CITY OF SOUTH ST. PAUL
MEETING AGENDA

Council Worksession Room
125 3rd Avenue North
South St. Paul, MN 55075

ECONOMIC DEVELOPMENT AUTHORITY

Monday, September 15, 2025
6:30 P.M.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **GENERAL BUSINESS**
   A. Review and Approve 2026 EDA Levy and Budget, Resolution 2025 - 17
   B. Review and Approve 2026 HRA Levy and Budget, Resolution 2025 - 18
   C. Approval of Purchase Agreement
5. **ADJOURNMENT**

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	September 15, 2025
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	4.A.

MEETING TYPE
Special Meeting

AGENDA ITEM
Review and Approve 2026 EDA Levy and Budget, Resolution 2025 - 17

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to approve Resolution 2025 - 17

OVERVIEW
According to Section 4.6 of the EDA's by-laws, the EDA shall send its budget to the City Council which budget includes a written estimate of the amount of money needed by the Authority from the City in order for the Authority to conduct business during the upcoming fiscal year.

Attached is the 2026 Preliminary Budget for the EDA, totaling $442,568. The following notes summarize the key points about this year's proposed budget and levy:

- State Statutes provide that a City may levy an Annual EDA Property Tax Levy in an amount not to exceed 0.01813 percent of estimated market value (EMV). For 2026, that amount is equal to $442,568. This is an increase of 2.03% against 2025's levy.

- Professional Services ($40,000 or 9.0%) and Other Contracted Services ($50,000 or 11.3%) make up a a little more than 20% of the 2026 EDA Budget. These line items account for Legal costs, maintenance costs at the EDA's vacant properties and gateway corridor streetscapes, and the EDA's investment in Open to Business.

- Operating Transfers account for the most significant portion (55.4%) of the budget for 2026, as follows:
    1. A transfer of $30,000 (6.8% of the 2026 Budget) is proposed as a transfer to the general fund to assist with payment to the Development Services functions of the

City (Planning/Zoning, Building) which provide significant value to our Economic Development Program.
2. A transfer of $120,000 (27.1% of the 2026 Budget) is proposed to be transferred to the Business and Development Loan Fund (Fund 20283). This fund provides financing to local businesses that can assist in expansions, renovations, equipment, and other activities that foster job creation and growth of the city's property tax base.
3. A transfer of $94,970 (21.5% of the 2026 Budget) is proposed to be transferred to the EDA's Development Fund (Fund 20284). Fund 20284 is a Fund that is targeted at implementing the EDA's Economic Development Strategy and redevelopment efforts along Concord Street and in the Hardman Triangle.

SOURCE OF FUNDS

2026 EDA Property Tax Levy and Budgdet

ATTACHMENTS

1. Resolution 2025-17
2. Preliminary 2026 EDA Property Tax Levy and Budget

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025 – 17

WHEREAS, State Statute 469.107 subd. 1 provides that a city may, at the request of the Economic Development Authority (EDA), levy a tax for the benefit of the authority in an amount not to exceed 0.01813 percent of estimated market value;

WHEREAS, the EDA proposes a 2026 tax levy for economic development purposes in the amount of $442,568;

WHEREAS, the South St. Paul EDA proposes a 2026 annual budget in the amount of $442,568 to carry out its Economic Development Strategy and other economic development purposes;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA requests that the South St. Paul City Council levy a special tax of $442,568 to be collected in 2026 pursuant to Minnesota Statutes 469.107.
2. The EDA request that the South St. Paul City Council adopt the 2026 annual budget in the amount of $442,568.

Adopted this 15th day of September, 2025.

___________________________________ ___________________________________
President, James P. Francis — Executive Director, Ryan Garcia

ECONOMIC DEVELOPMENT GENERAL
SUMMARY OF REVENUES AND EXPENDITURES

	2023	2024	2025		2025		Requested
	Actual	Actual	Original	Revised	Requested	Final	2024 vs 2025
Revenues							
Operational	420,426	505,381	433,778	433,778	442,568	-	8,790
Capital Outlay	-	-	-	-	-	-	-
Total	420,426	505,381	433,778	433,778	442,568	-	8,790
Expenditures							
Operational	141,142	196,290	279,870	279,870	197,598	-	(82,272)
Capital Outlay/Debt Service/Transfers	80,000	191,262	153,908	153,908	244,970	-	91,062
Total	221,142	387,552	433,778	433,778	442,568	-	8,790
Change in Fund Balance	199,284	117,829	-	-	-	-	
Cash and Investment Balance	378,776	488,399	488,399	488,399	488,399	488,399	

FUNCTION:	DEPT. & DIV:	BUSINESS UNIT:
Community Development	Community Development - Economic Development	20280

Activities and Responsibilities:

The Economic Development program is accountable for:

- Developing and implementing plans and strategies for advancing economic and community development.
- Assisting existing and prospective businesses and developers.
- Assisting existing businesses with expansion and reconstruction projects. Providing guidance to bring new development projects to fruition.
- Providing expertise regarding available public and private business financing resources, including state assistance, possible local initiatives and other funding sources.
- Administration of Tax Increment Financing (TIF) plans and Business and Development Loan Programs.
- Providing staff services to the EDA and City Council.
- Administration of portfolio of vacant properties located throughout the City and held for future resale and redevelopment, including managing property maintenance issues.

Budget Highlights and Changes:

Significant Revisions - 2025 Original vs. 2025 Revisions

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Notable Expenditure Changes for 2026

●

Revenues

- (Estimated) Maximum EDA levy for 2026 is $442,568

FUNCTION:	DEPT. & DIV:	BUSINESS UNIT:
Community Development	Community Development - Economic Development	20280

Capital Outlay and Projects:

Notable Capital Project or Asset Acquisitions for 2026

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Staffing:

	2023	2024	2025	2026
City Administrator	0.057	0.057	0.057	0.057
Associate Planner	0.500	0.500	0.500	0.500
Department Support Specialist	0.100	0.100	0.100	0.100
Total Staffing	**0.657**	**0.657**	**0.657**	**0.657**

