INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA MONDAY, FEBRUARY 8, 2021
In-Person Meeting and Via Zoom
6:00 P.M.

NOTICE TO RESIDENTS: If you are interested in participating in the meeting, please contact Kim Fox prior to this meeting via telephone (651) 450-2545 or email (**kfox@ighmn.gov**) to inform her - your name, address and to what you wish to speak on. Individuals may submit written public comments in advance of the meeting by emailing comments to Kim Fox (kfox@ighmn.gov). Comments received prior to 4:00 p.m. on Friday, February 5, 2021 will be provided to the EDA at or before the February 8, 2021 meeting.
Phone Number to Reach Meeting: 651-450-2471

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **CONSENT AGENDA**

   A. Consider Approval of Minutes from the November 9, 2020 Regular Economic Development Authority Meeting

   B. Consider Approval of Minutes from the December 14, 2020 Special Economic Development Authority Meeting

   C. Consider Approval of Claims

4. **REGULAR AGENDA**

   A. HOLD PUBLIC HEARING TO APPROVE SALE OF PROPERTY LOCATED AT 1805 – 60TH STREET

   B. CONSIDER RESOLUTION APPROVING THE PURCHASE AND DEVELOPMENT AGREEMENT AND SALE OF PROPERTY FOR REDEVELOPMENT PURPOSES TO THE DAKOTA COUNTY 55077 1805 60TH STREET LAND TRUST

   C. Executive Director Activity Report

5. **NEXT MEETING** – The next regular meeting is May 10, 2021 at 6 pm

6. **ADJOURN**

AGENDA ITEM _3A____

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING
MONDAY, NOVEMBER 9, 2020 – 8150 BARBARA AVENUE
****Via Zoom Video Conferencing****

1 & 2 CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met in regular session via Zoom Video Conferencing on Monday, November 9, 2020. President Piekarski-Krech called the meeting to order at 6:00 p.m. Present were Economic Development Authority Members Bartholomew, Dietrich, Perry, and Tourville, Executive Director Rand, Finance Director Hove, City Administrator Lynch, and Secretary Fox.

3. CONSENT AGENDA

A & B. Minutes and Disbursements

Motion by Tourville, second by Perry, to approve minutes from the August 10, 2020 Regular EDA Meeting, the September 14, 2020 Special EDA Meeting, the October 5, 2020 Special EDA Meeting, and the October 26, 2020 Special EDA Meeting, and disbursements from August 11, 2020 to November 9, 2020

4. REGULAR MEETING

A. Introduction of Natalie Mouilso, Business Advisor, Dakota County 'Open to Business' Program

Heather Rand, Executive Director, introduced Natalie Mouilso, the City's business advisor for the 'Open To Business' program.

Natalie Mouilso summarized the services the program provides and the specific services she provided last quarter to IGH businesses. She explained that the program provides one-on-one confidential free assistance for small business owners and entrepreneurs. The program also provides direct loans and works in partnership with local banks to facilitate financing to small businesses. MCCD has a $10M loan portfolio, as well as a credit builder program that helps individuals rebuild their credit so they can hopefully get larger loans in the future. They also do policy and advocacy work. In 2019 they did 192 small business loans, created about 400 jobs in the communities they serve, provided 7,000 technical assistance hours, and ranked 90% for client satisfaction in terms of business advisor understanding skills and expertise. Regarding Inver Grove Heights specifically, in 2020 year-to-date 56 hours of technical assistance was provided to 9 unduplicated IGH businesses or residents. Of those 9 businesses or residents served, 5 were existing and 4 were in the planning stage. They have two active loans to IGH residents that they are servicing and providing technical assistance for. Since joining the 'Open To Business' program she has been focusing on outreach, networking, and marketing. She encouraged boardmembers to refer businesses to her directly and advised she works closely with the City in getting the word out about the program; business cards and brochures are available at City Hall. Because of COVID-19 she is scaling back in-person meetings as much as possible and has added virtual office hours. She has set aside time on Monday and Wednesday from 1-3 and on Friday 9:30-noon but is available outside those hours if preferred.

Boardmember Bartholomew commented that he appreciated the virtual office hours.

Boardmember Tourville asked Ms. Mouislo if she could set up a monthly reporting system so the EDA was aware of contacts, assistance, etc.

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B. Consideration of Resolution Approving Issuance of RFP for Professional Planning Services for Small Area Plan

Heather Rand, Executive Director, asked the EDA to consider approving a resolution authorizing staff to issue an RFP for professional planning services to conduct a small area plan for portions of an area south of Highway 55, east of the Eagan border, north of 86th Street W, and west of Alverno Avenue for the purpose of guiding future development. Much of this area is currently zoned residential and the City is getting many requests from property owners within that area that would like to sell, as well as from companies that wish to construct office warehouse in this location. This location is close to Highway 55 and Argenta Trail where there are existing office warehouse buildings. Staff recommends approval of the resolution authorizing staff to issue the RFP. This would require an additional EDA meeting to potentially approve a contract.

Boardmember Tourville supported the RFP for a small area plan.

Boardmember Piekarski-Krech asked if any property owners in that area had indicated they were interested in selling.

Ms. Rand replied in the affirmative, stating the City also received inquiries from some well-respected companies that develop office warehouse. Staff was not comfortable making a recommendation until background planning work had been done. She emphasized that a public process is needed so it is transparent and the adjoining property owners are given an opportunity to provide public input.

President Piekarski-Krech stated staff needs to be cognizant of the fact that there are a significant number of residential homes in this area and there was a lot of discussion about the impact the original office warehouse would have on this area.

Ms. Rand agreed that there were many different lands uses in this immediate area.

Motion by Tourville, second by Bartholomew, to Approve EDA Resolution 20-10 Authorizing EDA Staff to Issue an RFP for Professional Planning Services for the Purpose of Creating a Small Area Plan for a Portion of the City South of Highway 55 Near Argenta Trail.

Ayes: 5
Nays: 0 Motion carried

C. Consideration of Resolution Approving Issuance of RFP for Sale of 1805-60th Street

Heather Rand, Executive Director, asked the EDA to consider a resolution authorizing staff to issue an RFP for the sale of a residential lot located at 1805-60th Street. She advised that the City purchased this blighted lot a few years ago, demolished the home, and staff is recommending that the EDA dispose of the property to a private party to construct a new house on this residential property. She recommended that they issue an RFP. Individuals submitting a proposal must indicate the proposed purchase price and demonstrate the financial ability to construct a home on this property and to pull permits within 12 months. To guide what the residential lot is currently valued at, EDA staff has engaged with a professional land appraiser and will provide the land appraisal report when it becomes available. Because the appraisal will likely not be available for a month or so, she suggested that they approve this tonight but direct staff to remove any dates that in the RFP and update it once the appraisal becomes available. Technically the property is owned by the City, not the EDA. She recommended that at the November 23,

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2020 City Council meeting they approve a resolution conveying the property to the EDA. This would allow the dollars to flow back into the EDA budget so they could use those funds for future EDA activities, such as purchasing another blighted property.

Boardmember Tourville asked what fund the costs for the initial purchase, demolition, etc. came out of.

Joe Lynch, City Administrator, advised that the Host Community Fund paid for the acquisition of the property; his recollection was that the purchase price was approximately $140,000. After demolition, environmental investigation, and closing costs the total was close to $200,000.

Boardmember Tourville stated that in 2021 the City Council could decide whether it should be paid back to the Host Community Fund or put into the EDA.

Motion by Bartholomew, second by Tourville, to approve EDA Resolution 20-11 Authorizing EDA Staff to Issue an RFP for Sale of Residential Lot Located at 1805-60th Street, with direction that the dates be removed and the correct information inserted once the appraisal is available.

Ayes: 5
Nays: 0 Motion carried

5. NEXT MEETING – The next Special EDA Meeting will be December 14, 2020 at 6:00 p.m.

Boardmember Tourville asked if a second round of CARES funding was available.

Ms. Rand replied in the affirmative, stating that Dakota County recently approved additional funding. They are doing a special grant round for businesses that have not been funded to date.

6. ADJOURNMENT: Motion by Perry, second by Bartholomew, to adjourn. The meeting was adjourned by unanimous vote at 6:29 p.m.

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AGENDA ITEM _3B____

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING
MONDAY, DECEMBER 14, 2020 – 8150 BARBARA AVENUE
****Hybrid In-Person or Zoom Virtual Meeting****

1 & 2 CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met in regular session via Zoom Video Conferencing on Monday, December 14, 2020. President Piekarski-Krech called the meeting to order at 6:00 p.m. Present were Economic Development Authority Members Bartholomew, Dietrich, Perry, and Tourville, Executive Director Rand, Finance Director Hove, City Administrator Lynch, City Attorney Kuntz, and Secretary Fox.

3. REGULAR AGENDA

A. Resolution Accepting the Conveyance of Certain Real Property from the City of IGH for Economic Development (1805-60th Street)

Heather Rand, Executive Director, advised that the City purchased the blighted residential property located at 1805 – 60th Street, removed the house, and prepared the property for redevelopment. The EDA recently authorized staff to issue an RFP for the purpose of securing bid proposals for the sale and redevelopment of the property, requiring that a new home be constructed within a 12-month period. Tonight staff is asking the EDA to accept the conveyance of this residential property and authorize the EDA President and Executive Director to execute the documents for the title transfer. The EDA will likely be asked to award sale of the property at its February 2021 EDA meeting.

Boardmember Tourville supported moving forward with the redevelopment of this formerly blighted property.

Motion by Tourville, second by Perry, to Approve Resolution EDA 20-12 Accepting the Conveyance of Certain Real Property from the City of IGH for Economic Development Purposes (1805-60th Street)

Ayes: 5
Nays: 0 Motion carried

B. Resolution Approving Contract with HKGI for Small Area Plan and Accepting $22,000 in City Funds

Heather Rand, Executive Director, advised that the City has been receiving developer interest for the area south of Highway 55, east of Argenta Trail, north of 86th Street, and west of Alverno Avenue. This area has a mixture of uses, including office warehouse, a manufactured home park, a green cemetery, large tracts of agricultural land, and residential. For the purpose of studying this area's feasibility for development, staff recommended hiring a professional planning firm to develop a small area plan for the purpose of providing recommendations on maximizing the development potential and understanding the underlying ramifications of such development. Last month the EDA authorized staff to issue an RFP for that type of planning service and the City received two proposals. After careful evaluation, the selection team recommends that the EDA enter into a professional service contract with HKGI, who is also currently working on a small area plan north of Highway 55 and also assisted with the City's 2040 comprehensive plan update. HKGI will work with Ehlers Financial, who will assist with financial modeling regarding potential costs associated with future development, Bolton Menk, who will assist with utility and stormwater management, and a marketing firm, who will help the City understand the development potential of the site. The cost of this study is $49,500. This will be funded from the EDA budget and from a pending city council approved transfer of $22,000 General Fund Community Development budget, Planning Division. Staff recommends that the EDA award a contract for the small area plan to HKGI and accept a transfer of $22,000 in funds from the City of Inver Grove Heights.

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President Piekarski-Krech asked how staff planned to notify the affected residents in this area.

Ms. Rand replied that anyone residing within the defined geographic area will receive notices via the US postal service inviting them to attend virtual meetings and asking for their participation. If they do not want to participate, or are unable to participate in virtual meetings, they will be given contact information so they can call or email staff with comments or for updates.

President Piekarski-Krech suggested that the letter include verbiage requesting that recipients respond back to the City to let them know they received the notice.

Ms. Rand replied that she would discuss President Piekarski-Krech's suggestion with the consultant.

Boardmember Tourville suggested perhaps including a postage-paid postcard in the mailing asking people to return it so the City could ensure everyone had received notification.

Boardmember Bartholomew suggested that a story regarding this proposal be included in the *Insights* newsletter and on the City's website.

Ms. Rand advised she would work with Communications staff on Boardmember Bartholomew's suggestion.

Motion by Bartholomew, second by Dietrich, to approve Resolution EDA 20-13 Authorizing Acceptance of Fund Transfer and Acceptance of Proposal from HKGI for Small Area Planning Services South of Highway 55 and East of Argenta Trail.

Ayes: 5
Nays: 0 Motion carried

4. NEXT MEETING – The next regularly scheduled meeting is February 8, 2021 at 6:00 p.m.

5. ADJOURNMENT: Motion by Perry, second by Tourville, to adjourn. The meeting was adjourned by unanimous vote at 6:16 p.m.

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City of Inver Grove Heights EDA Operations Fund 290

Budget vs Actual through 12/31/2020

Account Description	2020 Amended Budget	12/31/20 Actual	Budget Remaining
Investment Earnings	-	28.74	(28.74)
Grants	15,000.00	-	15,000.00
Operating Transfers In	83,200.00	83,200.00	-
Total Revenue	**98,200.00**	**83,228.74**	**14,971.26**
Personnel	19,100.00	17,545.04	1,554.96
Prof/Tech Services	57,100.00	18,226.71	38,873.29
Purchased Services	500.00	500.04	(0.04)
Other Purchased Sevices	21,400.00	7,996.20	13,403.80
Supplies	100.00	-	100.00
Total Expenditure	**98,200.00**	**44,267.99**	**53,932.01**
Fund 290 Surplus (Deficit)	**-**	**38,960.75**	**38,960.75**

Claim on Cash **262,916.78**

City of Inver Grove Heights

Detail Report
Account Detail
Date Range: 8/31/2020 - 12/31/2020

290.100.1010199 Claim on Cash

Post Date	Packet Number	Source Transaction	Pmt Number	Description	Vendor	Project Account	Amount	Running Balance
				Agrees to Previous report ending 6/30/20				**188343.93**
08/31/2020	APPKT03694	DFT0011014		LEVANDER, GILLEN & MILLER P.A. SEC REI PMT	00538 - LEVANDER, GILLEN & MILLER P.A.		-156	188187.93
09/30/2020	APPKT03730	DFT0011062		LEVANDER, GILLEN & MILLER P.A. SEC REI PMT	00538 - LEVANDER, GILLEN & MILLER P.A.		-180	188007.93
10/01/2020	GLPKT25075	JN12083		Record October Allocations & Depreciation			-58.33	187949.6
10/09/2020	PYPKT01665	PYPKT01665 - PR 10/09/		Packet PYPKT01665: PR 10/09/20 - IFT			-681.09	187268.51
10/20/2020	APPKT03660	233052		EHLERS AND ASSOCIATES, INC. SEC REI PMT	02886 - EHLERS AND ASSOCIATES, INC.		-963.75	186304.76
10/20/2020	APPKT03660	233052		EHLERS AND ASSOCIATES, INC. SEC REI PMT	02886 - EHLERS AND ASSOCIATES, INC.		-515	185789.76
10/20/2020	APPKT03660	233136		TASC GENESIS EMPLOYEE BENEFITS, INC SEC REI PMT	11063 - TASC GENESIS EMPLOYEE BENEFITS,		-0.77	185788.99
10/23/2020	PYPKT01676	PYPKT01676 - PR 10/23/		Packet PYPKT01676: PR 10/23/20 - IFT			-685.24	185103.75
10/31/2020	APPKT03776	DFT0011121		LEVANDER, GILLEN & MILLER P.A. SEC REI PMT	00538 - LEVANDER, GILLEN & MILLER P.A.		-36	185067.75
11/01/2020	GLPKT25377	JN12253		Record November Allocations & Depreciation			-58.33	185009.42
11/04/2020	APPKT03674	233258		PIONEER PRESS SEC REI PMT	01157 - PIONEER PRESS		-55.47	184953.95
11/06/2020	PYPKT01682	PYPKT01682 - PR 11/06/		Packet PYPKT01682: PR 11/06/20 - IFT			-681.09	184272.86
11/20/2020	PYPKT01692	PYPKT01692 - PR 11/20/		Packet PYPKT01692: PR 11/20/20 - IFT			-685.24	183587.62
11/30/2020	APPKT03808	DFT0011151		LEVANDER, GILLEN & MILLER P.A. SEC REI PMT	00538 - LEVANDER, GILLEN & MILLER P.A.		-372	183215.62
12/01/2020	APPKT03715	233474		KENNEDY & GRAVEN SEC REI PMT	02242 - KENNEDY & GRAVEN		-437.5	182778.12
12/01/2020	APPKT03715	233508		TASC GENESIS EMPLOYEE BENEFITS, INC SEC REI PMT	11063 - TASC GENESIS EMPLOYEE BENEFITS,		-1.04	182777.08
12/01/2020	GLPKT25606	JN12359		Record November Allocations & Depreciation			-58.33	182718.75
12/04/2020	PYPKT01696	PYPKT01696 - PR 12/04/		Packet PYPKT01696: PR 12/04/20 - IFT			-681.09	182037.66
12/14/2020	GLPKT25740	JN12421		Trsfr from CD to EDA-Small Area Plan (CC 12.14.2020)			22000	204037.66
12/15/2020	APPKT03743	233621		NEWMARK PARTNERS LP SEC REI PMT	13238 - NEWMARK PARTNERS LP		-1100	202937.66
12/15/2020	APPKT03743	233658		TASC GENESIS EMPLOYEE BENEFITS, INC SEC REI PMT	11063 - TASC GENESIS EMPLOYEE BENEFITS,		-0.77	202936.89
12/18/2020	PYPKT01704	PYPKT01704 - PR 12/18/		Packet PYPKT01704: PR 12/18/20 - IFT			-652.61	202284.28
12/31/2020	PYPKT01711	PYPKT01711 - PR 12/31/		Packet PYPKT01711: PR 12/31/20 - IFT			-567.5	201716.78
12/31/2020	GLPKT25888	JN12505		2020 Budgeted Transfers			61200	262916.78
01/01/2021	GLPKT25848	JN12478		Record January Allocations & Depreciation			5425	268341.78

