club that benefits both the Clubhouse and the golf course operations. SAC Members need to be able to charge to their accounts and get billed monthly in order to maintain a private club feel. Clubhouse Services Manager represents that it has the ability to set up accounts and provide statements accordingly. Any Services to be provided by the Clubhouse Services Manager will be addressed in an addendum to this Agreement which shall incorporate the parameters set forth in **Exhibit B**.

14. **Notices.** All notices and other communications required or permitted return receipt requested, or by recognized overnight delivery service to be given hereunder shall be in writing and shall be delivered by registered or certified mail, addressed as follows (or to such other address as either party may designate by notice in accordance with the provisions of this Section 14):

14.1 If to EDA:

City of Brooklyn Park  
Attention: EDA Executive Director  
5200 85th Avenue North  
Brooklyn Park, MN 55443

With copy to City Attorney:

Kennedy & Graven, Chartered  
470 U.S. Bank Plaza  
200 South 6th Street  
Minneapolis, MN 55402

14.2 If to Clubhouse Services Manager:

D'Amico Catering, LLC  
Attention: Paul Smith, CFO  
211 North First Street, Suite 175  
Minneapolis, Minnesota 55401

With a copy to:  
Winthrop & Weinstine, P.A.  
225 South Sixth Street, Suite 3500  
Minneapolis, MN 55402  
Attention: Thomas M. Hart

Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery, (b) on the date upon which the return receipt is signed or delivery is refused, or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

15. **Assignment or Transfer By or Change in Owner**

15.1 EDA may sell, lease, or otherwise transfer or assign, during the Term of this Agreement, the Edinburgh USA Clubhouse, including without limitation the Facility or any interest in Facility without the prior consent of Clubhouse Services Manager, but EDA shall give Clubhouse Services Manager notice of any such action at least ninety (90) days prior to any such sale, lease, transfer or assignment.

15.2 In the event of a sale, lease, or other assignment or transfer of the Facility, or sale or transfer of more than a fifty percent (50%) interest in the Facility to any person, firm, or corporation other than a person, firm, or corporation owning more than a fifty-percent (50%) interest in the Facility on the date of this Agreement, and, if in connection therewith Clubhouse Services Manager is requested to make any computer, bookkeeping, accounting, tax, or other changes, entries, transfers, prorations, adjustments, or calculations in connection therewith that are above and beyond the activities normally provided by the Clubhouse Services Manager to the EDA pursuant to this Agreement, the reasonable and necessary costs of the Clubhouse Services Manager in making same shall be paid by the EDA and/or the other parties to the assignment or transfer, all of which or whom shall be jointly and severally responsible therefor.

In addition, any reasonable and necessary cost for establishing the books and records of the Facility for the benefit of the assignee or transferee shall be paid to the Clubhouse Services Manager by the assignee or transferee. If the assignee or transferee refuses to make such payment, it shall remain a responsibility of the EDA.

16. **Miscellaneous.**

This Agreement shall be governed and construed and enforced in accordance with the laws of the State of Minnesota. Any legal action, suit or proceeding brought by either EDA or Clubhouse Services Manager in any way related to or arising out of this Agreement shall be brought in the District Court in and for Hennepin County in the State of Minnesota, and each party hereby accepts and submits to the jurisdiction of such state courts with respect to any such action, suit or proceeding brought by or against such party. Each party hereto waives any objection to the venue for any such action, suit or proceeding being in such state courts. This Agreement sets forth the entire agreement and understanding of the parties in respect to the transactions contemplated hereby and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof. Each party shall execute, acknowledge, or verify and deliver any and all documents necessary from time to time to carry out the purposes and intent of the Agreement. The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of the breach of any term contained in this Agreement, whether by conduct or otherwise in any one or more instances, shall be deemed to be construed as a further or continuing waiver of any such condition or breach of any such term or waiver of any other condition or breach of any other term of this Agreement. This Agreement may be amended, modified, superseded or canceled and any of the terms and conditions hereof may be waived, only by a written instrument executed by EDA and Clubhouse Services Manager or in the case of a waiver, by the party waiving compliance. No consent or approval required or requested of either party hereunder shall be unreasonably withheld, delayed or conditioned.

17. **Tax Exempt Property**

The Edinburgh USA Clubhouse premises are exempt from property taxation and the EDA and the Clubhouse Services Manager agree that it is their intent to operate the Facility in a manner which preserves the property tax-exempt status of the Edinburgh USA Clubhouse premises. Clubhouse Services Manager acknowledges that the construction, renovation and/or equipping of the Facility may be financed in whole or in part with tax-exempt bonds. In the event that it is determined by proper state or federal tax authorities, whether by formal or informal ruling, or by formal written opinion of the EDA's bond counsel, that any provision[s] of this Agreement, would, if not amended or removed, render such bonds issued by the EDA and/or any other public body, or the Edinburgh USA Clubhouse premises, taxable, such provision[s] shall be null and void.

18. **Public Data**


Clubhouse Services Manager acknowledges and agrees that this Agreement and all information and referenced herein are subject to Chapter 13 of the Minnesota Statutes (Minnesota Government Data Practices Act) as well as any other applicable federal, state, and local laws or ordinances, and all applicable rules and regulations, and standards established by any agency of such governmental units which are now or hereafter promulgated and thus this Agreement and all or a portion of such information and documents may be considered public data thereby.

