

Monday, November 17, 2025
6:00 P.M.

REGULAR EDA MEETING – AGENDA #14

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Shelle Page,
Commissioners Christian Eriksen, Amanda Xiong, Maria Tran, and Tony McGarvey
Executive Director Tim Gladhill, 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.

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 MEETING AGENDA AND APPROVAL OF CONSENT AGENDA** (Items specifically identified may be removed from Consent or added elsewhere on the agenda by request of any Commissioners)

II. PUBLIC INVOLVEMENT

3. PUBLIC COMMENT AND RESPONSE

Provides an opportunity for Brooklyn Park residents and business owners in Brooklyn Park 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 EDA Regular Meeting Minutes

A. OCTOBER 21, 2025, DRAFT REGULAR MEETING MINUTES

B. OCTOBER 27, 2025 DRAFT SPECIAL MEETING MINUTES

4.2 Consider Authorizing the Executive Director to Enter into an Agreement for Snow Storage with Custom Products for the Noble Park and Ride Site

A. AGREEMENT

- 4.3 Consider Approving CVS's Sublease of the Northwind Plaza Property, Authorize the Executive Director to Convey Written Approval of the Sublease, and Delegate Authority to Approve Future Tenancy Changes Through 2035, Consistent with Zoning, Building Code, and Existing Lease Terms
 - A. RESOLUTION
 - B. GROUND LEASE AGREEMENT (CVS LEASE EXPIRES 2035)
- 4.4 Consider Terminating Development Partnerships with Kraus-Anderson Development Company and Gramercy Development Companies, Continuing the Partnership with Bader Companies, LLC, and Reopening the Former Park & Ride Site and Oxbow Commons Sites for Development Opportunities
 - A. RESOLUTION
 - B. SITE LOCATION MAPS
- 4.5 Consider Authorizing the Executive Director to Approve the Amendment to the Amended and Restated Consulting Agreement Between the Brooklyn Park Economic Development Authority and the Center for Energy Environment
 - A. RESOLUTION
 - B. AMENDMENT TO THE AMENDED AND RESTATED CONSULTING AGREEMENT
 - C. EXHIBIT A – 26 OWNER OCCUPIED HOME IMPROVEMENT LOAN PROGRAM GUIDELINES
 - D. EXHIBIT B – 26 PROGRAM FUNDING DISTRIBUTION
- 4.6 Consider Accepting the State of Minnesota Local Housing Trust Fund Grant in the Amount of \$150,000 for Home Improvement Loan Program and Authorizing the Brooklyn Park Economic Development Authority to Execute a Contractual Agreement with Minnesota Housing Finance Agency
 - A. RESOLUTION
 - B. CONTRACT AGREEMENT
 - C. ACCEPTANCE LETTER
 - D. GRANT PROGRAM GUIDELINES
- 4.7 Consider Authorizing the Executive Director to Approve the Amendment to the Contract for Legal Services Between the Brooklyn Park Economic Development Authority and Kennedy & Graven
 - A. AMENDMENT TO THE LEGAL SERVICES CONTRACT
- 4.8 Consider Authorizing the Executive Director to Approve the Amendment to the Contract for Financial Services Between the Brooklyn Park Economic Development Authority and Ehlers
 - A. AMENDMENT TO THE FINANCIAL SERVICES CONTRACT
- 4.9 Consider Approving the Final BioTech Innovation District Steering Committee Appointments as Listed in This Report
- 4.10 Consider Scheduling a Public Hearing on December 15, 2025 for the Conveyance of Brooklyn Park Economic Development Authority Owned Land Located at 8600 Zane Avenue North to the City of Brooklyn Park of the Brooklyn Park Fire Station 2
 - A. RESOLUTION
 - B. SITE MAP

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 Adopting the 2026/2027 Economic Development Authority Budget
 - A. BUDGET WORKSHEETS (*TBA Monday*)

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 Update
 - A. BIOTECH INNOVATION DISTRICT UPDATE
- 7.2 Verbal Commissioner Reports and Announcements

Meeting will be recessed and reconvened in Room A203 at City Hall. This portion of the meeting will not be televised but audio recorded.

V. WORK SESSION

8. WORK SESSION ITEMS

- 8.1** Discuss JO Companies Affordable Housing Concept (Welcome Avenue Sites)
 - A.** JO COMPANIES EDA CONCEPT FORM
 - B.** PRELIMINARY SITE PLANS (161 UNITES – FULL DEVELOPMENT)
 - C.** TIF ESTIMATE ANALYSIS

VI. 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.
The next scheduled EDA meeting is Monday, December 15, 2025.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.1	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Seng Moua, EDA Secretary
Resolution:	N/A	Presented By:	Tim Gladhill, Executive Director
Attachments:	2		
Item:	Consider Approving the EDA Regular Meeting Minutes		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO APPROVE THE OCTOBER 21, 2025, EDA REGULAR MEETING MINUTES AND OCTOBER 27, 2025, EDA SPECIAL MEETING MINUTES.

Overview: N/A

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues: N/A

Attachments:

- 4.1A OCTOBER 21, 2025, DRAFT REGULAR MEETING MINUTES
- 4.1B OCTOBER 27, 2025, DRAFT SPECIAL MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
OCTOBER 20, 2025 MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Winston at 6:03 p.m.

ROLL CALL PRESENT: President Hollies Winston, Vice President Nichole Klonowski, Treasurer Shelle Page, and Commissioners Christian Eriksen, Amanda Cheng Xiong, Tony McGarvey, and Maria Tran (remote attendee). Staff: Executive Director Tim Gladhill, Economic Development and Housing Director Malcolm Hicks, EDA Secretary Seng Moua, EDA Attorney Joseph Sathe, and Workforce Development Director Jolene Rotich.

ABSENT/EXCUSED: None.

2. APPROVAL OF AGENDA

President Winston requested to move Item 4.2 to be considered as Item 6.2.

MOTION MCGARVEY, SECOND TRAN APPROVING THE AGENDA AND CONSENT AGENDA AS AMENDED. UPON A ROLL CALL VOTE, THE MOTION PASSED UNANIMOUSLY.

II. PUBLIC INVOLVEMENT:

3. PUBLIC COMMENT AND RESPONSE:

3A. Response to Prior Public Comment: Executive Director Tim Gladhill reported that there were no previous public comments.

3B. Public Comment: None.

3C. Public Presentations:

3C.1 Annual BrookLynk/Workforce Development Report (2025)

Workforce Development Director Jolene Rotich provided background information on BrookLynk, its mission, strategies, and staff. She presented the report, highlighting information on career readiness training, paid work experiences, career pathways, and alumni and continued case management. She also provided details on BrookLynk participants, program impact, and growth opportunities.

Commissioner Page recognized the hard work of staff in this programming.

Commissioner Klonowski also expressed appreciation for this work. She referenced the opportunities for sustainable funding and asked for more information.

Workforce Development Director Jolene Rotich stated that they will continue to submit grant applications and will continue to look for additional grant opportunities through foundations.

Executive Director Tim Gladhill explained that BrookLynk is a Joint Power Agreement (JPA) with the City of Brooklyn Park as the fiscal agent and the responsible party for staffing.

Workforce Development Director Jolene Rotich stated that BrookLynk would not be able to directly apply for foundation or nonprofit-type grants and explained that they would partner with a nonprofit that would be able to do so.

Commissioner Klonowski stated that she has some ideas that she could share. She asked if there were avenues for potential career growth.

Workforce Development Director Jolene Rotich commented that they are looking to expand into the area of IT, as many youth have expressed interest in that area. She stated that they will also be looking into BioTech ideas and occupations within the careers related to the BlueLine.

Commissioner Xiong asked if students can receive school credits for the internships.

Workforce Development Director Jolene Rotich confirmed that is available and provided more information on additional opportunities they are looking into.

Commissioner Xiong also expressed thanks for the program, which is a building block to providing access to generational wealth.

Commissioner Tran asked about the type of employers/careers that are involved in the program.

Workforce Development Director Jolene Rotich reviewed the job opportunities that are available through the programs.

President Winston asked if there were plans or strategies to get youth into the BioTech pipeline.

Workforce Development Director Jolene Rotich confirmed that in 2026, they will begin a pilot BioTech program.

3C.2 BioTech Innovation District Quarterly Update

Executive Director Tim Gladhill presented the BioTech Innovation District quarterly update, including completed tasks, committee structure, emerging themes, sector prioritization, and upcoming tasks.

President Winston thanked staff for the update.

3D. Public Announcements: None.

III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION:

4. CONSENT:

4.1 Consider Approving EDA Meeting Minutes.

A. September 15, 2025 Draft Regular Meeting Minutes

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- 4.2 ~~Consider Approving EDA Executive Director to Negotiate and Finalize the Terms and Execute a Contract Amendment and Extension Agreement with I Alexander Agency for the Brooklyn Park Small Business Center Contracted Operator Service~~ Item moved to be Item 6.2
 A. ~~Resolution~~
 B. ~~SBC Operator Contract Draft~~
- 4.3 Consider Authorizing Acceptance of the SFY 2026-2027 State Direct Appropriation Allocation from Deed and Execution of all Required Agreements
 A. Resolution
- 4.4 Consider Approving a Professional Services Agreement with Finishing Trade Institute for BrookLynk's Career Pathways Program in the Amount of \$46,200
 A. Resolution
 B. Contractual Services Agreement

5. PUBLIC HEARINGS:

- 5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider 2026 Economic Development Authority Budget
 A. Budget Worksheets

Executive Director Tim Gladhill explained that tonight is a continuation of the budget discussions, with final approval to occur at a later date. He presented information on EDA funding tools, preliminary levy, EDA budget highlights, general EDA activities, future/other EDA budget highlights, cut scenarios, Small Business Center (SBC), and Workforce Development programs and funding.

President Winston thanked staff for the information.

- 6.2 Consider Approving EDA Executive Director to Negotiate and Finalize the Terms and Execute a Contract Amendment and Extension Agreement with I Alexander Agency for the Brooklyn Park Small Business Center Contracted Operator Service (Previously Item 4.2)
 A. Resolution
 B. SBC Operator Contract Draft

Economic Development and Housing Director Malcolm Hicks recapped the previous EDA direction, noting that this discussion would revisit that cap and counteroffer from the current operator. He provided information on the current SBC staffing, negotiation history, current proposals, contractor compensation, subsidy calculations, short-term alternatives, and long-term structural alternatives. He stated that staff recommends moving forward with a six-month extension based on new metrics/standards, allowing time to explore operational scenarios. He also noted additional aspects that staff would like input on.

President Winston commented that there is a balance, recognizing that everyone will feel the crunch in order to get to the desired overall levy rate. He stated that he would like to find a way to continue service, considering what they discussed at the last EDA meeting.

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Commissioner Klonowski referenced the contract comparisons and asked for more information on the Northwinds lease assistance.

Economic Development and Housing Director Malcolm Hicks replied that the revenue collected from Northwinds Plaza is the overall revenue from each lease within the plaza. He stated that revenue, once the expenses are paid, is then utilized to pay for the acquisition of the plaza. He stated that the revenue is paying back the acquisition of the property and also subsidizes the SBC.

Commissioner Klonowski asked and received confirmation that there is no lease paid by the SBC. She stated that any contractor would then receive a heavy subsidy because there is no lease on the space. She stated that they are therefore not making money on the SBC and are instead losing money, so revenue sharing is not a true term.

Economic Development and Housing Director Malcolm Hicks stated that the City would not charge itself rent. He stated that the lease amount was added in the past to show an opportunity cost for the SBC space.

Commissioner Klonowski stated that the contractor is asking for revenue sharing, but the City is subsidizing the space, and therefore, there is no actual revenue.

Executive Director Tim Gladhill commented that not all the costs are covered, and the City always envisioned some type of assistance or subsidy for the SBC. He stated that the revenue share has an impact on the balance sheet. He noted that they need to find the comfort level for the subsidy and desired level of service. He agreed that the balance sheet is impacted by the split of the fees shown as revenue.

Commissioner Klonowski stated that the operations should be brought in-house, as a City that is struggling financially. She noted that there would also be opportunities to tie into BrookLynk. She stated that any revenue that could be generated over time could then be reinvested into the community.

Executive Director Tim Gladhill stated that they can go down the road of bringing that in-house, but they would not be able to do that in two months and would still need some type of extension to get to that point. He stated that tonight they need to consider the offer that was made last month, consider the counteroffer of the contractor, or move in a different direction.

Commissioner Eriksen stated that he is curious about the costs and benefits of bringing the operations in-house, but realizes that they also need an interim solution. He stated that if they continue to use an outside operator, he would want to hear the strategic plan for increasing occupancy. He stated that he struggles with whether there is a clear vision where people rent space to do a thing within the SBC or whether this is a small business incubator.

Economic Development and Housing Director Malcolm Hicks stated that staff have taken the EDA recommendation and are out for RFP on the marketing, which they believe will help to increase occupancy. He stated that the vision of the SBC has always been of an incubator space and

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provided examples that assist individuals with getting their business started and working through challenges.

Indred Alexander reminded everyone of her deep connection to Brooklyn Park and the SBC. She highlighted the work that she has done in her time with the SBC. She referenced the proposed revenue split, recognizing that there is no profit margin within the SBC as it was not designed to be a profit center. She stated that the profit split would help to reduce the cost to the City and move those costs to those using the space. She reviewed the details of her counteroffer, including the financials and scope of services. She stated that she has declined to provide the demographics and salaries of her staff, as that information is private and not relevant to the operation of the SBC. She reviewed the statistics of the SBC, its membership, growth, two years of history, and a model that would reduce the cost to the City. She stated that while she would love to continue the partnership, she needs to have fair terms.

Commissioner Tran asked the number of businesses that occupy the retail side of the building.

Ms. Alexander replied that there are seven businesses in that area.

Commissioner Tran stated that she stopped by the SBC today to do some shopping, but there were no businesses open in that area. She recognized the cost to operate the SBC and stated that, because this is a City operation, information on staff and related costs should be made available. She noted the questions that residents have because this operation is subsidized by the City.

Ms. Alexander stated that there is complete transparency through Office RND, which has all member information, and is open to City staff to view and pull reports. She stated that the funds are paid directly to the City of Brooklyn Park, and I, Alexander Agency, do not collect or manage those funds. She stated that the retail side is a pilot project and has been a two-year learning curve. She stated that they have had up to 90 percent occupancy in the retail side and have put in promotional programs to ensure the space is filled. She stated that those businesses are run by individuals and are vacant at this time, as the business owners could not pay for the spaces. She stated that the current economic conditions make it difficult for small business owners to occupy that space under the current program model.

Commissioner Tran thanked Ms. Alexander for her work within the SBC and explained the pressure that they are under from the taxpayers related to the SBC.

Ms. Alexander believed that her proposal allowed the City to do so.

President Winston commented that there have been times when the golf course has been profitable and others when it has not been profitable, but they have not asked the demographics of the people who work there. He understood that this is a different model, but when they look at vendors who work with the City, they should understand that there are other City-owned entities, and they should treat those vendors equally. He stated that sometimes the history of the SBC is forgotten, as the Council inherited the SBC, which was brought forward as a request for a space for those with

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small businesses. He stated that he does keep that in mind, as well as the other elements of small businesses related to the rate of success and the time needed to succeed.

Commissioner Page asked for more information on the blended rate and the retail versus office memberships.

Economic Development and Housing Director Malcolm Hicks provided data on the retail and office space percentages, along with the blended rate.

Commissioner Page recognized the dedication Ms. Alexander has to her team and the leadership she provides. She stated that she is concerned that there is a request for 100 percent staffing when there is 38 percent occupancy. She recognized that there will be a subsidy for the SBC, but this is part of the tough budget discussions for the City, as they cannot continue to bear this level of subsidy. She stated that the counteroffer is not something the City should afford at this time. She recognized that City staff put a lot of time into the offer and believed that EDA should support the City staff proposal for the contract.

Commissioner Eriksen asked for information on strategic goals for occupancy.

Ms. Alexander stated that her proposal includes a flat amount for a lower occupancy rate to cover the base fees and would then include a revenue share as the occupancy grows to cover the additional service needs that would come along with that growth. She stated that the counteroffer includes a model that would transfer some costs to members and outside organizations that want to use the space, and would have the costs grow with the use of the space. She stated that they do not have enough staff to support event planning in that space, and the only way to have a strategic structure to grow the space is to tie the revenue growth of the space to the related staffing needs. She stated that you cannot ask someone to do more in the space while paying less.

Commissioner Xiong asked if there would need to be an increase in revenue in order to strategically plan and staff the space.

Ms. Alexander confirmed that there would need to be additional revenue to support staff for the event planning, services, and/or salesperson. She explained that a salesperson is paid on commission and, therefore, there would need to be an incentivized structure for that. She stated that her proposal reduces the base cost to the City while providing incentives for growth.

Commissioner Xiong recognized that the baseline is 38 percent and asked if that would continue to be paid until there is an increase in occupancy.

Ms. Alexander explained that the base pay would be \$360,000 per year rather than the current \$660,000 per year that the City is paying. She stated that the increase would occur as revenue increases for the SBC. She noted that the split would help to pay for the staffing and operational costs, with the City still receiving 60 percent of that increased revenue.

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President Winston asked for more information on the status of the RFP for SBC marketing.

Executive Director Tim Gladhill stated that the RFP has been released.

Commissioner McGarvey thanked staff and Ms. Alexander for their input tonight. He asked the difference between a member and a tenant.

Ms. Alexander stated that the SBC is a member-based facility and does not have tenants and explained the difference. She stated that there is a base membership with agreements that allow members to occupy a dedicated space.

Economic Development and Housing Director Malcolm Hicks explained that in his presentation, he combined the Northwinds tenants with the SBC members.

Commissioner McGarvey asked the difference between revenue and profit.

Ms. Alexander explained that revenue is the money that comes in and is generated by the SBC, while profit deducts the costs to run the space. She stated that the space is not designed to generate a profit, but was intended to provide space below market rate. She explained that if you are providing space below market rate, you cannot expect to make a profit on the back end.

Commissioner McGarvey asked the number of current members.

Ms. Alexander explained that the number fluctuates monthly and provided details on the different levels of membership that exist. She stated that memberships renew on a monthly basis and therefore change from month to month.

Commissioner McGarvey asked the revenue in May of 2025 and July of 2025.

Ms. Alexander stated that over the last two years, they have seen revenue grow through the beginning of 2025, but there was a dip in the beginning of 2025 under the new administration and related economic pressures. She stated that there have been a number of things that have impacted the members in this space, unrelated to the SBC itself. She stated that they are starting to see those numbers pick up again.

Commissioner McGarvey referenced the current SBC staffing, noting current marketing/sales/communications staff, and yet they have released an RFP for marketing services. He asked for more information on the duties of the existing staff.

Ms. Alexander replied that there are a variety of tasks managed by the current staff. She reviewed the details of the marketing/sales/communications team. She explained that they work as a team, and the breakout of the team depends on the needs of the space at that time. She stated that they are not a marketing firm and explained the marketing aspects that her team has managed.

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Commissioner Page asked for information on what the team is doing for sales.

Ms. Alexander highlighted some of those tasks, explaining the additional one-on-one work they do with people who are interested in the space.

Commissioner Page asked who would be responsible for bringing new people into the space.

Ms. Alexander explained they do that as a team through events, but they are not a marketing firm and do not create advertising or outside marketing.

Commissioner Page referenced the action that was approved at the last meeting and the related counteroffer that was received. She asked staff for clarification on the action before the EDA tonight.

Executive Director Tim Gladhill explained that originally, staff had developed a contract consistent with the direction at the last meeting. He stated that the EDA could take action on that, and it would be the decision of the operator as to whether to sign that. He stated that the operator has submitted a counteroffer and therefore the EDA could approve the original contract or counteroffer. He stated that if the contract is approved as originally drafted and the operator does not accept, an interim plan would need to be developed and presented at the November meeting.

Commissioner Page stated that she is not aware of a contractor providing this information at a meeting and asked if the EDA would need to review that in more detail prior to approval.

President Winston stated that would be the decision of the EDA and the capacity to take in that information.

Executive Director Tim Gladhill stated that much of that information was included in the email. He stressed the urgency of this issue as the contract expires at the end of the year, and therefore, if they are not moving forward with the contract, staff would need time to develop an interim plan. He provided additional details on the occupancy rate, which matches the information provided by Ms. Alexander in her responses tonight. He explained that staff do not disagree with Ms. Alexander on the reasons why there was a dip in occupancy, but the decision is related to the level of funding that the City can contribute towards the SBC.

President Winston asked if there was a compromise had been proposed as a middle ground.

Executive Director Tim Gladhill provided an overview of the two proposals.

President Winston stated that he would prefer for the City not to have to figure out an interim plan quickly, but there is a reality that other departments are cutting. He would have preferred that a middle number be reached. He stated that there is an RFP for marketing and stated that perhaps the team marketing is reduced and that shifted towards operations in order to find a middle ground. He stated that while he understands the revenue share model, there does not appear to be an appetite for that among the EDA. He stated that perhaps there is a middle ground, with a shift from marketing, as he mentioned, noting that the operator could then

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use the six months to show progress. He believes that the SBC is a jewel of the community, and this was something the residents wanted. He stated that, given the environment, he would not want to ride hard on the occupancy rate. He recognized that sometimes cities lag in delivering what residents want, and then the market changes. He believed that this could be a middle ground and the time needed to evaluate the model for the SBC.

Commissioner Klonowski stated that she appreciates the comment related to setting a vision, as the project was inherited from previous Councils, and this Council has to make the challenging decisions related to the budget. She stated that the golf course analogy might not be the best, but the course itself has been profitable while the building and restaurant have been subsidized by the City. She stated that the City has chosen to take over the renting of the space in that building. She recognized the work of Ms. Alexander in getting the SBC on the ground and stabilizing it. She stated that the Council has been involved in very hard discussions related to the City budget, and they have tough decisions to make, and have asked Directors to make serious cuts that are not fun to think about and review. She stated that the things they are asking Ms. Alexander for are not out of disrespect or a lack of respect for her work, but in an attempt to find a middle ground. She asked Ms. Alexander to work with EDA staff to find a middle ground to help them get through the tough budget cuts that they need to make as a city.

Commissioner Eriksen agreed that is a great idea to take a week to step back and attempt to find a middle ground, noting that perhaps they could hold a special EDA meeting prior to the next Council meeting. He recognized the work that Ms. Alexander has put into this project, but the realities of the budget are hard.

President Winston asked Ms. Alexander for input on that idea.

Ms. Alexander replied that she would be open to that.

MOTION WINSTON, SECOND KLONOWSKI, TO DIRECT STAFF TO WORK WITH MS. ALEXANDER IN THE REMAINDER OF THIS WEEK AND HOLD A SPECIAL EDA MEETING ON OCTOBER 27, 2025, TO CONSIDER AN UPDATED PROPOSAL. UPON A ROLL CALL VOTE, THE MOTION PASSED UNANIMOUSLY.

IV. DISCUSSION:

7. DISCUSSION ITEMS

7.1 EDA Status Update

A. BioTech Innovation District Update

Executive Director Tim Gladhill noted the upcoming Business Forward Forum that will take place on Wednesday, November 19th.

7.2 Verbal Commissioner Reports and Announcements

No comments.

VI. ADJOURNMENT:

Meeting adjourned at 8:13 p.m.

BROOKLYN PARK SMALL BUSINESS CENTER

MANAGEMENT SERVICES PROPOSAL

Complete Overview

Submitted by: I. Alexander Agency LLC

Date: October 20, 2025

Contract Term: January 1, 2026 - December 31, 2026 (1 year)

EXECUTIVE SUMMARY

I. Alexander Agency LLC proposes to continue operating the Brooklyn Park Small Business Center under a revised fee structure that reduces the EDA's fixed costs by \$300,000 annually while creating performance-based incentives that align contractor compensation with facility success. This proposal represents a lower-risk structure for the EDA while maintaining operational excellence and member satisfaction.

PROPOSED FEE STRUCTURE

BASE MANAGEMENT FEE

\$360,000 annually (\$30,000/month)

Covers:

- Day-to-day facility operations and management
- Staff supervision and HR administration
- Member services and support
- Marketing and community outreach
- Financial reporting and budget management
- Vendor coordination and facility maintenance oversight
- Event coordination and space management
- Compliance with all city policies and procedures

REVENUE SHARE STRUCTURE

40% Contractor / 60% EDA on net membership revenue above **\$10,000/month** threshold

Net Membership Revenue Defined:

- Gross membership fees collected
- LESS: Payment processing fees
- LESS: Uncollected/bad debt

Revenue Share Examples:

Monthly Revenue Above Threshold Contractor 40% EDA 60%

\$10,000	\$0	\$0	\$0
\$15,000	\$5,000	\$2,000	\$3,000
\$20,000	\$10,000	\$4,000	\$6,000
\$25,000	\$15,000	\$6,000	\$9,000

Current Performance (38% occupancy):

- Projected annual revenue share: ~\$118,000 (\$9,833/month avg)
- **Total contractor compensation: ~\$478,000**

SCOPE OF SERVICES - CONTRACTOR RESPONSIBILITIES

OPERATIONAL MANAGEMENT

- ✓ Daily facility operations and staff supervision
- ✓ Member recruitment, onboarding, and retention
- ✓ Customer service and member support
- ✓ Facility scheduling and space allocation
- ✓ Event coordination and hosting

FINANCIAL MANAGEMENT

- ✓ Membership billing and collections
- ✓ Revenue tracking and reporting
- ✓ Budget development and monitoring
- ✓ Monthly financial reports to EDA
- ✓ Annual performance analysis

MARKETING & COMMUNITY ENGAGEMENT

- ✓ Marketing strategy and execution
- ✓ Social media and digital presence
- ✓ Community partnerships and outreach
- ✓ Member acquisition campaigns
- ✓ Public relations and reputation management

HUMAN RESOURCES

- ✓ Staff recruitment, training, and management
- ✓ HR policy implementation
- ✓ Performance management
- ✓ Payroll administration (for SBC staff)
- ✓ Staff scheduling and coverage

FACILITY COORDINATION

- ✓ Vendor management and coordination
- ✓ Facility maintenance oversight (coordination with EDA)
- ✓ Equipment maintenance and replacement recommendations
- ✓ Safety and security protocols
- ✓ Cleanliness and presentation standards

COMPLIANCE & REPORTING

- ✓ Compliance with all city policies
- ✓ Monthly operational reports
- ✓ Quarterly performance reviews
- ✓ Annual strategic planning
- ✓ Member satisfaction monitoring

EDA RESPONSIBILITIES

The following remain EDA responsibilities under this proposal:

FACILITY OWNERSHIP & CAPITAL

- Building ownership and property management
- Major capital improvements

- Structural repairs and building systems
- Property taxes and insurance
- IT infrastructure and janitorial services (contracted separately)

FINANCIAL

- Facility rent/space provision (no charge to contractor)
- IT services (~\$30,000 annually, contracted separately)
- Janitorial services (~\$30,000 annually, contracted separately)
- Major equipment replacement
- Capital improvement funding

COMPARISON TO CURRENT CONTRACT

Category	Current Contract	Proposed Structure	Difference
Fixed Base Fee	~\$660,000	\$360,000	-\$300,000
Performance Incentive	None	Revenue share above threshold	+Aligned incentives
Risk to EDA	Full cost regardless of performance	Lower fixed cost, variable tied to success	-Reduced risk
Current Occupancy Cost	~\$660,000	~\$478,000	-\$182,000
Upside for EDA	None	60% of revenue growth	+Revenue participation

At Current 38% Occupancy:

- Current contract cost: ~\$660,000
- Proposed structure cost: ~\$478,000
- **EDA Saves: ~\$182,000 annually**

At Higher Occupancy (60% example):

- Current contract cost: ~\$660,000 (same)
- Proposed structure cost: ~\$550,000
- EDA receives: 60% of additional revenue
- **EDA benefits from growth while contractor is incentivized to drive it**

PERFORMANCE METRICS

KEY PERFORMANCE INDICATORS (Tracked & Reported Quarterly)

Occupancy Metrics:

- Membership count and trends
- Office suite occupancy rate
- Retail suite occupancy rate
- Coworking space utilization

Financial Metrics:

- Gross revenue collected
- Revenue per square foot
- Member retention rate
- Collection rate

Member Satisfaction:

- Member survey results (annual)
- Retention rates
- Referral rates
- Community feedback

Community Impact:

- Events hosted
- Community partnerships
- Member success stories
- Diversity of membership

RISK MITIGATION FOR EDA

HOW THIS STRUCTURE PROTECTS THE EDA:

1. REDUCED FIXED COSTS

- \$300,000 annual savings in base fee
- Lower financial commitment regardless of performance

2. PERFORMANCE-BASED INCENTIVES

- Contractor only earns more when facility performs better
- Aligned interests (contractor success = EDA success)

- Built-in accountability

3. REVENUE THRESHOLD PROTECTION

- No revenue share until \$10,000/month threshold met
- EDA retains majority (60%) of growth revenue
- Protects EDA from overpaying in low-performance scenarios

4. PROVEN OPERATOR

- Two years of documented success
- Institutional knowledge and member relationships
- Lower risk than starting over with new operator

5. CLEAR SCOPE & ACCOUNTABILITY

- Defined responsibilities and expectations
- Regular reporting and performance metrics
- Annual performance reviews

CONTRACTOR QUALIFICATIONS SUMMARY

TRACK RECORD



- 2+ years successful SBC operations (2023-2025)
- Grew membership from 0 to 100+ members
- Consistent month-over-month revenue growth
- Strong community reputation and member satisfaction
- Recognized by city staff as "gem of Brooklyn Park"

EXPERIENCE & EXPERTISE

- Brooklyn Park resident and business owner
- Original SBC task force member (2019-2020)
- Built operational systems from scratch (valued at \$145,000+)
- Completed facility renovations when behind schedule
- Proven ability to deliver results under pressure

COMMUNITY CONNECTIONS

- Established relationships with Brooklyn Park organizations
- Member of business and civic community

-  Understanding of local entrepreneur needs
-  Cultural competence and community sensitivity

ALTERNATIVE OPTIONS FOR EDA CONSIDERATION

OPTION A: ACCEPT THIS PROPOSAL

Pros: Proven operator, reduced risk, lower fixed costs, performance incentives

Cons: None—this is the lowest-risk path forward

Outcome: Continued success with better financial structure for EDA

OPTION B: NEGOTIATE MODIFICATIONS

Pros: Allows EDA to request specific changes

Cons: May delay decision and create uncertainty

Outcome: Depends on nature of modifications requested

OPTION C: EXPLORE OTHER OPERATORS

Pros: May identify alternative approaches

Cons: High risk based on previous experience, member disruption, loss of institutional knowledge, starting-over costs

Outcome: Uncertain—could result in another failed operator

OPTION D: BRING OPERATIONS IN-HOUSE

Pros: Direct city control

Cons: Higher staffing costs, HR liability, lack of entrepreneurial flexibility, no proven model

Outcome: Likely more expensive with uncertain results

RECOMMENDED NEXT STEPS

IF EDA ACCEPTS THIS PROPOSAL:

1. Finalize contract language by November 15, 2025
2. Execute new agreement by December 1, 2025
3. Implement January 1, 2026
4. Continue strong partnership and operational excellence

IF EDA NEEDS MORE INFORMATION:

1. Submit specific questions in writing
2. Schedule follow-up discussion
3. Decision deadline: November 15, 2025 (for contractor business planning)

IF EDA WANTS TO EXPLORE OTHER OPTIONS:

1. Contractor will assist with 30-day transition planning
2. Knowledge transfer can be negotiated separately (as IP consulting)
3. Ensure minimal disruption to current members

CONCLUSION

This proposal offers the Brooklyn Park EDA:

- **✓ Reduced financial risk** (\$300K savings in fixed costs)
- **✓ Performance-based structure** (aligned incentives)
- **✓ Proven operator** (documented track record)
- **✓ Community continuity** (member relationships intact)
- **✓ Lower cost at current occupancy** (\$182K annual savings)
- **✓ Revenue upside participation** (60% of growth)

This is a partnership that works for everyone: the EDA, the contractor, and most importantly, the Brooklyn Park entrepreneurs we serve.

Questions? I'm prepared to discuss any aspect of this proposal.

Respectfully submitted,

Indred Alexander
I. Alexander Agency LLC
Brooklyn Park Resident & Small Business Owner

BROOKLYN PARK SMALL BUSINESS CENTER

A Community Success Story Built by a Brooklyn Park Resident

Prepared for: Brooklyn Park EDA Board Meeting

Date: October 20, 2025

Prepared by: Indred Alexander, I. Alexander Agency LLC

THE PROJECT'S COMMUNITY ROOTS

This project began with residents asking for help.

In response to community demand from Brooklyn Park residents and minority-owned business organizations, the City created a Small Business Center Task Force to design a solution. The EDA invested in purchasing Northwinds Plaza specifically to generate revenue to support this economic development initiative.

I served on that task force as a Brooklyn Park resident and business owner.

THE FIRST OPERATOR: SIGNIFICANT INVESTMENT, CHALLENGING RESULTS

The City selected a previous operator and invested significantly:

- **Paid the operator for one full year** before opening to prepare
- **Contracted them to create:**
 - Operations Plan
 - HR Plan
 - Facility readiness strategy
- **Hired an outside consulting firm** to develop a co-working playbook

The challenges:

- The operations plan was not workable
- The HR plan was not usable
- The co-working playbook was never shared with subsequent operators

- Construction was 3 months behind schedule
- **The City hired me as a subcontractor to help complete renovations and open the facility**

THE RESCUE & REBUILD: UNPAID SYSTEMS DEVELOPMENT

When the City asked me to take over operations (June 2023), I inherited:

- An incomplete facility with construction 3 months behind schedule
- No working operations despite the City paying for an operations plan
- No usable HR plan despite the City paying for one
- No access to the co-working playbook the City purchased
- Frustrated community members and damaged credibility

What I built from scratch (without being paid to design these systems):

- ✓ Assisted with completing facility renovations to enable August 2023 opening
- ✓ Complete operational systems and procedures
- ✓ Member onboarding and management processes
- ✓ HR policies, staff training, and management systems
- ✓ Marketing and community engagement strategy
- ✓ Financial management and reporting systems
- ✓ Event coordination and facility usage protocols
- ✓ Vendor relationships and facility maintenance procedures

The City paid the previous operator a full year to create plans that didn't work. I created working systems while simultaneously getting the facility open and operational.

THE RESULTS: FROM CHALLENGES TO "GEM OF BROOKLYN PARK"

Two Years of Documented Success:

- **100+ active members** and growing monthly
- **Consistent revenue growth** month over month
- **Strong community reputation** and positive feedback
- **Diverse membership** reflecting Brooklyn Park's community
- **Event space utilization** generating additional revenue

- **City staff now refer to it as "the gem of Brooklyn Park"**

What changed? Experienced management, operational excellence, and genuine community commitment.

MY COMMITMENT AS A BROOKLYN PARK RESIDENT

I am not an outside vendor. I am a Brooklyn Park resident and business owner who:

- Served on the original task force
- Cares about keeping our taxes low
- Wants to see our community thrive
- Is invested in Brooklyn Park's success
- Has proven ability to deliver results

I understand the tension between fiscal responsibility and community investment because I live here too.

THE CURRENT PROPOSAL: REDUCED RISK, ALIGNED INCENTIVES

My revised proposal significantly reduces the EDA's financial risk:

CURRENT STRUCTURE (Higher Risk for EDA):

- **Fixed cost:** ~\$660,000 annually regardless of performance
- **EDA risk:** Pays the same whether SBC succeeds or struggles
- **No performance incentives:** Operator gets paid the same regardless of occupancy

PROPOSED STRUCTURE (Lower Risk for EDA):

- **Base management fee:** \$360,000 annually (saves \$300K in fixed costs)
- **Revenue sharing:** 40% contractor / 60% EDA on net membership revenue above \$10,000/month threshold
- **Performance-based:** I only earn more when the SBC performs better
- **Aligned incentives:** My success is directly tied to the SBC's success

At current 38% occupancy, my total compensation would be ~\$478K—LESS than both the current contract and the staff's counter-offer, while giving the EDA more upside if occupancy grows.

THE VALUE ALREADY DELIVERED (FOR FREE)

What the EDA has received from me that it paid the previous operator for (but never received in usable form):

What EDA Paid Previous Operator For	What I Delivered (Unpaid)	Estimated Value
Operations Plan	Complete operational systems	\$50,000+
HR Plan	Full HR infrastructure & training	\$30,000+
Pre-opening preparation	Construction completion & opening	\$40,000+
Outside consulting playbook	Working systems built from experience	\$25,000+
TOTAL	Working facility that generates revenue	\$145,000+

Plus: Two years of proven operational excellence and community trust.

THE CHOICE BEFORE THE EDA

The EDA has three options:

OPTION A: ACCEPT THE REVISED PROPOSAL

- **Proven operator** with 2+ years of success
- **Reduced fixed costs** and performance-based structure
- **Institutional knowledge** and community relationships
- **Lower risk** than starting over
- **Continuity** for 100+ current members

OPTION B: EXPLORE OTHER OPERATORS

- **High risk** based on previous experience
- **Loss of institutional knowledge** and community trust
- **Member disruption** and potential exodus
- **Starting over costs** (recruitment, training, systems development)
- **Uncertain outcomes** with unproven operators

OPTION C: RECONSIDER THE SBC'S FUTURE

- **Policy decision** about economic development priorities
 - **Community impact** (what happens to 100+ members?)
 - **Reputational risk** (giving up on what's now successful)
 - **Wasted investment** in Northwinds Plaza and facility build-out
-

MY POSITION: COMMITTED IF VALUED

I am committed to continuing this work IF the EDA values it.

As a Brooklyn Park resident and business owner, I care about:

- **Fiscal responsibility** (keeping taxes low)
- **Community impact** (serving local entrepreneurs)
- **Operational excellence** (delivering results)
- **Sustainable partnerships** (fair terms that work for everyone)

However, I cannot operate under terms that are financially unsustainable or that undervalue the systems, relationships, and results I've built.

If the EDA wants to explore other options, I will respectfully assist with a transition to ensure our members aren't disrupted.

The decision is yours.