01/12/2021	APPKT03784	234088	HOISINGTON KOEGLER GROUP INC. SEC REI PMT	03358 - HOISINGTON KOEGLER GROUP INC.	-1874.18	266467.6
01/15/2021	PYPKT01718	PYPKT01718 - PR 01/15/	Packet PYPKT01718: PR 01/15/21 - IFT		-678.07	265789.53

City of Inver Grove Heights EDA Acquisitions Fund 291

Revenues Over (Under) Expenditures by Project

Project costs to Date as of 12/31/2020

Project	Revenues	Expenditures	Revenue Over (Under) Expenditures
E001 - Golf Course Land Purchase	358,623.32	358,670.60	(47.28)
E002 - 8195 Babcock Trail	356,932.86	218,461.42	138,471.44
E003 - 6671 Concord	159,985.65	159,997.07	(11.42)
E004 - 6685 Concord	139,546.80	139,558.22	(11.42)
E005 - River Country Cooperative	684,786.26	686,043.14	(1,256.88)
E006 - 6845 Dixie Ave	337,558.78	337,582.41	(23.63)
E007 - 4196 68th St E	228,210.79	228,245.59	(34.80)
E008 - 6639 Concord	525,417.06	525,972.13	(555.07)
E009 - 6656 Doffing	-	450.00	(450.00)
E010 - McPhillips	502,141.03	502,179.68	(38.65)
E011 - 6863 Dickman Trail	-	3,000.00	(3,000.00)
E012 - 6840 Dixie Ave E	-	21,958.88	(21,958.88)
E013 - 6900 & 6910 Dixie Ave	274,682.12	274,723.49	(41.37)
E014 - 6653 Concord Blvd	217,073.93	217,090.04	(16.11)
E015 - 11025 Courthouse Blvd	-	2,200.00	(2,200.00)
E016 - 11105 Courthouse Blvd	-	2,200.00	(2,200.00)
E017 - 11097 Courthouse Blvd	-	2,200.00	(2,200.00)

	Account Balances as of 12/31/20
Claim on Cash	**(44,906.98)**
E002 - Land Available for Sale	**1,138,500.00**
Accounts Payable	**-**
E002 - Loan from Host Community Fund for Land Purchase	**1,000,000.00**

City of Inver Grove Heights

Account Detail

Date Range: 10/01/2020 - 12/31/2020

Fund: 291 - EDA ACQUISITIONS

291.100.1010199 CLAIM ON CASH

Post Date	Source Transaction	Description	Vendor	Amount	Running Balance
		Agrees to Previous report ending 3/31/20			-43504.72
10/31/2020	JN12301	Journal Entry		-21.5	-43526.22
11/30/2020	JN12368	November 2020 City UP		-2.3	-43528.52
12/31/2020	JN12541	2020 city sw fees		-1376.16	-44904.68
12/31/2020	JN12548	12/2020 city up		-2.3	-44906.98

AGENDA ITEM __4A & B_____

CITY OF INVER GROVE HEIGHTS

Request for EDA Action

A RESOLUTION APPROVING THE PURCHASE AND DEVELOPMENT AGREEMENT AND SALE OF PROPERTY FOR REDEVELOPMENT PURPOSES TO THE DAKOTA COUNTY 55077 1805 60TH STREET LAND TRUST

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	Feb 8, 2021	None	
Item Type:	Regular EDA	Amount included in current budget	
Contact:	Heather Rand, Exec Dir	Budget amendment requested	
Prepared by:	Heather Rand	FTE included in current complement	
Reviewed by:	Heather Rand, Bridget Nason, EDA legal	New FTE requested – N/A	
		Other	x

PURPOSE/ACTION REQUESTED:

EDA hold public hearing to consider sale of a city lot zoned for residential use located at 1805 60th Street for the purpose of advancing economic development in the city. A RFP (request for proposals) was issued and staff recommends acceptance of a proposal from Eric Guillickson/Dakota County 55077 1805 60th Street Land Trust and that the EDA enter in a purchase agreement with such party.

SUMMARY:

The Inver Grove Heights Economic Development Authority (EDA) approved staff's issuance of a Request for Proposals (RFP) for the sale of a residential lot addressed as 1805 60th Street in IGH, MN on November 9, 2020 so long as such included a professional prepared appraisal. Such appraisal (Exhibit A) was completed by Newmark, Knight and Frank in mid-December and established a value of $84,000. The RFP was then issued to the public by posting on the city website, posting notice at city hall entry bulletin board, posting ad in newspaper, and mailing notice of such land sale RFP to the adjacent property owners (4 of them) and to active single family contractors that often do work in the city.

On the RFP January 29th posted due date, 1 proposal (Exhibit B) was received from Eric Guillickson, and IGH resident who would do business as "Dakota County 55077 1805 60th Street Land Trust" for this transaction. Staff found the proposal complete. The proposal offered a

purchase price of $90,000 for the purpose of constructing a up to 6 bedroom, 3 bath, 3000 sf residential home with attached 2 car garage in conformance with all city and state codes and an approximate finished value of $450,000. Mr. Guillickson has a positive working relationship and demonstrated track record completing new construction projects in the city of Inver Grove Heights, most recently constructing a new home at 5641 Babcock Trail and also completed a substantial renovation of a home at 5039 Brent Avenue. The homes are or will be utilized for home health care residences if licensed by the state. This use is a permitted use within IGH residential zones and city staff find neighbor complaints from such uses no more frequent than any other residential homes in the city. The proposed new home will fit attractively within the existing residential neighborhood, provide much needed housing for community members and is to be constructed before fall 2021.

EDA staff recommend EDA approval of the resolution approving the purchase agreement with Guillickson (the trust) and execution of such by appropriate EDA signatories.

Single Family Lot - 1805 60th St. E.

1805 60th Street East
Inver Grove Heights, Dakota County, MN 55077

NKF Job No.: 20-0125406-1

Restricted Appraisal Report Prepared For:

Heather Rand
City of Inver Grove Heights
8055 Barbara Avenue
Inver Grove Heights, MN 55077

Prepared By:

Newmark Knight Frank
Valuation & Advisory, LLC
100 South Fifth Street, Suite 2100
Minneapolis, MN, 55402

December 28, 2020

Heather Rand
City of Inver Grove Heights
8055 Barbara Avenue
Inver Grove Heights, MN 55077

RE: Appraisal of a vacant single family zoned lot located at 1805 60th Street East, Inver Grove Heights, Dakota County, MN 55077, prepared by Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF")

NKF Job No.: 20-0125406-1

Dear Ms Rand:

Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF") has developed an appraisal of the referenced property and the results are presented in the following Appraisal Report.

The subject property consists of a vacant single family lot located at the northwest corner of 60th Street East and Babcock Trail in the northerly portion of Inver Grove Heights. The property had been improved with a single family home, but was acquired by the City and razed due to blight. The property is currently zoned R1-B (One-Family District). The property is 18,560 SF, which is slightly below the required 20,000 SF minimum of the zoning. According to the zoning administrator, the property is a legal, non-conforming lot and can be developed.

The subject property is situated in the southwest quadrant of Upper 55th Street and Highway 52 in an area of single-family homes. The subject location is a densely populated 2nd tier suburb to St. Paul.

Key Value Considerations

Strengths

- Good location in the northern portion of Dakota County.
- Property is vacant and ready for development.
- Single family has continued to see increased demand despite the downturn in the economy.

Risk Factors

- Narrow lot with a smaller than required size in the R1B zoning.

Newmark Knight Frank
100 South Fifth Street, Suite 950
Minneapolis, MN 55402
www.ngkf.com

- Location along Babcock Trail, which exposes the property to higher traffic levels than a typical residential lot.
- COVID-19 Pandemic has impacted the real estate market as the economy has been impacted.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	12/2/2020	$84,000

Compiled by NKF

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Minnesota.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Sean P. Butts, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Sean P. Butts, MAI made a personal inspection of the property that is the subject of this report.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.

15. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
16. Sean P. Butts, MAI has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Sean P. Butts, MAI
Senior Vice President
Certified General Real Estate Appraiser
Minnesota # 4003334
Telephone: 612.440.0075
Email: Sean.Butts@ngkf.com

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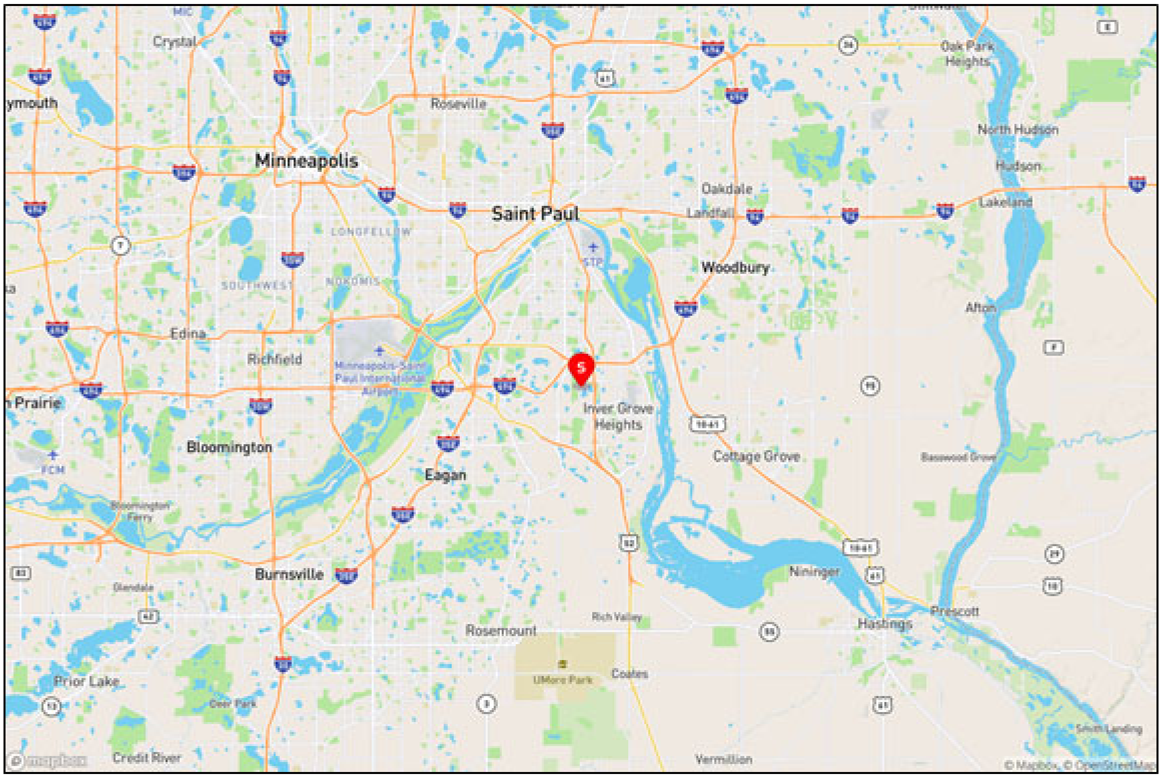
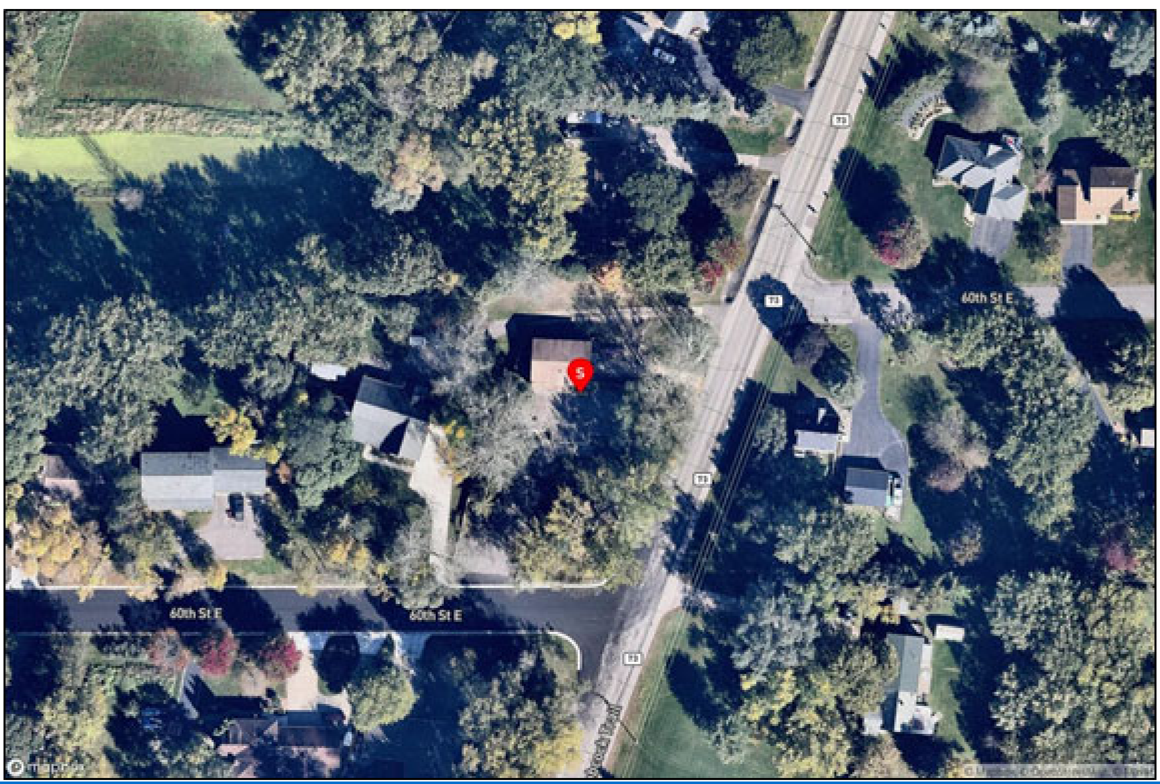
Addenda
A. Definitions
B. Property Information
C. Appraiser Qualifications and Licenses



Metropolitan Area Map

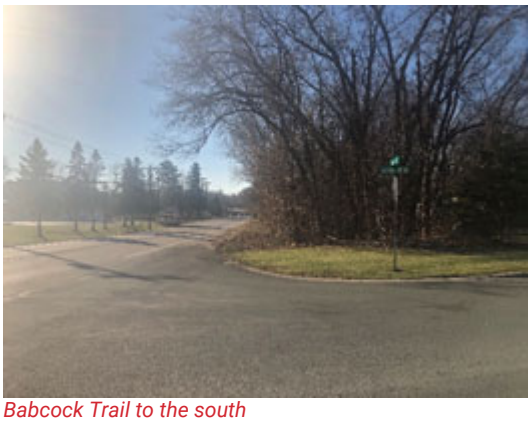


Aerial Map

North across subject from 60th St. East.

60th Street East to the west

Babcock Trail to the north (drainage ditch in ROW).



Babcock Trail to the south

Subject viewed to the northwest from the junction of Babcock Trail and 60th Street East.

Executive Summary

Single Family Lot - 1805 60th St. E.	
Property Type:	Vacant Single-Family Lot
Street Address:	1805 60th Street East
City, State & Zip:	Inver Grove Heights, Dakota County, MN 55077
Land Area:	0.426 acres; 18,560 SF
Zoning:	R1B (One Family District)
Highest and Best Use - As Vacant:	Single Family Use
Highest and Best Use - As Improved:	Single Family Use
Analysis Details	
Valuation Date:	
Market Value "As Is"	December 2, 2020
Inspection Date and Date of Photos:	December 2, 2020
Report Date:	December 28, 2020
Report Type:	Restricted Appraisal Report
Client:	City of Inver Grove Heights
Intended Use:	To provide value guidance for potential disposition
Intended User:	City of Inver Grove Heights
Appraisal Premise:	As Is
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by NKF

Valuation Summary

Sales Comparison Approach - Fee Simple					$/SF	$ Total
Number of Sales						5
Range of Sale Dates						4/2017 - 5-2019
Adjusted Range of Comparables ($/SF)						$72,765 - $92,657
Indicated Sales Comparison Approach Value	As Is				$4.53	$84,000
Capitalization Rate Indicators and Conclusion						**Indication**
Market Value Conclusion	**As Is**					**$84,000**
Exposure / Marketing Time		**Min**	**Max**	**Average**		
Concluded Exposure Time		6 Months or Less				
Concluded Marketing Time		6 Months or Less				

Compiled by NKF

Introduction

Ownership History

The current fee owners are City of Inver Grove Heights, The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

The following summarizes all transactions involving the subject within the prior three years.

Listing Status:	Not Listed For Sale	
Current or Pending Contract:	None Reported	
Previous Sales		
Date of Sale:	October 1, 2018	
Most Recent Reported Sale:	October 1, 2018	
Buyer:	City of Inver Grove Heights	
Seller:	Gore	
Purchase Price:	$189,000	$10.18 Per SF (Gross Land Area)

Compiled by NKF

- The property was acquired by the City of Inver Grove Heights after a building official deemed that the improvements on the site were not habitable. The total compensation reflects a negotiated buyout with allocation to the existing improvements. The improvements were then razed and the site was graded.

Intended Use and User

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for To provide value guidance for potential disposition and no other use is permitted.
- City of Inver Grove Heights

Definition of Value

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Interest Appraised

The appraisal is of the Fee Simple interest.

- ***Fee Simple Estate:*** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Restricted Appraisal Report

This appraisal is presented in the form of a restricted appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the Fee Simple in the property.

