

WAYZATA CITY COUNCIL MEETING AGENDA
Wayzata City Hall Community Room, 600 Rice Street
Tuesday, December 16, 2014

4:30 PM DINNER AVAILABLE FOR WAYZATA CITY COUNCIL-CONFERENCE RM.

WORKSHOP TOPICS FOR DISCUSSION:

- 1. REVIEW COMMUNITY ARTS CENTER CONCEPT (5:00 PM)**
 - 2. DOWNTOWN PARKING UPDATE & NEXT STEPS (5:30 PM)**
 - 3. REVIEW COMPENSATION & CLASS STUDY RECOMMENDATIONS (6:00 PM)**
- 7:00 PM - CITY COUNCIL MEETING**

ITEM	DESCRIPTION	PRESENTER	TT	JA	KW	AM	BA	VOTE	PAGE #
1	Roll Call								
2	Approve Agenda								
3	Public Forum - 15 Minutes (3 min/person)								
a.	Recognition of Holiday Lighting and Decorating Contest Winners	Pierson							
b.	Recognition of Outgoing Councilmembers Amdal and Tanner	Willcox							2
4	Consent Agenda								4
a.	Approval of Workshop Minutes of December 2, 2014 and Minutes of November 18 & December 2, 2014								
b.	Approval of Check Register								
c.	Consider Second Reading of Ordinance No. 749 - 165 & 213 Central Ave N and 1015 Cross St Subdivision								
d.	Approval of Municipal Licenses								
e.	Municipal Licenses Which Received Administrative Approval (Informational Only)								
f.	Approval of Memorandum of Understanding for the Law Enforcement Labor Services 2015 Union Contract for 2015 Health Insurance Contribution								
g.	Approval of the Fire Services Contracts with the City of Woodland and with the City of Orono for 2015								
h.	Approval of the 2015 Lease Agreement with the Wayzata Chamber of Commerce for the Wayzata Depot at 402 Lake Street E.								
i.	Police Activity Report								
j.	Building Activity Report								
k.	Consider Res. #40-2014 Granting Cable Franchise Extension Through April 30, 2015								
5	New Business								
a.	Consider Approval of 324 Bushaway Road Review of House Design	Gadow							79
b.	Consider Resolution No. 39-2014 151 Westwood Lane - Three Lot Subdivision	Gadow							95
c.	Consider Res. No. 42-2014 - 253 & 259 Lake Street East Variance and PUD	Gadow							134
d.	Consider Approval of Compensation and Classification Plan	Uram / Nelson							235
e.	Consider Award of Bid for Peavey Bridge	Kelly							241
f.	Consider Res. No. 41-2014 Allowing Appointment of Executive Board Chair on Parks & Trails Board	Nelson							242
g.	Consider Resolution No. 37-2014 Approving Parks & Trails Board Appointments	Nelson							246
6	City Manager's Report and Discussion Items								248
a.	Discuss City Council Membership on Charter Commission								
b.	Discuss Heritage Preservation Board 2015 Budget Request								
7	Public Forum (as necessary)								
8	Adjournment								

Meeting Rules of Conduct:

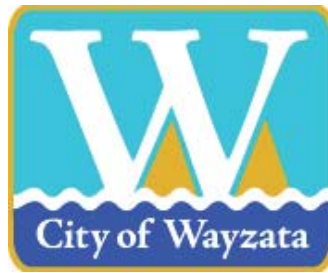
Turn in white card for public forum and blue card for agenda item
Give name and address
Indicate if representing a group
Limit remarks to 3 minutes

Upcoming Meetings:

City Council - January 6 & 20, 2015

Planning Commission - January 5 & 26, 2015

Members of the City Council and some staff members may gather at the Wayzata Bar and Grill immediately after the meeting for a purely social event. All members of the public are welcome.



PROCLAMATION

RECOGNIZING CITY CONCILMEMBER JACK AMDAL FOR HIS DEDICATED SERVICE TO THE CITY OF WAYZATA

WHEREAS, Jack Amdal has been a resident of the City of Wayzata with his wife Cheryl for over 20 years, residing in two different neighborhoods within the community; and

WHEREAS, he served on the Planning Commission from 1995 to 2004 and served as Chair in 1996 and again served as Chair from 2001 to 2003; and

WHEREAS, Jack served on the Design Standards Task Force in 2007 which has guided architecture and character for the community; and

WHEREAS, Jack served tirelessly on the Bushaway Task Force from 2008 to 2013, resulting in a context sensitive design for this key transportation corridor through the historic and scenic Bushaway neighborhood; and

WHEREAS, he served on the Wayzata Bar & Grill and Wayzata Wine & Spirits -- "The Muni" Building Committee in 2010 resulting in a successful new operation on Mill Street; and

WHEREAS, Jack served with dedication on the Wayzata City Council from January 2005 through December 2014; and

WHEREAS, he brought his professional expertise as an architect to his work as a councilmember and served as a resource for his colleagues for considerations of design; and

NOW, THEREFORE, BE IT RESOLVED that the Wayzata City Council does hereby extend to Jack Amdal its sincere gratitude for a remarkable career that greatly enhanced the quality of life in the City of Wayzata.

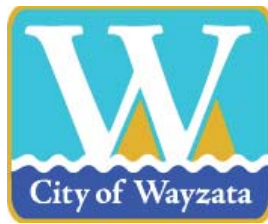
Presented to Councilmember Jack Amdal on behalf of the Wayzata City Council this 16th day of December 2014.

Mayor Kenneth Willcox

Councilmember Tom Tanner

Councilmember Andrew Mullin

Councilmember Bridget Anderson



PROCLAMATION

RECOGNIZING CITY CONCILMEMBER TOM TANNER FOR HIS DEDICATED SERVICE TO THE CITY OF WAYZATA

WHEREAS, Tom Tanner has been a resident of the City of Wayzata for over 10 years; and

WHEREAS, he served on the Heritage Preservation Board in 2004; and

WHEREAS, Tom served on the Wayzata Bar & Grill and Wayzata Wine & Spirits -- “The Muni” Building Committee in 2010 resulting in a successful new operation on Mill Street; and

WHEREAS, he has served on the Planning Commission from 2005 to 2009 and was Vice Chair from 2006 to 2007 and Chair from 2008 to 2009; and

WHEREAS, Tom represented Wayzata on the Lake Minnetonka Conservation District Board in 2007 to 2010 and served as Vice Chair for two years of his three year term; and

WHEREAS, Tom served on the Comprehensive Plan Taskforce from 2007 to 2008; and

WHEREAS, he served on the Affordable Housing Task Force III from 2009 to 2010; and

WHEREAS, he served on the Lakefront Task Force as Co-Chair from 2011 to 2012; and

WHEREAS, he served on the Hennepin County Sheriff’s Community Advisory Board in 2012; and

WHEREAS, Tom served with dedication on the Wayzata City Council from January 2010 through December 2014; and

WHEREAS, Tom brought his work expertise in the construction industry to his work as a councilmember providing guidance and insight to his colleagues on construction and architectural matters; and

NOW, THEREFORE, BE IT RESOLVED that the Wayzata City Council does hereby extend to Tom Tanner its sincere gratitude and appreciation for a remarkable career that greatly enhanced the quality of life in the City of Wayzata.

Presented to Tom Tanner on behalf of the City of Wayzata this 16th day of December 2014.

Mayor Kenneth Willcox

Councilmember Jack Amdal

Councilmember Andrew Mullin

Councilmember Bridget Anderson

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
December 2, 2014**

4:45 PM – INTERVIEWS FOR BOARDS AND COMMISSIONS

Mayor Willcox called the workshop meeting to order at 4:45 p.m. in the Community Room at Wayzata City Hall. Council members present: Amdal, Anderson, and Tanner. Absent and Excused: Mullin. Also present: City Manager Nelson, and City Planner Gadow.

The Council conducted interviews for the following finalists:

Time	Applicant	Commission/Board
4:50 PM	Lynn Gruber	Planning Commission
5:00 PM	Cathy Iverson	Planning Commission
5:10 PM	Todd Pearson	Planning Commission
5:20 PM	Peter Sellwood	Planning Commission
5:30 PM	Graciela Gonzalez	Planning Commission
5:40 PM	Steven Young	Planning Commission
5:50 PM	break	
6:00 PM	Holly Evans	Parks & Trails Board
6:10 PM	James McWethy	Parks & Trails Board
6:20 PM	Sarah Showalter	Parks & Trails Board

The workshop meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Becky Malone
Deputy City Clerk

WAYZATA CITY COUNCIL
DRAFT - MEETING MINUTES
November 18, 2014

AGENDA ITEM 1. Call to Order and Roll Call.

Mayor Willcox called the meeting to order at 7 p.m. Council Members present: Amdal, Anderson, Mullin and Tanner. Also present: City Manager Nelson, City Planner Gadow, and Public Works Director Dudinsky.

AGENDA ITEM 2. Approve Agenda.

Mr. Amdal made a motion, seconded by Mrs. Anderson, to approve the agenda, as presented. The motion carried 5/0.

AGENDA ITEM 3. Public Forum – 15 Minutes (3 minutes per person).

a. Annual Hennepin County Update

Jan Callison, Hennepin County Commissioner, shared that the maximum property tax levy had been set at a 2.75% increase in September 2014. It was increasing more than in previous years because it had not increased much in the past several years, payroll was increasing by 2.75%, and the County needed more staff in child welfare. The Truth in Taxation hearing was set for December 2, 2014 with a total proposed increase of 3.08%. Hennepin County and Ramsey County were considering combining facilities for some youth programs. The new 911 dispatch facility would be fully operational in December 2014. Ms. Callison noted updates on the Bushaway Road project and Heading Home Hennepin, a 10 year plan to end homelessness.

The Council commended Debra Brisk, Assistant County Administrator, and her team for the improved communication during the Bushaway Road Project. Ms. Callison answered questions from the Council about the Minnehaha Creek Watershed District, indicating that the search for a new Executive Director had begun and that it was a challenging time for the Watershed District.

b. Recap of 2014 Pilot Program for Trolley

Mr. Amdal reported that the Pilot Trolley Program had operated from July through mid-September. The goals were to assist people in making connections with the Lake Minnetonka community, the environment, local businesses, and one another. Mr. Amdal presented a graph of the Pilot Program ridership and date points. He thanked sponsors including the City of Wayzata, RBA Consulting, Regatta-Bohland Development, 6smith, and Presbyterian Homes. He also thanked the Historical Society, acting fiscal agent. The next steps for the Trolley program were achieving non-profit status, finalizing the board of directors, extending the operating season, and expanding sponsorship.

c. Telecom Site

Ann Goodmundson, 373 Park Street East, noted that she had lived at her place of residence for forty-five years and the neighborhood had coexisted with the water tower for decades. Ms. Goodmundson expressed her concern that telecommunications had been added without the knowledge of the residents and did not have a place in a neighborhood.

AGENDA ITEM 4. Consent Agenda.

Mr. Tanner made a motion, seconded by Mr. Amdal, to approve the consent agenda:

- a. Approval of Workshop Minutes of November 5 and 7, 2014 and Minutes of November 5 and 7, 2014
- b. Approval of Check Register
- c. Municipal licenses which received administrative approval (informational only)

- d. Police Activity Report
 - e. Building Activity Report
- The motion carried 5/0.

AGENDA ITEM 5. New Business.

a. Lake Effect Presentation

Mary deLaitre, Groundworks Consulting, presented the components of the Draft Report including a two pronged approach to projects, organizational development approaches, and eighteen strategic action steps.

The Council mentioned the work that Saint Paul Riverfront Corporation had already completed and noted that the work going forwards was to build on that and not to replace it. Ms. deLaitre answered a question of the Council concerning the jury and initiative team, indicating that the jury might be made up of a City Council representative, a County representative, a State representative, and the designers. The initiative team might start with the jury, but drop the designers and County and State representatives. Community members with non-profit experience, fundraising experience, and project experience would then be added. The initiative team might later transition into the permanent board members.

Ms. Nelson answered a question of the Council concerning the timetable of the draft proposal, indicating that the presentation was a culmination of the last two workshops. Ms. deLaitre and staff would continue work and come back before the Council at a meeting in December for adoption.

Mary Bader, 117 Peavey Lane, communicated her admiration for how far the project had come, but expressed concern over the financial side, stating that the City had funded the project with \$100,000 originally and had agreed to not spend any more money.

Ms. Nelson responded that there were not any current plans to fund the project, but the City had to put the money forward for a design concept.

b. Telecom Site Next Steps

Mr. Dudinsky shared updates and the current status for each of the five carriers including Nextel (owned by Sprint), T-Mobile, Sprint, AT&T, and Verizon Wireless. There were still two buildings on the Telecom Compound owned by AT&T and Verizon Wireless. Both tenants responded to the request to replace buildings with cabinets, indicating they were not interested in spending an estimated \$75,000 to \$100,000 to replace the buildings since the City might require relocation at lease expiration. Mr. Dudinsky noted that in July 2014, Verizon Wireless had to decommission its antennas on top of the old Anchor Bank Building for demolition of the old bank. Since that time, the Verizon strength in the Presbyterian Homes Development buildings has been less than adequate. Verizon radio frequency engineers had completed a study indicating that antennas on top of the Wells Fargo Bank could help the service at Presbyterian Homes and to the east.

Ms. Anderson asked how far to the east reception would be improved. Lynda Depoe, Verizon representative, responded that she was unsure of specifics, but could get that information for the Council.

Mr. Dudinsky discussed small cell technology from a previous Verizon presentation and reported that the Council had directed the City Attorney to make contact with the 402 Gardner Street property owner's attorney to see if there was an interest in selling the residential property to the City. Paul Kaminski, City Attorney, responded that the owner was not interested in acquisition at this time, but wanted to wait and see the direction of the Council. Mrs. Anderson noted that the entire Council had not been supportive of acquiring the property.

Mr. Dudinsky detailed possible next steps and asked if it was the City's intent that all of the tenants relocate off the water tower at the expiration of contracts. Mr. Dudinsky then presented a map of possible relocation sites.

1 Mayor Willcox asked if staff believed a tower would be needed in the east regardless of
2 direction with the water tower. Mr. Dudinsky replied that he did not know for sure because the
3 tenants had been reluctant to complete a full model study, but that he believed that a second tower
4 would be needed.

5 Mayor Willcox asked if the lease could be terminated at will or with a 30 day
6 notification. Mr. Kaminski replied that he believed the leases had a limited universe of how the
7 City could terminate early. Mrs. Anderson asked if it would be considered terminating the lease
8 if the City asked the tenants to move to another site. Mr. Kaminski responded that the leases
9 were site specific, but the City could possibly voluntarily negotiate with tenants to move. Mr.
10 Kaminski confirmed for Mayor Willcox that if another site was provided the tenants would not be
11 compelled to relocate.

12 Mrs. Anderson asked if a service audit had been completed on the current service. Mr.
13 Dudinsky responded that staff was working on it.

14 Mr. Mullin asked about available monopole options and how high the monopoles would
15 need to be. Dale Rosmos, SEH, answered that the design of a monopole would be based on the
16 topographies of the area. It would also be based on radio frequency science and was hard to
17 pinpoint. Mr. Mullin asked what the cost associated with a two monopole system might be. Mr.
18 Rosmos replied that an estimate would be \$250,000 and a stealth pole could be as much as 10 to
19 15 times more.

20 Mrs. Anderson asked about the pine monopole cost at Afton Alps. Mr. Rosmos answered
21 that it was a County project for Homeland Security and could be a much tighter pole.

22 Mayor Willcox asked how tall the water tower was and how tall a monopole placed near
23 the water tower would need to be. Mr. Rosmos responded that the water tower was 145 feet and
24 that a monopole near the water tower would need to be higher. Mayor Willcox asked at what
25 height a monopole is required to be lighted. Mr. Rosmos replied that at 200 feet a monopole must
26 be registered and lighted.

27 Mr. Tanner asked if there were any safety concerns with a monopole and if they had been
28 tested for heavy weather conditions. Mr. Rosmos responded that yes, monopoles were extremely
29 strong and safe and had even been placed near hospitals with stronger requirements. Mr. Tanner
30 asked if a monopole needed to be operational before a carrier could move. Mr. Rosmos answered
31 that some overlap in construction could be beneficial.

32 Mr. Mullin asked if water towers were considered legacy equipment. Mr. Rosmos agreed
33 that water towers were considered legacy and noted that the area had one of the highest densities
34 of water towers as cell towers at only 3%. Mr. Mullin asked about sequencing a move with the
35 refurbishing of the water tower. Mr. Rosmos responded that the antennas did have to come off
36 during the work.

37 Mrs. Anderson asked if the tenants had to reconfigure the surrounding sites during that
38 process. Mr. Rosmos replied that the carriers create a black hole and radio frequency science
39 would allow traffic to pass around the site. Service would significantly decrease. Mrs. Anderson
40 asked about the current state of service on the east end of town and how much a service audit
41 would cost. Mr. Rosmos replied that he did not have that information and it would need to come
42 from the carriers.

43 Mayor Willcox stated that he believed the Council had received all the information it
44 needed to move forward with some type of action and asked the Council Members to share their
45 opinions.

46 Mr. Amdal suggested getting an ordinance completed. Mr. Gadow responded that staff
47 would need some direction and policy guidance from the Council before an ordinance could be
48 drafted.

49 Mrs. Anderson stated that the Council still did not have an overall vision, a
50 telecommunications policy, or an idea about the current service levels. She suggested creating a
51 telecommunications policy with goals around service quality, safety concerns, fiscal goals, and

1 aesthetic goals. She believed the Council needed to look to the future and get the equipment out
2 of the neighborhood and park.

3 Mr. Tanner asked staff to complete more research on small cell technology so that some
4 of the antennas already there could be eliminated. Mr. Tanner also wanted to encourage AT&T
5 and Verizon to remove their buildings.

6 Mr. Amdal noted that Lake Minnetonka was a detriment to service because the City did
7 not get any coverage from the south and suggested that the ordinance needed to be tackled first.
8 Mr. Amdal also suggested setting up a timeline so that windows of opportunity for action could
9 be determined. Mr. Amdal felt that the telecommunication equipment degrades the neighborhood
10 and park and indicated he was ready to look at alternate sites.

11 Mr. Mullin indicated he did not want to erect a monopole in other neighborhoods
12 spreading the problem. He suggested looking at the water tower refurbishment as the defining
13 event which gives the Council a number of years to begin the process of seeking other sites. Mr.
14 Mullin noted that he had suggested the Gardner Street property, but was actually referring to the
15 entire corridor including the Minnesota Department of Transportation right-of-way. Mr. Mullin
16 also mentioned that the Gardner Street property actually contacted the City first. Mr. Mullin then
17 outlined a plan that included spending a subset of the money allocated in the Capital Plan to
18 improve the park in the interim, working on policies, and looking at either erecting a single
19 monopole near the water tower or two poles on each side of town.

20 Mrs. Anderson asked what the interim conditions for the park might look like. Mr.
21 Mullin answered that it would improve visuals and access.

22 Mayor Willcox stated there were some showstoppers for him that included a move that
23 required a second macro-site in the east, losing revenue, degrading cell service, and making the
24 current site worse or not improving it. Because of this, his preference would be to either erect a
25 monopole near the water tower if it was not perceived as too high or to keep the antennas where
26 they were and move the equipment out of the park to a neighboring property.

27 Mrs. Anderson noted that the topography drops off greatly at the adjacent property and
28 figured the height of the monopole would need to be at least 200 feet.

29 Mayor Willcox expressed concern over moving to a property that was in another
30 neighborhood. Mrs. Anderson responded that the solution was to move to Public Works and then
31 work with the carriers and allow them to find other sites. Mrs. Anderson also cautioned against
32 seeking more revenue from a second tower and expressed concern over the safety of the current
33 site. She noted that this could be a great public relations story for the carriers, who could claim to
34 have helped save a park.

35 Mr. Amdal suggested the lift station off Frontage Road as a possible second site that
36 would not be in a neighborhood.

37 Mr. Mullin encouraged the Council to consider his solution because it addressed all of
38 their concerns.

39 Mayor Willcox asked what year the water tower was scheduled to be refurbished. Mr.
40 Dudinsky answered that it was tentatively set for 2020.

41 Mrs. Anderson suggested advancing the date to the first lease expiration.

42 Mr. Tanner suggested the Council take this step-by-step starting with requiring the
43 removal of the last two equipment buildings and then looking for options for monopole sites.

44 Mrs. Anderson asked if the adjacent property was used to erect a monopole, would it
45 have to be higher than the water tower. She asked if the park would still be in the fall zone. Mr.
46 Rosmos answered that wider poles could be used to keep it shorter but at a cost and explained that
47 Occupational Safety and Health Administration (OSHA) does not have set criteria for specific fall
48 zones.

49 Leonard McManman, T-Mobile representative, noted that a service audit could be
50 conducted anecdotally based on customer service calls, but would need to look to Radio
51 Frequency engineers for real data.

1 Mrs. Anderson shared that the League of Minnesota Cities was pushing for State-wide
2 coverage for internet and broadband communications and the general definitions were expanding
3 to include cellular.

4 The Council discussed possible options for moving forward and decided to move ahead
5 with five key items for staff to research including: having two monopoles on each end of town
6 versus one monopole at the current site; timing for complete removal of antennas from the water
7 tower with lease expirations and refurbishing the water tower as possible options; fixing the
8 current site visually in the interim; requesting a service audit from the carriers; and, developing an
9 ordinance and telecommunications policy.

10 Mayor Willcox made a motion, seconded by Mr. Mullin, to direct City staff to explore a
11 two monopole solution or one monopole solution near the water tower, provide a
12 recommendation on timeline, recommendation for improving visuals at the current site in an
13 interim basis, request a service audit from the carriers, and develop an ordinance and/or policy.

14 Susan Hughes, 415 Gardner Street, asked the City Council to protect the neighborhood
15 equally with other neighborhoods.

16 Steven Bohl, 550 Far Hill Road, expressed concern over the current service at the
17 Promenade development and asked the Council to take action immediately.

18 Mark Pederson, Campus Administrator Folkestone, communicated that residents have
19 weak or no signal strength since the Verizon Wireless tower was removed.

20 Mrs. Anderson asked if moving Verizon's antenna higher would help the service. Mr.
21 Dudinsky replied that moving the sector up to the top ring would not be a significant increase;
22 however, adding antennas to the Wells Fargo building would help.

23 The motion carried 5/0.

24
25 **c. Consider Benton Avenue Interim Improvements**

26 Mr. Dudinsky shared that in April 2014 staff discussed possible improvements to the Benton
27 Avenue/Wayzata Boulevard intersection to improve resident access to Wayzata Boulevard. The
28 interim traffic improvement would include the installation of a loop detector at the Benton
29 Avenue/Wayzata Boulevard intersection and replace the signal cabinet. The engineer's estimate
30 was \$39,000. Staff had solicited bids and recommended awarding the bid to the low bidder, Egan
31 Company at \$25,400.

32 Mr. Tanner made a motion, seconded by Mr. Mullin, to award the bid to the low bidder,
33 Egan Company at \$25,400. The motion carried 5/0.

34
35 **d. Consider Resolution No. 32-2014 Approving Heritage Preservation Board**
36 **Appointments**

37 Ms. Nelson reported that interviews were held earlier that day for several boards and
38 commissions appointments. Three candidates were interviewed for three available seats on the
39 Heritage Preservation Board including Kim Anderson, Elizabeth Blaufuss and Bruce Biser for a
40 two-year term.

41 Mr. Tanner made a motion, seconded by Mr. Amdal, to Adopt Resolution No. 32-2014,
42 approving Heritage Preservation Board Appointments of Kim Anderson, Elizabeth Blaufuss, and
43 Bruce Biser. The motion carried 5/0.

44
45 **e. Consider Resolution No. 33-2014 Approving Housing and Redevelopment Authority**
46 **Appointments**

47 Ms. Nelson reported that two candidates were interviewed for one seat on the Housing and
48 Redevelopment Authority including Tom Shaver and Richard Diercks for a five-year term.

49 Mr. Tanner made a motion, seconded by Mr. Mullin, to Adopt Resolution No. 33-2014,
50 approving Housing and Redevelopment Authority Board Appointment of Tom Shaver. The
51 motion carried 5/0.

f. Consider Resolution No. 34-2014 Approving Communications Board Appointments

Ms. Nelson reported that three candidates were interviewed for four available seats on the Communications Board including Sue Farrell, Richard Diercks, and Bruce Biser for a three-year term. Ms. Nelson noted that Valentina Weis wished to be reappointed, but was not available for interviews. Mrs. Anderson spoke highly of Ms. Weis's involvement during the previous term and recommended she be added.

The Council cast a closed ballot vote that was tallied by Mr. Gadow who announced the results.

Mr. Tanner made a motion, seconded by Mr. Mullin, to Adopt Resolution No. 34-2014, approving Communications Board Appointments of Sue Farrell, Richard Diercks, Bruce Biser, and Valentina Weis. The motion carried 5/0.

Mr. Tanner made a motion, seconded by Mr. Mullin, to direct staff to include an appointment for Dan Baasen to the Lake Minnetonka Conservation District Board of Directors for a three-year term effective February 1, 2015. This appointment will be made in January as a part of the Resolution designating the annual City Appointments and Assignments. The motion carried 5/0.

AGENDA ITEM 6. City Manager's Report and Discussion Items.

a. Update on Tree Lighting

Ms. Nelson shared that the annual tree lighting would be held on November 28, 2014, and festivities would continue through November 29, 2014. Festivities include a winter market, Santa's reindeer, Municipal bar, Wayzata's women choir performance, trolley, horse drawn carriage rides, live music, and Wayzata's Firefighters parade of lights. Ms. Nelson thanked all of the generous sponsors.

b. Announcements

Ms. Nelson reported that an Open House would be held on December 18, 2014 from 5:00 to 7:00 p.m. for Council Members Tanner and Amdal.

AGENDA ITEM 7. Public Forum Continued (if necessary).

There were no comments.

AGENDA ITEM 8. Adjournment.

Mr. Tanner made a motion, seconded by Mrs. Anderson to adjourn. There being no further business, Mr. Willcox adjourned the meeting at 10:25 p.m.

Respectfully submitted,

Becky Malone
Deputy City Clerk

Drafted by Sarah Peterson
TimeSaver Off Site Secretarial, Inc.

WAYZATA CITY COUNCIL
DRAFT - MEETING MINUTES
December 2, 2014

AGENDA ITEM 1. Call to Order and Roll Call.

Mayor Willcox called the meeting to order at 7 p.m. Council Members present: Amdal, Anderson, and Tanner. Council Member absent: Mullin. Also present: City Manager Nelson, City Planner Gadow, City Engineer Kelly, City Attorney Schelzel, and Administrative Services Director Uram.

AGENDA ITEM 2. Approve Agenda.

Mr. Tanner made a motion, seconded by Mr. Amdal, to approve the agenda, as presented. The motion carried 4/0.

AGENDA ITEM 3. Public Forum – 15 Minutes (3 minutes per person).

a. Annual Report on Volunteer Efforts

Lynn McCarthy, Communications Board, shared that the established volunteer program was new, but the concept of volunteering in Wayzata was age old. The City of Wayzata Volunteer Committee was created in 2009 at the suggestion of Mayor Willcox. Ms. McCarthy noted that Wayzata Garden volunteers had been going strong since creation with too many sponsors for the adopt-a-garden program. In October, the volunteers, under the direction of Pat Broyles, readied all the flowerbeds and the United States Postal Service pocket park was going to be beautiful under the direction of Merrily Babcock. The Big Woods initiative went well with volunteers from Keller Williams Realty, Wayzata High School football team, and local boy scouts. Next year there would be a Citywide initiative to eliminate Emerald Ash Borer in the area. Ms. McCarthy also shared that there were two volunteers doing clerical operations at public works and volunteers do many things such as write grant applications, attend leadership training, participate in monthly meetings, and have memberships on community and area senior boards. The 269 volunteers completed 8,600 hours of work during 2014 that saved the City approximately \$178,000. Ms. McCarthy thanked all of the volunteers and Mrs. Anderson as the volunteer liaison.

Mrs. Anderson described the many things that Ms. McCarthy does as the volunteer coordinator and thanked her for her service.

Mayor Willcox thanked Ms. McCarthy and talked about all the different benefits of having a volunteer committee.

AGENDA ITEM 4. Consent Agenda.

Mrs. Anderson requested to pull Item 4.a., Approval of Workshop Minutes of November 18, 2014, and Minutes of November 18, 2014, from the consent agenda. Mrs. Anderson noted that Item 5.b., Telecom Site Next Steps was overly summarized and requested the section be redrafted in the style of the Planning Commission minutes due to the sensitive nature of the subject.

Mr. Tanner noted that Mr. Mullin was included for some items in the Workshop Minutes of November 18, 2014, but was absent.

Ms. Nelson stated that the Workshop Minutes of November 18, 2014 could be amended, but the Minutes of November 18, 2014, would be redrafted and resubmitted to the Council.

Mr. Tanner requested to pull Item 4.b., Approval of Check Register, from the consent agenda for discussion.

Mr. Tanner made a motion, seconded by Mr. Amdal, to approve the consent agenda:

- a. Approval of Workshop Minutes of November 18, 2014, as amended ~~and Minutes of November 18, 2014~~
- b. ~~Approval of Check Register~~

- c. Approval of Amendment to On-Sale Liquor License – Addition to Dining Room and Outdoor Patio at McCormick's
 - d. Approval of Municipal Licenses
 - e. Municipal licenses which received administrative approval (informational only)
- The motion carried 4/0.

b. Approval of Check Register

Mr. Tanner shared an example from the Check Register of Johnson Brothers with liquor resale of \$50.00 and a freight of \$0.71. He shared that there were quite a few with minimal amounts for freight and asked why the freight was so inexpensive.

Mr. Uram answered that the City preferred to purchase in bulk, but it was not always possible such as a single case of brandy would inadvertently get left off and this would result in the small freight cost. The City does its best to balance sales and bulk purchases, but there were over 6,000 SKUs and 30 different sales representatives.

Ms. Nelson added that the invoices were broken down by product, such as wine, beer, liquor, and miscellaneous, and then freight was calculated.

Mayor Willcox asked if the invoices were paid individually or a single bottom line and Ms. Nelson answered that the invoices were not paid individually.

Mrs. Anderson asked about the high number of SKUs and the possibility of reducing that number to decrease the amount of random products. Mr. Uram answered that the process was still in the early stages, but that streamlining was a goal.

Mr. Tanner made a motion, seconded by Mrs. Anderson, to Approve the Check Register. The motion carried 4/0.

AGENDA ITEM 5. New Business.

a. Consider Resolution No. 35-2014 Final 2015 Property Tax Levy and Budget

Mr. Uram presented the 2015 final budget. The budget process began on July 9, 2014, with a review of the preliminary budget. On September 16, 2014, the preliminary budget and tax levy was approved by the City Council. Mr. Uram discussed the tax levy and shared that the total City tax levy would increase by 1.92%. Mr. Uram presented a levy comparison, tax capacity by property type, and tax capacity rates from 2010 through 2015. He discussed the General Fund budget and source of General Fund revenues, adding that the main source was property tax.

Mayor Willcox asked Mr. Uram to explain transfers under the General Fund expenditures. Mr. Uram explained that there were several capital improvement funds and the City budgeted for transfers to those funds such as the equipment fund for purchasing vehicles. Mr. Uram shared that the Other Budgets category included Special Revenue: community television and Enterprise: water, sewer, solid waste, storm water, motor vehicle, and liquor. Mr. Uram explained that the next steps were to adopt the final levy and budget resolution and certify the levy to the County.

The Council asked why, under the City's tax capacity, apartments went from \$592,676 to \$1,338,978 and if it was due to Maggie Manor and Presbyterian Homes being included. Mr. Uram confirmed that was the case.

Mayor Willcox talked about the increased valuation of Wayzata's residential as compared to the County. He explained that the tax burden shifts from those that are increasing less to those that are increasing more. Wayzata had benefited from this for the last couple of years and the burden was now shifting back.

The Council asked if funds had been set aside for Telecom as discussed and where that was located in the budget. Mr. Uram responded that funds had been allocated for 2014 and it would be a line item in the funds for 2015 as well.

The Council discussed the additional funding request of \$2,000 from the Heritage Preservation Board. Mrs. Anderson stated she was comfortable granting the funds with the

1 information presented. Mayor Willcox asked staff to request more information from the Heritage
2 Preservation Board on what the funds would be used for.

3 Ron Morris, 663 Harmony Circle, asked if this was the correct time to discuss his
4 personal property valuation increase. Ms. Nelson responded that this resolution concerned the
5 City as a whole and that individual properties were dealt with in the spring, but offered to speak
6 with Mr. Morris about his property valuation.

7 Mayor Willcox discussed some of the items driving the increases for the City such as
8 contract negotiations with the police and public works unions at a 2% increase, health insurance
9 premiums increase at 10.57%, minimum wage increase, and staffing increases and additions.

10 Mr. Tanner made a motion, seconded by Mr. Amdal, to Adopt Resolution No. 35-2014,
11 certifying to the County Auditor the Final Property Tax Levy Payable for 2015 and the Final
12 Budget for the Taxes Payable Year 2015. The motion carried 4/0.

13 14 **b. Lake Effect Next Steps Recommendations**

15 Mr. Gadow shared that Mary deLaittre, Groundworks Consulting, presented the Implementation
16 Strategy for the Lake Effect Framework at the November 18, 2014, Council meeting. The plan
17 was back before the Council for consideration and adoption.

18 Ms. deLaittre presented the final draft of the Implementation Strategy for the Lake Effect
19 Framework for approval. The strategy included a three-pronged approach. Step One was to
20 identify priority projects which were ten projects already completed or underway; Step Two was
21 to create a comprehensive signature project based on a singular concept to include all of the
22 smaller projects; and, Step Three was to develop a supporting organization to raise money and
23 offer longevity during political change. Ms. deLaittre added that a fiscal agent could be set up
24 immediately.

25 The Council thanked Ms. deLaittre, staff, and the Lakefront Task Force. It was noted the
26 original goal was to move the project forward without spending taxpayer money. The Council
27 asked if the City would need to match funds in order to get private funding and grants. Ms.
28 deLaittre replied that yes, the City would need to decide how much it was willing to put forward
29 and then individuals, foundations, or government bodies could be approached to contribute or
30 match funds. The Council asked staff if there was a designated fund where the funding would
31 come from. Ms. Nelson answered that the funding would come from the Lakefront Capital
32 Improvement Fund.

33 The Council asked how boards and committees would work with the jury and who would
34 have final say. Ms. deLaittre replied that the first step would be to hire a consultant who would
35 work closely with the Council and staff. Next, a jury would be selected. The jury could work
36 with other committees sharing information on current projects.

37 Mayor Willcox discussed why the City Council was still talking about and studying the
38 Lake Effect next steps. He explained that it would be a ten-year project and because Council
39 members would come and go during that time, the Council wanted to create an outside
40 organization for continuity and longevity.

41 Mr. Tanner made a motion, seconded by Mr. Amdal, to Approve the Implementation
42 Strategy for the Lake Effect Framework. The motion carried 4/0.

43 44 **c. Consider Resolution No. 38-2014 165 and 213 Central Avenue North and 1015 Cross** 45 **Street**

46 Mr. Gadow presented an application from Crossdale Development LLC for a concurrent
47 preliminary and final plat subdivision and Concept/General Plan Planned Unit Development for a
48 six-lot subdivision at 165 Central Avenue North, 213 Central Avenue North, and 1015 Cross
49 Street. If approved, six single-family residences would be built that meet the requirements of the
50 R-3A Zoning District. The applicant was proposing private access from Byrondale Avenue North

1 that would terminate with a cul-de-sac within the property. Mr. Gadow presented the possible
2 residential design concepts.

3 The Council expressed concern over the 20-foot roadway versus the normal 26-foot
4 roadway. Mr. Gadow replied that the Fire Marshal had reviewed the plans and was comfortable
5 with the 20-foot roadway. The Council asked questions concerning the fencing and landscaping
6 and whether it was outside of the 15 feet the City requires. Mr. Gadow answered it would be a 6-
7 foot tall board-on-board fence with vegetation to soften the sight lines.

8 The Council asked about the property line dispute with a property owner north of the
9 property. Mr. Gadow invited Jennifer Haskamp, Swanson Haskamp Consulting, to the podium.
10 Ms. Haskamp answered that the property line had been verified by Hennepin County and contact
11 had been made with the property owner. She added that a garden would need to be moved.

12 Pat Broyles, 212 Benton Avenue, stated that she was against the project and expressed
13 concern that there were too many homes for the amount of land.

14 Mayor Willcox invited residents who had completed a comment card to provide input;
15 however, each declined to comment.

16 The Council discussed the project further noting that the main argument had been
17 whether or not the road should cut through and decided that the road configuration worked in this
18 situation. Mr. Tanner expressed concern for emergency vehicles accessing the neighborhood and
19 that there were too many homes for the size of the property. The Council asked questions
20 concerning the trail, who would maintain it, and park dedication fees. Mr. Gadow responded that
21 the trail was on private property with an easement and would be maintained by the City. The
22 property would have a park dedication in lieu of fees. The Council asked about the possible
23 home designs that had been presented and if the developers planned on mixing up the designs.
24 Ms. Haskamp replied that the houses would have cohesive elements, but each home would be
25 different. The Council requested that the landscaping plans (which were to be approved by staff)
26 be approved by staff in consultation with the surrounding neighbors.

27 Mr. Gadow shared that the Planning Commission requested to add a statement to Section
28 3.2.B.11 indicating: "Hennepin County Public Works has reviewed the plat that is part of the
29 application and has provided the City with a letter dated November 12, 2014, that states that the
30 County believes that the proposed plat for the Planned Unit Development adequately addresses
31 the County's original concerns related to access and trail opportunities." Mr. Gadow also stated
32 that "Lot 5 and" should be inserted in front of "Lot 6" in Section 4.1.G.

33 Mr. Schelzel noted that "and" in the second line of Section 4.1.E. should be changed to
34 "or if a different idea is proposed."

35 Mrs. Anderson made a motion, seconded by Mr. Amdal, to Adopt Resolution No. 38-
36 2014, approving an Application for Concurrent Preliminary and Final Plat Subdivision,
37 Concept/General Plan Planned Unit Development and Rezoning at 165 and 213 Central Avenue
38 North and 1015 Cross Street, as modified above. The motion carried 3/1 (Tanner).

39 Mrs. Anderson made a motion, seconded by Mr. Amdal, to Approve the First Reading of
40 a Draft Ordinance Amending the Official Zoning Map of the City to Rezone 165 and 213 Central
41 Avenue North and 1015 Cross Street from R-3A Single and Two Family Residential to PUD
42 Planned Unit Development District. The motion carried 4/0.

43 44 **d. Consider Resolution No. 39-2014 151 Westwood Lane – Three Lot Subdivision**

45 Mr. Gadow presented a request from White Birch Properties and Development Group for a
46 concurrent preliminary and final plat subdivision approval for a new three-lot subdivision at 151
47 Westwood Lane. The project would require the removal of the existing structure on the property
48 and a subdivision of the parcel. Access to the subdivision would be through a public road with a
49 cul-de-sac designed to protect as many of the existing trees as possible. Building plans were not
50 available, so approval should include a condition requiring the future owners to provide building
51 plans to the Planning Commission and City Council prior to receiving building permits. Mr.

1 Gadow presented a map of the project location, existing conditions, preliminary and final plats,
 2 tree inventory plan, and storm water plan. The project planned two roadways, one in and one out,
 3 but the Planning Commission requested an alternative plan with only one road to reduce
 4 hardcover. The State Archaeologist was consulted because of a burial ground on the site. The
 5 State Archaeologist recommended either having a qualified archaeologist on site during
 6 construction or having a qualified archaeologist complete a full survey of the site prior to
 7 construction.

8 The Council asked if there was a slope disparity that would require landfill. Mr. Gadow
 9 replied that there was a steep slope at the rear of the property but the grading would occur away
 10 from the steep slope, which would require a grading permit.

11 Scott Rowe, property owner, shared that he had tried to reach out to the neighbors and
 12 that this project had not been without challenge. But, he had tried to be thoughtful and mindful of
 13 the existing neighborhood. Mr. Rowe added that he and his family were planning to move into
 14 one of the homes.

15 Steve Poling, 159 Westwood Lane, inquired about screening of the third home. Mr.
 16 Gadow answered that the Planning Commission had recommended additional landscaping be
 17 planted between to screen the adjacent property. Mr. Poling stated that he was against the
 18 development, but not the developer. He found the proposed development was out of character
 19 and disruptive to the neighborhood. The neighborhood relies on the woods to buffer the noise
 20 from the highway.

21 Bob Mueffelmann, 172 Birch Lane West, stated that he was opposed to the development
 22 and thought it did not meet all of the requirements of the Wayzata Subdivision Ordinance. With
 23 regard to the Ordinance, the design of the site does not reflect the existing neighborhood.

24 The Council asked if the public road meant opportunity for the adjacent properties to
 25 access public right-of-way. Mr. Gadow responded that yes, absent any conservation easement for
 26 the trees. The Council asked about specific landscaping plans for Lot 3 to screen the adjacent
 27 property. Mr. Rowe replied that thoughts had been for a berm with evergreens and he was open
 28 to doing that in consultation with the existing neighbors. The Council discussed the different
 29 road configurations and mentioned the opportunity to use the existing driveway in order to save
 30 the hedge, but angling it to the North to mitigate headlight intrusions. Mr. Kelly noted that
 31 angling the driveway could cause traffic safety concerns to the south.

32 The Council each shared their viewpoints on the project. Mr. Tanner stated that he had to
 33 respect the neighbors and their noise and light concerns and could not support this project. Mr.
 34 Amdal supported the project because it met or exceeded all of the guidelines. Mrs. Anderson
 35 stated that the project met of the City codes so she felt like her 'hands were tied' to support the
 36 project. She suggested that the codes needed to be changed. Mayor Willcox stated that the
 37 project met the Zoning Ordinance for lot size and setback, but did not meet the Subdivision
 38 Ordinance because it was not consistent with the character and pattern of the neighborhood.

39 The Council discussed tabling the item to next meeting when it could vote with a full
 40 Council. Mr. Schelzel suggested drafting a second denial resolution with the Council's findings.

41 Mr. Tanner made a motion, seconded by Mr. Amdal, to table consideration of Resolution
 42 No. 39-2014, Approving an Application for Concurrent Preliminary and Final Plat Subdivision at
 43 151 Westwood Lane to the December 16, 2014, meeting, and directed staff to prepare a draft
 44 denial resolution for consideration at the December 16, 2014 meeting. The motion carried 4/0.

45 **e. Consider Resolution No. 36-2014 Approving Planning Commission Appointments**

46 Mr. Amdal made a motion, seconded by Mr. Tanner, to accept the resignation of Steven Tyacke
 47 from the Planning Commission. The motion carried 4/0.

48 Mr. Gadow reported there were six candidates for four available seats on the Planning
 49 Commission including Graciela Gonzalez, Lynn Gruber, Cathy Iverson, Todd Pearson, Peter
 50 Sellwood, and Steven Young. The Council cast a closed ballot vote that was tallied by Mr.
 51

Gadow who announced the appointments as Graciela Gonzalez, Lynn Gruber, Cathy Iverson, and Steven Young. Mr. Gadow then explained that one of the four would complete the last two years of Mr. Tyacke's term while the other three would serve normal three-year terms. The Council decided to vote on who would complete the two-year term. The Council cast a closed ballot vote that was tallied by Mr. Gadow who announced that Steven Young would complete the two-year term.

Mrs. Anderson made a motion, seconded by Mr. Amdal, to Adopt Resolution No. 36-2014, approving Planning Commission Appointments of Graciela Gonzalez, Lynn Gruber, Cathy Iverson, and Steven Young. The motion carried 4/0.

f. Consider Resolution No. 37-2014 Approving Parks and Trails Board Appointments

The Council noted that Dan Baasen, who was running for reappointment, requested a one-year term. There were five candidates running for four available seats including Dan Baasen, Holly Evans, Jim McWethy, Tyler Purdy, and Sarah Showalter. The Council discussed appointing all five and allowing the one-year term for Mr. Baasen, but postponing adopting Resolution No. 37-2014, until the length of terms could be revisited.

Mrs. Anderson made a motion, seconded by Mr. Tanner, to postpone adopting Resolution No. 37-2014 and Approve the Parks and Trails Board Appointments of Dan Baasen, Holly Evans, Jim McWethy, Tyler Purdy, and Sarah Showalter, and sort out the details of the terms later. The motion carried 4/0.

AGENDA ITEM 6. City Manager's Report and Discussion Items.

a. Update on Tree Lighting

Ms. Nelson reported that the Tree Lighting event had been successful and thanked all of the sponsors including Anchor Bank, Park Nicollet, Schuler Shoes, C.E.L., the City of Wayzata, the Wayzata Chamber of Commerce, and the Wayzata Fire Department.

b. Update on Bushaway

Mr. Kelly reported that the Metropolitan Council force main was still being installed on Eastman Lane. Eastman Lane would be closed beginning December 3, 2014. The water main had been installed for the entire length of the project, but was not completed. McGinty Road had been paved and during the week of December 8, 2014, the Causeway would be closed.

The Council asked if cars would be able to drive on Eastman Lane and McGinty Road during the down time in the winter. Mr. Kelly answered yes, that was the goal. The Council asked if residents were able to navigate the area. Mr. Kelly replied that residents were being well informed and traffic problems were improving.

c. Upcoming Dates

On December 16, 2014, there will be workshops at 5:30 p.m. prior to the City Council meeting.

On December 18, 2014, there will be an open house from 5:00 to 7:00 p.m. for Mr. Tanner and Mr. Amdal whose Council terms expire at the end of the year.

The Council asked how announcement had been made. Ms. Nelson replied that it would be in the *Portal* and invitations had been mailed to the City's mailing list.

AGENDA ITEM 7. Public Forum Continued (if necessary).

There were no comments.

AGENDA ITEM 8. Adjournment.

Mr. Tanner made a motion, seconded by Mrs. Anderson to adjourn. There being no further business, Mr. Willcox adjourned the meeting at 10:13 p.m.

1 Respectfully submitted,
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3
4

5 Becky Malone
6 Deputy City Clerk
7

8 Drafted by Sarah Peterson
9 *TimeSaver Off Site Secretarial, Inc.*

DRAFT

***Check Detail Register©**

November 2014 to December 2014

		Check Amt	Invoice	Comment
10100 Anchor Bank				
Paid Chk#	097085	12/2/2014	AMARA	
E 640-47000-252	Wine For Resale	\$256.00	3566	WINE
E 640-47000-259	Freight	\$4.50	3566	FREIGHT
Total AMARA		\$260.50		
Paid Chk#	097086	12/2/2014	ARCTIC GLACIER INC.	
E 640-47000-254	Soft Drinks/Mix For Resale	\$93.05	385431405	ICE
E 640-47000-254	Soft Drinks/Mix For Resale	\$65.70	387432102	ICE
Total ARCTIC GLACIER INC.		\$158.75		
Paid Chk#	097087	12/2/2014	AUSTIN, ANDY	
E 640-48000-341	General Promotions	\$200.00	12/18/14	BAR MUSIC 12/18/14
Total AUSTIN, ANDY		\$200.00		
Paid Chk#	097088	12/2/2014	BELLBOY BAR SUPPLY CORP.	
E 640-47000-259	Freight	\$15.03	45770900	FREIGHT
E 640-47000-251	Liquor For Resale	\$1,172.88	45770900	LIQUOR
E 640-47000-210	Operating Supplies (GENERAL)	\$188.66	91138100	SUPPLIES
E 640-47000-254	Soft Drinks/Mix For Resale	\$16.47	91171100	MISC.MDSE.
Total BELLBOY BAR SUPPLY CORP.		\$1,393.04		
Paid Chk#	097089	12/2/2014	BERNICK`S WINE	
E 640-47000-254	Soft Drinks/Mix For Resale	\$93.00	168263	MISC.BEV.
E 640-47000-253	Beer For Resale	\$79.95	168264	BEER
E 640-47000-254	Soft Drinks/Mix For Resale	\$358.10	178157	MISC.BEV.
E 640-47000-253	Beer For Resale	\$245.50	178158	BEER
Total BERNICK`S WINE		\$776.55		
Paid Chk#	097090	12/2/2014	BERRY COFFEE COMPANY	
E 640-48000-254	Soft Drinks/Mix For Resale	\$120.45	1213734	MISC.BEV.
Total BERRY COFFEE COMPANY		\$120.45		
Paid Chk#	097091	12/2/2014	BETH, GERALD O	
E 640-48000-341	General Promotions	\$175.00	12/2/14	BAR MUSIC 12/2/14
Total BETH, GERALD O		\$175.00		
Paid Chk#	097092	12/2/2014	BETH, GERALD O	
E 640-48000-341	General Promotions	\$175.00	12/9/14	BAR MUSIC 12/9/14
Total BETH, GERALD O		\$175.00		
Paid Chk#	097093	12/2/2014	BETH, GERALD O	
E 640-48000-341	General Promotions	\$175.00	12/16/14	BAR MUSIC 12/16/14
Total BETH, GERALD O		\$175.00		
Paid Chk#	097094	12/2/2014	BETH, GERALD O	
E 640-48000-341	General Promotions	\$175.00	12/23/14	BAR MUSIC 12/23/14
Total BETH, GERALD O		\$175.00		
Paid Chk#	097095	12/2/2014	BETH, GERALD O	
E 640-48000-341	General Promotions	\$175.00	12/30/14	BAR MUSIC 12/30/14
Total BETH, GERALD O		\$175.00		
Paid Chk#	097096	12/2/2014	COZZINI BROS., INC.	
E 640-48500-415	Other Equipment Rentals	\$71.34	C1344008	KNIFE EXCHANGE
Total COZZINI BROS., INC.		\$71.34		
Paid Chk#	097097	12/2/2014	DAHLHEIMER DISTRIBUTING CO.	
E 640-48000-253	Beer For Resale	\$142.00	101224	BEER

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November 2014 to December 2014

			Check Amt	Invoice	Comment
E 640-48000-253	Beer For Resale		\$447.00	1132590	BEER
E 640-47000-253	Beer For Resale		\$879.00	1132591	BEER
E 640-47000-253	Beer For Resale		\$215.00	1132597	BEER
E 640-48000-253	Beer For Resale		\$117.00	1136437	BEER
Total DAHLHEIMER DISTRIBUTING CO.			\$1,800.00		
Paid Chk# 097098	12/2/2014	DAY DISTRIBUTING			
E 640-47000-253	Beer For Resale		\$1,506.12	778659	BEER
E 640-48000-253	Beer For Resale		\$805.00	779402	BEER
Total DAY DISTRIBUTING			\$2,311.12		
Paid Chk# 097099	12/2/2014	DIRECTV			
E 640-48000-415	Other Equipment Rentals		\$347.31	24546628975	SERVICE
Total DIRECTV			\$347.31		
Paid Chk# 097100	12/2/2014	ENKI BREWING COMPANY			
E 640-48000-253	Beer For Resale		\$230.00	3329	BEER
E 640-48000-253	Beer For Resale		\$110.00	3329A	BEER
Total ENKI BREWING COMPANY			\$340.00		
Paid Chk# 097101	12/2/2014	FLAHERTY S HAPPY TYME CO.			
E 640-47000-254	Soft Drinks/Mix For Resale		\$97.20	29837	MISC.MDSE
Total FLAHERTY S HAPPY TYME CO.			\$97.20		
Paid Chk# 097102	12/2/2014	FOREMOST BUSINESS SYSTEMS INC.			
E 640-48000-210	Operating Supplies (GENERAL)		\$155.55	13283	SUPPLIES
otal FOREMOST BUSINESS SYSTEMS INC.			\$155.55		
Paid Chk# 097103	12/2/2014	G & K SERVICES			
E 640-48500-217	Uniforms		\$80.93	1013598815	UNIFORMS & SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$28.78	1013598815	UNIFORMS & SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$30.90	1013598815	UNIFORMS & SUPPLIES
E 640-48500-217	Uniforms		\$30.94	1013610117	UNIFORMS & SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$106.51	1013610117	UNIFORMS & SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$65.44	1013610117	UNIFORMS & SUPPLIES
E 640-48500-217	Uniforms		\$98.97	1013621392	UNIFORMS & SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$32.02	1013621392	UNIFORMS & SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$40.14	1013621392	UNIFORMS & SUPPLIES
Total G & K SERVICES			\$514.63		
Paid Chk# 097104	12/2/2014	GRAPE BEGINNINGS, INC.			
E 640-47000-252	Wine For Resale		\$1,090.00	174265	WINE
E 640-47000-259	Freight		\$18.00	174265	FREIGHT
E 640-47000-259	Freight		\$2.25	174409	FREIGHT
E 640-47000-252	Wine For Resale		\$640.00	174409	WINE
E 640-47000-259	Freight		\$24.75	174635	FREIGHT
E 640-47000-252	Wine For Resale		\$1,466.00	174635	WINE
Total GRAPE BEGINNINGS, INC.			\$3,241.00		
Paid Chk# 097105	12/2/2014	HEGGIES PIZZA			
E 640-48500-255	FOODIngredients For Resale		\$120.90	1428386	FOOD
Total HEGGIES PIZZA			\$120.90		
Paid Chk# 097106	12/2/2014	ISRAEL, DAN			
E 640-48000-341	General Promotions		\$200.00	12/13/14	BAR MUSIC 12/13/14
Total ISRAEL, DAN			\$200.00		
Paid Chk# 097107	12/2/2014	JJ TAYLOR DISTRIBUTING OF MN			
E 640-47000-253	Beer For Resale		\$1,835.25	2293242	BEER

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November 2014 to December 2014

		Check Amt	Invoice	Comment
E 640-47000-253	Beer For Resale	\$1,016.30	2293288	BEER
E 640-47000-253	Beer For Resale	\$487.10	2293308	BEER
E 640-48000-253	Beer For Resale	\$279.00	2301425	BEER
E 640-48000-253	Beer For Resale	\$554.00	2301463	BEER
Total JJ TAYLOR DISTRIBUTING OF MN		\$4,171.65		
Paid Chk# 097108	12/2/2014	JOHNSON BROS.-ST.PAUL		
E 640-47000-259	Freight	\$18.51	5029716	FREIGHT
E 640-47000-251	Liquor For Resale	\$1,426.22	5029716	LIQUOR
E 640-47000-252	Wine For Resale	\$849.06	5029717	WINE
E 640-47000-259	Freight	\$20.44	5029717	FREIGHT
E 640-47000-251	Liquor For Resale	\$123.00	5029718	LIQUOR
E 640-47000-251	Liquor For Resale	\$60.00	5029719	LIQUOR
E 640-47000-259	Freight	\$1.41	5029719	FREIGHT
E 640-47000-251	Liquor For Resale	\$538.50	5029720	LIQUOR
E 640-47000-259	Freight	\$8.46	5029720	FREIGHT
E 640-47000-252	Wine For Resale	\$1,155.95	5029721	WINE
E 640-47000-259	Freight	\$16.92	5029721	FREIGHT
E 640-47000-259	Freight	\$7.05	5031041	FREIGHT
E 640-47000-252	Wine For Resale	\$264.00	5031041	WINE
E 640-47000-259	Freight	\$5.78	5031042	FREIGHT
E 640-47000-251	Liquor For Resale	\$494.94	5031042	LIQUOR
E 640-47000-251	Liquor For Resale	\$94.00	5033536	LIQUOR
E 640-47000-259	Freight	\$1.41	5033536	FREIGHT
E 640-47000-251	Liquor For Resale	\$1,062.00	5033537	LIQUOR
E 640-47000-259	Freight	\$17.63	5033537	FREIGHT
E 640-47000-252	Wine For Resale	\$1,452.80	5033538	WINE
E 640-47000-259	Freight	\$31.02	5033538	FREIGHT
E 640-47000-259	Freight	\$15.51	5035254	FREIGHT
E 640-47000-252	Wine For Resale	\$538.70	5035254	WINE
E 640-47000-251	Liquor For Resale	\$2,946.40	5035255	LIQUOR
E 640-47000-259	Freight	\$26.79	5035255	FREIGHT
E 640-47000-252	Wine For Resale	(\$129.41)	504948	WINE
Total JOHNSON BROS.-ST.PAUL		\$11,047.09		
Paid Chk# 097109	12/2/2014	KARLSBURGER FOODS, INC.		
E 640-48500-255	FOODIngredients For Resale	\$156.30	5-000062481	FOOD
Total KARLSBURGER FOODS, INC.		\$156.30		
Paid Chk# 097110	12/2/2014	KOTTKE, DAVID		
E 640-48000-341	General Promotions	\$300.00	11/29/14	BAR MUSIC 11/29/14
Total KOTTKE, DAVID		\$300.00		
Paid Chk# 097111	12/2/2014	KOTTKE, DAVID		
E 640-48000-341	General Promotions	\$300.00	12/6/14	BAR MUSIC 12/6/14
Total KOTTKE, DAVID		\$300.00		
Paid Chk# 097112	12/2/2014	KRAUTH, MAX		
E 640-48000-341	General Promotions	\$300.00	12/11/14	BAR MUSIC 12/11/14
Total KRAUTH, MAX		\$300.00		
Paid Chk# 097113	12/2/2014	KREATZ, DAVID		
E 640-48000-130	Employer Paid Ins	\$100.00	NOV.2014	HEALTH INS.REIMB.NOV.2014
Total KREATZ, DAVID		\$100.00		
Paid Chk# 097114	12/2/2014	LINNIHAN FOY		
E 640-47000-340	Advertising	\$1,635.00	2695	LAKESHORE ADS
Total LINNIHAN FOY		\$1,635.00		

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			Check Amt	Invoice	Comment
Paid Chk# 097115	12/2/2014	MAIN STREET BAKERY			
E 640-48500-255	FOOD	Ingredients For Resale	\$95.08	253551	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$86.04	253698	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$147.43	253834	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$198.85	253870	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$99.71	254043	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$166.78	254227	FOOD
E 101-41100-493	Volunteer program		\$20.17	254227	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$118.57	254313	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$180.31	254393	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$56.72	254423	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$62.56	254546	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$137.97	254612	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$115.09	254662	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$171.90	254721	FOOD
	Total	MAIN STREET BAKERY	\$1,657.18		
Paid Chk# 097116	12/2/2014	MARTIN, SHANE			
E 640-48000-341	General Promotions		\$300.00	12/4/14	BAR MUSIC 12/4/14
	Total	MARTIN, SHANE	\$300.00		
Paid Chk# 097117	12/2/2014	NETWORK BUSINESS SUPPLIES			
E 640-48500-210	Operating Supplies (GENERAL)		\$497.40	00097004	SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$360.00	00097004	SUPPLIES
	Total	NETWORK BUSINESS SUPPLIES	\$857.40		
Paid Chk# 097118	12/2/2014	NORTHWESTERN FRUIT COMPANY			
E 640-48500-255	FOOD	Ingredients For Resale	\$120.74	798268	FOOD
E 640-47000-341	General Promotions		\$98.61	798268	STORE PROMO
E 640-48500-255	FOOD	Ingredients For Resale	\$289.55	798273	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$261.45	798453	FOOD
E 640-48000-255	FOOD	Ingredients For Resale	\$314.05	798639	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$424.20	798868	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	(\$157.70)	798868	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$389.25	799025	FOOD
E 101-41100-493	Volunteer program		\$26.30	799025	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	(\$9.95)	799025	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$479.80	799211	FOOD
E 640-48500-255	FOOD	Ingredients For Resale	\$425.30	799392	FOOD
E 640-48000-253	Beer For Resale		\$100.00	799593	BEER
E 640-48000-251	Liquor For Resale		\$127.80	799593	LIQUOR
	Total	NORTHWESTERN FRUIT COMPANY	\$2,889.40		
Paid Chk# 097119	12/2/2014	PARK NICOLLET FOUNDATION			
E 640-47000-341	General Promotions		\$356.00	BE PINK 2014	BE PINK 2014 PROMOTION
E 640-48000-341	General Promotions		\$818.00	BE PINK 2014	BE PINK 2014 PROMOTION
	Total	PARK NICOLLET FOUNDATION	\$1,174.00		
Paid Chk# 097120	12/2/2014	PARTY SAFARI			
E 640-47000-210	Operating Supplies (GENERAL)		\$26.76	11/12/14	SALE SUPPLIES
	Total	PARTY SAFARI	\$26.76		
Paid Chk# 097121	12/2/2014	PAUSTIS & SONS			
E 640-47000-252	Wine For Resale		\$1,484.00	8475424	WINE
E 640-47000-259	Freight		\$21.25	8475424	FREIGHT
E 640-48000-252	Wine For Resale		\$528.50	8476217	WINE
E 640-47000-252	Wine For Resale		\$1,044.50	8476218	WINE
E 640-47000-259	Freight		\$21.25	8476218	FREIGHT

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Total PAUSTIS & SONS			\$3,099.50		
Paid Chk# 097122	12/2/2014	PEPSI -COLA			
E 640-47000-254	Soft Drinks/Mix For Resale		\$422.20	44560072	MISC.BEV.
Total PEPSI -COLA			\$422.20		
Paid Chk# 097123	12/2/2014	PHILLIPS WINES & SPIRITS			
E 640-48000-251	Liquor For Resale		\$422.39	2700354	LIQUOR
E 640-47000-259	Freight		\$15.51	2700515	FREIGHT
E 640-47000-252	Wine For Resale		\$789.55	2700515	WINE
E 640-47000-251	Liquor For Resale		\$544.04	2700516	LIQUOR
E 640-47000-259	Freight		\$7.16	2700516	FREIGHT
E 640-47000-259	Freight		\$28.89	2703016	FREIGHT
E 640-47000-252	Wine For Resale		\$2,018.11	2703016	WINE
E 640-47000-251	Liquor For Resale		\$1,784.84	2703017	LIQUOR
E 640-47000-259	Freight		\$14.10	2703017	FREIGHT
Total PHILLIPS WINES & SPIRITS			\$5,624.59		
Paid Chk# 097124	12/2/2014	RITE			
E 640-47000-404	Repairs/Maint - Machin/Equip		\$66.80	9421	REGISTER SUPPORT
Total RITE			\$66.80		
Paid Chk# 097125	12/2/2014	RUSSELL LABEL & PACKAGING			
E 640-48000-210	Operating Supplies (GENERAL)		\$156.00	48729	SUPPLIES
Total RUSSELL LABEL & PACKAGING			\$156.00		
Paid Chk# 097126	12/2/2014	SECURITY PRODUCTS COMPANY			
E 640-47000-404	Repairs/Maint - Machin/Equip		\$167.63	1104077	ALARM CHARGE
E 640-48000-404	Repairs/Maint - Machin/Equip		\$167.62	1104077	ALARM CHARGE
Total SECURITY PRODUCTS COMPANY			\$335.25		
Paid Chk# 097127	12/2/2014	SMITH, COLLIN			
E 640-48000-341	General Promotions		\$200.00	12/27/14	BAR MUSIC 12/27/14
Total SMITH, COLLIN			\$200.00		
Paid Chk# 097128	12/2/2014	SOUTHERN WINE & SPIRITS OF MN			
E 640-47000-253	Beer For Resale		\$167.70	1224334	BEER
E 640-47000-251	Liquor For Resale		\$2,897.37	1224335	LIQ
E 640-47000-259	Freight		\$21.47	1224335	FREIGHT
E 640-47000-252	Wine For Resale		\$1,712.64	1226921	WINE
E 640-47000-259	Freight		\$12.92	1226921	FREIGHT
E 640-47000-259	Freight		\$18.75	1226922	FREIGHT
E 640-47000-251	Liquor For Resale		\$2,992.97	1226922	LIQ
E 640-47000-259	Freight		\$28.75	1226924	FREIGHT
E 640-47000-252	Wine For Resale		\$1,789.00	1226924	WINE
E 640-47000-259	Freight		\$49.38	1229017	FREIGHT
E 640-47000-251	Liquor For Resale		\$4,804.43	1229017	LIQ
E 640-47000-259	Freight		\$23.96	1229018	FREIGHT
E 640-47000-252	Wine For Resale		\$1,907.66	1229018	WINE
Total SOUTHERN WINE & SPIRITS OF MN			\$16,427.00		
Paid Chk# 097129	12/2/2014	STARY, MARK			
E 640-48000-341	General Promotions		\$300.00	12/20/14	BAR MUSIC 12/20/14
Total STARY, MARK			\$300.00		
Paid Chk# 097130	12/2/2014	STARY, MARK			
E 640-48000-341	General Promotions		\$400.00	12/31/14	BAR MUSIC 12/31/14
Total STARY, MARK			\$400.00		

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Paid Chk# 097131	12/2/2014	STRATEGIC EQUIPMENT AND			
E 640-48500-210	Operating Supplies (GENERAL)		\$80.33	2315742	KITCHEN SUPPLIES
E 640-48000-341	General Promotions		\$65.44	2317248	PROMO FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$304.78	2317248	KITCHEN SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$251.04	2320810	KITCHEN SUPPLIES
E 640-48000-341	General Promotions		\$65.44	2320810	PROMO SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$47.08	2324440	SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$399.43	2324441	KITCHEN SUPPLIES
E 640-48000-341	General Promotions		\$65.44	2324441	PROMO SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$331.20	2324441	SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)		\$231.71	2325942	SUPPLIES
Total	STRATEGIC EQUIPMENT AND		\$1,841.89		
Paid Chk# 097132	12/2/2014	SYSCO MINNESOTA			
E 640-48000-210	Operating Supplies (GENERAL)		\$32.51	411012118	SUPPLIES
E 640-48500-255	FOODIngredients For Resale		\$65.46	411051232	FOOD
E 640-47000-341	General Promotions		\$29.89	411051232	STORE PROMOTIONS
E 640-48500-255	FOODIngredients For Resale		(\$73.69)	411110692	FOOD
E 640-48000-342	Promotions - Food/Drinks		\$28.17	411121110	PROMO FOOD
E 640-48000-251	Liquor For Resale		\$15.28	411121110	LIQ
E 640-48500-210	Operating Supplies (GENERAL)		\$85.54	411121110	SUPPLIES
E 640-48500-255	FOODIngredients For Resale		\$1,795.88	411121110	FOOD
E 101-41100-493	Volunteer program		\$28.69	411121110	FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$96.63	411141473	SUPPLIES
E 640-48500-255	FOODIngredients For Resale		\$3,774.01	411141473	FOOD
E 640-48000-342	Promotions - Food/Drinks		\$56.05	411141473	PROMO FOOD
E 101-41100-493	Volunteer program		\$29.25	411141473	FOOD
E 640-48500-255	FOODIngredients For Resale		(\$297.83)	411152004	FOOD
E 640-48500-255	FOODIngredients For Resale		\$169.28	411170961	FOOD
E 640-48000-342	Promotions - Food/Drinks		\$28.17	411170962	PROMO FOOD
E 640-48000-251	Liquor For Resale		\$90.10	411170962	LIQ
E 640-48000-210	Operating Supplies (GENERAL)		\$87.66	411170962	SUPPLIES
E 640-48500-255	FOODIngredients For Resale		\$3,195.48	411170962	FOOD
E 640-47000-341	General Promotions		\$186.22	411170962	STORE PROMOTIONS
E 640-48000-342	Promotions - Food/Drinks		(\$9.29)	411180083	PROMO FOOD
E 640-48500-255	FOODIngredients For Resale		\$2,755.11	411190933	FOOD
E 101-41100-493	Volunteer program		\$175.60	411190933	FOOD
E 640-48000-342	Promotions - Food/Drinks		\$56.10	411190933	PROMO FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$39.59	411190933	SUPPLIES
E 640-48000-251	Liquor For Resale		\$65.76	411190933	LIQ
E 640-48000-253	Beer For Resale		\$11.41	411190933	BEER
E 101-41100-331	Mileage & Expense Account		\$162.50	411191035	COUNCIL BEV.
E 640-48000-342	Promotions - Food/Drinks		\$27.93	411211448	PROMO FOOD
E 640-48000-251	Liquor For Resale		\$36.36	411211448	LIQ
E 640-48000-251	Liquor For Resale		\$15.68	411211448	LIQ
E 640-48500-255	FOODIngredients For Resale		\$4,743.90	411211448	FOOD
E 640-48000-254	Soft Drinks/Mix For Resale		\$23.02	411211448	MISC.BEV.
E 101-41100-493	Volunteer program		\$10.36	411211448	FOOD
E 640-48000-342	Promotions - Food/Drinks		\$56.10	411240922	PROMO FOOD
E 640-48000-254	Soft Drinks/Mix For Resale		\$29.72	411240922	MISC.BEV.
E 640-48500-210	Operating Supplies (GENERAL)		\$208.50	411240922	SUPPLIES
E 640-48500-255	FOODIngredients For Resale		\$2,598.88	411240922	FOOD
E 640-48000-251	Liquor For Resale		\$123.55	411261207	LIQ
E 640-48500-255	FOODIngredients For Resale		\$6,772.15	411261207	FOOD
E 640-48000-210	Operating Supplies (GENERAL)		\$65.98	411261207	SUPPLIES
E 640-48000-254	Soft Drinks/Mix For Resale		\$29.72	411261207	MISC.BEV.
E 640-48000-342	Promotions - Food/Drinks		\$87.39	411261207	PROMO FOOD

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E 640-48500-255	FOOD	Ingredients For Resale	\$2,488.61	411292031	FOOD
E 640-48000-253	Beer For Resale		\$10.97	411292031	BEER
E 640-48000-251	Liquor For Resale		\$20.68	411292031	LIQ
E 640-48500-210	Operating Supplies (GENERAL)		\$95.21	411292031	SUPPLIES
Total SYSCO MINNESOTA			\$30,124.24		
Paid Chk# 097133	12/2/2014	T.D. ANDERSON INC.			
E 640-48000-409	Maint services & Improv		\$115.00	073426	BEER LINES CLEANED
Total T.D. ANDERSON INC.			\$115.00		
Paid Chk# 097134	12/2/2014	THORPE DISTRIBUTING CO.			
E 640-48000-253	Beer For Resale		\$214.95	860803	BEER
E 640-48000-253	Beer For Resale		\$500.00	860804	BEER
E 640-47000-253	Beer For Resale		\$2,222.25	860805	BEER
E 640-48000-253	Beer For Resale		\$390.00	862223	BEER
E 640-48000-253	Beer For Resale		\$71.65	862224	BEER
E 640-47000-253	Beer For Resale		\$54.25	862226	BEER
E 640-47000-253	Beer For Resale		\$1,444.59	862229	BEER
Total THORPE DISTRIBUTING CO.			\$4,897.69		
Paid Chk# 097135	12/2/2014	TKO WINES, INC.			
E 640-47000-252	Wine For Resale		\$2,444.80	601	WINE
Total TKO WINES, INC.			\$2,444.80		
Paid Chk# 097136	12/2/2014	TRADITION WINE & SPIRITS			
E 640-47000-252	Wine For Resale		\$840.00	4020	WINE
E 640-47000-259	Freight		\$8.00	4020	FREIGHT
Total TRADITION WINE & SPIRITS			\$848.00		
Paid Chk# 097137	12/2/2014	UPS STORE			
E 640-47000-210	Operating Supplies (GENERAL)		\$45.50		PROMOTION POSTERS
E 640-48000-210	Operating Supplies (GENERAL)		\$42.77		PROMOTION POSTERS
Total UPS STORE			\$88.27		
Paid Chk# 097138	12/2/2014	VINOCOPIA			
E 640-47000-251	Liquor For Resale		\$140.88	0108500	LIQUOR
E 640-47000-252	Wine For Resale		\$704.00	0112568	WINE
E 640-47000-259	Freight		\$14.00	0112568	FREIGHT
E 640-47000-254	Soft Drinks/Mix For Resale		\$75.50	0112569	MISC.BEV.
Total VINOCOPIA			\$934.38		
Paid Chk# 097139	12/2/2014	WINE MERCHANT			
E 640-47000-252	Wine For Resale		\$6,341.75	7006470	WINE
E 640-47000-259	Freight		\$56.39	7006470	FREIGHT
E 640-47000-259	Freight		\$1.41	7006471	FREIGHT
E 640-47000-252	Wine For Resale		\$200.00	7006471	WINE
E 640-47000-259	Freight		\$9.87	7006968	FREIGHT
E 640-47000-252	Wine For Resale		\$840.00	7006968	WINE
E 640-47000-252	Wine For Resale		\$792.00	7007563	WINE
E 640-47000-259	Freight		\$10.57	7007563	FREIGHT
Total WINE MERCHANT			\$8,251.99		
Paid Chk# 097140	12/2/2014	WIRTZ BEVERAGE MN BEER			
E 640-48000-253	Beer For Resale		\$291.00	1090320239	BEER
E 640-47000-253	Beer For Resale		\$253.75	1090320405	BEER
E 640-47000-253	Beer For Resale		\$1,733.50	1090320406	BEER
E 640-48000-253	Beer For Resale		\$407.00	1090323676	BEER
E 640-47000-253	Beer For Resale		\$23.10	1090323760	BEER

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E 640-47000-253	Beer For Resale		\$2,277.35	1090323811	BEER
E 640-47000-253	Beer For Resale		\$148.00	1090323812	BEER
Total WIRTZ BEVERAGE MN BEER			\$5,133.70		
Paid Chk# 097141	12/2/2014	WIRTZ BEVERAGE MN WINE & SPIRI			
E 640-47000-251	Liquor For Resale		\$266.39	1080251790	LIQUOR
E 640-47000-259	Freight		\$2.90	1080251790	FREIGHT
E 640-47000-252	Wine For Resale		\$1,446.00	1080254538	WINE
E 640-47000-259	Freight		\$17.40	1080254538	FREIGHT
E 640-47000-251	Liquor For Resale		\$2,092.68	1080254539	LIQUOR
E 640-47000-259	Freight		\$21.44	1080254539	FREIGHT
E 640-47000-252	Wine For Resale		\$72.00	1080256905	WINE
E 640-47000-259	Freight		\$1.45	1080256905	FREIGHT
E 640-47000-259	Freight		\$13.05	1080256906	FREIGHT
E 640-47000-252	Wine For Resale		\$862.00	1080256906	WINE
E 640-47000-251	Liquor For Resale		\$4,827.90	1080256907	LIQUOR
E 640-47000-259	Freight		\$41.08	1080256907	FREIGHT
Total WIRTZ BEVERAGE MN WINE & SPIRI			\$9,664.29		
Paid Chk# 097142	12/2/2014	WOODFORD, RICHARD			
E 640-47000-130	Employer Paid Ins		\$300.00	NOV.2014	HEALTH INS.REIMB.NOV.2014
Total WOODFORD, RICHARD			\$300.00		
Paid Chk# 097143	12/2/2014	Z WINES USA LLC			
E 640-47000-252	Wine For Resale		\$192.00	13506	WINE
E 640-47000-259	Freight		\$5.00	13506	FREIGHT
Total Z WINES USA LLC			\$197.00		
Paid Chk# 097144	12/8/2014	3D SPECIALTIES			
E 101-43100-226	Sign Repair Materials		\$3,113.67	447396	CROSSWALK SIGN WITH BLINKERS
G 101-20300	Deposits Payable		\$3,113.66	447396	CROSSWALK SIGN WITH BLINKERS
Total 3D SPECIALTIES			\$6,227.33		
Paid Chk# 097145	12/8/2014	ABELN, KENNETH			
R 610-00000-37110	W/S/Storm Sales		\$60.26	REFUND	OVER PAYMENT ON FINAL UTILITY BILL
Total ABELN, KENNETH			\$60.26		
Paid Chk# 097146	12/8/2014	ALEX AIR APPARATUS, INC.			
E 101-42200-404	Repairs/Maint - Machin/Equip		\$705.00	26648	FD REPAIRS
Total ALEX AIR APPARATUS, INC.			\$705.00		
Paid Chk# 097147	12/8/2014	AMBROSE, BOB			
E 101-41500-302	Consultants		\$90.00	ELECTION	ELECTION JUDGE
Total AMBROSE, BOB			\$90.00		
Paid Chk# 097148	12/8/2014	AT&T MOBILITY			
E 101-41940-321	Telephone		\$203.28	287250008232	CELL PHONE SERVICE
Total AT&T MOBILITY			\$203.28		
Paid Chk# 097149	12/8/2014	AT&T MOBILITY			
E 101-41940-321	Telephone		\$121.77	287250190047	CELL PHONE SERVICE
Total AT&T MOBILITY			\$121.77		
Paid Chk# 097150	12/8/2014	B.N & S.F. RY. CO.			
E 233-40000-499	Miscellaneous		\$600.00	APP.FEE	TRANSIENT DOCK APP.FEE
Total B.N & S.F. RY. CO.			\$600.00		
Paid Chk# 097151	12/8/2014	BABCOCK, MERRILY			
E 101-41500-302	Consultants		\$283.50	ELECTION	ELECTION JUDGE

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Total BABCOCK, MERRILY			\$283.50		
Paid Chk# 097152	12/8/2014	BARTON SAND & GRAVEL CO.			
E 101-43100-229	Dirt, Sand and gravel		\$2,864.48	WA950	SAND
Total BARTON SAND & GRAVEL CO.			\$2,864.48		
Paid Chk# 097153	12/8/2014	BEST & FLANAGAN			
G 101-20310	Escrow		\$1,413.75	447920	VERIZON ESCROW PROJECT
E 101-41500-304	Legal Fees		\$580.20	447921	CITY COUNCIL
E 101-41500-304	Legal Fees		\$150.00	447922	ORDINANCES
E 101-41500-304	Legal Fees		\$226.20	447923	UNITARIAN CHURCH
E 401-40000-304	Legal Fees		\$1,050.00	447924	EASEMENT TITLE WORK
G 101-20310	Escrow		\$819.00	447925	SPRINT ESCROW PROJECT
E 404-40000-304	Legal Fees		\$1,737.70	447926	TELECOM/CELL TOWER
E 101-41500-304	Legal Fees		\$1,921.30	447927	DOWNTOWN PARKING
G 101-20310	Escrow		\$75.00	447928	ANCHOR BANK/WALGREENS ESCROW PROJECT
G 101-20310	Escrow		\$487.50	447929	253/259 LAKE ST ESCROW PROJECT
E 101-41500-304	Legal Fees		\$838.60	447930	RETAINER
E 101-41500-304	Legal Fees		\$472.50	447931	WEST END
Total BEST & FLANAGAN			\$9,771.75		
Paid Chk# 097154	12/8/2014	BOND, ANDY			
E 101-41500-302	Consultants		\$148.50	ELECTION	ELECTION JUDGE
Total BOND, ANDY			\$148.50		
Paid Chk# 097155	12/8/2014	BROOKDALE CHRYSLER, JEEP,DODGE			
E 101-42100-404	Repairs/Maint - Machin/Equip		\$23.81	254757	PD REPAIRS
Total BROOKDALE CHRYSLER, JEEP,DODGE			\$23.81		
Paid Chk# 097156	12/8/2014	BUSINESS FORMS & ACCOUNTING			
E 101-41500-200	Office Supplies (GENERAL)		\$43.00	049477	W2 FORMS
E 101-41500-200	Office Supplies (GENERAL)		\$126.86	049501	W2 FORMS
Total BUSINESS FORMS & ACCOUNTING			\$169.86		
Paid Chk# 097157	12/8/2014	CANDLELIGHT FLORAL			
E 101-41100-493	Volunteer program		\$276.00	011487	VOLUNTEER DINNER DECORATIONS
Total CANDLELIGHT FLORAL			\$276.00		
Paid Chk# 097158	12/8/2014	CARGILL, INC.			
E 101-43100-216	Chemicals and Chem Products		\$6,722.61	2901983544	WINTER SALT MIX
Total CARGILL, INC.			\$6,722.61		
Paid Chk# 097159	12/8/2014	CENTURYLINK			
E 101-42100-499	Miscellaneous		\$85.00	2014-0000658	PD RECORDS REQUEST
Total CENTURYLINK			\$85.00		
Paid Chk# 097160	12/8/2014	CLAREY S SAFETY EQUIPMENT			
E 101-42200-240	Small Tools and Minor Equip		\$825.05	158366	HOSE
E 237-40000-240	Small Tools and Minor Equip		\$22,724.98	158381	FD TOOLS & EQUIPMENT
Total CLAREY S SAFETY EQUIPMENT			\$23,550.03		
Paid Chk# 097161	12/8/2014	COLE, JANE			
E 101-41500-302	Consultants		\$148.50	ELECTION	ELECTION JUDGE
Total COLE, JANE			\$148.50		
Paid Chk# 097162	12/8/2014	CRABTREE COMPANIES			
E 101-45200-200	Office Supplies (GENERAL)		\$220.02	128398	SUPPLIES
E 101-43100-200	Office Supplies (GENERAL)		\$220.01	128398	SUPPLIES
E 620-40000-200	Office Supplies (GENERAL)		\$110.00	128398	SUPPLIES

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E 610-40000-200	Office Supplies (GENERAL)		\$110.00	128398	SUPPLIES
E 101-41500-200	Office Supplies (GENERAL)		\$108.00	128593	SUPPLIES
E 101-41500-200	Office Supplies (GENERAL)		\$307.00	128823	SUPPLIES
Total CRABTREE COMPANIES			\$1,075.03		
Paid Chk# 097163	12/8/2014	DISTEL, DANIEL			
E 101-41550-302	Consultants		\$3,496.00		MONTHLY ASSESSING
Total DISTEL, DANIEL			\$3,496.00		
Paid Chk# 097164	12/8/2014	DMX MUSIC - MINNEAPOLIS			
E 640-48000-415	Other Equipment Rentals		\$92.23	51217037	BAR MUSIC
Total DMX MUSIC - MINNEAPOLIS			\$92.23		
Paid Chk# 097165	12/8/2014	DUDINSKY, DAVID			
E 610-40000-499	Miscellaneous		\$8.00	REIMB.	CELL PHONE SUPPLIES
E 620-40000-499	Miscellaneous		\$8.00	REIMB.	CELL PHONE SUPPLIES
Total DUDINSKY, DAVID			\$16.00		
Paid Chk# 097166	12/8/2014	ECM PUBLISHERS, INC.			
E 101-41500-350	Printing & Publishing		\$58.52	163503	253/259 LAKE ST.
E 101-41500-350	Printing & Publishing		\$31.92	165868	FINAL LEVY MTG.NOTICE
Total ECM PUBLISHERS, INC.			\$90.44		
Paid Chk# 097167	12/8/2014	EDEN PRAIRIE, CITY OF			
E 101-42100-434	Training and schools		\$35.39	2771	PD TRAINING
Total EDEN PRAIRIE, CITY OF			\$35.39		
Paid Chk# 097168	12/8/2014	EMBEDDED SYSTEMS, INC.			
E 101-42500-409	Maint services & Improv		\$527.16	33615	CIVIL DEFENSE SIREN MAINT.
Total EMBEDDED SYSTEMS, INC.			\$527.16		
Paid Chk# 097169	12/8/2014	EMERGENCY RESPONSE SOLUTIONS			
E 101-42200-240	Small Tools and Minor Equip		\$447.31	3047	FD TOOLS
otal EMERGENCY RESPONSE SOLUTIONS			\$447.31		
Paid Chk# 097170	12/8/2014	FERNANDEZ, NICHOLE			
E 101-42100-331	Mileage & Expense Account		\$47.04	REIMB.	MILEAGE
Total FERNANDEZ, NICHOLE			\$47.04		
Paid Chk# 097171	12/8/2014	FIRSTLAB			
E 101-41500-306	Personnel Expense		\$85.90	FL00106867	DRUG TESTING
Total FIRSTLAB			\$85.90		
Paid Chk# 097172	12/8/2014	GARELICK STEEL CO.			
E 101-45200-210	Operating Supplies (GENERAL)		\$103.50	305182	SUPPLIES
Total GARELICK STEEL CO.			\$103.50		
Paid Chk# 097173	12/8/2014	GHARRITY, KIM			
E 101-41500-302	Consultants		\$76.50	ELECTION	ELECTION JUDGE
Total GHARRITY, KIM			\$76.50		
Paid Chk# 097174	12/8/2014	GOPHER STATE ONE CALL			
E 610-40000-313	Permit Fees/Gopher State		\$97.88	128335	LOCATES
E 620-40000-313	Permit Fees/Gopher State		\$97.87	128335	LOCATES
Total GOPHER STATE ONE CALL			\$195.75		
Paid Chk# 097175	12/8/2014	GREAT RIVER GREENING			
E 233-40000-309	Contractual Services		\$2,500.00	2274	RESTORATION OF SHORELINE HABITAT COOPERATIVE AGREEMENT

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Total GREAT RIVER GREENING			\$2,500.00		
Paid Chk# 097176	12/8/2014	H&L MESABI			
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$728.00	92091	PARTS
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$1,531.26	92095	PARTS
Total H&L MESABI			\$2,259.26		
Paid Chk# 097177	12/8/2014	HATZ, KIM			
E 630-40000-200	Office Supplies (GENERAL)		\$39.90	REIMB.	SUPPLIES
Total HATZ, KIM			\$39.90		
Paid Chk# 097178	12/8/2014	HEITZ, CHRISTOPHER			
E 101-43100-433	Dues, Licensing & Seminars		\$320.00	REIMB.	COURSE REGISTRATION
Total HEITZ, CHRISTOPHER			\$320.00		
Paid Chk# 097179	12/8/2014	HENNEPIN COUNTY TAX SERVICES			
E 101-41500-499	Miscellaneous		\$353.09	TAX NOTICES	TAX NOTICES
Total HENNEPIN COUNTY TAX SERVICES			\$353.09		
Paid Chk# 097180	12/8/2014	HENNEPIN COUNTY TREASURER			
G 650-20818	Garbage Sales Tax		\$1,339.10	9%REFUSE T	9% REFUSE TAX NOV.2014
Total HENNEPIN COUNTY TREASURER			\$1,339.10		
Paid Chk# 097181	12/8/2014	HENNEPIN COUNTY TREASURER			
E 408-40000-309	Contractual Services		\$137,750.00	BUSHAWAY R	BUSHAWAY ROAD
E 404-40000-309	Contractual Services		\$137,750.00	BUSHAWAY R	BUSHAWAY ROAD
E 430-40000-309	Contractual Services		\$130,000.00	BUSHAWAY R	BUSHAWAY ROAD
E 610-49100-309	Contractual Services		\$333,339.35	BUSHAWAY R	BUSHAWAY ROAD
Total HENNEPIN COUNTY TREASURER			\$738,839.35		
Paid Chk# 097182	12/8/2014	HOME DEPOT			
E 101-45200-210	Operating Supplies (GENERAL)		\$80.74		SUPPLIES
Total HOME DEPOT			\$80.74		
Paid Chk# 097183	12/8/2014	ICE, PETE			
E 101-41500-302	Consultants		\$407.00	ELECTION	ELECTION JUDGE
Total ICE, PETE			\$407.00		
Paid Chk# 097184	12/8/2014	JAROSH, LISA			
E 101-41500-302	Consultants		\$270.00	ELECTION	ELECTION JUDGE
Total JAROSH, LISA			\$270.00		
Paid Chk# 097185	12/8/2014	JONES, REBECCA			
E 610-40000-499	Miscellaneous		\$24.99	REIMB.	SUPPLIES
Total JONES, REBECCA			\$24.99		
Paid Chk# 097186	12/8/2014	KD & COMPANY			
E 101-43100-229	Dirt, Sand and gravel		\$25.00	6271	SUPPLIES
Total KD & COMPANY			\$25.00		
Paid Chk# 097187	12/8/2014	KEEPRS			
E 101-42100-217	Uniforms		\$167.99	258139-02	PD UNIFORMS
Total KEEPRS			\$167.99		
Paid Chk# 097188	12/8/2014	KIRVIDA FIRE, INC.			
E 101-42200-404	Repairs/Maint - Machin/Equip		\$498.76	4408	FD REPAIRS
E 101-42200-404	Repairs/Maint - Machin/Equip		\$533.61	4409	FD REPAIRS
E 101-42200-404	Repairs/Maint - Machin/Equip		\$411.28	4410	FD REPAIRS
E 101-42200-404	Repairs/Maint - Machin/Equip		\$606.28	4411	FD REPAIRS

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Total KIRVIDA FIRE, INC.			\$2,049.93		
Paid Chk# 097189	12/8/2014	KREATZ, DAVID			
E 640-48000-130	Employer Paid Ins		\$140.82	NOV2014	NOV.2014 HEALTH INS.
Total KREATZ, DAVID			\$140.82		
Paid Chk# 097190	12/8/2014	LAW ENFORCEMENT LABOR SERVICES			
G 101-21707	Police union dues		\$405.00	NOV.2014	PD DUES NOV.2014
Total LAW ENFORCEMENT LABOR SERVICES			\$405.00		
Paid Chk# 097191	12/8/2014	LEAGUE OF MN CITIES INS.TRUST			
E 101-49200-361	General Liability Ins		\$5,000.00	11074601	VODEGEL INSURANCE CLAIM
Total LEAGUE OF MN CITIES INS.TRUST			\$5,000.00		
Paid Chk# 097192	12/8/2014	LENTZ, DAVID			
E 101-41500-302	Consultants		\$90.00	ELECTION	ELECTION JUDGE
Total LENTZ, DAVID			\$90.00		
Paid Chk# 097193	12/8/2014	LEXISNEXIS RISK DATA			
E 101-42100-309	Contractual Services		\$66.00	121455020141	PD SERVICE
Total LEXISNEXIS RISK DATA			\$66.00		
Paid Chk# 097194	12/8/2014	LHB, INC.			
E 430-40000-302	Consultants		\$1,427.00	130445.00-7	EASTMAN LANE
Total LHB, INC.			\$1,427.00		
Paid Chk# 097195	12/8/2014	LMCD			
E 233-40000-437	Payments to Organizations		\$9,831.50	4THQTR.2014	4TH QTR.2014 LEVY
Total LMCD			\$9,831.50		
Paid Chk# 097196	12/8/2014	LOFFLER COMPANIES, INC.			
E 409-40000-540	Equipment		\$3,404.00	1870892	NEW COMPUTERS
Total LOFFLER COMPANIES, INC.			\$3,404.00		
Paid Chk# 097197	12/8/2014	LONG LAKE TRU VALUE			
E 620-40000-224	Repair & Maint - Motor Equip		\$23.58		SUPPLIES
E 101-42100-210	Operating Supplies (GENERAL)		\$13.94		SUPPLIES
E 610-40000-210	Operating Supplies (GENERAL)		\$34.60		SUPPLIES
E 101-42200-404	Repairs/Maint - Machin/Equip		\$6.00		SUPPLIES
E 101-42200-210	Operating Supplies (GENERAL)		\$24.67		SUPPLIES
E 101-43100-210	Operating Supplies (GENERAL)		\$21.85		SUPPLIES
E 101-45200-210	Operating Supplies (GENERAL)		\$76.45		SUPPLIES
Total LONG LAKE TRU VALUE			\$201.09		
Paid Chk# 097198	12/8/2014	LSA DESIGN, INC.			
E 401-40000-309	Contractual Services		\$6,208.88	13299	DOWNTOWN PARKING
Total LSA DESIGN, INC.			\$6,208.88		
Paid Chk# 097199	12/8/2014	MANSFIELD OIL COMPANY			
E 101-49200-212	Motor Fuels		\$2,502.27	56730	FUEL
E 101-49200-212	Motor Fuels		\$812.12	56739	FUEL
E 101-49200-212	Motor Fuels		\$1,229.32	56766	FUEL
Total MANSFIELD OIL COMPANY			\$4,543.71		
Paid Chk# 097200	12/8/2014	MARY DELAITTRE			
E 233-40000-302	Consultants		\$9,700.00	NOV2014	LAKE EFFECT
Total MARY DELAITTRE			\$9,700.00		
Paid Chk# 097201	12/8/2014	MCCARTHY, TIMOTHY			

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E 101-42100-331	Mileage & Expense Account		\$27.05	REIMB.	MILEAGE & MEAL
	Total MCCARTHY, TIMOTHY		\$27.05		
Paid Chk# 097202	12/8/2014	MEDIACOM			
E 101-41940-321	Telephone		\$592.00		SERVICE
	Total MEDIACOM		\$592.00		
Paid Chk# 097203	12/8/2014	MERRIAM, LAURA			
E 101-41500-302	Consultants		\$155.25	ELECTION	ELECTION JUDGE
	Total MERRIAM, LAURA		\$155.25		
Paid Chk# 097204	12/8/2014	METRO SALES INC.			
E 101-42100-240	Small Tools and Minor Equip		\$159.50	INV121961	PD EQUIP.
	Total METRO SALES INC.		\$159.50		
Paid Chk# 097205	12/8/2014	METROPOLITAN COUNCIL			
E 620-40000-386	Other Utilities		\$36,867.42	1039257	SEWER SERVICES
	Total METROPOLITAN COUNCIL		\$36,867.42		
Paid Chk# 097206	12/8/2014	MICRO CENTER			
E 409-40000-540	Equipment		\$298.95	5272744	MISC.HARDWARE FOR NEW COMPUTERS
E 409-40000-540	Equipment		\$135.97	5303357	MISC.HARDWARE FOR NEW COMPUTERS
	Total MICRO CENTER		\$434.92		
Paid Chk# 097207	12/8/2014	MN BUREAU OF CRIMINAL APPREHEN			
E 101-42100-434	Training and schools		\$150.00	5445	PD TRAINING
	otal MN BUREAU OF CRIMINAL APPREHEN		\$150.00		
Paid Chk# 097208	12/8/2014	MN CHILD SUPPORT PAYMENT CENTE			
G 101-21710	County WH		\$227.50	0015104841	WITHHOLDING ORDER
	otal MN CHILD SUPPORT PAYMENT CENTE		\$227.50		
Paid Chk# 097209	12/8/2014	MN DEPARTMENT OF HEALTH			
E 610-40000-309	Contractual Services		\$2,213.00		WATER ANALYSIS
	Total MN DEPARTMENT OF HEALTH		\$2,213.00		
Paid Chk# 097210	12/8/2014	MN HWY SAFETY & RESEARCH CNTR.			
E 101-42100-434	Training and schools		\$396.00	629430-4138	PD TRAINING
	otal MN HWY SAFETY & RESEARCH CNTR.		\$396.00		
Paid Chk# 097211	12/8/2014	MN NCPERS LIFE INSURANCE			
G 101-21715	PERA Term Life		\$48.00	12/2014	LIFE INS.
	Total MN NCPERS LIFE INSURANCE		\$48.00		
Paid Chk# 097212	12/8/2014	MOSS & BARNETT			
E 101-41500-304	Legal Fees		\$1,227.10	616392	MEDIACOM FRANCHISE RENEWAL
	Total MOSS & BARNETT		\$1,227.10		
Paid Chk# 097213	12/8/2014	NAPA AUTO PARTS			
E 101-42100-404	Repairs/Maint - Machin/Equip		\$230.67	136970	PARTS
	Total NAPA AUTO PARTS		\$230.67		
Paid Chk# 097214	12/8/2014	NAPA AUTO PARTS-WATERTOWN			
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$46.68	428538	PARTS
E 101-43300-499	Miscellaneous		\$52.24	428550	PARTS
E 101-43100-210	Operating Supplies (GENERAL)		\$13.34	428573	PARTS
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$115.80	428612	PARTS
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$136.68	428626	PARTS
	Total NAPA AUTO PARTS-WATERTOWN		\$364.74		

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Paid Chk# 097215	12/8/2014	NORTHERN TOOL & EQUIPMENT			
E 620-40000-210	Operating Supplies (GENERAL)		\$54.48	4061094041	SUPPLIES
E 610-40000-210	Operating Supplies (GENERAL)		\$54.48	4061094041	SUPPLIES
E 101-45200-210	Operating Supplies (GENERAL)		\$149.99	4061094537	SUPPLIES
Total	NORTHERN TOOL & EQUIPMENT		\$258.95		
Paid Chk# 097216	12/8/2014	OFFICE DEPOT			
E 640-48000-200	Office Supplies (GENERAL)		\$103.24	741883643001	SUPPLIES
E 101-42100-200	Office Supplies (GENERAL)		\$26.37	741883643001	SUPPLIES
E 101-41500-200	Office Supplies (GENERAL)		\$35.55	741883643001	SUPPLIES
E 640-48000-200	Office Supplies (GENERAL)		\$2.85	741883793001	SUPPLIES
E 101-41500-200	Office Supplies (GENERAL)		\$120.69	742920964001	SUPPLIES
Total	OFFICE DEPOT		\$288.70		
Paid Chk# 097217	12/8/2014	OFFICE OF ENTERPRISE TECHNOLOG			
E 101-42100-309	Contractual Services		\$51.25	W14100725	PD SERVICE
Total	OFFICE OF ENTERPRISE TECHNOLOG		\$51.25		
Paid Chk# 097218	12/8/2014	PAPA, JOEL			
E 101-41500-302	Consultants		\$202.50	ELECTION	ELECTION JUDGE
Total	PAPA, JOEL		\$202.50		
Paid Chk# 097219	12/8/2014	PIRTEK			
E 101-43100-210	Operating Supplies (GENERAL)		\$97.84	S2011854.001	PARTS/SUPPLIES
E 620-40000-404	Repairs/Maint - Machin/Equip		\$112.38	S2011854.001	PARTS/SUPPLIES
E 610-40000-404	Repairs/Maint - Machin/Equip		\$112.38	S2011854.001	PARTS/SUPPLIES
Total	PIRTEK		\$322.60		
Paid Chk# 097220	12/8/2014	PITNEY BOWES			
E 101-49200-322	Postage		\$80.20	5502602642	SUPPLIES
Total	PITNEY BOWES		\$80.20		
Paid Chk# 097221	12/8/2014	POIRIER, BERNARD			
E 620-40000-241	Safety equip/testings		\$65.00	REIMB.	WORK BOOTS
E 610-40000-241	Safety equip/testings		\$65.00	REIMB.	WORK BOOTS
Total	POIRIER, BERNARD		\$130.00		
Paid Chk# 097222	12/8/2014	POSPAPER.COM			
E 101-42100-210	Operating Supplies (GENERAL)		\$32.71	18862	SUPPLIES
E 101-42100-210	Operating Supplies (GENERAL)		\$84.57	19010	SUPPLIES
Total	POSPAPER.COM		\$117.28		
Paid Chk# 097223	12/8/2014	PREMIER TREE SERVICE INC.			
E 404-40000-309	Contractual Services		\$2,448.50	7085	TREE STUMPS REMOVED
Total	PREMIER TREE SERVICE INC.		\$2,448.50		
Paid Chk# 097224	12/8/2014	RISVOLD, MICHAEL			
E 101-42100-331	Mileage & Expense Account		\$7.14	REIMB.	MTG.MEAL
Total	RISVOLD, MICHAEL		\$7.14		
Paid Chk# 097225	12/8/2014	RYE, GEORGE			
E 101-41500-302	Consultants		\$90.00	ELECTION	ELECTION JUDGE
Total	RYE, GEORGE		\$90.00		
Paid Chk# 097226	12/8/2014	SCHINDEL, ELMER			
G 101-20300	Deposits Payable		\$91.48	REFUND	OVERPAYMENT ON FINAL UTILITY BILL
Total	SCHINDEL, ELMER		\$91.48		
Paid Chk# 097227	12/8/2014	SHORT ELLIOTT HENDRICKSON INC.			

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G 101-20310	Escrow		\$3,076.38	290035	ANTENNA ESCROW PROJECTS
Total SHORT ELLIOTT HENDRICKSON INC.			\$3,076.38		
Paid Chk# 097228	12/8/2014	SIGNS NOW			
E 630-40000-210	Operating Supplies (GENERAL)		\$233.23	27519	MV SUPPLIES
Total SIGNS NOW			\$233.23		
Paid Chk# 097229	12/8/2014	SIR SPEEDY			
E 640-47000-341	General Promotions		\$255.67	70341	STORE PROMO
Total SIR SPEEDY			\$255.67		
Paid Chk# 097230	12/8/2014	SPRINT			
E 101-42200-323	Radio Units		\$321.17	523093316-15	SERVICE
Total SPRINT			\$321.17		
Paid Chk# 097231	12/8/2014	SPRINT			
E 101-42100-323	Radio Units		\$56.55	134573312-15	PD SERVICE
Total SPRINT			\$56.55		
Paid Chk# 097232	12/8/2014	STARKEY, JUDY			
E 101-41500-302	Consultants		\$207.00	ELECTION	ELECTION JUDGE
Total STARKEY, JUDY			\$207.00		
Paid Chk# 097233	12/8/2014	STEMMER, IRENE			
G 101-20300	Deposits Payable		\$2,000.00	HPB EXP.	HPB EXPENSES
E 101-41910-492	HPB		\$265.91	HPB EXP.	HPB EXPENSES
E 101-41100-499	Miscellaneous		\$88.27	HPB EXP.	HPB EXPENSES
Total STEMMER, IRENE			\$2,354.18		
Paid Chk# 097234	12/8/2014	STREICHER S			
E 101-42100-210	Operating Supplies (GENERAL)		\$89.99	11121463	PD SUPPLIES
Total STREICHER S			\$89.99		
Paid Chk# 097235	12/8/2014	TESSMAN SEED CO.			
E 101-45200-216	Chemicals and Chem Products		\$517.50	S206081	ICE MELT
Total TESSMAN SEED CO.			\$517.50		
Paid Chk# 097236	12/8/2014	TIME SAVER			
E 101-41100-302	Consultants		\$482.00	M20959	MTG.MINUTES
Total TIME SAVER			\$482.00		
Paid Chk# 097237	12/8/2014	TOWMASTER, INC.			
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$360.31	364205	PARTS
Total TOWMASTER, INC.			\$360.31		
Paid Chk# 097238	12/8/2014	TWIST OFFICE PRODUCTS			
E 101-42100-200	Office Supplies (GENERAL)		\$42.39	702423	SUPPLIES
Total TWIST OFFICE PRODUCTS			\$42.39		
Paid Chk# 097239	12/8/2014	UNITED FARMERS COOPERATIVE			
E 670-40000-409	Maint services & Improv		\$82.50	21-23890	SUPPLIES
Total UNITED FARMERS COOPERATIVE			\$82.50		
Paid Chk# 097240	12/8/2014	UPS STORE			
E 640-48000-210	Operating Supplies (GENERAL)		\$207.26		BAR SUPPLIES
Total UPS STORE			\$207.26		
Paid Chk# 097241	12/8/2014	USA MOBILITY WIRELESS			
E 101-43100-210	Operating Supplies (GENERAL)		\$14.69	X0318102K	PAGER SERVICE

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Total USA MOBILITY WIRELESS			\$14.69		
Paid Chk# 097242	12/8/2014	VALLEY-RICH CO., INC.			
E 610-40000-405	Maint/Replac - System		\$3,701.00	20963	WATER LINE BREAK - BUSHAWAY
Total VALLEY-RICH CO., INC.			\$3,701.00		
Paid Chk# 097243	12/8/2014	VERIZON WIRELESS			
E 101-42200-323	Radio Units		\$11.99	9735764024	FD SERVICE
Total VERIZON WIRELESS			\$11.99		
Paid Chk# 097244	12/8/2014	VERIZON WIRELESS			
E 101-42100-323	Radio Units		\$80.06	9735322204	PD SERVICE
Total VERIZON WIRELESS			\$80.06		
Paid Chk# 097245	12/8/2014	VILLAGE CHEVROLET			
E 101-42100-404	Repairs/Maint - Machin/Equip		\$250.21	689526	PD REPAIRS
Total VILLAGE CHEVROLET			\$250.21		
Paid Chk# 097246	12/8/2014	WATER CONSERVATION SERVICE			
E 610-40000-405	Maint/Replac - System		\$378.00	5561	LEAK LOCATE
Total WATER CONSERVATION SERVICE			\$378.00		
Paid Chk# 097247	12/8/2014	WBC HOLDINGS, INC.			
E 610-40000-404	Repairs/Maint - Machin/Equip		\$7.51	11659	CAR MAINT.
E 620-40000-404	Repairs/Maint - Machin/Equip		\$7.51	11669	CAR MAINT.
Total WBC HOLDINGS, INC.			\$15.02		
Paid Chk# 097248	12/8/2014	WESTSIDE WHOLESALE TIRE			
E 101-45200-222	Repair & Maint - Equip		\$120.39	737158	TRACTOR TIRE
Total WESTSIDE WHOLESALE TIRE			\$120.39		
Paid Chk# 097249	12/8/2014	WILLIAMS, CRAIG			
E 640-48000-130	Employer Paid Ins		\$300.00	NOV.2014	HEALTH INS.REIMB.NOV.2014
Total WILLIAMS, CRAIG			\$300.00		
Paid Chk# 097250	12/8/2014	WILSON, DAVID			
E 101-42100-434	Training and schools		\$284.61	REIMB.	PD TRAINING CONF.
Total WILSON, DAVID			\$284.61		
Paid Chk# 097251	12/8/2014	XCEL ENERGY			
E 101-41940-381	Electric Utilities		\$3,301.91		SERVICE
E 101-42200-381	Electric Utilities		\$563.95		SERVICE
E 640-47000-381	Electric Utilities		\$2,485.55		SERVICE
E 101-41940-381	Electric Utilities		\$33.97		SERVICE
E 610-40000-381	Electric Utilities		\$3,053.66		SERVICE
E 620-40000-381	Electric Utilities		\$1,808.40		SERVICE
E 640-48000-381	Electric Utilities		\$5,799.62		SERVICE
E 101-45203-381	Electric Utilities		\$738.33		SERVICE
Total XCEL ENERGY			\$17,785.39		
Paid Chk# 097252	12/10/2014	ACTION FLEET INC.			
E 101-42100-404	Repairs/Maint - Machin/Equip		\$230.00	411117	SQUAD REPAIRS
Total ACTION FLEET INC.			\$230.00		
Paid Chk# 097253	12/10/2014	AMERICAN OFFICE PRODUCTS			
E 101-42100-210	Operating Supplies (GENERAL)		\$63.47	137573	PD SUPPLIES
Total AMERICAN OFFICE PRODUCTS			\$63.47		
Paid Chk# 097254	12/10/2014	ANCHOR BANK-CARDMEMBER SERV.			

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E 101-41100-493	Volunteer program		\$245.05		APPRECIATION DINNER RENTALS
E 640-48000-499	Miscellaneous		\$2.64		BAR EMP.AD
E 101-41940-210	Operating Supplies (GENERAL)		\$195.95		LITES
E 640-48000-499	Miscellaneous		\$61.74		BAR - PORTABLE GRILL
E 437-40000-499	Miscellaneous		\$724.40		COMM.RM.SHADES
E 101-41500-433	Dues, Licensing & Seminars		\$120.00		BECKY NOTARY
E 640-48000-306	Personnel Expense		\$330.00		BAR TRAINING
E 101-41500-331	Mileage & Expense Account		\$95.35		MTG.MEALS
E 640-47000-254	Soft Drinks/Mix For Resale		\$815.88		STORE MISC.MDSE.
Total ANCHOR BANK-CARDMEMBER SERV.			\$2,591.01		
Paid Chk# 097255	12/10/2014	APPLE TIME INC.			
E 101-42100-499	Miscellaneous		\$415.14	19779	PD SUPPLIES
Total APPLE TIME INC.			\$415.14		
Paid Chk# 097256	12/10/2014	CENTERPOINT ENERGY			
E 101-41940-383	Fuel, oil and natural gas		\$2,369.57		SERVICE
E 610-40000-383	Fuel, oil and natural gas		\$213.26		SERVICE
E 640-48000-383	Fuel, oil and natural gas		\$1,345.06		SERVICE
E 101-41940-383	Fuel, oil and natural gas		\$8.55		SERVICE
E 101-42200-383	Fuel, oil and natural gas		\$592.86		SERVICE
E 640-47000-383	Fuel, oil and natural gas		\$336.27		SERVICE
Total CENTERPOINT ENERGY			\$4,865.57		
Paid Chk# 097257	12/10/2014	CROW RIVER NURSERY			
E 101-45203-220	Repair/Maint Supply (GENERAL)		\$277.50	1030	TREES
Total CROW RIVER NURSERY			\$277.50		
Paid Chk# 097258	12/10/2014	CULLIGAN-BOTTLED WATER			
E 101-42100-499	Miscellaneous		\$40.36	1806429	PD SUPPLIES
Total CULLIGAN-BOTTLED WATER			\$40.36		
Paid Chk# 097259	12/10/2014	EMERGENCY AUTOMOTIVE			
E 101-42100-404	Repairs/Maint - Machin/Equip		\$211.71	JJ112014-1	SQUAD REPAIRS
Total EMERGENCY AUTOMOTIVE			\$211.71		
Paid Chk# 097260	12/10/2014	HENN.CNTY.ACCTG.SERVICES			
E 101-42120-308	Prisoner Care		\$75.00	1000052093	PRISONER PROCESSING
Total HENN.CNTY.ACCTG.SERVICES			\$75.00		
Paid Chk# 097261	12/10/2014	HENN.CNTY.ELECTIONS			
E 101-41500-200	Office Supplies (GENERAL)		\$407.08	1214-1	ELECTION SUPPLIES
E 101-41500-200	Office Supplies (GENERAL)		\$153.44	1214-2	ELECTION SUPPLIES
E 101-41500-200	Office Supplies (GENERAL)		\$881.60	1214-3	ELECTION SUPPLIES
Total HENN.CNTY.ELECTIONS			\$1,442.12		
Paid Chk# 097262	12/10/2014	HERITAGE SHADE TREE CONSULTANT			
E 404-40000-302	Consultants		\$3,507.50	5427	FORESTRY CONSULTING
Total HERITAGE SHADE TREE CONSULTANT			\$3,507.50		
Paid Chk# 097263	12/10/2014	HOLIDAY			
E 101-42100-212	Motor Fuels		\$43.94		PD FUEL
Total HOLIDAY			\$43.94		
Paid Chk# 097264	12/10/2014	J.H. LARSON COMPANY			
E 437-40000-404	Repairs/Maint - Machin/Equip		\$73.04	S100809778.0	PARTS
Total J.H. LARSON COMPANY			\$73.04		
Paid Chk# 097265	12/10/2014	KEEPRS			

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E 101-42100-217	Uniforms		\$175.06	260295	PD UNIFORMS
	Total KEEPRS		\$175.06		
Paid Chk# 097266	12/10/2014	KLAPPRICH, KURT			
E 101-45200-210	Operating Supplies (GENERAL)		\$21.46	REIMB.	ICE AUGER BLADES
	Total KLAPPRICH, KURT		\$21.46		
Paid Chk# 097267	12/10/2014	LEE, DAN			
E 101-42100-130	Employer Paid Ins		\$1,264.32	HSA REIMB.	HSA REIMB.
	Total LEE, DAN		\$1,264.32		
Paid Chk# 097268	12/10/2014	LEXISNEXIS RISK DATA			
E 101-42100-309	Contractual Services		\$33.00	121455020141	PD SERVICE
	Total LEXISNEXIS RISK DATA		\$33.00		
Paid Chk# 097269	12/10/2014	LOFFLER COMPANIES, INC.			
E 101-41500-311	Data Processing		\$2,911.76	1876164	NETWORK SUPPORT
	Total LOFFLER COMPANIES, INC.		\$2,911.76		
Paid Chk# 097270	12/10/2014	MANSFIELD OIL COMPANY			
E 101-49200-212	Motor Fuels		\$820.53	88523	FUEL
E 101-49200-212	Motor Fuels		\$1,224.11	88525	FUEL
	Total MANSFIELD OIL COMPANY		\$2,044.64		
Paid Chk# 097271	12/10/2014	MCCARTHY, TIMOTHY			
E 101-42100-217	Uniforms		\$73.86	REIMB.	BOOTS
	Total MCCARTHY, TIMOTHY		\$73.86		
Paid Chk# 097272	12/10/2014	MN BATTERY LLC			
E 610-40000-210	Operating Supplies (GENERAL)		\$90.20	13025	SUPPLIES
E 620-40000-210	Operating Supplies (GENERAL)		\$90.21	13025	SUPPLIES
E 101-43300-499	Miscellaneous		\$87.50	13118	SUPPLIES
E 101-45200-222	Repair & Maint - Equip		\$98.75	13130	SUPPLIES
	Total MN BATTERY LLC		\$366.66		
Paid Chk# 097273	12/10/2014	MN PETROLEUM SERVICE			
E 101-43100-241	Safety equip/testings		\$25.00	14-40185	OIL ABSORBENT
	Total MN PETROLEUM SERVICE		\$25.00		
Paid Chk# 097274	12/10/2014	MONTAGUE, ALLEN			
E 610-40000-130	Employer Paid Ins		\$908.72	HSA REIMB.	HSA REIMB.
	Total MONTAGUE, ALLEN		\$908.72		
Paid Chk# 097275	12/10/2014	NAPA AUTO PARTS-WATERTOWN			
E 101-42100-404	Repairs/Maint - Machin/Equip		\$20.07	429237	PARTS
E 610-40000-224	Repair & Maint - Motor Equip		\$36.76	429326	PARTS
	Total NAPA AUTO PARTS-WATERTOWN		\$56.83		
Paid Chk# 097276	12/10/2014	OFFICE DEPOT			
E 610-40000-200	Office Supplies (GENERAL)		\$13.00	742764808001	SUPPLIES
E 620-40000-200	Office Supplies (GENERAL)		\$13.00	742764808001	SUPPLIES
E 101-45200-200	Office Supplies (GENERAL)		\$13.00	742764808001	SUPPLIES
E 101-43100-200	Office Supplies (GENERAL)		\$12.26	742764808001	SUPPLIES
	Total OFFICE DEPOT		\$51.26		
Paid Chk# 097277	12/10/2014	OIL-AIR PRODUCTS, LLC			
E 101-43100-220	Repair/Maint Supply (GENERAL)		\$122.24	560492-001	PARTS
	Total OIL-AIR PRODUCTS, LLC		\$122.24		

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Paid Chk# 097278	12/10/2014	OVSHAK, KATHY		
E 101-41500-331	Mileage & Expense Account	\$73.92	MILEAGE	MILEAGE 4TH QTR.2014
	Total OVSHAK, KATHY	\$73.92		
Paid Chk# 097279	12/10/2014	PAKOR INC.		
E 630-40000-210	Operating Supplies (GENERAL)	\$253.15	918571	PASSPORT SUPPLIES
	Total PAKOR INC.	\$253.15		
Paid Chk# 097280	12/10/2014	PLANT & FLANGED EQUIPMENT CO.		
E 610-49100-405	Maint/Replac - System	\$1,836.30	0064182	VALVE WTP#2
	Total PLANT & FLANGED EQUIPMENT CO.	\$1,836.30		
Paid Chk# 097281	12/10/2014	POIRIER, BERNARD		
E 620-40000-130	Employer Paid Ins	\$1,751.67	HSA REIMB.	HSA REIMB.
	Total POIRIER, BERNARD	\$1,751.67		
Paid Chk# 097282	12/10/2014	RUDY LUTHER		
G 630-20300	Deposits Payable	\$3,094.85	CVR REFUND	CVR REFUND
	Total RUDY LUTHER	\$3,094.85		
Paid Chk# 097283	12/10/2014	SCHRUPP, WYATT		
E 610-40000-130	Employer Paid Ins	\$908.72	HSA REIMB.	HSA REIMB.
	Total SCHRUPP, WYATT	\$908.72		
Paid Chk# 097284	12/10/2014	STANTEC CONSULTING SERVICES		
G 101-20310	Escrow	\$296.00	855774	312 FERNDAL WETLAND DELINEATION REVIEW
E 670-40000-302	Consultants	\$74.00	855774	WETLAND CONSERVATION ADMIN.
	Total STANTEC CONSULTING SERVICES	\$370.00		
Paid Chk# 097285	12/10/2014	STREICHER S		
E 101-42100-217	Uniforms	\$129.99	1123643	PD UNIFORMS
	Total STREICHER S	\$129.99		
Paid Chk# 097286	12/10/2014	TRI-CITY		
E 610-40000-309	Contractual Services	\$52.50	11/1-11/30/14	WATER ANALYSIS
	Total TRI-CITY	\$52.50		
Paid Chk# 097287	12/10/2014	UNIFORMS UNLIMITED		
E 101-42100-217	Uniforms	\$120.00	227977	PD UNIFORMS
	Total UNIFORMS UNLIMITED	\$120.00		
Paid Chk# 097288	12/10/2014	USA BLUE BOOK		
E 620-40000-240	Small Tools and Minor Equip	\$1,150.09	514292	PUMP
E 610-40000-240	Small Tools and Minor Equip	\$1,150.09	514292	PUMP
	Total USA BLUE BOOK	\$2,300.18		
Paid Chk# 097289	12/10/2014	USA SAFETY SUPPLY CORP		
E 101-45200-241	Safety equip/testings	\$168.53	93962	RAIN GEAR
E 101-43100-241	Safety equip/testings	\$40.80	93962	RAIN GEAR
	Total USA SAFETY SUPPLY CORP	\$209.33		
Paid Chk# 097290	12/10/2014	VAN PAPER COMPANY		
E 101-43100-241	Safety equip/testings	\$105.81	331707-00	SUPPLIES
	Total VAN PAPER COMPANY	\$105.81		
Paid Chk# 097291	12/10/2014	WAYZATA TIRE & AUTO		
E 101-42100-404	Repairs/Maint - Machin/Equip	\$119.00	116687	PD REPAIRS
	Total WAYZATA TIRE & AUTO	\$119.00		

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Paid Chk# 097292	12/10/2014	XCEL ENERGY		
E 101-45203-381	Electric Utilities	\$4,168.75		SERVICE
	Total XCEL ENERGY	\$4,168.75		
Paid Chk# 097293	12/11/2014	ARCTIC GLACIER INC.		
E 640-47000-254	Soft Drinks/Mix For Resale	\$101.70	460433607	ICE
	Total ARCTIC GLACIER INC.	\$101.70		
Paid Chk# 097294	12/11/2014	BELLBOY BAR SUPPLY CORP.		
E 640-47000-251	Liquor For Resale	\$3,162.85	45864700	LIQ
E 640-47000-254	Soft Drinks/Mix For Resale	\$20.95	45864700	MISC.BEV.
E 640-47000-259	Freight	\$32.55	45864700	FREIGHT
E 640-47000-251	Liquor For Resale	(\$188.55)	45927000	LIQ
E 640-47000-251	Liquor For Resale	\$1,486.25	45956900	LIQ
E 640-47000-259	Freight	\$14.35	45956900	FREIGHT
E 640-47000-210	Operating Supplies (GENERAL)	\$280.48	91204100	SUPPLIES
	Total BELLBOY BAR SUPPLY CORP.	\$4,808.88		
Paid Chk# 097295	12/11/2014	BERNICK'S WINE		
E 640-47000-254	Soft Drinks/Mix For Resale	\$31.90	180838	MISC.BEV.
E 640-47000-253	Beer For Resale	\$156.80	180839	BEER
	Total BERNICK'S WINE	\$188.70		
Paid Chk# 097296	12/11/2014	BERRY COFFEE COMPANY		
E 640-48000-254	Soft Drinks/Mix For Resale	\$143.95	1216357	MISC.BEV.
	Total BERRY COFFEE COMPANY	\$143.95		
Paid Chk# 097297	12/11/2014	BOXES & MORE, INC.		
E 640-47000-210	Operating Supplies (GENERAL)	\$164.91	143063	HOLIDAY SUPPLIES
E 640-47000-210	Operating Supplies (GENERAL)	\$70.18	143064	HOLIDAY SUPPLIES
E 640-47000-210	Operating Supplies (GENERAL)	\$70.03	143065	HOLIDAY SUPPLIES
E 640-47000-210	Operating Supplies (GENERAL)	\$189.29	143066	HOLIDAY SUPPLIES
	Total BOXES & MORE, INC.	\$494.41		
Paid Chk# 097298	12/11/2014	CINTAS CORPORATION		
E 640-48500-210	Operating Supplies (GENERAL)	\$50.97	5002245570	FIRST AID SUPPLIES
E 101-43100-241	Safety equip/testings	(\$5.95)	9005799847	FIRST AID SUPPLIES
	Total CINTAS CORPORATION	\$45.02		
Paid Chk# 097299	12/11/2014	COCA-COLA		
E 640-48000-254	Soft Drinks/Mix For Resale	\$1,304.08	0178057514	MISC.BEV.
	Total COCA-COLA	\$1,304.08		
Paid Chk# 097300	12/11/2014	COZZINI BROS., INC.		
E 640-48500-415	Other Equipment Rentals	\$71.34	C1371675	KNIFE EXCHANGE
	Total COZZINI BROS., INC.	\$71.34		
Paid Chk# 097301	12/11/2014	CULLIGAN-METRO		
E 640-48500-210	Operating Supplies (GENERAL)	\$112.64	101X27098600	SUPPLIES
	Total CULLIGAN-METRO	\$112.64		
Paid Chk# 097302	12/11/2014	DAHLHEIMER DISTRIBUTING CO.		
E 640-48000-253	Beer For Resale	\$450.00	1136482	BEER
	Total DAHLHEIMER DISTRIBUTING CO.	\$450.00		
Paid Chk# 097303	12/11/2014	DAY DISTRIBUTING		
E 640-47000-253	Beer For Resale	\$1,737.20	779714	BEER
E 640-48000-253	Beer For Resale	\$848.00	780473	BEER
E 640-47000-253	Beer For Resale	\$4,022.19	780474	BEER

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E 640-48000-253	Beer For Resale	\$730.00	781384	BEER
	Total DAY DISTRIBUTING	\$7,337.39		
Paid Chk# 097304	12/11/2014	DIVERSIFIED ELECTRIC INC.		
E 640-48000-409	Maint services & Improv	\$3,945.90	1333	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 640-47000-409	Maint services & Improv	\$1,107.70	1334	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 640-48000-409	Maint services & Improv	\$1,107.70	1334	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 640-47000-409	Maint services & Improv	\$1,437.35	1335	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 640-48000-409	Maint services & Improv	\$1,437.35	1335	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 640-47000-409	Maint services & Improv	\$1,000.00	1336	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 640-48000-409	Maint services & Improv	\$2,021.45	1336	LIQ.OPERATIONS BLDG./EQUIP.MAINT.
E 101-45203-220	Repair/Maint Supply (GENERAL)	\$864.00	1337	BLVD.MAINT.
	Total DIVERSIFIED ELECTRIC INC.	\$12,921.45		
Paid Chk# 097305	12/11/2014	DOMACE VINO		
E 640-47000-259	Freight	\$2.00	8579	FREIGHT
E 640-47000-252	Wine For Resale	\$216.00	8579	WINE
	Total DOMACE VINO	\$218.00		
Paid Chk# 097306	12/11/2014	G & K SERVICES		
E 640-48500-217	Uniforms	\$154.09	1013632753	KITCHEN UNIFORMS & SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)	\$100.00	1013644064	KITCHEN UNIFORMS & SUPPLIES
E 640-48000-210	Operating Supplies (GENERAL)	\$78.77	1013644064	KITCHEN UNIFORMS & SUPPLIES
	Total G & K SERVICES	\$332.86		
Paid Chk# 097307	12/11/2014	GRAPE BEGINNINGS, INC.		
E 640-47000-252	Wine For Resale	\$410.00	174869	WINE
E 640-47000-259	Freight	\$9.00	174869	FREIGHT
	Total GRAPE BEGINNINGS, INC.	\$419.00		
Paid Chk# 097308	12/11/2014	HEGGIES PIZZA		
E 640-48500-255	FOODIngredients For Resale	\$317.20	1428565	FOOD
	Total HEGGIES PIZZA	\$317.20		
Paid Chk# 097309	12/11/2014	JJ TAYLOR DISTRIBUTING OF MN		
E 640-47000-253	Beer For Resale	(\$7.00)	2289182	BEER
E 640-47000-253	Beer For Resale	\$1,764.20	2293376	BEER
E 640-48000-253	Beer For Resale	\$506.70	2301524	BEER
	Total JJ TAYLOR DISTRIBUTING OF MN	\$2,263.90		
Paid Chk# 097310	12/11/2014	JOHNSON BROS.-ST.PAUL		
E 640-47000-252	Wine For Resale	\$596.00	5033535	WINE
E 640-47000-259	Freight	\$15.51	5033535	FREIGHT
E 640-47000-252	Wine For Resale	\$397.65	5039692	WINE
E 640-47000-259	Freight	\$8.46	5039692	FREIGHT
E 640-47000-251	Liquor For Resale	\$5,088.92	5039693	LIQ
E 640-47000-259	Freight	\$41.72	5039693	FREIGHT
E 640-47000-259	Freight	\$2.82	5039694	FREIGHT
E 640-47000-252	Wine For Resale	\$178.00	5039694	WINE
E 640-47000-259	Freight	\$14.10	5040989	FREIGHT
E 640-47000-252	Wine For Resale	\$547.05	5040989	WINE
E 640-47000-259	Freight	\$5.64	5040990	FREIGHT
E 640-47000-251	Liquor For Resale	\$419.25	5040990	LIQ
	Total JOHNSON BROS.-ST.PAUL	\$7,315.12		
Paid Chk# 097311	12/11/2014	KARLSBURGER FOODS, INC.		
E 640-48500-255	FOODIngredients For Resale	\$362.90	5-000062646	FOOD
	Total KARLSBURGER FOODS, INC.	\$362.90		

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Paid Chk# 097312	12/11/2014	LINNIHAN FOY			
E 640-47000-340	Advertising		\$1,125.00	002809-00	LAKE MTKA MAG.AD
	Total LINNIHAN FOY		\$1,125.00		
Paid Chk# 097313	12/11/2014	M.AMUNDSON LLP			
E 640-47000-256	MISC.MDSE.RESALE		\$1,025.15	185901	CIGARETTES
E 640-47000-256	MISC.MDSE.RESALE		\$497.72	186427	CIGARETTES
	Total M.AMUNDSON LLP		\$1,522.87		
Paid Chk# 097314	12/11/2014	MAIN STREET BAKERY			
E 640-48500-255	FOODIngredients For Resale		\$129.66	254811	FOOD
E 640-48500-255	FOODIngredients For Resale		\$167.54	255022	FOOD
E 640-48500-255	FOODIngredients For Resale		\$73.20	255116	FOOD
E 640-48500-255	FOODIngredients For Resale		\$121.72	255224	FOOD
E 640-48500-255	FOODIngredients For Resale		\$72.86	255278	FOOD
E 640-48500-255	FOODIngredients For Resale		\$164.17	255442	FOOD
	Total MAIN STREET BAKERY		\$729.15		
Paid Chk# 097315	12/11/2014	MIDWEST GREASE			
E 640-48000-409	Maint services & Improv		\$180.00	138032	SERVICE
	Total MIDWEST GREASE		\$180.00		
Paid Chk# 097316	12/11/2014	NORTHWESTERN FRUIT COMPANY			
E 640-48500-255	FOODIngredients For Resale		(\$27.50)	798823	FOOD
E 640-48500-255	FOODIngredients For Resale		\$18.20	798939	FOOD
E 640-48500-255	FOODIngredients For Resale		\$265.50	799854	FOOD
E 640-48000-253	Beer For Resale		\$7.10	799854	BEER
E 640-48500-255	FOODIngredients For Resale		(\$6.35)	800023	FOOD
E 640-48500-255	FOODIngredients For Resale		\$259.00	800023	FOOD
E 640-48000-253	Beer For Resale		\$7.10	800023	BEER
E 640-48500-255	FOODIngredients For Resale		(\$11.55)	800254	FOOD
E 640-48500-255	FOODIngredients For Resale		\$517.55	800254	FOOD
E 640-48000-251	Liquor For Resale		\$15.05	800254	LIQ
E 640-48500-255	FOODIngredients For Resale		\$268.60	800459	FOOD
	Total NORTHWESTERN FRUIT COMPANY		\$1,312.70		
Paid Chk# 097317	12/11/2014	PAUSTIS & SONS			
E 640-47000-259	Freight		\$57.50	8477262	FREIGHT
E 640-47000-252	Wine For Resale		\$4,420.42	8477262	WINE
	Total PAUSTIS & SONS		\$4,477.92		
Paid Chk# 097318	12/11/2014	PHILLIPS WINES & SPIRITS			
E 640-47000-251	Liquor For Resale		\$372.90	2707188	LIQUOR
E 640-47000-259	Freight		\$6.35	2707188	FREIGHT
E 640-47000-252	Wine For Resale		\$2,572.00	2707189	WINE
E 640-47000-259	Freight		\$29.73	2707189	FREIGHT
E 640-47000-251	Liquor For Resale		\$900.00	2708958	LIQUOR
E 640-47000-259	Freight		\$8.46	2708958	FREIGHT
	Total PHILLIPS WINES & SPIRITS		\$3,889.44		
Paid Chk# 097319	12/11/2014	PLUNKETT S PEST CONTROL			
E 640-48000-409	Maint services & Improv		\$82.48	3855032	SERVICE
	Total PLUNKETT S PEST CONTROL		\$82.48		
Paid Chk# 097320	12/11/2014	SMALL LOT MN			
E 640-47000-252	Wine For Resale		\$483.00	1442	WINE
	Total SMALL LOT MN		\$483.00		

***Check Detail Register©**

November 2014 to December 2014

			Check Amt	Invoice	Comment
Paid Chk#	097321	12/11/2014	SOUTHERN WINE & SPIRITS OF MN		
E 640-47000-259	Freight		\$1.25	1211822	FREIGHT
E 640-47000-259	Freight		\$2.50	1211825	FREIGHT
E 640-47000-251	Liquor For Resale		\$378.00	1211825	LIQUOR
E 640-47000-259	Freight		\$34.38	1231326	FREIGHT
E 640-47000-252	Wine For Resale		\$2,200.30	1231326	WINE
E 640-47000-252	Wine For Resale		\$2,196.00	5008000	WINE
E 640-47000-259	Freight		\$17.50	5008000	FREIGHT
Total	SOUTHERN WINE & SPIRITS OF MN		\$4,829.93		
Paid Chk#	097322	12/11/2014	STRATEGIC EQUIPMENT AND		
E 640-48500-210	Operating Supplies (GENERAL)		(\$64.63)	102114CIT-2	KITCHEN SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$105.86	2319151	KITCHEN SUPPLIES
E 640-48500-210	Operating Supplies (GENERAL)		\$272.34	2327298	KITCHEN SUPPLIES
E 640-48000-341	General Promotions		\$32.73	2327298	PROMO SUPPLIES
Total	STRATEGIC EQUIPMENT AND		\$346.30		
Paid Chk#	097323	12/11/2014	SUNBURST CHEMICALS, INC.		
E 640-48000-409	Maint services & Improv		\$1,337.00	0335255	SUPPLIES
Total	SUNBURST CHEMICALS, INC.		\$1,337.00		
Paid Chk#	097324	12/11/2014	SYSCO MINNESOTA		
E 640-48500-255	FOODIngredients For Resale		(\$72.40)	3449986PU	FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$35.83	411240071	KITCHEN SUPPLIES
E 640-48500-255	FOODIngredients For Resale		(\$80.55)	411250601	FOOD
E 640-48500-255	FOODIngredients For Resale		(\$67.86)	411291660	FOOD
E 640-48000-342	Promotions - Food/Drinks		\$84.03	412010555	PROMO FOOD
E 640-48500-255	FOODIngredients For Resale		\$2,416.66	412010555	FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$68.79	412010555	KITCHEN SUPPLIES
E 640-48000-251	Liquor For Resale		\$136.89	412010555	LIQ
E 640-48000-253	Beer For Resale		\$10.97	412010555	BEER
E 640-48000-210	Operating Supplies (GENERAL)		\$155.43	412030374	BAR SUPPLIES
E 640-48000-251	Liquor For Resale		\$85.05	412030929	LIQ
E 640-48500-255	FOODIngredients For Resale		\$2,422.99	412030929	FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$10.15	412030929	KITCHEN SUPPLIES
E 640-48500-255	FOODIngredients For Resale		(\$39.88)	412040897	FOOD
E 640-48000-251	Liquor For Resale		\$15.68	412050894	LIQ
E 640-48500-210	Operating Supplies (GENERAL)		\$20.71	412050894	KITCHEN SUPPLIES
E 640-48000-342	Promotions - Food/Drinks		\$28.17	412050894	PROMO FOOD
E 640-48500-255	FOODIngredients For Resale		\$3,455.86	412050894	FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$159.61	412080771	KITCHEN SUPPLIES
E 640-48000-251	Liquor For Resale		\$66.35	412080771	LIQ
E 640-48000-342	Promotions - Food/Drinks		\$56.10	412080771	PROMO FOOD
E 640-48000-254	Soft Drinks/Mix For Resale		\$10.00	412080771	MISC.BEV.
E 640-48500-255	FOODIngredients For Resale		\$3,492.38	412080771	FOOD
E 640-48000-253	Beer For Resale		\$10.97	412100866	BEER
E 640-48000-342	Promotions - Food/Drinks		\$27.93	412100866	PROMO FOOD
E 640-48500-210	Operating Supplies (GENERAL)		\$82.35	412100866	KITCHEN SUPPLIES
E 640-48500-255	FOODIngredients For Resale		\$3,335.85	412100866	FOOD
Total	SYSCO MINNESOTA		\$15,928.06		
Paid Chk#	097325	12/11/2014	T.D. ANDERSON INC.		
E 640-48000-409	Maint services & Improv		\$115.00	551257	BEER LINES CLEANED
Total	T.D. ANDERSON INC.		\$115.00		
Paid Chk#	097326	12/11/2014	THORPE DISTRIBUTING CO.		
E 640-48000-253	Beer For Resale		\$435.00	863320	BEER
E 640-48000-253	Beer For Resale		\$71.65	863321	BEER

***Check Detail Register©**

November 2014 to December 2014

			Check Amt	Invoice	Comment
E 640-47000-253	Beer For Resale		\$1,485.75	863323	BEER
E 640-48000-253	Beer For Resale		\$143.30	864692	BEER
E 640-48000-253	Beer For Resale		\$785.00	864695	BEER
Total THORPE DISTRIBUTING CO.			\$2,920.70		
Paid Chk# 097327	12/11/2014	TOLL GAS & WELDING SUPPLY			
E 640-48000-210	Operating Supplies (GENERAL)		\$64.25	40018594	SUPPLIES
Total TOLL GAS & WELDING SUPPLY			\$64.25		
Paid Chk# 097328	12/11/2014	WINE MERCHANT			
E 640-47000-252	Wine For Resale		\$2,191.90	7008361	WINE
E 640-47000-259	Freight		\$16.92	7008361	FREIGHT
Total WINE MERCHANT			\$2,208.82		
Paid Chk# 097329	12/11/2014	WIRTZ BEVERAGE MN BEER			
E 640-47000-253	Beer For Resale		\$130.50	1090327016	BEER
E 640-47000-253	Beer For Resale		\$997.90	1090327017	BEER
E 640-48000-253	Beer For Resale		\$670.00	1090327161	BEER
E 640-48000-253	Beer For Resale		\$228.00	1090330081	BEER
Total WIRTZ BEVERAGE MN BEER			\$2,026.40		
Paid Chk# 097330	12/11/2014	WIRTZ BEVERAGE MN WINE & SPIRI			
E 640-47000-251	Liquor For Resale		\$885.89	1080260006	LIQUOR
E 640-47000-259	Freight		\$10.38	1080260006	FREIGHT
E 640-47000-252	Wine For Resale		\$4,512.00	1080260007	WINE
E 640-47000-259	Freight		\$46.40	1080260007	FREIGHT
Total WIRTZ BEVERAGE MN WINE & SPIRI			\$5,454.67		
10100 Anchor Bank			\$1,181,841.80		

Fund Summary

10100 Anchor Bank	
101 GENERAL FUND	\$85,242.53
233 LAKFRONT IMPROVE	\$22,631.50
237 FIRE DEPT PULL TABS	\$22,724.98
401 PERM IMPROVEMENT	\$7,258.88
404 PARK AND TRAIL CIP	\$145,443.70
408 GENERAL FUND CIF	\$137,750.00
409 EQUIP REVOLVING	\$3,838.92
430 STREET CIP	\$131,427.00
437 LIBRARY/COMM.ROOM CIP	\$797.44
610 WATER FUND	\$348,469.66
620 SEWER FUND	\$42,159.61
630 MOTOR VEHICLE	\$3,621.13
640 LIQUOR	\$228,980.85
650 SOLID WASTE	\$1,339.10
670 STORMWATER	\$156.50
	\$1,181,841.80

CITY OF WAYZATA
HENNEPIN COUNTY, MINNESOTA
ORDINANCE NO. 749

**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY
TO REZONE 165 AND 213 CENTRAL AVENUE NORTH AND 1015 CROSS STREET
FROM R-3A SINGLE AND TWO FAMILY RESIDENTIAL TO
PUD PLANNED UNIT DEVELOPMENT DISTRICT**

THE CITY OF WAYZATA ORDAINS:

Section 1. BACKGROUND

1.1 Development Application. Crossdale Development LLC (the “Applicant”) has submitted an application (the “Application”) for a PUD and six (6) lot subdivision (the “Project”) at 165 Central Ave N, 213 Central Ave N, and 1015 Cross St (collectively, the “Property”) that would include a rezoning of the Property to a new PUD District for the proposed PUD (the “Zoning Amendment”).

