

# City of South St. Paul Economic Development Authority Agenda

Tuesday, January 19, 2016  
following City Council Meeting  
Council Chambers  
SPECIAL MEETING

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. AGENDA:**

A. *Approval of Agenda*  
*Action – Motion to Approve*  
*Action – Motion to Approve as Amended*

**4. CONSENT AGENDA:**

*All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.*

A. EDA Minutes of January 4, 2016

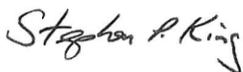
**5. PUBLIC HEARINGS:**

**6. GENERAL BUSINESS:**

- A. Authorize and accept assignment of the rights and obligations held by the South St. Paul HRA with regard to the sale and redevelopment of property at 129 W. Richmond through to the Rediscover program.
- B. Authorize and accept assignment of the rights and obligations held by the South St. Paul HRA with regard to the reacquisition of 119 19<sup>th</sup> Avenue South, a property previously sold pursuant to the Rediscover South St. Paul program.
- C. General discussion and direction – Minutes and cablecasting. – No Attachment

**7. ADJOURNMENT:**

Respectfully Submitted,



Stephen P. King, EDA Executive Director

MINUTES OF THE ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF SOUTH ST. PAUL  
DAKOTA COUNTY, MINNESOTA

Regular Meeting  
January 4, 2016  
City of South St. Paul, Council Chambers

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1. CALL TO ORDER

Chair Beth Baumann called the meeting to order at 7:32 p.m.

2. ROLL CALL

*Members Present:* Chair Baumann and Commissioners Flatley, Hansen, Niederkorn, Podgorski, Rothecker, Seaberg

*Members Absent:* Commissioner Rothecker

*Staff Present:* EDA Executive Director, Stephen King, Christy Wilcox, Secretary

3. AGENDA

Motion/Second: Commissioner Niederkorn moved and Commissioner Seaberg seconded the approval of the agenda.

Motion carried 6 ayes/0 nays

4. CONSENT AGENDA

Motion/Second: Commissioner Flatley and Commissioner Podgorski seconded the approval of the consent agenda.

A. Joint Powers Agreement with the Dakota County Community Development Agency for the 2016 Open to Business Program and authorize the EDA President and Executive Director to execute the document.

Motion carried 6 ayes/0 nays

5. PUBLIC HEARINGS

There were no public hearings.

**6. GENERAL BUSINESS**

There were no General Business items.

**7. ADJOURNMENT**

Motion/Second: Commissioner Seaberg moved and Commissioner Hansen seconded the motion to adjourn the meeting at 7:36 p.m.

Approved: January 19, 2016

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Christy Wilcox, Secretary



## EDA Agenda Item Report

Date: January 19, 2016

EDA Executive Director: SPK

6 - A

**Agenda Item:** Authorize and accept assignment of the rights and obligations held by the South St. Paul HRA with regard to the sale and redevelopment of property at 129 W. Richmond through to the Rediscover program.

### **Action to be considered:**

Motion to authorize and accept EDA jurisdiction over a housing redevelopment project at 129 W. Richmond and thereby moving responsibility for overseeing completion of the project from the HRA to the EDA.

### **Overview:**

During 2015, the HRA began discussing with Mayela Martinez Pliego and Irma Ariza Mendoza, a sale of 129 West Richmond to them and an accompanying redevelopment project pursuant to the Rediscover South St. Paul program. A Public hearing on the sale and redevelopment project was held on Tuesday, January 12, 2016. At the conclusion of the Hearing, the HRA adopted a Resolution authorizing the sale; approving the proposed redevelopment plan; and assigning HRA rights and obligations to the EDA.

*Attached are the HRA meeting materials and Resolution adopted with regard to this matter. Also attached is the executed agreement that authorizes the assignment of rights and duties between the HRA and the EDA.*

### **Funding Sources and other fiscal considerations:**

The sale and redevelopment project will be administered in accordance with Rediscover Program requirements and guidelines.



## MEMORANDUM

TO: Board of Commissioners

FROM: Branna K. Lindell  
Housing Division Manager

RE: Approval to Sell 129 W. Richmond to Mayela Martinez Pliego and  
Irma Ariza Mendoza – Resolution No. 16-\_\_\_\_\_

MEETING DATE: January 12, 2016

### BACKGROUND

The proposed structure is a 4,264 s.f. two-story home with an attached alley facing two car garage at 129 W. Richmond. Features of the home include four bedrooms, three baths and an office facing Richmond.

The City Planner approved the plans contingent upon meeting the following criteria:

- Must use grids as depicted on renderings
- Incorporation of decorative wide window wrap
- Front porch/stoop/steps must be concrete or masonry
- Keep decorative band board for area between siding & brick

### ACTION REQUESTED

Motion to adopt Resolution No. 16-\_\_\_\_\_ approving the land sale and development agreement with Mayela Martinez Pliego and Irma Ariza Mendoza. After closing, the development agreement will be assigned to the EDA.

**RESOLUTION NO. 16-\_\_\_\_\_**

**RESOLUTION APPROVING QUALIFICATIONS, FINANCIAL RESPONSIBILITY  
OF REDEVELOPER, DETERMINING REUSE VALUE OF LAND, AND  
AUTHORIZING SALE OF LAND TO THE REDEVELOPER**

WHEREAS, the Housing and Redevelopment Authority of the City of South St. Paul, Minnesota (hereinafter called "Authority") in connection with its Rediscover South St. Paul Program ("Project"); and

WHEREAS, the Authority in connection with its Project is proposing to enter into a Development Agreement for the purchase of Project Real Property located at 129 W. Richmond and legally described as:

Lot 8 and the East Half of Lot 9, Block 37, Spring Park, Dakota County, Minnesota ("Real Property")

with Mayela Martinez Pliego and Irma Ariza Mendoza, or their successors or assigns; and

WHEREAS, the Authority on December 27, 2015, published in the South-West Review, a local newspaper of general circulation notice of availability of a public hearing to be held on January 12, 2016;

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of the City of South St. Paul, Minnesota:

1. That it is hereby found and determined that Redeveloper possesses the qualifications and the financial responsibility to acquire and develop certain Project Real Property in accordance with local plans for the area and the Development Agreement.
2. The parcel price and all other terms of the Development Agreement are hereby approved and the required officers of the Housing and Redevelopment Authority are authorized to execute the necessary documents to transfer the property to the Redeveloper.
3. After transfer of the property, the Housing and Redevelopment Authority assigns its rights and obligations under the Development Agreement to the South St. Paul Economic Development Authority and the required officers are authorized to execute the necessary documents to effectuate the assignment.