QUESTIONS I'M PREPARED TO ANSWER

- Member satisfaction and community feedback
 - Comparative context with other co-working facilities
 - Transition planning considerations (if needed)
 - Vision for the SBC's continued growth and community impact
 - Any other questions about the SBC's performance or future
-

Thank you for your consideration and for your service to Brooklyn Park.

Respectfully submitted,

Indred Alexander
I. Alexander Agency LLC
Brooklyn Park Resident & Small Business Owner
Small Business Center Task Force Member (2019-2020)
SBC Operator (2023-Present)

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
OCTOBER 27, 2025 SPECIAL MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Winston at 6:01 p.m.

ROLL CALL PRESENT: President Hollies Winston, Treasurer Shelle Page, and Commissioners Christian Eriksen, Tony McGarvey, Amanda Cheng Xiong, and Maria Tran (remote attendee). Staff: Executive Director Tim Gladhill, Economic Development and Housing Director Malcolm Hicks, EDA Secretary Seng Moua, and City Attorney Jim Thomson.

ABSENT/EXCUSED: Vice President Nichole Klonowski.

2. APPROVAL OF AGENDA

MOTION PAGE, SECOND MCGARVEY, APPROVING THE AGENDA AS PRESENTED. UPON A ROLL CALL VOTE, THE MOTION PASSED UNANIMOUSLY.

II. PUBLIC INVOLVEMENT:

3. PUBLIC COMMENT AND RESPONSE:

3A. Response to Prior Public Comment: Executive Director Tim Gladhill stated that there was no public comment at the last meeting.

3B. Public Comment: None.

III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION:

4. CONSENT:

4.1 None.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

6.1 Consider Authorizing the EDA Executive Director to Enter into an Agreement with I Alexander Agency for the Brooklyn Park Small Business Center Operator Service as Outlined in Operator Proposal/Option C (6-month extension)

A. Resolution

B. Overview of Operator Proposed Options

Economic Development and Housing Director Malcom Hicks presented the amended and restated contract extension for the Small Business Center (SBC) operations. He reviewed the previous EDA direction, the staff-recommended framework, operator option C, other considerations, the contingency plan, and the staff's recommendation.

OCTOBER 27, 2025 MEETING MINUTES

Commissioner Page asked for more information on the nonprofit organization element.

Economic Development and Housing Director Malcolm Hicks explained that the current operator will be starting a new nonprofit and will move the operations from her current LLC to the future nonprofit.

Commissioner Page asked how the contract could be extended with a new contractor.

City Attorney Jim Thomson provided additional language that could be added to the resolution that would specify the contract is with I Alexander Agency LLC or a nonprofit that they create. He explained that it is the same person, just a different legal entity.

MOTION PAGE, SECOND TRAN, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-30 AUTHORIZING THE EDA EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH I ALEXANDER AGENCY LLC, OR A NONPROFIT CREATED BY INDRED ALEXANDER OR THAT ENTITY, FOR THE BROOKLYN PARK SMALL BUSINESS CENTER OPERATOR SERVICE AS OUTLINED IN OPERATOR PROPOSAL/OPTION C (6 MONTH EXTENSION). UPON A ROLL CALL VOTE, THE MOTION PASSED UNANIMOUSLY.

- IV. ADJOURNMENT:
Meeting adjourned at 6:14 p.m.

City of Brooklyn Park			
Request for EDA Action			
Agenda Item:	4.2	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Malcolm Hicks, Economic Development and Housing Director
Resolution:	N/A	Presented By:	Malcolm Hicks, Economic Development and Housing Director
Attachments:	1		
Item:	Consider Authorizing the Executive Director to Enter into an Agreement for Snow Storage with Custom Products for the Noble Park and Ride Site		

Executive Director’s Proposed Action:

MOTION _____, SECOND _____, TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT FOR SNOW STORAGE WITH CUSTOM PRODUCTS FOR THE NOBLE PARK AND RIDE SITE.

Overview:

The EDA has received a request from Custom Products to lease the Noble Park and Ride Site for purposes of snow storage. Custom Products has an ongoing relationship with the City’s Operations and Maintenance Department. This agreement has been made with no issues on a few occasions in the past. The attached agreement has been reviewed by the EDA Attorney and is comfortable with the agreement. Since this is an agreement for use of EDA Property, EDA approval (as opposed so simply Executive Director Approval) is requested.

Attachments:

4.2A AGREEMENT

LEASE AGREEMENT

This Lease Agreement (this “Agreement” or “Lease”) is made this ___ day of _____, 2025 by and between the Brooklyn Park Economic Development Authority of the City of Brooklyn Park (the “Landlord”) and Custom Products and Services, a registered assumed name, contracting company whose address is 2648 34th Avenue South, Unit C, Minneapolis, MN 55406, hereinafter referred to as (the “Tenant”).

1. **Leased Premises.** In consideration of the rents, covenants, and agreements herein reserved and contained on the part of Tenant to be performed, Landlord does hereby lease to Tenant the vacant lot located at 4201 95th Avenue North, Brooklyn Park, MN 55443 (the “Leased Premises”) for the sole purpose of storage of snow.
2. **Lease Term.** The terms of this Lease and Tenant’s obligation to pay rent pursuant to this Lease shall commence upon signing of this Lease (the “Commencement Date”). This Lease shall terminate on April 30, 2026 (the “Lease Term”).
3. **Rent and Deliverables.** Tenant shall pay Landlord rent, and perform Deliverables, according to the schedule included herein as **Attachment A** and as indicated in this Agreement:

Commencement Date	\$2,500
February 2025	\$2,500
March 2025	\$2,500
April 2025	\$2,500

The Rent shall be due on the Commencement Date and the first day of each month thereafter beginning on February 1, 2026, during the term of this Lease. The first rent payment will cover any remaining portion of December 2026 and all of January 2026. If any rent, or other sums payable by Tenant pursuant to this Lease, are not paid within five days of the due date, Tenant shall pay a late charge equal to five percent of the delinquent amount.

4. **Permitted Use and Obligations.** Tenants shall use the Leased Premises solely for a storage of snow. No other uses are permitted unless Tenant obtains Landlord’s written consent. Landlord may remove barricades each day in order to haul snow onto the Leased Premises but must replace barricades at the end of each day.
5. **AS-IS Condition of Leased Premises.** Neither Landlord nor any agent, contractor, or employee of Landlord has made any representations or promises with respect to the Leased Premises except as expressly provided in this Lease, and no right, privileges, easements, or licenses with respect to the Leased Premises are being acquired by Tenant except as expressly provided in this Lease.
6. **Alterations.** No improvements to the Leased Premises shall be made by Tenant.
7. **Indemnity.**
 - a. To the fullest extent permitted by law, Tenant agrees to indemnify Landlord, its officials, employees, contractors, agents, and others acting on its behalf, to hold them harmless,

and to defend and protect them, from and against any and all loss, damage, liability, cost and expense (specifically including attorneys' fees and other costs and expenses of defense), of any sort whatsoever, based upon, resulting from, or otherwise arising out of and in connection with any actions, claims or proceedings (from any source whatsoever) brought, or any loss, damage or injury of any type whatsoever sustained, by reason of any act or omission of Tenant, its officers, employees, contractors, or agents, or any other persons or entities for whose acts or omissions Tenant is legally responsible, in the performance of any of Tenant's obligations (whether express or implied) under this Lease.

b. Tenant, its officers, employees, contractors, agents, and others acting on its behalf agrees to indemnify, defend, and hold harmless Landlord, its officials, employees, contractors, agents, and other acting on its behalf from any and all claims, losses, damages, liabilities, causes of action, judgments, costs or expenses, including reasonable attorneys' fees which may be imposed upon or incurred by or asserted against Landlord or its officials, employees, contractors, agents, and others acting on its behalf with respect to any use, nonuse, or condition of the Leased Premises created by Tenant or its invitees or attributable to Tenant's use or manner of use of the property.

c. Notwithstanding anything to the contrary in the Lease, Landlord does not waive any statutory limited immunity from municipal tort liability available to it under Minnesota Statutes, Chapter 466 or as otherwise provided. Such statutory limited immunity shall apply whether an action, claim, demand, or lawsuit is initiated by Tenant or by any third party. In no event, shall Tenant assert or rely upon such statutory limited liability of Landlord to avoid liability for any act for which Tenant would otherwise be legally responsible.

d. The obligations of this Section shall survive the expiration or other termination of this Lease.

8. Insurance.

a. Tenant and its contractors, subcontractors, and agents must carry insurance during the term of this Lease in accordance with the following requirements:

1. Workers' Compensation Insurance with limits as provided by statute, with all necessary statutory elections to provide coverage for actions brought by or claims made by any person doing work on the Leased Premises on behalf of Tenant pursuant to this Agreement.

2. Comprehensive General Liability Insurance with minimum combined single limits of \$2,000,000 per occurrence.

3. Tenant shall provide to Landlord a certificate of insurance evidencing that all insurance required by this Section is in effect and complies with the requirements of this Section.

b. All insurance policies shall contain an endorsement requiring 30 days' written notice from the insurance company to both parties before cancellation or change in coverage, scope or amount of any such policy; and contain the standard form of waiver of subrogation.

9. Environmental.

a. HAZARDOUS SUBSTANCES. Tenant agrees that throughout the term of the Lease, it shall not use the Leased Premises for the storage, handling, transportation, or disposal of any Hazardous Substances. "Hazardous Substances" for purposes of this Lease shall be interpreted broadly to include, but not be limited to, any material or substance that is defined, regulated or classified under any Environmental Law of other applicable federal, state or local laws and the regulations promulgated thereunder as: (i) a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601(14), the Federal Water Pollution Control Act, 33 U.S.C. §1321(14), as now or hereafter amended; (ii) a "hazardous waste" pursuant to Section 1004 or Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6903(5), 6921, as now or hereafter amended; (iii) toxic pollutant under Section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. §1317(a)(1) as now or hereafter amended; (iv) a "hazardous air pollutant" under Section 112 of the Clean Air Act, 42 U.S.C. §7412(a)(6), as now or hereafter amended; (v) a "hazardous material" under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. §5102(2), as now or hereafter amended; (vi) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws or any state or local counterpart to any of the aforementioned laws; or (vii) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances or regulations, as now or as may be passed or promulgated in the future. "Hazardous Substances" shall also mean any substance that after release into the environment or upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities and specifically includes, but is not limited to, asbestos, polychlorinated biphenyls ("PCBs"), radioactive materials, including radon and naturally occurring radio nuclides, natural gas, natural gas liquids, liquefied natural gas, synthetic gas, oil, petroleum and petroleum-based derivatives and urea formaldehyde.

b. Tenant will be solely liable for and will defend, indemnify, and hold Landlord, its officials, employees, contractors, and agents harmless from and against any and all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with Tenant's use, storage, handling, transportation, or disposal of Hazardous Substances on, at or under the Leased Premises or the Common Areas, including cleanup or restoration of the Leased Premises or Common Areas.

c. The obligations of this Section shall survive the expiration or other termination of this Lease.

10. Surrender. Upon termination of this Lease, Tenant shall peaceably surrender the Leased Premises and remove all debris and personal property from the Leased Premises.

11. Default.

a. Any one of the following events shall constitute an event of default (an "Event of Default"):

1. Tenant fails to pay any monthly installment of Rent and such default continues for 15 days after written notice to Tenant from Landlord;

2. Tenant violates or fails to perform any of the other conditions, covenants, or agreements made by Tenant in this Lease and such default continues for 15 days after written notice to Tenant from Landlord; provided, however, that if Tenant informs Landlord in writing that the nature of such default is such that Tenant can cure the default, but not within 15 days, then the Event of Default will be suspended for a period not in excess of 30 additional days, provided that Tenant diligently and continuously prosecutes the curing of the default, and so long as continuation of the default does not create a material risk to the Leased Premises or to persons using the Leased Premises; or

b. If an Event of Default occurs and continues, Landlord may at its sole option by written notice to Tenant terminate the Lease. Neither the passage of time after the occurrence of the Event of Default nor exercise by Landlord of any other remedy with regard to such Event of Default shall limit Landlord's rights under this Section.

c. In addition to all other remedies of Landlord, Landlord shall be entitled to reimbursement upon demand of all reasonable attorneys' fees incurred by Landlord in connection with any Event of Default.

d. No remedy provided for herein or elsewhere in this Lease or otherwise available to either party by law, statute, or equity, shall be exclusive of any other remedy, but all such remedies shall be cumulative and may be exercised from time to time and as often as the occasion may arise.

12. Assignment & Subletting. Tenant shall not assign or sublet the Leased Premises without the written consent of Landlord.

13. Compliance with Laws. Tenant must maintain the Leased Premises in a clean, neat, sanitary, and orderly condition. Tenant, at its sole expense, shall promptly comply with all laws, ordinances, and requirements of federal, state, and local laws and regulations relating to Tenant's use and occupation of the Leased Premises, and with any lawful order or direction of any public officer relating to Tenant's use and occupation of the Leased Premises during the Lease Term.

14. Miscellaneous.

a. **Holding Over.** If Tenant remains in possession of the Leased Premises after the expiration or termination of this Agreement, it shall be deemed to be occupying said Leased Premises as a Tenant at sufferance, subject to all the conditions, provisions, and obligations of this Agreement insofar as the same can be applicable to a tenancy at sufferance.

b. **Relationship of Landlord and Tenant.** This Agreement does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationships between the parties hereto being that of Landlord and Tenant under this Agreement.

c. **Waiver.** No waiver of either party's remedies upon the occurrence of an Event of Default shall be implied from any omission by such party to take any action on account of such

Event of Default, and no express waiver shall affect any Event of Default other than the Event of Default specified in the express waiver and such an express waiver shall be effective only for the time and to the extent expressly stated. One or more waivers by the non-defaulting party shall not then be construed as a waiver of a subsequent Event of Default.

d. Choice of Law. The laws of the State of Minnesota shall govern the validity, performance, and enforcement of this Agreement.

e. Notices and Demands. Except as otherwise expressly provided in this Agreement, any notice, demand, or other communication under this Agreement and any related document by either party to the other shall be sufficiently given or delivered if it is dispatched by United States Mail or delivered personally to:

1. in the case of Landlord:
Brooklyn Park EDA
5200 85th Avenue North
Brooklyn Park, MN 55443
Attention: Executive Director
2. in the case of Tenant:
Custom Products and Services
2648 34th Avenue South, Unit C
Minneapolis, MN 55406
Attention: James Mika

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

f. Entire Agreement and Amendment. This Agreement constitutes the entire agreement between Landlord and Tenant affecting the Leased Premises and there are no other agreements, either oral or written, between them other than said documents and as are herein set forth. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon Landlord or Tenant unless reduced to writing and executed in the same form and manner in which this Agreement is executed.

g. Severability. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date and year first above written.

LANDLORD:

**BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY**

By _____

Tim Gladhill

Its: Executive Director

TENANT:

CUSTOM PRODUCTS AND SERVICES

By _____

Its: Authorized Signer

ATTACHMENT A

Milestone One: Contract execution; Custom Products and Services to Clear existing lot with snow stacked on the South end of lot. Snow Storage to commence thereafter with a chain or Snow Pile placed to deter others from entering between snow events.

Timeline	At time of Commencement
Hours/cost	\$2,500
Deliverable	<ul style="list-style-type: none"> • Executed Agreement; lot clearing by CP&S thereafter

Milestone Two: February Lease Payment due to EDA by 2/1/26

Timeline	February 1, 2026
Hours/cost	\$2,500
Deliverable	<ul style="list-style-type: none"> • Lease Payment due to EDA office by 2/1/26 • CP&S to continue management of the lot with snow clearing and storage as necessary with each snow event

Milestone Three: March Lease Payment due to EDA by 3/1/26

Timeline	March 1, 2026
Hours/cost	\$2,500
Deliverable	<ul style="list-style-type: none"> • Lease Payment due to EDA office by 3/1/26 • CP&S to continue management of the lot with snow clearing and storage as necessary with each snow event • CP&S to begin weekly trash pickups of the entire property beginning the week of 3/15/26 and continuing weekly until final cleanup

Milestone Four: April Lease Payment due to EDA by 4/1/26

Timeline	April 1, 2026
Hours/cost	\$2,500
Deliverable	<ul style="list-style-type: none"> • Lease Payment due to EDA office by 4/1/26 • CP&S to continue management of the lot with snow clearing and storage as necessary with each snow event • CP&S to continue weekly trash pickups until snow melt is complete • Following completion of snow melt, CP&S to perform a parking lot sweeping and planting bed cleanup of the entire property to complete the contract

City of Brooklyn Park			
Request for EDA Action			
Agenda Item:	4.3	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Malcolm Hicks, Economic Development and Housing Director
Resolution:	N/A	Presented By:	Malcolm Hicks, Economic Development and Housing Director
Attachments:	2		
Item:	Consider Approving CVS's Sublease of The Northwind Plaza Property, Authorize the Executive Director to Convey Written Approval of the Sublease, and Delegate Authority to Approve Future Tenancy Changes Through 2035, Consistent with Zoning, Building Code, and Existing Lease Terms		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO APPROVE CVS'S SUBLEASE OF THE NORTHWIND PLAZA PROPERTY, AUTHORIZE THE EXECUTIVE DIRECTOR TO CONVEY WRITTEN APPROVAL OF THE SUBLEASE, AND DELEGATE AUTHORITY TO APPROVE FUTURE TENANCY CHANGES THROUGH 2035, CONSISTENT WITH ZONING, BUILDING CODE, AND EXISTING LEASE TERMS.

Overview:

The former CVS Pharmacy located at Northwind Plaza (corner of 85th Avenue and Zane Avenue) has been vacant for an extended period. CVS currently holds a ground lease with the Brooklyn Park Economic Development Authority (EDA) that extends through 2035. Despite vacancy, the site remains under CVS's control as the primary lessee, limiting opportunities for active site use and commercial revitalization.

Per Section 11 of the ground lease, CVS may assign, transfer, or sublease the premises with the written consent of the Landlord (EDA), which cannot be unreasonably withheld, delayed, or conditioned. The lease also provides CVS a continuing right to sublease or assign, provided the proposed use complies with zoning and lease terms, while CVS remains primarily liable for all obligations under the lease.

Recently, CVS has secured a prospective subtenant, Famous Furniture Outlet, an established, nationally recognized furniture retailer, to occupy the space.

While Wellington Management Inc manages the Northwinds Plaza and leasing activities, the EDA still has the ability to sign off on new tenants.

Additionally, to streamline future transactions, staff recommends delegating approval authority to the Executive Director or designee for this and any future subleases at the site through the end of the current ground lease term.

Primary Issues/ Alternatives to Consider:

- Whether to authorize the Executive Director or designee to approve CVS's proposed sublease and future tenancy changes at the Northwind Plaza site through 2035.
- Alternatively, require individual EDA approval for each future sublease, which could delay occupancy and site activation.

Budgetary/ Fiscal Issues:

There is no direct fiscal impact to the EDA. CVS remains responsible for all lease obligations, maintenance, and property taxes under the existing ground lease. New tenancy may indirectly benefit the City through increased sales tax, employment, and site activation.

Recommendation

The Executive Director of the Economic Development Authority recommends approval.

Attachments

- 4.3A RESOLUTION
- 4.3B GROUND LEASE AGREEMENT (CVS LEASE EXPIRES 2035)

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

RESOLUTION #2025-_____

RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO APPROVE CVS'S
SUBLEASE OF THE NORTHWIND PLAZA PROPERTY AND FUTURE TENANCY CHANGES
THROUGH 2035, CONSISTENT WITH ZONING, BUILDING CODE, AND EXISTING LEASE
TERMS.

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority") was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.1082 (the "EDA Act") and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park (the "City") adopted on October 24, 1988;

WHEREAS, the Authority possesses all of the powers of an economic development authority pursuant to the EDA Act and a housing and redevelopment authority pursuant to Minnesota Statutes, Sections 469.001 to 469.047;

WHEREAS, the Authority is the owner and lessor of certain real property located at 7944-7996 Brooklyn Boulevard, and commonly known as Northwind Plaza, of which CVS Pharmacy ("CVS") and the EDA entered into a lease pertaining to 1996 Brooklyn Boulevard that runs through the year 2035 ("CVS Lease");

WHEREAS, CVS no longer operates out of location and has secured a prospective subtenant, Famous Furniture Outlet, an established, nationally recognized furniture retailer, to occupy the site and reactivate the long-vacant commercial property;

WHEREAS, Section 11 of the CVS lease permits CVS to sublease its leasehold interest with the written consent of the Authority, provided that such consent shall not be unreasonably withheld, delayed, or conditioned – CVS remains primarily liable under the lease and this sublease does not relive CVS of its obligations under the lease;

NOW, THEREFORE, BE IT RESOLVED BY the Brooklyn Park Economic Development Authority Board of Commissioners that:

1. Pursuant to Section 11 of the CVS Lease, the sublease to Famous Furniture Outlet is hereby approved and authorizes the Executive Director to convey such approval in writing to CVS. The Executive Director is authorized to execute and deliver any documentation needed to carry out the intent of this resolution.
2. The Executive Director is further authorized to administratively approve future subleases or tenancy changes for this CVS Lease through the term of the current ground lease (2035), provided that such uses are consistent with zoning, building code, and existing lease terms. The Executive Director may assign a designee to approve future assignments, transfers, or subleases pursuant to Section 11 of the CVS Lease.

GROUND LEASE

by and between

William J. Hargis dba Northwind Plaza

as Landlord

and

CVS 75494 MN, L.L.C.

as Tenant

dated: August 8, 2008

**CVS STORE NO. 4597
Brooklyn Boulevard and West Broadway
Brooklyn Park, Minnesota**

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SHOPPING CENTER

GROUND LEASE

This Ground Lease (the "Lease"), dated as of the 8th day of August, 2008, by and between William J. Hargis dba Northwind Plaza, with an address of 1625 Energy Park Drive, Suite 100, St. Paul, Minnesota, 55108 and a telephone number of 651-292-9844, with a tax identification or employer identification number of 483-60-3140 ("Landlord"), and CVS 75494 MN, L.L.C., a Delaware limited liability company, with its principal place of business at One CVS Drive, Woonsocket, Rhode Island, 02895 ("Tenant"). (As of the date hereof, the Premises is designated as CVS store #4597.)

All exhibits hereto are incorporated herein by this reference.

WITNESSETH

In consideration of Ten Dollars (\$10.00), other good and valuable consideration, and the mutual covenants contained herein, and intending to be legally bound hereby, Landlord and Tenant hereby agree with each other as follows:

Section 1. Premises.

Landlord hereby leases and lets to Tenant, and Tenant hereby takes and hires from Landlord, upon and subject to the terms, conditions, covenants and provisions hereof, all that certain parcel of land, situated at the northeast corner of Brooklyn Boulevard and West Broadway, in the Municipality of Brooklyn Park, County of Hennepin, State of Minnesota, containing $\pm 72,100$ square feet of land and more particularly described in the legal description set forth in Exhibit A hereto, together with any and all appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto and existing improvements, (all the foregoing hereinafter referred to as the "Premises"). The Premises is outlined as set forth on Exhibit A-1 hereto.

Shopping Center: that certain lot or parcel of real estate located at the same intersection, as set forth on Exhibit A-2 and described on Exhibit AA, including the Premises and all buildings and other improvements situated on said property, and all rights, easements, rights of way, and other appurtenances thereto.

The Premises are leased with the nonexclusive right and easement of Tenant (and all persons claiming under Tenant, including Tenant's employees, vendors, customers and other invitees) to use, free of charge, all Shopping Center "Common Areas." Such Common Areas shall include, without limitation, paved parking areas, paved service areas, sidewalks, ramps, roadways, driveways (including full access from both West Broadway and Brooklyn Boulevard), curbs, curbcuts and all similar facilities and areas of the Shopping Center now or hereafter existing in the Shopping Center, as the same may be altered by Landlord from time to time in accordance with the provisions of Section 41. Further, the Premises are leased subject to the nonexclusive right of Landlord (and all persons claiming under Landlord, including Landlord's employees, vendors, customers and other invitees) to use, free of charge, all service and access roads located on the Premises, as they may exist from time to time including for pedestrian and

vehicular access (excluding the CVS Exclusive Parking consisting of 40 spaces as shown on Exhibit A-1) to and from the Shopping Center and the adjoining streets. Landlord and Tenant will cooperate during the Term to facilitate reasonable shared parking throughout the Shopping Center, although Tenant shall have no obligation to grant any shared parking with respect to the CVS Exclusive Parking. Further, Tenant shall have a temporary construction easement over the portion of the Remaining Shopping Center identified on Exhibit A-3 as the “Tenant Construction Area,” to construct the Building (as defined herein) and Tenant’s improvements contemplated by this Lease. The Tenant Construction Area may be modified by agreement of Landlord and Tenant as necessary or appropriate to allow for efficient construction of the Building and Tenant’s improvements, with minimal disruption of the ongoing operation of the Shopping Center. Tenant shall promptly repair any damage to the Shopping Center or any personal property located at the Shopping Center caused by Tenant’s activities, and shall indemnify, defend and hold Landlord harmless from and against any and all claims, causes of action, and damages arising from or related to Tenant’s activities at the Shopping Center. Tenant’s temporary construction easement shall terminate upon the earlier of (a) issuance of a certificate of occupancy for the Building, or (b) termination or expiration of this Lease.

The Landlord is to accomplish the subdivision of the Premises into a separately platted lot (the “Subdivision”) during the Evaluation Period. Accordingly, Landlord and Tenant shall agree during the Evaluation Period on a reciprocal easement agreement (“REA”) to be recorded promptly after the Subdivision has been accomplished that will reflect the same concepts described in this Section 1 and such other commercially reasonable provisions as would normally be reflected in such a document, as agreed by Landlord and Tenant.

Further, upon approval of the Subdivision, if the Evaluation Period and Outside Government Permits Dates have passed without Tenant having terminated this Lease within the time periods provided, Tenant agrees to pay to Landlord within five (5) days after receipt of an invoice therefor one-half of any and all park dedication fees that are imposed by the City of Brooklyn Park as a result of the Subdivision, up to a maximum contribution of \$26,486.00. Landlord shall pay the remainder of any and all such fees.

The rights granted to Tenant under this Lease are referred to herein as the “Leasehold Estate.” The rights of Landlord in the Premises after giving effect to the Leasehold Estate are referred to herein as the “Reversionary Estate.” The “Reversionary Estate” includes all of Landlord’s rights pursuant to this Lease.

Section 2. Evaluation Period; Delivery of Premises; Term.

Subsection 2.1 Evaluation Period.

(a) Evaluation Period.

(i) Within ten (10) days after the Date of this Lease, Landlord shall deliver to Tenant the “Due Diligence Information”, defined as all information relating to the Premises (including, without limitation, title information, surveys, environmental reports, engineering studies, tax bills, legal notices, permits, and approvals), which information is in Landlord’s possession or under Landlord’s control.

(ii) "Evaluation Period" shall mean the period of time commencing on the Date of this Lease, and ending one hundred twenty (120) days after the Date of this Lease.

During the Evaluation Period, Tenant may enter upon the Premises and conduct tests, inspections, surveys and studies (including, without limitation, soil, environmental, physical, mechanical and structural) which Tenant may deem appropriate to determine the suitability of the Premises for Tenant's use; conduct a title search and order a title commitment with respect to the Premises; and review applicable zoning and land use laws. The foregoing notwithstanding, Tenant may enter the Premises only with the express consent of Landlord, which may be conditioned upon Landlord or Landlord's representative accompanying Tenant upon the Premises. Tenant shall not communicate with any other tenant of the Shopping Center without the express written consent of Landlord.

Tenant shall use commercially reasonable efforts to conduct its evaluation and inspections with minimal disruption of the ongoing operation of the Shopping Center. Tenant shall promptly repair any damage to the Shopping Center or any personal property located at the Shopping Center caused by Tenant's evaluation and inspections, and shall indemnify, defend and hold Landlord harmless from and against any and all claims, causes of action, and damages arising from or related to Tenant's activities at the Shopping Center.

(iii) Tenant may terminate this Lease within fifteen (15) days after the end of the Evaluation Period if, in Tenant's sole discretion, Tenant is not satisfied with the results of any test, inspection, survey, or study performed by Tenant, or with any other condition relating to the Premises, including, without limitation, title, zoning laws, land use laws, or status of permits or approvals.

During the Evaluation Period, Tenant shall give written notice to Landlord of all environmental issues, encroachments, and encumbrances or other title or survey defects to which Tenant objects, together with copies of all reports, surveys and information upon which Tenant's objection is based (provided that Tenant shall not be obligated to make any objection with respect to rights of existing tenants in possession of the Premises, which shall be addressed by Landlord as provided in Subsection 2.2(a) below).

(b) Post-Evaluation Period.

(i) Within ninety (90) days after expiration of the Evaluation Period, Landlord shall remediate any Hazardous Substances to a standard permitting the commercial use of the Premises consistent with the Site Plan, and Landlord shall cure any encroachment, encumbrance or other defect disclosed by any survey or title information which shall not be acceptable to Tenant.

(ii) Intentionally Omitted.

(iii) If Landlord shall not fulfill its obligations pursuant to subparagraph (b)(i) above, then within fifteen (15) days after the expiration of the applicable time period, Tenant shall notify Landlord of Tenant's election to terminate this Lease or to pay (subject to reimbursement as provided below) for the cost of Landlord's said obligations and to oversee the contractors and consultants performing Landlord's obligations, on Landlord's behalf. If Tenant

shall elect to so oversee the contractors and consultants, then Tenant shall do so at Landlord's reasonable cost up to a maximum cost of \$50,000 ("Landlord's Cap"), and Tenant shall commence to do so within ten (10) days from Tenant's election and shall proceed with all possible diligence. Landlord shall cooperate with Tenant in order to enable Tenant to oversee the consultants and contractors on Landlord's behalf, and upon request of Tenant, Landlord shall promptly execute all reports or other documents to be submitted to any governmental agencies with respect to the remediation of any Hazardous Substances on the Premises. If Tenant shall be unable to obtain completion of Landlord's obligations to Tenant's satisfaction within one hundred twenty (120) days from Tenant's election, then within fifteen (15) days thereafter, Tenant may elect to terminate this Lease, without any further liability to Landlord with respect to any actions undertaken by Tenant hereunder. Whether or not this Lease shall be terminated pursuant to this Section, Landlord shall pay Tenant for reasonable costs, up to Landlord's Cap, incurred by Tenant pursuant to this subparagraph (b)(iii) within thirty (30) days after receipt of Tenant's bill with supporting documentation. If this Lease shall not be so terminated, and if Landlord shall not so pay Tenant, then Tenant may deduct such costs, up to Landlord's Cap, from Fixed Rent. Any provision to the contrary notwithstanding, Tenant and Landlord acknowledge that Landlord's Cap shall be the maximum amount that Landlord shall be obligated to expend in addressing any due diligence matters, including all issues raised during the Evaluation Period, including title, survey, environmental, and other matters. In the event costs to resolve any such issues exceed, or are anticipated to exceed, Landlord's cap, then Landlord may, in Landlord's sole discretion, terminate this Lease by written notice to Tenant. Tenant may, within ten business days after receipt of such written termination notice, agree in writing to pay all costs and expenses related to such due diligence matters, in which case this Lease shall be reinstated upon such written agreement by Tenant, delivered to Landlord within said ten business days.

(iv) Intentionally Omitted.

(v) Whether or not this Lease shall be terminated pursuant to this Section 2, Tenant shall have no liability with respect to any Hazardous Substances (as defined in Section 13(n)) or underground storage tanks discovered as a result of any tests, inspections or studies performed by Tenant hereunder, except to the extent introduced onto the Property by Tenant or its agents, employees or assigns, and except to the extent that any contamination is exacerbated by the activities of Tenant or its agents, employees or assigns.

(c) Permits, Delivery and Possession Dates.

(i) The Outside Delivery Date shall mean March 31, 2009, with the right to extend such date until January 1, 2010 by written notice to Tenant sent prior to March 31, 2009, but the right to extend shall be available only if A) Landlord has, prior to March 31, 2009, filed an eviction action or other lawsuit related to possession of the Premises against any tenant in the Premises or B) an existing tenant files bankruptcy on or prior to March 31, 2009 causing a delay in possession beyond March 31, 2009. If, on or before the Outside Delivery Date, possession of the Premises has not been delivered to Tenant in accordance with this Section 2, then at any time thereafter (until such possession is so delivered), Tenant may terminate this Lease upon thirty (30) days' notice to Landlord, and this Lease will so terminate unless, prior to the expiration of said thirty (30) days, Landlord shall deliver possession of the Premises to Tenant in accordance

with the terms hereof. Said right to terminate shall be Tenant's sole remedy if Landlord shall have used commercially reasonable good faith efforts to deliver the Premises to Tenant in accordance with the terms hereof, except that Tenant shall also be entitled to one (1) day of free rent for each day of delay in Landlord's delivery of possession in compliance with this Section 2.

(ii) Notwithstanding anything to the contrary in this Lease, in no event shall Tenant be obligated to accept possession of the Premises until all "Permits" have been issued to Tenant. Landlord and Tenant shall obtain the respective Permits set forth on **Exhibit F** hereto. "Permits" shall mean Tenant's building permit and any other licenses, permits or approvals issued by any governmental or quasi-governmental authority necessary to enable Tenant to perform its initial construction pursuant to Subsection 2.2 of this Lease, including, without limitation, Tenant's signage and, at Tenant's option, Tenant's single or double drive-through lane(s) and building window(s) and extended hours operation. In addition, "Permits" shall include any zoning variance, special use permit, street or alley abandonment, or the like necessary for Tenant to operate its desired business at the Premises.

Landlord's Outside Government Permits Date shall be August 31, 2008, with the right to extend such date to November 30, 2008 by written notice to Tenant sent prior to August 31, 2008. Tenant's Outside Government Permits Date shall be one hundred twenty (120) days thereafter. Unless, on or before the Outside Government Permits Date, Landlord or Tenant, as the case may be, shall have obtained its Permits, and all appeal periods with respect thereto have expired with no appeals having been taken, at any time thereafter (but prior to the acquisition by Tenant of said Permits and the expiration of all appeal periods with respect thereto, with no appeals having been taken), Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other party, and this Lease will so terminate unless, prior to the expiration of said thirty (30) days, Landlord or Tenant, as the case may be, shall obtain such Permits and such appeal periods shall have expired with no appeals having been taken.

Notwithstanding the foregoing, Tenant shall also have the right to terminate this Lease by giving notice thereof to Landlord, if at any time prior to either Outside Government Permits Date Tenant is advised by any governmental agency that any of the Permits have been or shall be denied or the issuance thereof conditioned on changes to Tenant's Site Plan or proposed Building design which are unacceptable to Tenant, and Tenant is unwilling to revise its Site Plan or proposed Building design to satisfy the condition of such governmental agency.

(d) Notwithstanding anything to the contrary in this Lease, in no event shall Tenant be obligated to accept possession of the Premises until Tenant shall have:

(i) received recordable "Fee Mortgage Subordination Agreements" due to Tenant pursuant to Section 12; and

(ii) received a leasehold policy of title insurance with respect to the Premises, which policy shall be satisfactory to Tenant based upon Tenant's objections, as more fully set forth elsewhere in Section 2.1 (provided that Tenant's failure to deliver objections as otherwise required by Section 2.1, or Tenant's waiver of any such objections, shall constitute a waiver of this contingency); and

(iii) received a recordable Memorandum of Lease pursuant to Section 29.

(e) Landlord shall deliver to Tenant within ten (10) days after receipt of Tenant's request therefor (provided that as to matters of record prior to the date of Tenant's title commitment such matters were objected to in writing prior to the expiration of the Evaluation Period):

(i) any documents reasonably required by Tenant's title insurance company to remove the standard title exceptions from Tenant's title commitment and subsequent title policy, including, without limitation, an Owner's Title Affidavit in customary form sufficient to delete any exceptions for parties in possession and mechanics' or materialmen's liens; and

(ii) any documents reasonably required by Tenant's title company evidencing Landlord's authority to enter into this Lease, including, without limitation, certifications, votes and other documentation relating to Landlord's organizational structure; and

(iii) any other documentation listed in the "Requirements" section of Schedule B or B-1 of Tenant's title commitment (excluding payment of mortgages as to which a Subordination and Non-Disturbance Agreement is delivered as required by Section 12).

(f) Tenant shall pay to record the Memorandum of Lease, for its survey, for Tenant's Leasehold Title Policy and for one-half of any title insurance closing fees. Landlord shall pay one-half of any title insurance closing fees, as well as all taxes, utilities and assessments related to the Premises prior to the date Tenant accepts possession.

Subsection 2.2 Delivery of Premises.

(a) Tenant shall not be obligated to accept delivery of the Premises if the Shopping Center layout is not identical to the layout shown on Exhibit A-2, as said Exhibit A-2 may be changed as provided in Section 41. Any reference in this Lease to "Exhibit A-2" shall mean the Exhibit A-2 attached hereto, or as said Exhibit A-2 may be modified with Tenant's approval.

If this Lease is not terminated pursuant to Subsection 2.1 above, Landlord shall deliver possession of the Premises by the Outside Delivery Date to Tenant free of all tenants and occupants (at Landlord's sole expense) including, without limitation, MGM Liquor, Asian Pacific Market, and Midwest Beauty Salon. The Premises shall be so delivered in rough graded condition and to 95% compaction to a depth of 12" below finish floor height with all required utilities (including, sewer, water, electricity, telephone and natural gas) brought to within five (5) feet of the Building envelope and all buildings, foundations and improvements demolished and removed by Landlord, at its sole expense. All such work shall be substantially completed by the Outside Delivery Date. Landlord agrees to give at least forty-five (45) days' prior notice to Tenant of the date when such possession will be available to Tenant, and Landlord shall not deliver said notice until all rights to terminate this Lease pursuant to Subsection 2.1 shall have expired.

Tenant shall not be obligated to accept delivery of the Premises unless, at the time of such delivery, all utilities shall be available at the Premises and adequate for Tenant's purposes,

without the need for any easements or approvals, and there shall be no moratorium in effect with respect thereto.

“Substantially completed” shall mean full completion of Landlord’s work except for minor incomplete items or deficiencies, provided that any such incomplete items or deficiencies shall not hinder Tenant’s work in or about the Premises, or prevent Tenant from opening for business.