1.2 Property. The property identification numbers and owners of the parcels comprising the Property are:

165 Central Ave N	06-117-22-14-0007	122 nd Street Land Company
213 Central Ave N	06-117-22-14-0013	Property Resources Corporation
1015 Cross Street	06-117-22-14-0014	B E & M M Gongoll

1.3 Land Use. The Property is located within the R-3A Single and Two Family Residential District, as defined in Section 801.55 of the Wayzata Zoning Ordinance. The Property is guided for Low Density Single Family Residential in the Wayzata Comprehensive Plan.

1.4 Procedural Requirement. Notice of a public hearing on the Application was published in the *Sun Sailor* on November 6, 2014. A copy of the notice was mailed to all property owners located with 350 feet of the Property on November 7, 2014. The required public hearing was held at the November 17, 2014 Planning Commission meeting.

Section 2. STANDARDS

2.1 Rezoning to PUD. City Council has the discretion and authority under state law and City Code to amend the City’s Zoning Ordinance and Zoning Map. Minn.

Stat. Section 462.357; Wayzata City Code Section 801.03. A zoning ordinance amendment may be initiated by the governing body, the planning agency or by petition of affected property owners. Minn. Stat. Section 462.357, Subd. 4.

2.2 Standards for Rezoning. In considering a proposed amendment to the Zoning Ordinance, the Planning Commission shall consider the possible adverse effects of the proposed amendment. Its judgment shall be based upon (but not limited to) the following factors:

- A. The proposed action in relation to the specific policies and provisions of the official City Comprehensive Plan.
- B. The proposed use's conformity with present and future land uses of the area.
- C. The proposed use's conformity with all performance standards contained herein (i.e., parking, loading, noise, etc.).
- D. The proposed use's effect on the area in which it is proposed.
- E. The proposed use's impact upon property value in the area in which it is proposed.
- F. Traffic generation by the proposed use in relation to capabilities of streets serving the property.
- G. The proposed use's impact upon existing public services and facilities including parks, schools, streets, and utilities, and the City's service capacity.

Section 3. FINDINGS

3.1 The City Council of the City of Wayzata hereby confirms and memorializes that the Zoning Amendment requested in the Application reflects the overall policy goals of the Comprehensive Plan and City Code Section 801.03.2.F based upon the following findings made on the record, including City Staff reports and presentations, the Planning Commission Report and Recommendation, public and written comment, and the approval Resolution adopted by City Council for the Project, all of which are incorporated herein by reference:

- A. The Zoning Amendment does not contravene the specific policies and provisions of the official City Comprehensive Plan as they apply to the Property.
- B. The proposed residential use for the Property is in conformity with present and future land uses of the area.

- C. The proposed residential use of the Property is in conformity with all performance standards contained in the Zoning Ordinance (i.e., parking, loading, noise, etc.).
- D. The proposed residential use's effect on the area in which it is proposed would be generally compatible with the neighborhood and surrounding uses.
- E. The proposed residential use is not likely to have a negative impact upon property value in the area in which it is proposed.
- F. The capabilities of the streets serving the Property should be sufficient for the traffic generated by the proposed residential use.
- G. Existing public services and facilities including parks, schools, streets, and utilities, and the City's service capacity should be sufficient for the proposed residential use.

Section 4. CITY COUNCIL ACTION

- 4.1 Contingent upon City Council approval of the PUD General Plan and Subdivision requested in the Application, contingent upon the full compliance with all conditions placed on said approvals, and subject to the reversionary clause and condition of Section 4.2 below, the Zoning Amendment is hereby **APPROVED** and the Official Zoning Map of the City of Wayzata shall be amended to change the Zoning District designation of the Property to a new PUD District, as such PUD District is set forth in the PUD General Plan approved by City Council resolution.
- 4.2 If a building permit is not issued for the Property within three (3) years of the effective date of this Ordinance, to the Property shall revert back to the zoning designation in effect immediately prior to the passage of this Ordinance (or the equivalent of such zoning that is in existence on the date of such reversion).
- 4.3 This Ordinance will become effective upon passage and publication.

Adopted by the City Council this 2nd day of December, 2014.

Ken Willcox
Mayor

ATTEST:

Heidi Nelson
City Manager

First Reading: December 2, 2014
Second Reading: December 16, 2014
Publication: December 25, 2014

000043/311004/2002452_1

2015 MUNICIPAL LICENSES FOR CITY COUNCIL APPROVAL ON 12/16/2014

(Recommended for approval, pending staff review for completeness of application materials.)

2015 Commercial Kennel License	
Bone Adventure	301 Broadway Ave S
2015 Residential Kennel License - 3 dogs	
Andrea Wallack	215 Gleason Lk Rd
2015 NEW Residential Kennel License - 5 dogs	
Todd Pearson/Melinda Greer	16104 Holdridge Rd W
2015 Personal Massage License	
Advanced Body Wellness - Trish Juen	1421 Wayzata Blvd E, #215
Juut Salon Spa - Kim Janz	1125 Wayzata Blvd E
Juut Salon Spa - Sheila Schroeder	1125 Wayzata Blvd E
Koren Dolsen Walsh	101 Lake Street W
Permit for a ONE (1) Day Temporary Consumption and Display Permit at Unitarian Universalist Church of Minnetonka on February 7, 2015	
Unitarian Universalist Church of Minnetonka	605 Rice Street



WAYZATA POLICE DEPARTMENT

600 Rice Street
Wayzata, MN 55391-1734
(952) 404-5340
Fax: (952) 404-5359

To: Heidi Nelson

From: CSO Ronning

Date: December 11th, 2014

Re: Dog Kennel License Renewal

Wayzata Police have received a Kennel License Application from Bone Adventure. This application is for a renewal of a current dog kennel license.

Bone Adventure's business is primarily used for grooming of animals and animal product sales. I inspected the business and found plenty of water in the kennel areas for dogs that are waiting to be groomed. The kennel rooms and grooming stations were clean and sanitary. Dogs that enter the store are kept on leashes and are not free to run around. I have no areas of concern for approving this application for Bone Adventure.

Records show no previous incidents involving animals at the Bone Adventure business.



WAYZATA POLICE DEPARTMENT

600 Rice Street
Wayzata, MN 55391-1734
(952) 404-5340
Fax: (952) 404-5359

To: Heidi Nelson

From: CSO Ronning

Date: December 11th, 2014

Re: Dog Kennel License Renewal

Wayzata Police have received a Kennel License Application from Andrea Wallack. This application is for a renewal of a current dog kennel license.

The three dogs living at the home are all currently licensed in the city of Wayzata. Per city ordinance, an inspection of the yard and home was conducted by Wayzata Police Department. The interior of the home is clean and sanitary. Plenty of food and water is readily available for the animals. The yard is clean and free from anything that may cause injury to the animals. I have no areas of concern for approving this application for Andrea Wallack.

Records show that the last incident with one of Andrea Wallack's dogs occurred on 05-02-14, which ended with Andrea Wallack being required to obtain a kennel license.



WAYZATA POLICE DEPARTMENT

600 Rice Street
Wayzata, MN 55391-1734
(952) 404-5340
Fax: (952) 404-5359

To: Heidi Nelson

From: CSO Ronning

Date: December 11th, 2014

Re: Dog Kennel License Renewal

Wayzata Police have received a Kennel License Application from Melinda Greer. This application is for a renewal of a current dog kennel license.

The five dogs living at the home are all currently licensed in the city of Wayzata. Per city ordinance, an inspection of the yard and home was conducted by Wayzata Police Department. The interior of the home is clean and sanitary. Plenty of food and water is readily available for the animals. The yard is clean and free from anything that may cause injury to the animals. I have no areas of concern for approving this application for Melinda Greer.

There are no previous calls regarding any animals located at this residence on file.



Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
444 Cedar Street, Suite 222, St. Paul, MN 55101
651-201-7500 Fax 651-297-5259 TTY 651-282-6555

**APPLICATION AND PERMIT FOR A 1 DAY
TEMPORARY CONSUMPTION AND DISPLAY PERMIT**
(City or county may not issue more than 10 permits in any one year)

RECEIVED

DEC 09 2014

CITY OF WAYZATA

Name of organization

Date organized

Tax exempt number

Unitarian Universalist Church of mtka

1960

23688

Address

City

State

Zip Code

605 Rice Street

Wayzata

Minnesota

55391

Name of person making application

Business phone

Home phone

William Tregaskis / Judy Regan

952-473-5900

Date(s) of event

Time(s) of event

Type of organization

February 7th 2015

7:00pm - 10:pm

☐ Club ☐ Charitable ☒ Religious ☐ Other non-profit

Organization officer's name

City

State

Zip

X Rev. Kent Hemmen Saleska, minister

Wayzata

Minnesota

55391

NAME OF PERSON IN CHARGE AT EVENT: William Tregaskis

TELEPHONE NUMBER OF PERSON IN CHARGE AT EVENT: _____

DESCRIPTION OF EVENT: Performance - Concert (Mark Bilyeau, Pianist)

WHAT DO YOU PLAN TO CONSUME: wine and beer
(BEER, WINE, OR INTOXICATING LIQUOR)

DO YOU PLAN TO PROVIDE THE LIQUOR? ☒ NO, GUESTS WILL PROVIDE THEIR OWN LIQUOR
☐ YES

A CERTIFICATE OF LIQUOR LIABILITY INSURANCE COVERAGE MUST BE ATTACHED. COVERAGE FOR THE ACTUAL EVENT LOCATION AND EXACT DATES OF THE EVENT MUST BE SHOWN. IS IT ATTACHED? ☒ YES

LOCATION LICENSE WILL BE USED. IF AN OUTDOOR AREA, DESCRIBE: Inside church @
605 Rice Street, Wayzata MN 55391

SIGNATURE OF APPLICANT: Judy Regan DATE: 12/9/14

CITY FEE AMOUNT: \$25.00 DATE FEE PAID: 12-10-2014

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City of Wayzata / Hennepin County, MN

City/County

Date Approved

\$25.00

City Fee Amount

Permit Date

12-10-2014 \$25.00 #29671

Date Fee Paid

Police Signature

Date Signed

Signature City Clerk or County Official

Approved Director Alcohol and Gambling Enforcement

NOTE: Submit this form to the city or county 30 days prior to event. Forward application signed by city and/or county to the address above. If the application is approved the Alcohol and Gambling Enforcement Division will return this application to the city or county for the permit for the event.

COMMERCIAL LIABILITY CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS USED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

NAME AND ADDRESS OF AGENCY Helland Agency, Inc. 17113 Minnetonka Blvd. Minnetonka, MN. 55345	 RECEIVED DEC 09 2014 WAYZATA
NAME AND ADDRESS OF FIRST NAMED INSURED Unitarian Universalist Church 605 Rice Street East Wayzata, MN. 55391	This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage or any provision of Policy No. <u>1296-430</u> issued by <u>GuideOne Specialty Ins. Co.</u>

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time.

TYPE OF INSURANCE	COMPANY AFFORDING COVERAGE AND POLICY NUMBER	POLICY EXPIRATION DATE	Limits of Liability	
			OCCURRENCE/AGGREGATE	OCCURRENCE/AGGREGATE
☒ COMMERCIAL GENERAL LIABILITY (OCCURRENCE FORM) ☐ _____ ☐ _____	☐ GuideOne Mutual ☐ GuideOne Elite ☒ GuideOne Specialty Mutual ☐ GuideOne America ☐ GuideOne Lloyds Policy # _____	04/01/15	☐ \$ 300,000/\$ 600,000 ☐ 500,000/ 1,000,000 ☐ 1,000,000/ 2,000,000 ☐ _____/_____	☐ \$ 300,000/\$1,000,000 ☐ 500,000/ 1,500,000 ☒ 1,000,000/ 3,000,000
AUTOMOBILE LIABILITY SYMBOL ☐ ANY AUTO 1 ☐ ALL OWNED AUTOS 2 ☐ SCHEDULED AUTOS 7 ☒ HIRED AUTOS 8 ☒ NON-OWNED AUTOS 9	☐ GuideOne Mutual ☐ GuideOne Specialty Mutual Policy # <u>Same</u>		BODILY INJURY AND PROPERTY DAMAGE COMBINED \$1,000,000	
EXCESS LIABILITY ☒ UMBRELLA FORM	☒ GuideOne Mutual ☐ GuideOne Elite ☐ GuideOne Specialty Mutual ☐ GuideOne America ☐ GuideOne Lloyds Policy # _____	04/01/15	OCCURRENCE/AGGREGATE \$1,000,000 \$1,000,000	
WORKERS' COMPENSATION and EMPLOYERS' LIABILITY	☒ GuideOne Mutual ☐ GuideOne Elite ☐ GuideOne Specialty Mutual ☐ GuideOne America ☐ GuideOne Lloyds Policy # _____	04/01/15	STATUTORY EACH ACCIDENT DISEASE — \$100,000 POLICY LIMITS DISEASE — \$500,000 EACH EMPLOYEE \$100,000	Included \$100,000 \$500,000 \$100,000
Property Ins. OTHER	GuideOne Spec.	04/01/15	Per Schedule	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES

Church And Related Activities, On And Off Church Premises.

CANCELLATION: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days* (unless otherwise indicated below) written notice to the below-named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

*Optional number of days written notice applicable in lieu of above only if indicated: N/A

NAME AND ADDRESS OF CERTIFICATE HOLDER:

Information

DATE ISSUED: 3/18/2014

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act which is a crime. (This statement is required by the laws of New York and Ohio when this application is used in those states. The laws of other states may be different.)

Greg Helland
Greg Helland

AUTHORIZED REPRESENTATIVE

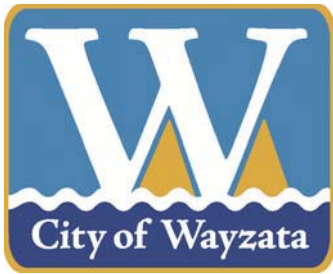
(FIRM AND ADDRESS)
THIS CERTIFICATE IS FOR INFORMATION ONLY; IT IS NOT A CONTRACT OF INSURANCE BUT ATTESTS THAT A POLICY AS NUMBERED HEREIN, AND AS IT STANDS AT THE DATE OF THIS CERTIFICATE, HAS BEEN ISSUED BY THE INSURER.

12/16/2014

THE FOLLOWING 2014 & 2015 MUNICIPAL LICENSES
WERE APPROVED ADMINISTRATIVELY

2015 Food License	
6 Smith	294 Grove Lane E
American Legion Post 118	949 Wayzata Blvd E
Blue Point Restaurant	739 Lake St E
Café by the Bay	250 Central Ave N
CōV Wayzata	700 Lake St E
Folkestone Senior Housing	100 Promenade Ave
Gianni's Steakhouse	635 Lake St E
McCormick's	331 Broadway Ave S
Punch Neapolitan Pizza	1313 Wayzata Blvd E, Suite 100
The McIver Center	1221 Wayzata Blvd E
The Retreat	1221 Wayzata Blvd E
Wayzata Masonic Lodge #205	407 Lake St E
2014 Gas Fitters License	
Jerry Dahl Heating	Ham Lake, MN
Schoening Mechanical	Watertown, MN
Sunburst Heating & A/C	Wayzata, MN
2015 Gas Fitters License	
Absolute Mechanical	Edina, MN
Glowing Hearth & Home	Jordan, MN
Heating & Cooling Two, Inc	Maple Grove, MN
Horwitz Inc	New Hope, MN
Linn Star Transfer	Eden Prairie, MN
MN Plumbing & Heating	Shakopee, MN
Ron's Mechanical	Shakopee, MN
Sabre Plumbing, Heating & A/C	Plymouth, MN
Spring Plumbing	Blaine, MN
2015 Lodging Establishment License	
Folkestone Senior Housing, Inc	100 Promenade Avenue
The McIver Center	1221 Wayzata Blvd E
The Retreat	1221 Wayzata Blvd E
2015 Tree License	
Bartlett Tree Expert	Plymouth, MN
Ostvig Tree, Inc	Wayzata, MN

Premier Tree Service	Pierz, MN
Stumpf's Tree Service	Pierz, MN
Treecology	Golden Valley, MN



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

City Council:
Jack Amdal
Bridget Anderson
Andrew Mullin
Tom Tanner

City Manager:
Heidi Nelson

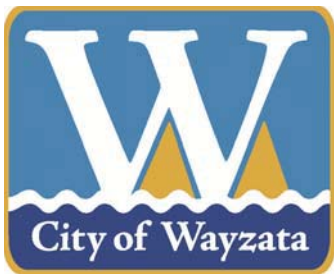
Date: December 10, 2014

To: Mayor Willcox and Councilmembers
Heidi Nelson, City Manager

From: Kathy Ovshak, Finance Manager

Re: Memorandum of Understanding LELS 2014-2016 Union Contract

As part of the negotiated multi-year contract with LELS (2014-2016), it was agreed that the City monthly health insurance contribution could be opened up for negotiations for the years 2015 and 2016. The 2015 monthly health insurance contribution that was approved through the budget process is \$1,076. This contribution amount has been ratified by the Law Enforcement Labor Services Union #37, which is consistent with all other City employees.



City of Wayzata
600 Rice Street
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Mayor:
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Bridget Anderson
Andrew Mullin
Tom Tanner

City Manager:
Heidi Nelson

MEMORANDUM OF UNDERSTANDING

DATE: November 26, 2014

To: Wayzata Local No. 37 – Law Enforcement Labor Services

From: Heidi Nelson, City Manger

Subject: Memorandum of Understanding Regarding City of Wayzata Health Insurance Monthly Contribution to LELS Union employees

As a part of the 2014-2016 LELS Local No. 37 contract negotiations, it was noted that for the years 2015 and 2016 the monthly health insurance contribution from the City of Wayzata to the LELS Union employees could be opened up for negotiations. The 2015 monthly health insurance contribution that the City of Wayzata has offered and has been accepted by the LELS Union is \$1,076.

For the City of Wayzata:

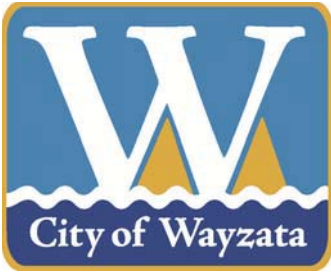
By _____
Heidi Nelson, City Manager Date

For Law Enforcement Labor Services, Local No.37

By _____
Dennis O. Kiesow, Business Agent Date

For Law Enforcement Labor Services, Local No.37

By _____
Rose Young, Union Steward Date



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

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Jack Amdal
Bridget Anderson
Andrew Mullin
Tom Tanner

City Manager:
Heidi Nelson

Date: December 10, 2014

To: Mayor Willcox and Councilmembers
Heidi Nelson, City Manager

From: Kathy Ovshak, Finance Manager

Re: Fire Protection Service Agreements with City of Woodland & City of Orono

Attached for your approval are the City of Woodland and City of Orono 2015 Fire Protection Service Agreements. Both cities are in full agreement with the contract and have returned signed copies. Contract amounts are calculated based on the percentage of calls for the previous 3 years. Woodland's contract amount for 2015 is \$17,316 which is \$3,759 less than their 2014 contract amount; Orono's contract amount for 2015 is \$27,470 which is \$5,606 less than their 2014 contract amount.

FIRE PROTECTION AGREEMENT
CITY OF WOODLAND

THIS AGREEMENT, made and entered into this ____ day of _____, 2014, by and between the CITY OF WAYZATA, a Minnesota municipal corporation, hereinafter referred to as "Wayzata", and the CITY OF WOODLAND, a Minnesota municipal corporation, hereinafter referred to as "WOODLAND":

WITNESSETH:

WHEREAS, Wayzata maintains a volunteer fire department; and

WHEREAS, Woodland does not maintain a fire department and desires to purchase fire protection from Wayzata;

NOW, THEREFORE, in consideration of the covenants herein contained, the parties hereto agree as follows:

1. Services to be Rendered. During the term of this agreement, Wayzata shall furnish fire fighting services to the City of Woodland such services shall be substantially the same in extent and quality as those rendered by Wayzata within its own corporate limits and shall utilize the equipment and personnel of Wayzata.

2. Term. Wayzata undertakes to provide such services during the period beginning midnight, January 1, 2015 and expiring at one minute before midnight December 31, 2015, unless extended in accordance with the provisions hereof.

3. Compensation. Woodland agrees to pay to Wayzata and Wayzata agrees to accept as payment for services rendered an annual charge based upon the percentage of calls in Woodland for the preceding three-year period, calculated against the Wayzata Fire Department's operating budget for the contract year.

4. Command Responsibility. The Fire Chief of Wayzata or his deputy shall have the sole and exclusive right and responsibility to prescribe the manner and method of giving the alarm for fire within Woodland, and to prescribe the manner and method of responding to calls and rendering the services contemplated. The said Fire Chief or his deputy shall immediately upon arriving at the scene of any alarm or fire emergency have the sole and exclusive responsibility and authority to direct and control any and all firefighting and emergency operations at such scene or scenes, including the direction of police officers at the scene with respect to traffic control, protection of citizens and other incidents of the emergency.

5. Woodland Not Responsible for Expenses. All expenses of maintaining Wayzata's equipment, apparatus, salaries, insurance premium and any and all other items of expenses connected with the services to be performed by Wayzata under this agreement shall be at the sole expense of Wayzata, and the sole amounts payable from Woodland to Wayzata shall be the amount specified above in paragraph 3.

6. Nature of Wayzata's Undertaking. In no event shall this agreement be construed to fix upon Wayzata any responsibility or liability to Woodland or to third parties which are greater or different in kind than the responsibilities and liabilities borne by Woodland if it were providing such services through its own fire department. Without limiting the generality of the foregoing, the Fire Chief of Wayzata or his deputy will have the sole discretion as to the firefighters and equipment that will answer each alarm, provided that protection will be reasonable considering available firefighters and equipment, and it shall not be a violation of this agreement nor shall Wayzata be held responsible to Woodland or to a third party for any loss which may result in the event Wayzata, in the exercise of reasonable judgment, and absent Wayzata's gross negligence, is unable to respond or to respond promptly or to respond with only limited firefighters and equipment, or is delayed in responding to a call by reason of answering a previous call. Woodland agrees that it will indemnify Wayzata for any judgment rendered against Wayzata or sums paid out by it in settlement, payment or defense of any such claims arising from and relating solely to such claims of improper or inadequate response to calls.

7. Extension. This agreement may be extended for successive terms of one year upon the mutual written assent of both parties entered into prior to the expiration of the then current term.

8. Further Undertakings by Wayzata. Wayzata agrees that it will indemnify Woodland for any judgment rendered against Woodland or sums paid out by it in settlement, payment or defense of any claims arising from or relating to personal injury, property damage or death caused by grossly negligent or intentional acts of Wayzata committed in the course of Wayzata's providing fire services to Woodland. Wayzata agrees to maintain insurance covering its possible exposure to liability under this paragraph 8 in amount and types of coverage described in the Appendix to this agreement.

9. Agents and Employees. No voluntary fire fighter, agent, employee or official of Wayzata shall at any time or in any manner be deemed to be a voluntary fire fighter, agent, employee or official of Woodland by reason of the performance of work or the providing of services for or on behalf of, or within the territorial limits of, the City of Woodland.

10. Assignment. This Agreement may not be assigned by either party hereto without the other's prior written consent.

11. Amendment. This Agreement embodies the entire agreement between Woodland and Wayzata with respect to the subject matter hereof, and all prior discussions, negotiations and agreements are merged herein. This Agreement may be amended or modified only by an agreement in writing by the City Councils of both Cities and executed on behalf of both Cities.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

CITY OF WOODLAND

ATTEST: _____
City Clerk Mayor

CITY OF WAYZATA

ATTEST: _____
City Manager Mayor

FIRE PROTECTION AGREEMENT
CITY OF ORONO

THIS AGREEMENT, made and entered into this ____ day of _____, 2014, by and between the CITY OF WAYZATA, a Minnesota municipal corporation, hereinafter referred to as "Wayzata", and the CITY OF ORONO, a Minnesota municipal corporation, hereinafter referred to as "Orono":

WITNESSETH:

WHEREAS, Wayzata maintains a volunteer fire department; and

WHEREAS, Orono does not maintain a fire department and desires to purchase fire protection from Wayzata;

NOW, THEREFORE, in consideration of the covenants herein contained, the parties hereto agree as follows:

1. Services to be Rendered. During the term of this agreement, Wayzata shall furnish fire fighting services to that portion of Orono shown on the attached Exhibit A. Such services shall be substantially the same in extent and quality as those rendered by Wayzata within its own corporate limits and shall utilize the equipment and personnel of Wayzata.

2. Term. Wayzata undertakes to provide such services during the period beginning midnight, January 1, 2015 and expiring at one minute before midnight December 31, 2015, unless extended in accordance with the provisions hereof.

3. Compensation. Orono agrees to pay to Wayzata and Wayzata agrees to accept as payment for services rendered an annual charge based upon the percentage of calls in Orono for the preceding three-year period, calculated against the Wayzata Fire Department's operating budget for the contract year.

4. Command Responsibility. The Fire Chief of Wayzata or his deputy shall have the sole and exclusive right and responsibility to prescribe the manner and method of giving the alarm for fire within Orono, and to prescribe the manner and method of responding to calls and rendering the services contemplated. The said Fire Chief or his deputy shall immediately upon arriving at the scene of any alarm or fire emergency have the sole and exclusive responsibility and authority to direct and control any and all firefighting and emergency operations at such scene or scenes, including the direction of police officers at the scene with respect to traffic control, protection of citizens and other incidents of the emergency.

5. Orono Not Responsible for Expenses. All expenses of maintaining Wayzata's equipment, apparatus, salaries, insurance premium and any and all other items of expenses connected with the services to be performed by Wayzata under this agreement shall be at the sole expense of Wayzata, and the sole amounts payable from Orono to Wayzata shall be the amount specified above in paragraph 3.

6. Nature of Wayzata's Undertaking. Without limiting the generality of the foregoing, the Fire Chief of Wayzata or his deputy will have the sole discretion as to the firefighters and equipment that will answer each alarm, provided that protection will be reasonable considering available firefighters and equipment, as outlined in paragraph 4. Wayzata will exercise reasonable judgment in whether it is unable to respond or to respond promptly or to respond with only limited firefighters and equipment, or is delayed in responding to a call by reason of answering a previous call.

7. Extension. This agreement may be extended for successive terms of one year upon the mutual written assent of both parties entered into prior to the expiration of the then current term.

8. Insurance. Wayzata agrees to maintain liability insurance for its services and shall include Orono as an additional insured for the term of this contract and any extensions thereof. Wayzata shall maintain insurance equal to or greater than the maximum liability applicable to municipalities as set forth in Minnesota Statutes, Section 466.04, subd.1. Wayzata shall also maintain workers' compensation coverage as required by law. Proof of insurance shall be provided in the Appendix to this agreement

9. Indemnification. Wayzata agrees to defend and indemnify Orono against any claims brought or actions filed against Orono or any officer, employee, or volunteer of Orono for injury to, death of, or damage to the property of any third person or persons, arising from Wayzata's performance under this contract for services. Under no circumstances shall Wayzata be required to pay on behalf of itself and Orono, any amounts in excess of the limits on liability established in Minnesota Statutes, chapter 466 applicable to any one party. The limits of liability for Orono and Wayzata may not be added together to determine the maximum amount of liability for Wayzata.

10. Agents and Employees. No voluntary fire fighter, agent, employee or official of Wayzata shall at any time or in any manner be deemed to be a voluntary fire fighter, agent, employee or official of Orono by reason of the performance of work or the providing of services for or on behalf of, or within the territorial limits of, the City of Orono.

11. Assignment. This Agreement may not be assigned by either party hereto without the other's prior written consent.

12. Amendment. This Agreement embodies the entire agreement between Orono and Wayzata with respect to the subject matter hereof, and all prior discussions, negotiations and agreements are merged herein. This Agreement may be amended or modified only by an agreement in writing by the City Councils of both Cities and executed on behalf of both Cities.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

CITY OF ORONO

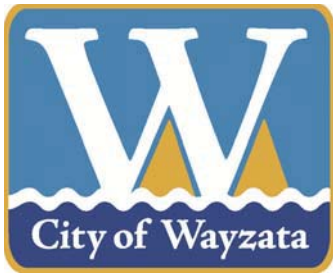
ATTEST: _____
City Administrator

Mayor

CITY OF WAYZATA

ATTEST: _____
City Manager

Mayor



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

City Council:
Jack Amdal
Bridget Anderson
Andrew Mullin
Tom Tanner

City Manager:
Heidi Nelson

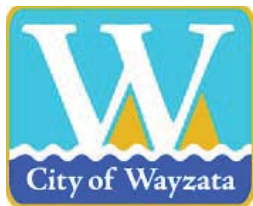
Date: December 10, 2014

To: Mayor Willcox and Councilmembers
Heidi Nelson, City Manager

From: Kathy Ovshak, Finance Manager

Re: 2015 Lease Agreement with Wayzata Chamber of Commerce

Attached for your approval is the 2015 Lease Agreement between the City of Wayzata and Wayzata Chamber of Commerce. The 2015 Lease Agreement does not have a rent increase adjustment due to the “every other year” rent increase (based on CPI) that was agreed upon in the 2014 Lease Agreement. The Wayzata Chamber of Commerce is in full agreement with the contract and has returned signed copies.



City of Wayzata

600 Rice Street

Wayzata, MN 55391-1734

Mayor:

Ken Willcox

City Council:

Jack Amdal

Bridget Anderson

Tom Tanner

Andrew Mullin

City Manager:

Heidi Nelson

LEASE

THIS LEASE, entered into this _____ day of _____, 20__, by and between the City of Wayzata, a municipal corporation (hereinafter "Lessor"), and The Greater Wayzata Area Chamber of Commerce (hereinafter "Lessee").

WITNESSETH, in consideration of the covenants and agreements of the respective parties herein contained, the parties hereto agree as follows:

1. Premises. Lessor does hereby demise and let unto Lessee and the Lessee leases and hires from Lessor those certain premises located in that building commonly known as the Wayzata Depot, 402 E. Lake Street, Wayzata, MN. The finished office space (765 sq. ft.), together with access to all common areas, including restrooms (200 sq. ft.), and storage space as needed in basement.
2. Term. The lease period shall commence on the first day of January 2015, and shall terminate on the 31st day of December, provided that either party may cancel this lease by giving the other party no less than ninety (90) days written notice thereof and provided further that any cancellation date shall be effective no earlier than July 1.
3. Rent. As rent therefore Lessee covenants to pay Lessor an annual rent of \$3,072 payable in monthly installments of \$256 each month on or before the first day of each month.
4. Purpose. The leased property shall be used solely as office space for the normal business purposes of Lessee, together with incidental storage in conjunction therewith.
5. Sublease. Lessee shall not assign this lease or sublet all or any part of said premises without the written consent of Lessor.
6. Fire. If the premises becomes untenable or unfit for occupancy in whole or in part by the total or partial destruction of said building by fire or other casualty and Lessor shall fail or refuse within 10 days thereafter to agree in writing to restore the same within 90 days after such loss, this lease may be terminated by either Lessor or Lessee by notice in writing. If Lessor agrees in writing within 10 days after such loss, the rent to be paid hereunder pending such restoration shall be abated in proportion that the impairment of the use of said premises to Lessee bears to the total rent to be paid during the term of the lease.
7. Utilities. Lessor will provide for natural gas, electric, water and sewer to the premises. Lessee will pay for telephone, cable TV, and other personal choice amenities used on the premises.

8. Furnishings. The premises are leased unfinished. All furnishings shall be the responsibility of Lessee.
9. Additional Interior Improvements. Lessee may make, at its own expense and with the written consent of Lessor, such further and additional interior improvements in the leased premises as it shall deem necessary and proper.
10. Janitor. Lessee will provide its own janitorial services at its own expense for the demised premises and for the rest room facilities adjacent thereto. Lessor shall at its own expense provide maintenance, including snow removal and cleaning for the driveways, the roof, the exterior of the building, the lawns and the parking area. Lessee will keep the leased premises in a neat, clean and respectable condition. Lessor will replace glass broken on the premises during the term on the lease.
11. Insurance. Lessee hereby holds Lessor harmless from any and all liability that may arise out of Lessee's use or occupancy of said premises, and Lessee will obtain, at its own expense, policies of liability insurance with the Lessor endorsed thereon as an additional insured in an amount not less than \$1,000,000 per person injured and \$2,000,000 per accident. Lessee will furnish Lessor appropriate certificates showing such coverage and that the City be listed as additional insured.

Lessor will, at his own expense, obtain fire and extended coverage insurance on the entire building and such contents thereof as are owned by Lessor. Lessor shall obtain waiver of subrogation clauses on such policies so as to relieve Lessee of any liability to Lessor or any other person for causes or events for which Lessor was covered under such policies.
12. Entry by Lessor. Lessor may at all reasonable times enter said premises to inspect the same and to maintain and make repairs therein.
13. Repairs. Lessor shall make all necessary structural repairs and repairs to the exterior of the building except as specifically provided above.
14. Binding Effect. This agreement shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused the foregoing agreement to be executed the day and year first above written.

CITY OF WAYZATA, MINNESOTA (Lessor)

By _____
Ken Willcox, Mayor

And _____
Heidi Nelson, City Manager
(Lessee)

By _____
Lessee

And _____
Lessee

**WAYZATA POLICE DEPARTMENT
ACTIVITY REPORT
NOVEMBER, 2014**

Burglary-Commercial **Reported: 11-30-2014 1802**

Report of a business burglary. Loss \$250.

Addresses Involved

1300 block of Wayzata Blvd, Wayzata, MN 55391 USA

DWI **Reported: 11-29-2014 1808**

62 year old male from Minnetonka arrested for driving while under the influence of alcohol. Tested .12

Addresses Involved

Central Ave N & Wayzata E, Wayzata, MN

Domestic **Reported: 11-29-2014 0426**

Verbal dispute between boyfriend and girlfriend. Situation mediated.

Addresses Involved

400 block of Peavey Rd, Wayzata, MN

Theft **Reported: 11-28-2014 0905**

Report of a theft of checks from mailbox. Checks were subsequently cashed. Loss approximately \$3800.

Addresses Involved

16000 block of Holdridge Rd W, Wayzata, MN

Disturbance **Reported: 11-27-2014 2314**

Report of loud music coming from apartment. Music was on. Resident was advised of complaint and was cooperative.

Addresses Involved

100 block of Grand Ave S, Wayzata, MN 55391

Suspicious **Reported: 11-26-2014 1645**

Report of a second floor window hanging open. Attempted contact with owner.

Addresses Involved

2000 block of Grand Ave, Long Lake, MN 55356

Burglary-Commercial **Reported: 11-26-2014 0751**

Report of a burglary overnight. Loss of \$500-\$600.

Addresses Involved

600 block of Lake St, Wayzata, MN

Utility/Public Works Issue **Reported: 11-25-2014 1602**

Report of a hit gas line. Wayzata Police, Wayzata Fire and Centerpoint responded.

Addresses Involved

400 block of Bushaway Rd, Wayzata, MN

Assist **Reported: 11-23-2014 1557**

Assist to Water Patrol on a report of two males who went through the ice. Parties were able to get themselves out of the water after a few minutes. One transported to hospital.

Addresses Involved

Long Lake, Long Lake, MN

Theft **Reported:** 11-23-2014 1126

Report of a stolen purse. Purse was located, no theft occurred.

Addresses Involved

1100 block of Wayzata Blvd E, Wayzata, MN 55391

Animal **Reported:** 11-22-2014 1423

Report of a loose dog hit by a train. Dog was transported to emergency vet and owner was notified.

Addresses Involved

Lake St E & Walker S, Wayzata, MN

Domestic **Reported:** 11-21-2014 1907

Report of a verbal dispute between a juvenile female and parent.

Addresses Involved

200 block of Lakeview Ave, Long Lake, MN

Suspicious **Reported:** 11-21-2014 1036

Report of a suspicious male walking around a vehicle. Area checked, unable to locate male or vehicle.

Addresses Involved

1100 block of Wayzata Blvd E, Wayzata, MN 55391

Animal **Reported:** 11-19-2014 1136

Report of a dog bite.

Addresses Involved

400 block of Mill St, Long Lake, MN

Disturbance **Reported:** 11-18-2014 2113

Report of construction noise. Construction workers advised of ordinance.

Addresses Involved

100 block of Benton Ave N, Wayzata, MN

Theft **Reported:** 11-18-2014 1610

Report of identity theft. No loss at this time.

Addresses Involved

2000 block of Neilson Avenue, Long Lake, MN 55356 USA

Utility/Public Works Issue **Reported:** 11-18-2014 0918

Report of a cut gas line. Wayzata Fire responded.

Addresses Involved

600 block of Bushaway Rd, Wayzata, MN

Theft **Reported:** 11-18-2014 0708

Report of a shoplifter. Loss \$4.58.

Addresses Involved

1300 block of Wayzata Blvd E, Wayzata, MN 55391

Theft from Vehicle **Reported:** 11-17-2014 1411

Report of a theft from vehicle. Loss approximately \$1950.

Addresses Involved

1900 block of Wayzata Blvd W, Long Lake, MN 55356 USA

Fire **Reported: 11-17-2014 0906**
Report of a dumpster fire. Garbage was smoking on arrival, no fire present.
Wayzata Police and Fire responded.

Addresses Involved
300 block of Ferndale Rd S, Wayzata, MN

Suspicious **Reported: 11-17-2014 0125**
Officer located an unsecured gate. Area checked, nothing suspicious found.
Gate was closed and secured.

Addresses Involved
2400 block of Industrial Blvd W, Long Lake, MN 55356 USA

Unwanted Person **Reported: 11-14-2014 1632**
Report of a male walking in area of railroad tracks after being asked not to.
Area checked, unable to locate.

Addresses Involved
Bushaway Rd & Railroad Track, Wayzata, MN

Fire **Reported: 11-13-2014 1529**
Report of a vehicle fire. Vehicle was not on fire. Vehicle was towed and driver
transported to gas station to wait for ride.

Addresses Involved
Hwy 12 West & Co Rd 15 W, Wayzata, MN

Fraud **Reported: 11-12-2014 1829**
Report of an attempted phone scam. No personal information was obtained.

Addresses Involved
600 block of Harmony Cir, Wayzata, MN 55391

Open Door **Reported: 11-12-2014 0506**
Officer located an open door on a building. Building checked, nothing suspicious found.
Exterior door secured.

Addresses Involved
1800 block of Wayzata Blvd, Long Lake, MN 55356

Suspicious **Reported: 11-11-2014 2000**
Report of a suspicious male in entryway. Male was waiting for another tenant. Assisted.

Addresses Involved
1900 block of Wayzata Blvd E, Wayzata, MN

Utility/Public Works Issue **Reported: 11-11-2014 1651**
Report of a smell of natural gas in area. No odor detected.

Addresses Involved
Mill St & Wayzata Blvd W, Long Lake, MN 55356

Suspicious **Reported: 11-10-2014 1447**
Report of a smell of marijuana in hallway. No odor detected.

Addresses Involved
200 block of Lakeview Ave, Long Lake, MN 55356

Disturbance **Reported:** 11-10-2014 0023
Report of a loud television in a lower level apartment. Officer could faintly hear television in hallway. Attempted contact, no answer at door.

Addresses Involved

100 block of Circle A Dr S, Wayzata, MN 55391

Weapons Offense **Reported:** 11-09-2014 1640
Report of two juveniles in the area with guns. Two juvenile males with BB guns located and advised of city ordinance and to cease activity.

Addresses Involved

500 block of Bushaway Rd, Wayzata, MN 55391

Disturbance **Reported:** 11-09-2014 0427
Report of two males being loud near the lake. Area checked, unable to locate.

Addresses Involved

100 block of Gleason Lake Rd, Wayzata, MN 55391

Accident **Reported:** 11-08-2014 1352
Report of a two vehicle accident with minor injuries.

Addresses Involved

Highway 12 & Central Ave, Wayzata, MN

DWI **Reported:** 11-07-2014 2245
41 year old female from Eden Prairie arrested for driving while under the influence. Tested .11

Addresses Involved

Lake Street E & Superior Blvd, Wayzata, MN 55391

Names Involved

(Arrested) Wills, Erin Elizabeth (Age:41)

Disturbance **Reported:** 11-06-2014 2208
Report of loud music. Officers could hear loud music coming from apartment. Resident advised to turn music down.

Addresses Involved

600 block of Wayzata Blvd, Wayzata, MN 55391

Suspicious **Reported:** 11-05-2014 2006
Report of a person walking around the outside of neighbor's house. Relative of homeowner was shutting off outside water.

Addresses Involved

100 block of Glendale Dr, Long Lake, MN

Theft **Reported:** 11-05-2014 1354
Report of identity theft. Loss \$1700.

Addresses Involved

100 block of Ferndale Rd, Wayzata, MN

Utility/Public Works Issue **Reported:** 11-05-2014 0132
Report of a propane heater being on in a vacant home. Reporting Party advised the heater was contained and allowed to be on.

Addresses Involved

300 block of Benton Ave N, Wayzata, MN

Fire **Reported:** 11-04-2014 1321

Report of a dumpster fire. Wayzata Fire Department responded.

Addresses Involved

300 block of Bushaway Rd, Wayzata, MN

Theft from Vehicle **Reported:** 11-04-2014 1306

Theft of four tires from a vehicle. Loss approximately \$4300.

Addresses Involved

1700 block of Wayzata Blvd, Wayzata, MN 55391

Theft **Reported:** 11-04-2014 1248

Report of a shoplifting. Loss \$1.50

Addresses Involved

1300 block of Wayzata Blvd E, Wayzata, MN 55391

Utility/Public Works Issue **Reported:** 11-04-2014 1105

Report of a power outage covering half of Wayzata. Xcel notified. Power was restored within a few minutes.

Addresses Involved

City of Wayzata, Wayzata, MN 55391 USA

Disturbance **Reported:** 11-03-2014 2205

Report of someone yelling in the apartment. Officer heard coughing coming from apartment. Officer attempted contact. No contact made.

Addresses Involved

200 block of Central Ave N, Wayzata, MN 55391

DWI **Reported:** 11-03-2014 1858

36 year old male from Plymouth arrested for driving while under the influence. Tested .16

Addresses Involved

Lakeview Ave & Orchard, Long Lake, MN 55356

Names Involved

Arnes, Scott Joseph (age:36)

Theft **Reported:** 11-02-2014 1244

Report of a gas drive off theft. Loss \$45.

Addresses Involved

1300 block of Wayzata Blvd E, Wayzata, MN 55391

Disturbance **Reported:** 11-01-2014 2355

Report of a person being loud while loading trailer. Party advised and stated they were done.

Addresses Involved

200 block of Central Ave N, Wayzata, MN 55391

Disturbance **Reported:** 11-01-2014 0858

Report of male yelling. Residents advised to keep their voices down.

Addresses Involved

200 block of Lakeview Ave, Long Lake, MN

Disturbance **Reported:** 11-01-2014 0041

Report of loud party on a bus. Occupants advised and bus left.

Addresses Involved

800 block of Rice St E, Wayzata, MN 55391

TRAFFIC - NOVEMBER, 2014

CITATIONS	79
WRITTEN WARNINGS	9
VERBAL WARNINGS	48

Description	Nov 2014
MISSING ANIMAL	2
FOUND ANIMAL	1
FOUND PROPERTY	6
SAFEKEEPING & DISPOSAL	2
PIMV	2
PDMV	15
H & R PDMV	4
FALL/CUT	5
ANIMAL BITE	1
Other Fire/Smoke	1
Vehicle Fire	1
Structure/Object Fire	1
FIRE ALARM	8
GAS LEAK/SMELL	4
HAZ ROAD CONDITION	9
SUICIDE ATTEMPT	1
SUICIDE THREAT	2
SUDDEN DEATH	1
OTHER MEDICAL	37
Medical Alarm	2
72 Hour Hold/Emergency Admission	4
WELFARE CHECK - ADULT	5
WELFARE CHECK - JUV	1
MENTAL HEALTH ISSUE	2
INFO REC'D	4
VERBAL DOMESTIC	2
CIVIL MATTER	7
DISTURBANCE/FIGHT/LOUD PARTY/HARASSMENT	15
RECEIVE COURT ORDER/OFP	2
SUSPICION	17
OPEN DOOR/WINDOW	2
SCAM/FRAUD ATTEMPT	1
BURNING COMPL	1
MISC. JUVENILE PROBLEM	3
RV/SNOWMOBILE COMPLAINT	3
DRIVING/TRAFFIC COMPLAINT	15
PARKING COMPL	6

HOUSE/BUSINESS CHECKS	1
RECORD CHECKS	4
OTHER PERMITS	2
FIREARM PERMIT	4
HC SHERIFFS PERMIT TO CARRY	2
PARKING PERMIT	2
OTHER ORD VIOL (JUNK CARS, ETC)	1
OTHER ORD VIOL (JUNK CARS, ETC) - Verbal Warning	1
ANIMAL COMPLAINT/CHECK	12
DOG LICENSE ISSUED	1
KENNEL APP/LICENSE	1
PATROL REQUEST	1
POLICE ESCORT/STAND-BY	2
ADULT PROTECTION ASSIST	1
FINGERPRINTS	1
ASSIST CHILD PROTECTION	1
MOTORIST ASSIST/STALL	17
UTILITY PROBLEM	3
PUBLIC ASSIST	12
LOCKOUT	6
BUSINESS ALARM	35
CO2 ALARM	4
HOME ALARM	17
911 HANG-UP	22
ASSIST OTHER DEPT	13
SEARCH WARRANT	1
TRAFFIC CONTROL / DIRECT ENFORCEMENT	12
Impound Release	1
ADMINISTRATIVE DUTIES	1
PUBLIC RELATIONS	1
BURG 2-UNOCC NRES FRC-N-UNK WEAP-COM THEFT	2
FORGERY-FE-MAKE-ALT-DEST-CHK-OV 2500-PER	1
FORGERY-FE-MAKE-ALT-DEST-CHK-201-2500-PER	1
DRUGS-DRUG PARAPH-POSSESS-UNK-UNK	1
TRAF-ACC-M-4TH DEG DWI-UI ALCOHOL-MV	3
JUVENILE-ALCOHOL OFFENDER-UNDER 18 YRS	1
THEFT-1001-5000 DLRS FE-MTR VEHICLE-OTH PROP	2
THEFT-500 OR LESS MS-BLDG-UNK PROP	1
THEFT-500 OR LESS MS-BLDG-OTH PROP	2
THEFT-500 OR LESS MS-SELF SERVE GAS-GAS ONLY	1
THEFT-FE-IDENTITY THEFT-2501-19999	1
THEFT-GM-IDENTITY THEFT-501-2500	1
THEFT-MS-IDENTITY THEFT-UNK LOSS	1
CRIM AGNST GOVN-MS-IMPERSONATING AN OFFICER	1

2012	2013	2014 Sept	2014 Oct	2014 Nov	YTD 2014
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BUILDING CONSTRUCTION

NUMBER OF BLDG. PERMITS	130	180	19	19	12	184
PROJECT VALUE	\$96,042,207.60	\$86,541,995.07	\$7,318,357.00	\$2,940,000.00	\$1,103,860.00	\$70,683,888.31
BUILDING PERMIT FEE	\$450,559.14	\$450,148.65	\$39,842.75	\$23,258.00	\$9,295.75	\$386,575.09
PLAN CHECK FEE	\$261,987.39	\$263,643.54	\$23,154.52	\$14,878.03	\$5,675.65	\$233,516.45

EXTERIOR REPAIR

NUMBER OF PERMITS	92	54	9	7	4	68
PROJECT VALUE	\$1,447,782.00	\$803,851.01	\$98,195.74	\$77,673.91	\$33,907.00	\$863,552.35
PERMIT FEE	\$21,298.96	\$12,737.00	\$ 1,861.53	\$ 1,504.50	\$ 708.00	\$15,324.78

MECHANICAL

NUMBER OF PERMITS	120	154	25	20	19	198
PROJECT VALUE	\$3,087,534.32	\$4,245,740.00	201,658.66	379,142.00	1,574,116.00	\$6,321,972.61
PERMIT FEE	\$52,434.06	\$70,487.99	4,039.18	7,014.19	24,937.57	\$106,395.78

PLUMBING

NUMBER OF PERMITS	183	166	18	19	19	175
PROJECT VALUE	\$1,838,744.75	\$1,041,197.50	\$443,425.00	\$86,664.00	\$390,620.00	\$4,324,354.00
PERMIT FEE	\$35,180.86	\$21,005.93	\$8,110.50	\$1,900.00	\$6,825.40	\$74,666.02

TOTAL # OF PERMITS	525	554	71	65	54	625
TOTAL INCOME	\$821,460.41	\$818,023.11	\$77,008.48	\$48,554.72	\$47,442.37	\$816,478.12

NUMBER OF INSPECTIONS

BUILDING	666	639	86	109	95	908
EXTERIOR	192	74	12	13	8	83
HVAC	253	318	46	39	55	411
PLUMBING	282	294	33	34	35	343
OTHER	78	39	2	0	2	10
TOTAL # OF INSPECTIONS	1471	1364	179	195	195	1755

RENTAL HOUSING INSPECTIONS

INSPECTIONS	146	122	0	0	0	119
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MEMORANDUM

To: Heidi Nelson

From: Brian T. Grogan

Date: December 8, 2014

Re: Franchise Renewal – City of Wayzata, MN

Franchise Term

The existing Cable Television Franchise Agreement expired on or about July 1, 2013. The City has adopted resolutions extending the franchise term through December 31, 2014. An additional extension of the franchise term is required.

Draft Renewal Cable Television Franchise

A draft renewal cable television franchise was sent to Mediacom on November 22, 2013. Mediacom provided its written response on January 20, 2014. By letter dated March 6, 2014 the City provided its response to Mediacom's proposed changes. The City and Mediacom met face-to-face over the summer to narrow the list of outstanding issues. On October 28, 2014 the City sent a revised cable television franchise to Mediacom for its review. On November 17, Mediacom's legal counsel reported that they were working on a response to the October 28th document. Once the City receives Mediacom's response the parties will schedule a face-to-face meeting in hopes of finalizing the franchise.

Recommendation

Consider adopting the attached Resolution extending the franchise term through April 30, 2015 in order to complete franchise renewal negotiations with Mediacom.

2627561v1

RESOLUTION NO. 40-2014

GRANTING MEDIACOM MINNESOTA LLC A FRANCHISE EXTENSION THROUGH APRIL 30, 2015

WHEREAS, on or about June 16, 1998, the City of Wayzata, Minnesota ("City") passed and adopted a Cable Television Franchise Agreement granting a fifteen (15) year franchise ("Franchise") to Triax Midwest Associates, L.P. ("Triax"); and

WHEREAS, the Franchise was accepted by Triax on July 1, 1998 and is currently held by Mediacom Minnesota LLC ("Mediacom"); and

WHEREAS, the initial term of the Franchise expired on or about July 1, 2013; and

WHEREAS, the City adopted Resolution No. 17-2013 on June 4, 2013 extending the term of the Franchise until December 18, 2013; and

WHEREAS, Mediacom executed said Resolution No. 17-2013 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, the City adopted Resolution No. 47-2013 on December 17, 2013 extending the term of the Franchise until March 31, 2014; and

WHEREAS, Mediacom executed said Resolution No. 47-2013 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, the City adopted Resolution No. 08-2014 on March 18, 2014 extending the term of the Franchise until September 30, 2014; and

WHEREAS, Mediacom executed said Resolution No. 08-2014 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, the City adopted Resolution No. 26-2014 on September 16, 2014 extending the term of the Franchise until December 31, 2014; and

WHEREAS, Mediacom executed said Resolution No. 26-2014 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, both the City and Mediacom desire to extend the term of the Franchise to facilitate renewal negotiations under state and federal law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Wayzata, Minnesota hereby resolves as follows:

1. The Franchise is hereby amended by extending the term of the Franchise from January 1, 2015 through and including April 30, 2015 unless earlier renewed by the parties.
2. Except as specifically modified hereby, the Franchise shall remain in full force and effect.
3. The City and Mediacom hereby agree that neither waives any rights either may have under the Franchise or applicable law.
4. This Resolution shall become effective upon the occurrence of both of the following conditions: (1) The Resolution being passed and adopted by the Wayzata City Council; and (2) Mediacom's acceptance of this Resolution.

Adopted by the City Council of Wayzata, Minnesota, this 16th day of December,
2014.

CITY OF WAYZATA, MINNESOTA

By: _____
Mayor Kenneth Willcox

ATTEST:

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution:

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on December 16, 2014.

Deputy City Clerk Becky Malone

SEAL

ACCEPTANCE

Mediacom Minnesota LLC, hereby accepts the terms, provisions and recitals of
the City of Wayzata Resolution No. 40-2014.

DATED: _____, 2014

MEDIACOM MINNESOTA LLC

By: _____

Its: _____

Sworn to before me this _____

day of _____, 2014.

Notary Public



**Planning Report
December 15, 2014**

Project Name: 324 Bushaway Road Residential House Design Approval
File Number: PR 2014-9
Applicant/Owner: Jyland Construction Management Company
Address of Request: 324 Bushaway Road
Property ID #s: 05-117-22-34-0023
Prepared by: Bryan Gadow, City Planner
Planning Commission Review: December 15, 2014
City Council Review: December 16, 2014

PROJECT SUMMARY

Section 1. Development Application

- 1.1. General. On March 6, 2012, the City Council voted 5-0 to approve a five (5) lot subdivision at 310 and 324 Bushaway Road via Resolution 11-2012. The Planning Commission also unanimously recommended approval of the subdivision. One of the conditions of approval was that:

The Applicant and/or future homeowner shall submit plans for review and approval by the Planning Commission and the City Council depicting architectural appearance, scale, mass, construction materials, proportion and scale of roof line and functional plan of the buildings proposed to demonstrate similarity to the characteristics and quality of the existing homes in the neighborhood as required under Section 805.14.e.8 and 805.14.e.9. The Applicant shall include this requirement to their covenant documents in order to convey this requirement to future owners of the Property.

In July, the Commission and Council reviewed and approved designs for the last two lots in the development (Lots 1 and 5). Since that time, a new owner is purchasing Lot 1 (324 Bushaway) and has a different building design that was proposed in July. Jyland Construction (the "Applicant") is working on behalf of the owners (Anton and Lindy Vincent) to construct the last homes that is part of the five lot development. The Applicant has submitted the proposed building plans (Attachment A) for review for the structure on Lots 1 (324 Bushaway). The designs for Lots 2, 3, and 4 were previously reviewed and approved in 2013.

Similar to the other StoneCrest buildouts that have previously been reviewed, the Applicant is requesting that the Planning Commission review the plans at their meeting on December 15th and the City Council review the plans at their December 16th meeting.

1.2 Project Location.

The proposed home on Lot 1 would be built on property located east of Bushaway Road, and north of McGinty Road and the railroad tracks.

Map 1: Project Location.



SECTION 2. ANALYSIS OF CURRENT DEVELOPMENT PROPOSAL

2.1 Lot Size and Building Analysis.

Lot 1 is 86,404 SF, which is larger than the 40,000 SF minimum in the R-1 District. Another condition of approval of the subdivision was that the project would be built to the R-1A District standards, including 10% lot coverage and 20% impervious surface coverage limits. The 86,404 SF lot exceeds the lot minimum for the R-1A District.

Building Item	Proposed Square Footage
House, Garage	6,044.98 SF
Deck	NA
Driveway and Sidewalk	6,059.83
Total	12,104.81 SF
Percentage of Lot Area	Percentage
	7% Lot Coverage
12,104.81 SF/ 86,404 SF	14% Hardcover

The proposed building footprint at 7% and total impervious surface at 14% would be under the 10% lot coverage and 20% maximum impervious surface requirements for the R-1A District. The proposed building height of 40 ft would meet the R-1A requirement.

Section 3. Applicable Code Provisions for Review

3.1 Subdivision Ordinance – Building Design Related

Section 805.14(e) provides criteria for the Planning Commission and City Council to evaluate the proposed building design, as required by the condition of approval of Resolution 11-2012. The following is the applicable factor for this section for consideration. Included is Staff's evaluation of each of the factors:

- A. The architectural appearance, scale, mass, construction materials, proportion and scale of roof line and functional plan of a building proposed on a lot to be divided or combined shall be similar to the characteristics and quality of existing development in the City, a neighborhood or commercial area.

The Applicant has provided building elevations for review and comment by the Commission and City Council. The Applicant will also provide building material samples for review at the meeting. The proposed structures meet the requirements of the R-1A District in terms of coverage and other performance standards. The Commission and Council should comment on the character of the building design within the context of the neighborhood.

Section 5. Action Steps.

After considering the items outlined in this Report, the Planning Commission and City Council should review, provide comments on, and approve the proposed Lot 1 building plans.

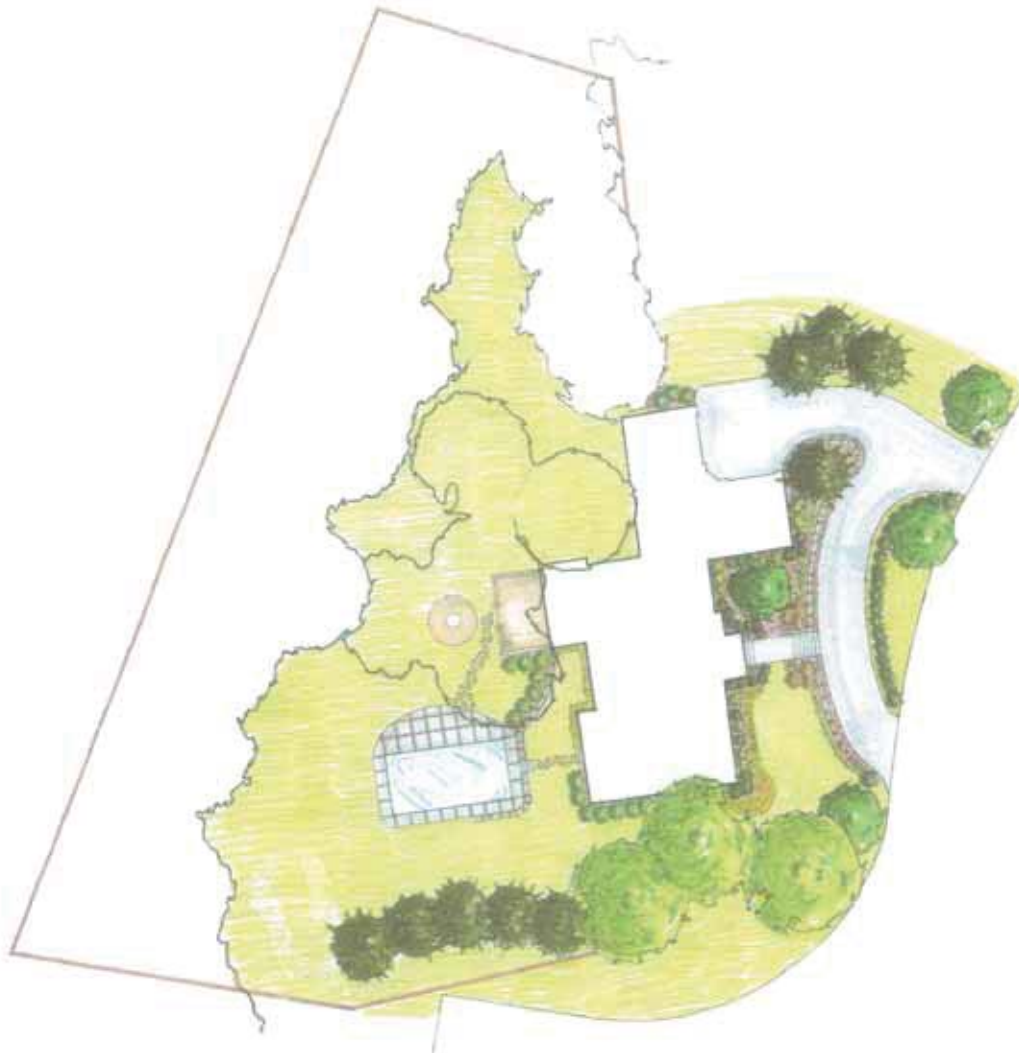
Attachments:

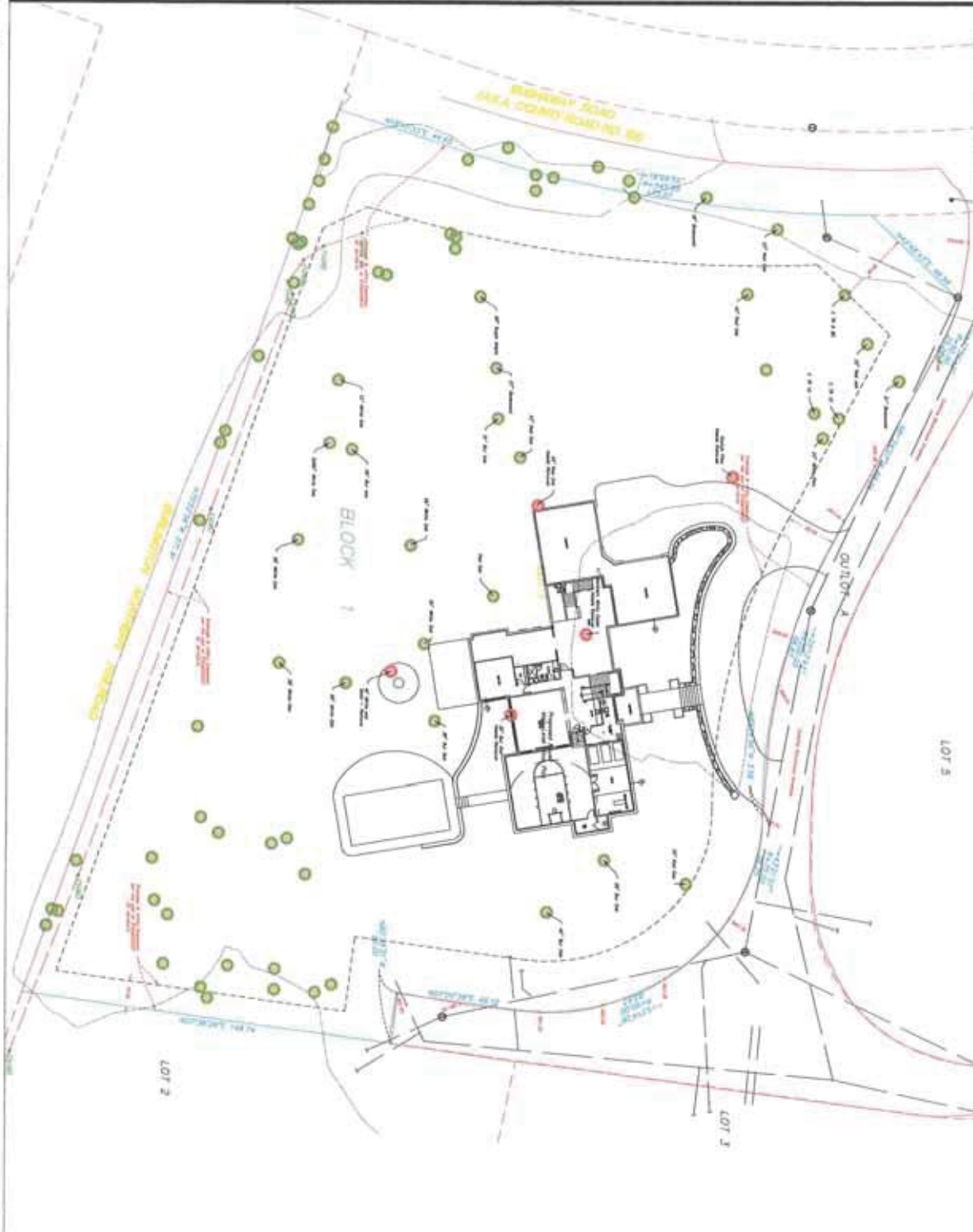
- Attachment A: 324 Bushaway Architectural Plan Set
- Attachment B: Stonecrest Plat



11324" RESIDENCE WAYATA

Jyland
CONSTRUCTION MANAGEMENT CO.





111.00 (03/01/2021)
 111.00 (03/01/2021)
 111.00 (03/01/2021)

Revisions	By	Date
1	111.00 (03/01/2021)	111.00 (03/01/2021)
2	111.00 (03/01/2021)	111.00 (03/01/2021)
3	111.00 (03/01/2021)	111.00 (03/01/2021)
4	111.00 (03/01/2021)	111.00 (03/01/2021)
5	111.00 (03/01/2021)	111.00 (03/01/2021)
6	111.00 (03/01/2021)	111.00 (03/01/2021)
7	111.00 (03/01/2021)	111.00 (03/01/2021)
8	111.00 (03/01/2021)	111.00 (03/01/2021)
9	111.00 (03/01/2021)	111.00 (03/01/2021)
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LEGEND

- 1. Building
- 2. Parking
- 3. Easement
- 4. Trail
- 5. Boundary
- 6. Survey
- 7. Utility
- 8. Other

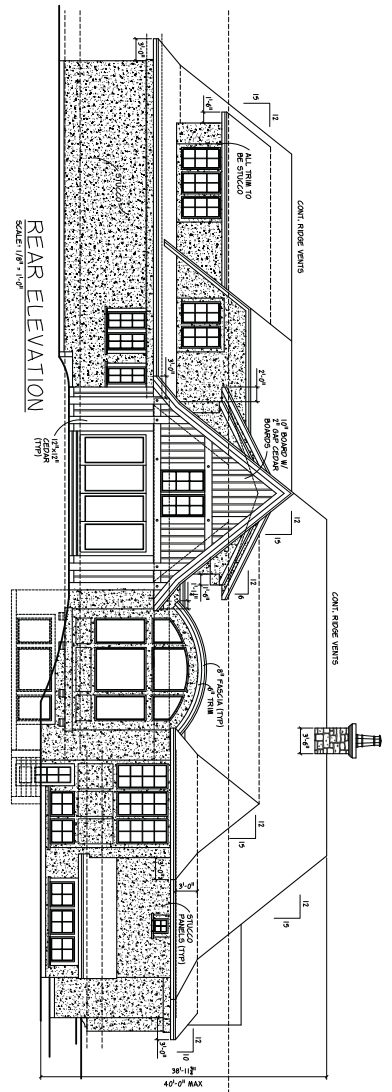
NOTES

1. Building and parking are shown as approximate locations only.
2. Easements are shown as approximate locations only.
3. Trail is shown as approximate location only.
4. Boundary is shown as approximate location only.
5. Survey is shown as approximate location only.
6. Utility is shown as approximate location only.
7. Other is shown as approximate location only.

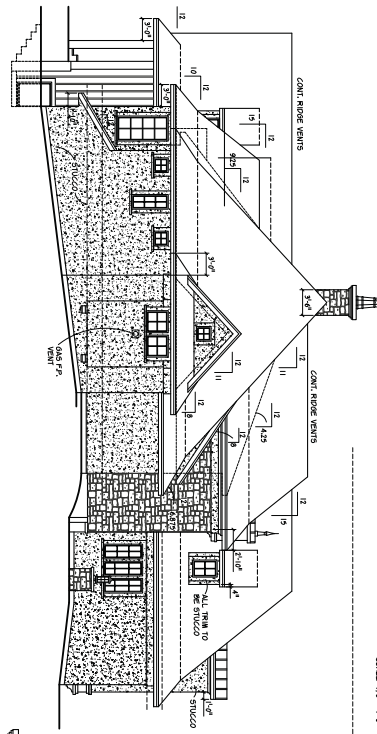
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1" = 20' 0"

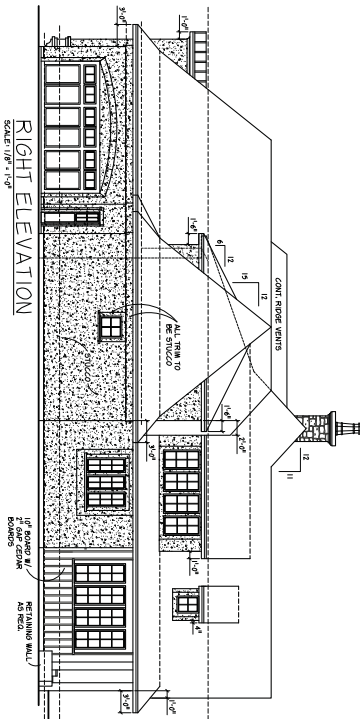
North Arrow



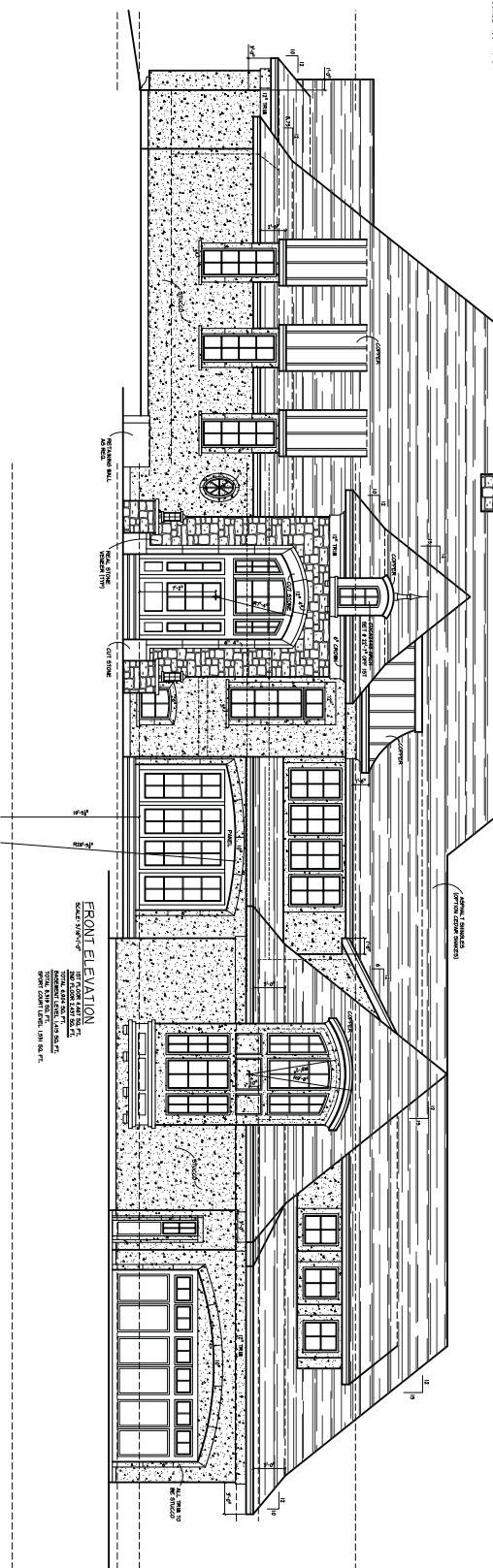
REAR ELEVATION
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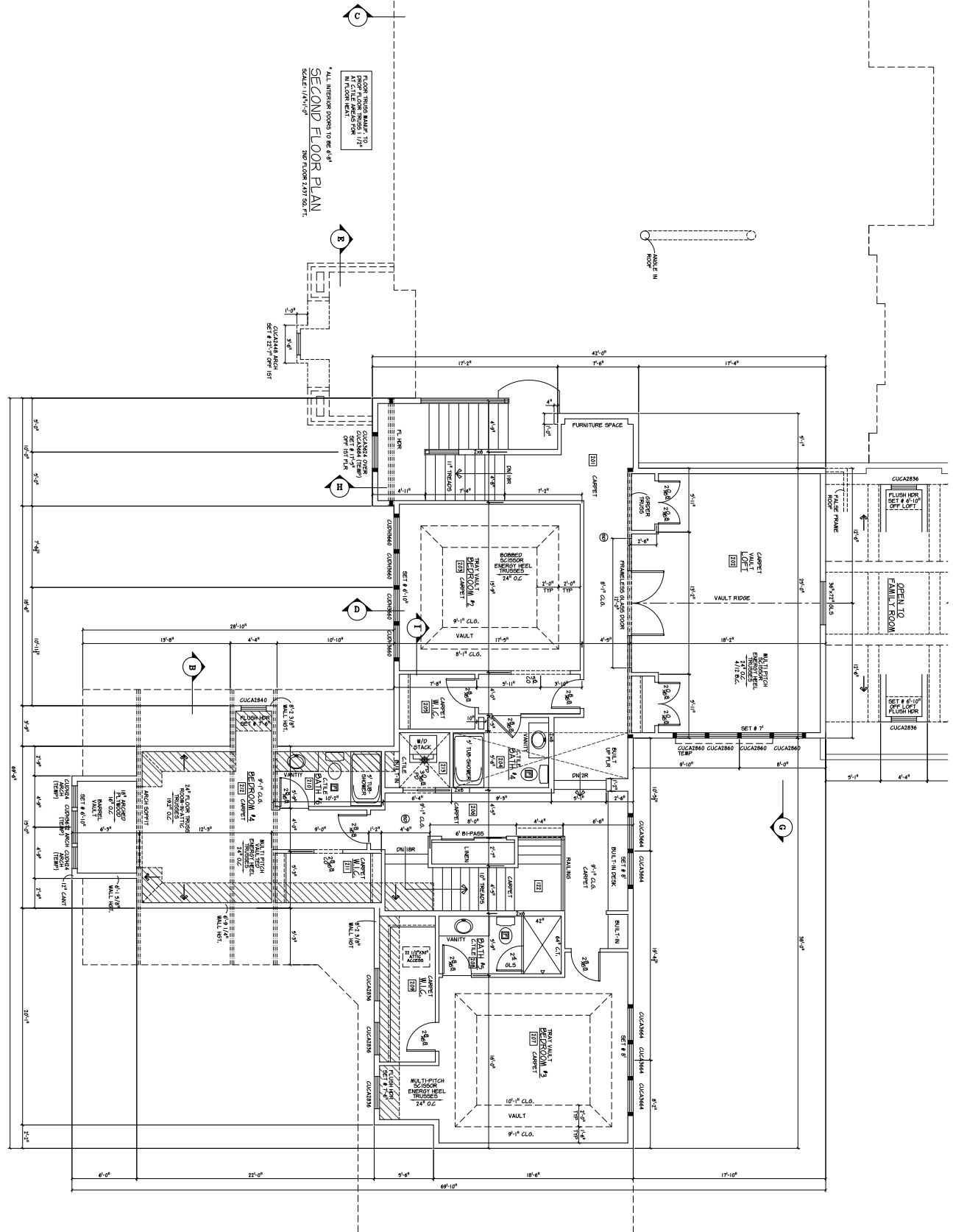
LEFT ELEVATION
SCALE: 1/8" = 1'-0"



RIGHT ELEVATION
SCALE: 1/8" = 1'-0"



FRONT ELEVATION
SCALE: 1/8" = 1'-0"



SECOND FLOOR PLAN
SCALE: 1/4"=1'-0"

* ALL INTERIOR DOORS TO BE 6'-0" AT 6'-0" HEIGHTS FROM FIN FLOOR FINISH

2ND FLOOR 2,437 SQ. FT.

DATE	2/2/2014
REVISIONS	
DESIGN BY	
CHECK BY	
SHEET NO.	214423
4	

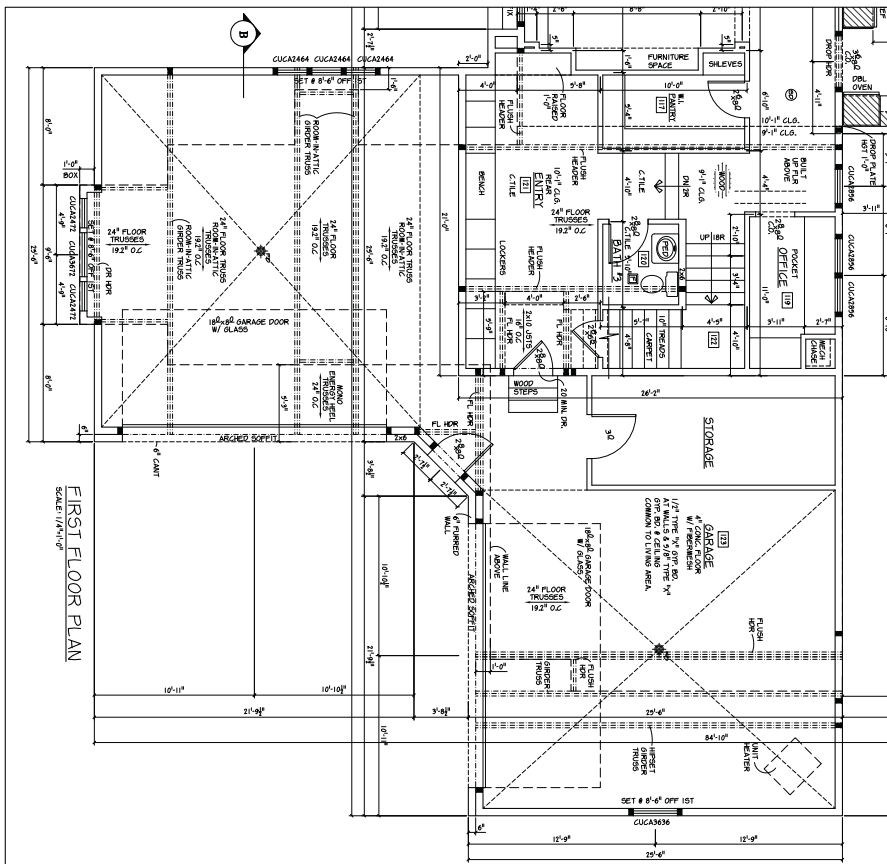
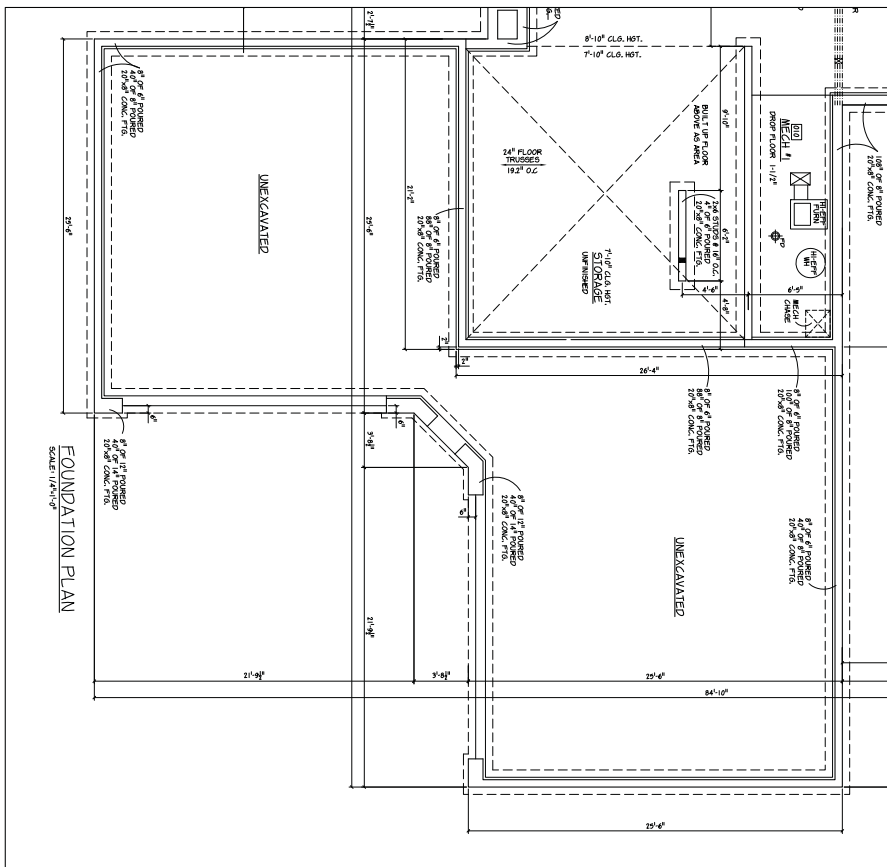
324 BUSHAWAY ROAD
WAYZATA MN

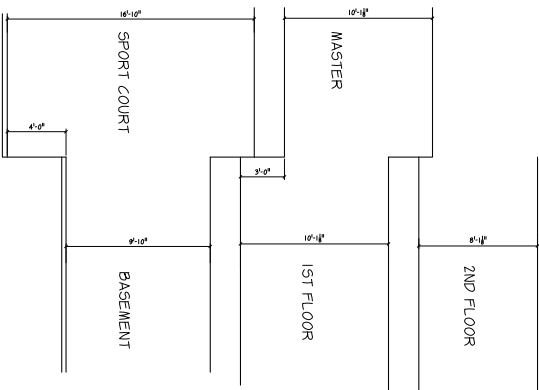


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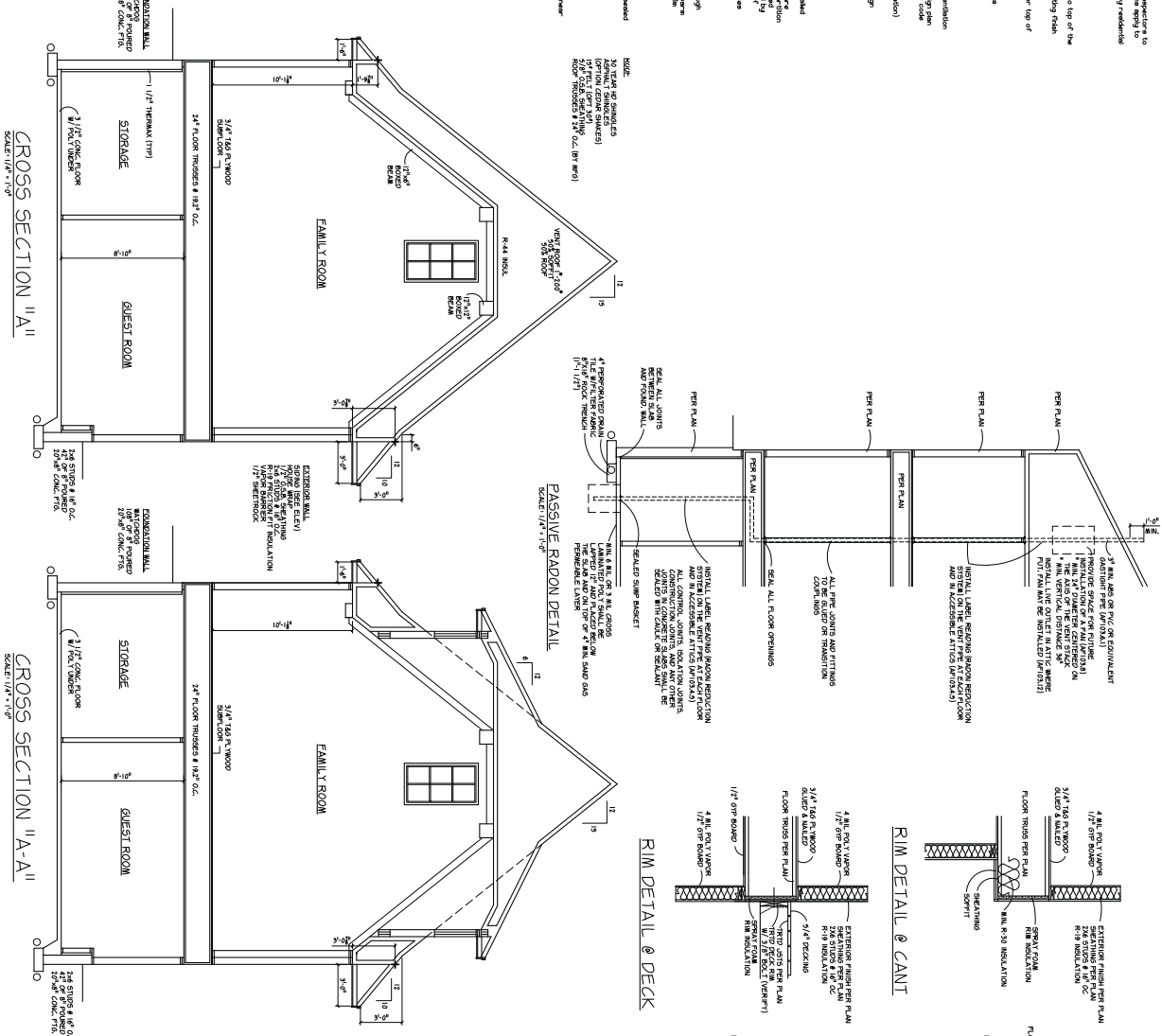


D.F.P.
PLANNING & DESIGN
800 BALCONY ST. #200 COONAPOLIS, MN 55449
WEB: WWW.DFPDESIGN.COM
Phone: 763-760-8000 Fax: 763-760-8000



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FLOOR HEIGHT DETAILS
SCALE: 1/4" = 1'-0"



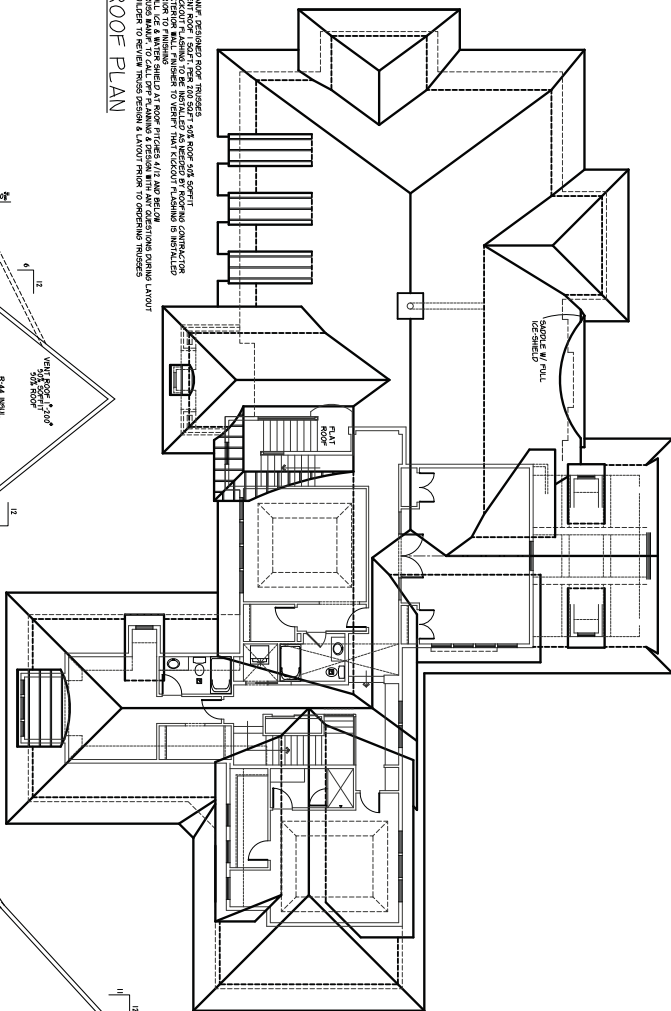
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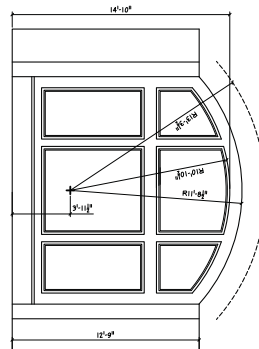
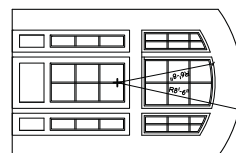
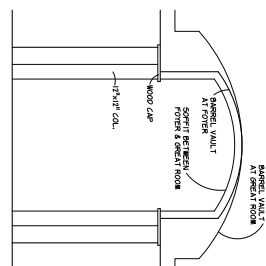
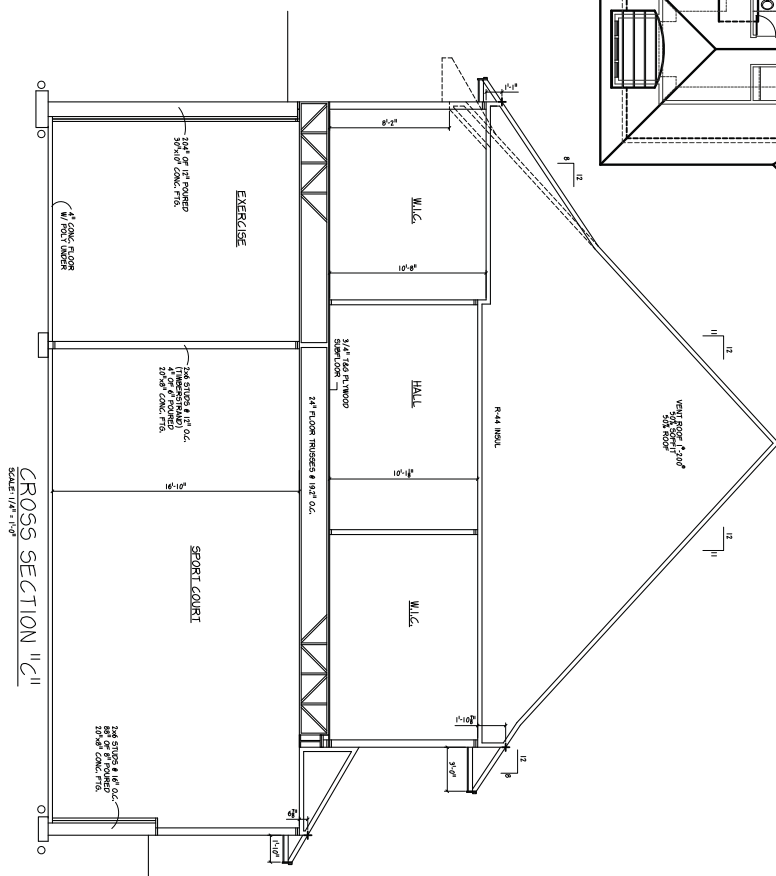
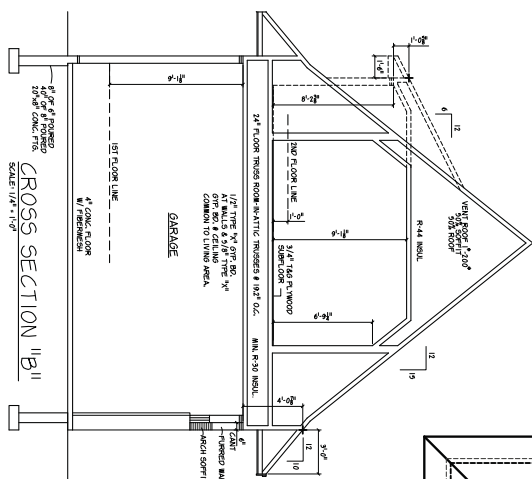
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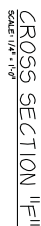
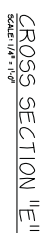
RIM DETAIL

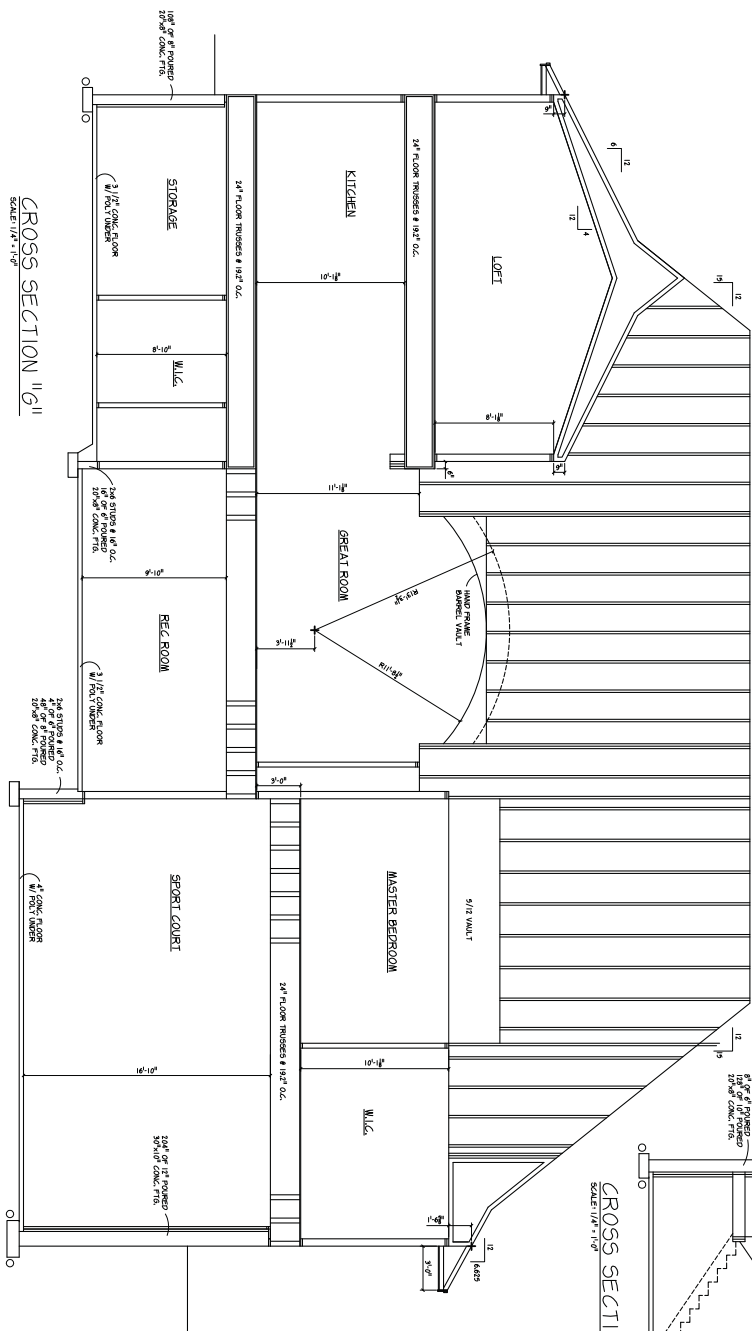




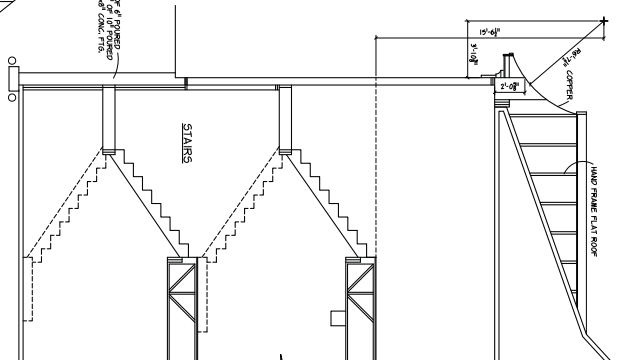
MAKES DESIGNED ROOF TRUSSES
VENT ROOF SOFT PEE 200 SOFT SUE 90% SUPPORT
EXTERIOR ALL FINISHER TO VENTY AND KICKOFF FLASHING IS INSTALLED
PICKUP TO FINISHING
FILL CUE & WATER CHILLED BY PERFORMS 4 1/2' AND BELOW
TRUSS MAJOR TO CALL OFF PLANNING & DECISION WITH AIR DIRECTION DURING LAYOUT
BOLTER TO REVIEW TRUSS DESIGN & LAYOUT PRIOR TO ORDERING TRUSSES



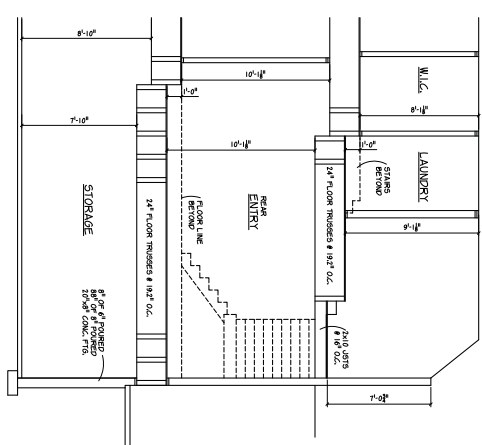


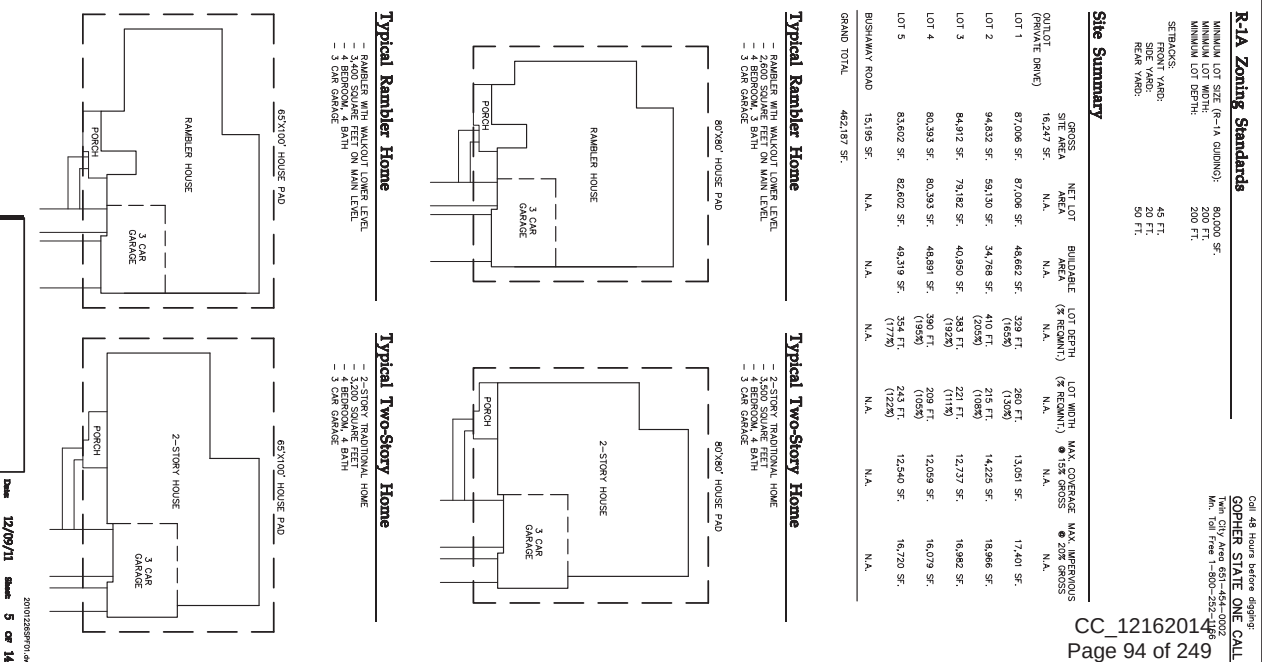


CROSS SECTION "I"
SCALE: 1/4" = 1'-0"



CROSS SECTION "II"
SCALE: 1/4" = 1'-0"





Stonecrest Investments
co./BCLW Investments
Wayzata, Minnesota 55391

Stonecrest
 310 & 324 Bushaway Rd.
 Weymouth, Minnesota

Site Plan-Subdivision
Plan

CITY OF WAYZATA



PLANNING DEPARTMENT

MEMORANDUM

To: City Council
From: Bryan Gadow, City Planner
Date: December 10, 2014
Re: 151 Westwood Lane Subdivision

At the December 2, 2014 City Council meeting, the Council reviewed a development application from White Birch Properties and Development Group for a three (3) lot subdivision at 151 Westwood Lane. The Council was split, two (2) in favor and two (2) opposed, on adopting the draft Resolution for approval of the application that was based on the Planning Commission's Report and Recommendation. In light of this, the Council directed staff to prepare an alternative draft denial resolution for consideration, along with the original draft approval resolution, at the Council's December 16, 2014 meeting when it was anticipated that all five members of Council would be present.

Attached to this memorandum and for the Council's consideration are: (1) the draft approval resolution that was based on the Planning Commission's Report and Recommendation, and (2) a new alternative draft denial resolution that is based on the Council's direction and the comments from Council members and the public at the December 2, 2014 meeting.

In addition, Mr. Scott Roe of White Birch Properties has also provided a letter on his application that is attached.

December 5, 2014

Mayor Ken Willcox

Council Members: Jack Amdal, Bridget Anderson, Andrew Mullin and Tom Tanner

City of Wayzata

600 Rice Street

Wayzata, MN 55391

Re: 151 Westwood Lane, Wayzata, MN – Proposed Development

Dear Mayor and Council Members:

I wanted to comment further on my application to the City of Wayzata for a three (3) lot residential subdivision at 151 Westwood Lane, Wayzata, MN. My application does meet the City of Wayzata subdivision requirements and does not require a variance. I have been in contact with the neighborhood and did meet with Mr. Stephen Poling, after the December 2 council meeting, this week. I am willing to work with him to make his property line as attractive as possible. He does not want a berm and would be open to a stand of evergreens that would be mature and thoughtfully planted. He is the most impacted by this proposal and I am sensitive to these impacts. He is appreciative of my concern.

Also, I was willing to move the proposed road to the North to mitigate the impact from traffic lights into the home that is across the street. The proposal reflects this new road location and lights would direct across the North of the impacted home vs. into the home.

From a historical perspective, the parcel was purchased from US Bank in 2014 and was in Foreclosure. The existing home (built in 1935); pool and pool house are in significant decay and disrepair. The property does have an interesting history with previous owners, subdivision and attempts at additional subdivision

W. Duncan Macmillan was the most prominent owner of the original property until the late 1990's when he parceled the original 28 acre estate and subsequently moved to Orono, MN. Parcels were sold to various owners. You will note that the sold parcels are irregular in shape.

2001 the new owner of several parcels extended Westwood Lane into the property via a cul de sac.

The remaining 8 acre property, with the home, was owned by Mark Berlin.

A 2.99 acre parcel, to the North, was sold to the Lukis Family in December of 2008.

This left 5.06 acres with the 1935 home, pool and pool house.

In 2010, there was an application for development, by Mark Berlin, that would have connected the road, via a loop with the cul de sac that was created in 2001. The proposed road would have been behind the Poling's home. This application was withdrawn.

In 2012 the property entered foreclosure.

The proposed subdivision would support new housing inventory that would be consistent or in excess of the existing values in the neighborhood. Therefore, the subdivision would be accretive to the neighborhood and Wayzata's Property Tax base.

This subdivision proposal is part of the Highlands neighborhood that is specifically mentioned in the 2030 Wayzata Land Use Comprehensive Plan as One Acre Single Family Residential. Lot sizes in this neighborhood should be one (1) acre minimum. My proposed development is consistent with these suggested minimums.

As a matter of perspective The Highlands neighborhood is made up of 45 single family properties with an eclectic array of parcel sizes. (20 – 1 acre, 18 - .5 acre and 7 properties that are in excess of 1.98 acres)

It is important to note that the three lots will be placed strategically as to maintain the neighborhood feel from the street, where the present driveway provides a buffer from Westwood Lane. The new road will have a similar length to maintain this buffer from Westwood Lane. It was mentioned in the city council meeting on December 2, 2014 that you would not know that there is a house back there, unless you walked up the driveway. My proposal was thoughtfully designed to maintain this feature.

I am willing to donate this "buffer" acreage to the City of Wayzata in lieu of the park fee dedication.

The individual home plans are not part of this application and individual home design plans would have to be approved by the City of Wayzata Planning Department. I used large 5000 sq. feet building envelopes. This was for illustrative purposes and the actual homes will likely be smaller. However, I wanted to be as transparent as possible, in the event that a larger home is designed.

In conclusion, I have met the objective requirements in my application. I understand that this proposal is a change for the neighborhood and change is not always welcome. However, my proposal is thoughtful and sensitive to the neighborhood. I am not asking for a variance or road modifications that would dramatically change traffic patterns. I also understand that it is difficult to see these large

"estate parcels" be sold and subdivided in Wayzata. Economic pressures drive these changes and our city ordinances and requirements are in place to maintain neighborhoods to an objective standard.

I appreciate your time and consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Scott D. Roe". The signature is fluid and cursive, with the first name "Scott" being more prominent than the last name "Roe".

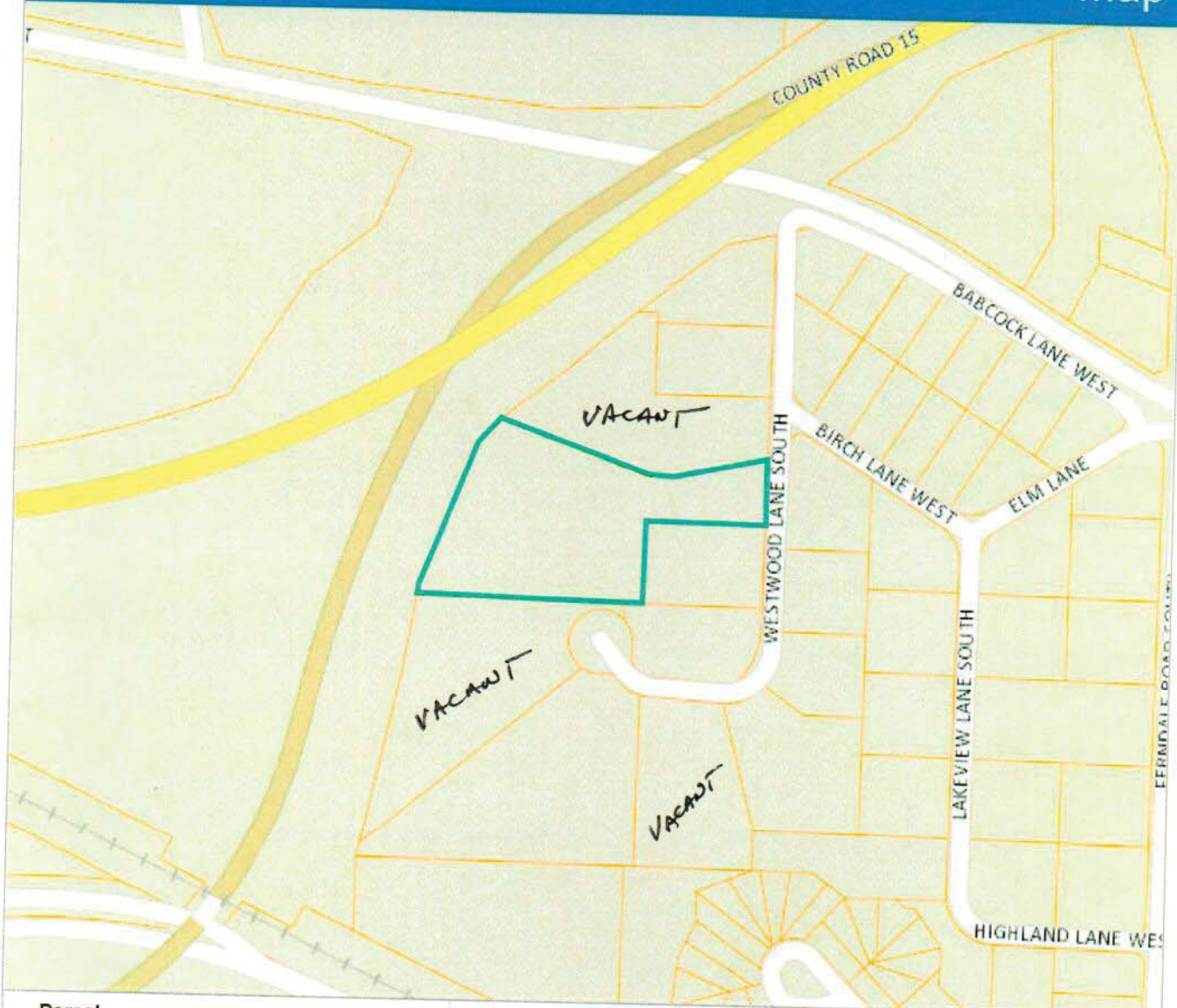
Scott D. Roe

5128 Bryant Ave S

Minneapolis, MN 55419

612-840-0809 c

Attachment: Hennepin County GIS – Printable Map – Highlands Neighborhood – Wayzata, MN

Interactive
MapsProperty
Map

Parcel ID: 01-117-23-13-0011

Owner Name: White Birch Prpty/Dev Group

Parcel Address: 151 Westwood La S
Wayzata, MN 55391

Property Type: Residential

**Home-
stead:** Non-Homestead

Parcel Area: 5.06 acres
220,413 sq ft

A-T-B: Torrens

Market Total: \$980,000

Tax Total: \$14,729.40
(Payable: 2014)

Sale Price: \$1,250,007

Sale Date: 05/2014

Sale Code:

Map Scale: 1" = 400 ft.

Print Date: 12/4/2014



This map is a compilation of data from various sources and is furnished "AS IS" with no representation or warranty expressed or implied, including fitness of any particular purpose, merchantability, or the accuracy and completeness of the information shown.