Purpose of the Appraisal		
Appraisal Premise	**Interest Appraised**	**Date of Value**
Retrospective Market Value "As Is"	Fee Simple	12/2/2020

Compiled by NKF

Scope of Work

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

NKF inspected the subject property on December 2, 2020 as per the defined scope of work. Sean P. Butts, MAI made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- Exposure and marking time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

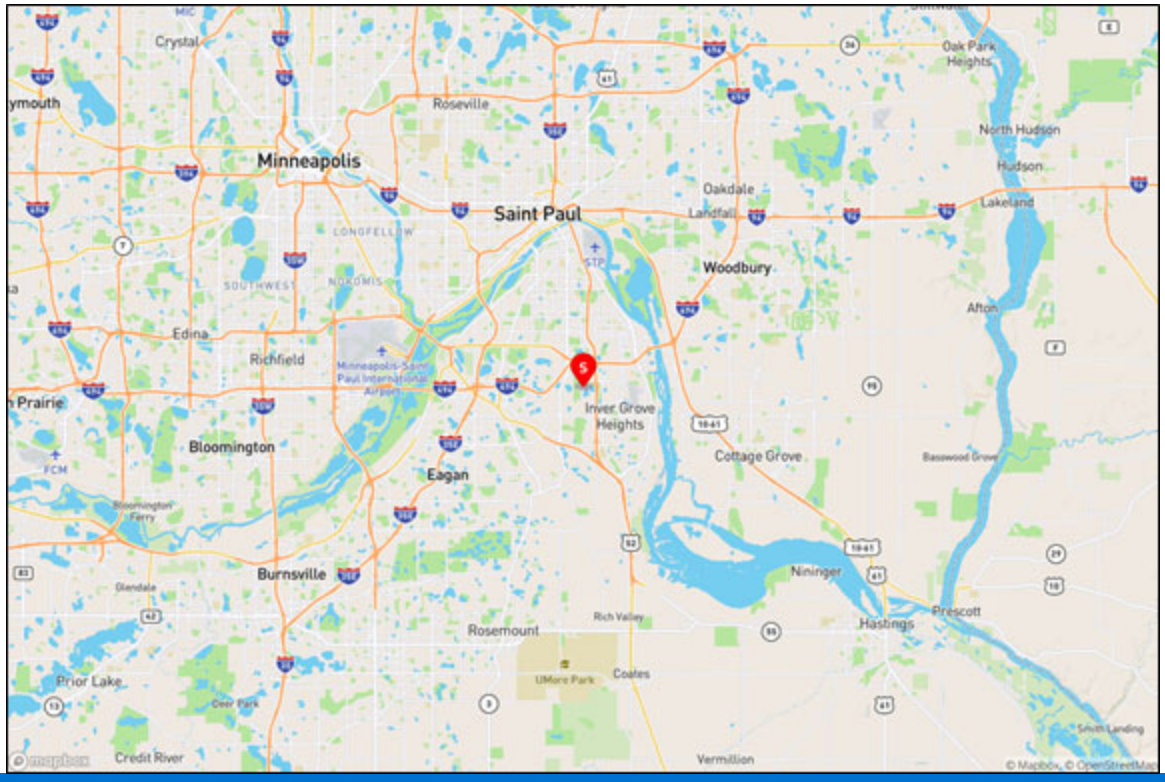
We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

Economic Analysis

The Impact of COVID-19

It is well known that the past several months have been volatile. Every day, there is greater clarity about the effects and expectations as evidenced by transaction activity, various data sources, and market participants. We have continuously reached out to brokers and other market participants to understand how the market is reacting. Most of our major data sources, such as Moody's economy.com, include both COVID-19 pandemic period data and projections inclusive of its effects. There are an increasing number of transactions occurring and these are providing indications of trends.

Area Analysis



Area Map

The subject is located within Inver Grove Heights and Dakota County, Minnesota. It is part of the Minneapolis-St. Paul-Bloomington metro area (Twin Cities Metropolitan Area).

Moody's Analytics' Economy.com provides the following economic summary for the Twin Cities Metropolitan Area as of August, 2020.

Moody's Analytics Précis® Metro Indicators: TCMA												
2015	2015	2016	2017	2018	2019	INDICATORS	2020	2021	2022	2023	2024	2025
5.7	6.3	5.7	5.8	6.0	6.2	Gross metro product (C12$ bil)	5.8	5.9	6.2	6.4	6.4	6.5
-0.2	11.8	-10.5	2.4	3.0	3.6	% change	-5.4	1.5	4.3	2.9	1.3	0.7
46.9	47.2	46.7	46.6	46.8	47.5	Total employment (ths)	46.0	45.9	47.0	47.7	48.0	48.1
1.7	0.7	-1.1	-0.3	0.6	1.3	% change	-3.1	-0.1	2.2	1.5	0.6	0.3
4.3	4.0	4.1	3.7	3.7	3.5	Unemployment rate (%)	5.6	5.1	3.9	2.8	2.7	2.7
2.6	1.6	-1.8	3.4	5.2	3.7	Personal income growth (%)	0.1	-3.2	3.5	3.9	3.4	3.0
59.0	59.5	61.0	62.6	64.3	64.6	Median household income ($ ths)	63.6	62.9	64.5	66.2	67.6	69.0
96.0	97.0	97.9	98.4	98.9	99.5	Population (ths)	99.6	99.9	100.2	100.4	100.6	100.8
0.3	1.0	0.9	0.5	0.5	0.6	% change	0.1	0.3	0.3	0.2	0.2	0.2
-0.2	0.5	0.4	0.0	0.1	0.2	Net migration (ths)	-0.3	-0.2	-0.2	-0.3	-0.3	-0.2
305	388	433	389	391	386	Single-family permits (#)	531	929	1,145	1,039	947	909
98	52	43	184	148	46	Multifamily permits (#)	112	171	163	145	135	133
201	211	221	232	246	261	FHFA house price (1995Q1=100)	278	275	278	288	294	302

Source: Moody's Analytics Précis® US Metro

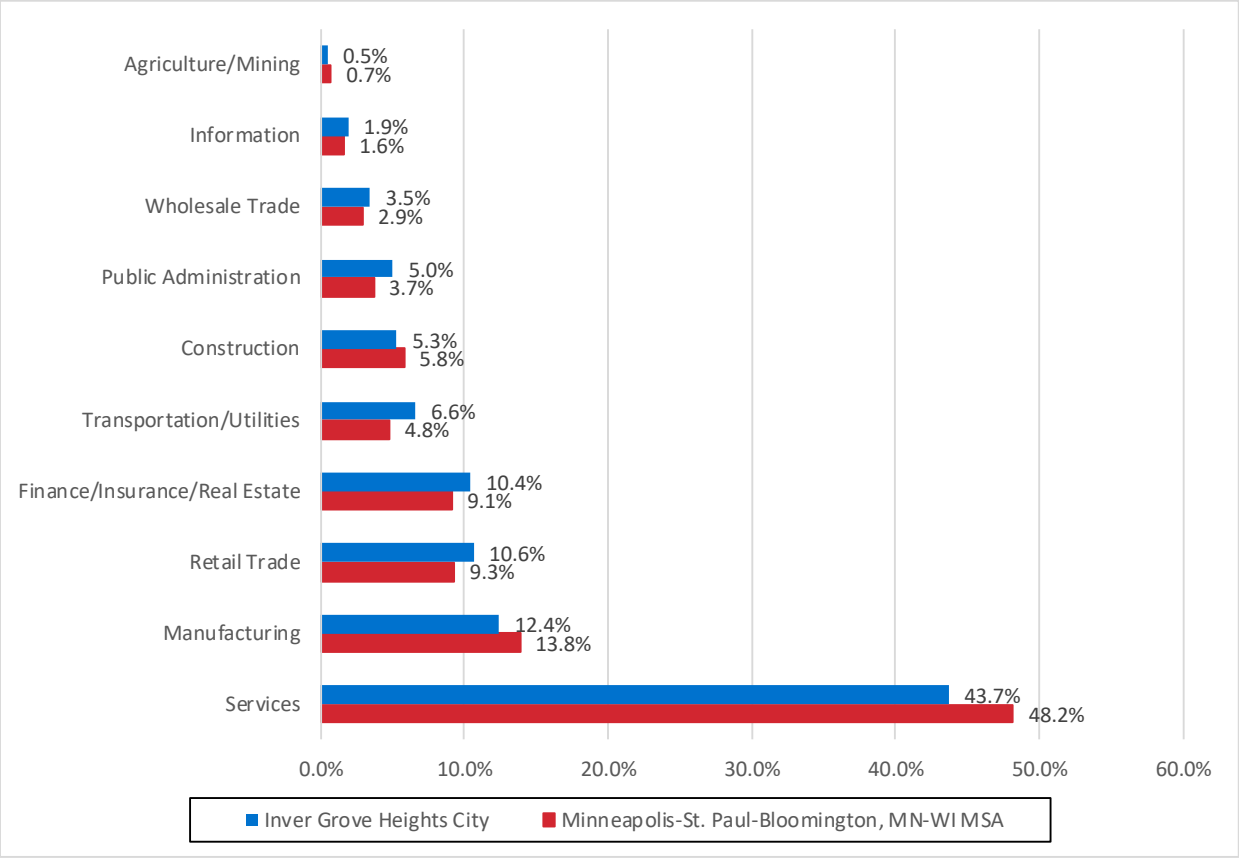
Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

The Twin Cities Metropolitan Area is scratching and clawing its way back from the recession caused by the COVID-19 pandemic. Though employment did not fall as much as in other parts of the Midwest and the nation, the more than 13% drop recorded between February and April was easily the largest on record for a three-month period. More concerning, however, is that the 5% rise during the next three months was the smallest among the 10 largest Midwest economies. TCMA falls short in government, private services and goods industries. Consumer services are holding their own, but office-using industries, manufacturing and healthcare are lagging. A dip in the labor force is masking the impact of slower job growth on the unemployment rate, which improved to just over 8% in July.

Employment Sectors and Trends

Employment Comparison

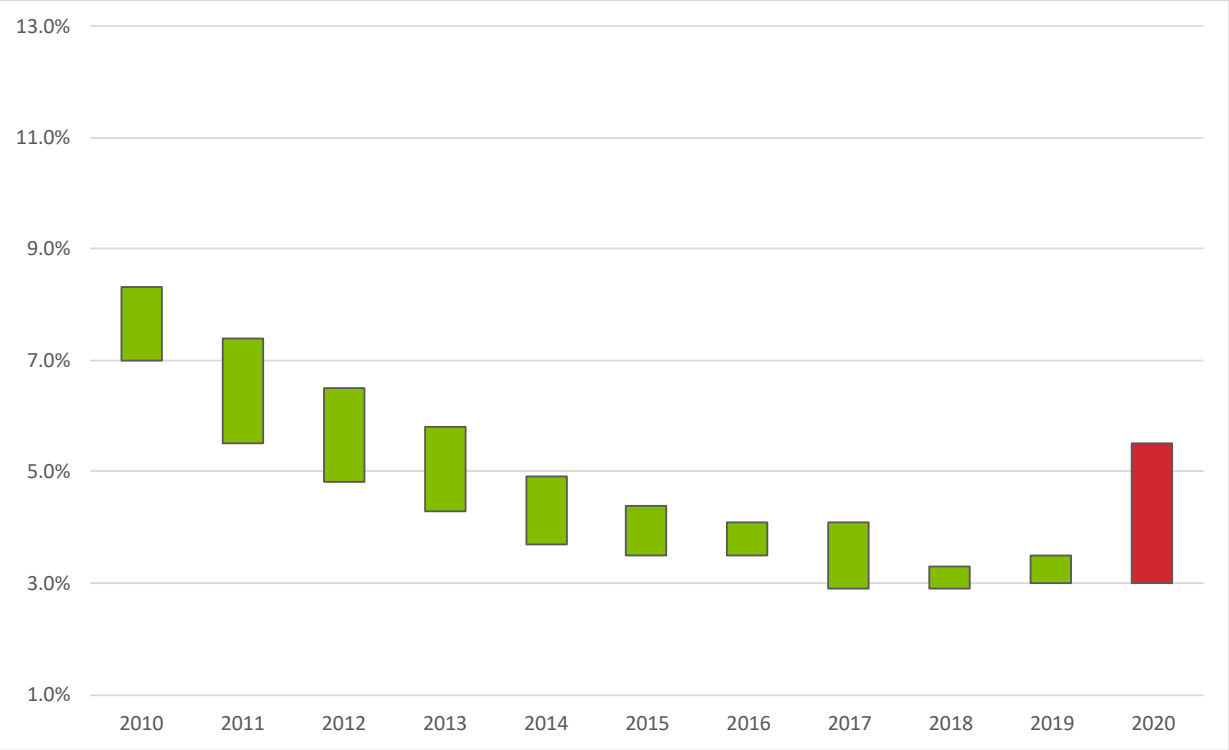


Source: ESRI; Compiled by NKF

Unemployment

The most recent reported unemployment rate for the Inver Grove Heights city, MN is 5.5% (September 2020).

Unemployment Rate: Inver Grove Heights city, MN



Bars represent beginning to end range of unemployment rates in each year
Red bars denote increasing unemployment from beginning to end of year
Green bars are declining unemployment from beginning to end of year

Compiled by NKF

Major Employers

The following table lists a number of major employers with the Twin Cities Metropolitan Area as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: TCMA

Rank	Employer	Employees
1	Fairview Health System	34,000
2	Allina Health System	29,335
3	Target Corp.	29,000
4	University of Minnesota	26,000
5	HealthPartners	25,092
6	UnitedHealth Group	18,500
7	Wells Fargo & Co.	18,000
8	U.S. Bancorp	13,000
9	3M Co.	12,217
10	Medtronic Inc.	10,400
11	United Natural Foods	9,385
12	Best Buy Co. Inc.	8,000
13	Delta Air Lines	7,224
14	Boston Scientific	7,000
15	Hennepin County Medical Center	6,580
16	Thomson Reuters North American Legal	6,500
17	North Memorial Health Care	6,250
18	Lifetime Products Inc.	6,015
19	Presbyterian Homes & Services	5,625
20	Children's Hospitals and Clinics	5,264

Source: Moody's Analytics Précis® US Metro

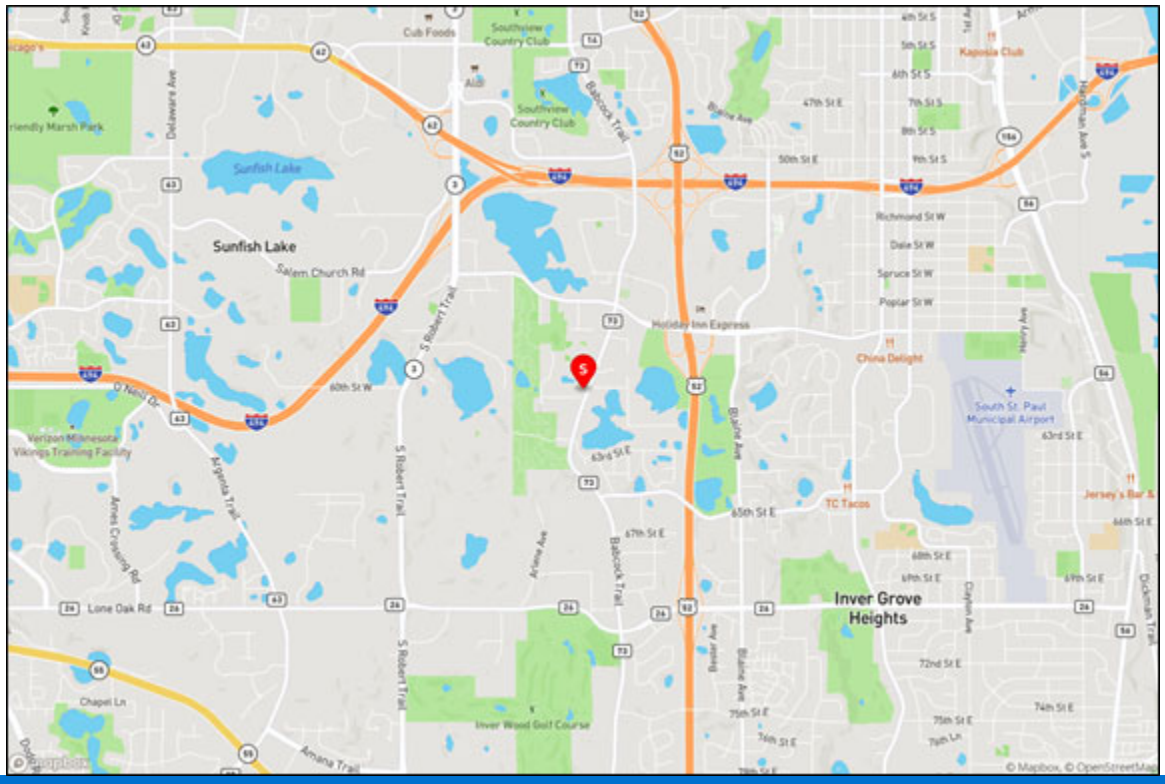
Conclusion

The TCMA will grow a bit faster than the U.S., but a jump in COVID-19 cases poses downside risks. Gains in office industries and strong population trends will more than compensate for slow progress in healthcare. A strong recovery will not begin until an effective vaccine is widely adopted in 2021.

Market Conclusion

Positive Attributes	Potential Issues & Risks
Limited exposure to parts of economy hardest hit by the global pandemic.	Relatively high tax burden for businesses.
Major research institutions and corporate headquarters foster innovation.	High rate of new COVID-19 infections.
Highly educated and expanding labor force attracts firms.	
Healthy consumer balance sheets.	

Neighborhood Analysis



Area Map

Boundaries

The subject property is located in the northerly Dakota County community of Inver Grove Heights. The surrounding location is primarily residential and within the southwest quadrant of Highway 52 and Upper 55th Street. This is generally delineated as follows:

North	I-494
South	65th Street East
East	Highway 52
West	Robert Trail South

Surrounding Area of Influence Trends

Description

The subject's surrounding area is viewed as suburban with mostly single family residential properties.

Conformity

The subject property is a vacant lot in a developed area of Inver Grove Heights with good access.

Access

Primary Access

Highway 52 and Interstate I-494 comprise the regional access to the area.

Major Thoroughfares

Other than the major highways, several arterials run through the subject area. These include Babcock Trail, Robert Trail, and Upper 55th Street.

Transportation

Primary transit in the subject area includes bus and automobile.

