CITY OF SOUTH ST. PAUL
MEETING AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

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

Monday, October 6, 2025
IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE CITY COUNCIL

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered routine by the City Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member or citizens requests, in which case the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. EDA Meeting Minutes for September 2, 2025, and Specail Meeting Minutes for September 15, 2025.

B. Mortgage Satisfaction, Applicant #1027

C. Approve Amendment #2 to Preliminary Development Agreement with ZAS, LLC

5. GENERAL BUSINESS:

A. Approval of Subgrant Agreements for the Wakota Industrial Project

6. ITEMS FOR FUTURE FOLLOW-UP:

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

7. ADJOURNMENT

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	October 6, 2025
DEPARTMENT:	City Clerk
PREPARED BY:	Deanna Werner
AGENDA ITEM NUMBER:	4.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
EDA Meeting Minutes for September 2, 2025, and Specail Meeting Minutes for September 15, 2025.

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Approve as presented by consent.

OVERVIEW
Approval of meeting minutes for the EDA Meeting held on Tuesday, September 2, 2025 and EDA Special Meeting held on Monday, September 15, 2025.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. 09-02-2025 EDA Minutes
2. 09-15-2025 Special Minutes (1)

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY MINUTES OF SEPTEMBER 2, 2025

1. CALL TO ORDER

President Jimmy Francis called the regular meeting of the City Council to order at 7:48 PM on Tuesday, September 2, 2025.

2. ROLL CALL

Present: Tom Seaberg, Jimmy Francis, Lori Hansen, Pam Bakken, Todd Podgorski, Matt Thompson, Joe Kaliszewski

Absent: None

Staff Present: Ryan Garcia, City Administrator/EDA Executive Director, Kori Land, City Attorney, Deanna Werner, City Clerk/EDA Secretary

3. APPROVAL OF AGENDA

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered routine by the City Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member or citizens requests, in which case the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Approve EDA Minutes of 08-04-2025 Meeting

Moved by: Joe Kaliszewski / Pam Bakken
Moved: To Approve the Consent Agenda as presented.
Vote: 7 ayes / 0 nays, motion Passed

5. GENERAL BUSINESS:

A. Micro Loan - Al's Corral Bar, Inc., Resolution 2025 - 16

Moved by: Lori Hansen / Matt Thompson
Moved: To Approve Micro Loan - Al's Corral Bar, Inc., Resolution 2025 - 16
Vote: 7 ayes / 0 nays, motion Passed

6. ITEMS FOR FUTURE FOLLOW-UP:

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

7. ADJOURNMENT

Moved by: Joe Kaliszewski / Pam Bakken
Moved: To Adjourn
Vote: 7 ayes / 0 nays, motion Passed

The meeting was adjourned at 7:55 PM.

Deanna Werner

/s/: Deanna Werner
City Clerk

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY MINUTES OF SEPTEMBER 15, 2025

1. CALL TO ORDER

President Jimmy Francis called the Special meeting of the South St. Paul EDA to order at 6:30 PM on Monday, September 15, 2025.

2. ROLL CALL

Present: Tom Seaberg, Jimmy Francis, Lori Hansen, Pam Bakken, Todd Podgorski, Matt Thompson

Absent: Joe Kaliszewski

Staff Present:
Ryan Garcia, City Administrator/EDA Executive Director
Deanna Werner, City Clerk/EDA Secretary
Kori Land, City Attorney

3. APPROVAL OF AGENDA

Moved by: Matt Thompson / Todd Podgorski
Moved: To approve the Agenda as presented.
Vote: 6 ayes / 0 nays, motion Passed

4. GENERAL BUSINESS

A. Review and Approve 2026 EDA Levy and Budget, Resolution 2025 - 17

Moved by: Matt Thompson / Pam Bakken
Moved: To Review and Approve 2026 EDA Levy and Budget, Resolution 2025 - 17
Vote: 6 ayes / 0 nays, motion Passed

B. Review and Approve 2026 HRA Levy and Budget, Resolution 2025 - 18

Moved by: Lori Hansen / Tom Seaberg
Moved: To approve 2026 HRA Levy and Budget, Resolution 2025 - 18
Vote: 6 ayes / 0 nays, motion Passed

C. Approval of Purchase Agreement

Moved by: Lori Hansen / Pam Bakken
Moved: To approve Purchase Agreement
Vote: 6 ayes / 0 nays, motion Passed

5. ADJOURNMENT

Moved by: Matt Thompson / Tom Seaberg
Moved: To Adjourn
Vote: 6 ayes / 0 nays, motion Passed

The meeting was adjourned at 6:47 PM.

Deanna Werner

/s/: Deanna Werner
City Clerk

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	October 6, 2025
DEPARTMENT:	Housing
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	4.B.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Mortgage Satisfaction, Applicant #1027

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through Consent, motion to approve Resolution No. 2025 – 19

OVERVIEW
Applicant #1027 received an HRA rehabilitation loan of $6,200.00 in 2014 with a mortgage recorded at that time. The mortgagee recently paid back the loan in full, thus satisfying the mortgage. Therefore, the EDA is advised to approve Resolution No. 2025 – 19, which will authorize the designated officers of the City's Housing and Redevelopment Authority to execute all necessary documentation required to record the Satisfaction of Mortgage.

SOURCE OF FUNDS
The HRA's rehabilitation loan program was retired in 2015, upon the transfer of programs, projects and employees to either the Dakota County CDA or South St. Paul Economic Development Authority. Outstanding loans in this program, upon repayment, are transferred into the EDA's Housing Reinvestment Fund, which is a fund used to extend low-interest loans for eligible South St. Paul homeowners to make improvements to their property.

ATTACHMENTS
1. Resolution 2025-19

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025 – 19

WHEREAS, the City Council transferred all administration of the South St. Paul Housing and Redevelopment Authority (HRA) programs to the South St. Paul Economic Development Authority ("EDA") by City Council Resolution 2015-197; and

WHEREAS, one of those programs was a rehabilitation loan program, for which there are several outstanding loans; and

WHEREAS, the South St. Paul Housing and Redevelopment Authority of the City of South St. Paul, Minnesota issued a mortgage to Applicant #1027 in the amount of $6,200.00.

WHEREAS, such mortgage recorded on May 20th, 2014, in Dakota County has been satisfied in full by the applicant.

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

1. The EDA shall secure the signatures of the appropriate representatives of the HRA to execute the required documents to satisfy the loan and mortgage.

Adopted this 6th day of October, 2025

President, James P. Francis	Executive Director, Ryan Garcia

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	October 6, 2025
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	4.C.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Approve Amendment #2 to Preliminary Development Agreement with ZAS, LLC

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through Consent, motion to approve Amendment #2 to Preliminary Development Agreement with ZAS, LLC and the City of South St. Paul.

OVERVIEW
On November 4, 2024, the EDA approved a Preliminary Development Agreement (PDA) with the City of South St. Paul and ZAS, LLC for a proposed mixed-use redevelopment of the approximately 5.6-acre site at the northeast corner of Grand Avenue East and Concord Street North. The Developer's proposed concept envisions transforming the site, which is currently vacant but was previously developed with industrial uses including the Dakota County Technical College's meatcutting school, 20/20 Brand Solutions, yard space for Twin City Pallet Co., and more historically several ag-industrial buildings of the former Swift & Co. packinghouse campus. ZAS's concept aligns closely to the mixed-use, walkable, livable vision for this area as identified in numerous City plans over the past 25 years: they propose adding an independent restaurant, "destination retail" (currently vetting an indoor pickleball center), and more than 150 units of market-rate housing at the site in a two-phase development program. Given the conditions of the site, including challenging geotechnical and environmental conditions, for the project to be economically viable we anticipate the necessity of utilizing a creative funding approach involving Tax Increment Financing and the leveraging of state and regional grant programs.

ZAS and the EDA continue to make significant progress towards the advancement of this development; however the executed PDA, as Amended in August 2025, is set to terminate on October 31, 2025. Due to outstanding issues related to site control, stormwater and other infrastructure, and Response Action Plan preparation and approval, the Developer and EDA agree that the project is not yet ripe for a formal purchase and development agreement(s). With this in mind, we have mutually resolved that a 60-day extension to the PDA is desirable as we continue to collaborate on these elements.