ECONOMIC DEVELOPMENT
SUMMARY OF REVENUE

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20280 - ECON DEV GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	284,748	339,982	433,778	127,867	433,778	442,568	
4120 - DELINQUENT AD VALOREM TAX	3,002	5,849	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	(9)	(1)	0	0	0	0	
4130 - MOBILE HOME TAX	45	38	0	0	0	0	
4140 - FISCAL DISPARITIES	68,816	66,954	0	0	0	0	
TAXES	**356,602**	**412,822**	**433,778**	**127,867**	**433,778**	**442,568**	
INTEREST							
4671 - INTEREST EARNINGS	46,042	72,323	0	0	0	0	
4681 - UNREALIZED GAIN/LOSS ON INV	17,282	20,192	0	0	0	0	
INTEREST	**63,325**	**92,515**	**0**	**0**	**0**	**0**	
MISCELLANEOUS							
4672 - OTHER	460	0	0	0	0	0	
4675 - INSURANCE DIVIDEND	40	32	0	0	0	0	
4676 - WORKERS COMP INS DIVIDEND		12	0	0	0	0	
MISCELLANEOUS	**500**	**44**	**0**	**0**	**0**	**0**	
REVENUE	**420,426**	**505,381**	**433,778**	**127,867**	**433,778**	**442,568**	

ECONOMIC DEVELOPMENT
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20280 - ECON DEV GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	51,664	56,621	58,285	27,834	58,285	59,030	
6108 - ACCUMULATED VACATION/COMP LEAV	555	186	521	0	521	723	
6112 - SERVICE RECOGNITION	0	0	0	0	0	578	
6120 - EMPLOYER CONTR FOR RETIREMENT	7,742	8,428	8,762	4,190	8,762	8,950	
6130 - EMPLOYER PAID INSURANCE	8,499	9,759	9,345	3,515	9,345	9,791	
6150 - WORKERS COMPENSATION	351	371	449	141	449	389	
6170 - EMPLOYER CONTR TO HCSP	1,654	1,420	1,361	256	1,361	1,346	
PERSONNEL SERVICES	**70,464**	**76,784**	**78,723**	**35,936**	**78,723**	**80,807**	
SUPPLIES							
6201 - OFFICE SUPPLIES	0	0	500	0	500	300	
6230 - BOOKS, MATERIALS & PERIODICALS	0	0	200	0	200	200	
SUPPLIES	**0**	**0**	**700**	**0**	**700**	**500**	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	5,592	15,555	105,000	31,607	105,000	40,000	
6331 - CONFERENCES, TRAINING, TRAVEL	1,031	675	2,500	394	2,500	2,000	
6341 - ADVERTISING	87	429	0	0	0	0	
6361 - INSURANCE	1,112	1,109	1,179	828	1,179	1,476	
6365 - INS CLAIMS WITHIN DEDUCTIBLE	1,738	0	0	0	0	0	
6374 - ADMINISTRATION SUPPORT FEE	23,978	24,757	24,278	12,144	24,278	20,445	
6375 - OTHER CONTRACTED SERVICES	34,535	75,679	65,000	25,584	65,000	50,000	
6378 - COPIER MAINTENANCE AGREEMENT	492	0	0	0	0	0	
6388 - TECHNOLOGY EQUIP CHARGE	621	120	240	120	240	120	
6390 - POSTAGE AND TELEPHONE	762	790	1,500	351	1,500	1,500	
OTHER SERVICES AND CHARGES	**69,948**	**119,114**	**199,697**	**71,028**	**199,697**	**115,541**	
MISCELLANEOUS							
6430 - MISCELLANEOUS	20	0	0	219	0	0	
6471 - DUES & SUBSCRIPTIONS	710	392	750	0	750	750	
MISCELLANEOUS	**730**	**392**	**750**	**219**	**750**	**750**	

ECONOMIC DEVELOPMENT
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
TRANSFERS							
6720 - OPERATING TRANSFERS	80,000	191,262	153,908	15,000	153,908	244,970	
TRANSFERS	**80,000**	**191,262**	**153,908**	**15,000**	**153,908**	**244,970**	
TOTAL EXPENDITURES	**221,142**	**387,552**	**433,778**	**122,183**	**433,778**	**442,568**	
CHANGE 2025 REVISED TO 2026 REQUESTED							**8,790**
PERCENT CHANGE 2025 REVISED TO 2026 REQUESTED							**2.03%**

ECONOMIC DEVELOPMENT
DETAIL OF EXPENDITURES

CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES	General office (envelopes, business cards, toner, copy paper)	500	300	
6230	BOOKS, MATERIALS & PERIODICALS	Minneapolis/St. Paul Business Journal	200	200	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Legal Services, Audit	105,000	40,000	
6331	CONFERENCES, TRAINING, TRAVEL	Chamber & MREJ Events, Professional Development	2,500	2,000	
6361	INSURANCE	Property & Liability	1,179	1,476	
6374	ADMINISTRATION SUPPORT FEE		24,278	20,445	
6375	OTHER CONTRACTED SERVICES	JPA w/ Dakota Co. CDA for Small Bus Advisor; Property Maintenance Vacant Lots and Gateway Corridors	65,000	50,000	
6388	TECHNOLOGY EQUIP CHARGE	amortization of technology equipment	240	120	
6390	POSTAGE AND TELEPHONE	Mailings, Legal Notices	1,500	1,500	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	River Heights Chamber (President and Exec. Director),	750	750	
TRANSFERS					
6720	OPERATING TRANSFERS	City Admin & Planning Costs $30,000, Business Loan Fund (20283) $120,000, Development Fund (20284) $94,970	153,908	244,970	

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	September 15, 2025
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	4.B.

MEETING TYPE
Special Meeting

AGENDA ITEM
Review and Approve 2026 HRA Levy and Budget, Resolution 2025 - 18

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to approve Resolution 2025 - 18

OVERVIEW
The HRA programs and projects were transferred to the EDA on January 1, 2016. The responsibility for approving the HRA Property Tax Levy and Budget was also transferred to the EDA. State Statute 469.033, Subd. 6, sets the maximum HRA levy at .0185% of the taxable market value of the City. For 2026, an HRA Property Tax Levy of $451,600 is proposed. Attached is the 2026 Preliminary Budget for the HRA. The following notes summarize the key points about this year’s proposed levy and budget:

- The HRA General Housing & Redevelopment budget totals $751,600. The 2026 budget reflects a 69.80% increase increase over 2025, however 98% of that increase ($300,000) is funded through the anticipated 2026 Local Affordable Housing Aid allocation from the State of Minnesota. Including the HUD-funded public housing program, the total 2026 HRA operating budget amounts to $1,421,656.
- An HRA Property Tax Levy of $451,600 is proposed for 2026. This is an increase of 2.03% as compared to 2025.
- 12.9% of all budgeted costs for 2026 are related to department staffing.
- The 2026 HRA Budget includes $300,000 under "Other Contracted Services" (6375), which reflects the pass-through of Local Affordable Housing Aid dollars (referenced above and approved by Council via Resolution 2024-153) to the Dakota County CDA for administration of Radon Mitigation Grant programs and Low-Interest Loan Programs that they administer in our community.
- The 2026 HRA Budget proposes an operating transfer of $157,563 (46.0% of the budget) to Fund 20284. This Fund, the EDA’s Development Fund, is targeted at implementing the EDA’s Economic Development Strategy and redevelopment efforts along Concord Street and in the Hardman Triangle.
- The 2026 HRA Budget proposes an operating transfer of $150,000 (22.1%) to Fund

20298. This Fund is the Housing Reinvestment Fund, authorized by EDA Resolution 2024-5 and which helps residential property owners in South St. Paul by offering favorable loan terms to make a wide range of investments in and improvements to homes throughout the community.

