

Council Study Session
City Hall Council Chambers
May 9, 2022

AGENDA



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- 1. City Council Discussion of Agenda Items and Questions - 6 p.m.**
 - 2. Miscellaneous**
 - a. In-Person Meetings
 - b. Commission Appointments
 - c. Alternative Work Session Date
 - 3. Discussion of Work Session Agenda Item as Time Permits**
 - 4. Adjourn**

**CITY COUNCIL
MEETING**

City Hall Council Chambers
May 9, 2022

AGENDA



1. Informal Open Forum with City Council - 6:45 p.m.

Provides an opportunity for the public to address the Council on items which are not on the agenda. Open Forum will be limited to 15 minutes, it is not televised, and it may not be used to make personal attacks, to air personality grievances, to make political endorsements, or for political campaign purposes. Council Members will not enter into a dialogue with presenter. Questions from the Council will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the presenter for informational purposes only.

I will first call on those who notified the Clerk that they would like to speak during open forum, and then I will ask if anyone else connected to this meeting would like to speak. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

2. Invocation - 7 p.m. - Ryan

3. Call to Order Regular Business Meeting

This meeting is being conducted electronically under Minnesota Statutes, section 13D.021 due to the pandemic. For those who are connected to this meeting, please keep your microphone muted. If there is an opportunity for public comment, you may unmute and speak when called upon. Please do not talk over others and anyone being disruptive may be ejected from the meeting. The packet for this meeting is on the City's website, which is linked on the calendar or can be found on "City Council" page.

a. Council Norms

4. Roll Call

5. Pledge of Allegiance

6. Approval of Agenda and Consent Agenda

The following items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the consent agenda and considered at the end of Council Consideration Items.

a. Approval of Minutes

- *Motion to approve the following minutes:*

- 4/11/22 - Study Session Meeting
- 4/11/22 - Regular Session Meeting
- 4/11/22 - Work Session Meeting

b. Approval of Licenses

- *Motion to approve the licenses as presented.*

- c. Resolution Approving the Participation of the Hennepin County Housing and Redevelopment Authority in an Affordable Housing Project
 - *Motion to adopt a resolution approving the participation of the Hennepin County Housing and Redevelopment Authority in an affordable housing project*
- d. Observance of Police Week and Peace Officer Memorial Day
 - *It is recommended that the City Council consider approval/adoption of a Council Resolution, which observes May 15, 2022 as Peace Officers Memorial Day; and the week of May 15 through May 21, 2022 as Police Week.*

7. Presentations/Proclamations/Recognitions/Donations

- a. Presentation on Three River's Park District's Parks to People Master Plan

8. Public Hearings

The public hearing on this matter is now open. I will first call on those who notified the Clerk that they would like to speak to this matter, then I will ask if anyone else on this meeting would like to speak during this hearing. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

9. Planning Commission Items

10. Council Consideration Items

11. Council Report

12. Adjournment

We Agree To

Internal Council Relations – Norms for 2021 – Practiced for next 90 days

- Seek to not repeat or re-iterate points that were already shared
- Engage in discussion and sharing alternate perspectives *without* weaponizing other people's words
- Recognize others with "What I heard you say is _____, with your permission, I'd like to move forward now."
- Call for consensus when it's time to make a discussion
- Allow new solutions in a time of dynamic change, process: (1) name the problem (2) find the process to resolve (3) have the discussion (4) make a decision.
- After open discussion, close down the chat during council chamber discussion (*need to vote on it).

Council Regular Meeting

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- Motion to approve the following minutes:

- 4/11/22 - Study Session Meeting
- 4/11/22 - Regular Session Meeting
- 4/11/22 - Work Session Meeting

Background:

In accordance with Minnesota State Statute 15.17, the official records of all meetings must be documented and approved by the governing body.

Budget Issues:

None

Inclusive Community Engagement:

None

Antiracist/Equity Policy Effect:

None

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
4/11 Study Session	4/18/2022	Backup Material
4/11 Regular Session	4/18/2022	Backup Material
4/11 Work Session	4/18/2022	Backup Material

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

STUDY SESSION
APRIL 11, 2022
VIA ZOOM

CALL TO ORDER

The Brooklyn Center City Council met in a Study Session called to order by Mayor Mike Elliott at 6:05 p.m.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, Community Development Director Meg Beekman, City Attorney Jason Hill, and City Clerk Barb Suci.

CITY COUNCIL DISCUSSION OF AGENDA ITEMS AND QUESTIONS

MISCELLANEOUS

IN-PERSON MEETINGS

City Manager Reggie Edwards stated the topic of in-person meetings was discussed at the last City Council meeting. He provided the memo by City Attorney Jason Hill to the Council to aid them in making a decision.

Councilmember Ryan stated they need to return to in-person meetings. While it is convenient to meet from home, there is less justification to meet remotely from a public health standpoint, as cited by City Attorney Jason Hill in his memo. He added most cities have returned to meeting in person.

City Attorney Jason Hill agreed most cities are meeting in person. He noted he doesn't have anything new to add since the last meeting. It is no longer practical and prudent to continue meeting remotely. Therefore, it is his recommendation to return to in-person meetings.

Mayor Elliott stated he would take the issue under advisement. He stated there are recent reports about COVID-19 numbers increasing again due to a new variant.

Councilmember Ryan stated he has been receiving complaints from constituents with concerns about how the meetings are remote. He asked if it is the role of the Mayor to make the decision. Mr. Hill stated the statement signed by the Mayor included that the remote meeting must be repealed by the Mayor. The State Statute states the City Manager or City Attorney may make the decision. If there was a majority consensus of the Council to return to in-person meetings, then he

could look into options for the City Manager and City Attorney to repeal the statement. Councilmember Ryan stated he would like Mr. Hill to look into alternatives because it is not appropriate for the Mayor to decide on his own.

City Clerk Barb Suciu stated Mayor Elliott has left the meeting. Mayor Pro Tem Butler took over the meeting.

Councilmember Lawrence-Anderson agreed she would like to meet in person. She added they will later be recognizing Park Center High School, and the recipients will be in Council Chambers without the presence of the Council.

Councilmember Graves noted she was in Council Chambers to take photos with the basketball players and provide them with copies of the proclamation. She agreed she would like to meet in person and added there are dividers and masks in place.

Councilmember Ryan asked Mayor Pro Tem Butler about her feelings regarding returning to in-person meetings. Mayor Pro Tem Butler stated she enjoys the comfort of her home, but she appreciated meeting with the Council in person at the Board of Equalization meeting.

Councilmember Ryan stated the Council is concerned that the City Attorney has advised the Council to return to in-person meetings. They run the risk of becoming problematic with the law, and they need to maintain confidence with the public.

Councilmember Ryan asked why Mayor Elliott had to leave the meeting. He noted Mayor Elliott has left several previous meetings early. City Manager Reggie Edwards stated Staff is not sure why Mayor Elliott left the meeting.

Mayor Pro Tem Butler asked if the majority of the Council would like to return to meet in person, and what are the next steps. Mr. Hill stated he will put something together for the next meeting that will be on the regular agenda.

Mayor Elliott returned to the meeting. He noted there is an option to stay remote while some members of the Council return to Chambers. Mr. Hill stated he will address the option at the next meeting along with the request from Mayor Pro Tem Butler.

DISCUSSION OF WORK SESSION AGENDA ITEMS AS TIME PERMITS

CONCEPT REVIEW FOR 6100 SHINGLE CREEK PARKWAY (FORMER TARGET)

Dr. Edwards summarized the topic and introduced Community Development Director Meg Beekman to continue the Staff presentation.

Ms. Beekman stated the concept review process is an opportunity for the City Council to review a development concept before a formal proposal from an applicant, provide comments, ask questions, and indicate whether or not the City would be open to the project. Concept reviews are helpful for projects that would involve Economic Development Authority (EDA)-owned land or

public subsidy, as it provides insight to staff and the developer as to the City Council's level of interest, and any specific concerns, related to a project.

Ms. Beekman explained concept review is considered advisory and is non-binding to the City and the applicant. No formal action can be taken at a work session, and the Council is not being asked to vote on the proposal. If the developer chooses to submit a formal application to the City to proceed, it would be subject to the full review process, as with any other development application.

Ms. Beekman stated the site is at 6100 Shingle Creek Parkway and is 9.01 acres. It has been vacant since 2018 and is owned by Brooklyn Center EDA. She noted the strip mall is not owned by the City. She showed an image of the Opportunity Site Master Plan the site.

Ms. Beekman explained the Opportunity Site Master Plan calls for new roadways, a new neighborhood park, and the creation of five new development parcels requires replacing properties and taking out right-of-way, requires negotiations to acquire parkland as sources of funding are constrained and requires land acquisition from adjacent properties to assemble development parcels. She noted development will likely need to be phased in over time given the current market constraints.

Ms. Beekman stated the proposal is an International Food Village, anchored by an international food grocer and bulk distributor. It would be a campus-style development with related commercial and community uses. There is an inclusion of a housing component, but the density and unit mix is to be determined. Phasing is proposed to accommodate the timing of site acquisition and food grocer leads.

Ms. Beekman showed a site plan which includes a two-level grocery, parking ramp, commercial clinic, multi-family housing, freestanding commercial space, public park, event center, and additional commercial fronting Main Street. The proposal requires the assembly of an adjacent strip mall. The EDA is currently in discussions with the adjacent property owner on acquiring additional land. The project is phased to start on the former Target site and then move south and then west pending land assembly.

Ms. Beekman explained a significant amount of due diligence and pre-development will need to occur before the project could move forward. The development team is seeking a Preliminary Development Agreement from the City, which will provide them with the site control they need to begin to gather funding and conduct pre-development work. A full and formal review would take place as part of a land-use application.

Ms. Beekman noted tax increment financing will be needed at a minimum to cover public infrastructure improvements. If the Council is favorable to this concept staff will begin drafting a Preliminary Development Agreement to bring back to a future EDA meeting for approval.

Ms. Beekman added Mr. James Sanigular, owner of International Food Corporation (IFC), a local food distribution company focusing on African and international foods and his team has been working on the concept to bring an international foods market and bulk food warehouse. They have engaged LSE Architects to look at the former Target site, and adjacent retail strip center, to

develop a mixed-use international food village, that would become a destination in the region.

Mr. Sanigular introduced his management team to the Council. He explained IFC has been looking for a location for an international food village for several years. They have been actively looking in Brooklyn Center as it is the most diverse area in the State. They have done work with other chain grocery stores.

Mr. Sanigular explained the project would increase the tax base for the City and provide more commercial and residential property for the community. He added the development would be the first of its kind in the country. IFC puts a large emphasis on sustainability and promoting mental wellness, food safety, and nutrition education. The location is near many other diverse cities and would be a perfect foundation for the venture.

Mohamed Lawal, the CEO and Principal Architect of LSE Architects stated he has been working on the concept of the International Food Village along with IFC. They envision a world-class destination for global foods. He showed the location of the Target site on a regional area map. He noted the proximity to various highways. Mr. Lawal then showed the proposed site plan and neighborhood context.

Mr. Lawal explained there are three parcels included in the site plan. The area up for discussion currently is one parcel of approximately 9.01 acres. He then showed a slide with a table depicting the distribution of amenities. The international grocery store would be over 10,000 square feet.

Mr. Lawal explained the first phase would include a 75,000 to 100,000 international foods village. The additional stores and services featured in the building could be accessed from either inside the market or the street. They haven't determined the types of housing, but it would be 175-200 units. They are also proposing a parking ramp to replace all of the surface parking.

Mr. Lawal noted LSE is the largest black-owned architectural firm in the Midwest. He showed a slide with a three-dimensional rendering of the site use. There would be apartments with parking underneath, an African brewery and tasting room, an outdoor market, a community park, a north-facing glass facade, cultural murals and art, an open entry plaza on Summit Drive and Shingle Creek, a green roof, street-front commercial space, elevated parking, retail entries along the edge, and townhouses with retail below.

Councilmember Ryan stated the Council will need to dig into the details more. He thanked the presenters for the information and their work on the project. The diverse food offerings would be appealing to many cultural groups. Mayor Elliott agreed the project would be a great asset to the community.

Councilmember Butler thanked the presenters for their work on the project. She stated she has wanted a global market in Brooklyn Center for a long time and is very excited about the concept and future details.

Discussion of this item continued and concluded on April 11, 2022, Work Session.

ADJOURN STUDY SESSION TO INFORMAL OPEN FORUM WITH CITY COUNCIL

Hearing no objection, Mayor Elliott closed the Study Session at 7:00 p.m.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)
CITY OF BROOKLYN CENTER)

ss. Certification of Minutes

The undersigned, being the duly qualified and appointed City Clerk of the City of Brooklyn Center, Minnesota, certifies:

1. That attached hereto is a full, true, and complete transcript of the minutes of a Study Session of the City Council of the City of Brooklyn Center held on April 11, 2022.
2. That said meeting was held pursuant to due call and notice thereof and was duly held at Brooklyn Center City Hall.
3. That the City Council adopted said minutes at its April 25, 2022, Regular Session.

Barbara Suciu, City Clerk

Mike Elliott, Mayor

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

REGULAR SESSION
APRIL 11, 2022
VIA ZOOM

1. INFORMAL OPEN FORUM WITH CITY COUNCIL

CALL TO ORDER INFORMAL OPEN FORUM

The Brooklyn Center City Council met in the Informal Open Forum called to order by Mayor Mike Elliott at 7:00 p.m.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, City Engineer Mike Albers, Community Development Director Meg Beekman, City Clerk Barb Suci, and City Attorney Troy Gilchrist.

Mayor Mike Elliott opened the meeting for the Informal Open Forum.

Bri S. stated thanks to the structure of the City's government, the Council was able to take swift action to pass the Daunte Wright and Kobe Dimock-Heisler Community Safety and Violence Prevention Act. She noted the City curtailed the militarized response that punished peaceful protestors for exercising their legal right to protest. She noted she does not understand why there is a possibility of a new structure of government in Brooklyn Center. The Council needs to vote against the proposed City structure to keep the government consistent.

Lori B. noted she was at the event for Daunte Wright. She agreed with Bri S. and her support of the work by Mayor Elliott in response to the unprecedented crisis in Brooklyn Center. Changing the structure of the government would give the City Manager even more power, and he is already in charge of all of the finances for the City. The decision needs to involve more community engagement.

Lori B. stated she helps with the upkeep of the memorial for Kobe Heisler, and there has been an overwhelming amount of positive feedback about the memorial. The site has created opportunities for conversation and reflection. On her most recent visit, she found the City had moved a picnic table and bolted it down in the center of the memorial. It was intentional and an insult to the space created for Kobe. She requested the City relocate the picnic table and noted she would accept any feedback from the Parks and Recreation Department or the City Council to resolve the issue immediately.

Lori B. added she would like the invocation to include acknowledgment of the one-year anniversary of Daunte Wright. She thanked Mayor Elliott and Councilmember Butler for stopping by the gathering.

City Manager Reggie Edwards stated he would get more information about the picnic table and get back to Lori B.

Wendy O. stated they live on the street where the Daunte Wright memorial is located. They have put up with increased traffic, picking up garbage, and singing. She received a flyer from Daunte Wright's mother for the event and explained to her that wheelchair-bound neighbors are unable to use the sidewalk due to the memorial. She explained she was told the memorial would be moved. Wendy O. stated they were unable to get to their house because of the barriers and the event.

Dr. Edwards stated there are barriers and City personnel at the event. He stated he will call them to see what was happening. The barriers are meant to allow for people to still access their homes. He will call them to address the issue. He added Staff is still working on the issue of the memorial location.

Joy G. noted she was at the anniversary event. Some cars can access homes without moving any major barriers. Joy G. added a person who uses a wheelchair has commented to the Council that they can access the sidewalks by the memorial.

Joy G. stated she does not understand why they are looking to make any changes to the charter and she is opposed to any governmental structure changes.

Han stated she is in a wheelchair and can get around the memorial with no issue. She noted she is at the memorial currently and has no accessibility concerns.

Mayor Elliott moved and Councilmember Lawrence-Anderson seconded to close the Informal Open Forum at 6:15 p.m.

Motion passed unanimously.

Reordering of Agenda

Mayor Elliott asked if the item Consent Agenda Item 6c, An Ordinance Amending Chapter 2, Section 2.08 of the City Charter of Brooklyn Center (First Reading), needed to be voted on this evening. Dr. Edwards stated item Consent Agenda Item 6c, An Ordinance Amending Chapter 2, Section 2.08 of the City Charter of Brooklyn Center (First Reading), is only a first reading. From there, there would be a public notice and a public hearing. However, the first reading doesn't have to happen this evening.

Mayor Elliott stated he would like the Council to review Consent Agenda Item E., Resolution Amending Precinct 4, and Absentee Voting Polling Places.

2. INVOCATION

This item was considered after the 7. Presentations/Proclamations/Recognitions/Donations Item 7a. Proclamation Declaring March 26, 2022 as "Park Center High School Boys 'Basketball Team Day" and prior to 5. Pledge of Allegiance.

3. CALL TO ORDER REGULAR BUSINESS MEETING

The Brooklyn Center City Council met in Regular Session called to order by Mayor Mike Elliott at 7:20 p.m.

4. ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, City Engineer Mike Albers, Community Development Director Meg Beekman, City Clerk Barb Suci, and City Attorney Troy Gilchrist.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

7a. PROCLAMATION DECLARING MARCH 26, 2022 AS "PARK CENTER HIGH SCHOOL BOYS BASKETBALL TEAM DAY"

Mayor Elliott read in full a Resolution declaring March 26, 2022, as "Park Center High School Boys Basketball Team Day."

City Manager Edwards shared that he was at the game but sitting on the mix of the of Wayzata crew, students, and parents. He added he was proud of the team and their achievement.

Isaiah F. stated his favorite moment of the year was playing alongside his best friends. Next year he plans to play college basketball.

Keaton L. stated his favorite part of the year was playing with people he has played with since elementary school and going on to the State championship. He plans to continue his academic and athletic pursuits at Macalaster College by playing football and pursuing a degree in computer science.

Evanston A. stated his favorite part of the season was seeing his friends play in the State tournament. He added he would like to play college basketball.

Mouhamed D. noted his favorite moment of the season was going to Arizona. He added he will be playing football at the University of Sioux Falls.

James S. stated he is looking forward to playing college sports.

