

## BUSINESS SUBSIDY AGREEMENT

THIS AGREEMENT (“Agreement”) made this \_\_\_\_ day of \_\_\_\_\_, 2020, 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 TSW Industries, Inc., a Minnesota corporation, 433 E. Mendota Road, West St. Paul, Minnesota 55118 (“BLVD Tavern”).

### 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**, BLVD Tavern rents a portion of the property located in West St. Paul legally described as:

Lafayette Square, Lot 3, Block 2, with property identification number 42-44250-02-030 (“the Property”); and

**WHEREAS**, BLVD Tavern has proposed exterior and interior upgrades to the restaurant, as more further described in the Business Subsidy Application (the “Project”), for a use that is consistent with the terms and conditions of this Agreement and is seeking a business subsidy (“Business Subsidy”) from the EDA in the amount of twenty five thousand dollars (\$25,000); and

**WHEREAS**, the EDA believes the proposed Project would be desirable for the City; and

**WHEREAS**, the Project meets all criteria for awarding a Business Subsidy established by the EDA Policy on Business Subsidies and due to the estimated cost of the Project, it is not financially feasible 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, BLVD Tavern and the EDA hereby agree as follows:

## **AGREEMENT**

1. The Business Subsidy comprises of a forgivable loan in an amount up to twenty five thousand dollars (\$25,000). The forgivable loan shall be due and payable to BLVD Tavern in a lump sum following receipt by the EDA of invoices for work performed following completion of the Project.
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. Promote private investment in a blighted or economically depressed area, which can be expected to stimulate additional investment;
  - h. 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 and maintain the Property as a commercial building for at least five (5) years.
4. BLVD Tavern will construct the Project pursuant to all approvals or licenses required by the City, with a completion date of September 30, 2020 (“Completion Date”).
5. Upon completion of the Project BLVD Tavern, its tenants, permitted successors or assigns, will continuously occupy the Property for at least five (5) years, except in the event of unforeseeable casualty, in which event, BLVD Tavern shall rebuild and reopen as soon as commercially reasonable.
6. If BLVD Tavern complies with the terms and conditions of this Agreement, the Business Subsidy will be forgiven five (5) years after the Completion Date. If BLVD Tavern does not comply with the terms and conditions of this Agreement, BLVD Tavern shall pay back a portion of the Business Subsidy on a prorated basis, with interest, based on the portion of the five-year operation period elapsed as of the date of default.

7. BLVD Tavern 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, 2021 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 BLVD Tavern regarding the required forms. If BLVD Tavern fails to timely file any report required under this section, the EDA will send BLVD Tavern a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, BLVD Tavern fails to provide a report, BLVD Tavern 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.
  
8. The parties agree that this Agreement shall be construed pursuant to Minnesota law and any disputes shall be venued in Dakota County, Minnesota.
  
9. 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
If to BLVD Tavern:	TSW Enterprises, Inc. Attn: Thomas S. Williams 433 E. Mendota Road West St. Paul, MN 55118
  
10. This Agreement shall not be assigned without the prior written consent of the other party, which shall not be unreasonably withheld.
  
11. 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.

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