SOURCE OF FUNDS

Preliminary 2026 HRA Property Tax Levy and Budget

ATTACHMENTS

1. Resolution 2025-18
2. Preliminary 2026 HRA Property Tax Levy and Budgets

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025-18

WHEREAS, State Statute 469.033 subd. 6 provides that subject to the consent by the resolution of the governing body of the city in and for which it was created, an authority may levy a tax upon all taxable property within the city for housing and redevelopment purposes. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of estimated market value;

WHEREAS, the EDA proposes a 2026 tax levy for housing and redevelopment purposes in the amount of $451,600;

WHEREAS, the South St. Paul EDA proposes a 2026 annual budget in the amount of $751,600 to support its Public Housing Program, carry out its Master Housing Strategy, and for other housing and redevelopment purposes;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA requests that the South St. Paul City Council levy a special tax of $451,600 to be collected in 2026 pursuant to Minnesota Statutes 469.033.
2. The EDA requests that the South St. Paul City Council adopt the 2026 annual budget for housing and redevelopment purposes in the amount of $751,600.

Adopted this 15th day of September, 2025.

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President, James P. Francis	Executive Director, Ryan Garcia

HOUSING GENERAL
SUMMARY OF REVENUES AND EXPENDITURES

	2023	2024	2025		2026		Requested
	Actual	Actual	Original	Revised	Requested	Final	2025 vs 2026
Revenues							
Operational	431,282	596,357	442,631	442,631	751,600	-	308,969
Capital Outlay	-	-	-	-	-	-	-
Transfer from NM & JC	670,835	765,420	784,333	784,333	850,056	-	65,723
Total	1,102,117	1,361,777	1,226,964	1,226,964	1,601,656	-	374,692
Expenditures							
Operational	93,486	106,877	122,179	122,179	444,037	-	321,858
NM/JC Administration	355,898	395,662	407,131	407,131	430,366	-	23,235
NM Operations	124,702	159,618	176,638	176,638	194,325	-	17,687
JC Operations	190,511	211,515	200,564	200,564	225,365	-	24,801
Capital Outlay/Debt Service/Transfers	625,522	325,175	320,452	320,452	307,563	-	(12,889)
Total	1,390,119	1,198,847	1,226,964	1,226,964	1,601,656	-	374,692
Change in Fund Balance	(288,002)	162,930	-	-	-	-	
Cash and Investment Balance	340,123	519,288	519,288	519,288	519,288	519,288	

FUNCTION:	DEPT. & DIV:	BUSINESS UNIT:
Community Development	Community Development - Housing Division	20260

Activities and Responsibilities:

The Housing program is accountable for:

- Administration of the City's HUD Public Housing for Seniors program at the John Carroll and Nan McKay Public Highrises.
- Providing professional and technical support to contracted support service providers at the John Carroll and Nan McKay Public Highrise properties.
- Providing professional and technical support to homeowners that have utilized legacy CDBG-funded programs that remain within the purview of the City, and technical support to Dakota County CDA for programs that have been recently turned over to the CDA. Loan monitoring and administration.
- Administration and oversight of HUD and other grant programs that benefit and serve residential housing within the City.
- Identifying, researching, applying for, and administering grant programs that support a range of Community Development programs and initiatives.
- Administration and implementation of the Master Housing Assessment and Strategy, including program development and facilitation of residential redevelopment projects.

Budget Highlights and Changes:

Significant Revisions - 2025 Original vs. 2025 Revisions

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Notable Expenditure Changes for 2026

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Revenues

- (Estimated) Maximum HRA levy for 2026 is $451,600
- Administrative charge to the public housing program is $823,056; this revenue source comes from HUD and funds the program staff.

FUNCTION:	DEPT. & DIV:	BUSINESS UNIT:
Community Development	Community Development - Housing Division	20260

Capital Outlay and Projects:

Notable Capital Project or Asset Acquisitions for 2026

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Staffing:

	2023	2024	2025	2026
Housing Manager	1.000	1.000	1.000	1.000
HRA Property Manager	2.000	2.000	2.000	2.000
HRA Maintenance	2.000	2.000	2.000	2.000
HRA Caretaker	2.000	2.000	2.000	2.000
Department Support Specialist	0.900	0.900	0.900	0.900
Total Staffing	**7.900**	**7.900**	**7.900**	**7.900**

HOUSING GENERAL
SUMMARY OF REVENUE

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20260 - HOUSING GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	290,562	346,920	442,631	130,476	442,631	451,600	
4120 - DELINQUENT AD VALOREM TAX	3,195	6,037	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	(9)	(1)	0	0	0	0	
4130 - MOBILE HOME TAX	46	49	0	0	0	0	
4140 - FISCAL DISPARITIES	70,263	68,321	0	0	0	0	
TAXES	**364,057**	**421,326**	**442,631**	**130,476**	**442,631**	**451,600**	
INTERGOVERNMENTAL							
4325 - STATE GRANTS AND AIDS	0	120,170	0	0	0	300,000	
INTERGOVERNMENTAL	**0**	**120,170**	**0**	**0**	**0**	**300,000**	
INTEREST							
4671 - INTEREST EARNINGS	48,398	40,019	0	0	0	0	
4681 - UNREALIZED GAIN/LOSS ON INV	18,775	14,642	0	0	0	0	
INTEREST	**67,173**	**54,661**	**0**	**0**	**0**	**0**	
MISCELLANEOUS							
4672 - OTHER	0	5	0	0	0	0	
4675 - INSURANCE DIVIDEND	52	57	0	0	0	0	
4676 - WORKERS COMP INS DIVIDEND	0	138	0	0	0	0	
MISCELLANEOUS	**52**	**200**	**0**	**0**	**0**	**0**	
REVENUE	**431,282**	**596,357**	**442,631**	**130,476**	**442,631**	**751,600**	