Ayoub B. explained he stated his favorite part of the season was having fun with his team. He stated he doesn't know what his plans are for next year.

Cody P. stated his favorite part of the season was playing with friends and he will be attending Lamar University to play basketball.

Leo T. stated he will be attending San Jose State University to play basketball. He did a shoutout for his friends in Victoria Townhomes.

Braden C. stated his favorite moment from the year was watching the coaches run. He stated he will be continuing his academic and athletic career at the University of Minnesota.

Cash C. stated his favorite memory was going out to eat with his teammates. He added he will be staying at home in Park Center.

An unidentified speaker clarified Cash C. is a sophomore. He recognized the coaches, a variety of Park Center staff, and the parents of the team.

Mayor Elliott congratulated the team on their victory and showed what excellence looks like. He added it is not just about athletic excellence but also academic excellence. He stated whatever they do, do it to the fullest extent.

2. INVOCATION

Councilmember Graves noted it is the first anniversary since Daunte Wright lost his life at the hands of police officer Kim Potter. She explained she is proud of the progress the City has made in the past year. She then read a statement she wrote on April 14, 2021, regarding the incident, the aftermath, and the feelings the community has experienced.

Mayor Elliott stated they would take a minute of silence for Daunte Wright.

Councilmember Lawrence-Anderson noted her prayers are with the family.

Councilmember Ryan stated Councilmember Graves has done an excellent job of expressing the feelings that he has experienced. Daunte Wright should be alive. They will continue to determine how to govern the community in the best interest of all people.

Councilmember Butler echoed the beautiful statement of Councilmember Graves. She stated she was able to express her condolences to the family before the meeting. She acknowledged it is a difficult day for the City. The City has made progress in the past year, and the best way to honor Daunte is to continue the work.

Mayor Elliott stated they are reminded of how deadly the consequences are if the City doesn't succeed in the work they are undertaking. He noted members of the community have expressed concerns about their children becoming old enough to drive. Such a thing should not happen in America, the greatest country in the world. There are black and brown people all over the country that are not safe. They cannot be divided based on color. Instead, they must unite to transform the community. The future of Brooklyn Center is incredibly bright.

5. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was not recited.

6. APPROVAL OF AGENDA AND CONSENT AGENDA

Mayor Elliott suggested they move Consent Agenda Item 6c., An Ordinance Amending Chapter 2, Section 2.08 of the City Charter of Brooklyn Center (First Reading), to become Council Consideration Item 10a., An Ordinance Amending Chapter 2, Section 2.08.

Mayor Elliott moved and Councilmember Ryan seconded to approve the Agenda and Consent Agenda, as amended, and the following consent items were approved:

6a. APPROVAL OF MINUTES

1. March 28, 2022 – Study Session
2. March 28, 2022 – Regular Session
3. March 28, 2022 – Work Session Session

6b. LICENSES

GARBAGE HAULER

Dick's Sanitation Service

8984 215th Street West
Lakeville, MN 55044

GASOLINE SERVICE STATION

Northern Tier Retail LLC
dba: Speedway

1901 57th Avenue North
Brooklyn Center, MN 55430

Northern Tier Retail LLC
dba: Speedway

6950 Brooklyn Boulevard
Brooklyn Center, MN 55429

Northern Tier Retail LLC
dba: Speedway

6545 West River Road
Brooklyn Center, MN 55430

HOSPITALITY ACCOMMODATIONS LICENSE

Extended Stay America

2701 Freeway Boulevard
Brooklyn Center, MN 55430

LIQUOR 3.2 OFF SALE

Northern Tier Retail LLC
dba: Speedway

1901 57th Avenue North
Brooklyn Center, MN 55430

Northern Tier Retail LLC
dba: Speedway

6950 Brooklyn Boulevard
Brooklyn Center, MN 55429

Northern Tier LLC
dba: Speedway

6545 West River Road
Brooklyn Center, MN 55430

MECHANICAL

Corporate Mechanical

5114 Hillsboro Avenue North
New Hope, MN 55428

First Class Plumbing & Heating LLC

108 Dundas Road Suite H2
Monticello, MN 55362

GV Heating & Air Inc

5182 West Broadway
Crystal, MN 55429

Kirts Mechanical

2803 Roth Place
White Bear Lake, MN 55110

RENTAL

INITIAL (TYPE IV – six-month license)
6918 Halifax Avenue North

Gracelands LLC

6112 Quail Avenue North

David I. Koenig

3006 51st Avenue North

Naisha Nicole Bell

INITIAL (TYPE III – one-year license)
5555 Dupont Avenue North

Maria Magdalena Velez

2912 Nash Road

ML Henjum Etal

INITIAL (TYPE II – two-year license)
6001 Earle Brown Drive

Evercare Senior Living LLC

1619 73rd Avenue North

SFR Acquisitions 2 LLC

3025 65th Avenue North

Wilmer Alexander G. Mendoza

RENEWAL (TYPE IV – six-month license)
700 66th Avenue North

Georgetown-BC Company LLLP
C/O James Wiensch

3401 47th Avenue North

BMW Holding LLC Et Al
C/O Halverson & Blaiser Group

5347 Penn Avenue North

Abdifatah Mohamed Abdullahi &
Yassin Mahamud Noor

5338-40 Queen Avenue North	Thanh Kim Oan
6130 Scott Avenue North	2017 1 Ih Borrower L P C/O Invitation Homes
2006 Brookview Drive	Mnsf Ii W1 LLC
3812 Commodore Drive	David Koenig
5442 James Avenue North	Gerald R. Stigsell
6614 Bryant Avenue North	Yi Lin & Xi Lin
6243 France Avenue North	FYR SFR Borrower LLC C/O Altisource Asst Mgmt Cor
3100 Thurber Road	Tyler Morgan Henderson
6706 Toledo Avenue North	Stephen Burson
<i>RENEWAL (TYPE III – one-year license)</i> 6804 Fremont Place North	M Shaffer & C Shaffer
1325 68th Lane North	Roth Wagner 2 LLC C/O Konrad Wagner
3224 62nd Avenue North	Laura A. Mills
<i>RENEWAL (TYPE II – two-year license)</i> 5739 James Avenue North	Rifive Investments LLC
1012 72nd Avenue North	Hpa Us1 LLC
7085 Unity Avenue North	I-chang Wen & Yanhua Sun
<i>RENEWAL (TYPE I – three-year license)</i> 5353 72nd Circle	D Gilbert/b Notenberg Et Al Donovan Gilbert
2208 69th Avenue North	3511 Fremont LLC Jaden Ghylin
6037 June Avenue North	Miller Rental Properties LLC
5942 Aldrich Avenue North	Joseph Palen BRP II LLC

TOBACCO RELATED PRODUCTS

Northern Tier Retail LLC
dba: Speedway

1901 57th Avenue North
Brooklyn Center, MN 55430

Northern Tier Retail LLC
dba: Speedway

6950 Brooklyn Boulevard
Brooklyn Center, MN 55429

Northern Tier LLC
dba: Speedway

6545 West River Road
Brooklyn Center, MN 55430

- 6c. WATER METER PURCHASE AND INSTALL CONTRACT - FERGUSON WATERWORKS**
- 6d. RESOLUTION NO. 2022-43; IDENTIFYING THE NEED FOR LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT (LCDA) FUNDING AND AUTHORIZING AN APPLICATION FOR GRANT FUNDS**
- 6e. RESOLUTION NO. 2022-44; AMENDING PRECINCT 4 AND ABSENTEE VOTING POLLING PLACES**
- 6f. RESOLUTION NO. 2022-45; APPROVING AND AUTHORIZING EXECUTION OF A JOINT POWERS AGREEMENT WITH THE CITY OF BROOKLYN PARK FOR THE IMPROVEMENT OF A PORTION OF 73RD AVENUE NORTH (HALIFAX AVENUE NORTH TO FRANCE AVENUE NORTH) TOGETHER WITH A PORTION OF KYLE AVENUE NORTH (WOODBINE LANE TO SHARI ANN LANE) AND TOGETHER WITH A PORTION OF NOBLE AVENUE NORTH (WOODBINE LANE TO NOBLE COURT NORTH)**
- 6g. RESOLUTION NO. 2022-46; APPROVING AND AUTHORIZING EXECUTION OF A JOINT POWERS AGREEMENT WITH THE CITY OF BROOKLYN PARK FOR THE MAINTENANCE OF A PORTION OF 73RD AVENUE NORTH (HALIFAX AVENUE NORTH TO FRANCE AVENUE NORTH) TOGETHER WITH A PORTION OF KYLE AVENUE NORTH (WOODBINE LANE TO SHARI ANN LANE) AND TOGETHER WITH A PORTION OF NOBLE AVENUE NORTH (WOODBINE LANE TO NOBLE COURT NORTH)**
- 6h. RESOLUTION NO. 2022-47; DECLARING APRIL 17-24, 2022, TO BE COMMUNITY CLEANUP WEEK**
- 6i. RESOLUTION NO. 2022-48; DECLARING APRIL 22, 2022, AS EARTH DAY IN BROOKLYN CENTER**

Motion passed unanimously.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

7a. PROCLAMATION DECLARING MARCH 26, 2022 AS "PARK CENTER HIGH SCHOOL BOYS BASKETBALL TEAM DAY"

This item was considered after 4. Roll Call and before 2. Invocation.

7b. OPPORTUNITY SITE PILOT PROJECT – COMMUNITY ENGAGEMENT UPDATE

Dr. Edwards introduced Community Development Director Meg Beekman to continue the Staff presentation.

Ms. Beekman stated at the June 28, 2021, meeting, that the City Council approved moving ahead with a community engagement process related to the Opportunity Site. The engagement process would focus on the initial pilot development project being led by developer Alatus. The approved engagement process authorized staff to enter into contracts with up to 10 local community-based organizations to lead community engagement efforts.

Ms. Beekman noted as part of this work, a citizen advisory task force was to be formed, which would distill the larger engagement efforts and work to identify a term sheet for the development, which would form the basis of a community benefits plan.

Ms. Beekman added the city contracted with NEOO Partners to manage the engagement effort and provide technical assistance to the local community partners conducting the engagement work. In addition to leading their community engagement efforts, ACER was contracted to form and facilitate the citizen advisory taskforce. The citizen advisory task force is tasked with receiving the engagement data from the community partners, distilling that information, and delivering to the City an equity development scorecard and a community benefits agreement based on the engagement work.

Ms. Beekman stated at the November 22, 2021, City Council meeting, NEOO Partners and ACER, Inc co-presented an update of the work to the City Council. Much work has been accomplished since this process began in June. The community partners have been out in the community door-knocking, holding focus group sessions, and larger community listening sessions. The engagement work has been concluded and passed on to the citizen advisory task force. ACER has convened the citizen advisory task force and they have largely completed their work.

Ms. Beekman noted an April 19, 2022 meeting has been scheduled for the community partners to report to the community the results of their work. For April 11, 2022, City Council meeting, a select group of community partners will report their findings to the City Council and present their final engagement report. The Council is being asked to accept the team's engagement report.

Christina Berry, the representative of NEOO Partners, explained that NEOO Partners is a real estate, urban planning, and community engagement firm that was selected to oversee the community engagement process for the Opportunity Site. They have been working with various local organizations that have met with over 2,000 residents and 50 local businesses. The

engagement team asked a variety of questions regarding the Opportunity Site and provided information about the project.

Andrew Mua, Youth Outreach Specialist for Brooklyn Bridge for Youth, started by acknowledging the first anniversary of the death of Daunte Wright. He explained the engagement goals were to inform the development of the proposed Downtown Masterplan and its implementation, build relationships with youth using an intentional engagement model, and expose and provide opportunities to youth to engage with city systems that have not traditionally been available to them.

Mr. Mua noted advancing equity is ensuring they are including those most impacted and least included in planning historically. They approached this work with careful intentionality to amplify youth views and voices in community development efforts.

Mr. Mua stated the engagement was a direct continuation of work from 2019. Four themes emerged from their times in the schools including investing more funds into schools and education, expanded retail and entertainment options, affordable housing opportunities and expanded housing, and community spaces for youth and families to bond. He added there was a disconnect between gentrification and the impacts of development that comes from introducing retail, entertainment, and housing.

Mr. Mua showed a slide depicting the Youth Outreach and Engagement Model that was built out between staff and four interns. They engaged with 51 students, and the intention was to go deeper by building relationships with 51 students rather than just extracting knowledge from the youth.

Mr. Mua explained they engaged with youth in the Brooklyn Center High School and the Brooklyn Center Early College Academy across four grades. 90 percent of the students engaged in the process were youth of color, which was representative of the greater Brooklyn Center community.

Mr. Mua noted part of intentional engagement with young people is building community. They wanted to make sure that there is a relationship between us and the students while also learning about youth and how they view Brooklyn Center. There was a central theme of moving forward together. One student noted student life is dominated by schools. If teachers and schools don't make personal connections or promote positive environments for their students, it will reflect on how students feel about their community.

Mr. Mua stated based on feedback from the youth, the strengths of the downtown plan include a community-centered approach designed to bring people and families together, a walkable and bikeable area with activities and space that otherwise are not currently being used, emphasis on small-business development for economic growth of local business owners with the potential for job creation for youth and adults, centralized services make the area more accessible for folks with transportation barriers and reduces financial burden attached with commuting, expanded housing for affordable living, and green spaces and added parks for both youth and families to enjoy.

Mr. Mua noted some pieces of the Opportunity Site require more clarification based on the feedback from the youth. For example, they would like to see an intentional plan or consideration

that focuses on the public safety of residents and their well-being, essential businesses and spaces related to health, basic needs, and other specialized services for people from all backgrounds, strong efforts by the city to prevent gentrification and displacement of current residents, affordable recreation, entertainment, and public art, environmentally friendly plan that focuses on clean building, clean streets, and clean water, and development that leads to improved community education.

Mr. Mua added there were other key findings from the youth engagement process that may be of importance to the Council and the project. Youth have expressed an interest in moving the community forward and together, and there is a strong sense of pride that is harbored in youth in Brooklyn Center. Especially when their school experience is positive, it impacts their view of the city. There is a gap in engagement between existing city assets and the community. Students have expressed the need for certain services yet are unaware that some of these services exist within the city.

Mr. Mua explained youth would like to see public safety implemented into the overall plan, and youth want to feel safe and secure. They were also interested in direct and intentional efforts to prevent inequitable impacts of development for residents. Students want to see themselves and their families prioritized first. Also, it was not clear to students how this will impact their schools.

Mr. Mua stated overall, youth feel a strong sense of passion and pride in the people of Brooklyn Center, but not in the physical space of the city. There was a sense of being an underdog and it's reflected in how they view the empty lots and spaces in their city, or their differences in experiences in comparison to their peers in other cities.

Mr. Mua thanked a variety of people and organizations that have supported his youth engagement work. He offered to answer any questions the Council may have.

Mayor Pro Tem Butler noted Mayor Elliott asked her to take over the meeting.

Councilmember Ryan asked what was the total cost of the engagement efforts. Ms. Beekman stated the invoices are still incoming. The Council had originally agreed to an engagement process not to exceed \$300,000. After some refinement, there was a lower budget agreed upon by the Council. Councilmember Ryan noted there have been concerns that there has not been widespread enough engagement to support the project.

Councilmember Ryan noted his agreement that the plan should look at gentrification and displacement. He stated he expects the Community Development Director has considered such factors. There is research about gentrification, displacement, new developments, and affordable housing that needs to be considered. The Council may be giving their discretion up to affordable housing advocates without thinking about the greater need of the residents of Brooklyn Center.

Mayor Pro Tem Butler thanked Mr. Mua for the presentation and noted her excitement for the depth of youth engagement included in the process.

Mayor Pro Tem Butler moved and Councilmember Graves seconded to accept the presentation

Opportunity Site Pilot Project - Community Engagement Update.

Motion passed unanimously.

7c. HIGHWAY 252/I-94 ENVIRONMENTAL IMPACT STATEMENT (EIS) UPDATE

Dr. Edwards introduced the item and welcomed City Engineer Mike Albers to continue the Staff presentation.

Mr. Albers stated the City is partnering with MnDOT, Hennepin County, the City of Brooklyn Park, and the City of Minneapolis on an Environmental Impact Statement for the Highway 252/I-94 corridor from Highway 610 in Brooklyn Park to 4th Street in Minneapolis. The project partners will use the Economic Impact Statement (EIS) to gain a better understanding of safety and transportation needs in the area and take a closer look at how a potential construction project could affect the environment surrounding Highway 252 and I-94.

Aaron Tag, MnDOT Public Engagement Manager, explained the project is currently in the phase involving the Environmental Impact Statement. The first step of the phase was to determine the purpose and need. Currently, they are working on a Scoping Decision Document. The next phase includes the draft EIS and a formal public comment period. They hope to wrap up the phase at the end of 2025 and begin construction in 2026.

Mr. Tag showed a slide depicting the project development process. They started with a mix of elements that may address the needs. Those that move forward past evaluation, look for elements they may be missing. When they have added an element, they restart the process. They are continuing to gather public feedback on several alternatives.

Mr. Tag showed a slide depicting the project committee process. The project team compiles project information, shares existing, background, and reference information conducts data analysis and discusses assumptions through a rough framework. From there, the project is reviewed by a Technical and Policy Advisory Committee, various participating agencies, and the public.

Mr. Tag stated they have heard concerns from the City Council, and they want to be responsive to those. They have heard interim safety improvements are needed, and safety improvements will be implemented in 2023. Workforce opportunities are important and need to be communicated to the project. MnDOT has developed a workforce plan. MnDOT has also released a request for proposals from community-based organizations to develop and administer two workforce programs for the 252 project.

Mr. Tag noted the Council has a desire to see diverse engagement methods. Round Three engagement will include in-person, online, small group, and targeted methods to reach residents where they are and gather meaningful feedback. Air quality and asthma issues are a concern. Air quality and environmental justice analyses are evaluated during the draft Environmental Impact Statement.

Mr. Tag stated interim safety improvement measures will come in the late summer of 2023. They will install new pedestrian crosswalk pavement markings at 66th, 70th, 73rd, and 81st Avenues, and Brookdale Drive, deploy speed feedback trailers, upgrade the “One Way” signing, implement Toward Zero Deaths (TZD) strategies, and make the crossing times longer for pedestrians.