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From: Jon Sabes
Sent: Monday, December 8, 2014 7:38 PM
To: TomTanner@wayzata.org
Cc: minow35@yahoo.com
Subject: Proposed Wayzata Highlands Subdivision – MacMillan Property

Dear Councilman Tanner:

We are residents of 175 Westwood Lane South, property which is adjacent to the proposed subdivision.

We have resided at this location for over seventeen years and have had the pleasure of raising our three children in the Highland's neighborhood. We are close to many of our neighbors, who, like us have also resided in the neighborhood for over a decade. The Highland's neighborhood is one of the many gems that make up the Wayzata community.

With respect to the proposed subdivision, we offer the following observations:

- We support property owners rights;
- We acknowledge that our neighborhood and community will continue to change;
- We believe the Highlands neighborhood has been subject to is fair share of that change;
- The proposed subdivision seeks to accelerate that change for the sole purpose of maximizing development profits of an outside developer;
- The proposed subdivision in an unnatural increase of neighborhood density without any realizable benefits to the existing neighborhood;
- The proposed subdivision does not fit with the established character and design of the neighborhood;
- The proposed subdivision fails to meet the burden the city council should require when approving significant divisional changes to well established neighborhoods within the community.

The proposed subdivision is a tortured attempt to maximize as much housing as possible into a limited footprint of residentially zoned land that was never intended or designed to accommodate the type of development proposed by the applicant.

The loss of the natural spacing occurring among the residential homes along Westwood Lane South will be forever lost, and further diminished by increased pollution caused by the traffic, light, design, and utility requirements necessary to support three homes on the limited footprint provided by the land.

The applicant's purchase is contingent upon the development approval, and without such approval, the residential land will simply revert a normalized plan for a single family home that maintains the continuity of the neighborhood that has stood for several decades.

Please walk the property if you have not before you make your final decision.

Thank you for your service on the council and thoughtful consideration.

Best regards,

Jon & Kristine Sabes
175 Westwood Lane
Wayzata, MN 55391

Jon Sabes, *Chief Executive Officer*

jsabes@gwqlife.com

612-746-1914 DIRECT

612-388-2223 MOBILE

877-494-2388 TOLL FREE

220 South Sixth Street, Ste 1200

Minneapolis, MN 55402

www.gwqlife.com



Bryan Gadow

From: Ken Willcox
Sent: Wednesday, December 10, 2014 10:52 AM
To: Bryan Gadow
Subject: FW: Highlands subdivision proposal

Bryan,

fyi

Ken

From: Tim Tracey [tntracey@live.com]
Sent: Tuesday, December 09, 2014 8:31 AM
To: Jack Amdal; Tom Tanner; Bridget Anderson; Andrew Mullin; Ken Willcox
Subject: Highlands subdivision proposal

Wayzata City Council,

I normally do not get involved with matters like this because I have generally been pleased with the thoughtful planning of Wayzata. On this occasion I believe Wayzata is making a mistake to allow the subdivision of the former McMillian property into three lots because this will forever change the composition and culture of the neighborhood.

18 years ago my family chose the Highlands neighborhood over Edina because we relished the larger lots with house separation and the abundance of mature trees. The fact that Duncan McMillian owned the acreage along highway 12 provided us some assurance that the neighborhood would remain buffered and tranquil. The slope of the proposed subdivision necessitates that the houses be built more closely together than the remainder of the neighborhood (more like the Mc-Mansions of Edina). The removal of many mature trees that have long served as a buffer from highway 12 will dramatically change the noise level and ambiance of the neighborhood. Further, this may only be the beginning of more "comparable" subdivision along Westwood that would remove nearly all the trees that frame our neighborhood and provide a needed buffer from Highway 12.

There is no such thing as a perfect development ordinance. In this case I believe the neighborhood is unified. Yes, the proposed subdivision meets the letter of the code but it certainly does not meet the original spirit and intention of the neighborhood guidelines. Therein lies the rub. The Wayzata City Council needs to use discretionary judgment beyond the literal interpretation of the code to decide on a plan that will benefit the greater good ... in this case the greater good of a long established Highlands neighborhood. Please reject the submitted plan for this sub development as it will forever change the composition and ambiance of this desirable neighborhood.

Sincerely,
Tim & Mary Tracey
150 Lakeview Lane
Wayzata, MN

Bryan Gadow

From: Ken Willcox
Sent: Wednesday, December 10, 2014 10:53 AM
To: Bryan Gadow
Subject: FW: Proposed development of 151 Westwood Ln South.

Bryan,

fyi

Ken

From: Marc Viers [Marc_Viers@cargill.com]
Sent: Tuesday, December 09, 2014 8:35 AM
To: Ken Willcox
Subject: FW: Proposed development of 151 Westwood Ln South.

Dear Mr. Willcox

As a citizen of Wayzata and resident of Wayzata Highlands I would like to express my concern and opposition to the proposed development of 151 Westwood Lane South and the subsequent precedent this sets in terms of future development in the neighborhood and local community. While on paper there may appear to be some rationale to approve this on a standalone basis, upon further examination the topography is such that the buildable acreage is significantly less than the total plot size which has clear implication on the need to cluster and hence the effective density of additional homes. This results in a lot configuration and access that is not consistent with the balance and character of the neighborhood. I believe in part the purpose of the Wayzata Subdivision Ordinance is to protect current property owners, maintain the character of our neighborhoods, and manage the thoughtful development of the broader community. What is of further concern is the clear precedent this sets in terms of potential development of other larger plots in neighborhood which would clearly result in adverse impact to the character of the neighborhood, density, and its place in the community. The result is that this decision is much broader than the development of 151 Westwood Lane West.

We appreciate the need for the counsel and community to support a balanced and diversified development plan that provides both high density, low density, and affordable housing. In recent years higher density development has rightly found its place in our community. To maintain this balance the counsel now has an opportunity preserve the character of Wayzata Highlands and its role in the charm of Wayzata. While this is a onetime financially motivated proposal, the result is a permanent change to the character of our neighborhood and community. I kindly ask that you consider these points and strongly consider voting down this proposed development.

Regards,
Marc Viers

159 Birch Ln W, Wayzata.

DRAFT RESOLUTION NO. 39-2014

**RESOLUTION APPROVING AN APPLICATION FOR CONCURRENT PRELIMINARY
AND FINAL PLAT SUBDIVISION AT 151 WESTWOOD LANE**

BE IT RESOLVED by the City Council of Wayzata, Minnesota as follows:

Section 1. BACKGROUND

1.1 Project. White Birch Properties and Development Group (the “Applicant”) has submitted a Development Application (the “Application”) requesting concurrent preliminary and final plat subdivision approval (the “Proposed Subdivision” or the “Preliminary/Final Plat”) for a new three (3) lot subdivision on the 5.06 acre property at 151 Westwood Lane (the “Project”). The Project would remove of the existing structure on the property and subdivide the parcel into 3 new lots. Access to the Project would be through a public road with a cul-de-sac designed to protect as much of the existing tree coverage as possible.

1.2 Application Requests. As part of the Application, the Applicant is requesting approval of the following items:

A. Concurrent Preliminary and Final Plat for Three (3) Lot Subdivision of the Property (the “Proposed Subdivision”)

1.3 Property. The property identification numbers and owners for the Property involved in the proposed Application is as follows:

151 Westwood Lane	01-117-23-13-0011	White Birch Properties and Development Group
-------------------	-------------------	--

1.4 Land Use. Uses in the general vicinity are entirely single family residential, with the majority guided for larger sized lots. The Project area is zoned R-1 (40,000 SF minimum lot sizes). To the northeast, the properties are guided R-2 Medium Density Single Family Residential (15,000 SF minimum lot size).

1.5 Notice and Public Hearing. Notice of a public hearing on the Application was published in the *Sun Sailor* on September 4, 2014. A copy of the notice was mailed to all property owners located with 350 feet of the Property on September 5, 2014. The required public hearing was held at the September 15, 2014 Planning Commission meeting. Additional public comment was received at the November 17, 2014 Planning Commission meeting.

1.6 Planning Commission Action. A public hearing on the Application was held at the Planning Commission’s September 15, 2014 meeting at which the Planning Commission continued review of the Application and directed staff to work with

the Applicant to provide additional information on the Application. The Planning Commission resumed their review of the Application at the November 17, 2014 meeting, and after receiving additional public comment, directed staff to prepare a *Planning Commission Report and Recommendation* recommending approval of the Application on a vote of four (4) in favor and three (3) opposed. The Planning Commission adopted a *Planning Commission Report and Recommendation* recommending approval of the Application on December 1, 2014 on a vote of 4 in favor, 3 opposed.

Section 2. STANDARDS

2.1 Preliminary and Final Plat Subdivision. Chapter 805 of the Wayzata City Code, (the "Subdivision Ordinance") sets forth the procedure and substantive review criteria for applications for a subdivision. Before any plat can be recorded or of any validity, it must be referred to the City Planning Commission and approved by the City Council as having fulfilled the requirements of the Subdivision Ordinance. Section 805.15 of the Wayzata Subdivision Ordinance allows the City to review a proposed preliminary and final plat simultaneously.

A. Goals. Under Section 805.2.b of the Subdivision Ordinance, subdivisions approved under the Subdivision Ordinance must be guided by the following:

1. Preserve and enhance Wayzata's "small town" character (Comprehensive Plan).
2. Respect the existing scale, character and pattern of the City, recognizing existing neighborhoods and commercial areas (Wayzata Physical Plan).
3. Provide a balanced housing supply available for all people no matter their income, age, race or ethnicity (Comprehensive Plan).
4. Support a pedestrian environment at a human, not automotive scale (Wayzata Physical Plan).
5. Relate development/redevelopment to the natural characteristics of the land to enhance the development through the preservation of attractive natural amenities (i.e., lakes, wetlands, creeks, wooded areas, slopes, etc.) (Comprehensive Plan).

B. Criteria for Approval. Under Section 805.14.e of the Subdivision Ordinance, the Planning Commission must consider the possible adverse effects of a preliminary plat and report its findings and recommendation to City Council. Its judgment must be based upon, but not limited to, the following factors:

1. The proposed subdivision or lot combination shall be consistent with the Wayzata Comprehensive Plan.
2. Building pads that result from a subdivision or lot combination shall preserve sensitive areas such as lakes, streams, wetlands, wildlife habitat, trees and vegetation, scenic points, historical locations, or similar community assets.
3. Building pads that result from subdivision or lot combination shall be selected and located with respect to natural topography to minimize filling or grading.
4. Existing stands of significant trees shall be retained where possible. Building pads that result from a subdivision or lot combination shall be sensitively integrated into existing trees.
5. The creation of a lot or lots shall not adversely impact the scale, pattern or character of the City, its neighborhoods, or its commercial areas.
6. The design of a lot, the building pad, and the site layout shall respond to and be reflective of the surrounding lots and neighborhood character.
7. The lot size that results from a subdivision or lot combination shall not be dissimilar from adjacent lots or lots found in the surrounding neighborhood or commercial area.
8. The architectural appearance, scale, mass, construction materials, proportion and scale of roof line and functional plan of a building proposed on a lot to be divided or combined shall be similar to the characteristics and quality of existing development in the City, a neighborhood or commercial area.
9. The design, scale and massing of buildings proposed on a subdivided or combined lot shall be subject to the architectural guidelines and criteria for the Downtown Architectural District, Commercial and Institutional Architectural Districts, and Residential Architectural Districts and the Design Review Board/City Council review process outline in Section 9 of the Wayzata Zoning Ordinance.
10. The proposed lot layout and building pads shall conform with all relevant performance standards.

11. The proposed subdivision or lot combination shall not tend to or actually depreciate the values of neighboring properties in the area in which the subdivision or lot combination is proposed.
 12. The proposed subdivision or lot combination shall be accommodated with existing public services, primarily related to transportation and utility systems, and will not overburden the City's service capacity.
- C. Concurrent Preliminary/Final Plat. Section 805.15 of the Subdivision Ordinance allows the City to review the preliminary and final plat simultaneously.
- D. Parkland Dedication. Section 805.37 of the Subdivision Ordinance requires a parkland dedication contribution for new single family lots at the time of recording of the Final Plat.

Section 3. FINDINGS

The City Council of the City of Wayzata hereby confirms and memorializes that the Concurrent Preliminary and Final Plat requested in the Application meet the applicable requirements of Wayzata's Subdivision Ordinance, based upon the following findings of fact made on the record (as well as all Application materials, staff reports, public comment presented at the hearing, and the Recommendation of the Planning Commission):

3.1 Proposed Subdivision.

- A. Goals. The Proposed Subdivision is consistent with the goals of the Subdivision Ordinance.
- B. Criteria for Approval.
1. The Project associated with the Proposed Subdivision is consistent with the Wayzata Comprehensive Plan. The proposed Subdivision conforms with the low density residential guidance of the Comp Plan for this area and the One Acre Single Family District. The proposed lots are in excess of 49,000 SF of lot area.
 2. The building pads associated with the Project ("Proposed Building Pads") would not negatively impact any sensitive areas.
 3. The Proposed Building Pads have been selected and located with respect to natural topography to minimize filling or grading, though the Commission would recommend a condition be attached to approval that the City Engineer's approval must be secured for a

grading plan, prior to any construction work so that land disruption is minimized.

4. Existing significant trees would be retained where possible on the Property. As part of the Project, there would be a net reduction of forty nine (49) trees of a total of 340 significant trees on the entire site but additional trees would be planted to offset this reduction.
5. The Proposed Subdivision would not adversely impact the scale, pattern or character of the City, its neighborhoods, or its commercial areas as it would be consistent with the surrounding area in terms of lot area.
6. The design of the lots, the proposed building pads, and the site layout of the Proposed Subdivision responds to and is reflective of the surrounding lots and neighborhood character.
7. The lot sizes that result from the Proposed Subdivision would not be dissimilar from adjacent lots or lots found in the surrounding neighborhood. The proposed lots conform with and exceed the R-1 District and Comprehensive Plan minimums for lot area.
8. The architectural appearance, scale, mass, construction materials, proportion and scale of roof line and functional plan of the buildings for the new residential lots created by the Proposed Subdivision is not known at this time. Further review and approval of the building plans for the residential lots within the Subdivision should be required as a condition of approval to ensure similarity to the characteristics and quality of the existing homes in the neighborhood as required under Section 805.14.E.8 and 805.14.E.9.
9. The proposed lot layout and Proposed Building Pads of the Proposed Subdivision would conform will all relevant performance standards.
10. The Proposed Subdivision is not likely to tend to or actually depreciate the values of neighboring properties in the area in which it is proposed.
11. The Proposed Subdivision would be accommodated with existing public services, primarily related to transportation and utility systems, and will not overburden the City's service capacity.

- C. Parkland Dedication. As part of the Final Plat of the Proposed Subdivision, the Applicant is dedicating an outlot of 49,520 SF, which is

sufficiently sized to meet the required Parkland Dedication imposed by Section 805.37 of the Subdivision Ordinance.

Section 4. CITY COUNCIL ACTION

- 4.1 Based on the Findings in Section 3 of this Resolution, the requests for approval of the Concurrent Preliminary and Final Plat as set forth in the Application and attached to this Resolution (Attachment A), is **APPROVED** subject to all of the following conditions (failure to comply with any one of these conditions shall result in the revocation of the approvals):
- A. A conservation easement be imposed over the parkland that is dedicated in the Final Plat, requiring that the parkland remain in its natural state, and that the trees, plants and land be undisturbed by roadways or other development except as depicted in the plans for the Project.
 - B. The Project incorporate and the Final Plat be revised to reflect the two (2) way roadway alternative into the Proposed Subdivision through the Outlot that was presented by the Applicant to the Planning Commission on November 17, 2014.
 - C. The Applicant follow the advice of the State Archaeologist outlined in his October 15, 2014 letter to the City Planner, and hire a qualified archaeologist to make a detailed survey of the Property to insure there are no remaining MS 307.08 issues; or, alternatively, a qualified archaeologist be present on the Property during the duration of excavation and any other activity on the Property that may reveal or impact a potential human burial site on the Property. Should such archaeologist determine that a potential human burial site is found, the Applicant shall follow the direction and recommendations of such archaeologist handling such sites and the remains associated therewith.
 - D. The Applicant shall incorporate additional landscaping to better screen Lot 3 from adjacent properties.
 - E. The Applicant and/or future homeowners shall submit final building plans for each residence in the Proposed Subdivision for review and approval by the Planning Commission and City Council that are compatible with the characteristics and quality of the existing homes in the neighborhood as required under Section 805.14.E.8 and 805.14.E.9.
 - F. The City Engineer's approval must be secured for a grading plan, prior to any construction work on the Property so that land disruption is minimized.

- G. The Applicant shall enter into a Stormwater Maintenance Agreement with the City Engineer regarding the installation and maintenance of the two (2) stormwater ponds located within the outlot.
- H. All comments of City Staff outlined in the Planning Report on the Application dated September 15, 2014 shall be incorporated into the Proposed Subdivision as specified in such comments and further directed by such staff.
- I. Prior to any demolition of the existing residence on the Property, the Applicant shall contact the City's Heritage Preservation Board (HPB), and allow them access into the residence to document the interior and exterior.
- J. The Applicant shall secure all necessary building permits for construction, and all laws and regulations applicable to the Project.
- K. All expenses of the City of Wayzata, including consultant, expert, legal, and planning fees incurred be fully reimbursed by the Applicant.
- L. The Applicant records the Final Plat document with the appropriate Hennepin County officials within one hundred twenty (120) days in conformance with Section 805.15.E.7, and provide a recorded copy to the City.

Adopted by the Wayzata City Council this _____ day of December, 2014.

Mayor Ken Willcox

ATTEST:

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on _____, 2014.

Becky Malone, Deputy City Clerk
SEAL

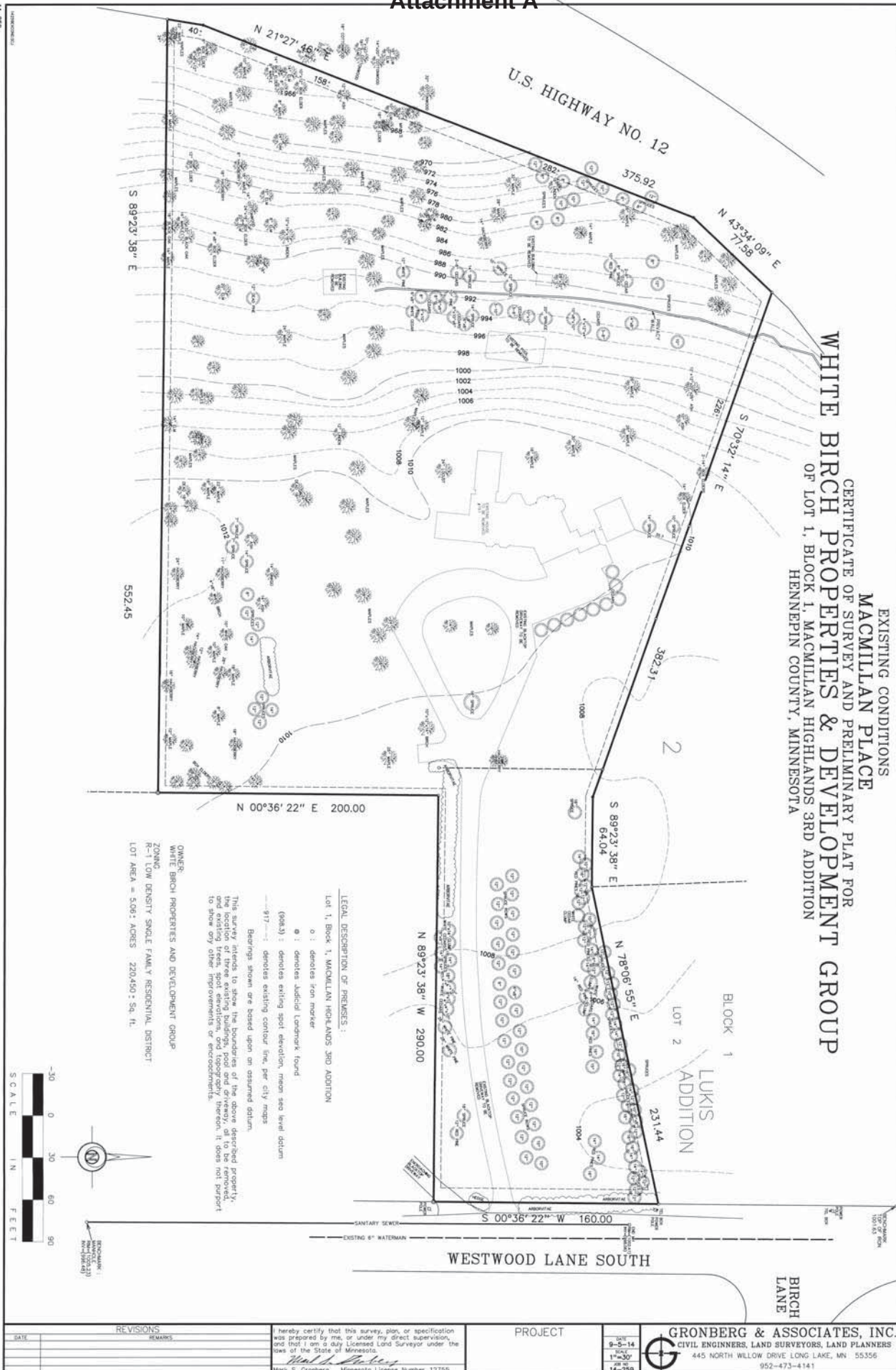
DRAFT

Attachment A

Preliminary/Final Plat Documentation

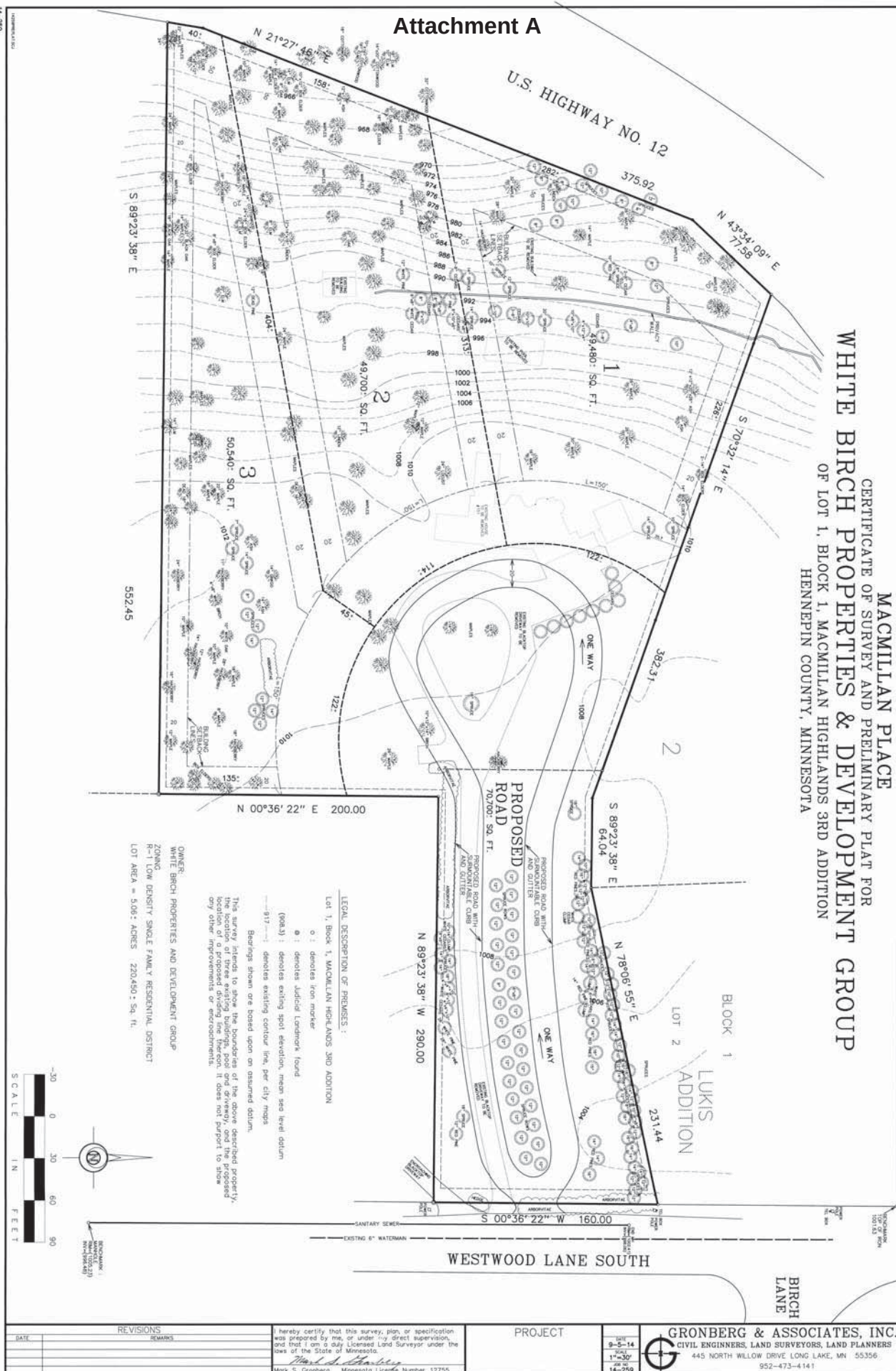
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EXISTING CONDITIONS
MACMILLAN PLACE
CERTIFICATE OF SURVEY AND PRELIMINARY PLAT FOR
WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP
OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION
HENNEPIN COUNTY, MINNESOTA



Attachment A

MACMILLAN PLACE CERTIFICATE OF SURVEY AND PRELIMINARY PLAT FOR WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION HENNEPIN COUNTY, MINNESOTA





ENGINEERS, LAND SURVEYORS, PLANNERS

" W A Y Z A T A
F A R M S T E A D S "

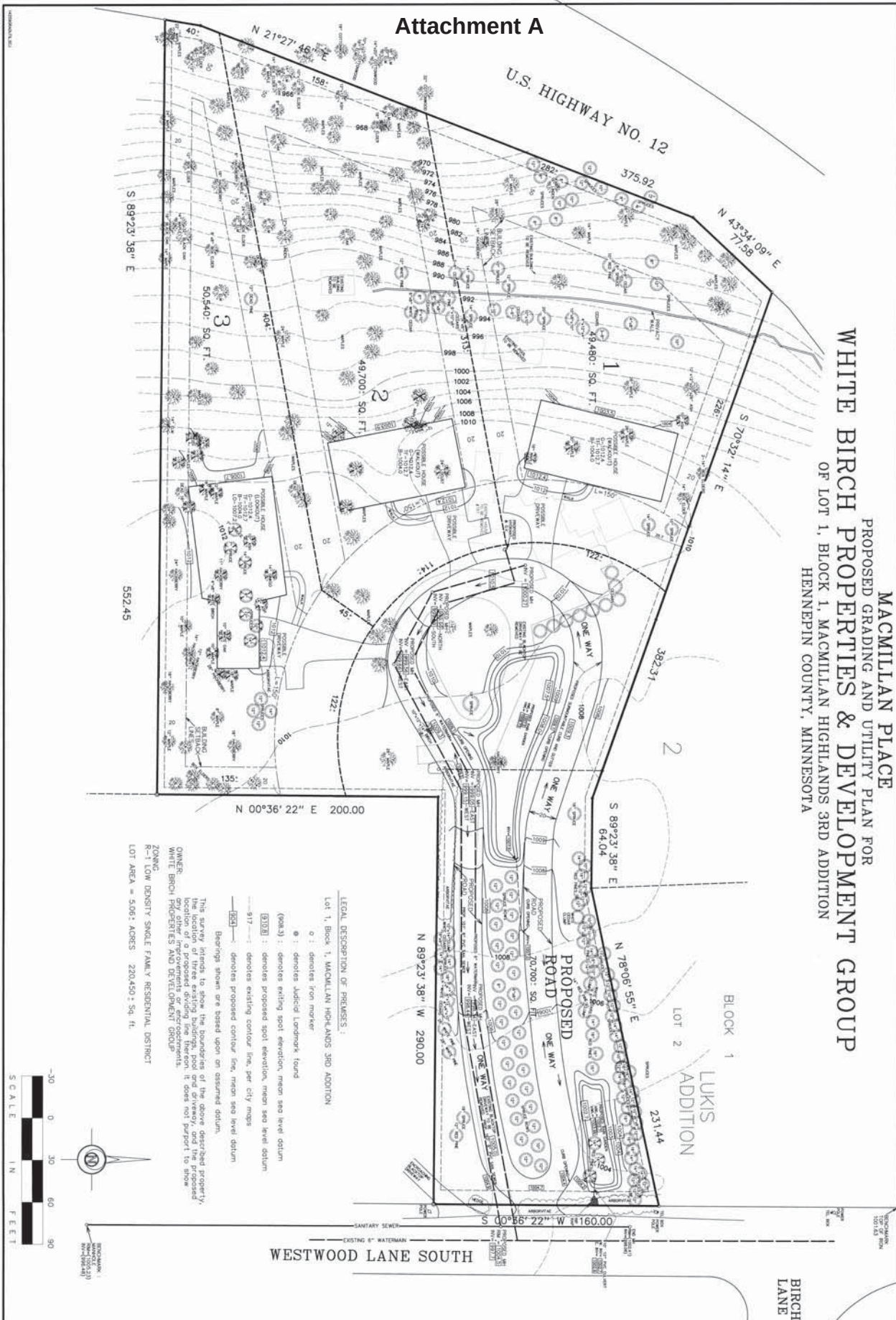
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Page 115 of 249

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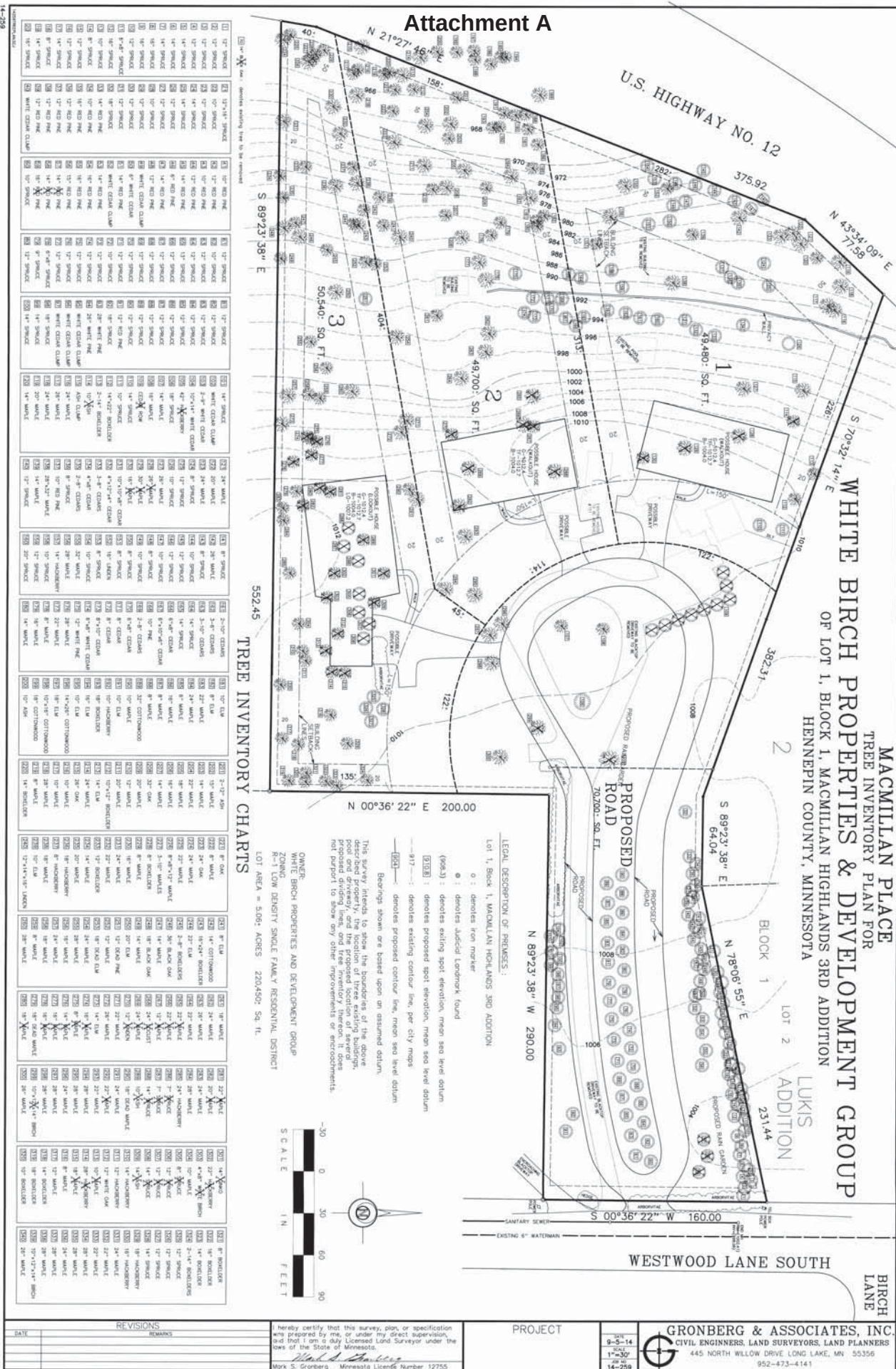
Attachment A

MACMILLAN PLACE PROPOSED GRADING AND UTILITY PLAN FOR WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION HENNEPIN COUNTY, MINNESOTA



REVISIONS		I hereby certify that this survey, plan, or specification was prepared by me, or under my direct supervision, and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota. <i>Mark S. Gronberg</i> Mark S. Gronberg Minnesota License Number 12755	PROJECT	<table><tr><td>SHEET</td><td>9-14</td></tr><tr><td>SCALE</td><td>1"=30'</td></tr><tr><td>DATE</td><td>14-259</td></tr></table>	SHEET	9-14	SCALE	1"=30'	DATE	14-259		GRONBERG & ASSOCIATES, INC. CIVIL ENGINEERS, LAND SURVEYORS, LAND PLANNERS 445 NORTH WILLOW DRIVE LONG LAKE, MN 55356 952-473-4141
SHEET	9-14											
SCALE	1"=30'											
DATE	14-259											
DATE	REMARKS											

Attachment A



MACMILLAN PLACE

HARDCOVER CALCULATIONS :

Lot 1

lot area = 49,480 sf

proposed house = 5000 sf

proposed driveway = 1375 sf

proposed walk = 102 sf

total = 6477 sf

$6477 / 49,480 \times 100 = 13.09\%$

Lot 2

lot area = 49,700 sf

proposed house = 4500 sf

proposed driveway = 1243 sf

proposed walk = 164 sf

total = 5907 sf

$5907 / 49,700 \times 100 = 11.89\%$

Lot 3

lot area = 50,540 sf

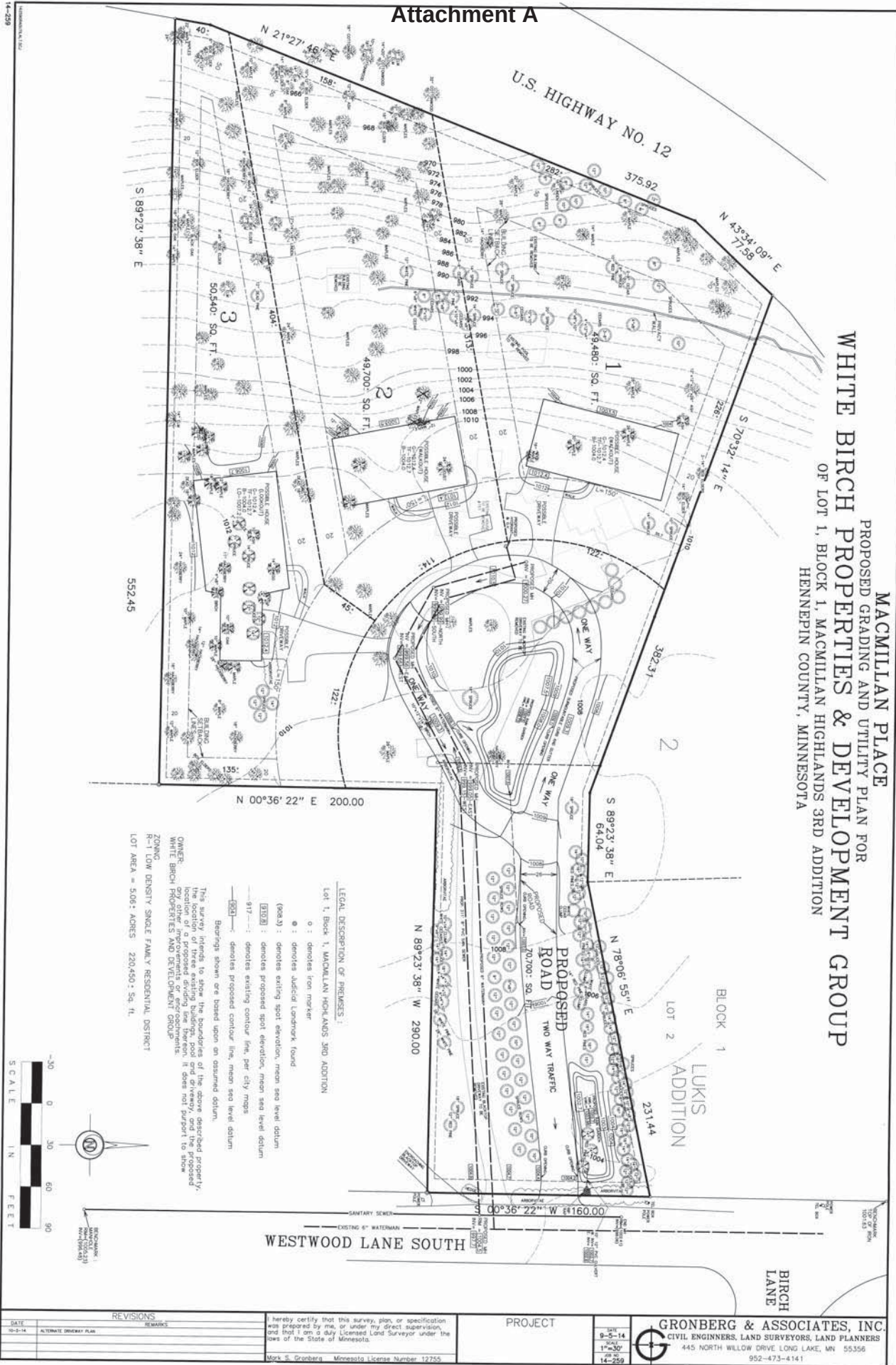
proposed house = 6529 sf

proposed driveway = 1916 sf

proposed walk = 190 sf

$8635 / 50,540 \times 100 = 17.09\%$

MACMILLAN PLACE
PROPOSED GRADING AND UTILITY PLAN FOR
WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP
OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION
HENNEPIN COUNTY, MINNESOTA



DRAFT RESOLUTION NO. 39-2014

**RESOLUTION DENYING AN APPLICATION FOR CONCURRENT PRELIMINARY
AND FINAL PLAT SUBDIVISION AT 151 WESTWOOD LANE**

BE IT RESOLVED by the City Council of Wayzata, Minnesota as follows:

Section 1. BACKGROUND

1.1 Project. White Birch Properties and Development Group (the “Applicant”) has submitted a Development Application (the “Application”) requesting concurrent preliminary and final plat subdivision approval (the “Proposed Subdivision” or the “Preliminary/Final Plat”) for a new three (3) lot subdivision on the 5.06 acre property at 151 Westwood Lane (the “Project”). The Project would remove of the existing structure on the property and subdivide the parcel into 3 new lots. Access to the Project would be through a public road with a cul-de-sac designed to protect as much of the existing tree coverage as possible.

1.2 Application Requests. As part of the Application, the Applicant is requesting approval of the following items:

A. Concurrent Preliminary and Final Plat for Three (3) Lot Subdivision of the Property (the “Proposed Subdivision”)

1.3 Property. The property identification numbers and owners for the Property involved in the proposed Application is as follows:

151 Westwood Lane	01-117-23-13-0011	White Birch Properties and Development Group
-------------------	-------------------	--

1.4 Land Use. Uses in the general vicinity are entirely single family residential, with the majority guided for larger sized lots. The Project area is zoned R-1 (40,000 SF minimum lot sizes). To the northeast, the properties are guided R-2 Medium Density Single Family Residential (15,000 SF minimum lot size).

1.5 Notice and Public Hearing. Notice of a public hearing on the Application was published in the *Sun Sailor* on September 4, 2014. A copy of the notice was mailed to all property owners located with 350 feet of the Property on September 5, 2014. The required public hearing was held at the September 15, 2014 Planning Commission meeting. Additional public comment was received at the November 17, 2014 Planning Commission meeting and the City Council December 2, 2014 meeting.

1.6 Planning Commission Action. A public hearing on the Application was held at the Planning Commission’s September 15, 2014 meeting at which the Planning

Commission continued review of the Application and directed staff to work with the Applicant to provide additional information on the Application. The Planning Commission resumed their review of the Application at the November 17, 2014 meeting, and after receiving additional public comment, directed staff to prepare a *Planning Commission Report and Recommendation* recommending approval of the Application on a vote of four (4) in favor and three (3) opposed. The Planning Commission adopted a *Planning Commission Report and Recommendation* recommending approval of the Application on December 1, 2014 on a vote of 4 in favor, 3 opposed.

Section 2. STANDARDS

- 2.1 Preliminary and Final Plat Subdivision. Chapter 805 of the Wayzata City Code, (the “Subdivision Ordinance”) sets forth the procedure and substantive review criteria for applications for a subdivision. Before any plat can be recorded or of any validity, it must be referred to the City Planning Commission and approved by the City Council as having fulfilled the requirements of the Subdivision Ordinance. Section 805.15 of the Wayzata Subdivision Ordinance allows the City to review a proposed preliminary and final plat simultaneously.
- A. Goals. Under Section 805.2.b of the Subdivision Ordinance, subdivisions approved under the Subdivision Ordinance must be guided by the following:
1. Preserve and enhance Wayzata’s “small town” character (Comprehensive Plan).
 2. Respect the existing scale, character and pattern of the City, recognizing existing neighborhoods and commercial areas (Wayzata Physical Plan).
 3. Provide a balanced housing supply available for all people no matter their income, age, race or ethnicity (Comprehensive Plan).
 4. Support a pedestrian environment at a human, not automotive scale (Wayzata Physical Plan).
 5. Relate development/redevelopment to the natural characteristics of the land to enhance the development through the preservation of attractive natural amenities (i.e., lakes, wetlands, creeks, wooded areas, slopes, etc.) (Comprehensive Plan).
- B. Criteria for Approval. Under Section 805.14.e of the Subdivision Ordinance, the Planning Commission must consider the possible adverse effects of a preliminary plat and report its findings and recommendation to City Council. Its judgment must be based upon, but not limited to, the following factors:

1. The proposed subdivision or lot combination shall be consistent with the Wayzata Comprehensive Plan.
2. Building pads that result from a subdivision or lot combination shall preserve sensitive areas such as lakes, streams, wetlands, wildlife habitat, trees and vegetation, scenic points, historical locations, or similar community assets.
3. Building pads that result from subdivision or lot combination shall be selected and located with respect to natural topography to minimize filling or grading.
4. Existing stands of significant trees shall be retained where possible. Building pads that result from a subdivision or lot combination shall be sensitively integrated into existing trees.
5. The creation of a lot or lots shall not adversely impact the scale, pattern or character of the City, its neighborhoods, or its commercial areas.
6. The design of a lot, the building pad, and the site layout shall respond to and be reflective of the surrounding lots and neighborhood character.
7. The lot size that results from a subdivision or lot combination shall not be dissimilar from adjacent lots or lots found in the surrounding neighborhood or commercial area.
8. The architectural appearance, scale, mass, construction materials, proportion and scale of roof line and functional plan of a building proposed on a lot to be divided or combined shall be similar to the characteristics and quality of existing development in the City, a neighborhood or commercial area.
9. The design, scale and massing of buildings proposed on a subdivided or combined lot shall be subject to the architectural guidelines and criteria for the Downtown Architectural District, Commercial and Institutional Architectural Districts, and Residential Architectural Districts and the Design Review Board/City Council review process outline in Section 9 of the Wayzata Zoning Ordinance.
10. The proposed lot layout and building pads shall conform with all relevant performance standards.

11. The proposed subdivision or lot combination shall not tend to or actually depreciate the values of neighboring properties in the area in which the subdivision or lot combination is proposed.
 12. The proposed subdivision or lot combination shall be accommodated with existing public services, primarily related to transportation and utility systems, and will not overburden the City's service capacity.
- C. Concurrent Preliminary/Final Plat. Section 805.15 of the Subdivision Ordinance allows the City to review the preliminary and final plat simultaneously.
- D. Parkland Dedication. Section 805.37 of the Subdivision Ordinance requires a parkland dedication contribution for new single family lots at the time of recording of the Final Plat.

Section 3. FINDINGS

The City Council of the City of Wayzata hereby confirms and memorializes that the Concurrent Preliminary and Final Plat requested in the Application would have adverse effects and does not fulfill all of the applicable requirements of Wayzata's Subdivision Ordinance, based upon the following findings of fact made on the record (as well as all Application materials, staff reports, public comment and materials presented at the public hearing and City Council meetings, and the comments of members of the Planning Commission):

3.1 Proposed Subdivision.

- A. Goals. The Proposed Subdivision is not consistent with all of the goals of the Subdivision Ordinance.
1. The clustering of the houses and lots associated with the Proposed Subdivision would not preserve or enhance Wayzata's "small town" character.
 2. The clustering of the houses and lots associated with the Proposed Subdivision would not respect the scale, character and pattern of the existing neighborhood. As heard in the public comment and seen in the materials presented therewith, the clustering of 3 lots on the Property is not reflective of the adjacent properties and the surrounding neighborhood.
 3. While the Applicant would make a Parkland dedication as required by the Subdivision Ordinance, there would nonetheless be a significant loss of trees, hedges, and natural vegetation that provide

an important sound and visual buffer for the neighborhood from the adjacent highway.

B. Criteria for Approval.

1. The Project associated with the Proposed Subdivision is not consistent the provision of the Wayzata Comprehensive Plan that calls for preserving Wayzata's small town character, as noted elsewhere in this Section.
2. The building pads associated with the Project would negatively impact sensitive areas of trees, natural vegetation that provide important sound and visual buffers and barriers for the neighboring properties.
3. Existing stands of significant trees, hedges and natural vegetation would be lost.
4. The Proposed Subdivision would adversely impact the scale, pattern or character of the City and the surrounding neighborhood, as it would not be consistent with the surrounding area in terms of its clustering of 3 lots, rather than a 2 lot approach which would better fit the scale, pattern and character of the surrounding neighborhood.
5. The design of the lots, the proposed building pads, and the site layout of the Proposed Subdivision is not reflective of the surrounding lots and neighborhood character, as noted elsewhere in this Section.
6. Other adverse effects of the Proposed Subdivision include the encroachment of light into neighboring properties from vehicles exiting the Property on to Westwood Lane.

Section 4. CITY COUNCIL ACTION

- 4.1 Based on the Findings in Section 3 of this Resolution, the request for approval of the Concurrent Preliminary and Final Plat as set forth in the Application and attached to this Resolution (Attachment A) is **DENIED**.

Adopted by the Wayzata City Council this _____ day of December, 2014.

Mayor Ken Willcox

ATTEST:

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on _____, 2014.

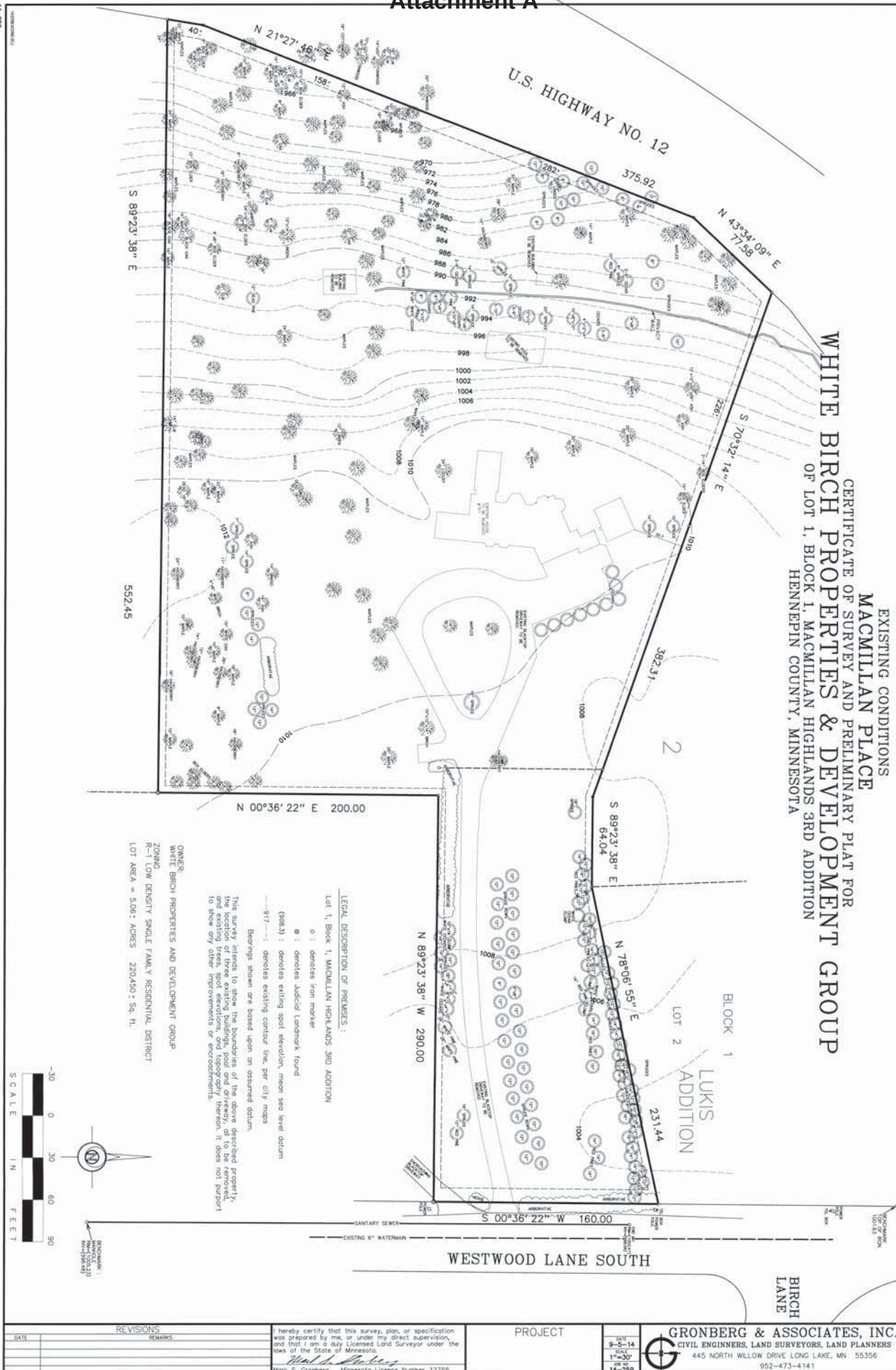
Becky Malone, Deputy City Clerk
SEAL

Attachment A

Preliminary/Final Plat Documentation

DRAFT

EXISTING CONDITIONS
MACMILLAN PLACE
CERTIFICATE OF SURVEY AND PRELIMINARY PLAT FOR
WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP
OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION
HENNEPIN COUNTY, MINNESOTA



OWNER:
WHITE BIRCH PROPERTIES AND DEVELOPMENT GROUP
ZONING:
R-1 LOW DENSITY SINGLE FAMILY RESIDENTIAL DISTRICT
LOT AREA = 5.06 ACRES 220,450 Sq. Ft.

LEGAL DESCRIPTION OF PREMISES:
Lot 1, Block 1, MACMILLAN HIGHLANDS 3RD ADDITION

o : denotes iron marker
a : denotes Judicial Landmark found
(988.3) : denotes existing spot elevation, mean sea level datum
--- 917 --- : denotes existing contour line, per city maps

Bearings shown are based upon an assumed datum.

This survey intends to show the boundaries of the above described property, the location of trees, existing buildings, pool and driveway, all to be removed, and existing trees, spot elevations, and topography thereon, it does not purport to show any other improvements or encroachments.

REVISIONS		PROJECT		GRONBERG & ASSOCIATES, INC. CIVIL ENGINEERS, LAND SURVEYORS, LAND PLANNERS 445 NORTH WILLOW DRIVE LONG LAKE, MN 55356 952-473-4141
DATE	REMARKS			

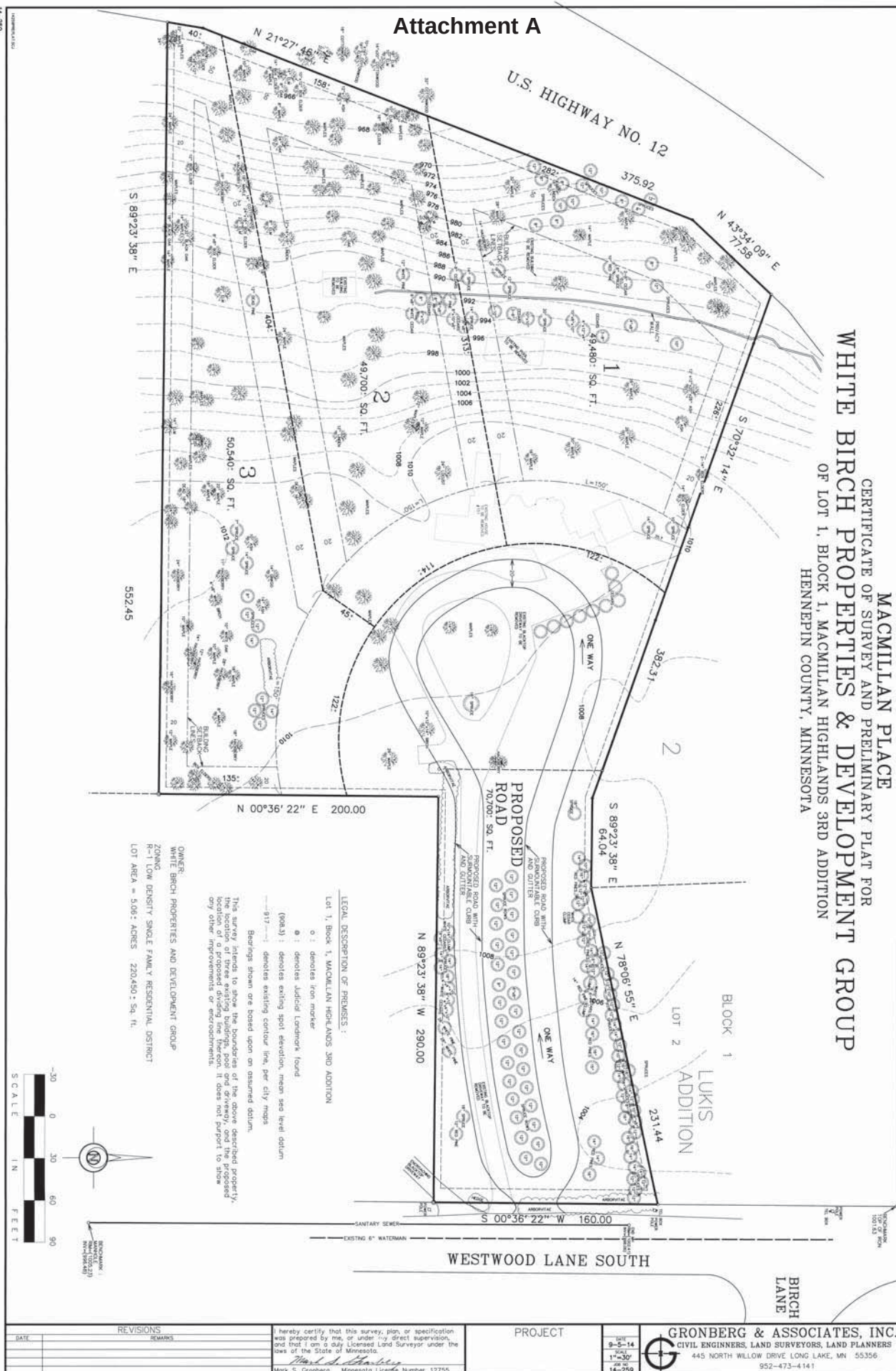
I hereby certify that this survey, plan, or specification was prepared by me, or under my direct supervision, and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Mark S. Gronberg
Mark S. Gronberg Minnesota License Number 12755

DATE: 9-14-14
SCALE: 1"=30'
SHEET: 14-259

Attachment A

MACMILLAN PLACE CERTIFICATE OF SURVEY AND PRELIMINARY PLAT FOR WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION HENNEPIN COUNTY, MINNESOTA





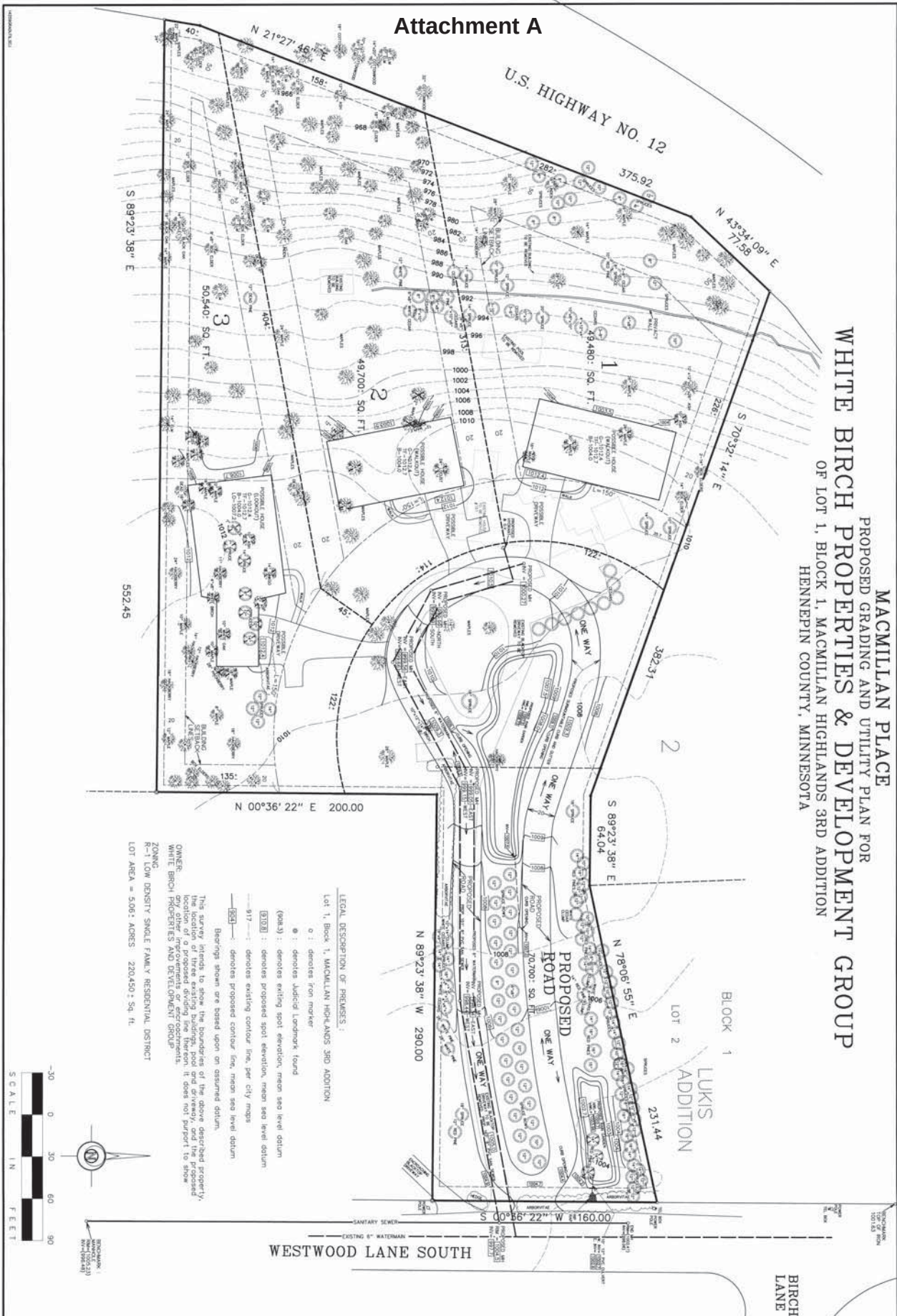
ENGINEERS, LAND SURVEYORS, PLANNERS

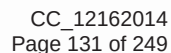
Downage and utility assessments shown below:

CC_12162014
Page 129 of 249

Attachment A

MACMILLAN PLACE PROPOSED GRADING AND UTILITY PLAN FOR WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION HENNEPIN COUNTY, MINNESOTA





MACMILLAN PLACE

HARDCOVER CALCULATIONS :

Lot 1

lot area = 49,480 sf

proposed house = 5000 sf

proposed driveway = 1375 sf

proposed walk = 102 sf

total = 6477 sf

$6477 / 49,480 \times 100 = 13.09\%$

Lot 2

lot area = 49,700 sf

proposed house = 4500 sf

proposed driveway = 1243 sf

proposed walk = 164 sf

total = 5907 sf

$5907 / 49,700 \times 100 = 11.89\%$

Lot 3

lot area = 50,540 sf

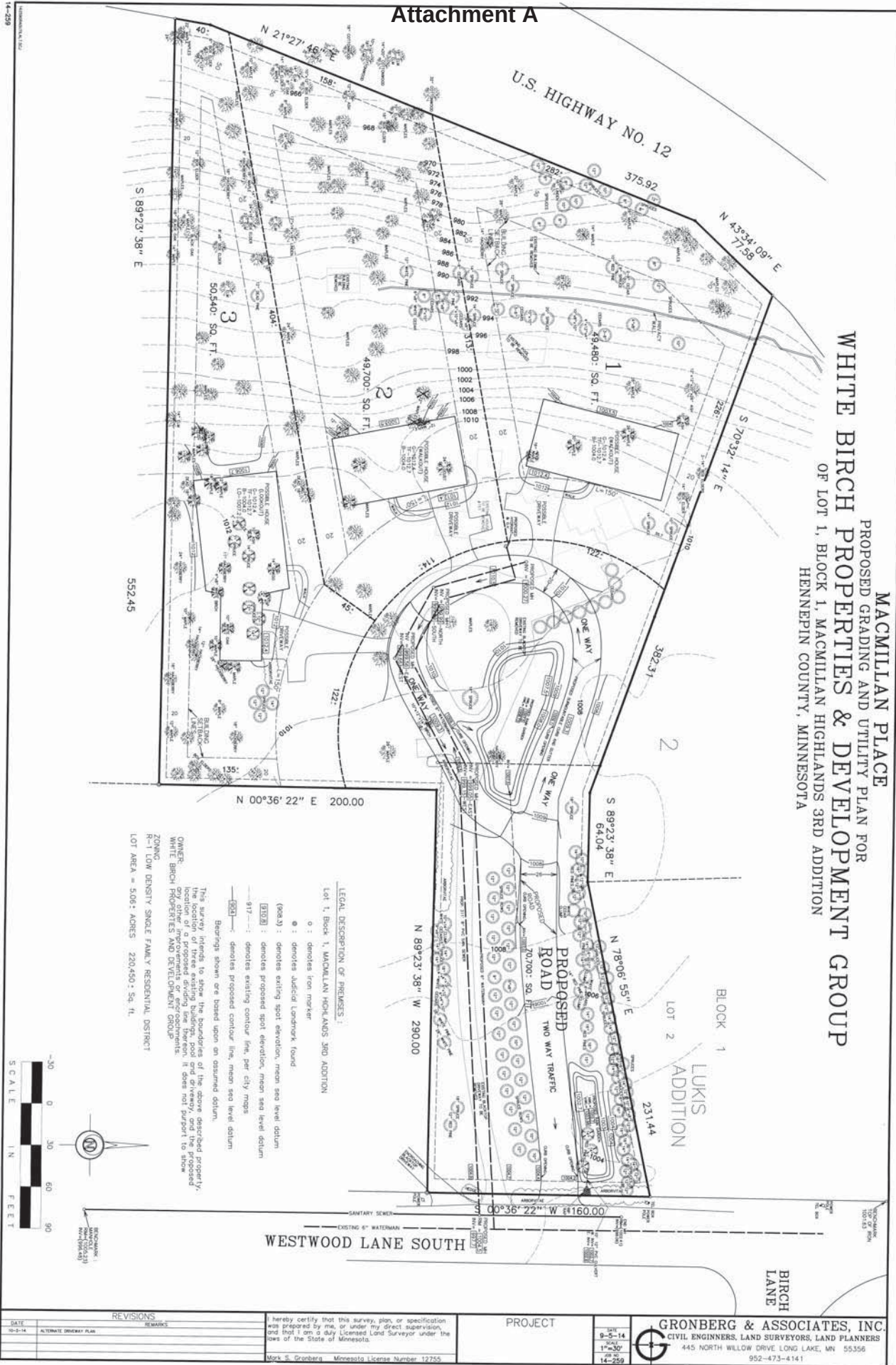
proposed house = 6529 sf

proposed driveway = 1916 sf

proposed walk = 190 sf

$8635 / 50,540 \times 100 = 17.09\%$

MACMILLAN PLACE
PROPOSED GRADING AND UTILITY PLAN FOR
WHITE BIRCH PROPERTIES & DEVELOPMENT GROUP
OF LOT 1, BLOCK 1, MACMILLAN HIGHLANDS 3RD ADDITION
HENNEPIN COUNTY, MINNESOTA





Planning Report

Wayzata City Council Tuesday, December 16, 2014

File Case No: PR 2014-12

Applicant: Continental Property Group

Address of Request: 253 and 259 Lake Street East

Prepared By: Bryan Gadow, AICP, City Planner

Requests:

1. Planned Unit Development Concept Plan approval (Section 801.33.5)
2. Variance from Building Height Limit in PUDs (Sections 801.33.2.A.14 & 801.05)

Project Summary: The proposed project would redevelop the existing commercial building and parking lot sites to construct a new five (5) story mixed use building with ground floor retail and upper level residential. Parking would be provided within a below and above ground parking ramp structure on the Property.

Deadline for Council Action: January 9, 2014

Section 1: Introduction

Continental Property Group (the "Applicant") has submitted an application (the "Application") for approval of (i) a Planned Unit Development (PUD) - Concept Plan (the "Concept Plan"); and a (ii) Variance from the thirty five (35) ft/ three (3) stories height requirement in a PUD District (the "Building Height Variance") to redevelop 253 and 259 Lake Street East (collectively, the "Property") into a sixty one (61) foot tall, five (5) story mixed use building, incorporating one hundred forty eight (148) luxury rental housing units, 6,281 square feet (SF) of retail, and more than three hundred (300) parking spaces (collectively, the "Project").

The submitted Application includes the following components (Attachment A-1):

- Introductory Material
- Written Support
- Exhibit A: PUD Application Agreement
- Exhibit B: Title Work
- Exhibit C: Property Maps
- Exhibit D: Surveys and Utility As-Builts
- Exhibit E: Project Floor Plans
- Exhibit F: Elevations
- Exhibit G: Project Data Summary
- Exhibit H: Height Study
- Exhibit I: Pro Forms
- Exhibit J: Ehlers Tax Increment Financing Preliminary Analysis
- Exhibit K: Initial Market Assessment for General Market Rate Rental Housing
- Exhibit L: Berry & Co v. Hennepin County
- Exhibit M: Boatworks Development Agreement
- Exhibit N: Geotechnical Exploration and Review
- Exhibit O: Updated Preliminary Wetland Delineation

On November 20, 2014, staff received the following supplemental information for the Application (Attachment A-2):

- Cover Letter
- Updated Floor Plans, Elevations, Height Study, and Project Summary
- Visioning Precedents
- Revised Pro Forma
- Updated Rental Information for Proposed Luxury Rental Development on Lake Street in Wayzata

The review of this Application is the first step in a two-step PUD review and approval process. If the Applicant receives Concept Plan and Building Height Variance approval from the City Council, it would then be required to submit a second application to move forward with the Project that covers the following items (not a final or complete list):

- A General Plan PUD
- Shoreland Conditional Use Permit (CUP)
- A Zoning Map Amendment to Rezone the Property from C-4A to PUD District
- Site Plan Review
- Project Design Review
- Concurrent Preliminary and Final Plat Subdivision for Lot Combination

1.1 Property Background

The Property for which the Project is proposed consists of two separate parcels: 253 Lake Street and 259 Lake Street. The 253 Lake Street parcel houses an

existing one story commercial building with associated outbuildings and has a lot area of approximately 52,533 SF or 1.21 acres. The 259 Lake Street parcel is currently a parking lot that is encumbered by a parking easement for eighty five (85) designated parking stalls for use by the Boatworks building at 294 Grove Lane. The 259 Lake Street parcel is approximately 54,624 SF or 1.25 acres. Combined, the 253 and 259 Lake Street parcels are 107,191 SF or 2.46 acres. The Property also contains approximately 0.5 acres of wetland within the rear portion of the site, which has a wetland buffer setback of twenty (20) ft from the wetland edge.

The Property was previously part of an approved Planned Unit Development submitted jointly by Continental Development Corp. and Boatworks Development Company (previous owner of the 259 Lake Street parcel) in 2005. (the "2005 PUD"). The 2005 PUD permitted two (2), three (3) story mixed use office buildings at a height of thirty eight (38) feet each, with ground floor retail, offices on the second floor, a combination of offices and residential on the third floor, and a four level parking ramp to be used jointly by each building. The 2005 PUD was approved via Resolution No. 2894 on September 20, 2005. After a one-year extension, the project approvals lapsed in 2007 because of a failure of the Applicant to commence work on the project.

Map 1: Existing Property Aerial



1.2 Property Description

A copy of the legal description for the Properties are on file and available for viewing at City Hall. The addresses, tax ids and owners are as follows:

253 Lake Street East	06-117-22-30-0013	Berry & Co., Inc.
259 Lake Street East	06-117-22-30-0005	Flagship Bank

1.3 Relevant Property Information

Zoning:	C-4A Limited Central Business District
Comp Plan:	Central Business District
Wetland Overlay:	Property contains a wetland
Shoreland Overlay:	Property is in a Shoreland Overlay District
Total lot size:	107,191 square feet (SF) or 2.43 acres

1.4 Public Noticing Requirements

Zoning Ordinance Section 801.33.5 requires the Planning Commission to hold a public hearing on the Application. The Notice of Public Hearing was published in the *Sun Sailor* on October 23, 2014. A copy of the Notice of Public Hearing was also mailed to all property owners located within 350 feet of the subject property on October 23, 2014.

1.5 Planning Commission Meeting Summary

A Public Hearing on the Application was held at the Planning Commission's December 1, 2014 meeting at which six (6) individuals spoke on the Project. The Planning Commission directed staff to prepare a *Planning Commission Report and Recommendation* recommending denial of the Application on a vote of seven (7) in favor and zero (0) opposed. The Planning Commission adopted a *Planning Commission Report and Recommendation* recommending denial of the Application on December 15, 2014 on a vote of __ in favor, __ opposed. A copy of the December 1, 2014 Planning Commission meeting minutes are included as Attachment C. A draft *Planning Commission Report and Recommendation* is included as Attachment D. A draft Resolution for Denial based on the Planning Commission's recommendation is included as Attachment E.

Section 2: Summary of Issues

2.1 Application Requests.

The Application requests the following approvals to proceed with conceptual approval of the Project:

- A. Approval of a Planned Unit Development (PUD) concept under Section 801.33.5. (the "Concept Plan")
- B. Approval of a variance from Section 801.33.2.A.14 for Building Height above thirty five (35) ft and three (3) stories to sixty one (61) ft and five (5) stories. (the "Variance")

2.2 Surrounding Uses.

A summary of land uses and their respective zoning classifications for the immediate area:

Direction	Land Use	Zoning
North	Multiple Family Residential	R-5
South	Commercial	PUD
East	Commercial/Office	C-4A/C-1
West	Commercial	C-4A

A comparison of the C-4A Standards and the proposed Project is as follows:

C-4A District	Code Standard	Proposed
Minimum Lot Area	12,000 SF	107,191 SF
Front Yard Setback	0 ft	0 ft
Side Yard Setback (East)	0 ft	15 ft
Side Yard Setback (West)	0 ft	6 ft, 6 inches
Rear Yard Setback (min.)	0 ft	105 ft, 6 inches
Floor Area Ratio	2.0	1.87
Impervious Surface	25% (Shoreland)/Up to 75% with Shoreland CUP	63% (Would need approval of a Shoreland CUP)
Building Height	2 Stories or 30 ft (C-4A)/ 3 Stories or 35 ft with PUD	5 stories or 61 ft

2.3 Building Square Footage and Project Hardcover Calculations.

Floor	Gross Building SF	Number of Units	Retail SF
First	27,644	0	6,281
Second	43,100	38	--
Third	43,100	38	--
Fourth	43,100	38	--
Fifth	43,100	34	--
Total	200,044 SF	148	6,281 SF

Based upon staff's analysis of the survey and calculations submitted by the Applicant, the Property has the following proposed hardcover as part of the Project.

Item	Proposed
Building Foundation Footprint	61,092 SF
Pavement Area	7,631 SF
Hardcover Total	68,723 SF
Hardcover Percent	64.1%

As noted above, a Shoreland CUP application would be required in order to have hardcover above the twenty five percent (25%) limit in the Shoreland Overlay District. This Shoreland CUP application would be part of a second application

associated with this Project. Minnehaha Creek Watershed District (MCWD) would also review the Shoreland Conditional Use Permit application in the second stage of project review.

2.4 Building Height and Associated Variance Request.

The concept elevations submitted with the Application indicate a building height of sixty one (61) ft. The building height requirements under a PUD are as follows (Section 801.33.2.A.14):

- A. The maximum building height within a PUD District shall be thirty five (35) feet and three (3) stories, whichever is lesser.
- B. There shall be no deviation from the height standards applied within the applicable zoning districts for PUD conditional use permits.
- C. In PUD Districts that were zoned commercial prior to PUD and exceed 13 acres, the maximum allowable height shall be as negotiated and agreed upon between the applicant and the City.

The proposed building height for the Project would exceed the thirty five (35) height maximum. The Property is 2.43 acres and does not exceed 13 acres, so the Applicant has included a variance request from the above PUD code requirement to allow the sixty one (61) tall, five (5) story building. The Applicant has included a revised height study in Attachment A-2 to the Application.

2.5 Parking and Site Access.

Under the Zoning Ordinance, the proposed uses on the Property have the following parking requirement:

Use	Requirement	SF or Number of Units	Parking Requirement
Apartment Units	2 spaces per unit	148	296
Retail	1 space per 250 SF	6,281 SF – 10% for common area: 5,653 SF	23
Total			319 spaces

Included in the Project is an underground and above ground parking structure in the rear of the Property. The proposed parking structure would have one hundred sixty nine (169) parking stalls on the basement level of the structure,

and one hundred fifty three (153) parking stalls on the ground level of the structure, for a total of three hundred twenty two (322) parking stalls.

However, as noted in the Application, the 259 Lake Street property is burdened by an easement that requires eight five (85) parking spaces on the Property to be allocated to the Boatworks property (294 Grove Lane). Subtracting out these eighty five (85) spaces would bring the available parking spaces to two hundred thirty seven (237), which would not meet the required number of spaces for the proposed uses under the Ordinance.

The Applicant is requesting permission to utilize eighty five (85) of the Project's three hundred twenty two (322) parking stalls as "flex" stalls that serve the dual purpose of meeting the Project's parking requirements and meeting the Property's obligations under the Boatworks Development Agreement. Staff recommends that any such arrangement be contingent upon written agreement and consent by the Boatworks property owner.

Access into and out of the Property would be through two (2) separate driveway areas. The access into the Property would be through a one-way access off of Lake Street. Access out of the Property would be through a one-way access off of Barry Ave S to the east.

2.6 Design.

The Project is subject to the Lake Street District of the Design Standards set forth in Section 9 of the Zoning Ordinance. The Concept Plan has provided some conceptual diagrams indicating the building design for the development. A complete Design Standards review will need to be included with the General Plan.

2.7 Comprehensive Plan.

The Property is currently guided for Downtown Central Business District (CBD) land use in the 2030 Comprehensive Plan. The Comprehensive Plan provides the following description of the CBD category:

"Central Business District – The Central Business District provides a wide range of uses such as retail and service commercial, office, residential, and public uses along and in relative proximity to Lake Street."

As the Property is 2.46 acres, with one hundred forty eight (148) proposed units, the Project density would be 60.1 units per acre. The Central Business District Land Use category does not have a specific range for residential density within

the category. As a comparison, the High Density Multiple Family Residential land use category has a density requirement of twelve (12) or greater units per acre.

Included for reference is the section of the 2030 Comprehensive Plan related to analysis, objective, and policies for the Central Business District and Downtown Mixed Use District ([Attachment B](#)).

2.8 Zoning.

The Property is currently zoned C-4A Central Business District. The existing C-4A zoning would not allow the proposed building height of sixty one (61) included in the Project. Included in the Application is a variance request from the thirty five (35) ft or three (3) story building height limitation for Planned Unit Developments in Section 801.33.2.A.14, to allow the proposed sixty one (61) ft tall, five (5) story building.

Upper story dwelling units are allowed uses subject to the density standards of the R-5 District. For multiple family residential density under R-5, one (1) unit is allowed per 2,000 SF of lot area (after allowances for underground structured parking and commercial zoning). Under this standard, only fifty three (53) upper story housing units would be permitted with the 107,191 SF of lot area for the Property. The Application proposes one hundred forty eight (148) luxury apartment units for the Property. As the Applicant is proposing more than fifty three (53) dwelling units, the Property would need to be rezoned in order to move forward with the proposal. The Applicant is proposing to rezone the Property to Planned Unit Development (PUD) to allow the additional units. Under a PUD District, the maximum allowable density shall be determined by standards negotiated and agreed upon between the applicant and the City. In all cases, the negotiated standards shall be consistent with the development policies contained in the Wayzata Comprehensive Plan.

If the City moves the project forward to General Plan, the rezoning to PUD District would be considered at that time.

2.9 Wetland Area.

The Property contains one 0.5 acre shrub swamp wetland that crosses both the 253 and 259 Lake Street parcels. The Applicant has submitted the required Wetland Delineation Report, which is included as [Exhibit O](#) to the Application. The Application includes the required twenty (20) ft wetland buffer setback from the wetland edge as required by the City and the Minnehaha Creek Watershed District (MCWD).

2.10 Utilities.

The Application includes details on connections to existing sewer and water lines adjacent to the Property. Additional review of a utility plan would be conducted at the General Plan phase of review.

Section 3. Applicable Code Provisions for Review

3.1 Planned Unit Development – General Standards – 801.33.1

Purpose. Section 801.33 of the Zoning Ordinance provides for the establishment of Planned Unit Developments to allow greater flexibility in the development of neighborhoods and/or non residential areas by incorporating design modifications as part of a PUD conditional use permit or a mixture of uses when applied to a PUD District. The PUD process, by allowing deviation from the strict provisions of the Zoning Ordinance related to setbacks, lot area, width and depth, yards, etc., is intended to encourage:

- A. Innovations in development to the end that the growing demands for all styles of economic expansion may be met by greater variety in type, design, and placement of structures and by the conservation and more efficient use of land in such developments.
- B. Higher standards of site and building design through the use of trained and experienced land planners, architects, landscape architects, and engineers.
- C. More convenience in location and design of development and service facilities.
- D. The preservation and enhancement of desirable site characteristics such as natural topography and geologic features and the prevention of soil erosion.
- E. A creative use of land and related physical development which allows a phased and orderly development and use pattern.
- F. An efficient use of land resulting in smaller networks of utilities and streets thereby lower development costs and public investments.

- G. A development pattern in harmony with the objectives of the Wayzata Comprehensive Plan. (PUD is not intended as a means to vary applicable planning and zoning principles.)
- H. A more desirable and creative environment than might be possible through the strict application on zoning and subdivision regulations of the City.

3.2 Planned Unit Development – General Standards – 801.33.2

- A. General Standards. Section 801.33.2.A of the Zoning Ordinance sets forth the general standards for review of any PUD application. These are:
 - 1. Health Safety and Welfare. The Council shall evaluate the effects of the proposed project upon the health, safety and welfare of residents of the community and the surrounding area.
 - 2. Intent and Purpose of PUDs. The Council shall evaluate the project's conformance with the overall intent and purpose of Section 33 of the Zoning Ordinance.
 - 3. Ownership. An application for a PUD District or conditional use permit approval must be filed by the land owner or jointly by all land owners of the property included in a project.
 - 4. Comprehensive Plan. The proposed PUD must be consistent with the City's Comprehensive Plan.
 - 5. Sanitary Sewer Plan. The proposed PUD must be consistent with the City's Sanitary Sewer Plan and not create a discharge which is in excess of the City's assigned regional limitations.
 - 6. Common Space. The proposed PUD must provide common private or public open space and facilities at least sufficient to meet the minimum requirements established in the Comprehensive Plan and such complementary structures and improvements as are necessary and appropriate for the benefit and enjoyment of the residents of the PUD.
 - 7. Common Space Operating and Maintenance Requirements. Whenever common private or public open space or service facilities are provided within a PUD, the PUD plan must contain provisions to assure the continued operation and maintenance of such open

space and service facilities to a predetermined reasonable standard. Common private or public open space and service facilities within a PUD must be placed under the ownership of one of the following, as approved by the City Council: (i) dedicated to the public, where a community-wide use is anticipated, (ii) Landlord control, where only tenant use is anticipated, or (iii) Property Owners Association, provided the conditions of 801.33.2.A.6.c are met.

8. Staging of Public and Common Open Space. When a PUD provides for common private or public open space, and is planned as a staged development over a period of time, the total area of common or public open space or land escrow security in any stage of development shall, at a minimum, bear the same relationship to the total open space to be provided in the entire PUD as the stages or units completed or under development bear to the entire PUD.
9. Density. The proposed PUD must meet the density standards agreed upon by the applicant and City, which must be consistent with the Comprehensive Plan.
10. Utilities. All utilities associated with proposed PUD must be installed underground.
11. Utility Connections. All utilities associated with proposed PUD must meet the utility connection requirements of Section 801.33.2.A.10.
12. Roadways. All roadways associated with the proposed PUD must conform to the Design Standards and Wayzata Subdivision Regulations, unless otherwise approved by City Council.
13. Landscaping. All landscaping associated with the proposed PUD must be according to a detailed plan approved by the City Council. In assessing the plan, the City Council shall consider the natural features of the particular site, the architectural characteristics of the proposed structure and the overall scheme of the PUD plan.
14. Setbacks. The front, rear and side yard restrictions on the periphery of the Planned Unit Development site at a minimum shall be the same as imposed in the underlying districts, if a PUD conditional use permit, or the previous zoning district, if a PUD District. No building shall be located less than fifteen (15) feet from the back of the curb line along those roadways which are part of the

internal street pattern. No building within the PUD project shall be nearer to another building than one-half (1/2) the sum of the building heights of the two (2) buildings. In PUD Districts for parcels that were zoned commercial prior to PUD and which exceed 13 acres, the allowable setbacks shall be as negotiated and agreed upon between the applicant and the City.

15. Height. The maximum building height to be considered within a PUD District shall be thirty five (35) feet and three (3) stories, whichever is lesser. There shall be no deviation from the height standards applied within the applicable zoning districts for PUD conditional use permits. In PUD Districts for parcels that were zoned commercial prior to PUD and which exceed 13 acres, the maximum allowable height and number of floors shall be as negotiated and agreed upon between the applicant and the City.

3.3 Residential PUD Standards – Section 801.33.3 Section 801.33.3 sets forth lot area, minimum frontage, municipal water and sewer availability, roadway and parking standards for PUDs which have a residential component. In addition to the standards set forth in these sections, City Council may impose such other standards for a PUD project as are reasonable and as the Council deems are necessary to protect and promote the general health, safety and welfare of the community and the surrounding area.

3.4 Procedure.

- A. Concept Plan Approval Non-Binding. Concept Plan approval is the first step in a multi-stage process of an application for a PUD. Concept Plan approval in no way binds the City to subsequent approval of a General Plan of Development or other approvals that may be required. Section 801.33.5.B.
- B. Application Contents. An application for approval of a Concept Plan of development for a PUD project must contain the information and materials listed in Section 801.33.5.C.
- C. Planning Commission Review and Recommendation. Within sixty (60) days following the public hearing on any an application, the Planning Commission shall forward a report on the application to the City Council, and it shall recommend (i) approval of the application as submitted, (ii) approval of the application subject to certain modifications or conditions therein, or (iii) disapproval of the application. Section 801.33.5.C.13.

- 3.5 Rezoning from C-4A to PUD. City Council has the discretion and authority under state law and City Code to amend the City's Zoning Ordinance. Minn. Stat. Section 462.357; Wayzata City Code Section 801.03.
- 3.6 Standards for Rezoning. Under the City's Zoning Ordinance, the City Council acts on any proposed amendment upon receiving the report and recommendation of the Planning Commission. Section 801.03.2. In considering a proposed amendment to the Zoning Ordinance, the Planning Commission shall consider the possible adverse effects of the proposed amendment. Its judgment shall be based upon (but not limited to) the following factors:
- A. The proposed action in relation to the specific policies and provisions of the official City Comprehensive Plan.
 - B. The proposed use's conformity with present and future land uses of the area.
 - C. The proposed use's conformity with all performance standards contained herein (i.e., parking, loading, noise, etc.).
 - D. The proposed use's effect on the area in which it is proposed.
 - E. The proposed use's impact upon property value in the area in which it is proposed.
 - F. Traffic generation by the proposed use in relation to capabilities of streets serving the property.
 - G. The proposed use's impact upon existing public services and facilities including parks, schools, streets, and utilities, and the City's service capacity.
- 3.7 Zoning Ordinance Variance Standards. Section 801.05.1.C of the Zoning Ordinance provides the criteria for reviewing variances from the standards of the Zoning Ordinance. The criteria are as follows:
- A. Variances shall only be permitted when they are:
 - (i) in harmony with the general purposes and intent of the Zoning Ordinance; and
 - (ii) consistent with the Comprehensive Plan.
 - B. Variances may be granted when the Applicant for the variance establishes that there are practical difficulties in complying with the Zoning Ordinance.

- C. “Practical difficulties” as used in connection with the granting of a variance, means that:
 - (i) the property owner’s proposal for the property is reasonable but not permitted by the Zoning Ordinance;
 - (ii) the plight of the landowner is due to circumstances unique to the property, and not created by the landowner; and
 - (iii) the variance, if granted, will not alter the essential character of the locality.
- D. Economic considerations alone do not constitute practical difficulties. Practical difficulties include, but are not limited to, inadequate access to direct sunlight for solar energy systems.
- E. Variances shall be granted for earth sheltered construction as defined in Minnesota Statutes, section 216C.06, subdivision 14, when in harmony with the Zoning Ordinance.
- F. The City Council shall not permit as a variance any use that is not allowed under the Zoning Ordinance for property in the zoning district where the affected person’s land is located, except the City Council may permit as a variance the temporary use of a one family dwelling as a two family dwelling.
- G. The City Council may impose conditions in the granting of variances. A condition must be directly related to and must bear a rough proportionality to the impact created by the variance.
- H. An application for a variance shall set forth reasons that the variance is justified under the applicable criteria of the Zoning Ordinance in order to make reasonable use of the land, structure or building.

Section 4: Discussion Items

In evaluating merits of the Concept Plan, Staff would offer the following topics for City Council discussion:

1. Does this proposal provide a good redevelopment approach to reusing the 253/259 Lake Street Property that is in the best interests of the community, and the general standards of the Zoning Ordinance and the Comprehensive Plan?
2. Is the density, height, and provided parking of the Project acceptable at this location?

Section 5: Action Steps

After considering the items outlined in this Report, the City Council should pursue one of the following options as an action step:

1. Adopt the draft denial Resolution No. 42-2014 included as Attachment E of this Report.
2. If the Council wishes to significantly modify the Resolution for denial, the Council should direct staff to prepare a revised Resolution for review and adoption at the next Council meeting.
3. If the Council wishes to pursue an approval motion, the Council should direct staff to prepare a revised Resolution reflecting the approval motion for review and adoption at the next Council meeting.

Attachments:

Attachment A-1: Continental Property Group PUD Application and Written Support

- Applicant's Submittal Components: Exhibit A: PUD Application Agreement
- Exhibit B: Title Work
- Exhibit C: Property Maps
- Exhibit D: Surveys and Utility As-Builts
- Exhibit E: Project Floor Plans
- Exhibit F: Elevations
- Exhibit G: Project Data Summary
- Exhibit H: Height Study
- Exhibit I: Pro Forms
- Exhibit J: Ehlers Tax Increment Financing Preliminary Analysis
- Exhibit K: Initial Market Assessment for General Occupancy
- Exhibit L: Berry & Co., Inc v. Hennepin County
- Exhibit M: Boatworks Development Agreement and Related Documents
- Exhibit N: Geotechnical Exploration and Review
- Exhibit O: Wetland Investigation Report

Attachment A-2: Supplemental Submittals

- Cover Letter
- Updated Floor Plans, Elevations, Height Study, and Project Summary
- Visioning Precedents
- Revised Pro Forma
- Updated Rental Information for Proposed Luxury Rental Development on Lake Street in Wayzata

Attachment B: 2030 Comprehensive Plan Section on Central Business District

Attachment C: Planning Commission Meeting Minutes – December 1, 2014

Attachment D: Draft *Planning Commission Report and Recommendation*

Attachment E: Draft Resolution 42-2014

RECEIVED

Attachment A-1

SEP 11 2014

CITY OF WAYZATA



CONTINENTAL
Property Group

**APPLICATION FOR A \$35 MILLION MIXED-USE,
PLANNED UNIT DEVELOPMENT AT
253 & 259 EAST LAKE STREET**



September 10, 2014

Attachment A-1

Booklet Table of Contents

1. City of Wayzata Development Application
2. Introductory Material
3. Written Support
4. Exhibits
 - A. Berry & Co., Inc., Continental Property Group, LLC, and Flagship Bank Minnesota Agreement to Join Application under Wayzata City Code § 801.33.10 (E)
 - B. Title Work
 1. 253 East Lake Street
 2. 259 East Lake Street
 3. 259 East Lake Street Purchase Agreement and Amendments
 - a. Purchase Agreement for 259 Lake Street (09.11.2013);
 - b. First Amended Purchase Agreement (03.10.2014);
 - c. Second Amended Purchase Agreement (05.08.2014);
 - d. Third Amended Purchase Agreement (06.17.2014);
 - C. Property Maps
 1. Context Map (1000' on Each Side)
 2. Google Earth Maps (Close Up)
 3. Zoning Map
 - D. Surveys and Utility As-Builts
 - E. Project Floor Plans
 1. Basement - Parking
 2. First Floor – Commercial/Housing Lobby/Parking
 3. Second – Fourth Floors – Housing Plan
 4. Fifth Floor – Housing Plan
 - F. Elevations
 1. South Elevation at Lake Street
 2. East Elevation
 3. West Elevation
 4. North Elevation
 - G. Project Data Summary
 - H. Height Study
 - I. Pro Forms
 1. Project Pro Forma - 148 unit, 5-story mixed use
 2. Preliminary for office building
 3. Preliminary 3-story residential only
 4. Preliminary 3-story mixed use
 - J. Ehlers Tax Increment Financing Preliminary Analysis
 - K. Initial Market Assessment for General Occupancy Market Rate Rental Housing in Downtown Wayzata, Minnesota (Maxfield Research Inc.) – May 23, 2013.

Attachment A-1

- L. *Berry & Co., Inc. v. County of Hennepin*, 806 N.W.2d 31, 35 (Minn. 2011)
- M. Boatworks Development Agreement and Related Documents
- N. Geotechnical Exploration and Review
- O. Updated Preliminary Wetland Delineation

Introduction

Continental Property Group LLC (“CPG”) present this Concept Plan and Written Statement in support of a proposed redevelopment (the “Project”) of 253 & 259 East Lake Street (collectively the “Property”). The Project is a vibrant \$35 million mixed-use redevelopment project along East Lake Street and Barry Avenue South on a uniquely self-limiting property that will feature 148 luxury rental housing units, 6,200 square feet of retail, and more than 300 parking stalls. To that end, CPG request acceptance of the proposed Concept Plan Planned Unit Development and an area variance to the City’s Planned Unit Development ordinance permitting a 5-story building based on the unique physical characteristics of the Property.

In the following pages, we offer an introduction to the Project, the relevant parties and properties involved. At the end of the introduction is a detailed table of contents of the submission.

A. Project Overview

Berry & Co., Inc. (“Berry”) owns property commonly known as 253 East Lake Street (“253 Lake”) in Wayzata, Minnesota. The site is currently vacant. For many years, Berry operated 253 East Lake Street at a significant annual loss when it had commercial tenants at rental rates that did not cover the property’s expenses. Berry has owned 253 Lake for decades, originally operating a car dealership from the property. For the last 14 years, CPG has managed 253 Lake and has long planned to redevelop the property.

Over the years, CPG has invested heavily in exploring viable redevelopment projects and is, as a result, intimately familiar with 253 Lake’s particular peccadillos. CPG is thoroughly analyzed the construction costs of various scenarios to redevelop 253 Lake compared to the likely income resulting from the particular redevelopment. Unfortunately, 253 Lake has a very high table, poor soil and significant wetlands. As discussed in greater detail below, this leads to a reduced building pad, an inability to feasibly build below grade, and significantly higher foundation costs (currently estimated at \$750,000.00). For years, CPG has explored development options that could generate sufficient income to cover the high construction costs on 253 Lake. It has explored retail and office possibilities, but given current rent rates and demand, neither option was remotely feasible.



City of Wayzata

Development Application

Project Information: Mixed-Use Redevelopment for 148 Luxury Apartments, Retail and Parking

Project Name: 253 & 259 East Lake Street **Date Filed:** September 9, 2014

Property Owner: Berry & Co. Inc. and Flagship Bank Minnesota
1907 Wayzata Boulevard, Suite 250, Wayzata, MN 55391 (CPG)

Address: 445 East Lake Street, Suite 110, Wayzata, MN 55391 (Flagship Bank)

Applicant (if different than owner): Continental Property Group LLC

Prior Applications to Wayzata under different names: _____

Address (if different than owner): _____

Responsible contact person: Traci Tomas, President, Continental Property Group LLC

Telephone: 952-746-4137 **Fax:** _____ **E-Mail:** ttomas@leasespace.com

Address of Property Involved: 253 & 259 East Lake Street, Wayzata, Minnesota, 55391

Legal Description: See attached Exhibit A, Property Description
253 E Lake St. PID 06-117-22-23-0013

Property Identification Number: 259 E Lake St. PID 06-117-22-23-0005

Tax and assessment status: Current X / Delinquent _____
 Amount Delinquent \$ _____

Type of Request:

- ☐ Design Review
- ☐ Conditional Use Permit
- ☒ Variance
- ☐ Subdivision
- ☐ Rezoning
- ☐ Zoning Amendment
- ☐ Comprehensive Plan Amendment
- ☒ Planned Unit Development
- ☐ Other

Description of Request:

Redevelopment of 253 & 259 East Lake Street along East Lake Street and Barry Avenue South, featuring 148 luxury rental housing units, 6,200 square feet of retail, and more than 300 parking stalls. The property is guided for mixed residential and commercial use in Wayzata's 2030 Comprehensive Plan. Continental Property Group LLC requests approval of a new Planned Unit Development under the standards established in Zoning Ordinance Section 33.

Applicant may attach other letter sized materials.

Additional Information:

Payment of Fees

The undersigned acknowledges that before this request can be considered, all required information and fees (including all up front escrow deposits) must be paid to the City. If additional fees are required to cover costs incurred by the City, the City Manager has the right to require additional payment from one or more of the undersigned, who shall be jointly liable for such fees. Such expenses may include (but are not limited to) personnel costs, fees for consultants, legal assistance and other professionals, recording fees, along with other overhead costs. The amount of escrow is determined by the City of Wayzata fee schedule in effect at the time of the application submittal.

The undersigned also acknowledges that it may be required to file, at his or her expense, appropriate resolutions, agreements or other documents evidencing approval of the application.

The undersigned agrees that the City may withhold the issuance of a building permit until all financial matters are resolved. If need be, the City reserves the right to pass outstanding balances from this application to Hennepin County to be assessed with next year's property taxes for the property involved as indicated on page one of this application and the Property Owner agrees to such assessment.

Complete / Incomplete Applications

Placement of any Application on City agendas is at the discretion of the City, including the time of consideration. An application will not be placed on any agenda until City staff has received the appropriate materials and financial matters are in order. The application approval time commences and an application is considered officially filed when City staff has received and examined the application and determined that the application is complete. The application shall be determined by City staff to be complete or incomplete within ten (10) business days following submittal of the application. When the application is deemed to be "complete" it shall be placed on the agenda of the first possible Planning Commission business meeting subject to the agenda deadline discussed below.

Agenda Deadline

The deadline for submittal of land use applications is the first day of the month preceding the month of Planning Commission review. For example, to be on the Planning Commission agenda for November the complete application would need to be submitted by October 1. **The application is required to be deemed complete by the deadline in order to be scheduled on the agenda.** City staff recommends that the application material be submitted two weeks prior to the application deadline to allow time for City staff to determine if any additional materials are needed before the application can be deemed complete. This also allows a few days for the applicant to gather the additional information required for the submittal. Please note applications submitted outside of regular City Hall hours will not be received until the following business day. For example, applications submitted after 11:00 a.m. on Fridays will be considered submitted on the following Monday. Regular City Offices business hours are as follows, Monday thru Thursday, 7:00 a.m. to 4:30 p.m., Friday 7:00 a.m. to 11:00 a.m. The phone number for City Hall is 952-404-5300.

Notice of Meeting Attendance

In order for the Planning Commission and City Council to consider any application, the applicant or a representative designated in writing before the meeting must be present at the scheduled meeting. If not, the matter will be tabled until the next available agenda.

Accessibility to Property for Site Review

The signature of the Property Owner on this form hereby grants City staff and City officials access on to the subject property for the purpose of conducting a site visit as part of the project review and consents to the review of such records of the Owner, Applicant or otherwise relating to the development as are necessary.

Certified List of Property Owners

The applicant shall provide the City with a certified list from Hennepin County of the names and addresses of the property owners located within at least 350 feet of the subject Property. **Please refer to the City of Wayzata Certified List Handout for details.** The certified mailing list must also include a full set of mailing labels for the involved properties.

Regular Meeting Schedule

Planning Commission	First Monday of every month at 7:00 PM
City Council	First and Third Tuesday of every month at 7:00 PM

Applicants are advised that additional meetings and/or workshops are scheduled when necessary upon approval of the Planning Commission and are usually held on the third Monday of every month.

Attachment A 1

Acknowledgment and Signature of Owner and Applicant

I acknowledge that I have read all of the information discussed in the City of Wayzata Development Application and fully understand that I am responsible for all costs incurred by the City related to the processing of this application and agree with all items above.

 for Berry & Co Inc. 9/10/14
Property Owner as indicated on page one Date

 for Continental 9/10/14
Applicant (if different than Owner) Property Group LLC Date

*The applicant shall not change or alter this form in any way.
Alteration is grounds for rejection.*

FOR CITY USE ONLY

Date of Receipt: _____ Receipt No: _____ Recorded by: _____

Date accepted as complete: _____ Accepted by: _____

Given the physical characteristics and construction costs, a residential development solely on 253 Lake was likewise not economically viable.

In an attempt to develop a legally and economically viable redevelopment option, CPG began exploring the purchase of the neighboring parcels. Flagship Bank Minnesota (“Flagship”) owns the property commonly known as 259 East Lake Street (“259 Lake”). CPG and Flagship have executed a real estate purchase agreement (“Purchase Agreement”) by which CPG will purchase 259 Lake from Flagship for three million five hundred thousand dollars (\$3,500,000). The original due diligence date ended in March 2014.¹ That date — and the related closing date — have been extended on multiple occasions as CPG has sought to find a legally and economically viable development project that the City would approve. Flagship has no objections to the proposed Project and, in fact, joins in the application as its interest may appear.² 259 Lake suffers from the same physical characteristics mentioned above, plus 259 Lake Street is burden by a parking easement, which until recently had never used, granting the owner of the real estate commonly known as the Boatworks property non-exclusive parking stalls on 259 Lake.

With the Purchase Agreement signed, CPG began exploring all redevelopment options on the combined 253 and 259 Lake Street. CPG had market studies prepared to determine the uses that had actual demand and potential income that could be generated from a redevelopment on the Property. The unquestionable result was that the most viable use was residential.

Using its experience on the recently completed VUE luxury apartment complex in the Loring Park neighborhood of Minneapolis, CPG analyzed 2, 3, and 5 story developments. Given the physical limits and high construction costs to build on the Property, analysis of both the 2 and 3 story apartment developments showed seven-figure shortfalls between construction costs, based on CPG’s recent and documented costs to construct the VUE and completed values, which were based on an independent market study of likely rents. Plus, the concepts struggled to meet the combined parking requirements.

¹ CPG also explored options to purchase a third parcel that fronts Barry Avenue. The owner was unwilling to discuss selling the property.

² See Berry & Co., Inc., Continental Property Group, LLC, and Flagship Bank Minnesota

² See Berry & Co., Inc., Continental Property Group, LLC, and Flagship Bank Minnesota Agreement to Join Application under Wayzata City Code § 801.33.10, attached as Exhibit A.

To close the funding gap, CPG pursued the possibility of tax increment financing for a 3-story mixed-use development on the Property that included 6,100 square feet of retail.³ Preliminary analysis by the City's consultants showed that even when using the City's assessed values for a the Property and a rent rate higher

Although the demand and market rent would not suggest adding a retail component, the Zoning Code required 50% of the development fronting Lake Street to be retail, which was factored into later iterations.

Berry believes the Project meets the City's desire for strategic redevelopment, respects the City's Comprehensive Plan, and represents the only viable redevelopment concept for an otherwise unsustainable, blighted property that is assessed as "redevelopment property," but that has stubbornly refused successful redevelopment for decades.

B. Background

1. About the Applicant & Architect

The Applicant - CPG

Since its start in 1979, CPG has evolved into one of Minnesota's strongest and most consistently creative land developers. Having completed nearly 700 commercial real estate projects across the country and a highly successful luxury rental development, CPG's history is built on innovation and ensures diverse, high-function, strategically-located developments. Of particular relevance is the residential "Vue" project that CPG recently developed in the Loring Park neighborhood of Minneapolis. The Vue is a luxury apartment complex that includes studio, 1-and 2-bedroom units.

CPG also takes property management seriously. CPG has managed millions of square feet of commercial property for more than 30 years, and takes pride in its high standards for property management. CPG's property management model encourages high occupancy and tenant retention rates and has been recognized across the industry. Berry & Co. enjoys the backing, expertise, and stability that CPG provides to projects of this size and scope.

³ Although the demand and market rent would not suggest adding a retail component, the Zoning Code required 50% of the development fronting Lake Street to be retail, which was factored into later iterations.

The Architect – BKV Group

BKV Group is a full-service architectural firm founded in 1978 dedicated to creating enduring design that enhances the environment while providing responsiveness and flexibility. BKV Group has earned local, regional, and national recognition, awards, and citations for design excellence.

2. Property

The street addresses, property identification numbers, and owners for 253 Lake and 259 Lake (collectively the “Property”) involved in the proposed PUD are as follows:

Street Address	Property ID	Owner
253 East Lake Street	06-117-22-23-0013	Berry & Co., Inc.
259 East Lake Street	06-117-22-23-0005	Flagship Bank Minnesota

The Property is located within the C-4A Limited Central Business District as defined in Section 801.79 of the Wayzata Zoning Ordinance. The Property is guided for Mixed Residential & Commercial Use in Wayzata’s 2030 Comprehensive Plan.

**REQUIRED INFORMATION PURSUANT TO WAYZATA ZONING
CODE § 801.33**

1. General Information
 - a. *The landowners' names, addresses, and interests in the subject property:*

253 East Lake Street:

BERRY & CO., INC.
1907 Wayzata Boulevard, Suite 250
Wayzata, Minnesota 55391
Fee owner

259 East Lake Street:

FLAGSHIP BANK MINNESOTA
445 East Lake Street, Suite 110
Wayzata, Minnesota 55391-1663
Fee owner

- b. *The applicants' names and addresses:*

Continental Property Group LLC
1907 Wayzata Boulevard, Suite 250
Wayzata, Minnesota 55391

- c. *The names and addresses of all professional consultants who have contributed to the development of the PUD plan being submitted, including attorney, land planner, engineer, and surveyor:*

Land Planner/Developer:
CONTINENTAL PROPERTY GROUP LLC
1907 Wayzata Boulevard, Suite 250
Wayzata, Minnesota 55391

Architect:
BKV GROUP
Long & Kees Building
222 North Second Street
Minneapolis, Minnesota 55401

Surveyor:
E.G. RUD & SONS, INC.
6776 Lake Drive NE, Suite 110
Lino Lakes, Minnesota 55014

Attorneys:

ENTREPARTNER LAW FIRM, PLLC
4470 West 78th Street Circle, Suite 210
Bloomington, Minnesota 55435

- d. Evidence that applicant has sufficient control over the subject property to effectuate the proposed PUD including:

- i. *Statement of all legal, beneficial, tenancy and contractual interests held in or affecting the subject property and including an up-to-date certificate of title, abstract of title, or registered property report;*

Please see the Purchase Agreement (as amended) and the Title Work attached as Exhibit B.

2. Present Status

- a. *Address and legal description of subject properties.*

253 East Lake Street, Wayzata, Minnesota 55391:

Parcel 1 (From Certificate of Title No. 1022208.5)

That part of Government Lot 1, Section 6; Township 117, Range 22, Hennepin County, Minnesota lying southerly of Lot 17, AUDI TOR'S SUBDIVISION NO. 184 and westerly of the southerly extension of the east line of said Lot 17, which lies easterly of the southerly extension of the west line of said Lot 17 and northerly of a line described as beginning at a point on the west line of said Government Lot 1 a distance 89.8 feet southerly from the north west corner of said Government Lot 1; thence easterly at right angles from said west line of Government Lot 1 a distance of 856.3 feet; thence easterly 196.11 feet along a 6 degree tangential curve to the right having a central angle of 11 degrees 46 minutes; thence southeasterly tangent to said curve 52.2 feet; thence easterly 158.3 feet along a 6 degree tangential curve to the left having a central angle of 9 degrees 30 minutes and said line there terminating.

Parcel 2 (From Certificate of Title No. 1022208)

Lot 17, AUDI TOR'S SUBDIVISION NO. 184, Hennepin County, Minnesota.

Parcel 3 (From Certificate of Title No. 1022208.5)

That part of Lot 10, AUDITOR'S SUBDIVISION NO. 184, Hennepin County, Minnesota described as beginning at a point on the westerly extension of the north line of Lot 11, in said subdivision distant 90 feet westerly from the north west corner of said Lot 11; thence southerly in a straight line to the northeast corner of Lot 17, in said subdivision; thence westerly along the north line of said Lot 17 to the northwest corner of said Lot 17; thence westerly along the north line of Lot 18, in said subdivision 7 feet; thence northerly parallel with the east line of the plat of LAKE WEST to the easterly extension of the most northerly line of said plat; thence easterly along the last described extension, to the intersection with the northerly extension of the east line of said Lot 17; thence southerly along the northerly extension of the east line of said Lot 17 to the intersection with the westerly extension of the north line of said Lot 11; thence to the point of beginning.

259 East Lake Street, Wayzata, Minnesota 55391:

Parcel 1:

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 and said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning.

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15. Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Being registered land as is evidenced by Certificate of Title No. 1345017.

Parcel 2:

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of Lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land being described as follows, to wit: Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

AND

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

- b. *Existing zoning classification and present use of subject property and all lands within one thousand (1,000) feet of subject property.*

Parcel	Existing Zoning Classification	2030 Wayzata Comprehensive Plan Zoning Classification	Present Use of Subject Property
253 East Lake Street	C-4A	Mixed Residential & Commercial	Commercial
259 East Lake Street	C-4A	Mixed Residential & Commercial	Commercial
All remaining lands	Please see the Zoning Map	Please see 2030 Proposed Land Use Map	Please see the Context Map

The Zoning Map, 2030 Proposed Land Use Map, Context Map, and the Google Earth Map, which are attached as Exhibit C.

- c. *A map depicting existing development of subject property and all land within one thousand (1,000) feet thereof and locations of existing streets, property lines, easements, water mains and storm and sanitary sewers, with invert elevations on and within one hundred (100) feet of subject property.*

Please see the Context Map and Google Earth Map, which are attached as Exhibit C. Please also see Certificate of Survey for 253 and the Certificate of Survey for 259, which are attached as Exhibit D.

3. Written Statement.

A written statement generally describing the proposed PUD and the market which it is intended to serve and the market demand. The statement is also to demonstrate the proposed PUD's relationship to the City's Comprehensive Plan and how the proposed PUD is to be designed, arranged and operated in order to permit the development and use of neighboring property in accordance with the applicable regulations of the City.

See Attached.

4. Site Conditions.

Graphic reproductions of the existing site conditions at scale of one hundred (100) feet:

- a. Contours – minimum two (2) foot intervals;
- b. Location, type and extent of tree cover and vegetation;
- c. Slope analysis;
- d. Location and extent of water bodies, wetlands and streams and floodplains within three hundred (300) feet of the subject property;
- e. Significant rock outcroppings;
- f. Existing drainage patterns;
- g. Vistas and significant views;
- h. Soil conditions as they affect development;
- i. All of the graphics should be the same scale as the final plan to allow each cross-reference. The use of overlays is recommended for clear reference.

Please see the Site Surveys, which are attached as Exhibit D.

5. Schematic Drawings.

Schematic drawings of the proposed development concept, including, but not limited to, the general location of major circulation elements, public and common open space, buildings, structures, and other land uses, and buffering and screening.

Please see Exhibits E through H.

6. Project Data Summary.

A statement of the estimated total number of dwelling units or square feet of developed land use activities proposed for the PUD and a tabulation of the proposed approximate allocations of land use expressed in acres and as a percent of the total project area, which shall include at least the following as applicable:

- a. Area devoted to residential uses;
- b. Area devoted to residential use by building type;
- c. Area devoted to common open space;
- d. Area devoted to public open space;
- e. Approximate area devoted to streets;
- f. Approximate area devoted to and number of off-street parking and loading spaces and related access.
- g. Approximate area, and floor area, devoted to commercial uses;

- h. Approximate area, and floor area, devoted to industrial or office use;

Please see the Project Data Summary, which is attached as Exhibit H.

- 7. Care and Maintenance of common open spaces.
When the proposed PUD includes provisions for public or common open space or service facilities, a statement describing the provision that is to be made for the care and maintenance of such open space or service facilities.

Please see attached Written Statement.

- 8. Schematic Utilities Plans.
Schematic utilities plans indicating placement of water, sanitary and storm sewers.

CPG intends to bring the water, sanitary and storm sewers into the Project off of Lake Street as shown on Exhibits D and E. CPG respectfully respectfully requests that the City accept this illustration as sufficient for the Concept Plan stage. When and if this application proceeds to General Plan stage, CPG would prepare and submit detailed schematic plans.

September 10, 2014

Wayzata City Council
600 Rice Street East
Wayzata, MN 55391

WRITTEN STATEMENT IN SUPPORT OF PUD APPLICATION

Dear Councilmembers:

This law firm represents Continental Property Group LLC ("CPG"). We submit this written statement in support of CPG's Planned Unit Development ("PUD") application for the combined development of real estate commonly known as 253 & 259 East Lake Street (collectively the "Property").

The City of Wayzata's PUD ordinance exists to allow "greater flexibility in the development of neighborhoods and/or nonresidential areas by incorporating design modifications" and "allowing deviation from the strict provisions of [the Zoning Ordinance]" to encourage:

- A development pattern in harmony with the objectives of the Wayzata Comprehensive Plan;
- Creative use of land and related physical development;
- A more desirable and creative environment than might be possible through the strict application on zoning and subdivision regulations of the City;
- Higher standards of site and building design by use of experienced land planners, architects, landscape architects, and engineers;
- Innovations in development with a greater variety in type, design, and placement of structures and by the conservation and more efficient use of land in such developments;
- Preservation and enhancement of desirable site characteristics such as natural topography and geologic features and the prevention of soil erosion; and
- Efficient use of land resulting in smaller networks of utilities and streets (and thereby lower development costs and public investments).¹

¹ See generally, Wayzata City Code § 801.33.1.

As scholars have noted, “Flexibility is perhaps the most often cited advantage of PUDs.”² They go on to say:

Without the strict bulk and density restrictions imposed on a lot by lot basis, and freed from the strictures of site plan standards created for the average single lot development, a developer has the flexibility to design the tract as a whole. Other benefits flow from this new found flexibility. For example, the developer can design the development around the various topographical characteristics of the tract such as steep slopes and wetlands.³

Here, CPG is proposing the Project as a planned unit to take advantage of the City’s PUD ordinance to ignite the City’s desired rejuvenation of a long-struggling segment of Wayzata’s downtown in a manner that recognizes the difficulties and unique characteristics of real estate that is presently under utilized. The Project compliments the City’s 2030 Comprehensive Plan, conforms to the Zoning Ordinance’s overall intent and purpose, and enhances the health, safety, and welfare of the community’s residents. The PUD application, in particular, creatively addresses several of the Property’s inherent self-limiting characteristics through flexible land use and planning, elevated design and build standards from experienced and highly-respected planners, architects, builders, and engineers, and efficient use of available land.

To be frank, the Property is nestled in a section of Wayzata that desperately needs redevelopment. Despite the applicant’s longstanding commitment to site redevelopment, and repeated efforts to do so in a financially, functionally and legally-feasible way, the Property has remained stubbornly resistant to effective redevelopment. For starters, geotechnical and wetland issues significantly impact redevelopment cost for 253 Lake. The parcel is small and in a less-than-desirable “deep rectangle” configuration. It sits on organic soils such that any redevelopment must be built on pilings at a cost of more than \$750,000.00. For any redevelopment effort to be viable, the resulting project must have sufficient density to allow recovery of the foundational construction’s high costs.

In addition, 253 Lake is encumbered by wetland on fully 25% of its surface area. A significant wetland buffer further limits the available redevelopment area. One estimate concludes that wetland and wetland buffer encumber nearly 35% of the parcel, leaving approximately 35,000 developable square feet.

² Michael Murphy & Joseph Stinson, *Planned Unit Developments*, Pace University School of Law p.6 (1996)

³ *Id.*

Not only is 253 Lake encumbered by significant wetlands, but it is also built on an extraordinarily high water table. The high water table dramatically limits the ability to build underground parking and demands expensive construction techniques for any below-ground construction.

Previously, CPG has explored a variety of options to develop 253 Lake as a stand-alone parcel. Given the hurdles identified above and limitations imposed by the City's Zoning Code, there is no economically viable development that can be constructed on the 253 Lake Street property alone. Recognizing that fact, CPG sought to expand the available development pad. The result was CPG securing the right to purchase 259 Lake Street for \$3,500,000.⁴

Even with the acquisition of the 259 Lake Street, viable redevelopment remains challenging. 259 Lake Street confronts similar wetland issues, requires similar piling for construction, and has the identical high water table. And while 259 Lake Street nearly doubles the size of the available development pad, it is also burdened by an easement that requires 85 non-exclusive parking stalls for use by the "Boatworks" property across Lake Street.

CPG recognizes that parking is one of the Project's two primary concerns. That concern is more concerning (and more primary) because of the Boatworks easement. And the result is a redevelopment plan that includes substantial subterranean parking. Unfortunately, subterranean parking on land with a high water table is expensive. Subterranean parking alone will cost approximately \$30,000 per stall, or approximately \$2.5 million for 85 stalls.

As mentioned above, the Project's proximity to wetlands and location on suspect soils will require a deep pile foundation. Current estimates put piling expenses alone at around \$750,000.

Fortunately, the Project as proposed needs limited deviations from Zoning Code to account for the physical characteristics of the Property, and it still enhances Wayzata's Comprehensive Plan in many ways sufficient to offset concerns about those deviations. Not only is a mixed-use development the Property's best and highest use, it is a financially viable on its own accord. The Hennepin County

⁴ The ideal redevelopment project would also include the adjacent parcel that fronts Berry Avenue, commonly known as 275 East Lake Street on other contiguous land. That parcel's owner, however, is steadfastly unwilling to sell.

assessor agrees: “A mixed-use development is the only use that is both legally and physically possible, and that it’s also financially feasible...”⁵

The Project hews closely to the City’s 2030 Comprehensive Plan. First and foremost, the Comprehensive Plan guides the Property for Mixed Residential & Commercial Use.⁶ This will help maintain and enhance the diversity of housing options, “continue to recognize housing diversity is a community asset” and “address the need and opportunities for life cycle housing.”⁷ Indeed, “[m]ixed use development in the CBD will help sustain its vitality during market swings. Retail commercial attraction should continue to be important, along with housing opportunities that are balanced and respond to market conditions.”⁸

The Project and the proposed PUD also support the Comprehensive Plan’s residential land use policy priorities, including ensuring “that all new housing, including rental housing... adheres to high standards of planning, design, and construction,” and by encouraging and promoting “a balanced housing supply.”⁹ The City’s Comprehensive Plan even anticipates “encouraging” residential development at the city’s tallest reaches.¹⁰

Wayzata wisely aspires to provide affordable “Lifecycle” housing options to attract younger families to the community, provide affordable housing options for the City’s public service professionals, and provides a mixture of single- and multiple-family housing options.¹¹ The Comprehensive Plan even encourages “positive consideration” for projects that provide “life-cycle” housing options.¹² This Project helps Wayzata deliver on the goals in its Comprehensive Plan.

Like the Wayzata Bay Center site before it, this Project is burdened by geotechnical and wetland considerations that significantly impact redevelopment costs. And like the Wayzata Bay Center, this Project stands to promote a diversity of retail and

⁵ Trial Testimony of Christopher Bennett, Hennepin County Assessor, September 27, 2010 at 361 (*Berry & Co., Inc. v. County of Hennepin*, No. 27-CV-08-09471R). A copy of *Berry & Co., Inc. v. Hennepin* is attached as Exhibit L.

⁶ CITY OF WAYZATA 2030 COMPREHENSIVE PLAN Map 3.2 (Proposed Land Use Map), included in Exhibit C.

⁷ *Id.* at 1-7.

⁸ *Id.* at 3-5

⁹ *Id.*

¹⁰ *See, e.g.*, COMPREHENSIVE PLAN at 3-8 (“Continue to evaluate ways to encourage a variety of housing options for upper-story housing.”); (“Consider 3rd story’ [*sic*] uses with appropriate considerations for design and scale. Commercial and residential uses are allowed as a third story, but the third story must be set back significantly more from the front façade of the floor below.”)

¹¹ *Id.* at 4-2 to 4-3.

¹² *Id.* at 4-4.

residential uses that will strengthen the district as Wayzata's shopping, employment, and entertainment destination.¹³

CPG has been down this path before. During a 2007 tax appeal, the Property was valued as redevelopment property. The applicant and county disagreed about a variety of things in that dispute, but the County was clear that a PUD was the likely (even preordained) path to redevelopment:

The County presented a significant amount of uncontested evidence sufficient to demonstrate that there was a "reasonable probability" that the subject property would be granted a PUD in the "near future" that would allow for redevelopment of the property. The record reflects that the zoning ordinances in the Lake Street Market Area encouraged PUDs and most properties in the Lake Street Market Area are developed with PUDs. Further, the County's expert testified that, given his experience in commercial real estate and his experience with the City, he had no doubt that Berry would obtain approval from the City if it presented the City with a PUD...¹⁴

The Project, and the proposed Planned Unit Development, is the correct path for the property owners and City to pursue a long-term, sustainable, affordable-luxury redevelopment project that enhances the City's Lake Street Market Area and advances the City's Comprehensive Plan.

The Project is not without its hurdles, though. They are, primarily, two. First, is the significant parking required under not only the Zoning Code based on the Project but also the longstanding parking easement on 259 Lake Street from the Development Agreement related to the Boatworks site. Second, and perhaps more importantly, in order to have a financial viable project that can overcome the poor soil, significant wetlands, and high water table that exist on the Property, the Project requires a building height that has thus far been reserved for parcels greater than 13-acres.

First, the Project's parking situation is challenging. As designed, Zoning Ordinance requires the Project to include 322 parking stalls.¹⁵ The Project will meet this requirement. But the Project is also burdened by the so-called "Boatworks

¹³ *Id.* at 3-7.

¹⁴ *Berry & Co., Inc. v. County of Hennepin*, 806 N.W.2d 31, 35 (Minn. 2011) at Exhibit L.

¹⁵ The Zoning Code calls for 2 stalls per unit for the building's residential portion (148 units x 2 per unit) and one stall per 250 square feet for its retail portion (6300 square feet of proposed retail divided by 250 square feet).

Development Agreement,” which requires 85 parking spaces on the Property be allocated to Boatworks’ property across Lake Street to the south.¹⁶ But if 85 stalls are dedicated to Boatworks, the Project’s parking plan will miss the mark widely. If 85 stalls are not available to Boatworks, the applicants will run afoul of the Development Agreement.

Unfortunately, there is simply no room for ample surface parking on the Property. And even the Hennepin County Assessor has testified that underground parking on this site would be “cost prohibitive.”¹⁷ Specifically, the high water table severely limits the ability to provide the required parking below ground. So while other properties could provide 2-3 stories of belowground parking and 3 stories of aboveground retail and housing, the Property will only feasibly permit a single level of belowground parking.

Recognizing the unique physical characteristics of the Property, CPG respectfully request that the City permit 85 of the Project’s 322 parking stalls to be “flex” stalls that serve the dual purpose of meeting the Project’s parking requirements and meeting the Property’s obligations under the Boatworks Development Agreement.¹⁸

The Project’s other primary hurdle is its height. The PUD ordinance reads:

The maximum building height within a PUD District shall be thirty five (35) feet and three (3) stories, whichever is lesser. There shall be no deviation from the height standards applied within the applicable zoning districts for PUD conditional use permits.¹⁹

¹⁶ Please see the Boatworks Development Agreement and related documents, attached as Exhibit M. (“85 parking spaces on the [Property] will required to be allocated for use by the Boatworks Site if the [Property] gets redeveloped.” And “Valet parking shall continue to be available for all restaurant patrons during all operational hours of the restaurant. All valet parking shall be done at the [Property]. All restaurant employees and staff shall also park at the [Property].”).