HOUSING GENERAL
SUMMARY OF REVENUE

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20261 - HOUSING-ADMIN SAL&BENEFITS							
REVENUE							
CHARGES FOR SERVICES							
COMMUNITY DEVELOPMENT							
4493 - OTHER CHARGE FOR SERVICE - COM	355,286	394,382	407,131	188,191	407,131	430,366	
COMMUNITY DEVELOPMENT	**355,286**	**394,382**	**407,131**	**188,191**	**407,131**	**430,366**	
CHARGES FOR SERVICES	**355,286**	**394,382**	**407,131**	**188,191**	**407,131**	**430,366**	
REVENUE	**355,286**	**394,382**	**407,131**	**188,191**	**407,131**	**430,366**	
20267 - HOUSING-NM SAL&BENEFITS							
REVENUE							
CHARGES FOR SERVICES							
COMMUNITY DEVELOPMENT							
4493 - OTHER CHARGE FOR SERVICE - COM	124,580	159,618	176,638	77,855	176,638	194,325	
COMMUNITY DEVELOPMENT	**124,580**	**159,618**	**176,638**	**77,855**	**176,638**	**194,325**	
CHARGES FOR SERVICES	**124,580**	**159,618**	**176,638**	**77,855**	**176,638**	**194,325**	
REVENUE	**124,580**	**159,618**	**176,638**	**77,855**	**176,638**	**194,325**	
20268 - HOUSING-JC SAL&BENEFITS							
REVENUE							
CHARGES FOR SERVICES							
COMMUNITY DEVELOPMENT							
4493 - OTHER CHARGE FOR SERVICE - COM	190,969	211,420	200,564	105,474	200,564	206,865	
COMMUNITY DEVELOPMENT	**190,969**	**211,420**	**200,564**	**105,474**	**200,564**	**206,865**	
CHARGES FOR SERVICES	**190,969**	**211,420**	**200,564**	**105,474**	**200,564**	**206,865**	
REVENUE	**190,969**	**211,420**	**200,564**	**105,474**	**200,564**	**206,865**	

HOUSING GENERAL
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20260 - HOUSING GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	38,622	39,341	40,660	19,477	40,660	42,770	
6102 - FULL-TIME EMPLOYEES-OVERTIME	1,944	5,007	0	649	0	0	
6108 - ACCUMULATED VACATION/COMP LEAV	442	363	394	0	394	283	
6112 - SERVICE RECOGNITION	0	1,000	797	0	797	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	6,107	6,616	6,254	2,969	6,254	6,503	
6130 - EMPLOYER PAID INSURANCE	8,536	8,049	7,679	3,386	7,679	8,051	
6150 - WORKERS COMPENSATION	598	267	313	101	313	281	
6170 - EMPLOYER CONTR TO HCSP	715	465	700	191	700	514	
PERSONNEL SERVICES	**56,962**	**61,107**	**56,797**	**26,773**	**56,797**	**58,402**	
SUPPLIES							
6201 - OFFICE SUPPLIES	2,362	1,845	2,000	625	2,000	2,000	
6210 - OPERATING SUPPLIES	316	335	500	112	500	500	
SUPPLIES	**2,677**	**2,180**	**2,500**	**737**	**2,500**	**2,500**	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	4,730	13,629	5,000	5,258	5,000	7,500	
6331 - CONFERENCES, TRAINING, TRAVEL	0	0	5,000	0	5,000	7,500	
6361 - INSURANCE	1,596	1,972	2,106	1,538	2,106	2,730	
6374 - ADMINISTRATION SUPPORT FEE	17,835	25,920	46,886	23,448	46,886	62,765	
6375 - OTHER CONTRACTED SERVICES	0	0	0	120,170	0	300,000	
6378 - COPIER MAINTENANCE AGREEMENT	492	0	0	0	0	0	
6381 - OTHER RENTALS	37	0	0	0	0	0	
6388 - TECHNOLOGY EQUIP CHARGE	4,728	1,508	1,640	822	1,640	1,640	
6390 - POSTAGE AND TELEPHONE	409	561	1,750	714	1,750	1,000	
OTHER SERVICES AND CHARGES	**29,827**	**43,590**	**62,382**	**151,951**	**62,382**	**383,135**	
MISCELLANEOUS							
6430 - MISCELLANEOUS	4,020	0	0	0	0	0	
6471 - DUES & SUBSCRIPTIONS	0	0	500	0	500	0	
MISCELLANEOUS	**4,020**	**0**	**500**	**0**	**500**	**0**	

HOUSING GENERAL
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
TRANSFERS							
6720 - OPERATING TRANSFERS	625,522	325,175	320,452	0	320,452	307,563	
TRANSFERS	**625,522**	**325,175**	**320,452**	**0**	**320,452**	**307,563**	
TOTAL EXPENDITURES	**719,009**	**432,052**	**442,631**	**179,460**	**442,631**	**751,600**	
CHANGE 2025 REVISED TO 2026 REQUESTED							**308,969**
PERCENT CHANGE 2025 REVISED TO 2026 REQUESTED							**69.80%**

HOUSING GENERAL
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20261 - HOUSING-ADMIN SAL&BENEFITS							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	260,464	284,547	295,278	141,890	295,278	315,489	
6108 - ACCUMULATED VACATION/COMP LEAV	2,915	1,280	1,181	0	1,181	849	
6112 - SERVICE RECOGNITION	0	0	2,389	0	2,389	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	39,185	42,364	45,015	21,110	45,015	47,865	
6130 - EMPLOYER PAID INSURANCE	44,489	55,532	51,789	21,481	51,789	54,455	
6150 - WORKERS COMPENSATION	1,666	1,836	2,571	621	2,571	2,347	
6170 - EMPLOYER CONTR TO HCSP	5,339	6,507	5,308	1,462	5,308	5,761	
PERSONNEL SERVICES	**354,057**	**392,065**	**403,531**	**186,564**	**403,531**	**426,766**	
OTHER SERVICES AND CHARGES							
6388 - TECHNOLOGY EQUIP CHARGE	0	668	800	402	800	800	
6390 - POSTAGE AND TELEPHONE	1,840	2,929	2,800	1,225	2,800	2,800	
OTHER SERVICES AND CHARGES	**1,840**	**3,597**	**3,600**	**1,627**	**3,600**	**3,600**	
TOTAL EXPENDITURES	**355,898**	**395,662**	**407,131**	**188,191**	**407,131**	**430,366**	
CHANGE 2025 REVISED TO 2026 REQUESTED							**23,235**
PERCENT CHANGE 2025 REVISED TO 2026 REQUESTED							**5.71%**