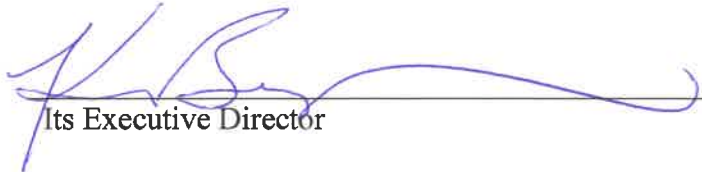
19. **Public Bidding Requirements.**

To the extent that statutory public bidding or public procurement and purchasing requirements apply to any matter or improvement to the Facility contemplated hereunder, the parties agree to cooperate with one another in good faith and diligently with respect to compliance with such public bidding or public procurement and purchasing requirements.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

BROOKLYN PARK ECONOMIC DEVELOPMENT  
AUTHORITY

By:   
Its President

  
Its Executive Director

D'AMICO CATERING, LLC

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

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

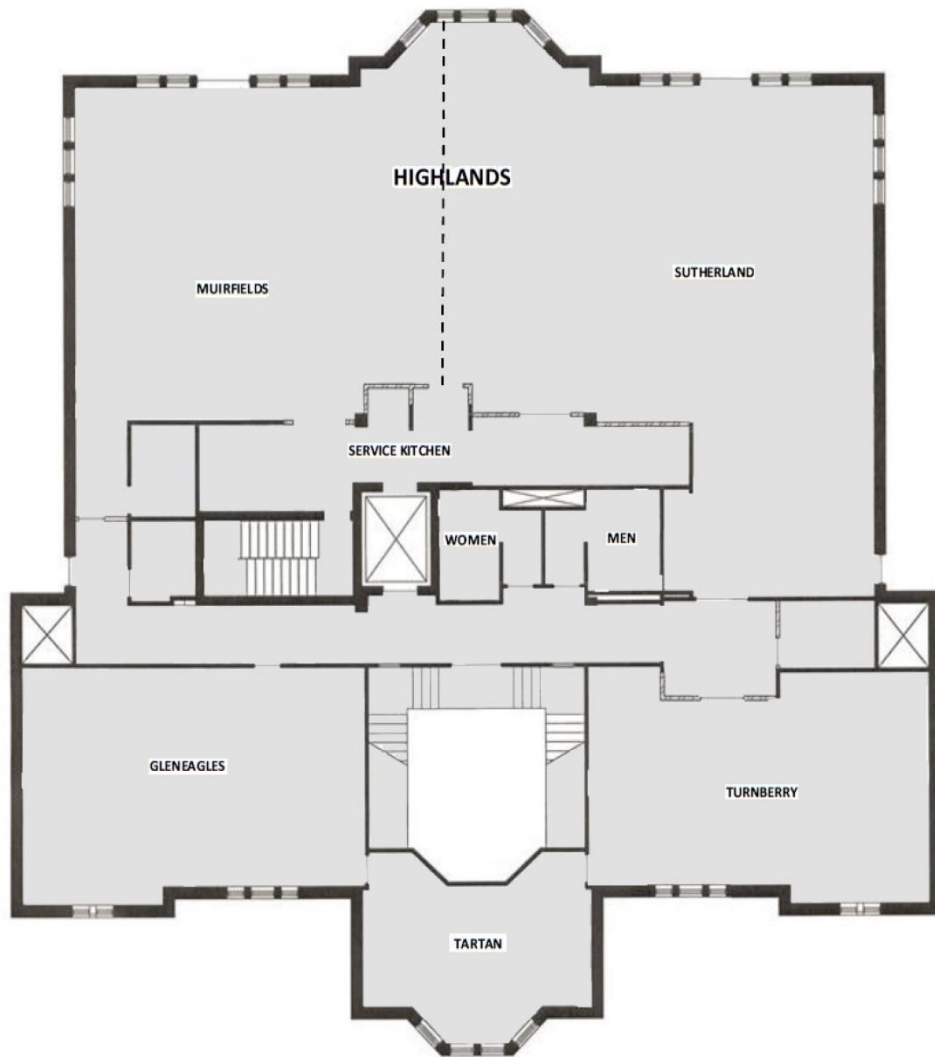
Its: \_\_\_\_\_

Treasurer

**Exhibit A**  
**Depiction of Facility**

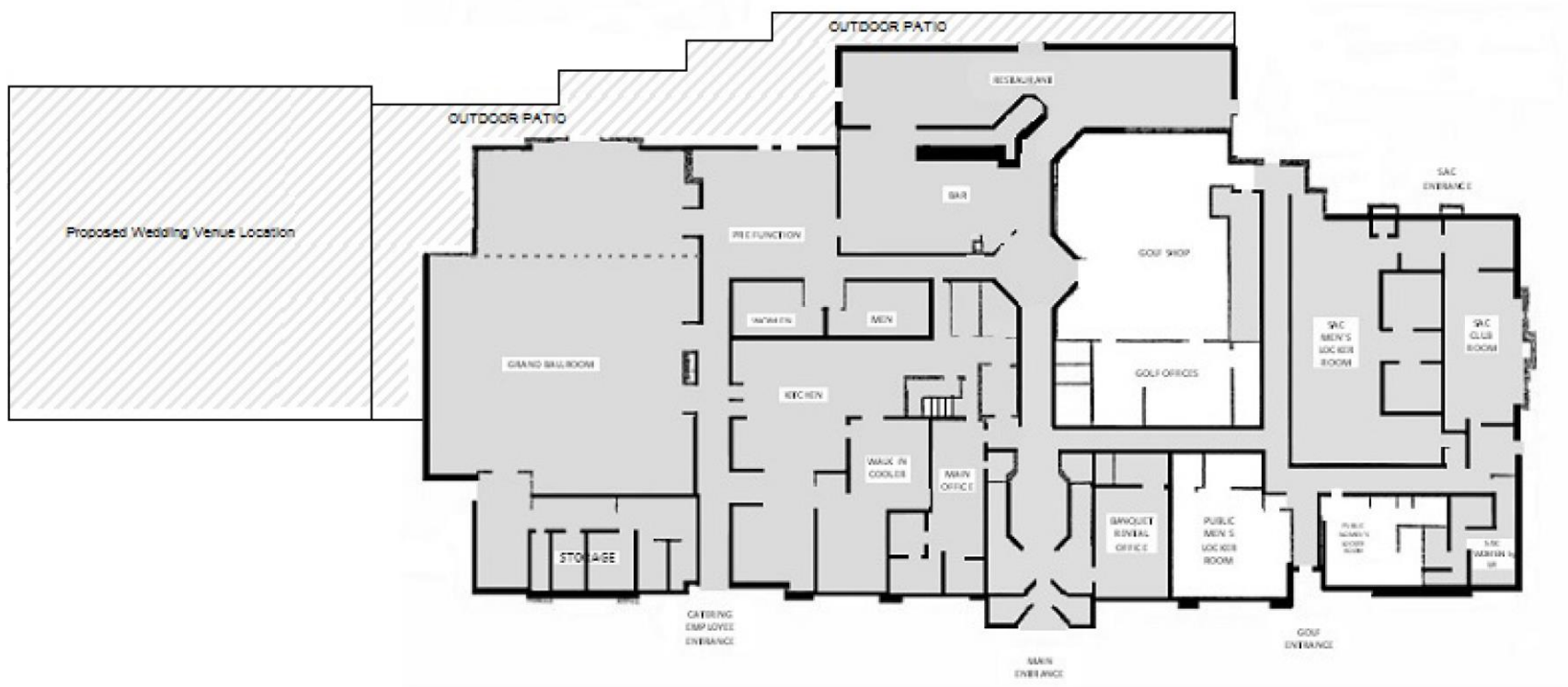
**EDINBURGH CLUBHOUSE  
UPPER LEVEL FLOOR PLAN**

Clubhouse Facilities   
Golf Facilities 



### EDINBURGH USA LOWER LEVEL FLOOR PLAN

Clubhouse Facilities   
Golf Facilities 



## **Exhibit B**

### **Golf Course Operation**

1. The City will allow golf outings meeting the following criteria:
  - a. Morning shotgun events: Minimum 80 players; Maximum 100 players; Tee time 7:30 a.m.
  - b. Afternoon shotgun events: Minimum 100 players; Maximum 144 players; Tee time 1:30 p.m.
  - c. Straight tee time events: Minimum 16 players; maximum 56 players; Tee time 7:00 a.m. to 4:00 p.m.
  - d. The morning and afternoon shotgun events will typically be scheduled for Mondays and Tuesdays. Straight tee time events will be typically be held on Monday, Tuesdays and Fridays.
  - e. Double tee events could be held on Thursdays from 11:39am – 1:18pm with a maximum of 72 players.
2. The procedure for booking and scheduling corporate golf outings will be handled as follows:
  - a. Corporate outings will initially be booked and scheduled by Clubhouse Manager's catering office. The catering office will be responsible for drafting a contract that will be forwarded to the golf professional for final approval (which approval shall be limited to matters relating to the golf event).
  - b. The catering office will ensure that the outing meets the parameters set forth by the golf operations staff with respect to the golf event, including provision of and charges for range balls, on course golf events (such as closest to the hole or longest drive), pro shop credits per participant, or tournament scoring. Deviating from these parameters with respect to the golf event will fall under the sole discretion of the golf professional.