Moved by: Commissioner \_\_\_\_\_

Seconded by: Commissioner \_\_\_\_\_

Dated: January 12, 2016

\_\_\_\_\_ Ayes \_\_\_\_\_ Nays

## **CONTRACT FOR PRIVATE REDEVELOPMENT**

**THIS AGREEMENT**, made on or as of the 12<sup>th</sup> day of January, 2016 by and between the Housing and Redevelopment Authority in and for the City of South St. Paul, a public body, corporate and politic under the laws of Minnesota (hereinafter referred to as the "Authority"), established pursuant to Laws of Sections 469.001-469.047 (formerly Sections 462.411-462.711) hereinafter referred to as the "Act"), and having its principal office at 125 Third Avenue North, South St. Paul, Minnesota 55075-2097, and Mayela Martinez Pliego and Irma Ariza Mendoza, two single persons (hereinafter referred to as the "Redeveloper"), at 524 – 2<sup>nd</sup> Avenue South, South St. Paul, MN 55075.

### **WITNESSETH:**

**WHEREAS**, the Authority was created pursuant to the Act and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of South St. Paul (the City of South St. Paul is hereinafter referred to as the "City");

**WHEREAS**, in furtherance of the objectives of the Act, the Authority has undertaken a program to promote the creation of housing, economic and job opportunities within the City, and in this connection is engaged in carrying out a redevelopment project known as the Rediscover South St. Paul Program (hereinafter referred to as the "Project") in the City; and

**WHEREAS**, among the powers possessed by the Authority under the Act is the power to carry out within a redevelopment project undertakings and activities for the elimination or for the prevention of the development or spread of slums or blighted or deteriorating areas and for economic development; and

**WHEREAS**, there is located within the City a parcel of real property, more particularly described in Exhibit A annexed hereto and made a part hereof (which real property as so described is hereinafter referred to as the "Redevelopment Property"), which is vacant and in need of redevelopment in order to help maximize housing opportunities for the community; and

**WHEREAS**, in order to achieve its objectives, the Authority is prepared to sell the Redevelopment Property to the Redeveloper; and

**WHEREAS**, the Authority believes that the redevelopment of the City pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

**NOW, THEREFORE**, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

**ARTICLE I**  
**Definitions**

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

"Act" means the Municipal Housing and Redevelopment Act, Minnesota Statutes, Sections 469.001-469.047, as amended (formerly Sections 462.411-462.711).

"Agreement" means this Agreement, as the same may be from time to time modified, amended, or supplemented, in writing.

"Authority" means the Housing and Redevelopment Authority in and for the City of South St. Paul, Minnesota, or any successor or assign.

"City" means the City of South St. Paul, Minnesota.

"Condemnation Award" means the amount remaining from an award to the Redeveloper for the acquisition of title to and possession of the minimum Improvements or any material part thereof, after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such award.

"Construction Plans" means the plans, specifications, drawings, and related documents on the construction work to be performed by the Redeveloper on the Redevelopment Property which (a) shall be detailed as the plans, specifications, drawings and related documents, and (b) shall include at least: (1) site plan; (2) landscape plan; and (3) such other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed Minimum Improvements.

"County" means the County of Dakota.

"Event of Default" means an action by the Redeveloper listed in Article VIII of this Agreement.

"Holder" means the owner of a Promissory Note or Notes and Mortgage Deed.

"Maturity Date" means the date when the Redeveloper has satisfied its obligations under the Contract for Private Redevelopment and the Certificate of Completion has been issued by the Authority.

"Minimum Improvements" means the acquisition of land and construction of a 4,264 s.f. finished two-story home. The Minimum Improvements are more fully described in Exhibit B attached hereto.

"Mortgage Deed" means any Mortgage Deed made by the Redeveloper which is secured in whole or in part, with the Redevelopment Property and which is a Permitted Encumbrance pursuant to the provisions of this Agreement.

"Net Proceeds" means any proceeds paid by an insurer to the Redeveloper or the Authority under a policy or policies of insurance required to be provided and maintained by the Redeveloper pursuant to Article V of this Agreement and remaining after deducting all expenses (including fees and disbursements of Counsel) incurred in the collection of such proceeds.

"Permitted Encumbrances" means the following encumbrances on the title to the Redevelopment Property: (i) such encumbrances as are mutually agreed to by the Authority and the Redeveloper; (ii) governmental regulations, if any, affecting the use and occupancy laws of the Redevelopment Property and Minimum Improvements; (iii) zoning laws of the City, County, and State; reservations to the State, in trust for the taxing districts concerned, of minerals and mineral rights in those portions of the Redevelopment Property the title to which may have at any time heretofore been forfeited to the State for nonpayment of real estate taxes; and (iv) the lien of unpaid real estate taxes, if any, not presently payable but to be paid as part of the annual taxes to become due.

"Project" means the Rediscover South St. Paul Program.

"Redeveloper" means Mayela Martinez Pliego and Irma Ariza Mendoza, or their successors or assigns.

"Redevelopment Property" means the real property described in Exhibit A of this Agreement.

"State" means the State of Minnesota.

"Unavoidable Delays" means delays beyond the reasonable control of the party seeking to be excused as result thereof which are the direct result of strikes, other labor troubles, fire, or other casualty to the Minimum Improvements or Site Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Authority in exercising its rights under this Agreement) which directly result in delays.

## **ARTICLE II**

### **Representations and Warranties**

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Authority is a housing and redevelopment authority duly organized and existing under the laws of the State. Under the provisions of the Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight, for the purposes of increasing the tax base and housing opportunities within the City.