HOUSING GENERAL
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20267 - HOUSING-NM SAL&BENEFITS							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	83,380	102,304	125,974	53,895	125,974	132,270	
6102 - FULL-TIME EMPLOYEES-OVERTIME	7,418	9,363	0	2,491	0	8,500	
6108 - ACCUMULATED VACATION/COMP LEAV	0	938	0	0	0	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	13,745	16,957	19,089	8,537	19,089	20,042	
6130 - EMPLOYER PAID INSURANCE	16,755	24,739	25,649	10,903	25,649	26,826	
6150 - WORKERS COMPENSATION	863	959	1,198	319	1,198	1,073	
6170 - EMPLOYER CONTR TO HCSP	2,296	2,679	2,088	773	2,088	2,974	
PERSONNEL SERVICES	**124,457**	**157,938**	**173,998**	**76,919**	**173,998**	**191,685**	
SUPPLIES							
6245 - CLOTHING ALLOWANCE	0	0	600	0	600	600	
SUPPLIES	**0**	**0**	**600**	**0**	**600**	**600**	
OTHER SERVICES AND CHARGES							
6388 - TECHNOLOGY EQUIP CHARGE	0	1,002	1,200	600	1,200	1,200	
6390 - POSTAGE AND TELEPHONE	245	678	840	337	840	840	
OTHER SERVICES AND CHARGES	**245**	**1,680**	**2,040**	**937**	**2,040**	**2,040**	
TOTAL EXPENDITURES	**124,702**	**159,618**	**176,638**	**77,855**	**176,638**	**194,325**	
CHANGE 2025 REVISED TO 2026 REQUESTED							**17,687**
PERCENT CHANGE 2025 REVISED TO 2026 REQUESTED							**10.01%**

HOUSING GENERAL
SUMMARY OF EXPENDITURES

Description	2023 Actual	2024 Actual	2025 Original Budget	June 2025 Actual	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
20268 - HOUSING-JC SAL&BENEFITS							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	110,819	125,214	131,746	64,375	131,746	134,791	
6102 - FULL-TIME EMPLOYEES-OVERTIME	20,868	16,984	0	8,007	0	18,500	
6108 - ACCUMULATED VACATION/COMP LEAV	0	95	0	0	0	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	18,816	20,289	19,963	10,296	19,963	20,425	
6130 - EMPLOYER PAID INSURANCE	35,971	43,094	41,990	20,643	41,990	45,265	
6150 - WORKERS COMPENSATION	869	985	1,252	334	1,252	1,093	
6170 - EMPLOYER CONTR TO HCSP	2,679	2,965	2,973	848	2,973	2,651	
PERSONNEL SERVICES	**190,021**	**209,625**	**197,924**	**104,503**	**197,924**	**222,725**	
SUPPLIES							
6245 - CLOTHING ALLOWANCE	0	0	600	0	600	600	
SUPPLIES	**0**	**0**	**600**	**0**	**600**	**600**	
OTHER SERVICES AND CHARGES							
6388 - TECHNOLOGY EQUIP CHARGE	0	1,002	1,200	600	1,200	1,200	
6390 - POSTAGE AND TELEPHONE	490	888	840	372	840	840	
OTHER SERVICES AND CHARGES	**490**	**1,890**	**2,040**	**972**	**2,040**	**2,040**	
TOTAL EXPENDITURES	**190,511**	**211,515**	**200,564**	**105,474**	**200,564**	**225,365**	
CHANGE 2025 REVISED TO 2026 REQUESTED							**24,801**
PERCENT CHANGE 2025 REVISED TO 2026 REQUESTED							**12.37%**

HOUSING-ADMIN SAL&BENEFITS
DETAIL OF EXPENDITURES

CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
EXPENDITURES					
SERVICES AND OTHER CHARGES					
6388	TECHNOLOGY EQUIP CHARGE	computer replacement charges	800	800	
6390	POSTAGE AND TELEPHONE	Phone allowance for Property Managers, Housing Manager	2,800	2,800	

HOUSING-NM SAL&BENEFITS
DETAIL OF EXPENDITURES

CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
EXPENDITURES					
PERSONNEL SERVICES					
6102	FULL-TIME EMPLOYEES-OVERTIME		0	8,500	
MATERIALS & SUPPLIES					
6245	CLOTHING ALLOWANCE	for maintenance & caretaker at building	600	600	
SERVICES AND OTHER CHARGES					
6388	TECHNOLOGY EQUIP CHARGE	computer replacement charges	1,200	1,200	
6390	POSTAGE AND TELEPHONE	Cell phone benefit for mtnce & caretaker at building	840	840	

HOUSING-JC SAL&BENEFITS
DETAIL OF EXPENDITURES

CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2025 Revised Budget	2026 Requested Budget	2026 Final Budget
EXPENDITURES					
PERSONNEL SERVICES					
6102	FULL-TIME EMPLOYEES-OVERTIME		0	18,500	
MATERIALS & SUPPLIES					
6245	CLOTHING ALLOWANCE	for maintenance & caretaker at building	600	600	
SERVICES AND OTHER CHARGES					
6388	TECHNOLOGY EQUIP CHARGE	computer replacement charges	1,200	1,200	
6390	POSTAGE AND TELEPHONE	Cell phone benefit for mtnce & caretaker at building	840	840	

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	September 15, 2025
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	4.C.

MEETING TYPE
Special Meeting

AGENDA ITEM
Approval of Purchase Agreement

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to approve a purchase agreement with Guild Incorporated, subject to minor modification by the City Attorney.

OVERVIEW
In early 2025, Guild Incorporated relocated their Crisis and Recovery Center from the properties at 314 - 318 2nd Street North to a new facility in West St. Paul. As this transition was imminent for several years, City Staff maintained open dialogue with Guild's leadership for the past several years about the organization's long term intentions for the property. Throughout the first half of 2025, Guild leadership undertook a strategic planning effort to identify, among other things, their disposition strategy for the now-vacant South St. Paul property. Guild determined that the property was surplus and as the organization had shifted away from real estate ownership they expressed an interest in collaborating with the EDA to assure that the properties continued to function in support of the City and EDA's long term economic development and housing goals.

A purchase agreement has been drafted by the City Attorney's office, and is enclosed for consideration and approval.

SOURCE OF FUNDS
Development Fund (20284)

ATTACHMENTS
1. Purchase Agreement (314 - 318 2nd Street North)

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made as of this ______ day of __________________, 2025 (the "Effective Date") between Guild Incorporated, a Minnesota corporation ("Seller"), and the South St. Paul Economic Development Authority, a public body, corporate and politic under the laws of Minnesota ("Buyer").