SOURCE OF FUNDS

The PDA as executed required an option payment, payable in installments to a total of $30,000, by the developer to retain the exclusive option to negotiate a purchase and development agreement and to assist with the City's administrative costs. The Developer has satisfied this obligation.

ATTACHMENTS

1. Preliminary Development Agreement
2. Second Amendment to Preliminary Development Agreement

THE SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY,
THE CITY OF SOUTH ST. PAUL
AND
ZAS LLC

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (this "Agreement"), dated the _4th_ day of November, 2024, by and between the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota (the "City"), the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the "EDA") and ZAS LLC, a South Dakota limited liability company (the "Developer");

WITNESSETH:

WHEREAS, the EDA owns and desires to promote the development of certain property known as 125, 135, and 139 Grand Avenue East, South St. Paul, Dakota, County, Minnesota, as further described and depicted on Exhibit A attached hereto and incorporated by reference herein (the "Property"); and

WHEREAS, the EDA has determined that it is in the best interests of the EDA that the Developer be designated as the sole developer of the Property during the term of this Agreement; and

WHEREAS, the EDA intends that the site design for the Property be generally consistent with the 2040 Comprehensive Plan, the 2020 Hardman Triangle Redevelopment Plan, and the Concord Gateway Mixed-Use Zoning District and the current site design for the Property includes the following uses on the Property:

1. An approximately 4-story, market-rate residential apartment building with an estimated 145 residential units and not fewer than 140 garage parking stalls and adequate surface parking to, when combined with the garage parking stalls, meets a ratio of one stall per bedroom (the "Market-Rate Building");

2. A 1- to 2- story, "destination retail" building to include experience-based commercial and/or retail uses, including a 1-story, full-service restaurant located near the northeast corner of Grand Avenue and Concord Street North (the "Commercial Building");

3. An approximately 5-story, potentially independent senior-focused or workforce-focused apartment building with an estimated 40 to 110 residential units and adequate parking to meet a ratio of one stall per bedroom (the "Senior/Workforce Building"); and

4. A shared surface parking facility with an estimated 75 surface parking spaces serving the improvements described above (the "Parking"); and

WHEREAS, the Developer desires to acquire and develop all or a portion of the Property for purposes of constructing thereon the aforementioned mixed-use development (collectively the "Development"); and

WHEREAS, the EDA and Developer are interested in further planning and negotiation for the Developer's proposal for the Development; and

WHEREAS, Developer has indicated to the EDA that it will seek financial assistance from the City and/or the EDA to make the Development feasible; and

WHEREAS, the City or the EDA will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other required analysis of the Development (the "Studies") and will need to determine that the proposed Development of the Property will have a positive impact on the City; and

WHEREAS, the City and the EDA will discuss with the Developer available financial assistance, grants, gifts or loans for the Development; and

WHEREAS, various land use, zoning, and subdivision issues and actions related to the Development and the Property are required to be approved by the City in order to facilitate the Development by the Developer; and

WHEREAS, the City and EDA agree to cooperate with the Developer to review and process various land use, zoning, and subdivision issues and actions related to the Development and the Property in order to facilitate the Development by the Developer; and

WHEREAS, the City, the EDA and the Developer are willing to undertake the Development if (i) a satisfactory agreement can be reached regarding EDA's commitment for public costs necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate equity resources for the Development can be secured by Developer; (iii) the parties reach a satisfactory resolution of zoning, land use, public infrastructure and site design issues; and (iv) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Future Negotiations.

The parties agree to continue negotiations in an attempt to formulate a definitive plan for review and approval of all land use, zoning and subdivision approvals and any necessary development agreements or contracts based on the following:

(a) Developer's current proposal for the Development, which shows the scope of the proposed Development in its latest form as of the date of this Agreement, together with such changes or modifications to the proposal as agreed to by the Developer, the City and the EDA;

(b) Financial projections for the Development and related financial analysis of necessary public assistance;

(c) Other terms and conditions of this Agreement.

2. Statement of Intent.

Although not conclusive or binding on either party beyond the designation of Developer as the sole developer of the Property as set forth herein, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; (b) will provide the EDA and City with the necessary information to determine the amount of available financial assistance for the Development, following receipt of pertinent financial projections related to the Development and subsequent, independent review by the City's financial consultants; (c) will lead to negotiation and execution of a mutually satisfactory development agreements or contracts prior to the termination date of this Agreement; and (d) will lead to an appropriate land use, zoning, and subdivision application or applications. The development agreements or contracts (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed and any land use, zoning, and subdivision approvals, will supersede all obligations of the parties hereunder.

3. Term; Duties.

(a) During the term of this Agreement, EDA and City agree to:

(i) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development.

(ii) Provide to the Developer copies of all due diligence items in EDA's and City's possession, including without limitation: title, survey, environmental (Environmental Phase I & Phase II reports), soils, and market studies.

(iii) Use good faith efforts to negotiate and enter into one or more development agreements with the Developer for the phased development of the Market Rate Building, the Commercial Building, the Senior/Workforce Building, and the Parking (and, if applicable, any future phases of Development).

(b) During the term of this Agreement, Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for the Development.

(ii) Conduct additional due diligence review of the Property. It is mutually understood and agreed that the EDA has completed, without Developer's assistance or financial contribution, Geotechnical Assessments and Phase I and Phase II environmental site assessments prior to execution of this Agreement, which assessments have been and / or will be provided to Developer.

(iii) Use good faith efforts to obtain approval by the EDA and the City (including its Engineer, Planning and Inspection Department, and any other necessary governing authority) for approval of the site plan, exterior elevations and finishes, and such other zoning approvals as may be required.

(iv) Use good faith efforts to obtain any other necessary governmental approval from any governing authority.

(v) Use good faith effort to obtain financing on terms acceptable to Developer, in its sole discretion, which may include, but are not limited to public financial assistance (such as pay-as-you-go tax increment financing ("TIF") in a mutually agreeable amount), grants from other governmental entities (as applicable), private loans and equity investment for the Development.

(vi) Use good faith efforts to negotiate and enter into one or more development agreements with the EDA for the phased development of the Market Rate Building, the Commercial Building, the Senior/Workforce Building, and the Parking (and, if applicable, any future phases of Development).

4. Financial Assistance; TIF.

(a) EDA understands that the Developer is seeking financial assistance from the City and/or the EDA. During the term of this Agreement, Developer shall:

(i) Submit to EDA a design proposal to be reviewed by EDA showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development.

(ii) Submit an overall cost estimate for the design and construction of the Market-Rate Building, Parking, Commercial Building, and if applicable, a separate overall cost estimate for any subsequent phases.

(iii) Submit an anticipated time schedule for each planned phase of the Development.

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development.

(v) Submit to EDA the Developer's financing plan showing that the proposed initial phase of the Development is financially feasible, and if applicable, a separate financial plan for any subsequent phases.

(vi) Furnish information in its possession or provide additional information as reasonably requested by the City or EDA to assist the City and EDA's determination of the appropriate amount of financial assistance needed for the Development, including good faith cooperation with the City or EDA's financial consultants and legal counsel.

(b) Developer understands that the TIF sought for the proposed Development must comply with state statute and the EDA's TIF policy. The EDA agrees in any development agreement or contract entered into as contemplated herein that the EDA will review and consider such financing as allowed by law, but no provision shall be construed as an affirmative approval of such financing until such time that a separate TIF agreement is entered into by both parties.

5. Feasibility.

It is expressly understood that execution and implementation of any development agreement or contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) and any land use, zoning and subdivision approvals shall be subject to:

(a) A determination by the City and the EDA in their sole discretion that the undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City and the EDA.

(b) A determination by Developer in its sole discretion that the Development is feasible and in the best interests of Developer.