  - c. The catering office will be responsible for sending the contract to the corporate outing headquarters. At this point, the contract will be signed by a representative of Manager and by the golf professional staff.
  - d. The contract will state the exact package price that the customer will be responsible for, the number of players in the outing, and a list of the tee times the outing has been booked for by the golf professional staff.

- e. The following are the general responsibilities of Manager and the City in coordinating these outings:

Manager

- Initial contact and scheduling of any outing
- Provide food and beverage to the outing under the agreement of the contract
- Book room(s) to host any banquets or meetings the customer desires
- Provide tables, chairs, skirting for the registration of golfers as they arrive
- Collect deposit, provide invoice and collect the final bill.
- Remit final payment to the City contemporaneously with the payment to the EDA for the current Accounting Period in which the applicable event was held.
- Work with golf staff to provide the customer with a first-class golf and dining experience.

City

- Schedule the outing in appropriate tee sheets/computers to ensure that enough tee times are reserved for the outing
- Establish a records folder for each outing
- Provide professional scorecards, score sheets, cart signs, markers on course that indicate the quality of a first-class event
- Score the tournament for the customer, if requested
- Provide customer with agreed upon gift certificates in the denominations that customer requests
- Ordering extra golf carts that the outing may require
- Work with the Manager's staff to provide the customer with a first-class golf and dining experience.
- If requested by Manager, the City shall assist Manager in its collection efforts if customer fails to timely remit the payment of an invoice.

- f. When approached to deviate from the foregoing parameters, the City should consider many factors before deciding. These may include the use of the facility by residents and non-residents alike, as stated the City's mission statement, the recent availability of the golf course; time of year; time of day; the overall revenue outlook for the year; and the best interest of Manager.