WHEREAS, Seller is the fee owner of certain real property legally described on Exhibit A, attached hereto and incorporated herein (the "Property"); and

WHEREAS, the Buyer has agreed to buy from Seller, and Seller has agreed to sell to the Buyer, the Property pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, Seller and the Buyer hereby agree as follows:

1. Sale of Property. Subject to compliance with the terms of this Agreement, Seller agrees to sell to the Buyer, and the Buyer agrees to buy from Seller, the following property (collectively, "Property"):

> The Property together with (i) all improvements located on the Property ("Improvements"), and (ii) all easements and rights benefiting or appurtenant to the Property, including Seller's rights in any vacated or existing public rights of way abutting the property ("Appurtenances") (collectively the Property, Improvements and Appurtenances shall be called the "Property"), subject only to Permitted Encumbrances.

2. Purchase Price. The "Purchase Price" for the Property shall be the sum of Three Hundred Ninety-Five Thousand and 00/100s ($395,000.00) to be paid as follows:

    (a) Twenty Thousand and no/100 Dollars ($20,000.00) by check or certified wire transfer as Earnest Money ("Earnest Money") paid to the Title Company within five (5) business days of the Effective Date of this Agreement; and

    (b) The remainder of Three Hundred Seventy-Five Thousand and no/100 Dollars ($375,000.00) by check or certified wire transfer on or before the Closing Date.

3. Buyer's Contingencies. The Buyer's obligations under this Agreement are contingent upon each of the following:

(a) Title. The condition of title shall have been found acceptable to the Buyer, or been made acceptable, in accordance with the requirements and terms of Section 4 below and under the time limitations set forth in Section 4(d).

(b) Testing, Investigation. Buyer shall have the right to enter onto the Property prior to the Closing Date to make such inspections, and conduct soil and other tests, at its own cost, on the Property. In the event the Buyer determines, within 45 days of the Effective Date, in its sole discretion, there exists unacceptable conditions, this Agreement will be null and void and the Earnest Money shall be returned to the Buyer. Seller shall allow the Buyer, and the Buyer's agents, access to the Property without charge and at all reasonable times for the purpose of the Buyer's investigation and testing the same. In performing such investigation and testing, the Buyer shall attempt to minimize any interference with the Property's operation. The Buyer shall pay all costs and expenses of such investigation. The Buyer shall further repair and restore any damage to the Property caused by the Buyer's testing and return the Property to substantially the same condition as existed prior to such entry. The Buyer agrees to indemnify and defend Seller from and to hold Seller harmless against any and all claims, causes of action or expenses, including attorneys' fees, relating to or arising from the Buyer's presence on the Property prior to the Closing Date and to provide Seller with evidence that the Buyer maintains reasonably adequate liability insurance, including contractual liability endorsement or provisions insuring the Buyer's potential liability's under this Section 3.

(c) Document Review. Within fifteen (15) days after the Effective Date, Seller shall make available to the Buyer for copying true and correct copies of all documents reasonably accessible in Seller's possession relating to the Property including test reports, plans, contracts, permits, any engineering reports, any as-built survey of the Property, and certificates of occupancy for the Property for the Buyer's review and analysis, and the Buyer shall have determined, within 45 days of the Effective Date, that it is satisfied with its review and analysis of the documents.

(d) Representations and Warranties. Seller's representations and warranties contained in this Agreement are accurate in all material respects now and will be on the Closing Date as if made on the Closing.

(e) Material Alterations. Seller shall not make any material alterations or improvements to the Property in the period between the Effective Date of this Agreement and the Closing Date.

(f) Unpaid Property Taxes. On or before Closing, Seller has paid all unpaid property taxes and penalties.

If any contingency set forth in this Section 3 has not been satisfied within the time frames specifically set forth in each Section 3(a)-(f), then this Agreement may be terminated, at the Buyer's option, by written notice from the Buyer to Seller. Such notice of termination must be given: (i) under Section 3(a) within the time frames set forth in Section 4(d); (ii) under Sections 3(b) and (c) within 45 days of the Effective Date; and (iii) under Sections 3(e), (f) and (g), prior to the Closing Date.. Upon such termination, the Buyer shall be entitled to return of the Earnest Money, and neither party will have any further rights or obligations regarding this Agreement or the Property. If Buyer fails to provide a notice of termination within the timeframes set forth above, the Earnest Money shall become non-refundable. All the contingencies set forth in this Section 3 are specifically stated and agreed to be for the sole and exclusive benefit of the Buyer and the Buyer shall have the right to unilaterally waive any contingency by written notice to Seller. Seller agrees to cooperate with and assist the Buyer in attempting to satisfy each of the foregoing contingencies.

4. <u>Title</u>.

(a) <u>Condition of Title</u>. On the Closing Date, Seller shall be required to convey fee title to the Property to the Buyer, subject to no liens, easements, encumbrances, conditions, reservations or restrictions other than the Permitted Encumbrances and those exceptions listed in Section 6(a) of this Agreement.

(b) <u>Title Evidence</u>. The Seller shall obtain, at the Seller's expense, within twenty (20) days after the Effective Date of this Agreement a commitment ("Title Commitment") from the Title Company for an Owner's Policy of Title Insurance in the amount of the Purchase Price (all documents included in the Title Commitment shall be considered the "Title Evidence").

(c) <u>Buyer's Objections</u>. Within fifteen (15) days after receiving the last of the Title Commitment, the Buyer will make written objections ("Objections") to the form and/or contents of the Title Evidence. The Buyer's failure to make Objections within such time period will constitute a waiver of objections, except that the Buyer shall not be deemed by virtue of failure to so object to have waived any proper objection relating to any Consensual Lien on the Property. Any matter shown on such Title Evidence and not objected to by the Buyer (other than such Consensual Liens) shall be a "Permitted Encumbrance" hereunder. As used herein "Consensual Lien" means a mechanic's lien or similar lien attached to the Property that Seller has voluntarily placed on the Property through his action or inaction.

(d) <u>Seller Cure Period</u>. If the Buyer notifies Seller of Objections within the time period set forth above, Seller shall have ten (10) days after receipt of the Objections ("Cure Notice Period") to notify the Buyer whether it will cure the Objections. If Seller notifies the Buyer that it will cure the applicable Objection, Seller must use its best efforts to do so within thirty (30) days after Seller notifies the Buyer that it will cure the Objection (the "Cure Period"), during which period the Closing will be postponed as necessary. If the Objections are not cured within the Cure Period or if Seller notifies the Buyer that Seller will not cure an applicable Objection, the Buyer's options will be to do the following: (i) within 10 days of the expiration of the Cure Period or Cure Notice Period if Seller elects not to cure, terminate this Agreement by written notice to Seller and the Earnest Money shall be returned to the Buyer, or (ii) waive the Objections and proceed to close.