If Landlord shall fail to fully complete all of its work (which work is specified in this Subsection 2.2 and in Subsection 2.1(a)) on or before the date Tenant takes possession of the Premises, then Tenant may send Landlord a “punch list” of items which remain to be completed. On receipt of such punch list, Landlord shall have fifteen (15) days to complete the items designated therein, and if Landlord shall fail to do so within said fifteen (15) day period, then Tenant may complete the items on behalf of Landlord and deduct the entire reasonable cost of completion of such items from rent and other charges due hereunder. Notwithstanding anything to the contrary herein, if Tenant is unable to open for business as a result of incomplete items on the punch list, then in addition to any other rights Tenant may have hereunder, the Date of Rent Commencement will be delayed for a number of days equal to the number of days that Tenant is delayed from completing its work or from opening for business.

(b) The term “Building” shall mean a building (on the Premises) which shall be constructed by Tenant with the following attributes: ground floor total square footage: 13,013 plus a mezzanine; and the ground floor of the Building is outlined in green and identified as “Building” on Exhibit A-1 hereto.

Upon acceptance of delivery of possession of the Premises, Tenant shall perform its initial construction, which shall result in the Building with, at Tenant’s election, a single or double drive-through lane(s) and window(s); and paved parking areas and related improvements, including, without limitation, pylon sign structures and other signs, lighting poles and curbs. In doing Tenant’s work, Tenant shall comply with Section 7 hereof. At Tenant’s sole cost, Landlord promptly shall cooperate with Tenant (including the prompt signing of applications or petitions) in obtaining any necessary Permits (as defined in Subsection 2.1) and join in any grants or easements for any public utilities and facilities, or access roads, or other facilities useful or necessary to the operation of the Building and other improvements or the construction thereof.

Subsection 2.3 Term.

(a) The term of this Lease shall commence on the date on which Landlord delivers possession of the Premises to Tenant in the manner and condition provided in Subsection 2.2 above, and Tenant accepts possession in accordance with the terms and conditions of this Lease (the “Commencement Date”), and shall expire twenty-five (25) years from the “Date of Rent Commencement” (as defined in Section 3(b) below), plus any months and days necessary to have the term expire on the next January 31st, all subject to all terms and conditions of this Lease (the “Initial Term”) (the Initial Term and the Initial Term as the same may have been extended pursuant to paragraph (b) below, is also sometimes hereinafter referred to as the “Term”).

(b) Tenant may extend the Term of this Lease for Four (4) extension periods of Five (5) years each (each, a "Renewal Period"), upon all of the terms set forth in this Lease. Tenant may do so only if a Tenant's Default shall not exist under this Lease at the time of any such election, and if the Premises is open to the public for business at the time of such renewal, and by giving Landlord notice of each such election ("Extension Notice") not later than twelve (12) months prior to the expiration of the then current Term, as the same may be extended by a Renewal Period. Tenant shall not be entitled to extend the Term of this Lease for any Renewal Period unless Tenant shall have extended the Term of this Lease for the preceding Renewal Period, if any. Notwithstanding anything to the contrary contained herein, including, without limitation, the preceding provisions of this Subsection 2.3(b), Tenant's right to extend the Term of this Lease hereunder shall not terminate or be extinguished due to Tenant's failure to give Landlord an Extension Notice as herein provided unless and until (i) Landlord shall have notified the Leasehold Mortgagee (as hereinafter defined), if any, of such failure (so long as Landlord has also received Leasehold Mortgagee's contact information not later than twelve (12) months prior to expiration of the then current term); and (ii) the Leasehold Mortgagee shall have failed to exercise the Renewal Option on behalf of Tenant within twenty (20) business days of such notice from Landlord.

Section 3. Rent.

(a) Commencing as of the Date of Rent Commencement, Tenant shall pay to Landlord, at the business address of Landlord specified on Page 1 hereof, or at such other address as Landlord shall have designated, from time to time, by notice to Tenant, the Fixed Rent set forth below, payable to Landlord no later than the fifth (5th) day of each month in advance, without demand or set-off, except as otherwise expressly provided in this Lease.

(b) "Free Rent Period" shall mean the lesser of (i) one hundred fifty (150) days commencing on the day on which Tenant shall accept possession of the Premises; or (ii) the number of days commencing on the day on which Tenant shall accept possession of the Premises and ending on the day on which Tenant shall open for business.

Fixed Rent shall accrue immediately upon the expiration of the Free Rent Period, subject to all of the other terms of this Lease ("Date of Rent Commencement"), but the first payment thereof shall be due and payable within five (5) business days after the expiration of the Free Rent Period. If the Date of Rent Commencement shall be on any day other than the first day of a calendar month, Fixed Rent and other charges for such month shall be pro rated on a per diem basis. The foregoing notwithstanding, Tenant's obligation to provide insurance pursuant to Section 16 shall commence upon the Commencement Date of the Term.

<u>PERIOD</u>	<u>ANNUAL FIXED RENT</u>	<u>MONTHLY INSTALLMENTS</u>
Initial Term (Years 1 – 25)	\$215,000.00	\$17,916.67
First Renewal Period	\$227,900.00	\$18,991.67
Second Renewal Period	\$241,574.00	\$20,131.17

Third Renewal Period	\$256,068.00	\$21,339.00
Fourth Renewal Period	\$271,433.00	\$22,619.42

Section 4. Rent to be Net to Landlord.

It is the intention of the parties that the rent payable hereunder shall be net to Landlord, so that this Lease shall yield to Landlord the net annual rent specified herein during the Term of this Lease.

Section 5. Use of Premises.

The Premises may be used for a retail drug store and related uses, other retail uses by CVS Caremark Corporation or related entities that are deemed by Landlord to be consistent with the operation of the Shopping Center by Landlord, and/or for any other lawful purposes as may be approved in writing by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed). Nothing contained in this Lease shall be deemed to impose upon Tenant, either directly, indirectly, constructively or implicitly, an obligation to remain open and operating in accordance with any operating schedule, procedure or method. Tenant shall commence construction of a retail pharmacy on the Premises within one year of the date it receives all Permits, subject to force majeure, and shall use commercially reasonable efforts to complete construction as quickly as possible. Tenant agrees to open and operate for at least one (1) day.

If, once Tenant opens for business, Tenant thereafter ceases operations for a period of one hundred eighty days (180) days (other than due to force majeure, reconstruction following a casualty or condemnation, or remodeling, which reconstruction or remodeling Tenant shall diligently and in good faith commence and pursue to completion), then Landlord shall have the right to terminate this Lease by giving Tenant one hundred eighty (180) days written notice; provided, however, that Tenant may nullify such termination notice by opening for business or providing Landlord with a written letter of intent between Tenant and a proposed subtenant or assignee evidencing Tenant's efforts to assign its interest in this Lease or sublet the Premises, in either case prior to the expiration of such one hundred eighty (180) day period. If such assignee or subtenant fails to open for business within ninety (90) days following the date of Tenant's notice of nullification, then notwithstanding the foregoing, Landlord may terminate this Lease in accordance with this Section. Any termination pursuant to this Section 5 shall be conditioned on payment by Landlord to Tenant (or to Tenant's Leasehold Mortgagee, if any) of a sum equal to the then-unamortized value (based on a straight line calculation over a twenty (20) year amortization period) of Tenant's leasehold improvements (other than moveable trade fixtures and equipment) paid for by Tenant, as reflected by Tenant's books and records and not reimbursed by Landlord. Tenant shall be responsible for payment of the then unpaid principal balance of any Leasehold Mortgage and Tenant agrees that any Leasehold Mortgage, at the time it is granted shall not exceed the then fair market value of Tenant's leasehold improvements (other than moveable trade fixtures and equipment). During any period the Premises is dark, if Tenant is not providing maintenance, repair and security services, Landlord may do so after ten

(10) days notice (or, in the case of emergency, without notice) and Tenant shall reimburse Landlord for the cost thereof within ten business days after receipt of an invoice from Landlord.

Without limiting any rights of Tenant under this Lease, Tenant, subject to compliance with all governmental laws, may keep the Premises open for business on Sundays and/or holidays and operate on an "extended-hours basis" (defined as being open for business in excess of 110 hours per week).

Except as provided below in this Section, Tenant shall not use, store or dispose of any Hazardous Substances (hereafter defined) in the Premises. Landlord agrees that Tenant may sell household and automotive cleaners and other chemicals (including motor oil) in standard retail containers as are commonly sold by supermarkets, discount stores, and/or drugstores, in compliance with all applicable laws and regulations. Additionally, Landlord agrees that Tenant may use such household cleaners and chemicals to maintain the Premises, and additional chemicals to perform on-site photo-processing, in compliance with all applicable laws and regulations. Storage of such chemicals, in compliance with all applicable laws and regulations, is also permitted. Landlord and Tenant acknowledge that any or all of the cleaners and chemicals described in this paragraph may constitute Hazardous Substances. However, Tenant may sell, use, store and dispose of same as herein set forth, provided that in doing so, Tenant complies with all applicable governmental laws, ordinances and regulations.

Section 6. Taxes.

(a) Landlord shall pay to all taxing authorities, all real estate taxes and all assessments which may be levied against the Shopping Center (collectively, "Taxes").

(b) (i) Commencing as of the date Tenant accepts possession of the Premises, Tenant agrees to pay to Landlord Tenant's Pro Rata Share (as defined below) of all such Taxes levied against the Shopping Center with respect to each tax fiscal year (or portion thereof) of the Term occurring after the Date of Rent Commencement. Tenant's obligation hereunder shall exclude Tenant's Pro Rata Share of any assessment penalty added to the Taxes as a result of Landlord's failure to timely pay any such Taxes to the applicable governmental authority and any Taxes payable over a period of more than one year, provided that Tenant shall pay Tenant's Pro Rata Share of the installments thereof due during the Term. At least thirty (30) days prior to the commencement of the Term, Landlord shall submit to Tenant Landlord's estimate of Taxes for the first full tax fiscal year to occur during the Term.

(ii) Tenant's Pro Rata Share for the purposes of this Section 6 shall mean: all of the Taxes assessed against the Building; and Tenant's Pro Rata Share (as defined in Section 37) of Taxes assessed against the land of the Shopping Center.

(c) Any sum payable to Landlord under this Section shall be paid by Tenant within thirty (30) days after receipt from Landlord of demand therefor (but not earlier than sixty (60) days prior to the date on which such payment is due to the Tax authority), accompanied by copies of Tax bills and a computation of Tenant's Pro Rata Share.

(d) At Tenant's sole cost, Tenant may contest (including seeking an abatement or reduction of) any Taxes agreed to be paid hereunder. At Tenant's sole cost, Landlord shall

assist Tenant as reasonably necessary with respect to any such contest, including, without limitation, joining in and signing applications or pleadings. Notwithstanding the foregoing, Tenant shall promptly pay all Taxes if at any time the Premises or any part thereof shall then be immediately subject to forfeiture, or if Landlord shall be subject to any criminal liability, arising out of the nonpayment thereof. The legal proceedings referred to in this subparagraph (d) shall include appropriate proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. After first deducting from any rebate received by Tenant all reasonable costs incurred by Tenant pursuant to this paragraph, Tenant shall pay to Landlord Landlord's Pro Rata Share of the remaining amount. Landlord's Pro Rata Share shall mean one hundred percent (100%) of the applicable sum described, less Tenant's Pro Rata Share.

(e) Landlord covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Tenant under the provisions of this Lease, such refund or rebate shall belong to Tenant. Any refunds received by Landlord shall be paid to Tenant forthwith. Landlord shall, upon the request of Tenant, sign any receipts which may be necessary to secure the payment of any such refund or rebate, and will pay over to Tenant such refund or rebate as received by Landlord.

(f) If Tenant shall become aware that the Shopping Center is being sold at a tax sale due to Landlord's delinquent payment of Taxes, and if Tenant shall pay the delinquent Taxes in order to prevent such sale, then Tenant may deduct the following amounts from rent and other charges due hereunder: an amount equal to the Taxes, interest, and penalties so paid by Tenant; all reasonable charges (including reasonable attorneys fees) incurred by Tenant in preventing such sale; and interest on all of the foregoing at the rate of ten percent (10%) per annum.

(g) Notwithstanding anything to the contrary in this Section 6, if Landlord shall fail to bill Tenant for Tenant's Pro Rata Share of any Taxes within 24 months from the date the applicable Tax bill is issued, then Tenant shall not be obligated to pay Landlord for Tenant's Pro Rata Share of such Taxes.

(h) Tenant agrees to pay when due to all Tax authorities all personal property taxes which may be levied against Tenant's merchandise, trade fixtures, and other personal property in and about the Premises.

(i) Upon completion and recording of the Subdivision, Tenant shall be responsible for 100% of the Taxes attributable to the Premises only.

Section 7. Improvements, Alterations, Surrender

(a) (i) Tenant shall have the right, at its own cost and expense, to construct on any part or all of the Premises, at any time and from time to time, such buildings and other similar and dissimilar improvements as Tenant shall from time to time determine, including, without limiting the generality of the foregoing, a retail drug store; provided that the same shall be in compliance with all then applicable building codes and ordinances, subject to written approval by Landlord, which shall not be unreasonably withheld, delayed or conditioned. Landlord's approval shall not be necessary for any such improvements.

(ii) Without limiting the generality of Tenant's rights under subparagraph (a)(i) above, Tenant also shall have the right to install, maintain and replace in or on the Premises or in any part thereof such signs and advertising matter as may be consistent with any applicable requirements of governmental authorities having jurisdiction, and shall obtain any necessary permits for such purposes. Tenant shall also have the right to install, maintain and replace in the Premises temporary paper signs in its windows, consistent with Tenant's usual practice and subject to all applicable governmental ordinances and regulations. As used in this Section 7(a)(ii), the word "sign" shall be construed to include any placard, light or other advertising symbol or object, irrespective of whether same be temporary or permanent.

(iii) Without limiting the generality of Tenant's rights under subparagraph (a)(i) above, Tenant also shall have the right to install, maintain and replace in or on the Premises or in any part thereof such satellite dishes and equipment as may be consistent with any applicable requirements of governmental authorities having jurisdiction, and shall obtain any necessary permits for such purposes.

(iv) Without limiting the generality of Tenant's rights under subparagraph (a)(i) above, Tenant also may, at its option and at its own cost and expense, at any time and from time to time, make such alterations, changes, replacements, improvements and additions in and to the Premises, and the buildings and improvements thereon, as it may deem desirable, including, without limitation, the demolition of any buildings(s) and improvement(s) and/or structure(s) that now or hereafter may be situated or erected on the Premises, subject to written approval by Landlord, which shall not be unreasonably withheld, delayed or conditioned.

(v) Subject to written approval of design by Landlord, which shall not be unreasonably withheld, delayed or conditioned, Tenant, at its sole cost, may install its sign on any pylon sign structure located on the Shopping Center, to the extent space is available on such pylon structure, and, if no such pylon structure shall exist or be available, construct its own pylon structure and install its sign thereon.

(vi) At Tenant's sole cost, Landlord agrees to cooperate with Tenant (including, without limitation, by signing applications) in obtaining any necessary Permits for any work (including, without limitation, sign installation) which Tenant is permitted to perform pursuant to this Lease.

(vii) At Tenant's sole cost (but without payment of additional Rent), Tenant may maintain a dumpster or similar refuse container and enclosure, a scissor lift, loading dock, and a single or double drive-through canopy(ies) and structure(s) on the Premises. Tenant shall maintain any such items in a neat, clean and presentable manner.

(viii) At Tenant's sole cost (but without payment of additional Rent), Tenant may maintain a trailer on the Premises for the purpose of storing inventory or fixtures. Tenant shall maintain any such trailer in a neat, clean and presentable manner.

(b) Tenant shall, at all times during the Term of this Lease, and at its own cost and expense, keep and maintain or cause to be kept and maintained in repair and good condition (ordinary wear and tear and damage by fire or other casualty and taking by eminent domain

excepted) on the Premises, all buildings and improvements at any time erected on the Premises, or used in connection therewith (such as a dumpster and enclosure, scissor lift, loading dock, and drive-through canopy(ies) and structure(s)), consistent with a first-class shopping center, and shall use all reasonable precaution to prevent waste, damage or injury.

(c) On the last day or sooner termination of the Term of this Lease, Tenant shall quit and surrender the Premises, and the buildings and permanent improvements then thereon, ordinary wear and tear and damage by fire or other casualty and taking by eminent domain excepted. The Premises shall be surrendered free of all personal property and debris, in broom-clean condition.

(d) Except as otherwise specifically provided in this Lease, Tenant hereby agrees to be fully liable for the payment of, and to cause to be paid, the entire cost of all buildings and improvements on the Premises. Title to the buildings and improvements when erected, constructed, installed or placed upon the Premises, shall automatically pass to, vest in and belong to Tenant until the expiration or sooner termination of the term of this Lease, whereupon title to the buildings and improvements that have been erected and installed upon the Premises shall automatically pass to, vest in and become the absolute property of the Landlord, subject to the rights of a mortgagee of Tenant to obtain a new lease, as provided in Subsection 12.1(j) hereof.

Section 8. Requirements of Public Authority.

(a) During the Term of this Lease, Tenant shall, at its own cost and expense, promptly observe and comply with all laws, ordinances, requirements, orders, directives, rules and regulations of the Federal, State, County and Municipal Governments and of all other governmental authorities affecting the Premises or the appurtenances thereto or any part thereof, whether the same are in force at the commencement of the Term of this Lease or may in the future be passed, enacted or directed, and Tenant shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Tenant to comply with the covenants of this Section 8; provided, however, that nothing in this Section 8 shall impose any liability on Tenant in connection with any costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of any failure by Landlord to comply with its obligations under this Lease or because of any conditions in existence prior to the Commencement Date.

(b) Except for those obligations delegated to Tenant pursuant to subdivision (a) above, Landlord shall comply with all laws, ordinances, requirements, orders, directives, rules and regulations of the Federal, State, County and Municipal Governments and of all other governmental authorities which shall impose any duty with respect to the Shopping Center and/or with respect to Landlord's work or delivery of the Shopping Center as described in Section 2.2 or Section 41.

(c) Tenant shall have the right, at Tenant's sole cost, to contest by appropriate legal proceedings diligently conducted in good faith, in the name of the Tenant or Landlord (if legally required), without cost or expense to Landlord, the validity or application of any law, ordinance, rule, regulation or requirement of the nature referred to in paragraph (a) of this Section 8 and, if

by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding, Tenant may delay such compliance therewith until the final determination of such proceeding.

(d) Landlord agrees to execute and deliver any appropriate papers or other instruments which may be necessary or proper to permit Tenant so to contest the validity or application of any such law, ordinance, order, rule, regulation or requirement and to fully cooperate with Tenant in such contest.

Section 9. Covenant Against Liens.

(a) If, because of any act or omission of Tenant, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Landlord or any portion of the Premises or the Shopping Center, Tenant shall, at its own cost and expense, cause the same to be discharged of record or bonded within thirty (30) days after notice from Landlord to Tenant of the filing thereof; and Tenant shall indemnify and save harmless Landlord against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable counsel fees, resulting therefrom. Tenant or its designees shall have the right to contest any such liens by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Tenant or its designees shall conduct promptly at its own cost and expense, and free of any expense to Landlord). Notwithstanding the foregoing, Tenant shall promptly pay and remove all such liens if, at any time, the Premises or any part thereof shall then be subject to immediate forfeiture as a result of the nonpayment thereof.

(b) If, because of any act or omission of Landlord, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Tenant or any portion of the Premises, Landlord shall, at its own cost and expense, cause the same to be discharged of record or bonded within thirty (30) days after notice from Tenant to Landlord of the filing thereof; and Landlord shall indemnify and save harmless Tenant against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable counsel fees, resulting therefrom. Landlord or its designees shall have the right to contest any such liens by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Landlord or its designees shall conduct promptly at its own cost and expense, and free of any expense to Tenant). Notwithstanding the foregoing, Landlord shall promptly pay and remove all such liens if, at any time, the Premises or any part thereof shall then be subject to immediate forfeiture as a result of the nonpayment thereof.

Section 10. Access to Premises.

Landlord or Landlord's agents and designees shall have the right to enter upon the Premises at all reasonable times upon reasonable notice to examine same and to exhibit the Premises to prospective purchasers and prospective tenants, but in the latter case only during the last twelve (12) months of the Term of this Lease, as the same may have been extended; and provided that no such entry shall unreasonably interfere with the conduct of Tenant's business on the Premises.

Section 11. Assignment, Transfer and Subletting.

Tenant may, subject to written consent of Landlord, which shall not be unreasonably withheld, delayed or conditioned, assign, transfer, license or sublease (in whole or in part or parts) this Lease or its rights hereunder (in whole or in part or parts). No consent shall be necessary in the case of (a) a transfer or assignment in a sale/leaseback transaction in which Tenant or any affiliate becomes subtenant hereunder; or (b) an assignment, transfer or subletting to an affiliate of Tenant or Guarantor; or (c) an assignment as set forth in Subsection 12.1(a), provided that the proposed use of the Premises complies with Section 5 of this Lease. Tenant's right to assign, transfer, license and sublease shall be a continuing right and shall not be exhausted by a single exercise. Upon any such assignment, transfer, license or sublease, Tenant and/or Guarantor shall not be relieved of its/their obligations hereunder and shall remain primarily liable under this Lease.

Section 12. Mortgaging of Leasehold Estate and Reversionary Estate.

Subsection 12.1 Mortgaging of Leasehold Estate.

Tenant may, without the consent of Landlord, mortgage or otherwise encumber the Leasehold Estate (which mortgage or other encumbrance is hereinafter referred to as the "Leasehold Mortgage"). The mortgagee under the Leasehold Mortgage or the other holders of the indebtedness secured by the Leasehold Mortgage (the "Leasehold Mortgagee") shall notify Landlord (and any Fee Mortgagee, as hereinafter defined), in the manner provided in Section 22 for the giving of notice, of the execution of such Leasehold Mortgage and the name and place for service of notice upon such Leasehold Mortgagee. Upon such notification of Landlord that Tenant has entered, or is about to enter, into a Leasehold Mortgage, Landlord hereby agrees for the benefit of such Leasehold Mortgagee, as follows:

(a) Landlord does hereby assent to such Leasehold Mortgage, any assignment of Tenant's rights in and to this Lease in connection with such Leasehold Mortgage, and to any subsequent sale or transfer of the Leasehold as permitted in such Leasehold Mortgage.

(b) Until all obligations of Tenant to Leasehold Mortgagee (the "Loan Obligations") shall have been completely paid and performed, and the Leasehold Mortgage shall have been discharged, Landlord shall not take any action to terminate this Lease or to exercise any other remedy for default in the obligations of Tenant thereunder without first complying with the requirements of this Subsection 12.1.

(c) Until the Loan Obligations shall have been completely paid and performed, and the Leasehold Mortgage shall have been discharged, neither Landlord nor Tenant shall terminate, amend, modify or exclude any parcel from this Lease without Leasehold Mortgagee's prior written consent. Any such termination, amendment, modification or exclusion without Leasehold Mortgagee's prior written consent shall not be binding upon Tenant, its successors or assigns.

(d) In the event the ownership of the fee and leasehold interests of the Leasehold become vested in the same person or entity, then as long as the Leasehold Mortgage shall remain

outstanding, such occurrence shall not result in a merger of title. Rather, the Lease and the Leasehold Mortgage lien thereon shall remain in full force and effect.

(e) Landlord shall send to Leasehold Mortgagee, in the manner provided in Section 22, a true, correct and complete copy of any notice to Tenant of a default by Tenant under this Lease at the same time as and whenever any such notice of default shall be given by Landlord to Tenant, addressed to Leasehold Mortgagee at the address last furnished to Landlord by such Leasehold Mortgagee. No notice by Landlord shall be deemed to have been given unless and until a copy thereof shall have been so given to Leasehold Mortgagee. Tenant irrevocably directs that Landlord accept, and Landlord agrees to accept, performance and compliance by Leasehold Mortgagee of and with any term, covenant, agreement, provision, condition or limitation on Tenant's part to be kept, observed or performed under this Lease with the same force and effect as though kept, observed or performed by Tenant.

(f) Notwithstanding anything provided to the contrary in this Lease, this Lease shall not be terminated because of a default or breach hereunder on the part of Tenant until and unless:

(i) Notice of any such default or breach shall have been delivered to Leasehold Mortgagee in accordance with the provisions of Subsection 12.1(e) above;

(ii) With respect to a default or breach that is curable solely by the payment of money, Leasehold Mortgagee has not cured such default or breach within thirty (30) days following the expiration of any of Tenant's notice and cure period set forth in this Lease; and

(iii) With respect to a default or breach that is not curable solely by the payment of money, Leasehold Mortgagee has not cured such default or breach within sixty (60) days following the expiration of any of Tenant's notice and cure periods set forth in this Lease or, if such default or breach is curable but cannot be cured within such time period, (aa) Leasehold Mortgagee has not notified Landlord within such time period that it intends to cure such default or breach, (bb) Leasehold Mortgagee has not diligently commenced to cure such default or breach, or (cc) Leasehold Mortgagee does not prosecute such cure to completion.

(iv) Furthermore, notwithstanding anything to the contrary contained herein, if Leasehold Mortgagee determines to foreclose or cause its designee to foreclose the Leasehold Mortgage or to acquire or cause its designee to acquire the Leasehold or to succeed or cause its designee to succeed to Tenant's possessory rights with respect to the Leasehold or to appoint a receiver before it effectuates the cure of any non-monetary breach or default by Tenant hereunder, the cure periods set forth above shall be extended by any period during which foreclosure proceedings, or legal proceedings to succeed to Tenant's possessory rights, or proceedings to appoint the receiver are conducted, as the case may be. Any such proceedings shall be commenced promptly after the notice of default is delivered to Leasehold Mortgagee and shall be diligently prosecuted. Promptly after Leasehold Mortgagee or a designee of Leasehold Mortgagee acquires the Leasehold pursuant to foreclosure proceedings or otherwise or succeeds to Tenant's possessory rights or promptly after a receiver is appointed, as the case may be, Leasehold Mortgagee or its designee shall cure said breach or default.

(v) Notwithstanding anything provided to the contrary in this Lease, this Lease shall not be terminated because of a default or breach hereunder on the part of Tenant which cannot be cured.

(vi) Notwithstanding anything provided to the contrary in this Lease, upon Landlord notifying Leasehold Mortgagee of a monetary default by Tenant, Landlord may terminate this Lease upon sixty days notice to Tenant and Leasehold Mortgagee unless all Rent and all amounts due under this Lease are paid to Landlord. Any extension or other delay of termination of the Lease pursuant to this Section 12.1 is hereby expressly conditioned upon payment of all Rent and other amounts due under this Lease during the term of such extension or delay of termination.

(g) Without the written consent of Leasehold Mortgagee, Landlord agrees not to accept a cancellation or voluntary surrender of this Lease at any time while the Leasehold Mortgage shall remain a lien on the Leasehold; and any such attempted cancellation or surrender of this Lease without the written consent of Leasehold Mortgagee shall be null and void and of no force or effect. Landlord and Tenant further agree for the benefit of Leasehold Mortgagee that, so long as any such Leasehold Mortgage shall remain a lien on said Leasehold, Landlord and Tenant will not subordinate this Lease, or any New Lease entered into pursuant to Subsection 12.1(j) below, to any mortgage or deed of trust that may hereafter be placed on Landlord's reversionary fee interest in the Premises unless the Fee Mortgagee shall have entered into the Subordination and Non-Disturbance Agreement required by Subsection 12.2, or consent to any prepayment of any rent, without securing the prior written consent of such Leasehold Mortgagee.

(h) It is acknowledged that the Leasehold Mortgage may be assigned by Leasehold Mortgagee in accordance with its terms and the provisions of Section 12. Notwithstanding anything stated to the contrary in this Lease, the following transfers shall be permitted and shall not require the approval or consent of Landlord:

(i) A transfer of the Leasehold at foreclosure sale under the Leasehold Mortgage, whether pursuant to the power of sale contained therein or a judicial foreclosure decree, or by an assignment in lieu of foreclosure, or

(ii) Any subsequent transfer by Leasehold Mortgagee or its nominee or designee if Leasehold Mortgagee, or such nominee or designee, is the purchaser at such foreclosure sale or under such assignment in lieu of foreclosure.

(iii) Any such transferee shall be liable to perform the obligations of Tenant under this Lease only so long as such transferee holds title to the Leasehold, provided that upon any conveyance of title, such transferee's transferee expressly assumes and agrees to perform all of the obligations under this Lease; provided further, that the liability of any Leasehold Mortgagee that obtains title to the Leasehold shall be limited to Leasehold Mortgagee's interest in the Leasehold.

(iv) Following any transfer described in Subsection 12.1(h)(i) above, all non-curable defaults existing under this Lease prior to such transfer shall be deemed waived without further notice or action of any party.

(i) Any policy of hazard insurance insuring Landlord shall contain an endorsement waiving the insurer's right of subrogation as against Leasehold Mortgagee and Tenant.

(j) If this Lease is terminated because of Tenant's default hereunder or for any other reason or is extinguished for any reason (including, without limitation, rejection of this Lease by a trustee in bankruptcy), then Leasehold Mortgagee may elect to demand a new lease of the Leasehold (the "New Lease") by notice to Landlord within thirty (30) days after such termination and, such New Lease must be fully executed within thirty (30) days after such notice of demand of New Lease by Leasehold Mortgagee, or Tenant and Leasehold Mortgagee shall be deemed to have waived their rights under this Section 12.1(j). Upon any such election, the following provisions shall apply:

(i) The New Lease shall be for the remainder of the Term of this Lease, effective on the date of termination, at the same rent and shall contain the same covenants, agreements, conditions, provisions, restrictions and limitations as are then contained in this Lease. Such New Lease shall be subject to all then-existing subleases.

(ii) The New Lease shall be executed by Landlord and Leasehold Mortgagee within thirty (30) days after receipt by Landlord of notice of Leasehold Mortgagee's or such other acquiring person's election to enter into a New Lease.

(iii) Any New Lease and the leasehold estate created thereby shall, subject to the same conditions contained in this Lease, continue to maintain the same priority as this Lease with regard to any Leasehold Mortgagee or any other lien, charge or encumbrance affecting the Premises. Concurrently with the execution and delivery of the New Lease, Landlord shall assign to the tenant named therein all of its right, title and interest in and to moneys, if any, then held by or payable to Landlord which Tenant would have been entitled to receive but for the termination of this Lease.

(iv) Intentionally Deleted.

(v) Landlord's obligations under this Section 12.1(j) are expressly contingent upon Leasehold Mortgagee paying to Landlord all reasonable costs and expenses, including attorney fees, change of signage fees, and fees and costs related to transfer of governmental permits, if any, incurred by Landlord with respect to the New Lease, and also upon Leasehold Mortgagee paying to Landlord all amounts due and owing under this Lease as of the date of termination of this Lease.

(k) The provisions of this Subsection 12.1 shall be binding upon and inure to the benefit of Leasehold Mortgagee's successors and assigns. To the extent of any inconsistency between the terms and provisions contained in other sections of this Lease and the terms and conditions set forth in this Subsection 12.1, the terms and conditions set forth below in this Subsection 12.1 shall govern and control.

(l) The terms of this Subsection 12.1, and the rights of Leasehold Mortgagee, and the obligations of Landlord and Tenant arising hereunder shall not be affected, modified or impaired in any manner or to any extent by (a) any renewal, replacement, amendment, extension, substitution, revision, consolidation, modification or termination of or any of the Loan Obligations; (b) the validity or enforceability of any document evidencing or securing the Loan Obligations; (c) the release, sale, exchange for surrender, in whole or in part, of any collateral security, now or hereafter existing, for any of the Loan Obligations; (d) any exercise or nonexercise of any right, power or remedy under or in respect of the Loan Obligations; or (e) any waiver, consent, release, indulgence, extension, renewal, modification, delay or other action, inaction or omission in respect of the Loan Obligations, all whether or not Landlord shall have had notice or knowledge of any of the foregoing and whether or not it shall have consented thereto.

(m) Any and all buildings and improvements owned by Tenant prior to any termination of this Lease after a Default of Tenant shall automatically pass to, vest in and belong to Leasehold Mortgagee (to the same extent owned by Tenant, and subject to Landlord's reversionary interest therein), and shall not become the property of Landlord unless and until the final expiration or sooner termination of this Lease not followed by a new Lease as provided in Subsection 12.1(j). Leasehold Mortgagee shall not remove improvements from the Premises prior to their otherwise passing to Landlord, nor otherwise impair Landlord's reversionary interest in any manner contrary to the terms of this Lease.

Subsection 12.2 Mortgaging of Reversionary Estate.

(a) In the event that, at any time prior to the execution of this Lease and the recordation of the Memorandum of Lease in accordance with Section 29 hereof, Landlord has mortgaged or otherwise encumbered the Premises, Landlord shall deliver to Tenant a Subordination and Non-Disturbance Agreement ("Subordination and Non-Disturbance Agreement") containing terms substantially identical to the terms of the document so entitled annexed hereto as **Exhibit B** and incorporated herein by this reference, duly executed by the holder of any such mortgage or encumbrance (the "Fee Mortgagee"), with commercially reasonable changes requested by Fee Mortgagee.

(b) In the event that, at any time after the execution of this Lease and the recordation of the Memorandum of Lease in accordance with Section 29 hereof, Landlord mortgages or otherwise encumbers the Reversionary Estate, Landlord shall be required to deliver to Tenant a Subordination and Non-Disturbance Agreement containing terms substantially identical to the terms of the document so entitled annexed hereto as **Exhibit B** and incorporated herein by this reference, as revised by all commercially reasonable requests of the Fee Mortgagee, duly executed by the Fee Mortgagee.

Section 13. Landlord's Warranties and Representations.

Landlord represents and warrants to Tenant as follows:

(a) Tenant shall, upon paying the rent reserved hereunder and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and

performed, peaceably and quietly have and hold, the Premises, without hindrance or molestation by any person or persons, subject, however, to the terms of this Lease;

(b) Landlord has full right and authority to enter into this Lease and perform Landlord's obligations under this Lease, and has title to the Premises in fee simple, free and clear of all restrictions, leases, tenancies, and easements except as disclosed in the Leasehold title policy referred to in Subsection 2.1 above, and that there are no exclusive use restrictions in other tenants' leases, restrictive covenants or other agreements which would prevent Tenant from occupying the Premises for the purposes herein provided, or prevent the full use of the parking areas as herein set forth, or otherwise prevent the Shopping Center from being developed in accordance with the layout shown on Exhibit A-1, and Landlord shall not enter into any exclusive use restrictions, restrictive covenants or other agreements, which would prevent Tenant from occupying the Premises for the purposes herein provided, or prevent the full use of the parking areas as herein set forth, or otherwise prevent the Shopping Center from being developed in accordance with the layout shown on Exhibit A-1;

(c) Landlord shall at all times comply with all applicable laws, ordinances, rules and regulations governing the division or parcelization of real property for purposes of lease so that this Lease shall constitute a lawful conveyance to Tenant of a leasehold estate in the Premises, and on the date of delivery of possession of the Premises to Tenant, to the Landlord's actual knowledge, without inquiry or investigation, the Shopping Center shall be free of all violations, orders, or notices of violations of Laws;

(d) Other than existing tenants to be removed by Landlord as provided in this Lease, the Premises is not subject to any existing claim for mechanics' liens, nor are there any third parties in or entitled to possession thereof. Landlord has not granted and during the Term shall not grant to anyone an exclusive right to sell goods or provide services that would limit or interfere with Tenant's right to use the Premises as permitted under this Lease;

(e) Landlord has not received any notice, nor is it aware of any pending action to take by condemnation all or any portion of the Premises or the Shopping Center;

(f) The Premises has free and full access to and from all adjoining streets, roads and highways as shown on Exhibit A-1, and to Landlord's knowledge there is no pending or threatened action which would impair such access;

(g) The Premises has not been classified under any designation authorized by law to obtain a special low ad valorem tax rate or receive either an abatement or deferment of ad valorem taxes which, in such case, will result in additional, catch-up ad valorem taxes in the future in order to recover the amounts previously abated or deferred, nor is the Premises subject to any agreement, contract or commitment regarding valuation and/or minimum valuation;

(h) Landlord has received no notice and is not otherwise aware that either the Shopping Center or the Premises is, or will be, in violation of any local governmental rule, ordinance, regulation or building code, nor has Landlord received notice of any pending or threatened investigation regarding a possible violation of any of the foregoing;

(i) There is no litigation and no other proceedings are pending or threatened relating to the Shopping Center, the Premises or their use;

(j) This Lease is and shall be binding upon and enforceable against Landlord in accordance with its terms, and the transaction contemplated hereby will not result in a breach of, or constitute a default or permit acceleration and maturity under any indenture, mortgage, deed of trust, loan agreement or other agreement to which Landlord or the Premises are subject or by which Landlord or the Premises are bound (except existing leases to be terminated by Landlord as provided in this Lease).

(k) Except for a first Fee Mortgage as to which the Subordination Agreement required by Section 12 has been delivered to Tenant, any lien now in existence or hereafter placed upon the Premises by Landlord shall be subordinate and junior to this Lease and to all rights of Tenant hereunder. Landlord shall promptly remove any such lien arising as a result of the actions of Landlord.

(l) Landlord has not (i) made a general assignment for the benefit of creditors, (ii) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by Landlord's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Landlord's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Landlord's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(m) Intentionally omitted.

(n) Except in compliance with applicable laws, to Landlord's actual knowledge, without inquiry or investigation, no Hazardous Substance (defined below) is located on, in, or under the Shopping Center or any portion thereof or the Premises.

(i) Except in compliance with applicable laws, to Landlord's actual knowledge, without inquiry or investigation, at no time has there been a Release (defined below) of any Hazardous Substance in, on, or under the Shopping Center or any portion thereof.

(ii) Except in compliance with applicable laws, to Landlord's actual knowledge, without inquiry or investigation, neither Landlord nor Landlord's Affiliates (defined below), tenants or subtenants have ever used the Shopping Center or any portion thereof for the storage, manufacture, disposal, handling, transportation or use of any Hazardous Substance, nor, to Landlord's actual knowledge, without inquiry or investigation, has the Shopping Center or any portion thereof ever been used for the storage, manufacture, disposal, handling, transportation or use of any Hazardous Substance, except in compliance with applicable laws.