3. The EDA will permit a Membership Golf Club sanctioned by Manager, such as the St. Andrews Club, to block a maximum of 40 tee times on Wednesdays. The EDA will allow

such club to host, in the aggregate, up to 8 weekend tournaments during the golf season, provided each such tournament has a maximum of 120 players.

4. The Manager will employ a director to efficiently manage and promote the Membership Golf Club to the standards of a private club, such as: (i) allowing St. Andrews Club members to charge to their SAC accounts and get billed monthly, (ii) allowing members to have access to the locker room serving the St. Andrews Club and (iii) working with the golf staff with respect to any golf events which are limited to members of the St. Andrews Club. The Manager will work with the golf staff to ensure the highest quality of Club golf events.
5. The Manager will be responsible for the operation of the Member Services Room to store golf bags, repair equipment and provide customary steward services for Club members. Steward services may also be provided to public golfers as requested.

## Exhibit C

### Minimum Food and Beverage Quality Standards

The products provided or made available at the Facility pursuant to this Agreement are registered, if required, and will not be distributed, sold or priced by Clubhouse Services Manager in violation of any applicable federal, state or local law. Clubhouse Services Manager represents and warrants that as of the date of delivery to the Facility, no product will be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act (in effect from time to time), and will not violate or cause a violation of any applicable law, ordinance, rule, regulation or order. Clubhouse Services Manager agrees it will comply with all applicable Good Manufacturing Practices and Standards, including, but not limited to, those contained in 21 C.F.R. Parts 210, 211, 225, 226, 600, 606, 610, 640, 660, 680 and 820 Act (in effect from time to time). Consumable products specifications shall meet or exceed the following minimum food product specifications:

Meat, meat products, poultry and poultry products shall be slaughtered, processed, manufactured and packed in plants operated under a USDA inspection program and bearing the appropriate seal. Frozen fish, shellfish, crustacean products or further processed products of these kinds shall be from a nationally recognized brand packed under continuous USDA and FDA inspection. Fresh seafood, shellfish, and crustacean in its whole and/or processed form shall be processed and packed from a continuously inspected USDA and FDA supplier. Minimum grading requirements are as follows:

(a) Beef, Lamb and Veal	USDA Choice or better
(b) Ground Beef	100% Beef, maximum 20% Fat
(c) Pork	USDA Grade No. 1
(d) Poultry	USDA Grade A
(e) Seafood	Highest product quality attributes
(f) Provisions and Products	Variety USDA Grade No. 1
(g) Sausage Products	Federal, state and local inspected plants, Grade No. 1

Milk, butter (92 score) and cheese products shall be USDA Grade A.

Eggs shall be USDA or state Grade A, size large.

Fresh fruits and vegetables shall be USDA Fancy to Grade No. 1.

Frozen, dry stored and canned fruit and vegetables shall be USDA Grade A Fancy.

## Exhibit D

### Core Values

# Mission, Values and Goals

## Mission statement

Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

## Core operational values

Ability to work within the city's values system where individuals are valued and respected for their unique differences, experiences, skills and knowledge.

### Inclusion

We value all people and diverse ideas.

- Cultural competency
- Address economic, geographic and racial inequities
- Include the people affected in decision-making
- Engagement is part of our DNA

### Partnership

We build trusting partnerships.

- Teamwork
- Working within and between departments
- Partnering with residents and community stakeholders
- Open and honest communication

### Accountability

We are accountable for our actions and results.

- Ethical decisions
- Personal and professional responsibility
- Responsible stewardship of the community's resources
- Excellent service and results

### Learning

We learn and improve each day.

- Continuous improvement and innovation
- Opportunities for learning and training
- Thriving employee culture and learning environment
- Professional and personal growth

## Brooklyn Park 2025 goals

Ability to work toward a set of goals to further strengthen and grow the community.

### United community

A united and welcoming community strengthened by our diversity.

**Beautiful places**

Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination.

**Thriving economy**

A balanced economic environment that empowers businesses and people to thrive.

**Healthy and safe people**

People of all ages have what they need to feel healthy and safe.

**Increased equity**

Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper.

**Effective, engaging government**

Effective and engaging government recognized as a leader.

**Exhibit E**

**Sample Form of Monthly Report**

## Exhibit F

### Asset and Equipment Ownership List

**DRAFT FORM**

**Inventory of property owned by EDA (to be verified)**

#	Item	Count	Location
1	Ballroom	3	Chandeliers
2	Ballroom	9	Sconces
3	Ballroom	1	Moveable dividing wall
4	Ballroom	1	Track Lights
5	Loading Dock	1	Dock Heater
6	Loading Dock	1	Garage Door
8	Back Hallway	1	Drinking Fountain
10	Main Kitchen	1	Sink by Steamer
11	Main Kitchen	1	Single hand sink by ovens
12	Main Kitchen	1	Hand sink by banquet coffee machines
13	Main Kitchen	1	Sink and Water hose by banquet coffee
14	Main Kitchen	1	Triple sink in dish room
16	Main Kitchen	1	Dish area counter
17	Main Kitchen	1	"L" shaped table and double sink in banq
19	Main Kitchen	1	Walk-in cooler and freezer
20	Main Kitchen	1	Beer walk-in
21	Downstairs pre-function	3	Wall Sconces
22	Men's public restrooms - 1st floor	1	Double Sink
23	Men's public restrooms - 1st floor	3	Urinals
24	Men's public restrooms - 1st floor	2	Toilers
25	Ladies public restrooms - 1st floor	1	Double sink
26	Ladies public restrooms - 1st floor	4	Toilets and Stalls
27	Employee restrooms	2	Sinks
28	Employee restrooms	2	Toilets
29	Lobby	5	Sconces
30	Lobby	1	Chandelier
31	Restaurant's	6	Hanging lights
32	Restaurant's	2	Wall Sconces
33	Restaurant's	1	Track Lighting
34	Restaurant's	6	Ceiling Fans
36	Restaurant's	1	Single sink behind bar
38	Restaurant's	1	"L" shaped table behind bar
39	Restaurant's	2	Sinks
40	Restaurant's Kitchen	1	Sink and table by coffee urns
41	Restaurant's Kitchen	1	Counter in Server stations
42	Restaurant's Kitchen	2	Hand sinks
43	Men's public restroom - 2nd floor	1	Double Sink
44	Men's public restroom - 2nd floor	1	Toilet and stall