Mr. Tag added for more specific projects, MnDOT will install warning flashers on southbound Hwy 252 for the signal at 85th Avenue, and add more signal heads on Hwy 252 at Humboldt Avenue/81st Avenue. Improve westbound to southbound turn movement, remove free right turn in the southwest corner of Hwy 252 and 66th Avenue, install “Signal Ahead” pavement markings on northbound Hwy 252 for 66th Avenue Signal.

Mr. Tag explained two rounds of public engagement are complete. Pop-up meetings have taken place in coordination with City Staff. There is a collaboration with CAPI to engage diverse populations in Brooklyn Center and targeted outreach to communities of faith in partnership with the Stairstep Foundation. Furthermore, there are Equity and Health Neighborhood Advisors as a piece of targeted outreach.

Mr. Tag noted the project has received 1582 comments, and 321 of those comments involved questions needing a response. Comment themes include the project process, freeway conversion, safety, environment, and transit. The community input has informed the project in several ways. Additional project alternatives have been included for consideration, the project team has established an interim safety improvements plan, transit is considered in all alternatives, and MnDOT is utilizing additional tools and techniques to engage the community.

Leif Garnass, SRF Engineer, stated they are on the second step of the scoping process which combines project elements to develop a list of project alternatives. From there, they will determine which alternatives should be studied further in the draft EIS, and they will review the draft EIS alternatives and determine if there is a preferred alternative.

Mr. Garnass explained step two identifies Hwy 252 and I-94 corridor alternatives for further study in step three. There is a range of alternatives for Hwy 252 considering the overall function and purpose of Hwy 252 in Brooklyn Center, and tradeoffs between Hwy 252 and local roadways are considered in technical evaluation. Evaluation criteria include vehicle safety, vehicle mobility, walkability and bike-ability, environment considerations, and transit considerations.

Mr. Garnass stated the first alternative is to convert Hwy 252 to a transit corridor. This would reduce Hwy 252 to one lane in each direction and only allow transit vehicles to travel along Hwy 252. It would not allow general traffic to turn onto or off Hwy 252. Local access across Hwy 252 could be served with intersections or interchanges.

Mr. Garnass explained they could sever Hwy 252 at Hwy 610 and convert Hwy 252 to a local collector roadway. In that scenario, the connection to Hwy 610 and from Hwy 252 on the north end would be severed, and the connection to I-694 and from Hwy 252 on the south end would be maintained. This alternative would also reduce Hwy 252 to a three-lane roadway and reduce the posted speed limit on Hwy 252 to 35 miles per hour.

Mr. Garness added another alternative would be converting Hwy 252 to a four-lane low-speed expressway. This option would provide only two lanes in each direction on Hwy 252 and reduce the speed limit on Hwy 252 to 35 miles per hour. This alternative was revisited based on community feedback.

Mr. Garness stated they are considering an E-ZPass as a transit advantage and congestion-free choice. A managed lane provides flexible travel options during busy commuting hours. The goal is to move more people by providing a dedicated lane that transit riders and carpoolers can use for free during high-traffic times. An E-ZPass lane is an example of a managed lane and in Minnesota, solo drivers pay to access the lane if they do not qualify via transit or carpooling options.

Mr. Garness explained the price to use the lane varies based on the lane's location, time of day, and traffic to help keep the lane less congested. Minnesota E-ZPass lanes are open to all motorists during low traffic time, which is nearly 90 percent of the time. The purpose of Minnesota's E-ZPass managed lane system is to improve the Twin Cities 'highway and transit systems by providing users with more efficient travel options.

Mr. Garness showed a slide showing a table with a high-level evaluation summary for step two. The table was broken down into expressway alternatives, freeway alternatives, and Hwy 252 reductions compared to evaluation criteria. Mr. Tag added no corridor alternatives have been eliminated.

Mr. Tag stated round three of community engagement will begin at the end of April. They will refine alternatives and recommend those to advance and those not to advance. Round four of community engagement will take place in fall 2022 and the Scoping Decision Document will be finalized in early 2023. He added two engagement opportunities will be coming up. A Brooklyn Center Open House is scheduled for Tuesday, April 26 from 5:30 to 7 p.m. at the Lutheran Church of The Master.

Councilmember Ryan noted there are several conflicting interests. He explained he would defer his questions and concerns until a later discussion.

Councilmember Lawrence-Anderson thanked the members of MnDOT that have met with her individually in the past. She added it is concerning for the interim safety measures to be so delayed. She stated the option for a light preceding a stoplight to warn of an upcoming red light could be a helpful safety measure that would be much quicker than the current proposed safety measures timeline.

Mr. Tag explained MnDOT's projects depend on when funding is available. Additionally, several design elements must be put together which takes time to complete. The flashing lights require design work as well and would require integration and complicated connections into the signal system.

Councilmember Graves asked if there are any additional project alternatives beyond those presented. She added if there were any additional project alternatives beyond those presented, she would like to know why they were not included. She noted her appreciation of consideration of

walkability and bike-ability. However, she would like to receive more information about community engagement and feedback received about the projection options. She asked if the reported pros and cons are based on MnDOT's assumptions or collected community feedback.

Mr. Tag stated round three of engagement will include receiving feedback specifically about the proposed alternatives. He stated four alternatives will be presented to the community. The upcoming open house meeting will include a full presentation of the four options along with an analysis of the alternatives. MnDOT looks forward to receiving and implementing feedback from the community.

Mayor Pro Tem Butler asked if the Council could have access to all of the community feedback that has been received from the community engagement efforts. She also asked if they could receive future community feedback before any future MnDOT presentations to the Council. Mr. Tag stated the team will put the comments together for the Council to review. Mayor Pro Tem Butler noted she had additional questions, but in the interest of time, she would email the project team.

Mayor Elliott moved and Councilmember Ryan seconded to accept the presentation by MnDOT on the current status of Highway 252/I-94 Environmental Impact Statement (EIS).

Motion passed unanimously.

8. PUBLIC HEARINGS

None.

9. PLANNING COMMISSION ITEMS

None.

10. COUNCIL CONSIDERATION ITEMS

10a. AN ORDINANCE AMENDING CHAPTER 2, SECTION 2.08 OF THE CITY CHARTER OF BROOKLYN CENTER (FIRST READING)

Mayor Pro Tem Butler stated Dr. Edwards confirmed the discussion on Council Consideration Item 10a., An Ordinance Amending Chapter 2, Section 2.08 of the City Charter of Brooklyn Center (First Reading), could be moved to the April 25, 2022 meeting as it is not a pressing matter.

Hearing no objection, Mayor Pro Tem Butler rescheduled Council Consideration Item 10a. An Ordinance Amending Chapter 2, Section 2.08 of the City Charter of Brooklyn Center (First Reading), to April 25, 2022.

11. COUNCIL REPORT

None.

12. ADJOURNMENT

Councilmember Graves moved and Mayor Pro Tem Butler seconded the adjournment of the City Council meeting at 9:24 p.m.

Motion passed unanimously.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)
CITY OF BROOKLYN CENTER)

ss. Certification of Minutes

The undersigned, being the duly qualified and appointed City Clerk of the City of Brooklyn Center, Minnesota, certifies:

1. That attached hereto is a full, true, and complete transcript of the minutes of a Regular Session of the City Council of the City of Brooklyn Center held on April 11, 2022.
2. That said meeting was held pursuant to due call and notice thereof and was duly held at Brooklyn Center City Hall.
3. That the City Council adopted said minutes at its April 25, 2022, Regular Session.

Barbara Suciu, City Clerk

Mike Elliott, Mayor

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/ECONOMIC
DEVELOPMENT AUTHORITY OF THE CITY OF BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND
THE STATE OF MINNESOTA

WORK SESSION
APRIL 11, 2022
VIA ZOOM

CALL TO ORDER

The Brooklyn Center City Council/Economic Development Authority (EDA) met in Work Session called to order by Mayor Pro Tem/President Pro Tem Marquita Butler at 9:47 p.m.

ROLL CALL

Mayor/President Mike Elliott, Mayor Pro Tem/President Pro Tem Marquita Butler, and Councilmembers/Commissioners April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, and City Clerk Barb Suciu.

CONCEPT REVIEW FOR 6100 SHINGLE CREEK PARKWAY (FORMER TARGET)

Councilmember/Commissioner Ryan stated he would like the item to return to the Council/EDA in a timely fashion. He explained he supports the initiative if the housing is market-rate. The City has only been pushing for affordable housing in recent years, and the project in question would appeal to those looking for market-rate housing.

Councilmember/Commissioner Lawrence-Anderson asked when the Planning Commission will review the project and if the Parks and Recreation Commission will be involved in the process. She added she would defer comments to a later date.

Councilmember/Commissioner Graves explained she has been trying to advocate for small business support, so the concept is exciting to her. She noted she would like more details down the line and has some concerns about later phases. However, she is on board with the concept overall.

Mayor/President Elliott agreed he was excited about the project and pointed out it is the most exciting project in the Twin Cities. He added there will likely be different types of housing options in the project.

Mayor Pro Tem/President Pro Tem Marquita Butler stated she would ask more questions later on.

The majority consensus of the City Council/EDA was in support of the Concept Review for 6100 Shingle Creek Parkway (Former Target).

Mayor Pro Tem/President Pro Tem Marquita Butler added the discussion about liquor stores can be moved to a later meeting.

ADJOURNMENT

Mayor/President Elliott moved the adjournment of the City Council/Economic Development Authority Work Session at 9:53 p.m.

Councilmember/Commissioner Ryan pointed out Mayor/President Elliott moves in and out of the meeting and leaves the leading of the meeting to Mayor Pro Tem/President Pro Tem Butler. The order of conducting the meeting is regular and needs to be addressed.

Mayor/President Elliott explained he was at the Daunte Wright memorial gathering during the meeting. Many people at the memorial were aware of the City's meeting and would have liked more of the Council/EDA to be present at the memorial. He stated he wanted to be part of the healing on the first anniversary.

Mayor/President Elliott added Mayor Pro Tem/President Pro Tem Butler has done an excellent job leading the meeting. The purpose of her role is to step up in situations like the current one. Mayor/President Elliott noted Councilmember/Commissioner Ryan may want Mayor/President Elliott to be fully present at the meeting, but he has conducted every meeting since becoming Mayor/President. Therefore, it doesn't need to become an issue.

Mayor Pro Tem/President Pro Tem Butler seconded adjournment of the City Council/Economic Development Authority Work Session at 9:56 p.m.

Councilmember/Commissioner Graves asked if the liquor store item would be moved to a later meeting. Mayor Pro Tem/President Pro Tem Butler confirmed Dr. Edwards stated the liquor store item is not pressing and can be moved to a later meeting.

Motion passed unanimously.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)
CITY OF BROOKLYN CENTER)

ss. Certification of Minutes

The undersigned, being the duly qualified and appointed City Clerk of the City of Brooklyn Center, Minnesota, certifies:

1. That attached hereto is a full, true, and complete transcript of the minutes of a Work Session of the City Council of the City of Brooklyn Center held on April 11, 2022.
2. That said meeting was held pursuant to due call and notice thereof and was duly held at Brooklyn Center City Hall.
3. That the City Council adopted said minutes at its April 25, 2022, Regular Session.

Barbara Suciu, City Clerk

Mike Elliott, Mayor

Council Regular Meeting

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Alix Bentrud, Deputy City Clerk

SUBJECT: Approval of Licenses

Requested Council Action:

- Motion to approve the licenses as presented.

Background:

The following businesses/persons have applied for City licenses as noted. Each business/person has fulfilled the requirements of the City Ordinance governing respective licenses, submitted appropriate applications, and paid proper fees. Applicants for rental dwelling licenses are in compliance with Chapter 12 of the City Code of Ordinances, unless comments are noted below the property address on the attached rental report.

-

Amusement Devices License

Mendota Valley Amusements
390 Richmond St E
South St Paul MN 55075

Theisen Vending Company
2335 Nevada Ave N
Golden Valley MN 55427

Duoos Bros American Legion
6110 Brooklyn Blvd
Brooklyn Center MN 55430

Jammin' Wings
2590 Freeway Blvd
Brooklyn Center MN 55430

Garbage Hauler License

Darling Ingredients, Inc

9000 382nd Ave
Blue Earth MN 56301

-

Hospitality Accommodations License

Brooklyn Center Hospitality LLC
dba Motel 6 Brooklyn Center

Country Inn & Suites

Faraz Enterprises Inc
dba Travelodge By Wyndham

American Hotels LLC
dba Quality Inn

2741 Freeway Blvd
Brooklyn Center MN 55430

2550 Freeway Blvd
Brooklyn Center 55430

6415 James Cir N
Brooklyn Center MN 55430

1600 James Cir N
Brooklyn Center Mn 55430

-

Mechanical Licenses

Airgate Htg & Air Inc	PO Box 1649 Maple Grove, MN 55311
Ace Heating & Air Conditioning Inc	7174 Hwy 95 NW Princeton, MN 55371
Admiral Radon Mechanical Services LLC	13816 Utah Avenue Savage, MN 55378
BWS Plumbing, Heating & Air Conditioning	7251 Washington Ave S Edina, MN 55439
Bettin Inc., Ecowater Systems	3208 1 st Street S Waite Park, MN 56387
Beyond Heating and Air LLC	22544 Hayward Ave Forest Lake, MN 55025
Boys Electric LLC & Boys Mechanical	490 Villaume Ave South St. Paul, MN 55075
Centerpoint Energy	6161 Golden Valley Rd Golden Valley, MN 55422
Deans Home Services	6701 Parkway Cir, Suite 600 Brooklyn Center, MN 55430
GR Mechanical	12401 Ironwood Circle Rogers, MN 55374
Goss Plumbing	8105 Cedar Street Rockford, MN 55373
Hearth & Home Technologies LLC	7571 215 th Street W Lakeville, MN 55044
Heating & Cooling Two Inc	18550 County Rd 81 Maple Grove, MN 55369
Hertz Mechanical Inc	19561 Vernon St. Elk River, MN 55303
Home Energy Center	2415 Annapolis Lane N #170 Plymouth, MN 55441
Homeworks Services LLC	915 Blue Gentian Rd, Suite 100 Eagan, MN 55121
Major Mechanical LLC	7601 Northland Drive N #110 Brooklyn Park, MN 55428
Metro Heating and Cooling	1220 Cope Ave E Maplewood, MN 55109
Midwest Maintenance & Mechanical	750 Pennsylvania Ave S Golden Valley, MN 55426
Nasseff Mechanical Cont	122 S. Wabasha Suite 101 St. Paul, MN 55107
Owens Companies Inc	930 E 80 th St. Bloomington, MN 55420
Ray Welter Heating Co	4637 Chicago Ave S Minneapolis, MN 55407

Regency Plumbing Inc

3414 Louisiana Ave N
Golden Valley, MN 55427

South-Town Refrigeration

6325 Welcome Ave N Ste. #200
Brooklyn Park, MN 55429

-
Signhangers License

Imaginality Designs LLC

822 Decatur Ave N
Golden Valley, MN 55427

Indigo Signworks, Inc

4133 Iowa St., Ste. 100
Alexandria, MN 56308

Special Events License

National MS Society
2022 Bike MS: Twin Cities Ride

East Palmer Lake Park
2800 69th Ave N
Brooklyn Center MN 55430

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
Rental Criteria	3/16/2021	Backup Material
Rentals 5.9.2022	5/3/2022	Backup Material

Property Code and Nuisance Violations Criteria		
License Category (Based on Property Code Only)	Number of Units	Property Code Violations per Inspected Unit
Type I – 3 Year	1-2 units	0-2
	3+ units	0-0.75
Type II – 2 Year	1-2 units	Greater than 2 but not more than 5
	3+ units	Greater than 0.75 but not more than 1.5
Type III – 1 Year	1-2 units	Greater than 5 but not more than 9
	3+ units	Greater than 1.5 but not more than 3
Type IV – 6 Months	1-2 units	Greater than 9
	3+ units	Greater than 3

b. Police Service Calls.

Police call rates will be based on the average number of valid police calls per unit per year. Police incidences for purposes of determining licensing categories shall include disorderly activities and nuisances as defined in Section 12-911, and events categorized as Part I crimes in the Uniform Crime Reporting System including homicide, rape, robbery, aggravated assault, burglary, theft, auto theft and arson.

Calls will not be counted for purposes of determining licensing categories where the victim and suspect are “Family or household members” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (b) and where there is a report of “Domestic Abuse” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (a).