(iii) To Landlord's actual knowledge, without inquiry or investigation, there is not nor has there ever been any investigation, administrative proceeding, litigation, regulatory hearing or other action proposed, threatened or pending, relating to the Shopping Center or any portion thereof and/or alleging non-compliance with or the violation of any Environmental Law (defined below).

(iv) Landlord, to Landlord's actual knowledge, has disclosed to Tenant all assessments, studies, sampling results, evaluations, reports and investigations commissioned by Landlord or within Landlord's possession or control relating to the environmental condition of the Shopping Center or any portion thereof and has delivered true and correct copies thereof to Tenant.

(v) To Landlord's actual knowledge, without inquiry or investigation, there are not now and were not at any time during which Landlord or Landlord's Affiliates, tenants or subtenants had any interest in the Shopping Center, nor have there ever been, any above-ground or underground storage tanks located in, on or under the Shopping Center.

For purposes of this Lease:

The term "Environmental Law" shall mean any federal, state, county, municipal, local or other statute, ordinance, rule, regulation, permit, judgment, order, writ, decree, award or injunction which relates to or deals with the protection of the environment or wildlife and/or human health and safety, including all regulations promulgated by a regulatory body pursuant to any such statute, ordinance, or regulation, including, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. §9601 et. seq., the Resource Conservation and Recovery Act ("RCRA"), as amended, 42 U.S.C. §6901, et. seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251 et. seq., and the Clean Air Act, as amended, 42 U.S.C. §7401 et. seq.

The term "Hazardous Substance" shall mean and refer to asbestos, urea formaldehyde, lead, lead paint, polychlorinated biphenyls, nuclear fuel or materials, radioactive materials, explosives, known carcinogens, petroleum products and by-products (including crude oil or any fraction thereof), and any pollutant, contaminant, chemical, material, substance or waste, defined as hazardous, toxic or dangerous or as a pollutant or a contaminant in, or the use, manufacture, generation, storage, treatment, transportation, release or disposal of which is regulated by any Environmental Law.

The term "Release" shall mean and refer to any spilling, leaking, pumping, pouring, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including the abandonment or discarding of barrels, drums, containers, tanks, or other receptacles containing or previously containing any Hazardous Substance.

The term "Landlord's Affiliates" shall mean and refer to (i) any spouse, ancestor, descendant or sibling of Landlord; (ii) any corporation in which Landlord is or was an officer, director, or shareholder; (iii) any partnership in which Landlord is or was a partner; (iv) any trust which is or was for the benefit of Landlord or any spouse, ancestor, descendant or sibling of Landlord; (v) any limited liability company ("LLC") in which Landlord is or was a member or manager; (vi) if Landlord is a partnership, any partner of Landlord; (vii) if Landlord is a corporation, any officer, director or controlling shareholder of Landlord; (viii) if Landlord is an LLC, any member or manager of Landlord; and (ix) any other person or entity sharing common ownership with, or having an interest directly or indirectly in, Landlord.

(o) Notwithstanding anything in this Lease to the contrary, Tenant shall not be obligated to accept possession of the Premises until any Hazardous Substances found in or on the Shopping Center have been removed as required by Section 2 of this Lease.

(p) If, at any time during the Term, Hazardous Substances shall be found in or on the Shopping Center, then:

(ii) with regard to the presence or Release of any Hazardous Substances (a) existing prior to the date of delivery of possession of the Premises, but discovered after the Evaluation Period, or (b) caused by Landlord, Landlord shall remove or remediate same to the extent required by all governmental laws, and in compliance with all governmental laws, and at Landlord's sole cost; and Landlord agrees to defend, indemnify, and hold each of Tenant and Guarantor harmless from and against any and all costs, damages, expenses, and/or liabilities (including reasonable attorneys' fees) which each of Tenant or Guarantor may suffer as a result of any claim, suit, or action regarding any such Hazardous Substances (whether alleged or real), and/or regarding the removal and remediation of same.

(ii) with regard to the presence or Release of any Hazardous Substances occurring from the date of delivery of the Premises to Tenant throughout the term of this Lease, and not caused by Landlord, Tenant shall remove or remediate same to the extent required by all governmental laws, and in compliance with all governmental laws, and at Tenant's sole cost; and Tenant agrees to defend, indemnify and hold Landlord harmless from and against any and all costs, damages, expenses, and/or liabilities (including reasonable attorneys' fees) which Landlord may suffer as a result of any claim, suit, or action regarding any such Hazardous Substances (whether alleged or real), and/or regarding the removal and remediation of same.

(q) If, after expiration of the Evaluation Period but prior to the Date of Rent Commencement, any Hazardous Substances are found in or on the Shopping Center, and, as a result thereof, Tenant is prevented from opening for business, then notwithstanding anything to the contrary herein, if Landlord is responsible for remediating the Premises, the Date of Rent Commencement will be delayed for a number of days equal to the number of days that Tenant is interfered with from opening for business in the Premises, subject to the other provisions of this Lease. If Landlord is responsible for remediating the Premises, and the Date of Rent Commencement shall be so delayed for 6 months, then at any time thereafter until such delay shall cease, Tenant may terminate this Lease upon thirty days' notice to Landlord, unless such delay is remedied by Landlord within said thirty days.

(r) If, on or after the Date of Rent Commencement, Tenant is prevented from operating its business as a result of the existence of such Hazardous Substances not caused by Tenant and Landlord is responsible for remediating the Premises, then Tenant's rent and all other charges due hereunder shall abate, until Tenant is able to resume the operation of its business without such interference, subject to the other provisions of this Lease. If Tenant's rent and other charges shall be so abated for 6 months, then at any time thereafter until such abatement shall cease, Tenant may terminate this Lease upon thirty days' notice to Landlord, unless such delay is remedied by Landlord within said thirty days.

The foregoing representations and warranties set forth in this Section 13 are express representations and warranties which Tenant shall be entitled to rely on. Landlord shall indemnify, protect, defend and hold Tenant forever harmless from and against any and all claims, actions, judgments, liabilities, liens, damages, penalties, fines, costs and expenses, including but not limited to attorneys' fees, costs of defense and expert/consultant fees, and increased costs of construction, asserted against, imposed on, or suffered or incurred by Tenant (or the Premises) directly or indirectly arising out of or in connection with (i) any Hazardous Substances that have been introduced at any time to the Premises by Landlord and (ii) any breach of the foregoing representations and warranties. Consummation of this Lease by Tenant with knowledge of any such breach shall constitute a waiver or release by Tenant of any claims arising out of or in connection with such breach.

The foregoing representations, warranties and indemnity of Landlord contained in this Section shall survive the expiration or sooner termination of this Lease.

Section 14. Confidentiality.

(a) Landlord and Tenant covenant and agree not to disclose to any third party, without approval of the other party (i) any financial or other material business or legal terms of this Lease, (ii) materials submitted from Tenant or Landlord, as applicable, designated as confidential, and/or (iii) physical aspects of the design or operation of the Premises identified by Tenant or Landlord, as applicable, as proprietary; except only to the extent that (A) such information is a matter of public record, (B) such disclosure is made on a comparably confidential basis to Landlord's or Tenant's, as applicable, attorneys, accountants, architects, engineers, consultants and/or brokers or an existing or prospective purchaser or fee or leasehold mortgagee (any of the foregoing, a "Permitted Party"), or (C) disclosure is compelled by law or regulatory or judicial process.

(b) Landlord and Tenant further covenant and agree that each will not publish or display, nor allow any other person or entity, including a Permitted Party, to publish or display, this Lease in any medium of mass communication, including, without limitation, the internet, brokerage publications and listing services, newspapers, magazines, journals, radio or television.

Section 15. Indemnity.

(a) Tenant shall indemnify and save harmless Landlord from and against any and all liability, damage, penalties or judgments, any and all actions, suits, proceedings, claims, demands, assessments, costs and expenses, including, without limitation, legal fees and expenses, incurred in enforcing this indemnity, arising from injury to person or property sustained by anyone in and about the Premises resulting from any act or acts or omission or omissions of Tenant, or Tenant's officers, agents, servants, employees, contractors, or sublessees. Tenant shall, at its own cost and expense, defend any and all suits or actions, just or unjust, which may be brought against Landlord or in which Landlord may be impleaded with others upon any such above-mentioned matter, claim or claims, except as may result from the acts set forth in paragraph (b) of this Section 15, and subject to the provisions of Section 16(f).

(b) Except for its affirmative acts or negligence or the affirmative acts or negligence of its officers, agents, servants, employees or contractors, Landlord shall not be responsible or liable for any damage or injury to any property, fixtures, buildings or other improvements, or to any person or persons, at any time on the Premises, including any damage or injury to Tenant or to any of Tenant's officers, agents, servants, employees, contractors, customers or sublessees.

Section 16. Insurance.

(a) (i) Landlord shall maintain All Risk insurance for all buildings of the Shopping Center (except the Building) for at least ninety percent (90%) of its/their reasonable replacement value. Said All Risk policy shall not exclude flood coverage if the Shopping Center is located in a Flood Zone A or V, and shall not exclude earthquake coverage.

(ii) Landlord also shall maintain General Liability coverage, including Broad Form Endorsement, on an occurrence basis; in combined policy limits of not less than \$2,000,000.00 and not in excess of \$5,000,000.00 per occurrence for bodily injury and for property damage with respect to the Shopping Center.

(b) Tenant shall provide, at its expense, and keep in force during the Term of this Lease, general liability insurance in a good and solvent insurance company or companies licensed to do business in the State in which the Premises is located, selected by Tenant, in a commercially reasonable amount, but in no event less than two million dollars (\$2,000,000) per occurrence for bodily injury and for property damage with respect to the Premises. Such policy or policies shall include Landlord as an additional insured.

(c) During the Term of this Lease, Tenant shall keep all buildings and improvements erected or caused to be erected, at any time, by Tenant on the Premises insured for the benefit of Landlord and Tenant and the holder of any Leasehold Mortgage, as their respective interests may appear, against loss or damage covered by a standard all risk insurance policy, in a minimum amount necessary to avoid the effect of co-insurance provisions of the applicable policies. All proceeds payable at any time and from time to time by any insurance company under such policies shall be payable to such Leasehold Mortgagee, as the Leasehold Mortgage or other loan documents pertaining to the Leasehold Mortgage ("Loan Documents") may provide, or, if none, to Tenant. If any such proceeds are paid to such Leasehold Mortgagee, Tenant shall be entitled to receive the full amount thereof in accordance with the terms of such Leasehold Mortgage or Loan Documents, and Landlord shall not be entitled to, and shall have no interest in, such proceeds or any part thereof. Any proceeds paid directly to Tenant shall be retained by Tenant and Landlord shall not be entitled to, and shall have no interest in, such proceeds or any part thereof. Landlord shall, at Tenant's cost and expense, cooperate fully with Tenant in order to obtain the largest possible recovery and execute any and all consents and other instruments and take all other actions necessary or desirable in order to effectuate the same and to cause such proceeds to be paid as hereinbefore provided, and Landlord may, but except as otherwise provided in this Lease, shall not be obligated to insure Landlord's interest in the Premises, so long as doing so shall not reduce any payment to Tenant under its insurance.

(d) Any insurance required to be provided by Tenant pursuant to this Lease may be provided by blanket insurance covering the Premises and other locations of Tenant and affiliates

of Tenant, provided such blanket insurance complies with all of the other requirements of this Lease with respect to the insurance involved and such blanket insurance is acceptable to any Leasehold Mortgagee.

(e) All insurance coverage required to be carried hereunder shall be carried with insurance companies licensed to do business in the state in which the Shopping Center is located; shall be rated in the then-most current Best's Insurance Guide (or any successor thereto) as having a general policyholder rating of A- or better and a financial rating of "VIII" or better; and shall require the insured's insurance carrier to notify the other party hereto at least thirty (30) days prior to any cancellation or material modification of such insurance.

(f) Notwithstanding anything in this Lease to the contrary, Landlord and Tenant each waives any rights of action for negligence against the other party, which may arise during the Term for damage to the Premises or to the property therein resulting from any fire or other casualty of the kind covered by All Risk property insurance policies, regardless of whether or not, or in what amounts, such insurance is now, or may hereafter be, carried by the parties.

Section 17. Condemnation.

(a) If the use, occupancy, or title of the Premises or any part thereof or access thereto is taken, requisitioned or sold in, by or on account of any actual or threatened eminent domain proceeding or other action by any person having the power of eminent domain (a "Condemnation"), Landlord and Tenant agree that any award or compensation on account thereof will be allocated as follows:

(i) Tenant receives that portion of the award or compensation allocable to its Leasehold Estate and all awards for Tenant's interest in any improvements located on the Premises; and

(ii) Landlord shall be entitled to receive that portion of the award or compensation allocable to its interest in the Premises, as encumbered by this Lease and subject to Tenant's right to receive that portion of the award as provided in clause (i).

(b) Each of Landlord and Tenant may appear in any such proceeding or action, to negotiate, prosecute and adjust any claim for any award or compensation on account of any Condemnation as it relates to their respective interest in the Premises. All amounts paid in connection with any Condemnation of the Premises shall be applied pursuant to this Section 17, and all such amounts (minus the expense of collecting such amounts as hereinafter provided) are herein called the "Net Proceeds." Landlord and Tenant shall each pay all of its reasonable costs and expenses in connection with each such proceeding, action, negotiation, prosecution and adjustment for which costs and expenses Landlord and Tenant shall be reimbursed out of any award, compensation or insurance payment to which it is entitled. Landlord shall have no interest in any such award, compensation or payment, or any portion thereof, made in respect of Tenant's Leasehold Estate or Tenant's interest in the improvements, all of which shall belong to and be paid to Tenant.

(c) If the entire Premises, or the use or possession thereof, is taken by Condemnation, then this Lease shall terminate on the date when possession shall be taken by the condemnor, and

rent and all other charges payable hereunder shall be apportioned and paid in full up to that date, and all prepaid unearned rent, and all other charges payable hereunder, shall promptly be repaid by Landlord to Tenant.

(d) If a Condemnation shall affect only a portion of the Premises or access thereto, which Tenant reasonably believes shall render the Premises unsuitable for restoration for continued use and occupancy in Tenant's business, or shall materially, adversely affect the Protected Curbeuts, then Tenant may, not later than one hundred fifty (150) days after such occurrence, deliver to Landlord (i) notice of Tenant's intention to terminate this Lease on a business day specified in such notice (the "Lease Termination Date"), which occurs not less than thirty (30) days after the delivery of such notice; provided, however, if the interest of Tenant under this Lease shall then be encumbered by a Leasehold Mortgage, the holder of such Leasehold Mortgage shall have consented in writing to the giving of such notice, and (ii) a certificate of Tenant describing the event giving rise to such termination. This Lease shall terminate on the Lease Termination Date, except with respect to obligations and liabilities of Tenant hereunder, actual or contingent, which have arisen on or prior to the Lease Termination Date, upon payment of all additional rent and other sums then due and payable hereunder to and including the Lease Termination Date.

(e) Notwithstanding subdivision (d) above: If, due to a taking, the CVS Exclusive Parking shall be decreased below 40 parking spaces, or if the visibility of or access to the Premises is materially impaired, Tenant shall notify Landlord thereof. If, within ninety (90) days after Landlord's receipt of such notice, additional CVS Exclusive Parking is not provided by Landlord equal to the number by which it has been decreased or the visibility or access to the Premises is not restored, as the case may be, then Tenant may, upon thirty (30) days' notice to Landlord (i) terminate this Lease; or (ii) pay to Landlord Fixed Rent reduced to a level equal to fifty percent (50%) of Fixed Rent due under this Lease. If Tenant shall elect to so pay reduced rent, Tenant shall remain obligated for any other charges due under this Lease. Tenant's Fixed Rent shall be so reduced until such time as said additional parking is provided by Landlord, or the visibility or access to the Premises is not restored, as the case may be. The additional parking to be provided by Landlord pursuant to this subsection (e) shall be within the Shopping Center and/or contiguous to the Premises in a location acceptable to Tenant in its reasonable discretion.

(f) If a Condemnation of the Premises or any part thereof shall occur but Tenant does not give notice of its intention to terminate this Lease as provided in this Section 17, then this Lease shall continue in full force and effect. Any Net Proceeds payable with respect to such Condemnation shall be allocated between Landlord and Tenant in accordance with Section 17(a) above and, to the extent that Tenant has received Net Proceeds, Tenant shall promptly repair and restore the Premises to the same condition (as nearly as practicable) as existed immediately before the Condemnation (assuming for this purpose that the Premises were in compliance with the terms of this Lease). In the event of any temporary requisition, this Lease shall remain in full effect and Tenant shall be entitled to receive the Net Proceeds allocable to such temporary requisition; except that such portion of the Net Proceeds allocable to the period after the expiration or termination of the Term of this Lease shall be paid to Landlord.

Section 18. Defaults

Subsection 18.1 Defaults of Tenant.

(a) Tenant shall be in "Default" if (i) Tenant shall not have paid Rent or any other amount payable by Tenant pursuant to this Lease within ten (10) business days following Tenant's receipt of written notice from Landlord stating that such payment was not made prior to its due date (a "Monetary Default"); or (ii) Tenant shall not have performed any of the other covenants, terms, conditions or provisions of this Lease within thirty (30) days after Tenant's receipt of written notice specifying such failure; provided, however, that with respect to those failures that cannot with due diligence be cured within such thirty (30) day period, Tenant shall not be deemed to be in default hereunder if Tenant commences to cure such default within such thirty (30) day period and thereafter continues the curing of such default with all due diligence (a "Non-Monetary Default"). Any assignee or lender may cure any default of Tenant hereunder.

(b) If Landlord shall claim that Tenant is in Default, Landlord shall have the right, subject to the provisions of Subsection 12.1, to institute from time to time an action or actions (i) to recover damages (exclusive of consequential or special damages), (ii) for injunctive and/or other equitable relief, or (iii) to recover possession of the Premises and terminate this Lease. Notwithstanding the foregoing, Landlord agrees that Tenant shall have thirty (30) days after commencement by Landlord of any proceedings to file an appropriate pleading in the action initiated by Landlord to contest the claim of Default or to cure such Default; no action shall be taken by Landlord during such thirty (30) day period to regain possession of the Premises from Tenant or to terminate this Lease. If the Default is not cured, Landlord's rights and Tenant's obligations shall be resolved by the final determination made by the court in which Landlord's proceedings were initiated. For the purpose hereof, a "final determination" shall occur where the judgment or order entered can be enforced by execution, issuance of a writ of restitution, judicial sale or specific enforcement and no such judgment or order shall be considered final for purposes hereof during the pendency of a stay of execution in connection with an appeal. Notwithstanding anything herein to the contrary, if there is a Monetary Default which arises out of a dispute as to an amount owed or the amount of an offset, this Lease shall not terminate as a result of such Monetary Default, if Tenant pays to Landlord the amount the court determined to be owed within the period of time permitted by law or ten (10) days after such determination if no such grace period is permitted.

(d) In the event of any termination of this Lease in accordance with the provisions of paragraph (b) above, Tenant shall pay to Landlord all Rent, and other sums required to be paid by Tenant to and including the date of such termination, reentry or repossession; and, thereafter, Tenant shall, until the end of what would have been the Term of this Lease in the absence of such termination, reentry or repossession, and whether or not the Premises shall have been relet, be liable to Landlord for, and shall pay to Landlord, as agreed current damages: (i) all Rent and other sums that would be payable under this Lease by Tenant in the absence of such termination, reentry or repossession, less (ii) the net proceeds, if any, of any reletting effected for the account of Tenant, after deducting from such proceeds all of Landlord's expenses in connection with such reletting (including, but not limited to, repossession costs, brokerage commissions, reasonable attorneys fees and expenses, alteration costs and expenses of preparation for such reletting). Tenant shall pay such current damages on the days on which Rent would be payable

under this Lease in the absence of such termination, reentry or repossession, and Landlord shall be entitled to recover the same from Tenant on each such day. Alternatively, at Tenant's option, Tenant shall, whether or not the Premises shall have been relet, be liable to Landlord for, and shall pay to Landlord, as liquidated damages, an amount equal to the excess, if any, of (i) the Rent required herein during the period from the date of such expiration, termination, reentry or repossession to and including the end of what would have been the Term of this Lease in the absence of such termination, reentry or repossession, discounted at the current Prime Rate over (ii) the then fair market rental value of the Premises for the same period, also discounted at the said Prime Rate. "Prime Rate" shall mean the rate (or the average of rates, if more than one rate appears) inserted in the blank of the "Money Rate" section of the Wall Street Journal (Eastern Edition) in the Section reading "Prime Rate ____%."

Subsection 18.2 Defaults of Landlord.

(a) If Landlord shall fail to observe or perform any provision hereof and such failure shall continue for thirty (30) days after notice to Landlord of such failure, then a Default of Landlord shall exist under this Lease, provided, however, that in the case of any such failure which cannot with diligence be cured within such thirty (30) day period, if Landlord shall commence promptly to cure the same and thereafter prosecute the curing thereof with diligence, the time within which such failure may be cured shall be extended for such period as is necessary to complete the curing thereof with diligence, and a Default of Landlord shall not exist until the expiration of such extended period.

(b) If a Default of Landlord shall have occurred and be continuing, Tenant may terminate this Lease by giving Landlord notice of Tenant's intention to do so. Upon the thirtieth (30th) day next succeeding the giving of such notice, this Lease and the estate hereby granted shall expire and terminate on such date as fully and completely and with the same effect as if such date were the date herein fixed with the expiration of the Term of this Lease, all rights of Landlord and obligations of Tenant hereunder shall expire and terminate, and Rent shall be apportioned as of such date and Landlord shall promptly refund to Tenant any Rent theretofore paid which is allocable to the period subsequent to such date.

Subsection 18.3 Rights to Cure.

Each party shall have the right, but shall not be required, to pay such sums or do any act which requires the expenditure of monies which may be necessary or appropriate by reason of the Default of the other party to perform under this Lease. In the event of the exercise of any such right by Landlord, Tenant agrees to pay to Landlord forthwith upon demand all such sums, as an additional charge. In the event of the exercise of such right by Tenant, Landlord agrees to pay to Tenant forthwith upon demand all such sums. Alternatively, Tenant may, at its election, and upon notice to Landlord, deduct such sum from the next succeeding payment or payments of Rent, and such deduction shall in no way be considered a failure on the part of Tenant to pay such Rent.

Section 19. Waivers.

Failure of Landlord or Tenant to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. No acceptance by Landlord of any partial payment shall constitute an accord or satisfaction but such payment shall only be deemed a partial payment on account.

Section 20. Limitation of Liability.

(a) Notwithstanding anything to the contrary herein provided, if Landlord or any successor in interest of Landlord shall be a mortgagee, or if Landlord or any successor in interest of Landlord shall be an individual, joint venture, tenancy in common, firm or partnership, general or limited, it is specifically understood and agreed that there shall be absolutely no personal liability on the part of such mortgagee or such individual or on the part of the members of such firm, partnership or joint venture with respect to any of the terms, covenants and conditions of this Lease, and Tenant shall look solely to the Reversionary Estate for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord or by such successor in interest of any of the terms, covenants and conditions of this Lease to be performed by Landlord, such exculpation of personal liability to be absolute and without any exception whatsoever.

(b) The terms "Landlord" and "Tenant" whenever used herein shall mean only the owner at the time of Landlord's or Tenant's interest herein, and upon any sale or assignment of the interest of either Landlord or Tenant, their respective successors in interest and/or assigns shall, during the term of their ownership of their respective estates herein, be deemed to be Landlord or Tenant, as the case may be; provided that in the event of any transfer of title by Landlord of the Shopping Center or the Premises, any amount then due and payable to Tenant by Landlord (or the then grantor), and any other obligation then to be performed by Landlord (or the then grantor) under this Lease, either shall be paid or performed by Landlord (or the then grantor) or such payment or performance assumed by the transferee.

Section 21. Force Majeure.

In the event that Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, the act, failure to act or default of the other party, war or other reason beyond their control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

Section 22. Notices.

Whenever, pursuant to this Lease, notice or demand shall or may be given to either of the parties or their assignees by the other, and whenever either of the parties shall desire to give to

the other any notice or demand with respect to this Lease or the Premises, each such notice or demand shall be in writing, and any laws to the contrary notwithstanding, shall not be effective for any purpose unless the same shall be given or served by personal service, by mailing the same to the other party by certified mail, return receipt requested, or by overnight nationally-recognized courier service provided a receipt is required, or by overnight nationally-recognized courier service provided a receipt is required, at its Notice Address set forth below, or at such other address as either party may from time to time designate by notice given to the other. The date of receipt of the notice or demand shall be deemed the date of the personal service thereof, three business days after mailing, or the next business day after sending by overnight service.

Notices shall be sent:

If to Landlord, to:

William J. Hargis dba Northwind Plaza
1625 Energy Park Drive, Suite 100
St. Paul, MN 55108
Tel: 651-292-9844

or, if to Tenant, to:

CVS 75494 MN, L.L.C.
One CVS Drive
Woonsocket, RI 02895
Attn: Property Administration Department, Store No. 4597

Section 23. Certificates.

Either party shall, without charge, at any time and from time to time hereafter, within fifteen (15) business days after written request of the other, certify by written instrument duly executed and acknowledged to any mortgagee or purchaser, or proposed mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request: (a) as to whether this Lease has been supplemented or amended (and, if it shall have been supplemented or amended, specifying the manner in which it has been supplemented or amended); (b) as to whether this Lease is in full force and effect (and, if it is alleged that this Lease is not in full force and effect, specifying the reasons therefor); (c) as to the date to which Rent has been paid; (d) as to whether any condition exists which constitutes a default hereunder or which, but for the passage of time or the giving of notice or both, would result in a default by Landlord or Tenant hereunder (and, if such condition exists, specifying the nature thereof); (e) as to whether there exist any offsets, counterclaims or defenses thereto on the part of the other party; (f) as to the commencement and expiration dates of the Term of this Lease and the number of outstanding options to extend the Term of this Lease; (g) as to whether or not all work required to be performed by Landlord and/or Tenant with respect to the construction and development of any improvement(s) on the Premises has been performed in accordance with the terms of this Lease; and (h) as to such other matters as reasonably may be requested. Any such certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom the

same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

Section 24. Governing Law.

This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State in which the Premises are located.

Section 25. Holdover.

If Tenant shall hold the Premises after the expiration of the Term hereof, such holding over shall, in the absence of written agreement on the subject, be deemed to have created a tenancy from month to month terminable on thirty (30) days notice by either party to the other, at a monthly rental equal to 150% of the monthly rental payable during the last year of said Term.

Section 26. Waiver of Landlord's Lien.

Landlord hereby waives any right it may have to distrain trade fixtures, buildings, tenant improvements or any property of Tenant and any landlord's lien or similar lien upon trade fixtures, buildings, tenant improvements or any other property of Tenant, regardless of whether such lien is created otherwise.

Section 27. Cumulative Remedies.

Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease shall not preclude Landlord from exercising any other right or remedies provided for in this Lease.

Section 28. Severability.

If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remaining terms, covenants, conditions and provisions shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 29. Memorandum of Lease.

Each party shall at any time, at the request of the other party, promptly execute and deliver duplicate originals of an instrument, in recordable form, which will constitute a Memorandum of Lease, setting forth a description of the Premises, the Term of this Lease and any other portions thereof, excepting the rental provisions, as such other party may request.

Section 30. Interpretation.

Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The section headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The submission of this Lease for examination does not constitute a reservation of or agreement to lease the Premises; and this Lease shall become effective and binding only upon proper execution and unconditional delivery thereof by Landlord and Tenant.

Section 31. Entire Agreement.

No oral statement or prior written matter shall have any force or effect. Tenant agrees that it is not relying on any representations or agreements other than those contained in this Lease. This Lease shall not be modified or canceled except by writing subscribed by all parties.

Section 32. Parties.

Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, successors, administrators and assigns.

Section 33. Brokers' Commissions.

(a) The Named Brokers are as follows: Landlord: Stephen B. Wellington, Jr. of Wellington Management, Inc., Tenant: John Brickley of Eagle Commercial Services III, L.L.C.

(b) Tenant and Landlord represent and warrant to each other that neither has had any dealings or discussions with any broker or agent, licensed or otherwise in connection with this Lease, other than the Named Brokers, if any. Landlord and Tenant each covenants to protect, defend, hold harmless and indemnify the other from and against any and all losses, liabilities, damages, costs and expenses (including reasonable legal fees) arising out of or in connection with any other claim by any brokers or agents for brokerage commissions relating to this Lease alleged to be due because of dealings or discussions with the indemnifying party. Landlord warrants and agrees that it shall be solely responsible for brokerage commissions owing to said Named Brokers as a result of the negotiation and execution of this Lease, as agreed upon in writing by Landlord.

Section 34. Right of First Offer. Intentionally Deleted.**Section 35. Exclusive.**

(a) (i) Landlord warrants and agrees that Landlord will not lease any space in the Shopping Center (excluding the Premises), or permit the use of any such space, for a health and beauty aids store, a store offering one-hour or other on-site photo processing, a vitamin store, a pharmacy mail order facility, a drug store, and/or a pharmacy prescription department (see Subsection 35(d) as to Dollar Stores).

(ii) If Landlord, or any of Landlord's Affiliates, hold or acquire any interest in any land immediately adjacent to the Shopping Center or at the same intersection as the Shopping Center, in the event that the Shopping Center is located at an intersection, (whether accomplished directly by direct ownership, or indirectly through the use of leases, cross easement agreements or similar documents), during the Term, Landlord agrees that (unless any premises on said land are already so leased and/or used) Landlord shall not allow any of the premises on such land to be leased or to be used for a health and beauty aids store, a store offering one-hour or other on-site photo processing, a vitamin store, a pharmacy mail order facility, a drug store, a pharmacy prescription department and/or a Dollar Store.

As used in this Lease: the term "pharmacy prescription department" shall include the dispensing of prescription drugs by physicians, dentists, other health care practitioners, or entities such as health maintenance organizations, where such dispensing is for profit; and a "vitamin store" and "health and beauty aids store" shall mean a store which devotes more than ten percent (10%) of its retail selling space to the display and sale of vitamins or health and beauty aids, as applicable.

If Landlord shall violate any of the provisions of this Section and shall not cure such violation within sixty (60) days after receipt of Tenant's notice thereof, Tenant, at any time thereafter, upon ten (10) days prior written notice to Landlord, may: (i) terminate this Lease; or (ii) seek actual money damages from Landlord.

Landlord shall not permit any dollar store in the Shopping Center. In addition, Tenant acknowledges that a health and fitness center, a wholesale beauty product store, a liquor store, a UPS store, an optical shop, a pizza restaurant, a salon, a beauty school, a Vietnamese restaurant, a Mexican restaurant, a Mexican grocery store, a phone and equipment sales and service store, a retail closing and accessory store and a retail bank all operate as existing tenants at the Shopping Center. Tenant shall not conduct any business that violates any exclusivity clause or use restriction contained in those leases as set forth on Exhibit E. Landlord also retains the right to grant exclusive use rights and use restrictions to other new or existing tenants of the Shopping Center, provided that such use rights and restrictions are consistent with Tenant's exclusives under this Lease, and otherwise do not violate this Lease. Upon notice of any such grants by Landlord, Tenant shall comply with all such use restrictions, subject to the preceding sentence.

Section 36. Additional Use Restrictions on Shopping Center.

Landlord warrants that it will not lease any space in the Shopping Center or allow any such space to be used for the following purposes: a pinball, video game, or any form of entertainment arcade; a gambling or betting office, other than for the sale of lottery tickets; a massage parlor (except that this provision shall not be construed to prohibit professional massage or med-spa services in connection with a (i) beauty salon, (ii) therapeutic massage center, or (iii) med-spa type facility); a cinema, video store or bookstore selling, renting, or exhibiting primarily material of a pornographic or adult nature; an adult entertainment bar or club; a bowling alley; a roller skating or ice skating rink; a billiards parlor or pool hall (except that billiards or pool tables may be included in any bar or restaurant within the Shopping Center); a firearms shooting range or any similar use which creates or causes excessive noise; a theater; a flea market; a warehouse

of more than 4,000 square feet; a facility which performs on-site dry cleaning; a gas station; or a facility which performs on-site auto repair.

Section 37. Common Area Maintenance.

(a) The Common Areas of the Shopping Center are areas for the common use of tenants and their respective employees, vendors, customers and other invitees, including without limitation, paved parking areas, paved service areas, sidewalks, ramps, roadways, driveways, curbs, curbcuts and all similar areas and facilities of the Shopping Center, now or hereafter existing on the Shopping Center.

With respect to the Common Areas of the Shopping Center (as defined above), and except as otherwise set forth in this Lease, Landlord shall maintain the Common Areas of the Shopping Center pursuant to good and accepted business practices. Such maintenance shall include, but not limited to: operating, managing, repairing, lighting, cleaning, painting, insuring (including liability insurance for personal injury, death and property liability and insurance against fire, theft or other casualties), removing of snow, ice, debris and surface water, sewer, striping, security (including cost of uniforms, equipment and all employment taxes), electronic intrusion and fire control devices and telephonic alert system devices, inspecting, Workers' Compensation Insurance covering personnel, fidelity bonds, regulation of traffic, loudspeaker systems, and all cost and expenses of maintenance, repair and replacement of paving, curbs, sidewalks, walkways, roadways, bicycle and pedestrian paths parking surfaces, landscaping, drainage, utilities and lighting facilities (collectively, all such costs and expenses incurred by Landlord with respect to operation, management, maintenance, repair, and replacement of the Common Areas are "CAM Costs").

As used in this Section 37, the term "repair" or "repairing" shall include maintenance (including cleaning), repair, and replacement.

(b) Tenant's Pro Rata Share shall mean that proportion of CAM Costs, based upon the ratio of the rentable floor area of the Building, to the rentable floor area of the Shopping Center.

Commencing as of the date Tenant accepts possession of the Premises, Tenant shall pay to Landlord Tenant's Pro Rata Share of the CAM Costs incurred by Landlord from and after the Date of Rent Commencement in fulfilling Landlord's obligations under subdivision (a) above; and for no other costs. The foregoing notwithstanding, Tenant shall not pay Landlord Tenant's Pro Rata Share of any costs incurred by Landlord in connection with any capital expenditures or capital improvements made by Landlord, except for those capital expenditures or improvements made (i) to comply with any applicable governmental law, ordinance, regulation or order, or (ii) to reduce CAM costs. As to such capital expenditures or capital improvements, Tenant shall pay each year only the amortized cost thereof applicable to such year, over the useful life of such improvement, as reasonably estimated by Landlord.

(c) Except for a fifteen percent (15%) administrative fee on the Common Area Maintenance charges (excluding amortization charges) payable by Tenant pursuant to this

Section 37, Tenant shall not pay any management, administrative, accounting, data processing or audit fees.

(d) Tenant shall pay to Landlord, together with Fixed Rent, a monthly sum of "Additional Rent", as set forth herein, by the fifth day of each month and a pro rata sum for any partial month. Prior to the Commencement Date, Landlord shall notify Tenant of the amount of the monthly sum for the first calendar year (or portion thereof) to occur during the Term. Said monthly sum may be adjusted once annually thereafter by Landlord to reflect any increased or decreased costs. Within sixty (60) days after the end of each calendar year, and within sixty (60) days after the expiration or termination of this Lease, Landlord shall submit to Tenant a statement of the CAM Costs for said calendar year or portion thereof, as applicable. Such statement shall contain detailed documentation including copies of receipted bills, and shall include a computation of Tenant's Pro Rata Share. If such statement indicates that the amount paid by Tenant on its account for said calendar year is less than Tenant's actual share for said calendar year, then Tenant shall pay the amount owing to Landlord within thirty (30) days of receipt of such statement. If such statement shall indicate that Tenant has overpaid for said calendar year, then such overpayment shall be refunded, together with Landlord's annual statement, and the monthly payment due herein shall be proportionately reduced. For the first and last partial calendar year of the Term, Tenant will pay said costs for the entire year multiplied by a fraction, consisting of the number of days in the calendar year subsequent to the Date of Rent Commencement, or prior to the date of lease termination, as the case may be, and divided by 365.

(e) If Landlord shall fail to perform any of its obligations under this Section 37 within thirty (30) days after receipt of written notice from Tenant of the need therefor (except that no notice shall be required in the event of an emergency), then Tenant may do so on Landlord's behalf and charge Landlord for the reasonable cost thereof. If Landlord shall not pay Tenant within sixty (60) days after receipt of an invoice therefor with supporting documentation, Tenant may deduct the reasonable cost thereof from rent and other charges due hereunder.

Section 38. Tenant's Audit Rights.

Tenant may audit Landlord's CAM Costs and Tax charges, but not more than once annually. Access to Landlord's records shall be provided to Tenant within thirty (30) days after Tenant's request therefor. Landlord agrees to maintain its CAM and Tax records for at least 36 months from the date of each applicable invoice to Tenant. If any audit shall indicate that, in any of Landlord's statements, the charges were overstated by Landlord by an amount in excess of three percent (3%) of the actual costs, then Landlord shall pay to Tenant the reasonable cost of such audit, plus interest on the overstated amount at the rate of ten percent (10%) per annum. In any event, Landlord shall repay any amount owing to Tenant as a result of any overstatement.

Section 39. Utilities.

Tenant agrees to pay for all utilities consumed by it in the Premises, prior to delinquency.

Section 40. Parking.

(a) Provided that such rules and regulations are uniformly promulgated and enforced, Landlord may promulgate rules and regulations for the parking areas of the Shopping Center, including, but not limited to, the designation of areas in which employees of tenants (including Tenant) are to park.

(b) Landlord covenants that there is not now any legal impediment to the use of or access to the parking areas of the Shopping Center for business parking.

(c) If, due to any reason other than a "Condemnation" as defined in Section 17, the CVS Exclusive Parking shall be decreased below 40 parking spaces or if the visibility of or access to the Premises is materially impaired, Tenant shall notify Landlord thereof. If, within ninety (90) days after Landlord's receipt of such notice, additional parking is not provided equal to the number by which it has been decreased or the visibility or access to the Premises is not restored, as the case may be, then Tenant may, upon thirty (30) days' notice to Landlord: (i) terminate this Lease; or (ii) pay to Landlord Fixed Rent reduced to a level equal to fifty percent (50%) of Fixed Rent due under this Lease. If Tenant shall elect to so pay reduced rent, Tenant shall remain obligated for any other charges due under this Lease. Tenant's Fixed Rent shall be so reduced until such time as said additional parking is provided by Landlord, or the visibility or access to the Premises is not restored, as the case may be. The additional parking to be provided by Landlord pursuant to this subsection (c) shall be within the Shopping Center and/or contiguous to the Premises in a location acceptable to Tenant in its reasonable discretion.