45	Men's public restroom - 2nd floor	2	Urinals
46	Ladies public restroom - 2nd floor	2	Toilets and Stalls
47	Ladies public restroom - 2nd floor	1	Double Sink
48	Muirfields	6	Sconces
49	Upstairs Kitchen	1	Hand Sink
50	Upstairs Kitchen	1	"L" shaped table with sink
51	Private Locker Rooms	9	Showers
52	Private Locker Rooms	1	Drinking Fountain
53	Private Locker Rooms	1	Sauna
54	Private Locker Rooms	3	Urinals
55	Private Locker Rooms	4	Toilets
56	Private Locker Rooms	5	Sinks
57	Public Locker Rooms	6	Sinks
58	Public Locker Rooms	2	Urinals
59	Public Locker Rooms	4	Toilets
60	Back Hallway	4	Water Heaters
61	Water Room	1	Water Softener
62	Maint. Office	1	Water Softener

**Inventory of property owned by D'Amicos**

#	Item	Count	Location
TO BE COMPLETED			

**Inventory of property acquired by EDA in 2018 to be purchased by D'Amico**

#	Item	Count	Location
TO BE COMPLETED			



## MEMORANDUM

**DATE:** June 13, 2024

**TO:** EDA Commissioners

**FROM:** Jay Stroebel, EDA Interim Executive Director  
Michelle Basham, Economic Development and Housing Director

**SUBJECT:** EDA Status Update

### Overview

This memo provides an update to the Brooklyn Park Economic Development Authority (EDA) and serves to keep interested community members informed.

### BIOTECH DISTRICT:



We have had some promising conversations, including with UEL and the Mix, regarding the Brooklyn Park BioTech District and we are in the early stages of mapping out a project plan to identify the primary goals for the district and strategies to achieve these goals. In addition, Michelle Basham, Economic Development and Housing Director, attended the BioTech Conference in San Diego in early June and made several promising connections in addition to Brooklyn Park co-hosting a booth with DEED at the conference.

### NORTHWEST TOURISM BOARD

In the 1980's, Brooklyn Park entered into an agreement to join the Northwest Tourism Board. In January of 2021, Maple Grove voted to remove themselves from Minneapolis NW Tourism and in response, in June of 2021, Brooklyn Park and Brooklyn Center retained a consultant to evaluate their options going forward. In early 2023, the consultant recommended continuing with the Minneapolis NW Tourism organizational structure subject to some conditions including greater

autonomy with board positions. Most of the organization's operating budget comes from the discretionary lodging tax levied by the two member cities.

The NW Tourism Board has recently launched a search for its next Executive Director with the retained services of SearchWide Global. Michelle Basham is serving as the search committee chair and five strong candidates have been identified to move forward with. We hope to complete interview and be able to announce our new executive director by mid to late July.

## **BUSINESS DEVELOPMENT**

### **Small Business Center (SBC)**

Brooklyn Park, in partnership with Elevate Hennepin, and community stakeholders, is gearing up to launch its next CEO Start Cohort this September. The program will be held at the Brooklyn Park Small Business Center. This initiative provides aspiring CEOs with invaluable resources, mentorship, and networking opportunities to kickstart their entrepreneurial journey. Marketing for the program will begin May 17th with applications closing July 12th and Cohort application review and interviews taking place late July to early August (flyer attached).

In addition, we have captured in writing the mission, vision, financial and performance metrics for the SBC that will guide our ongoing work at the SBC.

### **Brooklyn Park Development Corporation (BPDC)**

An open Board Member seat has been available for the Small Business Financial Representative, offering a chance for dedicated individuals to contribute to the economic development of our community. Staff have worked to promote awareness of the open seat and those who have submitted the online application will be reviewed and notified

## **WORKFORCE DEVELOPMENT**

### **BrookLynk**



On May 23rd BrookLynk hosted its annual Supervisor Training, this training is offered annually to BrookLynk employer partners and supervisors that have committed to hosting a summer intern and was the first in person supervisor event since 2019. During the event program staff provided resources and support on how to design a meaningful summer work experience for youth, followed by a workshop led by James Cooper, owner of James Cooper Consulting a multi-service career and organization development consulting group. The training topics covered included foundations of leadership, effective communication, cultural competency, and enhancing supervisor-intern relationships. This year's event was a great success with 45 supervisors representing 29 organizations including the cities of Brooklyn Park and Brooklyn Center in attendance. Special thanks to Embassy Suites Minneapolis-North in Brooklyn Center for being this year's host.