(c) The Authority will cooperate with the Redeveloper with respect to any litigation, other than litigation in which the Authority and Redeveloper are adverse parties, commenced with respect to the plan Project, or Minimum Improvements; provided, that the Authority shall not, by virtue of this subsection, be obligated to incur costs through the retaining of legal counsel or experts, or otherwise in connection with such litigation.

(d) The redevelopment property is properly zoned and meets or exceeds the minimum size requirements for a single family home building site. The City of South St. Paul will issue a building permit upon submittal of the appropriate construction plans by the redeveloper and the payment by the redeveloper for such building permit.

(e) The redevelopment property has had connections to the city water supply and city sewer system. The stubs for these prior services are located on the property line. The Authority will not be held responsible to pay for the installation of new water and/or sanitary sewer lines if the existing stubs cannot be reused by the Redeveloper.

Section 2.2. Representations and Warranties by the Redeveloper. The Redeveloper represents and warrants that:

(a) The redeveloper is an individual.

(b) The Minimum Improvements will be acquired and constructed for at least the cost of \$425,000.00+, including the Redevelopment Property.

(c) The Redeveloper has received no notice or communication from any local, state or federal official that the activities of the Redeveloper or the Authority in the Redevelopment Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). The Redeveloper is aware of no facts the existence of which would cause it to be in violation of any local, state, or federal environmental law, regulation or review procedure or which give any person a valid claim under any of the foregoing.

(d) The Redeveloper agrees for its successors and assigns to construct an owner-occupied single family home. Assignment, subletting and or renting of all or any portion of the Redevelopment Property is prohibited.

(e) The Redeveloper will effect the Minimum Improvements in accordance with all local, state, federal laws or regulations.

(f) The Redeveloper will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state,

and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed or acquired.

(g) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of the terms, conditions or provisions or any instrument of whatever nature to which the Redeveloper is a party or by which it is bound, or constitutes a default under any of the foregoing.

(h) The Redeveloper will cooperate with the Authority with respect to any litigation, other than litigation in which the Authority and the Redeveloper are adverse parties, commenced with respect to the Plan, Project or Minimum Improvements.

(i) In the event that this Agreement is terminated by the Authority as a result of an Event of Default, the Redeveloper agrees that it will, within ten (10) days of written demand by the Authority, reimburse the Authority for all of its costs and expenses, including reasonable fees of attorneys and consultants, incurred in connection with the negotiation, preparation and implementation of this Agreement.

(j) Whenever any Event of Default occurs and the Authority shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Redeveloper under this Agreement, the Redeveloper agrees that it shall, within ten (10) days of written demand by the Authority, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority.

(k) In the event that this Agreement is terminated by the Authority as a result of an Event of Default, the Redeveloper agrees that it shall, within (10) days of written demand by the Authority, convey title to and possession of the Redevelopment Property back to the Authority under a Quit Claim Deed.

### **ARTICLE III** **Conveyance of Property**

Section 3.1. Status of Redevelopment Property. The Redevelopment Property is presently owned by the Authority. The Authority agrees that it will convey the Redevelopment Property to the Redeveloper in accordance with and subject to the terms and conditions stated in this Article III.

Section 3.2. Conveyance of the Redevelopment Property. The Authority shall convey title to and possession of the Redevelopment Property to the Redeveloper under a Quit Claim Deed; attached as Exhibit C. All special assessments levied or pending as of the date of the conveyance shall be paid by the Authority. The conveyance of the Redevelopment Property and the Redeveloper's use of the Redevelopment Property shall be subject to all of the conditions,

covenants, restrictions and limitations imposed by the Redevelopment Plan, this Agreement and the Redevelopment Property and the Redeveloper's use of the Redevelopment Property shall also be subject to Permitted Encumbrances, building and zoning laws and ordinances, and all other local, state and federal laws and regulations.

Section 3.3. Time of Conveyance.

(a) Subject to satisfaction of the terms and conditions contained in this Agreement, and if the Redeveloper is not in default hereunder, the Authority shall execute and deliver the Quit Claim Deed to Redeveloper on the later of: (i) five (5) days after the Authority approves the Construction Plans; (ii) five (5) days after the Authority approves the evidence of financing submitted pursuant to this Agreement; (iii) on or before January 19, 2016. The Redeveloper shall pay the Purchase Price and accept the Redevelopment Property Deed on such date. The Redeveloper shall take possession of the Redevelopment Property on the day of execution and delivery of the Redevelopment Property Deed by the Authority. The Redevelopment Property Deed shall be substantially in the form attached hereto as Exhibit C.

(b) Unless otherwise mutually agreed by the Authority and the Redeveloper, the execution and delivery of all deeds and the payment of any Purchase Price shall take place in the office of Dakota County Abstract and Title Closing Company, 1276 South Robert Street, West St. Paul, Minnesota.

(c) The Redevelopment Property Deed shall be in recordable form and shall be promptly recorded. The Redeveloper shall pay all recording costs associated with the Authority's conveyance of the Redevelopment Property. The Authority shall pay State Deed Tax on the Authority's conveyance to Redeveloper.

Section 3.4. Title.

(a) The Authority will within five (5) days from the date of this Agreement but prior to the closing date deliver an initial commitment for the issuance of an owner's title insurance policy with respect to the Redevelopment Property. The commitment shall be obtained from a title insurance company licensed to do business in the State and shall insure the title to the Redevelopment Property up to the amount of \$19,900.00. The commitment shall commit the insurer to the issuance of an owner's title insurance policy (ALTA FORM "B"), shall name the Authority and Redeveloper as the proposed insured parties, shall be certified to date, include searches for bankruptcies and state and federal judgments, tax and other liens and for all special assessments levied or pending. The commitment shall include full mechanic's lien coverage, and coverage for matters revealed by a survey (including gaps). The Redeveloper shall be allowed fifteen (15) working days from the date of receipt for examination of said commitment and delivery to the Authority shall use its best efforts to cure the objections to title within sixty (60) days to the satisfaction of the Redeveloper.