Section 41. Shopping Center Layout.

(a) Landlord warrants and agrees that the layout shown on Exhibit A-1 will be in place as of the date Tenant opens to the public, with respect to the position of the curbcuts, traffic patterns, and roadways and passageways, Building(s) and the CVS Exclusive Parking.

Tenant agrees that Landlord may make modifications to the Shopping Center layout, so long as such modifications do not materially and adversely affect Tenant's operation of, access to or the visibility of the Premises. The foregoing notwithstanding, Landlord has no right to change or alter in any respect the Premises, the CVS Exclusive Parking or the Protected Curbcuts (shown as such on Exhibit A-1 and/or Exhibit A-2), without Tenant's prior written consent, which Tenant may withhold in its sole discretion. The Shopping Center less the Premises shall be hereinafter referred to in this Section 41 as the "Remaining Shopping Center".

In addition, Landlord agrees that, unless Landlord first shall obtain Tenant's consent, which consent shall not be unreasonably withheld or delayed, there will be no change in the Remaining Shopping Center layout which would adversely affect the accessibility to the Premises from the parking areas or from the public streets and roadways bordering the Shopping Center, or the visibility of Tenant's signs or storefront(s). Landlord shall not place any kiosks, planters, trees, shrubs, stairs, or other obstructions in any place in front of the Premises without Tenant's prior written consent.

(b) (i) If Landlord shall violate this Section 41, and shall not cure such violation within one hundred twenty (120) days after receipt of notice thereof, then at any time thereafter

until such violation shall be cured, Tenant may terminate this Lease upon thirty (30) days notice to Landlord, and this Lease shall so terminate unless Landlord shall cure such violation within said thirty (30) days; or upon notice to Landlord, elect to pay Fixed Rent reduced to a level equal to fifty percent (50%) of Fixed Rent due under this Lease. If Tenant shall pay such reduced rent, Tenant still shall be obligated to pay Landlord all other charges due under this Lease. Tenant's Fixed Rent shall be so reduced until such violation is cured.

(ii) All of Landlord's representations and covenants set forth in this Section 41 shall be subject to any contrary requirements of the municipality or any other applicable governmental agency. Therefore, and notwithstanding subparagraph (b)(i) above, Landlord shall be permitted to make any alterations, changes or revisions to the Shopping Center as may be necessary to comply with all requirements imposed by law or regulation of the municipality or any applicable government agency ("Mandated Alterations"). Any such Mandated Alterations to the Shopping Center shall not be a default hereunder.

Section 42. Attorneys' Fees.

In the event of any suit, action, or other proceeding at law or in equity (collectively, "action"), by either party hereto against the other, by reason of any matter arising out of this Lease, the prevailing party shall recover, not only its legal costs, but also reasonable attorneys' fees (to be fixed by the Court) for the maintenance or defense of said action, as the case may be.

Section 43. Rent Payments.

If Landlord's interest in this Lease shall pass to another, or if the rent hereunder shall be assigned, or if a party other than Landlord shall become entitled to collect the rent due hereunder, then notice thereof shall be given to Tenant by Landlord in writing, or, if Landlord is an individual and shall have died or become incapacitated, by Landlord's legal representative, accompanied by due proof of the appointment of such legal representative. Until such notice and proof shall be received by Tenant, Tenant may continue to pay the rent due hereunder to the one to whom, and in the manner in which, the last preceding installment of rent hereunder was paid, and each such payment shall fully discharge Tenant.

Tenant shall not be obligated to recognize any agent for the collection of rent or otherwise authorized to act with respect to the Premises until notice of the appointment and the extent of the authority of such agent shall be given to Tenant by the one appointing such agent.

Section 44. Notice of Landlord Transfers.

Landlord may freely transfer the Premises and this Lease without the consent of Tenant; however, Landlord shall give Tenant notice of the transfer of its interest in the Premises by delivery of a Notice of Transfer in substantially the form attached to this Lease as **Exhibit C-1**; provided, that the failure to give such Notice of Transfer shall not be a default by Landlord under this Lease. Until Landlord gives Tenant notice in accordance with the terms of this Lease of a transfer of the Premises by Landlord, Tenant may deal with Landlord as if it continued to be the owner of the Premises. If a controlling ownership interest in Landlord is transferred and, in connection therewith, the address for notices to Landlord is changed, Landlord shall give Tenant notice of the transfer of such controlling ownership interest by delivery of a Notice of Transfer in

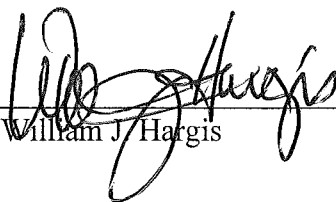
substantially the form attached to this Lease as Exhibit C-2 (provided, that the failure to give such Notice of Transfer shall not be a default by Landlord under this Lease; and provided, further, that until Landlord gives notice of such transfer and new address, Tenant may correspond with the current owner of a controlling interest in Landlord at the prior address for notices to Landlord). Whenever Landlord shall give Tenant notice of transfer of its interest in the Premises, or of a controlling interest in Landlord, as provided in this Section 44, Landlord shall deliver to Tenant a completed Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification, or any successor form or any similar form required by any other taxing authority that is reasonably requested, in order to allow the Tenant to make a payment under this Lease or any related agreement without any deduction or withholding for or on account of any tax, with any such form or document to be complete and accurate and to be executed and delivered with any required certification; provided, that the failure of Landlord to deliver any such form or document shall not be a default by Landlord under this Lease. The provisions of this Section 44 shall be enforceable by an action for specific performance or an action for actual damages (but not consequential, exemplary or punitive damages) against any party failing to comply with its obligations hereunder.

Section 45. Corporate Guaranty.

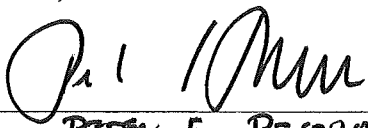
Tenant shall ensure that performance of Tenant's covenants hereunder shall be fully guaranteed by CVS Caremark Corporation. Simultaneously with execution of this Lease, Tenant shall deliver to Landlord a fully authorized and properly executed guaranty of CVS Caremark Corporation, in form attached hereto as Exhibit D. Delivery of the guaranty of CVS Caremark Corporation shall be a condition precedent to the effectiveness of this Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

LANDLORD
WILLIAM J. HARGIS DBA NORTHWIND
PLAZA

By: 
Name: William J. Hargis

TENANT
CVS 75494 MN, L.L.C.

By: 
Name: PETER F. DECORACO
Title: VICE PRESIDENT

CVS Legal Approval: Joel R. Bloom, Esq.

EXHIBIT A**PREMISES LEGAL DESCRIPTION**

That part of the Southeast Quarter of the Southwest Quarter of Section 20, Township 119 North, Range 21 West of the 5th Principal Meridian, Hennepin County, Minnesota, described as follows:

Commencing at the southwest corner of said Southeast Quarter of the Southwest Quarter; thence easterly on an assumed bearing of South 88 degrees 56 minutes 08 seconds East, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 657.30 feet to its intersection with the east line of the west half of said Southeast Quarter of the Southwest Quarter; thence North 00 degrees 02 minutes 46 seconds West, along said east line a distance of 569.82 feet; thence North 88 degrees 56 minutes 08 seconds West, parallel with the south line of said Southeast Quarter of the Southwest Quarter, a distance of 399.61 feet to the point of beginning of the parcel to be described; thence continue westerly, along the last described parallel line to the east line of the west 50.00 feet of the Southeast Quarter of the Southwest Quarter; thence southerly along the east line of the west 50.00 feet of said Southeast Quarter of the Southwest Quarter, a distance of 259.77 feet; thence South 05 degrees 59 minutes 12 seconds East a distance of 89.14 feet; thence North 89 degrees 33 minutes 36 seconds East a distance of 198.97 feet; thence northerly to the point of beginning and there terminating.

EXHIBIT AA

SHOPPING CENTER LEGAL DESCRIPTION

That part of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 20, Township 119 North, Range 21 West of the 5th Principal Meridian, Hennepin County, Minnesota described as follows:

Beginning at the Southwest corner of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, thence on an assumed bearing of South 88 degrees 56 minutes 08 seconds East along the south line of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ a distance of 657.30 feet to its intersection with the East line of the West $\frac{1}{2}$ of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence North 0 degrees 02 minutes 46 seconds West, along said East line a distance of 569.82 feet; thence North 88 degrees 56 minutes 08 seconds West parallel with the South line of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ a distance of 657.76 feet to its intersection with the West line of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence South 0 degrees 05 minutes 35 seconds East along the said West line a distance of 569.83 feet to the point of beginning, according to the United States Government Survey thereof and situate in Hennepin County, Minnesota.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.4	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Dylan Armstead, Senior Project Manager
Resolution:	X	Presented By:	Dylan Armstead, Senior Project Manager
Attachments:	2		
Item:	Consider Terminating Development Partnerships with Kraus-Anderson Development Company and Gramercy Development Companies, Continuing the Partnership with Bader Companies, LLC, and Reopening the Former Park & Ride Site and Oxbow Commons Sites for Development Opportunities		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-_____, TERMINATING DEVELOPMENT PARTNERSHIPS WITH KRAUS-ANDERSON DEVELOPMENT COMPANY AND GRAMERCY DEVELOPMENT COMPANIES, CONTINUING THE PARTNERSHIP WITH BADER COMPANIES, LLC, AND REOPENING THE FORMER PARK & RIDE SITE AND OXBOW COMMONS SITES FOR DEVELOPMENT OPPORTUNITIES.

Overview:

This action formally terminates development partnerships with Kraus-Anderson Development Company for the Former Park & Ride site and Gramercy Development Companies for the Oxbow Commons sites, while continuing the partnership with Bader Companies, LLC. This clarifies site availability for interested developers.

Background:

In April 2025, the EDA adopted Resolution #2025-16 establishing development partnerships with three developers following a Request for Qualifications (RFQ) process. The resolution specified that partnerships were "non-exclusive in nature, do not convey any entitlement to the identified properties and are not a promise to enter into any further agreements." No development agreements or binding commitments were executed.

Since April, Kraus-Anderson has experienced internal company changes and is no longer pursuing the Former Park & Ride development. Gramercy Development Companies has faced federal regulatory changes and elected not to proceed with Oxbow Commons. Bader Companies continues actively working on Oxbow Commons development concepts.

The EDA has received inquiries from other qualified developers. This resolution acknowledges the conclusion of two partnerships and clarifies site availability.

Primary Issues/Alternatives to Consider:

1. Why is formal action needed?

Formal EDA action provides clear public documentation of the partnership terminations and site availability, protecting the EDA's interests and providing clarity to interested developers.

2. What is the status of each partnership?

- Kraus-Anderson (Former Park & Ride): Partnership terminated
- Gramercy Companies (Oxbow Commons): Partnership terminated
- Bader Companies (Oxbow Commons): Partnership continues

Budgetary/Fiscal Considerations:

There are no immediate financial implications for this action.

Next Steps:

If approved, staff will engage with interested developers regarding these sites and continue working with Bader Companies on Oxbow Commons development concepts.

Recommendation:

Staff recommends adopting the resolution.

Attachments:

4.4A RESOLUTION

4.4B SITE LOCATION MAPS

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
RESOLUTION #2025-_____

RESOLUTION TERMINATING SELECT DEVELOPMENT PARTNERSHIPS
AND REOPENING EDA-OWNED PROPERTIES FOR DEVELOPMENT OPPORTUNITIES

WHEREAS, on April 21, 2025, the Brooklyn Park Economic Development Authority ("EDA") adopted Resolution #2025-16 establishing development partnerships with Kraus-Anderson Development Company for the Former Park & Ride site (4201 95th Avenue North), and with both Gramercy Development Companies and Bader Companies, LLC for the Oxbow Commons sites; and

WHEREAS, Resolution #2025-16 specifically stated that such partnerships were "non-exclusive in nature, do not convey any entitlement to the identified properties, and are not a promise to enter into any further agreements"; and

WHEREAS, no development agreements, purchase options, site control, or other binding commitments were executed with any of the selected development partners; and

WHEREAS, Kraus-Anderson Development Company is no longer pursuing development opportunities at the Former Park & Ride site; and

WHEREAS, Gramercy Development Companies no longer has the ability to proceed with development opportunities at the Oxbow Commons sites; and

WHEREAS, Bader Companies, LLC continues to actively work on development concepts for the Oxbow Commons sites and the EDA desires to continue that partnership; and

WHEREAS, the EDA has received inquiries from other qualified developers interested in these properties; and

WHEREAS, it is in the best interest of the EDA and the City of Brooklyn Park to formally acknowledge the conclusion of these partnerships and clarify the availability of these properties for development consideration;

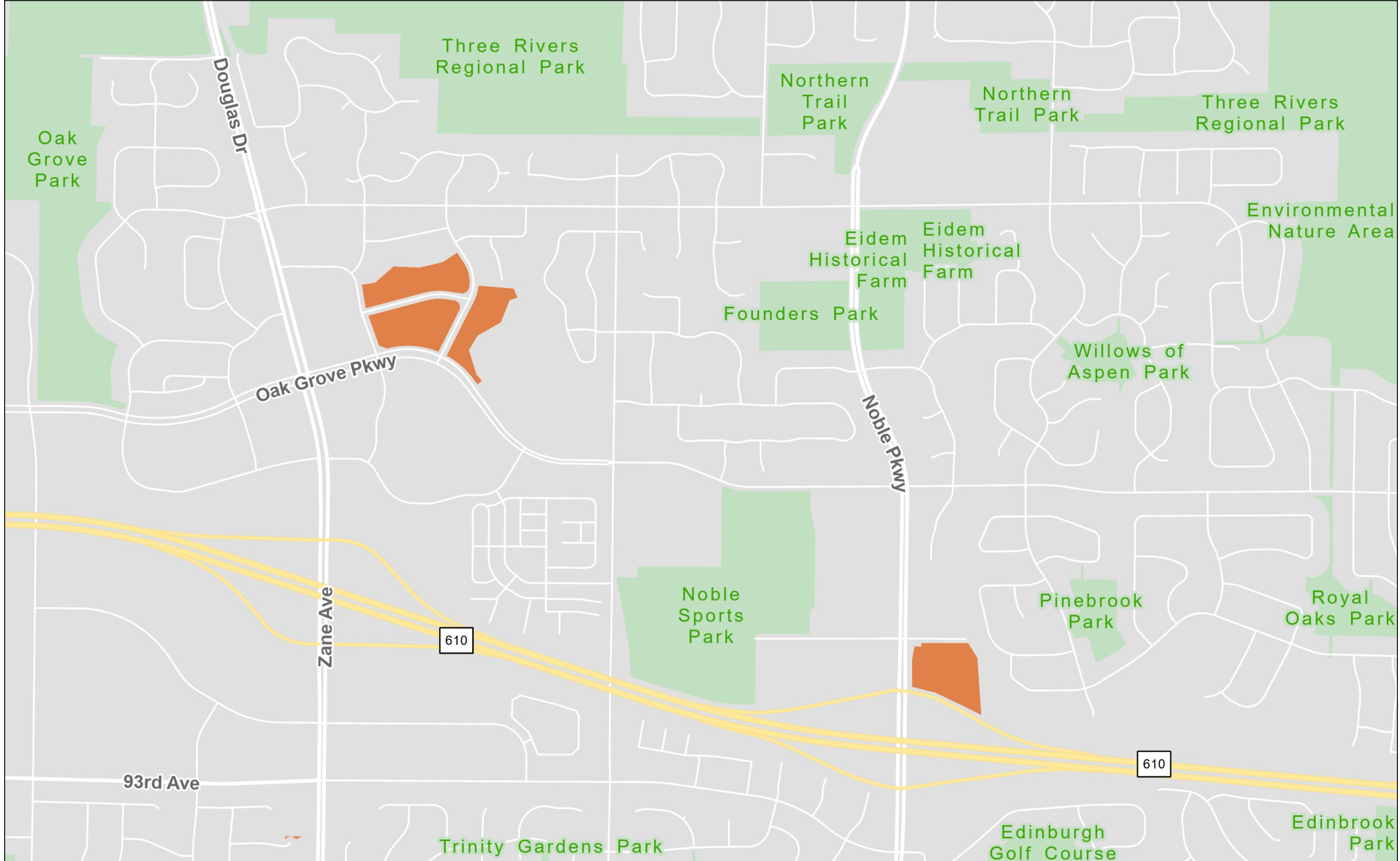
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Brooklyn Park Economic Development Authority as follows:

1. The development partnership with Kraus-Anderson Development Company for the Former Park & Ride site, established pursuant to Resolution #2025-16, is hereby terminated.

2. The development partnership with Gramercy Development Companies for the Oxbow Commons sites, established pursuant to Resolution #2025-16, is hereby terminated.
3. The development partnership with Bader Companies, LLC for the Oxbow Commons sites, established pursuant to Resolution #2025-16, remains in effect and the EDA continues to desire to work with Bader Companies on development proposals for Oxbow Commons.
4. The Former Park & Ride site (4201 95th Avenue North, PID: 1011921340024) is now available for development inquiries and proposals from qualified developers.
5. Select Oxbow Commons sites (PIDs 0911921210005; 0911921120005; 0911921210006; and 0911921210007) remain available for development inquiries and proposals from qualified developers, with the understanding that the EDA continues to work with Bader Companies on a potential development.
6. The EDA Executive Director and staff are authorized and directed to engage with interested developers regarding development opportunities at these sites and to take any necessary administrative actions to implement this resolution.

Oxbow and Former P&R

11/12/2025



Map Scale = 1: 14,476

1,206 ft  1 in

Map provided by the City of Brooklyn Park, MN. This map is for general reference only. It is not for legal, engineering, or surveying use. Please contact the sources of the information if you desire more details. www.brooklynpark.org

City of Brooklyn Park Request for EDA Action

Agenda Item No:	4.5	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	John Kinara, Housing & Redevelopment Coordinator
Resolution:	X	Presented By:	John Kinara, Housing & Redevelopment Coordinator
No. of Attachments:	4		
Item:	Consider Authorizing the Executive Director to Approve the Amendment to the Amended and Restated Consulting Agreement Between the Brooklyn Park Economic Development Authority and the Center for Energy and Environment		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-_____, AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE AMENDMENT TO THE AMENDED AND RESTATED CONSULTING AGREEMENT BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND THE CENTER FOR ENERGY AND ENVIRONMENT.

Overview:

The purpose of this action is to approve an amendment to the amended and restated Consulting Agreement between the Brooklyn Park Economic Development Authority (EDA) and the Center for Energy and Environment (CEE) to continue the partnership in administering the EDA'S Home Improvement Loan Programs. CEE has proposed some revisions to the existing agreement that require EDA approval.

CEE is an independent non-profit organization that has provided home improvement resources to the metropolitan area for 36 years and has successfully administered the Brooklyn Park Home Improvement Loan Programs over the past 16 years. Staff proposes to continue the partnership with CEE.

Primary Issues/ Alternatives to Consider:

- **What are the services provided by CEE?**

Currently, CEE administers the Brooklyn Park Home Improvement Loan Program that was revised during the April 15, 2021, EDA meeting to include; Down Payment Assistance, Senior Deferred Loan, Code Enforcement Loan, Rental Rehabilitation Loan, and the On-Bill Repayment programs as well as the Home Energy Enhanced Squad Program, and the Home Repair Assistance Program (a former program that was funded by a grant from the Federal Home Loan Bank of Des Moines). CEE is responsible for qualifying borrowers, collecting, and reviewing construction bids, conducting remodeler advisor visits with homeowners to prioritize repairs, preparing, and recording loan documents, conducting inspections, marketing and working closely with the EDA staff to ensure that the programs are implemented accordingly. Under the amendment to the Consulting Agreement, CEE would continue to provide these services. CEE will also be responsible for originating and servicing the On-Bill Repayment program as well as the Rental Rehabilitation Loan Program.

- **Why was CEE chosen for consulting services?**

CEE has a proven record having been in operation for nearly 30 years. CEE is the principal lender for Minnesota Housing Finance Agency's (MHFA) home loan programs and administers loan programs for several metro area cities. The City of Brooklyn Park has developed a great working relationship with CEE over the last 16 years. In the past three years, from 2022 to date, CEE has disbursed over \$3.8 million in loans to homeowners across all the five loan categories.

- **What are the other options for the consulting services?**

The loan origination services performed by CEE can also be done by the Brooklyn Park EDA staff, Hennepin County and Neighborhood Works, a non-profit organization based in Saint Paul. However, this would require additional research and analysis to determine the costs associated with each option. Based on CEE's previous performance, history with our program, and reasonable fees, staff recommends maintaining the partnership with CEE.

- **What are the proposed changes to the Consulting Agreement?**

The amendment to the Consulting Agreement includes the following proposed changes:

- Loan origination fees for the down payment and closing costs program will be increased to \$1,100 from the current \$950 due to additional requirements related to government reporting. The other reason for this increase is that the borrowers do not pay any fees for this loan, and they take quite a bit of time and there are also last-minute changes to the closings requiring staff to re-do documents, void, and cut new checks for most loan closings.
- Loan origination fees for the home improvement loan, senior deferred loan, code correction loan and rental rehabilitation loan will also increase to \$775 from the current \$750. The increase is necessary to offset rising labor costs associated with the administration of the increased loan activity.
- Property prioritization inspection fee will increase to \$275 from the current \$250
- Property post installation inspection fee will increase to \$175 from the current \$150
- The annual administration fee for all programs will remain \$5,000.
- The contract term will be renewed effective January 1, 2026 through December 31, 2026.
- New contracting request for proposals (RFPs) to be issued in mid 2026.

- **What is the next step?**

The purpose of this action is to approve the amended existing CEE agreement, as revised. If approved, the Home Improvement Loan Programs will continue to operate in the same manner, except as described above, with the amended Consulting Agreement governing the programs until the EDA approves changes to the program guidelines. If the EDA desires, staff can bring recommended guideline changes to a future meeting for the EDA's consideration.

Budgetary/ Fiscal Issues:

The proposed Amended and Restated Consulting Agreement does not substantially impact the program budget. The costs of the services that CEE provides are paid for by the borrower and the program income built into the budget. The budgetary allocation for the CEE homeowner programs in the amount of \$1,000,000 is in the 2026 budget. The allocation distribution for each program is detailed in Exhibit B – 23 attached.

Recommendation

The Executive Director of the Economic Development Authority recommends approval.

Attachments

- 4.5A RESOLUTION
- 4.5B AMENDMENT TO THE AMENDED AND RESTATED CONSULTING AGREEMENT
- 4.5C Exhibit A – 26 OWNER OCCUPIED HOME IMPROVEMENT LOAN PROGRAM GUIDELINES
- 4.5D Exhibit B – 26 PROGRAM FUNDING DISTRIBUTION

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
RESOLUTION #2025-_____

APPROVING AMENDMENT EIGHT FOR THE AMENDED AND RESTATED CONSULTING
AGREEMENT BETWEEN TYE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
AND THE ENTER FOR ENERGY AND ENVIRONMENT

WHEREAS, the Brooklyn Park Economic Development Authority (“EDA”) was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.1080 (the “EDA Act”), and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park, Minnesota (the “City”) adopted on October 24, 1988 (the “Enabling Resolution”); and

WHEREAS, the Enabling Resolution was amended by Resolution No. 1995-72 dated March 20, 1995, whereby the EDA was granted all of the powers, rights, duties, and obligations set forth in Minnesota Statutes Sections 469.001 to 469.047 (the “HRA Act”); and

WHEREAS, two of the statutory purposes of the EDA are to assist in the redevelopment of blighted and underutilized properties and to provide safe, clean, and sanitary dwellings; and

WHEREAS, the Brooklyn Park Economic Development Authority (the “EDA”) has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the “Homeowner Program or Program”) and guidelines for the implementation thereof (the “Guidelines”); and,

WHEREAS, the Brooklyn Park Economic Development Authority (the “EDA”) has established the Brooklyn Park Rental Rehabilitation Loan Program (the “Rental Rehabilitation Program”) and guidelines for the implementation thereof (the “Guidelines”); and

WHEREAS, the Homeowner Program and the Rental Rehabilitation Program encourages neighborhood stability by utilizing financial resources to incentivize residents of the City to make improvements to owner-occupied properties, which enhances the City’s housing stock, property values, and tax base; and

WHEREAS, the EDA regularly updates the Programs Guidelines to increase utilization rates by making the Programs more attractive and affordable to a diverse spectrum of homeowners and to offer targeted programs to seniors, code enforcement cases, rental property owners, and first-time homebuyers; and

WHEREAS, the EDA regularly updates the Program Budget to allocate funding;

WHEREAS, the EDA has determined that the Program can be made more effective by updating the Guidelines and documents relating to the Programs, and the budget in accordance with the terms and conditions described in the Request for EDA Action provided to the Board and incorporated herein by reference (the “Program Terms”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Brooklyn Park Economic Development Authority (the “Board”) as follows:

1. The EDA hereby approves the Program Terms and finds, determines, and declares that it is in the public interest of the residents of the City that the Program Terms be adopted.

2. The EDA hereby approves the Program Terms, substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation amendments to the Guidelines, all documents or certifications referenced in or attached to the Program Terms or (collectively, the "Program Documents") and hereby authorizes the Executive Director to execute the Program Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.

3. The approval hereby given to the Program Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of legal counsel to the EDA, may act in their behalf.

4. The authority to approve, execute and deliver future amendments to the Program Documents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA, the City or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the EDA authorized to act in his or her place and stead.

AMENDMENT 8 to the AMENDED AND RESTATED CONSULTING AGREEMENT

This Amendment, dated as of the 1st day of January, 2026, by and between the BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY, with offices at 5200 85th Ave N, Brooklyn Park, MN 55443, (the “Authority”), and CENTER FOR ENERGY AND ENVIRONMENT, with its offices at 212 3rd Avenue North, Suite 560, Minneapolis, Minnesota 55401 (“CEE”) amends that certain Amended and Restated Consulting Agreement, between the Authority and CEE, dated January 14, 2013 (as previously amended, “Existing Agreement”) as follows:

This Amendment shall replace Exhibit A-23 with Exhibit A-26 and Exhibit B-23 with Exhibit B-26, attached hereto.

Section 2. Compensation of the Existing Agreement shall be amended to revise the fees set forth in Section 2.1 as follows:

2.1 Unless otherwise stated in the Program Guidelines, the Authority shall compensate CEE for services provided under this Agreement according to the following schedule:

<u>Loan Origination: Home Improvement, Senior Deferred, Code Enforcement and the Rental Rehabilitation Loan Programs</u>	\$775
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The Authority shall pay CEE an Origination Fee for each Home Improvement, Senior Deferred, Code Enforcement and Down-Payment, Closing Cost Assistance and Rental Rehabilitation Loan closed. The Origination Fee shall compensate CEE for assisting borrowers with loan applications, preparation of loan documents, loan closing and other direct costs of processing loans.

<u>Loan Origination: Down-Payment and Closing Cost Assistance</u>	\$1,100
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<u>Loan Origination: On-Bill Repayment</u>	\$275
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The Authority shall pay CEE an Origination Fee for each On-Bill Repayment loan closed. The Origination Fee shall compensate CEE for assisting borrowers with loan applications, preparation of loan documents, loan closing and other direct costs of processing loans.

<u>Property Inspection (Prioritization/RAV)</u>	\$275
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The Authority shall pay the CEE a fee for each property inspection, prioritization or remodeling advisor visit performed in accordance with the applicable Program Guidelines or request by the borrower or the Authority.

<u>Post Installation Inspection</u>	\$175
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When installation verification is necessary, the Authority shall pay CEE a fee for each Installation Verification completed, not to exceed three visits for each Program loan. The Installation Verification shall be performed by a CEE representative whenever the project does not require a building permit.

Annual Administration Fee

\$5,000

The Authority shall pay CEE an annual Administration Fee to supply quarterly reports on loan activity, attend up to 2 meetings or events per calendar year and work with the Authority to prepare and execute Amendments to the contract as needed.

The Authority shall pay CEE for the creation and implementation of the Senior Deferred, On-Bill Repayment, Code Enforcement and the Down-Payment and Closing Cost Assistance Loan Programs in CEE’s Loan Origination System, update CEE’s website and information sheets. This includes writing guidelines, attending meetings as needed to develop these programs and assist in the promotion of these programs.

The Annual Administration Fee shall be payable on January 1st of each year the Agreement is active.

Section 5. Term and Termination of the Existing Agreement shall be amended to amend and restate the first sentence of Section 5.1 as follows:

5.1 Unless earlier terminated as provided in the following paragraphs, this Agreement shall become effective on January 1, 2026, and continue through December 31, 2026

Except as amended above, all other terms and conditions of the Existing Agreement shall remain in full force and effect. Except as otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Existing Agreement.

IN WITNESS WHEREOF, the parties hereunder set their hands as of the date first written above:

BROOKLYN PARK ECONOMIC
DEVELOPMENT AUTHORITY

CENTER FOR ENERGY AND
ENVIRONMENT

By _____
Executive Director

By _____
Chief Operating Officer #

TAX ID 41-1647799

Exhibit A-26

City of Brooklyn Park Loan Program Guidelines

Home Improvement Loan Program

ON-Bill Repayment Loan Program

Senior Deferred Loan Program

Code Enforcement Loan Program

Down Payment and Closing Cost Assistance Program

Rental Rehabilitation Loan Program

Home Improvement Loan Program

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 3% fixed interest rate for borrowers making up-to-115% area median income (AMI) and 4% fixed interest rate for borrowers earning over 115% of the area median income. Income is calculated on projected income for all owners living in the property and household size.
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** 115%, but the interest rate is determined by projected gross income of the owners living in the property and household size.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report. 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number. Individual Tax identification numbers are not acceptable.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1- 4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** Most permanent Interior and exterior improvements are eligible.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. Center for Energy and Environment will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.

17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Home Improvement Loans cannot exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be approved by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case-by- case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be carried out by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
 1. Final invoice from contractor (or materials list from supplier)
 2. Final inspection verification by CEE (if necessary)
 3. Completion certificate(s) signed by borrower and contractor
 4. Lien waiver for entire cost of work and
 5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

On-Bill Repayment Loan Program

1. **Loan Amount:** Loan amounts from \$1,000 to \$10,000.
2. **Loan Term:** Up to 5 years.
3. **Interest Rate:** Match CEE Interest Rate for all borrowers
4. **Loan-to-Value ratio:** None.
5. **Income Limits:** None
6. **Amortization:** Monthly payments required
7. **Security:** None
8. **Credit / Underwriting Requirements:** All borrowers must meet all CenterPoint Energy eligibility requirements. All mortgage payments and property taxes must be current. All borrowers must have a minimum credit score of 620.
9. **Debt-to-Income Ratio:** None

10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. Must be an eligible CenterPoint Energy customer.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** Must include only the energy efficiency upgrades that are eligible through the CNP On-Bill Repayment Program; furnace,

Specifically, all measures eligible for a rebate under one or more of CNP's Residential Segment Program will be eligible for the On-Bill Repayment Program except for furnace or boiler tune-ups or thermostats not installed with an eligible heating system. Eligible improvements include but are not limited to (Efficiency requirements are subject to change):

- HES recommended improvements determined through a site visit
- Furnace \geq 92% AFUE*
- Boiler \geq 83.5% AFUE*
- Programmable, communicating, and analytics-capable thermostats installed with a qualifying heating system
- Electronic ignition hearth products
- Water Heaters (conventional tank, tankless, indirect, or heating/water heating combo systems) that meet energy star requirements
- Energy Star rated clothes washers and natural gas dryers
- Wall insulation in a home with natural gas heating, improving insulation levels of R-5 or less to a level of R-11 or greater
- Attic insulation installed with air sealing in a home with natural gas heating, improving from R-30 or less to a value of R-49 or greater.

***Other improvements are eligible to be included in the loan as long as at least one eligible energy conservation improvement is being made. These improvements include, but are not limited to:

- Central Air, Mini-Split or Heat Pumps installed with eligible gas heating equipment (at least 14 SEER)
- Energy Star rated Windows/Doors, ***if doing eligible insulation measures*** ***
- Ventilation
- Bath fans
- Electrical updates required due to related energy improvement

- Asbestos and Radon mitigation
 - Repairs or repainting of wall surfaces damages by installation of eligible insulation projects
 - Modifications or cleaning of venting or duct-work necessary to install water heaters or heating equipment
15. **Ineligible Improvements:** Work initiated prior to the loan being approved and closed (exceptions will be made case by case if immediate replacement is needed).
- Furnace and boiler tune-ups
 - New construction
 - Solar
 - Electric appliances
 - Projects not listed as an eligible improvement or not determined to be an eligible improvement by CNP or CEE.
 - CEE will refer to CNP whenever eligibility of an improvement project is questionable
16. **Sweat Equity:** Not permitted.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and be an eligible contractor with CenterPoint Energy. Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all On-Bill Repayment Loans cannot exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** None.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case - by - case basis.
21. **Disbursement of Funds:** Funds are disbursed to the borrower at closing.
22. **Borrower Fees:** A Document Preparation and credit report fee.

Senior Deferred Loan Program

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Deferred
3. **Loan Term:** Loan is due upon sale, transfer of ownership or no longer occupied by the borrower as their primary residence.
4. **Interest Rate:** 0%
5. **Loan-to-Value ratio:** 110%.
6. **Income Limit:** 115%

7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** All mortgages and property taxes must be current. No outstanding judgements, liens or pending Bankruptcy or Foreclosure.
9. **Debt-to-Income Ratio: None**
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. At least one borrower must be at least 62 years of age.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** CEE shall perform an inspection to determine project eligibility and prioritization. If there are no health, safety or code violations the borrower may use the funds for any permanent exterior or interior improvements.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **Sweat Equity: Work** may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Senior Deferred Loans cannot exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be approved by a City inspector.
20. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by the City and/or CEE to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
 - a. Final invoice from contractor (or receipts from supplier)
 - b. Final inspection verification by CEE (if necessary)

- c. Completion certificate(s) signed by borrower and contractor
 - d. Lien waiver for entire cost of work and
 - e. Evidence of required city permit, where applicable
21. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case - by case - basis.
22. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

Code Enforcement Loan Program

1. **Loan Amount:** Loan amounts from \$1,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 2% fixed interest rate
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** 115%.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report, 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable. Borrower must have an active property maintenance corrective order issued by the city.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract-for-deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** *Must* address corrective actions required by the city. Repairs must be directed at improving the safety and structural integrity of the

property including, but not limited to: siding, trim, soffit/fascia, roofing, garage doors, windows/doors, driveways, removal of trees affecting foundation, demolition of pools and sheds, HVAC, water heating, pest control, mold and mildew remediation, foundation repairs, deck/patio repairs (no new installation), hoarding cleanup, flooring, radon/lead/asbestos mitigation and other health and safety issues.

15. **Ineligible Improvements:** Any improvement not meeting the definition of an eligible improvement.
16. **Sweat Equity: Work** may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Code Enforcement Loans cannot exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be approved by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case - by - case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be carried out by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
 1. Final invoice from contractor (or materials list from supplier)
 2. Final inspection verification by CEE (if necessary)
 3. Completion certificate(s) signed by borrower and contractor
 4. Lien waiver for entire cost of work and
 5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

Down Payment and Closing Cost Assistance Deferred Loan Program

1. **Loan Amount:** Up to \$7,500. If the borrower is a current resident of Brooklyn Park, the maximum loan amount is up to \$10,000.
2. **Loan Term:** 10 years. The loan is 100% forgiven if the borrower(s) did not sell, transfer ownership or no longer occupied the property as the borrower(s) primary residence within 10 years of the loan closing date. If the loan is sold, ownership is transferred or is not the borrower(s) primary residence 10 years before the loan closing, 100% of the loan is due.
3. **Interest Rate:** 0%
4. **Minimum Borrower Contribution:** Lesser of \$1,000 or 1% of the purchase price.
5. **Income Limit:** 115% of the Area Median Income (AMI). Income if determined by the Adjusted Gross Income from the most recent tax return and household size. If the borrower(s) are not required to file a tax return the income will be determined by the projected gross income.
6. **Homebuyer Education:** All borrower(s) MUST attend a Home Stretch workshop or other valid first - time homebuyers course offered through an approved counseling agency by HUD. Applicants who have previously completed their pre-purchase education through an eligible provider must have a completion certificate that is dated not more than 12 months prior to closing.
7. **First-Time Homebuyer Status:** Borrowers must be a first-time homebuyer (a person or household that has not owned a home within the last three years – based on HUD approved definition). The Borrowers may not have had an ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage. This requirement applies to any person who will execute the note and will have a present ownership interest in the financed property.
8. **Debt-to-Income Ratio:** N/A. Borrower must qualify for a first mortgage to purchase the property.
9. **Loan to Value Ratio:** 110%
10. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax Identification Numbers are not acceptable.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers.
12. **Eligible Properties:** All 1- 4 unit owner occupied properties with a purchase price equal to or less than **\$515,200 based on MHFA Start Up Value (subject to change)** located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhouses will be eligible for this program as well.
13. **Ineligible Properties:** Properties held in a contract for deed are not eligible. Mobile homes, Co-ops, Non-owner-occupied and commercial properties.

14. **Multiple Loans:** Only one loan, but if ownership changes the new owner is eligible. If previous owner purchases a new home in Brooklyn Park, they are eligible if considered a first - time homebuyer. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000
15. **Subordination:** *Full* repayment of the loan is required unless the borrower is refinancing for a better interest rate to lower monthly payments or cash out funds for critical home repairs.
16. **Underwriting Decision:** Borrower(s) must meet 1st mortgage lender requirements.
17. **Borrower Fees:** All applicable mortgage filing fees, wire transfer, title, credit report, flood inspection and any other relevant closing costs associated with the loan.
18. **Participating Lenders:** Brooklyn Park EDA recommends the utilization of lenders with a presence in the City of Brooklyn Park.
19. **Purchase price:** Cannot exceed \$515,200 (subject to change)
20. **Eligible Use of Funds:** The loan funds can only be used for down payment and/or closing costs. The borrower cannot receive any portion of these funds as cash.