## **Youth Entrepreneurship Program**

The Youth Entrepreneurship Program (YEP) will host the 3rd annual Shark Tank at Brooklyn Center City Hall (6301 Shingle Creek Parkway) in the Council Chambers on June 22nd from 10:00am-2:00pm.

There is still a need for volunteers for this event, if you or someone you know is a small business owner and/or has experience in business and entrepreneurship and would be interested in being a “shark” (aka judge) or is willing to support one of our youth entrepreneurs in developing their presentations for the event please contact Carmen Bibiano, Career Pathways Program Manager [carmen.bibiano@brooklynk.works](mailto:carmen.bibiano@brooklynk.works)

If you would like to attend this event, please RSVP by filling out the form linked below or contact Carmen Bibiano.

**RSVP:**<https://forms.office.com/Pages/ResponsePage.aspx?id=Y08Tvy1IVUy9Eh-zhDgCwaJwglh6-VPkEjqlpySPNVUOVg4MDRUUFFXRII4RFlyQ1hRNFVVTVRKWCQIQCN0PWcu>

## **OTHER**

### **Development Inquiries on Brooklyn Boulevard**

The EDA owns several vacant sites on Brooklyn Boulevard. While there has not been significant interest in these sites over the past two years, EDA staff have begun to receive inquiries on the status and requests for consideration of proposals. Based on previous discussions with the EDA, staff have communicated to interested developers that the EDA will only consider market rate proposals that incorporate affordability requirements that comply with the Mixed Income Housing Policy for these sites.

### **4120 85th Avenue Purchase Agreement**

This agreement, which was approved by the EDA at its April 15 meeting, was executed on Monday, April 29. There is a 90-day due diligence period followed by 45 days to close on the property. During the 90-day due diligence period staff will conduct various additional activities such as sending a notice of non-eligibility for relocation benefits to the properties on the site, completing Title work, and finalizing some analysis of the site conditions. If there are no issues identified the property is expected to close in late August/early September.

### **Storage of Materials on Old Library site (8600 Zane Ave N)**

Demolition of the library was completed on April 29. On April 30, a company called R.L. Larson began to use the site for storage of aggregate material relating to a city Community Improvement Plan (CIP) project. The parking lot will remain available for use by the Community Activity Center. R.L. Larson will restore the site at the end of its contract which expires at the end of September.

### **Rental Restrictive Covenant Policy Change**

This was a strategy adopted by the Economic Development Authority (EDA) in 1990s to promote and maintain homeownership in Brooklyn Park. All homes redeveloped by the EDA’s financial assistance have restrictive covenants recorded against the property that prohibit rental for a

period of between five to thirty years depending on the funding source of the EDA assistance program. Currently 222 homes have a 30-year restrictive covenant, and all future EDA-assisted rehabilitated homes will also have the restrictive covenant that varies between 10 to 15 years.

Due to challenges raised by homeowners with the policy, the EDA revised this policy on May 20 to allow exceptions to rental restrictive covenants subject to the following conditions:

- Two continuous years of home ownership and occupancy; and
- Major life events including change in household size, marriage, divorce, death, military deployment and financial hardship.

EDA staff is currently working on policies and procedures to implement this policy change.

### **Local Affordable Housing Aid (LAHA)**

Local Affordable Housing Aid was approved by the Minnesota State Legislature in 2023 to help metropolitan local governments develop and preserve affordable housing within their jurisdictions to keep families from losing housing and to help those experiencing homelessness find housing. The distribution of this funds to cities and other local government entities will begin in July 2024. The city of Brooklyn Park is anticipated to receive about \$942,000.

In an upcoming EDA meeting, staff will be proposing to the EDA an approach for leveraging the matching funds that will be received.

### **American Rescue Plan Act (ARPA)**

City-implemented projects in response to the pandemic are ongoing. City staff managing these contracts continue to work in various capacities with the community to alleviate the after-effects of the pandemic. Additionally, organizations awarded funding in Round 2 of the Community Partnership Program initiative are expected to begin work in April. Contracts are being finalized to ensure they meet ARPA use requirements.

## **HOUSING**

### **Home Improvement Loan Programs Update**

The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers and single-family and townhome homeowners in the community. During fiscal year 2024, the EDA allocated \$1 million for the home improvement programs administered by Center for Energy and Environment (CEE) and \$200,000 in Community Development Block Grant (CDBG) funds for the Hennepin County administered home rehab program.

Homeowner programs were redesigned in 2019 to increase the number of residents making improvements to their homes and to provide needed resources for future homebuyers. The redesigned and revamped programs have been a huge success with funds for multiple programs were expended rapidly.

About 38 loans amounting to over \$620,000 have been closed in the first quarter of 2024. The most popular programs are the down payment assistance for the first-time homebuyers, senior deferred loan for seniors, and the low interest revolving loan. During the April EDA meeting,

Commissioners approved an additional \$500,000 for the program with \$400,000 earmarked for the revolving loan and \$100,000 for the senior deferred loan programs.

## **NEW HOUSING DEVELOPMENT PROJECTS**

### **Real Estate Equities (Western Portion of 9500 Decatur Drive)**

Phase II of this project has received its final approvals with the Public Hearing approval of the bond documents at the City Council meeting on Monday, May 13. Closing is anticipated in June with construction beginning soon after. This follows the January 9 award of a tax-exempt bond allocation to Real Estate Equities (REE) from the Minnesota Office of Management and Budget (MMB). At the January 2024 EDA meeting, the EDA also approved a Tax Increment Financing (TIF) agreement for Phase II which included up to \$770,000 in TIF and \$2 million from the EDA's Housing Set Aside/TIF3 funds.