(b) If any objection to the title held by the Authority is made by the Redeveloper and is not cured within one hundred twenty (120) days thereafter, the Redeveloper shall make a

written election of one of the following: (i) termination of this Agreement; or (ii) authorization to proceed with acquisition of and transfer of the title to and possession of the Redevelopment Property to the Redeveloper upon the assumption by the Authority of the obligation to take any actions permitted by law to cure the objection. If the Redeveloper makes the election described in Section 3.4(b)(i) of this Agreement, this Agreement shall terminate upon receipt of such written election by the Authority.

Section 3.5. Payment of Purchase Price. The Redevelopment property shall be transferred to Redeveloper for a purchase price of \$19,900.00.

#### **ARTICLE IV**

#### **Construction of Minimum Improvements**

Section 4.1. Construction of Minimum Improvements. The Redeveloper agrees that it will construct the Minimum Improvements on the Redevelopment Property in accordance with the approved Construction Plans and at all times prior to the Maturity Date will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans.

(a) On or before January 12, 2016, the Redeveloper shall submit Construction Plans to the Authority. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with the Redevelopment Plan, this Agreement, and all applicable state and local laws and regulations. The Authority shall approve the Construction Plans in writing if, in the sole reasonable discretion of the Authority: (a) the Construction Plans conform to the terms and conditions of this Agreement; (b) the Construction Plans conform to the terms and conditions of the Redevelopment Plan; (c) the Construction Plans conform to previously approved preliminary site and design plans and all applicable federal, State and local law, ordinances, rules and regulations; (d) the Construction Plans are adequate to provide for the construction of the Minimum Improvements; (e) the Construction Plans do not provide for expenditures in excess of the funds available to the Redeveloper for the construction of the Minimum Improvements; and (f) no Event of Default has occurred. No approval by the Authority shall relieve the Redeveloper of the obligation to comply with the terms of this state and local law, ordinances, rules and regulations, or to construct the Minimum Improvements. No approval by the Authority shall constitute a waiver of an Event of Default. Such Construction Plans shall, in any event, be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejection shall set forth in detail the reasons therefor, and shall be made within fifteen (15) working days after the date of their receipt by the Authority. If the Authority rejects the Construction Plans, in whole or in part, the Redeveloper shall submit new or corrected Construction Plans within ten (10) days after written notification to the Redeveloper of the rejection with the reasons for the rejection set forth with specificity. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority: Provided,

that in any event the Redeveloper shall submit Construction Plans which are approved no later than January 12, 2016. The Authority's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, if constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Redeveloper desires to make any material change in the Construction Plans after their approval by the Authority, the Redeveloper shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Redeveloper, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) working days after receipt of the notice of such change. The Authority's approval of a proposed change shall not be unreasonably withheld or denied.

4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Redeveloper shall commence construction of the Minimum Improvements by January 19, 2016, the date of commencement, or on such other date as the parties shall mutually agree in writing. Subject to Unavoidable Delays, the Redeveloper shall complete the construction of the Minimum Improvements within twelve (12) months from the date of commencement. All work with respect to the Minimum Improvements to be constructed by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans submitted by the Redeveloper and approved by the Authority.

The Redeveloper agrees for itself, its successors and assigns, and every successor in interest to the Redevelopment Property, or any part thereof, and the Redevelopment Property Deed shall contain covenants on the part of the Redeveloper for itself and such successors and assigns, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion and redevelopment of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. It is intended and agreed, and the Redevelopment Property Deed shall so expressly provide, that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement itself, be, to the fullest extent permitted by law and equity, binding for the benefit of the Authority and enforceable by the Authority against the Redeveloper and its successors and assigns. Subsequent to conveyance of the Redevelopment Property, or any part thereof, to the Redeveloper, and until construction of the Minimum Improvements has been completed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of the Redeveloper with respect to such construction.

Section 4.4. Certificate of Completion.

(a) Promptly after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Minimum Improvements (including the dates for beginning and completion thereof), the Authority will furnish the Redeveloper with an appropriate instrument so certifying. Such certification by the Authority shall be (and it shall be so provided in the Redevelopment Property Deed and in the certification itself) a conclusive termination of satisfaction and termination of the agreements and covenants in the Agreement and in the Redevelopment Property Deed with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 4.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments substantially similar to the form attached hereto as Exhibit D. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority shall, within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for the Redeveloper to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be completed when such Minimum Improvements are substantially completed. Such Minimum Improvements will be deemed to be substantially completed when the Minimum Improvements are opened to the public for business and the Redeveloper has received a certificate of occupancy from the City.

## **ARTICLE V**

### **Insurance and Condemnation**

#### Section 5.1. Insurance.

(a) The Redeveloper will provide and maintain at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the Authority, furnish the Authority with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. The interest of the Authority shall be protected in accordance with a clause in form and content satisfactory to the Authority;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' Compensation insurance, with statutory coverage. The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content satisfactory to the Authority and shall be placed with financially sound and reputable insurers licensed to transact business in the State. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the Authority in the event of cancellation of such policy or change affecting the coverage thereunder.

(b) Upon completion of construction of the Minimum Improvements and prior to the Maturity Date, the Redeveloper shall maintain or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

- (i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal and collapse in an amount not less than the full insurable replacement value of the Minimum Improvements, but any such policy may have a deductible amount of not more than \$10,000.00. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the Authority. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements (excluding uninsurable items), and shall be determined from time to time at the request of the Authority, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Redeveloper and approved by the Authority not to exceed \$500.00. All policies evidencing insurance required by this subparagraph (i) with respect to the Minimum Redeveloper and the Authority as their respective interests may appear and shall contain standard clauses which provide casualty thereunder to the Minimum Improvements which are equal to or less than \$5,000.00 for loss or damage covered thereby to be made payable directly to the Redeveloper, and subject to the rights of the first Mortgage holders Net Proceeds from such

claims in excess of \$5,000.00 to be made payable directly to the Authority. The Authority and the Redeveloper shall jointly agree on the amount of settlement.