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis

	1-Mile Radius	3-Miles Radius	5-Miles Radius	55076	Inver Grove Heights City	Dakota County	Minneapolis-St. Paul-Bloomington, MN-WI MSA	Minnesota
Population								
2010 Total Population	5,127	56,735	131,247	21,319	33,880	398,552	3,333,633	5,303,925
2020 Total Population	5,117	60,148	139,917	22,239	36,229	437,624	3,678,099	5,750,797
2025 Total Population	5,218	61,818	144,544	22,760	37,360	458,534	3,863,078	5,987,731
Projected Annual Growth %	0.4%	0.5%	0.7%	0.5%	0.6%	0.9%	1.0%	0.8%
Households								
2010 Total Households	2,111	23,628	51,895	8,803	13,476	152,060	1,293,601	2,087,227
2020 Total Households	2,107	25,098	55,593	9,232	14,448	167,118	1,422,339	2,258,758
2025 Total Households	2,145	25,827	57,518	9,466	14,921	175,168	1,493,053	2,350,439
Projected Annual Growth %	0.4%	0.6%	0.7%	0.5%	0.6%	0.9%	1.0%	0.8%
Income								
2020 Median Household Income	$68,854	$67,396	$76,447	$77,632	$80,130	$87,999	$81,218	$71,267
2020 Average Household Income	$90,641	$90,284	$102,511	$94,269	$105,084	$111,410	$106,942	$95,076
2020 Per Capita Income	$37,978	$37,634	$40,763	$39,140	$41,907	$42,555	$41,430	$37,430
Housing								
2020 Owner Occupied Housing Units	36.9%	62.0%	65.4%	76.1%	70.3%	73.2%	66.6%	63.7%
2020 Renter Occupied Housing Units	56.9%	33.7%	30.3%	21.7%	26.8%	23.5%	28.1%	25.6%
2020 Median Home Value	$363,583	$236,765	$253,462	$236,892	$275,811	$279,082	$274,036	$241,823
Median Year Structure Built	1985	1976	1977	1989	1989	1986	1978	1976
Miscellaneous Data Items								
2020 Bachelor's Degree	30.3%	25.7%	26.9%	25.5%	27.9%	30.6%	28.3%	24.6%
2020 Grad/Professional Degree	8.9%	9.6%	13.3%	8.4%	10.0%	13.5%	15.1%	12.7%
2020 College Graduate %	39.1%	35.3%	40.2%	33.9%	37.9%	44.0%	43.3%	37.3%
2020 Average Household Size	2.40	2.37	2.50	2.40	2.49	2.60	2.54	2.49
2020 Median Age	35.2	40.1	39.2	40.9	39.7	38.3	37.7	38.7

Source: ESRI; Compiled by NKF

Demand Generators

The primary demand generator for the subject property is its location which has created a densely populated area.

Conclusion

- 2nd ring suburban location with good proximity to the core TCMA.
- Positive growth trends for future development.

Residential Housing Market

The following exhibit summarizes residential building permit activity over the past five years. Permit activity began to rebound from the housing crisis of the late 2000's just after 2015. Several developments are now active and more are in the planning stages as utilities become available.

Residential Building Permits

Type	2015	2016	2017	2018	2019
Single Family	33	95	110	130	106
Multi-Family	0	0	0	0	40
Total	**33**	**95**	**110**	**130**	**146**

Compiled by NKF

The overall housing market in the TCMA and subject area has been growing, with continued growth over the past five years. The median home price within a one-mile radius of the subject property is $426,113. This is 155% higher than the community as a whole, and 153% higher than Dakota County. Overall statistics from the City of Inver Grove Heights are shown below.

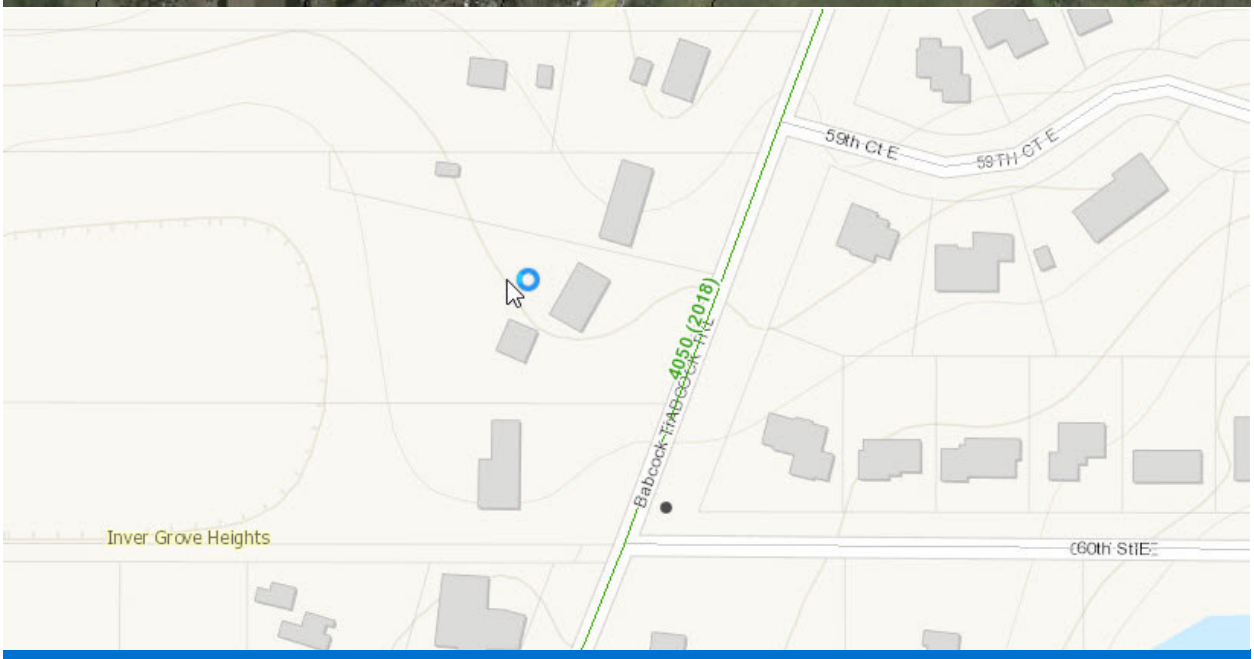
Land has continued to be in demand, with several newer developments over the past few years up to the present time of 2020. These include Blackstone Vista and Blackstone Vista 3rd Addition, to the southwest, Blackstone Ridge (now Settler's Ridge) to the west, Blackstone Ridge North, immediately north of the property, and Scenic Ridge to the southeast.

Neighborhood home sales near the subject property range from $280k for the home right across Babcock to $470k for a home just west along 60th Street East. The average of 4 sales within ¼ mile of the subject is $352k. When the homes are along Babcock Trail, this average drops to $292k.

Conclusion

The local housing market is concluded to be stable to growing overall, with generally balanced supply and demand. The location of the area, along with the continued strength of the local housing market will provide demand for residential property for the forseeable future.

Land and Site Analysis



Aerial Photo / Traffic Count Map

Land Parcels					
Parcel	Address	Associated APN(s)	Owner Name	Land Area (SF)	Land Area (Acres)
Primary Parcel	1805 60th Street E.	20-68200-00-072	City of Inver Grove Heights	18,560	0.4261
Total Gross Land Area				18,560	0.4261

Compiled by NKF

Land Description

Total Land Area	0.4261 Acres; 18,560 SF
Usable Land Area	0.4261 Acres; 18,560 SF
Source of Land Area	Dakota GIS
Site Characteristics	
Primary Street Frontage	60th Street E
Secondary Street Frontage	Babcock Trail
Traffic Control at Entry	None
Traffic Flow	Moderate
Accessibility Rating	Average
Visibility Rating	Average
Shape	Rectangular
Corner	Yes
Topography	Level
Easements / Encroachments	None noted
Environmental Hazards	None noted
Flood Zone Analysis	
Flood Area Panel Number	27037C-0105E
Date	12/2/2011
Zone	X
Description	Above 500-year flood levels
Insurance Required?	No
Utilities	
Utility Services	All Available

Compiled by NKF

Legal Description

Below is the legal description based on Dakota County information.

PT OF LOT 6 BEG NE COR W ON N LINE 19.21 FT S 15D 28M 28S W 186.25 FT TO SE COR N 21D E ON E LINE 192.27 FT TO BEG ALSO ALL OF LOT 7, Silver Acres Addition to the City of Inver Grove Heights

Easements, Encroachments and Restrictions

No title commitment was provided by the owner of the property. No adverse easements were noted. It is assumed that there may also be various utility easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Environmental Issues

No environmental issues were observed or reported. No environmental assessment was available. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

Location

The property is located along Babcock Trail, which exposes the property to slightly higher traffic levels than a typical residential lot.

Conclusion

The subject land parcel is situated at the northwest corner of Babcock Trail and 60th Street East in Inver Grove Heights.

- The property has a typical overall shape for single family development. However, the site is narrower than most R1B lots, and is smaller in size. This shape, along with the setback requirements from Babcock Trail would require the building to be constructed in the westerly part of the lot and may impact the shape of the home.
- The site is generally level and has been graded at some point over the past 2 years after demolition.
- Overall, the property is considered to have good access, visibility, and is generally functional for development.

Zoning and Legal Restrictions

Zoning Summary	
Category	**Description**
Zoning Jurisdiction	City of Inver Grove Heights
Zoning Designation	R1B (One Family District)
Description	The R-1 residential district is established for existing and future one-family detached dwelling areas which are provided with full urban services
Legally Conforming?	No
Zoning Change Likely?	Unlikely
Permitted Uses	Permitted uses are generally single family homes and accessory uses.
Minimum Lot Area	20,000 SF
Setback Requirements	
Front (60th Street)	30
Front (Babcock Trail)	40
Side	10 for living unit, 5' for garage
Rear	30

Compiled by NKF

- We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.
- The planning administrator indicated that this property is a legal, non-conforming use that can be developed as is.

Conclusion

The subject is zoned for single family uses. The site does not meet the minimum size requirements and is a legal non-conforming use.

Real Estate Taxes

Taxes are paid in arrears in Minnesota. This means that the taxes payable in 2020, are based on the assessed value from January 2, 2019. Real estate taxes for payable 2020 are shown in the following table.

Taxes and Assessments

Tax Year 2019	Assessor's Market Value			Tax Rates	Taxes and Assessments		
Tax ID	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
20-68200-00-072	$52,500	$180,600	$233,100	0.0000%	$0	$0	$0
	$52,500	$180,600	$233,100	0.0000%	$0	$0	$0

Compiled by NKF

- The property is currently exempt based on the city ownership.
- The assessed value for payable 2020 includes the former home that was demolished after the city purchased the property.

Highest and Best Use

As Vacant

Legally Permissible

The subject property comprises a vacant land site situated at the northwest corner of Babcock Trail and 60th Street East in a residential area of Inver Grove Heights. The property is currently zoned R1B, One Family Residential District. This allows for single family and accessory uses. The site is slightly smaller than the legally permitted minimum size, but is developable according to the City.

Physically Possible

The subject site contains 18,560 square feet (0.43 acres), has level topography, good access, and all necessary utilities to support the range of legally permissible uses. Physical limitations are minimal and based on the overall size of the site.

Financially Feasible

Of the legally permissible and physically possible uses, single-family uses would appear most probable based on observation of surrounding properties development as well as the location. The market for single family in the TCMA is still very good. Several newer developments are either recently constructed or under construction in the subject area.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a single-family use. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a single-family property. The most likely purchaser of the site would be a builder or owner.

Appraisal Methodology

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Summary

The subject property consists of land only. For this analysis, the direct sales comparison approach utilizing land comparables has been completed.

Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is not applicable and is not utilized in this appraisal.

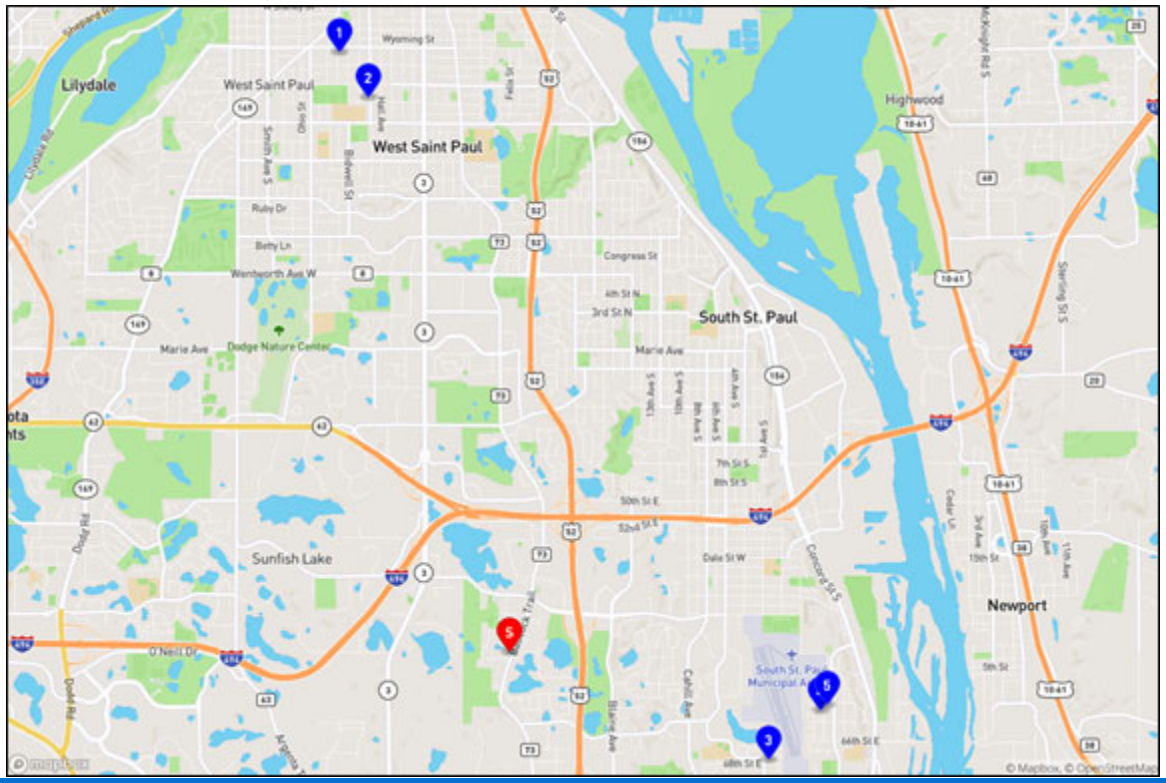
Compiled by NKF

Land Valuation

Land value can be developed from a number of different methodologies. In this case, we have employed the sales comparison approach. Sales comparison includes the following steps.

- Research and verify information on properties in the market that are similar to the subject and that have recently sold, are listed for sale, or are under contract. In this instance the property sales have occurred before and after the effective date of valuation.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value indication.

Based on a review of market activity, the appropriate unit of comparison is price per quare foot of usable land area.



Land Comparables Map

Comparable Land Sales Summary						
	Subject	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**
Address	1805 60th Street East	902 Bellows Street	Stryker Avenue	3527 68th Street East	6457 Crosby Avenue	6412 Crosby Avenue
City, State	Inver Grove Heights,	West St. Paul, MN	West St. Paul, MN	Inver Grove Heights, MN	Inver Grove Heights, MN	Inver Grove Heights, MN
Use at Sale	Vacant	Parking	Parking	Parking	Parking	Parking
Proposed Use	Multi-Family	Hotel	Multi-Family	Multi-Family	Multi-Family	Multi-Family
Gross Land SF	18,560 SF	8,250 SF	18,575 SF	9,570 SF	8,775 SF	9,450 SF
Useable Acres	0.4261 Acres	0.19 Acres	0.43 Acres	0.22 Acres	0.20 Acres	0.22 Acres
Useable Land SF	18,560 SF	8,250 SF	18,575 SF	9,570 SF	8,775 SF	9,450 SF
Shape/Topography	Rectangular/Level	Rectangular/Generally	Rectangular/Generally	Rectangular/Generally	Rectangular/Generally	Rectangular/Generally
Utilities Available	All Available	All Available	All Available	All Available	All Available	Water, Sewer, Gas,
Zoning	R1B (One Family	R-1, One-Family	R-1, One-Family	R-1C, Single-family (12,000	R-1C, Single-family (12,000	R-1C, Single-family (12,000
Transaction Type		Closed	Closed	Closed	Closed	Closed
Buyer		Blue Ribbon Builders LLC	John W Schlee	Tolberg Homes LLC	Brady M Groth	Yuyao Hu
Seller		George A Wright	Ralph W Meyer	Richard Braun	Eternity Homes LLC	Eternity Homes LLC
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Date		May-19	Oct-18	Apr-18	May-17	Apr-17
Price		$63,000	$87,500	$74,000	$79,500	$84,200
Adj. Sale Price		$63,000	$87,500	$74,000	$79,500	$84,200
Price per Usable Land Acre		$332,640	$205,195	$336,828	$394,646	$388,122
Price Per Usable Land SF		$7.64	$4.71	$7.73	$9.06	$8.91

Compiled by NKF

Analysis of Land Comparables

Each of the land sales was analyzed in detail regarding any differences with the subject site that the market perceives as affecting value. Upward adjustments will be made to the sales for characteristics that are inferior to the subject site. Conversely, downward adjustments will be made to the sales for characteristics that are superior to the subject site. The land sales will be analyzed on the basis of price per lot, which is the typical unit factor used in the market for residential lots. The subject land has a total usable land area of 18,560 square feet or 0.43 acres.