6. Costs; Exclusive Option and Administrative.

Developer shall be solely responsible for all costs incurred by Developer. Within five business days of full execution of this Agreement, the Developer agrees to submit a non-refundable option payment to the EDA in the amount of $15,000, with additional payments of $5,000 each due to the EDA on or before each the following subsequent dates: January 1, 2025, April 1, 2025, and July 1, 2025, as long as this Agreement has not been terminated or replaced with a formal development agreement for the Development prior to any such date. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the EDA or the City, together with consultants (including engineering, surveys, legal, financial advisor, acquisition specialist, relocation consultant, environmental analysis, environmental advisor, planning advisor, etc.), all attributable to or incurred in connection with the review of the development agreement, Development or other related contracts or agreements (together with any other agreements entered into between the parties hereto contemporaneously therewith), the negotiation and preparation of the definitive development agreement or agreements, and other documents and agreements in connection with the Development. Any application or escrow fees generally collected by the City for planning applications such as the Developer may file in relation to the Development will be collected separately pursuant to the City's applicable ordinances.

7. Effective Date; Expiration.

This Agreement is effective from the date hereof through August 31, 2025. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

8. Termination.

This Agreement may be terminated upon fourteen (14) days written notice by EDA to Developer, or Developer to EDA, if:

(a) An essential precondition to the execution of a contract cannot be met; or

(b) If, in the respective sole discretion of the City, EDA or Developer, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement, and the parties have been unable to resolve such impasse through good-faith negotiations within 30 days after the party determining the impasse has notified the other party in writing of such determination.

9. Sole Developer.

Developer is hereby designated by the City and the EDA as the sole developer of the Property during the term of this Agreement and the City and the EDA agree to negotiate solely with Developer with respect to the acquisition or development of the Property. The City and EDA agree not to market the Property or to make, accept, negotiate, or otherwise pursue any other offers for sale, purchase or development of the Property until this Agreement expires or is terminated pursuant to Section 7 or Section 8 herein.

10. Right of Entry.

In connection with this Agreement, EDA hereby grants to the Developer, its agents, employees, officers, and contractors (the "Authorized Parties") a right of entry on the Property for the purpose of performing all due diligence work and inspections deemed necessary by the Developer to fulfill its obligations under this Agreement (the "Permitted Activities"). Developer is responsible for any and all costs related to the Permitted Activities conducted on the Property. Developer agrees to indemnify, save harmless, and defend the Authority and its officers and employees, from and against any and all claims, actions, damages, liability and expense in connection with personal injury and/or damage to the Property arising from or out of any occurrence in, upon or at the Property to the extent caused by the act or omission of the Authorized Parties in conducting the Permitted Activities on the Property, except (a) to the extent caused by the negligence, gross negligence, willful misrepresentation or any willful or wanton misconduct by the City or the EDA, or their officers, employees, agents or contractors; and (b) to the extent caused by a "Pre-Existing Condition" as defined in this paragraph 10. "Pre-Existing Condition" shall mean any geologic or soil condition, any defect in the condition of improvements located on the Property, or any condition caused by the existence of hazardous substances or materials in, on, or under Property, including without limitation hazardous substances released or discharged into the drainage systems, soils, groundwater, waters or atmosphere, which condition existed as of the date of this Agreement and became known or was otherwise disclosed or discovered by reason of the Authorized Parties' entry onto the Property.

11. Severability.

If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

12. Breach; Waiver.

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another 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.

13. Notice.

Notice or demand or other communication between or among the parties shall be sufficiently given if sent by email (provided such message is not rejected and does not otherwise "bounceback"), by mail, postage prepaid, return receipt requested, by nationally recognized overnight courier or delivered personally to the following address (which may be changed by either party by notice provided in accordance with this section):

(a) As to EDA/City: South St. Paul Economic Development Authority
125 3rd Avenue N
South St. Paul, MN 55075
Attn: Executive Director
Email: rgarcia@southstpaul.org

(b) As to Developer: ZAS LLC
5605 Tracy Avenue
Edina, MN 55436
Attn: Alex Gese
Email: alex@zavidevelopment.com

14. Assignment.

Developer may assign its rights and obligations under this Agreement to an affiliate or subsidiary of Developer, or to any entity under common control with Developer, without the prior consent of the City or EDA.

15. Counterparts.

This Agreement may be executed simultaneously in any number of counterparts (and counterparts may be exchanged by electronic transmission (including by email)), all of which shall constitute one and the same instrument.

16. <u>Governing Law</u>.

This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

17. <u>Incorporation</u>.

The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

ZAS LLC.
a South Dakota limited liability company

By: Alex Gese
Name: Alex Gese
Its: Owner

CITY:

CITY OF SOUTH ST. PAUL

By: James P. Francis
James P. Francis
Its Mayor

By: Deanna Werner
Deanna Werner
Its Clerk

EDA:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________
James P. Francis
Its President

By: ______________________
Ryan Garcia
Its Executive Director

EXHIBIT A

PARCEL ID NUMBERS AND DEPICTION OF PROPERTY

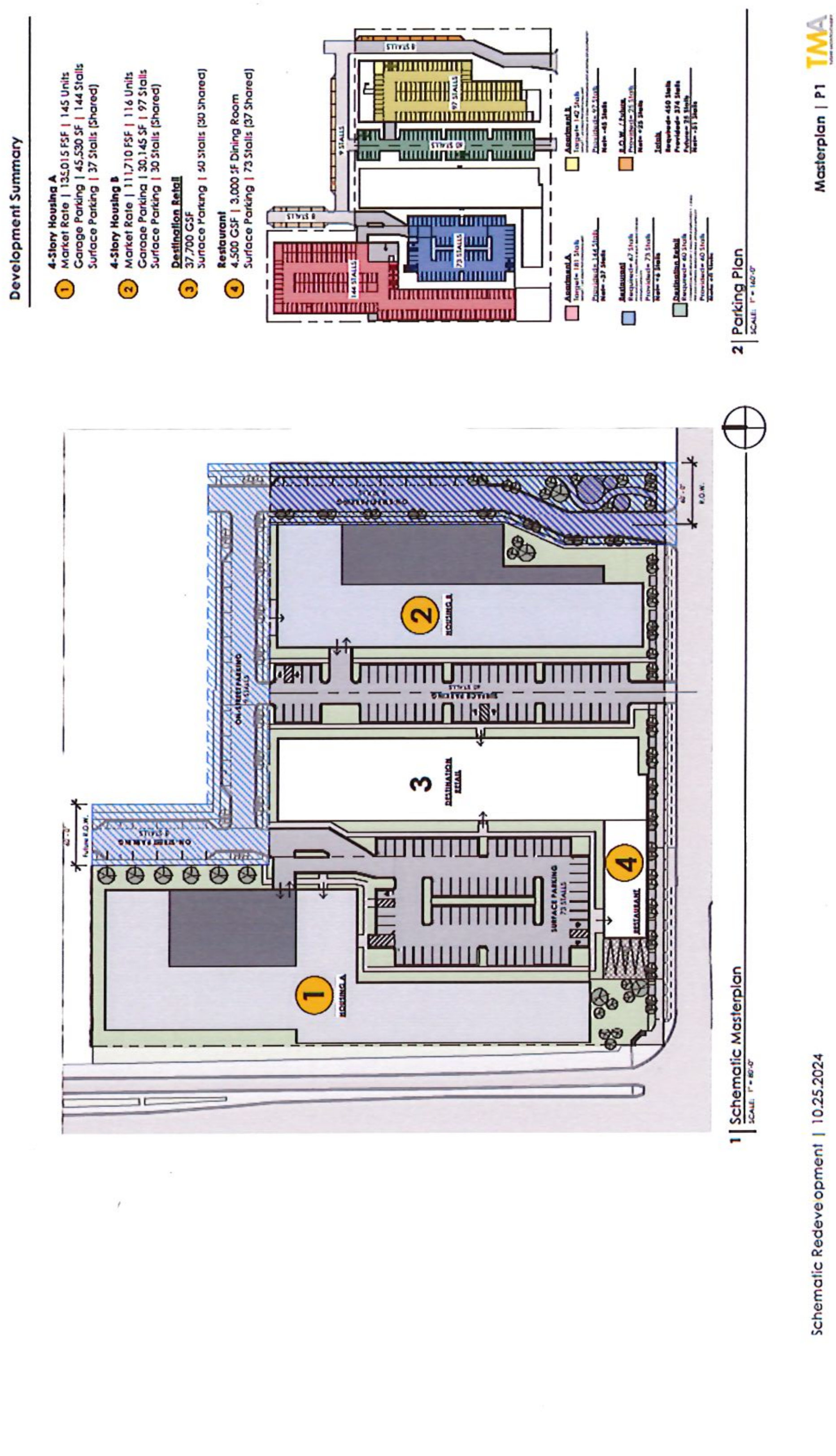
36-03800-00-062
36-03800-00-061
36-03800-00-073
36-03800-00-072