¹⁷ Bennett Trial Testimony, September 27, 2010 at p. 338-39. (*Berry & Co., Inc. v. County of Hennepin* (Court File No. 27-CV-08-09471R))

(“Q: You can’t put underground parking on this lot, correct?

A: That is correct, yeah.

Q: It would have to be an above ground?

A: You could, but it would be cost prohibitive, that is a better answer...”).

¹⁸ There have never been 85 parking stalls on the subject Property. This is true for a variety of reasons, but chief among them is that 85 parking stalls would cover more than 90% of the developable land on the subject Property.

¹⁹ Wayzata City Code § 801.33.2, subd. A(14)(a-b).

Of course, the PUD ordinance also expressly recognizes that regardless of unique physical characteristics, for larger parcels, “the maximum allowable height shall be as negotiated and agreed upon between the applicant and the City.”²⁰

Recognizing this Zoning Code provisions, CPG has undertaken significant efforts to find a 3-story project that was financially viable. But with because of the unique physical characteristics of the Property, a 3-story residential complex with the required retail on the first floor is not financially viable. Specifically, the potential redevelopment projects that have been considered are outlined in the following table:

DEVELOPMENT CONSIDERED	PROJECTED VALUE (ROUNDED)	CONSTRUCTION BUDGET (ROUNDED)	MAX LOAN AMOUNT (ROUNDED)
Office Only ²¹	\$1,400,000	\$6,835,000	\$1,697,000
87-Unit, 3-story residential ²²	\$16,000,000	\$20,600,000	\$13,899,000
87-unit, 3-story, mixed-use ²³	\$17,400,000	\$20,900,000	\$15,073,000
148-unit, 5-story, mixed-use (The Project) ²⁴	\$34,800,000	\$34,400,000	\$25,809,000

It must also be noted that the numbers outlined above for the 3-story developments underestimate the shortfall between costs and value. The proforma were developed as CPG began exploring the availability of tax increment financing. As part of the preliminary analysis, CPG agreed to use the 2013 assessed value for both 253 Lake and 259 Lake even though those numbers did not represent true costs. The true cost of the Project is higher since the Purchase Agreement sets the costs of 259 Lake at \$3,500,000.00 rather than the 2013 assessed value of \$2,467,000.00. It should also be noted that in the September 2010 hearing on the tax appeal for 253 Lake, the County Assessor testified the value of 253 Lake on January 1, 2008, based on its redevelopment potential, was \$4,153,000.00. In 2013, 253 Lake was assessed at \$2,257,000.

Further, CPG agreed to use rent numbers in the TIF proforma that were higher than the rent numbers demonstrated in an independent market study. Using the higher rent number generated a value of approximately \$17,400,000.00. In preliminary discussion of a potential TIF application, the City’s consultant

²⁰ Wayzata City Code § 801.33.2, subd. A(14)(c).

²¹ Preliminary Proforma at Exhibit I.

²² Preliminary Proforma at Exhibit I.

²³ Preliminary Proforma at Exhibit I.

²⁴ Project Proforma at Exhibit I

determined the value of the completed 3-story mixed-use development would be \$16,485,000, which actually suggests rent numbers lower than the market study rent numbers. The TIF analysis showed a maximum available TIF funding of \$2,000,000.00 for the 87-unit mixed-use proposal, which still left a funding gap between the estimated construction costs and likely available funding from traditional lending.

Having exhausted the ability to find a viable 3-story development that could be built given the unique physical limitations of the Property, CPG developed the current Project, which anticipates a 57-foot tall, 5-story building. The applicants recognize that this represents the single biggest hurdle to the PUD application.

On a perfect piece of land, the applicants could build all the way to the back of the lot, on soils well suited for construction, with simple and cheap subterranean construction for unlimited parking spaces. But the Property's physical characteristics make it far from perfect piece of land. Any redevelopment on this Property must necessarily recapture value lost to wetlands and their buffers. It must control for extraneous construction expenses related to insufficient soils, encroaching wetlands, high water tables, and loss of critical subterranean parking. It must be financed in the absence of unlimited TIF dollars, and it must comply in every way possible with existing City ordinances, the City's Comprehensive Plan, and the Boatworks Development Agreement. Something has to give.

Notably, these projections are not generated out of thin air. In addition to drawing on CPG's decades-long history of success in the industry, the projections also reflect average square foot unit rents derived from a study by Maxfield Research, Inc. on the current housing market conditions in the area.²⁵

In addition to the physical characteristics that have rendered 3-story development unviable, there are characteristics of the Property and surrounding area that make a 5-story development suitable. Included with CPG's application is a detailed height study.²⁶ That study shows that a five-story building on the Property is consistent with the neighborhood. Furthermore, the study shows that existing tree lines are higher than the proposed Project.

To be clear, CPG wants to work cooperatively with the City to unearth a redevelopment option that the City can support and that makes fiscal sense for the developer and its partners. In other words, CPG and the City must finalize a

²⁵ See Initial Market Assessment for General Occupancy Market Rate Rental Housing in Downtown Wayzata, Minnesota (the "Maxfield Report"), which is attached as Exhibit K.

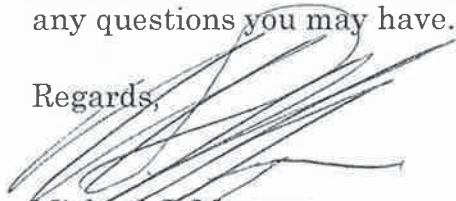
²⁶ BKV's Height Study is attached as Exhibit H

development option that the City supports, that supports the City's Comprehensive Plan, and that the market justifies.

This Project compliments the City's 2030 Comprehensive Plan, conforms to the zoning ordinance's overall intent and purpose, and furthers Wayzata's Shared Vision, which sees "redevelopment as an opportunity for new investment."²⁷

We look forward to discussing the application at the public hearing and, more importantly, working with the City to bring an ambitious project to a section of Lake Street in need of redevelopment. Please do not hesitate to contact me with any questions you may have.

Regards,



Michael J. Mergens

²⁷ COMPREHENSIVE PLAN at 1-3. This particular Project represents a huge new investment in an area of Wayzata in desperate need of huge new investment. It can be an anchor project in the Lake Street Market Area's renaissance with strong vision and cooperation between the City and the Project's applicants.

Attachment A-1

PUD APPLICATION AGREEMENT

THIS AGREEMENT, made effective as of this 3rd day of September, 2014 by and between Continental Property Group LLC, a Minnesota limited liability company ("CPG"), Berry & Co., Inc., a Minnesota corporation ("Berry"), and Flagship Bank Minnesota, a Minnesota banking corporation ("Flagship").

WITNESSETH:

WHEREAS, Flagship is the fee owner of record for real property ("259 Lake") located at and commonly known as 259 Lake Street East, Wayzata, Minnesota 55391;

WHEREAS, CPG and Flagship have entered into a Purchase Agreement dated September 11, 2013, as amended, ("Purchase Agreement") wherein CPG will purchase 259 Lake contingent on receiving certain development approvals from the City of Wayzata ("City");

WHEREAS, Berry is the fee owner of record for real property ("253 Lake") located at and commonly known as 253 Lake Street East, Wayzata, Minnesota 55391;

WHEREAS, CPG is the property manager for 253 Lake;

WHEREAS, CPG has identified a proposed mixed use redevelopment (the "Project") of 253 Lake & 259 Lake (collectively the "Property") and is pursuing a Planned Unit Development application ("PUD Application") for the Property; and

WHEREAS, Berry and Flagship are in favor of the Project and wish to join in and support the PUD Application.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants herein contained, CPG, Flagship, and Berry agree to the following:

1. Project Support. Each Berry and Flagship, respectively, is aware of the Project and have no objection to it.

2. PUD Application and Consent. Each Berry and Flagship, respectively, is aware that CPG is submitting the PUD Application for the Project and joins in the PUD Application. Each Berry and Flagship authorizes CPG to proceed on its respective behalf with respect to the PUD Application so long as the PUD Application and any associated local approvals are obtained at CPG's sole cost and expense.

4. General Terms.

- a. The Parties have read and understand all terms and conditions of this Agreement.
- b. This Agreement shall be governed by and construed in accordance with laws of the State of Minnesota, without regard to its conflicts of law provisions.

Attachment A-1

- c. The undersigned individuals hereby warrant and represent that they have full authority to execute and perform this Agreement on behalf of the entities for which they have signed and that such entities are the proper party to this Agreement.
- d. Section headings have been inserted for convenience only and shall not be given undue consideration in resolving questions of construction or interpretation.
- e. This Agreement may be executed in electronic or facsimile counterparts, all of which, when taken together, shall constitute one agreement with the same force and effect as if all signatures had been entered on one document.
- f. Nothing herein shall be deemed an amendment to the Purchase Agreement and in the event of any conflict in the terms of this Agreement and the Purchase Agreement, the terms of the Purchase Agreement shall prevail.

ACCORDINGLY, the Parties hereto have caused this Agreement to be executed on the day and year first above written.

**Flagship Bank Minnesota,
a Minnesota banking corporation**

By: 
Its: President

Continental Property Group LLC

By: 
Its: Chief Manager

Berry & Co., Inc.

By: 
Its: President

Attachment A-1

Condition of Certificate of Title

Certificate Number: **1025880**

Created by Document Number: **3166334**

Transfer From Certificate Number: **380709**

Originally registered October 18, 1932 Volume: 166, Certificate No: 52692, District Court No: 4045

State of Minnesota } s.s. Registration
County of Hennepin }

This is to certify that

Berry & Co., Inc., whose address is 253 East Lake Street, Wayzata, Minnesota
is now the owner of an estate in fee simple

In the following described land situated in the County of Hennepin and State of Minnesota:

Lot 17, Auditor's Subdivision No. 184, Hennepin County, Minn.

subject to the interests shown by the following memorials and to the following rights or encumbrances set forth in Minnesota statutes chapter 508, namely:

1. Liens, claims, or rights arising under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
2. Any real property tax or special assessment for which a sale of the land has not been had at the date of the certificate of title;
3. Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
4. All rights in public highways upon the land;
5. Such right of appeal or right to appear and contest the application as is allowed by law;
6. The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
7. Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

Memorials

Document Number	Document Type	Date of Filing Month Day, Year Time	Amount (\$)	Running in Favor Of
3166335	Mortgage	Jun 7, 1999 2:00 PM	\$600,000.00	George M. Berry and Betty Mae Berry, 4835 Bonita Beach Road SW, City of Bonita Springs, State of Florida
3277773	Satisfaction of Mortgage	May 8, 2000 9:00 AM		Satisfies document no(s). 3166335.0

Indexes Verified through **8/5/2014**

State of Minnesota
County of Hennepin

This is a condition of the register as to the
within certificate of title on file in the office of
the Registrar of Titles as of August 5, 2014



IN WITNESS WHEREOF, I have hereunto subscribed my name
and affixed the seal of my office this 7th day of June, 1999.

Michael H. Cunniff
Registrar of Titles,

In and for the County of Hennepin and State of Minnesota.

By: *E. A. [Signature]*

Attachment A-1

Condition of Certificate of Title

Certificate Number: 1022208.5

Created by Document Number: 3142564

This is the First Certificate of Title

Originally registered April 8, 1999 Certificate No: 1022208.5, District Court No: 20311

State of Minnesota	}	s.s.	
County of Hennepin	}		Registration

This is to certify that

Berry & Co., Inc. a Minnesota corporation, whose address is 253 East Lake Street, Wayzata, Minnesota
is now the owner of an estate in fee simple

In the following described land situated in the County of Hennepin and State of Minnesota:

That part of Lot 10, Auditor's Subdivision No. 184 described as beginning at a point on the Westerly extension of the North line of Lot 11, in said subdivision distant 90 feet Westerly from the Northwest corner of said Lot 11; thence Southerly in a straight line to the Northeast corner of Lot 17, in said subdivision; thence Westerly along the North line of said Lot 17 to the Northwest corner of said Lot 17; thence Westerly along the North line of Lot 18, in said subdivision 7 feet; thence Northerly parallel with the East line of the plat of Lake West to the Easterly extension of the most Northerly line of said plat; thence Easterly along the last described extension, to the intersection with the Northerly extension of the East line of said Lot 17; thence Southerly along the Northerly extension of the East line of said Lot 17 to the intersection with the Westerly extension of the North line of said Lot 11; thence to the point of beginning.

That part of Government Lot 1, Section 6, Township 117, Range 22 lying Southerly of the South line of Lot 17, Auditor's Subdivision No. 184 and Westerly of the Southerly extension of the East line of said Lot 17, which lies Easterly of the Southerly extension of the West line of said Lot 17 and Northerly of a line described as beginning at a point on the West line of said Government Lot 1 distant 89.8 feet Southerly from the Northwest corner of said government lot; thence Easterly at right angles from said West line of Government Lot 1 a distance 856.3 feet; thence Easterly 196.11 feet along a 6 degree tangential curve to the right having a central angle of 11 degrees 46 minutes; thence Southeasterly tangent to said curve 52.2 feet; thence Easterly 158.3 feet along a 6 degree tangential curve to the left having a central angle of 9 degrees 30 minutes and said line there terminating.

Subject to a mortgage in favor of George M. Berry and Betty Mae Berry dated January 30, 1998 and filed February 17, 1998 as County Recorder Document No. 6850579 to secure the principal sum of \$600,000.00;

Subject to the rights of the public in Lake Street over the Southerly 33 feet of the above described part of Government Lot 1 (See Decree Doc. No. 3142564)

Subject to a private easement for roadway purposes over the North 20 feet of the above described Lot 10, as set forth in deed recorded in Book 2116 at page 64;

Subject to the interests shown by the following memorials and to the following rights or encumbrances set forth in Minnesota statutes Chapter 508, namely:

1. Liens, claims, or rights arising under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
2. Any real property tax or special assessment for which a sale of the land has not been had at the date of the certificate of title;
3. Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
4. All rights in public highways upon the land;
5. Such right of appeal or right to appear and contest the application as is allowed by law;
6. The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
7. Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

Attachment A-1**Memorials**

Document Number	Document Type	Date of Filing Month Day, Year Time	Amount (\$)	Running in Favor Of
3142564	Order and Decree of Registration	Apr 8, 1999 9:00 AM		The Registrar of Titles is hereby directed to issue a Certificate of Title for the land as shown in this Order and that the land shall be registered pursuant to Minnesota Statutes, Chapter 508A and all acts amendatory thereof.
3279909	Satisfaction of Mortgage	May 16, 2000 11:00 AM		Satisfies Document No. 6850579

Indexes Verified through 8/5/2014

State of Minnesota
County of HennepinThis is a condition of the register as to the
within certificate of title on file in the office of
the Registrar of Titles as of August 5, 2014IN WITNESS WHEREOF, I have hereunto subscribed my name
and affixed the seal of my office this 8th day of April, 1999.**Michael Cuniff, acting****Registrar of Titles,****In and for the County of Hennepin and State of Minnesota.**3y: E. W. W. W.

Attachment A-1

Condition of Certificate of Title

*See notice of Correction (1)

Certificate Number: **1345017**

Created by Document Number: **4913749**

Transfer From Certificate Number: **1132643**

Originally registered October 18, 1932 Volume: 166, Certificate No: 52692, District Court No: 4045
Also originally registered July 15, 1946, Volume: 340, Certificate No: 105026, District Court No: 7330

State of Minnesota } s.s. Registration
County of Hennepin }

This is to certify that

Flagship Bank Minnesota, a Minnesota banking corporation, whose address is 445 East Lake Street, Suite 110, Wayzata, Minnesota, 55391;

is now the owner of an estate in fee simple

In the following described land situated in the County of Hennepin and State of Minnesota:

That part of Lot 10, described as follows to-wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning; Lot 15, except the East 27 feet front and rear thereof, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of lot 15; and Lot 16, also that part of Lake Street, vacated, lying between the front lines of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16;
Auditor's Subdivision No. 184, Hennepin County, Minn.

Subject to utility easements shown by Doc. No. 459287; (as to above portion of vacated street)

Subject to the interests shown by the following memorials and to the following rights or encumbrances set forth in Minnesota statutes chapter 508, namely:

1. Liens, claims, or rights arising under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
2. Any real property tax or special assessment;
3. Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
4. All rights in public highways upon the land;
5. Such right of appeal or right to appear and contest the application as is allowed by law;
6. The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
7. Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

Memorials

Document Number	Document Type	Date of Filing Month Day, Year Time	Amount (\$)	Running in Favor Of
167512	Easement	May 5, 1941 1:30 PM		City of Wayzata. Granting an easement over a narrow strip of land no wider than necessary for sewer mains across pt of Lots 15 & 16. (See Inst)
2801690	Development Agreement	Apr 11, 1997 5:00 PM		Between the City of Wayzata (a MN municipal corp) and Boatworks Development Company, Inc. (a MN corp) Providing for redevelopment of above land. (See Inst)
3468696	Consent	Dec 6, 2001 4:30 PM		City of Wayzata consents to Doc No 2801690 (See Inst)
3587614	Amendment of Mortgage	Aug 12, 2002 3:00 PM		Between 294 Grove, LLC, Boat Works Development Company, LLC & Lasalle Bank National Association (See Inst) Amending Mtge Doc No 3396329

Attachment A-1

Memorials

Document Number	Document Type	Date of Filing Month Day, Year Time	Amount (\$)	Running in Favor Of
3666747	Amendment	Jan 17, 2003 12:00 PM		Between Boatworks Development Company, LLC and City of Wayzata. Amending Doc No 2801690. (See Inst)
3695814	Amendment	Mar 6, 2003 3:00 PM		Between 294 Grove, LLC, Boat Works Development Company, LLC and LaSalle Bank National Association. Amending Doc No 3426967. (See Inst)
3988839	Easement	Jul 12, 2004 9:00 AM		Bay Holdings, LLC (a MN llc). Granting an easement for parking purposes over part of above land. (See Inst)
3988840	Assignment	Jul 12, 2004 9:00 AM		Column Financial, Inc. (a DE corp) 11 Madison Avenue New York, NY Assigns document nos. 3396329 and 3426967
3988841	Assignment	Jul 12, 2004 9:00 AM		Column Financial, Inc. (a DE corp) 11 Madison Avenue New York, NY Assigns document nos. 3842438 and 3842439
4122253	Mortgage	Jun 8, 2005 12:00 PM	\$1,000,000.00	Community Bank Minnesota Valley City of Wayzata, State of Minnesota
4176298	Amendment of Mortgage	Oct 18, 2005 9:00 AM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley Modifying Doc No 4122253
4177500	Mortgage	Oct 20, 2005 9:00 AM	\$100,000.00	Community Bank Minnesota Valley, City of Wayzata, State of Minnesota
4213512	Amendment of Mortgage	Jan 11, 2006 12:00 PM		Between Boat works Development Company, LLC and Community Bank Minnesota Valley (See Inst) Modifying mtge doc no 4122253
4241657	Amendment of Mortgage	Mar 29, 2006 4:00 PM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley (See Inst) Modifying Mtge Doc No 4177500
4254718	Mortgage	May 5, 2006 1:00 PM	\$3,200,000.00	Community Bank Minnesota Valley, City of Wayzata, State of Minnesota
4261430	Amendment of Mortgage	May 19, 2006 12:00 PM		Between Boat Works Development Company, LLC, (a MN llc) and Community Bank Minnesota Valley Modifies Mtge Doc No 4122253 (See Inst)
4261899	Amendment of Mortgage	May 19, 2006 1:00 PM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley. (See Inst) Modifies Mtge. Doc. No. 4177500.
4268197	Amendment of Mortgage	Jun 6, 2006 12:00 PM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley (See Inst) Modifying Mortgage Doc No. 4177500
4286849	Amendment of Mortgage	Jul 25, 2006 3:00 PM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley (See Inst) Modifying Mortgage Doc No. 4254718
4286850	Amendment of Mortgage	Jul 25, 2006 3:00 PM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley (See Inst) Modifying Mortgage Doc No. 4177500
4292056	Amendment of Mortgage	Aug 9, 2006 10:00 AM		Between Boat Works Development Company, LLC and Community Bank Minnesota Valley (See Inst) Modifying mtge doc no 4122253
4330849	Change of Name	Nov 28, 2006 11:00 AM		Changing the name of Community Bank Minnesota Valley to Flagship Bank Minnesota.
4368914	Amendment of Mortgage	Mar 21, 2007 12:00 PM		Between Boat Works Development Company, LLC and Flagship Bank Minnesota. (See Inst) Modifies Mtge. Doc. No. 4177500
4368915	Amendment of Mortgage	Mar 21, 2007 12:00 PM		Between Boat Works Development Company, LLC and Flagship Bank Minnesota. (See Inst) Modifies Mtge. Doc. No. 4122253
4368916	Amendment of Mortgage	Mar 21, 2007 12:00 PM		Between Boat Works Development Company, LLC and Flagship Bank Minnesota. (See Inst) Modifies Mtge. Doc. No. 4254718
4429710	Amendment of Mortgage	Sep 24, 2007 11:00 AM		Between Boat Works Development Company LLC and Flagship Bank Minnesota. Modifying Mtg Doc No 4177500

Attachment A-1

Memorials

Document Number	Document Type	Date of Filing Month Day, Year Time	Amount (\$)	Running in Favor Of
4431400	Amendment of Mortgage	Sep 28, 2007 11:00 AM		Between Boat Works Development Company, LLC, (a MN llc) and Flagship Bank Minnesota. (See Inst) Modifying Mtge Doc No 4122253
4432458	Amendment of Mortgage	Oct 2, 2007 11:00 AM		Between Boat Works Development Company, LLC and Flagship Bank Minnesota. Amending Doc No 4254718. (See Inst)
4458073	Amendment of Mortgage	Dec 28, 2007 4:30 PM		Between Boat Works Development Company, LLC (a MN llc) and Flagship Bank Minnesota (See Inst) Amending Mtge. Doc. No. 4122253
4458345	Amendment of Mortgage	Dec 31, 2007 4:00 PM		Between Boat Works Development Company, LLC and Flagship Bank Minnesota Amending Doc No 4254718 (See Inst)
4458368	Amendment of Mortgage	Dec 31, 2007 4:00 PM		Between Boat Works Development Company, LLC and Flagship Bank Minnesota Amending Doc No 4177500 (See Inst)
4486096	Amendment of Mortgage	Apr 10, 2008 10:00 AM		Between Boat Works Development, LLC, (a MN llc) and Flagship Bank. Amending Mtge Doc No 4254718
4486097	Amendment of Mortgage	Apr 10, 2008 10:00 AM		Between Boat Works Development, LLC, (a MN llc) and Flagship Bank. Amending Mtge Doc No 4177500
4486098	Amendment of Mortgage	Apr 10, 2008 10:00 AM		Between Boat Works Development, LLC, (a MN llc) and Flagship Bank. Amending Mtge Doc No 4122253
5125085	Correction	Oct 16, 2013 1:51 PM		Ignore the memorials of Doc Nos 3587614, 3695814, 3988840 and 3988841: all were carried forward in error on this certificate of title. In future certificates of title omit the memorials of said Doc Nos 3587614, 3695814, 3988840 and 3988841 and omit also the memorial of this Correction.

Indexes Verified through 8/5/2014

State of Minnesota
County of Hennepin

This is a condition of the register as to the within certificate of title on file in the office of the Registrar of Titles as of August 5, 2014



IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of my office this 28th day of December, 2011.

Martin McCormick, acting

Registrar of Titles,

In and for the County of Hennepin and State of Minnesota.

By: E. Wise

Attachment A-1



Doc No **A9731367**

Certified, filed and/or recorded on
12/28/11 3:52 PM

Office of the County Recorder
Hennepin County, Minnesota
Martin McCormick, Acting County Recorder
Mark V. Chapin, County Auditor and Treasurer

C.V. filed _____ C.V. not req. X

No delinquent taxes

Transfer Entered

12/28/2011 3:52:00 PM

Hennepin County, Minnesota
Mark V. Chapin
County Auditor and Treasurer

Deputy 11

Pkg ID 760096

Doc Name: Warranty Deed

Document Recording Fee \$46.00

Attested Copy or Duplicate \$2.00
Original

Document Total \$48.00

STATE OF MINNESOTA, COUNTY OF HENNEPIN
Certified to be a true and correct copy of the
original on file and of record in my office

AUG 20 2014

Martin McCormick, County Recorder

By E. Chapin Deputy



This cover sheet is now a permanent part of the recorded document.

Attachment A-1

C.V. filed _____ C.V. not req. ☒ X _____

No delinquent taxes

Transfer Entered

12/28/2011 3:44:00 PM

Hennepin County, Minnesota
Mark V. Chapin
County Auditor and Treasurer

Doc No **T4913749**

Certified, filed and/or recorded on
12/28/11 3:44 PM

Office of the Registrar of Titles
Hennepin County, Minnesota

Martin McCormick, Acting Registrar of Titles
Mark V. Chapin, County Auditor and Treasurer

Deputy 49

Pkg ID 760092

Doc Name: Warranty Deed

Certified Copy of any document \$20.00

Document Recording Fee \$46.00

State Deed Tax (.0033 rate) \$1.65

Attested Copy or Duplicate Original \$2.00

Conservation Fee \$5.00

Environmental Response Fund (SDT .0001) \$0.05

Document Total \$74.70

Existing Certs

1132643

New Certs

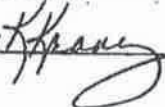
1345017



STATE OF MINNESOTA, COUNTY OF HENNEPIN
Certified to be a true and correct copy of the
original on file and of record in my office

DEC 28 2011

**MARTIN MCCORMICK, ACTING
COUNTY RECORDER/REGISTRAR OF TITLES**

By  Deputy

Attachment A-1

1132643
2009
(2) deeds
5100
21.021
7422

(RESERVED FOR RECORDING INFORMATION)

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$1.70

Dated: December 28, 2011

FOR VALUABLE CONSIDERATION, BOAT WORKS DEVELOPMENT COMPANY, LLC, a Minnesota limited liability company, Grantor, hereby conveys and warrants to **FLAGSHIP BANK MINNESOTA**, a Minnesota banking corporation, Grantee, real property in **Hennepin County**, Minnesota, described as follows:

See Exhibit A attached hereto and incorporated hereby,

together with all hereditaments and appurtenances belonging thereto subject only to those exceptions set forth on Exhibit B attached hereto and incorporated hereby.

Grantor and Grantee intend that the Mortgages described on Exhibit B, numbers 7, 8 and 9 (collectively the "Mortgages") shall remain in full force and effect and are not satisfied by this Deed, nor do the Mortgages merge with this Deed, but it is the intention of the parties that the Mortgages survive the delivery and recording of this Deed. This Deed also transfers all of Grantor's after acquired title to the property.

The total consideration for this transaction is less than \$500.00.

THE GRANTOR CERTIFIES THAT GRANTOR DOES NOT KNOW OF ANY WELLS ON THE ABOVE DESCRIBED REAL PROPERTY.

017-117-22-23-0005

Check here if all or part of the described real property is Registered (Torrens) X

Affix Deed Tax Stamp Here.

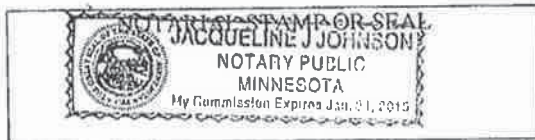
**BOAT WORKS DEVELOPMENT COMPANY,
LLC**

By [Signature]

Name: M. G. Kaminski
Title: Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF Dunsmuir

[Signature] The foregoing instrument was acknowledged before me this 25 day of Jan, 20 11, by M. G. KAMINSKI, Chief Manager of **BOAT WORKS DEVELOPMENT COMPANY, LLC**, a Minnesota limited liability company, on behalf of the limited liability company.



[Signature]
(Signature of notarial officer)
Title (and Rank): _____
My commission expires: Jan 31, 2015

Tax Statements for the real property
described in this instrument should be sent to:

FLAGSHIP BANK ✓
445 EAST LAKE STREET, SUITE 110
WAYZATA, MN 55391

THIS INSTRUMENT DRAFTED BY:

Lindquist & Vennum PLLP
4200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
406910.0028

EXHIBIT A

Legal Description

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 and said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Certificate Number: 1132643

CITE 1132643

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Certificate Number: 1132643

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of Lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land being described as follows, to wit:

CITE 1132643

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof, a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Attachment A-1

Abstract

NT

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

Abstract

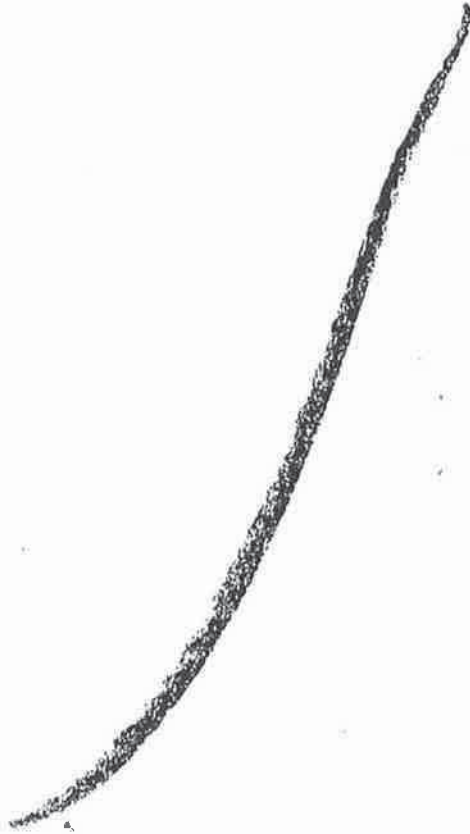


Exhibit B

Permitted Encumbrances

1. Real estate taxes and special assessments due in the years 2008, 2009 and 2010 (delinquent) and real estate taxes and assessments due in the year 2011 and thereafter.
2. Levied and pending special assessments, if any.
3. Utility Easements over vacated Lake Street dated March 1, 1955, filed May 6, 1955, as Document No. 459287 (T).
4. Sewer Easement dated August 16, 1940, filed May 5, 1941, as Document No. 167512 (T).
5. Development Agreement dated March 26, 1997, filed April 15, 1997, as Document No. 2801690 (T) and 6721202 (A).
Consent to Assignment of Development Agreement and Estoppel Compliance Certificate dated June 14, 2001, filed December 6, 2001, as Document No. 3468696 (T) and 7599547 (A).
Amendments filed January 17, 2003, as Document No. 3666747 (T) and 7925215 (A) and filed February 11, 2005, as Document No. 8526122 (A).
6. Parking Easement Agreement dated July 9, 2004, filed July 12, 2004, as Document No. 3988839 (T) and filed July 8, 2004, as Document No. 8393878 (A).
7. Mortgage dated January 13, 2005, filed June 8, 2005, as Document No. 4122253 (T) and 8595096 (A) from Boat Works Development Company, LLC to Community Bank Minnesota Valley in the original amount of \$1,000,000.00.
Amended in Document Nos. 4176298 (T) and 8681281 (A), 4213512 (T) and 8729239 (A), 4261430 (T) and 8799948 (A), 4292056 (T) and 8833615 (A), 4368915 (T) and 8948203 (A), 4431400 (T) and 9040003 (A), 4458073 (T) and 9081324 (A), and 4486098 (T) and 9122011 (A).
Mortgagee's interest currently held by Flagship Bank Minnesota by Name Change Certificate filed as Document No. 4330849 (T) and 9420941 (A).
8. Mortgage dated January 13, 2005, filed October 20, 2005, as Document No. 4177500 (T) and filed September 20, 2005, as Document No. 8657445 (A) from Boat Works Development Company, LLC to Community Bank Minnesota Valley in the original amount of \$100,000.00.
Amended in Document Nos. 4241657 (T), 4261899 (T) and 8729238 (A), 4268197 (T) and 8815645 (A), 4286850 (T) and 8833614 (A), 4368914 (T) and 8948202 (A), 4429710 (T) and 9040004 (A), 4458368 (T) and 9081255 (A), and 4486097 (T) and 9122010 (A).
Mortgagee's interest currently held by Flagship Bank Minnesota by Name Change Certificate filed as Document No. 4330849 (T) and 9420941 (A).

9. Mortgage dated March 15, 2006, filed May 5, 2006, as Document No. 4254718 (T) and 8789133 (A) from Boat Works Development Company, LLC to Community Bank Minnesota Valley in the original amount of \$3,200,000.00.
Amended in Document Nos. 4286849 (T) and 8836566 (A), 4368916 (T) and 8948204 (A), 4432458 (T) and 9040002 (A), 4458345 (T) and 9081256 (A), and 4486096 (T) and 9122009 (A).
Mortgagee's interest currently held by Flagship Bank Minnesota by Name Change Certificate filed as Document No. 4330849 (T) and 9420941 (A).

Attachment A-1

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement"), made and entered into as of the 11 day of September, 2013 (the "Effective Date"), by and between Flagship Bank Minnesota, a Minnesota banking corporation ("Seller"), and Continental Property Group, LLC, a Minnesota limited liability company, or its assigns ("Buyer").

RECITALS

A. Seller is the owner of certain improved real property located at 259 Lake Street East, Wayzata, Minnesota 55391 and legally described on Exhibit A attached hereto.

B. The parties desire by this Agreement, and on the terms and conditions hereof, to provide for the sale of such property by Seller to Buyer.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following terms have the following respective meanings:

Closing. As defined in Section 4.

Closing Date. As defined in Section 4.1.

Deed. The limited warranty deed from Seller conveying the Land and the Improvements to Buyer subject to the Permitted Exceptions.

Due Diligence Period. The period which commences on the Effective Date and expires one hundred eighty (180) days thereafter.

Improvements. The building, parking, paving, lighting, landscaping and other improvements and facilities constructed or installed on the Land in connection therewith.

Land. The land located at 259 Lake Street East, Wayzata, Minnesota 55391, Hennepin County, Minnesota, upon which the Improvements are located, as legally described on Exhibit A attached hereto.

Permitted Exceptions. As defined in Section 5.1.

Property. The Land, and Improvements.

Section. A section of this Agreement.

Title Commitment. A commitment for an owner's policy of title insurance issued by the Title Company bearing an effective date within thirty (30) days of the date of this Agreement in an amount equal to the purchase price and showing Buyer as the proposed insured.

Title Company. Old Republic National Title Insurance Company, or such other title company as Buyer may reasonably select and Seller may reasonably approve.

Attachment A-1

2. Sale. Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the Property.
3. Purchase Price.
 - 3.1 The purchase price for the Property will be: Three Million Five Hundred Thousand and no/100 Dollars (\$3,500,000.00) (the "Purchase Price").
 - 3.2 The Purchase Price shall be payable by Buyer to Seller as follows:
 - (a) Thirty-five Thousand and no/100 Dollars (\$35,000.00), to be deposited within two (2) business days following the Effective Date, in immediately available funds (together with all interest accrued thereon, the "Deposit"), payable on the Effective Date, to be held by the Title Company in escrow with all interest thereon accruing to the benefit of the party to whom the Deposit is disbursed; and
 - (b) The remainder in available cash at Closing, subject to adjustments as provided herein.
 - 3.3 Unless the Seller defaults, as provided in Section 13.1., or Buyer terminates this Agreement pursuant to Section 6.1, the Deposit shall become non-refundable at the end of the Due Diligence Period. The Title Company shall hold in escrow the entire Deposit until Closing or the termination of this Agreement.
4. Closing.
 - 4.1 Closing Date. The closing of the transaction contemplated hereby (the "Closing") shall occur on the earlier of (i) thirty (30) days after the end of the Due Diligence Period or (ii) in any event no later than March 31, 2014, and such date being hereinafter referred to as the "Closing Date").
 - 4.2 Closing Procedure. At the Closing:
 - 4.2.1 Buyer shall deliver to Seller, in addition to any other items required by this Agreement, the following:
 - (a) the sum described in Section 3.2(b), plus any closing adjustments in favor of Seller, minus any closing adjustments in favor of Buyer, by wire transfer;
 - (b) a closing statement, duly executed by Buyer;
 - (c) such other documents as may be reasonably and customarily required in connection with the transaction contemplated by this Agreement, each duly executed and acknowledged (where applicable) by Buyer.
 - 4.2.2 Seller shall deliver to Buyer, in addition to any other items required by this Agreement, the following:
 - (a) the Deed, duly executed and acknowledged by and Seller, conveying marketable fee simple title to the Land and the Improvements to Buyer

Attachment A-1

subject only to the Permitted Exceptions;

- (b) a non-foreign transferor certification pursuant to Section 1445 of the Internal Revenue Code, but disclaiming all other representations or warranties expressed or implied;
- (c) a closing statement, duly executed by Seller;
- (d) a standard form of Seller's Affidavit required by the Title Company;
- (e) such other documents as may be reasonably and customarily required in connection with the transaction contemplated by this Agreement, each duly executed and acknowledged (where applicable) by Seller.

4.3 Possession. Seller shall deliver exclusive possession of the Property to Buyer on the Closing Date in substantially the same condition as it existed as of the Effective Date, reasonable wear and tear excepted (except in the event of condemnation or casualty in which case the provisions of Sections 9 or 10 will control).

4.4 Closing Costs.

- (a) Seller shall pay the following at Closing:
 - (i) The search and exam fee charged by the Title Company to prepare the Title Commitment;
 - (ii) Transfer taxes on the Deed;
 - (iii) Recording fees on the Deed;
 - (iv) One-half of any escrow or closing fee charged by the Title Company; and
 - (v) Property taxes prorated to the Closing.
- (b) Buyer shall pay the following at Closing:
 - (i) The cost of the premium for any owners and/or lenders policy of title insurance;
 - (ii) The costs associated with Buyer's financing, if any; and
 - (iii) One half of any escrow or closing fee charged by Title Company; and
 - (iv) Property taxes prorated to the Closing.

5. Examination of Title by Buyer; Correction of Title.

5.1 Examination of Title. As soon as reasonably practical following the date of this Agreement, Seller shall obtain the Title Commitment, and provide a copy thereof (together with a copy of all exceptions disclosed therein) to Buyer within five (5)

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days of receipt. Buyer shall have thirty (30) days after its receipt of the Title Commitment and exceptions for examination of the title evidence and the making of any objections to the matters disclosed therein, said objections to be made in writing and delivered to Seller within said thirty (30) day period or deemed to have been waived. Upon the expiration of Buyer's examination period, all matters disclosed in the Title Commitment and the Survey to which Buyer does not object shall become a "Permitted Exception" and Buyer shall have no further right to object to such matters. Notwithstanding anything to contrary contained herein, in the event Buyer elects to order a survey, Buyer agrees to be solely responsible for payment and procurement of the survey and to deliver a copy of the survey to Seller at no expense to Seller.

- 5.2 Correction of Title and Title Condition. If Buyer makes any timely objections to title pursuant to Section 5.1, Seller shall have the right, but not the obligation, to cure any such objection. Seller shall provide Buyer with notice within ten (10) days of Seller's receipt of any such objection stating whether it intends to cure any such objection. If Seller elects to cure any such objection, Seller shall have the right to delay the Closing Date by up to sixty (60) days. If Seller elects not to or fails to cure any such objection within said sixty (60) day period, Buyer shall have the option to terminate this Agreement by written notice and receive a refund of the Deposit, or waive the objection and proceed to closing without adjustment to the Purchase Price. Upon correction of title or waiver of the specified defects by Buyer, Closing shall be held on the later of the Closing Date otherwise established pursuant to this Agreement or the date occurring ten (10) days after the date title objections are cured or waived.

6. Buyer's Contingencies.

6.1 Buyer's Contingencies.

Buyer's obligations under this Agreement are contingent on the following matters by the date or within the time period set forth in each subsection below.

- (a) Seller's timely performance of each of Seller's obligations under this Agreement;
- (b) Seller's delivery of marketable title in pursuant to Section 5.
- (c) Within the Due Diligence Period, Buyer will investigate the Property, including feasibility of obtaining any rezoning or subdivision approvals, variances, conditional use permits, operating permits and licenses or other federal, state or local approvals or permits ("Permits") necessary for Buyer's intended use of the Property. If Buyer determines that the Property is not acceptable, for any reason whatsoever in Buyer's sole discretion, including that necessary Permits cannot, or may-not, be obtained, Buyer may, by written notice to Seller, on or before the expiration of the Due Diligence Period, terminate this Agreement pursuant to the terms set forth in this Agreement. Buyer will endeavor to give Seller three (3) days advance written notice by e-mail in accordance with Section 17, of the time and place of any private or public meetings or hearings with any governmental officials regarding the Property, and an opportunity to attend such meetings or hearings at Seller's sole discretion. Seller agrees to

Attachment A-1

cooperate with and reasonably assist Buyer in its efforts to apply for and obtain any Permits or approvals sought by Buyer with respect to its proposed development of the Property, so long as such cooperation is at Buyer's sole cost and expense.

If any of Buyer's contingencies listed above cannot be reasonably satisfied with the time frame listed above, Buyer may terminate this Agreement by providing Seller with written notice of such termination on or before the expiration of the Due Diligence Period, whereupon Seller and Buyer shall automatically be relieved of further liability or obligation hereunder without the need for any further notice and Title Company shall return the Deposit to Buyer, subject to Section 3.3. Failure to give such notice constitutes a waiver of the applicable contingency.

6.2 Seller's Contingencies.

Seller's obligations under this Agreement are contingent on the following matters by the date or within the time period set forth in each subsection below.

- (a) Buyer's timely performance of its obligations under this Agreement;

7. Sale of Property on an "As Is" Basis. As a material inducement to Seller to enter into this Agreement, and notwithstanding anything herein to the contrary, Buyer acknowledges and agrees that Seller is a lender who acquired the Property via a foreclosure of a mortgage encumbering the Property and or a Deed in Lieu of Foreclosure. Buyer acknowledges and agrees that except as expressly set forth below in Section 12.1, Seller has no direct knowledge of the condition of the Property. Additionally, Buyer acknowledges and agrees that Seller makes no representations, warranties, repairs, or inspections as to the condition of the Property. Buyer agrees and accepts the Property "As-Is and Where-Is with all faults" and agrees that Seller makes no warranties or representations as to the physical condition of the Property, including but not limited to, central air-conditioning; heating; plumbing; wiring; or connection to city water, and Buyer has been afforded an opportunity to obtain inspections by an inspector of Buyer's choosing and at Buyer's cost. Moreover, Buyer understands and agrees that Seller may not know and makes no representation regarding the following about the Property: (a) whether there is a private sewer system on or serving the Property and whether such system meets current governmental requirements; (b) whether there are any wells located on the Property; (c) whether the Property is either directly or indirectly connected to city sewer and city water; (d) whether there are any hazardous substances or underground storage tanks located on the Property; (e) whether there is an exclusion from market value for taxation purposes; (f) whether methamphetamine production occurred on the Property; (g) whether there are airport zoning regulations that affect the Property; (h) whether written notice has been sent of threatened or pending special assessments or reassessments of the Property or notice regarding any new improvement project from any assessing authorities, the cost of which project may be assessed against the Property; (i) whether payments have been made for all labor, materials, machinery, fixtures, or tools furnished within 120 days immediately preceding the Closing in connection with construction, alteration, or repair of any structure on, or improvement to, the Property requested by a party other than Seller; (j) whether notice was sent from any governmental authority as to condemnation proceedings, or violation of any law, ordinance or regulation for the Property; and (k) whether the Property is subject to restrictive covenants, and if so, whether notice was sent from any person or authority as to a breach of the covenants.

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Furthermore, Buyer acknowledges and agrees that Buyer is a sophisticated real estate purchaser and that Buyer is relying on its own inspections and knowledge of the Property in determining whether the Property is of satisfactory condition to Buyer, including determining the condition or status of items (a) through (k) mentioned in the preceding paragraph, and Buyer specifically disclaims any reliance upon any representation or assurance by Seller in making such determination. Seller will not provide a warranty of any kind. Buyer agrees that in contracting to purchase the Property, Buyer has not relied upon any representation made by the Seller or any parent, subsidiary, agent, or affiliate, or any of their officers, directors, employees, agents, or representatives. Other than Seller's breach of its obligations under this Purchase Agreement, Buyer shall have no other claim or recourse against Seller for any act in connection with the sale of the Property contemplated under this Purchase Agreement or for any liabilities relating to the Property. Without limiting the generality of the foregoing, no claims relating to the subject matter of this Purchase Agreement may be brought by Buyer against any director, officer, employee, or agent of Seller in his or her individual capacity.

8. Prorations.

8.1 Taxes and Special Assessments. Real estate taxes and installments of special assessments due and payable with respect to the Property for the year during which the Closing shall occur shall be prorated between Seller and Buyer as of the Closing Date. Seller shall pay all real estate taxes and special assessments levied with respect to the Property for the time period up to and ending on the day before the Closing Date and Buyer shall pay all real estate taxes with respect to the Property from the Closing Date and thereafter. Buyer shall assume all pending assessments, including special assessments, as of Closing.

8.2 Other Prorations. A proration of all expenses with respect to the Property (including all utility, maintenance and service expenses) shall be made as of the Closing Date, with Seller being obligated to pay expenses relating to the period before the Closing Date and with Buyer being obligated to pay expenses relating to the period including the Closing Date and thereafter. In the event that any item of expense (other than real estate taxes and special assessments) cannot be determined as of the Closing Date, a proration shall be made based on Seller's and Buyer's best estimate of such item, and an appropriate payment shall be made from Seller to Buyer or from Buyer to Seller when such item is finally determined.

9. Condemnation. If any portion of the Property is taken or threatened to be taken by eminent domain or condemnation Buyer may (a) terminate this Agreement by notice to Seller given on or before the Closing Date, and, in the event of such termination, this Agreement will be of no further effect, the Deposit shall be paid to Buyer, neither party will thereafter have any further obligation under this Agreement, or (b) proceed to Closing without abatement of or reduction in the Purchase Price, and Seller will assign and transfer to Buyer on the Closing Date all of Seller's right, title and interest in and to all condemnation awards paid or payable to Seller, less such portion thereof as may have been applied to restoration prior to the Closing Date, if any, and Seller's reasonable expenses of prosecuting such condemnation claim. Seller will have no obligation to repair or restore any damage caused by condemnation, and shall not take any repair or restoration action without Buyer's prior written consent. Buyer and Seller shall cooperate to adjust or settle any condemnation claim

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with respect of the Property.

10. Damage or Destruction. If the Property or any part thereof is damaged by fire or other casualty prior to the Closing Date which would cost in excess of \$50,000 to repair (as determined by the parties in good faith), Buyer may terminate this Agreement by written notice to Seller given on or before the Closing Date. In the event of such termination, this Agreement will be of no further effect, the Deposit shall be paid to Buyer, and neither party will thereafter have any further obligation under this Agreement, except that Buyer's indemnity obligations set forth in Section 14 herein shall survive any such termination. If Buyer does not elect to terminate this Agreement, then the Closing will take place as herein provided without abatement of or reduction in the purchase price, and Seller will pay to Buyer the amount of any deductible on its insurance and assign and transfer to Buyer on the Closing Date by all of Seller's right, title and interest in and to all insurance proceeds paid or payable to Seller on account of such fire or casualty, less such portion thereof as may have been applied to restoration or preservation prior to the Closing Date, if any. If the Property or any part thereof is damaged by fire or other casualty prior to the Closing Date repair of which would cost \$50,000 or less (as determined by Seller in good faith) Buyer will not have the right to terminate its obligations under this Agreement by reason thereof or to any reduction in the purchase price, and the Closing will take place as herein provided, but Seller will pay to Buyer the amount of any deductible on its insurance and assign and transfer to Buyer on the Closing Date all of Seller's right, title and interest in and to all insurance proceeds paid or payable to Seller on account of any such fire or casualty, less such portion as may have been applied to restoration prior to the Closing Date, if any. Buyer does not bear the risk of loss to the Property prior to Closing. Seller shall have no obligation to repair or restore any damage caused by fire or casualty.
11. Real Estate Commissions. Buyer and Seller each represents and warrants to the other party in connection with this transaction and that they have taken no action which could result in any broker's, finder's or other fee or commission being payable to any party with respect to the transaction contemplated hereby, other than a three percent (3%) commission payable by Seller to Tomas Management, Inc., which Seller agrees to pay. Seller and Buyer each agree to indemnify and hold the other harmless from any claim by any broker, finder or other party for a fee or commission as a result of the actions of the indemnifying party, except that Seller shall be responsible for the commission set forth in the preceding sentence.
12. Representations and Warranties.
 - 12.1 By Seller. Seller hereby represents and warrants to Buyer that to the Seller's actual knowledge without any duty to inquire, the following are true and correct, and will certify that the same are true and correct as of Closing:
 - (a) The persons executing this Agreement and any documents required hereunder are or will be duly authorized by Seller to do so.
 - (b) The execution, delivery, and performance by Seller of this Agreement and all instruments and agreements contemplated hereby will not result in a breach or violation of, or constitute a default under, any agreement, instrument, indenture, law, regulation, ordinance, order or decree to which Seller is a party or by which Seller or the Property is bound.

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- (c) Seller has received no notice that there is pending litigation or dispute concerning the Property, or the location of the lines and corners of the Property, except for those which have been disclosed to Buyer in writing.
- (d) Seller has not entered into any leases, agreements or service contracts which will survive Closing, except for those which have been disclosed to Buyer in writing.
- (e) Seller has received no written notice from any governmental agency or authority alleging that Seller is responsible or liable for an uncured violation of any applicable federal, state, county or municipal law, code, rule or regulation with respect to the Property, or stating that any investigation has been commenced or is contemplated regarding any of the same, except for those which have been disclosed to Buyer in writing.
- (f) Seller will provide to Buyer, promptly upon Seller's receipt thereof, any and all written notices relating to the Property received by Seller or its agents or representatives from any governmental or quasi-governmental instrumentality, insurance company, vendor or other party under any of the contracts or other agreements, or from any other entity or party.
- (g) All labor or material which have been or will be furnished to the Property at Seller's request have been fully paid for or will be fully paid for prior to the Closing.

12.2 By Buyer. Buyer hereby represents and warrants to Seller as follows:

- (a) The persons executing this Agreement and any documents required hereunder are or will be duly authorized by Buyer to do so.
- (b) The execution, delivery, and performance by Buyer of this Agreement and all instruments and agreements contemplated hereby will not result in a breach or violation of, or constitute a default under, any agreement, instrument, indenture, law, regulation, ordinance, order, or decree to which Buyer is a party or by which Buyer is bound.

13. Default.

13.1 By Seller. If Closing shall not occur as and when provided in this Agreement by reason of a default by Seller, then Buyer shall be entitled, at its option, to terminate this Agreement by executing an agreement to terminate this Purchase Agreement, receive a refund of the Deposit (even any non-refundable portion of the Deposit, as provided in Section 3.3), or to pursue an action for specific performance or damages, or both.

13.2 By Buyer. In the event of a default on the part of Buyer under this Agreement, then Seller, as its sole and exclusive remedy, shall be entitled to terminate this Agreement by notice to Buyer and retain the Deposit as liquidated damages, and upon such termination this Agreement shall be null and void and neither party shall have any further claims against, obligation to or rights against the other hereunder.

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14. Indemnity. Buyer hereby indemnifies, defends and holds harmless Seller from and against any and all liability, loss, damage, claim, cost, or expense (including reasonable attorneys' fees and mechanic's liens) which may have resulted or may result from any entry upon or inspection of the Property by Buyer, its employees, agents, assigns, contractors, or any other person for whom Buyer is legally responsible. The obligations set forth in this Article 14 shall survive Closing or the earlier termination of this Agreement.
15. Attorneys' Fees and Costs. In any action to enforce this Agreement or arising out of this Agreement, the prevailing party shall be entitled to payment from the other party of the prevailing party's costs of litigation, including reasonable attorneys' fees.
16. Survival. All covenants, agreements, indemnities and representations of Buyer and Seller under this Agreement shall survive Closing.
17. Notice. Any notice or other communication provided for herein or given hereunder to a party hereto shall be in writing, and shall be deemed given when personally delivered to a party set forth below (or an officer or partner thereof where the party is a corporation), when mailed by first class mail, registered, or certified, return receipt requested, postage prepaid, or when sent by nationally-recognized overnight delivery service, with proof of delivery, delivery charges prepaid, in either case addressed as follows:

To Seller: Flagship Bank Minnesota
445 East Lake Street, Suite 110
Wayzata, MN 55391
Attn: Andy Schornack
Phone: 952-473-1959
E-mail: aschornack@flagshipbanks.com

with copy to: Messerli & Kramer P.A.
Attn: Creig Andreasen
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402
Phone: 612-672-3663
E-mail: candreasen@messerlikramer.com

To Buyer: Continental Property Group, LLC
1907 Wayzata Boulevard
Suite 250
Wayzata, MN 55391
Attn: Traci Tomas
Phone: 952-473-1700
E-mail: ttomas@leasespace.com

with a copy to: Robins, Kaplan, Miller & Ciresi L.L.P.
Attn: Steven A. Schumeister

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800 LaSalle Avenue
2800 LaSalle Plaza
Minneapolis, MN 55402-2015
Phone: 612-349-8751
E-mail: saschuneister@rkmc.com

18. Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties relating to the transaction contemplated hereby and may not be amended, waived or discharged except by an instrument in writing executed by the party against whom enforcement of such amendment, waiver or discharge is sought.
19. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the state in which the Property is located.
20. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.
21. Time of Essence. Time is of the essence of this Agreement, including, without limitation, the Closing Date.
22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but together shall be deemed one and the same instrument.
23. Confirmation. Upon termination of this Agreement for any reason, Seller and Buyer each agree, upon the written request of the other, to execute and deliver an agreement documenting the termination of this Agreement prior to, if applicable, the return of the Deposit to Buyer.
24. Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
25. Consent. Any time the consent of either party is required hereunder, such consent shall be written and shall not be unreasonably withheld, conditioned or delayed, unless expressly stated otherwise.
26. Instructions to Title Company. Seller and Buyer hereby irrevocably instruct Title Company as follows in connection with the Deposit: (a) in the event that Seller delivers to Title Company a written certification (i) that the Agreement has been terminated because of a default by Buyer, and (ii) that Seller has given Buyer at least five (5) days prior written notice of its intention to demand the Deposit; or (b) in the event that Buyer delivers to Title Company a written certification (i) that the Agreement has been terminated pursuant to its terms or because of a default by Seller, and (ii) that Buyer has given Seller at least five (5) days prior written notice of its intention to demand the Deposit, then in any of such events, unless precluded by a court purporting to have jurisdiction over this matter, or objection of the other party, Title Company will immediately deliver the Deposit, to the demanding party without the need for any approval by the other party, and even despite any potential objection by the other party, if Title Company believes that the objection is not valid, it being agreed

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that Title Company may conclusively rely upon the certification of the demanding party and that the other party's sole remedy, if the certification is incorrect, is against the demanding party and not against Title Company.

27. Tax Reporting Requirements. If the sale and transfer of the Property hereunder is subject to the reporting requirements for real estate transactions under Section 6045 of the Internal Revenue Code of 1986, then the parties hereto agree that all necessary information shall be given to the person preparing the settlement statement, who shall then be required to make the necessary and timely report.
28. Third Party Beneficiaries. The provisions of this Purchase Agreement and of the documents to be executed and delivered at Closing are for the benefit of Buyer and Seller only and are not for the benefit of any third party. No third party shall have the right to enforce the provisions of this Purchase Agreement or the documents to be executed and delivered at Closing.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands as of the date and year first above written.

SELLER:

FLAGSHIP BANK MINNESOTA, a
Minnesota banking corporation

By: Andy Schornack
Its: Vice President

BUYER:

CONTINENTAL PROPERTY GROUP, LLC, a
Minnesota limited liability company

By: Brad Hoyt
Print Name: Brad Hoyt
Print Title: Chief manager

1062252.1

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JOINDER

The undersigned joins herein solely for the purpose of making disbursements pursuant to Section 26 above.

OLD REPUBLIC NATIONAL TITLE INSURANCE
COMPANY

By: [Signature]
Its: Assistant Vice President

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EXHIBIT A PROPERTY DESCRIPTION

The land referred to in this Policy is described as follows:

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit:

Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property

Torrens Certificate No. 1345017

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property

Torrens Certificate No. 1345017

All that part of the tract of land described as lying East of the Northerly extended East line of Lot 17, Auditor's Subdivision Number 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision Number 184, said tract of land being described as follows, to wit:

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision Number 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision Number 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision Number 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract Property

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

Abstract Property

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FIRST AMENDMENT TO PURCHASE AGREEMENT

This First Amendment to Purchase Agreement ("Amendment") is made and entered into this 10th day of March 2014, by and between Flagship Bank Minnesota, a Minnesota banking corporation ("Seller"), and Continental Property Group, LLC a Minnesota limited liability company ("Buyer"). Seller and Buyer are sometimes referred to collectively as the "Parties."

RECITALS

A. Seller is the owner of real property (the "Property") located at and commonly known as 259 Lake Street East, Wayzata, Minnesota 55391 and legally described as set forth in the attached Exhibit A.

B. Seller and Buyer have entered into that certain purchase agreement dated September 11, 2013, for Buyer to buy the Property ("Purchase Agreement"); and

C. Notwithstanding the Termination Notice dated March 10, 2014 delivered by Buyers to Seller, the Parties wish to reinstate the Purchase Agreement and to amend the Purchase Agreement to extend the deadline for due diligence as set for below.

NOW, THEREFORE, In consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the Parties hereby agree as follows:

AMENDMENT

1. **Recitals.** The foregoing Recitals are Incorporated Into the body of this Agreement by reference and are true and correct in all respects.

2. **Capitalized Terms.** All capitalized terms not expressly defined herein shall have the meanings set forth in the Purchase Agreement.

3. **Due Diligence Period.** The Parties agree that the definition of "Due Diligence Period" in Section 1 of the Purchase Agreement is amended by the deletion of the phrase "one hundred eighty (180) days thereafter" and the substitution of the phrase "two hundred forty (240) days thereafter".

4. **Closing Date.** The Parties agree that the Section 4.1(ii) of the Purchase Agreement is amended by the deletion of the date March 31, 2014 and the substitution of the date June 13, 2014.

5. **General Terms.**

a. The Parties acknowledge that no person or any other entity has made any promise, representation, or warranty whatsoever, expressed, implied or

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statutory, not contained herein, concerning the subject matter hereof, to induce the execution of this instrument, and the Parties acknowledge that they have executed this instrument without reliance on any promise, representation, or warranty not contained herein. The Parties have read and understand all terms and conditions of this Agreement.

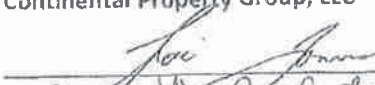
- b. This Amendment shall be governed by and construed in accordance with laws of the State of Minnesota, without regard to its conflicts of law provisions.
- c. The undersigned individuals hereby warrant and represent that they have full authority to execute and perform this Agreement on behalf of the entities for which they have signed and that such entities are the proper party to this Agreement.
- d. Section headings have been inserted for convenience only and shall not be given undue consideration in resolving questions of construction or interpretation. For purposes of determining the meaning of, or resolving any ambiguity with respect to, any word, phrase, term or provision of this Agreement, each Party shall be deemed to have had equal bargaining strength in the negotiation of this Agreement and equal control over the preparation of this document, such that neither the Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party under any rule of construction.
- e. This Amendment may be executed in electronic or facsimile counterparts, all of which, when taken together, shall constitute one agreement with the same force and effect as if all signatures had been entered on one document.
- f. All Parties have been represented by legal counsel and had the opportunity to consult with such counsel in agreeing to the terms of this Agreement.

IN WITNESS WHEREOF, this Amendment has been executed on the day and year first above written.

Flagship Bank Minnesota


Its: Vice President

Continental Property Group, LLC


Its: Vice President

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EXHIBIT A PROPERTY DESCRIPTION

The land referred to in this Policy is described as follows:

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit:

Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 18 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property
Torrens Certificate No. 1345017

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property
Torrens Certificate No. 1345017

All that part of the tract of land described as lying East of the Northerly extended East line of Lot 17, Auditor's Subdivision Number 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision Number 184, said tract of land being described as follows, to wit:
Commencing at the Northeast corner of Lot 11, Auditor's Subdivision Number 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision Number 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision Number 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract Property

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

Abstract Property

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SECOND AMENDMENT TO PURCHASE AGREEMENT

This Second Amendment to Purchase Agreement ("Amendment") is made and entered into this 5th day of May 2014, by and between, Flagship Bank Minnesota, a Minnesota banking corporation ("Seller"), and Continental Property Group, LLC a Minnesota limited liability company ("Buyer"). Seller and Buyer are sometimes referred to collectively as the "Parties."

RECITALS

A. Seller is the owner of real property (the "Property") located at and commonly known as 259 Lake Street East, Wayzata, Minnesota 55391 and legally described as set forth in the attached Exhibit A.

B. Seller and Buyer have entered into that certain purchase agreement dated September 11, 2013, for Buyer to buy the Property ("Purchase Agreement");

C. The Parties previously entered into the First Amendment to Purchase Agreement ("First Amendment"); and

D. The Parties wish to amend the Purchase Agreement to extend the deadline for due diligence as set for below.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the Parties hereby agree as follows:

AMENDMENT

1. Recitals. The foregoing Recitals are incorporated into the body of this Agreement by reference and are true and correct in all respects.

2. Capitalized Terms. All capitalized terms not expressly defined herein shall have the meanings set forth in the Purchase Agreement.

3. Due Diligence Period. The Parties agree that the definition of "Due Diligence Period" in Section 1 of the Purchase Agreement as amended by the First Amendment is amended by the deletion of the phrase "two hundred forty (240) days thereafter" and the substitution of the phrase "two hundred seventy (270) days thereafter".

4. Closing Date. The Parties agree that the Section 4.1(ii) of the Purchase Agreement as amended by the First Amendment is amended by the deletion of the date June 13, 2014 and the substitution of the date July 14, 2014.

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5. General Terms.

- a. The Parties acknowledge that no person or any other entity has made any promise, representation, or warranty whatsoever, expressed, implied or statutory, not contained herein, concerning the subject matter hereof, to induce the execution of this instrument, and the Parties acknowledge that they have executed this instrument without reliance on any promise, representation, or warranty not contained herein. The Parties have read and understand all terms and conditions of this Amendment.
- b. This Amendment shall be governed by and construed in accordance with laws of the State of Minnesota, without regard to its conflicts of law provisions.
- c. The undersigned individuals hereby warrant and represent that they have full authority to execute and perform this Amendment on behalf of the entities for which they have signed and that such entities are the proper party to this Amendment.
- d. Section headings have been inserted for convenience only and shall not be given undue consideration in resolving questions of construction or interpretation. For purposes of determining the meaning of, or resolving any ambiguity with respect to, any word, phrase, term or provision of this Agreement, each Party shall be deemed to have had equal bargaining strength in the negotiation of this Agreement and equal control over the preparation of this document, such that neither the Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party under any rule of construction.
- e. This Amendment may be executed in electronic or facsimile counterparts, all of which, when taken together, shall constitute one agreement with the same force and effect as if all signatures had been entered on one document.
- f. All Parties have been represented by legal counsel and had the opportunity to consult with such counsel in agreeing to the terms of this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed on the day and year first above written.

Flagship Bank Minnesota


Its: _____

Continental Property Group, LLC

Its: _____

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5. General Terms.

- a. The Parties acknowledge that no person or any other entity has made any promise, representation, or warranty whatsoever, expressed, implied or statutory, not contained herein, concerning the subject matter hereof, to induce the execution of this instrument, and the Parties acknowledge that they have executed this instrument without reliance on any promise, representation, or warranty not contained herein. The Parties have read and understand all terms and conditions of this Amendment.
- b. This Amendment shall be governed by and construed in accordance with laws of the State of Minnesota, without regard to its conflicts of law provisions.
- c. The undersigned individuals hereby warrant and represent that they have full authority to execute and perform this Amendment on behalf of the entities for which they have signed and that such entities are the proper party to this Amendment.
- d. Section headings have been inserted for convenience only and shall not be given undue consideration in resolving questions of construction or interpretation. For purposes of determining the meaning of, or resolving any ambiguity with respect to, any word, phrase, term or provision of this Agreement, each Party shall be deemed to have had equal bargaining strength in the negotiation of this Agreement and equal control over the preparation of this document, such that neither the Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party under any rule of construction.
- e. This Amendment may be executed in electronic or facsimile counterparts, all of which, when taken together, shall constitute one agreement with the same force and effect as if all signatures had been entered on one document.
- f. All Parties have been represented by legal counsel and had the opportunity to consult with such counsel in agreeing to the terms of this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed on the day and year first above written.

Flagship Bank Minnesota

Its: _____

Continental Property Group, LLC

Its: _____

[Signature] *[Signature]*
Vice President

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THIRD AMENDMENT TO PURCHASE AGREEMENT

This Third Amendment to Purchase Agreement ("Amendment") is made and entered into this 18 day of June 2014, by and between, Flagship Bank Minnesota, a Minnesota banking corporation ("Seller"), and Continental Property Group, LLC a Minnesota limited liability company ("Buyer"). Seller and Buyer are sometimes referred to collectively as the "Parties."

RECITALS

A. Seller is the owner of real property (the "Property") located at and commonly known as 259 Lake Street East, Wayzata, Minnesota 55391 and legally described as set forth in the attached Exhibit A.

B. Seller and Buyer have entered into that certain purchase agreement dated September 11, 2013, for Buyer to buy the Property ("Purchase Agreement");

C. The Parties previously entered into a First Amendment to Purchase Agreement dated March 10, 2014 ("First Amendment") and a Second Amendment to Purchase Agreement dated May 8, 2014 ("Second Amendment"); and

D. Notwithstanding written notice to terminate given by Buyer to Seller on June 10, 2014, the Parties wish to reinstate and amend the Purchase Agreement to extend the deadline for due diligence as set forth below.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the Parties hereby agree as follows:

AMENDMENT

1. Recitals. The foregoing Recitals are incorporated into the body of this Agreement by reference and are true and correct in all respects.

2. Capitalized Terms. All capitalized terms not expressly defined herein shall have the meanings set forth in the Purchase Agreement.

3. Due Diligence Period. The Parties agree that the definition of "Due Diligence Period" in Section 1 of the Purchase Agreement as amended by the Second Amendment is amended by the deletion of the phrase "two hundred seventy (270) days thereafter" and the substitution of the phrase "on December 31, 2014, unless otherwise notified in writing by Purchaser that its due diligence is complete".

4. Closing Date. The Parties agree that the Section 4.1(ii) of the Purchase Agreement as amended by the Second Amendment is amended by the deletion of the date July 14, 2014 and

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the substitution of the date January 31, 2015.

5. **Assignment.** Notwithstanding anything in the Purchase Agreement or this Amendment to the contrary, Buyer hereby consents, subject to the later identification and acceptance, to Seller conveying its interest in the Property to an as yet unidentified third-party ("Assignee"), subject to Buyer's rights under the Purchase Agreement, pursuant to a written assignment approved by Buyer, which shall not be unreasonably withheld. In the event that Seller elects to do so, Seller shall identify the Assignee to Buyer at least 5 business days before any such assignment for Buyer's consent to the specific third party, which shall not be unreasonably withheld. In the event Buyer consents to the identified Assignee, Seller shall assign, and Assignee shall assume in writing and signed by the Assignee, the obligations under this Purchase Agreement simultaneously with the conveyance of the Property and all rights, covenants, representations and obligations set out in the Purchase Agreement, as amended, shall survive any such conveyance and shall not merge with any deed conveying the Property from Seller to Assignee. Following any such assignment and assumption, Seller shall be relieved of any further obligations or liability pursuant to the Purchase Agreement, as amended; provided that the Assignee has accepted and acknowledged all of Seller's rights, obligations, covenants, representation, and other duties under the Purchase Agreement and that the Purchase Agreement remains valid and binding on Assignee after the conveyance of the Property to Assignee.

6. **General Terms.**

- a. The Parties acknowledge that no person or any other entity has made any promise, representation, or warranty whatsoever, expressed, implied or statutory, not contained herein, concerning the subject matter hereof, to induce the execution of this instrument, and the Parties acknowledge that they have executed this instrument without reliance on any promise, representation, or warranty not contained herein. The Parties have read and understand all terms and conditions of this Amendment.
- b. This Amendment shall be governed by and construed in accordance with laws of the State of Minnesota, without regard to its conflicts of law provisions.
- c. The undersigned individuals hereby warrant and represent that they have full authority to execute and perform this Amendment on behalf of the entities for which they have signed and that such entities are the proper party to this Amendment.
- d. Section headings have been inserted for convenience only and shall not be given undue consideration in resolving questions of construction or interpretation. For purposes of determining the meaning of, or resolving any ambiguity with respect to, any word, phrase, term or provision of this Agreement, each Party shall be deemed to have had equal bargaining strength in the negotiation of this Agreement and equal control over the preparation of this document, such that neither the Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party under any rule of construction.
- e. This Amendment may be executed in electronic or facsimile counterparts, all of

Attachment A-1

- which, when taken together, shall constitute one agreement with the same force and effect as if all signatures had been entered on one document.
- f. All Parties have been represented by legal counsel and had the opportunity to consult with such counsel in agreeing to the terms of this Amendment.

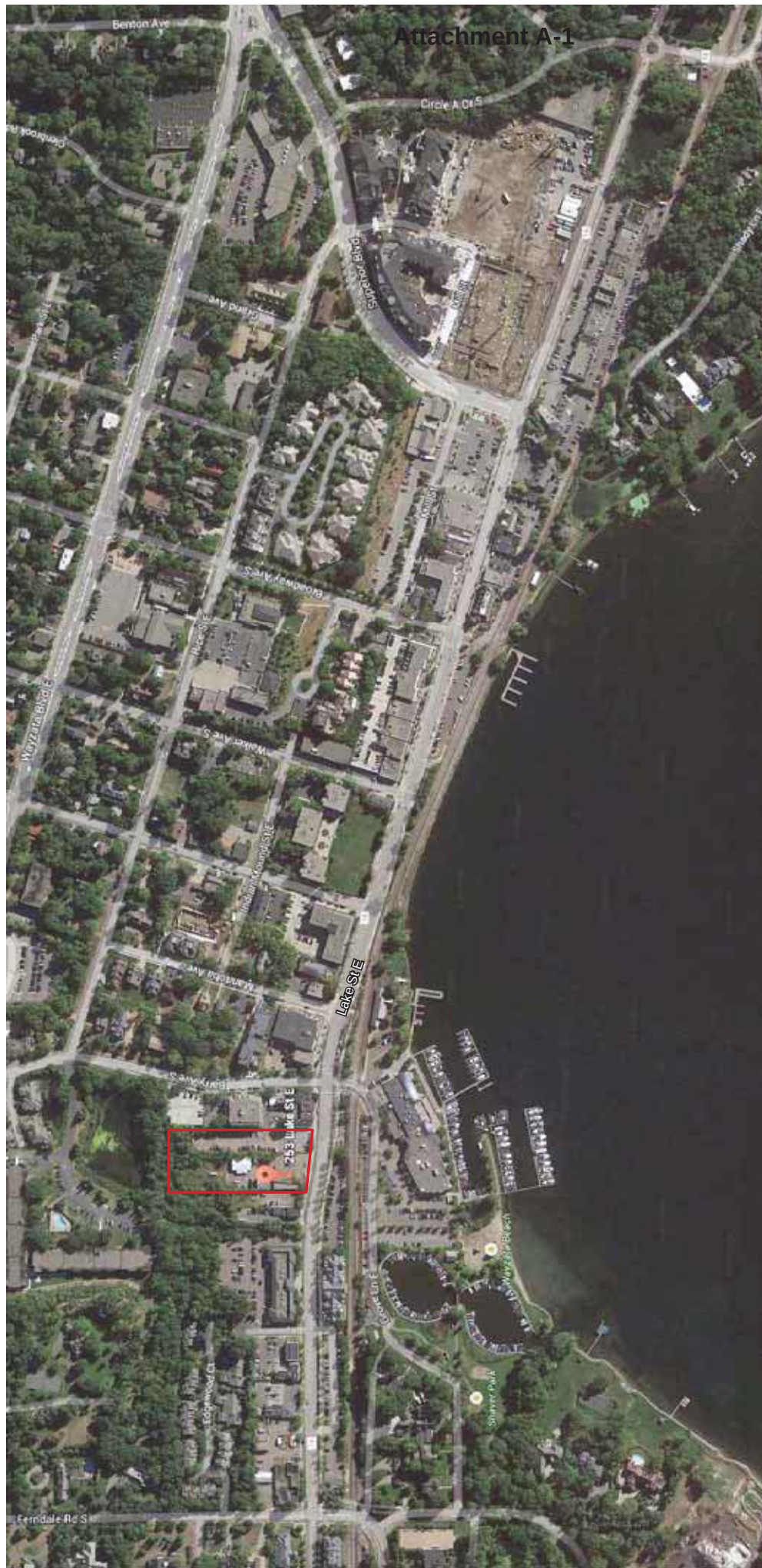
IN WITNESS WHEREOF, this Amendment has been executed on the day and year first above written.

Flagship Bank Minnesota


Its: Vice President

Continental Property Group, LLC


Its: Vice President



Attachment A-1



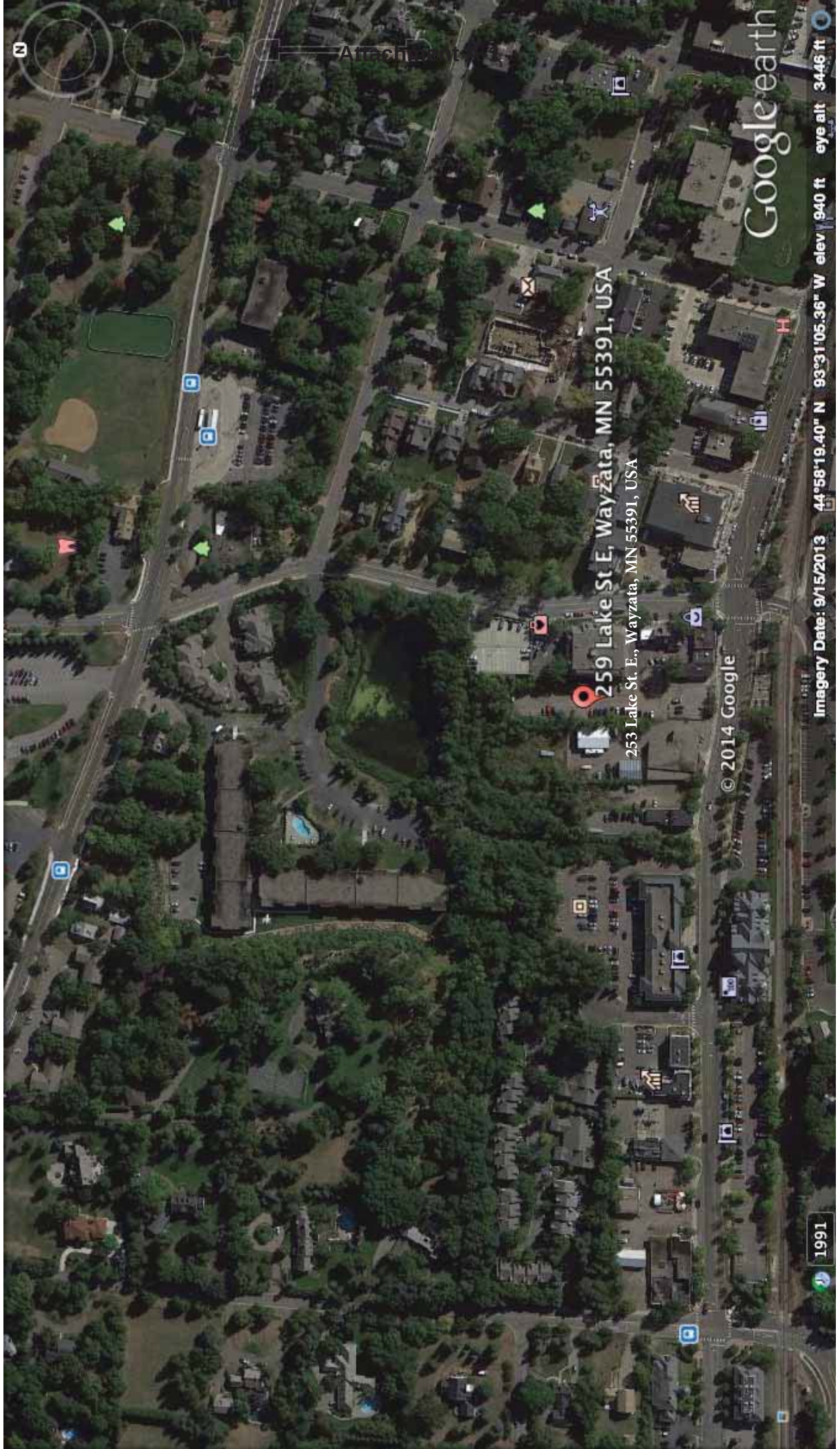
253 EAST LAKE ST DEVELOPMENT

CONTEXT MAP

09/08/2014

BKV
GROUP

Architecture
Interior Design
Landscape Architecture
Engineering



Attachment

Google earth

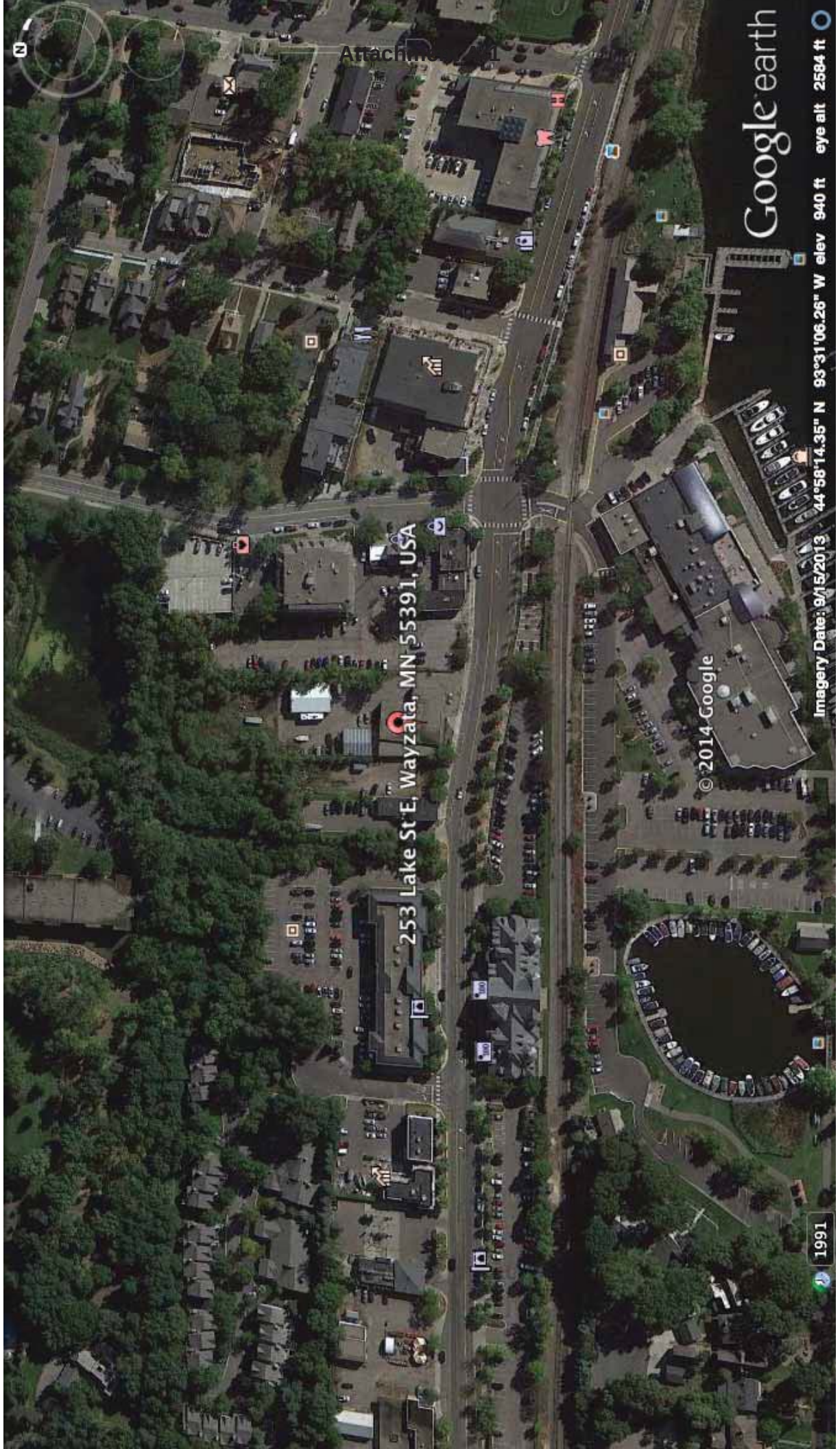
259 Lake St E, Wayzata, MN 55391, USA

253 Lake St. E., Wayzata, MN 55391, USA

© 2014 Google

Imagery Date: 9/15/2013 44°58'19.40" N 93°31'05.36" W elev 940 ft eye alt 3446 ft

1991



Attaching 1

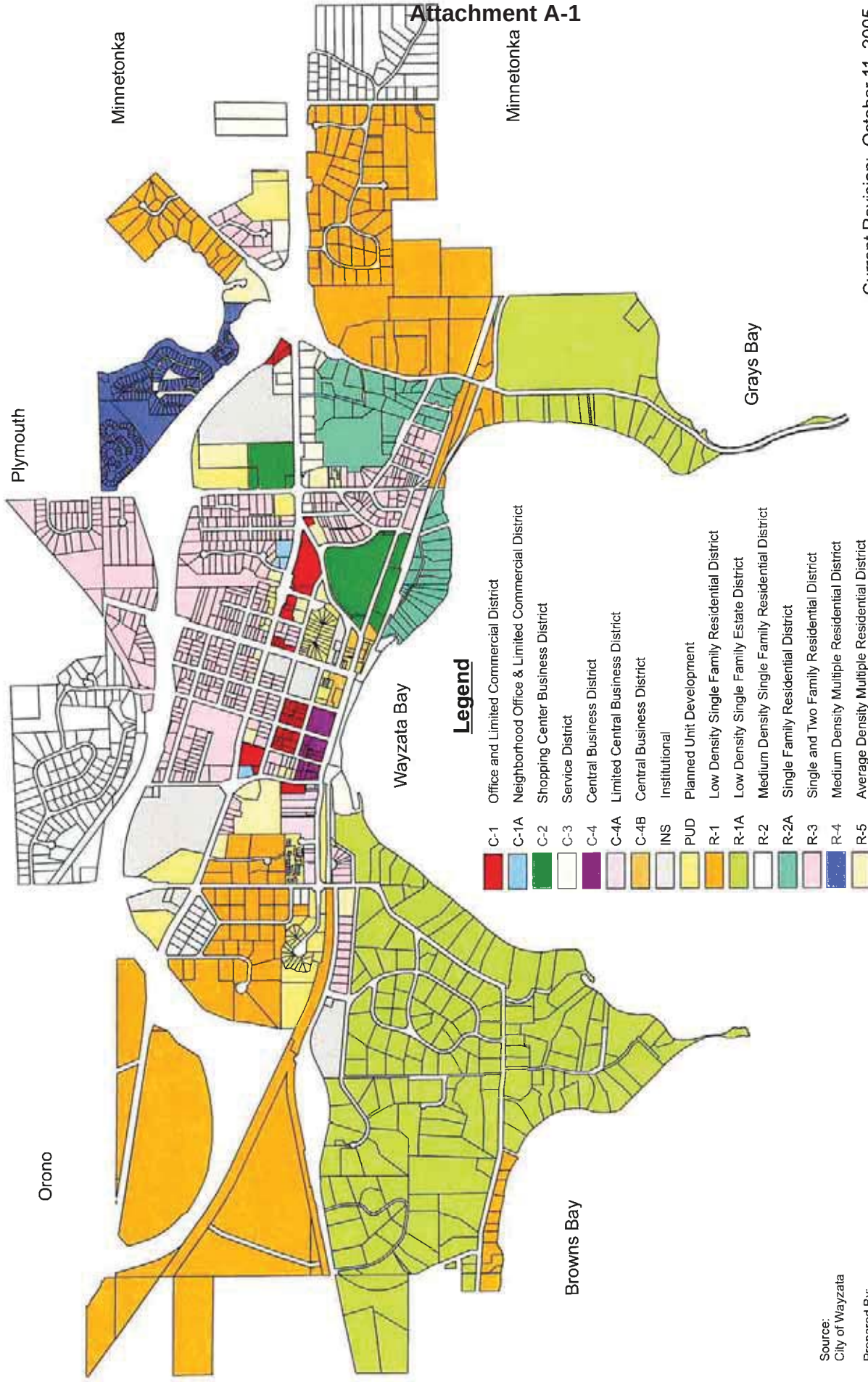
253 Lake St E, Wayzata, MN 55391, USA

© 2014 Google

Google earth

Imagery Date: 9/15/2013 44°58'14.35" N 93°31'06.26" W elev 940 ft eye alt 2584 ft

1991



Current Revision: October 11, 2005

This map is for planning purposes ONLY. This is NOT a legally recorded map. It represents a compilation of information from various sources.



Wayzata Zoning Map

Source:
City of Wayzata
Prepared By:
City of Wayzata

CERTIFICATE OF SURVEY

~for~ CONTINENTAL PROPERTY GROUP
~of~ 253 LAKE STREET EAST
WAYZATA, MN 55391

Attachment A-1

DESCRIPTION OF SURVEYED PROPERTY:

Parcel 1 (From Certificate of Title No. 1022208.5)
That part of Government Lot 1, Section 6, Township 117, Range 22, Hennepin County, Minnesota lying southerly of Lot 17, AUDITOR'S SUBDIVISION NO. 184 and westerly of the southerly extension of the east line of said Lot 17, which lies easterly of the southerly extension of the west line of said Lot 17 and northerly of a line described as beginning at a point on the west line of said Government Lot 1; distance 856.3 feet; thence easterly at right angles from said west line of Government Lot 1 a distance of 856.3 feet; thence easterly 196.11 feet along a 6 degree tangential curve to the right having a central angle of 11 degrees 46 minutes; thence southeasterly tangent to said curve 52.2 feet; thence easterly 158.3 feet along a 6 degree tangential curve to the left having a central angle of 9 degrees 30 minutes and said line there terminating.

Parcel 2 (No title information provided)
Lot 17, AUDITOR'S SUBDIVISION NO. 184, Hennepin County, Minnesota.

Parcel 3 (From Certificate of Title No. 1022208.5)
That part of Lot 10, AUDITOR'S SUBDIVISION NO. 184, Hennepin County, Minnesota described as beginning at a point on the westerly extension of the north line of Lot 11, in said subdivision distant 90 feet westerly from the northeast corner of said Lot 11; thence southerly in a straight line to the northeast corner of Lot 17, in said subdivision; thence westerly along the north line of said Lot 17 to the northwest corner of said Lot 17; thence northerly parallel with the east line of the plot of LAKE WEST to the easterly extension of the most northerly line of said plot; thence easterly along the last described extension, to the intersection with the northerly extension of the east line of said Lot 17; thence southerly along the northerly extension of the east line of said Lot 17 to the intersection with the westerly extension of the north line of said Lot 11; thence to the point of beginning.

NOTES

- Field survey was completed by E.G. Rud and Sons, Inc. on 12/6/11.
- Bearings shown are on the Hennepin Co. Coordinate System.
- Curb shots are taken at the top and back of curb.
- Parcels 1 and 3 are described in Certificate of Title No. 1022208.5 dated April 8, 1999. No documentation for Parcel 2 has been provided.
- This survey was prepared without the benefit of title work. Additional easements, restrictions and/or encumbrances may exist other than those shown hereon. Survey subject to revision upon receipt of a current title commitment or an attorney's title opinion.
- Benchmark: MNDOT Station: MW 6 117 22 MN053. Elevation = 993.82 (NAVD 88 Datum).
- Wetland delineation in August 2014 by others.

LEGEND

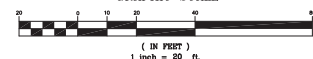
- DENOTES IRON MONUMENT FOUND AS LABELED
- DENOTES SANITARY SEWER MANHOLE
- DENOTES HYDRANT
- DENOTES GATE VALVE
- DENOTES GAS METER
- DENOTES POWER POLE AND OVERHEAD WIRES
- DENOTES LIGHT POLE
- x— DENOTES FENCE
- x— DENOTES EXISTING STORM SEWER
- x— DENOTES EXISTING CONTOURS (1 FT INTERVAL)
- x— DENOTES EXISTING SPOT ELEVATION
- x— DENOTES EDGE OF DELINEATED WETLAND
- x— DENOTES WETLAND
- x— DENOTES CONCRETE SURFACE
- x— DENOTES BITUMINOUS SURFACE

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

JASON F. RUD

Date: 8/26/2014 License No. 41578

NORTH
GRAPHIC SCALE



PINEHURST FIRST ADDITION

CERTIFICATE OF SURVEY

~for~ CONTINENTAL PROPERTY GROUP
~of~ 253 LAKE STREET EAST
WAYZATA, MN 55391

DESCRIPTION OF SURVEYED PROPERTY:

Parcel 1 (From Certificate of Title No. 1022208.5)
That part of Government Lot 5, Section 6, Township 117, Range 22, Hennepin County, Minnesota lying southerly of Lot 17, AUDITOR'S SUBDIVISION NO. 184 and westerly of the southerly extension of the east line of said Lot 17, which has easterly of the southerly extension of the west line of said Lot 17 and northerly of a line described as beginning at a point on the east line of said Government Lot 1 distance 89.8 feet southerly from the northwest corner of said Government Lot 1; thence easterly at right angles from said west line of Government Lot 1 a distance of 666.1 feet; thence easterly 166.1 feet along a 6 degree tangential curve to the right having a central angle of 11 degrees 48 minutes; thence southeasterly tangent to said curve 50.2 feet; thence easterly 106.3 feet along a 6 degree tangential curve to the left having a central angle of 9 degrees 30 minutes and said line there terminating.

Parcel 2 (No title information provided)
Lot 17, AUDITOR'S SUBDIVISION NO. 184, Hennepin County, Minnesota.

Parcel 3 (From Certificate of Title No. 1022208.5)
That part of Lot 10, AUDITOR'S SUBDIVISION NO. 184, Hennepin County, Minnesota described as beginning at a point on the westerly extension of the north line of Lot 11, in said subdivision distant 90 feet westerly from the northwest corner of said Lot 10; thence southerly in a straight line to the northeast corner of Lot 17, in said subdivision, thence westerly along the north line of said Lot 17 to the northwest corner of said Lot 17; thence westerly along the north line of Lot 16, in said subdivision 7 feet; thence northerly parallel with the west line of the plat of LAKE WEST to the easterly extension of the most northerly line of said plat; thence easterly along the last described extension, to the intersection with the northerly extension of the east line of said Lot 17; thence southerly along the northerly extension of the east line of said Lot 17 to the intersection with the westerly extension of the north line of said Lot 11; thence to the point of beginning.

NOTES

- Field survey was completed by E.G. Rud and Sons, Inc. on 12/6/11.
- Bearings shown are on the Hennepin Co. Coordinate System.
- Curb shots are taken at the top and back of curb.
- Parcels 1 and 3 are described in Certificate of Title No. 1022208.5 dated April 8, 1999. No documentation for Parcel 2 has been provided.
- This survey was prepared without the benefit of title work. Additional easements, restrictions and/or encumbrances may exist other than those shown herein. Survey subject to revision upon receipt of a current title commitment or an attorney's title opinion.
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LEGEND

- DENOTES IRON MONUMENT FOUND AS LABELED
- DENOTES SANITARY SEWER MANHOLE
- DENOTES HYDRANT
- DENOTES GATE VALVE
- DENOTES GAS METER
- DENOTES POWER POLE AND OVERHEAD WIRES
- DENOTES LIGHT POLE
- DENOTES FENCE
- DENOTES EXISTING STORM SEWER
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- DENOTES WETLAND
- DENOTES EDGE OF DELINEATED WETLAND
- DENOTES CONCRETE SURFACE
- DENOTES BITUMINOUS SURFACE

NORTH
GRAPHIC SCALE

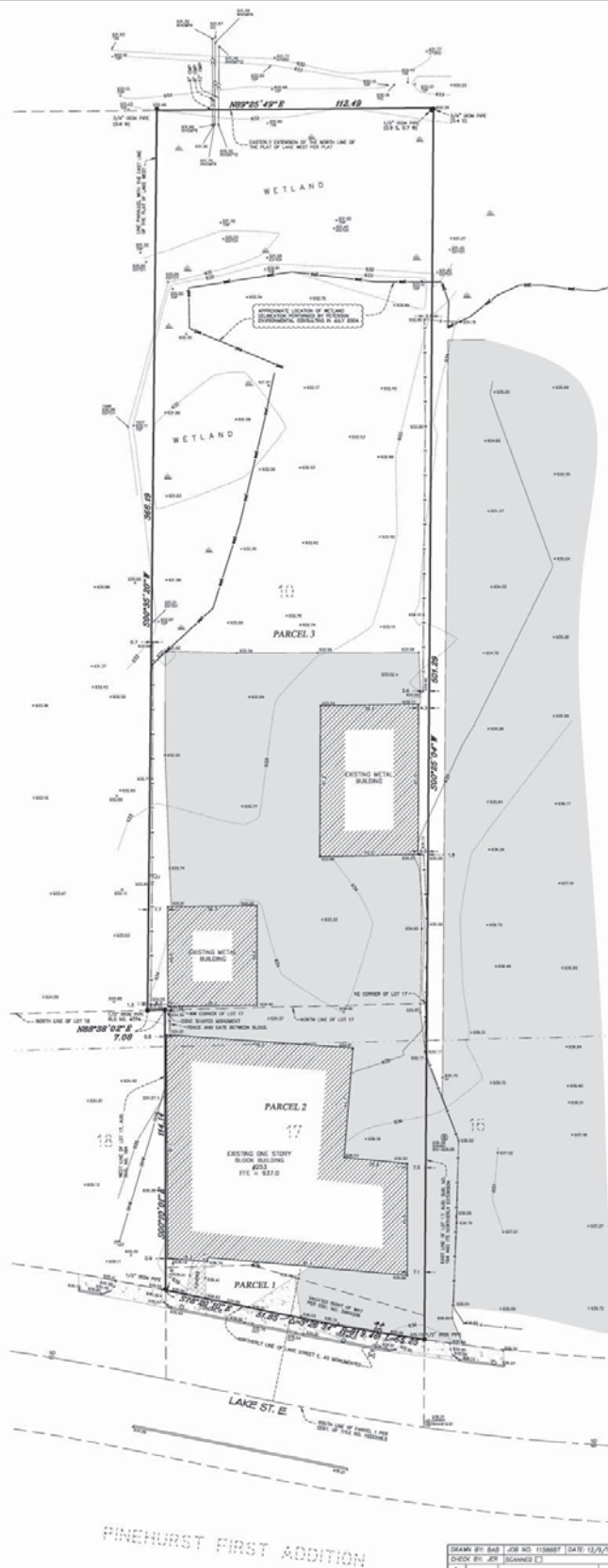


I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

JASON E. RUD

Date: 12/13/2011 License No. 41578

E.G. RUD & SONS, INC.
Professional Land Surveyors
6776 Lake Drive NE, Suite 110
Lino Lakes, MN 55014
Tel. (651) 361-8200 Fax (651) 361-8701



NO.	DATE	DESCRIPTION	BY
1			
2			
3			

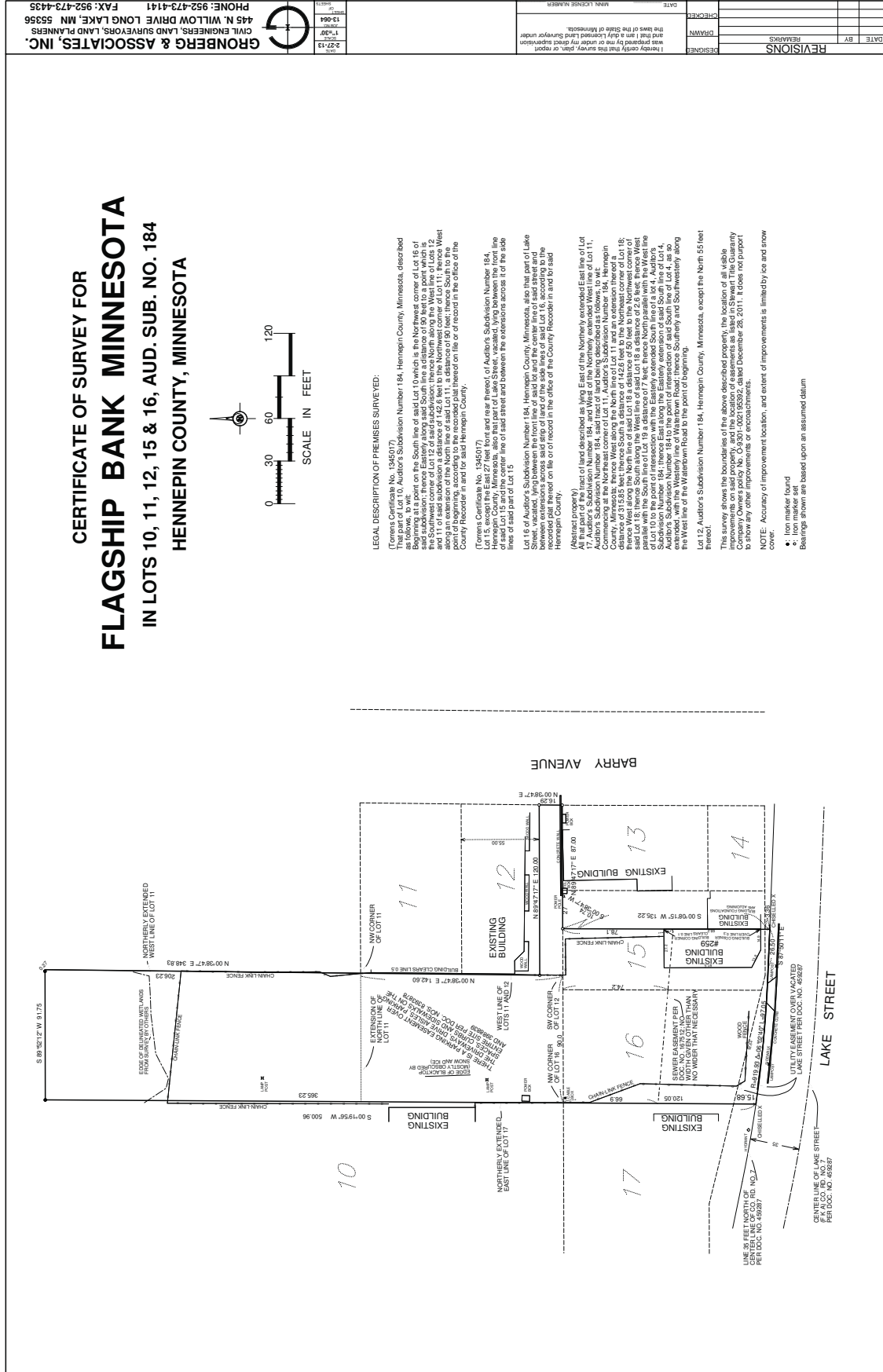
BKV
GROUP
Architecture

Interior Design
Landscape Architecture
Engineering

253 EAST LAKE ST DEVELOPMENT

SITE SURVEY

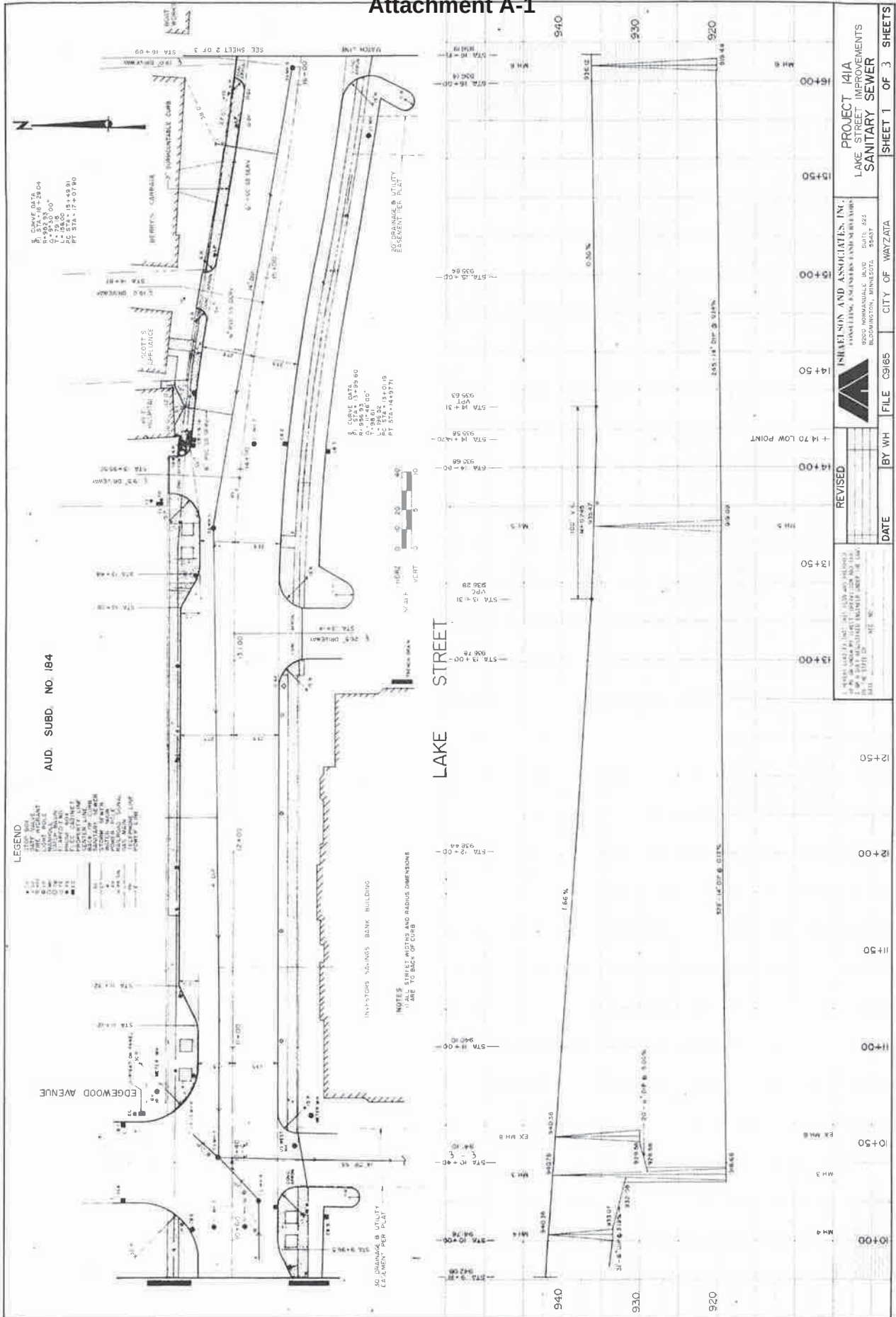
09/08/2014



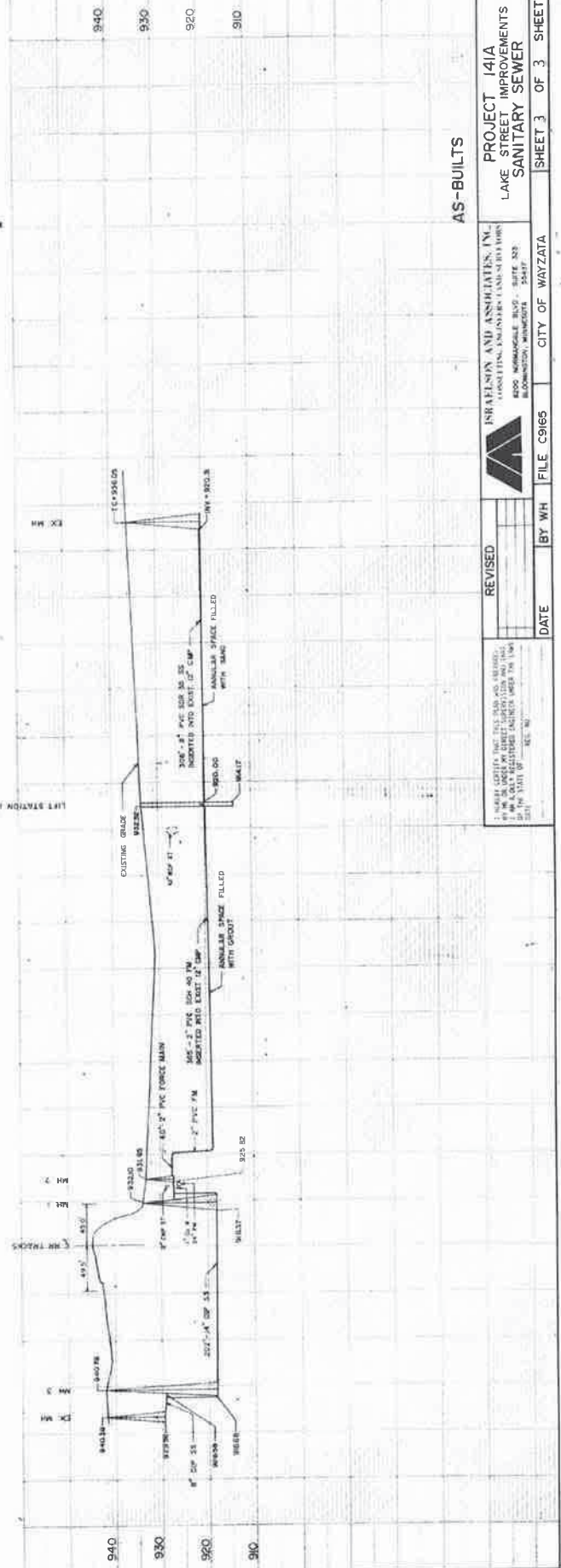
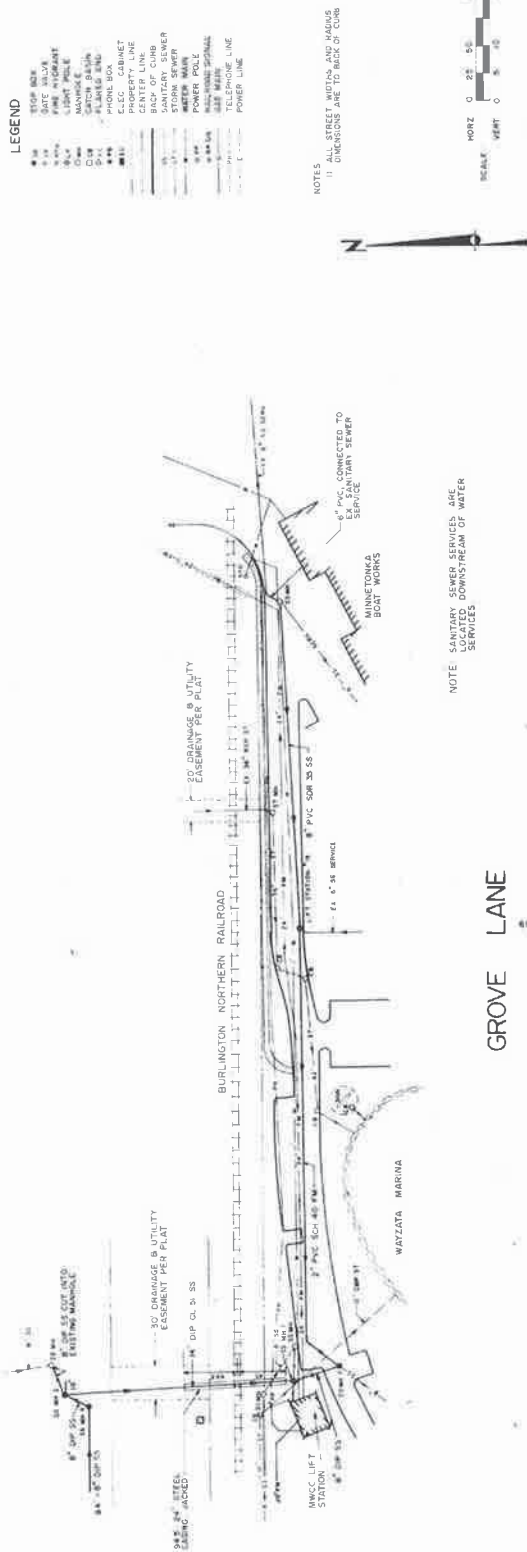
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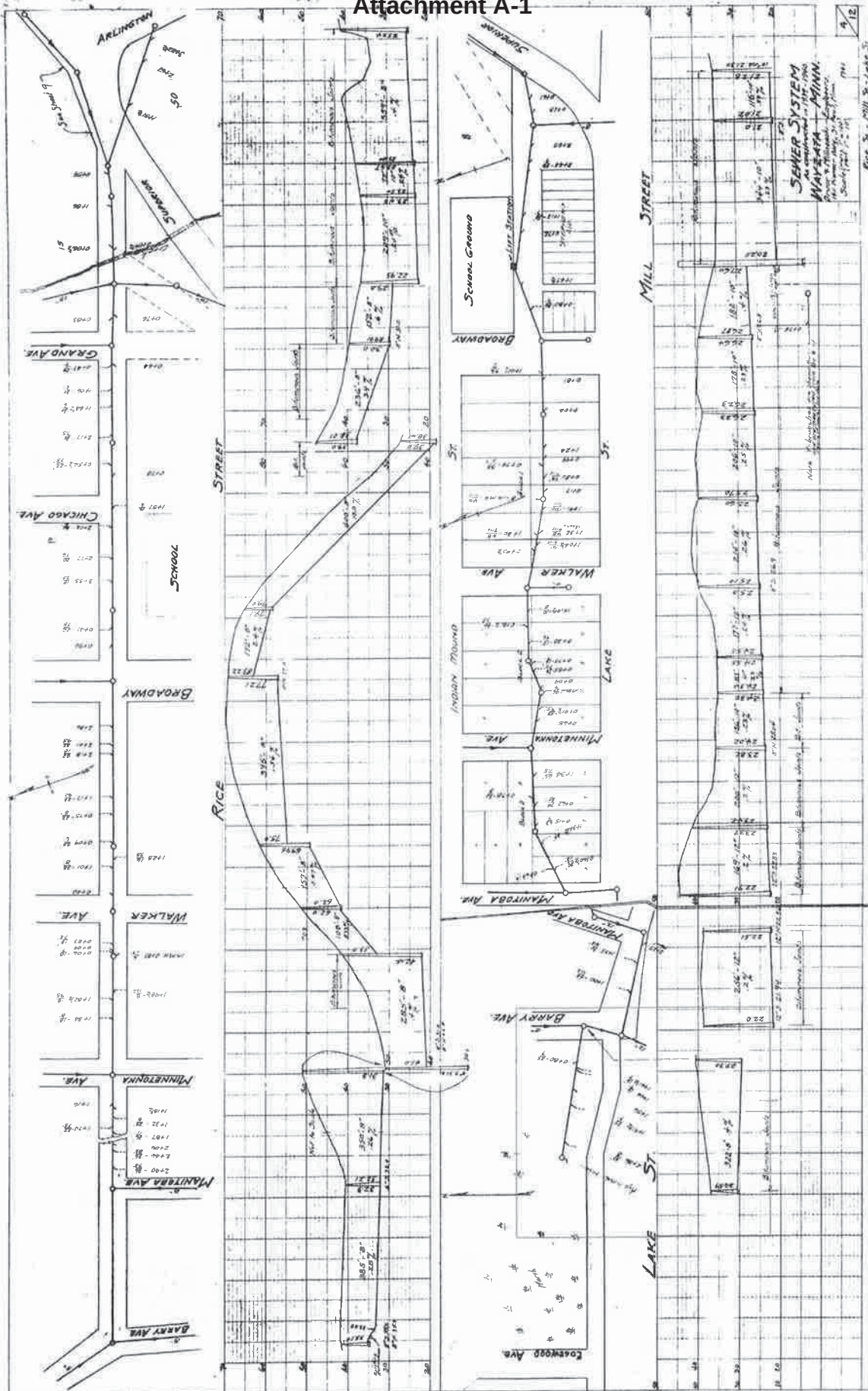
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Attachment A-1



Attachment A-1



PLAN	DATE	BY	CHECKED
SEWER SYSTEM	JULY 1911	J. H. LARSEN	

PROFILES	DATE	BY	CHECKED
SEWER SYSTEM	JULY 1911	J. H. LARSEN	

SCALE: 1" = 50' on 11X17

BKV
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Interior Design
Landscape Architecture
Engineering

253 EAST LAKE ST DEVELOPMENT

BASEMENT LEVEL- PARKING

09/08/2014



SCALE: 1" = 50' on 11X17

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GROUP
Architecture
Interior Design
Landscape Architecture
Engineering



253 EAST LAKE ST DEVELOPMENT

GROUND LEVEL- COMMERCIAL / HOUSING LOBBY / PARKING

09/08/2014

Attachment A-1

WETLAND AREA

SCALE: 1" = 50' on 11X17



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Landscape Architecture
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253 EAST LAKE ST DEVELOPMENT

2ND-4TH LEVEL- HOUSING PLAN

09/08/2014

Attachment A-1



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Engineering

253 EAST LAKE ST DEVELOPMENT

5TH LEVEL- HOUSING PLAN

09/08/2014



253 EAST LAKE ST DEVELOPMENT
SOUTH ELEVATION AT LAKE STREET
09/08/2014





253 EAST LAKE ST DEVELOPMENT

WEST ELEVATION
09/08/2014



253 EAST LAKE ST DEVELOPMENT
NORTH ELEVATION
09/08/2014

27-Jun-14

Project Data: CONTINENTAL - WAYZATA 5 STORY

Unit Type	1st floor	2nd floor	3rd floor	4th floor	5th floor	Total	%	New Target %	Avg gsf range	Avg gsf range
ST/ACC	0	15	15	15	15	60	8.11%	5	500-600	550
1 BD	0	15	15	15	15	60	38.11%	40	800-1000	900
1 BD/DEN	0	15	15	15	15	60	8.11%	10	1050-1200	1125
2 BD	0	15	15	15	15	60	41.39%	40	1250-1450	1350
2 BD/DEN	0	15	15	15	15	60	2.06%	5	1500-1700	1600
3 BD	0	0	0	0	1	1	0.06%	0	1700-1800	1800
Total	0	38	38	38	34	148	100.00%	100%	1120 avg	1120 avg

1,120 gsf-AVG = 950 nsf avg

Floor	Net Rent SF	Common SF	Net Bldg SF (GFA)	Gross Bldg SF (GBA)	Retail SF	Efficiency
First	6913	5563	27644	27644	6281	25.01%
Second	39109	3991	43100	43100		90.74%
Third	39109	3991	43100	43100		90.74%
Fourth	39109	3991	43100	43100		90.74%
Fifth	39109	3991	43100	43100		90.74%
Total	163349	21527	200044	200044	6281	81.66%

Parking	Stalls	Gross SF	Retail SF	Loading SF
G1- Ground Floor	156	49408	6281	632
G2- Basement	166	46867		
Total	322	96275		

296 Required Housing Parking
26 Required Retail Parking
322 Total Parking

148 x 2 = 296 (Includes 85 flex stalls)

Site Area	SF
Public Open Space (Green Space)	38,843
Common Open Space (Sidewalk)	1,754
Drive Area	5,877
Total	46,474

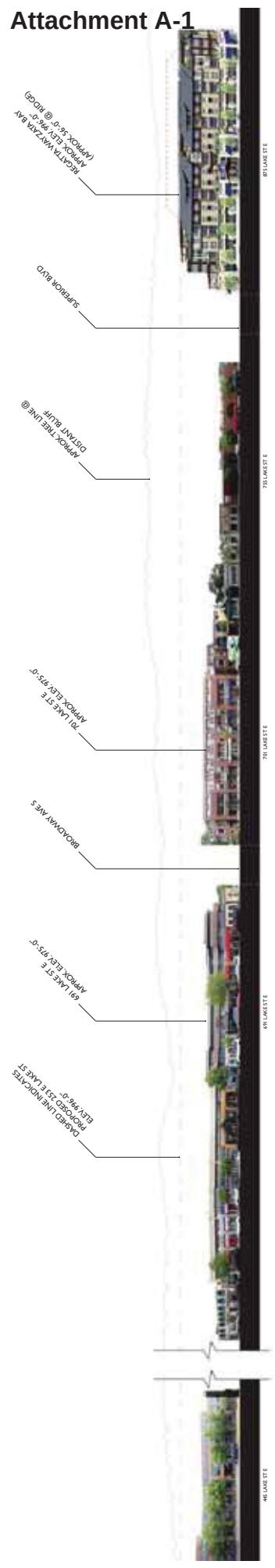
253 EAST LAKE ST DEVELOPMENT

PROJECT DATA SUMMARY

09/08/2014



EAST LAKE ST NORTH ELEVATION - AREA 'A'



EAST LAKE ST NORTH ELEVATION - AREA 'B'



Attachment A-1

253 EAST LAKE ST DEVELOPMENT

DIAGRAMMATIC EAST LAKE ST - NORTH ELEVATIONS

07/25/2014

BKV GROUP

Architecture
Interior Design
Landscape Architecture
Engineering





253 LAKE ST E

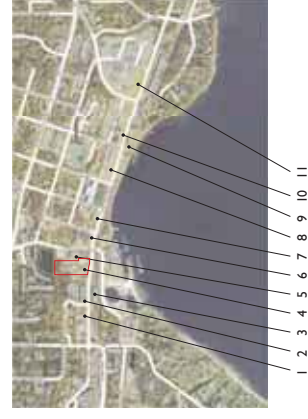


253 LAKE ST E

Attachment A-1



253 LAKE ST E



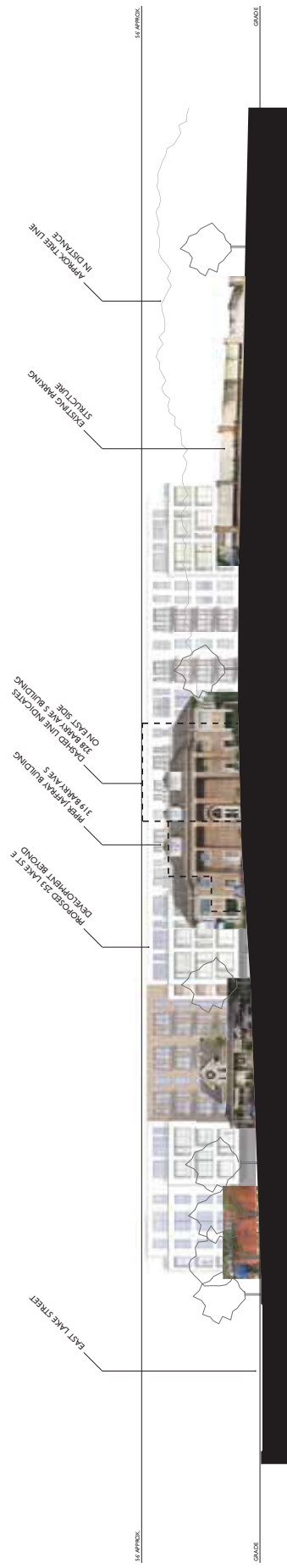
253 EAST LAKE ST DEVELOPMENT

WAYZATA BUILDING HEIGHT COMPARISON - N.T.S.