License Category	Number of Units	Validated Calls for Disorderly Conduct Service & Part I Crimes (Calls Per Unit/Year)
No Category Impact	1-2	0-1
	3-4 units	0-0.25
	5 or more units	0-0.35
Decrease 1 Category	1-2	Greater than 1 but not more than 3
	3-4 units	Greater than 0.25 but not more than 1
	5 or more units	Greater than 0.35 but not more than 0.50
Decrease 2 Categories	1-2	Greater than 3
	3-4 units	Greater than 1
	5 or more units	Greater than 0.50

ly Units	Initial	Ayodeji Gbayisomore	9 = 3 per unit	Type III	N/A	Type III	
Units	Initial	Ahmed S Ali	0	Type I	N/A	Type II	
	Initial	M Y Issa/f Abdullahi/m Issa	5	Type II	N/A	Type III	
	Initial	SFR Acquisitions 2 LLC	1	Type I	N/A	Type II	
	Initial	Real Assets LLC Gulzar Real Estates, LLC	20	Type IV	N/A	Type IV	
	Initial	Pensco Trust Co. G. Johnson	4	Type II	N/A	Type II	
	Initial	Badikambudi Helene Kazadi	12	Type IV	N/A	Type IV	
	Initial	Sogdiana, LLC	7	Type IV	N/A	Tpe IV	
	Initial	Wells Bovard	1	Type I	N/A	Type II	
	Initial	Fred Hanus	0	Type I	N/A	Type II	
	Initial	T J Agene & O Agene	4	Type II	N/A	Type II	
	Initial	C C Okonkwo & I Dijeh	5	Type II	N/A	Type II	
ly Units	Renewal	Trung C Duong - Met Requirements	3 = 0.75 per unit	Type I	0	Type I	Type III
ly Units	Renewal	Willow Lane Estates LLC Nicollet Flats, LLC	74 = 1.28 per unit + .68 CFS per unit = 1.96 per unit	Type II	4 Calls for Service = .68 per unit 8/29/21 All other larceny 12/19/21 Motor Vehicle Theft 4/25/22 Robbery 4/22/22 Robbery	Type III	Type III
	Renewal	Prosperous Property Llc	3	Type II	0	Type II	Type I
	Renewal	G B Homes LLC Crystal Clear Investment, LLC C/O Brummer Realty Crystal Brummer	7	Type III	0	Type III	Type I
	Renewal	A-jelil Abdella & N Said	6	Type III	0	Type III	Type I
	Renewal	Godiva Properties Llc	8	Type III	0	Type III	Type III
	Renewal	Doreen Kalema	23	Type IV	0	Type IV	Type III
	Renewal	Oyejola Azum	11	Type IV	0	Type IV	Type III
	Renewal	Ejimadu Properties LLC	3	Type II	0	Type II	Type I

Renewal	Initial Requirements	PS	Type	0	Type	Type
Renewal	J And M Homes Ii Llc	9	Type III	0	Type III	Type II
Renewal	Toan Thanh Truong	8	Type III	0	Type III	Type II
Renewal	Cheng S Lor	11	Type IV	0	Type IV	Type I
Renewal	Rifive Investments LLC I Maurice & Danielle McCarter - Met Requirements	3	Type II	0	Type II	Type III
Renewal	Home Sfr Borrower Llc - Did not meet requirements	2	Type I	0	Type IV	Type IV
Renewal	Jun Wang & Jinxiu Wang - Met Requirements	9	Type III	0	Type III	Type III
Renewal	Kurt Templin & Mary Templin	5	Type II	0	Type II	Type I
Renewal	Park Ave Homes Llc	19	Type IV	0	Type IV	Type II
Renewal	LIVEWELL HOME CARE LLC - Did not meet requirements	2	Type I	0	Type IV	Type IV
Renewal	Johnson Organization Inc	1	Type I	0	Type I	Type I
Renewal	Fyr Sfr Borrower Llc - Did not meet Requirements	4	Type II	0	Type II	Type IV
Renewal	Mcclure Properties Llc	6	Type III	0	Type III	Type II

ces Only (Initial Licenses are not applicable to calls for service and will be listed N/.

year, Type II = 2 Year, Type III = 1 Year, Type IV = 6 months
d property taxes

Council Regular Meeting

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Meg McMahan, Community Development Director

SUBJECT: Resolution Approving the Participation of the Hennepin County Housing and Redevelopment Authority in an Affordable Housing Project

Requested Council Action:

- Motion to adopt a resolution approving the participation of the Hennepin County Housing and Redevelopment Authority in an affordable housing project

Background:

Hennepin County recently awarded Aeon with funding for two projects located in Brooklyn Center. Carrington Drive Apartments received funds for window replacements and the Crest received funds to cover increased construction costs.

As a condition of awarding the funds, Hennepin County requires the City to pass a resolution in support of the grant uses. The Council is being asked to approve the attached resolution indicating City support for the grant funds to be used in the proposed manner.

Budget Issues:

There are no budget issues to consider.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Safe, Secure, Stable Community

Council Regular Meeting

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Tony Gruenig, Acting Police Chief

SUBJECT: Observance of Police Week and Peace Officer Memorial Day

Requested Council Action:

- It is recommended that the City Council consider approval/adoption of a Council Resolution, which observes May 15, 2022 as Peace Officers Memorial Day; and the week of May 15 through May 21, 2022 as Police Week.

Background:

Congress and the President of the United States has designated May 15 as Peace Officers Memorial Day, and the week in which it falls as Police Week. Observance of Police Week and Peace Officers Memorial Day will help recognize our Brooklyn Center Police Department and other law enforcement agencies, as well as officers who died or were disabled in the line of duty.

Budget Issues:

None

Inclusive Community Engagement:

None

Antiracist/Equity Policy Effect:

None

Strategic Priorities and Values:

Enhanced Community Image

ATTACHMENTS:

Description	Upload Date	Type
Resolution	5/3/2022	Resolution Letter

Member
moved its adoption:

introduced the following resolution and

RESOLUTION NO.

RESOLUTION RECOGNIZING MAY 15 THROUGH MAY 21, 2022 AS
POLICE WEEK AND MAY 15, 2022, AS POLICE OFFICERS MEMORIAL
DAY

WHEREAS, the Congress and President of the United States has designated May 15 as Peace Officers Memorial Day, and the week in which it falls as Police Week; and

WHEREAS, the members of the law enforcement agency of Brooklyn Center play an essential role in safeguarding the rights and freedoms of the citizens of Brooklyn Center; and

WHEREAS, it is important that all citizens know and understand the problems, duties and responsibilities of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence or disorder, and by protecting the innocent against deception and the weak against oppression or intimidation; and

WHEREAS, the police department of Brooklyn Center has grown to be a modern and scientific law enforcement agency which unceasingly provides a vital public service.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that the citizens of Brooklyn Center and all patriotic, civil and educational organizations be called upon to observe the week of May 15 through 21, 2022, as Police Week with appropriate ceremonies in which all of our people may join in commemorating police officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities and, in doing so, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

FURTHER, be it resolved that all citizens of Brooklyn Center be called upon to observe Monday, May 15, 2022 as Peace Officers Memorial Day in honor of those peace officers who, through their courageous deeds, have lost their lives or have become disabled in the performance of duty.

May 9, 2022

Date

Mayor

ATTEST: _____

City Clerk

RESOLUTION NO. _____

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Meg Beekman, Community Development Director

SUBJECT: Presentation on Three River's Park District's Parks to People Master Plan

Requested Council Action:

Background:

Three River's Park District has requested an opportunity to update the City Council on their *Parks to People Master Plan*. They will introduce the master plan process – why they are doing it, how it will work, who they will engage, and what it means for BC.

As part of their process they will be reaching out to residents and working with staff. They will be requesting that the City identify a staff member to be the City's representative at the planning meetings.

The presenting from Three River's will be Jonathan Vlaming, Associate Superintendent; Boe Carlson, Superintendent; and Dan Freeman, Board Member for Brooklyn Center.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Inclusive Community Engagement

ATTACHMENTS:

Description	Upload Date	Type
Handout	5/3/2022	Backup Material

Parks to People Master Plan

Our vision is to connect everyone to nature every day.

One way to do this is to focus on bringing parks, trails and nature-based offerings to where people live. This is the vision of our **Parks to People Master Plan**.

Three Rivers Park District was created at the same time that the Twin Cities first-tier cities were quickly being developed. This resulted in limited regional parks, features and amenities in the most densely populated suburban Hennepin County cities where many of our historically underrepresented and under-served community members live. This plan will help develop innovative and relevant opportunities for residents of these communities to easily connect with and enjoy nature on a regular basis.

What is the Parks to People Master Plan? Born out of Three Rivers 2040 System Plan and the first goal of You Belong Here, the purpose of this initiative is to create a unified vision and plan for the Park District to better serve residents of the first-tier communities. This plan could include the creation of partnership parks, facilities, programming and other amenities that are in concert with Three Rivers mission to promote environmental stewardship through recreation and education in a natural resources-based park system.

Working in collaboration with partner cities, organizations and community members, the plan will serve as a blueprint that identifies and prioritizes the regional investments and actions needed to implement the vision of making nature and regional park offerings more easily accessible to everyone. While the plan covers the 11 first-tier cities, the intent is to provide individualized plans tailored to meet the needs of each city.

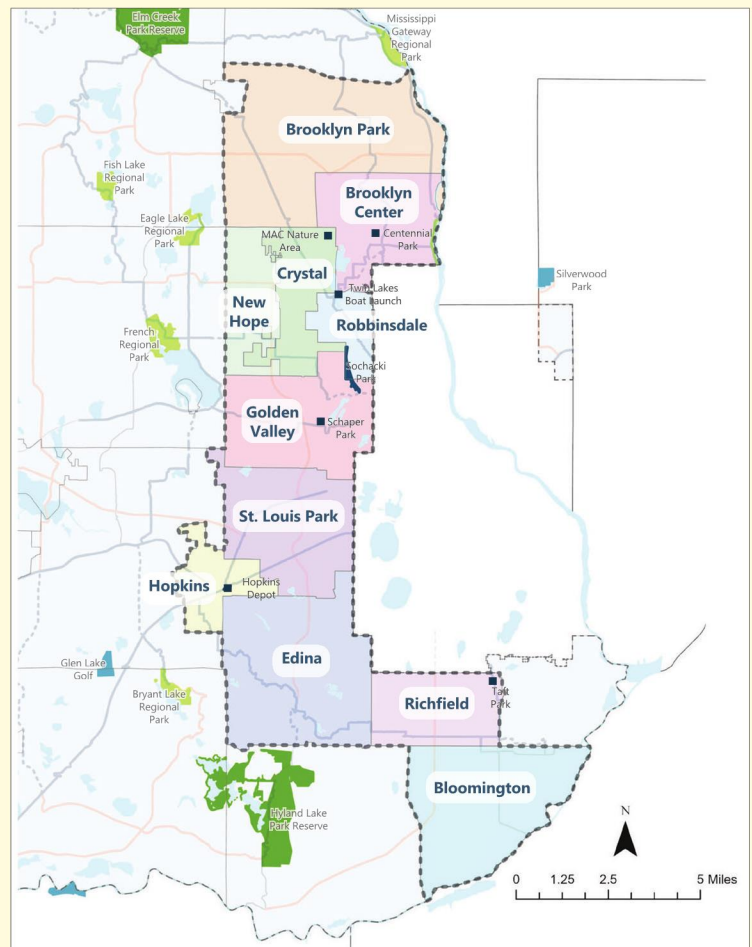
How to get involved? You know your residents better than anyone, and we need your help! In addition to working with your identified staff representatives and checking in with elected leaders, your residents will also have opportunities to get involved. We would love to work together to listen and connect using a variety of public engagement approaches. A focused emphasis will be placed on engaging BIPOC (Black, Indigenous, People of Color) communities, new immigrants and refugees, seniors, low-income households, and individuals with a range of abilities.

What is this plan's timeline? The planning process is underway and will likely be completed in the summer of 2023. Implementation would begin almost immediately after the plan has been approved by Three Rivers and the partner cities. Three Rivers is already earmarking future capital investment funding for implementation beginning in 2023.



Which Hennepin County communities are the focus of this plan?

Bloomington (east of Interstate 35W), Brooklyn Center, Brooklyn Park (south of Highway 610), Crystal, Edina, Golden Valley, Hopkins, New Hope, Richfield, Robbinsdale and St. Louis Park



A preliminary community engagement effort began this summer to explore what recreational activities first-tier community residents might want to try.

Questions?

Ann Rexine, Principal Planner
P: 763-694-1103
E: Ann.Rexine@threeriversparks.org



AGENDA



1. Call to Order

The City Council requests that attendees turn off cell phones and pagers during the meeting. A copy of the full City Council packet, including EDA (Economic Development Authority), is available to the public. The packet ring binder is located at the entrance of the council chambers.

2. Roll Call

3. Approval of Consent Agenda

The following items are considered to be routine by the Economic Development Authority (EDA) and will be acted by one motion. There will be no separate discussion of these items unless a Commissioner so requests, in which event the item will be removed from the consent agenda and considered at the end of Commission Consideration Items.

- a. Approval of Minutes
 - *Approve the meeting minutes from:*
 - *4/11 - EDA Session*

4. Commission Consideration Items

- a. Resolution Approving a Purchase and Sale Agreement and Conveyance of Certain Property to Carvana, LLC
 - *Motion to:*
 - *open the public hearing;*
 - *take public input; and*
 - *close the public hearing*
 - *Motion to adopt a resolution approving a purchase and sale agreement and conveyance of certain property to Carvana, LLC*

5. Adjournment

Economic Development Authority

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- *Approve the meeting minutes from:*
 - 4/11 - EDA Session

Background:

In accordance with Minnesota State Statute 15.17, the official records of all meetings must be documented and approved by the governing body.

Budget Issues:

- None

Inclusive Community Engagement:

N/A

Antiracist/Equity Policy Effect:

N/A

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
4-25-22 Minutes	5/3/2022	Backup Material

MINUTES OF THE PROCEEDINGS OF THE
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND THE
STATE OF MINNESOTA

REGULAR SESSION
APRIL 25, 2022
VIA ZOOM

1. CALL TO ORDER

The Brooklyn Center Economic Development Authority (EDA) met in a Regular Session called to order by President Mike Elliott at 7:53 p.m.

2. ROLL CALL

President Mike Elliott and Commissioners Marquita Butler, April Graves, and Kris Lawrence-Anderson. Commissioner Dan Ryan was absent and excused. Also present were Executive Director Reggie Edwards, Community Development Director Meg Beekman, and City Clerk Barb Suci.

3. APPROVAL OF AGENDA AND CONSENT AGENDA

President Elliott moved and Commissioner Graves seconded to approve the Agenda and Consent Agenda, and the following item was approved:

3a. APPROVAL OF MINUTES

1. April 11, 2022 – Regular Session

Motion passed unanimously.

4. COMMISSION CONSIDERATION ITEMS

4a. RESOLUTION NO. 2022-11; APPROVING A PRELIMINARY DEVELOPMENT AGREEMENT WITH IFC, LLC FOR 6100 SHINGLE CREEK PARKWAY (FORMER TARGET)

Executive Director Reggie Edwards introduced the item and invited Ms. Beekman to present the Staff report.

Community Development Director Meg Beekman stated on April 11, 2022, the City Council received a presentation regarding the International Food Village development concept. The City has been approached by Mr. James Sanigular, owner of International Food Corporation, a local food distribution company focusing on African and international foods. Mr. Sanigular and his

team have been working on a concept to bring an international foods market and bulk food warehouse. They had been exploring several locations and recently became interested in locating their project in Brooklyn Center. They have engaged LSE Architects to look at the former Target site, and adjacent retail strip center, to develop a mixed-use international food village, that would become a destination in the region.

Ms. Beekman explained the master plan calls for new roadways, a neighborhood park, and the creation of five new development parcels, requires replacing of properties and taking of right-of-way, requires negotiations to acquire parkland, and requires land acquisition from adjacent properties to assemble development parcels. The development will likely need to be phased in over time given market constraints.

Ms. Beekman stated the proposal includes an International Food Village, anchored by an international food grocer and bulk distributor, a campus-style development with related commercial and community uses, and the inclusion of a housing component. There is a two-level grocery, parking ramp, clinic, multi-family housing, freestanding commercial, City park, event center, and additional commercial fronting. The proposal requires the assembly of an adjacent strip mall. The EDA is currently in discussions with the adjacent property owner on acquiring additional land. The project is phased to start on the former Target site and then move south and west pending land assembly.

Ms. Beekman noted while the project does not align perfectly with the adopted Opportunity Site Master Framework, the development team has gone to great lengths to ensure that the roadway structure and vision for the area as a dense urban village, have remained intact.

Ms. Beekman stated this project is in its early stages, and much work will be needed before it will be ready to go through the City's approval process and finalize financing. That said, the development team has made considerable progress over the last several months and has access to the capital that will be necessary for financing the project. The development team is seeking a preliminary development agreement from the City to provide the site control that they need to conduct their due diligence, apply for grant funding, and put together their financing.

Ms. Beekman added a full and formal review would take place as part of a land-use application. Tax Increment Financing (TIF) will be needed at a minimum to cover public infrastructure improvements in the development, and the degree to which TIF funding would be needed is unknown. The City submitted an application on behalf of the project to the Metropolitan Council for Livable Communities Pre-development grant funding. Awards will be announced in June of this year.

Commissioner Lawrence-Anderson asked what the risk to the City could be. She added the concept is great, but so was the Shingle Creek Crossing plan. She asked if the option is a viable and sustainable concept for the space based on the market study.

Ms. Beekman stated there is no financial risk to the City for approving a Preliminary Development Agreement. It is a non-binding agreement. If anything, the risk would be having the property tied up with the development team, but that is the nature of how the projects work. When Staff has

looked at the Opportunity Site, they have talked to the community about their needs. Shingle Creek's layout makes it difficult to allow for affordable commercial spaces. The proposed concept would allow for affordable commercial space. The proposal fulfills a different niche than the Shingle Creek Crossing and meets a need of the international community through local businesses whereas the Shingle Creek Crossing would attract national retailers.

Mr. James Sanigular, the owner of International Food Corporation, explained the international food market would be attractive for the diverse communities both in Brooklyn Center and the surrounding areas. Additionally, it would be considered a local attraction. The concept is not limited to Minnesota, and there is a chance to expand the concept to other cities or states. Brooklyn Center could be the first place for the type of establishment proposed.

Commissioner Graves noted she looks forward to moving forward with the process.

Commissioner Graves moved and President Elliott seconded to adopt EDA RESOLUTION NO. 2022-11 Resolution Approving a Preliminary Development Agreement with IFC, LLC.

Motion passed unanimously.

5. ADJOURNMENT

Commissioner Graves moved and Commissioner Lawrence-Anderson seconded adjournment of the Economic Development Authority meeting at 8:13 p.m.

Motion passed unanimously.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)
CITY OF BROOKLYN CENTER)

ss. Certification of Minutes

The undersigned, being the duly qualified and appointed Secretary of the Economic Development Authority (EDA) of the City of Brooklyn Center, Minnesota, certifies:

1. Attached hereto is a full, true, and complete transcript of the minutes of a Regular Session of the Economic Development Authority (EDA) of the City of Brooklyn Center held on April 25, 2022.
2. That said meeting was held under due call and notice thereof and was duly held at Brooklyn Center City Hall.
3. That the Economic Development Authority (EDA) adopted said minutes at its May 9, 2022, Regular Session.

President

Economic Development Authority

DATE: 5/9/2022

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Meg Beekman, Community Development Director

SUBJECT: Resolution Approving a Purchase and Sale Agreement and Conveyance of Certain Property to Carvana, LLC

Requested Council Action:

- *Motion to:*

- *open the public hearing;*
- *take public input; and*
- *close the public hearing*

- *Motion to adopt a resolution approving a purchase and sale agreement and conveyance of certain property to Carvana, LLC*

Background:

The Brooklyn Center Economic Development Authority (EDA) owns the property located at 1601 James Circle.

At the January 10, City Council work session, the Council considered a concept review and letter of intent to purchase EDA-owned property at 1601 James Circle by Carvana. Details about the concept proposal and the terms of the LOI can be found below.

The City Council held a subsequent work session on January 24 to further discuss the project.