- (ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property in the minimum amount for each occurrence and for each year of \$1,000,000.00 and shall be endorsed to show the Authority as additional insured.
- (iii) Such other insurance, including workers' compensation insurance respecting all employees of the Redeveloper, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Redeveloper may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Redeveloper which are authorized under the laws of the State to assume the risks covered thereby. The Redeveloper will deposit annually with the Authority policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in full force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it without giving written notice to the Redeveloper and the Authority at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Redeveloper shall furnish the Authority evidence satisfactory to the Authority that the policy has been renewed or replaced by another policy conforming to the necessity therefor under the terms hereof. In lieu of separate policies, the Redeveloper shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Redeveloper agrees to notify the Authority immediately in the case of damage exceeding \$5,000.00 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In the event that any such efforts to forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or the extent necessary to accomplish such repair, reconstruction and restoration, the Redeveloper will apply the Net Proceeds of any insurance relating to such damage received by the Redeveloper to the payment or reimbursement of the costs thereof. Net Proceeds of any insurance relating to such damage up to \$5,000.00 shall be paid directly to the Redeveloper.

In the event the Minimum Improvements or any portion thereof is destroyed in fire or other casualty and the damage or destruction is estimated to equal or exceed \$5,000.00, then the Redeveloper shall, unless otherwise mutually agreed, within one hundred eighty (180) days after

such damage or destruction use its best efforts to proceed forthwith to repair, reconstruct and restore the damaged Minimum Improvements to substantially the same condition or utility value as it existed prior to the event causing such damage or destruction and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Redeveloper will apply the Net Proceeds of any insurance relating to such damage or destruction received by the Redeveloper from the Authority to the payment or reimbursement of the costs thereof. Any Net Proceeds remaining after completion of construction shall be disbursed to the Redeveloper.

(e) If the Redeveloper is in compliance with the terms and conditions of this Agreement, and the Mortgage Deed, then any Net Proceeds of insurance relating to such damage or destruction received by the Authority shall be released from time to time by the Authority to the Redeveloper upon the receipt of:

- (i) A certificate of an authorized representative of the Redeveloper specifying the expenditures made or to be made or the indebtedness incurred in connection with such repair, reconstruction and restoration and stating that such Net Proceeds, together with any other monies legally available for such purposes, will be sufficient to complete such repair, construction and restoration; and
- (ii) If Net Proceeds equal or exceed \$5,000.00 in amount, the written approval of such certificate by an independent architect or engineer.

The Redeveloper shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by the Redeveloper for such purposes are sufficient to pay for the same. Any Net Proceeds remaining after completion of such repairs, construction and restoration shall be remitted to the Redeveloper.

Section 5.2. Condemnation. In the event that title to and possession of the Minimum Improvements or any material part thereof shall be taken in condemnation or by the exercise of the eminent domain by any governmental body or other person (except the Authority) prior to the Maturity Date, the Redeveloper shall, with reasonable promptness after such taking, notify the Authority as to the nature and extent of such taking. Upon receipt of any Condemnation Award and subject to the rights of the first Mortgagee, the Redeveloper shall use the entire Condemnation Award to reconstruct the Minimum Improvements (or, in the event only a part of the Minimum Improvements have been taken, then to reconstruct such part) within the Project Area.

## ARTICLE VI

### **Prohibitions Against Assignment and Transfer; Indemnification**

Section 6.1. Representation as to Redevelopment. The Redeveloper represents and agrees that its purchase of the Redevelopment Property, and its other undertakings pursuant to

this Agreement, are, and will be used, for the purpose of redevelopment of the Redevelopment Property. The Redeveloper further recognizes that, in view of (a) the importance of the redevelopment of the Redevelopment Property to the general welfare of the community; and (b) the substantial financing and other public aids that have been made available by the Authority for the purpose of making such redevelopment possible, the identity of the Redeveloper is of particular concern to the community and the Authority. The Redeveloper further recognizes that it is because of Redeveloper's qualifications and identity that the Authority is entering into the Agreement with the Redeveloper, and in so doing, is further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of all undertakings and covenants hereby it to be performed.

Section 6.2. Prohibition Against Transfer of Property and Assignment of Agreement.  
For the foregoing reasons the Redeveloper represents and agrees that until the Maturity Date:

(a) The Redeveloper has not made or created, and that it will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Redevelopment Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the Authority.

(b) The Authority shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that: (i) Any proposed transferee shall have the qualifications and financial responsibilities, as determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Redeveloper (or in the event the transfer is of or relates to part of the Redevelopment Property, such obligations to the extent that they relate to such part); (ii) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable among the land records, shall, for itself; and its heirs and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of the Redeveloper under this Agreement and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject (or, in the event the transfer is of or relates to part of the Redevelopment Property, such obligations, conditions and restrictions to the extent that they relate to such part) unless the Redeveloper agrees to continue to fulfill those obligations, in which case the preceding provisions of this Section 6.2(b)(ii) shall not apply: Provided, that the fact that any transferee of, or any other successor in interest whatsoever to the Redevelopment Property or any part thereof, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority) deprive or limit the Authority of or with respect to any rights or remedies or controls with respect to being the intent that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Redevelopment Property or any part thereof, or any interest therein, however consummated or occurring and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Authority of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Redevelopment Property and the construction and acquisition of the Minimum Improvements that the Authority

would have had, had there been no such transfer or change; and (iii) there shall be submitted to the Authority for review all instruments and other legal documents involved in effecting transfer; and if approved by the Authority, its approval shall be indicated to the Redeveloper in writing.

Section 6.3. Release and Indemnifications Covenants.

(a) The Redeveloper covenants and agrees that the Authority and the City and the governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to release, indemnify and, hold harmless the Authority and the City and the governing body members, officers, agents, servants and employees thereof, against any loss or damage to property or any injury to or death of any persona occurring at or about or resulting from any defect in the Minimum Improvements, except for loss or damage resulting in willful misconduct or willful negligence of the Authority or City or the governing body members, officers, agents, servants or employees thereof.