The Phase I TIF agreement was approved by the EDA in October and the bond documents were approved by the City Council on November 13. Phase I is also financed with a tax-exempt bond allocation from MMB. REE has begun construction on this phase of the project. The total amount approved for Phase I was up to \$800,000 in TIF and a \$2 million loan from the EDA's Housing Set Aside Fund.

REE's project includes two phases of workforce housing consisting of 350 units (175 in each phase) which are a mix of 1-bedroom, 2-bedroom, and 3-bedroom apartment homes. This project proposes to use income averaging and have an average affordability to families making 60% of the area median income. Five percent (5%) of the homes, or a total of 18 units, will be restricted to families making no greater than 30% AMI. The total unit mix is 77% 2-bedroom units and above with units of each size at both 30% and 60% AMI. Real Estate Equities received unanimous approval for its land use application at the Planning Commission on Wednesday, March 8, and land use approval from the City Council on April 10.

### **Tessman Ridge (6900 85th Avenue North - NHCC Site)**

The Tessman Ridge apartment community is under construction. Phase 1, which is the portion currently under construction, includes 71 units with 8 efficiency, 12 one-bedroom, 32 two-bedroom, 14 three-bedroom and 5 four-bedroom units. The EDA purchased the site at 6900 85th Avenue N from Minnesota State Colleges and Universities (MnSCU) and sold a portion of the land for the Phase I development to Duffy Development.

Duffy seeks to finance both phases of this development with Low-Income Housing Tax Credits (LIHTC) from Minnesota Housing, a \$1,185,000 LCDA-TOD grant (awarded for Phase I, intending to apply for additional funds for Phase II), Tax Increment Financing (TIF) from the EDA, and other sources. The EDA approved the term sheet to provide TIF and approve the purchase agreement with Minnesota State Colleges and Universities (Minnesota State) and North Hennepin Community College at its meeting on May 17, 2020. The EDA had solicited qualifications for the development of this vacant land in early 2020 and selected Duffy Development at that time. Additionally, there is approximately 1-acre of property held by the EDA for commercial use at the intersection of 85th Avenue N and College Parkway.

### **Village Creek Apartments (7621 Brooklyn Boulevard)**

George Group North is still working to secure its funding, which requires re-applying for a tax-exempt bond allocation and re-securing funds from the EDA. Its Development Assistance

Agreement with the EDA and a \$832,000 Livable Communities Development Grant from the Met Council expired on December 31, 2023. If this project receives state financing, the EDA could consider renewing its agreement with the developer.

The proposed Village Creek Apartments would be located on EDA-owned land at 7621 Brooklyn Boulevard. The proposal includes 83 units of mixed-income housing and a 10,000 square foot commercial component. The EDA first considered this project in 2018.

## **REHABILITATION PROJECTS**

### **Huntington Place Apartments**

Aeon's last draw request, Draw 19, was paid in March. The total amount of EDA funds spent on rehab is \$3.8M with \$1.6M remaining in the \$5.5M agreement. Most of the improvements in the past six months have been unit improvements. In January of 2025, Aeon has a payment of about 1.1M that will be due to the City. Aeon leadership has notified the City that they intend to seek approval for restructuring the loan and payment terms.

Aeon hired a new Resident Support Coordinator, Monica Habia, and quarterly meetings with residents and City staff/elected officials have been scheduled for May 21, July 16 and November 19 from 4 to 6 pm.

### **Stonybrook Housing Improvement Area HIA**

The EDA approved \$1.2 million through the Housing Improvement Area (HIA) loan program for Stonybrook Property Owners Association. The funds have been used for the replacement of all the existing roadways and driveways, mill and overlay, restriping, landscaping as well as the installation of new exterior lighting within the Homeowners Association (HOA) as per the current layout.

Located at 30084-69484 84th Court North, Stonybrook Townhomes were built in 1970s and consist of 88 buildings with 352 individually owned townhome units. Construction work on the project is currently almost completed and is expected to wrap up in the spring of 2024.

## **HOMEOWNERS' ASSOCIATIONS - HOAS**

During the October 2nd City Council work session, staff presented information regarding how the city currently interacts with Homeowners Associations (HOAs) in Brooklyn Park. At the meeting Council Members heard from staff and an HOA attorney about the challenges that exist within HOA communities. Council Members directed staff to explore various ways of working with HOAs in the community to create a sense of accountability and access to needed resources for homeowners. Based on the feedback received at the HOA meetings and the Council work session, staff developed a plan that included creating a webpage for resident to access resources located here:

<https://www.brooklynpark.org/housing/homeowner-resources/homeowners-associations/>

## **OTHER HOUSING NEWS AND UPDATES**

### **Housing Aid Distribution**

The metro wide sales tax approved by the legislature for affordable housing includes a direct allocation to Brooklyn Park of approximately \$940,000 annually as well as increased funding for County and Statewide housing programs. The EDA will consider its options for how to allocate these funds.

### **Hennepin County Down Payment Assistance Program**

The Hennepin County Housing and Redevelopment Authority (HCHRA) created and designed the Homebuyer Assistance Program to reduce racial disparities in homeownership.

Homebuyers can now qualify for assistance to make a down payment on their first home in Hennepin County. In collaboration with Hennepin County, NeighborWorks Home Partners launched a down payment assistance program for residents buying homes in Hennepin County. This program started on March 4, and is estimated to be available through 2025.