At the work sessions, Councilmembers raised several questions about the project that they asked to have resolved prior to making a determination on how to proceed. The Council identified the following areas they were seeking additional information on:

- The use and layout of the site
- How safety and security would be managed on the site
- How Carvana would meet the City's licensing requirement under Section 23 of the City Code, which requires auto dealer license holders to provide an on-site repair facility as part of the dealership.
- Economic impacts of the development

Carvana and staff discussed safety and security issues. They are committed to providing ample lighting on the site and are open to the inclusion of a fence or gate to secure the site. Most vehicles are stored inside the vending machine tower and will be secure there.

Carvana has further refined their site layout. The project conforms to the City's zoning and land use

requirements. An updated site plan has been included in this report.

Staff looked into the licensing question. The City Code requires automobile dealers to have a city license. Based on the definition in the Code, Carvana would be required to obtain a Class A Motor Vehicle license from the City. The Code further requires that "Class A license holders shall provide, operate and maintain **on its premises in the City of Brooklyn Center** an equipped and manned repair shop or facility capable of repairing the motors, engines, brakes, lights, tires, electrical and other operating equipment of any motor vehicle sold by such dealer."

Carvana's business model includes contracting with local vehicle repair facilities and referring their customers to those facilities for any warranty work. Currently Carvana has contracts with three repair facilities in Brooklyn Center for this work.

The current code was drafted with the intent of minimizing small-scale used car dealerships from proliferating in the City. Requiring a repair facility on site ensures a minimum amount of improvement to a property in order to operate a car dealership. However, the Zoning Code also includes minimum requirements for car dealerships which have the same affect, such as minimum lot size and minimum building coverage. These requirements will ensure continued safeguards are in place to maintain the intent of minimizing smaller-scale used car dealerships.

The City Attorney has prepared a City Code amendment which will be brought through with a land use application, which would remove the requirement that repair facilities be on premises in order to obtain a motor vehicle license with the City.

Council also asked for additional information about the economic impacts of the project. This site has been difficult to redevelop. This is due to its odd size and shape. Two previous projects were considered; one for an office building which did not end up being financially viable, the other for a union head quarters. The City Council turned down the offer for the union head quarters, in part because the offer to purchase was too low.

Carvana has offered a fair market value for the land., In additoin, the EDA would retain approximately 1.5 acres to use for future redevelopment. Carvana is not seeking any financial subsidy from the EDA for the development. In addition, due to the height of the building, the floor area ratio of the site will be much higher than any other feasible use. This will equate to a higher property value and greater increase to the City's tax base.

Further, other similar Carvana sites provide on average 30 new jobs.

Project Concept

Carvana is an online car dealership. All vehicles sold by Carvana are sold online. Vehicles are then either delivered to buyers from a centralized location or buyers can choose to pick-up their vehicle from one of Carvana's car vending fulfillment centers. The car vending machine is a unique structure and experience for buyers to pick-up vehicles quickly and efficiently. It is intended to offer an additional experience beyond simply having the vehicle dropped off.

Carvana currently operates 30 Vending Machines across the country in Arizona, California, Florida, Georgia, Indiana, Illinois, Kentucky, Maryland, Michigan, Missouri, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas (and coming soon to Colorado, New York, Utah, and Virginia). The nearest car vending machine is in Illinois, and Carvana is seeking a location with high visibility and freeway access to locate one in the

Twin Cities area.

A more detailed description of the function of the site and images can be found in the attached concept narrative.

Carvana is proposing to purchase a roughly 3.5 acre portion of 1601 James Circle North to locate a Carvana Vending Machine. The site would primarily function as a destination for customers to pick up vehicles they already had purchased. No vehicle repair, maintenance or detailing would occur on site, with the exception of an area to wipe down vehicles after arriving on site. Vehicles would be delivered by truck to the site.

The building would consist of a prominent glass structure up to ten stories in height which would house vehicles. The balance of the site would be parking for employees, customers, and circulation for loading and unloading vehicles. The use would provide approximately 30 jobs.

A site plan of the concept is attached to this report.

1601 James Circle North

1601 James Circle North is an oddly shaped 4.93 acre parcel which is encumbered by a large publicly owned stormwater pond and drainage and utility easement. The location and size of the pond and the shape of the parcel make it difficult to site a structure on. This in part is the reason for the long vacancy of the site.

The City first acquired and combined two parcels, the former Olive Garden and former Cracker Barrel, in 2006. The EDA acquired both parcels for \$2,893,295 and then demolished the structures on site. A portion of the properties were subdivided off and sold when the FBI building was constructed, leaving the current 4.93 acre configuration.

The property is zoned C-2 and guided for Business Mixed Use. Both the zoning and the underlying future land use guidance allows car sales as a permitted use.

Purchase Agreement

Carvana and the City Attorney have drafted a purchase agreement for roughly 3.4 acres of the 4.93 acre site for \$2,000,000. This equates to \$13.5 per square foot for land, which is a fair market value. By comparison, the EDA acquired the Target property for \$9.1 per square foot and Top Golf acquired the former Regal Theater for \$10 per square foot of land.

The EDA will retain the balance of the site for future development.

The purchase agreement includes the following terms:

- \$25,000 earnest money
- 90 days due diligence to study the site
- An additional 180 day approval period to seek City approvals for the use. This will include a Preliminary and Final Plat and Site and Building Plan Review.
- Seller pays 4 percent commission to buyers broker

The purchase agreement includes a reverter clause which requires the developer to have completed construction within 24 months of closing on the property. If the developer has not been able to achieve the substantial completion within this time period, a 30-day notice will be given. After the 30-day notice, if the development is still not in compliance, the EDA will have the right to re-enter and re-take possession of the property.

Next Steps

The purchase agreement is contingent on approval of Carvana's land use application for a preliminary and

Final Plat and PUD. If the Council wishes to proceed, the EDA and Carvana will enter into a purchase agreement. Carvana will then begin their due diligence of the site and start to prepare a land use application. The land use application will go through a full review with staff, the Planning Commission and City Council.

Carvana is not seeking public subsidy as part of their proposal.

Budget Issues:

There are no budget issues to consider. Any proceeds from the sale of this property would go to TIF 3 and could be used for future redevelopment opportunities.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

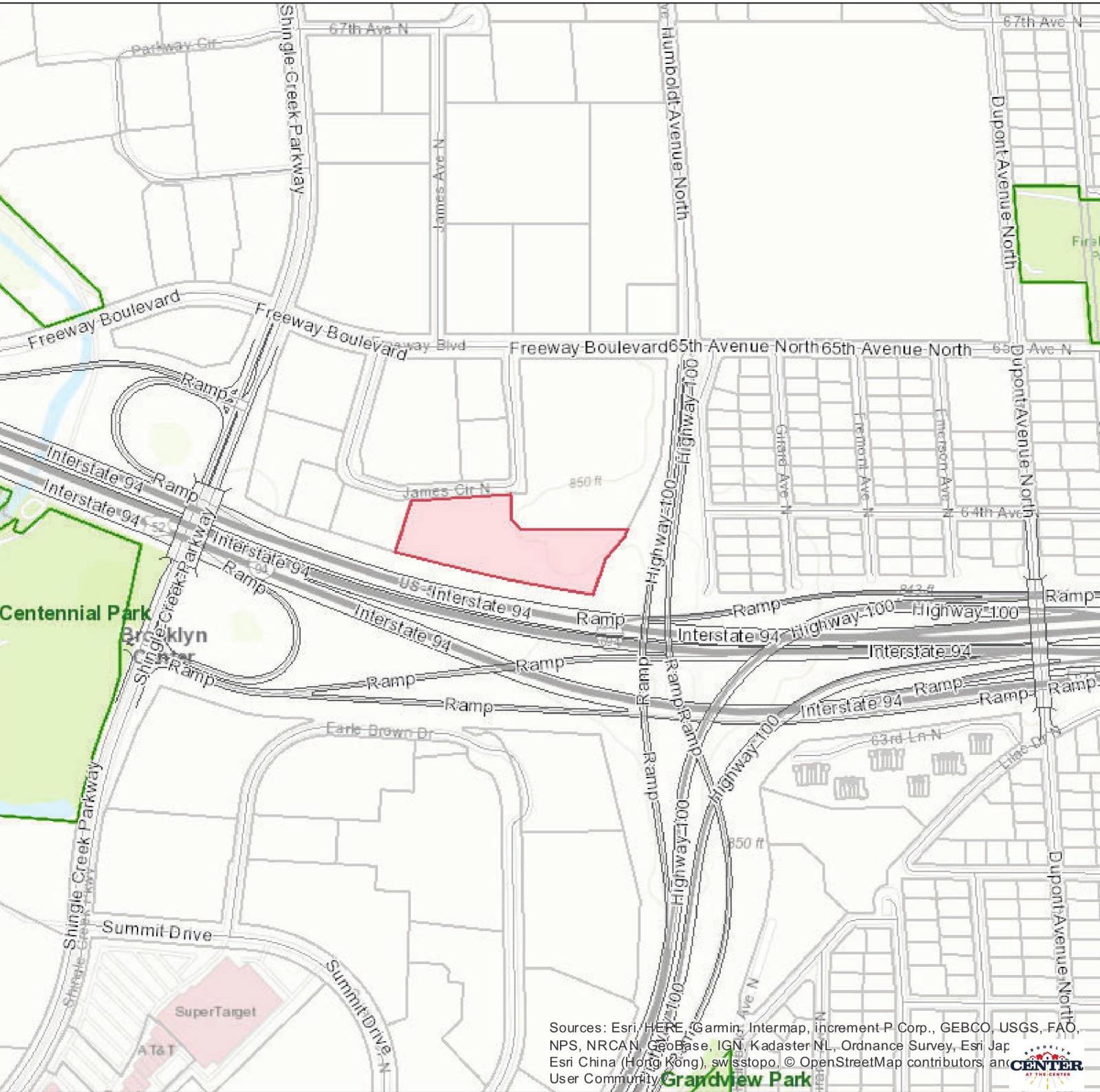
Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Location Map	3/19/2019	Backup Material
Concept Narrative	1/4/2022	Backup Material
Site Plan	5/2/2022	Backup Material
Concept Elevation	1/4/2022	Backup Material
Purchase Agreement	5/2/2022	Backup Material
Resolution	5/2/2022	Resolution Letter

Locational Map: 1601James Circle North



3/3/2019, 1:09:23 PM

1 inch = 752 feet

- Residential Labels
- Highways
- Streets
- City Parks
- Parcels



CARVANA

CARVANA FULFILLMENT CENTER

Introduction to Carvana

Carvana, the fastest-growing auto retailer in the U.S., saves customers valuable time and money with The New Way to Buy a Car™ by allowing them to skip the dealership and shop online at Carvana.com.

On Carvana.com, in as little as five minutes, customers can shop an inventory of more than 20,000 vehicles, finance, purchase, and schedule as-soon-as-next-day delivery or pick-up at a Carvana location. Customers can also sell their current vehicle to Carvana and receive a real offer in just minutes – even without purchasing a vehicle. The Carvana experience saves customers valuable time and money by skipping the dealership and shopping online.

All pre-owned vehicles in Carvana's national inventory are photographed in 360 degrees, so customers get a high-definition virtual tour, along with the peace of mind of a 7-day return policy. This upgrade to the traditional test drive gives customers the time to ensure their vehicle meets their expectations and fits their lifestyle.

Carvana currently operates 30 Vending Machines across the country in Arizona, California, Florida, Georgia, Indiana, Illinois, Kentucky, Maryland, Michigan, Missouri, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas (and coming soon to Colorado, New York, Utah, and Virginia).

The Carvana Fulfillment Center is simply the latest innovation and evolution of the delivery of goods and services. The Carvana Vending Machine is part customer experience, part entertainment, part e-commerce fulfillment, and a display of technological art through its iconic architecture.

Fulfillment Center / Vending Machine

Carvana's Car Vending Machine offers car buyers a one-of-a-kind experience. Carvana customers who choose Touchless Pickup at a Carvana Fulfillment Center can enjoy the unique experience Carvana is known for, from a safe, comfortable distance providing area residents with a fun and safe option for getting their next vehicle.

A Carvana Vending Machine is a Fulfillment Center for customer pick-up and interaction. There are no "for-sale" vehicles located on-site as all vehicles on display in the tower have already been purchased online. Only cars that have been inspected and fully reconditioned for delivery are placed in the tower for pick-up by Carvana customers.



CARVANA



Carvana's 8-Tier Display Tower

Vending Machine Structure

Because the Vending Machine is Carvana's "visual representation of the company", the building itself employs a uniquely iconic signature architecture that visually illustrates an innovative technology company. The tower is comprised of a mechanical elevator and racking system, making it an exciting experience for final pick-up of a vehicle. Our unique signage is considered our Branding Package.

The welcome center features seating, flat screen displays, and a glass viewing area where customers experience the operation of the tower's automation system from behind an insulated glass enclosure. The tower consists of four metal vehicle pallets per level where pre-sold vehicles are stored and displayed. Access is controlled such that the only time the tower would be accessed by people is for annual maintenance by skilled professionals.

The Carvana Experience

By appointment only, customers can select a day and time convenient for them, at which time they will be the only customer inside the Vending Machine/Fulfillment Center. They will be greeted by a Carvana Customer Advocate and receive a commemorative, oversized Carvana token to activate the automated vehicle vending process. Car buyers can then get an immersive, central view of their vehicle descending through the structure from the heart of the all-glass tower.



CARVANA



Music and lights heighten the excitement as the customer watches the mechanical conveyor system spin and place the target car into the middle of the tower where it is slowly lowered to the ground floor. The vehicle pallet is then placed into one of two delivery bays by another horizontal conveyor system. Once all the mechanisms have ceased to operate, the door of the bay opens and the customer is able to inspect their vehicle. This “vending” process takes approximately 4 to 5 minutes. After completing the sales transaction and accepting delivery, the customer drives away happy and satisfied to begin their 7-day test drive.

All vehicle pick-up appointments are pre-scheduled with customers following their online purchase. Our operations allow us to meet with 3 to 4 customers per hour depending upon scheduling and order fulfillments.

E-Commerce

In addition to selling vehicles online, Carvana also purchases vehicles from customers online via our “Sell To Carvana” portal, which allows customers to sell and/or trade in their vehicle to Carvana “in just a few easy steps”.



CARVANA

HOW IT WORKS

Trade in or sell your vehicle to Carvana in just a few easy steps.



GET YOUR OFFER

Share a few vehicle details and we'll extend a real, firm offer in 2 minutes. No haggling. No hassles.



TRADE IN OR SELL

Trade in your old vehicle for a new one, or sell it to Carvana. Either way, we'll pick it up!



GET PAID

After a quick, on-site review of the vehicle, we'll either cut you a check, or hand over the keys to your new ride!

Following Carvana's purchase of a vehicle, Carvana customers have the option of having their vehicle picked up or dropping it off at a Carvana location, including our Fulfillment Centers.

Vending Machine Operations

On-site operations include 100-plus parking spaces. These spaces are utilized by customers and employees for parking, with the surplus being utilized for temporary storage (typically less than 48 hours) of vehicles that have been delivered to the location waiting to be loaded into the tower, as well as vehicles that have been purchased through our "Sell To Carvana" program.

Carvana has a fleet of multi-car haulers that make deliveries to the site 4 to 5 times each day on average during non-peak hours. The Carvana-branded hauler can deliver and pick up 9 vehicles per visit. It takes our drivers approximately 60 to 90 minutes to fully unload and reload the hauler truck and exit the site.

Approximately 20 people will be employed at this location. These employees, called Customer Advocates, typically work in shifts such that no more than 10-12 employees are on-site at any given time. Their activities include scheduling appointments with customers, welcoming customers to the facility, assisting in the on-loading and off-loading of vehicles from the delivery trucks, inspecting and accepting "Sell To Carvana" vehicles, finalizing purchase paperwork, and presenting them with their new car.



CARVANA

The Carvana Difference

Carvana has disrupted the auto dealership industry with The New Way to Buy a Car™ by differentiating ourselves in the following ways:

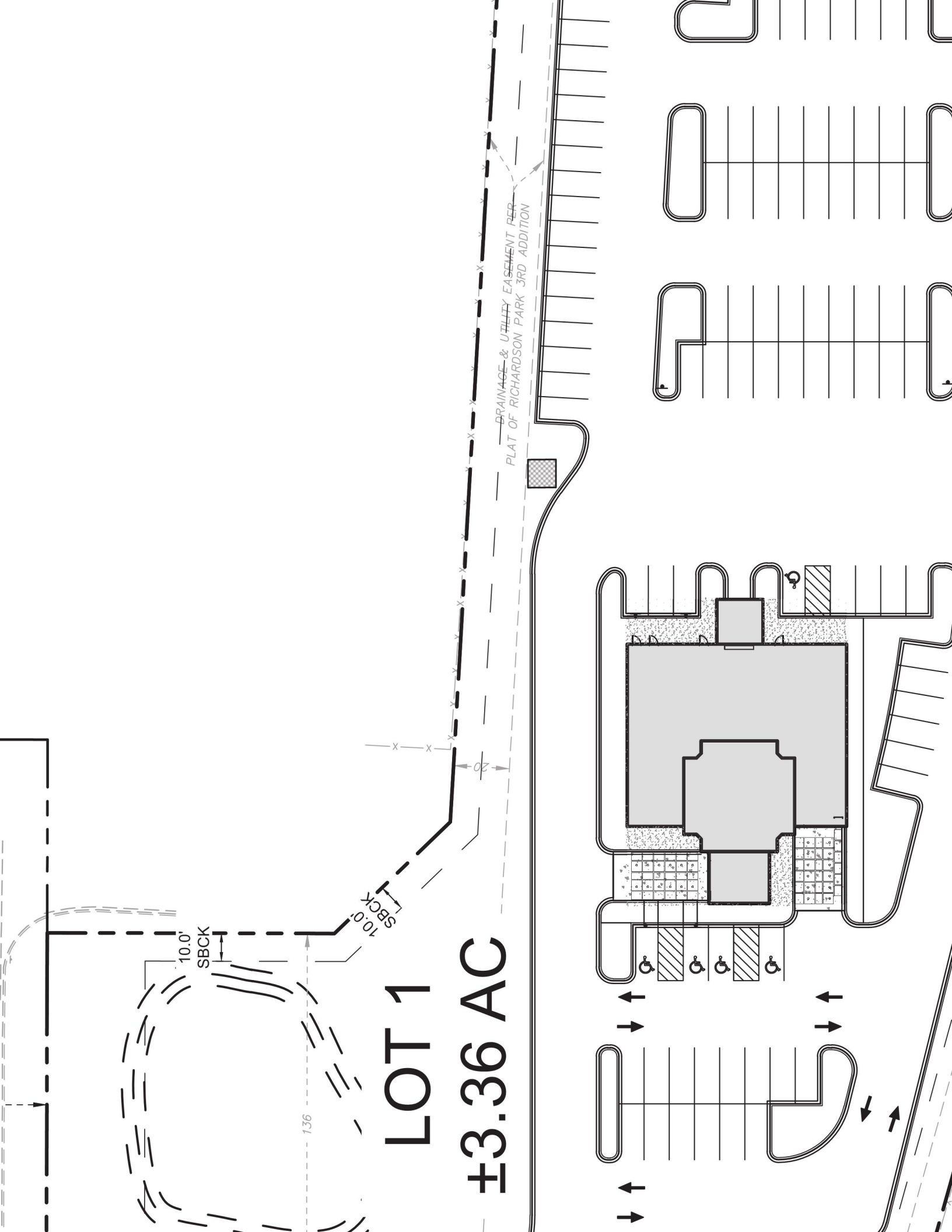
The Carvana Difference	
Traditional Automobile Dealers	Carvana
10 to 20 Acres	2 to 5 Acres
650± Parking Spaces	100+ Parking Spaces
Vehicle Inventory On Display	Only Pre-Sold Vehicles Stored Temporarily
Business Generated by Drop-In Customers	Vehicles Picked Up by Appointment Only
Outdoor Intercom Speaker Noise	No Outdoor Speakers
Promotional Advertising Signage / Props	Carvana Brand Signage on Building
Service and Parts Center	No Service or Parts Center
Environmental Waste Products	No Environmental Waste Products
Test Drives	No Test Drives (7-day return policy)
Fuel Pumps	No Fuel Pumps

Center A Carvana Vending Machine is more than just a Fulfillment Center for an e-commerce-oriented retailer of used vehicles. The draw of an iconic Carvana Tower will increase visitors to the Village of Skokie for the Vending Machine experience and will in turn spend time and money patronizing local businesses, attractions, and entertainment venues.