(Full Legal Description of Development Property to be prepared prior to Development Agreement)

A-2

EXHIBIT B

DRAFT DEVELOPMENT PROPOSAL (PRELIMINARY DRAFT - SUBJECT TO UPDATE AND REVISION)



THE SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY,
THE CITY OF SOUTH ST. PAUL
AND
ZAS LLC

SECOND AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (this “Amendment”), is made as of the 6th day of October, 2025, by and between the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota (the “City”), the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “EDA”) and ZAS LLC, a South Dakota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the EDA, City and Developer are parties to that certain Preliminary Development Agreement dated November 4, 2024, as amended by that certain Amendment to Preliminary Development Agreement dated August 5, 2025 (collectively, the “Agreement”), with respect to the development of certain property known as 125, 135, and 139 Grand Avenue East, South St. Paul, Dakota County, Minnesota, as further described in the Agreement; and

WHEREAS, the EDA, City and Developer are working in good faith to modify and update the Agreement to reflect current circumstances and conditions and wish to enter into this Amendment to provide additional time to do so.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Extension of Term. Section 7 of the Agreement is hereby amended to provide that the term of the Agreement is extended through December 31, 2025.

2. Counterparts. This Amendment may be executed simultaneously in any number of counterparts (and counterparts may be exchanged by electronic transmission (including by email)), all of which shall constitute one and the same instrument.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota.

4. Incorporation. The Recitals set forth in the preamble to this Amendment are incorporated into this Amendment as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto have caused this Amendment to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

ZAS LLC.
a South Dakota limited liability company

By: Alex Gese

Name: Alex Gese

Its: Owner

CITY:

CITY OF SOUTH ST. PAUL

By: ________________________

James P. Francis

Its Mayor

By: ________________________

Deanna Werner

Its Clerk

EDA:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: ________________________

James P. Francis
Its President

By: ___________________________

Ryan Garcia

Its Executive Director

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	October 6, 2025
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	5.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Approval of Subgrant Agreements for the Wakota Industrial Project

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to adopt Resolutions 2025 - 20 and 2025 - 21

OVERVIEW
In July 2025, the City was awarded a trio of grants to support the development of a vacant, contaminated, and geotechnically challenging development site adjacent to the existing commercial building at 843 Hardman Avenue, the longtime home of Danner, Inc. The following grants were awarded, based upon applications submitted by the EDA in the spring of 2025 (a third grant was applied for by the City, not the EDA):

- A $660,490 grant through the Minnesota Department of Employment and Economic Development's ("DEED") "Contamination Cleanup Grant" program;
- A $471,800 grant through the Metropolitan Council's Tax Base Revitalization Account ("TBRA") program;

Both of these grant programs function independently as reimbursement programs for eligible redevelopment costs - borne either by the City (as applicant) or a developer (as a "subgrantee") - and in this case the grants are targeted at addressing the significant environmental contamination present at the development site. Danner Family Limited Partnership has continued to work towards the redevelopment of the site, which the developer proposes to utilize for speculative office-warehouse development in alignment with a preliminary plat, site plan, and variance approved by the City Council via Resolution 2025 - 78 in July 2025. Due to the significant amount of soil contamination on the site requiring excavation and regulated disposal, the presence of high levels of potentially harmful vapor in site soils, and the geotechnical deficiencies to support construction present at the site, the developer will be seeking to leverage the grant funds to offset some of the costs associated with the site work at the earliest stages of the construction project.

The attached agreements have been drafted to commit the developer to proceeding with the cleanup and redevelopment activities and meeting all other applicable provisions of the EDA's contracts with DEED, the Met Council, and the CDA. EDA staff will administer the grant, effectively acting as a "pass-through" agent for the funding.

SOURCE OF FUNDS

All funds related to these agreements are derived from the grant awards, which have been fully approved and executed by the three granting agencies and the EDA. Any matching funds will be the responsibility of the developer, not the EDA or the City.

ATTACHMENTS

1. Resolution 2025-20
2. Resolution 2025-21
3. Wakota Crossing - DEED Subgrant Agreement
4. Wakota Crossing - Metropolitan Council Subgrant Agreement

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025-20

RESOLUTION APPROVING A SUBGRANT AGREEMENT WITH DANNER FAMILY LIMITED PARTNERSHIP.

WHEREAS, the South St. Paul Economic Development Authority (the "EDA") applied for and was awarded a Contamination Cleanup Grant ("Grant") from the State of Minnesota, acting through the Department of Employment and Economic Development, Business and Community Development Division ("DEED") in the amount of six hundred sixty thousand and four hundred ninety dollars ($660,490) ("Grant Award"), with such Grant to be used for the purposes of aiding in the cleanup of environmental soil and groundwater contamination and vapor mitigation at property located at 843 Hardman Avenue South, pursuant to an executed Contamination Cleanup Grant Contract ("Grant Agreement"); and

WHEREAS, the Grant Agreement authorizes the EDA to utilize the funding for "Phase II ESA and RAP, Contaminated Soil Excavation, Transport, and Disposal, Installation of Vapor Mitigation Systems, and Environmental Oversight of Soils" for a private redevelopment project at the property located at 843 Hardman Avenue South ("Property"); and

WHEREAS, Danner Family Limited Partnership ("Developer") has owns the Property and has undertaken due diligence with the intentions of redeveloping the Property for a speculative Industrial Development; and

WHEREAS, the Developer has agreed to the terms of a Subgrant Agreement ("Agreement"), attached hereto as Exhibit A, which provides financial assistance to the Developer for the purposes of redeveloping the Property, and commits the Developer to committing any and all matching funds required in accordance with the terms of the Grant Agreement.

NOW, THEREFORE, BE IT RESOLVED that the EDA hereby approves of the Agreement with the Developer subject to minor modifications approved by the City Attorney, with such grant funds being derived from the proceeds of a 2025 Contamination Cleanup Grant awarded by DEED and subject to the Grant Agreement thereof.

BE IT FURTHER RESOLVED, that the EDA Executive Director, or his/her designee, is hereby authorized to execute the Agreement, substantially in the form of Exhibit A attached hereto, with Danner Family Limited Partnership. for the expenditure of granted funds, subject to the provision of the local matching amount by Danner Family Limited Partnership.

Adopted this 6th day of October, 2025.

James P. Francis President	Ryan Garcia Executive Director

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025-21

RESOLUTION APPROVING A SUBGRANT AGREEMENT WITH DANNER FAMILY LIMITED PARTNERSHIP.

WHEREAS, the South St. Paul Economic Development Authority (the "EDA") applied for and was awarded a Tax Base Revitalization Account Grant ("Grant") from the Metropolitan Council Livable Communities Program ("MC-LC") in the amount of four hundred seventy-one thousand and eight hundred dollars ($471,800) ("Grant Award"), with such Grant to be used for the purposes of aiding in the cleanup of environmental soil and groundwater contamination and vapor mitigation at property located at 843 Hardman Avenue South, pursuant to an executed Contamination Cleanup Grant Contract ("Grant Agreement"); and

WHEREAS, the Grant Agreement authorizes the EDA to utilize the funding for "Contaminated Soil Remediation, soil vapor mitigation (including confirmation sampling after installation), lining of the stormwater ponds, and related environmental oversight" for a private redevelopment project at the property located at 843 Hardman Avenue South ("Property"); and

WHEREAS, Danner Family Limited Partnership ("Developer") has owns the Property and has undertaken due diligence with the intentions of redeveloping the Property for a speculative Industrial Development; and

WHEREAS, the Developer has agreed to the terms of a Subgrant Agreement ("Agreement"), attached hereto as Exhibit A, which provides financial assistance to the Developer for the purposes of redeveloping the Property, and commits the Developer to committing any and all matching funds required in accordance with the terms of the Grant Agreement.