07/25/2014

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253 EAST LAKE ST DEVELOPMENT

SECTION @ BARRY AVE S - LOOKING WEST

07/25/2014

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Landscape Architecture
Engineering



Project Proforma for 5-Story Mixed Use

Attachment A-1

253 Lake Street East

RENTAL HOUSING STABILIZED OPERATING STATEMENT

UNIT DESCRIPTION			# Units	Unit SF	Total Monthly Rent	Total Annual Rent	Avg. Rent/ SF
Studio	8%		12	550	\$ 1,200	\$ 172,800	\$ 2.18
1 BR	39%		57	900	1,600	1,094,400	1.78
1 BR+Den	8%		12	1,125	1,850	266,400	1.64
2 BR	42%		62	1,350	2,100	1,562,400	1.56
2 BR+Den	3%		4	1,600	2,400	115,200	1.50
2 BR+Den	1%		1	1,800	2,500	30,000	1.39
Total/Average			148	163,300	\$ 270,100	\$ 3,241,200	
Average				1,103	1,825	22,825	\$ 1.65

INCOME				Per SF	Per Unit	Total
Gross Apartment Potential Income						
Rental Income				\$ 19.85	\$ 21,900	\$ 3,241,200
Leasable Parking Stalls	<u>Total</u>	<u>\$/Unit/Mo</u>		211	\$100	253,200
Storage Income	148	\$60		0.65	720	106,560
Total Gross Apartment Potential Income				\$ 22.05	\$ 24,331	\$ 3,600,960
Vacancy expense	5%			(1.10)	(1,217)	(180,048)
Effective Gross Apartment Income				\$ 20.95	\$ 23,114	\$ 3,420,912
Gross Retail Potential Income						
Rental Income	6,780			\$ 16.00		\$ 108,480
CAM Recovery Income				22.00		149,160
Total Gross Retail Potential Income				\$ 38.00		\$ 257,640
Vacancy expense	5%			(1.90)		(12,882)
Effective Gross Retail Income				\$ 36.10		\$ 244,758
Total Effective Gross Income				\$ 21.55		\$ 3,665,670
EXPENSE				Per SF	Per Unit	Total
Apartment Operating costs						
Marketing				\$ (0.41)	\$ (450)	\$ (66,600)
Administrative				(0.36)	(400)	(59,200)
Payroll				(1.68)	(1,850)	(273,800)
Utilities				(0.86)	(950)	(140,600)
Repairs and maintenance				(0.59)	(650)	(96,200)
Turnover				(0.38)	(400)	(59,200)
Insurance				(0.41)	(450)	(66,600)
Total Apartment Operating Costs				\$ (4.67)	\$ (5,150)	\$ (762,200)
Apartment Non-Operating costs						
Management Fee	3.25%			\$ (0.73)	\$ (805)	\$ (119,134)
Property Taxes				(2.90)	(3,196)	(473,077)
Replacement Reserves				(0.45)	(500)	(74,000)
Total Apartment Non-Operating costs				\$ (4.08)	\$ (4,501)	\$ (666,211)
Total Apartment Expenses				\$ (8.75)	\$ (9,651)	\$ (1,428,411)
Retail Operating costs						
Janitorial				\$ (2.95)		\$ (20,001)
Administrative				(0.74)		(5,017)
Common Areas				(0.64)		(4,339)
Utilities				(4.22)		(28,612)
Repairs and maintenance				(2.96)		(20,069)
Landscape/Grounds				(1.44)		(9,763)

Attachment A-1

Insurance		(0.74)	(5,017)
Total Retail Operating Costs		\$ (13.69)	\$ (92,818)
Retail Non-Operating costs			
Management Fee	5.00%	\$ (1.81)	\$ (12,238)
Property Taxes		(6.50)	(44,070)
		-	-
Total Retail Non-Operating costs	23%	\$ (8.31)	\$ (56,308)
Total Retail Expenses		\$ (22.00)	\$ (149,126)
Total Expenses		\$ (9.28)	\$ (1,577,537)
Net Operating Income		\$ 12.28	\$ 2,088,133
Net Operating Income			
Capitalization Rate			\$ 2,088,133
			6.00%
Projected Value			\$ 34,802,210
Total Construction Budget based on per unit cost of VUE			\$ 34,431,900
Funds Needed			\$ -
Estimated Property Taxes based on Vue Projections			\$ 473,077
Current Property Taxes			\$ 182,673
Gain in Property Taxes per year			\$ 290,404
Mortgage Calculation			
Net Operating Income			\$ 2,088,133
Minimum Debt Service Coverage			1.30
Bank Loan Interest Rate based on a actual interest rate of 4.70%			6.22%
Max Loan Amount			\$ 25,809,000

**Preliminary Proforma Office Building
Attachment A-1**

253 Lake Street East

9,800 sf OFFICE BUILDING STABILIZED OPERATING STATEMENT

INCOME		Per SF	Total
Gross Potential Income	9,800		
Rental Income		\$ 18.00	\$ 176,400
CAM Recovery Income		22.00	215,600
Miscellaneous Income		-	-
Total Gross Potential Income		\$ 40.00	\$ 392,000
Vacancy expense	10%	(4.00)	(39,200)
Effective Gross Income		\$ 36.00	\$ 352,800
EXPENSE		Per SF	Total
Operating costs			
Janitorial		\$ (2.95)	\$ (28,950)
Administrative		(0.74)	(7,250)
Common Areas		(0.64)	(6,250)
Utilities		(4.22)	(41,350)
Repairs and maintenance		(2.96)	(28,975)
Landscape/Grounds		(1.44)	(14,150)
Insurance		(0.74)	(7,250)
Total Operating Costs		\$ (13.69)	\$ (134,175)
Non-Operating costs			
Management Fee	5.00%	\$ (1.80)	\$ (17,640)
Property Taxes		(6.50)	(63,700)
		-	-
Total Non-Operating costs	23%	\$ (8.30)	\$ (81,340)
Total Expenses		\$ (21.99)	\$ (215,515)
Net Operating Income		\$ 14.01	\$ 137,285
Net Operating Income			\$ 137,285
Capitalization Rate			10.00%
Projected Value			\$ 1,372,850
Total Construction Budget (\$2.7M + Land)			\$ 6,835,000
Funds Needed			\$ 5,462,150
Estimated Property Taxes based on \$6.50 psf			\$ 63,700
Current Property Taxes (253 - \$2.26 million)			\$ 85,000
Gain in Property Taxes per year			\$ (21,300)
Mortgage Calculation			
Net Operating Income		\$	137,285
Minimum Debt Service Coverage			1.30
Bank Loan Interest Rate based on a actual interest rate of 4.70%			6.22%
Max Loan Amount		\$	1,697,000

Preliminary Proforma for 3-Bedroom Apartment Without Retail

253 Lake Street East

RENTAL HOUSING STABILIZED OPERATING STATEMENT

UNIT DESCRIPTION		# Units	Unit SF	Total Monthly Rent	Total Annual Rent	Avg. Rent/ SF
Studio	5%	4	575	\$ 1,260	\$ 65,772	\$ 2.19
1 BR	40%	35	915	1,695	707,832	1.85
1 BR+Den	10%	9	1,125	1,960	204,624	1.74
2 BR	40%	35	1,350	2,240	935,424	1.66
2 BR+Den	5%	4	1,675	2,565	133,893	1.53
Total/Average		87	98,397	\$ 170,629	\$ 2,047,545	
Average			1,131	1,961	24,419	\$ 1.73

FN1

INCOME		Per SF	Per Unit	Total
Gross Potential Income				
Rental Income	<u>Total</u>	\$ 20.81	\$ 23,535	\$ 2,047,545
Leasable Parking Stalls	83 \$100	1.01	1,145	99,600
Miscellaneous Income	87 \$60	0.64	720	62,640
Total Gross Potential Income		\$ 22.46	\$ 25,400	\$ 2,209,785
Vacancy expense	5%	(1.12)	(1,270)	(110,489)
Effective Gross Income		\$ 21.33	\$ 24,130	\$ 2,099,296
EXPENSE		Per SF	Per Unit	Total
Operating costs				
Marketing		\$ (0.40)	\$ (450)	\$ (39,150)
Administrative		(0.35)	(400)	(34,800)
Payroll		(1.64)	(1,850)	(160,950)
Utilities		(0.84)	(950)	(82,650)
Repairs and maintenance		(0.57)	(650)	(56,550)
Turnover		(0.35)	(400)	(34,800)
Insurance		(0.40)	(450)	(39,150)
Total Operating Costs		\$ (4.55)	\$ (5,150)	\$ (448,050)
Non-Operating costs				
Management Fee	3.25%	\$ (0.69)	\$ (784)	\$ (68,227)
Property Taxes		(4.22)	(4,770)	(415,000)
Replacement Reserves		(0.44)	(500)	(43,500)
Total Non-Operating costs	25%	\$ (5.35)	\$ (6,054)	\$ (526,727)
Total Expenses		\$ (9.91)	\$ (11,204)	\$ (974,777)
Net Operating Income		\$ 11.43	\$ 12,926	\$ 1,124,519

Net Operating Income	\$ 1,124,519
Capitalization Rate	7.00%
Projected Value	\$ 16,064,552
Total Construction Budget	\$ 20,591,453
Funds Needed	\$ 4,526,901
Estimated Property Taxes based on Vue Projections	\$ 415,000
Current Property Taxes	\$ 180,003
Gain in Property Taxes per year	\$ 234,997
Mortgage Calculation	
Net Operating Income	\$ 1,124,519
Minimum Debt Service Coverage	1.30
Bank Loan Interest Rate based on a actual interest rate of 4.70%	6.22%
Max Loan Amount	\$ 13,899,000

FN2

FN1 An Average Rent that is above the market study used in this Preliminary Proforma at request of City representatives as part of a TIF analysis. CPG agreed to use an above market rent number in order to proceed with the TIF process. CPG continues to believe a proper rent figure must be fully supported by an independant market study.

FN2 At the request of City representatives, land values are based on the 2013 assessed values for each parcel as opposed to true market value numbers.

Attachment A-1

Preliminary Proforma for 3-Story Mixed Use

253 Lake Street East
RENTAL HOUSING STABILIZED OPERATING STATEMENT
87 Apartment and 6,700 sf Retail

UNIT DESCRIPTION		# Units	Unit SF	Total Monthly Rent	Total Annual Rent	Avg Rent/ SF
Studio	5%	4	575	\$ 1,260	\$ 65,772	\$ 2.19
1 BR	40%	35	915	1,695	707,832	1.85
1 BR+Den	10%	9	1,125	1,960	204,624	1.74
2 BR	40%	35	1,350	2,240	935,424	1.66
2 BR+Den	5%	4	1,675	2,565	133,893	1.53
Total/Average		87	98,397	\$ 170,629	\$ 2,047,545	
Average			1,131	1,961	24,419	\$ 1.73

FN1

INCOME			Per SF	Per Unit	Total
Gross Apartment Potential Income					
Rental Income	Total	\$/Unit/Mo	\$ 20.81	\$ 23,535	\$ 2,047,545
Leasable Parking Stalls	83	\$100	1.01	1,145	99,800
Miscellaneous Income	87	\$60	0.64	720	62,640
Total Gross Apartment Potential Income			\$ 22.46	\$ 25,400	\$ 2,209,785
Vacancy expense	5%		(1.12)	(1,270)	(110,489)
Effective Gross Apartment Income			\$ 21.33	\$ 24,130	\$ 2,099,296
Gross Retail Potential Income					
Rental Income	6,780		\$ 18.00		\$ 122,040
CAM Recovery Income			22.00		149,160
Total Gross Retail Potential Income			\$ 40.00		\$ 271,200
Vacancy expense	10%		(4.00)		(27,120)
Effective Gross Retail Income			\$ 36.00		\$ 244,080
Total Effective Gross Income			\$ 22.28		\$ 2,343,376
EXPENSE			Per SF	Per Unit	Total
Apartment Operating costs					
Marketing			\$ (0.40)	\$ (450)	\$ (39,150)
Administrative			(0.35)	(400)	(34,800)
Payroll			(1.64)	(1,850)	(160,950)
Utilities			(0.84)	(950)	(82,650)
Repairs and maintenance			(0.57)	(650)	(56,550)
Turnover			(0.35)	(400)	(34,800)
Insurance			(0.40)	(450)	(39,150)
Total Apartment Operating Costs			\$ (4.55)	\$ (5,150)	\$ (448,050)
Apartment Non-Operating costs					
Management Fee	3.25%		\$ (0.69)	\$ (784)	\$ (68,227)
Property Taxes			(4.22)	(4,770)	(415,000)
Replacement Reserves			(0.44)	(500)	(43,500)
Total Apartment Non-Operating costs	25%		\$ (5.35)	\$ (6,054)	\$ (526,727)
Total Apartment Expenses			\$ (9.91)	\$ (11,204)	\$ (974,777)
Retail Operating costs					
Janitorial			\$ (2.95)		\$ (20,001)
Administrative			(0.74)		(5,017)
Common Areas			(0.64)		(4,339)
Utilities			(4.22)		(28,612)
Repairs and maintenance			(2.96)		(20,069)
Landscape/Grounds			(1.44)		(9,763)
Insurance			(0.74)		(5,017)
Total Retail Operating Costs			\$ (13.69)		\$ (92,816)
Retail Non-Operating costs					
Management Fee	5.00%		\$ (1.80)		\$ (12,204)
Property Taxes			(6.50)		(44,070)
Total Retail Non-Operating costs	23%		\$ (8.30)		\$ (56,274)
Total Retail Expenses			\$ (21.99)		\$ (149,092)
Total Expenses			\$ (10.89)		\$ (1,123,869)
Net Operating Income			\$ 11.59		\$ 1,219,506

FN2

Net Operating Income		\$ 1,219,506
Capitalization Rate		7.00%
Projected Value		\$ 17,421,521
Total Construction Budget	Apartment	Retail
	\$ 20,591,453	\$ 271,200
		\$ 20,862,653
Funds Needed		\$ 3,441,133
Estimated Property Taxes based on Vue Projections		\$ 415,000
Current Property Taxes		\$ 180,003
Gain in Property Taxes per year		\$ 234,997
Mortgage Calculation		
Net Operating Income		\$ 1,219,506
Minimum Debt Service Coverage		1.30
Bank Loan Interest Rate based on a actual interest rate of 4.70%		6.22%
Max Loan Amount		\$ 15,073,000

FN1 An Average Rent that is above the market study used in this Preliminary Proforma at request of City representatives as part of a TIF analysis. CPG agreed to use an above market rent number in order to proceed with the TIF process. CPG continues to believe a proper rent figure must be fully supported by an independant market study.

FN2 At the request of City representatives, land values are based on the 2013 assessed values for each parcel as opposed to true market value numbers.



253 - 259 Lake Street East

City of Wayzata

87 Apartment Units / 6,780 Square Feet Retail

ASSUMPTIONS AND RATES

DistrictType:	District Name/Number:	Redevelopment	Tax Rates	
			Exempt Class Rate (Exempt)	Commercial Industrial Preferred Class Rate (C/I Pref.)
County District #:	2014	2014	First \$150,000	0.00%
Existing District - Specify No. Years Remaining	0.00%	0.00%	Over \$150,000	1.50%
Inflation Rate - Every Year:	4.70%	4.70%	Commercial Industrial Class Rate (C/I)	2.00%
Interest Rate:	1-Feb-15	1-Feb-15	Rental Housing Class Rate (Rental)	1.25%
Present Value Date:	1-Aug-15	1-Aug-15	Affordable Rental Housing Class Rate (Aff. Rental)	0.75%
First Period Ending	Pay 2014	Pay 2014	First \$100,000	0.25%
Tax Year District was Certified:	2016	2016	Over \$100,000	1.00%
Cashflow Assumes First Tax Increment For Development:	26	2041	Non-Homestead Residential (Non-H Res. 1 Unit)	1.25%
Years of Tax Increment	2041	2041	First \$500,000	1.00%
Assumes Last Year of Tax Increment	Incremental	Incremental	Over \$500,000	1.25%
Fiscal Disparities Election (Outside (A), Inside (B), or NA)	35.6949%	35.6949%	Homestead Residential Class Rate (Hmstd. Res.)	1.00%
Incremental or Total Fiscal Disparities	163.1210%	163.1210%	First \$500,000	1.25%
Fiscal Disparities Contribution Ratio	113.018%	113.018%	Over \$500,000	1.00%
Fiscal Disparities Metro-Wide Tax Rate	113.018%	113.018%	Agricultural Non-Homestead	1.00%
Maximum/Frozen Local Tax Rate:	53.0000%	53.0000%		
Current Local Tax Rate: (Use lesser of Current or Max.)	0.23172%	0.23172%		
State-wide Tax Rate (Comm./Ind. only used for total taxes)				
Market Value Tax Rate (Used for total taxes)				

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Pay 2014 Market Value	Property Tax Class	Current Original Tax Capacity	After Conversion Orig. Tax Cap.	Area/Phase
06-117-22-23-0005				2,413,000	54,000	2,467,000	100%	2,467,000	Pay 2014	C/I	49,340	30,838	Rental
06-117-22-23-0013				2,132,000	125,000	2,257,000	100%	2,257,000	Pay 2014	C/I Pref	44,390	28,213	Rental
						4,724,000					93,730	59,050	

Note: 1. Base values are for pay 2014 based upon review of County website on 11-13-13.



253 - 259 Lake Street East

City of Wayzata

87 Apartment Units / 6,780 Square Feet Retail

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2014	Percentage Completed 2015	Percentage Completed 2016	Percentage Completed 2017	First Year Full Taxes Payable
	Apartment	170,000	250	170,000	87	14,790,000	Rental	184,875	2,125	50%	100%	100%	100%	2017
	Retail	250	250	250	6,780	1,695,000	C/I Pref.	33,150	5	50%	100%	100%	100%	2017
TOTAL						16,485,000		218,025						
Subtotal Residential					87	14,790,000		184,875						
Subtotal Commercial/Ind.					6,780	1,695,000		33,150						

Note:

1. Market values are based upon estimates.

TAX CALCULATIONS

	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
New Use								
Apartment	184,875	0	208,942	0	0	34,271	243,213	2,795.56
Retail	33,150	11,833	24,092	19,302	17,570	3,928	64,891	9.57
TOTAL	218,025	11,833	233,034	19,302	17,570	38,199	308,105	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	308,105
less State-wide Taxes	(17,570)
less Fiscal Dispar. Adj.	(19,302)
less Market Value Taxes	(38,199)
less Base Value Taxes	(66,737)
Annual Gross TIF	166,297



253 - 259 Lake Street East
City of Wayzata
87 Apartment Units / 6,780 Square Feet Retail

TAX INCREMENT CASH FLOW													
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Payment Date
100%	109,013	(59,050)	(5,916)	44,046	113.018%	49,780	24,890	(90)	(2,480)	22,320	20,818	0.5	02/01/16
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	24,890	(90)	(2,480)	22,320	41,158	1	02/01/17
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	107,546	1.5	02/01/17
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	172,410	2	02/01/18
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	235,785	2.5	02/01/18
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	297,705	3	02/01/19
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	358,202	3.5	02/01/19
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	417,311	4	02/01/20
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	475,063	4.5	02/01/20
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	531,489	5	02/01/21
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	586,619	5.5	02/01/21
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	640,483	6	02/01/22
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	693,111	6.5	02/01/22
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	744,530	7	02/01/23
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	794,768	7.5	02/01/23
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	843,853	8	02/01/24
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	891,812	8.5	02/01/24
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	938,669	9	02/01/25
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	984,450	9.5	02/01/25
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,029,180	10	02/01/26
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,072,882	10.5	02/01/26
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,115,582	11	02/01/27
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,157,301	11.5	02/01/27
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,198,062	12	02/01/28
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,237,888	12.5	02/01/28
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,276,798	13	02/01/29
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,314,816	13.5	02/01/29
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,351,960	14	02/01/30
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,388,252	14.5	02/01/30
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,423,711	15	02/01/31
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,458,355	15.5	02/01/31
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,492,204	16	02/01/32
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,525,276	16.5	02/01/32
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,557,588	17	02/01/33
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,589,158	17.5	02/01/33
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,620,004	18	02/01/34
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,650,141	18.5	02/01/34
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,679,587	19	02/01/35
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,708,356	19.5	02/01/35
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,736,465	20	02/01/36
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,763,928	20.5	02/01/36
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,790,761	21	02/01/37
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,816,977	21.5	02/01/37
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,842,592	22	02/01/38
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,867,619	22.5	02/01/38
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,892,071	23	02/01/39
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,915,961	23.5	02/01/39
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,939,303	24	02/01/40
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,962,109	24.5	02/01/40
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	1,984,392	25	02/01/41
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	2,006,163	25.5	02/01/41
100%	218,025	(59,050)	(11,833)	147,142	113.018%	166,297	83,149	(299)	(8,285)	74,564	2,027,434	26	02/01/42
Total		Present Value From 02/01/2015		Present Value Rate	4.70%		4,207,208	(15,146)	(419,206)	3,772,855			
							2,260,843	(8,139)	(225,270)	2,027,434			



May 23, 2013

MEMORANDUM

TO: Ms. Traci Thomas
Continental Property Group

FROM: Mr. Joe Hollman
Maxfield Research Inc.

RE: Initial Market Assessment for General Occupancy Market Rate Rental Housing in
Downtown Wayzata, Minnesota

Introduction/Purpose and Scope of Research

This memorandum contains an initial market assessment to evaluate the potential to develop a market rate rental housing community on property located along Lake Street in Downtown Wayzata. Maxfield Research Inc. calculates demand for general occupancy rental housing based on 1) projected household growth, 2) turnover of existing households, and 3) the amount of pending product in the vicinity of the subject Site.

The scope of the study includes a demographic review with population and household growth trends, household income trends, household tenure by age of householder, employment trends, an assessment of current market conditions for rental housing, and a survey of market rate rental properties in the Market Area. Maxfield Research also inventoried pending developments in the immediate vicinity of the Site and provides an estimate of demand for additional market rate general occupancy rental housing in the Market Area.

The methodology used to calculate demand in this memorandum is proprietary to Maxfield Research but is consistent with methodologies used by analysts throughout the housing industry. This report includes both primary and secondary research. Primary research includes interviews with rental property managers and data on existing and proposed rental properties. Secondary research is credited to the source when used, and is usually data from the U.S. Census or regional planning agencies. Secondary research is always used as a basis for analysis, and is carefully reviewed in light of other factors that may impact projections such as residential building permit data or migration trends. All of the information on competitive rental housing projects and pending rental housing developments was gathered by Maxfield Research Inc. and is accurate to the best of our knowledge.

Attachment A-1

Ms. Traci Thomas
Continental Property Group

May 23, 2013
Page 2

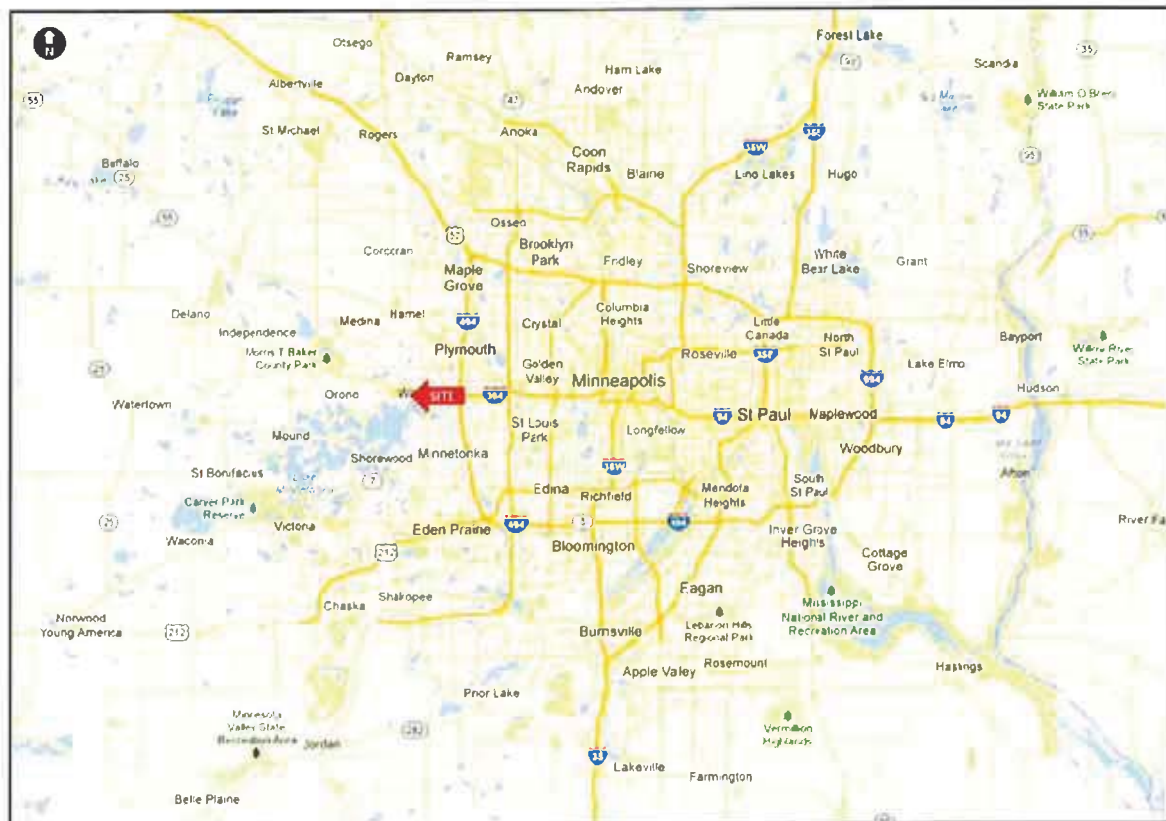
Site Location

The approximately 1.25-acre Site is located at 253 Lake Street East in Downtown Wayzata, Minnesota. The parcel is currently zoned C-4A, Limited Central Business District. According to Wayzata's zoning ordinance, the purpose of the C-4A District is to accommodate those retail, service, office, and residential functions that are characteristic to a "downtown" area.

The project Site is currently developed with a 35,000-square foot commercial building that was built in 1940. The property is bounded by Lake Street on the south and commercial uses to the east, west, and south, across Lake Street. The adjacent property to the north is a high density multifamily residential development known as Wayzata Villa Condominiums.

The following map and aerial photos display the Site and its location in the Metro Area.

Regional Location



Attachment A-1

Ms. Traci Thomas
Continental Property Group

May 23, 2013
Page 3

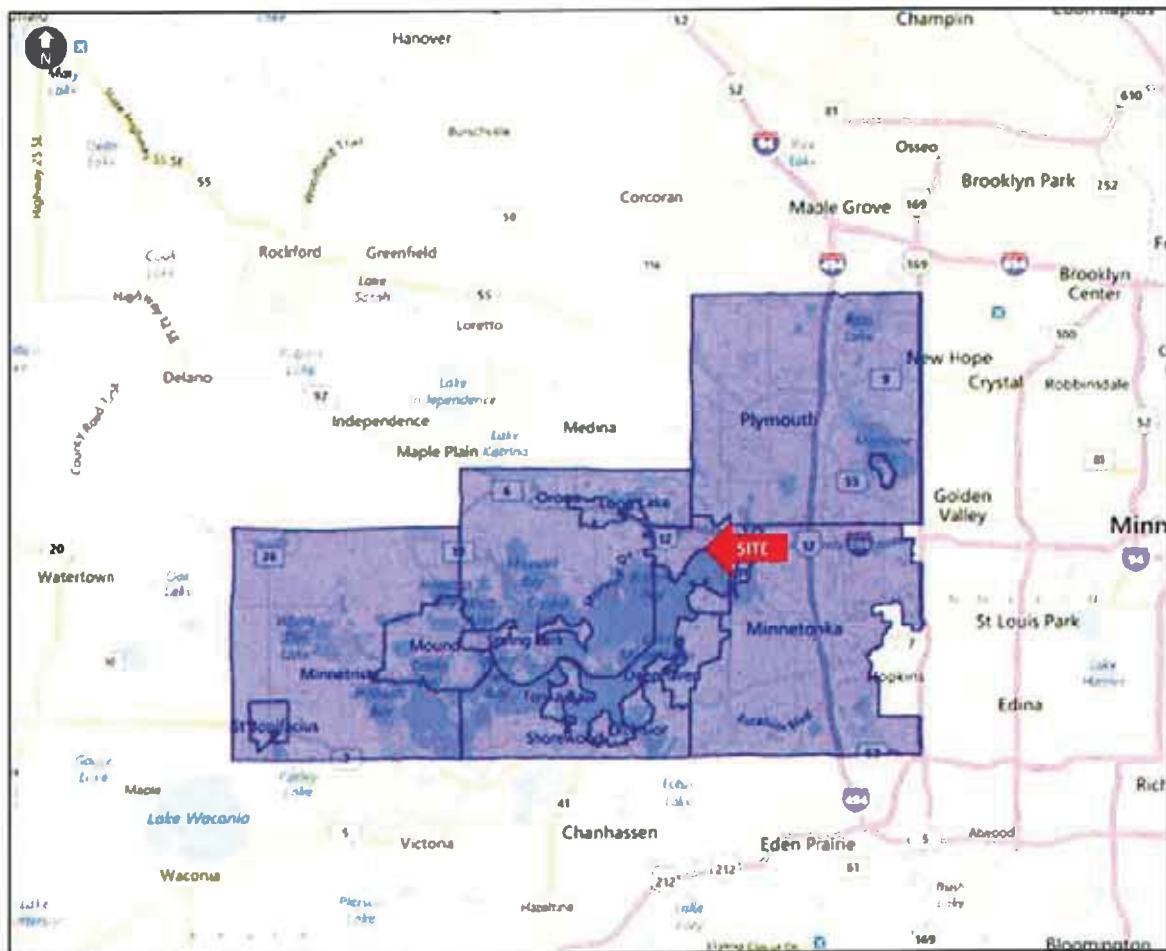
Aerial Views of Site



Primary Market Area Definition

Maxfield Research determined the draw area for market rate general occupancy rental housing on the subject property based on geographic and man-made barriers, commuting and community orientation patterns, renter leasing patterns, and our general knowledge of the draw areas for rental housing in the Twin Cities Metro Area. Considering these factors, we determined a Primary Market Area (PMA) composed of 17 communities in the Lake Minnetonka area, including; Deephaven, Excelsior, Greenwood, Long Lake, Medicine Lake, Minnetonka, Minnetonka Beach, Minnetrista, Mound, Orono, Plymouth, Saint Bonifacius, Shorewood, Spring Park, Tonka Bay, Wayzata, and Woodland.

Primary Market Area



Population and Household Growth Trends

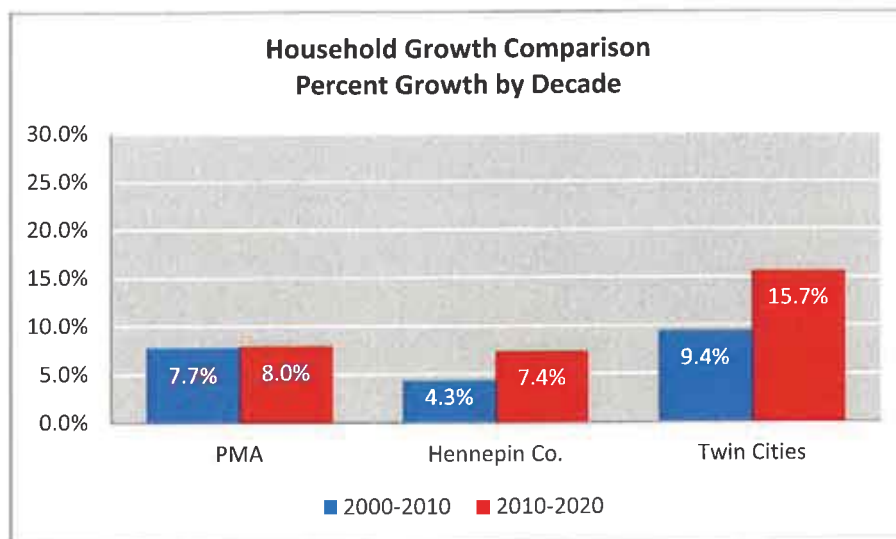
Table 1 presents population and household growth trends and projections for the 253 Lake Street East Market Area from 1990 to 2020. The 1990, 2000 and 2010 population and household figures were obtained from the U.S. Census Bureau. The 2013 estimate and projections for 2020 were based on forecasts made by ESRI (a nationally recognized demographics firm) with adjustments made by Maxfield Research Inc. Adjustments were made to better reflect the unique local dynamics of the area based on building permit data and our understanding of the residential development slowdown that began late last decade which impacted household growth throughout the Twin Cities Metro Area.

- As of 2010, the PMA contained 169,238 people and 70,343 households. Between 2000 and 2010, the population increased +2.3% while the number of households expanded +7.7%. The number of new households was high relative to the number of new people suggesting a trend toward shrinking household sizes.

TABLE 1 POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS 253 LAKE STREET EAST MARKET AREA 1990-2020									
						Change			
						2000-2010		2010-2020	
						No.	Pct.	No.	Pct.
Census						Estimate	Forecast		
1990	2000	2010	2013	2020					
Population									
Primary Market Area	143,635	165,455	169,238	172,456	181,401	3,783	2.3%	12,163	7.2%
City of Wayzata	3,807	4,113	3,688	3,845	4,188	-425	-10.3%	500	13.5%
Remainder of PMA	139,828	161,342	165,550	168,611	177,213	4,208	2.6%	11,663	7.0%
Hennepin County	1,032,431	1,116,200	1,152,425	1,174,737	1,233,153	36,225	3.2%	80,728	7.0%
Twin Cities Metro Area	2,288,721	2,642,056	2,849,567	2,910,136	3,144,000	207,511	7.9%	294,433	10.3%
Households									
Primary Market Area	54,053	65,309	70,343	71,850	75,961	5,034	7.7%	5,618	8.0%
City of Wayzata	1,716	1,929	1,795	1,869	2,026	-134	-6.9%	231	12.9%
Remainder of PMA	52,337	63,380	68,548	69,981	73,935	5,168	8.2%	5,387	7.9%
Hennepin County	419,060	456,129	475,913	485,202	511,355	19,784	4.3%	35,442	7.4%
Twin Cities Metro Area	875,504	1,021,456	1,117,749	1,139,159	1,293,000	96,293	9.4%	175,251	15.7%
Note: Twin Cities Metro represents the 7-County planning region									
Sources: US Census Bureau; Metropolitan Council; ESRI; Maxfield Research, Inc.									

- Within the PMA, the average household size decreased from 2.66 in 1990 to 2.53 in 2000 and 2.41 in 2010 which represents a -9.4% decline from 1990 to 2010. This trend is an indication of an aging household base and is also a reflection of a general shift in demographic factors that favor smaller households, such as a declining proportion of married couple households with children.

- By 2020, the PMA is projected to add another +12,163 people (+7.2%) and +5,618 households (+8.0%), compared to +7.0% population growth in Hennepin County. Much of the PMA growth will likely occur in the City of Plymouth where residential development will generate household growth. The pace of growth in the PMA is expected to slightly exceed the pace of growth throughout Hennepin County.

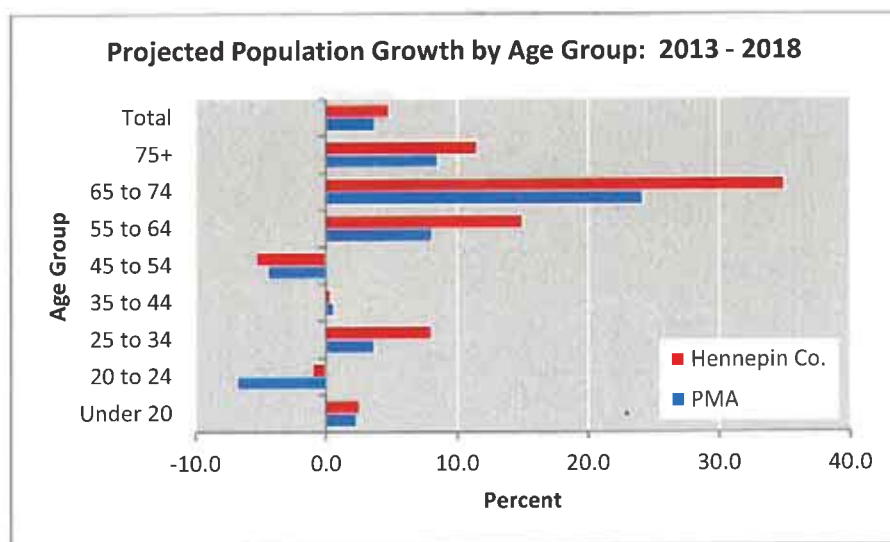


Age Distribution

The age distribution of a community's population helps in assessing the type of housing needed. For example, younger and older people are more attracted to higher density housing located near urban services and entertainment while middle-aged people (particularly those with children) traditionally prefer lower-density single-family homes. Table 2 presents the age distribution of the 253 Lake Street East Market Area population from 2000 to 2018. Information from 2000 and 2010 is sourced from the U.S. Census. The 2013 estimates and projections for 2018 were calculated by Maxfield Research Inc. based on information from ESRI, a reputable national demographics firm. The following are key trends about the age distribution of the Market Area's population.

- In 2010, the largest adult cohort by age in the PMA was 45 to 54, totaling 29,876 people (18% of the total population). We estimate that there are now 29,502 people in this age group, and the group is expected to decline roughly -4.5% over the next five years for a loss of -1,317 people. The population loss projected for the 45 to 54 age population in the PMA is a result of the comparatively small number of people who will move into this age group between 2013 and 2018, a phenomenon known as the "baby bust." The "baby bust" is often referred to the generation of children born between 1965 and 1980, an era when the United States birthrate dropped sharply.

- The 55 to 64 cohort is the second largest age group in the PMA, with 26,617 people (15.4% of the total population) in 2013. Over the next five years, we expect this cohort to experience +8.1% growth (+2,151 people) in the PMA. Hennepin County is projected to experience a +15.0% increase in this age group (+20,094 people) between 2013 and 2018.
- The most rapid growth is predicted to occur among older adults in the Market Area. Aging of baby boomers led to an increase of +9,117 people (+57.3%) in the 55 to 64 population in the PMA between 2000 and 2010. As this group ages, all cohorts age 55 or greater are predicted to see increases in the next five years, particularly the 65 to 74 age group which is projected to grow +24.2% in the PMA and +35.0% in Hennepin County, adding +3,332 and +23,277 people, respectively.



- The younger age groups are most likely to be drawn to rental housing. In the PMA, the 25 to 34 cohort is expected to grow +3.7% (+744 people) over the next five years after declining -3.2% (-639 people) between 2000 and 2010. The 20 to 24 age group is projected to contract by -6.8% (-524 people) between 2013 and 2018. Hennepin County is expected to experience +8.1% growth in the 25 to 34 age group over the next five years, while the 20 to 24 cohort is projected to decline by -1.0%.
- The Market Area is expected to see nominal growth in the age 35 to 44 cohort, as the PMA is projected to experience an increase of +0.6% (+122 people) while this cohort grows +0.3% (+534) throughout Hennepin County.

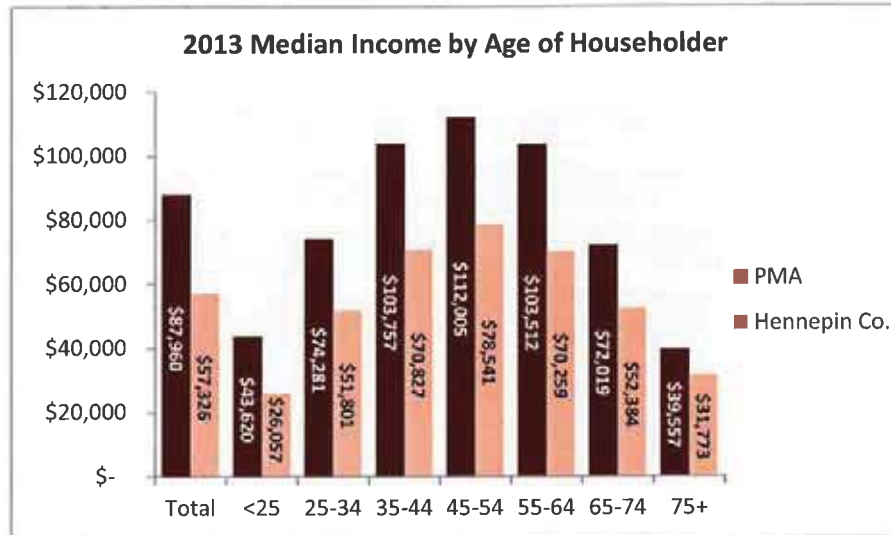
TABLE 2 AGE DISTRIBUTION 253 LAKE STREET EAST MARKET AREA 2000-2018								
Age	Census		Estimate	Projection	Change			
					2000-2010		2013-2018	
	2000	2010	2013	2018	No.	Pct.	No.	Pct.
Primary Market Area								
Under 20	45,444	42,299	42,205	43,180	-3,145	-6.9	975	2.3
20 to 24	7,393	7,511	7,700	7,176	118	1.6	-524	-6.8
25 to 34	20,273	19,634	20,251	20,995	-639	-3.2	744	3.7
35 to 44	30,431	21,560	21,369	21,491	-8,871	-29.2	122	0.6
45 to 54	28,552	29,876	29,502	28,185	1,324	4.6	-1,317	-4.5
55 to 64	15,906	25,023	26,617	28,768	9,117	57.3	2,151	8.1
65 to 74	9,585	12,662	13,770	17,102	3,077	32.1	3,332	24.2
75+	7,871	10,673	11,041	11,981	2,802	35.6	940	8.5
Total	165,455	169,238	172,456	178,878	3,783	2.3	6,422	3.7
Hennepin County								
Under 20	296,905	290,665	290,702	298,222	-6,240	-2.1	7,557	2.6
20 to 24	79,364	84,231	87,216	83,392	4,867	6.1	-839	-1.0
25 to 34	183,860	187,523	193,993	202,633	3,663	2.0	15,110	8.1
35 to 44	191,872	154,304	152,887	154,838	-37,568	-19.6	534	0.3
45 to 54	156,068	171,130	169,086	162,087	15,062	9.7	-9,043	-5.3
55 to 64	85,773	133,758	142,217	153,852	47,985	55.9	20,094	15.0
65 to 74	59,737	66,516	72,316	89,793	6,779	11.3	23,277	35.0
75+	62,621	64,298	66,320	71,715	1,677	2.7	7,417	11.5
Total	1,116,200	1,152,425	1,174,737	1,216,532	36,225	3.2	64,107	4.8
Sources: U.S. Census Bureau; ESRI; Maxfield Research, Inc.								

Household Income

Income data is important when considering the ability of households to pay different rent levels. Tables 3 and 4 present data on household income by age of householder in 2013 and 2018 for the Market Area. The data is estimated by ESRI, a nationally recognized demographic services firm, and adjusted by Maxfield Research Inc. to reflect the most current local household estimates and projections. The following are key points.

- In 2013, the median household income is estimated to be \$87,960 in the PMA and \$57,326 in Hennepin County. As such, it appears that PMA residents are relatively affluent compared to the rest of the County and have more resources to devote toward housing than residents elsewhere in Hennepin County.

- Median incomes are expected to increase +11.4% over the next five years to \$97,973 in the PMA and +18.8% to \$68,077 in Hennepin County. The average annual increase between 2013 and 2018 in both the PMA (+2.3%) and in Hennepin County (+3.8%) will essentially meet or exceed the historical annual inflation rate of +2.4% over the past ten years. As households age through the lifecycle, their household incomes tend to peak in their late 40s and early 50s. This trend is evident in the Market Area as the age 45 to 54 cohort has the highest estimated income at \$112,005 in the PMA and \$78,541 in Hennepin County.



- Based on average pricing of \$1,212 for one-bedroom units in our survey of existing newer general occupancy rental developments in the PMA, a household will need to have an annual income of roughly \$48,500 or greater to not exceed 30% of its monthly income on housing costs. In 2013, approximately 53,600 PMA households (75% of the total) are estimated to have had incomes of at least \$48,500. By 2018, the total income-qualified households are projected to increase to nearly 59,000 households (+10%) after accounting for inflation.
- Households under the age of 35 are most likely to rent their housing, although there is a growing group of households over age 35 that are choosing to rent for lifestyle reasons. In 2013, 46% of households age 24 and below and 71% of households age 25 to 34 in the PMA are estimated to have incomes of at least \$48,500. Additionally, because younger householders are often willing to live with roommates, the percent income-qualified is likely somewhat higher.
- Between 2013 and 2018, the number of PMA households in the 25 to 34 age cohort is expected to increase by approximately +704 income-qualified households (+10%). The number of income-qualified households in the age 24 or younger cohort is projected to hold steady during this time period.

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- Income-qualified households in the age 35 to 44 cohort are projected to increase by +6% while the 45 to 54 age cohort is expected to decline by -1%. The number of income-qualified households in the 55 to 64 age group is expected to grow +13% while a +32% jump in the 65 to 74 cohort is anticipated.

TABLE 3 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER PRIMARY MARKET AREA 2013 & 2018								
	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65-74	75+
2013								
Less than \$15,000	3,647	274	485	314	453	591	458	1,070
\$15,000 to \$24,999	3,548	206	442	293	379	488	641	1,099
\$25,000 to \$34,999	4,377	201	690	506	623	661	551	1,146
\$35,000 to \$49,999	7,420	320	1,330	931	1,080	1,320	1,084	1,354
\$50,000 to \$74,999	11,000	348	2,017	1,617	2,038	2,233	1,702	1,045
\$75,000 to \$99,999	10,087	163	1,759	1,813	2,354	2,174	1,242	581
\$100,000 or more	31,771	270	3,125	6,184	9,691	8,218	2,904	1,379
Total	71,850	1,781	9,848	11,658	16,619	15,686	8,583	7,675
Median Income	\$87,960	\$43,620	\$74,281	\$103,757	\$112,005	\$103,512	\$72,019	\$39,557
2018								
Less than \$15,000	3,459	251	447	233	354	531	510	1,133
\$15,000 to \$24,999	2,613	162	322	123	206	277	569	954
\$25,000 to \$34,999	3,115	153	487	264	343	439	478	951
\$35,000 to \$49,999	6,252	262	1,089	689	754	1,059	1,061	1,337
\$50,000 to \$74,999	9,830	313	1,810	1,310	1,534	1,954	1,814	1,094
\$75,000 to \$99,999	12,928	209	2,286	2,145	2,600	2,793	1,996	900
\$100,000 or more	36,602	301	3,714	6,873	9,950	9,732	4,144	1,888
Total	74,800	1,652	10,154	11,637	15,740	16,786	10,573	8,258
Median Income	\$97,973	\$49,803	\$82,901	\$111,574	\$119,791	\$111,991	\$83,684	\$46,413
Change 2013 - 2018								
Less than \$15,000	-188	-23	-37	-82	-100	-60	52	63
\$15,000 to \$24,999	-934	-43	-121	-170	-173	-211	-71	-145
\$25,000 to \$34,999	-1,262	-47	-203	-242	-280	-222	-73	-194
\$35,000 to \$49,999	-1,168	-58	-242	-242	-326	-261	-23	-17
\$50,000 to \$74,999	-1,170	-34	-207	-307	-504	-279	112	49
\$75,000 to \$99,999	2,841	45	527	332	247	618	753	319
\$100,000 or more	4,831	31	589	689	259	1,514	1,240	508
Total	2,950	-130	306	-21	-878	1,101	1,990	583
Median Income	\$10,013	\$6,183	\$8,620	\$7,817	\$7,786	\$8,479	\$11,665	\$6,856

Sources: ESRI; US Census Bureau; Maxfield Research Inc.

- The Hennepin County household base is projected to grow by +3.9% (+18,782) between 2013 and 2018. Like the PMA though, much higher growth in the income-qualified household base is projected in the age cohorts most likely to rent.

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- Whereas the 24 or younger cohort is projected to lose -1,136 households overall, the income-qualified base is projected to hold steady. The 25 to 34 cohort is expected to gain +3,863 households overall while +6,300 income-qualified households (earning \$48,500 or greater) will be added.

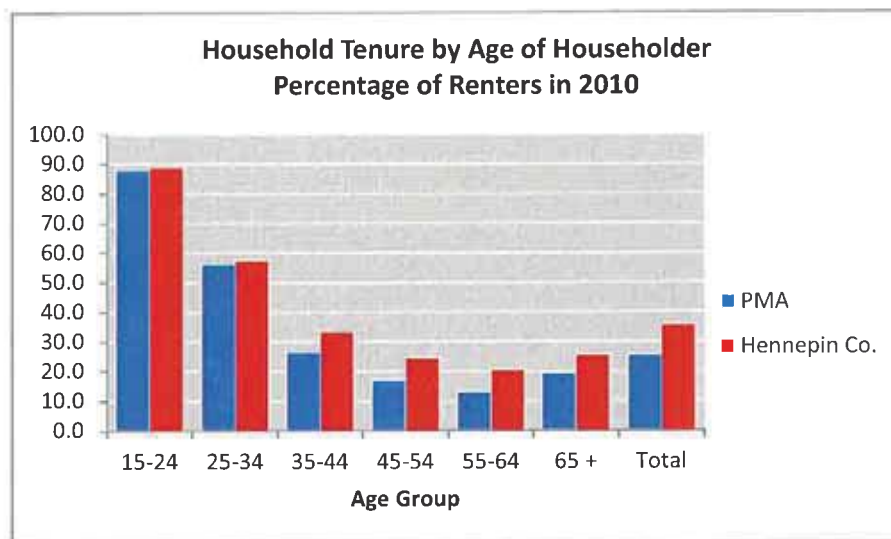
TABLE 4 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER HENNEPIN COUNTY 2013 & 2018								
	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65-74	75+
2013								
Less than \$15,000	53,137	7,157	10,756	6,385	7,419	7,985	4,872	8,563
\$15,000 to \$24,999	43,440	5,121	8,654	5,168	5,303	5,353	4,837	9,003
\$25,000 to \$34,999	46,538	3,263	10,797	7,074	7,078	6,439	4,809	7,078
\$35,000 to \$49,999	66,108	4,017	16,073	10,501	10,249	10,569	7,097	7,602
\$50,000 to \$74,999	87,676	3,435	20,662	15,449	16,762	15,341	9,802	6,225
\$75,000 to \$99,999	59,626	1,194	13,232	12,325	13,606	11,284	5,072	2,913
\$100,000 or more	128,677	1,277	16,912	28,467	38,146	30,091	9,537	4,246
Total	485,202	25,464	97,087	85,369	98,564	87,062	46,027	45,629
Median Income	\$57,326	\$26,057	\$51,801	\$70,827	\$78,541	\$70,259	\$52,384	\$31,773
2018								
Less than \$15,000	54,927	7,295	11,126	6,025	6,753	8,126	6,034	9,566
\$15,000 to \$24,999	34,767	4,246	6,975	3,235	3,549	3,757	4,755	8,250
\$25,000 to \$34,999	36,749	2,639	8,574	4,808	4,754	4,990	4,783	6,200
\$35,000 to \$49,999	60,232	3,706	14,765	8,936	8,123	9,475	7,530	7,695
\$50,000 to \$74,999	82,900	3,294	19,908	13,684	13,879	14,471	10,978	6,687
\$75,000 to \$99,999	80,518	1,601	18,255	15,789	16,048	15,573	8,582	4,670
\$100,000 or more	153,892	1,546	21,347	33,388	40,612	36,980	14,041	5,977
Total	503,984	24,328	100,949	85,866	93,718	93,374	56,703	49,046
Median Income	\$68,077	\$26,884	\$58,907	\$82,961	\$88,373	\$82,631	\$59,509	\$35,701
Change 2013 - 2018								
Less than \$15,000	1,790	138	371	-360	-666	142	1,162	1,003
\$15,000 to \$24,999	-8,673	-875	-1,679	-1,934	-1,754	-1,595	-82	-752
\$25,000 to \$34,999	-9,789	-624	-2,223	-2,265	-2,324	-1,449	-26	-877
\$35,000 to \$49,999	-5,876	-310	-1,308	-1,565	-2,126	-1,093	433	93
\$50,000 to \$74,999	-4,776	-140	-754	-1,765	-2,884	-871	1,176	462
\$75,000 to \$99,999	20,891	407	5,023	3,465	2,442	4,288	3,510	1,757
\$100,000 or more	25,215	270	4,435	4,921	2,466	6,890	4,503	1,731
Total	18,782	-1,136	3,863	497	-4,845	6,312	10,676	3,416
Median Income	\$10,751	\$827	\$7,106	\$12,134	\$9,832	\$12,372	\$7,125	\$3,928
Sources: ESRI; US Census Bureau; Maxfield Research Inc.								

Household Tenure

Table 5 shows household tenure by age of householder for the PMA compared to Hennepin County in 2000 and 2010. The data is compiled from the U.S. Census Bureau. The table shows the number and percent of renter- and owner-occupied housing units in the Market Area. All data excludes unoccupied units and group quarters such as dormitories.

Household tenure information is important in understanding households' preferences to either rent or own their housing. In addition to preferences, factors that contribute to these proportions include mortgage interest rates, household age, and lifestyle considerations, among others. The following are key points from Table 5:

- Typically, the youngest and oldest households rent their housing in greater proportions than middle-age households. This pattern is apparent among the younger Market Area households as 61.5% of the age 15 to 34 population rents in the PMA and 64.4% rents in Hennepin County.
- The majority of households under age 35 rent in the PMA, with 88.1% of households age 15 to 24 and 56.4% of households age 25 to 34 renting in 2010. The percentages are slightly higher in Hennepin County, as 89.1% of age 15 to 24 households and 57.7% of the age 25 to 34 households rented in 2010.



- Within the prime ownership years (35 to 64), nearly 82% of the PMA householders own their housing compared to 73.8% in Hennepin County.

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- In the PMA, 25.5% of all households rented in 2010, giving it a relatively low rental rate in comparison to Hennepin County (35.7% of households rented in 2010) and the Metro Area (30.0% rented). All age groups rented at a lower rate in the PMA than in the County.
- The percentage of renter households increased for all but the 65 and older age cohorts between 2000 and 2010 in the PMA, as the total number of renter households in the PMA grew by +3,050 during the decade, an increase of over +20%. The number of owner households increased roughly +4% during the decade. The rapid increase in renter households was due, in large part, to the bursting of the housing bubble which pushed many occupants out of home ownership and into rental units.

TABLE 5 TENURE BY AGE OF HOUSEHOLDER 253 LAKE STREET EAST MARKET AREA 2000 & 2010									
Age		Primary Market Area				Hennepin County			
		2000		2010		2000		2010	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
15-24	Own	310	14.1	217	11.9	3,380	11.8	2,790	10.9
	Rent	1,886	85.9	1,614	88.1	25,252	88.2	22,734	89.1
	Total	2,196	100.0	1,831	100.0	28,632	100.0	25,524	100.0
25-34	Own	5,156	52.4	4,166	43.6	44,563	46.9	39,850	42.3
	Rent	4,688	47.6	5,396	56.4	50,435	53.1	54,312	57.7
	Total	9,844	100.0	9,562	100.0	94,998	100.0	94,162	100.0
35-44	Own	13,352	81.4	8,675	73.4	79,041	72.5	57,684	66.6
	Rent	3,058	18.6	3,150	26.6	29,926	27.5	28,946	33.4
	Total	16,410	100.0	11,825	100.0	108,967	100.0	86,630	100.0
45-54	Own	14,349	87.9	14,054	83.0	74,037	79.7	75,651	75.4
	Rent	1,968	12.1	2,870	17.0	18,829	20.3	24,688	24.6
	Total	16,317	100.0	16,924	100.0	92,866	100.0	100,339	100.0
55-64	Own	8,550	90.4	12,895	87.0	42,671	81.9	65,466	79.5
	Rent	903	9.6	1,930	13.0	9,412	18.1	16,891	20.5
	Total	9,453	100.0	14,825	100.0	52,083	100.0	82,357	100.0
65 +	Own	8,700	78.5	12,394	80.6	58,101	73.9	64,680	74.4
	Rent	2,389	21.5	2,982	19.4	20,482	26.1	22,221	25.6
	Total	11,089	100.0	15,376	100.0	78,583	100.0	86,901	100.0
TOTAL	Own	50,417	77.2	52,401	74.5	301,793	66.2	306,121	64.3
	Rent	14,892	22.8	17,942	25.5	154,336	33.8	169,792	35.7
	Total	65,309	100.0	70,343	100.0	456,129	100.0	475,913	100.0
Sources: U.S. Census Bureau; Maxfield Research Inc.									

- The 55 to 64 age group experienced the largest increase in the number of renters, rising +114% (+1,027 renters) over the decade. The number of owner households in this cohort increased +51% (+4,345).
- Between 2000 and 2010, the 45 to 54 age group gained +902 renter households (+46%) while the 25 to 34 cohort gained +708 renter households for a +15% increase. By comparison, the number of owner households in the 45 to 54 cohort declined by -2% (-295 households) and the 25 to 34 age group lost -990 owner households (-19%).
- The under-25 age group experienced a -14% reduction in the number of renter households (-272 households) and a -30% decline in owner households (-93) between 2000 and 2010. Many of these households likely left the area because they were not able to find affordable housing in the Market Area.
- The 35 to 44 age group experienced the most significant decline in the number of owner households, losing -4,677 households (-35%) during the decade. The number of renter households in this age group increased by +3% (+92 households).

Employment Growth

Table 6 shows employment growth trends and projections from 2000 to 2020 based on the most recent information available from the Minnesota Department of Employment and Economic Development (DEED). Data for 2000, 2005, and 2010 represents the annual average employment for that year while 2012 data is from the third quarter. The 2020 forecast is based on 2010-2020 industry projections for the Twin Cities published by DEED, the most recent employment forecast available.

Maxfield Research applied the projected ten-year growth rate of 12.0% for the Twin Cities to the 2010 employment data to arrive at the 2020 forecast for the Metro Area. We arrived at the 2020 forecast for the PMA and Hennepin County based on the average proportion of Metro Area jobs that were located in each area between 2010 and 2012. Although employment growth often parallels population growth, it often is tied more strongly to transportation access. Cities with interstate access and intra- and inter-metro transportation connections attract more businesses and post higher employment gains. Employment growth can fuel household and population growth as people generally desire to live near where they work.

- In 2000, there were 121,969 jobs in the PMA. In light of the economic recession, employment declined -15.3% (-18,603 jobs) by 2010. By comparison, Hennepin County experienced an -8.1% decline in employment while the number of jobs in the Twin Cities dropped -4.0% during the decade.

- Data from the Quarterly Census of Employment and Wages indicates that the PMA gained nearly +4,000 jobs (+3.8%) between 2010 and the third quarter of 2012. During that time, the number of jobs increased +4.2% in Hennepin County and +3.3% in the Metro Area. Solid job growth is expected throughout the Market Area between 2010 and 2020. The PMA is projected to experience an +11.8% gain during the decade, while employment in Hennepin County increases +12.3% and Metro Area employment grows by +12.0%. Within the PMA, job growth will likely be concentrated in Plymouth and Minnetonka which have a large base of businesses, a relatively large labor force, and convenient freeway access.
- Typically, households prefer to live near work for convenience. This preference is particularly true among renters. Young adults entering the work force, a primary target market for rental housing, often place great value on living near employment, education, shopping, and entertainment. However, many residents of the PMA choose to reside in the area due to the lifestyle provided by the amenities associated with Lake Minnetonka and commute outside the area for employment, most notably into the City of Minneapolis.

TABLE 6 EMPLOYMENT GROWTH TRENDS AND PROJECTIONS 253 LAKE STREET EAST MARKET AREA 1990-2020									
	2000	2005	2010	2012 Q3	Projection 2020	2000-2010		2010-2020	
						No.	Pct.	No.	Pct.
Primary Market Area	121,903	113,969	103,300	107,275	115,464	-18,603	-15.3	12,164	11.8
Hennepin County	874,901	833,732	803,743	837,649	902,782	-71,158	-8.1	99,039	12.3
Twin Cities Metro Area	1,600,760	1,593,973	1,537,052	1,588,387	1,721,498	-63,708	-4.0	184,446	12.0

Sources: Minnesota Department of Employment and Economic Development; Maxfield Research Inc.

Resident Employment

Table 7 shows information on the resident labor force and employment in the PMA, compared to Hennepin County, the Twin Cities, Minnesota, and the United States. The data is sourced from the Minnesota Department of Employment and Economic Development (DEED). Resident employment data is only available for large cities in Minnesota, including Minnetonka and Plymouth from the PMA. The following points summarize key employment trends that will impact the potential for development of the subject Site.

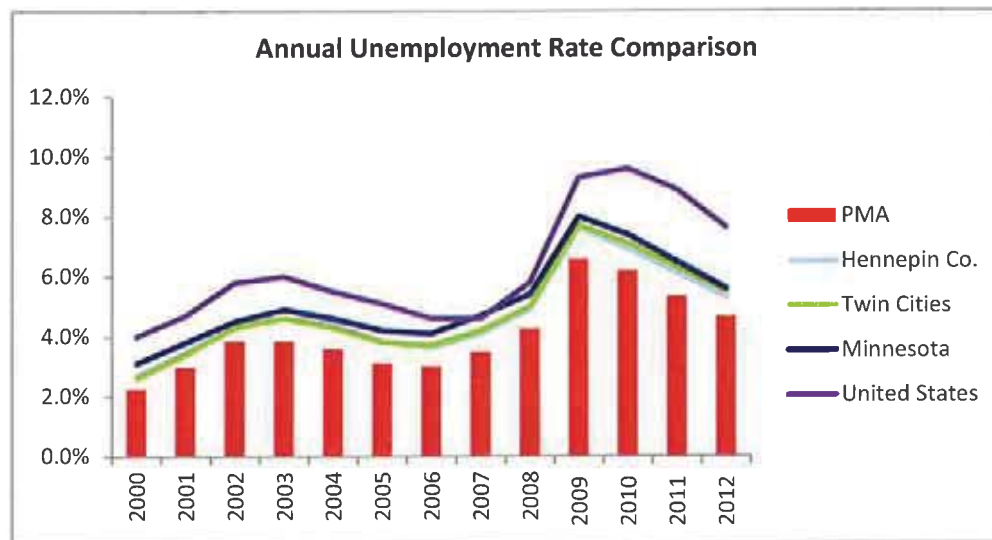
- At 4.3%, the unemployment rate in the PMA is slightly lower than Hennepin County (4.8%) and the Twin Cities Metro Area (5.1%), and is substantially lower than the State of Minnesota (5.8%) as well as the United States (7.6%). Over the past year, the PMA experienced a -0.4% drop in the unemployment rate, while unemployment in Hennepin County declined -0.5% and the Twin Cities experienced a -0.6% decline in the unemployment rate.

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TABLE 7 LOCAL AREA UNEMPLOYMENT STATISTICS 253 LAKE STREET EAST MARKET AREA						
	March 2013			March 2012		
	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment
PMA	70,745	67,723	4.3%	69,766	66,517	4.7%
Hennepin County	662,290	630,329	4.8%	654,104	619,110	5.3%
Twin Cities Metro	1,622,686	1,539,957	5.1%	1,604,509	1,512,547	5.7%
Minnesota	2,959,806	2,787,766	5.8%	2,958,938	2,770,974	6.4%
United States	154,512,000	142,698,000	7.6%	154,316,000	141,412,000	8.4%

Notes: Data not seasonally adjusted; PMA cities with data available include Minnetonka and Plymouth.
Sources: MN Department of Employment and Economic Development; Maxfield Research, Inc.

- The following chart illustrates how unemployment in the Market Area has mirrored national trends but has remained well-below the national rate throughout much of the past decade. The PMA unemployment rate has consistently tracked lower than unemployment trends in Hennepin County, the Twin Cities, and the State.



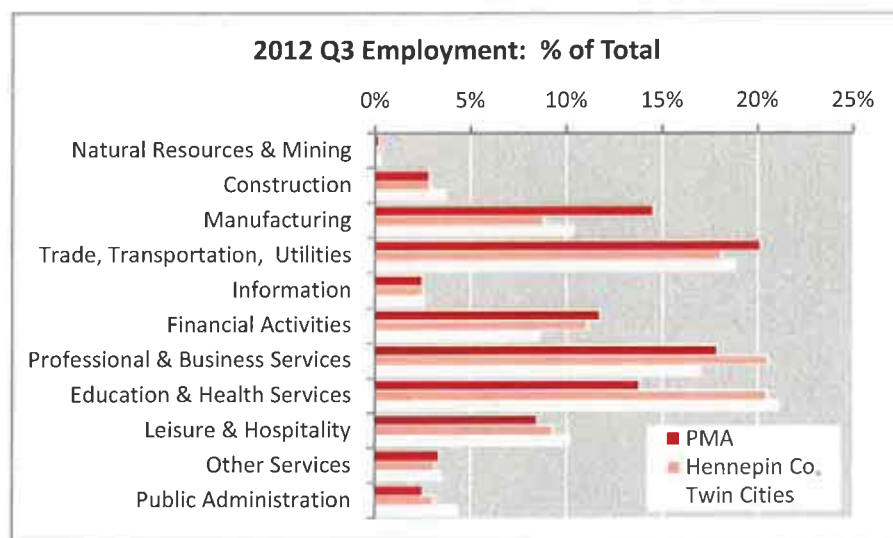
- It appears that increased hiring is driving the unemployment rate down throughout the Market Area as growth in the number of employed residents outpaced labor force growth. The PMA labor force grew +1.4% (+979) between March 2012 and March 2013, while the number of employed residents increased by +1.8% (+1,206). Hennepin County's labor force expanded by +1.3% (8,186) against employment growth of +1.8% (+11,219). Employment in the Twin Cities grew +1.8% (+27,410) against labor force growth of +1.1% (+18,177). Minnesota's labor force held steady while employment in the State increased by +0.6%.

Covered Employment by Industry

Table 8 displays information on the employment and wage situation in the PMA compared to Hennepin County and the Twin Cities Metro Area. The Quarterly Census of Employment and Wages (QCEW) data is sourced from Minnesota DEED for the third quarter of 2011 and 2012, the most recent data available. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly to DEED. Federal government establishments are also covered by the QCEW program.

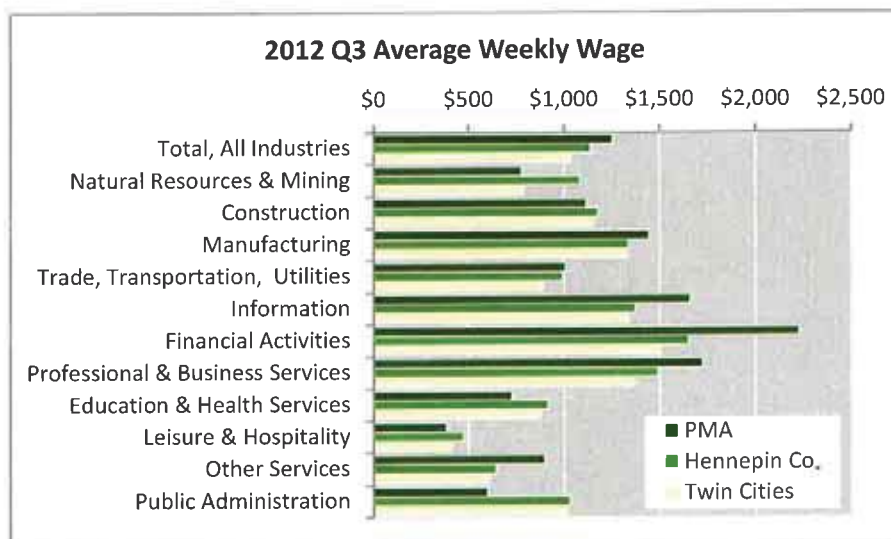
It should be noted that certain industries in the table may not display any information which means that there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers or one employer comprises too much of the employment in that geography.

- The Trade, Transportation, and Utilities industry is the largest employment sector in the PMA, providing over 21,600 jobs (20.1% of total employment). This is followed by the Professional and Business Services sector, with nearly 19,200 jobs (17.9%).
- Professional and Business Services and Education and Health Services are the two largest employment sectors in Hennepin County with 171,919 jobs (20.5%) and 171,471 jobs (20.5%), respectively.
- The Education and Health Services industry is the largest employer in the Metro Area, representing 21.1% of all jobs, followed by Trade, Transportation, and Utilities with 18.8% of all jobs.



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- In the PMA, total employment climbed +1.8% (+1,936 jobs) between third quarter of 2011 and third quarter of 2012. Education and Health Services experienced a jump in employment, gaining +1,208 jobs (+8.9%). Notable job growth also occurred in the Manufacturing industry, gaining +334 jobs (+2.2%), and Trade, Transportation, and Utilities (+317 jobs for a +1.5% increase). The Financial Activities and Professional and Business Services sectors lost -698 jobs (-5.3%) and -538 jobs (-2.7%), respectively.
- The number of business establishments in the PMA increased modestly, gaining +38 businesses over the year (+0.6%). The Financial Activities sector and Education and Health Services sectors each gained +18 establishments (+2.0% and +2.9%, respectively). These gains were partially offset by losses in Professional and Business Services (-61 businesses for a -3.7% loss) and Construction (-24 businesses for a -5.8% loss).
- Hennepin County gained +9,907 jobs during the year for a +1.2% increase. Education and Health Services gained +4,224 jobs over the year (+2.5%) and the Financial Activities sector experienced an increase of +3,527 jobs (+4.0%). These gains were partially offset by losses in the Trade, Transportation, and Utilities sector which lost -3,003 jobs (-1.9%). Twin Cities employment experienced +1.2% growth over the year after adding +19,017 jobs. Most sectors gained jobs in the Twin Cities, but Education and Health Services experienced the largest increase over the year, adding +5,439 jobs for a +1.7% gain.
- Average weekly wages in the PMA (\$1,250) are 10% higher than Hennepin County (\$1,137) and 21% higher than the Twin Cities (\$1,029). Wages decreased across the Market Area, dropping -3.2% over the year in the PMA and -0.4% in the Twin Cities. Hennepin County experienced a slight (+0.8%) wage increase.



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TABLE 8 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES 253 LAKE STREET EAST MARKET AREA										
Industry	2011 Q3			2012 Q3			Change 2011 - 2012			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
PRIMARY MARKET AREA										
Total, All Industries	6,867	105,339	\$1,292	6,905	107,275	\$1,250	1,936	1.8%	(\$42)	-3.2%
Natural Resources & Mining	12	202	\$710	12	195	\$778	-7	-3.5%	\$67	9.4%
Construction	412	2,960	\$1,131	388	3,054	\$1,115	94	3.2%	(\$16)	-1.4%
Manufacturing	339	15,253	\$1,311	332	15,587	\$1,442	334	2.2%	\$131	10.0%
Trade, Transportation, Utilities	1,429	21,294	\$1,042	1415	21,611	\$1,005	317	1.5%	(\$38)	-3.6%
Information	3	11	\$732	127	2,673	\$1,658	--	--	--	--
Financial Activities	911	13,290	\$2,108	929	12,592	\$2,225	-698	-5.3%	\$117	5.5%
Professional & Business Services	1,635	19,734	\$2,025	1574	19,196	\$1,723	-538	-2.7%	(\$302)	-14.9%
Education & Health Services	617	13,589	\$691	635	14,797	\$726	1,208	8.9%	\$35	5.0%
Leisure & Hospitality	428	9,488	\$385	424	9,098	\$385	-390	-4.1%	\$0	0.0%
Other Services	643	3,530	\$848	624	3,636	\$897	106	3.0%	\$48	5.7%
Public Administration	30	2,433	\$723	30	2,700	\$598	267	11.0%	(\$125)	-17.3%
HENNEPIN COUNTY										
Total, All Industries	39,191	827,742	\$1,128	39,510	837,649	\$1,137	9,907	1.2%	\$9	0.8%
Natural Resources & Mining	74	984	\$1,134	77	1,011	\$1,083	27	2.7%	(\$51)	-4.5%
Construction	2,536	23,348	\$1,189	2,524	24,082	\$1,174	734	3.1%	(\$15)	-1.3%
Manufacturing	1,879	73,168	\$1,284	1,848	73,877	\$1,336	709	1.0%	\$52	4.0%
Trade, Transportation, Utilities	7,982	154,363	\$1,003	7,953	151,360	\$991	-3,003	-1.9%	(\$12)	-1.2%
Information	872	21,407	\$1,410	862	21,043	\$1,371	-364	-1.7%	(\$39)	-2.8%
Financial Activities	4,966	89,245	\$1,578	4,885	92,772	\$1,648	3,527	4.0%	\$70	4.4%
Professional & Business Services	8,952	170,467	\$1,449	8,996	171,919	\$1,488	1,452	0.9%	\$39	2.7%
Education & Health Services	4,379	167,247	\$919	4,598	171,471	\$914	4,224	2.5%	(\$5)	-0.5%
Leisure & Hospitality	3,240	76,301	\$521	3,366	77,939	\$472	1,638	2.1%	(\$49)	-9.4%
Other Services	3,874	26,416	\$644	3,992	26,233	\$642	-183	-0.7%	(\$2)	-0.3%
Public Administration	249	24,730	\$1,106	244	25,732	\$1,028	1,002	4.1%	(\$78)	-7.1%
TWIN CITIES										
Total, All Industries	80,799	1,569,370	\$1,033	81,587	1,588,387	\$1,029	19,017	1.2%	(\$4)	-0.4%
Natural Resources & Mining	278	3,898	\$713	293	3,851	\$786	-47	-1.2%	\$73	10.2%
Construction	6,979	56,867	\$1,163	7,008	58,274	\$1,147	1,407	2.5%	(\$16)	-1.4%
Manufacturing	4,267	162,628	\$1,314	4,206	163,679	\$1,323	1,051	0.6%	\$9	0.7%
Trade, Transportation, Utilities	16,603	298,774	\$905	16,652	298,193	\$888	-581	-0.2%	(\$17)	-1.9%
Information	1,505	41,029	\$1,487	1,482	40,798	\$1,328	-231	-0.6%	(\$159)	-10.7%
Financial Activities	9,285	133,581	\$1,446	9,194	136,621	\$1,501	3,040	2.3%	\$55	3.8%
Professional & Business Services	16,156	265,536	\$1,328	16,235	268,950	\$1,361	3,414	1.3%	\$33	2.5%
Education & Health Services	9,484	329,243	\$875	9,875	334,682	\$870	5,439	1.7%	(\$5)	-0.6%
Leisure & Hospitality	6,914	158,619	\$430	7,111	160,506	\$409	1,887	1.2%	(\$21)	-4.9%
Other Services	7,784	54,371	\$606	8,021	54,290	\$600	-81	-0.1%	(\$6)	-1.0%
Public Administration	1,241	64,739	\$1,119	1,233	68,218	\$1,008	3,479	5.4%	(\$111)	-9.9%
* Twin Cities Planning Region: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties										
Sources: Minnesota Department of Employment and Economic Development; Maxfield Research, Inc.										

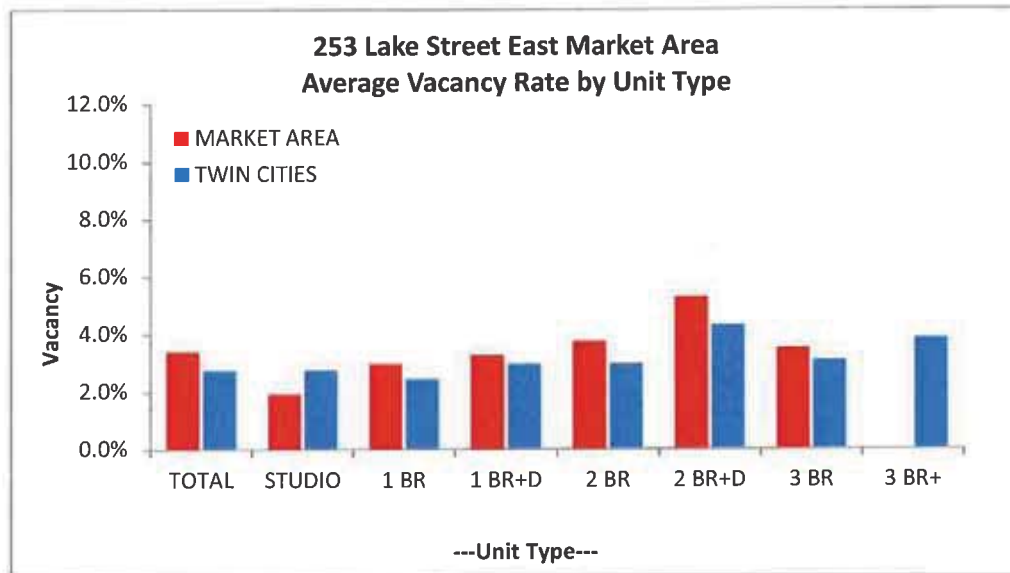
Overview of Rental Market Conditions

The following section of the report analyzes the current market conditions for general occupancy rental housing in the 253 Lake Street East Market Area. Detailed information on individual rental developments in the Market Area along with information on new rental developments planned or under construction in the surrounding area is presented.

Table 9 displays average monthly rent and vacancy rate data from Marquette Advisors *Apartment Trends* report for the Twin Cities Metro Area along with the submarkets that most closely resemble the PMA, including; Wayzata/Mound, Excelsior/Spring Park, Minnetonka, and Plymouth. The data is shown for the 1st Quarter of 2013 compared to the 1st Quarter of 2012.

The following are key points concerning the Market Area's rental market.

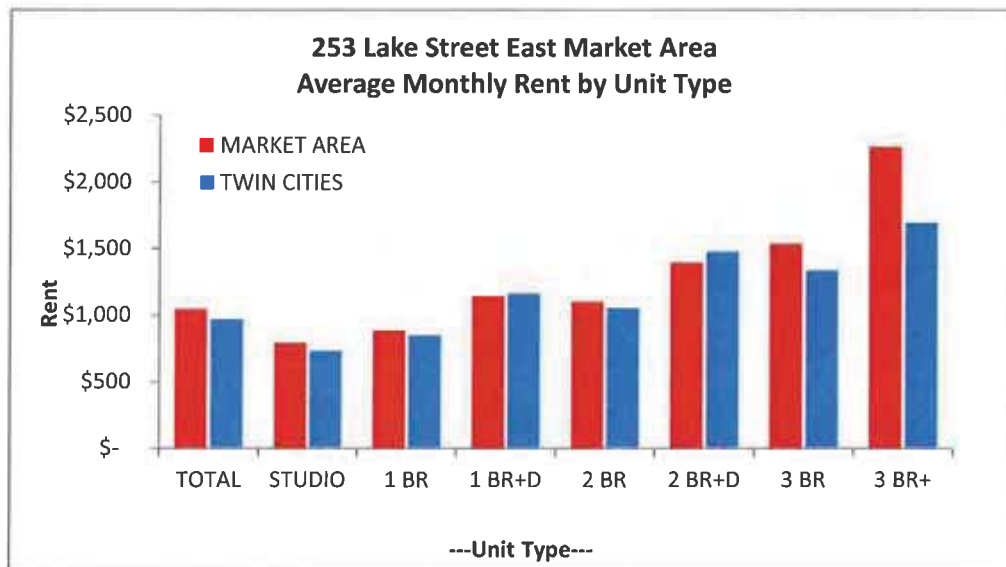
- The equilibrium vacancy rate for rental housing is considered to be 5.0%. This allows for normal turnover and an adequate supply of alternatives for prospective renters. During the first quarter of 2013, the vacancy rate was 2.9% in the Twin Cities Metro Area and 3.4% across the PMA submarkets. In effect, the overall supply of rental housing in the Market Area is below the level adequate to meet demand.



- As illustrated in the preceding chart, the larger unit types typically had higher vacancy rates in the first quarter of 2013. In the Market Area, two-bedroom plus den units were 5.3% vacant, while two-bedroom units were 3.8% vacant, and three-bedroom units had a 3.5% vacancy rate. Across the Metro Area, two-bedroom plus den units were 4.3% vacant, while units with more than three bedrooms were 3.8% vacant, and three-bedroom units had a 3.1% vacancy rate.

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- Studio units had a vacancy rate of 2.0% in the Market Area, while one-bedroom units were 3.0% vacant and one-bedroom plus den units were 3.3% vacant.
- Within the Market Area submarkets, Plymouth has the highest vacancy rate at 4.1%. Wayzata/Mound is the tightest submarket with a 2.6% vacancy rate, followed closely by Minnetonka at 2.7% vacant and Excelsior/Spring Park with a 2.8% vacancy rate.
- Total vacancy in the Market Area declined -0.3 percentage points over the past year, from 3.7% in the first quarter of 2012 to 3.4% in 2013. Except for one-bedroom plus den and two-bedroom units, all other unit types experienced declining vacancy over the year.
- Vacancy in Wayzata/Mound declined -3.1% over the year to 2.6% in the first quarter of 2013, while Minnetonka experienced a -0.9% decline in vacancy. The Excelsior/Spring Park and Plymouth submarkets both experienced modest vacancy increases over the year, rising +0.8% and +0.3%, respectively.
- Average monthly rents increased +3.3% over the year to \$966 across the Metro Area, and the Market Area experienced a +2.0% increase in monthly rents over the year to \$1,042.
- At \$1,042, the average monthly rent in the Market Area is 7.9% higher than the Twin Cities average. Within the Market Area, average rental rates range from \$781 in Excelsior/Spring Park to \$1,130 in Plymouth. Average rents are \$828 per month in Wayzata/Mound after increasing +6.1% over the year. Excelsior/Spring Park and Wayzata/Mound have relatively low rents because all products surveyed were built in the 1980s or earlier. Most apartment buildings in these submarkets were built in the 1960s and 1970s.



- The following chart illustrates how the general-occupancy apartment market is recovering after struggling with rapidly rising vacancy rates between the fourth quarter of 2007 and the fourth quarter of 2009.



- The recent market tightening can be attributed to a group of foreclosed homeowners that entered the rental market and traditional renters, who are potential home-owners, staying in the rental market longer due to the uncertainty of housing prices and lifestyle preferences.
- According to the Marquette Advisors, 2010 was a record year, with metro absorption totaling more than 6,400 units. A total of 2,320 units was absorbed in 2011, and another 1,217 units were absorbed in 2012. This slower absorption can be attributed, in large part, to the tight inventory.
- As apartment market fundamentals have improved significantly over the past two years, development activity is gaining steam. Apartment development is at a ten-year high in the Twin Cities, with numerous projects either under construction or in the development pipeline. Maxfield Research is tracking over 5,000 units that are under construction with approximately 3,000 units expected to come online in 2013.
- Most of this new construction is located in Downtown Minneapolis and Uptown Minneapolis. Completion of these new units will likely generate an increase in vacancy in Minneapolis as the number of units being delivered will outpace absorption. The volume of development in the Market Area is much lower, so new development is not expected to have a significant impact on vacancy rates in Wayzata and the surrounding communities in the near term.

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TABLE 9 AVERAGE RENTS/VACANCIES TRENDS 253 LAKE STREET EAST MARKET AREA First Quarter 2012 to First Quarter 2013									
		Total	Studio	1 BR w/ Den	2 BR w/ Den	3 BR	3 BR/D or 4BR	Average Increase	
WAYZATA/MOUND									
Q1/2012	Units	503	--	251	--	241	--	11	--
	No. Vacant	29	--	17	--	12	--	0	--
	Avg. Rent	\$781	--	\$718	--	\$829	--	\$1,284	1.1%
	Vacancy	5.8%	--	6.8%	--	5.0%	--	0.0%	1.4%
Q1/2013	Units	503	--	251	--	241	--	11	--
	No. Vacant	13	--	7	--	6	--	0	--
	Avg. Rent	\$828	--	\$737	--	\$909	--	\$1,284	6.1%
	Vacancy	2.6%	--	2.8%	--	2.5%	--	0.0%	-3.1%
EXCELSIOR/SPRING PARK									
Q1/2012	Units	847	17	432	--	398	--	--	--
	No. Vacant	17	2	9	--	6	--	--	--
	Avg. Rent	\$800	\$627	\$735	--	\$871	--	--	0.7%
	Vacancy	2.0%	11.8%	2.1%	--	1.5%	--	--	-0.1%
Q1/2013	Units	811	13	402	--	396	--	--	--
	No. Vacant	23	1	9	--	13	--	--	--
	Avg. Rent	\$781	\$641	\$713	--	\$846	--	--	-2.4%
	Vacancy	2.8%	7.7%	2.2%	--	3.3%	--	--	0.8%
MINNETONKA									
Q1/2012	Units	2,841	58	893	122	1,432	90	228	18
	No. Vacant	102	3	19	2	46	5	24	3
	Avg. Rent	\$1,126	\$806	\$911	\$1,159	\$1,165	\$1,468	\$1,558	\$2,241
	Vacancy	3.6%	5.2%	2.1%	1.6%	3.2%	5.6%	10.5%	16.7%
Q1/2013	Units	3,307	64	1,221	177	1,515	96	216	18
	No. Vacant	90	2	31	7	41	1	8	0
	Avg. Rent	\$1,130	\$864	\$950	\$1,219	\$1,169	\$1,484	\$1,633	\$2,262
	Vacancy	2.7%	3.1%	2.5%	4.0%	2.7%	1.0%	3.7%	0.0%
PLYMOUTH									
Q1/2012	Units	4,280	107	1,440	166	2,128	87	352	--
	No. Vacant	165	4	62	5	79	7	8	--
	Avg. Rent	\$1,026	\$711	\$867	\$1,042	\$1,082	\$1,275	\$1,367	--
	Vacancy	3.9%	3.7%	4.3%	3.0%	3.7%	8.0%	2.3%	--
Q1/2013	Units	4,603	128	1,713	218	2,207	111	226	--
	No. Vacant	189	1	60	6	104	10	8	--
	Avg. Rent	\$1,049	\$767	\$903	\$1,081	\$1,120	\$1,316	\$1,454	--
	Vacancy	4.1%	0.8%	3.5%	2.8%	4.7%	9.0%	3.5%	--
TWIN CITIES METRO AREA									
Q1/2012	Units	108,820	5,127	47,333	1,985	46,893	1,109	6,069	304
	No. Vacant	3,072	135	1,255	52	1,367	39	204	20
	Avg. Rent	\$935	\$687	\$812	\$1,121	\$1,015	\$1,445	\$1,294	\$1,633
	Vacancy	2.8%	2.6%	2.7%	2.6%	2.9%	3.5%	3.4%	6.6%
Q1/2013	Units	112,383	5,320	49,307	2,291	48,092	1,071	5,990	312
	No. Vacant	3,091	147	1,208	68	1,426	46	184	12
	Avg. Rent	\$966	\$727	\$843	\$1,159	\$1,048	\$1,474	\$1,332	\$1,692
	Vacancy	2.8%	2.8%	2.4%	3.0%	3.0%	4.3%	3.1%	3.8%
Sources: GVA Marquette Advisors; Maxfield Research Inc.									

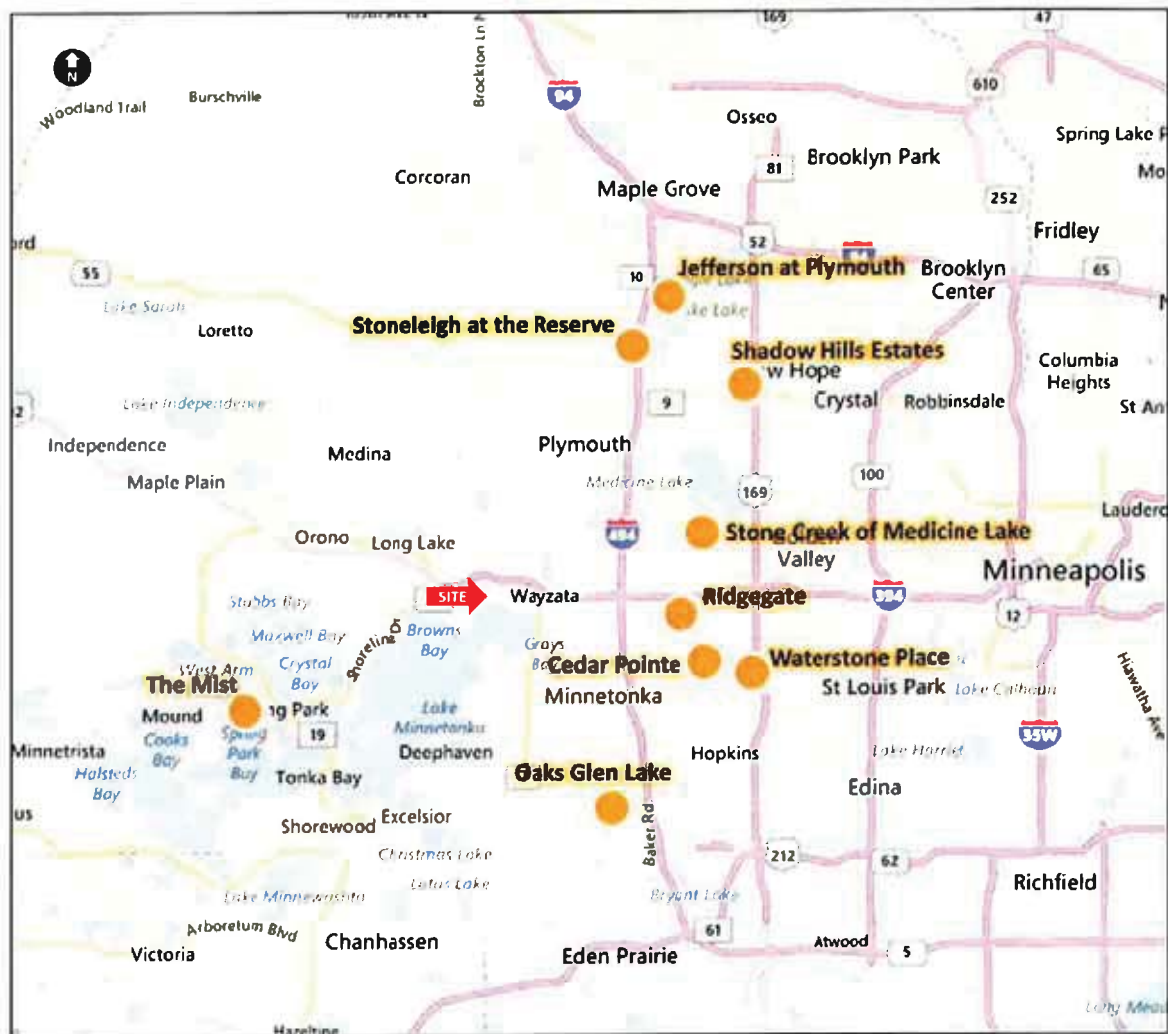
MAXFIELD RESEARCH INC.

Selected Market Rate Developments

Maxfield Research Inc. compiled detailed information for market rate developments that would compete either directly or indirectly with a general occupancy apartment project on the proposed Site.

Information on the competitive properties is presented in Table 10. The rents shown represent quoted rental rates and have not been adjusted to reflect the inclusion or exclusion of utilities. Most new rental properties (post 2000) require the tenant to pay most, if not all, of the utilities.

Competitive Properties Location Map



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TABLE 10 COMPETITIVE MARKET RATE RENTAL PROJECTS 253 LAKE STREET EAST MARKET AREA May 2013											
Project Name/Location	Occp. Date	No. of Units	Total Vacant	Unit Description				Monthly Rent		Rent/sq. ft.	
				Type	No.	Vac.	Size	Min	Max	Min	Max
The Mist 4201 Sunset Dr Spring Park, MN	2007	101	1	1BR	54	0	973 - 1,302	\$1,350 - \$1,925		\$1.39 - \$1.48	
			vacancy rate: 1.0%	2BR	47	1	1,523 - 1,999	\$1,975 - \$2,750		\$1.30 - \$1.38	
Notes: Dishwasher, Central AC, Washer/Dryer Hook Up, Patio/Deck/Balcony, Fireplace, Granite Countertops, On-site Management, Meeting Room, Fitness Center, Lake, Conference Room, 10 ft. Ceilings, Hardwood Floors. Converted to rental apartments from condominium.											
RidgeGate Apartments 1919 YMCA Ln Minnetonka, MN	2004	60	--	1BR	30	--	783 - 896	\$1,195 - \$1,400		\$1.53 - \$1.56	
			vacancy rate: NA	2BR	30	--	1,121 - 1,263	\$1,820 - \$1,925		\$1.52 - \$1.62	
Notes: Attached Garages, Covered Parking, Extra Storage Elevators, Controlled Access, Health Club, Cable Television, Maid Service, In-Unit Washer/Dryer											
Oaks Glen Lake Apartments 14414 Stewart Ln Minnetonka, MN	2008	52	0	STUDIO	8	0	535 - 550	\$895 - \$915		\$1.66 - \$1.67	
			vacancy rate: 0.0%	1BR	25	0	810 - 1,065	\$1,145 - \$1,450		\$1.36 - \$1.41	
				2BR	19	0	1,140 - 1,330	\$1,495 - \$1,795		\$1.31 - \$1.35	
Notes: 9' ceilings, washer/dryer in all units, underground heated parking for \$50/month, balcony/patios, trash pickup included, extra storage											
Cedar Pointe Rental Townhomes 11229 Cedar Pointe Dr Minnetonka, MN	1997	152	1	1BR	32	0	1,078 - 1,246	\$1,139 - \$1,321		\$1.06 - \$1.06	
			vacancy rate: 0.7%	2BR	32	0	1,327 - 1,607	\$1,550 - \$1,925		\$1.17 - \$1.20	
				3BR	76	1	1,537 - 1,702	\$1,695 - \$1,995		\$1.10 - \$1.17	
				4BR	12	0	2,221 - 2,407	\$2,395 - \$2,575		\$1.07 - \$1.08	
Notes: Remodeled in 2010. Each townhome has in-unit washer and dryer, large kitchens, screened porch, vaulted ceilings and attached garage parking											
Waterstone Place 9700 Waterstone Pl Minnetonka, MN	2003	164	1	STUDIO	3	0	582 - 582	\$945 - \$1,025		\$1.62 - \$1.76	
			vacancy rate: 0.6%	1BR	56	0	754 - 906	\$1,075 - \$1,325		\$1.43 - \$1.46	
				2BR	105	1	1,032 - 1,345	\$1,375 - \$1,695		\$1.26 - \$1.33	
Notes: Units have either a patio or balcony, washer and dryer, 9-foot ceilings, granite countertops. Community has Club Room, Free WiFi, fitness center, one underground parking space included, and guest suite. Additional garage stall available for \$50/month.											
Stone Creek of Medicine Lake 1020 W Medicine Lake Dr Plymouth, MN	2004	96	1	1BR	30	0	794 - 1,107	\$1,100 - \$1,415		\$1.28 - \$1.39	
			vacancy rate: 1.0%	2BR	51	0	1,106 - 1,536	\$1,250 - \$2,050		\$1.13 - \$1.33	
				3BR	15	1	1,355 - 1,644	\$1,600 - \$1,950		\$1.18 - \$1.19	
Notes: Market rate and 34 low income units; Outdoor hot tub with heated deck; Fitness center; Community room; Playground; In-unit washer/dryer. Underground heated parking included in rent; additional space for \$75/month.											
Stoneleigh at the Reserve 5200 Annapolis Lane N Plymouth, MN	2002	361	5	STUDIO	21	0	530 - 530	\$922 - \$952		\$1.74 - \$1.80	
			vacancy rate: 1.4%	1BR	229	2	720 - 1,046	\$992 - \$1,337		\$1.28 - \$1.38	
				2BR	111	3	1,092 - 1,376	\$1,207 - \$1,386		\$1.01 - \$1.11	
Notes: Cyber Lounges with Wi-Fi Access, Outdoor Pool with Sundeck, Fitness Center, Recreation Area, Indoor Racquetball Court and Basketball Court, Business Center, Heated Garage Parking, Full-Size Washer/Dryer, 9' Ceilings, Walk-In Closets											
Jefferson at Plymouth 6110 Quinwood Lane N Plymouth, MN	2002	300	3	1BR	125	2	677 - 800	\$903 - \$1,590		\$1.33 - \$1.99	
			vacancy rate: 1.0%	2BR	135	1	990 - 1,187	\$1,231 - \$2,261		\$1.24 - \$1.90	
				3BR	40	0	1,417 - 1,417	\$1,637 - \$2,366		\$1.16 - \$1.67	
Notes: Business Center, Controlled Access, Clubhouse, Media Room, Fitness Center, Playground, Resort-style Pool, 9' Ceilings, Patio/Balcony, Washer/Dryer, Gas Fireplace. Underground heated parking space included in rent.											
Shadow Hills Estates 4540 Nathan Lane N Plymouth, MN	2002	322	6	1BR	137	1	739 - 957	\$965 - \$1,135		\$1.19 - \$1.31	
			vacancy rate: 1.9%	2BR	182	5	1,069 - 1,477	\$1,145 - \$1,430		\$0.97 - \$1.07	
				3BR	3	0	1,525 - 1,525	\$1,545 - \$1,575		\$1.01 - \$1.03	
Notes: Business Center, Controlled Access, Fitness Center, Movie Library, Outdoor Pool, Party Room, Walking Trail. Underground parking stall included in rent.											
Total		1,608	18	1.1% vacant							
Source: Maxfield Research Inc.											

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Attachment A-1

The developments selected for the survey represent newer rental properties that would likely have characteristics similar to a development at the subject property. The per square foot average rents presented reflect a weighted average based on the number of units in each development. Therefore, developments with a larger number of units of any one type contribute more toward the average than those with only a few units of a specific type. The rents shown represent quoted rents and have not been adjusted to reflect the inclusion or exclusion of utilities at this time.

Table 11 and the points that follow summarize key observations for the selected general occupancy market rate rental developments.

TABLE 11 UNIT TYPE SUMMARY SELECTED GENERAL OCCUPANCY RENTAL DEVELOPMENTS May 2013						
Unit Type	Total Units	% of Total	Avg. Size	Monthly Rents		
				Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	32	2%	538	\$895 - \$1,025	\$934	\$1.74
1BR	718	45%	882	\$903 - \$1,925	\$1,212	\$1.39
2BR	712	44%	1,259	\$1,145 - \$2,750	\$1,564	\$1.25
3BR	134	8%	1,544	\$1,545 - \$2,366	\$1,878	\$1.22
4BR	12	1%	2,314	\$2,395 - \$2,575	\$2,485	\$1.07
Total:	1,608	100%	1,108	\$895 - \$2,750	\$1,427	\$1.32
Source: Maxfield Research Inc.						

- A total of 1,608 units is represented among nine developments located in the PMA. Of these, Oaks Glen Lake Apartments is the newest project, opening in 2008. This project contains a total of 52 units and is fully-occupied.
- There is a limited supply of new apartments within the PMA, and most of these projects are located several miles from the Site and east of I-494 in Minnetonka and Plymouth.
- Maxfield Research obtained current vacancy information on eight of these nine projects. A leasing representative from Ridgeway Apartments stated that they do not participate in market surveys. These eight projects contain a total of 1,548 units, 18 of which are vacant, representing a 1.1% vacancy rate. Two-bedroom units have the highest vacancy rate at 1.6% (11 vacant units), followed by three-bedroom units which are 1.5% vacant (two vacancies). One-bedroom units are currently 0.7% vacant (five vacant units). All other unit types are fully occupied.
- Monthly rental rates range from a low of \$895 for studio units at Oaks Glen Lake Apartments to a high of \$2,750 for a two-bedroom unit at The Mist in Spring Park. The average monthly rent at these projects is \$1,427 which equates to \$1.32 per square foot.

- The following list identifies the average per square foot rent for these properties along with their year built:

– The Mist (2007)	\$1.39 per square foot
– Ridgeway Apartments (2004)	\$1.56 per square foot
– Oaks Glen Lake Apartments (2008)	\$1.41 per square foot
– Cedar Pointe Rental Townhomes (1997)	\$1.13 per square foot
– Waterstone Place (2003)	\$1.35 per square foot
– Stone Creek of Medicine Lake (2004)	\$1.26 per square foot
– Stoneleigh at the Reserve (2002)	\$1.26 per square foot
– Jefferson at Plymouth (2002)	\$1.61 per square foot
– Shadow Hills Estates (2002)	\$1.11 per square foot

- Per square foot rents for these properties range from a low of \$0.97 per square foot for a two-bedroom unit at Shadow Hills Estates to a high of \$1.99 for a one-bedroom unit in Jefferson at Plymouth.
- Monthly rents among these projects average \$934 for studio units, \$1,212 for one-bedroom units, \$1,564 for two-bedroom units, \$1,878 for three-bedroom units, and \$2,485 for four-bedroom units.
- Nearly half (45%) of all units in the competitive set are one-bedroom units and 44% are two-bedroom units. Three-bedroom units represent 8% of the units, while 2% are studio units and 1% are four-bedroom units. The only four-bedroom units are located at Cedar Pointe rental townhomes.
- These properties are typically offering residents contemporary features and amenities such as:
 - Nine foot ceilings, walk-in closets, in-unit laundry, fireplaces;
 - Patios, porches, or balconies;
 - Full kitchen appliance packages, granite counters and center kitchen islands depending on the size of the unit;
 - Fitness center, outdoor living/entertainment options, community room;
 - One underground/covered parking space included in the rent.

Market Rate Developments in Wayzata

Maxfield Research Inc. compiled information for market rate developments in Wayzata that would compete either directly or indirectly (due to their age) with a general occupancy apartment project on the proposed Site.

Information on the competitive properties is presented in Table 12. The rents shown represent quoted rental rates and have not been adjusted to reflect the inclusion or exclusion of utilities.

Wayzata Properties Location Map



Attachment A-1

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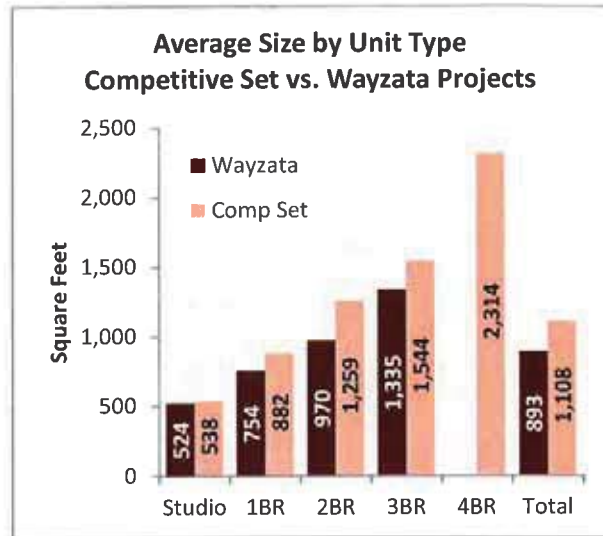
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TABLE 12 COMPETITIVE MARKET RATE RENTAL PROJECTS DOWNTOWN WAYZATA May 2013								
Project Name/Location	Occp. Date	No. of Units	Unit Description		Monthly Rent		Rent/sq. ft.	
			Type	Size	Min	Max	Min	Max
Wayzata Lake Apartments 111 Grand Avenue Wayzata, MN	1964	108	STUDIO	500 - 500	\$710 - \$735		\$1.42 - \$1.47	
			1BR	600 - 800	\$745 - \$775		\$1.24 - \$0.97	
			2BR	800 - 1,130	\$825 - \$1,500		\$1.03 - \$1.33	
Notes: Playground, attached and detached garages, air conditioning, hardwood floors, walk-in closets, elevator, extra storage, community laundry room								
Highland Apartments 150 East Wayzata Blvd Wayzata, MN	1960	30	STUDIO	600 - 625	\$615 - \$625		\$1.03 - \$1.00	
			1BR	750 - 775	\$695 - \$725		\$0.93 - \$0.94	
			2BR	900 - 950	\$795 - \$825		\$0.88 - \$0.87	
Notes: Air conditioning, full kitchen appliance package, utilities included, community laundry room, playground								
Wayzata Terrace Apartments 100 South Circle A Drive Wayzata, MN	1963	36	1BR	800 - 850	\$685 - \$745		\$0.86 - \$0.88	
			2BR	950 - 1,000	\$795 - \$845		\$0.84 - \$0.85	
Notes: Air conditioning, full kitchen appliance package, utilities included, balcony, community laundry room								
Highcroft Manor 101 Peavey Lane Wayzata, MN	1963	42	1BR	650 - 650	\$775 - \$825		\$1.19 - \$1.27	
Notes: Outdoor pool, covered parking, community laundry room, hardwood floors, full kitchen appliance package								
Glenbrook 101 North Glenbrook Rd Wayzata, MN	1970	12	1BR	840 - 840	\$775 - \$850		\$0.92 - \$1.01	
			2BR	1,000 - 1,000	\$900 - \$1,010		\$0.90 - \$1.01	
Notes: Full kitchen appliance package, detached garage available, community laundry room, extra storage available								
Wayzata Woods 240 Central Ave N Wayzata, MN	1965	108	1BR	790 - 790	\$790 - \$800		\$1.00 - \$1.01	
			2BR	1,035 - 1,035	\$890 - \$900		\$0.86 - \$0.87	
			3BR	1,325 - 1,325	\$1,250 - \$1,300		\$0.94 - \$0.98	
Notes: Water and trash removal included, underground heated parking, outdoor pool, picnic area, new fitness center, full kitchen appliance package								
Underhill Apartments 725 E Wayzata Blvd Wayzata, MN	1965	10	1BR	650 - 700	\$670 - \$670		\$1.03 - \$0.96	
Gleason Lake 155 Gleason Lake Rd Wayzata, MN	1973	77	1BR	795 - 795	\$900 - \$1,030		\$1.13 - \$1.30	
			2BR	895 - 895	\$1,430 - \$1,440		\$1.60 - \$1.61	
			3BR	1,350 - 1,350	\$1,670 - \$1,690		\$1.24 - \$1.25	
Notes: Full kitchen appliance package, all utilities included, heated underground parking, extra storage available, fitness center, on Gleason Lake, fishing boat and canoe, walk-in closets, balcony/patio, grill								
Total		423						
Source: Maxfield Research Inc.								

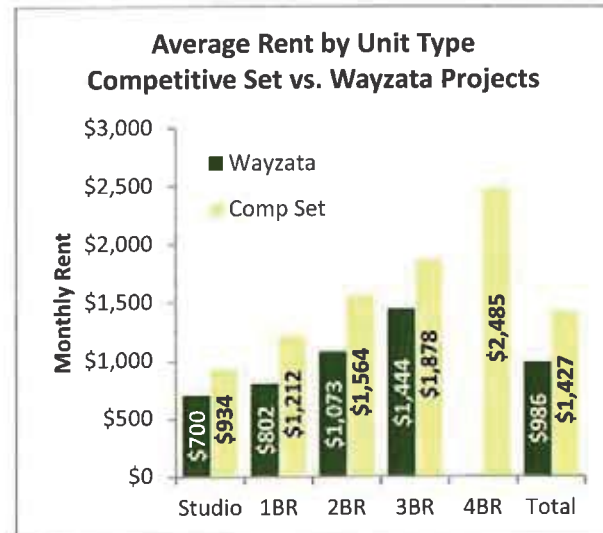
The following points summarize key observations for the selected general occupancy market rate rental developments in Wayzata compared to the rental properties in the competitive set.

- In general, the properties located in Wayzata are older (all were built in the 1960s or early 1970s), smaller, and have lower rental rates than the competitive set of newer properties.

- As illustrated in the adjacent graph, the average unit size in the Wayzata properties is roughly -19% smaller than the competitive set (893 square feet compared to 1,108 square feet).
- Comparing the sizes of apartments in Wayzata to the competitive set, it appears that studio units are relatively close in size. However, on average, one-bedroom units are -14% smaller in Wayzata while two-bedroom units are -23% smaller and three-bedroom units are -13% smaller.



- The average monthly rent in Wayzata is roughly -31% below the average rent in the competitive set of properties (\$986 compared to \$1,427).
- Studio units have an average rent that is -25% lower in Wayzata than in the newer competitive properties, while one-bedroom unit rents are -34% lower. Two-bedroom units in Wayzata have monthly rents that are -31% lower than the competitive set while three-bedroom unit rents are -23% lower.



- On a per square foot basis, the average rent in the Wayzata properties is \$1.10, compared to \$1.32 in the competitive set. Studio units rent for \$1.34 per square foot in Wayzata, while one-bedroom unit rents are \$1.06 per square foot. Two-bedroom and three-bedroom units have per square foot rents of \$1.11 and \$1.08, respectively.

For-Sale Rentals

In addition to the competitive apartment properties identified previously, Maxfield Research Inc. compiled information on for-sale single-family, condominium, and townhome units currently listed for rent that would compete indirectly with a general-occupancy apartment project on the proposed Site. The units selected for the survey are currently listed as available for rent and are located in Wayzata or one of the nearby communities surrounding Lake Minnetonka.

Table 13 on the next page presents a summary of the identified for-sale rental units in the area surrounding the subject property. Information for these properties was gathered from various sources, including Craigslist, Zillow, and Trulia.

The following points summarize key findings.

- There appears to be a limited supply of one-bedroom rental homes in the area, as only one property was identified; a 550 square foot single-family home located just south of Grays Bay in Minnetonka. The monthly rent for this property is \$625.
- Two-bedroom units average 1,460 square feet in size with an average monthly rent of \$1,886. On a per square foot basis, the average rent in these units is \$1.29, similar to the average in the competitive set of apartment properties. However, the quoted rent for the condominium at 360 Central Avenue in Wayzata is \$2.50 per square foot, significantly higher than any other property in the Market Area. Excluding this property brings the average two-bedroom rent down to \$1.10 per square foot, roughly 13% lower than the competitive set.
- Seven three-bedroom units were surveyed with an average size of 2,354 square feet. The average rental rate is \$2,742 per month, with a range of \$1,595 for single-family homes in Long Lake and Mound to a high of \$4,160 for a condominium in Spring Park. With an average rate of \$1.16 per square foot, these units have a per square foot price that is roughly 5% lower than three-bedroom units in the competitive set.
- While the number of units with four bedrooms or more is limited in the competitive set, there are a number of for-sale rental properties with four or more bedrooms. These properties average 3,788 square feet in size with a monthly rent of \$3,924. The average size of just the four-bedroom units is 2,955 square feet, well-above the sizes available in the Cedar Pointe Rental Townhomes.
- On a per square foot basis, pricing for the competitive set of traditional rental apartments is higher than pricing for the for-sale units that are currently being offered for rent, although the total monthly rent is often higher in the for-sale rentals as they are larger in size.

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- Many of the for-sale units offer prospects higher quality features and amenities; however, many of these properties lack professional management. A majority of renters look for increased convenience when leasing their residence and maintenance response times is important.

TABLE 13 FOR-SALE RENTAL UNITS WAYZATA AND SURROUNDING AREA May 2013						
Project Name/Location	City	Type	BR	Size	Rent	Rent/SF
2912 Bay St	Minnetonka	SFD	1BR	550	\$625	\$1.14
1BR Average:				550	\$625	\$1.14
205 Barry Ave S	Wayzata	Condo	2BR	1,020	\$925	\$0.91
360 Central Ave S	Wayzata	Condo	2BR	1,200	\$3,000	\$2.50
5420 3 Points Blvd	Mound	Condo	2BR	968	\$995	\$1.03
4100 Shoreline Dr	Spring Park	Condo	2BR	2,932	\$3,400	\$1.16
4368 W Arm Rd	Spring Park	SFD	2BR	1,489	\$2,000	\$1.34
338 Lakeview Ave	Long Lake	TH	2BR	1,150	\$995	\$0.87
2BR Average:				1,460	\$1,886	\$1.29
4201 Sunset Dr	Spring Park	Condo	3BR	3,716	\$4,160	\$1.12
Benton Ave	Wayzata	SFD	3BR	2,500	\$2,650	\$1.06
2088 Orchard Ln	Long Lake	SFD	3BR	1,365	\$1,595	\$1.17
6101 Lynwood Blvd	Mound	SFD	3BR	2,000	\$1,595	\$0.80
4869 Bartlett Blvd	Mound	SFD	3BR	1,292	\$2,800	\$2.17
2101 Noble Ln	Mound	SFD	3BR	2,932	\$3,400	\$1.16
17436 Sanctuary Dr	Wayzata	TH	3BR	2,672	\$2,995	\$1.12
3BR Average:				2,354	\$2,742	\$1.16
3545 Ivy Pl	Wayzata	SFD	6BR	4,345	\$3,900	\$0.90
472 Medina Rd	Wayzata	SFD	5BR	7,862	\$6,500	\$0.83
3001 Tonkaha Dr	Wayzata	SFD	5BR	3,400	\$4,995	\$1.47
25360 Birch Bluff Rd	Excelsior	SFD	5BR	2,880	\$3,495	\$1.21
3155 Casco Cir	Wayzata	SFD	4BR	3,895	\$3,950	\$1.01
311 Ranchview Ln S	Wayzata	SFD	4BR	2,914	\$2,750	\$0.94
4460 Enchanted Dr	Mound	SFD	4BR	2,510	\$3,000	\$1.20
4755 N Shore Dr	Mound	SFD	4BR	2,500	\$2,800	\$1.12
4+BR Average:				3,788	\$3,924	\$1.04
Notes: TH = Townhome; SFD = Single Family Detached						
Source: Maxfield Research, Inc.						

Pending Rental Developments

Maxfield Research interviewed planning staff in the Primary Market Area to identify any new rental developments that are proposed, planned or under construction that may be competitive with a development on the subject property. Table 14 lists pending general occupancy market rate apartment developments in the PMA with their locations, number of units, and name of developer, if known.

There are four apartment projects planned or under construction throughout the PMA with 339 total units, 223 of which will be market rate and the remaining 116 will be affordable.

TABLE 14 PENDING GENERAL-OCCUPANCY RENTAL DEVELOPMENTS PRIMARY MARKET AREA May 2013					
Project Name		Number		Developer/Applicant	Current Status
Location	City	of Units	Units		
Sunset Ridge Apartments 12708/12720 Wayzata Blvd	Minnetonka	64	12	Duffy Development	Under Construction
West Block Luxury Rentals Lake Street & Superior Blvd	Wayzata	25	25	Wayzata Bay Center Redevelopment Co. LLC	Approved
Highway 55 & 169 Apartments SW corner of Hwys 55 and 169	Plymouth	157	93	Quest Development	Approved
Tonka on the Creek Hwy 169 & Minnetonka Blvd	Minnetonka	93	93	CPM Development	Proposed
Total		339	223		
Source: Maxfield Research Inc.					

- Sunset Ridge Apartments is a 64-unit apartment project under construction along the north side of I-394 across from Ridgedale Mall at 12780/12720 Wayzata Boulevard in Minnetonka. Construction is expected to be done by late fall of 2013. The building contains 11 one-bedroom units, 32 two-bedroom units, and 21 three-bedroom units. Fifty-two of the units will be reserved for households at or below 50 percent of Area Median Income (AMI). The remaining 12 units will be market rate. These market rate units are incorporated into our demand calculations presented in the next section.
- In Wayzata, construction on the first phase of the Promenade of Wayzata started in May 2012. This project is a redevelopment of the 14.5 acre property known as the Wayzata Bay Shopping Center. The first phase includes 254 units of senior housing (148 independent living apartments, 58 assisted living units, 18 memory care units, 30 skilled nursing units) and 32,000 square feet of retail space which will be anchored by a Lunds grocery store. Completion is expected in fall 2014. In addition, there are 25 units of general occupancy market rate luxury rental units planned as part of the West Block of this project. Construction of these rental units is expected to begin in summer 2013. BohLand

Development is also planning a 63 for-sale luxury condominium project called The Regatta. Construction could potentially start in 2013. We do not include the senior and owner-occupied units in our demand calculations, but we do incorporate the 25 general occupancy rental units.

- Quest Development has City approval to develop a five-story, 157-unit apartment building in the southwest quadrant of the Highway 169 and Highway 55 intersection in Plymouth. Of the 157 units, 93 will be market rate and the remaining 64 will be reserved for households earning 60 percent of AMI. The building's market rate units are expected to rent for between \$1.50 and \$1.70 per square foot. Timing of this project is uncertain as the developer is seeking financing. As such, we do not include these units in our demand calculations.
- Tonka on the Creek is a four-story 93-unit market rate apartment development proposed for the southwest corner of Highway 169 and Minnetonka Boulevard in Minnetonka. The concept plan for this project is expected to be reviewed by the Planning Commission on May 23, 2013. As proposed the project will contain 12 studio units, 51 one-bedroom units, 10 one-bedroom plus den units, and 20 units with two bedrooms. Because this project has not yet been approved, we do not include these units in our demand calculations.
- There are no pending apartments currently in Minnestrista, but the Woodland Cove development received preliminary plat approval for about 111 multifamily units in September 2011. These plans are conceptual and it is not known at this time whether these multifamily lots will be structured as rentals or owner-occupied, and there are no immediate plans for final plat or construction.

Demand for rental housing has increased because of more people in the rental market than would have otherwise been the case if the for-sale market had not declined. Also, population growth has occurred among the echo boom generation (20 to 34 year olds), the primary age for renters. Job growth is occurring and the Twin Cities 7-County Metro Area unemployment rate decreased to 5.1% as of March 2013 from 5.7% the previous year after employment increased by over 27,000 (+1.8%) against labor force growth of +1.1%. The ability to support a significant number of new rental units in the market will rely on the following situations:

- Prospects continuing to prefer rentals over homeownership;
- More robust job growth; and,
- Continued skepticism about the long-term appreciation of for-sale housing.

Conclusions and Recommendations

This section of the report calculates demand for market rate general occupancy rental housing in the 253 Lake Street East Primary Market Area and assesses the potential for a project on the Site to capture a portion of demand. Factors considered include site location, competitiveness of existing nearby rental properties, comparable new rental properties in the area, pending developments, demographic trends and population shifts, and the overall image and popularity of the neighborhood as a residential location.

Demand Calculations

Table 15 presents our calculation of market rate rental housing demand for the subject Site. A portion of the demand for the proposed project will be drawn from existing households in the PMA that want to upgrade their housing situations. Because of the regional draw of the neighborhood from the Metropolitan Area, the methodology also accounts for a portion of the demand drawn from outside of the Primary Market Area from households that will choose to locate in the Lake Minnetonka area. Potential demand is calculated from two categories:

1. From new household growth by age group based on the propensity of households to rent their housing in the 253 Lake Street East Market Area; and,
2. From existing households that will remain in the Market Area because new product is available and they value other area amenities including employment, entertainment and outdoor recreation.

First, we calculate potential demand from new income-qualified household growth over the next five years by age group based on the propensity of households to rent their housing in the PMA. For the purposes of our analysis, we focus on households between the ages of 18 and 64 that will account for the vast majority of rental demand at the proposed project, plus a small percentage of seniors over the age of 65. The propensity to rent or own is based on Census Bureau 2010 figures by age cohort. Next, we calculate the percentage of renters who are income-qualified for market rate rental housing. For market rate housing, household incomes must equal or exceed \$48,500 in order to afford a one-bedroom unit in the competitive rental projects in the PMA.

The second part of our analysis calculates demand from existing households, or turnover demand. Younger households tend to be highly mobile, relative to older households. The youngest households are generally unable to afford rents at the top of the market unless they receive assistance from their parents or desire a roommate. Consequently, the PMA has a high renter proportion and mobility rate. Mobility rates were identified by age group (utilizing Census data), as well as the proportion of households that may choose to remain in the area

(our knowledge of turnover and leasing at area rental properties), and were applied to the existing household base.

TABLE 15 PROJECTED DEMAND FOR MARKET RATE RENTAL HOUSING PRIMARY MARKET AREA 2013 to 2018					
Primary Market Area					
Number of Households					
	Age <25	Age 25 to 34	Age 35 to 44	Age 45 to 64	Age 65 & Over
Demand From Household Growth					
Projected Income-Qualified Household Growth 2013 - 2018 ¹	0	704	569	1,475	2,621
(times) Proportion estimated to be renting their housing ²	x 88%	56%	27%	15%	19%
(equals) Demand For Rental Housing, 2013 - 2018	= 0	394	154	221	498
Demand From Existing Households					
Number of renter households in 2013	1,569	5,555	3,101	4,864	3,126
(times) Estimated % Turnover between 2013 & 2018	x 91%	91%	74%	74%	57%
(equals) Total Existing Households Projected to Turnover	= 1,428	5,055	2,295	3,599	1,782
(times) Percent of Households Income Qualified ²	x 46%	71%	83%	83%	56%
(equals) Total Number of Income-Qualified Households	= 657	3,589	1,905	2,987	998
(times) Estimated % Desiring New Rental Housing ³	x 16%	16%	16%	16%	16%
(equals) Demand From Existing Households	= 105	574	305	478	160
Total Demand From Household Growth and Existing Households	105	968	458	699	658
Demand Summary					
Total Market Area Demand for Rental Housing in PMA	=	2,231			
(plus) Demand from outside PMA (20%) ⁴	+	558			
(equals) Potential demand for rental housing in the PMA (2013 to 2018)	=	2,789			
(minus) Pending rental units in the PMA at equilibrium	-	35			
(equals) Excess demand for rental housing in the PMA (2013 to 2018)	=	2,754			
(times) Percent capturable on Subject Property		7% - 8%			
(equals) Total Demand Capturable on Site		193 - 220			
¹ \$48,500 in 2013 for Market Rate pricing.					
² Data from U.S. Census Bureau.					
³ Source - <i>The Upscale Apartment Market: Trends and Prospects</i> . Prepared by Jack Goodman of Hartrey Advisors for the National Multi Housing Council.					
⁴ 20% of total units on Site to be captured from outside PMA.					
Source: Maxfield Research Inc.					

Together with demand from projected household growth and turnover, the total demand for PMA market rate rental housing is summarized. In the PMA, total demand for income-qualified market rate housing over the next five years is 2,231 units. An additional proportion is added for households that would move to a rental project in the PMA who currently reside outside the PMA. We estimate that 20% of the demand potential for rental housing in the PMA would be derived from outside the PMA, increasing demand to 2,789 units.

From the demand potential, we subtract pending rental developments in the PMA at market equilibrium (95% occupancy) to find the remaining excess demand in the Market Area. There is one project under construction with 12 market rate units and one approved 25-unit project that is expected to begin construction during the summer of 2013. Subtracting these units at 95% occupancy results in excess demand for 2,754 units of market rate rental housing in the Market Area between 2013 and 2018.

We estimate that a development on the subject property could capture approximately 7% to 8% of the total demand in the Market Area. This capture rate is based on the Site location and considers its potential draw from the PMA. It also accounts for the number and location of other developments that would satisfy demand. We anticipate that the subject property could support approximately 193 to 220 units of new market rate general occupancy rental housing between 2013 and 2018.

Multifamily rental housing is a bright spot in the real estate industry today; here in the Twin Cities Metro Area and nationally. The downturn in the housing market and the overall economic slowdown initially created increased demand for rental housing. With increased home buying due to the tax credit and subsequent increased unemployment, vacancy rates climbed steadily from 2007 through 2009. However, as of the 2nd Quarter 2010, vacancy rates have decreased and rental traffic has increased according to property managers and leasing personnel. As of the first quarter of 2013, the PMA apartment market vacancy rate was at 3.4% while the Twin Cities vacancy rate was 2.8%, both of which were well-below equilibrium. A vacancy rate under 5.0% indicates pent-up demand.

Apartment development is also at a 20-year high in the Twin Cities, with numerous projects either under construction or in the development pipeline. New rental properties recently completed or under construction in the Twin Cities are charging rents (on average) from \$1.35 per square foot to \$2.30 per square foot, depending on the location of the property. Most of the new rental development that has occurred or is currently being developed in the Twin Cities is located in Southwest Minneapolis, in or near Downtown Minneapolis, St. Paul, or in popular suburban communities such as St. Louis Park and Golden Valley.

The housing market crash of the Great Recession pushed the homeownership rate down, resulting in new renters into the market. Home ownership psychology remains tenuous as a number of former owners lost their homes to foreclosure or sold at a loss. Many first-time home buyers are awaiting clearer indication that the economy is recovering before deciding to purchase. If mortgage interest rates remain low and job growth continues, prospects will begin to have greater confidence. The low prices of for-sale homes are encouraging those that want to and are able to move back into the for-sale market or move into the for-sale market, especially first-time homebuyers. While rental vacancy rates remain below equilibrium as of the first quarter of 2013, vacancy could increase as several developments come online in 2013, most notably in Minneapolis. In addition, some potential renters may now be seeking homeownership as activity in the for-sale market is strengthening and interest rates are still historically low.

Strong demographics from the echo boom generation and a tough lending environment will likely generate substantial rental housing demand over the next several years. The Twin Cities Metro Area continues to see more lifestyle renters, those with busy professional lives and people who prefer to spend their free time in leisure pursuits rather than on upkeep and maintenance of a home. The strongest sources of demand for rental housing at the Site will likely be young professional singles and couples without children and middle-age professionals without children that desire the entertainment and recreation amenities provided by Lake Minnetonka and Downtown Wayzata. Older adults will also be drawn to this location.

Recommended Development Concept

Based on our assessment of market rate rental housing in the Market Area, including the occupancy rates and overall performance of comparable properties and new product, we find sufficient market support for additional market rate general occupancy rental units on the subject property. We anticipate that the subject property could support approximately 193 to 220 units of new market rate general occupancy rental housing between 2013 and 2018.

Considering that the target market for an apartment development on the Site will likely be young to mid-aged professionals, demand for units with three or more bedrooms will be limited. As such, we recommend that the project consist of only studio, one-bedroom and two-bedroom units. However, offering unit floor plans such as a one-bedroom plus den or two-bedroom plus den should be considered. These unit layouts are often popular with older adults, seniors, and those that frequently work from home as the den will generally be used as a home office or guest room. Our review of current market conditions in the Market Area suggests that pricing and sizing for new construction, rental apartments would range as shown in the following table.