5. Closing. The consummation of the purchase and sale transaction contemplated by this Agreement (the "Closing") shall occur on or before December 5, 2025 (the "Closing Date") at DCA Title, 750 Main Street, Suite 280, Mendota Heights, MN 55118 ("Title Company"). The Closing Date may be extended as agreed to by the Buyer and Seller. Time is of the essence in the Closing of this transaction. Seller shall deliver possession of the Property to the Buyer on the Closing Date, provided that all conditions of this Agreement have been met.

6. Seller's Closing Obligations. On the Closing Date, Seller shall execute and/or deliver to the Buyer the following items which are referred to as "Seller's Closing Documents." Seller's Closing Documents shall be duly executed and, where appropriate, be in recordable form.

(a) Deeds. A warranty deed (the "Warranty Deed") executed by Seller, conveying the Property to the Buyer, shall convey marketable title and be subject only to the following exceptions:

i. Building, zoning and platting laws, ordinances and state and federal regulations;
ii. Reservations of any minerals or mineral rights to the State of Minnesota;
iii. The lien of current taxes not yet due and payable and levied and pending special assessments;
iv. Utility easements, road easements and encroachments existing at the date hereof, which do not interfere with proposed development of the Property; and
v. The Permitted Encumbrances.

(b) Title Policy. A Proforma Title Policy or a suitably marked up Commitment for Title Insurance initialed by Title Company, in the form required by this Agreement.

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

(d) Other Documents. All other documents reasonably determined to be necessary to transfer the Property to the Buyer free and clear of all encumbrances except for the Permitted Encumbrances or as requested by the Title Company.

(e) Lease and Contract Terminations. Evidence of termination of all leases or other occupancy agreements affecting the Property, if any, and evidence of termination of any service and maintenance contracts, equipment leases and other contracts regarding the Property, if any, all in form and substance acceptable to the Buyer, effective as of the Closing Date.

7. Buyers's Closing Obligations. On the Closing Date, the Buyer will execute and/or deliver to Seller the following, which (in the case of documents) are referred to as the "Buyer's Closing Documents." The Buyer's Closing Documents shall be duly executed and, where appropriate, be in recordable form.

(a) Purchase Price. The cash portion of the Purchase Price by wire transfer or other immediately available funds.

(b) Other Documents. Such other documents as may be reasonably required by Title Company to record the Seller's Closing Documents and issue the Title Insurance Policy required by this Agreement.

8. Costs and Prorations. Seller and the Buyer agree to the following prorations and allocation of costs regarding this Agreement:

(a) All real estate taxes due and payable in the year of Closing shall be prorated on a daily basis through the Closing Date. The Seller shall pay all real estate taxes and special assessments due and payable in the years prior to the Closing Date.

(b) The Seller shall pay all title charges for the issuance of the Title Commitment.

(c) The Buyer shall pay any Title Policy premium for the owner's policy of title insurance.

(d) The Seller shall pay all costs of recording the Warranty Deed.

(e) The Seller shall pay for the cost of recording any other documents necessary to cure any Objections that Seller has agreed to cure under Section 4(d).

(f) The Seller shall pay the deed tax.

(g) All utility expenses, including water, fuel, gas, electricity, sewer and other services furnished to or provided for the Property, if any, shall be prorated between the Buyer and Seller on a daily basis as of the Closing Date, with the Seller paying those allocable to the period prior to the Closing Date and the Buyer being responsible for those allocable to the Closing Date and subsequent thereto.

(h) All closing fees and costs payable at Closing to the Title Company shall be shared equally between the parties.

(i) Each of the parties will pay its own attorneys' fees, except that a party defaulting under this Agreement or any closing document will pay the reasonable attorneys' fees, court costs and any and all other costs incurred by the non-defaulting party to enforce its rights regarding such default. The prevailing party in any action under this Agreement shall be entitled to the recovery of its reasonable attorneys' fees.

9. Operation Prior to Closing. During the period from the date of Seller's acceptance of this Agreement to the Closing Date ("Executory Period"), Seller shall operate and maintain the Property in the ordinary course of business in accordance with prudent, reasonable standards, including maintaining liability insurance in the forms and amounts in place on the Effective Date. Seller shall not execute any contracts, leases or other agreements regarding the Property during the Executory Period that do not terminate on or before the Closing Date, without the written consent of the Buyer, which consent may be withheld by the Buyer in its sole discretion.

10. Representations and Warranties by Seller. Seller represents and warrants to the Buyer as follows:

(a) Authority. Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it; the foregoing documents have been duly executed and delivered; the execution, delivery and performance by Seller of such documents do not conflict with or result in a violation of any judgment, order, or decree of any court or arbiter or any other agreements of any nature to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.

(b) Contracts. Seller has not entered into any contracts for the sale of the Property other than this Agreement. Seller has received no notice of and has no knowledge of any rights of first refusal or first offer, options to purchase any of the Property or any other rights or agreements which may delay or prevent this transaction. All leases for any part of the Property will be terminated and all parties currently in possession will have vacated the Property on or before the Closing Date.

(c) Mechanic's Liens. There has been no labor or materials of any kind furnished to or for the benefit of the Property for which payment in full has not been made.

(d) Proceedings, Etc. Seller has received no notice of any proceedings (other than from the Buyer), nor to the best of the Seller's knowledge, any threatened proceedings against the Property, either administrative or judicial and that there is no litigation or condemnation proceeding pending, nor to the best of Seller's knowledge threatened, which would affect the Property or the use thereof by the Buyer. Seller knows of no present proceedings which would cause special assessments against the Property.

(e) Other Agreements. Except for any agreements that may be included in the Title Evidence, that no note, mortgage, security agreement, or other agreement affecting the Property requires the consent of any party (or Seller shall provide such consent if necessary at its expense) or requires a change in the terms and conditions of the underlying financing as a result of the sale contemplated by this Agreement, and that there are no defaults existing in any such agreements affecting the Property.