Rental Rehabilitation Loan Program

1. **Loan Amount:** Loan amounts from \$10,000 to \$100,000 (Maximum amount per unit is \$10,000, but the EDA may consider requests for loan amounts greater than the maximum on a case – by - case basis). A maximum of \$100,000 between the Rental Rehabilitation Deferred and Amortizing Loan Programs
2. **Matching Requirements:** None
3. **Amortization Type:** Amortizing
4. **Loan Term:** Up to 10 years
5. **Interest Rate:** 0% if the Borrower(s) agree to Rent Limitations and 3% if there are no Rent Limitations
6. **Loan-to-Value ratio:** 100%
7. **Income Limit for Borrower:** None
8. **Income Limit for Business Entities:** None, but the business must have been in business for at least one year and show positive cash flow from the most recent Federal Tax Return. If a tax return hasn't been filed a Profit & Loss Statement and Budget must be provided along with current Lease and verification that rent is being received (1 month verification).
9. **Income Limit for Tenants:** None
10. **Rent Limitations:** Borrowers must agree that rents charged do not exceed 60% AMI affordability levels and will be verified annually. If the Borrower agrees to the Rent Limitations, they MUST restrict rents for 10 years from the date of closing or until the property has been sold or ownership has been transferred.
11. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA, unless the borrower is a Condominium or Townhome Association.
12. **Credit / Underwriting Requirements:** All mortgages and property taxes must be current. No outstanding judgements, liens or pending Bankruptcy or Foreclosure.
13. **Debt-to-Income Ratio for Natural Persons:** **50%**

14. **Debt-to-Income Ratio for Business Entities:** None, but the business must have been in business for at least one year and show positive cash flow on the most recent Federal Tax Return. If a tax return hasn't been filed and a Profit & Loss Statement and Budget must be provided along with the current Lease and verification that rent is being received (1 month verification).
15. **Eligible Borrowers:** All borrowers must be either a legal resident of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident alien **OR** a registered business with the MN Secretary of State. Borrower must not own more than 30 units in the City of Brooklyn Park.
16. **Ineligible Borrowers:** Homeowner Associations, applicants with no ownership interest, illegal residents or business entities not registered with the MN Secretary of State. Borrowers that own more than 30 units in the City of Brooklyn Park.
17. **Eligible Properties:** All 1-16 unit **licensed** rental properties used for residential purposes located within the City of Brooklyn Park. Individual condominium and townhome units are eligible. Properties held in a trust or Contract for Deed are eligible.
18. **Ineligible Properties:** Properties with more than 16 units, co-operatives, mobile homes and properties used for commercial purposes.
19. **Eligible Improvements:** Permanent interior and exterior improvements including, but not limited to: kitchen and bath remodel, roofing/gutters, siding, window/door replacement, plumbing (including sprinkler systems), electrical, energy star rated appliances, HVAC, water heating, painting, flooring, insulation, solar and improvements to common and play areas.
20. **Ineligible Improvements:** No swimming pools, hot tubs, saunas, whirlpools, furniture or funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable. Improvements required to be done by a Homeowner Association.
21. **Sweat Equity: Work** may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor or the rental or purchase of equipment needed to complete the project. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
22. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
23. **Multiple Loans:** Only one Rental Rehabilitation Loan may be open at any time.
24. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be approved by a City inspector.
25. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. **Down-payments may be made to the Contractor or Borrower on a case by case basis as approved by the City.** An inspection will be performed by the City and/or CEE to verify completion of the

work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:

- a. Final invoice from contractor (or receipts from supplier)
- b. Final inspection verification by CEE (if necessary)
- c. Completion certificate(s) signed by borrower and contractor
- d. Lien waiver for entire cost of work and
- e. Evidence of required city permit, where applicable

26. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.
27. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.
28. **Loan Administration:** The Rental Rehabilitation Loan Program will be administered by CEE in close consultation with the City of Brooklyn Park EDA staff.
29. **Loan Servicing:** The Rental Rehabilitation Loan Program will be serviced by CRF.

EXHIBIT B-26

TOTAL PROGRAM BUDGET \$1,000,000.

BROOKLYN PARK LOAN PROGRAM BUDGET

A. Home Improvement, On-Bill Repayment and Code Enforcement	\$300,000
B. Senior Deferred Loan	\$300,000
C. Down Payment Assistance and Closing Cost Assistance Loan	\$300,000
D. Rental Rehabilitation Program	\$100,000

Budget Notes:

1. Funds to be transferred between Budget Categories in this Exhibit that do not change the Total Contract Amount must be approved in writing by the City of Brooklyn Park.
2. CEE shall submit monthly invoices to the City of Brooklyn Park for the loan principal and administrative fees.
3. Loan Principal will be funded from the Total Program Budget as stated above and Administrative Fees shall be paid in accordance with the following Administrative Fee schedule.

(a) Home Improvement, Code Enforcement, Senior Deferred and Rental Rehabilitation Origination Fee	\$775 per loan closed
(b) Down-Payment and Closing Cost Assistance Origination Fee closed	\$1,100 per loan closed
(c) On-Bill Repayment Loan Origination Fee	\$275 per loan closed
(d) Property Inspection (Prioritization/RAV)	\$275 per visit
(e) Post Installation Inspection	\$275 per inspection
(f) Annual Administration Fee	\$5,000

The Annual Administration Fee shall be payable on January 1st of each year the contract is active.

4. Administrative Fees are not a part of the "Total Program Budget". Administrative Fees do not have a budget and will be paid by the City of Brooklyn Park.
5. Marketing efforts will be supported by CEE and marketing costs are not included in the Total Program Budget. Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to the labor of all program marketing. CEE will also be reimbursed by the City of Brooklyn Park for any non-labor, out-of-pocket expenses relating to these services on a dollar-for-dollar basis.

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.6	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	John T. Kinara, Housing and Redevelopment Coordinator; and Josephine Thao, Project Facilitator
Resolution:	X	Presented By:	John T. Kinara, Housing and Redevelopment Coordinator
Attachments:	4		
Item:	Consider Accepting the State of Minnesota Local Housing Trust Fund Grant in the Amount of \$150,000 for Home Improvement Loan Program and Authorizing the Brooklyn Park Economic Development Authority to Execute a Contractual Agreement with Minnesota Housing Finance Agency		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-____ AUTHORIZING ACCEPTANCE OF THE STATE OF MINNESOTA LOCAL HOUSING TRUST FUND GRANT IN THE AMOUNT OF \$150,000 FOR HOME IMPROVEMENT LOAN PROGRAM AND AUTHORIZING THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY TO EXECUTE A CONTRACTUAL AGREEMENT WITH MINNESOTA HOUSING FINANCE AGENCY.

Overview:

In 2021, the Minnesota Legislature allocated money to create Minnesota Housing's Local Housing Trust Fund Grants Program. The purpose of the program is to incentivize local governments to make investments in affordable housing construction, preservation, and maintenance.

The Brooklyn Park Economic Development Authority (EDA) applied for this state matching funds in March 2025 and was awarded \$150,000 dedicated to the home improvement loan programs. The EDA application was one of 54 applications from different municipalities requesting a total of over \$9.6 million.

Background:

In 2024, the EDA established a Local Housing Trust Fund (LHTF) to support key housing initiatives, including the Naturally Occurring Affordable Housing (NOAH) Program and the Home Rehabilitation Loan Programs. These programs provide critical assistance, such as First-Time Homebuyer Down Payment and Closing Cost Assistance, as well as Revolving Loan options to support homeowners and buyers.

Currently, the EDA funds its housing and redevelopment efforts through multiple sources, including federal Community Development Block Grants (CDBG), state Housing Set-Aside funds (authorized through special legislation), Tax Increment Financing (TIF), and the General EDA/HRA levy. LHTF funding serves as a supplemental resource to expand these high-demand programs, ensuring greater access to housing stability and homeownership opportunities in the community.

The state matching funds will be specifically allocated to home improvement loan programs, enabling homeowners to finance essential repairs, renovations, and energy efficiency upgrades. These funds will directly benefit households earning up to 115% of the area median income (AMI) or below, expanding access to safe, stable, and high-quality housing for more residents.

Primary Issues/Alternatives to Consider:

The EDA approval is required as a part of the grant administration. The approval will also authorize the EDA Executive Director to enter into a contract agreement with Minnesota Housing Finance Agency to administer the grant.

Budgetary/Fiscal Issues:

The grant amount awarded is \$150,000 to be expended within three (3) years. The EDA will not incur any direct costs in accepting these grant funds as the funds will be administered through the already established Brooklyn Park LHTF. Additionally, we anticipate receiving an estimated \$942,000 dollars from the state of Minnesota in July and December 2025 respectively. Some or all these dollars could be included in the LHTF as a dedicated source of funding. Staff proposes allocating these funds equally on a 50% / 50% basis between the NOAH Program and the Home Improvement Loan Programs. The EDA designated an accounting fund to monitor the use of these funds similar to what has been done with the EDA Housing Set Aside funds.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

- 4.6A RESOLUTION
- 4.6B CONTRACT AGREEMENT
- 4.6C ACCEPTANCE LETTER
- 4.6D GRANT PROGRAM GUIDELINES

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

RESOLUTION #2025-_____

RESOLUTION TO ACCEPT A GRANT FROM THE STATE OF MINNESOTA
LOCAL HOUSING TRUST FUND GRANTS PROGRAM AND TO EXECUTE THE
CONTRACTUAL AGREEMENT BETWEEN THE MINNESOTA HOUSING
FINANCE AGENCY AND THE BROOKLYN PARK ECONOMIC DEVELOPMENT
AUTHORITY

WHEREAS, the Brooklyn Park Economic Development Authority (“EDA”) was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.1080 (the “EDA Act”), and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park, Minnesota (the “City”) adopted on October 24, 1988 (the “Enabling Resolution”);

WHEREAS, the Enabling Resolution was amended by Resolution No. 1995-72 dated March 20, 1995, whereby the EDA was granted all of the powers, rights, duties, and obligations set forth in Minnesota Statutes Sections 469.001 to 469.047 (the “HRA Act”); and

WHEREAS, three of the statutory purposes of the EDA are to assist in the redevelopment of blighted and underutilized properties, to provide safe, clean, and sanitary dwellings, and to remedy the shortage of housing for low- and moderate-income residents; and

WHEREAS, Minnesota Statute § 462C.16 allows cities to create “Local Housing Trust Funds” that are authorized to make grants and loans for the development, rehabilitation, and financing of housing; and

WHEREAS, on April 8, 2024, the City, by ordinance, established a Local Housing Trust Fund (“LHTF”) which is administered by the EDA; and

WHEREAS, in 2023, the Minnesota Legislature created Local Housing Trust Fund Grants, which may be spent for the development, rehabilitation, or financing of housing and must be spent to benefit households at or below 115% of Area Median Income; and

WHEREAS, the EDA applied for and has now received a \$150,000 dollar grant from the Minnesota Housing Local Housing Trust Fund Grant Program through the Minnesota Housing Finance Agency, and

WHEREAS, the grant award will be administered through the Brooklyn Park Local Housing Trust Fund; and

WHEREAS, the EDA must enter into a contractual agreement with the Minnesota Housing Finance Agency to govern the distribution of funds and to administer program requirements;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Brooklyn Park Economic Development Authority (the “Board”) as follows:

1. The EDA hereby accepts, contingent on final City Council approval, the grant of \$150,000 from the Minnesota Housing Finance Agency for the construction and rehabilitation of housing affordable to homeowners at or below 115% Area Median Income.
2. The EDA hereby authorizes the EDA to take all actions necessary to execute relevant obligations under the Grant program, including without limitation, execution of any Grant agreements, and other documents necessary to accept and receive the Grant funds (See grant agreement attached as Exhibit A to this Resolution).
3. The Executive Director is hereby authorized to enact any additional policies or enter into any additional agreements to ensure compliance with state requirements for monitoring and reporting the use of these Grant funds.

**MINNESOTA HOUSING FINANCE AGENCY
GRANT CONTRACT AGREEMENT
LOCAL HOUSING TRUST FUND GRANTS PROGRAM**

This Grant Contract Agreement is between the Minnesota Housing Finance Agency ("MHFA") and **[FULL NAME OF THE GRANTEE INCLUDING ITS ADDRESS]** ("GRANTEE").

Recitals

1. Under [Minnesota 2023 Session Law, Chapter 37, Article 1, Section 2, Subd. 21](#), MHFA is empowered to enter into this Grant Contract Agreement.
2. MHFA is in need of local governments to create or fund local housing trust funds as defined under [Minnesota Statute 462C.16](#) for the purposes of:
 - Making grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
 - Matching other funds from federal, state, or private resources for housing projects;
 - Providing down payment assistance, rental assistance, and homebuyer counseling services; and
 - Administrative expenses, up to 10% of the Local Housing Trust Fund grant amount.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this Grant Contract Agreement to the satisfaction of MHFA. Pursuant to [Minn. Stat. 16B.98, Subd.1](#), the Grantee agrees to minimize administrative costs as a condition of this Grant Contract Agreement.

Grant Contract Agreement

1. Term of Grant Contract Agreement

- 1.1 **Effective date:**
September XX, 2025, or the date all required signatures are obtained, whichever is later. Per [Minn. Stat. 16B.98, Subd. 5](#), the Grantee must not begin work until this Grant Contract Agreement is fully executed and MHFA's Authorized Representative has notified the Grantee that work may commence. Per [Minn. Stat. 16B.98 Subd. 7](#), no payments will be made to the Grantee until this Grant Contract Agreement is fully executed.
- 1.2 **Grant period:**
The Grant Contract Agreement period for the Program begins with the Effective Date of this Grant Contract Agreement and continues through September XX, 2028, (the "Grant Period"). All funds provided through this Grant Contract Agreement must be fully expended in compliance with this Grant Contract Agreement by the end of the Grant Period.
- 1.3 **Expiration date:**
December XX, 2028, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.4 **Survival of Terms.**
The following clauses survive the expiration or cancellation of this Grant Contract Agreement: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

2. Grantee's Duties

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

Comply with required grants management policies and procedures set forth through [Minn. Stat. 16B.97, Subd. 4 \(a\) \(1\)](#), and review the State of Minnesota Office of Grants Management policy [08-01](#) (Conflict of Interest for State Grant-Making). The Grantee is required to have a documented Conflict of Interest policy and must utilize this policy when performing the Grantee duties under the Grant Contract Agreement. If the Grantee has knowledge or becomes aware of any actual, potential, perceived, or organizational conflicts of interest with respect to the Grant Contract Agreement, the Grantee shall immediately disclose the conflict of interest directly to MHFA.

2.1 ***Work Plan***

The Grantee shall perform the duties specified in **Exhibit A** (the “Work Plan”), which is attached and incorporated into this Grant Contract Agreement.

2.2 ***Program Guide***

The Grantee will comply with the Local Housing Trust Fund Grants [Program Guide](#) (the “Program Guide”), located on MHFA’s [website](#), which is incorporated into this Grant Contract Agreement, and may be amended as needed. MHFA will provide notice of any such amendments to the Grantee’s Authorized Representative (defined herein) by email. Unless otherwise indicated in the Program Guide, any such amendments are binding to the Grantee as of the date indicated in the notice, which shall not be earlier than the date that MHFA sends the notice.

2.3 ***Authorized Expenditures***

The Grantee acknowledges that grant funds disbursed by MHFA are provided for the purposes of incentivizing local funding for affordable housing for the authorized expenditures listed in [Minn. Stat. 462C.16, Subd. 3](#). All grant funds must be used by the Grantee to fund the activities described in the Work Plan in accordance with the terms of this Grant Contract Agreement.

2.4 ***Matching New Public Revenue***

Before the execution of this Grant Contract Agreement, the Grantee must provide to MHFA, documentation of their matching New Public Revenue in the amount of **\$XXX,XXX.00**, including the source of revenue.

2.5 ***Reporting***

The Grantee must submit annual reports to MHFA beginning no later than one calendar year after the effective date of this Grant Contract Agreement and continuing until all grant funds have been expended or the expiration date of the Grant Contract Agreement, whichever occurs first. Required annual report information may include: program or project progress reporting, grant and matching New Public Revenue expenditures, communities benefitting from grant funds, and any other information MHFA requests regarding the use of grant funds.

Reporting forms, instructions, and submission dates will be available on the Local Government Housing Programs [webpage](#).

3. Time

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

4. Consideration and Payment

4.1 ***Consideration.***

MHFA will pay for all services performed by the Grantee under this Grant Contract Agreement as follows:

- (a) **Compensation**
The Grantee will be paid up to a maximum of **\$XXX,XXX.00**, according to the breakdown of program or project activities for “Grant Funds Budgeted” in **Exhibit B** (the “Budget”), which is attached and incorporated into this Grant Contract Agreement.
- (b) **Matching Funds**
The total grant amount is based on the amount of secured matching New Public Revenue funds committed to the Grantee’s Local Housing Trust Fund, as detailed in the breakdown of costs contained in **Exhibit B**. For the purposes of the Local Housing Trust Fund Grants Program, “New Public Revenue” is defined as local income that is committed to the Local Housing Trust Fund on or after June 29, 2021, from any source other than the state or federal government.
- (c) **Travel Expenses**
Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this Grant Contract Agreement will not exceed \$0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner’s Plan” promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received MHFA’s prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- (d) **Total Obligation.**
The total obligation of MHFA for all compensation and reimbursements to the Grantee under this Grant Contract Agreement will not exceed **\$XXX,XXX.00** (the “Grant Proceeds”).

4.2 **Payment**

- (a) **Invoices**
MHFA will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and MHFA’s Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

Grant funds will be disbursed in a total of up to two payments.

The first disbursement of at least 50% of the total grant award, will be disbursed to the Grantee after submitting documentation to MHFA demonstrating that the Grantee has expended at least 50% of the total matching New Public Revenue funds on authorized expenditures.

A second disbursement of the remaining grant amount will be disbursed to the Grantee after documentation is submitted to MHFA demonstrating that the Grantee has expended the matching New Public Revenue funds on authorized expenditures in the amount of the remaining balance of grant.

- (b) **Unexpended Funds**
The Grantee must promptly return to MHFA any unexpended funds that have not been accounted for annually in a financial report to MHFA due at grant closeout.

4.3 **Contracting and Bidding Requirements**

- (a) Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.

- (b) Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.
- (c) Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.
- (d) The Grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
 - Metropolitan Council Underutilized Business Program: MCUB: [Metropolitan Council Underutilized Business Program](#)
 - Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Directory](#)
- (e) The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.
- (f) The Grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
- (g) Notwithstanding (a) - (d) above, MHFA may waive bidding process requirements when:
 - Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.
 - It is determined there is only one legitimate or practical source for such materials or services and that the Grantee has established a fair and reasonable price.
- (h) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. 177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.
- (i) The Grantee must not contract with vendors who are suspended or debarred in MN: <https://mn.gov/admin/osp/government/suspended-debarred>.

5. Conditions of Payment

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

6. Authorized Representative

MHFA's Authorized Representative is Jennifer Bergman, Director of Local Government Housing Programs, 400 Wabasha Street N. Suite 400, St. Paul, MN 55102, 651-297-5232, jennifer.bergman@state.mn.us, or her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this Grant Contract Agreement. If the services are satisfactory, the MHFA's Authorized Representative will certify acceptance on each invoice submitted for payment. The Authorized

Representative may delegate certain responsibilities to the Program Manager, Colleen Meier, 651-296-9811, colleen.meier@state.mn.us, or her successor.

All Local Government Housing Programs staff may be reached by email at localhousingtrustfund.mhfa@state.mn.us.

The Grantee's Authorized Representative is [NAME, TITLE, ADDRESS, TELEPHONE NUMBER, EMAIL]. If the Grantee's Authorized Representative changes at any time during this Grant Contract Agreement, the Grantee must immediately notify MHFA.

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

7.1 *Assignment*

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

7.2 *Amendments*

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

7.3 *Waiver*

If MHFA fails to enforce any provision of this Grant Contract Agreement, that failure does not waive the provision or MHFA's right to enforce it.

7.4 *Grant Contract Agreement Complete*

This Grant Contract Agreement contains all negotiations and agreements between MHFA and the Grantee. No other understanding regarding this Grant Contract Agreement, whether written or oral, may be used to bind either party.

8. Liability

The Grantee must indemnify, save, and hold MHFA, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by MHFA, arising from the performance of this Grant Contract Agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the MHFA's failure to fulfill its obligations under this Grant Contract Agreement.

9. State Audits

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

10. Government Data Practices and Intellectual Property Rights

10.1 *Government Data Practices*

The Grantee and MHFA must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by MHFA under this Grant Contract Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this Grant Contract Agreement. The civil remedies of [Minn. Stat. 13.08](#) apply to the

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

10.2 *Intellectual Property Rights*

- (a) MHFA owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the works and documents created and paid for under this Grant Contract Agreement. The "works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Grant Contract Agreement. "Works" includes documents. The "documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this Grant Contract Agreement. The documents will be the exclusive property of MHFA and all such documents must be immediately returned to MHFA by the Grantee upon completion or cancellation of this Grant Contract Agreement. To the extent possible, those works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the works and the documents to MHFA. The Grantee must, at the request of MHFA, execute all papers and perform all other acts necessary to transfer or record MHFA's ownership interest in the works and documents.
- (b) *Obligations*
- (1) Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this Grant Contract Agreement, the Grantee will immediately give MHFA's Authorized Representative written notice thereof, and must promptly furnish MHFA's Authorized Representative with complete information and/or disclosure thereon.
- (2) Representation. The Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the works and documents are the sole property of MHFA, and that neither the Grantee nor its employees, agents, or subcontractors retain any interest in and to the works and documents. The Grantee represents and warrants that the works and documents do not and will not infringe upon any intellectual property rights of other persons or entities. The Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless MHFA, at Grantee's expense, from any action or claim brought against MHFA to the extent that it is based on a claim that all or part of the works or documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or MHFA's opinion is likely to arise, the Grantee must, at the MHFA's discretion, either procure for MHFA the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing works or documents as necessary and appropriate to obviate the infringement claim. This remedy of MHFA will be in addition to and not exclusive of other remedies provided by law.

11. Workers Compensation

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

12. Publicity and Endorsement

12.1 *Publicity*

Any publicity regarding the subject matter of this Grant Contract Agreement must identify MHFA as the sponsoring agency and must not be released without prior written approval from MHFA's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Grant Contract Agreement. All projects primarily funded by state grant appropriations must publicly credit MHFA, including on the Grantee's website when practicable.

12.2 *Endorsement*

The Grantee must not claim that MHFA endorses its products or services.

13. Governing Law, Jurisdiction, and Venue

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

14. Termination

14.1 *Termination by MHFA*

(a) *Without Cause*

MHFA may terminate this Grant Contract Agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) *With Cause*

MHFA may immediately terminate this Grant Contract Agreement if MHFA finds that there has been a failure to comply with the provisions of this Grant Contract Agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. MHFA may take action to protect the interests of MHFA, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.2 *Termination by The Commissioner of Administration*

The Commissioner of Administration may immediately and unilaterally cancel this Grant Contract Agreement if further performance under the Agreement would not serve agency purposes or is not in the best interest of State.

14.3 *Termination for Insufficient Funding*

MHFA may immediately terminate this Grant Contract Agreement if:

- (a) It does not obtain funding from the Minnesota Legislature;

- (b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the Grantee. MHFA is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. MHFA will not be assessed any penalty if this Grant Contract Agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MHFA must provide the Grantee notice of the lack of funding within a reasonable time of MHFA's receiving that notice.

15. Data Disclosure

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

16. Fraud Disclosure

Fraud is any intentionally deceptive action made for personal gain or to damage another. Any person or entity (including its employees and affiliates) that enters into an agreement with MHFA and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report to:

- MHFA's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member of MHFA's [Servant Leadership Team](#) as denoted on MHFA's current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

17. Suspension

By entering into any agreement with MHFA, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with MHFA. Please refer to MHFA's website for a list of [suspended individuals and organizations](#).

18. Conflicts

In the event of a conflict between the terms of this Grant Contract Agreement, its exhibits, and the Program Guide, or between exhibits, the order of precedence is first the Grant Contract Agreement, and then in the following order:

- Program Guide
- Exhibit A – Work Plan
- Exhibit B – Budget

1. GRANTEE

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

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

2. MINNESOTA HOUSING FINANCE AGENCY

By: _____
(with delegated authority)

Title: _____

Date: _____

Distribution:
Agency
Grantee
MHFA's Authorized Representative

FOR REVIEW ONLY



Minnesota Housing
400 Wabasha St. N
Suite 400
St. Paul, MN 55102

May 28, 2025

Josephine Thao, Project Facilitator
City of Brooklyn Park Economic Development Authority
5200 85th Ave N
Brooklyn Park, MN 55443

Dear Josephine,

Congratulations! We are pleased to inform you that the Minnesota Housing board of directors has approved your request for funding under the 2025 Local Housing Trust Fund Grants Program Request for Proposals. The City of Brooklyn Park EDA has been awarded a grant in the amount of \$150,000.

Your application is one of 36 selected for approval from a competitive review process of 54 applications requesting a total of over \$9.6 million. Please note that this letter is not a commitment by Minnesota Housing to provide financing. Funding is contingent upon the receipt of required due diligence items and execution of a grant contract agreement.

If you have any questions, please contact Local Government Housing Programs staff at localhousingtrustfund.mhfa@state.mn.us.

Thank you for your commitment to meeting the affordable housing needs of Minnesotans. We are grateful to your partnership and look forward to working with you on this project.

Sincerely,

A handwritten signature in blue ink that reads 'Jennifer Ho'.

Jennifer Leimaile Ho
Commissioner, Minnesota Housing

Equal Opportunity Employer



Local Housing Trust Fund Grants Program

Program Guide

January 23, 2025



The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

This information will be made available in alternative format upon request.

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Chapter 1 – Introduction

1.01 Values Statement

All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will:

- Center the people and places most impacted by housing instability at the heart of our decision making,
- Listen and share the power we have,
- Honor, respect and strengthen communities, and
- Be inclusive, equitable, just and antiracist in our actions.

1.02 Local Housing Trust Fund Grants Program Overview

In 2021, the Minnesota Legislature allocated money to create Minnesota Housing's Local Housing Trust Fund Grants Program. The purpose of the Program is Local Housing Trust Fund Grants to incentivize local governments to create or fund [Local Housing Trust Funds](#) by providing a portion of matching state funds to encourage investment in affordable housing across Minnesota.

Minnesota Housing created this guide, which outlines the requirements of Local Housing Trust Fund Grants, as well as the steps necessary to apply for and receive the matching grant funds.

1.03 Program Guide

This Program Guide, including subsequent changes and additions, is incorporated into the Grant Contract Agreement executed between the Contracting Party and Minnesota Housing. It is incorporated into such Grant Contract Agreement by reference and is a part thereof as fully as if set forth in the Grant Contract Agreement at length. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

1.04 Definition of Terms

Please refer to Appendix A for definitions of capitalized terms used in this Program Guide.

1.05 Authorizing Statute

[Minnesota Session Laws, 2021 First Special Session, chapter 8, article 1, section 3, subdivision 17](#) and [Minnesota Session Laws, 2023 Legislative Session, chapter 37, article 1, section 2, subdivision 21](#) appropriated funds for the Local Housing Trust Fund Grants Program. All Local Housing Trust Funds that receive grants under the program must meet the definition of a Local Housing Trust Fund under [Minnesota Statute 462C.16](#).

Chapter 2 – Eligibility Criteria

2.01 Eligible Entities

The following entities are eligible to apply for the Local Housing Trust Fund Grants Program:

- Cities
- Counties
- Collaborations between cities and/or counties that have established a local housing trust fund through a joint powers agreement under [Minnesota Statute 462C.16, subdivision 2](#).
- Tribal governments

Eligible entities must have an existing Local Housing Trust Fund at the time of application as defined by Minnesota Statute 462C.16, or as otherwise authorized by law.

2.02 Eligible Funds for Match

Eligible entities may request matching funds for New Public Revenue committed to the Local Housing Trust Fund from any source other than the state or federal government. Entities may be eligible to receiving matching funds up to 100% of New Public Revenue up to \$150,000 and, depending on funding availability, additional funds in the amount of 50% of new public revenue above \$150,000 but no more than \$300,000.

For purposes of this program, New Public Revenue is defined as local income that is committed to the Local Housing Trust Fund on or after June 29th, 2021.

2.03 Eligible Uses

Grant Proceeds may be used for:

1. Administrative expenses, up to 10% of the Local Housing Trust Fund Program grant;
2. Grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
3. Match for other funds from federal, state, or private resources for housing projects; or
4. Down payment assistance, rental assistance, and home buyer counseling services.

All funds must be used for households at or below 115% of the State Median Income.

Chapter 3 – Contracting Party Requirements

3.01 Contracting Party Requirements

Contracting Parties must adhere to the Grant Contract Agreement requirements which include, but are not limited to, the activities listed below. If there are any conflicts between this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

- Execute one or more Grant Contract Agreements with Minnesota Housing outlining the scope of work to be performed. The Contracting Party may also be responsible for completing the proposal, budget, work plan and/or other exhibits to the Grant Contract Agreement(s).
- Maintain financial records for a minimum of six years after the Grant Contract Agreement(s) ends that document the use of all Grant Proceeds awarded. Minnesota Housing, at its sole discretion, may request to review the accounting and documentation of such records at as part of a site visit or at other times.
- Complete and submit all invoices and required reports on time in a manner determined by Minnesota Housing.
- Have a written conflict of interest policy and take necessary steps to prevent individual and organizational conflicts of interest. All suspected, disclosed, or discovered conflicts of interest must be reported to Minnesota Housing in a timely manner.
- Comply with applicable Grant Contract Agreement and bidding requirements noted in the Grant Contract Agreement.
- Comply with all affirmative action and non-discrimination requirements noted in the Grant Contract Agreement.
- Comply with all applicable state statutes, rules and policies.

3.02 Subgrantees

If utilizing subgrantees, Contracting Parties are expected to enter into Grant Contract Agreements with subgrantees prior to disbursing Grant Proceeds to them. At a minimum, Contracting Parties must impose on subgrantees the same obligations that Minnesota Housing requires of Contracting Parties under the Grant Contract Agreement. In addition, Contracting Parties must ensure that any communication received from Minnesota Housing is relayed to subgrantees. Contracting Parties remain responsible for compliance with all requirements of this Program Guide and the Grant Contract Agreement and for performance of any subgrantees. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls. Minnesota Housing must approve the use of a subgrantee prior to executing a Grant Contract Agreement with the subgrantees.

3.03 Monitoring and Evaluation of Contracting Parties and Subgrantees

Minnesota Housing will review Contracting Parties' financial reports and progress reports which must be provided according to the timeline outlined in the Grant Contract Agreement. Minnesota Housing may request additional documentation such as, but not limited to, invoices, employee payroll reports and/or timecards, and receipts to verify the information provided in the financial report.

For Contracting Parties with Grant Contract Agreements of \$50,000 or greater, Minnesota Housing will conduct at least one monitoring visit of Contracting Parties during the grant period and complete a financial reconciliation of Contracting Party's expenditures to verify adherence to Grant Contract Agreement and program requirements. The monitoring visit consists of an administrative review of the Contracting Party's policies, procedures and governance, and a program review of the grant activities, staffing and Contracting Party's evaluation of the grant. Approximately one month prior to the monitoring visit, Minnesota Housing will submit a document request for items to be reviewed as part of the monitoring visit and financial documents to be reviewed as part of the financial reconciliation.

Minnesota Housing may request information of subgrantees as part of this monitoring visit. Following the monitoring visit, Minnesota Housing staff will notify the Contracting Party if follow up is required. Upon timely completion of follow-up items, Minnesota Housing staff will issue a monitoring review summary letter including areas of concern, recommendations and requirements. Grant Administrators are expected to monitor subgrantees by these same standards during the grant term.

Chapter 4 – Record Keeping and Reporting

4.01 Record Keeping

Contracting Parties and subgrantees are responsible for maintaining records that document the use of all Grant Proceeds. Contracting Parties must save copies of all books, records, program files, documents and accounting procedures related to the grant in a secure and organized format. Contracting Parties must maintain these documents for a minimum of six years from the end of the Grant Contract Agreement. Minnesota Housing reserves the right to review all records during this six-year period, and records must be made available to Minnesota Housing upon request.

Documents to save and retain include, but are not limited to:

- Executed Grant Contract Agreement
- Reports submitted by the Contracting Party to Minnesota Housing
- Invoices and supporting invoice documentation (receipts, proof of payment, employee payroll, etc.)
- Documentation submitted by any subgrantees
- Written approvals from Minnesota Housing Local Housing Trust Fund Grants Program Grant Manager

4.02 Reporting

Contracting Parties must submit a progress report, financial report and invoice in a format required by Minnesota Housing. These progress reports must be submitted annually as outlined in the Grant Contract Agreement. Contracting Parties must also submit a final report outlining proposed and achieved outcomes and complete expenditures.

Chapter 5 – Grant Invoicing, Payment and Reporting Schedule

Contracting Parties should reference the Grant Contract Agreement exhibits for the invoice template, the financial report template and the items to be covered in the progress report.

Contracting Parties are required to submit a progress report, financial report and invoice approximately annually until all grant funds have been expended. Exact dates will be determined upon Grant Contract Agreement execution. Contracting Parties should reference their Grant Contract Agreement for exact dates and any additional requirements.

Appendix A – Terms

Table 1: Definitions of capitalized terms used in this Program Guide.

Term	Definition
Affiliated Assistance	Loans, grants, or other awards from the Contracting Party to directors, officers, agents, consultants, employees and/or their families, elected or appointed officials of the State of Minnesota as well as to Minnesota Housing employees and/or their families.
Data Practices Act	References the Minnesota Government Data Practices Act (Minn. Stat. Ch. 13)
Grant Contract Agreement	The Grant Contract Agreement executed between Minnesota Housing Finance Agency and the Contracting Party for the 2023 Local Housing Trust Fund Grants Program Grant.
Contracting Party	Recipient(s) in a Grant Contract Agreement with Minnesota Housing to receive Local Housing Trust Fund Grants Program Proceeds.
Grant Proceeds	Funds distributed under the 2023 Local Housing Trust Fund Grants Program.
Local Housing Trust Fund	Local Housing Trust Fund as defined in Minnesota Statute 462C.16.
Minnesota Housing	The Minnesota Housing Finance Agency
New Public Revenue	For purposes of this program, New Public Revenue is defined as local income that is committed to the Local Housing Trust Fund on or after June 29, 2021.
State Median Income	The most recent total median family income for Minnesota issued by the federal Department of Housing and Urban Development (HUD).

Appendix B - Legal Addendum

1.01 Conflict and Control

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

1.02 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.03 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.04 Conflict of Interest

A conflict of interest – Actual, Potential or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest**: An Actual Conflict of Interest occurs when a person’s decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest**: A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.
- **Appearance of a Conflict of Interest**: The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person’s personal interest, affiliation or relationship inappropriately influenced that person’s action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one’s judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business**: Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member**: A person’s current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person’s household.
- **Friend**: A person with whom the individual has an ongoing personal social relationship. “Friend” does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. “Friend” does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest**: An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner**: A person’s romantic and domestic partners and outside Business partners.
- **Relative**: Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party’s responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict

- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

1.05 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient ("Affiliated Assistance") who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party's internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

1.06 Suspension

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing's website for a list of [suspended individuals and organizations](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

1.07 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member Minnesota Housing's [Servant Leadership Team](#), as denoted on Minnesota Housing's current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

1.08 Electronic Signatures

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

1.09 Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

1.10 Minnesota Government Data Practices

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

1.11 Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under [Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871](#). In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. [Minnesota Statutes Section 116J.871](#) applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Questions related to submission of required information to Minnesota Housing may be directed to:
mhfa.prevalingwage@state.mn.us.

All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155
651.284.5091 or dli.prevwage@state.mn.us

[If a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.](#)

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.7	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Tim Gladhill, Executive Director
Resolution:	N/A	Presented By:	Tim Gladhill, Executive Director
Attachments:	1		
Item:	Consider Authorizing the Executive Director to Approve the Amendment to the Contract for Legal Services between the Brooklyn Park Economic Development Authority and Kennedy & Graven		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-_____, AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE AMENDMENT TO THE CONTRACT FOR LEGAL SERVICES BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND KENNEDY & GRAVEN.

Overview:

The City Council recently extended a legal services contract with Kennedy & Graven through 2026 in order to provide time to explore additional options and the required (by Purchasing Policy) Requests for Proposals. The EDA should match these timeframes for consistency.

Budgetary/ Fiscal Issues:

While the EDA does incur some direct costs, many of the charges incurred for legal services for the EDA are passed on to Developers/Applicants.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

Attachments:

4.7A AMENDMENT TO THE LEGAL SERVICES CONTRACT

AMENDMENT TO CONTRACT FOR LEGAL SERVICES

This Amendment to the Contract for Legal Services dated _____, 2025 is entered into by Kennedy and Graven, Chartered (“Law Firm”) and the BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the “EDA”).

Recitals

- A. The parties entered into a Contract for Legal Services (“Contract”) dated December 20, 2019 for the term January 1, 2019 through December 31, 2023; which was administratively extended by agreement of the Parties through December 31, 2025.
- B. The parties desire to extend the Contract through December 31, 2026.

NOW, THEREFORE, the parties mutually agree as follows:

- 1. Sections 2.04 of the Contract are amended to add the following sentences:
 - (d) Beginning January 1, 2026, for work not reimbursed by private parties: attorneys \$265/hour (shareholders) and \$215/hour (associates), \$150/hour (paralegals), and \$15/hour (law clerks).
 - (e) Beginning January 1, 2026, for work reimbursed by private parties:\$310 (shareholders) and \$250/hour (associates), \$160/hour (paralegals) and \$130/hour (law clerks).
- 2. Section 4.01 of the Contract is amended to read as follows:
 - 4.01 Period of Performance. The services of the Law Firm shall commence on January 1, 2019, and terminate on December 31, ~~2023~~ 2026.
- 3. Except as otherwise stated in this Amendment, all provisions in the Contract remain in effect.