(b) Except for any willful misrepresentations or any willful or wanton misconduct or negligence of the following named parties, the Redeveloper agrees to protect and defend the Authority and the City and the governing body members, officers, agents, servants and employees thereof, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements.

(c) Except as otherwise specifically provided in this Agreement, the Authority and the City and the governing body members, officers, agents, servants and employees thereof shall not be liable for any damage or injury to the persons or property of Redeveloper, its officers, agents, servants or employees or any other person who may be about the Redevelopment Property or Minimum Improvements due to any act of negligence of any person other than the Authority or City or governing body members, officers, agents, servants or employees thereof.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any governing body member, officer, agent, servant or employee of the Authority in the individual capacity thereof.

**ARTICLE VII**  
**(Intentionally left blank)**

**ARTICLE VIII**  
**Events of Default**

Section 8.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

(a) Failure by the Redeveloper to pay when due any payments required to be paid under this Agreement.

(b) Failure by the Redeveloper to construct the Minimum Improvements when required pursuant to Sections 3.2 and 3.3 of this Agreement.

(c) Failure by the Redeveloper to pay real estate taxes due for the Redevelopment Property in a timely manner.

(d) Failure by the Redeveloper to commence and complete construction or acquisition of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement.

(e) Failure by the Redeveloper to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

(f) The Redeveloper shall:

(A) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or state law; or

(B) make an assignment for the benefit of its creditors; or

(C) admit in writing its inability to pay its debts generally as they become due; or

(D) be adjudicated a bankrupt or insolvent, or if a petition or answer proposing the adjudication of the Redeveloper, or any of its general partners, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Redeveloper and shall not be discharged without ninety (90) days after such appointed, or if the Redeveloper shall consent to or acquiesce in such appointment.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 of this Agreement occurs, the Authority may exercise its right under 8.2(a) below without notice to Redeveloper and may take any one or more of the actions described in 8.2(b-f) below after providing thirty (30) days written notice to the Redeveloper of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default cannot be cured within thirty (30) days, the Redeveloper does not provide assurance to

the Authority reasonably satisfactory to the Authority that the Event of Default will be cured as soon as reasonably possible:

(a) Suspend its performance under the Agreement until it receives assurances from the Redeveloper, deemed adequate by the Authority, that the Redeveloper will cure its default and continue its performance under the Agreement.

(b) Cancel and rescind or terminate the Agreement.

(c) Withhold the Certificate of Completion.

(d) Withhold the Net Proceeds from the insurance policies provided to the Authority pursuant to Section 5.1 of this Agreement and in accordance with the terms of the policies.

(e) Exercise its rights under the Authority Note Mortgage, and/or any Security Agreements.

(f) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the Authority to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Redeveloper under this Agreement.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Redeveloper to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

Section 8.4. No additional Waiver Implied by One Waiver. In the event any condition contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

## **ARTICLE IX**

### **Additional Provisions**

Section 9.1. Conflict of Interests; Authority Representatives Not Individually Liable. No member, official, or employee of the Authority shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. No member, official, or employee of the Authority shall be personally liable to the Redeveloper, or

any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to the Redeveloper or successor or on any obligations under the terms of the Agreement.

Section 9.2. Equal Employment Opportunity. The Redeveloper for itself and its successors and assigns, agrees that during the construction and acquisition of the Minimum Improvements provided for in the Agreement, it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 9.3. Restriction on Use. The Redeveloper agrees for itself, and its successors and assigns and every successor in interest to the Redevelopment Property, or any part thereof, that the Redeveloper, and such successors and assigns, shall until the Maturity Date devote the Redevelopment Property to, and only to and in accordance with, the uses specified in the Redevelopment Plan, and this Agreement, and shall not discriminate upon the basis of race, color, creed, age, sex or national origin in the sale or in the use or occupancy of the Redevelopment Property or any improvements erected thereon, or any part thereof.

Section 9.4. Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.5. Notices and Demands. Except as otherwise provided in this Agreement, a notice, demand or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Redeveloper is addressed to or delivered personally to the Redeveloper, Mayela Martinez Pliego and Irma Ariza Mendoza, residing at 524 – 2<sup>nd</sup> Avenue South, South St. Paul, MN 55075.

(b) in the case of the Authority is addressed to or delivered personally to the Authority at 125 Third Avenue North, South St. Paul, Minnesota 55075-2097, Attn: Executive Director;

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.

Section 9.6. Counterparts. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.7. Survival of Provisions. The provisions of this Agreement and the representations, warranties and indemnities contained herein shall survive the execution and delivery of the Redevelopment Property Deed and the conveyance thereunder, shall not be merged therein, and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

**IN WITNESS WHEREOF**, the Authority has caused this Agreement to be duly executed in its name and behalf and the Redeveloper has caused this Agreement to be duly executed in its name and behalf on or as of the date first written.

HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
SOUTH ST. PAUL

By: \_\_\_\_\_  
Its: Chairperson

By: \_\_\_\_\_  
Its: Secretary

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of January 12, 2016, by Joyce M. Grannis and Daniel Niederkorn, the Chairperson and Secretary respectively, of the Housing and Redevelopment Authority in and for the City of South St. Paul, a public body, corporate and politic under the laws of Minnesota.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Mayela Martinez Pliego

\_\_\_\_\_  
Irma Ariza Mendoza

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by Mayela Martinez Pliego, a single person.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by Irma Ariza Mendoza, a single person.

\_\_\_\_\_  
Notary Public

This document was drafted by:

HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF SOUTH ST. PAUL  
125 Third Avenue North  
South St. Paul, MN 55075  
(651) 554-3270

**EXHIBIT A**

**REDEVELOPMENT PROPERTY**

**Legal Description**

Address: 129 Richmond Street West, South St. Paul, MN 55075

Lot 8 and the East Half of Lot 9, Block 37, Spring Park,  
Dakota County, Minnesota

**EXHIBIT B**

**DESCRIPTION OF MINIMUM IMPROVEMENTS**

Construction of a 4,264 Square Foot Finished Two-Story Home  
with an oversized two-car garage

## **EXHIBIT C**

### **QUIT CLAIM DEED**

**THIS INDENTURE**, between the Housing and Redevelopment Authority in and for the City of South St. Paul, Minnesota, a public body, corporate and politic under the laws of Minnesota created pursuant to the Laws of Minnesota (the "Grantor"), and Mayela Martinez Pliego and Irma Ariza Mendoza, two single people (the "Grantees").