TABLE 16 PRELIMINARY UNIT SIZE/MIX/RENT RECOMMENDATIONS 253 LAKE STREET EAST MARKET AREA				
Unit Type	% of Total	Average Square Feet	Average Rent Range	Rent Per Square Foot
Studio	5%	500 - 600	\$1,050 - \$1,200	\$2.10 - \$2.00
1BR	40%	800 - 1,000	\$1,400 - \$1,600	\$1.75 - \$1.60
1BR+Den	10%	1,050 - 1,200	\$1,650 - \$1,850	\$1.57 - \$1.54
2BR	40%	1,250 - 1,450	\$1,900 - \$2,100	\$1.52 - \$1.45
2BR+Den	5%	1,500 - 1,700	\$2,150 - \$2,400	\$1.43 - \$1.41
	100%			Average = \$1.64
Note: Pricing is in 2013 dollars and can be trended upward by 2.0% to occupancy.				
Source: Maxfield Research, Inc.				

Our assessment of appropriate unit sizes takes into account the likely target market for these units, competitive developments, and what we believe prospects may be willing to pay for apartment units at the Site. The average price per square foot proposed for the development is slightly above The Mist which is the newest and closest project to the subject property. Due to its location in Wayzata, we believe that rental units on the Site would likely be in higher demand and could support higher rents than The Mist because the subject property is situated in a higher profile area of Lake Minnetonka. Support for the higher price per square foot will require offering features and amenities not generally available at other properties along with thoughtful consideration of the unit and building design and layout to maximize potential views of Lake Minnetonka.

We recommend that a project offer the following unit features and common area amenities.

- Full kitchen appliance packages with center island, open floor plan, walk-in closets, in-unit washer and dryer, bike parking, and extra storage;
- Outdoor living options such as balconies, patios, grills, and recreation; and,
- Covered parking included in rent, fitness center, social lounge, business center;
- Pet-friendly and free WiFi access.
- In addition to the aforementioned features and amenities, room layouts should take advantage of Lake Minnetonka views, and some upgraded bathrooms should be incorporated into the higher-priced rooms (natural stone counters, jetted bathtubs, ceramic/porcelain tile flooring)

Preliminary Absorption Estimates

Based on current market conditions and vacancies among the existing competitive properties in the area surrounding the subject property, we estimate that a development on the subject property coming on-line in late summer or mid-fall 2014 would have approximately 20% of its units pre-leased with the remaining units leasing at a rate of between six and eight units per month.

This projected absorption rate assumes that the project would open for occupancy during the peak leasing season which begins in mid to late spring to allow for the maximum exposure to prospective renters and that an effective marketing campaign will be undertaken to generate awareness of the project. If the project comes on-line during the late fall or winter months, absorption will be slower, resulting in a slightly extended period from lease-up to stabilized occupancy.

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Berry & Co. v. Cnty. of Hennepin, 806 N.W.2d 31 (Minn., 2011)

806 N.W.2d 31
BERRY & CO., INC., Relator,
v.
COUNTY OF HENNEPIN, Respondent.
No. A11-0399.
Supreme Court of Minnesota.
Aug. 24, 2011.

[806 N.W.2d 32]

Syllabus by the Court

1. The tax court's determination that the highest and best use of the subject property was redevelopment was not erroneous.

2. The tax court's valuation of the subject property is supported in the record and not clearly erroneous.

William R. Skolnick, Amy D. Joyce, Skolnick & Shiff, P.A., Minneapolis, MN, for relator.

Michael O. Freeman, Hennepin County Attorney, Michael Bernard, Assistant County Attorney, Minneapolis, MN, for respondent.

Considered and decided by the court without oral argument. OPINION GILDEA, Chief Justice.

Following a trial, the Minnesota Tax Court determined the value for property tax purposes of relator's property in Wayzata, Minnesota. Relator, Berry and Co., Inc. ("Berry"), appeals to our court, claiming that the tax court erred in determining the highest and best use for the property and in valuing the property. We affirm.

Berry contested the 2007 and 2008 assessed values of the subject property, which is located at 253 Lake Street East, Wayzata, Minnesota. The subject property totals 53,227 square feet. There are three buildings on the subject property, but both Berry and respondent Hennepin County agree that the buildings add no value to the property. The subject property is classified under city ordinance as commercial and zoned as C-4A, Limited Central Business District.

The County assessed property taxes on the subject property based on its conclusion that the property had an estimated market value of \$2,540,000 as of January 2, 2007, and \$2,650,000 as of January 2, 2008. Berry petitioned the tax court for relief from the County's property tax assessment. At trial, Berry and the County each offered expert appraiser testimony as to the estimated market value of the property. Both appraisers used the market sales

[806 N.W.2d 33]

comparison approach to value the subject property. This approach requires the appraiser to compare "the subject property with sales of other comparable properties, adjusting for differences such as location, size and time of sale." *Carson Pirie Scott Co. (Ridgedale) v. Cnty. of Hennepin*, 576 N.W.2d 445, 447 (Minn.1998). The tax court adopted this valuation approach, and the parties agree that this is the proper approach.

Berry's expert used five comparable properties, also located in Wayzata's Limited Central Business District, in his analysis. He concluded that the highest and best use of the subject property was "interim occupancy of the existing buildings, as-is, for the near-term future. Thereafter, the subject improvements would be razed to construct new improvements...." Based on his analysis, Berry's expert valued the subject property at \$1,620,000 as of January 2, 2007, and \$1,550,000 as of January 2, 2008.

The County's expert used four comparable properties from the Lake Street Market Area¹ in his analysis. He concluded that the highest and best use of the subject property was redevelopment. Based on his analysis, the County's expert valued the subject property at

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\$3,881,000 as of January 2, 2007, and \$4,153,000 as of January 2, 2008.

The tax court determined that the highest and best use for the subject property was redevelopment. The tax court also agreed with the County's expert on the valuation question. Specifically, the court concluded that the market value for the subject property as of January 2, 2007, was \$3,881,000, and that the value as of January 2, 2008, was \$4,153,000. On appeal, Berry challenges the court's highest and best use determination and its valuation for both 2007 and 2008.

Under existing law, the tax court may sustain, reduce, or increase the amount of taxes due on a property. Minn.Stat. § 278.05, subd. 1 (2010); *see also Eden Prairie Mall, L.L.C. v. Cnty. of Hennepin*, 797 N.W.2d 186, 193 (Minn.2011) (concluding that the phrase "increase the amount of taxes due," in section 278.05, subdivision 1, refers to the County's assessment). Because of the tax court's expertise and judgment, the court has discretion to decide whether to adopt either expert's appraisal, and if so, which expert's appraisal to adopt. *See Harold Chevrolet, Inc. v. Cnty. of Hennepin*, 526 N.W.2d 54, 59 (Minn.1995) ("[T]he Tax Court brings its own expertise and judgment to the hearing, and its valuation need not be the same as that of any particular expert as long as it is within permissible limits and has meaningful and adequate evidentiary support." (quoting *Montgomery Ward & Co. v. Cnty. of Hennepin*, 482 N.W.2d 785, 791 (Minn.1992))).

Consistent with our standard of review, "[w]e will not disturb the tax court's valuation of property for tax purposes unless the tax court's decision is clearly erroneous, which means the decision is not reasonably supported by the evidence as a whole." *EOP-Nicollet Mall, L.L.C. v. Cnty. of Hennepin*, 723 N.W.2d 270, 284 (Minn.2006) (citation omitted) (internal quotation marks omitted). We consider the tax court's decision to be clearly erroneous only when we are "left with a definite and firm conviction that a mistake has been committed." *Kmart Corp. v. Cnty. of Becker*, 709 N.W.2d

238, 241 (Minn.2006) (citation omitted) (internal

[806 N.W.2d 34]

quotation marks omitted). Finally, because of the inexact nature of valuing property, we defer to the tax court's decision unless the tax court has either "clearly overvalued or undervalued the subject property, or has completely failed to explain its reasoning." *Id.* (citation omitted) (internal quotation marks omitted).

I.

We turn first to Berry's contention that the tax court erred when it determined that the highest and best use of the subject property was redevelopment. Appraisers must perform a highest and best use analysis when appraising commercial real estate. *See Am. Express Fin. Advisors, Inc. v. Cnty. of Carver*, 573 N.W.2d 651, 659 (Minn.1998). Highest and best use of property is defined as "[t]he reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value." The Appraisal Institute, *The Appraisal of Real Estate* 305 (12th ed.2001).

The tax court concluded that the highest and best use for the property was redevelopment. Berry contends that redevelopment is not the highest and best use of the subject property because zoning restrictions prevent the construction necessary for redevelopment. Specifically, Berry argues that the tax court erred in concluding that the highest and best use of the subject property was redevelopment because there was not an approved planned unit development (PUD) for the property.² Rather than redevelopment, Berry contends that the highest and best use for the property is the current use, given the property's existing zoning, which restricts buildings to two stories.

The record contains evidence that there was an approved PUD for the property in effect in

2006 and 2007 that permitted redevelopment. The PUD process began in 2004 when Berry and the adjacent property owner decided to develop their properties jointly. They submitted a PUD to the City of Wayzata to obtain approval to build a three-story building on each property. A PUD was necessary because existing zoning ordinances permitted construction of only two-story buildings with a maximum height of 30 feet. The city council adopted a resolution approving a PUD that allowed the subject property to deviate from C-4A zoning, and permitted construction of a three-story building. The city council approved the PUD subject to 15 conditions, and the mayor signed an ordinance amending the City's zoning ordinance to rezone the subject property from C-4A to a PUD district. The PUD was renewed in 2006 for one year and it expired in September 2007.

Because the PUD expired, Berry contends that the tax court's highest and best use determination was erroneous as a matter of law and not supported by evidence in the record. We disagree with both contentions.

The tax court's highest and best use determination is relevant to each year's valuation decision. With respect to the 2007 valuation, there is evidence in the record to support the tax court's conclusion that a PUD was approved for the subject property. In addition to the resolution passed by the city council and the ordinance signed by the mayor allowing for a PUD on the subject property, the two experts in this case testified that there was a PUD on the subject property during the 2007 assessment. This PUD allowed

[806 N.W.2d 35]

for a three-story building to be constructed on the subject property, and provides support for the tax court's determination that redevelopment was the highest and best use of the property.

Despite this evidence, Berry contends that there was no approved PUD for the subject property because the City placed conditions on the PUD and the approval required Berry to use

the adjacent lot as well. The record does not support Berry's contention that the conditions were so onerous as to preclude redevelopment. In addition, the fact that there were conditions placed on the PUD does not render the tax court's finding that the property could be redeveloped clearly erroneous. *See EOP-Nicollet Mall*, 723 N.W.2d at 284 (noting that a finding is clearly erroneous if it “is not reasonably supported by the evidence as a whole” (citation omitted) (internal quotation marks omitted)). Because the record reflects that there was a PUD on the subject property in 2007 that permitted redevelopment of the property, we hold that the tax court did not clearly err when it determined that the highest and best use of the subject property in 2007 was redevelopment.

With respect to the 2008 valuation, the record reflects that there was not an approved PUD for the subject property at the time of the 2008 assessment. But the tax court may consider “[e]vidence of value for uses prohibited by an ordinance” when there is “evidence showing a reasonable probability” that a planned unit development allowing for deviation from existing zoning requirements would be granted in the “near future.” *Hedberg & Sons Co. v. Cnty. of Hennepin*, 305 Minn. 80, 92, 232 N.W.2d 743, 750 (1975) (citation omitted) (internal quotation marks omitted). The tax court has discretion in determining how much weight to give this type of evidence given that a reasonable probability of a zoning change is a question of fact. *See id.* at 92–93, 232 N.W.2d at 751 (stating that “in an appropriate case the probability of future zoning modification is a factor to be considered by the trier of fact in considering the question of the market value” of the subject property).

The County presented a significant amount of uncontested evidence sufficient to demonstrate that there was a “reasonable probability” that the subject property would be granted a PUD in the “near future” that would allow for redevelopment of the property. *Hedberg*, 305 Minn. at 92, 232 N.W.2d at 750. The record reflects that the zoning ordinances in the Lake Street Market Area encouraged PUDs

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and most properties in the Lake Street Market Area are developed with PUDs. Further, the County's expert testified that, given his experience in commercial real estate and his experience with the City, he had no doubt that Berry would obtain approval from the City if it presented the City with a PUD seeking approval for a three-story building. Given this evidence, we hold that the tax court did not err when it determined that the highest and best use of the subject property in 2008 was redevelopment.

II.

We turn next to Berry's contention that the tax court erred in its valuation of the subject property. The tax court adopted the valuation provided by the County's expert. The tax court's valuation therefore has a basis in the record. But Berry argues that the tax court erred in relying on the County's expert because the County's expert failed to make appropriate adjustments to his comparable sales³ and

[806 N.W.2d 36]

failed to determine accurately the total usable square footage of the property.

Berry presented these arguments to the tax court, and the court's order addresses each one. We have carefully reviewed the record, and our review confirms that there was ample evidence to support the tax court's adoption of the valuation of the subject property provided by the County's expert. Because the tax court's

valuation of the subject property finds evidentiary support in the record, we hold that the tax court's valuation was not clearly erroneous.

Affirmed.

MEYER, J., took no part in the consideration or decision of this case.

Notes:

¹—The Lake Street Market Area is an area 3/4 of a mile long, running along the north shore of Wayzata Bay (of Lake Minnetonka), which has a mix of retail, office, and residential properties.

²—A PUD is a type of zoning ordinance that allows a zoning authority flexibility in reviewing projects with unique land-use issues. Wayzata, Minn., Code ch. 801, § 33.1 (2009)

³—Specifically, Berry argues that the County's expert (1) failed to make appropriate size adjustments, (2) failed to adjust for the shape and slope of comparable properties that had more favorable street frontage and less depth than the subject property, (3) failed to adjust for soil correction costs even though the subject property contained organic soils and potential contaminants, (4) used incorrect data for his appreciation adjustments, (5) failed to adjust for costs of razing existing buildings, and (6) failed to adjust for motivated sales.

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DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT made this 28th day of March, 1997 by and between the City of Wayzata, a municipal corporation under the laws of the State of Minnesota (hereinafter "City"), and Boatworks Development Company, Inc., a corporation under the laws of the State of Minnesota (hereinafter "Boatworks Development Company").

WITNESSETH:

WHEREAS, Boatworks Development Company has applied for and received City approval of a development project, including a PUD/CUP to amend its existing Conditional Use Permit for Marina and Restaurant Uses in C-3 Zoning District, and has applied for Variances from Shoreland and Parking Ordinances, has agreed to cross parking and pedestrian access easements between the City and Boatworks Development Company and the City has agreed to the issuance of Building Permit to renovate the existing building and construct the related site improvements all as more fully described on the Plans set forth in Section 1(B) (the "Project"); and

WHEREAS, the Planned Unit Development/Conditional Use Permit issued by the City for the Project is attached hereto as Exhibit A (the "Permit"); and

WHEREAS, Boatworks Development Company as the owner of the real property on which the Project is to be built, which property is described on the attached Exhibit A-1 (the "Property"), will be directly involved in renovation of the existing building and other specific improvements (the "Improvements") and requires the execution of this Agreement before going forward with the project; and

WHEREAS, the Property in question is adjacent to both residential and commercial zones, and

WHEREAS, The City has determined that the proposed Marina and Restaurant uses, unless limited in terms of hours, size and as more fully set forth herein, would adversely affect the health, safety, and general welfare of residents of the surrounding area and of the community as a whole, and is therefore unwilling to grant the requested approvals and variances without strict conditions and limitations; and

WHEREAS, Boatworks Development Company understands that said Conditions and limitations regarding hours, size and as set forth in this Agreement are conditions precedent to its obtaining the requested approvals and variances, and therefore Boatworks Development Company specifically requests the conditions and limitations set forth herein to protect the health, safety and welfare of the residents of the surrounding area and the community as a whole; and

WHEREAS, for the general protection of the City's interests, the City requires the execution of this Agreement regarding the construction of the Improvements associated with the

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Project as a prerequisite to its approval of Boatworks Development Company's requests set forth above; and

WHEREAS, Boatworks Development Company requires the execution of this Agreement confirming to it the conditions and limitations under which the Project can be operated before it expends the substantial sums of money which it will expend in making the Improvements and operating this Project; and

WHEREAS, The parties therefore mutually desire that their respective obligations be expressed in writing.

NOW, THEREFORE, in consideration of the mutual covenants, obligations, guarantees and undertakings contained herein, and other consideration, the parties agree as follows:

- I. Regarding various approvals, the City has:
 - A. Granted approvals as outlined in the attached Exhibit A.
 - B. Agreed to grant Boatworks Development Company the necessary and appropriate permits to renovate the building and construct the related improvements to the Property, upon proper application and payment of required fees for same. The Improvements shall be constructed in accordance with the following plans ("Plans"):

Plan A:	Site and Utility Plan
Plan B:	Grading Plan
Plan C:	Landscape Plan
Plan D:	Erosion Control Plan
Plan E:	Improvements

Reduced copies of the Plans are attached to this Contract with large scale copies of the Plans, which are or will be on file with the City, and are incorporated into this Agreement by reference. The Plans, as specified below, may be amended or prepared, subject to City approval, after entering the Agreement, but shall be filed with and must be approved by the City before issuance of building permits. If the Plans vary from the written terms of this Agreement, the written terms shall control.

- C. Notwithstanding contrary terms herein, all Project Improvements must comply with all City ordinances and such other design and construction standards as are ordinarily employed by the City staff in issuing appropriate permits. Such ordinances and standards shall control to the extent that the Plans are ambiguous or depict improvements inconsistent with such ordinances and standards.

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2. With respect to the requested approvals, Boatworks Development Company agrees that it shall be obligated to the City to construct the Improvements as follows:

- A. Improvements shall be constructed in accordance with the Plans and as specified in the Permit.
- B. The height of the building and any other improvements constructed on the Property shall not exceed thirty (30) feet.
- C. Landscaping and drainage of the Property shall be planted and/or installed in accordance with the Plans. The Plans set forth the minimum landscaping Standards for the Property and may be exceeded by Boatworks Development Company, but they may be revised only with prior written approval of the City staff.
- D. Exterior lighting for all Improvements and for the Project site shall be downward directed as represented on the Plans and as required by City ordinances.
- E. All improvements including landscaping and drainage, shall be completed by October 15, 1997, weather permitting.
- F. Boatworks Development Company consents to the City's including the Project in a tax increment finance district. Tax increments from such a district will be used to fund public development by the City.

3. Regarding the Permit, and the variances from the parking ordinance, the City has:

- A. Granted Boatworks Development Company the Permit to use the Property as a Marina and Restaurant based on the conditions set forth in the Permit.
- B. Granted Boatworks Development Company a variance from the ordinance parking requirements as set forth in the Permit.
- C. The Permit is issued specifically for the Project as described in the Plans and Permit and for no other project. Any material change, in the sole opinion of the City, in the use of structure of the Property from that described in the Plans and Permit shall obligate Boatworks Development Company or its successor in title to apply for and obtain an amendment to the conditional use permit. No assurance of such amendments is intended or implied at this time by the City.
- D. The restaurant described in the Plans may serve wine, beer, and liquor according to City licenses when and if applied for and issued by the City.

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Any bar area shall be limited to 18 seats. It is anticipated that the selected restaurant operator will be applying for a liquor license.

- E. The Permit shall be subject to amendment or cancellation by the City if Boatworks Development Company fails to comply with any conditions set forth in the Permit or if the Improvements are not completed as provided in the Plans.
- F. Boatworks Development Company may request, and the City shall be obligated to provide, a resolution certifying that the Permit is valid and is in full force and effect (an "Estoppel Certificate" or "Certificate of Compliance"), provided Boatworks Development Company continues to be in full compliance with the provisions of the Permit and this Development Agreement, and provided that the Improvements have been completed as provided herein.

4. A bond, satisfactory in form and content to City and issued by a company reasonably satisfactory to the City, or escrow or irrevocable letter of credit (from a bank and in a form reasonably satisfactory to the City) in lieu of bond, in the principal amount equal to 125% of the estimated costs of the landscape and drainage Improvements for the Project shall be deposited with City at the time of issuance of the building permit by Boatworks Development Company to insure the full, complete and faithful construction of those improvements described in the Plans. Said bond, or other security, shall be in force until all Improvements have been completed and the terms of this Agreement complied with to the reasonable satisfaction of the City. The City may draw down the payment and performance bond, or other security, with five (5) business days notice, for any violation of the terms of this Agreement, or to reimburse itself for costs incurred in performing obligations Boatworks Development Company has defaulted on, or to pay outstanding, past due costs Boatworks Development Company has incurred under this Agreement.

5. It is agreed that Boatworks Development Company shall construct, or contract to have constructed, all Improvements. The City and Boatworks Development Company agree to assign the costs for the following items as outlined below:

City cost responsibilities:

- a. Installation of new walkways around the upper/lower marina;
- b. Install new lighting around park marina;
- c. Any repair or upgrading of marina sea wall;
- d. Removal and/or replacement of the volleyball courts;

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- e. Any repair or adjustment of the height of the bridge over the marina;

Boatworks Development Company cost responsibilities:

- a. Repavement of Grove Lane and parking area including curbing;
- b. Repair irrigation system damaged by grading and parking lot construction;
- c. Construct a new beach house based on design to be approved by, City staff, and related utility services;
- d. Removal and/or relocation of landscaping;
- e. Construction of sidewalks and boardwalks;
- f. Construction of the storm water detention pond;
- g. Construction of parking lot lighting in parking area landscape median and to the east of the median.

Boatworks Development Company shall initially pay for the cost of all Improvements, except items c, d and e of city's cost responsibilities set forth above, and will submit an invoice (or other proof of cost) of Improvements to be paid for by the City; however, the City shall approve Improvements to be paid for by City prior to construction. The City shall make such reimbursement within 60 days of receipt of said invoice or proof of payment.

6. Boatworks Development Company agrees to assume maintenance responsibility and snow removal for the parking lot area and that portion of Grove Lane all as indicated on attached Exhibit B. The City will assume responsibility for maintenance and snow removal of the portion of Grove Lane north and west of the marina. Snow piles shall not be allowed to occupy parking spaces, in order to ensure that the required number of spaces are available at all times during the year.

7. Boatworks Development Company agrees and covenants to hold the City harmless of and from any and all manner of claims or liability which may be asserted against it by any person on account of any loss, damage or other matter sustained during, arising out of, or as a result of any aspect of the Project, including but limited to its planning, implementation, construction, maintenance and operation.

8. It is specifically agreed that all the Project and Improvements to the Property shall be constructed, maintained and operated in compliance with all laws, ordinances, regulations and specifications of City, Hennepin County, the State of Minnesota, and the United States of

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America, which compliance shall be determined by the City Manager, City Building Inspector, City Engineer and/or City Attorney, as applicable.

9. Failure of Boatworks Development Company to adhere to and abide by the obligations herein in a material way shall be a default. In the event such a default City shall have such following specific remedies as are applicable under the circumstances:

- A. City may exercise all of its rights and remedies previously described herein, and may exercise its rights of amendment or cancellation of the Permit as described in the Permit; and/or
- B. City, its officers, employees or authorized agents may enter upon said Property and correct the default or such part or parts thereof as shall be correctable all at the expense, of Boatworks Development Company, which shall be reimbursed to the City immediately upon request, including reasonable attorneys' fee; and/or
- C. City may restrain by injunction or other appropriate legal process a threatened default or may seek similar redress to compel correction of any existing default by the defaulting party, with Boatworks Development Company reimbursing the City for all enforcement costs, including reasonable attorneys' fees; and/or
- D. City may seek any other judicial relief as may be available and appropriate.

10. Boatworks Development Company hereby grants the City, its agents, employees, officers and contractors a license to enter the Property to perform all necessary work and/or inspections required under this Agreement.

11. Except as otherwise specified herein, Boatworks Development Company shall pay all costs incurred by it or the City in conjunction with the Project, including but not limited to Minnehaha Creek Watershed District charges, legal, planning, engineering and inspection expenses incurred in connection with approval and acceptance of the Project, the preparation of this Agreement and all costs and expenses incurred by the City in monitoring and inspecting the progress of the Project.

12. Boatworks Development Company represents to the City that to the best of its knowledge that the Project is not of "metropolitan significance" and that an environmental impact statement is not required. If the City or another governmental entity or agency determines that such a review is needed, however, Boatworks Development Company shall prepare it in compliance with legal requirements so issued from said agency. Boatworks Development Company shall reimburse the City for all expenses, including staff time and attorney's fees, that the City necessarily incurs in assistance in the preparation of the review.

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13. Only Boatworks Development Company shall have recourse against the City under this Contract.

14. Boatworks Development Company may not assign this Agreement without written consent of the City Council. This Agreement shall run with the land and may be recorded against the title to the Property. After Boatworks Development Company has completed the work required of it under this Agreement, at Boatworks Development Company's request, the City will execute and deliver to Boatworks Development Company a Certificate of Completion in recordable form evidencing performance by Boatworks Development Company of its obligations hereunder, subject to any representation or warranties which may be in effect subsequent to the date of completion. Any obligations imposed by this Agreement not certified as having been satisfied in such Certificate of Completion, and all warranties and representations of Boatworks Development Company shall remain the ongoing obligation of Boatworks Development Company and its successors and assigns.

15. Required notices to Boatworks Development Company shall be in writing, and shall be either hand delivered to Boatworks Development Company, its employees or agents, or mailed to Boatworks Development Company by certified or registered mail at the following address:

Boatworks Development Company
445 East Lake Street
Wayzata, Minnesota 55391

Notices to the City shall be in writing and shall be either hand delivered to the City Manager, or mailed to the City by registered mail in care of the City Manager at the following address:

City Manager
Wayzata City Hall
600 East Rice Street
Wayzata, Minnesota 55391

16. Boatworks Development Company shall pay a sanitary sewer and water connection charge based on the Metropolitan Council Environmental Services (MCES) SAC Units as determined by the MCES. Boatworks Development Company shall be responsible for any increase in the fees due at the time of paying the fees to the City and the MCES, and the fees may change to reflect the City and MCES rates in effect at the time the building permit is issued and the fee paid. The fees are calculated as follows, based upon existing rates:

To City:	
Water	\$1,500.00 Per Sewer Availability Charge Unit
Sanitary	
Sewer	\$350.00 Per Sewer Availability Charge Unit

Attachment A-1

To MCES:

SAC Charge \$950.00 Per Sewer Availability Charge Unit

The number of sewer availability charge units in the Project shall be determined pursuant to regulations and procedures of the MCES.

17. Erosion control measures provided by Plan D shall be immediately implemented, inspected and approved by the City. The City may impose reasonable additional erosion control requirements if they would be beneficial. All areas disturbed by the excavation and backfilling operations, with the exception of those areas to be covered by an impervious surface or built upon, shall be reseeded (weather permitting) immediately after the completion of the work in that area. Except as otherwise provided in the erosion control plan, seed shall be rye grass or other fast growing seed suitable to the existing soil to provide a temporary ground cover as rapidly as possible. All seeded areas shall be mulched and disc anchored as necessary for seed retention. The parties recognize that time is of the essence in controlling erosion. If the development does not comply with the erosion control plan and schedule or supplementary instructions received from the City, the City may cause its agents to enter the Property and take appropriate erosion control actions, at Boatworks Development Company's expense. Except in emergency situations, the City shall notify Boatworks Development Company in advance of taking any such action and shall provide Boatworks Development Company a reasonable opportunity to cure its default, not to exceed thirty (30) days. If Boatworks Development Company does not reimburse the City for any cost the City incurred for such work within thirty (30) days, the City may draw down the bond to pay any costs. No development will be allowed and no building or occupancy permits will be issued unless the development is in full compliance with the erosion control requirements.

18. Prior to issuance of any certificate of occupancy, Boatworks Development Company shall remove from the Property any excess soil, earth or debris resulting from construction work by Boatworks Development Company as directed by the City.

19. Boatworks Development Company agrees that prior to or during site redevelopment work, it shall completely remove all hazardous waste, and contaminated soil and ground water from the Property, if any, to the extent required by the Minnesota Pollution Control Agency.

20. Boatworks Development Company warrants all work required to be performed by it pursuant to this Agreement against poor material and faulty workmanship for a period of two (2) years after substantial completion is certified by Boatworks Development Company. Any repairs or replacements shall be warranted for twelve (12) months from the time of construction or installation. All trees, grass, sod or ornamentals shall be warranted to be alive, of good quality, and disease free for twenty-four (24) months after planting. Boatworks Development Company further warrants that no changes in the structure or form of the improvements to the Property shown on the Plans shall be made unless this Agreement is amended by both parties.

Attachment A-1

21. Failure of City to adhere to and abide by its obligations herein in a material way shall be a default. In such case Boatworks Development Company may enforce the terms and conditions of this Agreement by any relief or proceeding, either in law or equity, available to it, or, at its election, not proceed with the Project or the improvements.

22. Each party has carefully reviewed the terms and Conditions of this Agreement and each agrees that such terms and conditions are reasonable. It is the present intention of the City Council not to alter or amend the land use rights provided to Boatworks Development Company herein, other than through the remedy provisions of this Agreement, and the City Council further acknowledges and agrees that it will not treat these negotiated land use rights in an arbitrary or capricious fashion.

23. In the event any one or more terms of this Agreement shall be held to be void or unenforceable by any court of competent jurisdiction for any reason such clauses or paragraphs shall be deemed to be null and void so long as the effect thereof is not substantially to alter the terms of this Agreement and the respective rights of the parties to the consideration herein provided, and all other provisions of this Agreement shall remain valid and in full force and effect.

24. Any waiver by one party of a breach of this Agreement by the other party shall not be deemed to be a waiver of any subsequent breach nor any estoppel to enforce its rights for subsequent breach.

25. This Agreement shall be recorded in the appropriate Hennepin County land records by Applicant at Applicant's expense. A recorded copy shall be provided to the City.

26. This Agreement shall be governed by and construed according to the laws of the State of Minnesota; and it shall be binding upon and inure to the benefit of the administrators, executors, heirs, assigns and successors of the respective parties hereto.

27. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original and all of which shall constitute one and the same Agreement.

28. This Agreement contains the entire agreement between the parties and supersedes any prior oral or written agreements or representations.

[NEXT PAGE IS SIGNATURE PAGE]

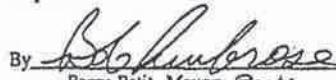
Attachment A-1

IN WITNESS WHEREOF, the parties hereto have caused the foregoing Development Agreement to be executed the day and year first above written.

BOATWORKS DEVELOPMENT COMPANY,
INC.

By 
Richard Born, its President

CITY OF WAYZATA, a Minnesota municipal
corporation

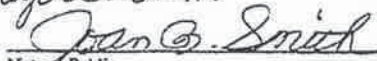
By 
Barry Petit, Mayor Pro Tem
Bob Ambrose

By 
Allan Orsen, City Manager



STATE OF MINNESOTA }
COUNTY OF Hennepin } ss.

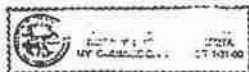
The foregoing instrument was acknowledged before me this 26 day of March, 1997, by Barry Petit and Allan Orsen, respectively the Mayor and City Manager, of City of Wayzata, a Minnesota municipal corporation, on behalf of the corporation.
Bob Ambrose, Mayor Pro Tem


Notary Public

STATE OF MINNESOTA }
COUNTY OF Hennepin } ss.



The foregoing instrument was acknowledged before me this 22nd day of January, 1997, by Richard Born the President of Boatworks Development Company, a Minnesota corporation, on behalf of the corporation.




Notary Public



Attachment A-1

This instrument drafted by:
Paul E. Kaminski
BEST & FLANAGAN
Professional Limited Liability Partnership
4000 First Bank Place
601 Second Avenue South
Minneapolis, MN 55402-4331

6:00 PM 1/1/2011 1:10 PM

Attachment A-1

CONSENT TO DEVELOPMENT AGREEMENT

First Bank National Association, a national banking association ("FBNA"), as the holder of the Amended and Restated Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement in the amount of \$9,100,000.00, dated March 28, 1997 ("Mortgage"), executed by Boatworks Development Company, Inc. ("Boatworks"), as Mortgagor, in favor of FBNA, as Mortgagee, and filed for record in the office of the County Recorder in and for Hennepin County, Minnesota on 4-15-97, as Document No. 67212c1 and filed for record in the office of the Registrar of Titles in and for said County and State on _____, as Document No. _____, hereby consents to and agrees to be subject to and bound by the terms of the foregoing Development Agreement to which this Consent is attached, however, that FBNA shall not be liable for any defaults under or be obligated to perform any of the terms of the Development Agreement until such time, if any, that FBNA acquires fee simple title to the property which is subject to the Mortgage. In addition, FBNA shall not be subject to or bound by any subsequent amendment or modification of the Development Agreement unless FBNA joins in or consents in writing to said amendment or modification.

IN WITNESS WHEREOF, First Bank National Association has caused this Consent to be executed as of the 26th day of March, 1997.

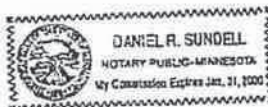
FIRST BANK NATIONAL
ASSOCIATION

By Douglas W. Benner
Douglas W. Benner
Its Vice President

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 26th day of March, 1997, by Douglas W. Benner, the Vice President of FIRST BANK NATIONAL ASSOCIATION, a national banking association, on behalf of the association.

Daniel R. Sundell
Notary Public



Attachment A-1

EXHIBIT/PLAN LIST

Exhibit A	-	PUD/CUP Permit
Exhibit A-1	-	Legal Description of Property
Plan A	-	Site and Utility Plan
Plan B	-	Grading Plan
Plan C	-	Landscape Plan
Plan D	-	Erosion Control Plan
Plan E	-	Improvements
Exhibit B	-	Maintenance/Snow Removal Area

Attachment A-1

EXHIBIT A-1 LEGAL DESCRIPTION OF PROPERTY

File No.: 10992
File Name: Minnetonka Boatworks

LEGAL DESCRIPTION

Parcel 1

Tract C, Registered Land Survey No. 959, according to the plat thereof on file and of record in the office of the Registrar of Titles, in and for Hennepin County, Minnesota.

Torrens Property
Torrens Certificate No. 836148

All that part of Lot 26, Auditor's Subdivision No. 184, described as follows:
Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning.

Abstract Property

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

Abstract Property

Parcel 2

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land begin described as follows, to wit:

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence

Attachment A-1

South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract Property

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property
Torrens Certificate No. 836149

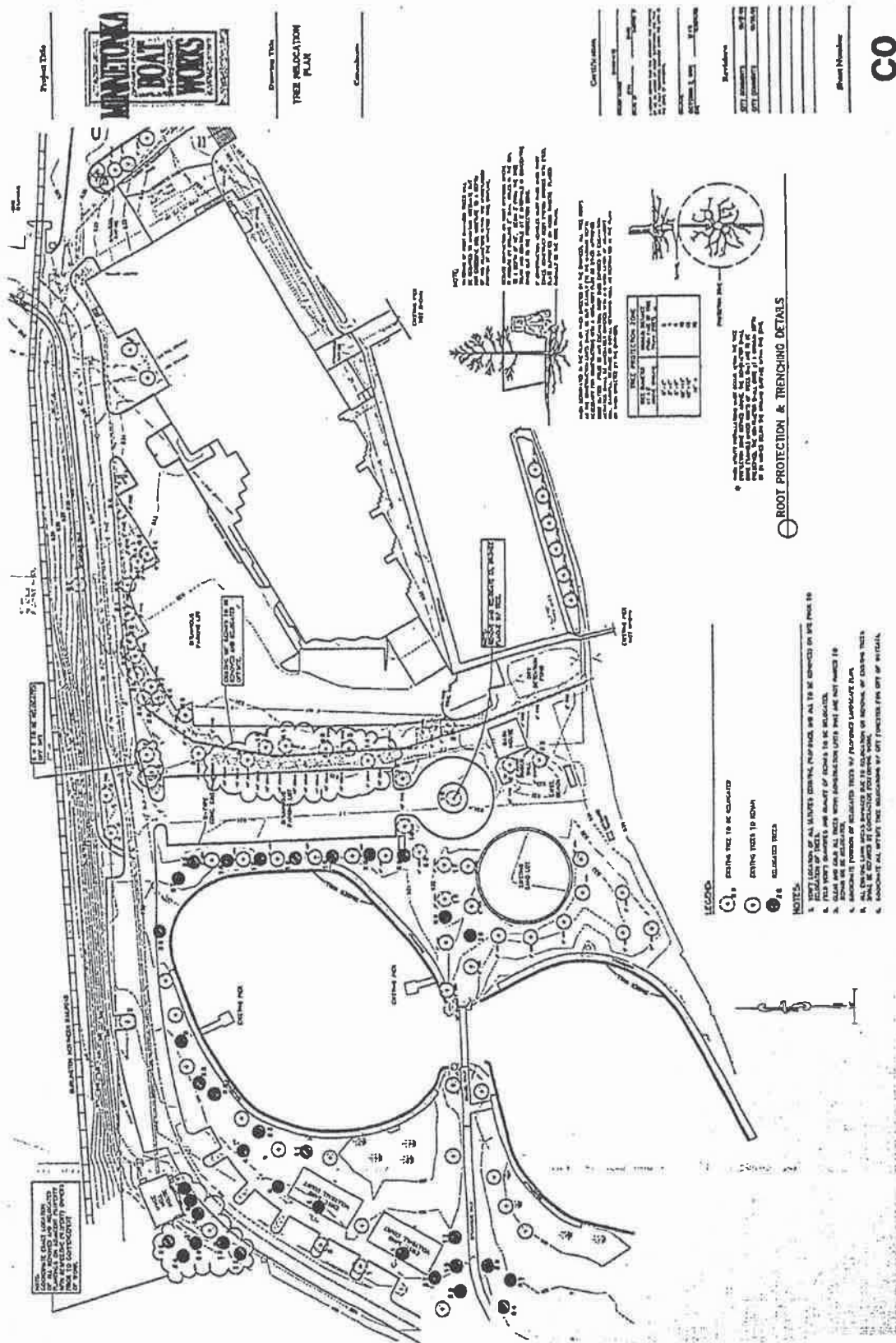
Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

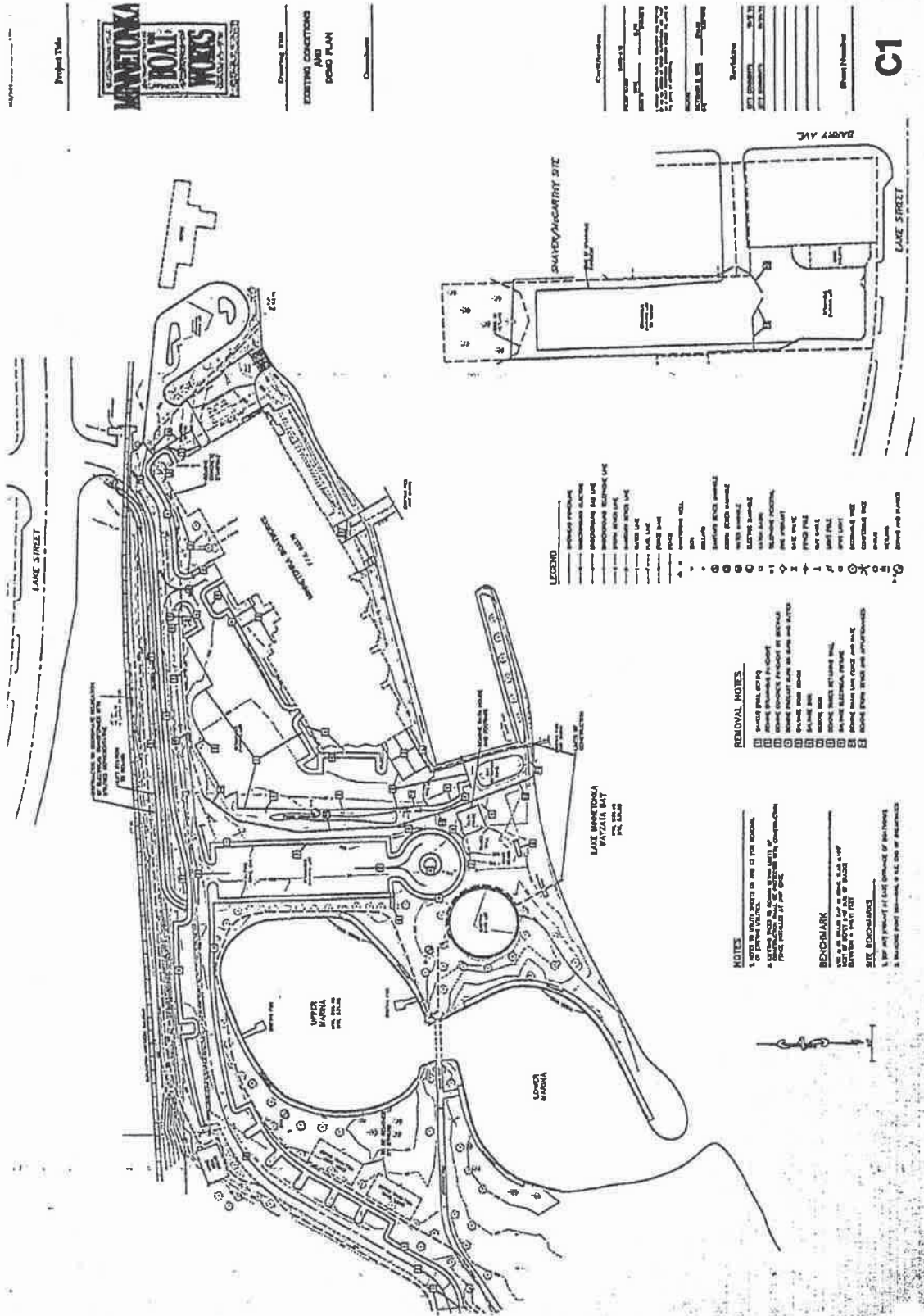
Abstract Property

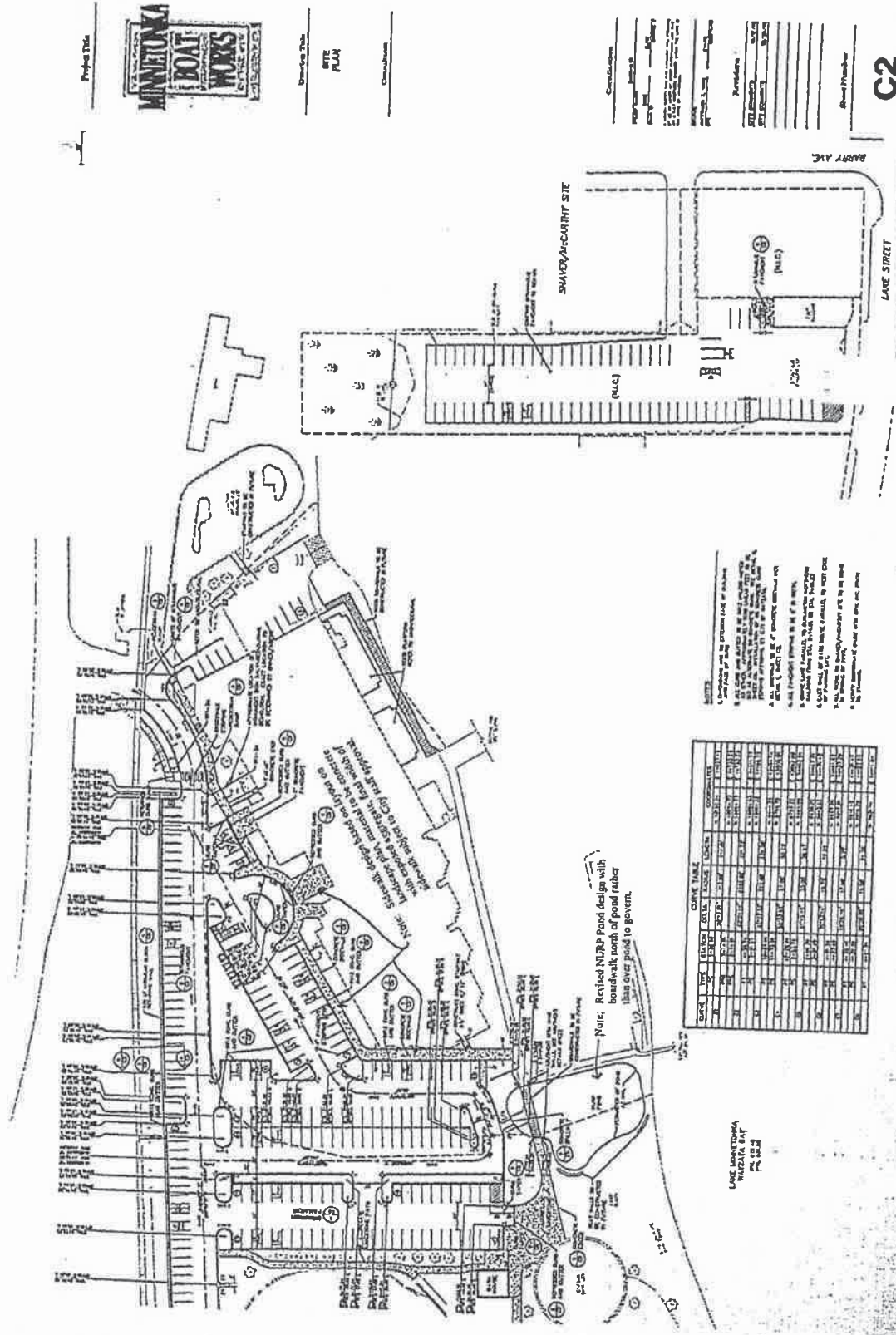
Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property
Torrens Certificate No. 836149









MINNETONKA
BOAT WORKS

REF

Conclusions

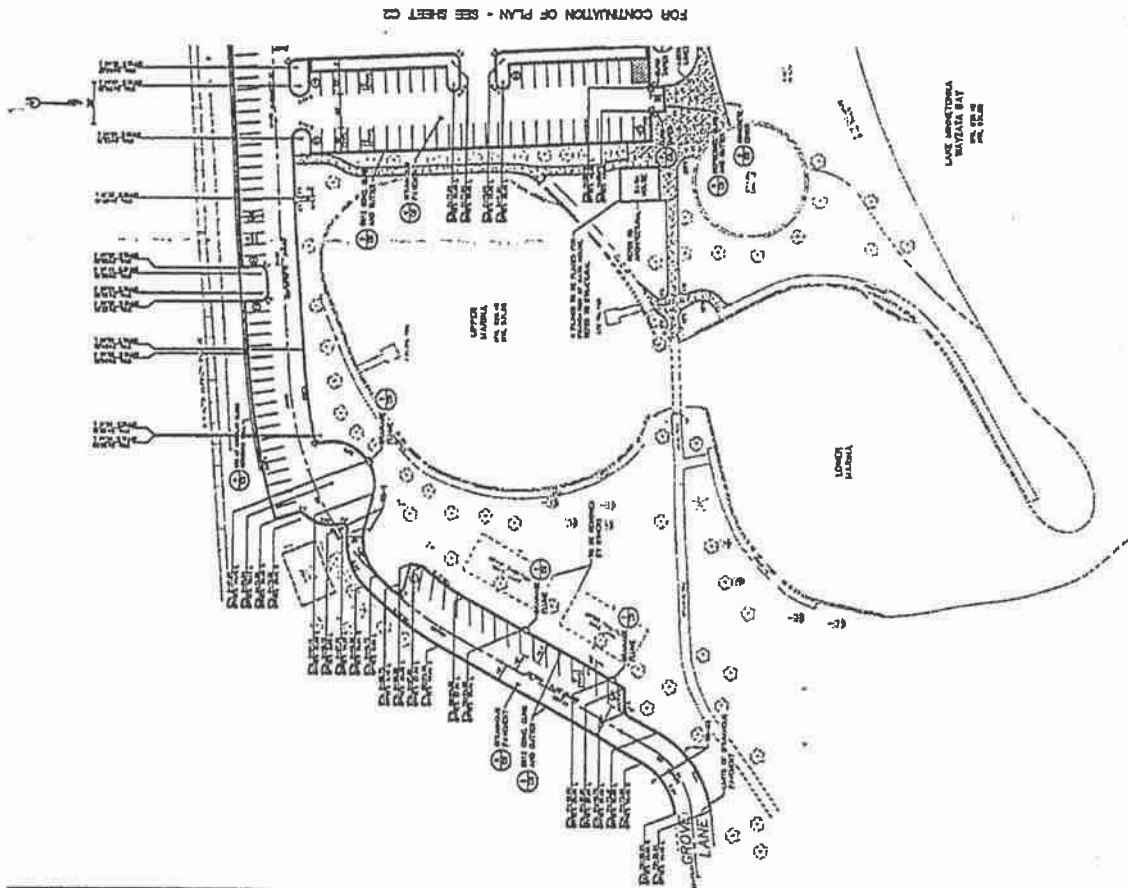
Useful	Not
Not	Useful
Useful	Not
Not	Useful

Signature of Agent in Charge _____
Date _____
Special Agent in Charge

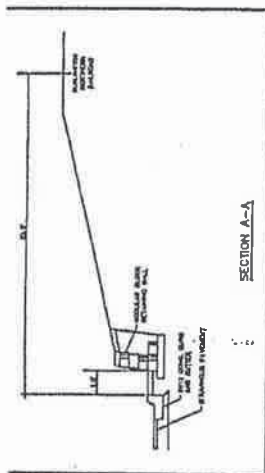
Zusammenfassung

9-70-8	6/10/80
9-70-9	6/10/80

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FOR CONTINUATION OF PLAN - SEE SHEET C2



SECTION A-A

CROSS		DATE		TIME		TEMP.		WIND		SEA		WAVE		SWELL		TIDE		MOON		SUN		STAR		PLANET		MERCURY		VENUS		MARS		JUPITER		SATURN		URANUS		NEPTUNE		P.L.		M.L.		S.L.		T.L.		W.L.		H.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		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S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.		R.L.		S.L.		T.L.		U.L.		V.L.		W.L.		X.L.		Y.L.		Z.L.		A.L.		B.L.		C.L.		D.L.		E.L.		F.L.		G.L.		H.L.		I.L.		J.L.		K.L.		L.L.		M.L.		N.L.		O.L.		P.L.		Q.L.	
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Project Title



Drawing Title

DATE
DRAWN

Checked/Revised

Contributors

DATE: 10/1/18
BY: [Signature]
FOR: [Signature]
PROJECT: [Signature]
SHEET: [Signature]
OF: [Signature]

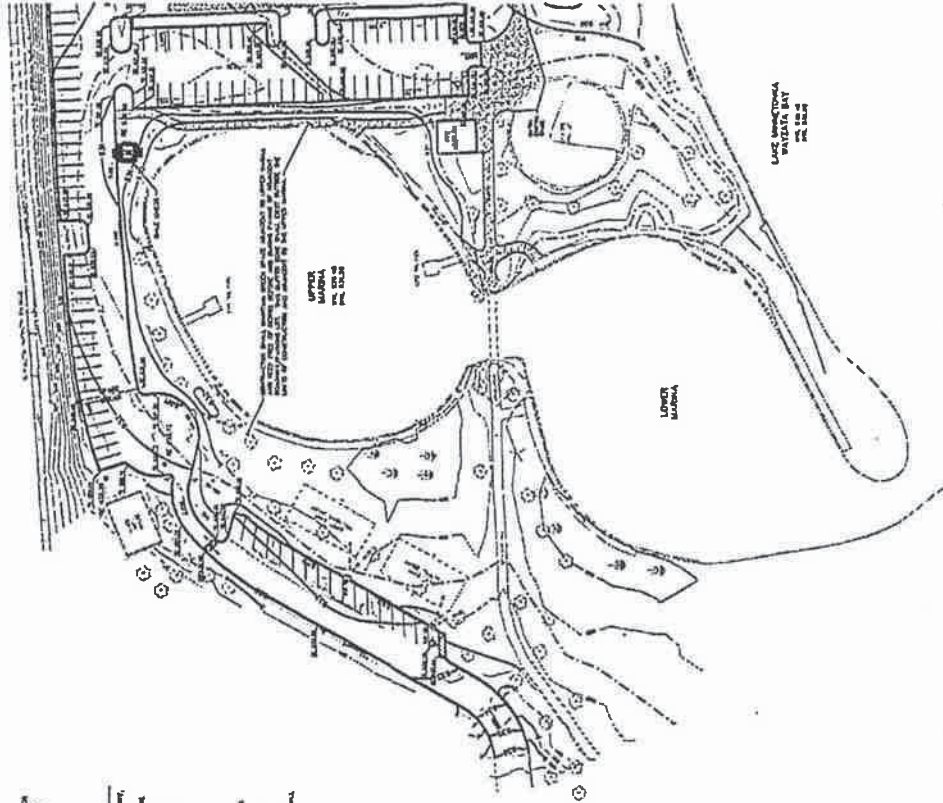
Revisions

NO.	DATE	BY	REVISION
1	10/1/18	[Signature]	Initial Design
2	10/1/18	[Signature]	Final Design

Sheet Number

C5

FOR CONTINUATION OF PLAN - SEE SHEET C4



DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM

1. THE DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM IS A KEY COMPONENT OF THE BOAT LIFT AND MARINA DEVELOPMENT. IT IS DESIGNED TO PROTECT THE ENVIRONMENT AND THE BOAT LIFT STRUCTURES FROM DAMAGE CAUSED BY EXCESSIVE WATER AND SEDIMENT.

2. THE DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM IS A KEY COMPONENT OF THE BOAT LIFT AND MARINA DEVELOPMENT. IT IS DESIGNED TO PROTECT THE ENVIRONMENT AND THE BOAT LIFT STRUCTURES FROM DAMAGE CAUSED BY EXCESSIVE WATER AND SEDIMENT.

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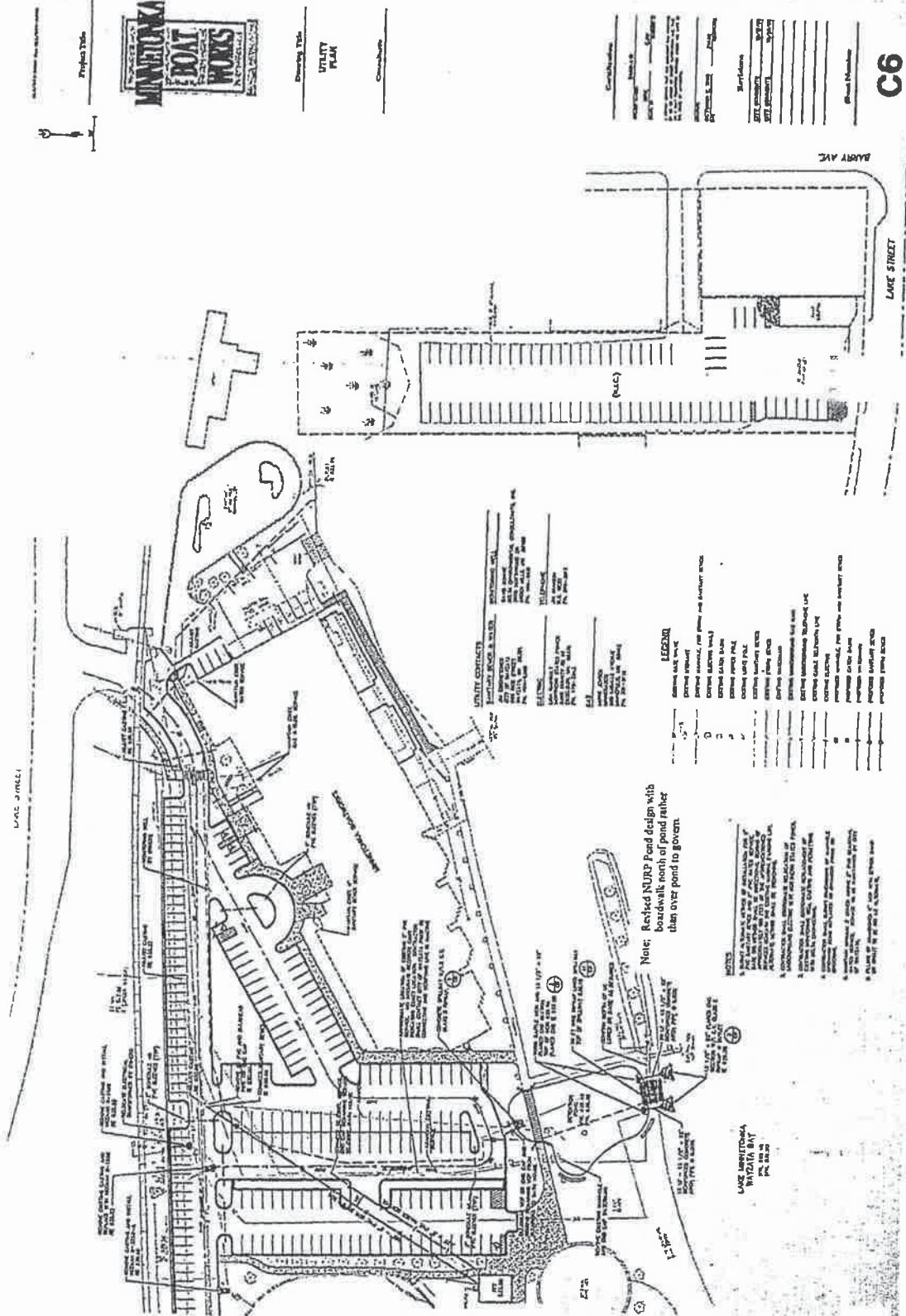
6. THE DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM IS A KEY COMPONENT OF THE BOAT LIFT AND MARINA DEVELOPMENT. IT IS DESIGNED TO PROTECT THE ENVIRONMENT AND THE BOAT LIFT STRUCTURES FROM DAMAGE CAUSED BY EXCESSIVE WATER AND SEDIMENT.

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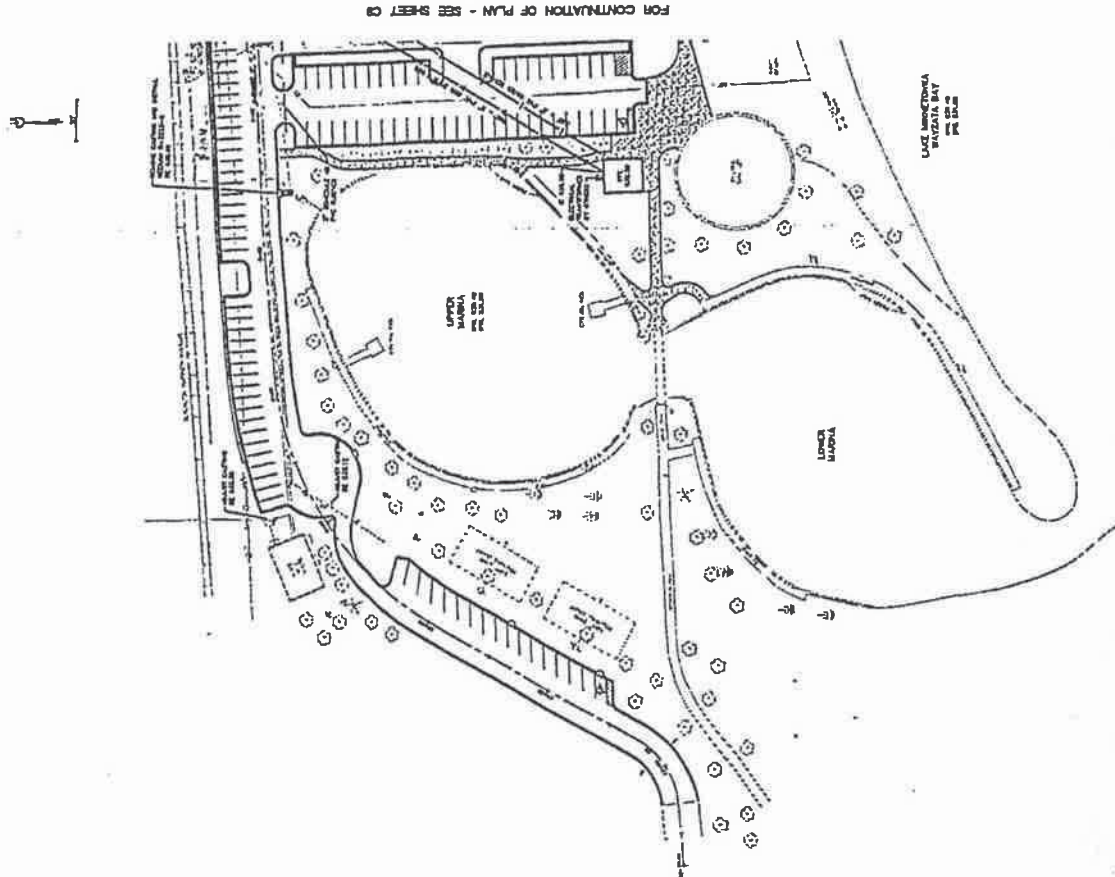
8. THE DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM IS A KEY COMPONENT OF THE BOAT LIFT AND MARINA DEVELOPMENT. IT IS DESIGNED TO PROTECT THE ENVIRONMENT AND THE BOAT LIFT STRUCTURES FROM DAMAGE CAUSED BY EXCESSIVE WATER AND SEDIMENT.

9. THE DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM IS A KEY COMPONENT OF THE BOAT LIFT AND MARINA DEVELOPMENT. IT IS DESIGNED TO PROTECT THE ENVIRONMENT AND THE BOAT LIFT STRUCTURES FROM DAMAGE CAUSED BY EXCESSIVE WATER AND SEDIMENT.

10. THE DESIGN AND SEAWAY DRAINAGE MAINTENANCE PROGRAM IS A KEY COMPONENT OF THE BOAT LIFT AND MARINA DEVELOPMENT. IT IS DESIGNED TO PROTECT THE ENVIRONMENT AND THE BOAT LIFT STRUCTURES FROM DAMAGE CAUSED BY EXCESSIVE WATER AND SEDIMENT.



Project Title	
Drawing Title	UTILITY PLAN
Client Name	
Contract No.	
Scale	
Sheet Number	C7

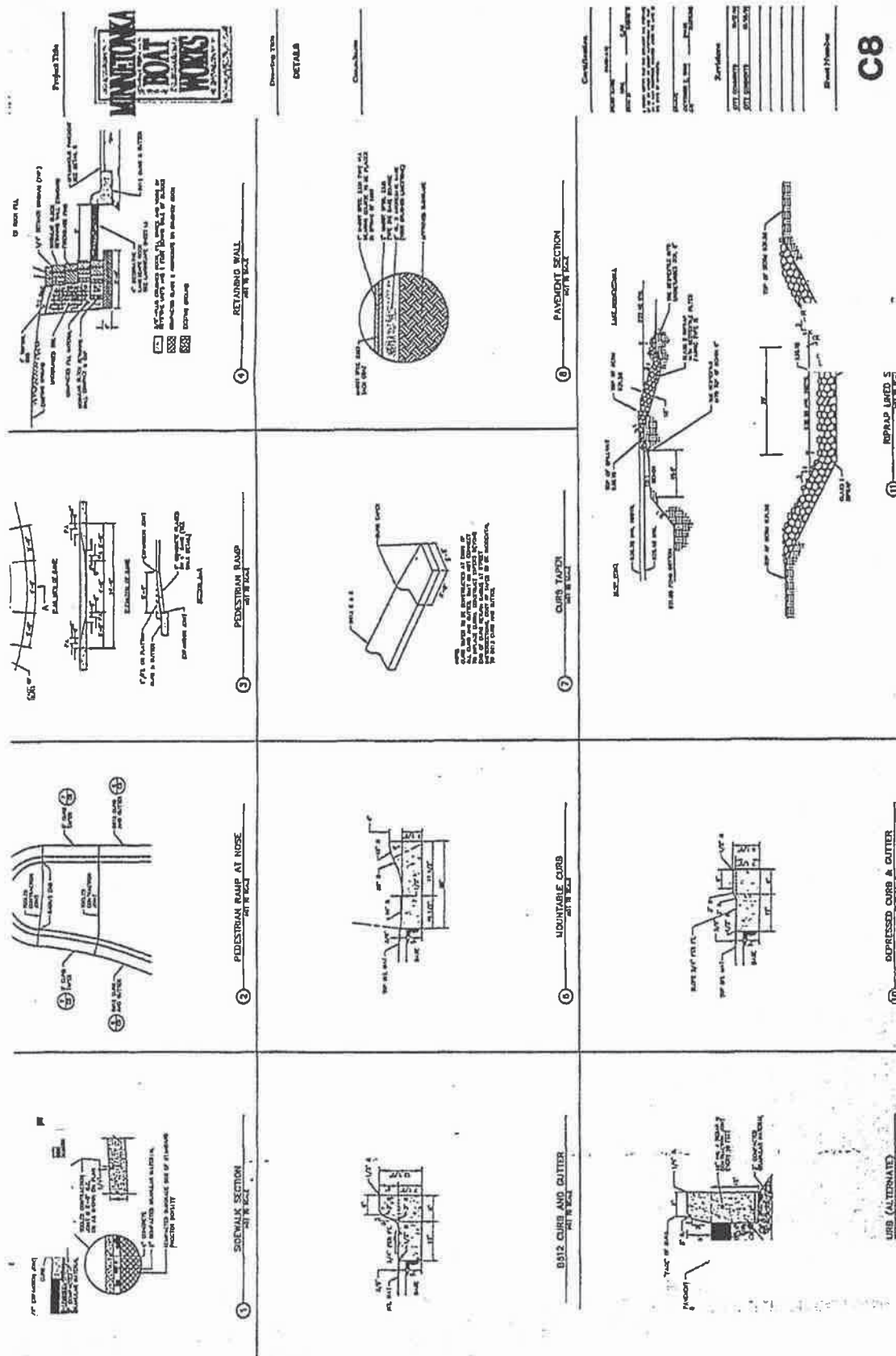


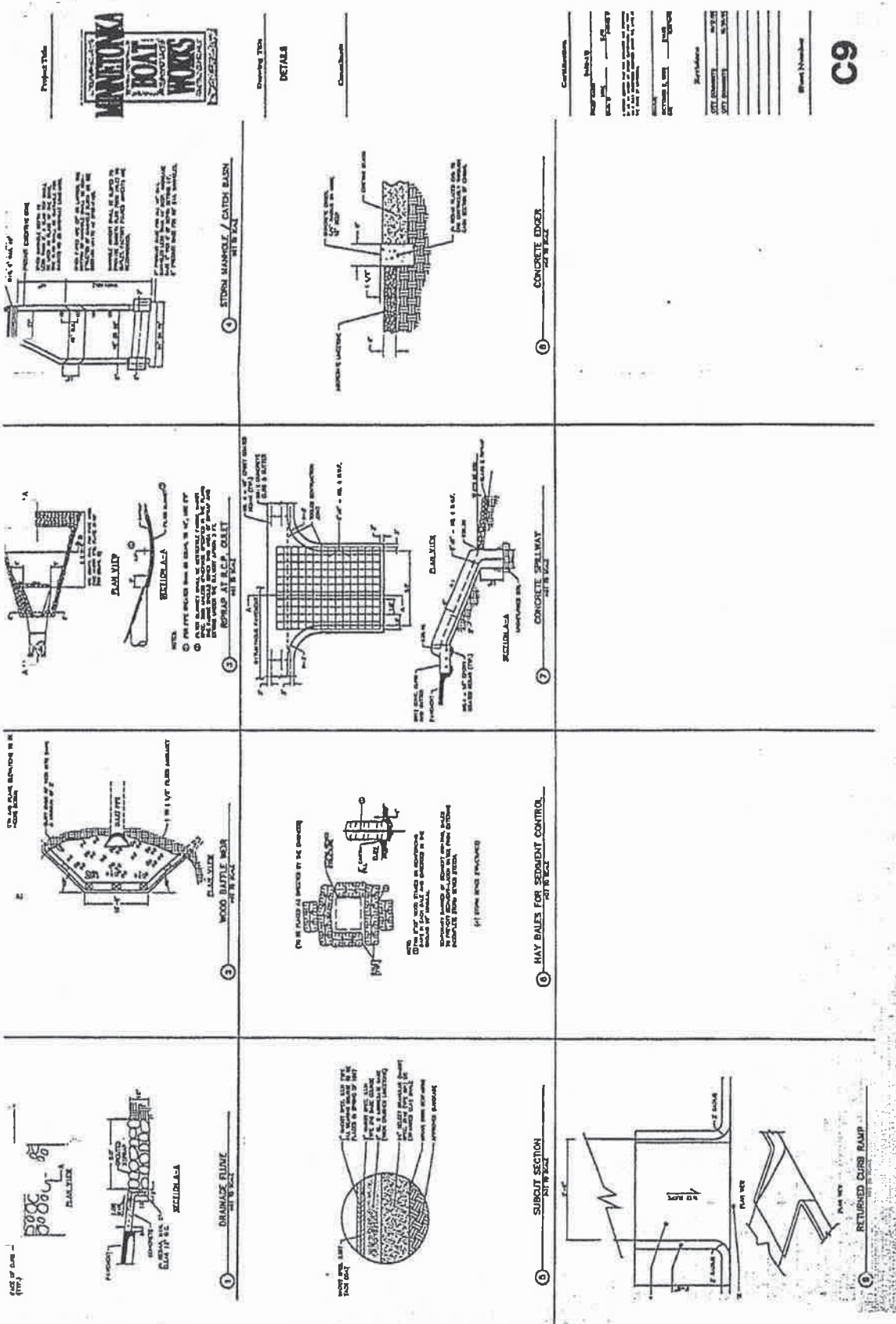
- LEGEND**
- EXISTING GATE VALVE
 - EXISTING HYDRAUNT
 - EXISTING MANHOLE FOR STORM AND SANITARY SEWER
 - EXISTING ELECTRIC VALVE
 - EXISTING CATCH BASIN
 - EXISTING POWER POLE
 - EXISTING LIGHT POLE
 - EXISTING SANITARY SEWER
 - EXISTING STORM SEWER
 - EXISTING WATERMAIN
 - EXISTING UNDERGROUND GAS MAIN
 - EXISTING UNDERGROUND TELEPHONE LINE
 - EXISTING CABLE TELEVISION LINE
 - EXISTING ELECTRIC
 - PROPOSED MANHOLE FOR STORM AND SANITARY SEWER
 - PROPOSED CATCH BASIN
 - PROPOSED WATERMAIN
 - PROPOSED SANITARY SEWER
 - PROPOSED STORM SEWER

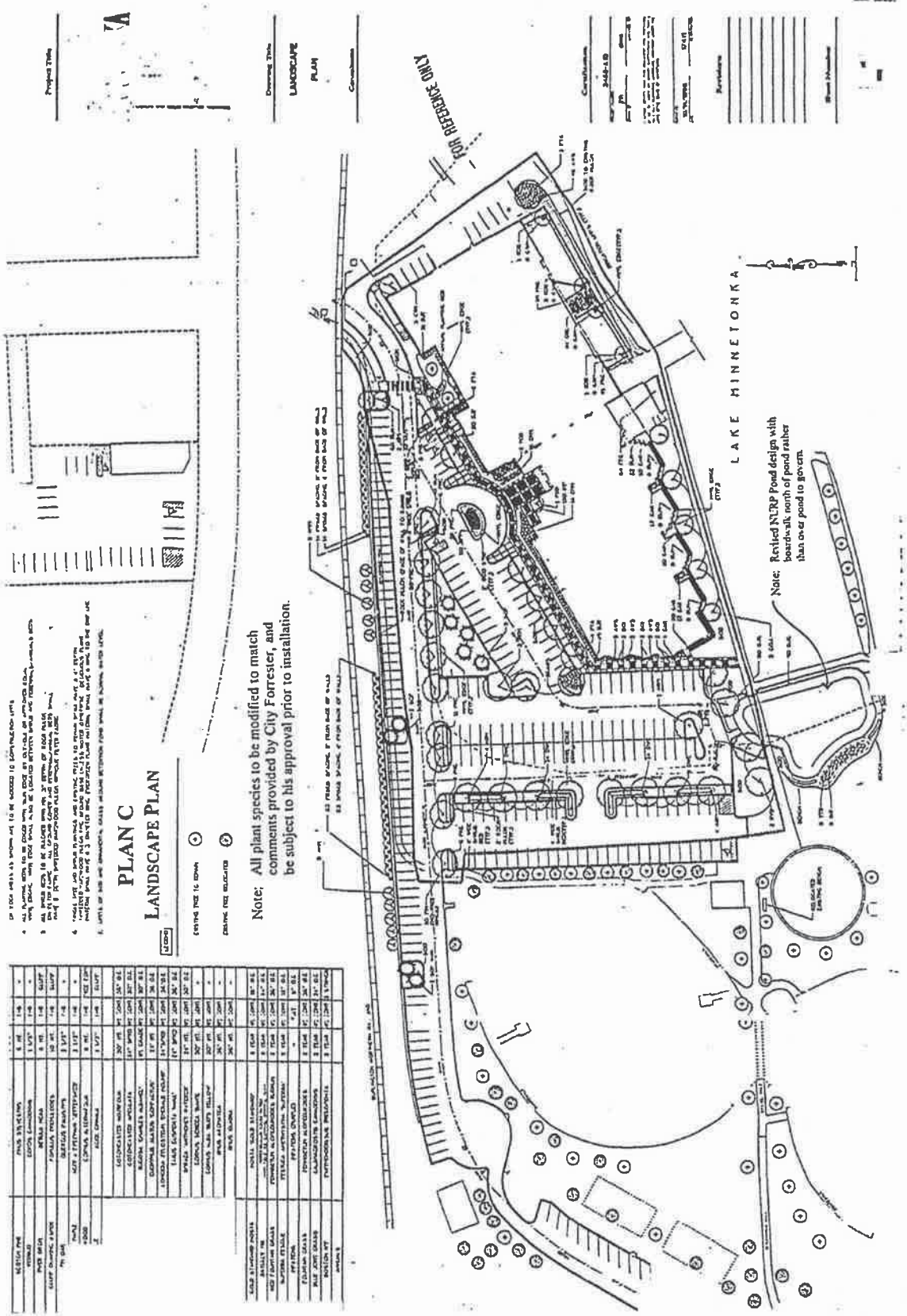
UTILITY CONTRACTS	
SANITARY SEWER & WATER	MANITOWISH FALLS
AS SHOWN ON	AS SHOWN ON
PLAN SHEET C6	PLAN SHEET C6
DATE: 10/1/01	DATE: 10/1/01
BY: [Signature]	BY: [Signature]
FOR: [Signature]	FOR: [Signature]
ELECTRIC	TELEPHONE
AS SHOWN ON	AS SHOWN ON
PLAN SHEET C6	PLAN SHEET C6
DATE: 10/1/01	DATE: 10/1/01
BY: [Signature]	BY: [Signature]
FOR: [Signature]	FOR: [Signature]

NOTES

1. ALL UTILITIES SHOWN ARE BASED ON RECORD DRAWINGS AND FIELD SURVEY.
2. THE EXISTING SANITARY SEWER AND WATER MAINS ARE 12" DIA. AND 18" DIA. RESPECTIVELY.
3. THE EXISTING ELECTRIC MAIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
4. THE EXISTING CATCH BASIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
5. THE EXISTING POWER POLE IS 12" DIA. AND 18" DIA. RESPECTIVELY.
6. THE EXISTING LIGHT POLE IS 12" DIA. AND 18" DIA. RESPECTIVELY.
7. THE EXISTING SANITARY SEWER IS 12" DIA. AND 18" DIA. RESPECTIVELY.
8. THE EXISTING STORM SEWER IS 12" DIA. AND 18" DIA. RESPECTIVELY.
9. THE EXISTING WATERMAIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
10. THE EXISTING UNDERGROUND GAS MAIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
11. THE EXISTING UNDERGROUND TELEPHONE LINE IS 12" DIA. AND 18" DIA. RESPECTIVELY.
12. THE EXISTING CABLE TELEVISION LINE IS 12" DIA. AND 18" DIA. RESPECTIVELY.
13. THE EXISTING ELECTRIC IS 12" DIA. AND 18" DIA. RESPECTIVELY.
14. THE EXISTING MANHOLE FOR STORM AND SANITARY SEWER IS 12" DIA. AND 18" DIA. RESPECTIVELY.
15. THE EXISTING CATCH BASIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
16. THE EXISTING WATERMAIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
17. THE EXISTING UNDERGROUND GAS MAIN IS 12" DIA. AND 18" DIA. RESPECTIVELY.
18. THE EXISTING UNDERGROUND TELEPHONE LINE IS 12" DIA. AND 18" DIA. RESPECTIVELY.
19. THE EXISTING CABLE TELEVISION LINE IS 12" DIA. AND 18" DIA. RESPECTIVELY.
20. THE EXISTING ELECTRIC IS 12" DIA. AND 18" DIA. RESPECTIVELY.



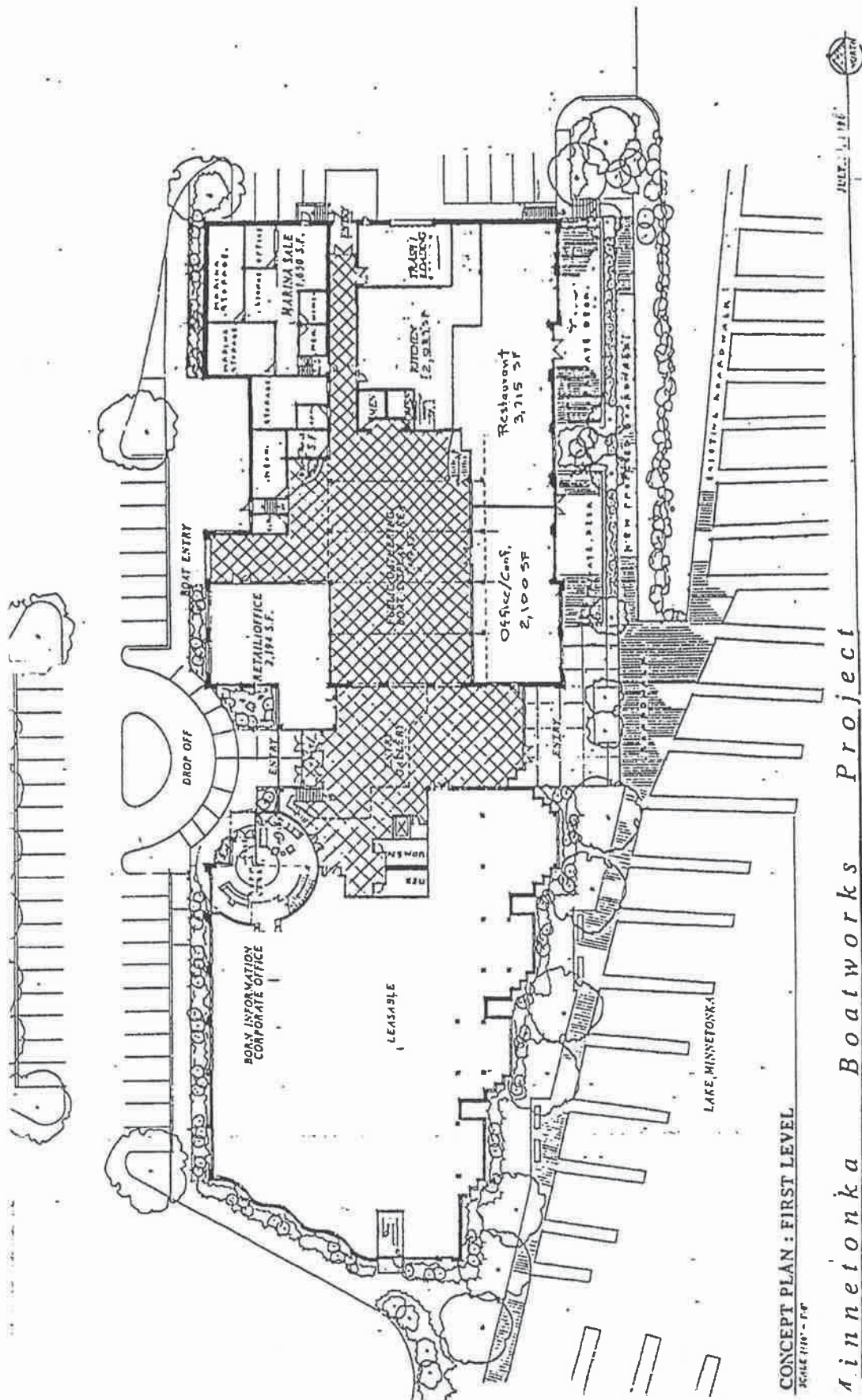




Attachment A-1

Plan D - Erosion Contron Plan

Refer to Grading Plan (Plan B)



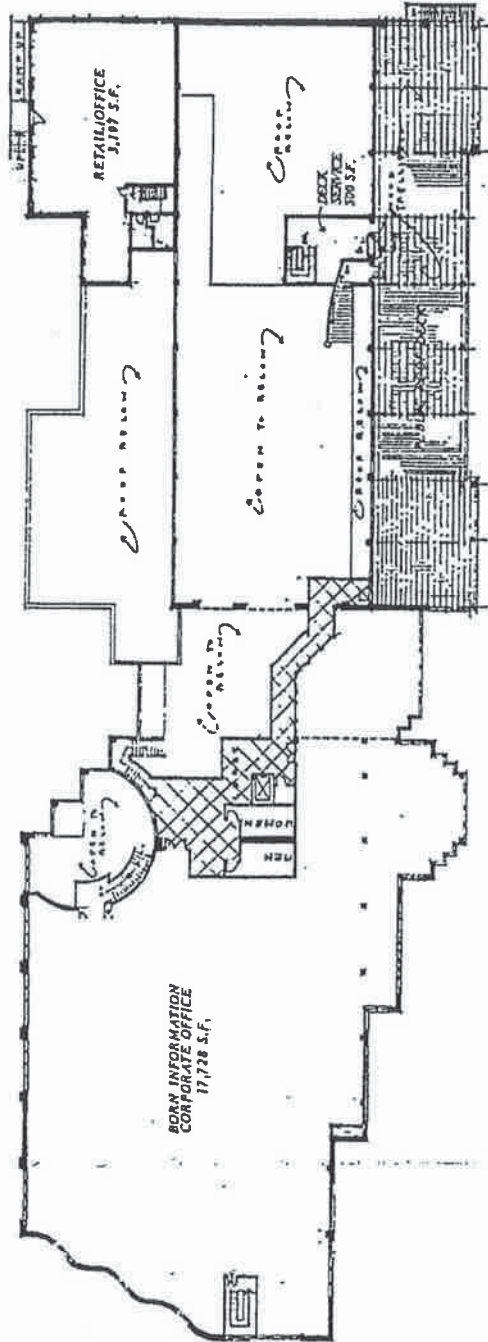
CONCEPT PLAN : FIRST LEVEL
SCALE 1/8" = 1'-0"

Minnetonka Boatworks Project

Boatworks Development Company, Inc.

JULY 1, 1987

13 1/2"



PLAN : SECOND LEVEL

eton

Boatworks Project

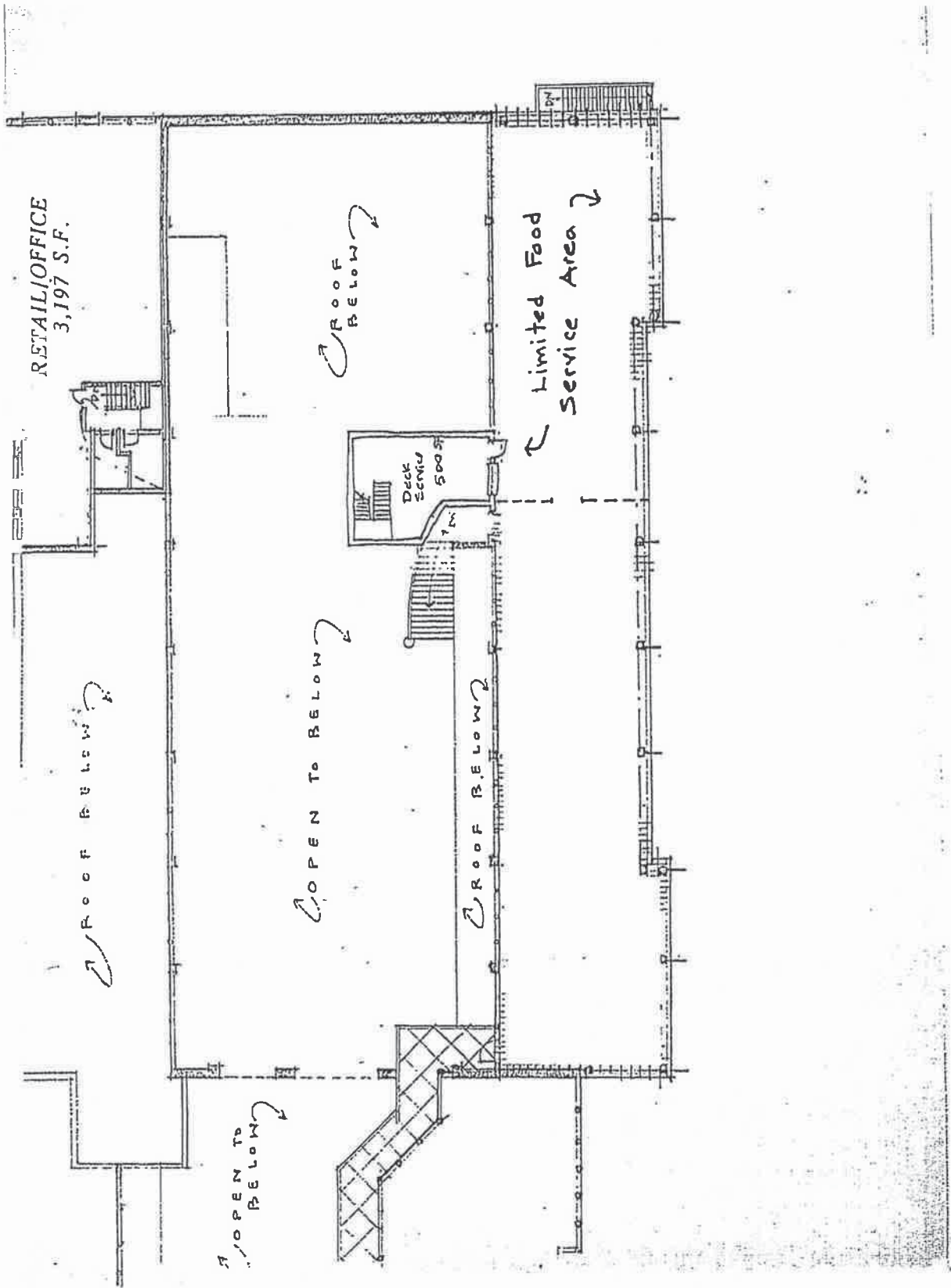
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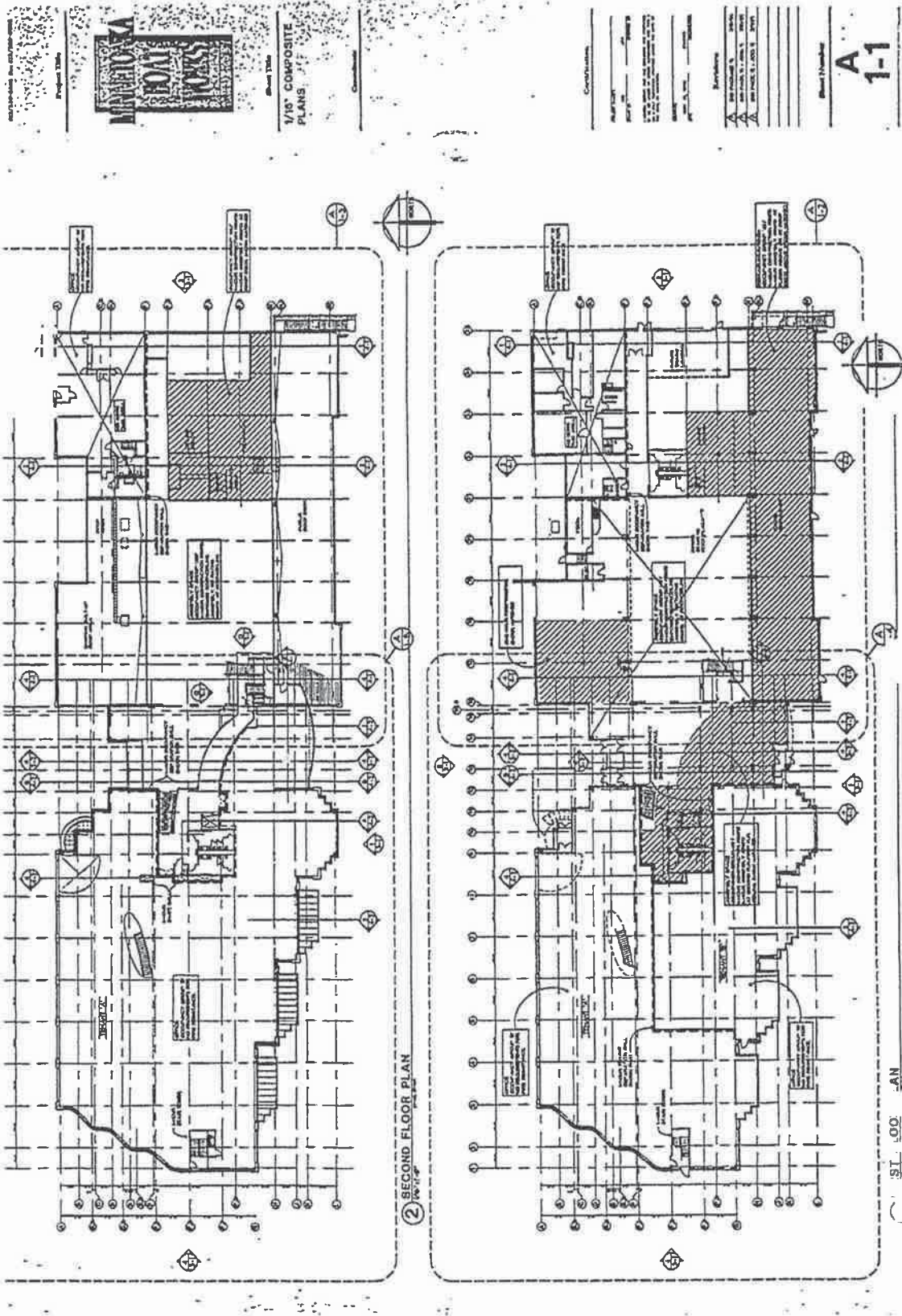


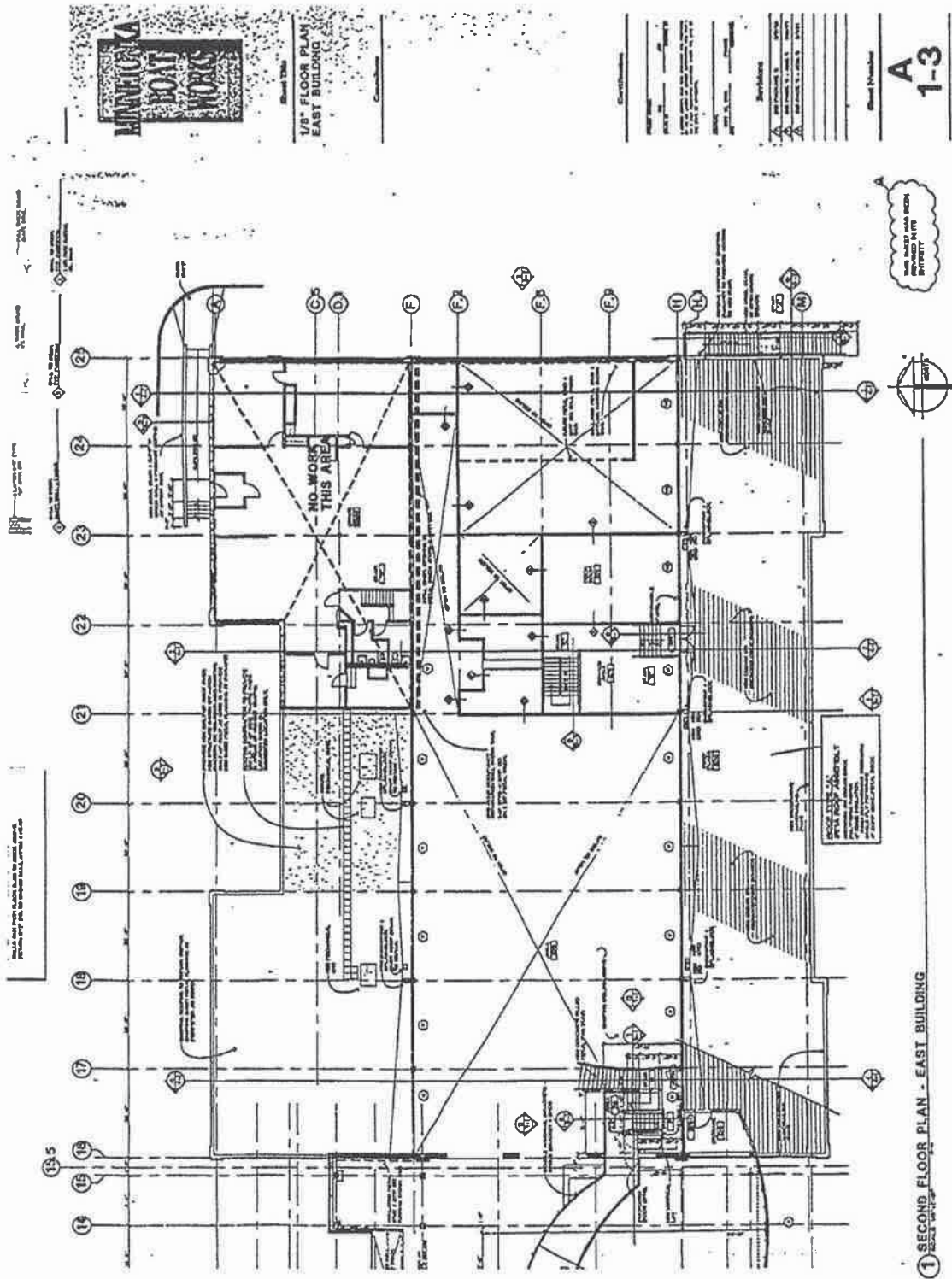
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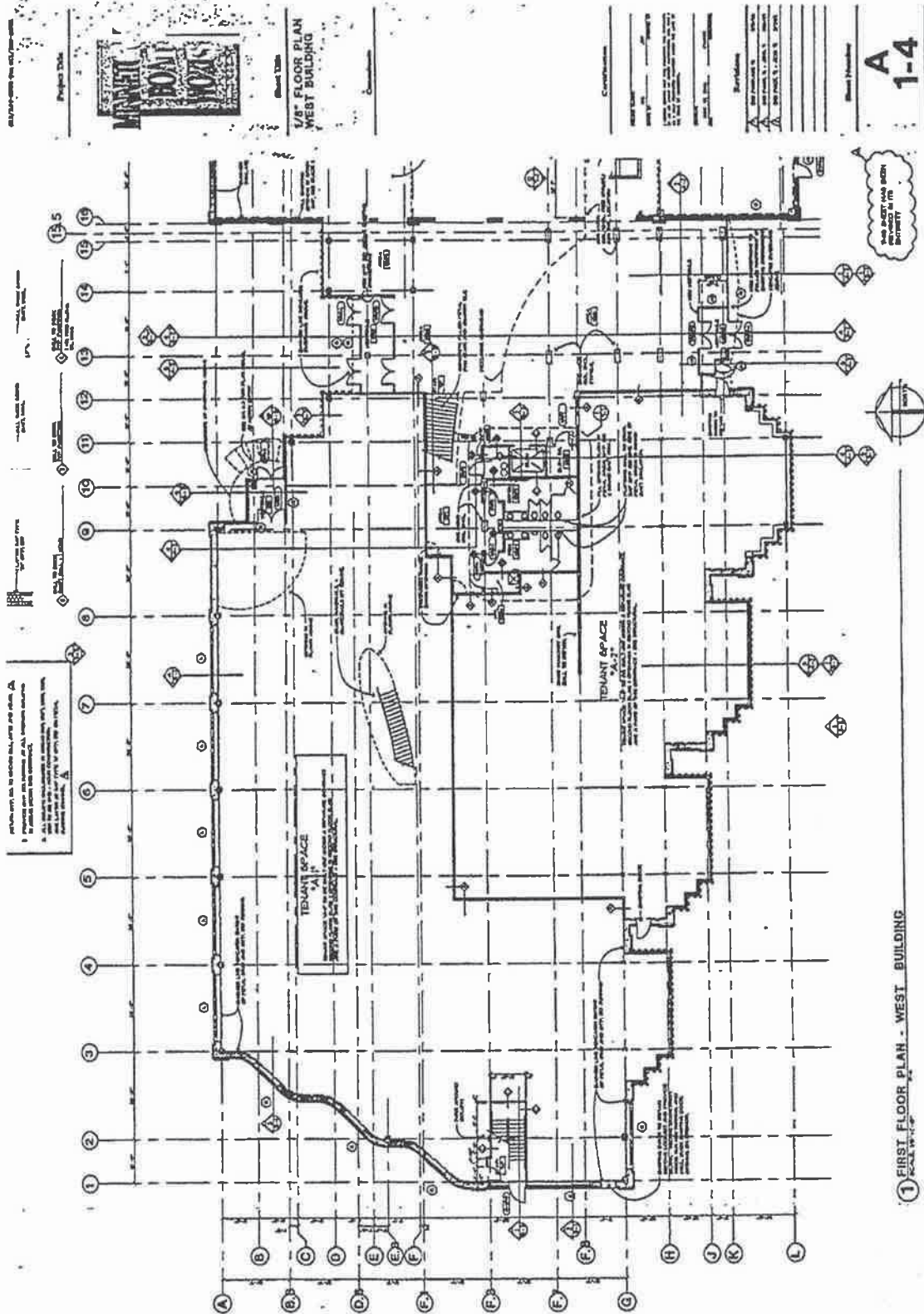
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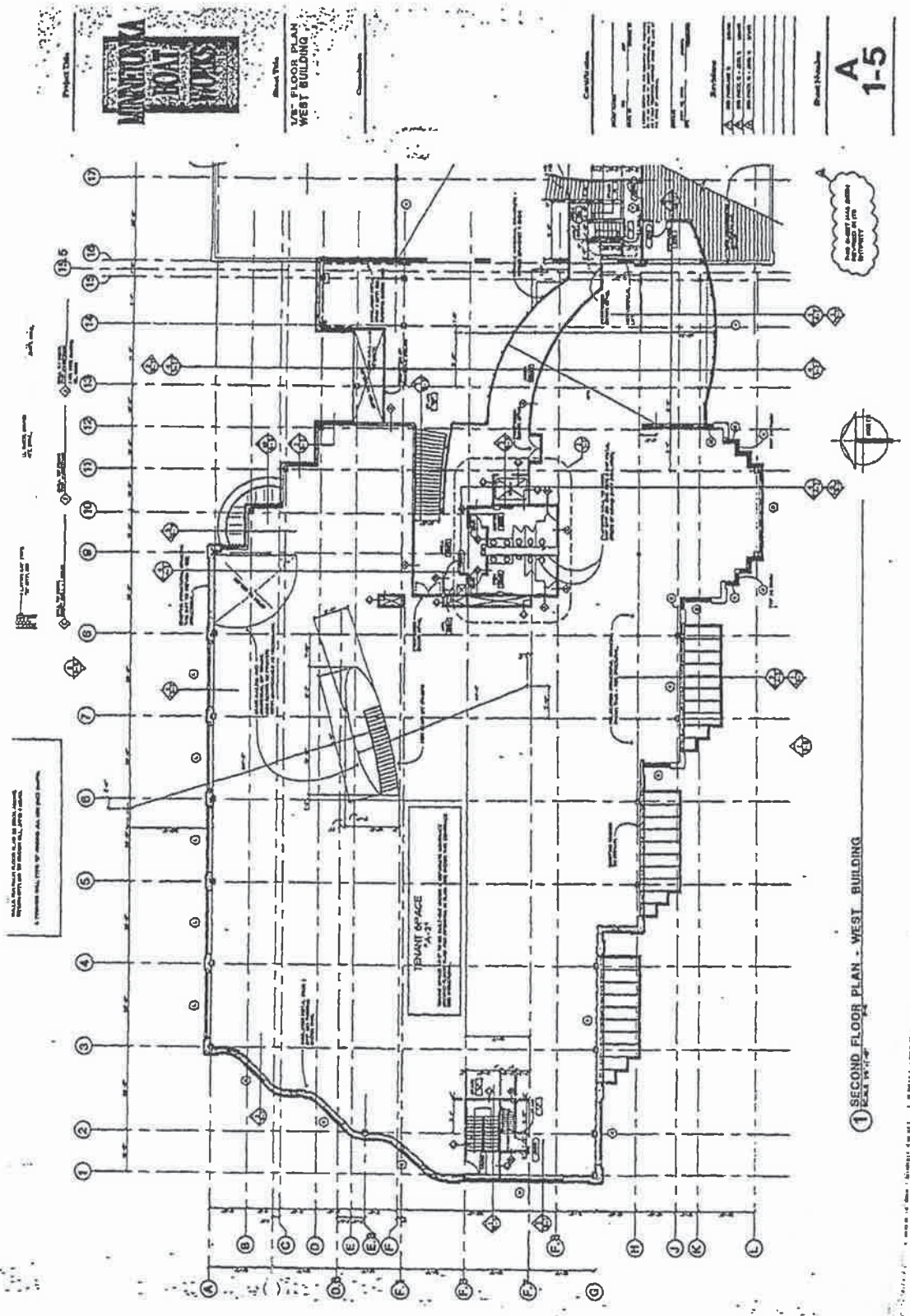
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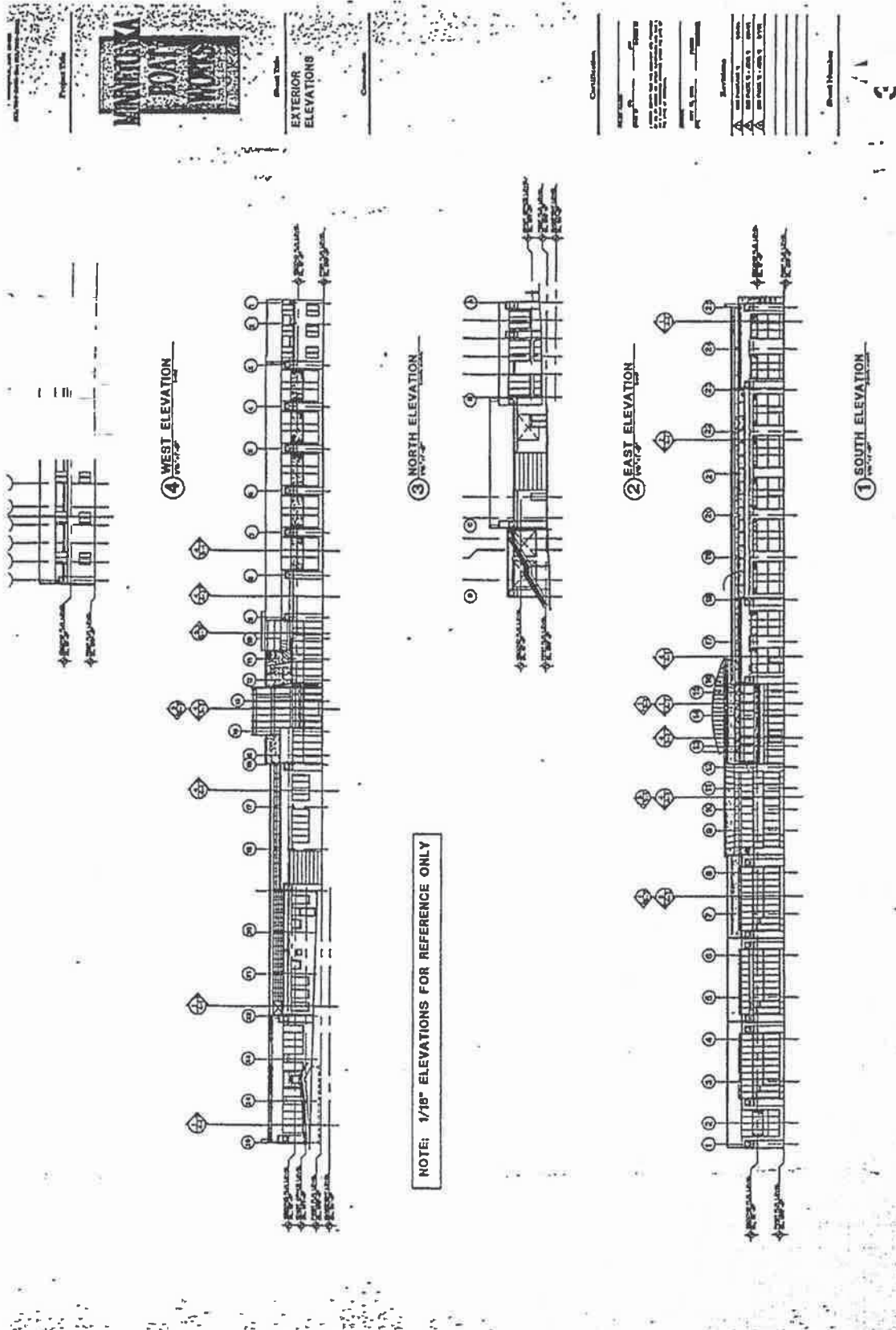




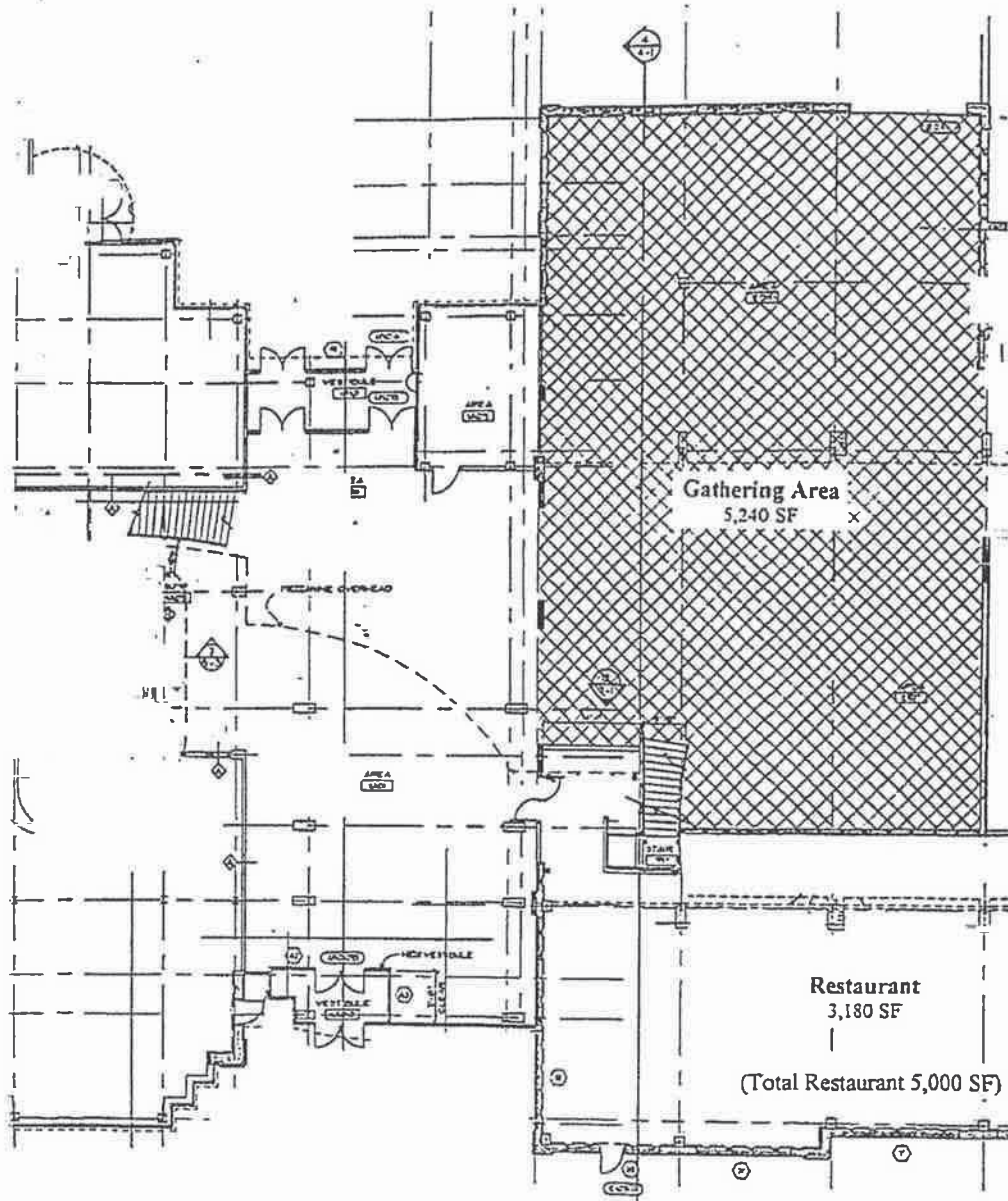




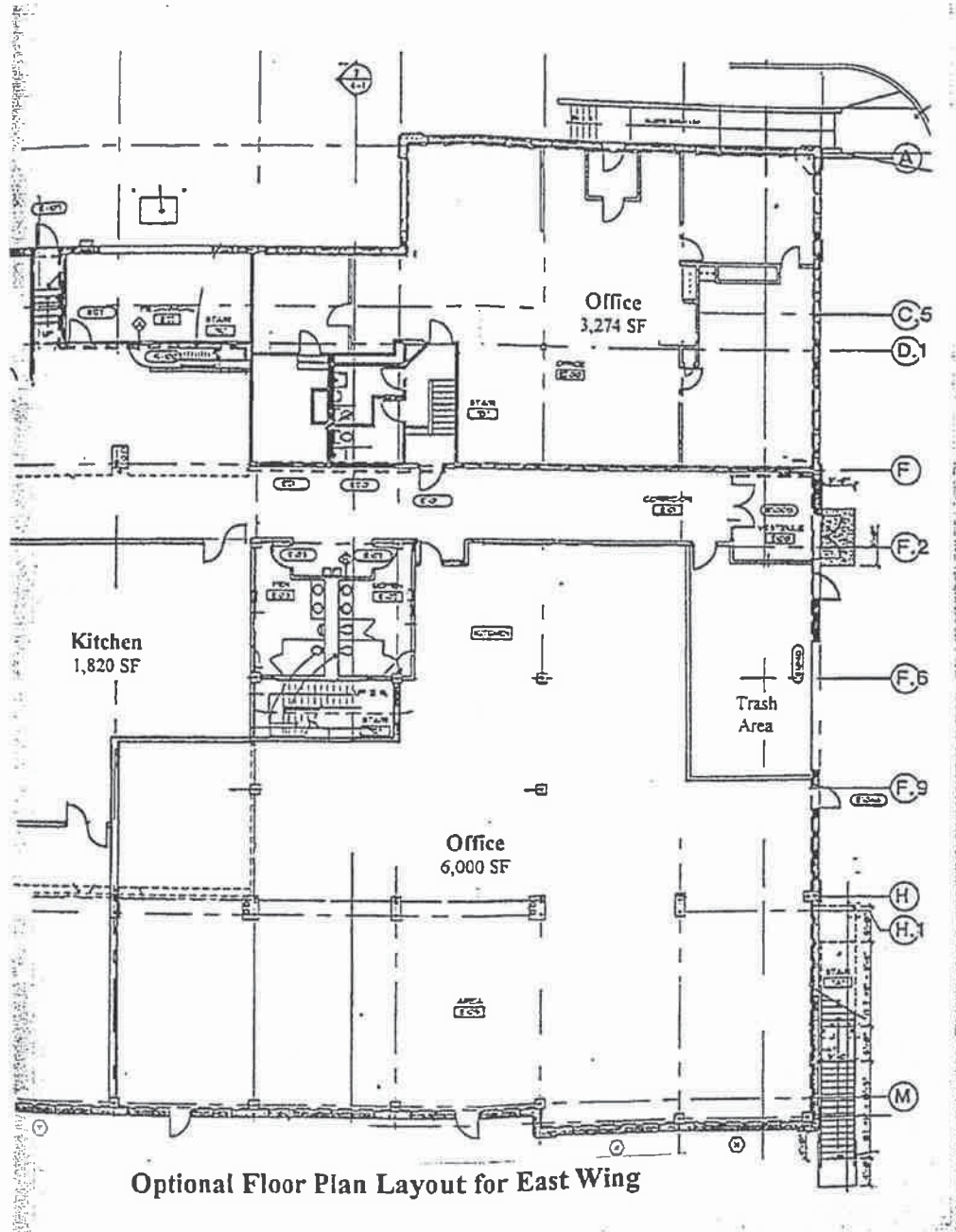


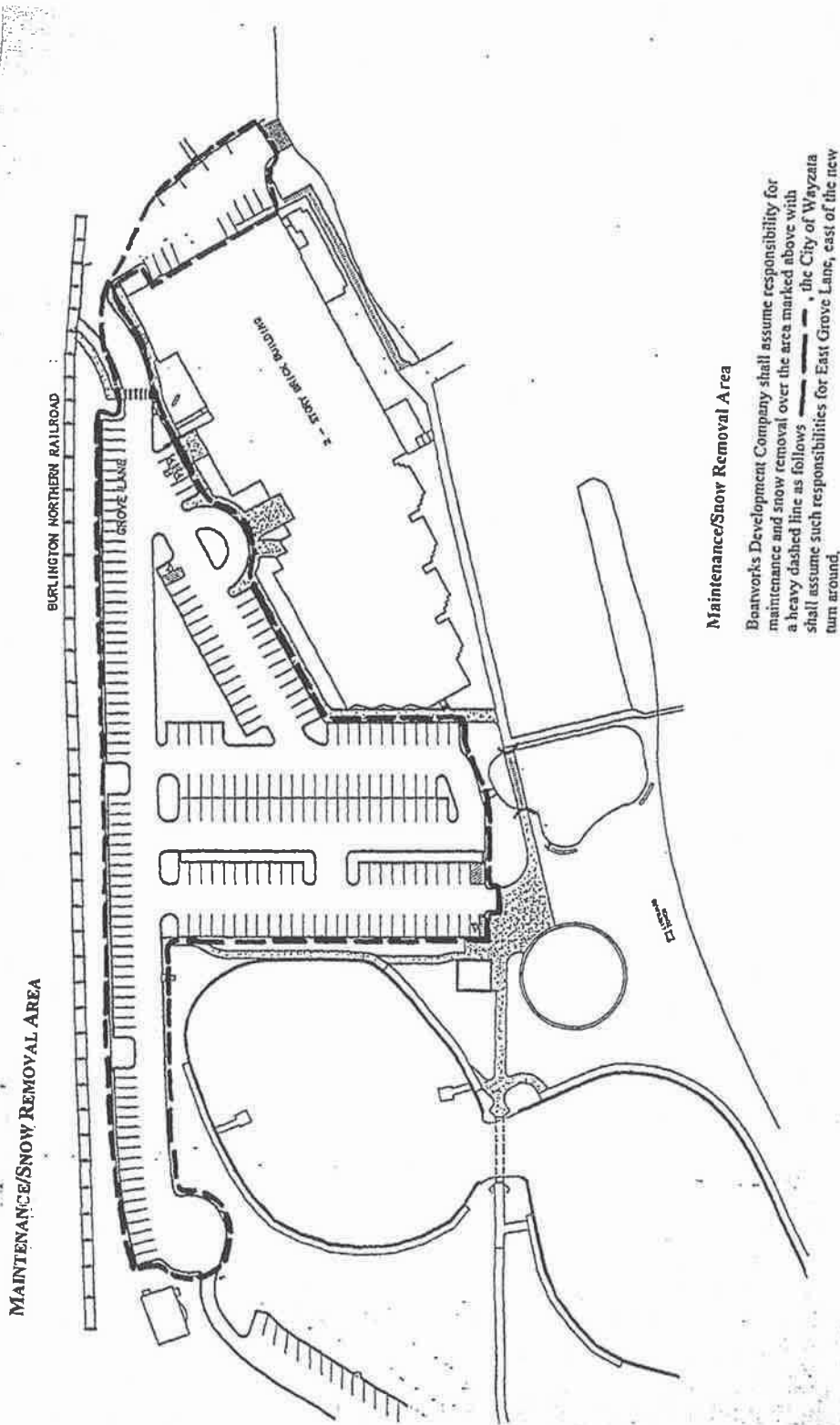


Attachment A-1



Attachment A-1





Attachment A-1

Exhibit A

CITY OF WAYZATA HENNEPIN COUNTY, MINNESOTA

PLANNED UNIT DEVELOPMENT/CONDITIONAL USE PERMIT

1. Permit. Subject to the terms and conditions set forth herein, the City of Wayzata ("City") hereby grants the following to Boatworks Development Company, Inc., a Minnesota corporation ("Applicant") for:

- a. Planned Unit Development/Conditional Use Permit (PUD/CUP) for the Minnetonka Boatworks and City marina and beach area including Concept Plan and General Plan of Development approval.
- b. CUP for Marina and Restaurant uses.
- c. Shoreland Impact Plan/Conditional Use Permit for impervious surface coverage.
- d. Shoreland Impact Plan/Conditional Use Permit/Variance for the beach bathhouse and deck setbacks.
- e. Floodplain Conditional Use Permit for filling/removal within the floodplain.
- f. CUP to allow reduced number of required parking spaces, off-site parking spaces on Shaver/McCarthy site and for joint facilities use.
- g. Deviations as allowed by the PUD/CUP process from the parking lot design standards, including setback of 10 feet from property lines, parking ingress and egress on Grove Lane right-of-way, and eighteen foot parking stalls on interior parking lot.

2. Property. The permit is for the following described property ("Property") located in the City of Wayzata, Hennepin County, Minnesota:

See "Exhibit A-1" attached, except that the restaurant itself shall only be located on Parcel 1 ("Boat Works Site"), located at 294 East Grove Lane, Wayzata, Minnesota as outlined on attached Exhibit A-1.

3. Conditions. The permit is issued subject to the following conditions:

- A. The project ("Project") shall be constructed and operated according to Exhibit B-1 attached hereto and in accordance with the Development

Attachment A-1

Agreement of even date herewith between Applicant and the City ("Development Agreement"). The restaurant located on the Boat Works Site shall be a full service restaurant with a total square footage not to exceed 6,300 SF. Such restaurant may open no earlier than 5:00 a.m., but may not serve beer, wine or liquor before 9:00 a.m. Such restaurant shall close no later than:

Except holidays, Monday	11:00 p.m.
Except holidays, Tuesday	11:00 p.m.
Except holidays, Wednesday	11:00 p.m.
Except holidays, Thursday	11:00 p.m.
Friday	1:00 a.m.
Saturday	1:00 a.m.
Sunday	Midnight
On holidays	Midnight

Notwithstanding the restaurant closing hours stated above, restaurant users arriving by boat shall only be allowed to dock at the dock up until one hour before restaurant closing time. Thereafter no additional boats shall be allowed to dock. Boats which have docked in accordance with this limitation may remain until the restaurant closing hour.

- B. The restaurant may serve wine, beer or liquor according to City licenses when and if applied for and issued by the City in accordance with applicable City and State regulations. Any bar area shall be limited to 18 seats. It is anticipated that the selected restaurant operator will be applying for a liquor license.
- C. The City and Applicant agree to enter into a permanent joint cross easement for joint use of parking and pedestrian access over all parking areas, sidewalks and trails on the Property and City Park properties as shown in Exhibit C-1 except those spaces shown on Exhibit D-1 shall be dedicated for beach/marina use only. In addition, City and Applicant shall enter into a pedestrian easement along the lake shore from the beach area to the Depot property. In consideration of the City granting said easement, Applicant agrees to construct a new bath house as shown in Exhibit E-1, construct a new storm water detention pond, regrade and repave the parking and road areas, repair the lawn sprinkler system, and replace or relocate landscaping all as shown on Exhibit B-1. Said easements shall be recorded against and run with the land and be drafted by the City Attorney. The parties agree that if Applicant defaults under the Development Agreement for the Project or the terms of this Permit, and fails to cure said default within an applicable cure period, then Applicant's rights under the easements shall terminate, although the City's

Attachment A-1

easement rights over Applicant's property shall remain. The easements are attached as Exhibits F-1 and G-1.

- D. The two portions of the Property described respectively, on attached Exhibit A-1, as the "Boat Works Site" and the "Shaver & McCarthy Site" shall be considered for the purposes of this PUD/CUP Permit, as integrated property such that there may be no change in ownership or use of either site without the adoption of a new conditional use permit, or such other necessary City requirements or necessary approval from the City Council. The two sites are integrated in that the Shaver & McCarthy Site provides overflow and employee parking for the restaurant use on the Boat Works Site. The Shaver & McCarthy Site shall not be considered as part of a future redevelopment area unless said redevelopment includes a parking ramp that allocates at least 72 parking spaces for use by the Boat Works site. Applicant agrees to participate in any redevelopment efforts relating to the properties north of Lake Street and west of Barry Avenue. Applicant also acknowledges that if the redevelopment plans include a public parking ramp, Applicant's cost participation will take into consideration the inclusion of the required 72 parking spaces needed for the Project and/or parking required for the expanded restaurant option. Applicant agrees that the Property shall not be put to a more intensive use (including expansion of the restaurant) without addressing the parking shortage to the satisfaction of the City.
- E. Should the City find that a parking problem exists subsequent to the completion of the Project, the City has the right to require the Applicant to install at Applicant's expense all or a portion of the "proof of parking" stalls as shown on Exhibit H-1. Applicant understands that the westerly portion of Grove Lane is now a one-way street, and that it is the City's intention to maintain the one-way arrangement up to the point of the proposed new cul-de-sac as shown in Exhibit B-1. Applicant agrees to reconstruct Grove Lane as shown on Exhibit B-1, in compliance with construction standards provided by the City, at Applicant's sole expense.
- F. Permanent dockage shall continue to be subject to and licensed under Lake Minnetonka Conservation District standards and procedures, and the standards and procedures of other government units with jurisdiction, if any, and none of the obligations or the parties hereto shall be conditional upon such licensing or regulation. Applicant shall at all times remain in compliance with the requirements of the Lake Minnetonka Conservation District and the standards and procedures of other government units with jurisdiction, if any.
- G. No more than 25 "transient" boats shall be parked in slips at the Property at one time. "Transient boat parking" shall be designated within the

Attachment A-1

"dock use area" which area shall be shown on the final plans. All other permitted boat slips shall be available only for the seasonal use of a single specified user for each such slip. No restaurant transient parking shall be permitted on either side of the most westerly dock located on the Property.