Elements of comparison

Adjustments are considered for elements of comparison that will include property rights conveyed, financing, conditions of sale, market conditions/time, location, size, shape/utility, soil conditions, topography, and zoning/density.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

Comparable Land Sales Adjustment Grid						
	Subject	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**
Address	1805 60th Street East	902 Bellows Street	Stryker Avenue	3527 68th Street East	6457 Crosby Avenue	6412 Crosby Avenue
City, State	Inver Grove Heights,	West St. Paul, MN	West St. Paul, MN	Inver Grove Heights, MN	Inver Grove Heights, MN	Inver Grove Heights, MN
Usable Land Area (Acres)	0.43 Acres	0.19 Acres	0.43 Acres	0.22 Acres	0.20 Acres	0.22 Acres
Usable Land Area (SF)	18,560 SF	8,250 SF	18,575 SF	9,570 SF	8,775 SF	9,450 SF
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	May-19	Oct-18	Apr-18	May-17	Apr-17
Price Per Lot		$63,000	$87,500	$74,000	$79,500	$84,200
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	-15%
Market Conditions (Time)		5%	6%	8%	11%	11%
Subtotal Adj.		5%	6%	8%	11%	-6%
Subtotal Price		**$66,150**	**$92,750**	**$79,920**	**$88,245**	**$79,443**
Physical Adjustments						
Location / Visibility		-10%	-10%	-15%	-15%	-15%
Size		20%	0%	20%	20%	20%
Shape / Utility		0%	0%	0%	0%	5%
Soils / Topography		0%	0%	0%	0%	0%
Zoning / Density		0%	0%	0%	0%	0%
Subtotal		10%	-10%	5%	5%	10%
Gross Adjustment		**15%**	**-4%**	**13%**	**16%**	**4%**
Overall Adjustment		**16%**	**-5%**	**13%**	**17%**	**4%**
Indicated Price Per Lot		**$72,765**	**$83,475**	**$83,916**	**$92,657**	**$87,387**

Compiled by NKF

Land Value Conclusion

Lots		1
Comparable Sales Indications	**Range**	**Average**
Unadjusted Price Per Lot	$63,000 - $87,500	$77,640
Adjusted Price Per Lot	$72,765 - $92,657	$84,040
Reconciled Value Per Lot		$84,000
Total Indicated Value		$84,000
	Rounded	$84,000

Compiled by NKF

Land Value Conclusion

- Prior to adjustments, the sales reflect a range of $63,000 to $87,500 per lot.
- After adjustment, the range is narrowed to $72,765 to $92,657 per lot, with an average of $84,040 per lot.
- All five sales are concluded to reflect the market for the property within the subject area. Primary emphasis was placed on the mean of the range in the final concluded value.

Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications

Market Value Premise As of Date:	As Is December 2, 2020
Sales Comparison Approach:	$84,000
Market Value Conclusion	$84,000

Compiled by NKF

Only the sales comparison was utilized herein as the property is land only with parking improvements.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Direct comparison to other land sales is the best method for estimating the subject value.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	12/2/2020	$84,000

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by NKF

Exposure Time

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Land tends to have a longer overall marketing time when compared to improved properties. This is, however, tied most exclusively to development timing. In this instance, the property is a packaged investment property, with minimal management responsibility. Sales transaction data for similar properties, supply and demand characteristics for the local net leased investment market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6 months.

Marketing Time

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a

substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.

6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.

8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.

11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and

underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms

The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ***Absorption Period:*** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.

- ***Absorption Rate:*** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.

- ***Ad Valorem Tax:*** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])

- ***Assessed Value:*** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.

- ***Cash Equivalency:*** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.

- ***Contract Rent:*** The actual rental income specified in a lease.

- ***Disposition Value:*** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. ***3)*** Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.

- ***Effective Rent:*** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.

- ***Excess Land:*** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also ***surplus land.***

- ***Excess Rent:*** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

- ***Exposure Time:*** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

- ***Extraordinary Assumption:*** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also ***hypothetical condition.***

- ***Fee Simple Estate:*** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

- ***Floor Area Ratio (FAR):*** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

- ***Frictional Vacancy:*** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.

- ***Full Service Lease:*** See ***gross lease.***

- ***General Vacancy:*** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.

- ***Going-Concern Premise:*** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).

- ***Going Concern Value:*** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

- ***Gross Building Area (GBA):*** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.

- ***Gross Lease:*** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.

- ***Hypothetical Condition:*** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also ***extraordinary assumption.***

- ***Intended Users:*** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)

- ***Investment Value:*** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. ***2)*** The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])

- ***Land-to-Building Ratio:*** The proportion of land area to gross building area; one of the factors determining comparability of properties.

- ***Lease:*** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

- ***Leased Fee Interest:*** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

- ***Leasehold Interest:*** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

- ***Lessee:*** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.

- ***Lessor:*** One who conveys the rights of occupancy and use to others under a lease agreement.

- ***Liquidation Value:*** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone

associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.

- ***Market Rent:*** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

- ***Market Value:*** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. [1]

- ***Market Value of the Going Concern:*** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.

- ***Marketing Time:*** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

- ***Modified Gross Lease:*** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.

- ***Net Lease:*** A lease in which the landlord passes on all expenses to the tenant. See also ***gross lease; modified gross lease.***

- ***Net Net Net Lease:*** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

[1] The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ***Occupancy Rate:*** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.

- ***Overage Rent:*** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.

- ***Percentage Rent:*** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.

- ***Prospective Opinion of Value:*** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

- ***Rentable Area:*** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

- ***Retrospective Value Opinion:*** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

- ***Shell Rent:*** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.

- ***Surplus Land:*** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also ***excess land.***

- ***Turnover Vacancy:*** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ***Usable Area:*** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

- ***Use Value:*** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also ***value in use.***

- ***Value In Use:*** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also ***use value.***

- ***Value Indication:*** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B

Property Information

Property Card	Parcel ID Number 20-68200-00-072

Owner Information

Fee Owner

CITY OF INVER GROVE HEIGHTS

Mailing Address

8150 BARBARA AVE

INVER GROVE HEIGHTS MN 55077

Property Address

Address

1805 60TH ST E

Municipality

INVER GROVE HEIGHTS

Parcel Information

Sale Date	12/13/1995	Total Acres	0.43
Sale Value	$115,000.00	R/W Acres	
Uses	EXEMPT	Water Acres	
		Plat	SILVER ACRES ADDITION
		Lot and Block	7
		Tax Description	PT OF LOT 6 BEG NE COR W ON N LINE 19.21 FT S 15D 28M 28S W 186.25 FT TO SE COR N 21D E ON E LINE 192.27 FT TO BEG ALSO ALL OF LOT

2020 Building Characteristics (payable 2021)*

Building Type		Year Built	0	Bedrooms	
Building Style		Foundation Sq Ft		Bathrooms	
Frame		Above Grade Sq Ft		Garage Sq Ft	
Multiple Buildings		Finished Sq Ft		Other Garage	

Miscellaneous Information

School District	Watershed District	Homestead	Green Acres	Ag Preserve	Open Space
199	LOWER MISSISSIPPI RIVER	NON HOMESTEAD			

Assessor Valuation

	Taxable	Estimated
2020 Land Values (payable 2021)	$0.00	$55,100.00
2020 Building Values (payable 2021)*	$0.00	$0.00
2020 Total Values (payable 2021)*	$0.00	$55,100.00
2019 Total Values (payable 2020)*	$0.00	$233,100.00

Property Tax Information

Net Tax (payable 2020)	Special Assessments (2020)	Total Tax & Assessments (2020)
$0.00	$0.00	$0.00

* Manufactured Homes Payable the Same Year as Assessment.

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

Addendum C

Appraiser Qualifications and Licenses

SEAN P. BUTTS, MAI

Senior Vice President

Newmark Knight Frank
Fifth Street Towers
100 South Fifth St., Suite 950
Minneapolis, MN 55402
sean.butts@ngkf.com
T 612.440.0075

Years of Experience

27 Years

Areas of Specialization

- Valuation & Advisory
- Eminent Domain
- Hospitality
- Multi-Family
- Industrial
- Office
- Retail
- Land

Professional Background

Sean P. Butts, MAI, joined Newmark Knight Frank Valuation & Advisory in 2019. As a leader of the Minneapolis office, Mr. Butts focuses his practice on the Twin Cities Metropolitan Area and Greater Minnesota.

Mr. Butts brings to his position 27 years of experience in the real estate industry, with a majority in valuation and advisory. A portion of the experience was spent in the asset management function of CSM corporation, where he experienced valuation, development, leasing, and property management from the owner's side of the business.

He has performed valuations and market studies on a wide variety of properties, including office buildings, shopping centers, multifamily residences, hotels, golf courses, churches, industrial properties and vacant land. His valuations have been used for financing, litigation support, condemnation, and general valuation needs. His clients have included banks and financial institutions, law firms, along with many governmental organizations including state, municipalities, counties, and individuals

In addition to appraisals, Mr. Butts has provided expert testimony Commissioners Hearings, District Court, and arbitration for condemnation proceedings

Professional Affiliations

- Appraisal Institute, North Star Chapter

Licenses and Designations

- MAI designation, Appraisal Institute
- Certified General Real Property Appraiser, state of Minnesota

Education

Mr. Butts earned a Bachelor of Science degree in business with an emphasis in real estate from St. Cloud University. He has also successfully completed numerous real estate and valuation courses and seminars sponsored by the Appraisal Institute.

STATE OF MINNESOTA

SEAN P BUTTS
3054 FULTON CIRCLE
CLEARWATER, MN 55320

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that

SEAN P BUTTS

3054 FULTON CIRCLE
CLEARWATER, MN 55320

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Resident Appraiser : Certified General

License Number: 4003334

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2021.

IN TESTIMONY WHEREOF, I have hereunto set my hand this June 08, 2020.

Steve Kelley

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. **Trainees do not qualify.** For further details, please visit our website at commerce.state.mn.us.

Proposal to Purchase and Construct a Single-Family Home at 1805 60th St. E., Inver Grove Heights

1-27-2021

Dear City of Inver Grove Heights EDA,

Please accept this letter as a proposal and commitment to build a single-family home at 1805 60th St E.

Proposer's Name: Eric Gullickson 1187 105th St. E. Inver Grove Heights, MN 55077. Email: gullicksonhomes@gmail.com Phone: 651-208-2602

Purpose of Purchase and Home Details: Our goal for this property would be to construct a single-family residence that would consist of 6 bedroom, 3 bathroom home. The home we would construct would have approximately 3,000 finished square feet, with a 2 car attached garage. The approximate finished value of the home would be about $450,000. It would have construction features similar in design and materials of homes in the neighborhood. The home would house up to 6 physically disabled or elderly residents. Our company has been providing/leasing homes to a local home health care company. We keep in mind that there may be a time when the home will not be used for the disabled. For this reason, we create a design and layout that looks and feels just like the typical single family home, with the exception of slightly larger interior spaces (bathrooms, hallways, doorways, etc.) The project would be completed with full landscaping of the property including paved driveway. All construction will be in compliance with city and state codes.

I have attached home plans for a home that we are currently building at 5641 Babcock Trail so you can see what the design and construction features are and how I strive to build a home that fits into the existing neighborhood.

Experience: We have been in the real estate and construction industry fulltime for over 23 years and have completed several dozen new construction homes; as well as hundreds of full home renovations in the metro area. In the spring of 2020, we purchased an existing home that was under construction by others at 5039 Brent Ave IGH. The structure had considerable foundation issues. We worked with City Staff and a private engineer to create a plan to correct the items. We completed the project in August of 2020.

We are also wrapping up a new construction project at 5641 Babcock Trail, IGH. Both of these locations are for the purpose of home health care. We contract with Todd Evavold Construction, LLC. Lic #BC636985 as our builder. We have worked with Todd Evavold Construction, LLC on hundreds of projects since 2009. Todd was the contractor for both of the above addresses.

Proposed Purchase Amount and Funding: Ninety Thousand Dollars. ($90,000.00). The purchase of the lot, and construction costs will be made with funds available at Merchant's Bank. See attached letter of funds.

Statement of Commitment and Timing: I hereby commit to purchase the property at the above price on or before March 1st. I commit to starting construction in May of 2021, and commit to completion of the home, final grading and landscaping before October 31st of 2021.

If selected, I look forward to working with the City on another project. I believe our project would bring aesthetically pleasing results to this parcel.

Sincerely,

Eric Gullickson

Eric Gullickson

PURCHASE AND DEVELOPMENT AGREEMENT

This Purchase and Development Agreement (the "Agreement") made and entered into effective this _____ day of _____, 2021 by and between the Inver Grove Heights Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota, 8055 Barbara Avenue, Inver Grove Heights, MN 55077 (the "EDA"), Seller, and The Dakota County 55077 1805 60th Street Land Trust dated _____ (the "Developer"), Buyer.

RECITALS:

WHEREAS, the City of Inver Grove Heights has approved conveyance to the EDA and the EDA has accepted the conveyance of certain land in the City of Inver Grove Heights, County of Dakota, State of Minnesota legally described in Exhibit A, attached hereto and incorporated herein (the "Property"), and title to the Property will be vested in the EDA prior to the closing on the sale of the Property by EDA to Developer; and

WHEREAS, the City requires certain additional drainage and utility easements (the "Supplemental Drainage and Utility Easements") which currently do not exist on the Property, but which the EDA will convey to the City prior to conveyance of the Property from EDA to the Developer, which easements will generally be located as shown in Exhibit D, which is attached hereto and incorporated by reference

WHEREAS, the Developer has submitted a proposal for the purchase and development of the Property in accordance with the general specifications listed in Exhibit B and the plans and specifications found in the attached Exhibit C, and the EDA has granted preliminary acceptance of Developer's proposal to purchase the Property and build and sell a single family residence ("Residence"), in accordance with the general specifications listed in Exhibit B and the plans and specifications found in Exhibit C, on the Property.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and in consideration of the earnest money paid, receipt of which is hereby acknowledged, the parties agree as follows:

I. PURCHASE PRICE AND PAYMENT OF PURCHASE PRICE.

A. Price. The purchase price (the "Purchase Price") for the Property is ninety thousand dollars ($90,000.00).

B. Payment of Purchase Price. The Purchase Price is payable as follows:

(1) Earnest Money of Five Thousand Dollars ($5,000.00) paid by the Developer to the EDA receipt of which is hereby acknowledged; and

(2) Final payment of the balance of the Purchase Price paid by the Developer to the EDA at Closing in the amount of eighty-five thousand dollars ($85,000.00) plus or minus pro-rations or other adjustments made pursuant to the terms of this Agreement.

II. TITLE AND TITLE COMMITMENT.

A. Title. EDA shall transfer the Property, subject to the Supplemental Drainage and Utility Easements, to Developer, by Quit Claim Deed, free of any liens or encumbrances made by the EDA except for those expressly waived or approved by the Developer in writing or specifically authorized by the terms of this Agreement.

B. Title Commitment. Title Examination will be conducted and completed prior to the closing in the following manner:

(1) The EDA shall furnish, within a reasonable time after execution of this Agreement, an irrevocable commitment to issue a title insurance policy (the "Title Commitment") in the amount of the Purchase Price of the Property.

(2) Developer shall have twenty (20) days after receipt of item(s) described in paragraph (1) above to examine title to the Property. If the title documents show conditions unacceptable to Developer, Developer shall notify the EDA in writing of its specific objections within the 20-day period. Developer shall be deemed to have waived any title objections not made within the 20-day period provided for above. Said waiver, however, shall not operate as a waiver of the EDA's covenants in the Quit Claim Deed. The following ("Permitted Exceptions") shall not be considered objections to marketable title:

(a) Reservation of any minerals or mineral rights to State of Minnesota;

(b) Utility, drainage and highway easements that do not interfere with

the use of the Property, including the Supplemental Drainage and Utility Easements;

(c) Building and zoning laws, ordinances, State and Federal Regulations;

(d) Terms and conditions of this Agreement and those referenced herein and attached hereto, including the conditions and covenants required to be included in the Quit Claim Deed conveying the Property from the EDA to the Developer;

(e) Easements, encroachments and restrictions shown on the Plat.

(3) The EDA shall have one hundred and twenty (120) days from receipt of Developer's written objections (the "Objections") to make title marketable. Upon receipt of Developer's Objections, the EDA shall, within ten (10) days, notify Developer of the EDA's intent to make title marketable or insurable within the 120-day period. Pending correction of title, Closing shall be postponed, but the EDA shall pursue cure of defects in a diligent manner. Within twenty (20) days of written notice to Developer of correction of title, the parties shall perform this Agreement in accordance with its terms. Upon failure of the EDA to provide notice of intention to make title marketable, or if notice is furnished but the 120-day period expires without title being made marketable and said 120-day period has not been extended by written agreement signed by both parties, Developer may terminate this Agreement and receive a refund of the Earnest Money. Neither party shall be liable to the other party for damages hereunder, and both parties agree to sign a cancellation of purchase agreement if requested by the other party. If title is found marketable or is made marketable within the allowable time and Developer shall default in any of the terms of this Agreement and stay in default for a period of twenty (20) days, the EDA may terminate this Agreement and upon such termination be entitled to the remedies provided herein and such other remedies as the law allows.

C. Possession. Possession of the Property shall be delivered by the EDA to Developer on the date of Closing.

D. One-year deadline. Pursuant to Minnesota Statutes, Section 469.105, subd. 5, the Real Property shall be devoted to its intended use or work on the improvements to the Property to devote it to that use must be started within one year of the Closing Date, based upon the final plans and specifications for the development project approved by the EDA. Notwithstanding the foregoing, Developer further agrees to complete construction of the Residence by November 1, 2021.

III. ENVIRONMENTAL.

A. As Is. Developer shall take the Property in an "as is" condition and shall assume the risk of any and all adverse environmental conditions. The EDA represents and warrants that during its ownership, to its knowledge, it has taken no actions that would negatively impact the environmental condition of the Property.

B. Copies of Information. Upon the execution of this Agreement, the EDA shall provide Developer with true and correct copies of all studies, correspondence and other data in the EDA's possession with respect to the environmental condition of the Property.

C. Additional Testing by the Developer. Developer shall have access to the Property for the purposes of inspection and shall have the right to undertake any tests that it, in its sole determination and at its own cost, deems advisable in order to determine the environmental condition of the Property.

D. Hold Harmless. Developer agrees to indemnify and hold the EDA and the City of Inver Grove Heights harmless from any costs, expenses and/ or claims associated with, occasioned by or arising out of Developer's entry and testing of the Property.