BROOKLYN PARK EDA

By: _____
Its: Executive Director

KENNEDY & GRAVEN, CHARTERED

By: _____
Rachel Tierney, Shareholder

City of Brooklyn Park Request for EDA Action

Agenda Item:	4.8	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Tim Gladhill, Executive Director
Resolution:	N/A	Presented By:	Tim Gladhill, Executive Director
Attachments:	1		
Item:	Consider Authorizing the Executive Director to Approve the Amendment to the Contract for Financial Services between the Brooklyn Park Economic Development Authority and Ehlers		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2025-_____, AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE AMENDMENT TO THE CONTRACT FOR FINANCIAL SERVICES BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND EHLERS.

Overview:

The City Council recently extended a legal services contract with Kennedy & Graven through 2026 in order to provide time to explore additional options and the required (by Purchasing Policy) Requests for Proposals. The EDA should match these timeframes for consistency. The financial services contract traditionally runs concurrent with legal services.

Budgetary/ Fiscal Issues:

While the EDA does incur some direct costs, many of the charges incurred for financial services for the EDA are passed on to Developers/Applicants.

Recommendation

The Executive Director of the Economic Development Authority recommends approval.

Attachments

4.5A AMENDMENT TO THE FINANCIAL SERVICES CONTRACT

**CITY OF BROOKLYN PARK
PROFESSIONAL SERVICES AGREEMENT
EHLERS AND ASSOCIATES**

This Agreement for Professional Services (“Agreement”), made this ____ day of _____, 2025, by and between the city of Brooklyn Park (“City”), a public body corporate and politic, and Ehlers and Associates, Inc., a Minnesota corporation (“Contractor”).

I. SERVICES TO BE PROVIDED.

A. Contractor will provide services to the City as described in **Exhibit A** (“Services”) which is attached to this Agreement and incorporated by this reference. All Services provided by Contractor under this Agreement shall be provided in a manner consistent with the level of care and skill ordinarily exercised by professional consultants currently providing similar services.

B. Contractor acknowledges that the Services MAY include having access to data that is confidential or otherwise not public under the Minnesota Government Data Practices Act or otherwise confidential. Contractor specifically agrees to protect and maintain all data as required by law.

C. Mr. Jason Aarsvold shall assume primary responsibility for delivering the professional services required by this Agreement on behalf of the contractor together with Stacie Kviltvang, Keith Dahl, Jessica Cook, Elizabeth Diaz, and other Ehlers team members as necessary. Services requested by the City pursuant to this Agreement shall be communicated to Mr. Aarsvold by the City's Finance Director and/or the Community Development Director or her/his designee.

II. COST OF SERVICES.

A. Contractor shall perform the Services outlined in this Agreement and in **Exhibit A**. Contractor shall invoice the City on a monthly basis for the Services performed by Contractor according to the staff time worked at the rates outlined in **Exhibit B**. The invoice must include a description of the Services performed by Contractor and an itemization of any expenses to be reimbursed. Payment to Contractor shall be due within 30 days of the date of the invoice.

B. The City shall not be responsible for payment for any additional costs or work performed by Contractor that is outside the scope of this Agreement that is not expressly pre-approved by the City.

C. For the tax increment and development services provided for hereunder, it is agreed that the Contractor shall be paid on a flat fee basis approved by the Finance Director and/or the Community Development Director and as described in **Exhibit B**. The flat fee includes out-of-pocket expenses incurred in the performance of its services hereunder including, but not limited to, delivery services, out-of-state travel and required meals. For financial advisory services related to the issuance of bonds, arbitrage monitoring, continuing disclosure or other debt instruments, the compensation shall be based upon **Exhibit B** and as approved by the Finance Director.

III. CITY’S RESPONSIBILITIES.

Upon request, the City shall provide Contractor with all available relevant materials pertaining to completion of the Services.

IV. TERM AND TERMINATION OF AGREEMENT.

The term of this Agreement shall commence, and Contractor shall commence performing the Services on [DATE]. This Agreement shall terminate, and Contractor shall stop performing the Services under this Agreement on [DATE] or completion of the Services, whichever occurs first. The Parties may agree to extend the Term of this agreement by up to an additional twelve (12) months in writing signed by both Parties. This Agreement may be terminated earlier by either party by giving 30 days' written notice to the other party. Upon termination, Contractor shall be paid by the City for all Services rendered by Contractor and all expenses incurred by Contractor as of the date of the termination for which Contractor has not yet been compensated.

V. INDEPENDENT CONTRACTOR.

All Services provided pursuant to this Agreement shall be provided by Contractor as an independent contractor and not as an employee of the City of Brooklyn Park for any purpose. Any and all officers, employees, subcontractors, and agents of Contractor, or any other person engaged by Contractor in the performance of the Services pursuant to this Agreement, shall not be considered employees of the City of Brooklyn Park. Any and all actions which arise as a consequence of any act or omission on the part of Contractor, its employees, subcontractors, or agents, or other persons engaged by Contractor in the performance of Services pursuant to this Agreement, shall not be the obligation or responsibility of the City of Brooklyn Park. Contractor, its employees, subcontractors, or agents shall not be entitled to any of the rights, privileges, or benefits of the City of Brooklyn Park's employees, except as otherwise stated herein.

VI. INDEMNIFICATION.

Contractor, and any and all officers, employees, subcontractors, and agents of Contractor, or any other person engaged by Contractor in the performance of Services pursuant to this Agreement, shall indemnify, defend, and hold harmless the City of Brooklyn Park and their officials, employees, contractors and agents from any loss, claim, liability, and expense (including reasonable attorneys' fees and expenses of litigation) arising from, or based in whole, or in part, on any act or omission by Contractor, its employees, subcontractors, and agents, or any other person engaged by Contractor in the performance of the Services pursuant to this Agreement.

VII. INSURANCE.

Prior to starting Services and during the full term of this Agreement, the Contractor shall procure and maintain, at Contractor's expense, as follows:

- A. Workers Compensation insurance in accordance with Minnesota law;

B. Professional Liability Insurance Coverage against claims caused by Contractor's errors or omissions and Commercial General Liability Coverage against claims for bodily injury, death, or property damage arising out of Contractor's performance of duties under this Agreement;

C. Automobile insurance for owned, hired and non-owned vehicles;

D. Coverage shall be sufficiently broad to cover to all duties and obligations undertaken by Contractor in this Agreement including duties related to indemnification;

E. Insurance must be on an "occurrence" basis, and, other than Workers Compensation, the limits of such policies must be no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

F. Policies must be held by insurance companies licensed to do business in the state of Minnesota and having a current A.M. Best rating of no less than A-, unless otherwise agreed to by the City in writing.

G. Contractor must provide a copy of: (i) a certification of insurance satisfactory to the City, and (ii) if requested, the Contractor's insurance declaration page, riders and/or endorsements, as applicable, evidences the compliance with this Paragraph, must, upon such request, be filed with the City prior to the start of Services. Such documents evidencing insurance shall be in a form acceptable to the City and shall provide satisfactory evidence that the Contractor has complied with all insurance requirements.

VIII. MISCELLANEOUS PROVISIONS.

A. Entire Agreement.

This Agreement shall constitute the entire agreement between the City and Contractor and supersedes any other written or oral agreements between the City and Contractor including any proposals made by Contractor. To the extent a conflict exists between Exhibit A and this Agreement, this Agreement shall control. This Agreement can only be modified in writing signed by the City and Contractor.

B. Data Practices Act Compliance.

Data provided, produced, or obtained under this Agreement shall be protected, maintained, and administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. Contractor will immediately report to the City any requests from third parties for information relating to this Agreement. Contractor agrees to promptly respond to inquiries from the City concerning data requests.

C. Choice of Law and Venue.

This Agreement shall be governed by and construed in accordance with the laws of Minnesota. Any disputes, controversies, or claims arising under this Agreement shall be heard in the state or federal courts of Minnesota and the parties waive any objections to jurisdiction.

D. No Assignment.

This Agreement and the services of this may not be assigned by either party.

E. Compliance with Laws.

Contractor shall exercise due professional care to comply with applicable federal, state, and local laws, rules, ordinances and regulations in performing the Services under this Agreement.

D. Agreement Not Exclusive.

The Authority retains the right to hire other professional municipal consulting service providers for other matters, in the Authority’s sole discretion.

E. Notices.

Any notice required by this Agreement shall be either hand delivered or sent by U.S. Mail, to the address for the parties as follows:

To City:

[NAME OF RECIPIENT]
5200 85th Avenue North
Brooklyn Park, MN 55433

[EMAIL]

To Contractor:

[NAME]
3060 Centre Pointe Drive
Roseville, Minnesota 55113-1105

[EMAIL]

F. Work Product.

All reports, data, materials, information, and other work products (“City information”) prepared and developed in connection with the provision of services contemplated in this Agreement shall become the property of the City.

G. Audit Disclosure.

Contractor will allow the City, or its duly authorized agents, and the state auditor or legislative auditor reasonable access to the Contractor’s books, records, documents, and accounting procedures and practices that are pertinent to Services provided under this Agreement for a minimum of six years from the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective dates indicated below.

CITY OF BROOKLYN PARK

Dated: _____

By: _____
Its: Mayor

Dated: _____

By: _____
Its: City Administrator

Dated: _____

EHLERS AND ASSOCIATES, INC.

By: _____

Its: _____

EXHIBIT ABR270\24\1049478.v2**Scope of Services**

Ehlers and Associates, Inc. shall provide the following professional services:

- A. Financial Planning and Debt Management.
- B. Capital Budget Programming.
- C. Debt Issue Development and Oversight.
- D. Investment Program/Arbitrage-Rebate Management/Continuing Disclosure.
- E. Economic Development Financial Analysis, Program Development and Management, Tax Increment Financing Administration, and Financial Reporting for Brooklyn Park EDA.
- F. Other general consulting services as requested by the City's Finance Director and/or the Community Development Director

The services enumerated in this Exhibit A above can be expanded by mutual agreement between the Contractor and City.

EXHIBIT BBR270\24\1049478.v2

FEE SCHEDULES

City of Brooklyn Park

Request for EDA Action

Agenda Item:	4.9	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Tim Gladhill, Executive Director
Resolution:	N/A	Presented By:	Tim Gladhill, Executive Director
Attachments:	N/A		
Item:	Consider Approving the Final BioTech Innovation District Steering Committee Appointments as Listed in This Report		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO APPROVE THE FINAL BIOTECH INNOVATION DISTRICT STEERING COMMITTEE APPOINTMENTS AS LISTED IN THIS REPORT.

Overview:

Over the past several months, the Project Management Team (PMT) for the BioTech Innovation District has been working on completing an Existing Conditions Study/Scan and building out the governance structure for the work to begin in January 2026 and finish in December 2026. The work will largely be guided by a Steering Committee of approximately a dozen individuals. The size of the Steering Committee ended up being larger than originally desired but provides a good balance in sectors and community.

Committee Structure

	Purpose	City	Industry	Academic	Community
Staff Support <i>ongoing communication</i>	Collaborate: Engage stakeholders as partners in shaping outcomes, co-developing solutions and aligning goals.	<ul style="list-style-type: none"> • Tim Gladhill • Paul Mogush • Malcolm Hicks • Jolene Rotich • Dr. Marcellus Davis 			
Steering Committee <i>monthly meetings</i>	Consult: Seek input and feedback to inform key planning and implementation milestones.	<ul style="list-style-type: none"> • Mayor Winston • Nichole Klonowski (EDA/Council Member) • Liam Cavin (PC) • William Petty (BAC) 	<ul style="list-style-type: none"> • Takeda • Medical Alley • Greater MSP 	<ul style="list-style-type: none"> • North Hennepin • Hennepin Tech • University of MN • Julie Brekke - HIRED 	<ul style="list-style-type: none"> • MetroNorth Chamber • Sam Ndely (Community Member Rep) • Jamie Frey (Community Member Rep)
Advisory Group <i>periodic outreach and quarterly updates</i>	Inform: Share updates and decisions.	<ul style="list-style-type: none"> • CLIC Rep • Human Rights Commission Rep • Parks & Rec. Rep 	<ul style="list-style-type: none"> • BioMADE, Boston Scientific, Medtronic • Mayo / DMC • Developers (Mortensen Construction, United Properties, Ryan Companies, Scannell) • Cordia • Ehlers • Olympus • Vensana Capital • JLL • DEED • Target 	<ul style="list-style-type: none"> • Rasmussen • Mr. Chuck Hill (<i>Chill Foundation</i>) 	<ul style="list-style-type: none"> • Acer • Small Business Center • Centre for Asian and Pacific Islanders (CAPI) • African Career Education and Resource (ACER) • Non-profits, community groups, and small local businesses • Patricia Fitzgerald - Community & ED Director, Hennepin County

Staff appreciates the additional input and suggestions provided thus far. However, at this time, there is not space for additional members and be effective in the structure we have available.

The process also includes a broader, more informal Advisory Group that will meet quarterly. There are no general restrictions on who can participate in that process. Staff will also schedule broader community engagement and update opportunities.

Budgetary/ Fiscal Issues:

No additional fiscal issues. This is part of the approved contract with Fairmount Properties.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

Attachments N/A

City of Brooklyn Park Request for EDA Action			
Agenda Item:	4.10	Meeting Date:	November 17, 2025
Agenda Section:	Consent	Prepared By:	Dylan Armstead, Senior Project Manager; and Josephine Thao, Project Facilitator
Resolution:	X	Presented By:	Dylan Armstead, Senior Project Manager
Attachments:	2		
Item:	Consider Scheduling a Public Hearing on December 15, 2025 for the Conveyance of Brooklyn Park Economic Development Authority Owned Land Located at 8600 Zane Avenue North to the City of Brooklyn Park for the Development of the Brooklyn Park Fire Station 2		

Executive Director’s Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION # _____, SCHEDULING A PUBLIC HEARING ON DECEMBER 15, 2025 FOR THE CONVEYANCE OF BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY-OWNED LAND LOCATED AT 8600 ZANE AVENUE NORTH TO THE CITY OF BROOKLYN PARK FOR THE DEVELOPMENT OF THE BROOKLYN PARK FIRE STATION 2.

Overview:

The purpose of this report is to request that the Economic Development Authority (EDA) consider transferring EDA-owned property located at 8600 Zane Avenue North (PID 1611921340006) to the City of Brooklyn Park. Pending EDA consideration, staff requests that a Public Hearing be scheduled for the next EDA meeting on December 15, 2025.

The 4.45-acre parcel is zoned Institutional, making it appropriate for public facility development. The City has identified this site as strategically important for enhancing fire and emergency services coverage, particularly to support the growing residential and commercial areas in central Brooklyn Park.

Transferring the property from the EDA to the City would facilitate the development of critical public safety infrastructure. In accordance with Minnesota Statute 469.105, a public hearing is required for the conveyance of EDA-owned property. The notice of hearing must be published between 10 and 20 days prior to the hearing date. During the hearing, taxpayers may provide testimony for or against the proposed transfer, after which the EDA will determine whether the transfer is advisable.

Background:

In 2016, Hennepin County (County) relocated the Brooklyn Park Library from its former site at 8600 Zane Avenue North to its current location at 8500 West Broadway Avenue. In 2019, the County expressed interest in disposing of the former library property and inquired whether the City of Brooklyn Park would be interested in acquiring it.

On June 2019, the City Council discussed the potential acquisition during a work session and directed staff to pursue the purchase of the property to ensure adequate parking for the Community Activity Center (CAC) and to preserve opportunities for potential CAC expansion or future redevelopment. The property was subsequently acquired by the EDA in September 2020.

At the same time, the City initiated a Fire Station Facilities Assessment in 2019 to evaluate current and future service needs. The assessment identified the former library site as a preferred location for a new fire station. By 2023, further analysis confirmed that the site would serve as the future Brooklyn Park Fire Station 2, with final

authorization for development granted in 2025. In October 2025, the City Council approved the City Manager to execute the necessary contract for the project.

Primary Issues/Alternatives to Consider:

The EDA utilized \$400,000 in EDA funds to acquire the property. As part of the proposed transfer to the City, the EDA may wish to consider options for recouping all or a portion of this investment, or alternatively, waiving reimbursement in recognition of the property's intended public use for essential city services.

Budgetary/Fiscal Considerations:

The land transfer will incur minimal fees, including costs associated with legal counsel's preparation of documentation, a material compliance review, and recording fees required by the County.

Next Steps:

Upon approval, EDA staff will collaborate with legal counsel to prepare the necessary documentation, including a public notice, in advance of the public hearing scheduled for December 15, 2025, during the next EDA meeting.

Recommendation:

The Executive Director of the EDA recommends approval to schedule the Public Hearing.

Attachments:

- 4.10A RESOLUTION
- 4.10B SITE MAP

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

RESOLUTION #2025-_____

AUTHORIZING THE CONVEYANCE OF BROOKLYN PARK
ECONOMIC DEVELOPMENT AUTHORITY-OWNED LAND LOCATED AT
8600 ZANE AVENUE NORTH TO THE CITY OF BROOKLYN PARK
FOR THE DEVELOPMENT OF THE BROOKLYN PARK FIRE STATION 2

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority") is the fee owner of real property legally described as:

Lot 1, Block 1, CITY OF BROOKLYN PARK ADDITION

PID: 1611921340006
(the "EDA Property"); and

WHEREAS, the EDA Property consists of approximately 4.45 acres located at 8600 Zane Avenue North and is zoned Institutional; and

WHEREAS, the City of Brooklyn Park has identified a need for a fire station in the central Brooklyn Park to improve emergency response times and enhance public safety services; and

WHEREAS, the Authority has determined that the conveyance of the EDA Property to the City for fire station development serves the best interests of the City and its people and furthers the Authority's general plan of economic development by supporting essential public infrastructure; and

WHEREAS, pursuant to Minnesota Statutes Section 465.035, the Authority may convey land to the City for nominal consideration when such conveyance serves a public purpose; and

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners as follows:

1. The Authority hereby schedules a public hearing for the next regularly scheduled EDA monthly meeting, to consider the proposed conveyance of the EDA Property to the City of Brooklyn Park for fire station development.
2. The Executive Director is directed to publish notice of the public hearing in accordance with Minnesota Statutes Section 469.105, including all required elements.
3. Authority officials, staff, and consultants are hereby authorized and directed to take any and all other steps necessary to properly notice and conduct the public hearing.

8600 ZANE AVENUE NORTH



Map Scale = 1: 905

75 ft  1 in

Map provided by the City of Brooklyn Park, MN. This map is for general reference only. It is not for legal, engineering, or surveying use. Please contact the sources of the information if you desire more details. www.brooklynpark.org

City of Brooklyn Park Request for EDA Action

Agenda Item:	6.1	Meeting Date:	November 17, 2025
Agenda Section:	General Action Items	Prepared By:	Tim Gladhill, EDA Executive Director
Resolution:	N/A	Presented By:	Tim Gladhill, EDA Executive Director
Attachments:	1		
Item:	Consider Adopting the 2026/2027 Economic Development Authority Budget		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT THE 2026/2027 ECONOMIC DEVELOPMENT AUTHORITY BUDGET.

Overview:

This will be the final time that the EDA will review the EDA Budget. The EDA Budget must also be approved by the City Council concurrently with the other City Budgets. Budget Worksheets will be provided under separate cover.

At the September 15 EDA Meeting, the EDA set the maximum EDA & HRA Levey as follows. This step represented the revenue side of the budget. The EDA & HRA Levies are the primary revenues for the EDA to execute planned activities. These maximum levy amounts were approved by the City Council.

EDA	\$1,789,314
HRA	\$1,320,000
Total	\$3,109,314

The next step in the process is to finalize the expense side of the budget. From this point, the EDA must prepare a balanced budget. EDA Budget Highlights for 2026 include, but are not limited to the following:

- Final Phase Out of ARPA (American Rescue Plan Act) Funding
- Continued Support & Sustainable Funding for BrookLynk Workforce Development
- Small Business Center Operations Adjustment
- BioTech Innovation District Planning
- Brooklyn Boulevard Corridor Plan Refresh
- Enhanced Marketing of Economic Development Opportunities
- Pause & Re-Evaluate the Community Partnership Program (CPP)

EDA Related Proposed Budgets

	2026	2027
EDA General	\$3,760,541.00	\$6,754,840.00*
Workforce Development	\$1,231,882.00	\$1,200,641.00
Small Business Center	\$521,788.00	\$521,788.00

*2027 includes a \$3M allocation to Blue Line Extension (streetscape enhancements, park & ride, etc.). This cost will be re-evaluated with final BLE plans.

EDA General Activities

This account represents a majority of the activity of the EDA, especially staffing. Program highlights include, but are not limited to the following.

- Economic Development & Housing Staffing & Programming
- Legal Services
- BioTech Innovation District, Brooklyn Boulevard Corridor (and other) Planning
- Marketing
- Programming (Business Forward Forum, Real Estate Forum, etc.)
- Re-boot BP Business Newsletter
- Professional Development
- EDA Sites Property Maintenance (turf maintenance, snow removal, etc.)
- REDI & Community Engagement Contribution
- Demolition of 4120 85th Avenue (Royalton Site)
 - Attempting to secure a grant; EDA expense if not successful

Additional EDA Budget detail can be found in the attached Budget Worksheets.

Housing Programs

The City has a number of homeowner funding programs. These programs are funded through a combination of EDA/HRA Fund Balances as well as the Local Affordable Housing Aid (LAHA) dollars created from the metrowide sales tax. The demand for these programs far exceeds the available resources. A majority of these programs are on a loan basis. For the past several years, the EDA has allocated approximately \$1,000,000 to these programs. Since these are funded from EDA Fund Balances and metrowide sales taxes, there is no impact on the EDA or HRA Levies.

	2026	2027
Home Improvement Loan	\$300,000	\$300,000
Senior Deferred Loans	\$300,000	\$300,000
Down Payment Assistance	\$400,000	\$400,000
Rental Rehab Loan	\$0	\$0

Small Business Center

The vision for the Small Business Center is to have little-to-no impact to the EDA Levy. The Small Business Center is generally a budget-neutral activity and is funded by the following.

- Net Lease Revenue from Northwinds Plaza Leases
- Membership Fees for Small Business Center
- State Direct Allocation (expires in 2027)
- EDA

This topic has been discussed extensively by the EDA. The EDA recently approved a six-month extension to the existing operator contract with a reduction in service levels. The EDA will go out for RFP for operator services in Q1 2026 and it is anticipated that there will be a phased reduction in costs throughout 2026 & 2027 to ensure minimal disruption to members.

Workforce Development (BrookLynk)

The Workforce Development Division of the Community Development Department is generally funded 80% by grants. The other 20% is generally contributions from the cities of Brooklyn Park and Brooklyn Center. While most of these grants are not Federal Grants, the Workforce Development Division is seeing the effect of Federal

Policy Changes. The competition for Non-Federal Grants has increased and the Workforce Development Division has seen a decrease in traditional grants received. Additionally, the program no longer has access to ARPA Funding that expired at the end of this year. Furthermore, the City of Brooklyn Center's contribution has remained steady over the past several years. The City of Brooklyn Park's contribution has steadily increased in order to maintain current service levels.

The Program has two (2) funding applications submitted that it hopes to receive word before end of year. However, if those funding applications are not successful, the EDA will have to choose between the following.

1. Increase the Brooklyn Park EDA Contribution from \$200,000 to \$400,000
 - a. Could include the use of Fund Balance
2. Decrease Programming (decrease 1.0 FTE)

The current budget proposal includes using Fund Balance to increase the contribution to avoid any service or staffing cuts.

Finally, Staff continues to explore community foundations that can advocate for the program through sponsorships and donations. This will ensure a more sustainable funding program moving forward.

Supportive Housing Programs

The EDA provides two (2) supportive housing programs.

- Brooklyn Avenues (leased to and operated by Avenues for Youth)
- Transitional Housing Program (4 Unit Multifamily Property managed by Kimberly Homes & Simpson Housing Services by a Management Contract)
 - ***This property is showing signs of deferred maintenance and likely will require a mid-year budget amendment following a detailed facility condition study***

	2026	2027
Brooklyn Avenues	\$0 (leased to operator)	\$0 (leased to operator)
Transitional Housing	\$16,850.00	\$16,850.00

Tax Abatement Projects

The EDA has two (2) active Tax Abatement Projects.

- Target North Campus
- 610 West Apartments

There is no impact to the EDA or HRA Levies for these two (2) projects. Taxes generated and paid by the Property Owner are captured in the project and are used to pay back previous eligible expenses. Some of the phases of these projects are nearing the end of their obligations and will contribute to the City General Fund in future years.

Tax Increment Financing Districts

The EDA has multiple Tax Increment Financing (TIF) Districts. ***These Districts do not impact the EDA or HRA Levy.*** Taxes/Increment generated and collected within the district are captured within the District to pay back eligible expenses per Agreements. Some of these Districts are nearing the end of their obligations and will contribute to the City General Fund in future years.

- TIF District No. 18: Opus
- TIF District No. 20: The Village (Village Creek Commons)
- TIF District No. 24: First Industrial (Boone Avenue Industrial Area)
- TIF District No. 26: Scannell (North Park Industrial)

- TIF District No. 28: Tessman Ridge
- TIF District No. 29: Decatur Landing

Housing Improvement Areas (HIA)

The City has several Housing Improvement Areas. These are petitioned by Property Owners (generally Homeowners Associations). In these cases, the EDA loans the HOA money for improvements and is paid back over time through Special Assessments.

Recommendation:

The Executive Director of the EDA recommends approval.

Attachments:

6.1A BUDGET WORKSHEETS (*TBA Monday*)



MEMORANDUM

DATE: November 13, 2025
TO: EDA Commissioners
FROM: Tim Gladhill, EDA Executive 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.

- A. Business Development Updates
- B. Housing Updates
- C. Development Updates
- D. Development Inquiry Updates
- E. Workforce Development Updates
- F. Other Updates

A. BUSINESS DEVELOPMENT UPDATES

Business Forward Forum

On Wednesday, November 19, the City of Brooklyn Park will host the 14th Annual Business Forward Forum at Edinburgh USA Clubhouse from 11:00 AM-2:00 PM. The free event serves as a platform for the business community to access business and financial resources. This year's theme, *Future-Forward Growth*, features two expert panels highlighting how local industry leaders are driving economic sustainability in Brooklyn Park.

For more information, contact Josephine Thao, Project Facilitator, at:

- Josephine.Thao@brooklynpark.org.

Brooklyn Park Development Corporation Microbusiness Loan Program

The Microbusiness Loan Program, administered by the Brooklyn Park Development Corporation (BPDC), continues to support emerging businesses by providing crucial financial resources for start-up costs. This program helps businesses that may face challenges securing traditional financing by offering loans ranging from \$1,000 to \$10,000 at a 2% interest rate with reduced underwriting criteria.

To date, the program has received 18 applications. A review committee has begun processing them and is expected to disburse funds over the next couple of months. Four (4) businesses have been awarded with several more are expected to receive funding after completing a loan orientation with the Center for Energy and Environment.

For more information, contact Josephine Thao, Project Facilitator, at:

- Josephine.Thao@brooklynpark.org.

B. HOUSING UPDATES

Home Improvement Loan Programs

The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers, single-family and townhome homeowners in the community. During fiscal year 2025, the EDA allocated \$1 million for the home improvement programs administered by Center for Energy and Environment (CEE) and \$170,000 in Community Development Block Grant (CDBG) funds for the Hennepin County administered home rehab program. These programs continue to have a high level of activity, with Senior Deferred Loans and Down Payment and Closing Cost Assistance Loans being the most popular programs. Funds for Fiscal Year 2025 still have funds available for Code Correction and Home Improvement Loan Programs. Below is a breakdown through August 2025. **No updates are yet available since last EDA Meeting.**

Program	Total Loan Budget	Activity YTD	Available Balance
Home Improvement	\$300,000	\$158,624.09	\$141,375.91
Senior Deferred Loan	\$300,000	\$300,000	\$0
Down Payment Assistance	\$400,000	\$282,500	\$117,500
Rental Rehab Loan			
Total	\$1,000,000	\$801,774.09	\$258,875.91

C. DEVELOPMENT UPDATES

BioTech Innovation District

Staff continues to actively meet with the City' Consultant Team (Fairmount Properties and Buro Happold) to launch the process and is hosting bi-weekly Project Management Team Meetings. The Project Team will provide separate monthly updates moving forward.

The BioTech Innovation District is a 200-acre portion of the Northwest Area Plan located along Highway 610 on both sides of Highway 169. The EDA recently authorized a strategic planning exercise that extends beyond the Northwest Area Planning efforts and focuses on individual sites, users, and recruitment of BioTech Businesses. Among a number of EDA Goals, the BioTech Innovation District is intended to:

- Build the tax base to improve resources available for all areas of Brooklyn Park, not just the area North of 610
- Develop a market for restaurants, retail, and recreation by improving daytime population (businesses/places to work) and nighttime population (residential/places to live)
- Develop a workforce pipeline for Brooklyn Park Residents of all ages and demographics as well as deliver the workforce needed to support a BioTech Innovation District

Additionally, Staff has met with multiple Developer Prospects interested in future partnerships and opportunities for development in the BioTech Innovation District and broader Northwest Area Growth Plan.

Staff will be adding a quarterly detailed verbal update to supplement the monthly written updates, as the EDA's request.

Blue Line Extension

Staff presented a proposed modification for streetscape elements on the Blue Line Extension route on October 6th. These modifications include a reduction in some elements such as colored concrete and spire light poles to help manage the overall cost of these aesthetic elements. City staff and representatives from the Blue Line Extension also discussed a revised schedule that pushes construction of the main project to late 2027.

Blue Line Extension Anti-Displacement Policies and Programs

City staff have continued to attend ACPP (Anti-Displacement Community Prosperity Program) meetings and meet with community organizations about partnering on program proposals. The ACPP board voted on October 2nd to invite a selected group of organizations to apply for a pilot program. ACER is the only organization invited to apply that works in Brooklyn Park. The pilot program has \$2 million to disperse for housing support, small business support, and real estate projects.

ACER submitted two letters of intent (LOIs) for the pilot program in October for small business support (\$127,500) and housing support (\$70,000). The City of Brooklyn Park was listed as a partner in the LOIs although no match funding was requested from Brooklyn Park. The ACPP board voted on October 31, 2025 to fully approve both of ACER's LOIs. Funding is anticipated to be distributed by the end of 2025. City staff will be meeting with ACER in late November.

The Request for Proposals (RFP) timeline for the remaining \$8 million has been postponed indefinitely by the ACPP Board until after the pilot program. City staff will return to the EDA when more information is available on a release date for the RFP.

City staff will return to City Council to discuss housing policies aimed to reduce displacement in a future meeting.

Brooklyn Boulevard Corridor Plan

The Brooklyn Boulevard Corridor Plan is in early stages. Public engagement material is being drafted, the market analysis is underway, and City staff and the consulting team have developed goals for the project after reviewing the Jewel of the North goals, The Village Master Plan and Shingle Creek Corridor Plan, and the Brooklyn Park Station Area Plan. The goals that have been identified that will guide this effort are as follows:

- Create opportunities for development on private and publicly-owned land.
- Cultivate healthy and thriving retail and services that serve our unique culture.
- Provide new and diverse housing opportunities.
- Improve access to public spaces and provide multimodal connections.
- Create a safe and welcoming environment for all who use and visit the corridor.

D. DEVELOPMENT INQUIRY UPDATES

The following are Pre-Application Concepts submitted to the EDA. To ensure that Staff Direction to Applicants is in line with EDA Policies, Direction, and Desires, Staff is reporting on key inquiries and responses. If the EDA desires to discuss any of these concepts that was otherwise directed by Staff, please let the EDA Executive Director request it be placed on a future agenda.

No additional updates from last report. Last month's updates below for reference.

Project Name	Project Details	Staff Response
610 Corridor Affordable Multifamily	Regional Developer looking for more information on sites along the Highway 610 Corridor (next to Hy-Vee, next to 610 West Apartments)	Staff shared EDA's informal policy/past practice and 100% affordable versus mixed income. Staff requested concept site plan and concept financial pro-forma if desiring additional feedback. <i>No EDA Action needed.</i>
Project Gamma RFP	Manufacturer looking for available sites across the nation. RFP for Developers, Property Owners, & Cities to propose available sites.	Staff is working with Scannell to share information about 'Marway Parcel' west of North Park (west side of 169). <i>No EDA Action needed at this time.</i>
Northwest Growth Area // Neighborhood Node	Local Developer interested in a mix of Industrial and Multifamily.	Plan does not match recently approved Preferred Scenario. Staff desires to work with this Emerging Developer to find a project (or series of projects) that meet their overall goals. Staff also offered the opportunity to submit an alternative to the Preferred Scenario, similar to Scannell's Marway Parcel. Developer will submit additional information if continuing to pursue opportunity. <i>No EDA Action needed at this time.</i>
Northwest Growth Area // Neighborhood Node	Local Medium Density (Townhome) Developer interested in development sites.	Proposal shows promise. Working with Staff on Site Selection and Concept Plan. Tentative plan to bring forth in January. <i>No EDA Action needed at this time.</i>
85 th Avenue Corridor (Royalton Site)		
Citywide	Developer interested in a variety of EDA Owned Sites.	Waiting on Developer for more information // next steps. <i>No EDA Action needed at this time.</i>

E. WORKFORCE DEVELOPMENT UPDATES

BrookLynk Celebration

On November 21, BrookLynk will celebrate its 10th Anniversary at Edinburgh Golf Course. The event will bring together alumni, employer partners, city staff, and community leaders to honor a decade of impact. The celebration will highlight participant success stories, community partnerships, and the program's ongoing commitment to building equitable pathways to employment for residents in the Brooklyns.

Career Pathways

Recruitment is underway for the 2026 Construction and Trades Training Program, which begins in January 2026. The program will again partner with Hennepin Technical College, and local employer partners to provide hands-on training, OSHA-10 certification, financial literacy, and wraparound support services. Participants will have opportunities to earn micro-credentials and gain direct work experience through public works and construction-related placements.

Planning for the 2026 Youth Entrepreneurship Program is underway. The program will continue to engage out-of-school youth and young adults interested in launching small businesses or pursuing self-employment. The team is exploring expanded partnerships with local entrepreneurs and business mentors to strengthen hands-on learning and real-world exposure to entrepreneurship.

For more information, contact Carmen Bibiano, Career Pathways Program Manager, at:

Carmen.Bibiano@brooklynk.works.

Summer Internships

The BrookLynk team continues to engage employer partners for the 2026 Summer Internship season. Employers play a vital role in creating meaningful work experiences that prepare youth for future success. Interested organizations can learn more about hosting an intern by contacting Lauren Melzer, BrookLynk Program Manager, at Lauren.Melzer@brooklynk.works.



F. OTHER UPDATES

Welcome Update: Saolia Tucker, Business Development Coordinator

The City of Brooklyn Park is pleased to welcome Saolia Tucker as the new Business Development Coordinator within the Economic Development and Housing Division.

Saolia brings a wealth of experience in economic development, community engagement, and regional outreach. Most recently, she served as the Economic Development Outreach Director for U.S. Senator Tina Smith, and represented the Senator on key economic issues, developed strong relationships with community leaders and organizations, and served as a liaison to federal, state, and local agencies.

In this role, Saolia will support business attraction, retention, and expansion efforts while strengthening connections between the City, local entrepreneurs, and regional partners. Her background in both government relations and community organizing positions her perfectly to advance the City's vision of a vibrant, inclusive economy.

Minnesota Commercial Association of Real Estate/Realtors (MNCAR) EXPO



The City of Brooklyn Park participated in the 2025 MNCAR Expo on Friday, November 7, held at The Depot in downtown Minneapolis. The event, one of Minnesota's leading commercial real estate and development expos, brought together hundreds of developers, brokers, and industry leaders from across the region. Brooklyn Park's exhibit highlighted the BioTech Innovation District, showcasing the City's expanding role in the regional life sciences ecosystem through discussions on site

readiness, infrastructure planning, and future investment potential. Staff also shared updates on infrastructure and transportation improvements that will support continued industrial and commercial growth along major corridors. The City was represented by Community Development Director Tim Gladhill, Economic Development and Housing Director Malcolm Hicks, and Senior Project Manager Dylan Armstead, who engaged with numerous developers, investors, and regional partners. The Expo generated several promising follow-up conversations and strengthened Brooklyn Park's visibility as a growing hub for innovation and business development.

Staff will prepare a more detailed update with metrics once data is compiled and follow up meetings are completed.

Annual Calendar Updates

Staff will be piloting an annual calendar of key updates specific to the EDA. Of note, Staff suggests including monthly written updates (similar to the current BioTech Innovation District Updates) supplemented by quarterly verbal updates (in more detail) for the following programs. The draft calendar is attached as Exhibit A to this memo.