**WITNESSETH**, that Grantor, in consideration of the sum of One dollar (\$1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, quit claim and convey to the Grantees, its heirs and assigns forever, all the tract or parcel of land lying and being in the County of Dakota and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

#### **LEGAL DESCRIPTION**

Lot 8 and the East Half of Lot 9, Block 37, Spring Park,  
Dakota County, Minnesota

The Grantor certifies that the seller does not know of any wells on the described real property.

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging in now or hereafter pertaining, to the said Grantees, its heirs and assigns, forever,

Provided:

#### **SECTION 1.**

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement entered into between the Grantor and Grantees on the 12<sup>th</sup> day of January, 2016, identified as "Contract for Private Redevelopment" (hereinafter referred to as the "Agreement") and that the Grantees shall not convey this Property, or any part thereof, without the consent of the Grantor until a certificate of completion to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantees from mortgaging this Property in order to obtain funds for the purchase of Property hereby conveyed and from erecting improvements thereon in conformity with the Agreement, any applicable redevelopment plan and applicable provisions of the Zoning Ordinance of the City of South St. Paul, Minnesota.

It is specifically agreed that the Grantees shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the improvements thereon, as provided in the Agreement.

Promptly after completion of the improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantees with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantees, and its heirs and assigns, to construct the improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantees to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Dakota County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantees, provide the Grantees with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Grantor, for the Grantees to take or perform in order to obtain such certification.

## **SECTION 2.**

In the event the Grantees herein shall, prior to the recording of the certificate of completion, hereinabove referred to:

- (a) Fail to begin construction of the improvements provided for in this Deed and the Agreement in conformity with the Agreement and such failure is not due to unavoidable delays (as defined in the Agreement) and such failure is not cured within thirty (30) days after written notice to do so; or
- (b) Default in or violate its obligations with respect to the construction of the improvements provided for in this Deed and the Agreement, or shall abandon or substantially suspend construction work, and such default, violation or failure is not due to unavoidable delays (as defined in the Agreement), and any default or violation, abandonment or suspension shall not be cured, ended or remedied within thirty (30) days after written demand by the Grantor so to do; or
- (c) Fail to pay real estate taxes or assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by the Agreement with the Grantor, or shall suffer any levy or attachment to be made, or any materialmen's or mechanic's liens, or any other unauthorized encumbrances or liens to attach, and such taxes or assessments shall not have been paid or the encumbrance or lien removed or discharged, or provisions satisfactory to the Grantor made for such payments, removal or discharge, within (30) days after written demand by the Grantor so to do; provided, that if the Grantees shall first

notify the Grantor of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the Grantor shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal, but only if the Grantees provides the Grantor with a bank letter of credit or other security in the amount of the lien, in a form satisfactory to the Grantor pursuant to which the bank will pay to the Grantor the amount of any lien in the event that the lien is finally determined to be valid and during the course of such contest the Grantees shall keep the Authority informed respecting the status of such defense; or

- (d) Cause in violation of the Agreement or of this Deed, any transfer of the Property or any part thereof, and such violation shall be cured within sixty (60) days after written demand by the Grantor to the Grantees; or
- (e) Fail to comply with any of its other covenants under the Agreement and fails to cure any such noncompliance within thirty (30) days after written demand to do so; or
- (f) Default under the terms of a mortgage loan authorized by the Agreement and the holder of the mortgage exercises any remedy provided by the mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the mortgage;

then the Grantor shall have the right to re-enter and take possession of the Property and to terminate and revest in the Grantor the estate conveyed by this Deed to the Grantees, its heirs or successors in interest, but only if the events stated in Section 2(a)-(f) have not been cured within the time periods provided above, or if the events cannot be cured within such time periods, the Grantee does not provide assurances to the Authority, reasonably satisfactory to the Authority, that the events will be cured and will be cured as soon as reasonably possible.

### **SECTION 3.**

The Grantees agrees for itself and its heirs and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantees and such heirs and assigns shall:

- (a) Devote the Property to, and only to and in accordance with, the uses specified in any applicable redevelopment plan as amended and extended;
- (b) Not discriminate on the basis of race, color, creed, national origin, age, or sex in the sale, lease, rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof;
- (c) Not cause the Property to be removed from the public tax rolls or to become exempt from assessment for general real estate taxes by reason of any conveyance, lease, abatement, or other action so long as tax increment generated by the

property is pledged to the payment of the principal of an interest due on outstanding bonds or other obligations; and

- (d) Not apply for or seek through administrative or judicial proceedings a reduction in real property taxes but only if such reduction would reduce taxes to an amount below the amount needed to pay obligations for which tax increment generated by the Property is pledged.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantees, its heirs and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed beneficiary of the agreements and covenants provided herein. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

#### **SECTION 4.**

This Deed is also given subject to:

- (a) Provision of the ordinances, building and zoning laws of the City of South St. Paul, state and federal laws and regulations in so far as they affect this real estate.
- (b) Taxes payable subsequent to the date of this conveyance.

**IN WITNESS WHEREOF**, the Grantor has caused this Deed to be duly executed in its behalf by its Chairperson and Secretary and has caused its corporate seal to be hereunto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
SOUTH ST. PAUL

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

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

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2016 before me, a notary public within and for Dakota County, personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known who by me duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_ of the Housing and Redevelopment Authority in and for the City of South St. Paul ("Authority") named in the foregoing instrument; that the seal affixed to said instrument is the seal of said Authority; that said instrument was signed and sealed on behalf of said Authority pursuant to approval of the Board of Commissioners; and said \_\_\_\_\_ and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said Authority.