IV. CONDITIONS PRIOR TO CLOSING.

A. Performance by Developer. Closing shall be held as provided in Article VII herein upon the completion by the Developer of certain conditions to the satisfaction of the EDA.

B. Contingencies. The EDA's obligation to convey title to the Property that is the subject of this Agreement is contingent upon the Developer's successful performance of the following:

(1) Receipt and approval of final construction plans for the Residence by the EDA in a form acceptable to the EDA in accordance with the following procedure:

(a) Developer shall provide final construction plans for the Residence within ninety (90) days of the date of this Agreement that substantially complies with the General Specifications contained in Exhibit B, attached hereto and incorporated herein, and that are in substantial conformity with the preliminary plans and specifications attached hereto as Exhibit C. Such plans shall include specifications, drawings and related documents in connection with the construction of the Residence which shall be as detailed as the plans, specifications, drawings and related documents that are submitted to the Building Official of the City.

(b) The construction plans shall be in conformity with this Agreement and all applicable state and local laws and regulations.

(c) The approval of the construction plans must be granted by the EDA, upon a recommendation by the Building Official, prior to the Closing herein. The EDA shall approve the construction plans if, in its sole reasonable discretion:

i. They conform to the terms and conditions of this Agreement;
ii. They conform to all applicable federal, State and local law, ordinances, rules and regulations; and
iii. They are adequate to provide for the construction of the Residence.

(d) Construction plans shall be deemed approved unless rejected in writing by the EDA, in whole or in part, within thirty (30) days after their receipt by the EDA. Any rejection shall set forth in detail the reasons therefore. If the EDA rejects the construction plans in whole or in part, the Developer may submit new or corrected construction plans within ten (10) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected construction plans shall continue to apply until the plans have been approved by the EDA or until this Agreement has been terminated pursuant to the terms hereof. The EDA's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the construction plans (and the Residence, if constructed in accordance with said plans) comply to the EDA's satisfaction with the provisions of this Agreement relating thereto.

(e) Approval of the construction plans or any changes thereto by the EDA is not intended, nor shall it be construed to be a warranty or representation by the EDA as to:

i. The compliance of the Residence with any federal, state, or local laws, regulations, or ordinances;
ii. The structural soundness of the Residence;
iii. The quality of workmanship or materials; or
iv. The fitness of the Residence for its proposed use.

(2) The Developer shall have sought and received all necessary zoning and land use approvals, including any variances and all other required approvals for the commencement of the construction of the Residence in accordance with the Final Plans.

C. Conditions Precedent. The obligations of the Parties to perform under this Purchase

Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions prior to or on the Closing Date:

1. Public Hearing. Sale of the Real Property is contingent upon a determination by the EDA as to the advisability of the sale; that the sale and conveyance are in the public interest, the best interests of the city or district and its people, and that the transaction furthers the EDA's general plan of economic development and the aims and purposes of Minnesota Statutes, Sections 469.090 to 469.108, after a public hearing required by Minnesota Statutes, Section 469.105. The Parties understand and agree that the sale/purchase of the Real Property is contingent upon approval by the Board of Commissioners of the EDA.

2. Preliminary Plans. Prior to the above public hearing required by Minnesota Statutes, Section 469.105, subd. 2, and pursuant to Minnesota Statutes, Section 469.105, subd. 7, the Developer shall submit to the EDA for approval preliminary plans and specifications for the development of the Real Property, which approval by EDA must be in writing. The Developer has submitted a proposal to purchase the Property for the purpose of constructing a single-family residence on the Property and has submitted preliminary plans attached hereto as Exhibit C.

3. Approval of Final Plans. Prior to closing, Developer must submit to the EDA and receive approval of the Final Plans for the development of the Property, which plans shall be in substantial conformity with those found in Exhibit C.

4. One-year deadline. Pursuant to Minnesota Statutes, Section 469.105, subd. 5, the Real Property shall be devoted to its intended use or work on the improvements to the Property to devote it to that use must be started within one year of the Closing Date, based upon the final plans and specifications for the development project approved by the EDA. Notwithstanding the foregoing, Developer agrees to complete construction of the Residence by November 1, 2021.

V. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE EDA AND THE DEVELOPER.

A. The Developer Warranties, Representations and Covenants. The Developer represents, warrants and covenants as follows:

(1) That The Dakota County 55077 1805 60th Street Land Trust is a lawfully established trust and that the execution and delivery of this Agreement by Developer and the consummation of the transaction contemplated hereby are within the powers of Developer, and the Trustee is legally authorized to act on behalf of the trust.

(2) That Developer has the financial capacity to meet its obligations specified in this Agreement.

(3) The Developer's Builder shall hold all necessary licenses from the State of Minnesota.

(4) The Developer shall build a single family Residence on the Property in accordance with Final Construction Plans as approved by the EDA.

(5) The Residence shall substantially comply with the General Specifications contained in Exhibit B.

(6) The minimum value of the Residence shall be at least $425,000.00

(7) Developer is prepared to immediately commence construction of the Residence upon closing on the purchase of the Property, and construction shall be completed by November 1, 2021.

(8) Developer agrees that it may not transfer title to the Property within one year of purchase without the specific consent of the EDA.

(9) Developer will comply with and timely perform all of its obligations specified in this Agreement and all documents referenced herein and/or attached hereto.

(10) Developer will indemnify the EDA, its successors and assigns against, and will hold the EDA, its successors and assigns, harmless from any expenses or damages, including reasonable attorney's fees, that the EDA incurs because of the breach of any of its representations and warranties, whether such breach is discovered before or after Closing. Consummation of this Agreement by the EDA with knowledge of any such breach by the Developer will not constitute a waiver or release by the EDA of any claims due to such breach.

(11) Developer represents and agrees that prior to conveyance of the Property and the Residence constructed thereon to a subsequent purchaser, except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer to perform its obligations with respect to constructing the Residence, the Developer has not made or created and will not make or create or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the EDA.

(12) Whenever an Event of Default occurs and the EDA employs attorneys or consultants or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement or for the termination of this Agreement, the Developer agrees that it shall, within ten (10) days of written demand by the EDA, pay to the EDA the reasonable fees for attorneys and other expenses so incurred by the EDA.

These representations and warranties shall be true and correct on the Closing Date and shall survive the Closing.

B. EDA's Warranties, Representations and Covenants. The EDA represents, warrants and covenants as follows:

(1) That the EDA is a public body corporate and politic duly organized and validly existing and in good standing under the laws of the State of Minnesota.

(2) In accordance with the terms of this Agreement, the EDA shall convey fee title to the property by Quit Claim Deed with all such warranties and representations that such deed implies.

(3) To the EDA's knowledge, there are no wells, abandoned wells, underground storage tanks or individual sewage treatment facilities on the Property which would adversely affect the development of the Property.

(4) The EDA makes no representations regarding future real estate taxes or assessments for the Property.

(5) There are no delinquent taxes against the Property.

(6) At the time of closing, the Property shall not be subject to any outstanding leases or rights of occupancy, or any unrecorded documents containing interests in the Property.

(7) There has been no labor or material furnished to the Property for which complete payment has not been made and acknowledged.

(8) The EDA will cooperate with the Developer in executing any applications required by Developer in connection with Developer's application for any necessary variances to the required setbacks for the Property in order to construct a Residence with a proposed 70' x 84' footprint. All costs and expenses incurred in obtaining such approvals shall be borne by Developer.

(9) Acceptable access to and egress from the Property is available and provided by public streets or roads.

(10) The EDA will indemnify the Developer, its successors and assigns, against, and will hold Developer, its successors and assigns harmless from, any expenses or damages, including reasonable attorney's fees, that Developer incurs because of the breach of any of its representations and warranties, whether such breach is discovered before or after the

conveyance of the Property.

These representations and warranties shall be true and correct on the Closing Date and shall survive the Closing.

VI. TAXES AND ASSESSMENTS, FEES AND PRORATIONS.

A. Taxes Shall Be Prorated. Real estate taxes attributable to the Property due and payable in the year of closing shall be prorated to the date of Closing. Real estate taxes attributable to the Property and due and payable in years prior to the year of Closing, including any deferred real estate taxes under Minnesota Statutes, shall be paid by the EDA. The Developer shall pay real estate taxes attributable to the Property and due and payable in the years following the year of closing.

B. Prorations. All items customarily prorated and adjusted in connection with the closing of the sale of the Property, including but not limited to closing fees and costs, shall be prorated as of the date of Closing. It shall be assumed that the EDA shall own the Property for the entire day of Closing.

C. Special Assessment. The EDA shall pay all special assessments as of the date of Closing if they are pending, assessed, or levied and unpaid but payable.

VII. CLOSING.

A. Closing Date. The Closing of the purchase and sale contemplated by this Agreement shall occur on or before June 1, 2021 on a date and at a time mutually agreed upon by the parties. If the Closing has not occurred by June 1, 2021, this Agreement shall be terminable by the EDA.

B. Closing Location. The Closing shall take place at the offices of DCA Title, 750 Main Street, Suite 208, Mendota Heights, Minnesota, or such other place as is mutually agreed upon by the parties.

C. EDA's Closing Documents and Obligations. The EDA will execute and deliver the following:

(1) Quit Claim Deed. A Quit Claim Deed conveying the Property, subject to the Supplemental Drainage and Utility Easements, to Developer. The Quit Claim Deed shall contain the following restrictions, covenants, and conditions:

(a) The real property herein conveyed shall be devoted to the following use: residential use.

(b) The real property shall be devoted to such intended use in accordance with the provisions of the Deed.

(c) The Developer shall (a) commence work on the improvements within one year from the date of purchase of the real property; and (b) shall devote the real property to its intended use, and (c) shall devote the real property to its intended use by November 1, 2021. If the Developer fails to commence work on time or fails to devote the real property to its intended use, or fails to devote the real property to its intended use on time, title to the real property shall revert to EDA, at EDA's election, and, in that event, Developer shall promptly offer a deed to the Property legally described herein to EDA, who will then refund to Developer the amount of the Purchase Price paid by Developer to EDA, without interest, less any taxes and other encumbrances affecting marketability of title. Notwithstanding the foregoing, EDA may, at its option, consider an extension of time for good cause shown by Developer. In the event an extension is granted, such extension (a) shall be to a date certain, (b) may be conditioned by EDA to protect the public interest, and (c) during the period Developer shall not transfer title to the Real Property without the express written consent of EDA. After the Developer has devoted the real property to its intended use in accordance with approved plans and specifications for the development of the real property submitted to the EDA, the EDA shall provide to Developer a certificate of compliance / completion in recordable form within 30 days from the determination thereof by EDA.

(d) Incorporated herein by reference are all of the conditions of Minnesota Statutes, Sections 469.090 to 469.108, and all of said conditions and the conditions stated herein relative to the use of the real property are covenants running with the land.

(e) Grantee shall not transfer title to the real property within one (1) year after the date of this Deed without the express written consent of the Grantor.

(2) Bring Down Certificate. EDA shall provide Developer with a certificate certifying that the representations and warranties of the EDA contained in this Agreement are true as of the Closing Date.

(3) FIRPTA Affidavit. An affidavit of EDA certifying that EDA is not a "foreign person", "foreign partnership", foreign trust", "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

EDA's Affidavit. A standard owner's affidavit (ALTA form) from EDA which may be reasonably required by Title Company to issue an owner's

policy of title insurance with respect to the Property with the so called "standard exceptions" deleted.

(4) Settlement Statement. A settlement statement with respect to this transaction.

(5) Copies of Resolutions. EDA shall provide Developer with copies of the resolutions for the various EDA and/or City public meetings showing the EDA and/or various City commissions and/or councils have approved this transaction, if required by Title Company.

(6) Certificate of Real Estate Value.

(7) All other documents reasonably required by this Agreement to transfer Property to the Developer in accordance with this Agreement.

D. Developer's Closing Documents and Obligations. Developer will execute and deliver the following:

(1) The balance of the Purchase Price in the amount of eighty-five thousand dollars ($85,000.00).

(2) Bring Down Certificate. Developer shall provide EDA with a certificate, signed by an authorized trustee of Developer, certifying that the representations and warranties of the Developer contained in this Agreement are true as of the Closing Date.

(3) Settlement Statement. A settlement statement with respect to this transaction.

(4) Certificate of Trust and Affidavit of Trustee. Developer shall provide a Certificate of Trust and Affidavit of Trustee, in accordance with 501C.1013 and 501C.1014, for recording with this Agreement.

(5) Such other documents as may be reasonably required in order to record the Closing Documents and complete the transaction contemplated herein.

E. Allocation of Costs at Closing. The EDA and the Developer agree that all prorations of costs and expenses for the sale and purchase contemplated by this Agreement will be made at closing unless otherwise specifically stated. This allocation includes but it not limited to the following:

(1) The EDA shall pay all costs incurred in connection with the abstracting or the issuance of the Title Commitment for the Property. If the Developer wishes to procure an insurance policy, it will be responsible for paying the cost of the premium required for the issuance of the policy.

(2) The EDA shall pay all State Deed Tax required for the Quit Claim Deed to be delivered under this Agreement.

(3) Real estate taxes, special assessments and fees shall be paid as provided in Article VI above.

(4) The Developer shall pay the cost of recording the Certificate of Trust and Affidavit of Trustee, this Agreement and the Quit Claim Deed and for the recording of the mortgage, if any, and any mortgage registration tax, if any.

(5) Each party shall pay its own real estate brokerage fees or real estate commissions or finder's fees.

(6) All other costs shall be allocated in accordance with the customs prevailing in similar transactions.

VIII. COMMISSIONS.

A. Indemnity by EDA. EDA hereby agrees to indemnify and to hold Developer harmless from any claim for any real estate brokerage fee or real estate commission or finder's fee that may be claimed by any other party through the EDA.

B. Indemnity by Developer. Developer hereby agrees to indemnify and to hold the EDA harmless from any claim for any real estate brokerage fee or real estate commission or finder's fee that may be claimed by any other party through the Developer.

IX. EVENTS OF DEFAULT AND REMEDIES UPON TERMINATION.

A. Events of Default.

(1) The term "Event of Default" shall mean, whenever it is used in this Section, any failure by any party to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(2) Whenever any Event of Default occurs, the non-defaulting party may exercise its rights under this Section after providing thirty (30) days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within thirty days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured as soon as

reasonably possible.

B. Remedies.

(1) Developer's Remedies. If the EDA defaults under this Agreement for any reason (other than Developer's default), Developer shall be entitled to terminate this Agreement in which event the Earnest Money, plus interest if any, shall be promptly refunded to Developer. Developer may recover from the EDA any and all damages suffered by Developer as a result of such default, provided however, that such damages shall include only the actual costs and expenses incurred by Developer in preparation for the consummation of the transaction contemplated by this Agreement, including, without limitation, fees and charges paid to consultants in connection with Developer's due diligence efforts, including reasonable attorneys' fees, but shall not include lost profits or other compensatory or punitive damages.

(2) EDA's Remedies. If Developer defaults under this Agreement for any reason (other than the EDA's default) prior to the Closing Date, the EDA shall be entitled to terminate this Agreement and to retain the Earnest Money paid by Developer pursuant to this Agreement.

(3) No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(4) In the event any covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

(5) Whenever any Event of Default occurs and the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten (10) days of written demand by the EDA, pay to the EDA the reasonable fees of such attorneys and such other expenses so incurred by the EDA, including the costs and expenses in Article V, Section A, subdivisions (10) and (11) stated above.

X. NOTICES.

A. Any notice required or permitted hereunder shall be deemed to have been given when deposited in the United States mail, postage prepaid, registered or certified

mail, return receipt requested addressed to the EDA or the Developer, as the case may be, as follows:

(1) If to EDA:

Inver Grove Heights
Economic Development Authority
8055 Barbara Avenue
Inver Grove Heights, MN 55077
Attention: Heather Rand

With a copy to:

Bridget McCauley Nason, City Attorney
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075

(2) If to Developer: The Dakota County 55077 1805 60th Street Land Trust
Attn: Eric Gullickson
1187 105th Street East
Inver Grove Heights, MN 55077

B. The addresses for the purpose of this Article may be changed by giving notice of such change in the manner provided herein for giving notice. Unless and until such written notice is received, the last address stated herein shall be deemed to continue in effect for all purposes.

XI. MISCELLANEOUS.

A. Entry. Developer shall have the right to have prepared, at its sole cost, a survey of the Property. The EDA will deliver to the Developer any survey it has in its possession. Developer shall also have the right to make inspections, measurements and tests, soil and other tests it deems desirable at its sole cost. Developer agrees to indemnify, defend and hold the EDA and the City of Inver Grove Heights harmless from any cost, charge, lien and/or claim associated with, occasioned by, or arising out of Developer's such entry on the Property.

B. Captions. Captions used in the Articles and Sections of this Agreement are for convenience only and do not construe or limit the meaning of the language of this Agreement.

C. Amendments. This Agreement may be amended only by written instrument executed by both the EDA and the Developer.

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

E. No Third Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by way of this Agreement.

F. Survival. All warranties, representations and covenants of the EDA and the Developer in this Agreement shall survive and not be merged into the documents of conveyance, and shall be enforceable after the closing. The EDA and the Developer shall indemnify the other against any breach by such party.

G. Entire Agreement, Modifications. This Agreement constitutes the complete agreement between the parties regarding the transactions contemplated herein and supersedes any prior oral or written agreements regarding the Property. There are no agreements, covenants, representations, warranties or restrictions between the parties, other than those stated herein. No covenant, term or condition of this

Agreement shall be deemed to have been waived by either party, unless such waiver is in writing signed by the party charged with such waiver.

H. Additional Documents and Acts. The EDA and the Developer agree that they will, at any time and from time to time upon the written request of the other party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all future acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required to effect the provisions hereof.