GOODBYE DEALERSHIP, HELLO HAPPY!



CARVANA



LOT 1
±3.36 AC

BRAINAGE & UTILITY EASEMENT PER
PLAT OF RICHARDSON PARK 3RD ADDITION

10.0' SBCK

10.0' SBCK

136



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into by the ECONOMIC DEVELOPMENT AUTHORITY OF BROOKLYN CENTER, MINNESOTA, a Minnesota body corporate and politic ("**Seller**"), and CARVANA, LLC, an Arizona limited liability company ("**Buyer**"), effective as of the Agreement Date set forth on the signature page by Jad J. Johnson, First American Title Insurance Company ("**Escrow Agent**").

Section 1. Conveyance of Property. In consideration of the covenants and representations set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, subject to the terms of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, certain real property: (a) consisting of approximately 3.40 acres of land, together with any site improvements, fixtures, and all easements, appurtenances, and other related real property rights, including all tangible personal property and intangible property, including, without limitation, Seller's interest, if any, in and to (i) any permits, licenses, applications, entitlements, approvals, and any other authorizations issued by governmental and quasi-governmental authorities for the real property, (ii) any transferable warranties or guarantees relating to all or any portion of the real property, and (iii) any reimbursements, reimbursement rights, credits, refunds, pre-paid utility fees or deposits from any governmental or quasi-governmental authority, utility provider or any other entity paid or payable in connection with or related to the real property, together with any infrastructure improvements benefitting the real property; (b) comprising a portion of tax parcel number 35-119-21-41-0021 in Hennepin County, Minnesota (the "**Existing Parcel**"); (c) having a street address of 1601 James Circle N, Brooklyn, Center, Minnesota 55430; and (d) depicted in the attached **Exhibit A-1** (collectively, the "**Property**"). As more particularly set forth in this Agreement, Buyer shall subdivide the Property from the Existing Parcel prior to the Closing Date. The Property is legally described in **Exhibit A**, attached hereto.

1.1 Personal Property, Fixtures. Buyer acknowledges that no items of personal property are included in the sale of the Property.

Section 2. Purchase Price and Payment.

2.1 Purchase Price. On the Closing Date, Buyer shall pay to Seller \$2,000,000 ("**Purchase Price**"), which Purchase Price shall be comprised of the Earnest Money and the Cash Balance. Payment of the Cash Balance as defined by subsection 2.3 shall be made by certified check or wire transfer at Closing.

2.2 Earnest Money. Within 5 days of the Agreement Date, Buyer shall deposit with Escrow Agent \$25,000 ("**Earnest Money**"), which Escrow Agent shall place in a federally insured interest-bearing account. If this Agreement terminates before the Closing, the Earnest Money shall be returned to Buyer or paid to Seller in accordance with the express provisions of this Agreement, and upon request of either party, each party shall execute and deliver to each other a termination of this Agreement. If Closing occurs, the Earnest Money shall be credited to Buyer, applied against the Purchase Price and paid to Seller at Closing.

2.3 Cash Balance. On or before the Closing Date, Buyer shall deposit with Escrow Agent the balance of the Purchase Price, increased or decreased to account for prorations, credits or other adjustments required by this Agreement ("**Cash Balance**"), for disbursement to Seller in accordance with this Agreement.

Section 3. Information and Inspection.

3.1 Seller's Information. Within 5 days of the Agreement Date, Seller shall provide to Buyer all information in Seller's possession or control relating to the Property, which Seller represents and warrants is as set forth on the attached **Exhibit C** (collectively, "**Information**"). If Seller obtains new or updated information regarding the Property prior to the Closing, Seller shall immediately deliver such supplemental information to Buyer and the same shall be included as part of the Information.

3.2 Title and Survey Matters. Promptly after the Agreement Date, Escrow Agent shall deliver to Buyer a commitment ("**Title Commitment**") for an extended coverage title insurance policy on the Property ("**Title Policy**"). Buyer shall cause a surveyor to complete and deliver to Escrow Agent and Buyer an ALTA survey of the Property ("**Survey**"). If the legal description of the Property on the Survey differs from that included on **Exhibit A**, then **Exhibit A** shall be replaced by the Survey legal description and the Survey legal description shall be used in the Title Policy and the Deed. If Buyer is dissatisfied with any exception in the Title Commitment or matter disclosed by the Survey (each a "**Defect**" and, collectively, "**Defects**"), Buyer shall notify Seller and Escrow Agent in writing of its objections at least 15 days prior to the expiration of the Diligence Period as defined by Section 3.3 of this Agreement ("**Title Objection Notice**"). Seller shall notify Buyer in writing within 10 days after receipt of the Title Objection Notice of any Defects which Seller is unwilling to cure prior to Closing ("**Seller's Title Response**"). Seller's failure to timely deliver Seller's Title Response shall be deemed Seller's commitment to cure all Defects prior to Closing in the manner requested by Buyer. If Seller does not agree to cure all Defects, then, unless Buyer notifies Seller and Escrow Agent in writing within 5 days after receipt of Seller's Title Response that Buyer shall accept the uncured Defects, Buyer shall be deemed to have elected to terminate this Agreement (*i.e.*, Buyer's failure to timely provide such notice shall be deemed Buyer's election to so terminate this Agreement), in which event Escrow Agent shall return the Earnest Money to Buyer and neither of the parties shall have any further obligations under this Agreement, except for any obligations expressly stated in this Agreement to survive a termination prior to Closing ("**Surviving Obligations**"). If the Title Commitment is amended to include new exceptions or requirements, Buyer shall have 5 days after Buyer's receipt of the amended Title Commitment within which to review and, if desired, object to any additionally included Defects. If Buyer so objects, the procedures above shall govern such objection and Seller's response. Any item or matter contained in the Title Commitment or on the Survey to which Buyer does not object or elects to accept pursuant to this Section 3.2 shall be deemed a "**Permitted Exception**" and, collectively, "**Permitted Exceptions**". Notwithstanding anything in this Agreement to the contrary, title to the Property shall be delivered to Buyer at the Closing free and clear of all mechanics', materialman's, professional service, judgment and other liens arising from work performed by or for Seller or caused by or as a result of Seller's actions or omissions, and all monetary liens and monetary encumbrances voluntarily entered into by or on behalf of Seller (other than the lien for current real property taxes not yet due and payable) ("**Unpermitted Liens**"), and all such Unpermitted Liens shall be released from the Property by Seller at Seller's sole expense on or before the Closing. All Unpermitted Liens are disapproved for the purposes of this Section 3.2, and Buyer need not give any further notice of objection as to those items.

3.3 Diligence Period; Approval Period.

3.3.1 Diligence Period. Buyer shall have until 11:59 p.m. (AZ time) on the 90th day after the Agreement Date (the "**Diligence Period**") to approve and conduct any investigations, studies or tests desired by Buyer, in Buyer's sole discretion and at its sole cost and expense, and to determine the feasibility of acquiring the Property (collectively, the "**Inspections**"). Copies of any non-confidential, non-proprietary final written reports, studies, or test results obtained by Buyer from any third party in connection with the Inspections ("**Buyer Reports**") shall be delivered to the Seller promptly upon receipt of the same by Buyer at no cost to Seller; provided, however, such Buyer Reports shall be delivered to Seller without any

representation or warranty of any kind and Buyer shall not be deemed to have assigned ownership of the Buyer Reports to Seller. During the Diligence Period, Seller grants to Buyer the right to enter the Property to conduct the Inspections. Buyer shall notify Seller prior to any entry and shall not unreasonably interfere with Seller's business operations at the Property. Buyer shall promptly repair any damage to the Property arising out of the Inspections and return the Property to substantially the same condition as existed prior to the Inspections, except that Buyer shall not be required to restore any latent defect or pre-existing condition at the Property not caused by Buyer's or its agents' or employees' entry on the Property, unless, following discovery of such latent defect or pre-existing condition, such defect or condition is materially exacerbated by Buyer, its employees, agents, consultants, or contractors. Buyer shall indemnify, defend, and hold Seller harmless from and against any damage, injury, claim or lien caused by the activities of Buyer or its agents on the Property, provided, however, that Buyer shall have no responsibility or liability, and no obligation to indemnify or defend Seller, for (a) any act or omission of Seller or Seller's officials, agents, employees, and representatives; (b) any adverse condition or defect on or affecting the Property not caused or impacted by Buyer or its employees, agents, consultants, or contractors discovered during their inspections including, without limitation, the pre-existing presence or discovery of any matter (such as, but not limited to, any Hazardous Substance as defined by Section 5.3); (c) the results or findings of any inspection not caused or impacted by Buyer or its employees, agents, consultants, or contractors discovered during their inspections; and/or (d) Buyer's election to terminate this Agreement as a result of any inspection pursuant to this Agreement. Buyer shall also maintain commercial general liability insurance with limits of at least \$1,500,000 per occurrence and \$2,000,000 aggregate and workers' compensation insurance and shall provide a certificate of insurance evidencing the same to Seller. These indemnity and insurance obligations shall survive any termination of this Agreement. If, at any time prior to the expiration of the Diligence Period, Buyer elects in its sole discretion not to proceed to acquire the Property, Buyer may terminate this Agreement by giving written notice of termination to Seller and Escrow Agent. Buyer may expressly waive this termination right at any time prior to the end of the Diligence Period by giving written notice of such waiver to Seller and Escrow Agent ("Continuation Notice"), and the Diligence Period shall end upon Buyer's giving of the Continuation Notice. Unless Buyer has given the Continuation Notice to Seller and Escrow Agent expressly stating that Buyer elects to waive this termination right and proceed with the remaining Approval Period, upon the expiration of the Diligence Period, Buyer shall be deemed to have terminated this Agreement. Upon any termination or deemed termination pursuant to this Section 3.3.1, the Earnest Money shall immediately be paid by Escrow Agent to Buyer, and neither of the parties shall have any further obligations under this Agreement, except for any Surviving Obligations.

3.3.2 Approval Period. Buyer shall have until 11:59 p.m. (AZ time) on the 180th day after the Agreement Date ("Approval Period") to seek all approvals and permits Buyer requires for Buyer's intended development and use of the Property (collectively, "Governmental Approvals"). Seller shall reasonably cooperate with Buyer's applications for the Governmental Approvals. If, at any time prior to the expiration of the Approval Period, Buyer is unable to obtain (or reasonably believes it will be unable to obtain during the Approval Period) all necessary Governmental Approvals, Buyer may terminate this Agreement by giving written notice of termination to Seller and Escrow Agent. Buyer may expressly waive this termination right at any time prior to the end of the Approval Period by giving written notice of such waiver to Seller and Escrow Agent ("Approval Notice"), and the Approval Period shall end upon Buyer's giving of the Approval Notice. Unless Buyer has given the Approval Notice to Seller and Escrow Agent expressly stating that Buyer elects to waive this termination right and proceed with the acquisition of the Property, upon the expiration of the Approval Period, Buyer shall be deemed to have terminated this Agreement. Upon any termination or deemed termination pursuant to this Section 3.3.2, the Earnest Money shall immediately be paid by Escrow Agent to Buyer, and neither of the parties shall have any further obligations under this Agreement, except for any Surviving Obligations. If this Agreement is not so

terminated, then, except as otherwise provided in this Agreement, the Earnest Money shall become non-refundable to Buyer, and this Agreement shall continue in full force and effect.

Buyer may extend the Approval Period for up to two 30-day periods (each an “**Extension Option**”) upon written notice to Seller and Escrow Agent prior to the expiration of the then-current Approval Period. Said extension shall be made in writing by Buyer to Seller in accordance with subsection 9.1 of this Agreement. From and after Buyer’s exercise of each Extension Option, the Approval Period shall be automatically extended to include the Extension Option so exercised.

3.3.3 Subdivision Approval. Prior to the Closing Date, Buyer shall, at its sole cost and expense, subdivide the Property as a single tract from the Existing Parcel in conformance with the depiction of the Property set forth on **Exhibit A-1**, which subdivision may be in the form of a minor land division, subdivision plat, block plat or other plat (the “**Plat**”), as determined by Buyer in consultation with Seller and any other applicable governmental and quasi-governmental authority(ies) (collectively, the “**Governing Authorities**”) and in accordance with all applicable laws. In that regard, within 60 days after the Agreement Date, Buyer shall provide a draft of the proposed Plat to Seller. Seller and Buyer shall use good faith and commercially reasonable efforts to reach an agreement on such Plat prior to the date that is 90 days after the Agreement Date. If Buyer and Seller have not agreed upon the Plat prior to such 90-day period, Buyer shall have the right to terminate this Agreement and shall notify Seller and Escrow Agent, and Escrow Agent shall immediately return the Earnest Money to Buyer, and Seller and Buyer shall have no further obligations under this Agreement except any obligations that expressly survive the termination of the Agreement. Following approval of the proposed Plat by Seller, Buyer may cause the Plat to be submitted to and obtain all necessary approvals from the Governing Authorities. Seller shall reasonably cooperate with Buyer’s applications for, and other matters related to, the Plat, including, without limitation, executing any documents or other agreements reasonably necessary to process and effectuate the subdivision of the Property from the Existing Parcel via the Plat. Upon the approval of such Plat by Buyer, Seller, and the Governing Authorities (“**Subdivision Approval**”), the Plat shall be recorded with Hennepin County Recorder and Registrar of Titles’ offices, and following any such recordation, the Plat shall be deemed a Permitted Exception. Following approval and, if applicable, recordation of the Plat, the legal depiction of the Property as established by such Plat shall automatically replace the description and depiction of the Property set forth on **Exhibit A** and **Exhibit A-1**, respectively, attached to this Agreement, and such updated legal description shall thereafter be used as the legal description of the Property for purposes of conveying the Property from Seller to Buyer via the Deed at the Closing.

3.4 Condition of Property. BUYER ACKNOWLEDGES THAT, SUBJECT TO THE EXPRESS REPRESENTATIONS, WARRANTIES AND OTHER COMMITMENTS OF SELLER IN THIS AGREEMENT, BUYER IS PURCHASING THE PROPERTY “AS IS, WHERE IS AND WITH ALL FAULTS” AND IN RELIANCE UPON BUYER’S OWN STUDIES, INVESTIGATIONS AND DUE DILIGENCE, ACKNOWLEDGING THAT IT HAS INSPECTED OR HAS THE OPPORTUNITY TO INSPECT THE PROPERTY. Other than as expressly stated herein, or expressly stated in any closing document delivered by Seller at Closing, Buyer acknowledges and agrees that Seller has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenantability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties Seller hereby expressly disclaims, except as stated above. Except for the representations herein, Buyer is solely relying upon information and knowledge obtained from its own investigation, experience, and knowledge obtained from its own investigation, experience, or personal inspection of the Property. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing.

Section 4. Closing.

4.1 Closing Date. Buyer and Seller shall complete the purchase and sale of the Property pursuant to this Agreement ("**Closing**") on the 10th calendar day after Buyer issues the Approval Notice to Seller and Escrow Agent, or on such earlier date as Buyer may elect by written notice to Seller and Escrow Agent ("**Closing Date**").

4.2 Escrow Agent; Instructions. Buyer and Seller shall deposit with Escrow Agent all funds and documents necessary to perform and complete the purchase and sale of the Property pursuant to this Agreement. Escrow Agent shall hold such funds and documents in escrow for delivery as directed by: (a) this Agreement; (b) settlement statements prepared by Escrow Agent and reasonably approved by the parties in advance of the Closing ("**Closing Statements**"); and (c) closing instructions of the parties. If Closing does not occur, Escrow Agent shall return such funds and documents to the party depositing the same upon request (other than the Earnest Money, which shall be paid as provided in this Agreement). Escrow Agent is authorized to take all other actions consistent with the terms of this Agreement as reasonably necessary to effectuate the Closing, including, without limitation, preparing and filing the applicable IRS Form(s) 1099-S in compliance with Internal Revenue Code Section 6045(e).