(f) Hazardous Materials; Storage Tanks. To the best of Seller's knowledge there has not been any storage, release or disposal of, any Hazardous Material in, on, about or from the Property. The term "Hazardous Materials" means asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, radioactive materials, explosives, known carcinogens, petroleum products and by-products, and any pollutant, contaminant, chemical, material or substance defined as hazardous or as a pollutant or a contaminant in, or the release or disposal of which is regulated by, any federal, state, county, municipal, local or other statute, ordinance or regulation which relates to or deals with human health or the environment, including, without limitation, all regulations promulgated by a regulatory body pursuant to any such statute, ordinance, or regulation, including, but not limited to, the Comprehensive Environmental Response and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601, as amended**.**

(g) Storage Tanks. To the best of Seller's knowledge, there are no storage tanks located on the Property.

(f) Wells. Seller does not know of any existing wells on the Property.

(g) Sewage. Seller does not know of any individual sewage treatment on or serving the Property.

(h) Methamphetamine Production. To the Seller's knowledge, methamphetamine production has not occurred on the Property.

Seller will indemnify the Buyer, its successors and assigns, against, and will hold the Buyer, its successors and assigns harmless from, any expenses or damages, including reasonable attorneys' fees, that the Buyer incurs because of the breach of any of the above representations and warranties. , whether such breach is discovered before or after Closing. Each of the representations and warranties herein contained shall survive the closing and shall not merge into the Warranty Deed. Consummation of this Agreement by the Buyer with knowledge of any such breach by Seller shall constitute a waiver and release by the Buyer of any claims due to such breach. Seller's representations and warranties contained in this Section must be accurate in all material respects now and on the Closing Date as if made on the Closing Date and Seller shall have delivered to the Buyer at Closing an Update Certificate.

11. Representations and Warranties by the Buyer. The Buyer represents and warrants to Seller that the Buyer has the requisite power and authority to enter into this Agreement and the Buyer's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of the Buyer and have been duly executed and delivered; that the execution, delivery and performance by the Buyer of such documents do not conflict with or result in violation of any judgment, order or decree of any court or arbiter to which the Buyer is a party; such documents are valid and binding obligations of the Buyer, and are enforceable in accordance with their terms. The Buyer will indemnify Seller, its successors and assigns, against, and will hold Seller, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Seller incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Each of the representations and warranties herein contained shall survive the closing and shall not merge into the Warranty Deed. Consummation of this Agreement by Seller with knowledge of any such breach by the Buyer shall constitute a waiver and release by Seller of any claims due to such breach.

12. Condemnation. If, prior to the Closing Date, eminent domain proceedings are commenced against all or any portion of the Property by an entity other than the Buyer, Seller shall immediately give notice to the Buyer of such fact and this Agreement shall terminate, in which event neither party will have further obligations under this Agreement and the Earnest Money is returned to the Buyer.

13. Brokers' Commission. Seller and the Buyer represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction. Seller hereby discloses that one or more of its principals are licensed real estate brokers in the State of Minnesota.

14. Survival. All of the terms of this Agreement will survive and be enforceable after the Closing and delivery of the Deeds unless otherwise stated herein.

15. Notices. Any notice required or permitted to be given by any party to the other shall be given in writing, and shall be (i) hand delivered to the receiving party (or any officer of such party), or (ii) mailed by United States registered or certified mail, return receipt requested, postage prepaid, (iii) emailed with a confirmation of receipt or (iv) properly deposited with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Guild Incorporated
130 Wabasha Street South, Suite 90
Saint Paul, MN 55107
Attn: Chief Executive Officer

If to the Buyer: South St. Paul Economic Development Authority
125 Third Avenue North
South St. Paul, MN 55075
Attn: Executive Director

Notices shall be deemed effective on the earlier of the date of receipt or in the case of such deposit in the mail or overnight courier, on the third business day following such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, at least ten (10) days prior to the effective date of such change.

Seller warrants that it has not received any notice from any government authorities as to violations of any laws, ordinances, or regulations with respect to the Property.

16. Entire Agreement. This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings and representations between the parties regarding the Property. There are no verbal or written side agreements that change this Agreement.

17. Amendment; Waiver. No amendment of this Agreement, and no waiver of any provision of this Agreement, shall be effective unless set forth in a writing expressing the intent to so amend or waive, and the exact nature of such amendment or waiver, and signed by all parties (in the case of amendment) or the waiving party (in the case of waiver). No waiver of a right in any one instance shall operate as a waiver of any other right, nor as a waiver of such right in a later or separate instance.

18. Binding Effect. This Agreement binds and benefits the parties and their successors and assigns. No assignment of this Agreement or any rights or obligations hereunder shall be effective unless the written consent of the other party is first obtained.

19. Controlling Law. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation and effect.

20. Remedy for Seller. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer in the manner provided by law. If Buyer fails to cure such default within thirty (30) days of the date of such notice, this Agreement will terminate and Seller shall be entitled to retain the Earnest Money. Except as set forth in Section 3(b), in the event of default by Buyer, Seller's sole remedy hereunder shall be limited to the retention of the Earnest Money. [THIS IS ADDRESSED IN 4(d)]

21. As-Is. The Buyer acknowledges that the Buyer is purchasing the Property in reliance solely on Seller's representations and warranties in Paragraph 10 and the Buyer's inspection of the Property pursuant to Paragraph 3 and on the Buyer's judgment regarding the sufficiency of such inspections. The Buyer is not relying on any written or oral representations, warranties or statements that Seller or Seller's agents have made except for the representations and warranties of title to the Property and the representations and warranties of Seller set forth in this Agreement. Subject to the Buyer's right to terminate this Agreement as set forth herein, the Buyer is purchasing the Property in "as is" condition. The "as is" nature of this transaction was considered by both parties in arriving at the agreed Purchase Price.

22. Counterparts. For the convenience of the parties, any number of counterparts hereof may be executed and each such executed counterpart shall be deemed an original, but all such counterparts together shall constitute one and the same Agreement.

23. In the event that any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality and enforceability of the remaining provision or any application thereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the Buyer and Seller have caused this Agreement to be executed under seal by its duly authorized signatory as of the dates referenced below.

[remainder of page intentionally left blank]

BUYER
SOUTH ST. PAUL EONOMIC DEVELOPMENT AUTHORITY

By: ________________________________
James P. Francis
President

By: ________________________________
Ryan Garcia
Executive Director

SELLER
GUILD INCORPORATED

By: ____________________________________
Trish Thacker
Chief Executive Officer

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Real property located in the County of Dakota, State of Minnesota, legally described as follows:

> Lots 10, 11, & 12, Block 11, the Stockyards Re-Arrangement of Blocks 1, 2, 3, 4 5, 6, 7, 8, 9, 10, 11, and 12 of South St. Paul, according to the recorded plat thereof on file and of record in the office of the Register of Deeds, County of Dakota, State of Minnesota.

PID: 36.72850.11.120
Abstract Property