- H. There shall be no boats stored on the Shaver & McCarthy Site, with the exception of the temporary location of boats from the Boat Display/Public Gathering Area of the Boat Works Building during special events held during non-peak times (evenings and week-ends).
- I. Proper permits shall be obtained for movement of all oversized boats on the public roads.
- J. No loud music or other noxious noise shall be allowed to emanate from the Property at any time. Between 10:00 p.m. and 7:00 a.m. Minnesota Pollution Control Agency (MPCA) Noise Pollution Control standards and/or applicable City Ordinances shall limit noise from the restaurant on the Boat Works Site, or other locations on the Property, as measured in accordance with the applicable standard or ordinance. Noise shall be measured by the MPCA at the request of the City, but at no expense to the City. If the MPCA declines to provide such measurements at no cost to the City, the City may employ, at Applicant's cost, an agency or individual to make such measurements, but no more often than three times in any calendar year. In the event any noise measurements evidence a violation of MPCA standards, Applicant shall erect suitable improvements on the perimeter of the Property to avoid future violations, or reduce or eliminate the noise generating activity.
- K. To further control noise emanating from the Property, Applicant shall have one employee with security authority assigned to monitor activity on the Property, including, but not limited to, boat noise, marina activity and parking lot activity.
- L. The most westerly dock shall have no boat parking, transient or otherwise on its westerly side. City shall have the right to attach the Wayzata Beach buoys to the lake end of such westerly dock to keep boats away from the Wayzata Beach.
- M. Applicant shall clean up the Property and properly dispose of litter generated by Applicant's use of the Property, whether such litter is located on the Property, off the Property or on Lake Minnetonka so as to keep the area neat and clean. Applicant shall not permit a nuisance to exist at the site.

Attachment A-1

- N. Applicant agrees that this PUD/CUP limits the restaurant on the Boat Works Site to a total of 6,300 SF. The reserved space of 3,000 SF (which is not included in the 6,300 SF) can only be converted to restaurant space upon the action of the City Council as an amendment to this PUD/CUP. The City acknowledges that it may, but is not obligated to give consideration to such conversion when and if a parking ramp is constructed on the north side of Lake Street west of Barry Ave. Applicant may leave this space vacant or convert it to office/retail use upon meeting applicable City Code Requirements.
- O. Applicant agrees to limit the seating area where food service is available on the public deck area (south side of the east wing) to no more than one-half of the deck area and limit any food service to after 5:30 p.m. on week days and 10:00 a.m. on week ends.
- P. The PUD/CUP for Marina and Restaurant uses is issued specifically for the Project and for no other project. Any material change, in the sole opinion of the City, in the use or structure of the Property from that described on Exhibit B-1 shall obligate Applicant, or its successor in title, to apply for and obtain an amendment to the Conditional Use Permit.
- Q. The CUP shall be subject to amendment or cancellation by the City if Applicant fails to comply with any conditions set forth herein or fails to complete or maintain the Improvements as provided in Exhibit B-1 or fails to comply with the terms of the Development Agreement for the Project.
- R. It is specifically agreed that the Property and all improvements on the Property shall be constructed, maintained and operated in compliance with all laws, ordinances, regulations and specifications of City, Hennepin County, the State of Minnesota, and the United States of America, which compliance shall be determined by the City Manager, City Building Inspector, City Engineer and/or City Attorney, as applicable.
- S. The City staff shall approve the final plans and specifications for building, drainage, curb and gutters, parking lot and landscape.
- T. The Applicant shall obtain any required approvals of the Minnesota Department of Natural Resources, Minnehaha Creek Watershed District, and other relevant governmental agencies, if any, to the Project.
- U. The Applicant shall perform all of its obligations hereunder.
- V. The Applicant shall redesign and construct the pedestrian connection to the Depot property by moving the access closer to the shoreline (than as proposed to the Council at its October 15, 1996 meeting). Said plans

Attachment A-1

shall be submitted to City staff for approval. The cost responsibility of Applicant for construction costs associated with the Depot property shall be limited to an amount reasonably necessary to complete said work.

- W. The area between the upper lagoon and the west edge of the parking lot retained as a pedestrian access along the entire length of the parking lot with a connection to the path near the proposed beach boathouse. The path shall be surfaced with a permeable, hard surface material such as aggregate and adequate tree protection shall be provided.
- X. The bike path shall be removed from the landscaped area north of the Boat Works Site building to provide additional width to the sidewalk directly adjacent to the front of said building.
- Y. Applicant shall design the primary pedestrian/bike access adjacent to the Boat Works Site building with appropriate lighting and landscaping as a promenade that emphasizes this as the primary access to the beach. Said plans shall be submitted to City staff for approval.
- Z. The nine parking spaces facing south adjacent to the storm water pond (as shown in the site plan submitted to the City Council at its October 15, 1996 meeting) shall be removed from the site plan. These nine stalls shall be replaced on the site in accordance with attached Exhibit I-1. Plans for said parking changes shall be submitted to City staff for approval.
- AA. Landscaping shall be provided along the Lake Street edge of the Shaver & McCarthy Site. Landscape materials and design shall be consistent with the Lake Street streetscape and subject to the review and approval of the City Forester and City Engineer.
- BB. Valet parking shall be available for the restaurant patrons during all hours of operation. All valet parking shall be done at the Shaver & McCarthy Site.
- CC. Restaurant employees and managers shall be required to park in the Shaver & McCarthy Site lot at all times.
- DD. Fifty-seven parking spaces shall be designated as "beach/marina use only" on weekdays from 8:00 a.m. to 5:00 p.m., and an additional 32 parking space designated as "beach/marina use only" on the weekends, all as shown on attached Exhibit I-1. At least ten of the west parking spaces adjacent to the beach shall be signed as "beach/marina use only" all year, 24 hours per day. The responsibility for policing said stalls shall be that of the Applicant.

Attachment A-1

- EE. Chemicals, including but not limited to gasoline, oil, grease, paint and solvents, shall be properly stored and disposed of in accord with Minnesota PCA laws, rules and regulations.
- FF. Applicant shall allow public access through the common area of the building located on the Boat Works Site for access to Lake Minnetonka and to the public portion of the second floor deck on the south side of the east wing for general seating and viewing of Lake Minnetonka during normal business hours.
- GG. Both parties acknowledge that at the time of execution of this Agreement the necessary easements from Burlington Northern Railroad have not been obtained. Boatworks Development Company agrees to continue to negotiate in good faith with the railroad to obtain the necessary easements over the approximately eight foot wide strip of land owned by the railroad. If as of September 1, 1997, such negotiations are unsuccessful, the City agrees to allow the construction of Alternative Parking Plan B, as shown in Exhibit ~~E~~ on the condition that item #A of the Planned Unit Development/Conditional Use Permit be modified to change the maximum size of the restaurant to 5,000 SF, and the office square footage of the east wing to no more than 9,700 SF.

4. Default by Applicant. Failure of Applicant to adhere to and abide by the obligations herein shall be a default. In the event of such default City shall have such following specific remedies as are applicable under the circumstances:

- A. City may exercise all of its rights and remedies previously described herein, including amendment or cancellation of this Conditional User Permit; and/or
- B. City, its officers, employees or authorized agents may enter upon said Property and correct the default or such part or parts hereof as shall be correctable all at the expense of Applicant, which shall be reimbursed to the City immediately upon request, including reasonable attorneys' fees; and/or
- C. City may restrain by injunction or other appropriate legal process a threatened default or may seek similar redress to compel correction of any existing default by the defaulting party, with Applicant reimbursing the City for all enforcement costs, including reasonable attorneys' fees.
- D. City may seek any other judicial relief as may be available and appropriate.

Attachment A-1

5. Default by City. Failure of City to adhere to and abide by its obligations herein shall be a default. In such case Applicant may enforce the terms and conditions of this Conditional Use Permit by any relief or proceeding, either in law or equity, available to it, or, at its election, not proceed with the Project or the Improvements.

6. Reliance. Each party has carefully reviewed the terms and conditions and each agrees that such terms and conditions are reasonable. It is the present intention of the City Council not to alter or amend the land use rights provided to Applicant herein, other than through the remedy provisions of this Agreement, and the City Council further acknowledges and agrees that it will not treat these negotiated land use rights in an arbitrary or capricious fashion.

7. Severability. In the event any one or more terms of this Conditional Use Permit shall be held to be void or unenforceable by any court of competent jurisdiction for any reason such clauses or paragraphs shall be deemed null and void so long as the effect thereof is not substantially to alter the terms of this Agreement and the respective rights of the parties to the consideration herein provided, and all other provisions of this Conditional Use Permit shall remain valid and in full force and effect.

8. Waiver. Any waiver by one party of a breach of this Agreement by the other party shall not be deemed to be a waiver of any subsequent breach nor any estoppel to enforce its rights for subsequent breach.

9. Recordation. This PUD/CUP must be recorded by Applicant, at Applicant's cost with a recorded copy provided to the City. This permit shall run with the land, until terminated, and shall be binding upon subsequent owners of Property.

10. Governing Law. This PUD/CUP shall be governed by and construed according to the laws of the State of Minnesota; and it shall be binding upon and inure to the benefit of the administrators, executors, heirs, assigns and successors of the respective parties hereto.

[NEXT PAGE IS SIGNATURE PAGE]

Attachment A-1

Date this 26th day of March, 1997.

CITY OF WAYZATA

By Bob Ambrose
Bob Ambrose, Mayor Protem

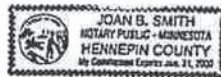
By Allan Orsen
Allan Orsen, City Manager

STATE OF MINNESOTA }
COUNTY OF Hennepin } ss.

The foregoing instrument was acknowledged before me this 26th day of March, 1997 by Barry Petit, Mayor, and by Allan Orsen, City Manager of the City of Wayzata, a Minnesota municipal corporation, on behalf of the corporation.

Bob Ambrose, Mayor Protem

Joan B. Smith
Notary Public



Attachment A-1

Date this 22nd day of January, 1997.

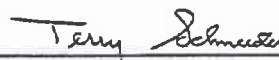
BOATWORKS DEVELOPMENT COMPANY,
INC.

By 
Richard Born, its President

STATE OF MINNESOTA }
COUNTY OF Hennepin } ss.

The foregoing instrument was acknowledged before me this 22nd day of January, 1997, by Richard Born the President of Boatworks Development Company, a Minnesota corporation, on behalf of the corporation.




Notary Public

This instrument drafted by:

Paul E. Kaminski
BEST & FLANAGAN
Professional Limited Liability Partnership
4000 First Bank Place
601 Second Avenue South
Minneapolis, MN 55402-4331

Attachment A-1

EXHIBIT LIST

- Exhibit A-1 - Property Legal Description
- Exhibit B-1 - Project Requirements
- Exhibit C-1 - Parking/Pedestrian/Trail Easement Area
- Exhibit D-1 - Parking Area Dedicated for Beach/Marina
- Exhibit E-1 - Bath House Plans
- Exhibit F-1 - Easement for Parking/Pedestrian/Trail
- Exhibit G-1 - Easement for Lake Boardwalk
- Exhibit H-1 - Additional Parking Area
- Exhibit I-1 - Parking Area for Nine Replacement Stalls
- Exhibit J-1 - Parking Plan for Beach/Marina

Attachment A-1

EXHIBIT A-1 LEGAL DESCRIPTION OF PROPERTY

File No.: 10992
File Name: Minnetonka Boatworks

LEGAL DESCRIPTION

Parcel 1

Tract C, Registered Land Survey No. 959, according to the plat thereof on file and of record in the office of the Registrar of Titles, in and for Hennepin County, Minnesota.

Torrens Property
Torrens Certificate No. 836148

All that part of Lot 26, Auditor's Subdivision No. 184, described as follows:
Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning.

Abstract Property

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

Abstract Property

Parcel 2

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land begin described as follows, to wit;

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence

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South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract Property

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property
Torrens Certificate No. 836149

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

Abstract Property

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property
Torrens Certificate No. 836149

Attachment A-1

Exhibit B-1 Project Requirements

Refer to Exhibits (Plan A through Plan E of the Development Agreement.)

EXHIBIT C-1
EASEMENT EXHIBIT
PARKING/PEDESTRIAN/TRAIL EASEMENT AREA
CITY OF WATZATA, COUNTY OF HENNEPIN, MAP#5014
SECTION 6, TOWNSHIP 112, RANGE 22

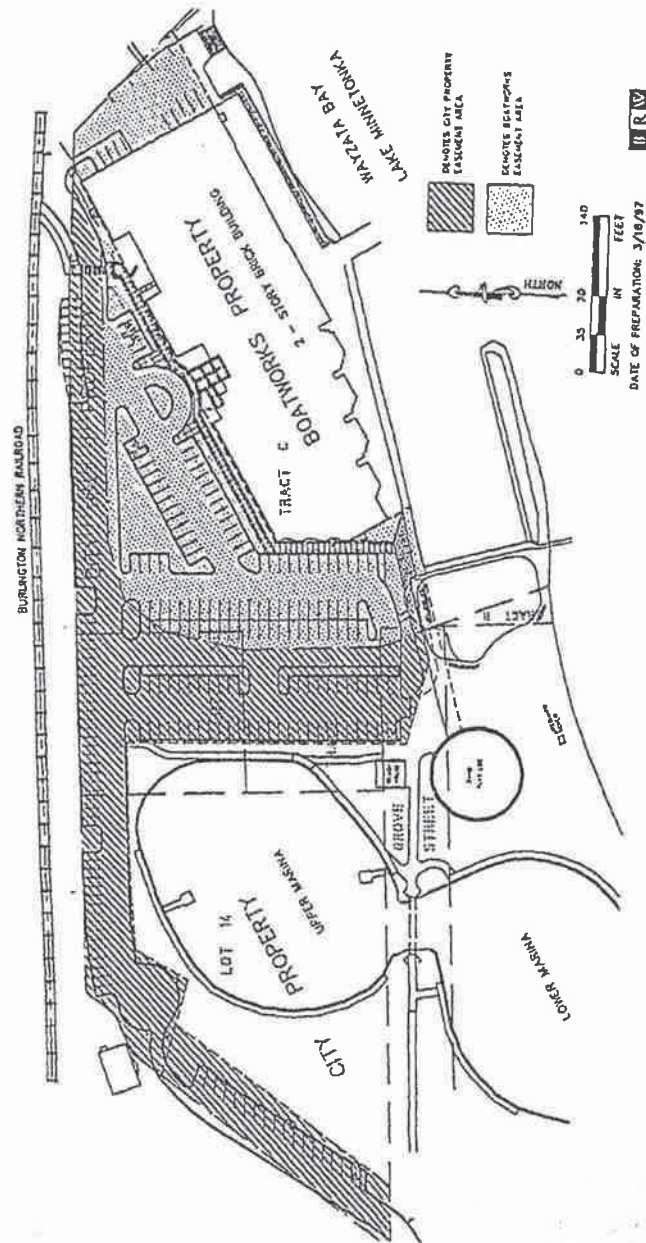


EXHIBIT D-1
PARKING AREA DEDICATED FOR BEACH/MARINA

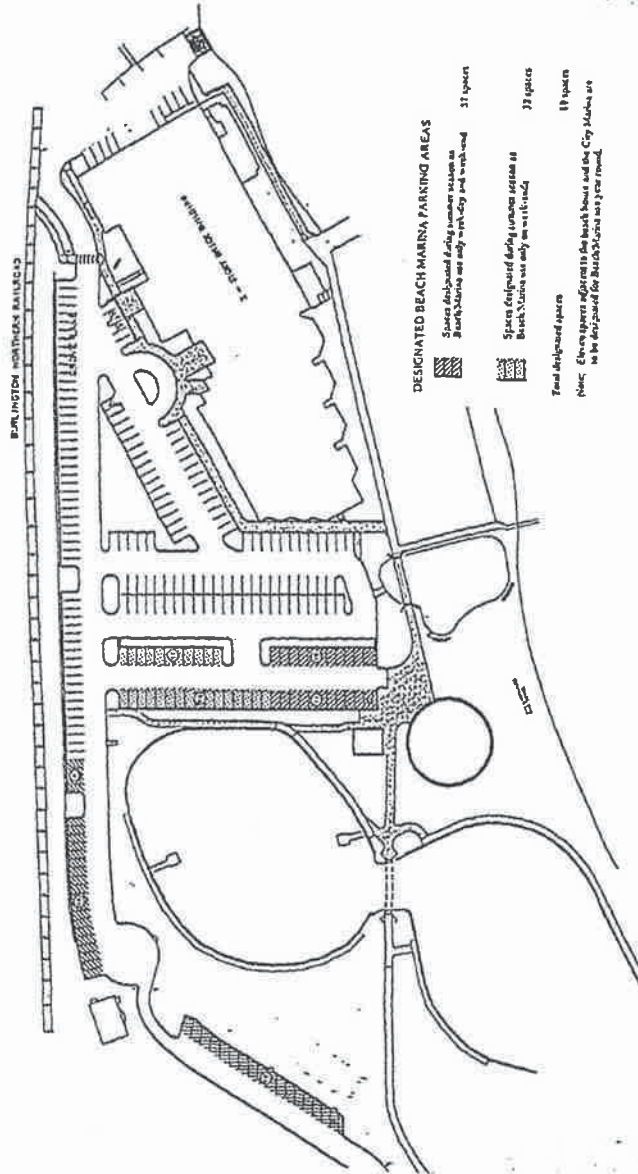
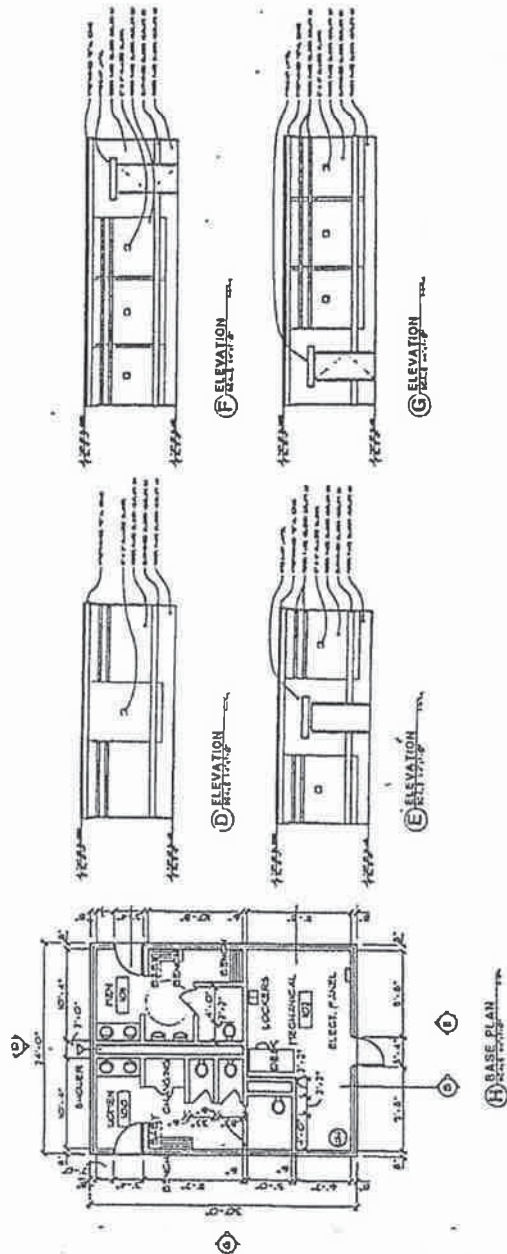


EXHIBIT E-1
BATH HOUSE PLANS



Beach House

Note: The above design is preliminary. The final design of Beach House shall be subject to the approval of the City Manager.

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EXHIBIT F-1

RECIPROCAL CROSS EASEMENT AGREEMENT

THIS RECIPROCAL CROSS EASEMENT AGREEMENT is made this 26th day of March, 1997, by between the CITY OF WAYZATA (hereinafter the "City"), a municipal corporation under the laws of the State of Minnesota and BOATWORKS DEVELOPMENT COMPANY, INC., a Minnesota corporation (hereinafter "Boatworks Development Company").

RECITALS:

WHEREAS, the City is the owner of that certain parcel of real property located in Wayzata, Minnesota, which property is legally described on Exhibit "A" attached hereto and made a part hereof ("Parcel 1").

WHEREAS, Boatworks Development Company is the owner of that certain parcel of real property located in Wayzata, Minnesota, which property is legally described on Exhibit "B" attached hereto and made a part hereof ("Parcel 2") (the word "Parcel" when used herein shall mean either Parcel 1 or Parcel 2, depending on the context in which such word is used).

WHEREAS, the City and Boatworks Development Company are parties to a Development Agreement dated March 26, 1997, relating to the development of Parcel 2 ("Development Agreement"), which Development Agreement requires, in part, certain conditions relating to the establishment of permanent joint cross easements for parking and pedestrian access over all parking areas, sidewalks and trails on Parcels 1 and 2 together with additional pedestrian easements along the lake shore of Parcel 2.

WHEREAS, in accordance with the requirements of the Development Agreement, the City and Boatworks Development Company desire to create and acquire certain easements for pedestrian and vehicular ingress and egress and parking, over and across the respective Parcels and to apportion certain rights and obligations for the benefit of the other's Parcel.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Grant of Easement.

The City hereby grants and conveys to Boatworks Development Company, its successors and assigns, a perpetual and permanent easement for parking, vehicular maneuvering and vehicular and pedestrian ingress and egress, over, under and across all parking areas, sidewalks and trails located on Parcel 1 legally described on Exhibit C, attached hereto and incorporated by this reference (the "City Easement Area"). The easements granted by the City are subject to the conditions, restrictions and limitations specified, depicted and cross hatched on Exhibit C-1 attached hereto and incorporated by this reference. The easement shall perpetually run with and burden the

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title to Parcel 1 and inure to the benefit and be binding upon the parties hereto and their respective heirs, successor and assignors, including without limitation, all subsequent owners of Parcel 1 and all persons claiming under them. The parties agree that any default by Boatworks Development Company under the Development Agreement which is not cured within the applicable cure period thereunder shall entitle the City to terminate the easements granted under this paragraph in the City Easement Area upon reasonable prior written notice (said notice to be not less than two weeks prior to the effective date of such termination).

Boatworks Development Company hereby grants and conveys to the City, its successor and assigns, a perpetual and permanent easement for parking, vehicular maneuvering and vehicular and pedestrian ingress and egress, over, under, and across all parking areas, sidewalks and trails located on Parcel 2 as described on Exhibit D attached hereto and incorporated by this reference (the "Boatworks Easement Area"; the City Easement Area and the Boatworks Easement Area are collectively referred to as the "Easement Area"). Boatworks Development Company shall have the right to designate and sign up to ten spaces immediately adjacent to the Minnetonka Boat Works building located on Parcel 2 for "Short term, Customer or Pick-up Delivery Only". The Easement Area is depicted and cross hatched on Exhibit E attached hereto and incorporated by this reference. The easement shall perpetually run with and burden the title to Parcel 2 and inure to the benefit and be binding upon the parties hereto and their respective heirs, successors and assignors, including without limitation, all subsequent owners of Parcel 2 and all persons claiming under them.

2. Maintenance of Easement Area. Boatworks Development Company shall be responsible for and shall pay the maintenance, repair and replacement of the surfacing and for plowing and snow removal from the Easement Area as described on Exhibits C and D attached hereto.

The Easement Area shall always be maintained in good condition and repair consistent with City standards and other commercially reasonable standards, and snow removal over the Easement Area shall be completed by Boatworks Development Company upon accumulation of two or more inches and in a reasonably prompt manner so as to keep such Easement Area in a condition which allows for safe and unobstructed driving and parking, and which shall at all times comply with applicable regulations, ordinances and codes.

The owners of each Parcel will take such actions as are reasonably necessary to ensure that the structure or integrity of the utilities located within the Easement Area will not be damaged in any manner.

3. Interference with Easements. No obstructions which would prevent, restrict or otherwise inhibit the passage of pedestrians or vehicles, or the maneuvering and parking of vehicles on the Easement Area shall be erected, condoned, or permitted to endure by the owner(s) of the Easement Area or any part thereof without prior written consent of the other party.

Attachment A-1

4. **Limited Dedication to City.** The easements granted by Boatworks Development Company over the Boatworks Easement Area are limited to the terms and conditions of this Agreement and are granted to the City only to the extent required by the Development Agreement.

5. **Amendments.** Subject to the City's right to terminate in Section 1 of this Agreement, this Agreement may not be modified in any respect whatsoever or rescinded, in whole or in part, without the consent of all parties hereto, and then only by written instrument duly executed in recordable form and duly recorded in the office of the Hennepin County Recorder and/or Registrar of Titles, as applicable; provided, however, that the City and Boatworks Development Company agree to promptly execute any necessary instruments to correct the legal description of the Boatworks Easement Area or the City Easement Area if a duly certified survey shows any encroachment by any building improvements over such Easement Area which are not otherwise permitted under the Development Agreement.

6. **Successors and Assigns.** The easements and rights granted and obligations assumed herein (a) are made for the direct, mutual and reciprocal benefit or burden of the real property affected; (b) will constitute covenants running with the land; and (c) will be binding upon and inure to the benefit of the parties respective successors, assigns, transferees, tenants, employees, agents, customers, licensees and invitees.

7. **Indemnification.** Each of the parties shall indemnify and hold the other party harmless of and from any and all loss, cost, liability, damage, injury or expense, including reasonable attorneys' fees, which may arise by reason of any violation of law, ordinance or regulation or by reason of injury to or death of a person(s), damage to the property, or claims of lien for work performed and/or materials or supplies furnished, or arising out of or in connection with the use of the Easement Area on the indemnifying party's Parcel, or arising from or in connection with the willful or negligent acts or omissions of the indemnifying party or its agents, contractors, employees or successors in interest. However, nothing herein shall be deemed to be a waiver of the City's statutory limits on its liability.

8. **Entire Agreement.** This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed and no other representations or promises, written or oral, made by either party to the other which is not contained herein shall be binding or valid.

9. **Attorneys' Fees.** In the event of a controversy, claim or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees and costs.

10. **Notices.** Any notice to be given hereunder by either of the parties hereto to the other may be either hand delivered, delivered by contract carrier, or may be deposited in the United States mail, registered or certified, postage prepaid and return receipt requested, addressed to the party for whom intended as follows:

Attachment A-1

To the City: City of Wayzata
600 East Rice Street
Wayzata, MN 55391
Attn: City Manager

To Boatworks: Boatworks Development Company, Inc.
Suite 120
445 East Lake Street
Wayzata, MN 55391

Either party may change its address at any time by notifying the other in writing, of such change. Service of any notice pursuant hereto shall be deemed complete at the time of delivery.

11. **Severability.** If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term or provision, to persons or circumstances other than those in respect of which is invalid or unenforceable) except those terms or provisions, which are made subject to or conditioned upon such invalid or unenforceable term or provision, shall not be affected thereby, and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. **Governing Laws.** This Agreement shall be construed and governed in accordance with the laws of Minnesota.

13. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either of the parties hereto may execute this Agreement by signing any such counterpart.

[The rest of this page is intentionally left blank]

Attachment A-1

IN WITNESS WHEREOF, the parties hereto have caused the foregoing Reciprocal Cross Easement Agreement to be executed the day and year first written above.

CITY OF WAYZATA,
a Minnesota municipal corporation

By: Bob Ambrose
Its: Mayor Pro Tem

BOATWORKS DEVELOPMENT
COMPANY, INC.

By: Richard A. Born
Name: Richard A. Born
Its: President

By: Alan Olson
Its: City Manager

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss.

The foregoing instrument was acknowledged before me this 26 day of March, 1997, by Bob Ambrose and Alan Olson, the Mayor Pro Tem and City Manager, respectively, of the CITY OF WAYZATA, a municipal corporation under the laws of the State of Minnesota, on behalf of the corporation.

Joan B. Smith
Notary Public

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss.



The foregoing instrument was acknowledged before me this 20th day of March, 1997, by Richard A. Born, the President of Boatworks Development Company, Inc., a Minnesota corporation, on behalf of the corporation.

Terry L. Schneider
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
DOHERTY RUMBLE & BUTLER (LKS)
PROFESSIONAL ASSOCIATION
3500 Fifth Street Towers
150 South Fifth Street
Minneapolis, Minnesota 55402
(612) 340-5555



Attachment A-1

MARCH 19, 1997

EXHIBIT A CITY PROPERTY

TRACT A, TRACT B and TRACT D, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota;

and

Lot 26, Auditor's Subdivision No. 184, according to the recorded plat thereof, Hennepin County, Minnesota, except that part described as follows:

Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence south along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning;

and

Lot 14, DAVIES ADDITION To Wayzata Lake Minnetonka, according to the recorded plat thereof, Hennepin County, Minnesota, except that part described as follows:

Those parts of Lots 12 and 14, and that part of adjoining vacated Grove Lane (formerly known as Willow Lane), all in Davies Addition To Wayzata Lake Minnetonka, described as beginning at the intersection of the North line of said Lot 14 with a line drawn parallel with and 20 feet Southeasterly, measured at right angles to the Northwesternly line of said Lot 14, from the Northwesternly line of said Lot 14 and its extension; thence Southwesterly along said parallel line a distance of 33 feet; thence Southwesterly to a point on the Easterly extension of the Southerly line of said Lot 12 distant 20 feet Easterly from the Southeasterly corner of said Lot 12; thence Westerly along said extension and along said Southerly line a distance of 41.35 feet, more or less, to a line drawn parallel with and 20 feet Northwesternly, measured at right angles to the Southeasterly line of said Lot 12, from the Southeasterly line of said Lot 12 and its extension; thence Northeasterly along said parallel line to the North line of said Lot 12; thence Easterly along said North line and its extension to the point of beginning, according to the recorded plat thereof;

and

The right of way of GROVE STREET, as dedicated by said plat of DAVIES ADDITION To Wayzata Lake Minnetonka, except that part described as follows:

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

exhibit

Attachment A-1

MARCH 19, 1997

EXHIBIT B

BOATWORKS PROPERTY

TRACT C, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota;

and

All that part of Lot 26, Auditor's Subdivision No. 184, according to the recorded plat thereof, Hennepin County, Minnesota, described as follows:

Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence south along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning;

and

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

exhb.k15

Attachment A-1

MARCH 19, 1997

EXHIBIT C

CITY PROPERTY EASEMENT AREA

TRACT D, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota;

and

All those parts of TRACT A and TRACT B, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota; Lot 26, Auditor's Subdivision No. 184, according to the recorded plat thereof, Hennepin County, Minnesota, except that part described as follows: Beginning at the most southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning; Lot 14, DAVIES ADDITION To Wayzata Lake Minnetonka, according to the recorded plat thereof, Hennepin County, Minnesota, except that part described as follows: Those parts of Lots 12 and 14, and that part of adjoining vacated Grove Lane (formerly known as Willow Lane), all in Davies Addition To Wayzata Lake Minnetonka, described as beginning at the intersection of the North line of said Lot 14 with a line drawn parallel with and 20 feet Southeasterly, measured at right angles to the Northwesterly line of said Lot 14, from the Northwesterly line of said Lot 14 and its extension; thence Southwesterly along said parallel line a distance of 33 feet; thence Southwesterly to a point on the Easterly extension of the Southerly line of said Lot 12 distant 20 feet Easterly for the Southeasterly corner of said Lot 12; thence Westerly along said extension and along said Southerly line a distance of 41.35 feet, more or less, to a line drawn parallel with and 20 feet Northwesterly, measured at right angles to the Southeasterly line of said Lot 12, from the Southeasterly line of said Lot 12 and its extension; thence Northeasterly along said parallel line to the North line of said Lot 12; thence Easterly along said North line and its extension to the point of beginning, according to the recorded plat thereof; and the right of way of GROVE STREET, as dedicated by said plat of DAVIES ADDITION To Wayzata Lake Minnetonka, except all that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof;

Attachment A-1

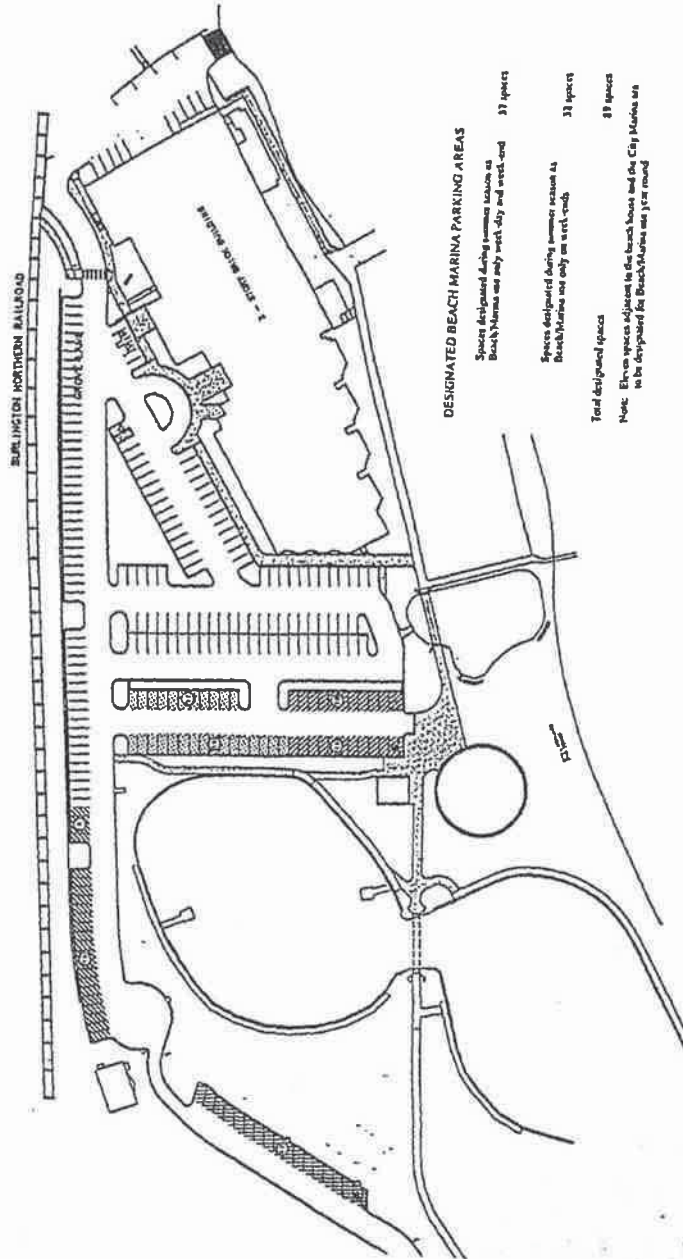
which lie northerly of the following described line and its extensions:

Commencing at the northwest corner of said Lot 14; thence on an assumed bearing of South 33 degrees 42 minutes 22 seconds West along the westerly line of said Lot 14 for 84.97 feet to the actual point of beginning of the line to be described; thence South 76 degrees 41 minutes 42 seconds East for 89.83 feet; thence North 25 degrees 58 minutes 54 seconds East for 53.37 feet; thence North 82 degrees 52 minutes 31 seconds East for 50.69 feet; thence North 86 degrees 09 minutes 05 seconds East for 138.71 feet; thence South 02 degrees 17 minutes 57 seconds East for 255.38 feet; thence South 76 degrees 34 minutes 28 seconds East for 78.06 feet; thence North 74 degrees 06 minutes 29 seconds East for 26.58 feet to an easterly line of the hereinabove described property and there terminating;

and

All that part of said Lot 14 which lies westerly of a line drawn parallel with and distant 45.00 feet easterly from and parallel with the westerly line of said Lot 14.

EXHIBIT C-1



Attachment A-1

MARCH 19, 1997

EXHIBIT D

BOATWORKS EASEMENT AREA

All those parts of the following described properties:

TRACT C, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota;

All that part of Lot 26, Auditor's Subdivision No. 184 described as follows: Beginning at the most southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning;

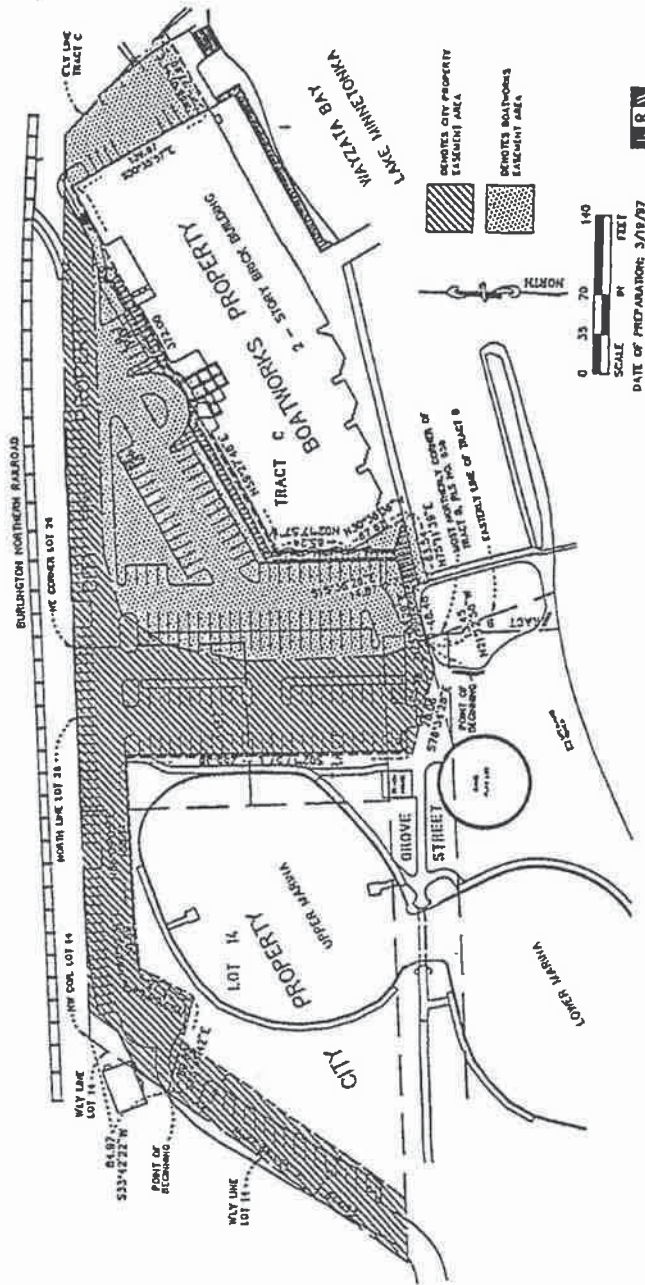
All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof;

which lie northerly of the following described line and its extensions:

Commencing at a point in the west line of said TRACT C, said point also being the most northerly corner of TRACT B, said REGISTERED LAND SURVEY NO. 959; thence on an assumed bearing of North 21 degrees 12 minutes 58 seconds West along a line drawn from said most northerly corner of TRACT B to the southeast corner of TRACT A, said Registered Land Survey No. 959 for 13.45 feet to the actual point of beginning of the line to be described; thence North 74 degrees 06 minutes 29 seconds East for 48.48 feet; thence South 15 degrees 36 minutes 26 seconds East for 14.87 feet; thence North 75 degrees 11 minutes 39 seconds East for 63.54 feet; thence North 30 degrees 36 minutes 36 seconds West for 67.62 feet; thence North 02 degrees 17 minutes 57 seconds West for 65.24 feet; thence North 59 degrees 27 minutes 48 seconds East for 372.00 feet; thence South 30 degrees 35 minutes 57 seconds East for 139.87 feet; thence North 59 degrees 01 minutes 44 seconds East for 77.80 feet to the easterly of said TRACT C and there terminating.

exhd.k15

EXHIBIT E
EASEMENT EXHIBIT
 CITY OF WATZATA, COUNTY OF HENNEPIN, MINNESOTA
 SECTION 6, TOWNSHIP 117, RANGE 23



3/11/97 J. R. N.
 Prepared by J. R. N. for the City of Watzata, Minnesota.
 This map is not to be used for any other purpose without the written consent of the City of Watzata, Minnesota.

Attachment A-1

EXHIBIT G-1 EASEMENT FOR LAKE BOARDWALK GRANT OF EASEMENT

THIS GRANT OF EASEMENT is made and entered into as of the _____ day of March, 1997, by BOATWORKS DEVELOPMENT COMPANY, INC., a Minnesota corporation (hereinafter "Grantor"), to the City of Wayzata, a municipal corporation under the laws of the State of Minnesota (hereinafter "Grantee").

WHEREAS, Grantor is the fee owner of the certain real property located in the City of Wayzata, County of Hennepin and State of Minnesota, legally described on Exhibit A attached hereto and incorporated by this reference (the "Burdened Property").

WHEREAS, Grantor and Grantee are parties to a Development Agreement dated _____ 1997, relating to the development of the Burdened Property ("Development Agreement"), which Development Agreement requires, in part, certain conditions relating to the establishment of a pedestrian easement along the lakeshore of the Burdened Property.

WHEREAS, in accordance with the requirements of the Development Agreement, Grantor desires to convey to Grantee and Grantee desires to obtain from Grantor a perpetual and permanent easement for pedestrian ingress and egress purposes over, under and across a portion of the Burdened Property which is legally described on Exhibit B attached hereto and incorporated by this reference (the "Easement Area") and depicted by the drawing on Exhibit C attached hereto and incorporated by this reference, all as hereinafter set forth.

NOW, THEREFORE, for \$1.00 and in consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants and conveys to the City of Wayzata, its successors and assigns, a perpetual and permanent easement (the "Easement") over, under and across the Easement Area for pedestrian ingress and egress purposes, and for the construction, maintenance and repair of certain accompanying improvements more particularly described in the Development Agreement. The Easement shall perpetually run with and burden the title to the Burdened Property and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns, including without limitation, all subsequent owners of the Burdened Property and all persons or entities claiming under them.

2. Use of Easement Area. The Easement shall be used for pedestrian ingress and egress and for the purposes of constructing, maintaining and repairing thereon a pedestrian boardwalk over the Easement Area. Grantor hereby agrees that it will not perform or allow or cause the construction of any improvements on the Easement Area which could damage or obstruct the improvements constructed thereon or interfere with the access to or use of, or the maintenance and repair of, the boardwalk located within the Easement Area.

Attachment A-1

3. **Maintenance.** The Easement Area shall be maintained, repaired and reconstructed by the Grantor at all times in good condition and at its sole cost and expense.

4. **Warranty of Title.** Grantor represents and warrants to Grantee that it is the owner of fee simple absolute title to the Burdened Property, and that there are no disclosed mortgages, contracts for deed, leases, rental agreements, occupancy agreements, or any other encumbrances or verbal or written agreement of any nature whatsoever affecting title to the Burdened Property, other than those persons or entities that have consented in writing to this Grant of Easement.

5. **Limited Dedication to City.** The Easement granted by Grantor over the Easement Area is limited to the terms and conditions of this Grant of Easement and is granted to the City only to the extent required by the Development Agreement.

6. **Indemnification.** The Grantee shall indemnify and hold the Grantor harmless of and from any and all loss, cost, liability, damage, injury or expense, including reasonable attorneys' fees, which may arise by reason of any violation of law, ordinance or regulation or by reason of injury to or death of a person(s), damage to the property, or claims of lien for work performed and/or materials or supplies furnished, or arising out of or in connection with the use of the Easement Area or arising from or in connection with the willful or negligent acts or omissions of the Grantee or its agents, contractors, employees or successors in interest. However, nothing herein shall be deemed to be a waiver of Grantee's statutory limits on its liability.

7. **Amendment.** This Grant of Easement shall be amended only by an instrument signed by Grantor and Grantee; provided, however, that Grantor and Grantee agree to promptly execute any necessary instruments to correct the legal description of the Easement Area if a duly certified survey shows any encroachment by any building improvements over such Easement Area which are not otherwise permitted under the Development Agreement.

8. **Governing Law.** This Grant of Easement is made and executed under, and in all respects is to be given and construed by, the laws of the State of Minnesota.

9. **Entire Agreement.** This Grant of Easement constitutes the entire agreement between the parties. There are no verbal agreements that change this Grant of Easement and no waiver of its terms will be effective unless in writing and executed by the parties.

Attachment A-1

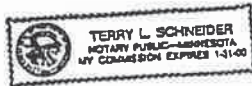
IN WITNESS WHEREOF, Grantor has executed this Grant of Easement the day and year first above written.

BOATWORKS DEVELOPMENT
COMPANY, INC.

By: [Signature]
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 20th day of March, 1996, by Richard A. Born, the Pres. of BOATWORKS DEVELOPMENT COMPANY, INC., a Minnesota corporation, on behalf of the corporation.



Terry L. Schneider
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Doherty, Rumble & Butler, P.A. (LKS)
3500 Fifth Street Towers
150 South Fifth Street
Minneapolis, Minnesota 55402-4235
Telephone: (612) 340-5555

Attachment A-1

EXHIBIT A

LEGAL DESCRIPTION OF BURDENED PROPERTY

TRACT C, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota;

and

All that part of Lot 26, Auditor's Subdivision No. 184, according to the recorded plat thereof, Hennepin County, Minnesota, described as follows:

Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence south along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning.

and

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

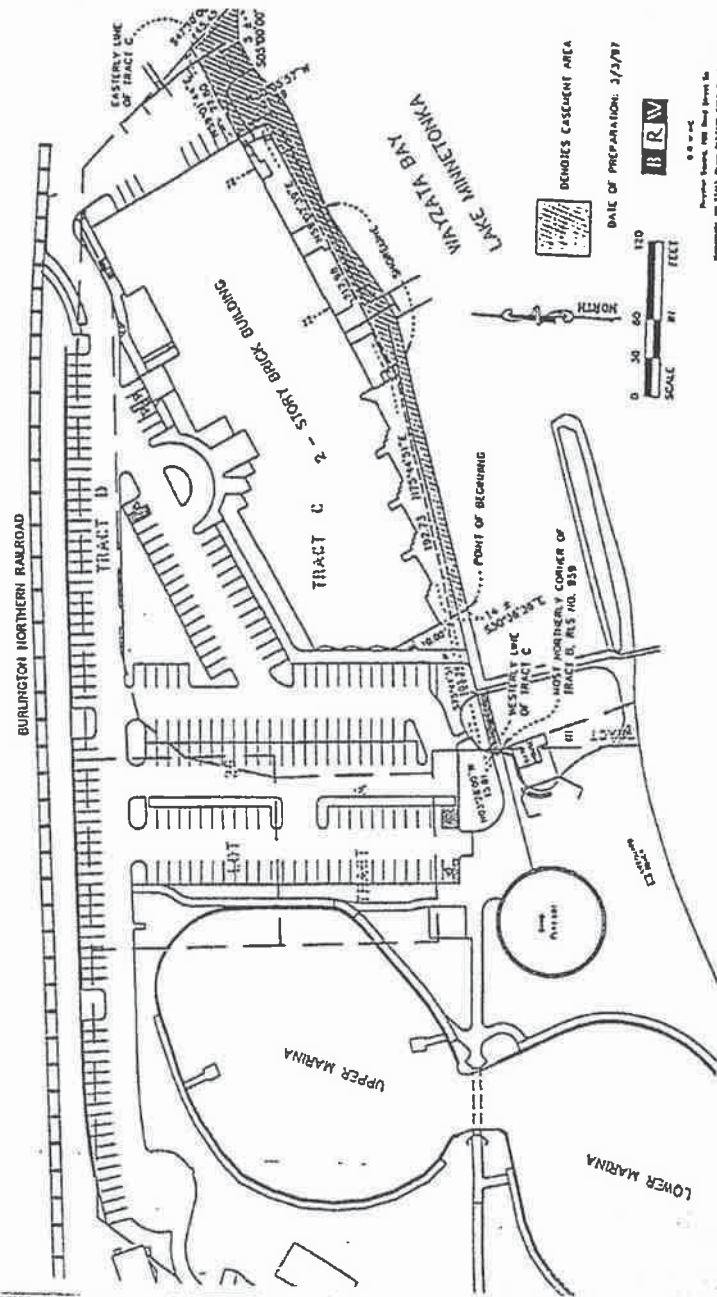
Attachment A-1

EXHIBIT B

LEGAL DESCRIPTION OF EASEMENT AREA

All that part of TRACT C, REGISTERED LAND SURVEY NO. 959, files of the Registrar of Titles, Hennepin County, Minnesota described as follows:

Commencing at a point in the westerly line of said TRACT C, said point also being the most northerly corner of TRACT B, said REGISTERED LAND SURVEY NO. 959; thence on an assumed bearing of North 03 degrees 28 minutes 00 seconds West along the westerly line of said TRACT C for 15.81 feet; thence North 75 degrees 44 minutes 51 seconds East for 103.34 feet to the actual point of beginning; thence continue North 75 degrees 44 minutes 51 seconds East for 192.73 feet; thence North 59 degrees 02 minutes 39 seconds East for 217.98 feet; thence North 30 degrees 35 minutes 57 seconds West for 21.99 feet; thence North 59 degrees 01 minutes 44 seconds East for 77.80 feet to the easterly line of said TRACT C, thence South 47 degrees 10 minutes 00 seconds East along said easterly line for 45.45 feet to an angle point in said easterly line; thence South 05 degrees 00 minutes 00 seconds East along said easterly line for 5 feet, more or less, to the shoreline of Lake Minnetonka; thence southwesterly along said shoreline to an intersection with a line bearing South 30 degrees 36 minutes 36 seconds East for 14 feet, more or less, to the point of beginning.



DEMOBILIZATION AREA

DATE OF PREPARATION: 3/3/87

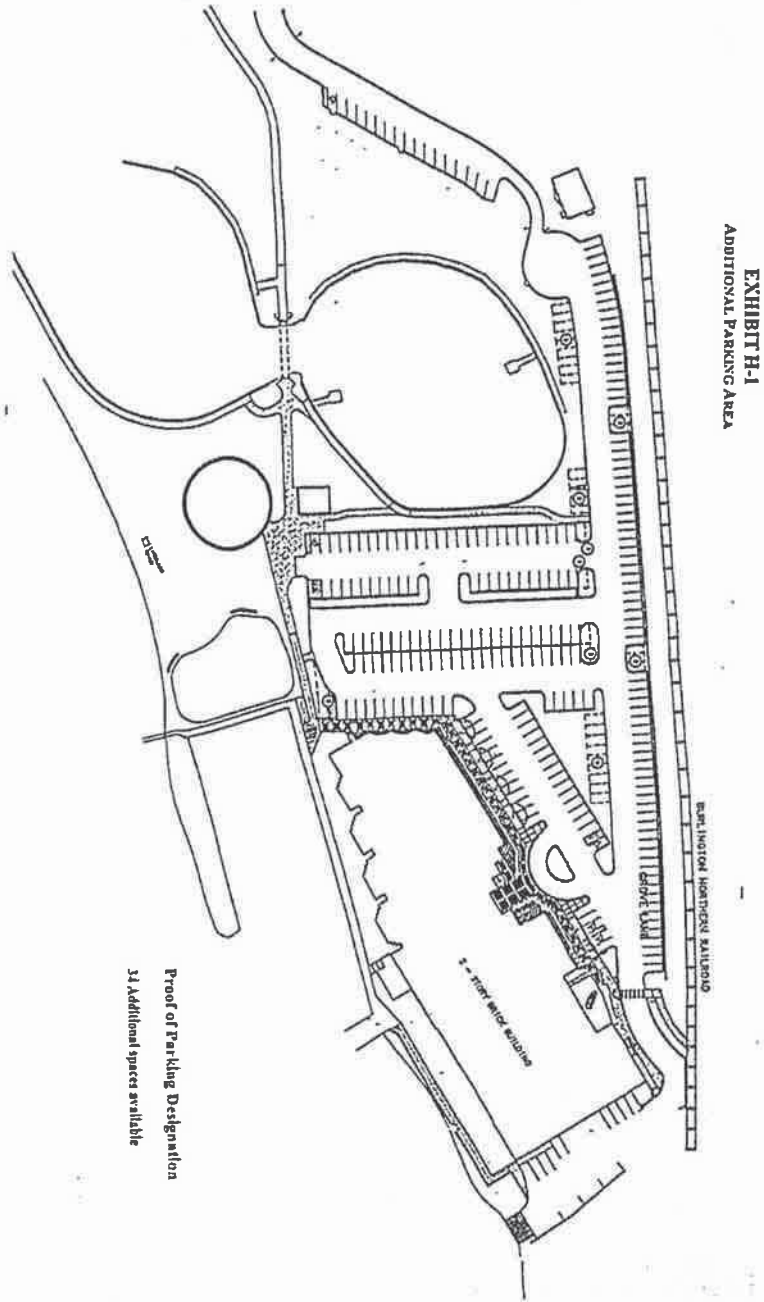
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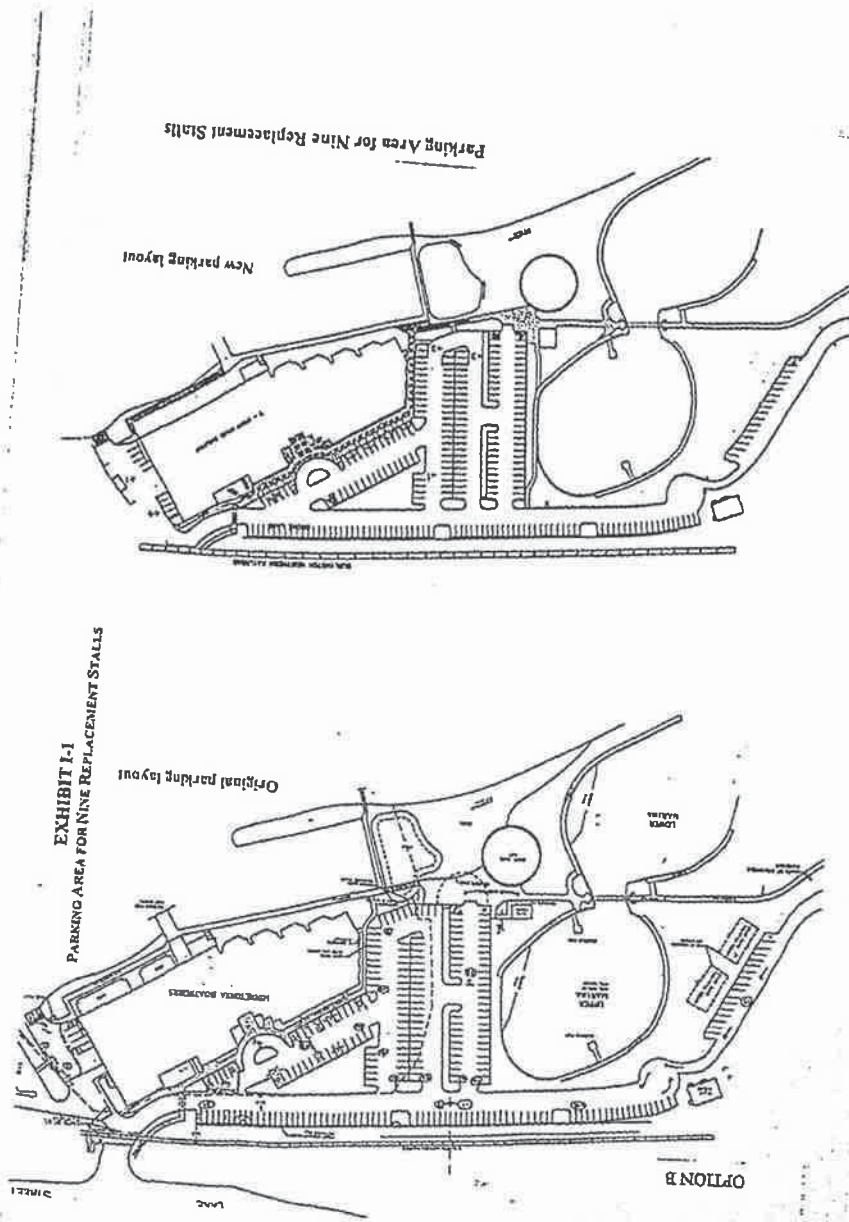
1. **Introduction**
 2. **Methodology**
 3. **Results**
 4. **Discussion**
 5. **Conclusion**
 6. **References**
 7. **Appendix**
 8. **Index**
 9. **Glossary**
 10. **Notes**
 11. **Footnotes**
 12. **Endnotes**
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 162. **Figures**
 163. **Equations**
 164. **Formulas**
 165. **Diagrams**
 166. **Charts**
 167. **Graphs**
 168. **Tables**
 169. **Figures**
 170. **Equations**
 171. **Formulas**
 172. **Diagrams**
 173. **Charts**
 174. **Graphs**
 175. **Tables**
 176. **Figures**
 177. **Equations**
 178. **Formulas**
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 180. **Charts**
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 185. **Formulas**
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 197. **Figures**
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 199. **Formulas**
 200. **Diagrams**
 201. **Charts**
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 206. **Formulas**
 207. **Diagrams**
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 209. **Graphs**
 210. **Tables**
 211. **Figures**
 212. **Equations**
 213. **Formulas**
 214. **Diagrams**
 215. **Charts**
 216. **Graphs**
 217. **Tables**
 218. **Figures**
 219. **Equations**
 220. **Formulas**
 221. **Diagrams**
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 241. **Formulas**
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 243. **Charts**
 244. **Graphs**
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 248. **Formulas**
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 251. **Graphs**
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Attachment A-1



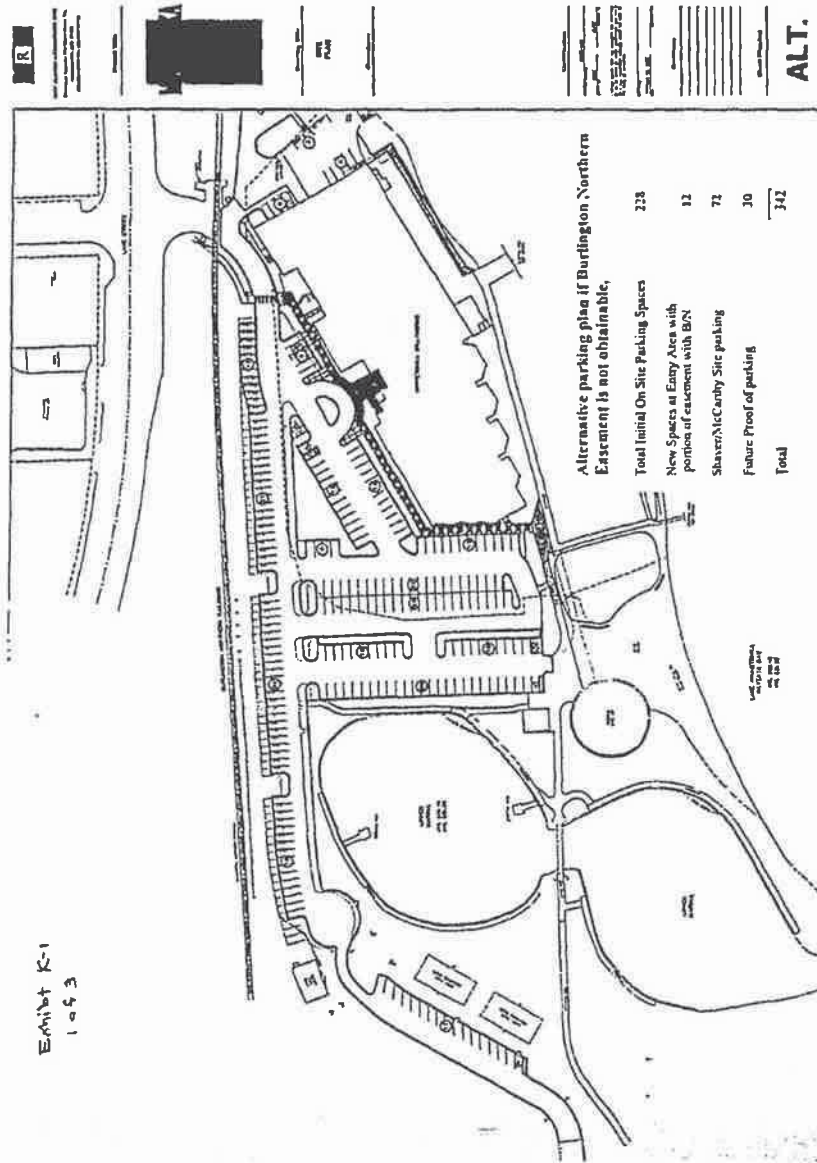
Attachment A-1

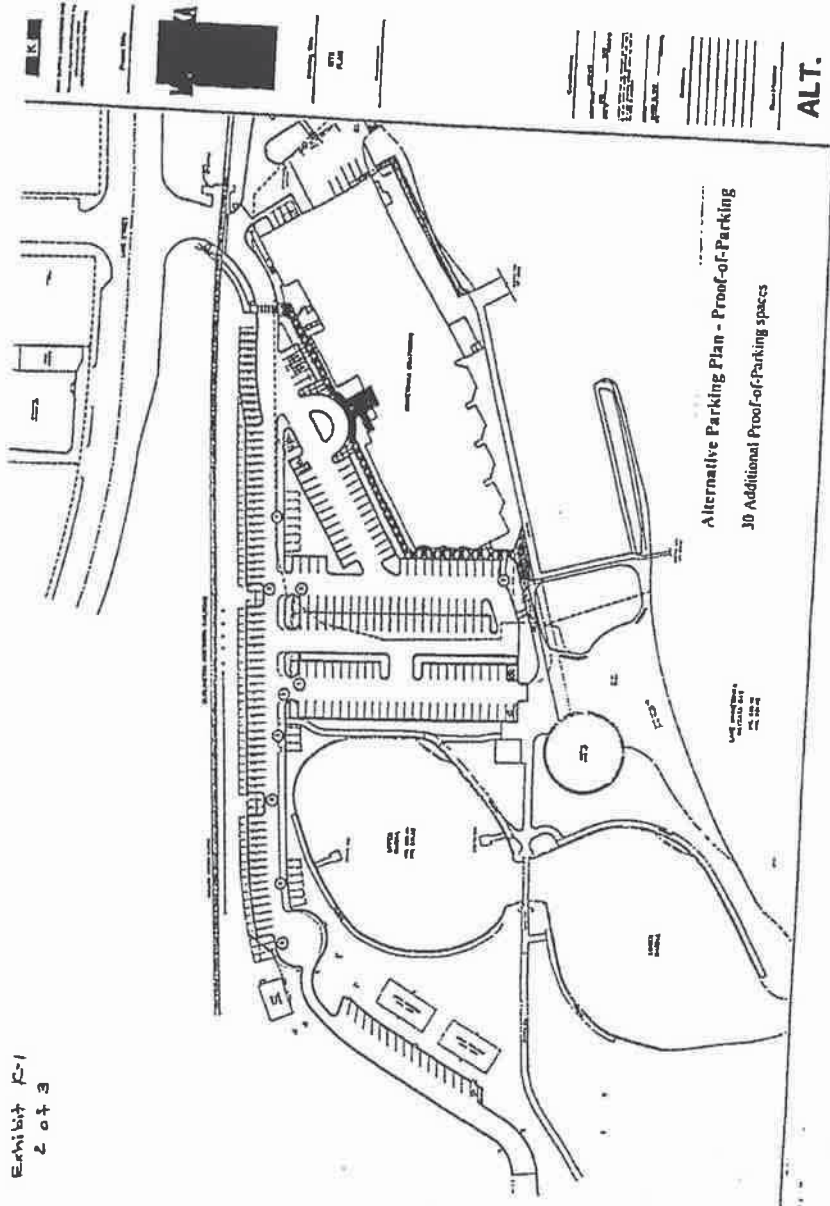


Attachment A-1

Exhibit J-1 Parking Plan for Beach/Marina

Refer to Exhibit D-1





6

27c

6721202

15APR97 10:46 86721202 SCD \$4.50
15APR97 10:46 86721202 DOC \$80.00

OFFICE OF CLERICAL
PERSONNEL, WASHINGTON

CERTIFIED MAIL AND/OR
REGISTERED MAIL

97 APR 15 AM 10:44

PERMIT # 6721202
AND COUNTY RECORDS

John Doe

\$80.00

Envelope: 21-015
Commercial

COMMERCIAL PARTNERS TITLE, LLC
330 SECOND AVENUE SOUTH
SUITE 820
MINNEAPOLIS, MN 55401

2801690

REGISTERED 2802 836148 ✓
REGISTERED 2802 836149 ✓
70

(3) #2
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236149

OFFICE OF THE REGISTRAR
OF TITLES
BENNEEN COUNTY, MINNESOTA
CERTIFIED FILED ON

APR 11 1997

Handwritten signature SPM
REGISTRAR OF TITLES
BENNEEN COUNTY, MINNESOTA

31
95

Attachment A-1

TRANSFER ENTERED
HENNEPIN COUNTY TAXPAYER SERVICES

JAN 15 2003

HENNEPIN COUNTY MINN.
BY *[Signature]* DEPUTY

19
7925215

OFFICE OF COUNTY RECORDER
HENNEPIN COUNTY, MINNESOTA

CERTIFIED FILED AND OR
RECORDED

2003 JAN 22 AM 10:51

7925215

AS DOCUMENT

[Signature]

CO. REC.

[Signature] DEPUTY

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AND PLANNED UNIT
DEVELOPMENT/CONDITIONAL USE PERMIT**

This Amendment Agreement ("Agreement") is made as of the 24th day of April, 2002, by and among Boatworks Development Company, LLC, a Minnesota limited liability company ("Boatworks") and the City of Wayzata, a municipal corporation under the laws of Minnesota ("Wayzata").

RECITALS

A. WHEREAS, Boatworks Development Company, Inc., a Minnesota corporation and Wayzata entered into a Development Agreement (the "Development Agreement") dated March 26, 1997 and recorded April 15, 1997 as Document No. 6721202 in the office of the Hennepin County Recorder and recorded April 11, 1997 as Document No. 2801690 in the office of the Hennepin County Registrar of Titles, in connection with the real property located in the City of Wayzata, County of Hennepin, State of Minnesota, legally described on attached Exhibit A-1 (the "Property"); and

B. WHEREAS, the Development Agreement was assigned from Boatworks Development Company, Inc. to Boatworks pursuant to an Assignment of Development Agreement dated May 17, 2001 ("Assignment of Agreement"); and

C. WHEREAS, Boatworks Development Company, Inc., a Minnesota corporation and Wayzata entered into a Planned Unit Development/Conditional Use Permit ("PUD/CUP Permit") dated January 22, 1997 which said PUD/CUP Permit was attached to the recorded Development Agreement described above; and

D. WHEREAS, the PUD/CUP Permit was assigned by Boatworks Development Company, Inc. to Boatworks pursuant to the Assignment of Agreement; and

Title Recording Services, Inc.	342425
1043 Grand Avenue #259	
St. Paul, MN 55105	Boatworks
HENNEPIN AT	UNITED JUNIOR
1 000000 0001 0000 0000 0000 0000 0000 0000 0000	AGR

15A
TRANSFER ENTERED
HENNEPIN COUNTY TAXPAYER SERVICES

JAN 15 2003

HENNEPIN COUNTY MINN.
DEPUTY

3666747
OFFICE OF THE REGISTRAR
OF TITLES
HENNEPIN COUNTY, MINNESOTA
CERTIFIED FIELD 01
JAN 17 2003
12m
REGISTRAR OF TITLES
DEPUTY

3666747

1065594

3666747

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DEVELOPMENT/CONDITIONAL USE PERMIT**

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D. WHEREAS, the PUD/CUP Permit was assigned by Boatworks Development Company, Inc. to Boatworks pursuant to the Assignment of Agreement; and

Title Recording Services, Inc. 342425
1043 Grand Avenue #259
St. Paul, MN 55105 Boatworks
HENNEPIN AT UNITED JUNIOR
AGR

Attachment A-1

E. WHEREAS, Boatworks desires to amend the terms of the Development Agreement and PUD/CUP Permit as outlined herein and Wayzata has agreed to such amendment;

NOW, THEREFORE, in consideration of One Dollar and other good and valuable consideration, the sufficiency and receipt of which is acknowledged to by the parties, and in consideration of the Recitals and of their mutual promises set forth below, the parties hereto agree as follows:

COVENANTS

1. Boatworks' Reaffirmation of Obligation. Boatworks reaffirms its obligations set forth under the Development Agreement and the PUD/CUP Permit as amended herein.

2. Amendment to Development Agreement and PUD/CUP Permit. The terms of the Development Agreement and the PUD/CUP Permit are amended to the extent required to allow the following changes in terms:

- a. Amendment to Restaurant. Boatworks shall be allowed to construct a restaurant containing approximately 5,862 square feet to be located on the south side of the east wing of the building located on the Property ("Building") as more fully set forth in attached Exhibit A. In addition, Boatworks shall be allowed to provide restaurant seating outdoors on the south side of the Building both on the main level deck as well as the western half of the upper level deck, both as shown on attached Exhibit B.
- b. Lobby/Circulation/Seating Area. Boatworks shall be allowed to reduce the size of the lobby/circulation/seating area of the Building in order to allow construction of the restaurant as set forth in subsection (a) above. The new lobby/circulation/seating area is set forth on attached Exhibit C.
- c. Office Area/Main Floor. Boatworks shall be allowed to convert approximately 3,966 square feet on the main floor of the Building into office space. The additional office area is shown on attached Exhibit D.
- d. Retail Space/Bar Area. Boatworks shall be allowed to construct a retail space consisting of approximately 258 square feet adjacent to the circulation/seating area on the main floor of the Building as shown on attached Exhibit E. As required under the Development Agreement and/or PUD/CUP Permit, the bar area shall be limited to 18 seats.
- e. Office Area/Upper Deck. On the eastern half of the upper deck level of the Building, Boatworks shall be allowed to provide executive office suites consisting of approximately 1,720 square feet. This new office area on the upper deck is outlined on attached Exhibit F.

Attachment A-1

- f. Parking. If, in the reasonable discretion of the City Council, the proposed parking/valet arrangement is not meeting the parking demands of the Building and/or Property or is creating a safety and circulation problem to and from the beach property from Lake Street for extended periods of time, the City Council may, in its reasonable discretion, require that Boatworks resolve the problem in a manner selected by the Boatworks, and approved by the Council, whether by construction of a ramp, reduction of office or restaurant square footage in use, or other manner, by a specific date to be set by the City Council. Such date shall give the Boatworks reasonable time to implement the proposed solution. The City Council may also specify what steps will be taken by Wayzata to resolve the problem should such problem not be sufficiently resolved on the part of Boatworks by the deadline imposed by the City Council. (For example only, the City Council may require reduction of a portion of the square footage of a particular use in the Building if the parking problem is not resolved as required by the City Council within the then specified time frame.) This requirement is specific to this Property and its associated PUD/CUP alone, due to the unique nature of this development, and does not affect any other developments within Wayzata nor set precedence for this type of agreement. A review of the parking by Wayzata staff and Boatworks shall occur throughout the summer of 2002 to demonstrate if parking requirements are being met and if the valet parking arrangement is successful. If deemed necessary by the Wayzata city staff or the City Council, parking needs of the Property shall be reviewed by the Wayzata city staff every six months for two years from the date of this Agreement and the City Council may require Boatworks to resolve any City Council-identified parking problem in the same manner as outlined above in this Section.
- g. Redevelopment of 259 Lake Street. The Development Agreement and/or PUD/CUP state that the 259 Lake Street lot cannot be redeveloped unless the redevelopment includes a parking ramp that allocates at least 72 parking spaces for use by the Boatworks site. The new proposal, outlined in this Amendment, increases the parking spaces needed by the Boatworks Site by 13 spaces. Therefore, the sum of 72 plus 13, or 85 parking spaces on the 259 East Lake Street site will be required to be allocated for use by the Boatworks Site if the 259 East Lake Street parcel gets redeveloped.
- h. Beach Parking. The parking spaces originally designated as municipal beach parking spaces in the Development Agreement and/or CUP/PUD Permit shall remain, with 57 dedicated parking spaces for weekday and weekend beach use, and 32 dedicated spaces for weekend beach use, for a total of 89 designated spaces, in the locations agreed upon in the Development Agreement and/or CUP/PUD Permit.

Attachment A-1

- i. Signage. Boatworks shall cooperate with the Wayzata city staff and City Council on a review of directional signage for the Lake Street area and reasonably cooperate with the findings of such.
- j. Landscaping. On the Lake Street Property Boatworks shall be required to continue to provide for and maintain a landscaping strip of at least eight feet wide between all parking areas and the sidewalks and/or street areas. The strip shall consist of shade trees at a maximum interval of 30 feet with a decorative fence, masonry wall or hedge. Solid walls shall be no less than three feet and no more than four feet in height. Proper lines of sight shall be maintained at all intersections.
- k. Transient Boat Storage. A minimum of 10 temporary boat spaces shall be provided for public use and shall be appropriately designated. Boatworks shall be responsible for all permits required by the Lake Minnetonka Conservation District, if necessary. No new dock shall be located west of the current docks. If the location of these 10 temporary boat spaces changes over time, the location of the spaces shall be administratively approved by City Staff.
- l. Bicycle Parking. Boatworks shall provide for at least four bicycle parking spaces to be provided in a convenient, visible and preferable sheltered location. Bicycle racks shall conform to all Wayzata standards. The bicycle parking location shall be approved by City Staff and installed no later than July 1, 2002.
- m. Roof Style. The roof style of the new office area on the upper deck of the Building shall be in conformity to that set forth on attached Exhibit G.
- n. Employee Parking/Valet Parking. Valet parking shall continue to be available for all restaurant patrons during all operational hours of the restaurant. All valet parking shall be done at the 259 Lake Street lot. All restaurant employees and staff shall also park at the 259 Lake Street lot.
- o. Public Access. The Lobby area and restrooms on the main level shall remain open to the public during regular business hours.

3. Conflict with Development Agreement and PUD/CUP Permit. To the extent that there is conflict between the terms of this Agreement and the Development Agreement and the PUD/CUP Permit, the terms of this Agreement shall control. However, the terms of the Development Agreement and the PUD/CUP Permit shall remain unchanged except as specifically amended by the terms of this Agreement.

4. No Impairment of Lien. The Property shall remain subject to the lien of the Development Agreement and the PUD/CUP Permit and nothing herein shall affect the lien of the Development Agreement and the PUD/Cup Permit or the priority thereof or affect the liability of

Attachment A-1

any party liable under or on account of the Development Agreement and/or the PUD/CUP Permit, except as expressly provided herein.

5. No Impairment of Right to Future Consent. Nothing contained herein shall in any manner affect Wayzata's discretionary right to refuse to permit any future transfer or amendment of the terms of the Development Agreement and/or the PUD/CUP Permit.

6. No Waiver of Default. This Agreement shall not operate to waive any existing default or defaults under the Development Agreement nor the PUD/CUP Permit and Wayzata shall have any and all remedies against Boatworks for any such default that are available to Wayzata under the Development Agreement and/or PUD/CUP Permit.

7. Default. Any default or breach of any covenant hereunder shall constitute a default under the Development Agreement and the PUD/CUP Permit.

8. Governing Law. This Agreement and all provisions hereunder shall be governed by and construed in accordance with the laws of the State of Minnesota.

9. Amendment. This Agreement, the Development Agreement and the PUD/CUP Permit may be amended only by written agreement signed by all of the parties.

10. Benefit Recording. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns, and shall be recorded against the title records for the Property.

11. Headings. The paragraph headings of this Agreement are for reference only and shall not be deemed to alter or affect the meaning of the terms hereof.

12. Execution and Counterparts. This Agreement may be executed in any number of counterparts and such counterparts shall be deemed to be originals, and all such counterparts, taken together, shall constitute but one and the same instrument.

13. Proof of Assignments. Boatworks agrees to cooperate with Wayzata in executing and recording with the appropriate Hennepin County land recording office all documents necessary to evidence the Development Agreement, the PUD/CUP Permit and the assignments of the same to Boatworks.

THE NEXT PAGE IS THE SIGNATURE PAGE

Attachment A-1

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first above written.

BOATWORKS DEVELOPMENT
COMPANY, LLC

THE CITY OF WAYZATA

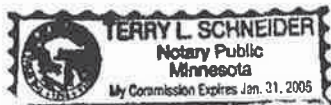
By: [Signature]
Its: Chief Manager

By: [Signature]
Its: MAYOR

By: [Signature]
Its: City Manager

STATE OF Minnesota)
) ss.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 8th day of October, 2002, by M.G. Kaminski, the Chief Manager of Boatworks Development Company, LLC, a Minnesota limited liability company, on behalf of the company.



Terry Schneider
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 20 day of November, 2002, by Barry Petit and Allan Olsen, respectively the Mayor and City Manager of The City of Wayzata, a Minnesota municipal corporation, on behalf of the City.



Joan B. Smith
Notary Public

Attachment A-1

This instrument was drafted by:

Paul E. Kaminski
Best & Flanagan, LLP
225 South Sixth Street
Suite 4000
Minneapolis, MN 55402-4331

187036 v4

LEGAL DESCRIPTION OF PROPERTY

File No.: 10992

File Name: Minnetonka Boatworks

LEGAL DESCRIPTION

Parcel 1

Tract C, Registered Land Survey No. 959, according to the plat thereof on file and of record in the office of the Registrar of Titles, in and for Hennepin County, Minnesota.

Torrens Property

Torrens Certificate No. 836148

All that part of Lot 26, Auditor's Subdivision No. 184, described as follows:

Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning.

Abstract Property

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

Abstract Property

Parcel 2

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land begin described as follows, to wit;

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence

Attachment A-1

South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract Property

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property

Torrens Certificate No. 836149

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

Abstract Property

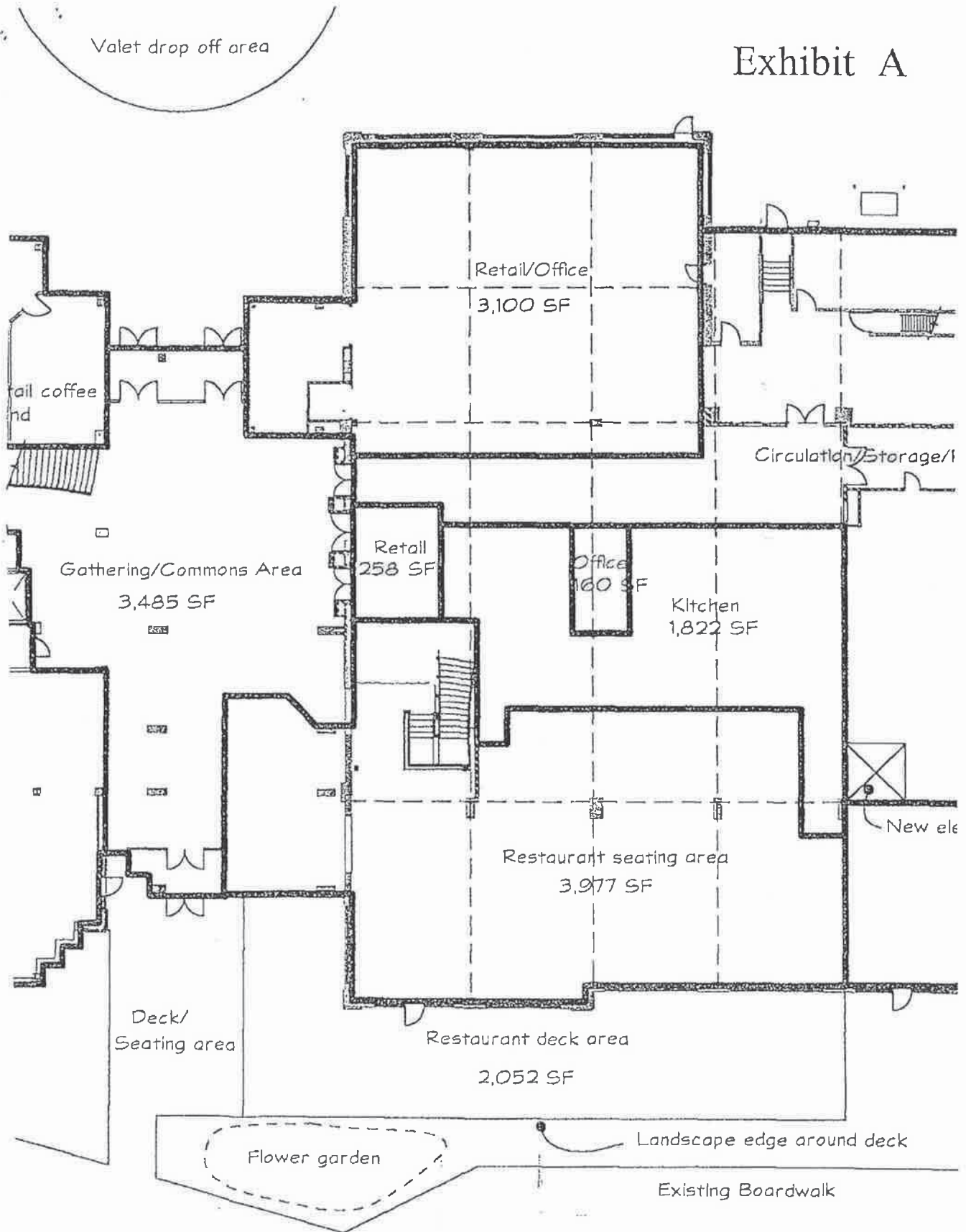
Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property

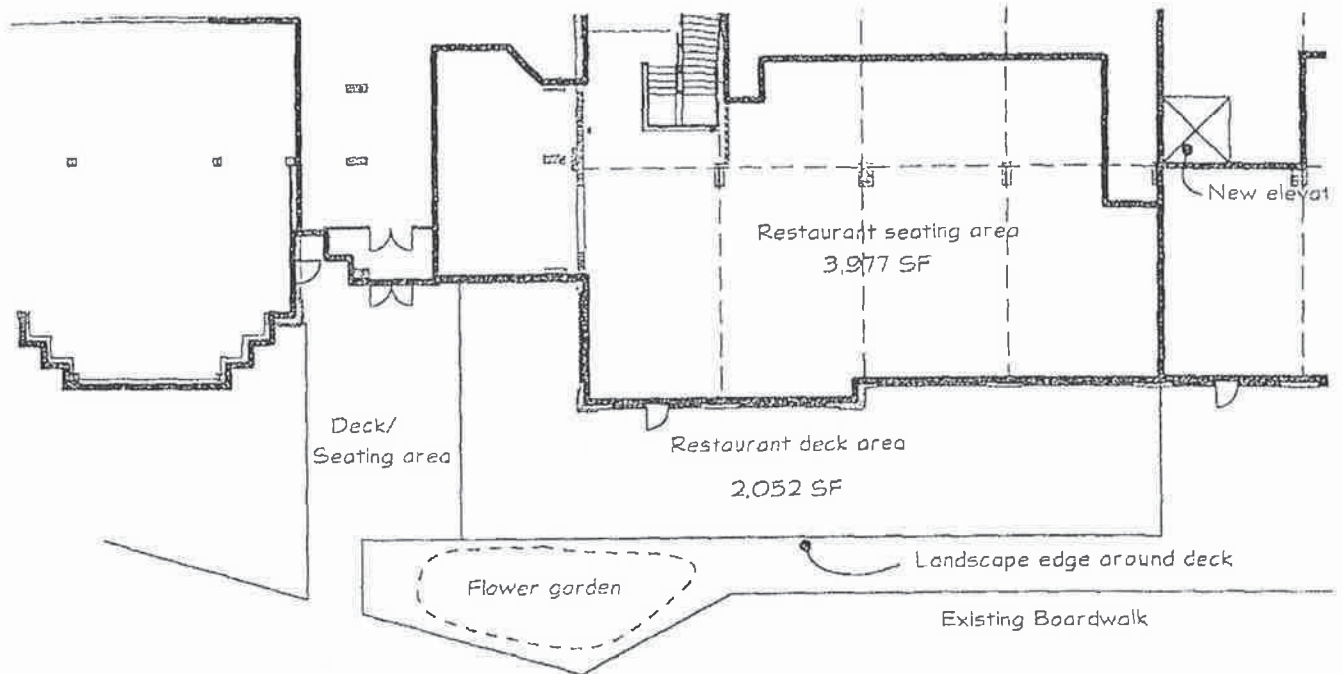
Torrens Certificate No. 836149

Exhibit A

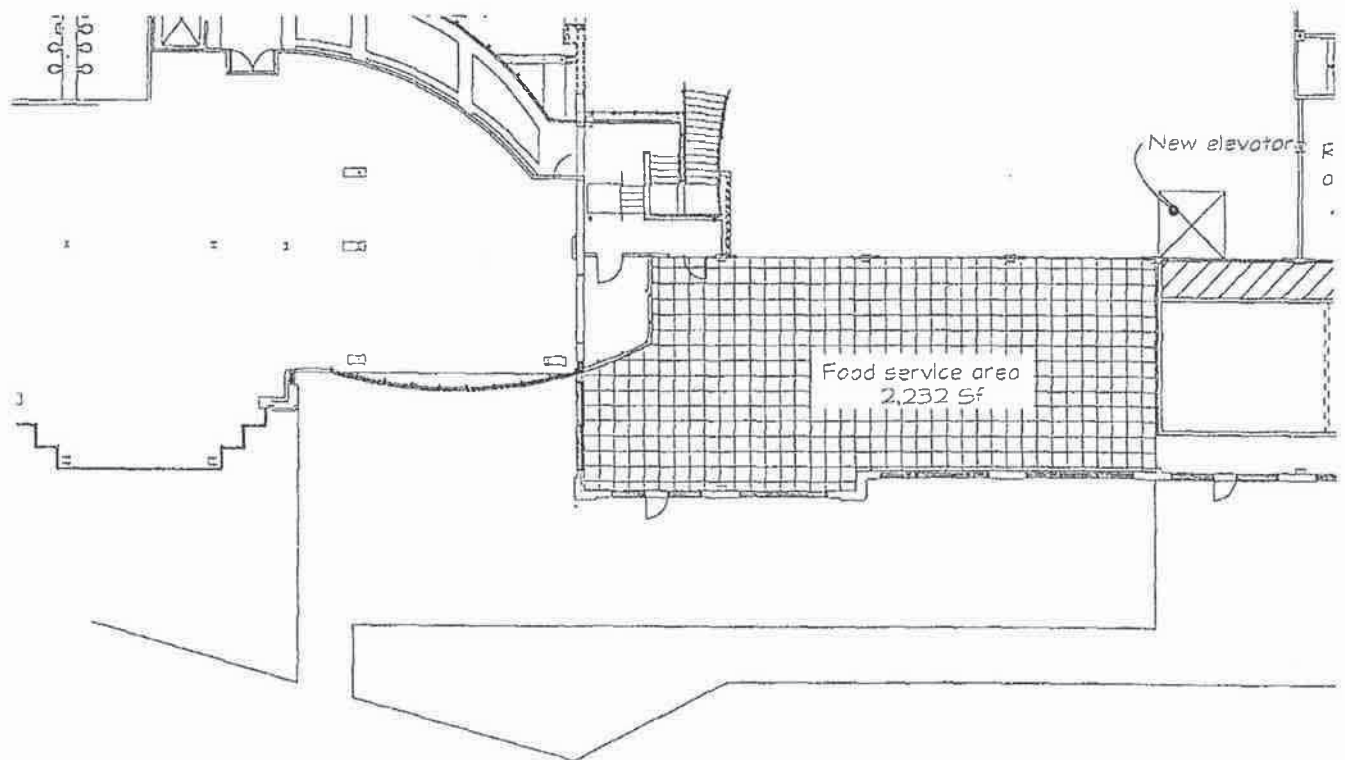


Restaurant layout

Exhibit B

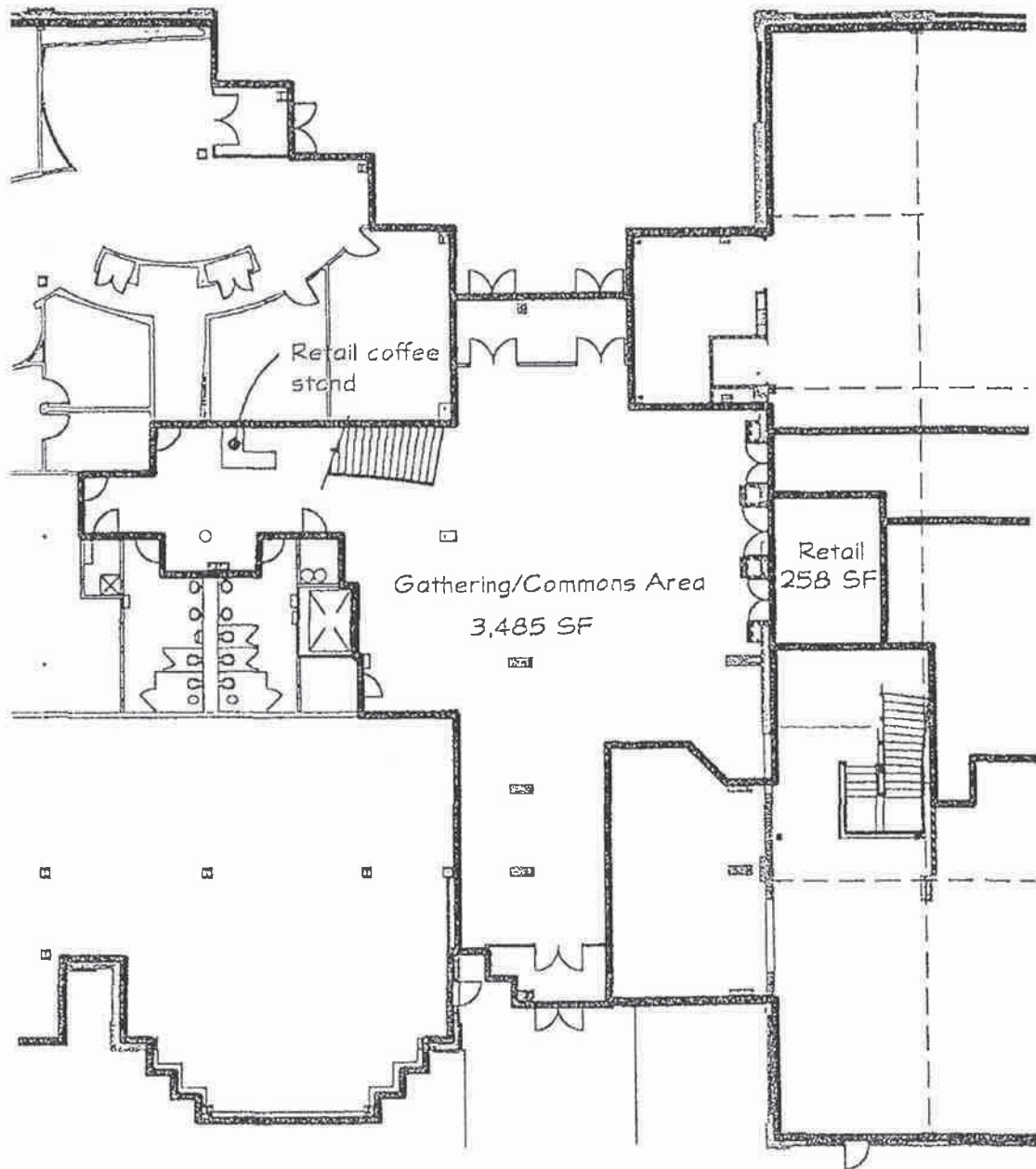


Outdoor ground level deck



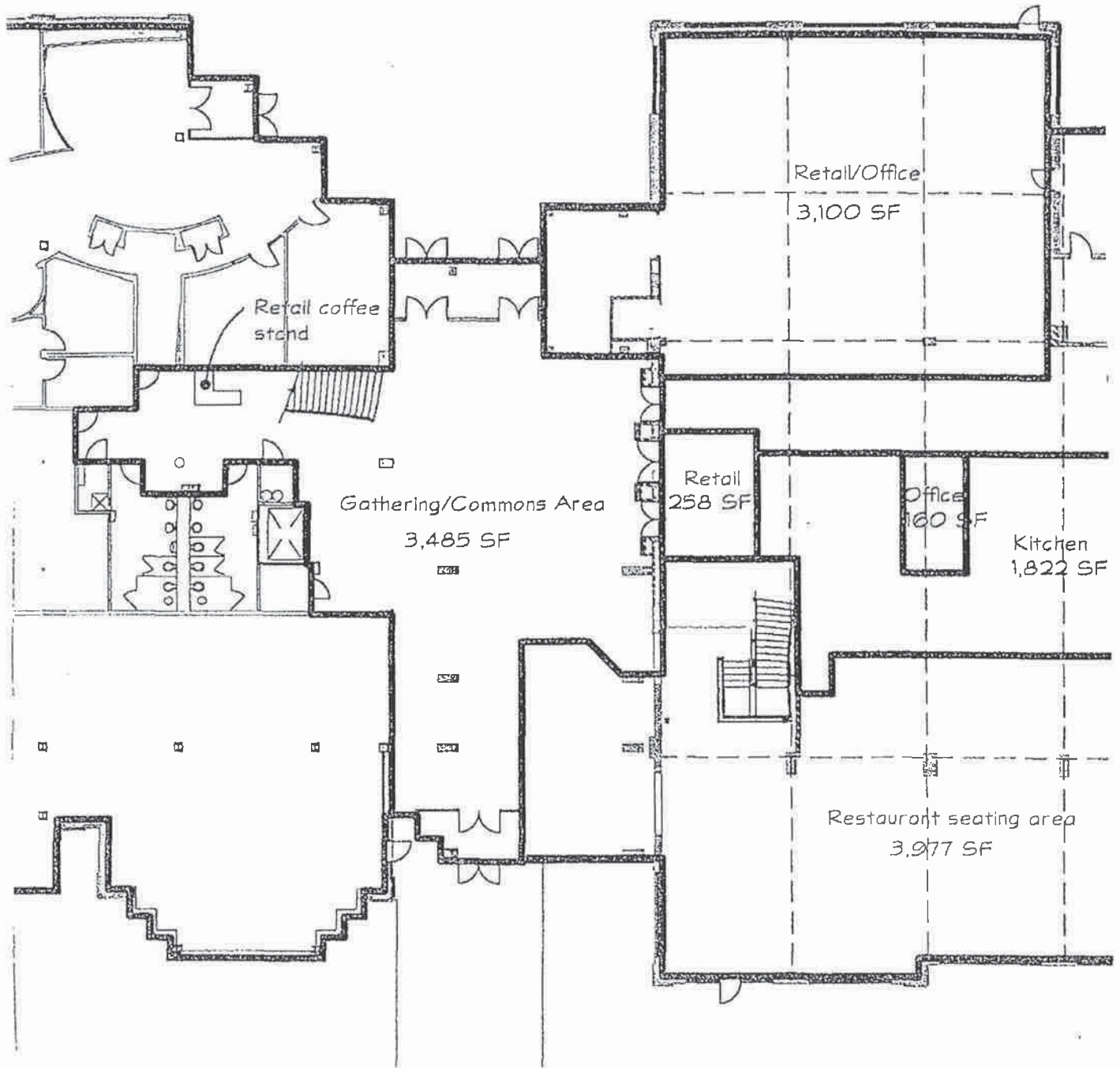
Upper level deck

Exhibit C



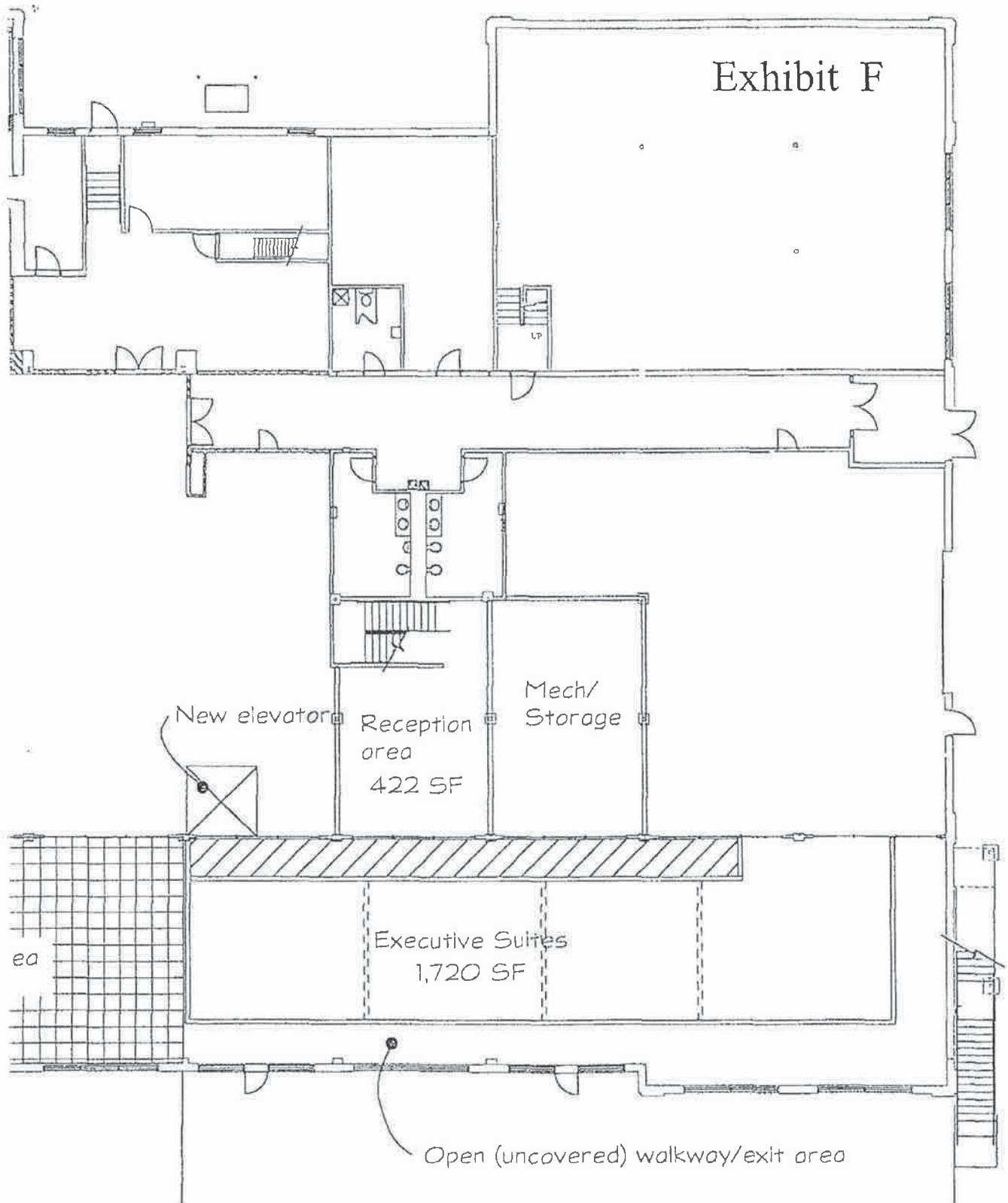
Lobby area

Exhibit E



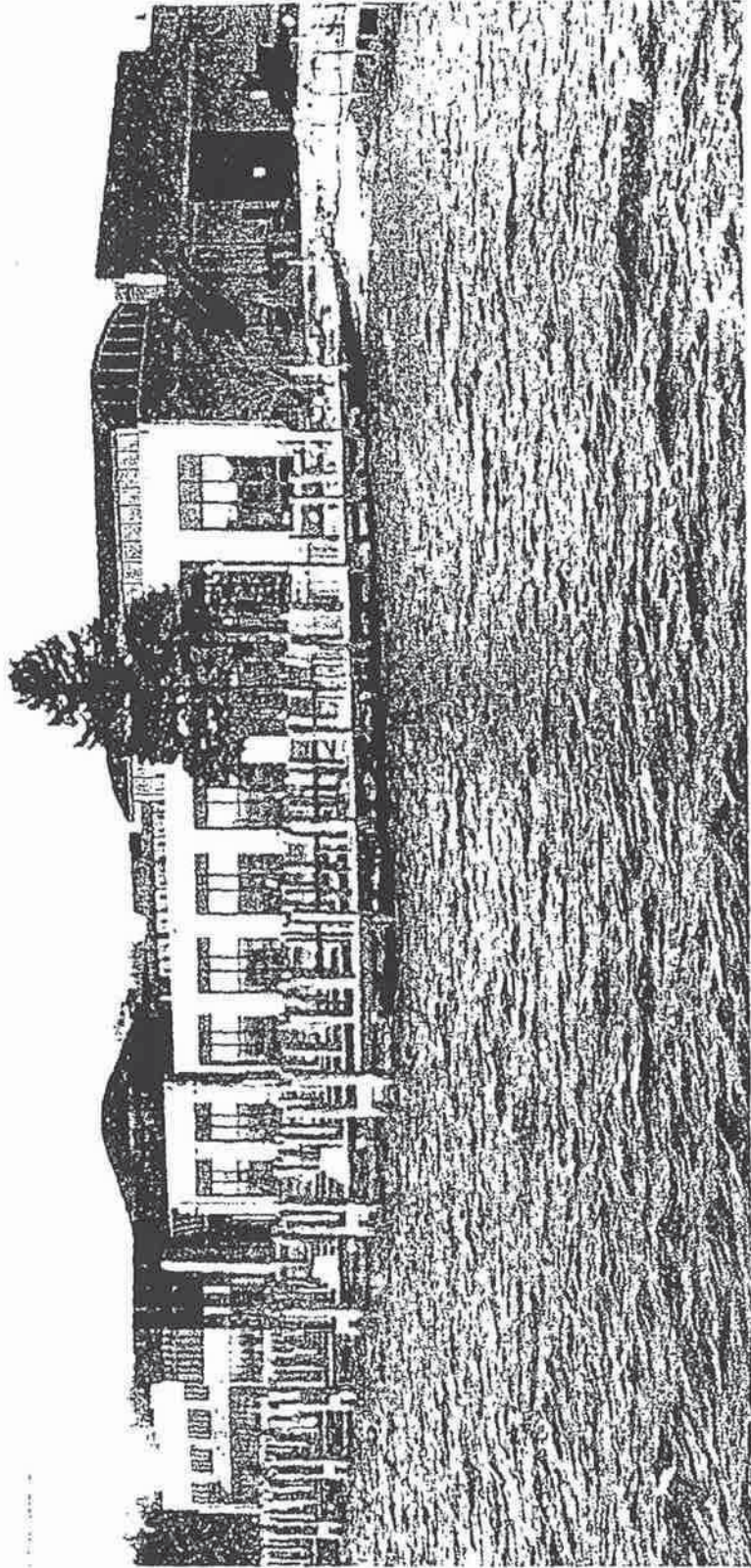
Main level retail space

Attachment A-1



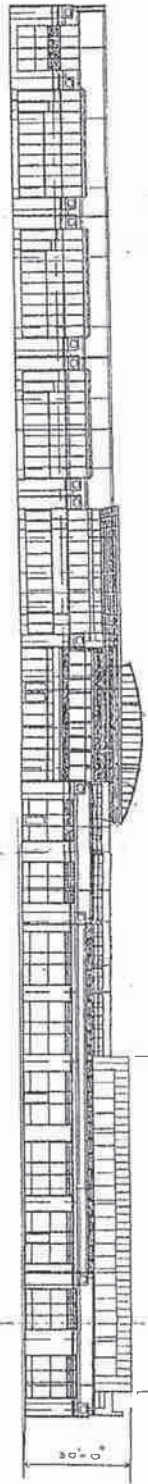
Upper level deck office space

Exhibit G



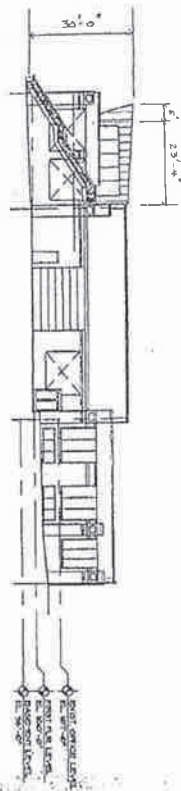
Digital image of proposed south elevation

Exhibit G



① SOUTH ELEVATION
1/16" = 1'-0"

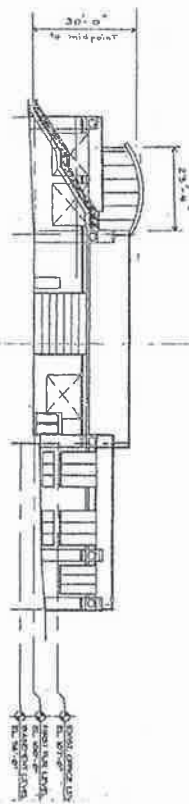
Alternate A



② EAST ELEVATION
1/16" = 1'-0"

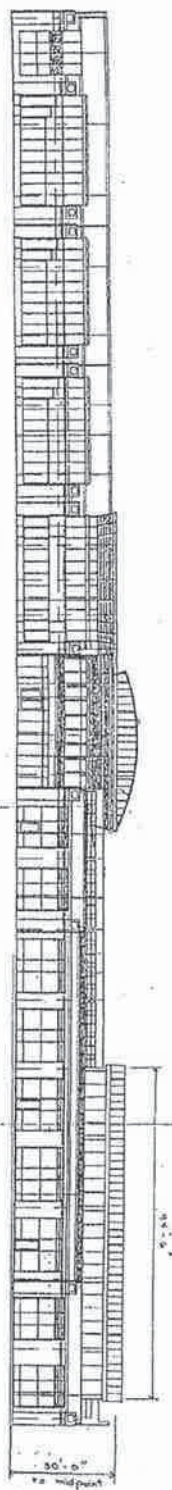
Alternate A

Minnetonka Boatworks



② EAST ELEVATION
1/16" = 1'-0"

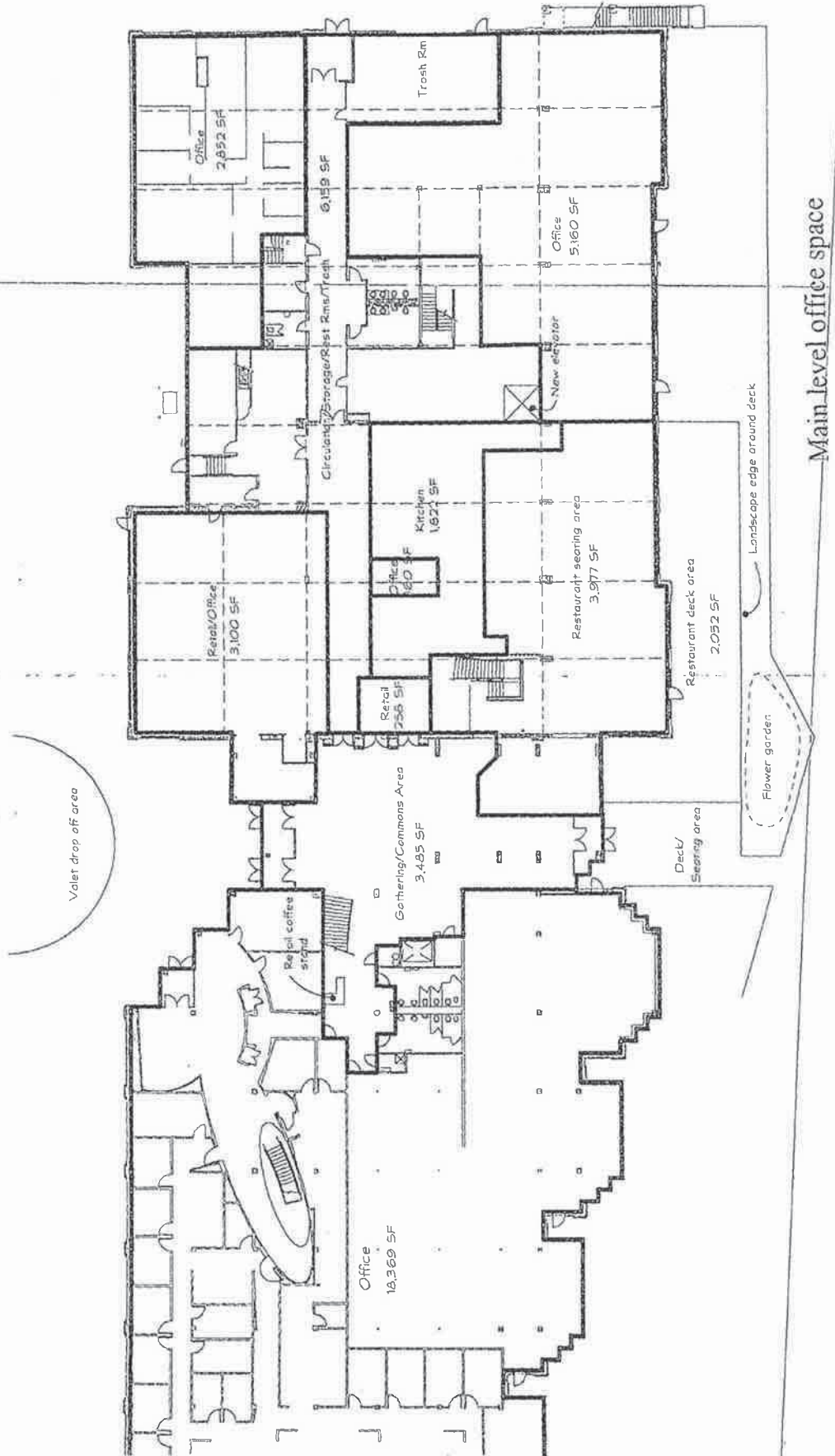
Alternate B



① SOUTH ELEVATION
1/16" = 1'-0"

Alternate B

Exhibit D





TRANSFER ENTERED
HENNEPIN COUNTY TAXPAYER SERVICES

FEB 11 2005

HENNEPIN COUNTY MINN.
[Signature] DEPUTY

Doc No 8526122 02/11/2005 10:39 AM
Certified filed and or recorded on above date:
Office of the County Recorder
Hennepin County, Minnesota
Michael H. Cuniff, County Recorder
Deputy 11 TransID 93581

Fees
\$15.00 DOC
\$4.50 SUR
\$1.00 COPY
\$20.50 Total

②
**SECOND AMENDMENT TO DEVELOPMENT
AGREEMENT AND PLANNED UNIT DEVELOPMENT
AGREEMENT/CONDITIONAL USE PERMIT**

This Second Amendment to Development Agreement and Planned Unit Development Agreement/Conditional Use Permit (the "Amendment") dated FEBRUARY 7, 2005 is made among Boatworks Development Company, LLC, a Minnesota limited liability company ("Prior Boatworks"), Bay Holdings, LLC, a Minnesota limited liability company ("Current Boatworks"), and the City of Wayzata, a municipal corporation under the laws of the State of Minnesota ("Wayzata").

Recitals:

A. Boatworks Development Company, Inc. ("Original Boatworks") and Wayzata entered into the Development Agreement dated March 26, 1997 (the "Original Development Agreement"), which was recorded in the Office of the County Recorder, Hennepin County, Minnesota on April 15, 1997 as document number 6721202, and recorded in the Office of the Registrar of Titles, Hennepin County, Minnesota on April 11, 1997 as document number 2801690. The Original Development Agreement relates to the real property in the City of Wayzata, Hennepin County, Minnesota that is commonly known as the "Wayzata Boat Works" (as legally described in the Original Development Agreement, the "Property").

B. Pursuant to the Original Development Agreement, Original Boatworks and Wayzata entered into the Planned Unit Development/Conditional Use Permit dated March 26, 1997 (the "Original PUD/CUP Permit"), which was attached to the Original Development Agreement as Exhibit A.

C. On May 17, 2001 Original Boatworks transferred the Property to Prior Boatworks. In connection with that transfer, Original Boatworks assigned its rights and obligations under the Original Development Agreement and the Original PUD/CUP Permit to Prior Boatworks pursuant to the Assignment of Development Agreement dated May 17, 2001.

D. Prior Boatworks and Wayzata amended the Original Development Agreement and the Original PUD/CUP Permit pursuant to the First Amendment to Development Agreement and Planned Unit Development Agreement/Conditional Use Permit dated April 24, 2002 (the "First

Amendment"), which was recorded in the Office of the County Recorder, Hennepin County, Minnesota on January 22, 2003 as document number 7925215, and recorded in the Office of the Registrar of Titles, Hennepin County, Minnesota on January 15, 2003 as document number 3666747. The Original Development Agreement and the Original PUD/CUP Permit, as amended by the First Amendment, are, respectively, the "**Original Amended Development Agreement**", and the "**Original Amended PUD/CUP Permit**".

D. On July 9, 2004 Prior Boatworks transferred the portion of the Property identified in Section 3.D. of the Original PUD/CUP Permit as the "Boat Works Site", which is also legally described under the heading "Parcel 1" in the Exhibit A-1 attached to the Original PUD/CUP Permit, to Current Boatworks. Prior Boatworks retained title to the remaining portion of the Property, which is identified in Section 3.D of the Original PUD/CUP Permit as the "Shaver & McCarthy Site", and is legally described under the heading "Parcel 2" in the Exhibit A-1 attached to the Original PUD/CUP Permit. In connection with the transfer of the Boat Works Site, Prior Boatworks transferred all of its rights and obligations under the Original Amended Development Agreement and the Original Amended PUD/CUP Permit to Current Boatworks, and Current Boatworks assumed those rights and obligations, pursuant to the Assignment and Assumption of Development Agreement and PUD/CUP Permit dated July 9, 2004 (the "**2004 Assignment**"), which was recorded in the Office of the County Recorder, Hennepin County, Minnesota on July 8, 2004 as document number 8393877, and recorded in the Office of the Registrar of Titles, Hennepin County, Minnesota on July 12, 2004 as document number 3988838.

E. Also in connection with the transfer of the Boat Works Site, Prior Boatworks and Current Boatworks entered into the Parking Easement Agreement dated July 9, 2004 (the "**Parking Easement Agreement**"), which was recorded in the Office of the County Recorder, Hennepin County, Minnesota on July 8, 2004 as document number 8393878, and recorded in the Office of the Registrar of Titles, Hennepin County, Minnesota on July 12, 2004 as document number 388839. The Parking Easement Agreement creates a parking easement over the Shaver & McCarthy Site for the benefit of the Boat Works Site consistent with the terms of the Original Amended Development Agreement and the Original Amended PUD/CUP Permit.

F. Wayzata, Current Boatworks, and Prior Boatworks desire to amend the Original Amended Development Agreement and the Original Amended PUD/CUP Permit as provided in this Amendment.

NOW THEREFORE, the parties agree as follows:

1. **Interpretation.** This Amendment amends the Original Amended Development Agreement and the Original Amended PUD/CUP Permit. The Original Amended Development Agreement and the Original Amended PUD/CUP Permit, as amended by this Amendment (respectively, the "**Development Agreement**" and the "**PUD/CUP Permit**"), remain in full force and effect.

2. **Reaffirmation of Obligations.** Current Boatworks hereby reaffirms its obligations under the Development Agreement and the PUD/CUP Permit. Prior Boatworks

Attachment A-1

hereby reaffirms its obligations under the provisions of the Original PUD/CUP Permit that relate to the Shaver & McCarthy Site.

3. Consent to Transfer. For all purposes related to the Development Agreement and the PUD/CUP Permit, Wayzata hereby consents to (i) the transfer of the Boat Works Site from Prior Boatworks to Current Boatworks, (ii) the 2004 Assignment, and (iii) the Parking Easement Agreement. Except for the obligations and liabilities of Prior Boatworks under Sections 3.D, 3.E, 3.AA, 3.BB, 3.CC of the Original PUD/CUP Permit that relate to the Shaver & McCarthy Site, Wayzata agrees that Prior Boatworks has no obligations or liabilities arising under or in connection with the Development Agreement or PUD/CUP Permit with respect to any time period on or after the transfer of the Boat Works Site to Current Boatworks on July 9, 2004. Wayzata hereby releases the Shaver & McCarthy Site from the Development Agreement, including its terms and lien, effective July 9, 2004, provided that the Shaver & McCarthy Site shall continue to be encumbered by the terms of Sections 3.D, 3.E, 3.AA, 3.BB, 3.CC of the Original PUD/CUP Permit that relate to the Shaver & McCarthy Site.

4. Amendment Regarding Consent to Future Transfers. Effective on the date of this Amendment, Wayzata and Current Boatworks hereby amend the Development Agreement by deleting the first sentence of Section 14 of the Original Development Agreement, and Wayzata agrees that the City Council's consent shall not be required for any future transfer of all or any part of either the Boat Works Site or the Shaver & McCarthy Site, or the assignment of the Development Agreement or the PUD/CUP Permit to any future owner of all or any part of the Boat Works Site or the Shaver & McCarthy site.

5. Notice Address. For the purposes of the Development Agreement and the PUD/CUP Permit, the notice addresses of both Prior Boatworks and Current Boatworks are hereby changed to:

c/o Wayzata Bay Management, LLC
294 Grove Lane
Wayzata, MN 55391

6. Further Amendments. The Development Agreement may be amended only by a written agreement executed and delivered by both Wayzata and Current Boatworks, or their applicable respective successors and assigns. The PUD/CUP Permit may be amended only by a written agreement executed and delivered by Wayzata, Current Boatworks, and Prior Boatworks, or their applicable respective successors and assigns, except that any amendment to the PUD/CUP Permit that does not adversely affect Prior Boatworks' obligations or liabilities with respect to the Shaver & McCarthy Site need not be executed or delivered by Prior Boatworks or its applicable successors or assigns.

Signature Page Follows

Attachment A-1

The City of Wayzata, Boat Works Development Company, LLC, and Bay Holdings, LLC hereby execute and deliver this Second Amendment to Development Agreement and Planned Unit Development Agreement/Conditional Use Permit as of the date stated in the first paragraph above.

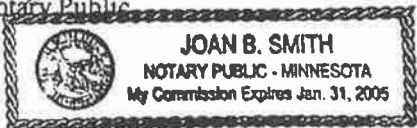
The City of Wayzata

By: [Signature]
Name: Andrew Humphrey
Title: Mayor

By: [Signature]
Name: Allan Orsen
Title: City Manager

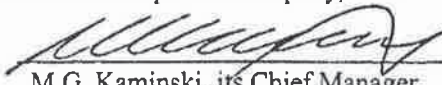
STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on January 18, 2005 by Andrew Humphrey and Allan Orsen, the Mayor and City Manager, respectively, of The City of Wayzata, a Minnesota municipal corporation, on behalf of the City.

[Signature]
Notary Public

JOAN B. SMITH
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2005

Boat Works Development Company, LLC

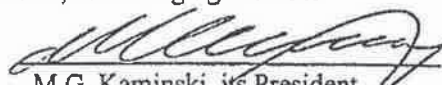
By:


M.G. Kaminski, its Chief Manager

Bay Holdings, LLC

By: Grove Holdings, Inc., a Minnesota corporation, its Managing Member

By:


M.G. Kaminski, its President

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on February 7, 2005, ~~2004~~ by M.G. Kaminski, the Chief Manager of Boat Works Development Company, LLC, a Minnesota limited liability company, on behalf of Boat Works Development Company, LLC.


Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)



The foregoing instrument was acknowledged before me on February 7, 2005, ~~2004~~ by M.G. Kaminski, the President of Grove Holdings, Inc., a Minnesota corporation, the Managing Member of Bay Holdings, LLC, a Minnesota limited liability company, on behalf of Bay Holdings, LLC.


Notary Public

THIS DOCUMENT DRAFTED BY:

Fabyanske, Westra & Hart, P.A.
Suite 1900
800 LaSalle Avenue
Minneapolis, Minnesota 55402



Attachment A-1

CONSENT
OF
CITY OF WAYZATA
TO ASSIGNMENT OF DEVELOPMENT AGREEMENT
AND
ESTOPPEL AND COMPLIANCE CERTIFICATE

7593547

The undersigned hereby certifies, as of the date of this Consent, to Boat Works Development Company, LLC, a Minnesota limited liability company and its Lender, LaSalle Bank National Association, a national banking association, (hereinafter "Lender"), their successors and assigns, as follows, understanding that they will rely upon this Consent to Assignment and Estoppel and Compliance Certificate:

1. The undersigned City of Wayzata is a party to that certain Development Agreement, dated March 26, 1997, (the "Development Agreement") by and between the undersigned City of Wayzata and Boat Works Development Company, Inc. ("Boat Works Development") concerning real property located in the County of Hennepin, State of Minnesota, legally described on Exhibit A attached hereto and incorporated by reference herein (hereinafter the "Property").
2. The Development Agreement has not been modified nor amended and is in full force and effect. Attached hereto and incorporated by reference herein as Exhibit B is a true and correct copy of said Development Agreement.
3. The Planned Unit Development/Conditional Use Permit (the "Permit") issued by the City for the Project as defined in the Development Agreement concerning the Property is valid and is in full force and effect and has not been amended or cancelled for failure to comply with any conditions set forth in the Permit or Development Agreement. To the best of the undersigned knowledge, without independent investigation by the undersigned City of Wayzata, Boat Works Development is in full compliance with the provisions of the Permit and the Development Agreement with the exceptions of the landscaping on the south side of the building, the submittal of a letter of credit in the amount of 125% of all remaining landscaping improvements as determined by the City by the City Forester to secure performance, the recording of the PUD-CUP and the conditions associated with the restaurant.
4. To the best of the undersigned City of Wayzata's knowledge, without independent investigation, all Project Improvements contemplated in the Development Agreement appear to be in compliance with applicable City of Wayzata ordinances and such other design and construction standards as are ordinarily employed by Wayzata City staff in issuing appropriate permits.
5. To the best of the knowledge of the undersigned, without any independent investigation by the undersigned, the City of Wayzata has no accrued right or claim against Boat Works Development based upon any alleged breach of the Development Agreement, Permit or construction of the improvements by Boat Works Development.

Metro Loyal
Box 491

Attachment A-1

6. To the best of the knowledge of the undersigned City of Wayzata, without any independent investigation by the City of Wayzata, the City of Wayzata is in full compliance and has performed all of its obligations in the Development Agreement and has received no notice from Boat Works Development that it has breached the Development Agreement. By executing below, Boat Works Development certifies to the City of Wayzata that it is bound by the terms of the Development Agreement and that, to the best of its knowledge, the City of Wayzata is in full compliance and has performed all of its obligations in the Development Agreement.

7. Concurrently with the transfer of the title to the Property from Boat Works Development to Boat Works Development Company, LLC, a Minnesota limited liability company (the "Assignee"), Boat Works Development shall assign to Assignee the Development Agreement and all rights and obligations thereunder pursuant to a certain Assignment and Assumption of Development Agreement dated May 17, 2001. In accordance with paragraph 14 of the Development Agreement, the City of Wayzata hereby consents to Boat Works Development's assignment of the Development Agreement to Boat Works Development Company, LLC, a Minnesota limited liability company (the "Assignee") and the assumption by Assignee of all of the terms, conditions and ongoing covenants of Assignor in the Development Agreement from and after May 17, 2001. The City of Wayzata further consents to the collateral assignment from Assignee to Lender of the Development Agreement pursuant to a mortgage to be executed by Assignee in favor of Lender encumbering the Property, subject to such collateral assignment being evidenced by a written agreement in form satisfactory to the City of Wayzata, and such agreement being executed by the Assignee and Lender and the City of Wayzata. The City of Wayzata acknowledges that Assignee is relying upon the statements contained in this document in accepting an assignment of the Development Agreement.