I. Attorney's Fees. It is expressly agreed that the EDA shall be entirely responsible for payment of attorneys' fees incurred by the EDA relating to legal services provided in connection with the transactions provided herein, and that Developer shall be entirely responsible for payment of attorneys' fees incurred by Developer relating to legal services provided in connection with the transactions contemplated herein.

J. Assignment. The Developer may not assign its interest under this Agreement to any other party without the prior written consent of the EDA.

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

L. Successors. This Agreement shall be binding upon the successors, heirs, and assigns of the EDA and the Developer.

M. Time is of the Essence of this Agreement.

N. Effective. Delivery of the form of this Agreement to the Developer does not constitute an offer by the EDA. If Developer executes and delivers it to the EDA, it shall constitute an offer by the Developer that may be accepted by the execution of the Agreement by the Executive Director of the EDA and delivery of it to the Developer.

[The remainder of the page was intentionally left blank.]

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

EDA:
INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY

By_____
Rosemary Piekarski-Krech
Its: President

By_____
Heather Rand
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by Rosemary Piekarski-Krech and Heather Rand, the President and Executive Director respectively, of the Inver Grove Heights Economic Development Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

_____
Notary Public

DEVELOPER
THE DAKOTA COUNTY 55077 1805 60TH STREET LAND TRUST DATED

_____

_____
Eric Gullickson, Trustee

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____ day of _____, 2021, by Eric Gullickson, trustee of The Dakota County 55077 1805 60th Street Land Trust dated _____, on behalf of the trust.

_____
Notary Public

This Document Drafted by:
Bridget McCauley Nason (#0347322)
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831

EXHIBIT A

Legal Description of the Property

All of Lot Seven (7), and that part of Lot Six (6), Silver Acres Addition, described as follows: Beginning at the Northeast Corner of said Lot Six (6), thence West (assumed bearing) along the North line of said Lot Six (6) a distance of 19.21 feet; thence South 15 degrees 28 minutes 28 seconds West a distance of 186.25 feet of the Southeast corner of said Lot Six (6); thence North 21 degrees 00 minutes 00 seconds East along the East line of said Lot Six (6) a distance of 192.27 feet to the point of beginning, Dakota County, Minnesota.

Abstract Property.
PID: 20-68200-00-072

EXHIBIT B

General Specifications

The following General Specifications must be followed, except for such reasonable deviations as the EDA, in its sole discretion, may permit:

A. Construction Requirements and Design Guidelines. New Residence construction means conventional, on-site, stick built construction. Moved-in Residence or manufactured housing are not acceptable. The new Residence must be constructed according to all applicable building and zoning codes.

B. Site Preparation and Building Placement.

(1) Placement of the dwelling shall complement the site and be oriented to the street, neighboring structures and existing trees.

(2) Site preparation and building placement shall be architecturally consistent with the surrounding properties.

(3) The construction process must not disturb adjoining properties. The construction site, neighboring properties and adjacent public streets must be kept free of construction debris at all times. No construction workers, equipment or materials shall enter neighboring properties without the permission of the property owners.

C. Construction Plans.

(1) Only single family, detached dwellings may be constructed.

(2) All building and construction plans shall be architecturally consistent with the surrounding area.

D. Landscaping.

(1) All sites must be fully landscaped upon completion and should include sod or seed, walkways, trees and foundation plantings.

(2) Existing trees shall be preserved whenever possible.

(3) Landscaping must be completed within six (6) months of the completion of the Residence and warranted for a period of one year from installation.

E. Main Entry.

(1) The dwelling shall contain a prominent main entrance with a covered entry or porch.

(2) A sidewalk shall be provided from the driveway to the front entry of the dwelling.

(3) The front entry shall be oriented to the street.

F. Interior Requirements.

(1) A minimum of three finished bedrooms are required.

(2) The dwelling shall have a minimum of one and one-half baths.

G. Exterior Materials and Roofing.

(1) Exterior Materials may be comprised of the following:

(a) Maintenance Free Siding (Vinyl, Steel, and Aluminum)
(b) Cedar Shakes or Cedar Siding Boards (no Panels)
(c) Stucco
(d) Brick
(e) Stone

(2) Roof valleys must be metal, not woven. The roof pitch direction, if toward neighboring Residences, requires gutters to be installed.

H. Exterior Trim.

(1) The dwelling shall have window trim consisting of standard-sized "brick mold" or 3½" trim boards.

(2) Shutters, if appropriate to style of dwelling, window size and placement, may be substituted for window trim.

(3) Fascia and soffit shall be proportional and consistent with respect to style and scale of dwelling.

I. Garage and Driveway.

(1) A double car garage is required and the garage should be consistent with the dwelling in style and exterior materials used.

EXHIBIT C

Plans and Specifications

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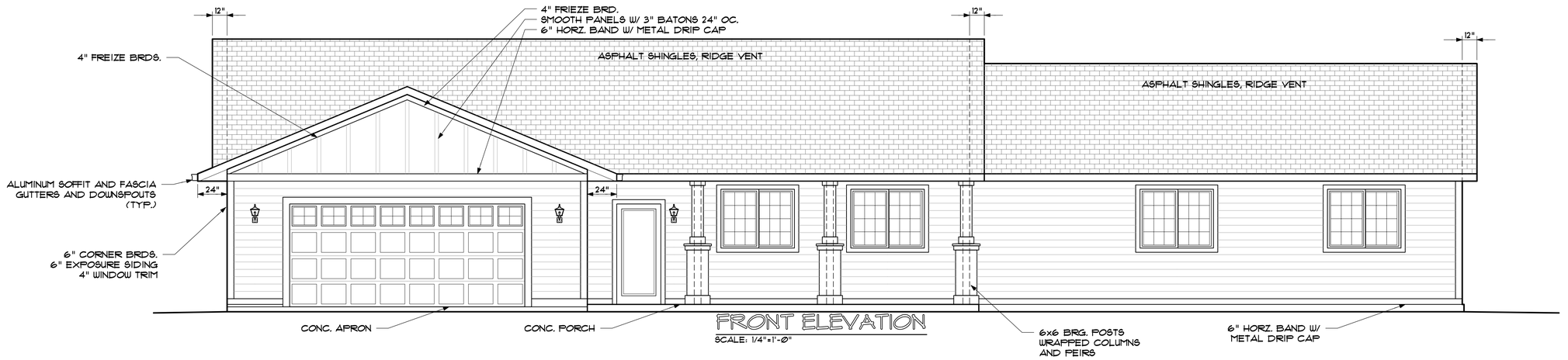

FRONT ELEVATION

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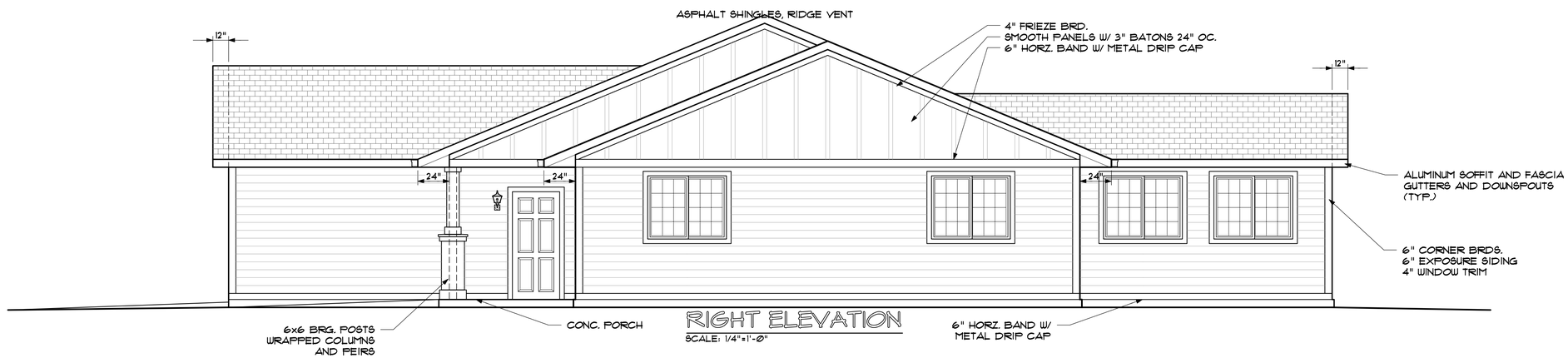

RIGHT ELEVATION

SCALE: 1/4"=1'-0"

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FRONT AND RIGHT ELEVATION

PROJECT

Private Residence
5641 Babcock Trail
Inver Grove Heights, MN 55077

CURRENT DATE: 09/03/2020

A1

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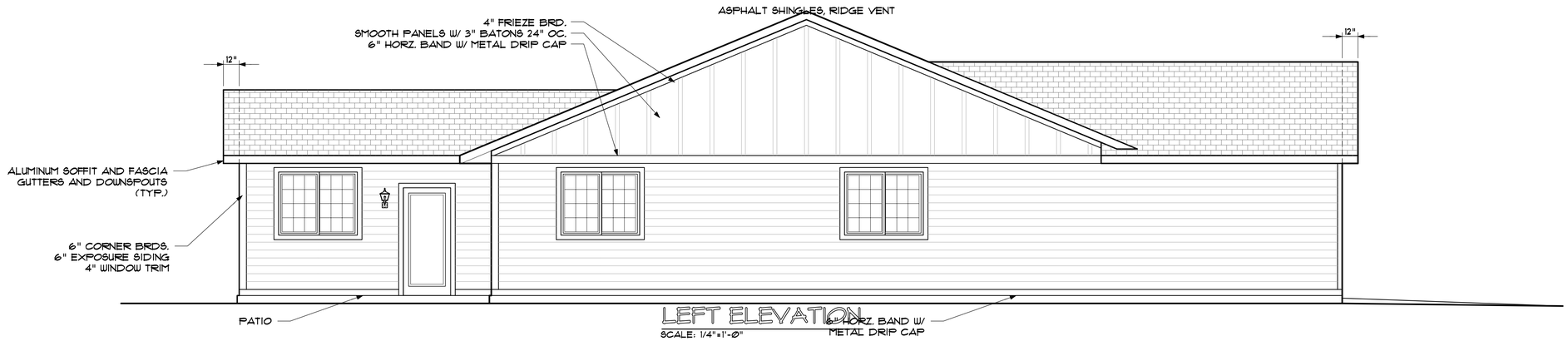
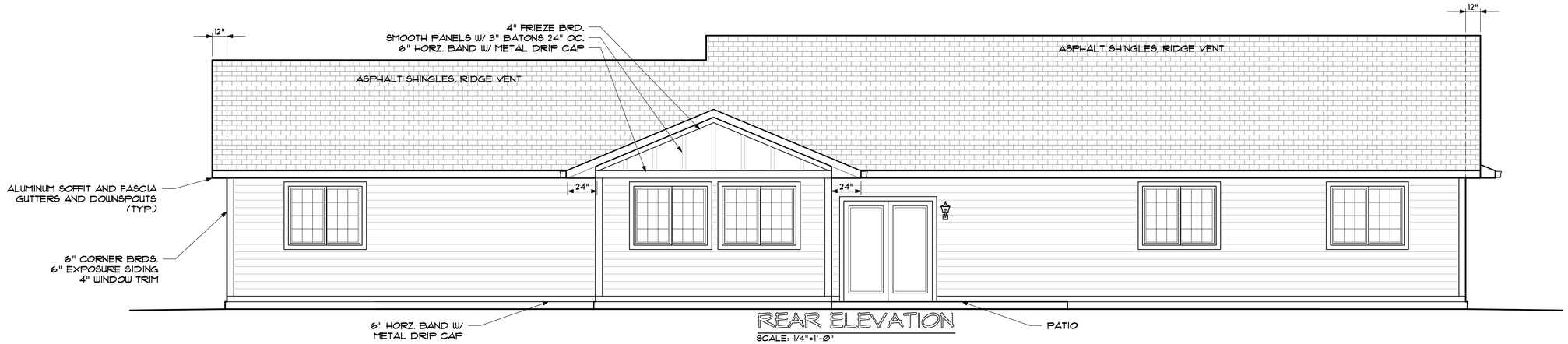
22x34 sheets
Plan # 28839



LEFT ELEVATION

SCALE: 1/4"=1'-0"



REAR ELEVATION

SCALE: 1/4"=1'-0"

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LEFT AND REAR ELEVATION

PROJECT

Private Residence
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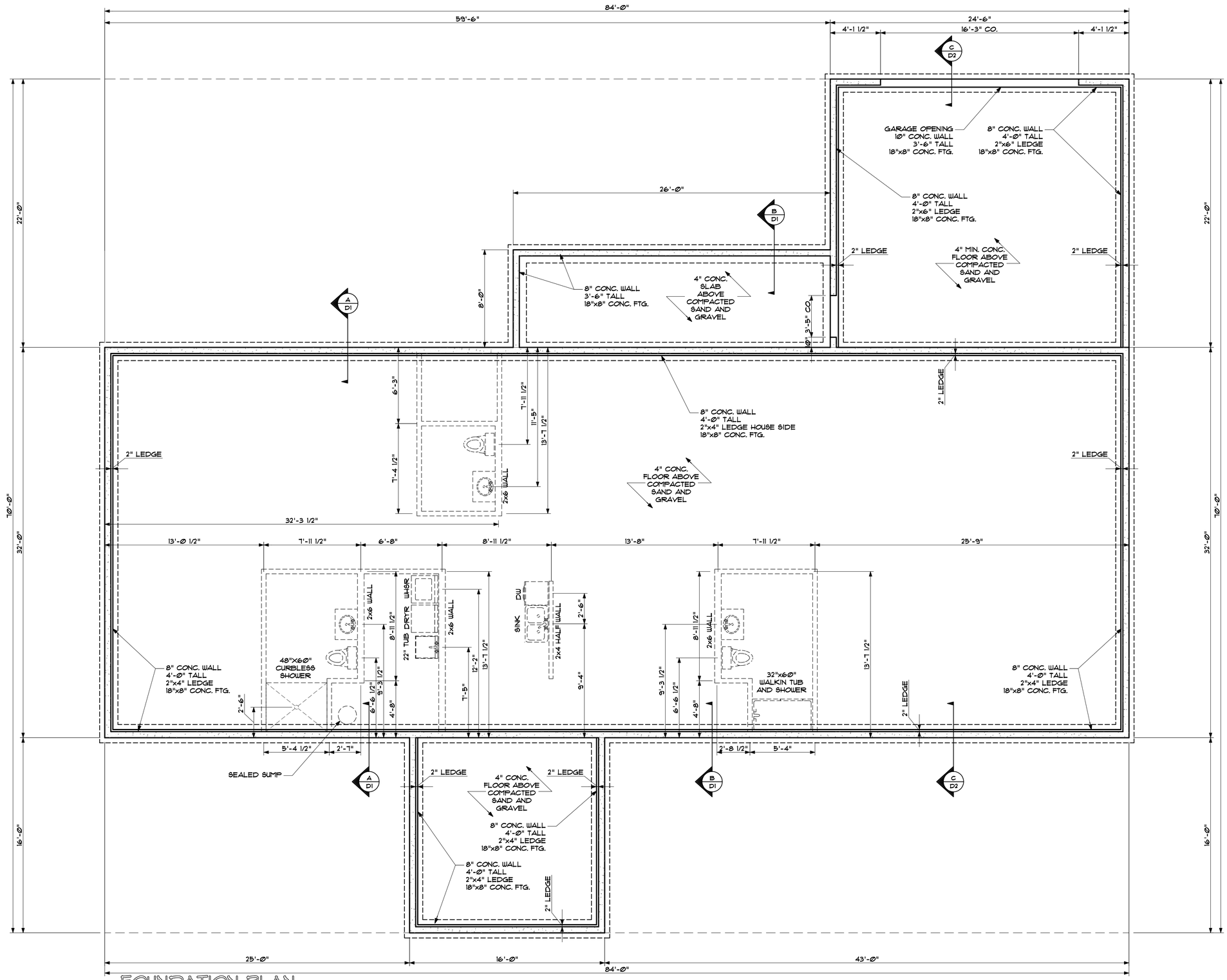
Plan # 28839



FOUNDATION PLAN

SCALE: 1/4"=1'-Ø"

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FOUNDATION PLAN

PROJECT

Private Residence
5641 Babcock Trail
Inver Grove Heights, MN 55077

CURRENT DATE: 09/03/2020

A3

NOTES:
PROVIDE SOLID BEARING TO ALL POINT LOADS TO FOUNDATION.

LUMBER SUPPLIER TO VERIFY ALL STRUCTURAL MEMBER SIZES.

DIMENSIONS ARE FROM EXTERIOR STUDS TO CENTER OF STUDS ON INTERIOR WALLS.

WINDOWS SIZES ARE LABELED IN FEET. DOORS SIZES ARE LABELED IN FEET.