NOW, THEREFORE, BE IT RESOLVED that the EDA hereby approves of the Agreement with the Developer subject to minor modifications approved by the City Attorney, with such grant funds being derived from the proceeds of a 2025 Tax Base Revitalization Grant awarded by MC-LC and subject to the Grant Agreement thereof.

BE IT FURTHER RESOLVED, that the EDA Executive Director, or his/her designee, is hereby authorized to execute the Agreement, substantially in the form of Exhibit A attached hereto, with Danner Family Limited Partnership. for the expenditure of granted funds, subject to the provision of the local matching amount by Danner Family Limited Partnership.

Adopted this __6th____day of___October____, 2025.

____
James P. Francis
President

____
Ryan Garcia
Executive Director

SUB-RECIPIENT FUNDING AGREEMENT
WAKOTA CROSSING PROJECT
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
CONTAMINATION CLEANUP GRANT NO. CCGP-25-0008-Z-FY26
(South St. Paul, MN)

THIS AGREEMENT (**Agreement**) is entered into as of _____________, 2025, by and between **Danner Family Limited Partnership,** a Minnesota limited partnership (**Subgrantee**), and the **South St. Paul Economic Development Authority**, a public body corporate and politic organized and existing under the laws of the State of Minnesota (**EDA).**

RECITALS

WHEREAS, in cooperation with the Subgrantee, the EDA applied for and was awarded a Contamination Cleanup Grant (**Cleanup Grant**) from the State of Minnesota, acting through the Department of Employment and Economic Development, Business and Community Development Division (**DEED)** in the amount of six hundred sixty thousand four hundred ninety dollars ($660,490.00) (**Grant Amount**) to be used for the purposes specified in the EDA's Grant Application (**Project**) pursuant to the terms and requirements of the Contamination Cleanup Grant Contract (**Grant Contract**) between DEED and the EDA; and

WHEREAS, the EDA desires to award proceeds of the Cleanup Grant in the amount of six hundred sixty thousand four hundred ninety dollars ($660,490.00) (**Subgrant**) to be used for the Project pursuant to the terms and requirements of the Grant Contract to assist the Subgrantee with the development of the site on the real property described on the attached **Exhibit A** (**Property)** by funding a portion of the costs of the Wakota Crossing Project identified in the Cleanup Grant Application and Agreement to DEED described below (**Project**); and

WHEREAS, it shall be the exclusive responsibility of the Subgrantee to provide any and all funds constituting the required local match (**Match Funds**) under the Grant Contract, and any amendments thereto, toward the total Project costs. In the event that the Subgrantee, the EDA, or the City of South St. Paul apply for and are successful in attaining additional grant funds for the Project, such additional grant funds may be utilized, in the sole discretion of the EDA or the City of South St. Paul, by Subgrantee as part of its required Match Funds for purposes of the Grant Contract.

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, and in consideration of the covenants and agreements made herein, the parties agree as follows:

1. **<u>Award</u>**. Subject to the terms of this Agreement, the EDA awards the Subgrant to Subgrantee for the activities described in the Grant Contract CCGP-25-0008-Z-FY26 entered into as of August 13, 2025 by the EDA and the DEED and attached hereto as **Exhibit B** and the Contamination Cleanup Grant Application to DEED submitted on May 1, 2025 attached hereto as **Exhibit C**, both of which are incorporated into this Agreement (**Documents**). In the event of a conflict between the Grant Contract, this Agreement and the Grant Application, the documents

shall be deemed to be controlling in the following order: 1) the Grant Contract 2) this Agreement, and 3) the Grant Application. The Subgrant and Match Funds must be used exclusively to pay or reimburse only expenses authorized under the Grant Contract. Administrative costs incurred by the Subgrantee are not eligible for reimbursement under this Agreement. Notwithstanding anything to the contrary, the Subgrantee understands and agrees that any reduction or termination of the Cleanup Grant will result in a like reduction or termination of the Subgrant, and that any material change in the timeline or scope of the Project as set forth in the Documents must be approved in writing by the EDA and DEED.

2. **Performance.** The Subgrantee must comply with all requirements applicable to the EDA in the Grant Contract to the extent that such requirements are applicable to Subgrantee as a subrecipient and private business. Any action or inaction of Subgrantee which could result in a material default under the Grant Contract will constitute noncompliance with this Agreement (**Noncompliance**). If the EDA finds that there has been a failure to comply with the provisions of this Agreement or that reasonable progress on the Project has not been or will not be made, the EDA shall provide Subgrantee with written notice of the noncompliance and provide Subgrantee thirty (30) calendar days to cure the noncompliance, or upon good faith request from Subgrantee that additional time as may be necessary, such longer period specified by the EDA Project Manager (**Manager**) in writing to the EDA (**Cure Period**). If Subgrantee does not cure the noncompliance during the Cure Period, then the EDA may take action to protect its interests, including refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed, in an amount proportionate to protect the EDA from reasonable costs of the noncompliance. If action to correct Noncompliance is not taken by the Subgrantee during the Cure Period, then EDA may terminate this agreement.

3. **Time of Performance.** Subgrantee must complete the components of the Project for which the Subgrant proceeds will be used on or before June 30, 2028. In order to ensure that all funds are drawn prior to the Grant Contract term end date, all payment requests from the Subgrantee to the EDA must be received by the EDA at least thirty (30) days prior to said term end date and a Payment Request as outlined in Section 4.2 . The EDA is not obligated to provide funds for any Project costs incurred after that date or any earlier termination date, whichever occurs first.

4. **Conditions Precedent to Disbursement.** Subgrantee acknowledges that the sole source of the Subgrant funds is the Grant Amount from DEED. The following requirements are conditions precedent to the EDA's disbursement of any of the Subgrant proceeds to Subgrantee.

4.1. The Subgrantee must have provided evidence satisfactory to the Manager showing that Subgrantee has title in fee simple and site control of the Property.

4.2 The Subgrantee must have provided to the Manager such evidence of compliance with all of the provisions of this Agreement and the Grant Contract as the EDA may reasonably request.

5. **Disbursement**. It is expressly agreed and understood that the total amount to be disbursed to Subgrantee by the EDA under this Agreement shall not exceed six hundred sixty thousand four hundred ninety dollars ($660,490.00). The EDA will make disbursements only upon receipt of a written disbursement request in the form provided by DEED (**Disbursement Request**)

and all necessary supporting invoices from Subgrantee acceptable to the EDA and DEED. Payment requests must be accompanied by invoices supporting the reimbursement of the Subgrantee for the approved Cleanup Costs shown in Section 4.1(c) of the Grant Contract in the amount approved in Section 4.1(d) of the Grant Contract and such other documentation related thereto as shall be reasonably requested by the Manager. The EDA will, upon its approval of a Disbursement Request, forward the same to DEED for approval. Upon DEED approval of the Disbursement Request and receipt by the EDA of the approved amounts of Cleanup Grant funds, the EDA will disburse the approved amount of Subgrant funds in accordance with the information provided in the Disbursement Request. In order to ensure that all funds are drawn prior to the EDA's Cleanup Grant Contract term end date, all payment requests must be receive at least forty-five (45) days prior to said term end date. The Subgrant dollars are grant funds only and cannot be used, treated or converted into any type of loan.