4.3 Seller's Closing Deliveries. At least 3 business days prior to the Closing Date, Seller shall deliver to Escrow Agent, duly executed and acknowledged by Seller as required: (a) a deed substantially in the form of the attached **Exhibit B ("Deed")** conveying the Property to Buyer; (b) if the sale involves the transfer of tangible personal property, intangible property or other rights related to the Property, a commercially reasonable bill of sale and general assignment; (c) proof of authority, lien affidavits, mechanics' lien indemnifications and other documentation reasonably requested by Escrow Agent to issue the Title Policy; (d) a Non-Foreign Affidavit pursuant to Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended; (e) a Seller's Affidavit as required by the Title Company to issue an owner's policy of title insurance with the standard exceptions waived, and (f) other documents reasonably required for Seller and/or Escrow Agent to perform their respective obligations under this Agreement (collectively, with any documents to be signed [and, if required, acknowledged] by Buyer under Section 4.4, if any, "**Closing Documents**").

4.4 Buyer's Closing Deliveries. On or before the Closing Date, Buyer shall deliver to Escrow Agent the Cash Balance and other funds required of Buyer set forth in the Closing Statements. At least 3 business days prior to the Closing Date, Buyer shall deliver to Escrow Agent, duly executed and acknowledged by Buyer as required, all documents reasonably required for Buyer and/or Escrow Agent to perform their respective obligations under this Agreement and as may be reasonably required in order to complete the transaction contemplated by this Agreement.

4.5 Prorations. General real estate taxes and assessments imposed by governmental authority and assessments imposed by private covenant constituting a lien or charge on title to the Property (collectively, "**Taxes**") not yet due and payable, and all other expenses of operation of the Property, shall be prorated as of the Closing Date so that Seller pays all such amounts through the Closing Date. If the Closing Date occurs prior to receipt by Seller of the tax bill for the calendar year or other applicable tax period in which Closing occurs, Buyer and Seller shall prorate Taxes for such calendar year or other applicable tax period based upon the last tax bill issued as of the Closing Date.

4.6 Costs.

4.6.1 Seller. Seller shall pay the following costs and expenses in connection with this transaction: (a) all transfer taxes or other governmental charges including the State deed tax and conservation fee assessed on the transfer of the Property; (b) all title search and examination fees; (c) any curative endorsements Seller elects to obtain to cure Defects; (d) one half of Escrow Agent's total fees for performing the services required by this Agreement; (e) Seller's share of Taxes and other prorations; and (f) Seller's attorneys' fees.

4.6.2 Buyer. Buyer shall pay the following costs and expenses in connection with this transaction: (a) the premium for the Title Policy and any non-curative endorsements Buyer elects to obtain; (b) the cost of recording the Deed; (c) one half of Escrow Agent's total fees for performing the services required by this Agreement; (d) all costs incurred by Buyer in connection with its diligence or other activities related to the Property; (e) Buyer's share of Taxes and other prorations; (f) the cost to subdivide the Existing Parcel in order to create the Property in accordance with Section 3.3.3 of this Agreement, and (g) Buyer's attorney's fees.

4.7 Risk of Loss. Seller shall bear all risk of loss resulting from damage of all or a portion of the Property which may occur prior to Closing by way of casualty, condemnation or otherwise ("**Risk of Loss Event**"). Following any Risk of Loss Event, Buyer may, in its sole discretion, by written notice to Seller and Escrow Agent within 15 days after receiving notice of such event, terminate this Agreement, in which event Escrow Agent shall return the Earnest Money to Buyer and neither of the parties shall have any further obligations under this Agreement, except for any Surviving Obligations. If necessary, the Closing Date shall be extended to allow Buyer such 15-day period. In the event of any Risk of Loss Event which does not result in a termination of this Agreement, Seller shall, at Closing, pay Buyer or credit Buyer against the Purchase Price the amount of any insurance or condemnation proceeds attributable to such event, or assign to Buyer, as of Closing and in a form acceptable to Buyer, all rights or claims for relief to the same, and credit to Buyer an amount equal to the deductible (if any) under any applicable insurance policy of Seller.

Section 5. Representations, Warranties and Covenants of Seller. On the Agreement Date and on the Closing Date, Seller makes the following representations and warranties, and covenants of indemnity, to Buyer, all for the exclusive benefit of and reliance by Buyer:

5.1 Authority. Seller is a Minnesota body corporate and politic, duly created under and subject to the laws of the State of Minnesota. Seller has full power and authority to execute, deliver and perform under this Agreement and under the Closing Documents, and no third party is required for Seller to enter into and perform under this Agreement. The execution, delivery and performance of this Agreement and the Closing Documents have not and shall not constitute a breach or default under any other agreement, law or court order under which Seller is a party or may be bound. This Agreement is a valid and binding obligation of Seller, and is enforceable in accordance with its terms.

5.2 Legal Actions. There is no action, litigation, investigation, condemnation, or proceeding of any kind pending or, to Seller's actual knowledge, threatened against Seller or the Property affecting Seller's ability to perform any of its obligations under this Agreement or the Closing Documents or the use or condition of the Property. To Seller's actual knowledge, the Property is in compliance with governmental regulations, including, without limitation, building codes.

5.3 Wells. To the best of the Seller's knowledge, no wells exist on the Property.

5.4 Sewage Treatment Systems. To the best of Seller's knowledge, no sewage treatment system exists on the Property.

5.5 No Methamphetamine Production. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

5.6 Environmental Matters. To the best of Seller's knowledge, there is not now in, on or under the Property any underground or above-ground storage tanks. Except as may be disclosed in the Title Commitment and/or any of the Information provided by Seller under Section 3.1, Seller has received no notice of, and to Seller's current actual knowledge (without duty of inquiry or investigation), no portion of the Property is currently under investigation for violation of, nor are there any uncured violations of, any Environmental Laws (as defined herein), and Seller has not caused any generation, production, location, transportation, storage, treatment, discharge, disposal, release or threatened release upon, under or about the Property of any "**Hazardous Substance**" in violation of applicable law, which means any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos or any material containing asbestos (including, without limitation, vinyl asbestos tile), or any other substance or material defined as a "hazardous substance" by any federal, state, or local environmental law, ordinance, rule or regulation including, without limitation, the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Federal Hazardous Materials Transportation Act, as amended, the Federal Resource Conservation and Recovery Act, as amended, and the rules and regulations adopted and promulgated pursuant to each of the foregoing (collectively, "**Environmental Laws**").

5.7 Title. Seller is the lawful holder of fee simple title to the Property. **THERE ARE NO PRIVATE NOR UNRECORDED COVENANTS, CONDITIONS, EASEMENTS, JUDGMENTS, OR OTHER RESTRICTIONS APPLICABLE TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, BUILDING HEIGHT RESTRICTIONS, DEVELOPMENT RESTRICTIONS, THIRD PARTY APPROVAL RIGHTS, USE RESTRICTIONS OR OTHER ENCUMBRANCES, THAT WOULD INHIBIT OR PREVENT BUYER'S USE OF THE PROPERTY AS A "CARVANA" VEHICLE DELIVERY TOWER OF OVER 76' IN HEIGHT.** No party shall, without the prior written consent of Buyer, convey any interest in the Property, and no party shall subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights-of-way, or similar matters after the Agreement Date that shall not be eliminated on or prior to the Closing Date.

5.8 Agreements and Liens. With the exception of this Agreement, Seller has not entered into, and shall not enter into, and there is not existing, any agreement, written or oral, under which Seller is or could become obligated to sell all or a portion of the Property to a third party. After the Agreement Date, Seller shall not, without the prior written consent of Buyer, convey any interest in the Property, nor subject the Property to any additional liens, restrictions, covenants, conditions, easements or other encumbrances.

5.9 Pre-Closing and Seller Holdover Operations. From the Agreement Date through the Closing Date, Seller shall perform and comply with the following:

5.9.1 The Property shall be conveyed in substantially the condition it is in as of the Agreement Date.

5.9.2 Seller shall not sell, pledge or otherwise transfer or dispose of all or any part of the Property, nor shall Seller accept or solicit any back-up offers with respect to the Property.

5.9.3 Seller shall not enter into any new agreements with respect to the Property that shall not be cancelable by Buyer without penalty upon no greater than thirty (30) days' notice, without the prior written consent of Buyer.

5.9.4 Seller shall comply with all governmental regulations applicable to the Property so that on the Closing Date the Property is in lawful operating condition and complies with government regulations.

5.10 No Other Agreements. There are no shared expense agreements, repayment agreements, reimbursement agreements or development payback agreements that affect all or any portion of the Property.

5.11 Tenancies; Other Parties in Possession. There are no tenants, occupants or other parties in possession of the Property, or leases or other agreements which grant third parties possessory or usage rights to all or any part of the Property, except as referenced in the Title Commitment or this Agreement.

If this transaction proceeds to Closing, the representations, warranties and covenants of Seller stated in this Section 5 shall survive the Closing and recordation of the Deed. Seller shall indemnify Buyer for all reasonable costs, direct damages, claims, expenses and liabilities incurred by Buyer as a proximate result of any breach by Seller of the representations, warranties or covenants of Seller in this Agreement, provided a claim under this Section 5 is made in writing and delivered to Seller within 9 months after the Closing Date.

Notwithstanding the above paragraph, all representations and warranties shall terminate 9 months from the date of Closing. Any claim by Buyer not made by written notice delivered to Seller before such date the representation or warranty terminates shall be deemed waived.

Section 6. Representations, Warranties and Covenants of Buyer. On the Agreement Date and on the Closing Date, Buyer makes the following representations and warranties, and covenants of indemnity, to Seller, all for the exclusive benefit of and reliance by Seller:

6.1 Authority. Buyer represents and warrants to Seller that Buyer is an Arizona limited liability company. Buyer has full power and authority to execute, deliver and perform under this Agreement and under the Closing Documents, and no third party consent is required for Buyer to enter into and perform under this Agreement. The execution, delivery and performance of this Agreement and the Closing Documents have not and shall not constitute a breach or default under any other agreement, law or court order under which Buyer is a party or may be bound. This Agreement is a valid and binding obligation of Buyer, and is enforceable in accordance with its terms.

6.2 Legal Actions. There are no actions or proceedings pending or, to Buyer's actual knowledge, threatened against Buyer affecting Buyer's ability to perform any its obligations under this Agreement or the Closing Documents.

If this transaction proceeds to Closing, the representations, warranties and covenants of Buyer stated in this Section 6 shall survive the Closing and recordation of the Deed. Buyer shall indemnify Seller for all reasonable costs, direct damages, claims, expenses and liabilities incurred by Seller as a proximate result of any breach by Buyer of the representations, warranties or covenants of Buyer in this Agreement, provided a claim under this Section 6 is made in writing and delivered to Buyer within 9 months after the Closing Date.

Notwithstanding the above paragraph, all representations and warranties shall terminate 9 months from the date of Closing. Any claim by Seller not made by written notice delivered to Buyer before such date the representation or warranty terminates shall be deemed waived.

Section 7. Conditions to the Closing; Default and Remedies.

7.1 Conditions Precedent to Buyer's Obligations. Buyer's obligations to close escrow and complete the purchase of the Property under this Agreement are expressly subject to the following:

7.1.1 Representations, Warranties and Covenants of Seller. Seller shall have duly performed each and every agreement to be performed by Seller under this Agreement and Seller's representations, warranties and covenants set forth in Section 5 shall be true and correct as of the Closing Date.

7.1.2 No Material Changes. From the Agreement Date through the Closing Date, there shall have been no material adverse changes in the physical condition of the Property.

7.1.3 Seller's Deliveries. Seller shall have delivered the items described in Section 4.3, with the exception of the items designated to be delivered by Buyer in Section 4.3.

7.1.4 Title Policy. Escrow Agent's irrevocable commitment to issue the Title Policy in the amount of the Purchase Price in the form approved by Buyer pursuant to the terms of this Agreement.

7.1.5 Moratorium. On the Closing Date, there shall be no assessment, reclassification, rezoning, or other statute, law, judicial, or administrative decision, proceeding, ordinance, or regulation (including amendments and modifications of any of the foregoing) pending by any government or quasi-governmental bodies and agencies having jurisdiction over the Property, which was not previously pending at the time Buyer issued the Approval Notice in accordance with Section 3.3.2, which would materially and adversely affect Buyer's ability to develop and utilize the Property as a Carvana vehicle delivery tower.

7.1.6 Taxes, Fees and Assessments. Subject to Section 4.5, all taxes, fees and assessments, if any, shall be paid as of the Closing Date.

7.1.7 Bankruptcy. No action or proceeding shall have been commenced by or against Seller under the federal bankruptcy code or any state law for the relief of debtors or for the enforcement of the rights of creditors, and no attachment, execution, lien or levy shall have attached to or been issued with respect to Seller's interest in all or a portion of the Property.

7.1.8 Possession. All lessees, tenants and occupants of the Property, if any, must have vacated the Property so that sole and exclusive possession of the Property is provided to Buyer at the Closing.

7.2 Conditions Precedent to Seller's Obligations. Seller's obligations to close escrow and complete the sale of the Property under this Agreement are expressly subject to the following: (a) Buyer having duly performed each and every agreement to be performed by Buyer under this Agreement and Buyer's representations, warranties and covenants set forth in Section 6 being true and correct as of the Closing Date; and (b) Buyer having delivered the items described in Section 4.4 to be delivered by Buyer.

7.3 Failure of Conditions to the Closing. In the event any of the conditions set forth in Sections 7.1 or 7.2 are not timely satisfied or waived in writing by the respective party, for a reason other than the default of Buyer or Seller under this Agreement, the escrow and the rights and obligations of Buyer and Seller under this Agreement shall terminate, except as otherwise expressly provided in this Agreement, and Escrow Agent is instructed to promptly return to Seller and Buyer all funds and documents deposited into the escrow by each party, with interest, if applicable, respectively, which are held by Escrow Agent on the date of said termination. Notwithstanding the foregoing, no termination shall occur until: (a) Buyer has

had the opportunity to waive any condition for Buyer's benefit within 5 days after receipt of notice of the failure of such condition; and (b) Buyer does not elect to waive such condition. For the avoidance of doubt, if Buyer terminates this Agreement for a failure of any of the conditions set forth in Section 7.1, Escrow Agent shall return the Earnest Money to Buyer.

7.4 Seller's Default; Buyer's Remedies. Provided Buyer is not in default under the terms of this Agreement (beyond applicable cure periods), if Seller fails to perform when due any act required by this Agreement to be performed or otherwise breaches this Agreement, and such failure or breach continues for 5 days after Seller's receipt of written notice of such failure or breach (except in the event of a failure to convey the Property, in which case the cure period shall be 1 day), Buyer may elect, as its sole and exclusive remedy, to exercise one of the following remedies: (a) waive such breach and consummate the Closing in accordance with the terms of this Agreement; (b) terminate this Agreement and receive a refund of the Earnest Money and receive reimbursement from Seller all out-of-pocket expenses incurred by Buyer related to the Property and this transaction in an amount not to exceed \$150,000; or (c) bring an action against Seller for specific performance of the terms of this Agreement; provided, however, if specific performance is not available due to Seller's affirmative acts or intentional omissions, then in addition to the remedy set forth in subsection (b) above, Buyer shall have the right to seek any and all remedies available to Buyer at law or in equity. If, after the Closing Date, Seller breaches an obligation under this Agreement that survives and continues after the Closing Date, Seller shall be in default and Buyer may prosecute its claims for damage suffered as a proximate result of such default.

7.5 Buyer's Default; Seller's Remedies. Provided Seller is not in default under the terms of this Agreement (beyond applicable cure periods), if Buyer fails to perform when due any act required by this Agreement to be performed or otherwise breaches this Agreement, and such failure or breach continues for 5 days after Buyer's receipt of written notice from Seller of such failure or breach, then Seller may terminate this Agreement and retain the Earnest Money as the exclusive remedy for Buyer's default and neither party shall have any further rights or obligations under this Agreement other than those rights and obligations that are expressly stated to survive the termination of this Agreement. The parties acknowledge and agree that it would be difficult and speculative to determine the actual damages suffered by Seller in the event of Buyer's default and the parties agree to liquidate the amount of Seller's damages for any Buyer default to an amount equal to the Earnest Money, which shall be the exclusive remedy of Seller for Buyer's default under this Agreement. If, after the Closing Date, Buyer breaches an obligation under this Agreement that survives and continues after the Closing Date, Buyer shall be in default and the Seller may prosecute its claims for damage suffered as a proximate result of such default.

8. Repurchase Right. Subject to Force Majeure Delays, if Buyer fails to complete Construction of the "Minimum Improvements" on the Property ("**Minimum Improvements**" are hereby defined as the completion of the pouring of the foundation for the building to be constructed on the Property by Buyer within 12 months of the Closing Date and the completion of the building and receipt of a certificate of occupancy for the building within 24 months of the Closing Date) and such failure is not cured within 60 days following written notice from Seller, then Seller shall have the right to repurchase the Property (the "**Repurchase Option**") by giving written notice of such election to Buyer, it being agreed that the deed shall contain a condition subsequent to the effect that in the event of noncompliance with this Section 8 on the part of Buyer, Seller at its option may elect to exercise its right to repurchase the title, and of all the rights and interests in and to the Property conveyed to Buyer, as-is, where-is at the full Purchase Price Buyer paid for the Property under this Agreement (the "**Repurchase Price**"). If Seller exercises its Repurchase Option, then Buyer shall be obligated to sell the Property to Seller, and Seller shall be obligated to purchase the Property from Buyer, for the Repurchase Price, and the repurchase shall close (the "**Repurchase Closing**") on a date mutually approved by Buyer and Seller (but not later than one-hundred

twenty (120) days following Seller's exercise of its Repurchase Option). All costs and expenses of the Repurchase Closing shall be paid by Buyer. Taxes and assessments shall be prorated in escrow as of the Repurchase Closing Date and the Repurchase Price shall be paid in cash at the Repurchase Closing. If no Buyer default has occurred hereunder, then Seller shall execute and deliver to Buyer a recordable termination of the Repurchase Option (the "**Termination**") in form and substance reasonably acceptable to Title Company for purposes of releasing the Repurchase Option of record and insuring title in Buyer free and clear of the Repurchase Option. If Seller fails to execute the Termination and return it to Buyer within thirty (30) days of Buyer's completion of the Minimum Improvements and Buyer delivering written notice thereof to Seller, then Buyer may execute such instrument on behalf of Seller (Seller hereby appointing Buyer as Seller's attorney-in-fact, coupled with an interest, for the purpose of executing such instrument). For purposes of this Section 8, "**Force Majeure Delays**" shall mean any prevention or delay in performance due to strikes, riots, acts of war, acts of violence, unusually inclement weather, contagious disease including a pandemic such as COVID-19 (except that the mere existence of a contagious disease or pandemic is insufficient for a Force Majeure Delay to exist, and a Force Majeure Delay caused by COVID-19 shall only be deemed to exist if there is an actual work stoppage caused by the lack of availability of labor and/or materials required for the Minimum Improvements), governmental orders and/or directives, declared state of national and/or state emergency, material shortages, unavailability of services, injunction in connection with governmental action, delays by any Governing Authorities, by acts of Seller, or anything else beyond Buyer's reasonable control which is not caused by the gross negligence or willful misconduct of Seller.