As the program administrator, NeighborWorks Home Partners will provide down payment financing to assist buyers interested in purchasing a home to have as their principal place of residence in Hennepin County.

Interested homebuyers can find more information at [NeighborWorks](#), or by contacting NeighborWorks at [hello@nwhomepartners.org](mailto:hello@nwhomepartners.org) or 651-292-8710.

The HCHRA is funding the downpayment assistance program through its first designated fund for homeownership assistance. Find more information at the [Homeownership Assistance Program page](#).

### **Minnesota Housing Finance Agency – First Generation Homebuyer Assistance**

MHFA is offering the first-generation homebuyer loan which is a deferred, interest-free, and forgivable loan. Half of the loan is forgiven after 10 years and the rest after 20. To be eligible for forgiveness, you must reside in the home through the forgiveness date.

The program offers loans up to \$35,000. Prospective buyers must be using a Start Up First Mortgage loan to buy their home to qualify for the First-Generation Homebuyer loan.

Qualifying homebuyers who have met the eligibility requirements, could also combine this program with one of the other [standard downpayment and closing cost loan options](#). If eligible, one could qualify for up to \$53,000. The funds can be used for a variety of expenses, including downpayment and closing costs.

<https://www.mnhousing.gov/homeownership/firstgen.html>

### **Housing Information**

There are several sources of data that tell the story of the need for affordable and accessible housing in the region, including:

- Key Facts on Housing 2022 (Minnesota Housing Partnership)
  - <https://mhponline.org/mhp-releases-key-facts-on-housing-2022/>
- Regional Housing Affordability Dashboard (Minneapolis Federal Reserve)
  - <https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/> - Indicators
  - <https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/> - Tracking three key goals for region

- Indicators for an Inclusive Regional Economy (disaggregated by cultural community) (Center for Economic Inclusion)  
<https://indicators.centerforeconomicinclusion.org/>
- New Hennepin County link that provides comprehensive information on housing programs, activities, and policies.  
<https://www.hennepin.us/housing/>
- 2024 State of the State's Housing Profile with Key Minnesota Findings and Trends  
[https://mhponline.org/wp-content/uploads/2024\\_State\\_Profile\\_Findings\\_FINAL.pdf](https://mhponline.org/wp-content/uploads/2024_State_Profile_Findings_FINAL.pdf)
- MARKET WATCH: Twin Cities Trends in the unsubsidized multifamily rental market (On Naturally Occurring Affordable Housing – NOAH)  
<https://www.mhponline.org/images/stories/docs/research/reports/Market-Watch-NOAH-Typology-for-7-County-Metro-v2.pdf>
- The National Association of Real Estate Brokers has released its annual State of Housing in Black America Report. A summary of the report and a link to the full report can be found here:  
<https://www.hocmn.org/blog-post/nareb-releases-2023-state-of-housing-in-black-america-report/>

### **Staff Participation in Housing Groups**

Staff participates regularly in various regional groups on the topic of housing, including:

- Anti-displacement Working Group created by the Metro Blue Line Light Rail Transit Extension (BLRT) project office and Hennepin County.
- Housing Collaborative hosted by Twin Cities Local Initiatives Support Corporation (LISC) and focused on education, info sharing, and collaboration among city staff on housing programs and policies.
- Regional Housing Policy Work Group hosted by Urban Land Institute (ULI) Minnesota.
- Government Equitable Development Community of Practice hosted by the Metropolitan Council.

### **Other Housing Policy Work Currently Underway**

- Apartment Action Plan 2.0 (2018-present)
- CURA Housing Stability study implementation
- Fair Housing Training
- Establishment of a Local Housing Trust Fund (LHTF)

### **Housing Work Recently Completed**

- Establishment of Local Housing Trust Fund (LHTF)
- CURA Housing Stability Study (2021-2022) – available at  
<https://www.cura.umn.edu/research/brooklyn-park-housing-project>
- EDA-owned former Park and Ride site at 4201 95th Avenue North
- Park Villa Housing Improvement Area (HIA) Project
- Autumn Ridge Apartments Rehabilitation
- Evergreen Elevator Project (2022)
- Sunrise Court Second HIA Project (2022)

### **Attachments:**

7.1A CEO Start Flyer



## From idea to launch

CEO Start guides Hennepin County entrepreneurs through testing, validating, and researching their ideas so they can build a viable business.

Over 10 weeks and 10 sessions, develop your great idea with a group of peers and business experts so you can chart a path forward with less risk and more confidence.

CEO Start is part of the Elevate Hennepin<sup>SM</sup> CEO growth series. It's built on the CO.STARTERS curriculum that has served more than 24,000 entrepreneurs across the country.





# In CEO Start

## Explore

Explore your business idea and test your assumptions with a group of 10-15 peers and small-business experts.

## Develop

Ensure your business idea is sound by identifying issues with professional guidance and interviews with potential customers.

## Validate

Leave CEO Start with a framework for a viable business and confidence to take the next step forward.



## About CEO Start

CEO Start is powered by the CO.STARTERS curriculum in collaboration with Hennepin County and the cities of Brooklyn Park and Bloomington.

CO.STARTERS is a nationally recognized community-based approach to economic development. Founders recognized a growing need to provide business support to entrepreneurs just getting started. Today, the CO.STARTERS network consists of thousands of success stories around the world.

Learn more and apply today at [bit.ly/CEOStart](https://bit.ly/CEOStart)

