

## BUSINESS SUBSIDY AGREEMENT

**THIS AGREEMENT** made this 11th day of February, 2019, by and between the **West St. Paul Economic Development Authority**, a Minnesota public body corporate and politic, 1616 Humboldt Ave., West St. Paul, Minnesota 55118 (“EDA”) and **LRG Technologies Inc. d/b/a/ Mobile Pro Systems**, a Minnesota corporation, 7430 Bester Avenue, Inver Grove Heights, MN 55076 (“MPS”).

### RECITALS

**WHEREAS**, the City of West St. Paul (“City”) has long desired to improve the function and appearance of its community through economic development, and has invested substantial resources toward that goal; and

**WHEREAS**, the West St. Paul City Council established the EDA in July 1999 in order to advance these objectives; and

**WHEREAS**, the EDA adopted criteria for awarding business subsidies, pursuant to the Business Subsidies Act, Minn. Stat., Sections 116J.993 to 116J.995, (“Business Subsidy Act”); and

**WHEREAS**, MPS has indicated it has outgrown its Eagan location and will be purchasing property located at 250 Lothenbach Avenue, West St. Paul for expansion; and

**WHEREAS**, to facilitate the expansion, MPS has proposed rehabilitation of the new property, by upgrading the HVAC system and mechanicals, repairing the parking lot, upgrading the electrical systems, replacing the roofing, conducting environmental remediation, and remedying additional building issues (“Improvements”), and is seeking a business subsidy (“Business Subsidy”) from EDA in the amount of Forty Nine Thousand Nine Hundred Ninety Nine and 00/100 Dollars (\$49,999.00) to aid in the cost of rehabilitation and redevelopment; and

**WHEREAS**, it is anticipated that the use in the commercial building will create at least 15 new jobs within 2 years at wages of at least \$20.00 per hour, promote private investment in a blighted or economically depressed area, enhance economic development, and potentially increase the property tax base; and

**WHEREAS**, the EDA believes the proposed redevelopment of the new property would be desirable for the City; and

**WHEREAS**, the proposed redevelopment meets all criteria for awarding a Business Subsidy established by the EDA Policy on Business Subsidies and due to the estimated cost of the proposed redevelopment, the Improvements are financially infeasible without public assistance.

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

### **AGREEMENT**

1. The Business Subsidy comprises of a forgivable loan in an amount not to exceed Forty Nine Thousand Nine Hundred Ninety Nine and 00/100 Dollars (\$49,999.00). The forgivable loan shall be due and payable to MPS in increments or in a lump sum upon receipt by the EDA of invoices for work performed.
2. The public purposes of the Business Subsidy are as follows:
  - a. Promote the economic and commercial redevelopment of the City;
  - b. Preserve the local tax base and improve the general economy and vitality of the City;
  - c. Promote the health, safety and welfare of the residents of the City;
  - d. Remove, prevent or reduce blight, blighting factors or the cause of blight in the City;
  - e. Attract, retain, rehabilitate and preserve commercial facilities;
  - f. Eliminate or improve structurally substandard buildings;
  - g. Create new jobs in the commercial and retail sector;
  - h. Remove obsolete site layout and design;
  - i. Afford maximum opportunities, consistent with the needs of the City as a whole, for the redevelopment of the area by private enterprise.
3. The goals for the Business Subsidy are to secure timely development, maintain the Improvements and continue operating for at least five (5) years.

4. Job and wage goals of the Business Subsidy are to create at least 15 new jobs within the next two (2) years, at wages of at least \$20.00 per hour.
5. MPS, its permitted successors or assigns will continuously operate for at least five (5) years, except in the event of unforeseeable casualty, in which event, MPS shall rebuild and reopen as soon as commercially reasonable. For the purpose of this section “continuously operate” means that space is leased or available for lease to any person or entity for use in its private trade or business, or occupied by MPS for use in its trade or business.
6. MPS shall provide a list of all grantors who provided financial assistance for the project (i.e. Department of Employment and Economic Development, Xcel Energy, etc.).
7. If MPS complies with the terms and conditions of this Agreement, the Business Subsidy will be forgiven five (5) years after date of final payment for the Business Subsidy. If MPS does not comply with the terms and conditions of this Agreement, MPS shall pay back a portion of the Business Subsidy on a prorated basis, based on the portion of the five-year operation period elapsed as of the date of default.
8. MPS must submit to the EDA a written report regarding Business Subsidy goals and results by no later than March 1<sup>st</sup> of each year, commencing March 1, 2020 and continuing until the later of the date that the goals are met; or thirty (30) days after expiration of the five-year period; or if the goals are not met, then the date the Business Subsidy is repaid. The report must comply with Section 116J.994 subd. 7 of the Business Subsidy Act. The EDA will provide information to MPS regarding the required forms. If MPS fails to timely file any report required under this section, the EDA will mail MPS a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, MPS fails to provide a report, MPS must pay the EDA a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this section is \$1,000.
9. The parties agree that this Agreement shall be construed pursuant to Minnesota law and any disputes shall be venued in Dakota County, Minnesota.
10. Notices to the parties shall be sent as follows:

If to EDA:	West St. Paul EDA Attn: Executive Director 1616 Humboldt Ave. West St. Paul, MN 55118
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If to MPS:                   LRG Technologies Inc. d/b/a Mobile Pro Systems  
                                  Attn: John R. Gornick  
                                  7430 Bester Avenue  
                                  Inver Grove Heights, MN 55076

11. This Agreement shall not be assigned without the prior written consent of the other party, which shall not be unreasonably withheld.
12. This Agreement shall only be amended by written agreement approved by both parties.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed by their authorized representatives as of the date first written above.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY BLANK]**

**WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY**

\_\_\_\_\_  
David J. Napier  
Its: President

\_\_\_\_\_  
James Hartshorn  
Its: Executive Director

STATE OF MINNESOTA            )  
  )ss  
COUNTY OF DAKOTA            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by David J. Napier and James Hartshorn, the President and Executive Director, respectively, of the City of West St. Paul Economic Development Authority, a Minnesota public body corporate and politic existing under the Constitution and laws of Minnesota, on behalf of the EDA.

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

**LRG TECHNOLOGIES INC. d/b/a Mobile Pro Systems**

\_\_\_\_\_  
John R. Gornick  
Its: Chief Executive Officer

STATE OF MINNESOTA    )  
  )ss  
COUNTY OF DAKOTA    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2019, before me a Notary Public appeared John R. Gornick who did state and acknowledge that he is the Chief Executive Officer of corporation; and that the foregoing instrument was executed on behalf of the corporation and he acknowledged the instrument to be the free act and deed of said corporation.

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