Section 9. General Provisions.

9.1 Notice. Any notice required or permitted under this Agreement (each a "**Notice**" and collectively, "**Notices**") shall be in writing and shall be given by personal delivery to an authorized representative of a party hereto, overnight delivery by a reputable overnight courier, or electronic mail transmission ("**Email**"). If personally delivered to an authorized representative of a party to this Agreement, notice shall be deemed given and received upon such delivery. If sent by overnight courier service, a notice shall be deemed given upon deposit with such courier and deemed received upon actual receipt or refusal of delivery at the notice address. If sent by Email, a notice shall be deemed given and received when such Email is transmitted to the notice address, using the time stamp on the sender's Email. The notice addresses for Seller, Buyer and Escrow Agent are as follows (but may be changed upon notice given in accordance with these requirements):

Seller: Economic Development Authority of Brooklyn Center
6301 Shingle Creek Pkwy
Brooklyn Center, Minnesota 55430
Attn: Executive Director
Email: redwards@ci.brooklyn-center.mn.us

with copy to: Kennedy & Graven, Chartered
Attn: Sarah Sonsalla
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
Email: ssonsalla@kennedy-graven.com

Buyer: Carvana, LLC
Attn: Real Estate Legal Department
1930 W. Rio Salado Parkway

Tempe, Arizona 85281
Email: RENotices@carvana.com

with a copy to: Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004
Attn: Ryan Konsdorf
Email: rkonsdorf@swlaw.com

Escrow
Agent: First American Title Insurance Company
2425 E. Camelback Road, Suite 300
Phoenix, Arizona 85016
Attn: Jad J. Johnson
Email: jjjohnson@firstam.com

9.2 Assignment and Modification. This Agreement may not be assigned by Seller or Buyer without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Buyer may assign its rights under this Agreement to any entity affiliated with, controlled by, or under common control with Buyer without seeking or obtaining Seller's consent. Additionally, Seller and Buyer may each assign this Agreement to a qualified intermediary in an exchange of the Property pursuant to Internal Revenue Code Section 1031 (an "**Exchange**"), provided that: (a) the party conducting an Exchange shall effect the Exchange through a qualified intermediary; (b) the party conducting an Exchange shall pay any additional costs that would not otherwise have been incurred by the parties had such party not consummated this transaction through the Exchange; (c) the Closing shall not be delayed or affected by an Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to the obligations under this Agreement of the party conducting an Exchange; and (d) the party conducting an Exchange shall indemnify, defend and hold harmless the non-exchanging party for, from and against any and all liabilities, claims, causes of action and actions arising out of or related to the proposed Exchange (which such indemnity shall survey the Closing or terminate of this Agreement). Subject to the limitations set forth in this Agreement, this Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns. This Agreement may not be changed orally, but only by an agreement in writing signed by the parties.

9.3 Unavoidable Delay. Subject to the following sentence, if either party shall be delayed or hindered in, or prevented from, the performance of any act required under this Agreement due to strikes, lockouts, acts of God, governmental restrictions, delays in issuance of required permits or other approvals from governmental agencies and/or third parties (as applicable), enemy act, civil commotion, fire or other casualty, acts of terrorism, public emergency (including, without limitation, epidemic or pandemic), interference with Buyer's access to the Property as permitted under this Agreement, or other causes beyond the reasonable control of the party so delayed, hindered or prevented (each an "**Unavoidable Delay**"), then the party's performance of such act shall be excused during such Unavoidable Delay and the time for so performing by the party shall be extended for a period equivalent to the length of such Unavoidable Delay (with commensurate extensions of applicable critical/outside dates under this Agreement on a day-for-day basis equal to the length of such Unavoidable Delay). Notwithstanding the foregoing, the provisions of this Section 8.3 shall in no event excuse either party from making any payment when due under this Agreement.

9.4 Negotiation and Integration. The terms of this Agreement represent the results of negotiations between the parties, each of which has been represented by counsel or other representative of its choosing

and neither of which has acted under duress or compulsion, whether legal, economic or otherwise. This Agreement is entered into after full investigation, neither party relying upon any statements or representations made by the other not contained in this Agreement. All prior and contemporaneous statements, representations, implications, understandings and agreements between the parties are superseded by and merged in this Agreement, which alone fully and completely expresses their entire agreement. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties. There are no other agreements between the parties regarding the Property.

9.5 No Partnership or Joint Venture. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between Seller and Buyer relative to the Property.

9.6 Severability. If any provision of this Agreement is held by a court to be void or unenforceable, the balance of this Agreement shall remain valid and enforceable.

9.7 Other Agreements. Seller shall not enter into any contracts, leases, agreements or amendments to existing agreements or encumbrances affecting the Property while this Agreement is in force without the prior written consent of Buyer, not to be unreasonably withheld.

9.8 No Agency. Neither party is the agent, partner or joint venture partner of the other. Neither Seller nor Buyer has any obligations or duties to the other except as specifically provided for in this Agreement.

9.9 Attorney's Fees.¹ If there is any proceeding to enforce this Agreement, any instrument executed pursuant to this Agreement or by reason of a breach of this Agreement, the unsuccessful party shall pay to the successful party all costs and expenses incurred by the successful party, including, without limitation, reasonable attorneys' fees and court costs. Said attorneys' fees shall be paid at rate not to exceed \$250/hour for attorneys and \$170/hour for paralegals, law clerks, and other non-attorney support staff. The determinations of which party is the "successful party" and the amount of such costs and expenses shall be made by the judge or other arbiter in such proceeding. The provisions of this Section 8.8 shall survive Closing or earlier termination of this Agreement.

9.10 Time of Essence. Time is of the essence of this Agreement. However, if any action is required to be taken on a Saturday, Sunday, or legal holiday in the jurisdiction in which the Property is located, the action shall be deemed timely if it is taken on the next day following the Saturday, Sunday or legal holiday, as applicable.

9.11 State Law and Jury Trial Waiver. **THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA AND SUCH LAW SHALL CONTROL ITS INTERPRETATION, AND THE PARTIES VOLUNTARILY WAIVE TRIAL BY JURY IN ALL JUDICIAL PROCEEDINGS RELATING TO THIS AGREEMENT.**

9.12 Commissions. The parties represent that they have dealt with no broker(s) other than CBRE (Matthew Friday) ("Buyer's Broker") in connection with this transaction. At the Closing, Seller shall pay a commission equal to 4% of the Purchase Price to Buyer's Broker. If any other party asserts a claim to a finder's fee, brokerage commission or other compensation in connection with the Property or the transaction described in this Agreement, the party against whom the finder or broker is claiming shall indemnify and hold the other party harmless from and against such claim and all costs and liabilities incurred in connection

¹ Drafting note: Sarah/Meg to advise as to potential alternative language here.

with such claim, including, but not limited to, reasonable attorneys' fees and court costs. This indemnity shall survive the Closing or termination of this Agreement.

9.13 Survival. If performance of any covenant or obligation under this Agreement or the Closing Documents is set to occur or continue after the Closing, the same shall not merge with the transfer of title to the Property, but shall remain in effect until fulfilled (subject to express limitations in this Agreement).

9.14 Approvals; Further Acts. The parties agree that, unless otherwise expressly provided in this Agreement, any consent or approval required under this Agreement shall not be unreasonably withheld, conditioned or delayed. The parties shall execute such other documents and perform such other acts as reasonably required to carry out the purpose and intent of this Agreement, which shall survive the Closing.

9.15 Incorporation of Exhibits. All exhibits attached to this Agreement are considered to be a part of this Agreement and are fully incorporated by this reference to the same extent as though set forth at length.

9.16 OFAC. Each party represents and warrants to the other that: (a) such party is not knowingly acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control, or engaging in, instigating or facilitating this transaction for or on behalf of any such person, group, entity or nation; (b) such party is not engaging in this transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering; and (c) none of the funds of such party to be utilized in this transaction have been or shall be derived from any unlawful activity with the result that such party or the Property is subject to seizure, forfeiture or other remedy or that this Agreement or the transactions contemplated by this Agreement are or shall be in violation of law. The provisions of this Section 9.15 shall survive Closing or any earlier termination of this Agreement.

9.17 Miscellaneous. No waiver by Seller or Buyer of a breach of any of the terms, covenants or conditions of this Agreement shall be construed to be a waiver of any other breach of the same or any other term, covenant or condition of this Agreement. The headings of this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement.

9.18 Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

9.19 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, all of which, together, shall constitute a single instrument. Signatures provided by Email, through scanned or electronically transmitted .pdf or other commercially accepted format, shall be accepted as originals.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Buyer have executed this Purchase Agreement as of the Agreement Date.

SELLER:

**ECONOMIC DEVELOPMENT AUTHORITY
OF BROOKLYN CENTER, MINNESOTA**

By: _____

Name: Mike Elliott

Title: President

By: _____

Reginald Edwards

Title: President

BUYER:

CARVANA, LLC,
an Arizona limited liability company

By: _____

Name:

Title:

Received as of the _____ day of _____, 2022 ("**Agreement Date**"). Escrow Agent accepts the engagement to handle the escrow established by this Agreement in accordance with its terms, including, without limitation, Section 4.2.

ESCROW AGENT:

**FIRST AMERICAN TITLE INSURANCE
COMPANY**

By: _____

Name:

Title:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lot 2, Block 1, Richardson Park 3rd Addition, according to the recorded plat thereof, County of Hennepin, State of Minnesota.

Torrens and Abstract Property

EXHIBIT A-1
PROPERTY DEPICTION

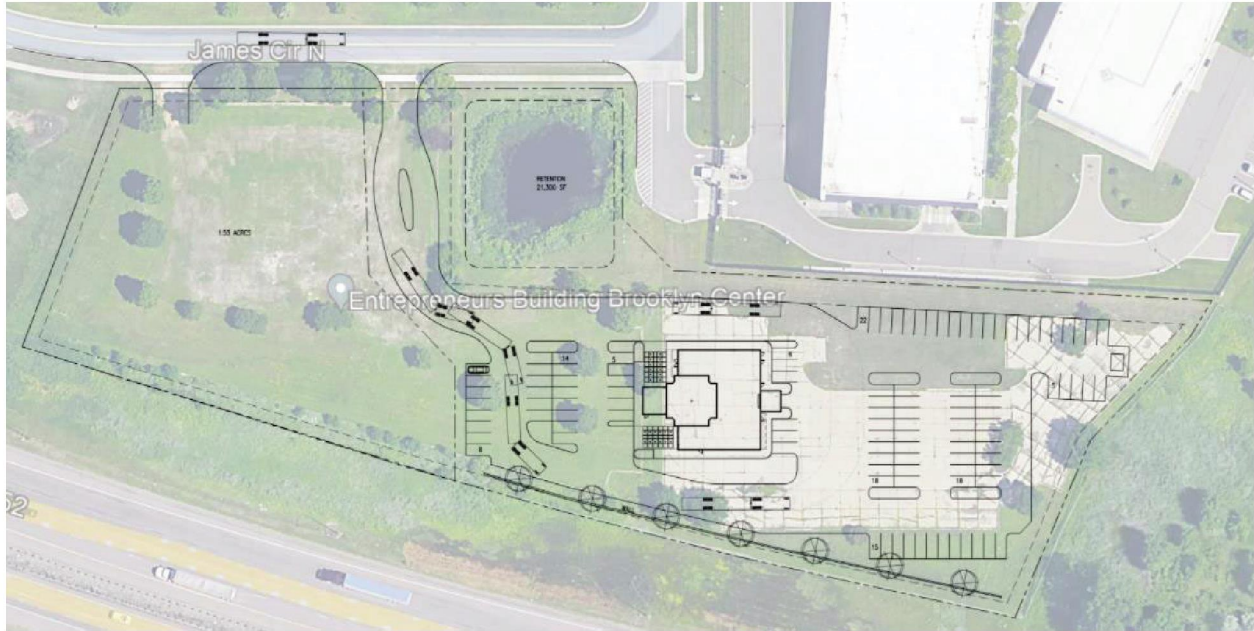


EXHIBIT B

DEED

LIMITED WARRANTY DEED

Deed Tax Due: \$ _____

ECRV _____

Dated: _____

THIS LIMITED WARRANTY DEED (this “Deed”), between the Economic Development Authority of Brooklyn Center, Minnesota, a Minnesota public body corporate and politic (the “Grantor”), and Carvana, LLC, an Arizona limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Hennepin and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

[to be added]

Check here if all or part of property is registered (Torrens) ☒

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of the Purchase and Sale Agreement, between the Grantor and Grantee, dated as of _____, 2022 (the “Agreement”) and that the Grantee shall not convey the Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the

Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed, effectuating a sale-leaseback of the Property following which the Grantee continues to hold a leasehold estate in the Property, for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of Brooklyn Center, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall diligently prosecute to completion the development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

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

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder and Registrar of Titles, Hennepin County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed within thirty (30) days of Grantee's completion of the Minimum Improvements and Grantee delivering written notice thereof to Grantor, then Grantee may execute such instrument on behalf of Grantor (Grantor hereby appointing Grantee as Grantor's attorney-in-fact, coupled with an interest, for the purpose of executing such instrument).

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 8 of the Agreement relating to the Grantor's right to repurchase title to the Property under conditions specified therein, including but not limited to the condition subsequent that the Grantee completes construction of the Minimum Improvements by the date that is twelve (12) months following the recordation of this Deed and the date that is twenty four (24) months following the recordation of this Deed, as more particularly required and set forth under the Agreement, subject to Force Majeure Delays (as defined in the Agreement).

SECTION 3.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and

except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director.

- ☐ The Grantor certifies that the Grantor does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: 1022513).
- ☐ Grantor is familiar with the property described in this instrument and Grantor certifies that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

GRANTOR:

ECONOMIC DEVELOPMENT
AUTHORITY OF BROOKLYN CENTER,
MINNESOTA

By _____
Mike Elliott
Its: President

By _____
Reginald Edwards
Its: Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

This instrument was acknowledged before me on this _____ day of _____, 2022, by Mike Elliott and Reginald Edwards, the President and Executive Director, respectively, of the Economic Development Authority of Brooklyn Center, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

(Stamp)

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered (SJS)
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

Carvana, LLC
1930 W. Rio Salado Parkway
Tempe, AZ 85281

ACKNOWLEDGEMENT AND ACCEPTANCE

The undersigned Grantee executes this Limited Warranty Deed for the purpose of acknowledging and accepting the provisions of Section 1, Section 2 and Section 3 hereof.

GRANTEE:

CARVANA, LLC,
an Arizona limited liability company

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
County of _____)

This instrument was acknowledged before me this ____ day of _____, 2022, by _____, the _____ of CARVANA, LLC, an Arizona limited liability company, for and on behalf thereof.

Notary Public

[Notary Seal]

EXHIBIT C
INFORMATION

[SELLER TO COMPLETE BASED ON INFORMATION
IN SELLER'S POSSESSION ON AGREEMENT DATE,
WHICH MUST BE PROVIDED TO BUYER]

Existing Surveys:

- ALTA
- Boundary
- Plat
- Topographical
- Other: _____

Provided: Yes ___ No ___
Provided: Yes ___ No ___
Provided: Yes ___ No ___
Provided: Yes ___ No ___
Provided: Yes ___ No ___

Existing Property Condition Reports:

- Phase I Environmental Report
- Other: _____

Provided: Yes ___ No ___
Provided: Yes ___ No ___

Existing Title Reports/Commitments/Policies

Provided: Yes ___ No ___

Existing Leases Affecting the Property

Provided: Yes ___ No ___

Unrecorded Encumbrances:

- CC&Rs
- Easements
- Licenses/Permits
- Other: _____

Provided: Yes ___ No ___
Provided: Yes ___ No ___
Provided: Yes ___ No ___
Provided: Yes ___ No ___

Other Information: _____

Provided: Yes ___ No ___

Commissioner _____ introduced the following resolution and moved its adoption:

EDA RESOLUTION NO. **2022**-_____

RESOLUTION APPROVING A PURCHASE AND SALE
AGREEMENT AND CONVEYANCE OF CERTAIN PROPERTY TO
CARVANA, LLC

WHEREAS, the Economic Development Authority of Brooklyn Center, Minnesota (the “Authority”) is the owner of the property located at: 1601 James Circle North, PID 35-119-21-41-0021 legally described as:

Lot 2, Block 1, Richardson Park 3rd Addition, according to the recorded plat thereof,
County of Hennepin, State of Minnesota.

(the “Property”); and

WHEREAS, the Authority is authorized pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 to acquire and convey real property and to undertake certain activities to facilitate the development of real property by private enterprises.

WHEREAS, to facilitate development of the Property in the City of Brooklyn Center, Minnesota (the “City”), the Authority proposes to enter into a purchase and sale agreement (the “Agreement”) between the Authority and Carvana, LLC (“Buyer”), under which, among other things, the Authority will convey a portion of the Property to Buyer to construct a Carvana structure, including a Carvana car tower; and

WHEREAS, the Authority has on this date conducted a duly noticed public hearing regarding the sale of a portion of the Property to Buyer, at which all interested persons were given an opportunity to be heard; and

WHEREAS, the Authority finds and determines that conveyance of a portion of the Property to Buyer is in the public interest and will further the objectives of its general plan of economic development, because the development to be constructed on the Property will serve as an impetus for further development in the City; and

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

1. The Board hereby approves the Agreement in substantially the form presented to the Board, including conveyance of a portion of the Property to Buyer, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Agreement by those officials shall be conclusive evidence of their approval.

2. Authority staff and officials are authorized to take all actions necessary to perform the

Authority's obligations under the Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement, and any deed or other documents necessary to convey a portion of the Property to Buyer, all as described in the Agreement.

Date

President

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.