6. **Notices**. Communication and details concerning this Agreement must be directed to the following Agreement representatives:

If to Subgrantee:
Danner Family Limited Partnership
843 Hardman Ave. S, Suite 1
South St. Paul, MN 55075
Attn: Bryan Chihart, Project Superintendent
bryanc@dannerinc.com

If to EDA
South St. Paul Economic Development Authority
125 Third Avenue North
South St. Paul, Minnesota 55075
Attn: Monika Miller, Associate Planner
mmiller@southstpaul.org

7. **General Conditions**.

7.1 **General Compliance**. The Subgrantee agrees to comply with all applicable federal, state, county, and local laws and regulations governing the Project and Subgrant funds provided under this Agreement, including without limitation all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65), Minnesota Statutes §§ 116J.551-.559, and Minnesota Statutes § 116J.871.

7.2 **Subcontracts**. The Subgrantee shall require that contractors performing work being paid with the Subgrant funds comply with all applicable federal, state, and local laws and regulations governing the Project. Subgrantee shall require that contractors performing work being paid with the Subgrantee funds be in compliance with all applicable OSHA regulations, especially the Federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65). Further, Subgrantee shall require that contractors performing work being paid with the Subgrant funds comply fully with the provisions of Section 4.3 "Contracting and Bidding Requirements" found in the Grant Contract, including but not limited to Subgrantee hereby requiring that all contractors and subcontractors paid with proceeds of the Grant Award for the Project comply with applicable prevailing wage requirements found in Minn. Stat. 116J.871 including submitting all required payroll records to wagedata.deed@state.mn.us. A Certified Payroll Form is attached as Exhibit D and shall be submitted to the Minnesota Department of Labor and Industry for all work completed with proceeds from the Grant Award.

7.3 **Termination**. In the event the Grant Contract is terminated, this Agreement shall contemporaneously terminate. Upon termination, Subgrantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed from any available Cleanup Grant funds.

7.4 **Independent Contractor**. Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subgrantee will at all times remain an independent contractor with respect to the services to be performed under this Agreement. The EDA is exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance because the Subgrantee is an independent contractor.

7.5 **Indemnification and Hold Harmless**. Subject to Minnesota Statutes, Chapter 466, Subgrantee shall hold harmless, defend and indemnify the EDA, the City of South St. Paul, and DEED from any claims or causes of action, including reasonable attorneys' fees, that arise out of the Subgrantee's, its contractor's, or subcontractors' performance or nonperformance under this Agreement. This clause does not bar legal remedies for Subgrantee based on failure of EDA, the City of South St. Paul or DEED to fulfill their obligations under this Agreement.

7.6 **Redevelopment of Site.** Subgrantee shall redevelop the Property as proposed in the Grant Application and any material change in the development plans for the Property must be presented to and approved by DEED.

8. **Insurance**.

8.1 **Insurance Required**. During the term of this Agreement, Subgrantee and its contractors and subcontractors rendering services being paid with funds from this Agreement shall procure and maintain Public Liability and Automobile Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with XCU exclusion removed, in limits of not less than $1,500,000 per occurrence for personal injury, bodily injury and death, and limits of $1,500,00 for property damage liability, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. If per person limits are specified, they shall be for not less than $1,500,000 per person and be for the same coverages. Coverages of Subgrantee and its contractors/subcontractors shall include:

a. Public liability including premises and operations coverage;
b. Independent contractors' protective contingent liability;
c. Personal injury;
d. Owned, non-owned, and hired vehicles;
e. Contractual liability covering customary construction contract and subcontract indemnity provisions;
f. Products-completed operations; and
g. Workers' Compensation coverage in required statutory limits. Policy shall carry an "all states" endorsement.

8.2 **Subgrantee Insurance Policies**. All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies organized under the laws of the United States and licensed to do business in Minnesota. The EDA shall be named as an additional insured under the Public Liability and Automobile Liability Insurance. The use of an "ACORD" form as a certificate of insurance shall be accompanied by: 1) ISO Additional Insured Endorsement (CG-1010 pre-2004) and 2) Notice of Cancellation Endorsement (IL 7002). The EDA does not represent or guarantee that the types of limits or coverages provide above are adequate to protect Subgrantee's interests and liabilities. Certificates showing the above-described insurance is carried in the specified amounts shall be furnished to EDA prior to the disbursement of any of the Subgrant proceeds, and a certificate showing continued maintenance of such insurance shall be on file with the EDA during the term of this Agreement. The form of each certificate of insurance shall contain an unconditional requirement that the insurer notify the EDA not less than thirty (30) days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate and shall further provide that failure to give such notice to the EDA will render such change or changes in said policy or coverages ineffective as against the EDA The Subgrantee must not commence work until any and all contractors/subcontracts have obtained the required proof of insurance which clearly evidences required insurance coverages. If the Subgrantee fails to furnish proof of insurance coverages from contractors/subcontractors when requested by the EDA, the EDA may withhold payments and/or pursue any other rights or remedies allowed under this Agreement, law, equity, and/or statute.

9. **Administrative Requirements**.

9.1 **Accounting Standards**. The Subgrantee agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.

9.2 **Records**.

9.2.1 *Retention.* The Subgrantee shall maintain adequate financial records consistent with generally accepted accounting principles. Audits and records, including but not limited to all financial and environmental documents related to the funds provided under this Agreement, shall be accessible to authorized representatives of the EDA for purposes of examination and audit. In addition, the Subgrantee shall give the EDA, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers and documents related to this Agreement for a minimum of six (6)years from the end of the Grant Contract term end date.

9.2.2 *Close out.* The Subgrantee's obligation to the EDA does not end until all close-out requirements are completed. Activities during this close-out period include making final payments, disposing of program assets, determining the custodianship of records, providing evidence to DEED that the cleanup and/or investigation has been completed and approved by the Minnesota Pollution Control Agency, and resolving audit findings.

9.3 **Procurement.** The Subgrantee must maintain an inventory record of all nonexpendable personal property procured with funds provided under this Agreement. Program income is income generated form grant-funded activities, including interest earned on grant funds. All unexpended program income must revert to the EDA upon termination of this Agreement.

10. **Miscellaneous**.

10.1 **Assignability**. The Subgrantee may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the Manager; provided, however, that claims for money due or to become due to the Subgrantee from the EDA under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the EDA.

10.2 **Antitrust.** The Subgrantee hereby assigns to the State of Minnesota any and all claims for overcharges for goods and/or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States and the State of Minnesota.

10.3 **Governing Law and Venue**. This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in Dakota County, Minnesota.

10.4 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same agreement.

10.5 **Survival.** Any terms of this Agreement which by their nature extend beyond termination of this Agreement shall survive and bind the parties and their successors and assigns.

10.6 **Job Listing Agreement.** Minnesota Statutes § 116L.66, subd. 1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives $200,000 or more a year in grants from the State of Minnesota. If applicable, the Subgrantee shall list any job vacancy in its personnel complement with Minnesota Works.net at www.minnestoaworks.net as soon as it occurs.

10.7 **Government Data Practices.** The Subgrantee must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided to the EDA under this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Subgrantee under this Agreement, The civil remedies of Minnesota Statutes § 13.08 apply to the release of the data referred to in this clause. If the Subgrantee receives a request to release the data referred to in this clause, the Subgrantee must immediately notify the EDA. The EDA will give the Subgrantee instructions concerning the release of the data to the requesting party before the data is released. The Subgrantee's response to the request shall comply with applicable law.

10.8 **Intellectual Property Rights.** In the event that Subgrantee secures a copyright protection any of the materials, reports, or data created as part of the Project, the Subgrantee agrees to and does hereby grant to the State of Minnesota and its officers, agents, and employees, acting within the scope of their official duties, a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so for use by the State, its divisions, instrumentalities and local subdivisions, all material now or hereafter covered by any such copyright.

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

10.10 **Payment of Contractors and Subcontractors.** The Subgrantee must ensure that all contractors and subcontractors performing work covered by this Agreement are paid for their work that is satisfactorily completed.

10.11 **Conflict of Interest.** The State of Minnesota through the EDA will take steps to prevent individual and organizational conflicts of interest in reference to Subgrantee per Minn. Stat. § 16B.98 and the Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making. Subgrantee agrees to complete a Conflict of Interest Form and comply with all provisions of Section 18 of the Grant Contract regarding a Conflict of Interest applicable to the EDA.