\_\_\_\_\_  
Notary Public

This instrument was drafted by:

HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
SOUTH ST. PAUL  
125 Third Avenue North  
South St. Paul, MN 55075  
(651) 554-3270

SEND TAX STATEMENT TO:  
  
Mayela Martinez Pliego and  
Irma Ariza Mendoza  
524 – 2<sup>nd</sup> Avenue South  
South St. Paul, MN 55075-2097

**EXHIBIT D**

**CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE**

WHEREAS, the Housing and Redevelopment Authority in and for the City of South St. Paul, a public body, corporate and politic under the laws of Minnesota (the "Grantor"), by a Deed recorded in the Office of the County Recorder or the Registrar of Titles in and for the County of Dakota and State of Minnesota, as Document Number \_\_\_\_\_, has conveyed to Mayela Martinez Pliego and Irma Ariza Mendoza (the "Grantees"), the following described land in the County of Dakota and State of Minnesota to-wit:

Lot 8 and the East Half of Lot 9, Block 37, Spring Park,  
Dakota County, Minnesota

and

WHEREAS, said Deed contained certain covenants and restrictions, the breach of which by Grantees, its heirs and assigns, would result in a forfeiture and right of re-entry by Grantor, its successors and assigns; and

WHEREAS, said Grantees have to the present date performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantees have been performed by the Grantees therein and that the provisions for forfeiture of title and right to re-entry for breach of condition subsequent by the Grantor therein is hereby released absolutely and forever insofar as it applies to the land described herein, and the County Recorder or the Registrar of Titles in and for the County of Dakota and State of Minnesota is hereby authorized to accept for recording and to record this instrument, which be a conclusive determination of the satisfactory termination of the covenants and conditions of the contract referred to in said Deed, the Breach of which would result in a forfeiture and right of re-entry, but the covenants created by Sections 3 and 4 of said Deed shall remain in full force and effect as set forth therein.

**IN WITNESS WHEREOF**, the Grantor has caused this Certificate to be duly executed in its behalf by its \_\_\_\_\_ and \_\_\_\_\_ and has caused its corporate seal to be hereunto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
SOUTH ST. PAUL

By: \_\_\_\_\_  
Its: Chairperson

By: \_\_\_\_\_  
Its: Secretary

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me, a notary public within and for Dakota County, personally appeared Joyce M. Grannis and Daniel Niederkorn to me personally known who by me duly sworn, did say that they are the Chairperson and Secretary of the Housing and Redevelopment Authority in and for the City of South St. Paul ("Authority") named in the foregoing instrument; that the seal affixed to said instrument is the seal of said Authority; that said instrument was signed and sealed on behalf of said Authority pursuant to approval of its Board of Commissioners; and said Chairperson and Secretary acknowledged said instrument to be the free act and deed of said Authority.

\_\_\_\_\_  
Notary Public

This instrument was drafted by:

HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF SOUTH ST. PAUL  
125 Third Avenue North  
South St. Paul, MN 55075  
(651) 554-3270

## **ASSIGNMENT OF DEVELOPMENT AGREEMENT**

WHEREAS, the Housing and Redevelopment Authority of and for the City of South St. Paul, a public body corporate and politic (“Assignor”) authorized the sale of real property at 129 W. Richmond Street, legally described as Lot 8 and the East Half of Lot 9, Block 37, Spring Park, Dakota County, Minnesota (“the Property”) to Mayela Martinez Pliego and Irma Ariza Mendoza (“Redeveloper”) and entered into a Development Agreement for the redevelopment of the Property on January 11, 2016; and

WHEREAS, Assignor desires to assign the Development Agreement to the South St. Paul Economic Development Authority, a public body corporate and politic (“Assignee”).

**FOR VALUABLE CONSIDERATION**, Assignor, hereby sells, assigns and transfers to the Assignor’s interest in that Development Agreement made by the Assignor to the Assignee.

Assignee hereby accepts the assignment and transfer of Assignor’s interest in the Development Agreement and agrees to complete all terms, conditions, duties, requirements and obligations of Assignor contained therein.

The interest in the Agreement is transferred and assigned, subject to all of the terms, covenants, and conditions set out therein.

IN WITNESS WHEREOF, this instrument has been duly executed as of the \_\_\_\_ day of January, 2016.

**ASSIGNOR:**

Housing and Redevelopment Authority of and for the City of South St. Paul

By Stephen P. King  
Steve King  
Its Interim Executive Director

**ASSIGNEE:**

South St. Paul Economic Development Authority

By Steve King  
Steve King  
Its Executive Director

This Document drafted by:  
Korine Land  
Attorney ID 262432  
LeVander, Gillen & Miller, P.A.  
633 South Concord St. Suite 400  
South St. Paul, MN 55075

After recording please return to:  
Korine Land  
LeVander, Gillen & Miller, P.A.  
633 South Concord St. Suite 400  
South St. Paul, MN 55075



**EDA Agenda Item Report**

Date: January 19, 2016

EDA Executive Director: SPK

6 - B

**Agenda Item:** Authorize and accept assignment of the rights and obligations held by the South St. Paul HRA with regard to the reacquisition of 119 19<sup>th</sup> Avenue South, a property previously sold pursuant to the Rediscover South St. Paul program.

**Action to be considered:**

Motion to authorize and accept EDA jurisdiction over the repurchase of a property at 119 19<sup>th</sup> Avenue South that was previously sold by the HRA for redevelopment pursuant to the Rediscover South St. Paul program.

**Overview:**

William Purdy (dba as South St. Paul Homes, LLCL) acquired 119 19<sup>th</sup> Avenue South on March 20, 2015 for \$13,500. During that time, he has been unsuccessful in identifying a buyer and does not have the funds to build a spec house. Due to the circumstances, Mr. Purdy is interested in selling the property back to the HRA/EDA for \$13,500. He will cover the closing costs of the sale and would therefore realize net proceeds of \$10,899. If the EDA does not repurchase the lot, Staff fears it will remain unsold for some time.

**Funding Sources and other fiscal considerations:**

The purchase will be administered in accordance with Rediscover requirements and guidelines.