- BioTech Innovation District
- BrookLynk (Workforce Development)
- Small Business Center

Attachments:

7.1A BIOTECH INNOVATION DISTRICT UPDATE

**Exhibit A
Annual EDA Calendar**

<p align="center"><u>January</u></p> <p>Annual Organization Meeting</p> <p>Written Reports: BioTech Small Business Center Workforce Development</p> <p>Quarterly Updates: None</p>	<p align="center"><u>February</u></p> <p>EDA Annual Report (now all inclusive, no separate annual reporting)</p> <p>Written Reports: BioTech Workforce Development</p> <p>Quarterly Updates: Small Business Center</p>	<p align="center"><u>March</u></p> <p>EDA Priority Setting // Strategic Plan</p> <p>Written Reports: Small Business Center Workforce Development</p> <p>Quarterly Updates: BioTech</p>
<p align="center"><u>April</u></p> <p>Written Reports: BioTech Small Business Center</p> <p>Quarterly Updates: Workforce Development</p>	<p align="center"><u>May</u></p> <p>Written Reports: BioTech Workforce Development</p> <p>Quarterly Updates: Small Business Center</p>	<p align="center"><u>June</u></p> <p>Written Reports: Small Business Center Workforce Development</p> <p>Quarterly Updates: BioTech</p>
<p align="center"><u>July</u></p> <p>Written Reports: BioTech Small Business Center</p> <p>Quarterly Updates: Workforce Development</p>	<p align="center"><u>August</u></p> <p>Written Reports: BioTech Workforce Development</p> <p>Quarterly Updates: Small Business Center</p>	<p align="center"><u>September</u></p> <p>Written Reports: Small Business Center Workforce Development</p> <p>Quarterly Updates: BioTech</p>
<p align="center"><u>October</u></p> <p>Written Reports: BioTech Small Business Center</p> <p>Quarterly Updates: Workforce Development (Annual Report)</p>	<p align="center"><u>November</u></p> <p>Written Reports: BioTech Workforce Development</p> <p>Quarterly Updates: Small Business Center</p>	<p align="center"><u>December</u></p> <p>Written Reports: Small Business Center Workforce Development</p> <p>Quarterly Updates: BioTech</p>

Phase 2 EDA Update

November 17, 2025

Topics

- Project Progress
 - Completed Tasks
 - Steering Committee development
 - Visioning Session
 - December Early Report
 - Draft Vision Deck
 - Informational Sheet

Steering Committee

Update

Committee Structure

	Purpose	City	Industry	Academic	Community
Staff Support <i>ongoing communication</i>	Collaborate: Engage stakeholders as partners in shaping outcomes, co-developing solutions and aligning goals.	<ul style="list-style-type: none"> • Tim Gladhill • Paul Mogush • Malcolm Hicks • Jolene Rotich • Dr. Marcellus Davis 			
Steering Committee <i>monthly meetings</i>	Consult: Seek input and feedback to inform key planning and implementation milestones.	<ul style="list-style-type: none"> • Mayor Winston • Nichole Klonowski (EDA/Council Member) • Liam Cavin (PC) • William Petty (BAC) 	<ul style="list-style-type: none"> • Takeda • Medical Alley • Greater MSP 	<ul style="list-style-type: none"> • North Hennepin • Hennepin Tech • University of MN • Julie Brekke - HIRED 	<ul style="list-style-type: none"> • MetroNorth Chamber • Sam Ndely (Community Member Rep) • Jamie Frey (Community Member Rep)
Advisory Group <i>periodic outreach and quarterly updates</i>	Inform: Share updates and decisions.	<ul style="list-style-type: none"> • CLIC Rep • Human Rights Commission Rep • Parks & Rec. Rep 	<ul style="list-style-type: none"> • BioMADE, Boston Scientific, Medtronic • Mayo / DMC • Developers (Mortensen Construction, United Properties, Ryan Companies, Scannell) • Cordia • Ehlers • Olympus • Vensana Capital • JLL • DEED • Target 	<ul style="list-style-type: none"> • Rasmussen • Mr. Chuck Hill (<i>Chill Foundation</i>) 	<ul style="list-style-type: none"> • Acer • Small Business Center • Centre for Asian and Pacific Islanders (CAPI) • African Career Education and Resource (ACER) • Non-profits, community groups, and small local businesses • Patricia Fitzgerald - Community & ED Director, Hennepin County

Steering Committee Meetings

SECTOR:	CONTACT:	ORGANIZATION:	DATE:
Industry	Jean-Luc Metter	Greater MSP	10/15/25
Industry	David Marquis	Tarket	10/17/25
Industry	Sarah Bryant	Takeda	10/17/25
Industry	Amanda Taylor, Matt Lewis, Ben Ihde	MMT3.0	10/24/25
Industry	Geof Hannigan, Jodi Niehoff	Medical Alley	10/24/25
Industry	Jessica Mogilka	JLL	11/04/25

Industry Steering Committee: Emerging Themes

Key Directions	Ecosystem Focus	Partnership Alignment
Align Brooklyn Park BioTech Innovation District & MMT3.0 on shared program priorities.	Define a framework and partnerships for a physical innovation hub with shared labs, incubation, and convening space.	Collaborate with Medical Alley to enhance industry engagement.
Position Brooklyn Park as a regional catalyst.	Advance workforce development through higher-ed and industry collaboration.	Position Brooklyn Park BioTech Innovation District as a central node within the Greater MSP / MMT3.0 innovation corridor.
Strengthen public–private partnerships to drive investment, recruitment, and talent development.	Build a connected ecosystem of: <ul style="list-style-type: none"> • Large anchor partners • Mid size and scaling firms • Early stage start ups • Community & workforce organizations 	

Higher-Ed Steering Committee: Update

Upcoming Outreach:

- **Brooklynk and Community College Network**

- **Suggested outreach from Pres Bodin at HTC:**
 - Jack Drucker, Buhler ICATT Apprenticeship
 - Shannon Bryant, Executive Director of Workforce Development, Minnesota State

- **NC State Gold LEAF BioTech Training Program** <https://www.btec.ncsu.edu/>

Visioning Session & Early Report

From Visioning Session to Early Reporting:



Overview of Visioning Session – Key Outcome

Goals:

- Solidify a Vision Statement for the Brooklyn Park Innovation District
- Refine District Goals for Recruitment and Planning
- Distill Key Themes
- Discuss Potential Assets and Differentiators
- Discuss Potential Gaps and Opportunities
- Determine an Actionable Plan for Phase 2

December Early Report – Summary of Topics

- **2026 Workplan & Timeline:** Outline key milestones, deliverables, and sequencing.
- **Recruitment & Outreach:** Discuss short-term strategies to build visibility and attract partners.
- **Initial Outreach List:** Review submitted list and identify priority contacts for initial engagement.
- **Schedule Out 2026 Events:** Review 2025–2026 participation plan (e.g., BIO International, MedTech 3.0 Rally, AdvaMed, SelectUSA, others to be identified).
- **Site Design Guidance:** Identify near-term physical planning guidance to support recruitment and readiness.
- **2026 Monthly Steering Committee Meetings:** : Map topics, confirm deliverables, distribute minutes.
 - *January session:* Progress report + 2026 goal-setting (extended 2-hr block)
- **Quarterly Advisory Group Meetings:** Align with Steering Committee cycle; share updates and key actions.

Draft Vision Deck & Informational Sheet

Brooklyn Park BioTech Innovation District

Brooklyn Park 




FAIRMOUNT
PROPERTIES

BURO HAPPOLD

Brooklyn Park 

BioTech Innovation District

FROM VISION TO IMPACT

The 245-acre Brooklyn Park BioTech Innovation District is where collaboration becomes competitive advantage. Designed for discovery, production, and expansion, it offers flexible, development-ready sites within Greater MSP's MedTech and bioeconomy corridor. With coordinated public investment, shared infrastructure, and a deep talent base, the district empowers companies to accelerate innovation, scale with confidence, and shape Minnesota's next innovation economy.

Here, leadership becomes impact — where vision-driven companies build, scale, and lead the next frontier of life sciences.

What they're saying.

“TBD”
TBD

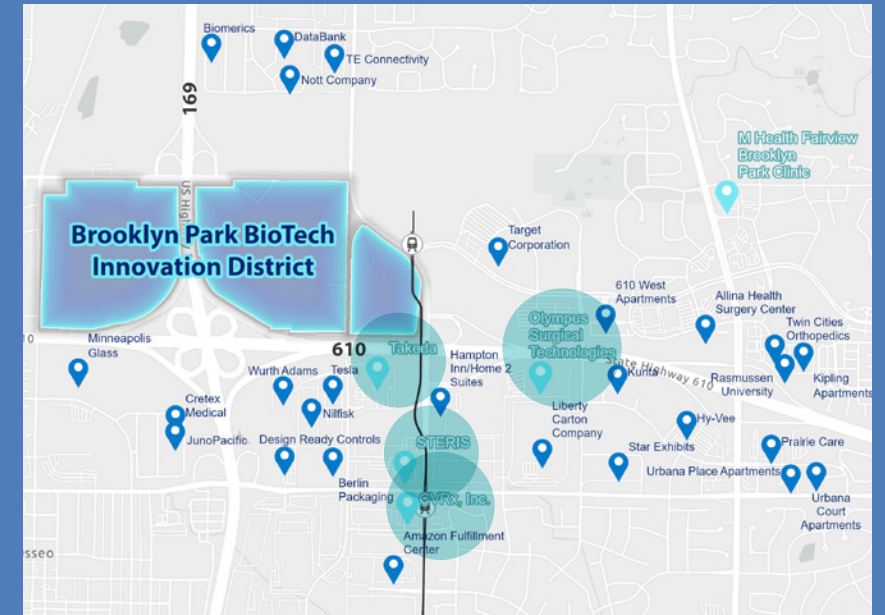


“TBD”
TBD



“TBD”
TBD





Brooklyn Park, Minnesota - Where Discovery Meets Scale

A strategic location in the heart of Minnesota's innovation corridor.

- Connected to Greater MSP's MedTech 3.0 and the state's broader bioeconomy corridor.
- Within reach of major anchors - Takeda, Medtronic, Boston Scientific, STERIS, CVRx, and others driving Minnesota's global biotech leadership.
- Direct access via the Blue Line Extension to downtown Minneapolis, MSP Airport, and the regional workforce.
- Supported by higher-education partners - University of Minnesota, North Hennepin CC, Hennepin Tech, and others fueling talent pipelines.



 North Mississippi Regional Park, MN



 Aerial View of Brooklyn Park, MN

BioTech Innovation District

What's taking shape.

A new platform for R&D, pilot production, and commercialization



Purpose-built to enable cross-sector innovation in:

- Life Sciences & Biomanufacturing
- MedTech & Health Technologies
- Digital Health & AI Diagnostics
- Food & AgTech
- Clean & Green Technologies



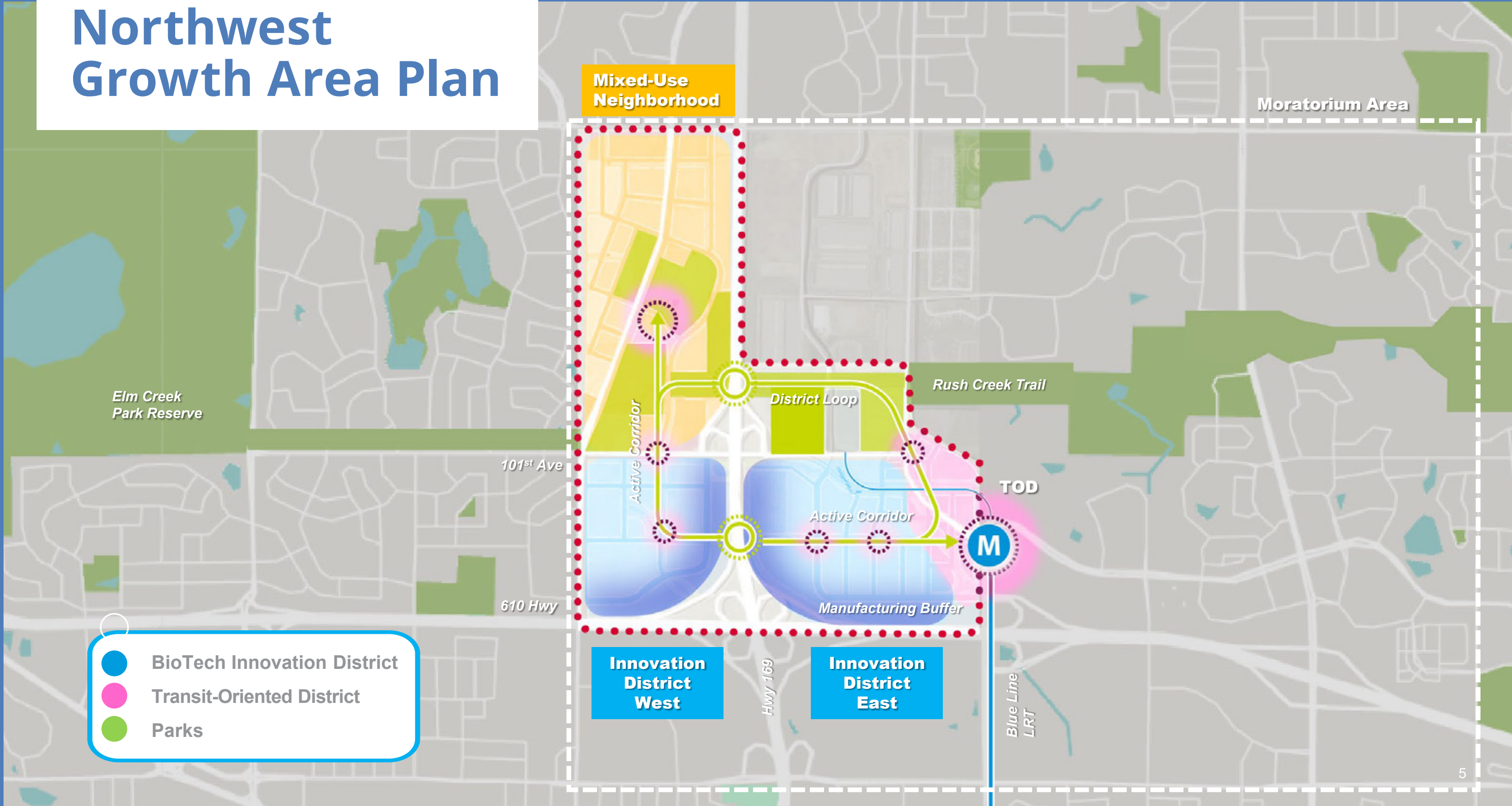
A vibrant, walkable, mixed-use environment combining flexible labs, offices, advanced manufacturing, and shared amenities



Designed to attract top talent, anchor companies, and emerging ventures



Northwest Growth Area Plan



Innovate, work, shop, dine, play, live – all in one transformative district.



Private-Led Anchors. City-Backed Advantage.

Purpose-built P3 development opportunities—enabled by Brooklyn Park’s incentives, infrastructure readiness, and partnership + talent pipelines.



Build-to-Suit
Biomanufacturing



Advanced Manufacturing
& Assembly



Corporate HQ &
Innovation Centers



Mixed-Use & Supportive
Amenities



Research & Development
Campuses



Shared-Use
Innovation Labs



Workforce &
Training Facilities



Expansion
Parcels

Brooklyn Park

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Build-to-Suit Biomanufacturing

- Manufacturing facilities designed for bioprocessing and production.
- Flexible, scalable, and expansion-ready to grow with operational needs.
- Supported by city-backed infrastructure and incentive programs to accelerate delivery.



Brooklyn Park

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Research & Development Campuses

- Single-user or multi-tenant wet/dry lab buildings with shared collaboration space.
- Ideal for drug discovery, diagnostics, MedTech, and digital health R&D.
- Connected to Minnesota's research ecosystem — Mayo Clinic, University of Minnesota, North Hennepin CC, Hennepin Tech.



Brooklyn Park

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Advanced Manufacturing & Assembly

- High-bay space for precision device manufacturing, robotics, and clean packaging.
- Positioned along Highway 610, near I-94, MSP Airport, and the future Blue Line Extension for logistics and workforce access.
- Infrastructure ready for automation, renewable energy, and smart manufacturing integration.



Brooklyn Park

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Shared-Use Innovation Labs

- Flexible lab suites for startups, scale-ups, and corporate R&D partners.
- Access to shared core equipment and managed lab operations that lower entry costs.
- Optional membership or sponsorship models for corporate engagement.



Brooklyn Park 

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Corporate HQ & Innovation Centers

- Signature sites along the district's main corridors for anchor visibility and brand presence.
- Designed for corporate offices, R&D headquarters, or hybrid innovation centers.
- Customize your space for a variety of delivery conditions, all to maximize efficiency & growth.



Brooklyn Park 

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Workforce & Training Facilities



- Programs for technical training, apprenticeships, and continuing education.
- Delivered in partnership with BrookLynk, Hennepin Tech, and North Hennepin CC.
- Aligns curriculum directly with industry demand.



Brooklyn Park 

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Mixed-Use & Supportive Amenities

- A vibrant mixed-use district designed to fuel creativity and human connection.
- Shop, dine, play in a community oriented vibrant district.
- Discover upscale residential options that fit a variety of lifestyles.



Brooklyn Park

BROOKLYN PARK BIOTECH

INNOVATION DISTRICT

Expansion Parcels

- Future-ready sites for large corporate campuses or consortium-based research facilities.
- Utilities, zoning, and entitlements already aligned for phased private development.
- Long-term co-development options available for qualified partners.



**Brooklyn Park BioTech
Innovation District —**

**A purpose built P3
development opportunity
advancing**

**Growth.
Discovery.
Connection.**





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VP, Innovation District Strategies & Development, Fairmount Properties
📞 (216) 514-8700 x107 ✉️ fpour@fairmountproperties.com

Brooklyn Park BioTech Innovation District



A new destination for BioTech and life science growth

Now in pre-development

A Vision Taking Shape

Brooklyn Park, Minnesota, the sixth-largest city in the state by population, is advancing a transformative 245-acre BioTech Innovation District. This ambitious development is strategically positioned to become a major epicenter for breakthrough biotechnology research and development, scalable innovation and product commercialization, and high-value biomanufacturing and clean-tech production.

By fostering strategic partnerships between industry, academia, and government, the district aims to catalyze innovation and drive economic growth in the region.

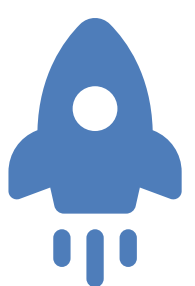
Designed for What's Next



Planned as a *next-generation epicenter* for biotech and life science



Positioned to foster *industry-university-government partnerships*



A platform for launching and scaling *emerging technologies*



LEARN MORE

Scan the QR code to learn more about Brooklyn Park and its visionary BioTech Innovation District.



Strategic Advantages at a Glance



Public-Sector Backing

Strong city and state support with infrastructure investments accelerating development.



Proximity to Industry Leaders

The region is anchored by major Medical Alley members, including Medtronic, Takeda Pharmaceuticals, STERIS, CVRx, and more.



Talent-Ready Workforce

Pipeline fueled by local colleges and workforce programs like BrookLynk and CareerForce.



Light Rail Connectivity

Future METRO Blue Line Extension enhances access to downtown Minneapolis, MSP Airport, and the regional workforce.



MedTech Ecosystem

Brooklyn Park is a proud member of *Minnesota MedTech 3.0* and home to a growing cluster of MedTech companies driving innovation and growth.



Business-Ready Incentives

TIF, DEED innovation grants, workforce training funds, and potential alignment with federal bioeconomy and clean energy initiatives.

The Opportunity Ahead

This future district will offer companies a unique opportunity to shape and lead in a purpose-built environment designed for collaboration, innovation, and growth in a rapidly evolving bio-economy.



LEARN MORE

Scan the QR code to learn more about Fairmount Properties.

Tim Gladhill, Community Development Director
economicdevelopment@brooklynpark.org | (763) 493-8059

If you need this information in another language or format or disability accommodations, email access@brooklynpark.org or call 763-424-8000.

Si usted necesita esta información en español llame 763-424-8000.

Yog xav tau kev pab, thov hu rau 763-424-8000 lawv mam li nrhiav ib tus neeg txhais lus rau koj.

Thank you

City of Brooklyn Park Request for EDA Action

Agenda Item:	8.1	Meeting Date:	November 17, 2025
Agenda Section:	Work Session	Prepared By:	Dylan Armstead, Senior Project Manager
Resolution:	N/A	Presented By:	Dylan Armstead, Senior Project Manager
Attachments:	3		
Item:	Discuss JO Companies Affordable Housing Concept (Welcome Avenue Sites)		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO DIRECT STAFF TO ACCEPT/NOT ACCEPT A FORMAL APPLICATION FOR OFFICIAL REVIEW OF JO COMPANIES PROPOSAL ON WELCOME AVENUE SITE.

Overview:

At this stage, the EDA is simply responding to an inquiry. Nothing in this report should be considered as formal consideration of the project unless directed by the EDA. The current proposal is outside of our normal parameters and at least two (2) EDA Commissioners requested this discussion to be brought forward for further review and direction.

JO Companies, a Brooklyn Park-based developer, is seeking conceptual approval from the Economic Development Authority (EDA) for a mixed-income multifamily development at the EDA-owned Welcome Avenue sites (7621 & 7601 Brooklyn Boulevard). The purpose of this work session is to gauge EDA interest in advancing this affordable housing concept through the development process. The developer is conceptualizing either a 4-story (73 units) or 5-story (86 units) development utilizing Low Income Housing Tax Credits (LIHTC) financing.

This conceptual review allows the EDA to evaluate alignment with community goals and development priorities before significant resources are committed by either party.

Highlights of Interest for EDA Commissioners

- Developer is asking for free or reduced land price (EDA Owned Site) \$860,000
- Developer is also asking for Tax Increment Financing (TIF) \$1.1M
- Developer is seeking an additional \$2.1M in gap financing
- Developer is seeking additional public funding (County, State, Metropolitan Council)
- Rent Rates range from 50% AMI to 70% AMI (AMI = Area Median Income)
- Developer is seeking LIHTC (Low Income Housing Tax Credits) that will qualify the property for LIRC (Low Income Rental Classification // 4(d)1)
- Initial review indicates that the request for financial assistance is higher than average

Background:

Site Context

The Welcome Avenue sites consist of EDA-owned parcels of 1.71 and 2.07 acres (3.78 in total) in the Village Creek neighborhood. These parcels have remained vacant for several years as the EDA has sought appropriate development opportunities that align with community needs and economic development goals. The

Village Creek neighborhood is characterized as a lower-income area where market-rate rents closely align with affordable housing rates.

Developer Profile

JO Companies LLC is led by Johnny Opara, a Brooklyn Park resident committed to providing quality housing opportunities within the community.

Development Proposal

JO Companies submitted two development options:

- **4-Story Option: 73 units, \$31.7 million total development cost**
- **5-Story Option: 86 units, \$36.7 million total development cost**

The development includes underground parking and would utilize 4(d) tax classification, which limits property tax revenue generation.

Primary Issues/Alternatives to Consider:

Fundamental Question: Does affordable housing production at this investment level align with current EDA priorities?

What preliminary financing structure is proposed?

The development utilizes a standard LIHTC financing structure common in affordable housing development:

- First Mortgage: \$13-14.2 million (including TIF-supported portion)
- Tax Credit Syndication: \$14.9 million from private investors
- Public Subsidies: Hennepin County HOME funds, Metropolitan Council LCDA funds
- Deferred Developer Fee: \$1.6 million
- Required EDA Investment: Approximately \$5.2 million total

The EDA's investment would include:

- Land write-down: \$860,000
- Gap funding: \$2.1 million
- TIF commitment: \$87,295 annually for 26 years (supporting \$1.1 million in additional mortgage capacity)

What are the development specifics?

- Site plans indicate potential for 161 total units across two buildings, though current financial analysis only covers the West building
- Unit mix includes studios through 4-bedroom units to serve diverse household needs
- Prevailing wage requirements apply due to public funding levels
- 30-year affordability commitment required under LIHTC program

What are the alternatives?

- Support the concept and direct staff to work with developer on refining the proposal
- Request modifications to reduce public subsidy requirements
- Decline to advance the project and explore alternative development opportunities
- Continue to market the sites for market-rate or mixed-income development with lower subsidy needs

Budgetary/Fiscal Considerations:

The total EDA financial commitment of approximately \$5.2 million represents a substantial public investment. This includes:

- Immediate costs: Land write-down and gap funding totaling \$2.96 million
- Long-term commitment: TIF payments over 26 years totaling \$2.27 million

The development's 4(d) tax classification will limit future property tax revenue generation compared to market-rate development.

Risk factors include:

- No developer cash equity contribution, although common
- Reliance on successful tax credit allocation and compliance
- Long-term affordability restrictions limiting future redevelopment options

Financial Analysis

Project Financing Structure (5-Story Option):

- First Mortgage (39%): \$14.2M
- Tax Credit Investors (41%): \$14.9M
- Public Subsidies (8%): \$3M (County/Met Council)
- EDA Investment (12%): \$3M land/gap + \$1.1M TIF-enabled debt
- Developer Contribution: \$0 cash equity + \$1.6M deferred fee¹

Property Tax Impact:

- With 4(d) affordable classification: \$45,795 annually²
- If developed as market-rate rental: \$228,975 annually³
- Annual difference: \$183,180 (5x less revenue)
- 26-year cumulative impact: \$4.76M in foregone tax revenue

Key Financial Metrics:

- Total EDA commitment: ~\$5M (including TIF-enabled mortgage)
- Per-unit public investment: ~\$60,000 - Developer fee: \$3.9M with zero cash equity¹
- Tax credit compliance liability: \$14.9M (developer risk)

Notes:

- Financial analysis based on developer's pro forma submitted to the city.
- The \$1.1M TIF-enabled mortgage capacity is based on lenders advancing funds against \$39,038 in annual net tax increment payments over 26 years.²

Sources:

¹ Developer pro forma (Sources tab, Development Costs tab)

² Ehlers TIF Analysis, July 2025 (Tax Calculations, Cash Flow)

³ Calculated using Ehlers tax rates: Market rate 1.25% vs affordable 0.25%

Next Steps:

If the EDA provides conceptual support:

- Developer would refine financial projections and seek commitments from funding partners
- Staff would conduct detailed financial analysis with municipal advisors
- Developer would need to secure tax credit allocation (competitive process)
- Formal development requests would return to EDA for consideration
- Future public hearings would be required for TIF district creation/modification

If the EDA does not support the concept:

- Developer would be notified of decision
- Sites would continue to be marketed for alternative development
- Staff would explore other development opportunities aligned with EDA priorities

Recommendation:

Staff seeks EDA direction on whether this affordable housing concept aligns sufficiently with community goals and development priorities to warrant continued exploration. Key considerations for the EDA include:

- Balancing affordable housing needs against fiscal impacts
- Evaluating the ~\$5 million public investment relative to community benefits
- Assessing political feasibility given current environment
- Determining if this represents the best use of prime EDA-owned parcels

This work session provides an opportunity for dialogue between the developer and EDA commissioners to explore modifications that might better align the project with community priorities while maintaining financial feasibility.

Attachments:

- 8.1A. JO Companies EDA Concept Form
- 8.1B. Preliminary Site Plans (161 units - full development)
- 8.1C. TIF Estimate Analysis

BROOKLYN PARK EDA CONCEPT FORM

Developer: JO Companies, LLC **Contact:** Johnny Opara

Email: johnny.opara@jocompanies.org **Phone:** 612-743-5391

THE CONCEPT

Location?: Welcome Avenue Site **What are you thinking of building?:** _____

4-5 story, 73-86 unit, multifamily mixed-income property with underground parking.

Quick Numbers: Size: 107,800- sq ft | Value: \$14.60MM- | Annual Property Tax: \$86,450-
135-800 17.20MM 102,700

FINANCIAL OVERVIEW

Rough Project Cost: \$31.70MM - 36.70MM

SOURCES	AMOUNT	%	USES	AMOUNT
Cash Equity (from developer)	\$ See attachment	%	Land	\$
Bank/Private Financing	\$	%	Construction	\$
City Assistance (if needed)	\$	%	Other Costs	\$
Tax Credits (if applicable)	\$	%		
Other	\$	%		
TOTAL	\$	100%	TOTAL	\$

Target Return: See attachment **Why Brooklyn Park?** _____


Local developer that lives in Brooklyn Park, believes in Brooklyn Park and believes that Brooklyn Park residents should have access to high quality housing.

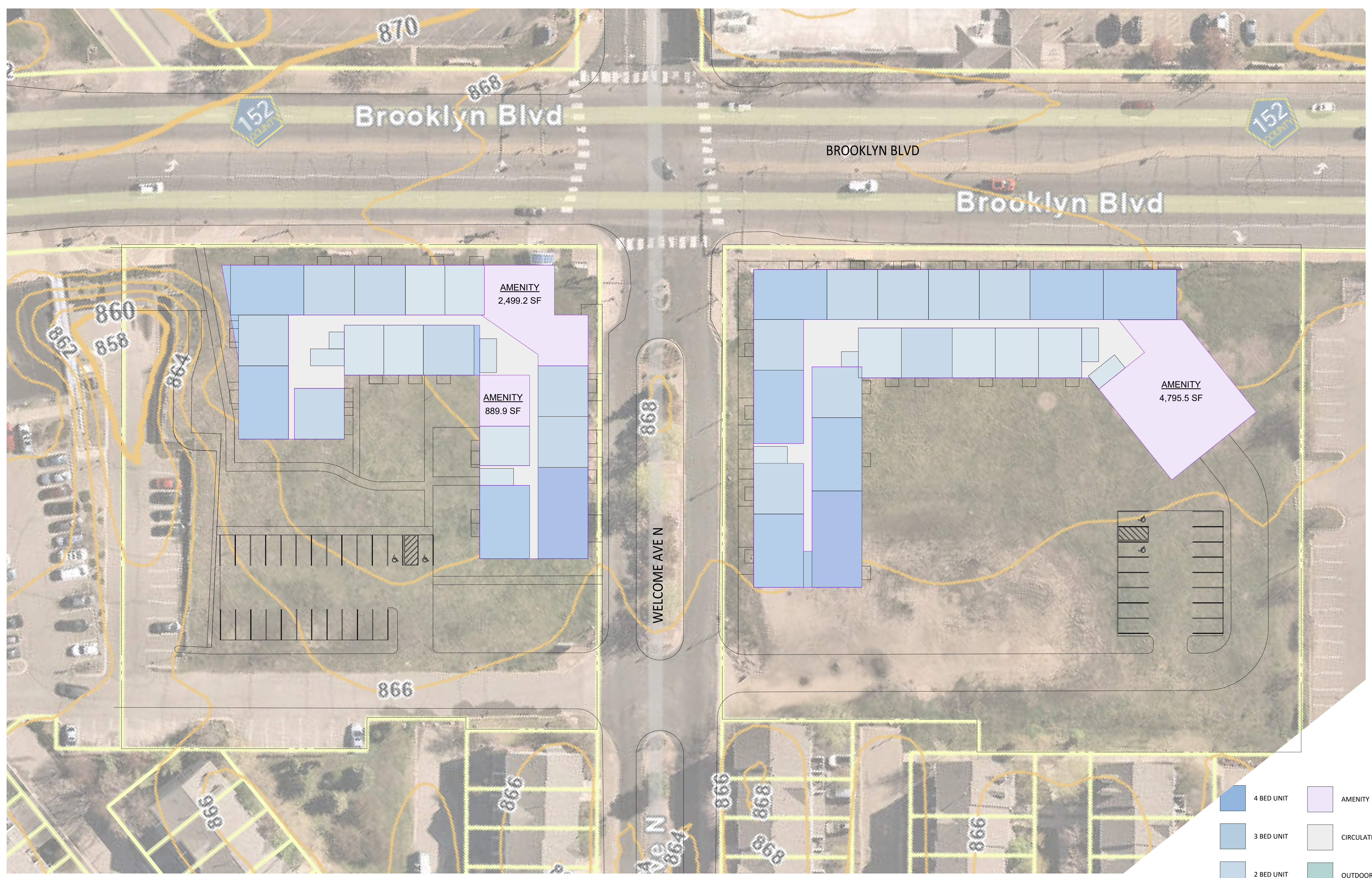
SHOW US YOUR IDEA

Attach a simple sketch and 1-2 inspiration photos that show your vision.

WHAT'S NEXT?

Submit this form to get our initial feedback before developing detailed plans. Our staff will review your concept and contact you after reviewing with next steps.

Signature:  **Date:** July 11th, 2025



1 FIRST LEVEL - SITE PLAN
A-000 1" = 30'-0"

PLAN KEY

- 4 BED UNIT
- 3 BED UNIT
- 2 BED UNIT
- 1 BED UNIT
- STUDIO UNIT
- AMENITY
- CIRCULATION
- OUTDOOR AMENITY

WEST BUILDING

Unit Type	Unit Area	Quantity	Percentage
1 Bed	688 SF	20	27.4%
2 Bed	885 SF	31	42.5%
3 Bed	1,278 SF	18	24.7%
4 Bed	1,593 SF	4	5.5%
Grand total:		73	100.0%

Name	Area
AMENITY	3,389.1 SF
CIRCULATION / BOH	14,947.6 SF
PARKING	22,634.5 SF
RENTABLE	66,818.5 SF
	107,789.7 SF

PARKING WEST	
Level	Count
West	
LOWER LEVEL	60
West	
FIRST LEVEL	24
Grand total:	84

EAST BUILDING

Unit Type	Unit Area	Quantity	Percentage
1 Bed	752 SF	19	21.6%
2 Bed	885 SF	35	39.8%
3 Bed	1,278 SF	30	34.1%
4 Bed	1,682 SF	4	4.5%
Grand total:		88	100.0%

Name	Area
AMENITY	4,795.5 SF
CIRCULATION / BOH	14,575.2 SF
PARKING	28,349 SF
RENTABLE	91,948.2 SF
	139,668 SF

PARKING EAST	
Level	Count
LOWER LEVEL	82
FIRST LEVEL	16
Grand total	98

OVERALL

Unit Type	Quantity	Percentage
1 Bed	39	24.2%
1 Bed: 39	39	24.2%
2 Bed	66	41.0%
2 Bed: 66	66	41.0%
3 Bed	48	29.8%
3 Bed: 48	48	29.8%
4 Bed	8	5.0%
4 Bed: 8	8	5.0%
Grand total:	161	100.0%

PARKING OVERALL	
Level	Count
LOWER LEVEL	1
East	
LOWER LEVEL	82
West	
LOWER LEVEL	60
East	
FIRST LEVEL	16
West	
FIRST LEVEL	24
Grand total:	183

Name	Area
AMENITY	8,184.7 SF
CIRCULATION / BOH	29,522.8 SF
PARKING	50,983.4 SF
RENTABLE	163,486.7 SF
	252,177.7 SF

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Welcome Avenue - West 0.00% Inflation

City of Brooklyn Park, MN

86-Unit Affordable Apartment Building



ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2026
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	0.00%
Interest Rate:	6.00%
Present Value Date:	1-Aug-27
First Period Ending	1-Feb-28
Tax Year District was Certified:	Pay 2026
Cashflow Assumes First Tax Increment For Development:	2028
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2053
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	36.6620% Pay 2025
Fiscal Disparities Metro-Wide Tax Rate	123.8880% Pay 2025
Maximum/Frozen Local Tax Rate:	121.713% Pay 2025
Current Local Tax Rate: (Use lesser of Current or Max.)	121.713% Pay 2025
State-wide Tax Rate (Comm./Ind. only used for total taxes)	28.8570% Pay 2025
Market Value Tax Rate (Used for total taxes)	0.25333% Pay 2025

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.25%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	18-119-21-21-003	EDA	7621 Brooklyn Blvd	743,200	0	743,200	100%	743,200	Pay 2026	Exempt	-	Aff. Rental	1,858	1
				743,200	0	743,200		743,200			0		1,858	

Note:

1. Base values are for pay 2025 based on estimates.
2. Located in SD #279, WS #8

Welcome Avenue - West 0.00% Inflation

City of Brooklyn Park, MN
86-Unit Affordable Apartment Building



PROJECT INFORMATION (Project Tax Capacity)														
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2026	Percentage Completed 2027	Percentage Completed 2028	Percentage Completed 2029	First Year Full Taxes Payable	
1	Apartments	175,000	175,000	86	15,050,000	Aff. Rental	37,625	438	40%	80%	100%	100%	2030	
TOTAL					15,050,000		37,625							
Subtotal Residential				86	15,050,000		37,625							
Subtotal Commercial/Ind.				0	0		0							

Note:

1. Market values are based upon estimates.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	37,625	0	37,625	45,795	0	0	9,532	55,326	643.33
TOTAL	37,625	0	37,625	45,795	0	0	9,532	55,326	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	55,326
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(9,532)
less Base Value Taxes	(2,261)
Annual Gross TIF	43,533



Welcome Avenue - West 0.00% Inflation
 City of Brooklyn Park, MN
 86-Unit Affordable Apartment Building

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	15,050	(1,858)	-	13,192	121.713%	16,056	8,028	(29)	(800)	7,199	6,786	0.5	2028	02/01/28
100%	30,100	(1,858)	-	28,242	121.713%	34,374	8,028	(29)	(800)	7,199	13,375	1	2028	02/01/29
100%	37,625	(1,858)	-	35,767	121.713%	43,533	17,187	(62)	(1,713)	15,413	27,069	1.5	2029	08/01/29
100%	37,625	(1,858)	-	35,767	121.713%	43,533	17,187	(62)	(1,713)	15,413	40,364	2	2029	02/01/30
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	56,711	2.5	2030	08/01/30
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	72,582	3	2030	02/01/31
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	87,991	3.5	2031	08/01/31
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	102,951	4	2031	02/01/32
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	117,475	4.5	2032	08/01/32
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	131,576	5	2032	02/01/33
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	145,266	5.5	2033	08/01/33
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	158,558	6	2033	02/01/34
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	171,463	6.5	2034	08/01/34
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	183,992	7	2034	02/01/35
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	196,155	7.5	2035	08/01/35
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	207,965	8	2035	02/01/36
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	219,431	8.5	2036	08/01/36
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	230,562	9	2036	02/01/37
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	241,370	9.5	2037	08/01/37
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	251,862	10	2037	02/01/38
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	262,049	10.5	2038	08/01/38
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	271,939	11	2038	02/01/39
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	281,542	11.5	2039	08/01/39
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	290,864	12	2039	02/01/40
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	299,915	12.5	2040	08/01/40
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	308,703	13	2040	02/01/41
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	317,234	13.5	2041	08/01/41
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	325,517	14	2041	02/01/42
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	333,559	14.5	2042	08/01/42
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	341,366	15	2042	02/01/43
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	348,946	15.5	2043	08/01/43
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	356,306	16	2043	02/01/44
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	363,451	16.5	2044	08/01/44
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	370,388	17	2044	02/01/45
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	377,122	17.5	2045	08/01/45
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	383,661	18	2045	02/01/46
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	390,009	18.5	2046	08/01/46
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	396,173	19	2046	02/01/47
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	402,156	19.5	2047	08/01/47
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	407,966	20	2047	02/01/48
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	413,606	20.5	2048	08/01/48
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	419,082	21	2048	02/01/49
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	424,399	21.5	2049	08/01/49
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	429,560	22	2049	02/01/50
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	434,572	22.5	2050	08/01/50
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	439,437	23	2050	02/01/51
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	444,161	23.5	2051	08/01/51
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	448,747	24	2051	02/01/52
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	453,199	24.5	2052	08/01/52
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	457,522	25	2052	02/01/53
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	461,719	25.5	2053	08/01/53
100%	37,625	(1,858)	-	35,767	121.713%	43,533	21,767	(78)	(2,169)	19,519	465,794	26	2053	02/01/54
Total							1,095,225	(3,943)	(109,128)	982,154				
Present Value From 08/01/2027							519,419	(1,870)	(51,755)	465,794				
Present Value Rate 6.00%														