10.12 **<u>Severability</u>**. In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

10.13 **<u>Entire Agreement</u>**. This Agreement, including Exhibits A, B, & C constitutes the entire agreement between the EDA and Subgrantee and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto.

[remainder of page intentionally left blank]

IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

South St. Paul Economic Development Authority	**Danner Family Limited Partnership**
By: ______________________________	By: ______________________________
Name: James P. Francis	Name: _________________
Its: President	Its: ________________
By: ______________________________	
Name: Ryan Garcia	
Its: Executive Director	

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY
(South St. Paul, MN)

Real property located in Dakota County Minnesota legally described as follows:

Lot 1, Block 1 Wakota 2nd Addition
Lot 2, Block 1 Wakota 2nd Addition
Outlot A, Wakota 2nd Addition

EXHIBIT B
CONTAMINATION CLEANUP GRANT CONTRACT

(The remainder of this page intentionally left blank.)

EXHIBIT C
CONTAMINATION CLEANUP GRANT APPLICATION

(The remainder of this page intentionally left blank.)

EXHIBIT D
CERTIFIED PAYROLL FORM (PREVAILING WAGE REQUIREMENTS)

SUB-RECIPIENT FUNDING AGREEMENT
WAKOTA CROSSING CLEANUP PROJECT
METROPOLITAN COUNCIL TAX BASE REVITALIZATION ACCOUNT
CONTAMINATION CLEANUP GRANT PROGRAM
(South St. Paul, MN)

THIS AGREEMENT (**Agreement**) is entered into as of **__________**, 2025, by and between **Danner Family Limited Partnership,** a Minnesota limited partnership (**Subgrantee**) and the **City of South St. Paul Economic Development Authority**, a public body corporate and politic organized and existing under the laws of the State of Minnesota (**EDA**).

RECITALS

WHEREAS, in cooperation with the Subgrantee, the EDA applied for and was awarded a Tax Base Revitalization Account, Metropolitan Livable Communities Act Contamination Cleanup Grant (**Cleanup Grant**) from the Metropolitan Council (**Metropolitan Council)** in the amount of four hundred seventy-one thousand eight hundred dollars ($471,800.00) (**Grant Amount**) to be used for the purposes authorized in the Metropolitan Livable Communities Act Grant Agreement SG-23167 entered into as of July 26, 2025 (**Grant Agreement**) between Metropolitan Council and the EDA; and

WHEREAS, the EDA desires to award the proceeds of the Cleanup Grant in an amount up to four hundred seventy-one thousand eight hundred dollars ($471,800.00) (**Subgrant**) to Subgrantee to be used for the Project pursuant to the terms and requirements of the Grant Agreement to assist the Subgrantee with the Cleanup Costs for the cleanup of the property located at 843 Hardman Avenue South and legally described on the attached **Exhibit A** (**Property)** by funding a portion of the costs of the project identified in the Cleanup Grant Application and Grant Agreement (**Project**).

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, and in consideration of the covenants and agreements made herein, the parties agree as follows:

1. **Award**. Subject to the terms of this Agreement, the EDA awards the Subgrant to Subgrantee for the activities described in the Grant Agreement by and between the EDA and the Metropolitan Council and attached hereto as **Exhibit B** and the Contamination Cleanup Grant Application to the Metropolitan Council submitted on May 1, 2025 attached hereto as **Exhibit C (Grant Application)**, both of which are incorporated into this Agreement (**Documents**). In the event of a conflict between the Grant Agreement, this Agreement and the Grant Application, the documents shall be deemed to be controlling in the following order: 1) the Grant Agreement 2) this Agreement, and 3) the Grant Application. The Subgrant must be used exclusively to pay or reimburse only expenses authorized under the Grant Agreement. Administrative costs incurred by the Subgrantee are not eligible for reimbursement under this Agreement. Notwithstanding anything to the contrary, the Subgrantee understands and agrees that any reduction of Tax Base Revitalization Account funds made available to the Metropolitan Council may result in a like reduction in the Grant Amount made available to the EDA, and thus the Subgrant Amount

available to the Subgrantee, and that any material change in the timeline or scope of the Project as set forth in the Documents must be approved in writing by the EDA and Metropolitan Council.

2. **Performance.** The Subgrantee must comply with all requirements applicable to the EDA in the Grant Agreement to the extent that such requirements are applicable to Subgrantee as a subrecipient and private business, and acknowledges that the Subgrant funds may only be used for the Project described in the Grant Application and approved in the Grant Agreement. Any action or inaction of Subgrantee which could result in a material default under the Grant Agreement will constitute noncompliance with this Agreement (**Noncompliance**). If the EDA finds that there has been a failure to comply with the provisions of this Agreement or that reasonable progress on the Project has not been or will not be made, the EDA shall provide Subgrantee with written notice of the noncompliance and provide Subgrantee thirty (30) calendar days to cure the noncompliance, or upon good faith request from Subgrantee that additional time as may be necessary, such longer period specified by the EDA Project Manager (**Manager**) in writing to the EDA (**Cure Period**). If Subgrantee does not cure the noncompliance during the Cure Period, then the EDA may take action to protect its interests, including refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed, in an amount proportionate to protect the EDA from reasonable costs of the noncompliance. If action to correct substandard performance is not taken by the Subgrantee during the Cure Period, then EDA may terminate this agreement.

3. **Time of Performance.** Subgrantee must complete the components of the Project for which the Subgrant proceeds will be used on or before June 30, 2028. In order to ensure that all funds are drawn prior to the Grant Agreement term end date, all payment requests from the Subgrantee to the EDA must be received by the EDA at least thirty (30) days prior to said term end date. The EDA is not obligated to provide funds for any Project costs incurred after that date or any earlier termination date, whichever occurs first.

4. **Conditions Precedent to Disbursement.** Subgrantee acknowledges that the sole source of the Subgrant funds is the Grant Amount from the Cleanup Grant and that the EDA shall not be liable for payment to Subgrantee of any amount unless the EDA first receives a disbursement of the Grant Amount from the Metropolitan Council in an amount sufficient to reimburse Subgrantee for any Project Costs. The following requirements are conditions precedent to the EDA's disbursement of any of the Subgrant proceeds to Subgrantee.

4.1. The Subgrantee must have provided evidence satisfactory to the Manager showing that Subgrantee has title in fee simple and site control of the Property.

4.2 The Subgrantee must have provided to the Manager such evidence of compliance with all of the provisions of this Agreement and the Grant Agreement as the EDA may reasonably request.

5. **Disbursement**. It is expressly agreed and understood that the total amount to be disbursed to Subgrantee by the EDA under this Agreement shall not exceed four hundred seventy-one thousand eight hundred dollars ($471,800.00). The EDA will make disbursements only upon receipt of a written disbursement request on the form provided by the Metropolitan Council (**Disbursement Request**) as well as all necessary supporting invoices from Subgrantee acceptable

to the EDA and the Metropolitan Council and upon receipt of the Grant Amount from the Metropolitan Council. Payment requests must be accompanied by invoices supporting the reimbursement of the Subgrantee for the Approved Project Costs and such other documentation related thereto as shall be reasonably requested by the Manager and as is required in Section 2.10 of the Grant Agreement. The EDA will, upon its approval of a Disbursement Request, forward the same to the Metropolitan Council for approval. Upon Metropolitan Council approval of the Disbursement Request and receipt by the EDA of the approved amounts of Cleanup Grant funds, the EDA will disburse the approved amount of Subgrant funds in accordance with the information provided in the Disbursement Request. In order to ensure that all funds are drawn prior to the Cleanup Grant Agreement term end date, all payment requests must be received at least forty-five (45) days prior to said term end date. The Subgrant dollars are grant funds only and cannot be used, treated or converted into any type of loan. Subgrantee agrees to provide to the EDA and the Metropolitan Council any documentation related to the completion of the Project activities as may be required by the Metropolitan Council, including but not limited to the certificates of completion listed in Section 3.04 of the Grant Agreement.