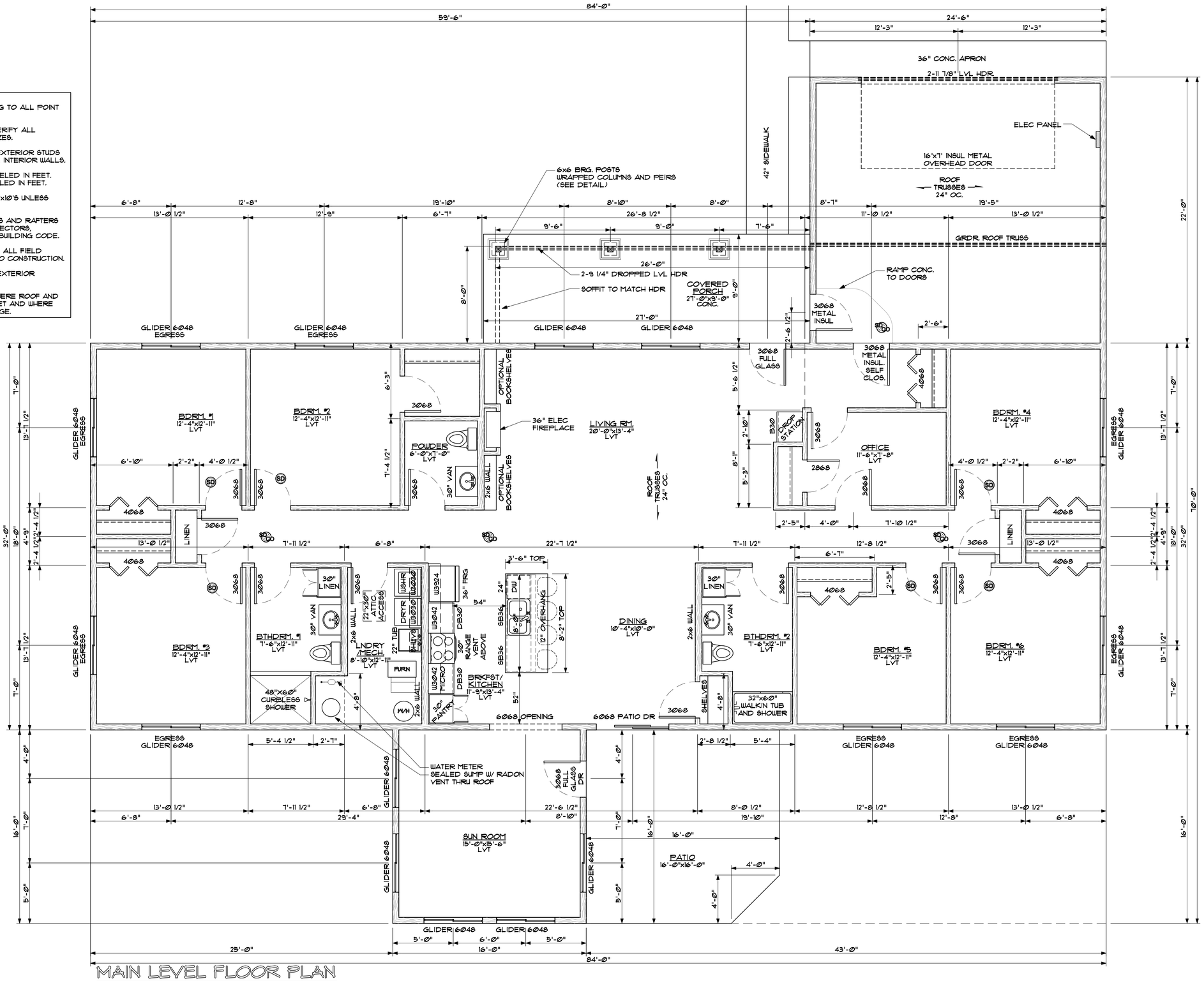
ALL HEADERS TO BE 2-2x10'S UNLESS NOTED OTHERWISE.

ALL SILLS, POSTS, BEAMS AND RAFTERS TO HAVE POSITIVE CONNECTORS, ANCHORS, OR TIES PER BUILDING CODE.

CONTRACTOR TO VERIFY ALL FIELD MEASUREMENTS PRIOR TO CONSTRUCTION.

CAULK AND FLASH ALL EXTERIOR OPENINGS.

FLASHING IS REQUIRED WERE ROOF AND VERTICAL SURFACES MEET AND WHERE SIDING MATERIALS CHANGE.



MAIN LEVEL FLOOR PLAN

SCALE: 1/4"=1'-0" 2,944.00 SQFT.

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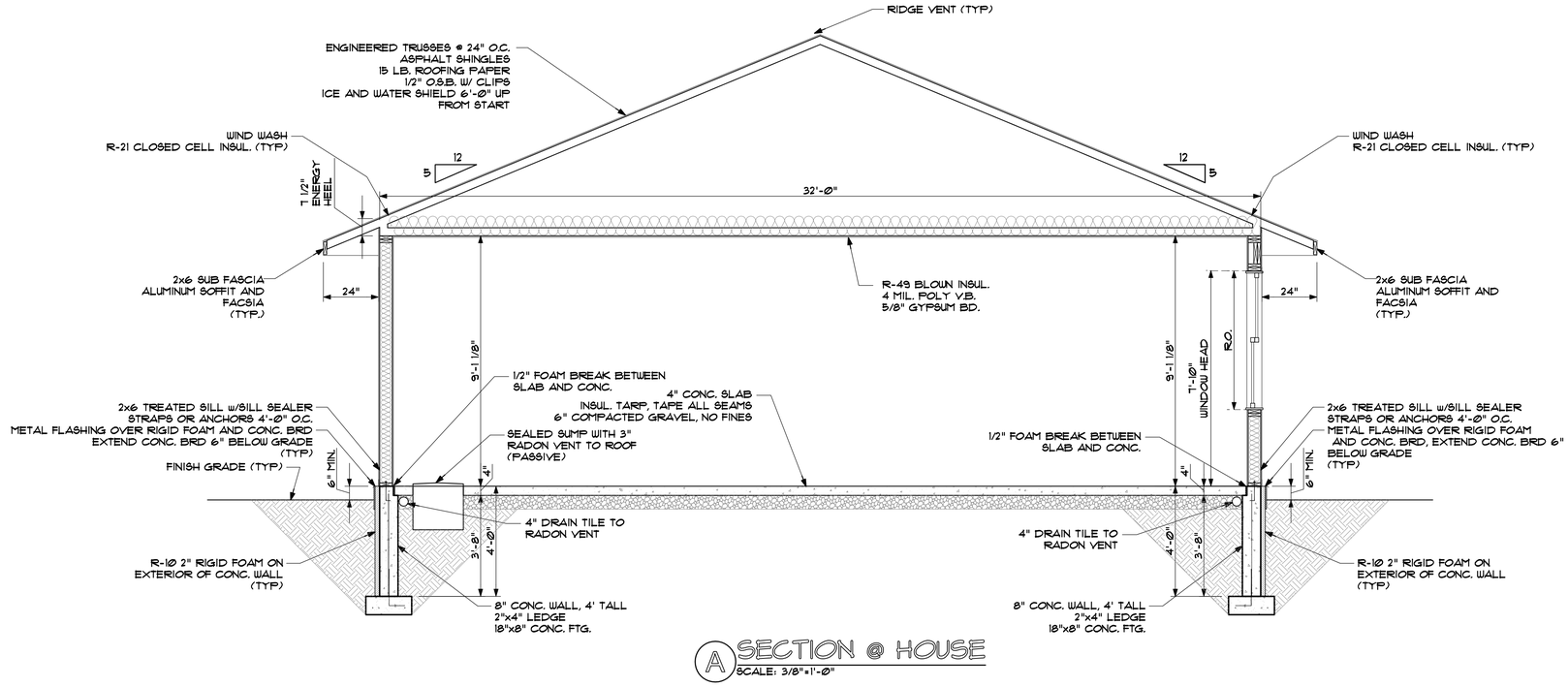
MAIN LEVEL FLOOR PLAN

PROJECT

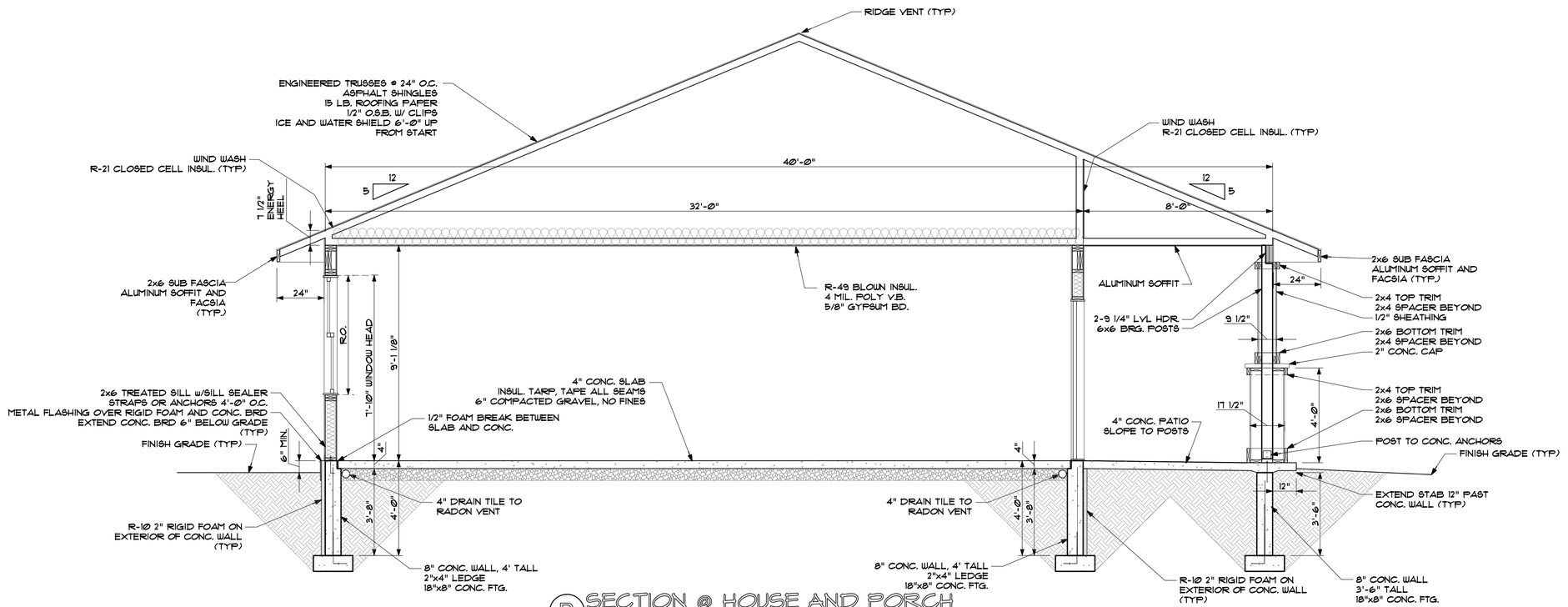
Private Residence
5641 Babcock Trail
Inver Grove Heights, MN 55077

CURRENT DATE: 09/03/2020

A4



A SECTION @ HOUSE
SCALE: 3/8"=1'-Ø"



B SECTION @ HOUSE AND PORCH
SCALE: 3/8"=1'-Ø"

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SECTION AT HOUSE AND PORCH, FOUNDATION AND ROOF TRUSSES

PROJECT

Private Residence
5641 Babcock Trail
Inver Grove Heights, MN 55077

CURRENT DATE: 09/03/2020

D1

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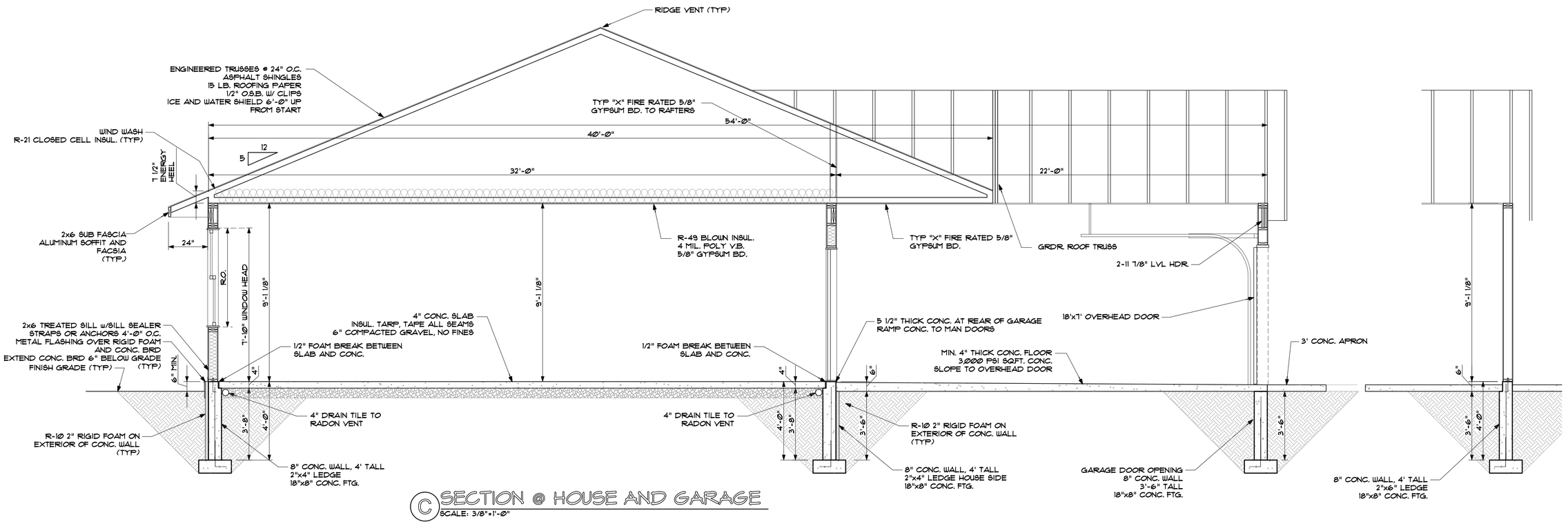

© SECTION @ HOUSE AND GARAGE

SCALE: 3/8"=1'-0"

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SECTION AT HOUSE AND GARAGE FOUNDATION AND ROOF TRUSSES

PROJECT

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22x34 sheets
Plan # 28839

EXHIBIT D

Supplemental Drainage and Utility Easements

(Remainder of page intentionally left blank.)

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
DAKOTA COUNTY
STATE OF MINNESOTA

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PURCHASE AND DEVELOPMENT AGREEMENT AND SALE OF PROPERTY TO FOR REDEVELOPMENT PURPOSES TO THE DAKOTA COUNTY 55077 1805 60TH STREET LAND TRUST

WHEREAS, the Inver Grove Heights Economic Development Authority, an economic development authority established under Minnesota Statutes § 469.090 to 469.1082 ("EDA") desires to sell the properties legally described on Exhibit A ("Property"); and

WHEREAS, The Dakota County 55077 1805 60th Street Land Trust ("Developer") desires to develop the Property pursuant to a Purchase and Development Agreement by and between the EDA and Developer ("Development Agreement") for the purpose of development of a single family residence; and

WHEREAS, the Development Agreement describes and articulates the sale of the Property and the Developer agrees to accept these terms of the sale; and

WHEREAS, on February 8, 2021, the EDA held a public hearing on the sale of the Property and the EDA considered all of the information presented at the public hearing.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Inver Grove Heights Economic Development Authority as follows:

1. The sale of the Property to Developer is advisable and is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such sale.

2. The EDA approves the Development Agreement, subject to minor modification as approved by the City Attorney, and authorizes the appropriate officials to take such action as to effectuate its execution and implementation upon receipt of a Certificate of Trust and Affidavit of Trustee from the Developer.

Adopted this 8th day of February, 2021.

By: _____
Rosemary Piekarski-Krech
Its: President

ATTEST:

By: _____
Heather Rand
Its: Executive Director

EXHIBIT A
LEGAL DESCRIPTION OF EDA PROPERTY

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

All of Lot Seven (7), and that part of Lot Six (6), Silver Acres Addition, described as follows: Beginning at the Northeast Corner of said Lot Six (6), thence West (assumed bearing) along the North line of said Lot Six (6) a distance of 19.21 feet; thence South 15 degrees 28 minutes 28 seconds West a distance of 186.25 feet of the Southeast corner of said Lot Six (6); thence North 21 degrees 00 minutes 00 seconds East along the East line of said Lot Six (6) a distance of 192.27 feet to the point of beginning, Dakota County, Minnesota.

Abstract Property.
PID: 20-68200-00-072

AGENDA ITEM 4C

CITY OF INVER GROVE HEIGHTS

EDA Memo

TO: IGH EDA

FROM: Heather Rand

SUBJECT: Executive Director's Report

DATE: Feb 4, 2021

In December, city councilors and the EDA approved an EDA 2021 budget and work plan that established the following as goals:

1. Identify and support smart, high-value development and redevelopment opportunities.
2. Support the development of a variety of housing types citywide.
3. Engage In effective marketing strategies that promote the city, local businesses and amenities.
4. Continue to provide entrepreneurial support to local businesses (Open For Business with Dakota CDA).

As progress, EDA/Community Development and City Engineering staff continue to advance the development of the Small Area Plans (SAP) for the underdeveloped area N of Hwy 55 and also the area W of Argenta Trail, S of Hwy 55 and E of Argenta Trail/Yankee Doodle, work with owners, electric and gas utilities on the development of the Fortistar project next to the Pine Bend Landfill, work with United Properties to advance the build out of the Inver Pointe Business Park, and reach out to Greater MSP and MN DEED to better market a few of the city's larger, under and undeveloped land tracts such as "Ace In the Hole" and "West 100 Acres". For the advancement of quality of life, progress Is being made on the Railroad Quiet Zone Initiative with hopes of becoming a railroad whistle-free community in the next couple of years.

The city is fortunate to have a robust variety of new housing projects advancing through its pipeline. In concept, preliminary application and some approaching final development approvals with goal of spring, summer and fall construction starts. The projects include the Crossings, Pine Bend, Ron Clark Babcock Trail, Canvass at IGH, Scenic Hills Villas, Ruby Meadows, South Grove, Peltier Reserve, SKIGH, and Falcon Development among others. EDA staff are currently engaged with real estate firms that specialize with redevelopment and rehabilitation of existing multi-family buildings with hopes of advancing some rehab activity.

A place-making initiative has been kicked off by city EDA, Community Development and Communications staff for the purpose of growing a stronger sense of awareness of existing

commercial corridors or districts in IGH and their business offerings and staff have requested to partner with the River Heights Chamber on hosting future informational sessions on Commercial Shopping District Special Service Districts (SSD) and the potential of hosting a small business resource fair in the fall (post pandemic).

Lastly, with new city councilors aboard there has been renewed discussion about potentially changing the composition of the city's EDA to include not only city councilors, but also appointed members of the public. The EDA Executive Director/City Community Development Director, working with the city attorney, plan to research the legal options (city code and state statute) and bring options and legal process for change back to the city council in the coming months for council consideration.