6. **Notices**. Communication and details concerning this Agreement must be directed to the following Agreement representatives:

If to Subgrantee:
Danner Family Limited Partnership
843 Hardman Avenue South
South St. Paul, Minnesota 55075
Attn: Bryan Chihart, Project Superintendent
bryanc@dannerinc.com

If to EDA:
South St. Paul Economic Development Authority
125 Third Avenue North
South St. Paul, Minnesota 55075
Attn: Monika Miller, Associate Planner
mmiller@southstpaul.org

7. **General Conditions**.

7.1 **General Compliance**. The Subgrantee agrees to comply with all applicable federal, state, county, and local laws and regulations governing the Project and Subgrant funds provided under this Agreement, including without limitation all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65) and Minnesota Statutes §§ 116J.551-.559.

7.2 **Subcontracts**. The Subgrantee shall require that contractors performing work being paid with the Subgrant funds comply with all applicable federal, state, and local laws and regulations governing the Project. Subgrantee shall require that contractors and subcontractors performing work being paid with the Subgrant funds obtain all required permits, licenses, and certifications and be in compliance with all applicable OSHA regulations, especially the Federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65).

7.3 **Termination**. In the event the Grant Agreement is terminated, this Agreement shall contemporaneously terminate. Upon termination, Subgrantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed from any available Cleanup Grant funds.

7.4 **Independent Contractor**. Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subgrantee will at all times remain an independent contractor with respect to the services to be performed under this Agreement. The EDA is exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance because the Subgrantee is an independent contractor.

7.5 **Indemnification and Hold Harmless**. Subject to Minnesota Statutes, Chapter 466, the Subgrantee shall hold harmless, defend and indemnify the EDA, the City of South St. Paul and the Metropolitan Council from all claims, damages, losses, and expenses, including reasonable attorneys' fees, that arise out of the Subgrantee's, its contractor's, or subcontractors' performance or nonperformance of the Project activities funded by this Grant, except to the extent the claims, damages, losses and expenses arise from the Grantee's own negligence.. Claims included in this indemnification include any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes, Chapter 115B; the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended, United States Code Title 42, Sections 99601 et. seq.; and the Federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code Title 42, Sections 6901 et. seq. This obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which otherwise would exist between the Grantee and the Subgrantee.

7.6 **Redevelopment of Site.** Subgrantee shall redevelop the Property as proposed in the Grant Application and any material change in the development plans for the Property must be presented to and approved by Metropolitan Council.

8. **Insurance**.

8.1 **Insurance Required**. During the term of this Agreement, Subgrantee and its contractors and subcontractors rendering services being paid with funds from this Agreement shall procure and maintain Public Liability and Automobile Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with XCU exclusion removed, in limits of not less than $1,500,000 per occurrence for personal injury, bodily injury and death, and limits of $1,500,00 for property damage liability, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. If per person limits are specified, they shall be for not less than $1,500,000 per person and be for the same coverages. Coverages of Subgrantee and its contractors/subcontractors shall include:

a. Public liability including premises and operations coverage;
b. Independent contractors' protective contingent liability;
c. Personal injury;
d. Owned, non-owned, and hired vehicles;
e. Contractual liability covering customary construction contract and subcontract indemnity provisions;
f. Products-completed operations; and
g. Workers' Compensation coverage in required statutory limits. Policy shall carry an "all states" endorsement.

8.2 **Subgrantee Insurance Policies**. All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies organized under the laws of the United States and licensed to do business in Minnesota. The EDA shall be named as an additional insured under the Public Liability and Automobile Liability Insurance. The use of an "ACORD" form as a certificate of insurance shall be accompanied by: 1) ISO Additional Insured Endorsement (CG-1010 pre-2004) and 2) Notice of Cancellation Endorsement (IL 7002). The EDA does not represent or guarantee that the types of limits or coverages provide above are adequate to protect Subgrantee's interests and liabilities. Certificates showing the above-described insurance is carried in the specified amounts shall be furnished to EDA prior to the disbursement of any of the Subgrant proceeds, and a certificate showing continued maintenance of such insurance shall be on file with the EDA during the term of this Agreement. The form of each certificate of insurance shall contain an unconditional requirement that the insurer notify the EDA not less than thirty (30) days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate and shall further provide that failure to give such notice to the EDA will render such change or changes in said policy or coverages ineffective as against the EDA. The Subgrantee must not commence work until any and all contractors/subcontracts have obtained the required proof of insurance which clearly evidences required insurance coverages. If the Subgrantee fails to furnish proof of insurance coverages from contractors/subcontractors when requested by the EDA, the EDA may withhold payments and/or pursue any other rights or remedies allowed under this Agreement, law, equity, and/or statute.

9. **Administrative Requirements**.

9.1 **Accounting Standards**. The Subgrantee agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.

9.2 **Records**.

9.2.1 *Retention.* The Subgrantee shall maintain adequate financial records consistent with generally accepted accounting principles. Audits and records, including but not limited to all financial and environmental documents related to the funds provided under this Agreement, shall be accessible to authorized representatives of the EDA and the Metropolitan Council for purposes of examination and audit. In addition, the Subgrantee shall give the EDA, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers and documents related to this Agreement for a minimum of six (6) years from the end of the Grant Agreement term end date.

9.2.2 *Close out.* The Subgrantee's obligation to the EDA does not end until all close-out requirements are completed. Activities during this close-out period include making final payments, disposing of program assets, determining the custodianship of records, providing evidence to Metropolitan Council that the cleanup and/or investigation has been completed and approved by the Minnesota Pollution Control Agency, and resolving audit findings.

9.3 **Procurement.** The Subgrantee must maintain an inventory record of all nonexpendable personal property procured with funds provided under this Agreement. Program income is income generated form grant-funded activities, including interest earned on grant funds. All unexpended program income must revert to the EDA upon termination of this Agreement.

10. **Miscellaneous**.

10.1 **Assignability**. The Subgrantee may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the Manager; provided, however, that claims for money due or to become due to the Subgrantee from the EDA under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the EDA.

10.2 **Governing Law and Venue**. This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in Dakota County, Minnesota.

10.3 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same agreement.

10.4 **Survival.** Any terms of this Agreement which by their nature extend beyond termination of this Agreement shall survive and bind the parties and their successors and assigns.

10.5 **Government Data Practices.** The Subgrantee must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided to the EDA under this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Subgrantee under this Agreement.

10.6 **Publicity**. Any publicity regarding the subject matter of this Agreement must identify the Metropolitan Council as the sponsoring agency and shall contain the required language listed in Section 7.04 of the Grant Agreement. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Subgrantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Agreement.

10.7 **Payment of Contractors and Subcontractors.** The Subgrantee must ensure that all contractors and subcontractors performing work covered by this Agreement are paid for their work that is satisfactorily completed.

10.8 **Severability**. In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

10.9 **Entire Agreement**. This Agreement, including Exhibits A, B, & C constitutes the entire agreement between the EDA and Subgrantee and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto.

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IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

South St. Paul
Economic Development Authority

By: ______________________________
Name: James P. Francis
Its: President

By: ______________________________
Name: Ryan Garcia
Its: Executive Director

Danner Family Limited Partnership

By: ____________________________
Name: Bryan Chirhart
Its: Project Superintendent

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY
(South St. Paul, MN)

Real property located in Dakota County Minnesota legally described as follows:

Lot 1, Block 1 Wakota 2nd Addition
Lot 2, Block 1 Wakota 2nd Addition
Outlot A, Wakota 2nd Addition

EXHIBIT B
TAX BASE REVITALIZATION ACCOUNT CONTAMINATION CLEANUP GRANT PROGRAM, METROPOLITAN LIVABLE COMMUNITIES ACT GRANT AGREEMENT

(The remainder of this page intentionally left blank.)

EXHIBIT C
TAX BASE REVITALIZATION ACCOUNT CONTAMINATION CLEANUP GRANT PROGRAM, METROPOLITAN LIVABLE COMMUNITIES ACT GRANT APPLICATION

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