Dated: June 14, 2001.

THE CITY OF WAYZATA

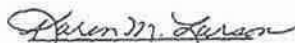
By: Robert B. Rubro
Its Mayor Pro Tem

By: Alan J. Jones
Its City Manager

Attachment A-1

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

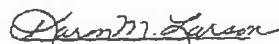
The foregoing instrument was acknowledged before me this 14th day of June, 2001 by Robert Ambrose, the Mayor Pro Tem of the City of Wayzata, on behalf of the City of Wayzata.


Notary Public



STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 14th day of June, 2001 by Allan Orsen, the City Manager of the City of Wayzata, on behalf of the City of Wayzata.


Notary Public



Attachment A-1

BOAT WORKS DEVELOPMENT COMPANY, INC.

By: [Signature]
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 14 day of June 2001 by Richard A. Born, the President and Chief Manager of Boat Works Development Company, Inc. a limited liability company under the laws of Minnesota, on behalf of the limited liability company.

[Signature]
Notary Public



THIS INSTRUMENT DRAFTED BY:

Best & Flanagan LLP
4000 U.S. Bank Place
601 Second Avenue South
Minneapolis, Minnesota 55402
(612) 339-7121

150818 v-4

Attachment A-1

Exhibit A Legal Description of Property

LEGAL DESCRIPTION

Parcel 1

Tract C, Registered Land Survey No. 959, according to the plat thereof on file and of record in the office of the Registrar of Titles, in and for Hennepin County, Minnesota.

Torrens Property
Torrens Certificate No. 836148

All that part of Lot 26, Auditor's Subdivision No. 184, described as follows:
Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning.

Abstract Property

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

Abstract Property

Parcel 2

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land begin described as follows, to wit:

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence

Attachment A-1

South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road; thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract Property

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property

Torrens Certificate No. 836149

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

Abstract Property

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Property

Torrens Certificate No. 836149



Attachment A-1

Exhibit B

Copy of Development Agreement



2003 AND PRIOR TAXES PAID
TAXPAYER SERVICES
TRANSFER ENTERED

JUL 12 2004

HENNEPIN COUNTY MINN.
DEPUTY

06-117-22-23-0005

(3)

PARKING EASEMENT AGREEMENT

Doc No 8393878 07/08/2004 01:00 PM
Certified filed and or recorded on above date:

Office of the County Recorder
Hennepin County, Minnesota

Michael H. Cunniff, County Recorder

Deputy 11

TransID 45313

Fees

\$15.00 DOC

\$4.50 SUR

\$19.50 Total

10/6/11

VM CME

Re: - Perfecting

- Request minor

This PARKING EASEMENT AGREEMENT ("Agreement") dated July 9, 2004 is between Boat Works Development Company, LLC, a Minnesota limited liability company ("Grantor"), and Bay Holdings, LLC, a Minnesota limited liability company ("Grantee").

Recitals:

A. Grantor owns the real property in Wayzata, Minnesota that is legally described on the **Exhibit A** attached to this Agreement (the "Parking Site"). The Parking Site has a street address of 259 Lake Street, Wayzata, Minnesota.

B. Grantee owns the real property to the south of the Parking Site that is legally described on the **Exhibit B** attached to this Agreement (the "Boatworks Site"). The Boatworks Site has a street address of 294 Grove Lane East, Wayzata, Minnesota, and is commonly known as the "Wayzata Boatworks". The indirect beneficial owner of all interests in Grantor also indirectly owns all beneficial interests in Grantee, and that owner controls both Grantor and Grantee.

C. The Parking Site and the Boatworks Site collectively are the "Property", as that term is defined in the Development Agreement dated March 26, 1997 (the "Original Development Agreement") between Boatworks Development Company, Inc. and the City of Wayzata, recorded on April 15, 1997 in the Office of the County Recorder, Hennepin County, Minnesota as document number 6721202, and recorded on April 11, 1997 in the Office of the Registrar of Titles, Hennepin County, Minnesota as document number 2801690. The Original Development Agreement has been amended by the First Amendment to Development Agreement and Planned Unit Development/Conditional Use Permit dated April 24, 2002 (the "First Amendment") between Grantor and the City of Wayzata, recorded on January 22, 2003 in the Office of the County Recorder, Hennepin County, Minnesota as document number 7925215, and recorded on January 15, 2003 in the Office of the Registrar of Titles, Hennepin County, Minnesota as document number 3666747. The Original Development Agreement, as amended by the First Amendment, is the "Development Agreement".

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1

Title Recording Services, Inc.
1043 Grand Avenue #259
St. Paul, MN 55105
HENNEPIN

426734

U041652

UNITED WALK

EASE AGR



D. The Parking Site is the "Shaver & McCarthy Site", and the Boatworks Site is the "Boat Works Site", as those terms are defined in Section 3.D of the Planned Unit Development/Conditional Use Permit attached as Exhibit A to Original Development Agreement (the "Permit"). Effective immediately before the effectiveness of this Agreement, Grantor is conveying the Boatworks Site to Grantee.

E. In connection with the transfer of the Boatworks Site to Grantee, Grantor and Grantee are entering into this Agreement in order to establish a parking easement over the Parking Site for the benefit of the Boatworks Site consistent with the terms of the Permit and the Development Agreement.

NOW THEREFORE, the parties hereby agree and declare as follows:

1. **Parking Easement.** Grantor (together with each future owner of fee simple absolute title to all or any part of the Parking Site, "Parking Site Owner") hereby grants a perpetual easement (the "Parking Easement") for the benefit of the Boatworks Site, Grantee, and each future owner of fee simple absolute title to all or part of the Boatworks Site (collectively, "Boatworks Owner") for vehicle parking by the tenants, guests, invitees, and other users of the Boatworks Site over the driveways, drive aisles, parking spaces, curbs, and sidewalks on the Parking Site from time to time (the "Parking Easement Area") upon the following terms:

a. **Boatworks Parking Spaces.** 85 parking spaces within the Parking Easement Area (the "Boatworks Parking Spaces") shall be for the use of the Boatworks Site, in accordance with the terms of the Permit and the Development Agreement. At the option of Parking Site Owner, the Boatworks Parking Spaces may, from time to time, either be reserved for the exclusive use of the Boatworks Site, or be unreserved parking spaces available to users of the Boatworks Site in common with other users of the parking areas on the Parking Site, provided that Parking Site Owner shall at all times comply with the requirements of the Permit. Except as specifically provided below in Section 1.c, Boatworks Owner shall not owe any charge or fee in consideration for the use of, or otherwise with respect to, the Boatworks Parking Spaces. Parking Site Owner may not impose any fee or charge on users of the Boatworks Parking Spaces (i) to the extent such a fee is not permitted by the Permit or the City of Wayzata, and (ii) without the written consent of Boatworks Owner, which consent Boatworks Owner shall be entitled to withhold in its sole discretion.

b. **Maintenance, Repairs and Replacements.** Except for any reasonable temporary interruptions required in connection with maintenance, repairs or replacements, and except for any temporary interruptions required in connection with the construction of a new parking ramp on the Parking Site as permitted by the City of Wayzata, Parking Site Owner shall at all times maintain at least 85 parking spaces within the Parking Easement Area as the Boatworks Parking Spaces subject to the Parking Easement and otherwise in accordance with this Agreement, the Permit, and all applicable laws and ordinances. Parking Site Owner shall operate the Parking Easement Area in accordance with the terms of the Development Agreement, the Permit, and all

applicable laws and regulations. Parking Site Owner shall at all times maintain, repair, replace the Parking Easement Area, keeping it in good condition and repair consistent with commercially reasonable standards, including but not limited to snow removal upon the accumulation of two or more inches of snow in a reasonably prompt manner so as to keep the Parking Easement Area in a condition that allows for safe and unobstructed driving and parking. Parking Site Owner shall maintain such insurance with respect to the Parking Easement Area as is reasonably prudent.

HAVE TO PLOW

c. **Cost Reimbursement.** Boatworks Owner shall reimburse Parking Site Owner for its proportionate share of the reasonable cost of operation, maintenance, repairs, replacements and insurance for the Parking Easement Area, including any reasonable repairs or replacements, such as re-paving, that constitute capital expenditures. Boatworks Owner shall also be responsible for its share of liability and property insurance for the parking area, the reasonable costs of any parking area operator or employees to the extent those services relate solely to the parking areas, any reasonable security costs that relate solely to the parking areas, and electricity and other utility costs to the extent related to the parking areas. Boatworks Owner shall not be responsible for any real estate taxes or special assessments relating in any manner to the Parking Site. Boatworks Owner's proportionate share shall be equal to the quotient of the 85 Boatworks Parking Spaces divided by the total number of parking spaces on the Parking Site, assuming a "flat lot" parking area at grade. Boatworks Owner shall not be responsible for operation, maintenance, repair, or replacement costs relating to any structures or other improvements on the Parking Site from time to time other than those directly related to its use as a flat parking lot at grade, such parking surfaces, driveways, walkways, curbs, gutters, sidewalks, gates, card readers, parking signs, fences, and lighting.

WE HAVE TO PAY

2. **Parking Ramp.** Parking Site Owner shall be entitled, at its sole cost and risk, to construct a parking ramp on the Parking Site in accordance with Section 3.D of the Permit, provided that the Boatworks Site and Boatworks Owner shall at all times be entitled to the benefit of the Parking Easement in accordance with the terms of the Permit and the Development Agreement. Boatworks Owner shall not be responsible for any part of the cost of constructing the Parking Ramp, or for any costs of operating, maintaining, repairing or replacing the parking ramp, to the extent such costs exceed the costs Boatworks Owner would reasonably have been responsible for under Section 1.c of this Agreement if the Parking Easement Area had remained a flat lot parking area at grade, rather than a multi-level structure.

3. **Waiver of Subrogation.** Parking Site Owner hereby waives any and all claims against Boatworks Owner with respect to any death, personal injury or property damage on the Parking Site, to the extent any such loss or damage is insured or insurable by Parking Site Owner. Parking Site Owner shall name Boatworks Owner as an additional insured on its property, commercial general liability, and any other applicable insurance policies relating to the Parking Site.

4. **Miscellaneous.**

a. **Legal Effect.** The Parking Easement and all rights and obligations under this Agreement shall run with the Parking Site and the Boatworks Site (collectively, the "Sites," and all or any part of each, a "Site"), and will benefit and be binding upon each Parking Site Owner and each Boatworks Owner (collectively, "Owners"). The Parking Easement and the rights and obligations of Parking Site Owner and Boatworks Owner under this Agreement may not be transferred, assigned, or encumbered except as an appurtenance to the relevant Site. Upon any Owner's conveyance of fee simple absolute title to all or any portion of either Site, the grantee will, by accepting such conveyance, become a party to, and be bound by, this Agreement, and the conveying Owner will upon such conveyance be released from any obligation under this Agreement arising upon or after the conveyance with respect to the Site or portion of a Site so conveyed.

b. **Obligations Joint and Several.** Whenever one site is owned by more than one Owner, all rights and obligations of each Owner of that Site to the Owner or Owners of the other Site under this Agreement shall be joint and several.

c. **Amendment.** This Agreement may be terminated only with the express written consent of all Owners. No amendment, modification, extension, or termination of this Agreement shall affect the rights of the holder of any mortgage constituting a lien on any Site unless such mortgagee consents to the same, nor shall any amendment, modification, extension or termination be effective against any mortgagee after such mortgagee acquires fee simple absolute title to any Site by foreclosure or deed in lieu of foreclosure, unless the mortgagee has so consented in writing. No tenant, licensee, or other person having only a possessory interest in any improvements constructed on any Site will be required to join in the execution of, or consent to, any action of the Owners taken pursuant to this Agreement.

d. **No Termination.** No breach of the terms of this Agreement by any Owner shall entitle any Owner to cancel, rescind, or otherwise terminate this Agreement or the Parking Easement.

Signature Page Follows

Grantor and Grantee hereby execute and deliver this Parking Easement Agreement effective as of the date written in the first paragraph above.

Boat Works Development Company, LLC

By:

M.G. Kaminski
M.G. Kaminski, its Chief Manager

Bay Holdings, LLC

By: Grove Holdings, Inc, a Minnesota corporation, its Managing Member

By:

M.G. Kaminski
M.G. Kaminski, its President

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on June 29, 2004 by M.G. Kaminski, the Chief Manager of Boat Works Development, LLC, a Minnesota limited liability company, on behalf of Boat Works Development, LLC.



Dodie R. Taylor
Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on June 29, 2004 by M.G. Kaminski, the President of Grove Holdings, Inc., a Minnesota corporation, the Managing Member of Bay Holdings, LLC, a MIN limited liability company, on behalf of Bay Holdings, LLC.



Dodie R. Taylor
Notary Public

THIS DOCUMENT DRAFTED BY:

**Fabyanske, Westra & Hart, P.A. (SCC)
Suite 1900
800 LaSalle Avenue
Minneapolis, Minnesota 55402**

EXHIBIT A

Legal Description of Parking Site

That part of Lot 10, Auditor's Subdivision Number 184, Hennepin County, Minnesota, described as follows, to wit: Beginning at a point on the South line of said Lot 10 which is the Northwest corner of Lot 16 of said subdivision; thence Easterly along said South line a distance of 90 feet to a point which is the Southwest corner of Lot 12 of said subdivision; thence North along the West line of Lots 12 and 11 of said subdivision a distance of 142.6 feet to the Northwest corner of Lot 11; thence West along an extension of the North line of said Lot 11, a distance of 90 feet; thence South to the point of beginning, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Certificate Number: 1065594

Lot 15, except the East 27 feet front and rear thereof, of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said Lot 15 and the center line of said street and between extensions across it of the side lines of said part of Lot 15.

Lot 16 of Auditor's Subdivision Number 184, Hennepin County, Minnesota, also that part of Lake Street, vacated, lying between the front line of said lot and the center line of said street and between extensions across said strip of land of the side lines of said Lot 16, according to the recorded plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Torrens Certificate Number: 1065594

All that part of the tract of land hereinafter described lying East of the Northerly extended East line of Lot 17, Auditor's Subdivision 184, and West of the Northerly extended West line of Lot 11, Auditor's Subdivision 184, said tract of land being described as follows, to wit:

Commencing at the Northeast corner of Lot 11, Auditor's Subdivision 184, Hennepin County, Minnesota; thence West along the North line of Lot 11 and an extension thereof a distance of 315.85 feet; thence South a distance of 142.6 feet to the Northeast corner of Lot 18; thence West along the North line of Lot 18 a distance of 50 feet to the Northwest corner of said Lot 18; thence South along the West line of Lot 18 a distance of 2.6 feet; thence West parallel with the South line of Lot 19 a distance of 7 feet; thence North parallel with the West line of Lot 10 to the point of intersection with the Easterly extended South line of Lot 4, Auditor's Subdivision 184; thence East along the Easterly extension of said South line of Lot 4, Auditor's Subdivision 184 to the point of intersection of said South line of Lot 4, as so extended, with the Westerly line of the Watertown Road, thence Southerly and Southwesterly along the West line of the Watertown Road to the point of beginning.

Abstract

Attachment A-1

Lot 12, Auditor's Subdivision Number 184, Hennepin County, Minnesota, except the North 55 feet thereof.

EXHIBIT B

Legal Description of Boatworks Site

Parcel 1:

Tract C, Registered Land Survey No. 959, Hennepin County, Minnesota.

Torrens Certificate Number: 1065594

All that part of Lot 26, Auditor's Subdivision No. 184, described as follows:
Beginning at the most Southerly corner of Tract D, Registered Land Survey No. 959, files of the Registrar of Titles, Hennepin County, Minnesota; thence South along the East line of said Lot 26 to the Southeast corner thereof; thence West along the South line thereof 17 feet; thence Northeasterly to the point of beginning.

Abstract

All that part of Grove Street vacated lying Easterly of a line drawn from the Southeast corner of Tract A, Registered Land Survey No. 959, files of Registrar of Titles, Hennepin County, Minnesota, to the most Northerly corner of Tract B, said Registered Land Survey No. 959, and there ending, according to the recorded plat thereof.

Abstract

JUL 09 2014

Geotechnical Exploration and Review
253/259 Lake Street East Development
Wayzata, MN

Prepared for:

Continental Property Group
Attn: Traci Tomas
1907 Wayzata Blvd, Suite 250
Wayzata, MN 55391

NTI Project No. 14.60636.100





July 7, 2014

Continental Property Group
1907 Wayzata Boulevard, Suite 250
Wayzata, MN 55391

CC. Wenck Associates, Inc.

Attn: Ms. Traci Tomas

Subject: Geotechnical Exploration and Engineering Review
253/259 Lake Street East Development
Wayzata, Minnesota
NTI Project No. 14.60636.100

Dear Ms. Thomas:

In accordance to your request and subsequent authorization, Northern Technologies, Inc. (NTI) conducted a Geotechnical Exploration for the above referenced project. Our services included drilling five soil borings and preparing an engineering report with preliminary recommendations. Our work was performed in general accordance with NTI's proposal dated May 9, 2014.

Soil samples obtained from the subsurface exploration program will be held for 60 days at which time they will be discarded. Please advise us in writing if you wish to have us retain them for a longer period.

We appreciate the opportunity to provide geotechnical engineering services for this project. If you have any questions regarding our recommendations, please contact us at (763) 433-9175.

Northern Technologies, Inc.

Ryan T. Menter, P.E.
Project Engineer

Ryan M. Benson, P.E.
Regional Manager/Principal Engineer

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Wayzata, Minnesota
NTI Project No. 14.60636.100

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GEOTECHNICAL EXPLORATION AND ENGINEERING REVIEW

253/259 Lake Street East Development
Wayzata, Minnesota

NTI Project No. 14.60636.100

1.0. EXECUTIVE SUMMARY

We briefly summarize below our geotechnical recommendations for the proposed project. The summary must be read in complete context with our report.

A summary of the recommendations enclosed in this report are as follows:

- Undocumented fill and swamp deposited soils were encountered within the parcel of the land explored. The exact location of the future apartment building is not known at this time. The proposed foundations and floor slab should not be supported on the unsuitable undocumented fill/swamp deposited soils. The site subgrade should be improved by a complete soil correction or the proposed building should be supported on a deep foundation system. The most likely deep foundation system would be a driven pile system.
- Foundations bearing upon conventional spread foundations based on documented engineered fill or non-organic native soils approved by the geotechnical engineer of record should be proportioned for a maximum net allowable soil bearing pressure of 3,500 pounds per square foot.
- A building perimeter subsurface drainage system (drain tile and sump) should be installed.
- Groundwater was observed in borings SB-1, SB-2 and SB-3 at depths ranging from 3.0 to 10.25 feet below existing grade. Groundwater was not encountered in the other borings during the field exploration.
- A geotechnical engineer or qualified soils technician should be on-site during site excavations and and/or deep foundation construction activities to confirm that subsurface conditions are similar to those discussed in this evaluation. If pile foundations are installed, we recommend dynamic testing be performed with a PDA and CAP-WAP analyses be performed on test piles prior to installing production piles.



2.0. INTRODUCTION

2.1. Site and Project Description

The project site is located at 253/259 Lake Street East Development in Wayzata, Minnesota. The site is currently occupied by several single story buildings that are assumed to not have basement elevations. The site was relatively flat with less than 5 feet of grade change between the completed soil boring locations in this program.

NTI understands the proposed project will consist of the demolition of the existing buildings and the construction a new six story above grade apartment building with one additional level of below grade parking.

Based on experience with similar buildings, the structural loads are currently anticipated to be on the order of 10 kips per lineal foot and 750 kips for continuous and column pad foundations, respectively. Floor slab loads are assumed to be 200 pounds per square foot or less.

Due to the proximity of Lake Minnetonka and the water table readings taken at the project site, NTI assumes that the low floor elevation of the below grade parking level will be at an elevation of 931.0 or higher.

The project will also include the construction of asphalt drive lanes, parking areas and modifications to the existing underground utilities.

NTI assumed the proposed site grades will remain within approximately 5 feet of the existing grades at the project site.

NTI does not have information in regard to the current support system for the existing buildings. There remains the possibility that the area within the footprint of the existing building has previously been soil corrected. If documentation of this possible correction or documentation of what the current support system consists of NTI should be contacted to reevaluate the design recommendations contained herein.

2.2. Scope of Services

Our scope of services was limited to the following:

1. Explore the subsurface by means of five standard penetration borings, and conduct an engineering evaluation of the soil samples and test results to characterize the engineering properties of the soils. The borings were advanced to approximately 30 feet below existing grade.



2. Prepare a report presenting the findings from the subsurface exploration and provide preliminary engineering recommendations for site preparation, excavations, ground water management, foundation design, backfill material and compaction, subgrade modulus for the concrete floor slabs on grade, average estimated R-value and pavement thickness design.

3.0 EXPLORATION PROGRAM RESULTS

3.1 Subsurface Exploration Program

NTI staked the proposed boring locations in the field, coordinated the public underground utility locates, and completed the drilling and soil sampling. Approximate boring locations are illustrated on the location diagram in Appendix C. NTI located the borings relative to existing site features, and determined the approximate elevation of the borings relative to the temporary benchmark (TBM). NTI utilized the top nut of the fire hydrant located adjacent to the 253 Lake Street East parcel. According to a previously completed geotechnical report provided to NTI the elevation of this benchmark is 938.37 feet. The previously completed report was prepared by GME Consultants, Inc. and was dated August 2, 2005.

NTI performed the subsurface exploration program on June 11, 2014 with a two-person crew and a truck-mounted CME-55 drill rig. Samples were generally collected in accordance with ASTM D1586 "Standard Test Method for Standard Penetration Testing (SPT) and Split-Barrel Sampling of Soils."

3.2 Subsurface Conditions

The borings generally penetrated up to 1 to 2.5 inches of asphalt pavement overlying undocumented fill to as much as 14 feet below grade existing grade. In addition, borings SB-2, SB-3 and SB-4 encountered swamp deposited soils below the undocumented fill which extended to as much as 34 feet below existing grade. The undocumented fill composition was variable and included sandy lean clay (CL), clayey sand (SC), poorly graded sand with silt (SP-SM) and poorly graded sand (SP).

The fill and swamp deposited soils were typically underlain by native glacially deposited soils. The natural glacially deposited soils were comprised primarily of glacial till sandy lean clay (CL) and glacial outwash poorly graded sand with silt (SP-SM). Occasional cobbles or gravel layers were encountered within the native till soils.

The soil boring logs in Appendix C provide detailed soil descriptions, stratum depths, water and moisture conditions, laboratory test results, and other information from the subsurface exploration program. The general geologic origin of retained soil samples are also listed on the boring logs.



3.3 Groundwater Conditions

Groundwater was observed in borings SB-1, SB-2 and SB-3 at depths ranging from 3 to 10.25 feet existing grade. Groundwater was not encountered in the other two borings at the time of the field exploration. However, it is highly likely that groundwater is present in these two borings but the seepage rate was too slow to allow for a recordable level to be achieved in the relatively short time duration required to complete the boring.

NTI installed two temporary water level indicators and allowed them to equalize over a 5 day period in an attempt to more accurately determine the static water level at the project site. The indicators were installed in borings SB-1 and SB-3. The water level readings in borings SB-1 and SB-3 after 5 days were at approximate elevations of 926.4 and 929.9, respectively. The lower reading in Boring SB-1 was likely due to an increased delay in equalization due to the impervious nature of the glacial till clay soils. These soils may require several weeks to months to fully stabilize. The water level in boring SB-3 is considered to be more typical for the site due to the more pervious nature of the swamp deposited soils allowing for a shorter stabilization time requirement.

The local static ground water level is likely in close correlation with the adjacent Lake Minnetonka. On the date of the field exploration the Minnehaha Creek Watershed District reported a lake elevation of 930.53. In addition, the onsite clay soils are relatively impervious and will likely lead to the development of zones of perched water at varying elevations and locations across the project site.

Based on proximity to Lake Minnetonka, the long term static groundwater elevation should be considered to be in close correlation with the water level of the lake. The Minnesota DNR has established the historic ordinary high water level for the Lake Minnetonka to be at an elevation of 929.4 feet (NGVD 29). This elevation is in very close coordination with the water level recorded after 5 days of stabilization in boring SB-3.

Overall, the site soils were conducive to movement of ground water both laterally and vertically. The moisture content of such soils can vary annually and per recent precipitation. Such soils and other regional dependent conditions may produce ground water entry of project excavations. Subsequent sections in this report and Appendix B describe groundwater control and subsurface drainage.



3.4 Laboratory Test Program

An NTI geotechnical engineer described the available soil samples in general accordance with the NTI Soil Classification System, which is based closely on the Unified Soil Classification System (USCS) outlined in ASTM D 2488. The results of these analyses are listed on the respective soil boring logs or as attachments. The descriptions were determined by visual observations made by the engineer, laboratory test results, and driller's field notes. Details of the NTI classification system are included in Appendix A.

4.0 ENGINEERING REVIEW AND RECOMMENDATIONS

The following preliminary recommendations are based on the present knowledge of the project. NTI should be contacted once the final design concept is completed. Additional borings and geotechnical evaluation will likely be necessary for development of the final geotechnical report.

4.1 Site Preparation

The topsoil, uncontrolled previously placed fill and swamp deposited soils encountered in the soil borings are not considered suitable for direct support of the foundations or floor slabs. NTI recommends that either a complete soil correction be performed or the proposed structure including the floor slab be supported by a deep foundation system consisting of driven pile.

Project construction, as proposed, will involve stripping of asphalt pavements and topsoil. In addition, the removal of the existing foundations and removal or abandonment of underground utilities from within the proposed building pad should be performed.

NTI does not have information as to what the current buildings onsite are founded upon but there remains the possibility that these structures may be pile supported. The earthwork contractor should be aware that there is a possibility that existing piles are located onsite at depth. If encountered, these piles should be cut off to a depth at least 5 feet below proposed finished grade.

Given the depth of the underlying organic soils, excavation below proposed future pavements and concrete flatwork may not be feasible. Therefore, pavements and exterior slabs supported on the existing fill soils are expected to settle differentially over time.

The environmentally inert, non-organic, debris free sand soils on-site, including portions of the existing fill, may be used as engineered fill for preparation of the pavement areas when such soils are conditioned and placed as presented within this report. Imported fill placed within the building footprint should consist of sand with 100% passing the 1 ½ inch sieve and no more than 10% passing the No. 200 sieve.



4.1.1 Soil Correction (Option 1)

One alternative for supporting the proposed building would be to perform a complete soil correction within the proposed building pad area. This option would likely require significant dewatering and possibly temporary earth retention for protection of adjacent properties during the soil correction activities. The soil correction should consist of removing all existing fill, swamp deposited soils and all other unsuitable materials from within the proposed building pad. Excavation depths in the proposed building pad are summarized in Table 1.

Table 1: Soil Correction Summary

Boring No.	Uncontrolled Fill Material	Elevation at Ground Surface (feet)	Excavation Depth to Bottom of Fill (feet)	Elevation at Base of Excavation (ft)
SB-1	Pavement, Fill	936.6	4.0	932.6
SB-2	Pavement, Fill, Peat	933.0	34.0	899.0
SB-3	Pavement, Fill, Peat	933.4	28.0	905.4
SB-4	Pavement, Fill, Peat, Organic Clay	937.1	9.5	927.6
SB-5	Pavement, Fill	937.0	9.0	928.0

The depth of correction required is significantly greater on the northern portion of the property. The location of the new building's footprint would have a significant impact on the depth of correction required if this option were implemented.

Sidewalls should be benched or sloped to provide stability for engineered fill placement. The existing fill should be subcut and removed in accordance with the oversizing diagram and table included in Appendix A. For soil corrections the backfill soils should consist of either onsite or imported fill consisting of sand with 100% passing the 1 ½ inch sieve and no more than 10% passing the No. 200 sieve. Engineered fill for site corrective earthwork and for support of project footings should be tempered for moisture content and placed and compacted as outlined in the compaction guidelines table in Appendix B.

Earth retention may be required to minimize the size of excavation and protect existing infrastructure on adjacent properties.

The Geotechnical Engineer of Record or their designated representative should test project excavations to determine the adequacy of the foundation base soils. Such observations should occur prior to construction of footings and floor slabs, and placement of engineered fill.



4.1.2 Pile Foundation System (Option 2)

As an alternative to the soil correction Option 1, a deep foundation system consisting of driven pile would be appropriate for this project given the existing subsurface conditions.

Site preparation for this option would be limited to the removal of the existing foundations and removal or abandonment of underground utilities from within the proposed building pad. The underlying previously placed fill and swamp deposited soils would remain in place. A driven pile foundation system would transmit the structural loads of the building's foundations and floor slab to the underlying competent native glacially deposited soils.

4.2 Foundations

4.2.1 Soil Correction (Option 1)

Following building pad preparation the proposed structure may be supported on conventional perimeter strip footings and shallow spread footings bearing on engineered fill or native soil.

Footings may be designed for a maximum net allowable soil bearing pressure as summarized within Table 2.

Table 2: Recommended Maximum Net Allowable Soil Bearing Pressure ¹

<i>Location</i>	<i>Criteria</i>
Perimeter Strip Footings, Perimeter Columns: Perimeter strip footings and perimeter column footing supported on documented fill or native soil below depth of frost penetration. Interior Strip Footings: Interior strip footings supported on documented fill or native soil at a depth that provides no less than 6 inches of clearance between the top of footing and underside of floor slab (for sand cushion). Interior Column Footings: Supported on documented fill or native soils at a depth that provides no less than 6 inches of clearance between the top of footing and underside of floor slab (for sand cushion).	Maximum 3,500 psf (All foundations)

1. Maximum net allowable soil bearing pressure recommendations predicated on footing design and construction complying with recommendations presented within this report. To minimize local failure of supporting soils, it is our opinion footing construction should comply with the International Building Code (IBC) requirements.

Perimeter strip footings in unheated appurtenant areas such as canopies should be based at least 5 feet below the proposed finished grade for frost protection. Footings below structures anticipated to be heated (greater than 60 degrees F) in winter should be constructed at least 3.5 feet below proposed finished grade.



Continuous strip footings under bearing walls should be at least 1 foot wider than the walls they support. Interior footings should be based at least 1.5 feet below design floor elevation.

4.2.2 Pile Foundation System (Option 2)

For this project, we believe driven pile extending to competent underlying glacially deposited soils represent a cost effective deep foundation alternative for support of the proposed structure. We anticipate a 9-5/8 or 12-3/4 inch diameter closed ended pipe pile to be the preferred structural section. The wall thickness should be a minimum of .25 inches or of sufficient thickness for the applied structural load and also the driving stresses induced by the contractor selected hammer. In addition, NTI considers the filling of the pipe pile with 4,000 psi concrete to be a best practice for long term corrosion protection. However, the final determination of the requirement for concrete fill shall be at the discretion of the structural engineer of record.

The following table presents NTI's estimated pile lengths for a working capacity of 65 tons. Due to the highly variable nature of the location, depth to and thickness of the underlying swamp deposited soils some variability of the pile design length is likely to occur during installation. A test pile program should be performed prior to installing production piles to more accurately quantify pile lengths and develop pile driving acceptance criteria.

Table 3 Driven Pile Length Estimate			
Pile Diameter	Pile Working Capacity in Tons FS = 2.0**	Estimate Pile Length (feet)	Estimated Tip Elevation*
9 5/8" OD	60	85 to 90	840 to 845
12 3/4" OD	60	70 to 75	855 to 860

*The estimated tip elevations are based upon a pile installation working platform of 930.0.

**A factor of safety of 2.0 may be used if a dynamic pile test program is performed using a PDA with CAPWAP analysis, and full-time pile installation observations are performed by an experienced independent testing firm. If either of these is not performed, the factor of safety should be increased to at least 3.0.

Due to the highly variable nature of the location, depth to and thickness of the underlying swamp deposited soils some variability of the pile design length is likely to occur during installation. In addition, NTI's scope of work did not allow for the advancement of the soil borings to a depth suitable for pile design. The above pile length estimates should be considered preliminary and are based upon assumed soil parameters below the bottom of our boring elevations. Additional deep borings must be performed to finalize pile length estimates if this alternative of construction is selected.



The estimate of pile capacity includes negative skin resistance (i.e. drag load) for the anticipated settlement of the organic swamp deposits and overlying uncontrolled fill. It is necessary to include this as settlement of this compressible layer will impart additional negative skin loading along pile shaft. Furthermore, the highly compressible layer requires moderate settlement/movement to mobilize the additional load imparted on the pile.

Furthermore, we recommend that the lead pile section be enclosed by a heavy steel shoe (i.e. plate), to minimize section deformation.

Finally, we recommend that a representative of the owner perform field observation and monitoring on a full-time basis during pile installation. This program should include review of contractor supplied welding procedures and welder certifications prior to the start of installation, use of a pile driving analyzer (PDA) and CAP-WAP analysis to confirm actual pile capacity of test pile, and observation and documentation to confirm minimum installation criteria is achieved with production pile. All such monitoring should be under the direct oversight of Geotechnical Engineer of Record.

4.3 Bearing Factor of Safety and Estimate of Footing Settlement (Option 1)

The recommended soil bearing pressure provides a factor of safety greater than 3 against localized bearing failure when construction complies with report criteria and recommendations.

We estimate that footings loaded per report recommendations may experience long term, total settlement of approximately 1/2 to 1 inch if site preparation occurs as recommended above. Differential settlement will be on the order of 25 to 50 percent of total settlement. Generally, the greatest differential settlement occurs between lightly loaded and heavily loaded footings, particularly if heavily loaded footings are located adjacent to lightly loaded strip footings. Most of the settlement will occur on first loading, as the structure is erected.

Total and differential movement of footings and floor slabs could be significantly greater than the above estimates if construction is supported on undocumented fill, frozen materials, inadequately compacted fill, if the moisture content of the bearing soils significantly changes from in-situ conditions, or if ice lenses are allowed to develop in the foundation subsoils.

4.4 Exterior Backfill, Lateral Earth Pressure, & Subsurface Drainage

Exterior wall backfill placement and associated final grading adjacent to the structures can significantly impact the performance of the structure. We understand the project will include basement walls that will retain soils.



Due to the poor draining clay on site, and the potential for perched groundwater, a subsurface drainage system should be installed along the exterior base of the foundations or grade beams to minimize problems associated with inadequate drainage and moisture intrusion. As a general guideline, the system should consist of a series of encased slotted pipes embedded in imported coarse sand. At a minimum, a one-foot wide by three-foot tall sand section should be placed adjacent to the exterior side of the foundation walls or grade beams. The slotted pipe enclosed in fabric should be located in the sand at the toe of the footing or grade beam, and should drain to a sump basin. We recommend that a geotextile fabric also be installed to encapsulate the coarse sand to prevent fine grained particles from migrating into the sand.

Exterior backfill may consist of the on-site non-organic soils or imported granular soils placed above the imported drainage layer.

The imported drainage layer should have a fine content equal to or less than 5 percent passing the No. 200 US Sieve opening. You should temper all backfill for correct moisture content and then place and compact individual lifts of exterior backfill per criteria presented within the appendix attachment.

The exterior backfill within landscaped areas should be capped with clay-based topsoil. Exterior backfill below sidewalks and pavements should be capped with a free draining aggregate base. Final grading of the exterior backfill should produce a ground profile that drains positively away from the structure.

If the proposed project includes at-grade foundation walls/grade beams which do not retain soil the placement of exterior backfill should be performed concurrent with interior backfill to minimize differential loading, rotation and/or movement of the wall system.

Placement of exterior backfill against below-grade foundation walls should be limited until lateral restraint of the foundation walls has been installed to the satisfaction of the Structural Engineer. Final grading of exterior backfill should provide sufficient grade for positive drainage away from the structure.



The below grade foundation walls will experience lateral loading from retained soils. This lateral loading may be modeled as an equivalent fluid pressure applied to the foundation wall providing such complies with geometric conditions which support such modeling. We recommend using granular backfill designed to the Table 4 “at-rest” equivalent fluid pressure for design of respective below grade foundations.

Table 4: Estimate of Equivalent Fluid Weight of Retained Soils

Type of Retained Soil		Friction Angle (deg.)	“At Rest” Condition (pcf)	“Active” Condition (pcf)	“Passive” Condition (pcf)
Unit Weight of Equivalent Fluid *	Sand – SP, SP-SM (120 pcf)	32	55	40	375
* The recommendations for equivalent fluid weight are based solely on the assumed structural fill material. These recommendations do not consider hydrostatic pressure, sloping ground and/or surcharge loads, and do not include a factor of safety. The design professional is cautioned that actual loads imparted to the structure will be dependent on soil and groundwater conditions, site geometric considerations and surcharge loads imparted to the structure.					

The materials and compaction recommendations for foundation wall exterior backfill outside of the required subsurface drainage zone are listed in Table 5. All values are referenced to the standard Proctor maximum dry density (ASTM D698).

Table 5: Wall Backfill Recommendations

Wall Backfill	Material	Moisture Content (Compared to Optimum)	Minimum Compaction Required*
Exterior in green space areas	SP, SP-SM	(-)3% to (+)3%	95%
Exterior below slabs or paving	SP, SP-SM	(-)3% to (+)3%	100%
Interior	SP, SP-SM	(-)3% to (+)3%	98%

Additional compaction criteria are recommended in Appendix B.



4.5 Slab-on-Grade Floors

Option 1 (Native Soil or Engineered Granular Fill)

Design of floor slabs constructed over the native glacially deposited soils or documented engineered granular fill described previously, may be based on an estimated modulus of subgrade reaction (k) of 200 pounds per square inch per inch of depth (pci). We generally recommend that the floor slabs be internally reinforced. However the need for reinforcement should be determined by the Structural Engineer of Record.

The final 6 inches of fill below the concrete floor slabs should consist of pit run or processed sand (sand cushion) with 100 percent material passing the 1 inch, no more than 40 percent passing the No. 40 sieve and no more than 5 percent material passing the No. 200 U.S. Sieve. The moisture content of the sand cushion should be within plus or minus two percent of the optimum moisture content determined by the standard Proctor test.

The floor slab should be isolated from the walls and columns. Such isolation should include installation of a ½ inch thick expansion joint between the floor and walls, and/or columns to minimize binding between the construction materials. Such construction should also include application of a compatible sealant within the expansion joint after curing of the floor slab, to reduce moisture penetration through the joint. As a minimum, we recommend that a bond breaker be incorporated between the floor slab and foundation walls to reduce binding between components.

If the interior floor slabs are covered with impervious or near impervious surfacing such as, but not limited to, paint, hardening agent, vinyl tile, ceramic tile, or wood flooring, a vapor retarder should be installed. The retarder should consist of a synthetic membrane placed either below the sand cushion or at the underside of the concrete floor. The location of the membrane is contentious and has both positive and negative aspects on the long term performance of the floor system.

Option 2 (Pile Supported Structural Floor)

For this option the floor slab would be constructed as a structural floor supported by a series of grade beams bearing upon additional driven pile.

NTI recommends that the pile caps/grade beams be backfilled with sand with 100% passing the 1 ½ inch sieve and no more than 10% passing the No. 200 sieve. This material will ease compaction efforts within the confined spaces created by the pile caps and grade beams.



In addition, if the interior floor slabs are covered with impervious or near impervious surfacing such as, but not limited to, paint, hardening agent, vinyl tile, ceramic tile, or wood flooring, a vapor retarder should be installed. The retarder should consist of a synthetic membrane placed either below the sand cushion or at the underside of the concrete floor. The location of the membrane is contentious and has both positive and negative aspects on the long term performance of the floor system.

4.6 Surface Drainage

Positive site drainage should be maintained during and after construction. Exterior grades should slope away from the building on at least a 6% grade within 10 feet of the structure. Ponded water will likely reduce the stability of surficial soils and should not be allowed to pond on the site.

Roof runoff should be diverted away from the structure by a system of interior roof and scupper drains, or rain gutters, down spouts and splash pads. It is our opinion interior roof drains plumbed directly to the storm water piping system provide the most favorable method of conveying drainage from the roof as interior drains do not freeze and such a system does not discharge runoff onto exterior sidewalks and pavements.

4.7 Utilities

Underground utility improvements will likely occur with this project. The onsite swamp deposited soils are not suitable for direct support of underground utilities. Utilities should be rerouted around these zones if possible. As an alternative the utilities could be supported by helical piles, additional driven piles or a soil correction to remove the swamp deposits to provide uniform pipe support. If utilities are not supported by piles or piers, and no soil correction is performed, settlement of the existing compressible soils will likely cause subsequent damage to pipes that enter the proposed building. Plumbing design should consider and mitigate this risk to reduce the risk of future utility damage.

Exterior utility trenches should be backfilled with on-site non-organic soils placed in 8 inch thick maximum loose lifts. It is especially important that trench backfill for utility construction within paved areas be thoroughly compacted to minimize future pavement damage. We recommend that such soils be compacted to those included in general compaction criteria guidelines described in Appendix B.

The stability of embankments along utility excavations is dependent on soil strength, site geometry, moisture content, and any surcharge load for excavated soils and equipment. We present cautionary remarks concerning stability of excavation sideslopes in the "Excavation Stability" section of this report.



The Contractor is solely responsible for assessing the stability of and executing underground utility and project excavations using safe methods. The contractor is also responsible for naming the "competent individual" as per Subpart P of 29 CFR 1926.6 (Federal Register - OSHA).

4.8 Pavement Construction

The most conservative method of construction for paved areas would be to remove and replace all existing undocumented fill and swamp deposited soils from beneath the proposed paved areas. Considering the site conditions this is not likely to be a cost effective practical alternative. With this in mind, if the owner is willing to accept an increased risk of future settlement and increased maintenance costs the following subgrade preparation and pavement construction methods may be applied.

Due to the compressibility of the underlying undocumented fill and swamp deposited soils positive changes in grade should be minimized to the extent practical. In addition, any proposed increases in grade should occur as early as possible in the construction process to allow for as much consolidation as practical to occur prior to the placement of aggregate base and pavement.

Prior to installing the aggregate base, the resulting subgrade following site preparation should be scarified and re-compacted to a depth of twelve inches. A proofroll test should then be performed to determine soft or unstable subgrade areas. If rutting or localized unstable subgrade areas are observed, those areas should be subcut, moisture-conditioned, and re-compacted or removed to a stable depth. Excavations for soil corrections in paved areas should allow for a 2 foot oversize beyond the edges of the pavement.

The proof roll should be performed with a tandem axle dump truck loaded to gross capacity (at least 20 tons). Acceptance criteria of the proof roll shall be limited to rut formation no more than one inch (1") depth (front or rear axles) and minimal pumping (rolling) observed during the visual inspection. Proof roll tests should be observed by an experienced technician or geotechnical engineer prior to placement of the aggregate base course to verify the subgrade will provide adequate pavement support.

Fill required in paved areas should consist of non-organic debris free similar in composition to the existing underlying soils or free-draining aggregate that will improve stability and drainage. Individual lifts of engineered fill should be tempered for moisture content, placed and compacted as listed Appendix B.

Pavements should provide positive drainage to ditching, the local storm water collection system or natural drainage systems.

Based on visual observations, we estimate that a properly prepared subgrade would have an average stabilometer R-value of 10.



For a 20-year design pavement life and light commercial traffic volumes, Table 6 presents our thickness recommendations for flexible (bituminous) pavement.

Table 6: Recommended Flexible Pavement Thickness Design Alternative

Pavement Section	Light Duty Thickness (inches)	Heavy Duty Thickness (inches)
Bituminous Wear Course	1.5	2
Bituminous Base Course	2	2
Class 5 or 7 Aggregate Base	8	10

We recommend rigid Portland cement concrete pavements be constructed at driveway aprons, trash enclosures, loading and unloading freight areas, and other areas where point loads and turning stresses are more likely to damage the pavement. Based on the performance of concrete pavements at similar sites, we recommend the concrete pavement design alternative listed in Table 7.

Table 7: Recommended Rigid Pavement Thickness Design Alternative

Pavement Section	Heavy Duty (Aprons and Freight Areas)
Unreinforced Concrete	6
Class 5 or 7 Aggregate Base	8

Pavement recommendations assume the subgrade soils and aggregate section below paved surfaces will drain to subsurface piping for eventual discharge into storm sewer, or above grade to ditching, or similar acceptable systems. Lack of surface and subsurface drainage will significantly reduce the capacity and longevity of the pavement systems indicated above.

We recommend pavements receive annual maintenance, as a minimum, to correct damages to the pavement structure, clean and infill cracks which develop, and repair or resurface areas which exhibit reduced subgrade performance. The lack of maintenance can lead to moisture infiltration of the pavement structure and softening of the subgrade soils. This, in turn, can degrade the performance of the pavement system and result in poorly performing pavements with shortened life expectancy.



5.0 CONSTRUCTION CONSIDERATIONS

5.1. Groundwater Control

For excavations that extend below an elevation of 931 there is the potential that significant dewatering will likely be required. In addition, due to the impervious nature of the onsite clay soils there remains the possibility of zones of perched water being encountered at elevations greater than 931 feet. If perched conditions are encountered or dewatering is necessary within the glacial till clay soils, dewatering with a sump and pump located outside of the foundation area is anticipated to be adequate. For deeper excavations that extend below the static water table within the clean glacial outwash sand soils the implementation of a well point dewatering would likely be a suitable method within the relatively well-draining onsite sands at depth.

5.2. Excavation Stability

Excavation depth and sidewall inclination should not exceed those specified in local, state or federal regulations. Excavations may need to be widened and sloped, or temporarily braced, to maintain or develop a safe work environment. Contractors must comply with local, state, and federal safety regulations including current OSHA excavation and trench safety standards. Temporary shoring must be designed in accordance with applicable regulatory requirements.

5.3. Engineered Fill & Winter Construction

Frozen soil should not be used as backfill and foundations should not be placed on frozen soils. When the ambient air temperature falls below freezing for an extended period of time, frost forms, and soil near the surface grade experiences a moisture-volume expansion. Settlement of the fill may occur as the frozen soils thaw.

During construction, footing and column pad excavations should be protected from freezing. If frost penetrates the soil prior to the placement of the footings, column pads or floor slabs, soils must be thawed, scarified, and re-compacted to the required percentage of compaction recommended in this report prior to concrete placement. Footing, column pad excavations, and floor slab areas should be inspected prior to the placement of concrete to determine that the frozen soils have been eliminated.



6.0 CLOSURE

The conclusions and recommendations in this report are considered to be preliminary in nature and are not intended for the development of the final design construction documents. Our opinions were based on data assumed representative of the site, as encountered from the five soil borings on site. For this and other reasons, we do not warrant conditions below the depth of our borings, or that the strata logged from our borings are necessarily typical across the site.

This report has been prepared for the exclusive use of Continental Property Group and its agents for specific application to the proposed 253/259 Lake Street East Development project in Wayzata, Minnesota. Northern Technologies, Inc. has endeavored to comply with generally accepted geotechnical engineering practice common to the local area. Northern Technologies, Inc. makes no other warranty, express or implied.

Northern Technologies, Inc.

Ryan T. Menter, P.E.
Project Engineer

Ryan M. Benson, P.E.
Regional Manager/Principal Engineer

RMB:rtm

Attachments

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a Duly Licensed Professional Engineer under the Laws of the State of Minnesota.

Ryan M. Benson
Date: 7/7/2014 Reg. No. 42724



APPENDIX A



GEOTECHNICAL EVALUATION OF RECOVERED SOIL SAMPLES

We visually examined recovered soil samples to estimate distribution of grain sizes, plasticity, consistency, moisture condition, color, presence of lenses and seams, and apparent geologic origin. We then classified the soils according using the Unified Soil Classification System (ASTM D2488). A chart describing this classification system and general notes explaining soil sampling procedures are presented within appendices attachments.

The stratification depth lines between soil types on the logs are estimated based on the available data. Insitu, the transition between type(s) may be distinct or gradual in either the horizontal or vertical directions. The soil conditions have been established at our specific boring locations only. Variations in the soil stratigraphy may occur between and around the borings, with the nature and extent of such change not readily evident until exposed by excavation. These variations must be properly assessed when utilizing information presented on the boring logs.

We request that you, your design team or contractors contact NTI immediately if local conditions differ from those assumed by this report, as we would need to review how such changes impact our recommendations. Such contact would also allow us to revise our recommendations as necessary to account for the changed site conditions.



FIELD EXPLORATION PROCEDURES

Soil Sampling – Standard Penetration Boring:

Soil sampling was performed according to the procedures described by ASTM D-1586. Using this procedure, a 2 inch O.D. split barrel sampler is driven into the soil by a 140 pound weight falling 30 inches. After an initial set of six inches, the number of blows required to drive the sampler an additional 12 inches is recorded (known as the penetration resistance (i.e. "N-value") of the soil at the point of sampling. The N-value is an index of the relative density of cohesionless soils and an approximation of the consistency of cohesive soils.

Soil Sampling – Power Auger Boring:

The boring(s) was/were advanced with a 6 inch nominal diameter continuous flight auger. As a result, samples recovered from the boring are disturbed, and our determination of the depth, extend of various stratum and layers, and relative density or consistency of the soils is approximate.

Soil Classification:

Soil samples were visually and manually classified in general conformance with ASTM D-2488 as they were removed from the sampler(s). Representative fractions of soil samples were then sealed within respective containers and returned to the laboratory for further examination and verification of the field classification. In addition, select samples were submitted for laboratory tests. Individual sample information, identification of sampling methods, method of advancement of the samples and other pertinent information concerning the soil samples are presented on boring logs and related report attachments.



General Notes

DRILLING & SAMPLING SYMBOLS		LABORATORY TEST SYMBOLS	
SYMBOL	DEFINITION	SYMBOL	DEFINITION
C.S.	Continuous Sampling	W	Moisture content-percent of dry weight
P.D.	2-3/8" Pipe Drill	D	Dry Density-pounds per cubic foot
C.O.	Cleanout Tube	LL, PL	Liquid and plastic limits determined in accordance with ASTM D 423 and D 424
3 HSA	3 1/4" I.D. Hollow Stem Auger	Q _u	Unconfined compressive strength-pounds per square foot in accordance with ASTM D 2166-66
4 FA	4" Diameter Flight Auger	Additional insertions in Q_u Column Q _p Penetrometer reading-tons/square foot S Torvane reading-tons/square foot G Specific Gravity – ASTM D 854-58 SL Shrinkage limit – ASTM 427-61 pH Hydrogen ion content-meter method O Organic content-combustion method M.A.* Grain size analysis C* One dimensional consolidation Q _c * Triaxial Compression * See attached data Sheet and/or graph	
6 FA	6" Diameter Flight Auger		
2 1/2 C	2 1/2" Casing		
4 C	4" Casing		
D.M.	Drilling Mud		
J.W.	Jet Water		
H.A.	Hand Auger		
NXC	Size NX Casing		
BXC	Size BX Casing		
AXC	Size AX casing		
SS	2" O.D. Split Spoon Sample		
2T	2" Thin Wall Tube Sample		
3T	3" Thin Wall Tube Sample		

Water Level Symbol

Water levels shown on the boring logs are the levels measured in the borings at the time and under the conditions indicated. In sand, the indicated levels can be considered reliable ground water levels. In clay soils, it is not possible to determine the ground water level within the normal scope of a test boring investigation, except where lenses or layers of more pervious water bearing soil is present and then a long period of time may be necessary to reach equilibrium. Therefore, the position of the water level symbol for cohesive or mixed soils may not indicate the true level of the ground water table. The available water level information is given at the bottom of the log sheet.

Descriptive Terminology

DENSITY			CONSISTENCY	
TERM	"N" VALUE		TERM	"N" VALUE
Very Loose	0-4		Soft	0-4
Loose	5-8		Medium	5-8
Medium Dense	9-15		Rather Stiff	9-15
Dense	16-30		Stiff	16-30
Very Dense	Over 30		Very Stiff	Over 30

Standard "N" Penetration: Blows per foot of a 140 pound hammer falling 30 inches on a 2 inch OD split spoon.

Relative Proportions

TERMS	RANGE
Trace	0-5%
A little	5-15%
Some	15-30%
With	30-50%

Particle Sizes

Boulders	Over 3"
Gravel - Coarse	3/4" - 3"
Medium	#4 - 3/4"
Sand - Coarse	#4 - #10
Medium	#10 - #40
Fine	#40 - #200
Silt and Clay	Determined by plasticity characteristics.

Note: Sieve sizes are U.S. Standard.



Classification of Soils for Engineering Purposes

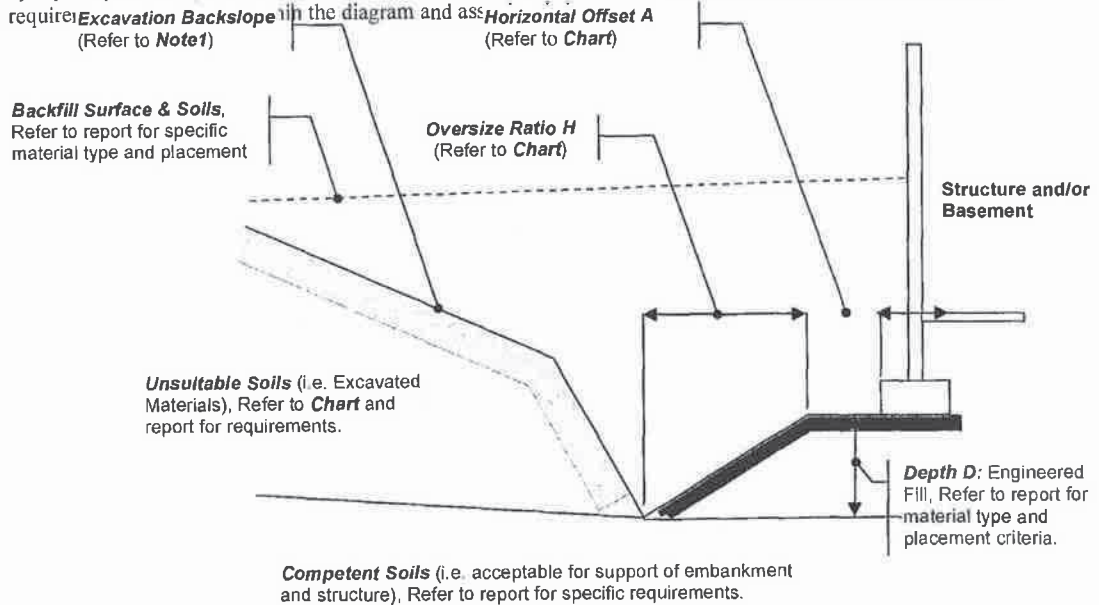
ASTM Designation D-2487 and D 2488 (Unified Soil Classification System)

Major Divisions	Group Symbols	Typical Names	Classification Criteria
Coarse Grained Soils More than 50% retained on No. 200 sieve *	Gravels 50% or more of coarse fraction retained on No. 4 sieve.	Clean Gravels GW Well-graded gravels and gravel-sand mixtures, little or no fines. GP Poorly graded gravels and gravel-sand mixtures, little or no fines.	$C_u = D_{60} / D_{10}$ greater than 4. $C_z = (D_{30})^2 / (D_{10} \times D_{60})$ between 1 & 3.
		Gravels with Fines GM Silty gravels, gravel-sand-silt mixtures. GC Clayey gravels, gravel-sand-clay mixtures.	Not meeting both criteria for GW materials. Atterberg limits below "A" line, or P.I. less than 4. Atterberg limits plotting in hatched area are <i>borderline</i> classifications requiring use of dual symbols. Atterberg limits above "A" line with P.I. greater than 7.
	Clean Sands More than 50% of coarse fraction passes No. 4 sieve.	SW Well-graded sands and gravelly sands, little or no fines. SP Poorly-graded sands and gravelly sands, little or no fines.	$C_u = D_{60} / D_{10}$ greater than 6. $C_z = (D_{30})^2 / (D_{10} \times D_{60})$ between 1 & 3.
		Sands with Fines SM Silty sands, sand-silt mixtures. SC Clayey sands, sand-clay mixtures.	Not meeting both criteria for SW materials. Atterberg limits below "A" line, or P.I. less than 4. Atterberg limits plotting in hatched area are <i>borderline</i> classifications requiring use of dual symbols. Atterberg limits above "A" line with P.I. greater than 7.
	Classification on basis of percentage of fines: Less than 5% passing No. 200 Sieve: GW, GP, SW, SP More than 12% passing No. 200 Sieve: GM, GC, SM, SC From 5% to 12% passing No. 200 Sieve: Borderline Classification requiring use of dual symbols.		
Fine Grained Soils More than 50% passes No. 200 sieve *	Silts and Clays Liquid Limit of 50% or less	ML Inorganic silts, very fine sands, rock flour, silty or clayey fine sands.	
		CL Inorganic clays of low to medium plasticity, gravelly clays, silty clays, lean clays.	
		OL Organic silts and organic silty clays of low plasticity.	
	Silts and Clays Liquid Limit greater than 50%.	MH Inorganic silts, micaceous or diatomaceous fine sands or silts, elastic silts.	
		CH Inorganic clays of high plasticity, fat clays.	
		OH Organic clays of medium to high plasticity.	
	Highly Organic Soils	Pt Peat, muck and other highly organic soils.	



Excavation Oversize

Excavation oversize facilitates distribution of load induced stress within supporting soils. Unless otherwise superseded by report specific requirements, all construction should conform to the minimum oversize and horizontal offset required in the diagram and associated **Horizontal Offset A** (Refer to **Chart**)



Definitions

Oversize Ratio H: The ratio of the horizontal distance divided by the engineered fill depth (i.e. # Horizontal / Depth D). Refer to Chart for specific requirements.

Horizontal Offset A: The horizontal distance between the outside edge of footing or critical position and the crest of the engineered fill section. Refer to Chart for specific requirements.

Note 1: Excavation depth and sidewall inclination should not exceed those specified in local, state or federal regulations including those defined by Subpart P of Chapter 27, 29 CFR Part 1926 (of Federal Register). Excavations may need to be widened and sloped, or temporarily braced, to maintain or develop a safe work environment.

Condition	Unsuitable Soil Type	Horizontal Offset A	Oversize Ratio H
Foundation Unit Load equal to or less than 3,000 psf.	SP, SM soils, CL & CH soils with cohesion greater than 1,000 psf	2 feet or width of footing, whichever is greater	Equal to or greater than Depth D
Foundation Unit Load greater than 3,000 psf	SP, SM soils, CL & CH soils with cohesion less than 1,000 psf	5 feet or width of footing, whichever is greater	Equal to or greater than Depth D
Foundation Unit Load equal to or less than 3,000 psf.	Topsoil or Peat	2 feet or width of footing, whichever is greater	Equal to or greater than two (2) time Depth D
Foundation Unit Load greater than 3,000 psf	Topsoil or Peat	5 feet or width of footing, whichever is greater	Equal to or greater than two (2) time Depth D



APPENDIX B



GROUND WATER ISSUES

The following presents additional comment and soil specific issues related to measurement of ground water conditions at your project site.

Note that our ground water measurements, or lack thereof, will vary depending on the time allowed for equilibrium to occur in the borings. Extended observation time was not available during the scope of the field exploration program and, therefore, ground water measurements as noted on the borings logs may or may not accurately reflect actual conditions at your site.

We anticipate a well point system would be the most suitable system for control of deeper subsurface groundwater within the underlying clean granular soils. If shallower perched groundwater within the cohesive site soils is encountered, pumping from temporary sump pits would be an appropriate alternative. We caution such water intrusion into excavations below the ground water table may be heavy and will vary based on seasonal and annual precipitation, and ground related impacts in the vicinity of the project.

Seasonal and yearly fluctuations of the ground water level, if any, occur. Perched ground water may be present within sand and silt lenses bedded within cohesive soil formations.



PLACEMENT and COMPACTION OF ENGINEERED FILL

Unless otherwise superseded within the body of the Geotechnical Exploration Report, the following criteria shall be utilized for placement of engineered fill on project. This includes, but is not limited to earthen fill placement to improve site grades, fill placed below structural footings, fill placed interior of structure, and fill placed as backfill of foundations.

Engineered fill placed for construction, if necessary should consist of natural, non-organic, competent soils native to the project area. Such soils may include, but are not limited to gravel, sand, or clays with Unified Soil Classification System (ASTM D2488) classifications of GW, SP, SM, CL or CH. Use of silt or clayey silt as project fill will require additional review and approval of project Geotechnical Engineer of Record. Such soils have USCS classifications of ML, MH, ML-CL, MH-CH. Use of topsoil, marl, peat, other organic soils construction debris and/or other unsuitable materials as fill is not allowed. Such soils have USCS classifications of OL, OH, Pt.

Engineered fill, classified as clay, should be tempered such that the moisture content at the time of placement is equal to and no more than 3 percent above the optimum content for as defined by the appropriate proctor test. Likewise, engineered fill classified as gravel or sand should be tempered such that the moisture content at the time of placement is within 3 percent of the optimum content.

All engineered fill for construction should be placed in individual 8 inch maximum depth lifts. Each lift of fill should be compacted by large vibratory equipment until the in-place soil density is equal to or greater than the criteria established within the following tabulation.

Type of Construction	Compaction Criteria (% respective Proctor) ¹	
	Clay	Sand or Gravel
General Embankment Fill (Green Areas)	Min. 95	Min. 95
Engineered Fill below Foundations	NA	Min. 100
Engineered Fill below Floor Slabs	NA	Min. 98
Engineered Fill placed as Pavement Aggregate Base	NA	Min. 100
Engineered Fill placed to within 3 feet of pavement aggregate base	Min. 95	Min. 95
Engineered Fill placed within 3 feet of pavement aggregate base	Min. 100	Min. 100

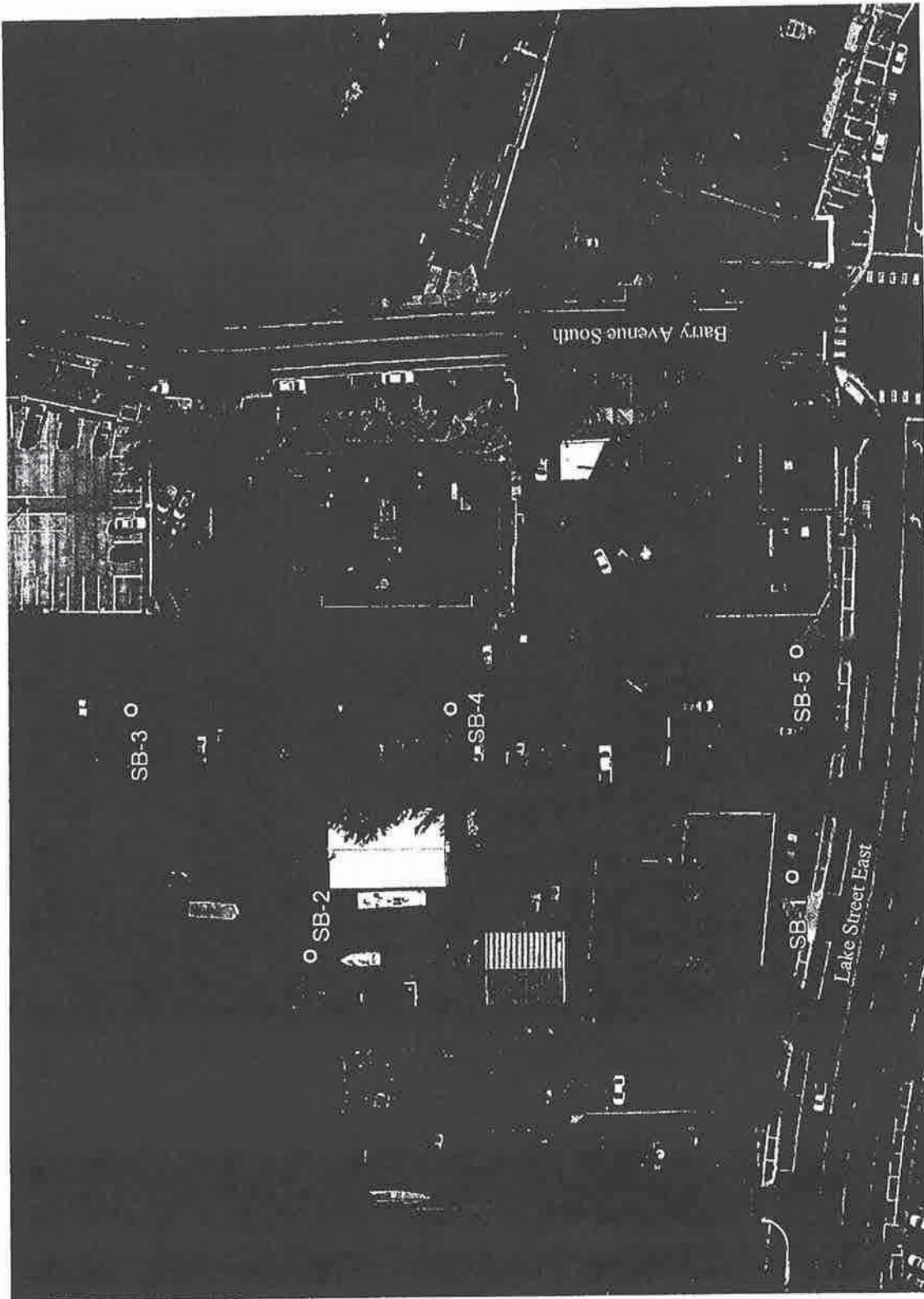
Note 1 Unless otherwise required, compaction criteria shall be based on the Standard Proctor Test (ASTM D698).

Density tests should be taken during engineered fill placement to document earthwork has achieved necessary compaction of the material(s). Recommendations for interior fill placement and backfill of foundation walls are presented within other sections of this report.



APPENDIX C

Attachment A-1



Boring Location Diagram
253/259 Lake Street East Development
Wayzata, Minnesota
NTI Project #: 14.60636.100
NOTE: Boring locations are approximate.



NTI
NORTHERN
TECHNOLOGIES, INC.

Attachment A-1



BORING NUMBER SB-1

PAGE 1 OF 1

CLIENT Wenck Associates, Inc.PROJECT NAME 253/259 Lake Street East DevelopmentPROJECT NUMBER 14.60636.100PROJECT LOCATION Wayzata, MNDATE STARTED 6/11/14COMPLETED 6/11/14GROUND ELEVATION 936.6 ft HOLE SIZE 6 inchesDRILLING CONTRACTOR NTI

GROUND WATER LEVELS:

DRILLING METHOD 3 1/4 in. H.S.A.▽ AT TIME OF DRILLING 18.00 ft / Elev 918.60 ftLOGGED BY RLCHECKED BY RMB▽ AT END OF DRILLING 8.00 ft / Elev 928.60 ft (Initial reading)NOTES BM Elev = 938.37 (TNH located south of 253 Lake St E)▽ AFTER DRILLING 10.25 ft / Elev 926.35 ft (5 days after)

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	POCKET PEN. (tsf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	
0		2" bituminous pavement over 3" aggregate base	SS 1	0	6-3-2 (5)							
		FILL: SANDY CLAY - (CL), trace fine roots, trace gravel, dark brown and brown, moist, medium to soft (Fill)	SS 2	33	1-1-1 (2)	1.50		14				
5		SANDY CLAY - (CL), trace gravel, brown with iron oxide stains to brown and gray at 10 feet, moist, medium to stiff (Glacial Till)	SS 3	89	2-3-2 (5)	1.00						
			SS 4	89	5-7-6 (13)	2.00						
10		NOTE: Occasional sand lenses below 10 feet.	SS 5	100	7-7-9 (18)	2.00		30				
			SS 6	67	5-6-7 (13)	1.75						
15			SS 7	100	5-7-6 (13)	1.25		11				
20		POORLY GRADED SAND WITH SILT - (SP-SM), fine to coarse grained, trace gravel, brown with iron oxide stains, waterbearing, loose to medium dense (Glacial Outwash)	SS 8	44	4-4-4 (8)							
25			SS 9	89	7-5-5 (10)							
30			SS 10	100	6-7-6 (13)							
Borehole backfilled with soil cuttings. Boring terminated at 31.0 feet.												

GEOTECH BH COLUMNS - REVISED DATA TEMPLATE 7-20-12.GDT - 7/3/14 13:25 - C:\USERS\PUBLIC\DOCUMENTS\BENTLEY\GINT\PROJECTS\LAKE ST E DEVELOPMENT.GPJ

Attachment A-1

BORING NUMBER SB-2

PAGE 1 OF 1

CLIENT Wenck Associates, Inc.PROJECT NAME 253/259 Lake Street East DevelopmentPROJECT NUMBER 14,60636.100PROJECT LOCATION Wayzata, MNDATE STARTED 6/11/14COMPLETED 6/11/14GROUND ELEVATION 933 ftHOLE SIZE 6 inchesDRILLING CONTRACTOR NTI

GROUND WATER LEVELS:

DRILLING METHOD 3 1/4 in. H.S.A.▽ AT TIME OF DRILLING 4.00 ft / Elev 929.00 ftLOGGED BY RLCHECKED BY RMBAT END OF DRILLING —NOTES BM Elev = 938.37 (TNH located south of 253 Lake St E)AFTER DRILLING —

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (ROD)	BLOW COUNTS (N VALUE)	POCKET PEN. (tsf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	
0		1" bituminous pavement over 12" aggregate base	SS 1	0	32							
		FILL: POORLY GRADED SAND WITH SILT - (SP-SM), fine to medium grained, trace clay seams, trace gravel, brown and dark brown, moist to waterbearing at 4 feet, medium dense to very loose (Fill)	SS 2	67	2-7-2 (9)							
5		NOTE: Color change to greenish gray and brown at 3 feet.	SS 3	67	2-2-2 (4)			21				11
		NOTE: Petroleum odors below 6.5 feet.	SS 4	44	2-3-4 (7)							
10			SS 5	44	2-2-2 (4)							
		FILL: CLAYEY SAND - (SC), fine to medium grained, trace organics, trace wood, trace gravel, black and brown, waterbearing, loose (Fill)	SS 6	67	6-4-2 (6)							
15		PEAT - (Pt), trace fibers, black and brown, moist, soft (Swamp Deposit)	SS 7	33	2-2-1 (3)							
			HS									
20		Organic Content = 31.6% (Sample 8)	SS 8	56	1-1-1 (2)			123				
			HS									
25			SS 9	100	1-1-1 (2)							
			HS									
30		Organic Content = 47.7% (Sample 10)	SS 10	89	1-1-2 (3)			150				
			HS									
35		SANDY CLAY - (CL), trace gravel, gray, moist, soft to medium (Glacial Till)	SS 11	100	2-2-2 (4)							
		NOTE: Occasional waterbearing sand layers at 35 feet.	HS									
40			SS 12	100	4-5-4 (9)	2.00		16				
Borehole backfilled with soil cuttings. Boring terminated at 41.0 feet.												

GEOTECH BH COLUMNS - REVISED DATA TEMPLATE T-20-12.GDT - 7/3/14 13:25 - C:\USERS\PUBLIC\DOCUMENTS\BENTLEY\AGINT\PROJECTS\LAKE ST E DEVELOPMENT.GPJ

Attachment A-1



BORING NUMBER SB-3

PAGE 1 OF 1

CLIENT Wenck Associates, Inc.PROJECT NAME 253/259 Lake Street East DevelopmentPROJECT NUMBER 14.60636.100PROJECT LOCATION Wayzata, MNDATE STARTED 6/11/14COMPLETED 6/11/14GROUND ELEVATION 933.4 ftHOLE SIZE 6 inchesDRILLING CONTRACTOR NTI

GROUND WATER LEVELS:

DRILLING METHOD 3 1/4 in. H.S.A.AT TIME OF DRILLING --LOGGED BY RLCHECKED BY RMB▼ AT END OF DRILLING 3.00 ft / Elev 930.40 ft (Initial reading)NOTES BM Elev = 938.37 (TNH located south of 253 Lake St E)▼ AFTER DRILLING 3.50 ft / Elev 929.90 ft (5 days after)

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	POCKET PEN. (tsf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
0												
		2.5" bituminous pavement over 3" aggregate base	AU 1									
		FILL: CLAYEY SAND - (SC), fine to medium grained, trace fine roots, trace gravel, dark brown to greenish gray with trace black, moist to waterbearing at 4 feet, loose to very loose (Fill)	HS 1									
			SS 2	67	3-4-4 (8)							
5		NOTE: Trace organics and petroleum odors at 5 feet. Organic Content = 3.3% (Sample 3)	HS 3	56	2-1-2 (3)			21				
		FILL: SANDY CLAY - (CL), trace gravel, greenish gray, moist, soft (Fill)	HS 4	17	0-1-1 (2)							
10			SS 5	22	2-2-2 (4)			35				
		PEAT - (Pt), trace fibers, trace gravel, black and brown, moist, soft to medium (Swamp Deposit)	HS 6	22	1-1-1 (2)							
15		Organic Content = 20.8% (Sample 7)	SS 7	17	1-2-1 (3)			128				
			HS 8									
20		NOTE: Petroleum odors below 20 feet.	SS 9	89	1-2-2 (4)							
			HS 10									
25		NOTE: Occasional waterbearing sand layers below 24 feet.	SS 11	44	4-4-3 (7)							
			HS 12									
30		SANDY CLAY - (CL), trace gravel, gray, moist, medium to rather stiff (Glacial Till)	SS 13	78	4-4-4 (8)	1.00		17				
			HS 14									
35			SS 15	78	5-6-7 (13)	1.00						
Borehole backfilled with soil cuttings. Boring terminated at 36.0 feet.												

GEOTECH-BH COLUMNS - REVISED DATA TEMPLATE 7-20-12.GDT - 7/3/14 13:25 - C:\USERS\PUBLIC\DOCUMENTS\BENTLEY\GINT\PROJECTS\LAKE STREET EAST DEVELOPMENT.GPJ

Attachment A-1



BORING NUMBER SB-4

PAGE 1 OF 1

CLIENT Wenck Associates, Inc.PROJECT NAME 253/259 Lake Street East DevelopmentPROJECT NUMBER 14.60636.100PROJECT LOCATION Wayzata, MNDATE STARTED 6/11/14 COMPLETED 6/11/14GROUND ELEVATION 937.1 ft HOLE SIZE 6 inchesDRILLING CONTRACTOR NTI

GROUND WATER LEVELS:

DRILLING METHOD 3 1/4 in. H.S.A.AT TIME OF DRILLING -- No groundwater observed.LOGGED BY RL CHECKED BY RMBAT END OF DRILLING --NOTES BM Elev = 938.37 (TNH located south of 253 Lake St E)AFTER DRILLING --

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	POCKET PEN. (tsf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	
0		1" bituminous pavement over 2" aggregate base	AU 1	0	1-3-2 (5)							
		FILL: CLAYEY SAND - (SC), fine to medium grained, trace gravel, black and dark brown, moist, loose	HS 2	17	0-1-1 (2)							
		FILL: SANDY CLAY - (CL), greenish gray with trace black, moist, soft	HS 3	17	4-1-1 (2)			81				
		PEAT - (Pt), trace fibers, black, moist, soft (Swamp Deposit) Organic Content = 32.3% (Sample 3)	HS 4	22	4-2-1 (3)							
		SLIGHTLY ORGANIC SANDY CLAY - (OL), trace gravel, greenish gray with trace black, moist, soft (Swamp Deposit) NOTE: Petroleum odors.	HS 5	56	2-1-2 (3)			21				
		SANDY CLAY - (CL), trace fine roots at 10 feet, trace gravel, gray, moist, soft to very stiff (Glacial Till)	HS 6	78	16-8-10 (18)							
			HS 7	40	24-32/4"							
		NOTE: Gravel or cobble at 15 feet										
			HS									
		NOTE: Color change to brown at 18 feet.										
			SS 8	44	26-12-10 (22)							
			HS									
		NOTE: Color change to brown and gray at 24 feet.										
			SS 9	44	4-5-5 (10)							
			HS									
			SS 10	67	4-5-5 (10)	1.50		12				
Borehole backfilled with soil cuttings. Boring terminated at 31.0 feet.												

GEOTECH BH COLUMNS - REVISED DATA TEMPLATE 7-20-12 GDT - 7/3/14 13:25 - C:\USERS\PUBLIC\DOCUMENTS\BENTLEY\PROJECTS\LAKE ST E DEVELOPMENT.GPJ

Attachment A-1



BORING NUMBER SB-5

PAGE 1 OF 1

CLIENT Wenck Associates, Inc.PROJECT NAME 253/259 Lake Street East DevelopmentPROJECT NUMBER 14.60636.100PROJECT LOCATION Wayzata, MNDATE STARTED 6/11/14COMPLETED 6/11/14GROUND ELEVATION 937 ftHOLE SIZE 6 inchesDRILLING CONTRACTOR NTI

GROUND WATER LEVELS:

DRILLING METHOD 3 1/4 in. H.S.A.AT TIME OF DRILLING — No groundwater observed.LOGGED BY RLCHECKED BY RMBAT END OF DRILLING —NOTES BM Elev = 938.37 (TNH located south of 253 Lake St E)AFTER DRILLING —

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	POCKET PEN. (tsf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	
0		1.5" bituminous pavement over 3" aggregate base	AU 1									
		FILL: CLAYEY SAND - (SC), trace gravel, dark brown, moist (Fill)	HS 1									
		FILL: SANDY CLAY - (CL), occasional sand seams, trace gravel, dark brown and brown, moist, medium (Fill)	SS 2	89	2-2-6 (8)							
5		FILL: POORLY GRADED SAND - (SP), fine to medium grained, petroleum odors, occasional silty sand seams, trace gravel, gray, moist, very loose (Fill)	HS 3	100	2-2-2 (4)			17				2
		FILL: CLAYEY SAND - (SC), fine to medium grained, trace organics, trace gravel, greenish gray, moist, very loose (Fill)	SS 4	100	2-2-1 (3)							
10		NOTE: Petroleum odors. Organic Content = 2.1% (Sample 5)	HS 5	100	2-2-4 (6)	1.00		16				
		SANDY CLAY - (CL), trace gravel, greenish gray to brown and gray at 14 feet, moist, medium to stiff (Glacial Till)	SS 6	22	6-7-6 (13)							
15		NOTE: Petroleum odors at 13 feet. NOTE: Gravel or cobble at 15 feet	HS 7	180	4-3-4/0"	1.00		17				45
20			HS 8	22	6-7-9 (16)							
25			SS 9	44	4-6-8 (14)	1.00						
30		NOTE: Color change to dark gray at 28 feet.	HS 10	89	4-4-6 (10)	1.50		14				

Borehole backfilled with soil cuttings.
Boring terminated at 31.0 feet.

GEOTECH BH COLUMNS - REVISED DATA TEMPLATE 7-20-12.GDT - 7/3/14 13:25 - C:\USERS\PUBLIC\DOCUMENTS\BENTLEY\GINT\PROJECTS\LAKE STREET DEVELOPMENT GPJ



Wetland Investigation Report

Continental Property Group, Inc.

**253 & 259 East Lake Street
Wayzata, MN
55391**

AE Comm. #13804

July 21st, 2014



Anderson Engineering of Minnesota, LLC

**13605 1st Avenue North
Plymouth, MN 55441**

**763-412-4000 Main
763-412-4090 Fax**

A Service-Disabled Veteran-Owned Small Business

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- Appendix A Figures**
- Appendix B Routine On-site Determination Method Datasheets**
- Appendix C Site Photographs**
- Appendix D Antecedent Precipitation Record**
- Appendix E Credentials**

Contact Information

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Prepared By:

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Environmental Scientist
Certified MN Wetland Delineator #1207

Courtney Luensman
Environmental Associate

Lucy Dahl
Environmental Associate

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13605 1st Avenue North
Suite 100
Plymouth, MN 55441

Phone: (763) 412-4000
Fax: (763) 412-4090

Website: www.ae-mn.com

Executive Summary

Anderson Engineering of Minnesota, LLC was retained to provide professional wetland services to identify those areas meeting wetland criteria utilizing the 1987 United States Army Corps of Engineers (USACE) Wetland Delineation Manual (*Technical Report Y-87-1; January 1987*) and all supplemental guidance documents within the proposed project area, approximately 1.81 acres in size, located at 253 & 259 East Lake Street, Wayzata, Minnesota. Geographically, the parcel is located in Section 6, Township 117 North, Range 22 West.

One wetland associated with the project area was field delineated within the identified project boundary (Appendix A. Figure 5).

- Wetland 1: Type 6, PSS1C, shrub swamp, approximately 0.50 acres in size

Background

As requested by EntrePartner Law Firm, LLC on behalf of Continental Property Group, Anderson Engineering of MN, LLC completed a wetland investigation in the identified project area at 253 & 259 East Lake Street, Wayzata, Minnesota.

Geographically, the site is located in Section 6, Township 117 North, Range 22 West. The wetland delineation was completed in accordance with the 1987 United States Army Corps of Engineers Wetland Delineation Manual and the published regional supplement to the Army Corps Wetland Delineation Manual, Midwest Region.

The purpose of this study was to investigate the project area, identify areas meeting the technical criteria for wetlands, delineate the jurisdictional extent of the wetland basins, and classify the wetland habitat.

Fieldwork for this site investigation was completed by Environmental Scientist Marc Cottingham and Environmental Associates Courtney Luensman and Lucy Dahl on July 17th, 2014.

Methodology

United States Geologic Service 7.5" Topographic Quadrangle maps, United States Fish and Wildlife Service National Wetland Inventory maps, United States Department of Agriculture Natural Resources Conservation Service Soil Survey and available aerial photographs were consulted to initially locate potential wetland habitats.

Routine On-site Determination Method was used during this investigation. In this method, the following procedures were used:

- 1) The vegetative community was sampled in all present strata to determine whether it met hydrophytic vegetation criteria based on the indicators identified in the Midwest Regional Supplement.
- 2) Soil pits were dug using a Dutch auger to depths of 16"-36". Soil profile was noted, in addition to any hydric soil characteristics.
- 3) Signs of wetland hydrology were noted and compared to field criteria such as depth to shallow water table and depth of soil saturation found in the soil pits.

Data from sample points were recorded on Army Corps of Engineers Midwest Region Wetland Determination Data Forms (*Appendix B*). At least one sample point transect crosses the delineated wetland edge. This transect consist of an upland sample point and a wetland sample point. Other sample points may be located in areas which have one or more of the wetland vegetation, soils, or hydrologic characteristics present; where questionable conditions exist; or to verify the absence of wetland criteria. Photographs are also taken at each sample point, and of the wetland and upland buffer (*Appendix C*).

Sample points were marked in the field with orange flags. The identified wetland boundary was marked with sequentially numbered pink flags. All sample points and the delineated wetland boundary were located utilizing a Trimble Geo XH sub-meter GPS unit.

Resource Review

The following resources were reviewed to supplement the wetland field delineation:

National Wetlands Inventory:

The National Wetlands Inventory (*Appendix A. Figure 2*) identifies a PSS1C wetland within the project area.

USDA - Natural Resources Conservation Service Soil Survey:

The Soil Survey of Hennepin County, MN (*Appendix A. Figure 3*) does identify one hydric soil within the study area, Muskego muck.

Minnesota Department of Natural Resources Public Water Inventory:

According to the MN DNR PWI for Hennepin County, MN (*Appendix A. Figure 4*), Lake Minnetonka is located to the south of the project area.

Antecedent Precipitation Data:

A review of the antecedent precipitation data collected from the University of Minnesota Climatology Working Group (*Appendix D*) indicate that precipitation totals for the previous weeks were above average in Hennepin County. Hydrologic conditions were suitable for completing an accurate wetland determination and boundary delineation.

Field Review

One wetland was identified within the project area. The wetland is described below:

Wetland 1: Wetland 1 is a Type 6, PSS1C, shrub swamp, approximately 0.50 acres in size. The wetland is primarily vegetated with narrow-leaf cat-tail (*Typha angustifolia*), sandbar willow (*Salix interior*), purple loosestrife (*Lythrum salicaria*), and reed canary grass (*Phalaris arundinacea*). The underlying soils are mapped as Muskego muck. The investigated soil profile was determined hydric per best professional judgment based on geomorphic position, a high water table, and a dominance of hydrophytic vegetation. Hydrology indicators observed include a high water table at the soil surface (A2), geomorphic position (D2), and FAC-Neutral Test (D5).

The upland buffer surrounding the wetland consists of Canadian goldenrod (*Solidago Canadensis*), *P. arundinacea*, giant goldenrod (*Solidago gigantea*), birds-foot trefoil (*Lotus unifoliolatus*), and common buckthorn (*Rhamnus cathartica*). Gentle slopes form the transition into the wetland.

Conclusion

One wetland was identified and delineated in accordance with the 1987 United States Army Corps of Engineers Wetland Delineation Manual within the identified project area located at 253 & 259 East Lake Street, Wayzata, MN.

The wetland in the project area may be regulated by several agencies at the local, State, and/or federal level. Activities which may potentially impact those wetlands identified within this report should be discussed in advance with the appropriate regulating agency in regards to potential permit requirements. The Local Government Unit (LGU) responsible for implementing the Minnesota Wetland Conservation Act at this project location is the City of Wayzata.

The City of Wayzata requires vegetated buffers around all preserved wetland areas. Wetland buffers must meet the standards specified by the district for any project that is regulated under WCA.

The Base Buffer Width shall be determined by the management class of the wetland as evaluated by the District's Functional Assessment of Wetlands or by the current version of the Minnesota Routine Assessment Method (MnRAM). As this wetland is already classified on the City's Wetland Classification Map (available online), the MnRAM was not necessary.

Wetland Buffer Classification	Base Buffer Width
Manage 3	20 feet
Manage 2* (Manage 3 Restore)	30 feet
Manage 2	30 feet
Manage 1	40 feet
Protect	75 feet

Based on the City's Wetland Classification Map, Wetland 1 would be classified as Manage 3, and would require a vegetated buffer of 20 feet.

This wetland investigation meets the standards and criteria described in the 1987 United States Army Corps of Engineers Wetland Delineation Manual all applicable subsequent guidance for an on-site determination and the results reflect the conditions present at the time of the delineation.

Attachment A-1

CONTINENTAL PROPERTY GROUP

CONCLUSION

I certify that I performed the field analysis and wrote the report for this wetland determination.

Marc

7-21-2014

Marc Cottingham
MN Certified Wetland Delineator #1207
Anderson Engineering of Minnesota, LLC

Date

Courtney

7-21-2014

Courtney Luensman
Environmental Associate
Anderson Engineering of Minnesota, LLC

Date

Lucy

7-21-2014

Lucy Dahl
Environmental Associate
Anderson Engineering of Minnesota, LLC

Date

I certify that I performed the field analysis and/or reviewed work completed by above staff.

Benjamin J Hodapp

7-21-2014

Benjamin J Hodapp, PWS
Environmental Services Manager
MN Certified Wetland Delineator #1016
Anderson Engineering of Minnesota, LLC

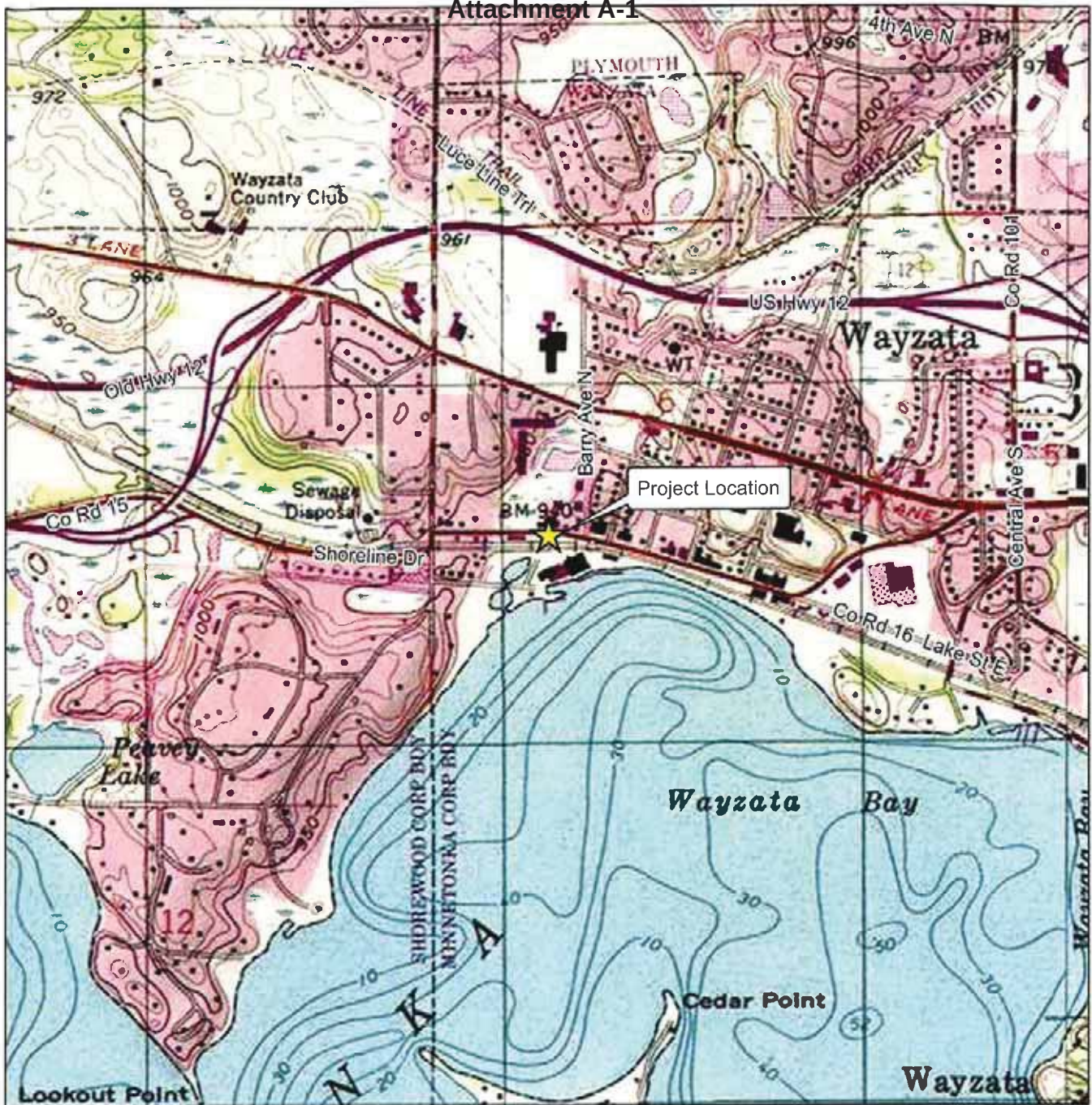
Date



APPENDIX A

Figures

Attachment A-1



PROJECT LOCATION

SOURCE: MN DNR, USDA, ESRI, TIGER, Hennepin Co., Anderson Engineering



Hennepin County
State of Minnesota



City of Wayzata
Hennepin County, MN

1 in = 0.25 miles

0 0.125 0.25 0.5



Miles



253 & 259 East Lake Street,
Wayzata, Hennepin County, MN
PID's: 053-0611722230013 &
053-0611722230005



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**LOCATION - FIGURE 1
CONTINENTAL PROPERTY
GROUP, INC.**

AE Comm.# 13804 Date: 7/17/2014 By: JLA



PROJECT LOCATION

SOURCE: MN DNR, USDA, ESRI, TIGER, Hennepin Co., Anderson Engineering



Hennepin County
State of Minnesota



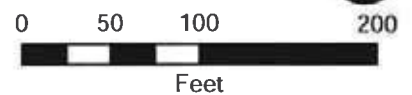
City of Wayzata
Hennepin County, MN

 Project Extent

National Wetland Inventory

- | | |
|--|--|
|  Type 1 |  Type 5 |
|  Type 2 |  Type 6 |
|  Type 3 |  Type 7 |
|  Type 4 |  Type 8 |

1 in = 100 feet



253 & 259 East Lake Street,
Wayzata, Hennepin County, MN
PID's: 053-0611722230013 &
053-0611722230005



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**NWI - FIGURE 2
CONTINENTAL PROPERTY
GROUP, INC.**

AE Comm.# 13804 Date: 7/17/2014 By: JLA



PROJECT LOCATION

SOURCE: MN DNR, USDA, ESRI, TIGER, Hennepin Co., Anderson Engineering

Hennepin County
State of MinnesotaCity of Wayzata
Hennepin County, MN

Project Extent

Hennepin County
Soil Survey

Non-Hydric Soil Unit

Hydric Soil Unit

1 in = 100 feet

0 50 100 200

Feet

253 & 259 East Lake Street,
Wayzata, Hennepin County, MN
PID's: 053-0611722230013 &
053-0611722230005

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ENGINEERING**
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**SOILS - FIGURE 3
CONTINENTAL PROPERTY
GROUP, INC.**

AE Comm.# 13804 Date: 7/17/2014 By: JLA



PROJECT LOCATION

SOURCE: MN DNR, USDA, ESRI, TIGER, Hennepin Co., Anderson Engineering

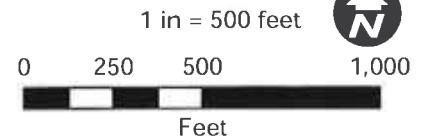


Hennepin County
State of Minnesota



City of Wayzata
Hennepin County, MN

- Project Extent
- MN DNR Inventoried Public Watercourse
- MN DNR Inventoried Public Waterbasin



253 & 259 East Lake Street,
Wayzata, Hennepin County, MN
PID's: 053-0611722230013 &
053-0611722230005



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**PWI - FIGURE 4
CONTINENTAL PROPERTY
GROUP, INC.**

AE Comm.# 13804 Date: 7/17/2014 By: JLA



PROJECT LOCATION

SOURCE: MN DNR, USDA, ESRI, TIGER, Hennepin Co., Anderson Engineering

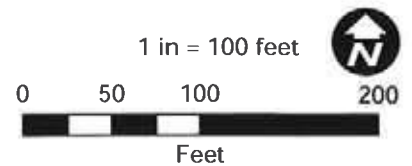


Hennepin County
State of Minnesota



City of Wayzata
Hennepin County, MN

- Project Extent
- o Sample Point
- Wetland Field Delineated 7/17/2014
-



253 & 259 East Lake Street,
Wayzata, Hennepin County, MN
PID's: 053-0611722230013 &
053-0611722230005



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DELINEATION - FIGURE 5 CONTINENTAL PROPERTY GROUP, INC.

AE Comm.# 13804 Date: 7/17/2014 By: JLA

APPENDIX B

Routine On-site Determination Method Data Sheets

Attachment A-1

WETLAND DETERMINATION DATA FORM - Midwest Region

Project/Site 253/259 Lake St. East 13804 City/County: Wayzata/Hennepin Sampling Date: 7-17-2014
 Applicant/Owner: Continental Properties Group, Inc State: MN Sampling Point: A
 Investigator(s): Marc Cottingham, Courtney Luensman, Lucy Dahl Section, Township, Range: Sec 6 Town 117N Range 22W
 Landform (hillslope, terrace, etc.): depression Local relief (concave, convex, none): concave
 Slope (%): 0-1 Lat: 44°58'17.5" N Long: 93°31'06.16" W Datum:
 Soil Map Unit Name: L16A Muskego, Blue Earth, and Houghton NWI Classification: PSS1C

Are climatic/hydrologic conditions of the site typical for this time of the year? N (If no, explain in remarks)
 Are vegetation, soil X, or hydrology significantly disturbed? Are "normal circumstances" present? No
 Are vegetation, soil, or hydrology naturally problematic? (If needed, explain any answers in remarks.)

SUMMARY OF FINDINGS

Hydrophytic vegetation present?	Y	Is the sampled area within a wetland? Y
Hydric soil present?	Y	
Indicators of wetland hydrology present?	Y	
Remarks: (Explain alternative procedures here or in a separate report.)		
Above average precipitation. All wetland criteria met. Area is a wetland.		

VEGETATION -- Use scientific names of plants.

Tree Stratum	(Plot size: 30')	Absolute % Cover	Dominant Species	Indicator Status	Dominance Test Worksheet
1					
2					Total Number of Dominant Species Across all Strata: 4 (B)
3					Percent of Dominant Species that are OBL, FACW, or FAC: 100.00% (A/B)
4					
5					
		0	= Total Cover		
Sapling/Shrub stratum (Plot size: 15')					
1	<i>Salix interior</i>	25	Y	FACW	Prevalence Index Worksheet Total % Cover of: OBL species 77 x 1 = 77 FACW species 42 x 2 = 84 FAC species 10 x 3 = 30 FACU species 0 x 4 = 0 UPL species 0 x 5 = 0 Column totals 129 (A) 191 (B) Prevalence Index = B/A = 1.48
2	<i>Rhamnus cathartica</i>	10	Y	FAC	
3	<i>Fraxinus pennsylvanica</i>	5	N	FACW	
4	<i>Cornus alba</i>	2	N	FACW	
5					
		42	= Total Cover		
Herb stratum (Plot size: 5')					
1	<i>Typha angustifolia</i>	40	Y	OBL	Hydrophytic Vegetation Indicators: Rapid test for hydrophytic vegetation X Dominance test is >50% X Prevalence index is ≤3.0* Morphological adaptations* (provide supporting data in Remarks or on a separate sheet) Problematic hydrophytic vegetation* (explain) *Indicators of hydric soil and wetland hydrology must be present, unless disturbed or problematic
2	<i>Lythrum salicaria</i>	15	Y	OBL	
3	<i>Asclepias incarnata</i>	10	N	OBL	
4	<i>Phalaris arundinacea</i>	10	N	FACW	
5	<i>Eleocharis palustris</i>	10	N	OBL	
6	<i>Schoenoplectus fluviatilis</i>	2	N	OBL	
7					
8					
9					
10					
		87	= Total Cover		
Woody vine stratum (Plot size: 30')					
1					Hydrophytic vegetation present? Y
2					
		0	= Total Cover		
Remarks: (Include photo numbers here or on a separate sheet)					

Attachment A-1

SOIL

Sampling Point: A

Profile Description: (Describe to the depth needed to document the indicator or confirm the absence of indicators.)

Depth (Inches)	Matrix		Redox Features				Texture	Remarks
	Color (moist)	%	depression	%	Type*	Loc**		
0-8	10YR 3/2	100					Fine SL	Gravelly

*Type: C = Concentration, D = Depletion, RM = Reduced Matrix, MS = Masked Sand Grains. **Location: PL = Pore Lining, M = Matrix

Hydric Soil Indicators:

- | | |
|--|---|
| ☐ Histisol (A1) | ☐ Sandy Gleyed Matrix (S4) |
| ☐ Histic Epipedon (A2) | ☐ Sandy Redox (S5) |
| ☐ Black Histic (A3) | ☐ Stripped Matrix (S6) |
| ☐ Hydrogen Sulfide (A4) | ☐ Loamy Mucky Mineral (F1) |
| ☐ Stratified Layers (A5) | ☐ Loamy Gleyed Matrix (F2) |
| ☐ 2 cm Muck (A10) | ☐ Depleted Matrix (F3) |
| ☐ Depleted Below Dark Surface (A11) | ☐ Redox Dark Surface (F6) |
| ☐ Thick Dark Surface (A12) | ☐ Depleted Dark Surface (F7) |
| ☐ Sandy Mucky Mineral (S1) | ☐ Redox Depressions (F8) |

Indicators for Problematic Hydric Soils:

- | |
|---|
| ☐ Coast Prairie Redox (A16) (LRR K, L, R) |
| ☐ Dark Surface (S7) (LRR K, L) |
| ☐ 5 cm Mucky Peat or Peat (S3) (LRR K, L, R) |
| ☐ Iron-Manganese Masses (F12) (LRR K, L, R) |
| ☐ Very Shallow Dark Surface (TF12) |
| ☒ Other (explain in remarks) |

*Indicators of hydrophytic vegetation and wetland hydrology must be present, unless disturbed or problematic

Restrictive Layer (if observed):

Type: Gravel fill
Depth (inches): 8

Hydric soil present? Y

Remarks:

We were unable to sample at a lower depth due to the restrictive layer of gravel fill at 8 inches. It has been determined that the soil meets hydric soil conditions per best professional judgment based on geomorphic position, a high water table, a dominance of hydrophytic vegetation.

HYDROLOGY

Wetland Hydrology Indicators:

Primary Indicators (minimum of one is required; check all that apply)

- | |
|--|
| ☐ Surface Water (A1) |
| ☒ High Water Table (A2) |
| ☐ Saturation (A3) |
| ☐ Water Marks (B1) |
| ☐ Sediment Deposits (B2) |
| ☐ Drift Deposits (B3) |
| ☐ Algal Mat or Crust (B4) |
| ☐ Iron Deposits (B5) |
| ☐ Inundation Visible on Aerial Imagery (B7) |
| ☐ Sparsely Vegetated Concave Surface (B8) |
| ☐ Water-Stained Leaves (B9) |

- | |
|---|
| ☐ Aquatic Fauna (B13) |
| ☐ True Aquatic Plants (B14) |
| ☐ Hydrogen Sulfide Odor (C1) |
| ☐ Oxidized Rhizospheres on Living Roots (C3) |
| ☐ Presence of Reduced Iron (C4) |
| ☐ Recent Iron Reduction in Tilled Soils (C6) |
| ☐ Thin Muck Surface (C7) |
| ☐ Gauge or Well Data (D9) |
| ☐ Other (Explain in Remarks) |

Secondary Indicators (minimum of two required)

- | |
|--|
| ☐ Surface Soil Cracks (B6) |
| ☐ Drainage Patterns (B10) |
| ☐ Dry-Season Water Table (C2) |
| ☐ Crayfish Burrows (C8) |
| ☐ Saturation Visible on Aerial Imagery (C9) |
| ☐ Stunted or Stressed Plants (D1) |
| ☒ Geomorphic Position (D2) |
| ☒ FAC-Neutral Test (D5) |

Field Observations:

Surface water present?	Yes ☐ No ☐	Depth (inches):	
Water table present?	Yes ☒ No ☐	Depth (inches):	0
Saturation present?	Yes ☐ No ☐	Depth (inches):	

(includes capillary fringe)

Indicators of wetland hydrology present? Y

Describe recorded data (stream gauge, monitoring well, aerial photos, previous inspections), if available:

Remarks:

Attachment A-1

WETLAND DETERMINATION DATA FORM - Midwest Region

Project/Site 253/259 Lake St. East 13804 City/County: Wayzata/Hennepin Sampling Date: 7-17-2014
 Applicant/Owner: Entrepairner Law State: MN Sampling Point: B
 Investigator(s): Marc Cottingham, Courtney Luensman, Lucy Dahl Section, Township, Range: Sec 6 Town 117N Range 22W
 Landform (hillslope, terrace, etc.): slope Local relief (concave, convex, none): none
 Slope (%): 0-1 Lat: 44°58'14.5" N Long: 93°31'06.16" W Datum:
 Soil Map Unit Name: L16A Muskego, Blue Earth, and Houghton SWI Classification:

Are climatic/hydrologic conditions of the site typical for this time of the year? N (If no, explain in remarks)

Are vegetation, soil X, or hydrology significantly disturbed?

Are "normal circumstances"

Are vegetation, soil, or hydrology naturally problematic?

present? No

SUMMARY OF FINDINGS

(If needed, explain any answers in remarks.)

Hydrophytic vegetation present?	Y	Is the sampled area within a wetland? N
Hydric soil present?	N	
Indicators of wetland hydrology present?	N	

f yes, optional wetland site ID:

Remarks: (Explain alternative procedures here or in a separate report.)

Above average precipitation. Wetland criteria were not met. Area is not a wetland.

VEGETATION -- Use scientific names of plants.

Tree Stratum	(Plot size: 30')	Absolute % Cover	Dominant Species	Indicator Status	Dominance Test Worksheet Number of Dominant Species that are OBL, FACW, or FAC: 2 (A) Total Number of Dominant Species Across all Strata: 3 (B) Percent of Dominant Species that are OBL, FACW, or FAC: 66.67% (A/B)
1					
2					
3					
4					
5					
		0 = Total Cover			
Sapling/Shrub stratum	(Plot size: 15')				Prevalence Index Worksheet Total % Cover of: OBL species 3 x 1 = 3 FACW species 30 x 2 = 60 FAC species 5 x 3 = 15 FACU species 60 x 4 = 240 UPL species 0 x 5 = 0 Column totals 98 (A) 318 (B) Prevalence Index = B/A = 3.24
1	<i>Salix interior</i>	5	Y	FACW	
2					
3					
4					
5					
		5 = Total Cover			
Herb stratum	(Plot size: 5')				Hydrophytic Vegetation Indicators: Rapid test for hydrophytic vegetation X Dominance test is >50% Prevalence index is ≤3.0* Morphological adaptations* (provide supporting data in Remarks or on a separate sheet) Problematic hydrophytic vegetation* (explain) *Indicators of hydric soil and wetland hydrology must be present, unless disturbed or problematic
1	<i>Solidago canadensis</i>	35	Y	FACU	
2	<i>Phalaris arundinacea</i>	15	Y	FACW	
3	<i>Solidago gigantea</i>	10	N	FACW	
4	<i>Lotus corniculatus</i>	10	N	FACU	
5	<i>Melilotus officinalis</i>	10	N	FACU	
6	<i>Lactuca serriola</i>	5	N	FACU	
7	<i>Rumex crispus</i>	5	N	FAC	
8	<i>Boltonia asteroides</i>	3	N	OBL	
9					
10					
		93 = Total Cover			
Woody vine stratum	(Plot size: 30')				Hydrophytic vegetation present? Y
1					
2					
		0 = Total Cover			

Remarks: (Include photo numbers here or on a separate sheet)

Attachment A-1

SOIL

Sampling Point: B

Profile Description: (Describe to the depth needed to document the indicator or confirm the absence of indicators.)

Depth (Inches)	Matrix		Redox Features				Texture	Remarks
	Color (moist)	%	Color (moist)	%	Type*	Loc**		
0-8	10YR 3/2	100					Fine SL	Gravelly

*Type: C = Concentration, D = Depletion, RM = Reduced Matrix, MS = Masked Sand Grains. **Location: PL = Pore Lining, M = Matrix

Hydric Soil Indicators:

- | | |
|--|---|
| ☐ Histisol (A1) | ☐ Sandy Gleyed Matrix (S4) |
| ☐ Histic Epipedon (A2) | ☐ Sandy Redox (S5) |
| ☐ Black Histic (A3) | ☐ Stripped Matrix (S6) |
| ☐ Hydrogen Sulfide (A4) | ☐ Loamy Mucky Mineral (F1) |
| ☐ Stratified Layers (A5) | ☐ Loamy Gleyed Matrix (F2) |
| ☐ 2 cm Muck (A10) | ☐ Depleted Matrix (F3) |
| ☐ Depleted Below Dark Surface (A11) | ☐ Redox Dark Surface (F6) |
| ☐ Thick Dark Surface (A12) | ☐ Depleted Dark Surface (F7) |
| ☐ Sandy Mucky Mineral (S1) | ☐ Redox Depressions (F8) |

Indicators for Problematic Hydric Soils:

- | |
|---|
| ☐ Coast Prairie Redox (A16) (LRR K, L, R) |
| ☐ Dark Surface (S7) (LRR K, L) |
| ☐ 5 cm Mucky Peat or Peat (S3) (LRR K, L, R) |
| ☐ Iron-Manganese Masses (F12) (LRR K, L, R) |
| ☐ Very Shallow Dark Surface (TF12) |
| ☐ Other (explain in remarks) |

*Indicators of hydrophytic vegetation and wetland hydrology must be present, unless disturbed or problematic

Restrictive Layer (if observed):

Type: Gravel Fill
Depth (inches): 8

Hydric soil present? N

Remarks:

We were unable to sample at a lower depth due to the restrictive layer of gravel fill at 8 inches.

HYDROLOGY

Wetland Hydrology Indicators:

Primary Indicators (minimum of one is required; check all that apply)

- | |
|--|
| ☐ Surface Water (A1) |
| ☐ High Water Table (A2) |
| ☐ Saturation (A3) |
| ☐ Water Marks (B1) |
| ☐ Sediment Deposits (B2) |
| ☐ Drift Deposits (B3) |
| ☐ Algal Mat or Crust (B4) |
| ☐ Iron Deposits (B5) |
| ☐ Inundation Visible on Aerial Imagery (B7) |
| ☐ Sparsely Vegetated Concave Surface (B8) |
| ☐ Water-Stained Leaves (B9) |

- | |
|---|
| ☐ Aquatic Fauna (B13) |
| ☐ True Aquatic Plants (B14) |
| ☐ Hydrogen Sulfide Odor (C1) |
| ☐ Oxidized Rhizospheres on Living Roots (C3) |
| ☐ Presence of Reduced Iron (C4) |
| ☐ Recent Iron Reduction in Tilled Soils (C6) |
| ☐ Thin Muck Surface (C7) |
| ☐ Gauge or Well Data (D9) |
| ☐ Other (Explain in Remarks) |

Secondary Indicators (minimum of two required)

- | |
|--|
| ☐ Surface Soil Cracks (B6) |
| ☐ Drainage Patterns (B10) |
| ☐ Dry-Season Water Table (C2) |
| ☐ Crayfish Burrows (C8) |
| ☐ Saturation Visible on Aerial Imagery (C9) |
| ☐ Stunted or Stressed Plants (D1) |
| ☐ Geomorphic Position (D2) |
| ☐ FAC-Neutral Test (D5) |

Field Observations:

Surface water present?	Yes ☐	No ☐	Depth (inches):
Water table present?	Yes ☐	No ☐	Depth (inches):
Saturation present?	Yes ☐	No ☐	Depth (inches):

(includes capillary fringe)

Indicators of wetland hydrology present? N

Describe recorded data (stream gauge, monitoring well, aerial photos, previous inspections), if available:

Remarks:

APPENDIX C

Site Photographs

Attachment A-1

CONTINENTAL PROPERTIES

APPENDIX C: SITE PHOTOGRAPHS



Wetland 1, viewing north



Wetland 1, viewing northeast



Wetland 1, viewing northwest



Wetland 1 inlet pipe, viewing east



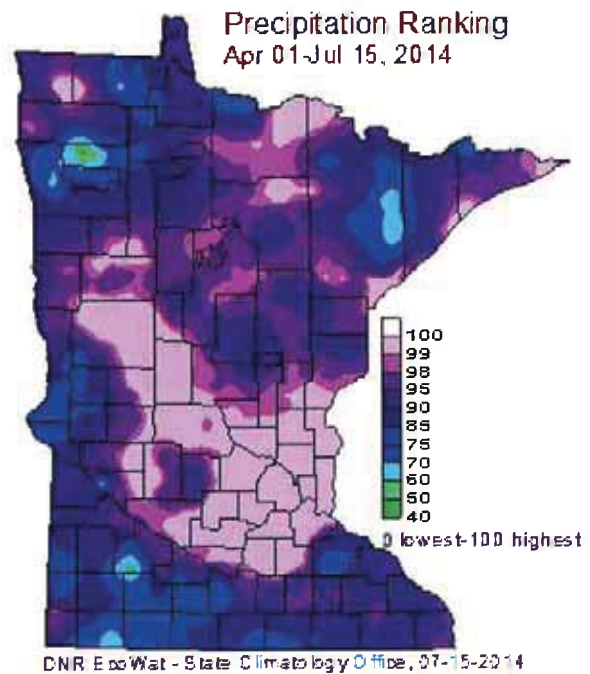
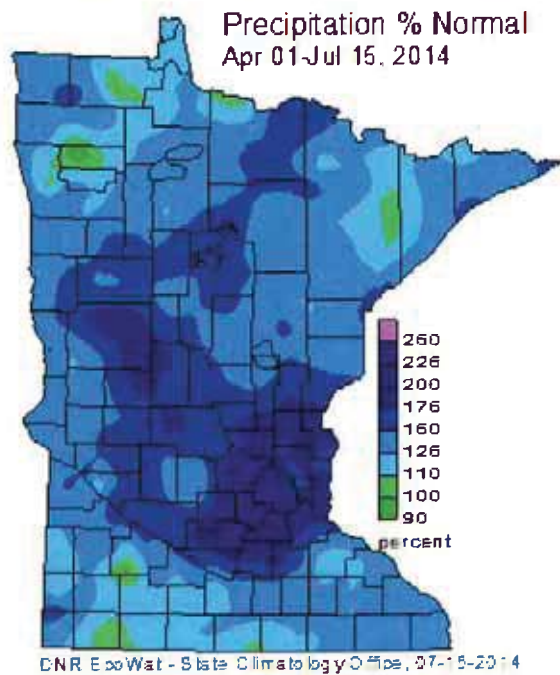
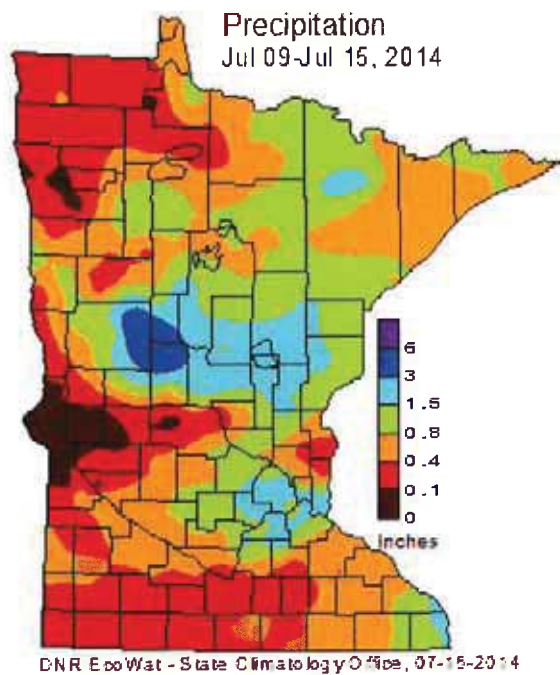
Wetland 1, sample point A



Wetland 1, sample point B

APPENDIX D

Antecedent Precipitation Record



Source: http://climate.umn.edu/doc/weekmap/weekmap_140708.htm

APPENDIX E

Credentials

BENJAMIN J. HODAPP, PWS

Environmental Services Manager
Professional Wetland Scientist #1832
MN Certified Wetland Delineator #1016

Education:

MS Water Resources Management
University of Wisconsin-Madison

BS Biology; Ecology
Minnesota State University- Mankato

Specialized Training:

Wetland Delineation & Management Training
Richard Chinn Environmental Training, Inc.

Wetland Plant Identification
Biotic Consultants Inc.

Plant Identification for Wetland Delineation
University of Wisconsin-La Crosse

Watershed Academy Web Certificate
United States Environmental Protection Agency

Professional Associations:

Society of Wetland Scientists
MN Wetland Professionals Association (WPA)
MN WPA President 2010
Wisconsin Wetlands Association
Minnesota Native Plant Society
Ecological Society of America

Total Years of Experience:

15 years

Years with Current Firm:

2004 to Present

Selected Publications:

The Future of Rowan Creek Watershed: Connecting Land Use and Management with Water Quality. 2003. Water resources Management Workshop 2002 Gaylord Nelson Institute for Environmental Studies, University of Wisconsin, Madison.

The Tumultuous World of Drainage Districts: An Analysis of Existing Management Arrangements, with Recommendations. Working Paper Series 2002-1. Water Resources Institutions and Policies, Department of Urban and Regional Planning, University of Wisconsin, Madison.

Experience Summary:

Benjamin Hodapp, a Biologist and Project Manager, brings a broad background of knowledge and experience in the natural resource field to the Anderson Engineering team. Benjamin has a unique combination of biologic training and field skills in addition to working experience at various levels of government (NRCS, FSA, University of MN Extension, Watonwan County Soil and Water Conservation District and Watonwan County Environmental Services).

Benjamin's project experience includes natural resource inventory, wetland determinations, delineations, mitigation design and monitoring, regulatory permit applications, wetland functions and values assessments, flood plain analysis, ordinary high water determinations, aerial photo interpretation. Benjamin has training and experience with Global Positioning Systems (GPS) and Geographic Information Systems (GIS).

Representative Projects:

- **Southwest Light Rail Transit- Metropolitan Council – Minneapolis, MN:** Project manager for wetland and permitting efforts in support of multi-disciplinary consultant team for preparation of Final Environmental Impact Statement for proposed 16 mile light rail alignment. Project tasks included project management oversight, coordinating and facilitating recurring monthly meeting with all federal, state and local permitting agencies, supervising field staff in completion of a wetland investigations, preparation of all federal, state and local wetland permits and wetland mitigation plans, quality assurance and quality control of all deliverable products.
- **Farmed Wetland Determination Inventory - USDA NRCS – Various Counties, ND:** Project manager for farmed wetland determination inventory project within three counties in North Dakota covering more than 1,100 wetlands located on 24,000 acres. Project tasks included project management oversight of all supporting staff, client point of contact, scheduling field investigations with dozens of landowners, supervision of field staff during data collection, and quality control of deliverables sent to the USDA NRCS.
- **Wetland Delineation/Assessment – Northern Natural Gas – Redfield, IA:** Project manager and field crew chief for wetland determinations, boundary delineations and threatened and endangered species habitat assessments for 20 miles of proposed natural gas line corridors and 1,000 acres of proposed natural gas well pads. Project tasks included project management oversight of all supporting staff, providing point of contact services for client, supervising field staff in completion of a wetland investigations and habitat assessments, and quality control of deliverables
- **Section 401/404 Wetland Permitting – Fort McCoy Commemorative Park Expansion – Fort McCoy, WI:** Provided project management services for Section 401/404 permitting associated with proposed wetland impacts resulting from the Commemorative Park Expansion Project at the Fort McCoy U.S. Army installation. Project tasks included project management of supporting staff, providing point of contact services for the U.S. Army, developing a wetland mitigation strategy in compliance with Section 401/404 and state wetland permitting requirements and oversight and quality control in preparing Section 401/404 permit application

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MARC COTTINGHAM, CPESC

Environmental Services Consultant
Certified Professional in Erosion and Sediment
Control #4491
MN Certified Wetland Delineator #1207
Soil-Scientist-In-Training #145839

Education:

MS Water Resources Management
University of Wisconsin-Madison (2003)

BS Soil Science
University of Wisconsin-Madison (1998)

Specialized Training:

New Tree Inspector Certification, Minnesota
Department of Natural Resources, February 26,
2014

Using the Midwest Interim Regional Supplement for
Wetland Delineation, Illinois Soil Classifiers
Association, February 27, 2009

Certified Professional in Erosion and Sediment
Control, March 13, 2008

Railroad Right-of-Way Contractor Orientation
Course Certification, April 11, 2007

Designated Erosion Control Inspector, Lake
County, IL, March 22, 2007

Certified Wetland Specialist, Lake County, IL,
February 7, 2007

Illinois Department of Agriculture Herbicide
Applicator License, June, 2006

Wetland Plant Identification, Biotic Consultants, Inc.,
June 4, 2004

Federally Licensed Wetland Delineator Certification
Training, Richard Chinn Environmental Training,
Inc., August, 2004

Professional Associations:

Illinois Environmental Professionals Association
Soil Science Society of America
Environmental Consulting Professionals
MN Wetland Professionals Association
Society of Wetland Scientists

Total Years of Experience:

12 years

Years with Current Firm:

2009 to Present

Selected Publications:

*Innovating Stormwater Management on the
University of Wisconsin-Madison Campus.* 2003.
Water resources Management Workshop 2003
Gaylord Nelson Institute for Environmental
Studies, University of Wisconsin, Madison.

Experience Summary:

Marc Cottingham, an Environmental Scientist, has over twelve years of professional experience completing wetland delineation/investigations. Prior to his employment with Anderson Engineering of MN, LLC, Marc worked as a wetland consultant in Illinois. The skills Marc has developed through his educational background and years of experience as a wetland/environmental consultant give him a firm understanding of each of the wetland indicators. Marc is able to correctly and thoroughly identify and delineate each wetland type within the Midwestern United States, including disturbed and problematic wetlands.

Marc's project experience includes wetland determinations, delineations, collection of wetland data using the data forms provided in the U.S. Army Corps of Engineers (USACE) Regional Supplement(s) to the 1987 Delineation Manual, farmed wetland assessments using the protocol established by the USDA and USACE for purposes of the Food Security Act, wetland mitigation design, wetland mitigation monitoring and maintenance, water resource regulatory permit applications, wetland functions and values assessments, natural resource inventories, watershed assessments, and aerial photo interpretation. Marc has training and experience with Global Positioning Systems (GPS) and Geographic Information Systems (GIS).

Representative Projects

- **Wetland Delineation/Assessment – Northern Natural Gas – Dakota County and Freeborn County, MN & Worth County, IA (2012):** Services included wetland determinations, boundary delineations and threatened and endangered species habitat assessments for three proposed natural gas line corridors located in Iowa and Minnesota. Project tasks included completion of wetland boundary investigations following the 1987 USACE Wetland Manual and all appropriate Regional Supplements; classification of the wetland habitat types based on soil profiles, dominant vegetative communities and hydrology indicators, completion of a habitat assessment for native tall grass prairie for potential occurrence of the federally listed prairie bush clover (*Lespedeza leptostachya*), and preparation of a comprehensive wetland delineation report documenting the findings.
- **Farmed Wetland Determination Inventory – USDA NRCS – Various Counties, ND (2013):** Field crew chief for farmed wetland determination inventory project within three counties in North Dakota. Project tasks included collecting field data following the procedures of the USACE and USDA, supervision of supporting field staff, and preparation of deliverables to the NRCS.
- **Wetland Delineation/Assessment – Fort McCoy Alderwood Dam Removal – Fort McCoy, WI (2012):** Services included a wetland determination and delineation of wetland associated with a proposed dam removal project at the Fort McCoy U.S. Army installation. Project tasks included completion of a wetland delineation following the 1987 USACE Wetland Manual and the Midwest Regional Supplement and preparation of the wetland delineation report to document findings and help assess potential wetland impacts for Section 401/404 permitting,

COURTNEY M. LUENSMAN

Environmental Associate

Education:

BA Environmental Studies (2012)
Illinois Wesleyan University

Professional Associations:

MN Wetland Professionals Association
Minnesota Naturalists' Association

Total Years Experience:

2 years

Years with Current Firm:

2013 to Present

Experience Summary:

Courtney Luensman, an Environmental Associate, brings a range of knowledge and experience in the field of biological monitoring to the Anderson Engineering team. Prior to her employment with Anderson Engineering of MN, LLC, Courtney worked as an Assistant Ecologist for Arrowhead Environmental Consulting and as an environmental educator in Cuyahoga Valley National Park. The skills Courtney has developed through her educational background and work experience make her proficient in clearly communicating a variety of solutions to clients and regulatory agencies.

Courtney's project experience includes natural resource inventories; watershed assessments; biologic assessments; collection of wetland data using the data forms provided in the U.S. Army Corps of Engineers (USACE) Regional Supplement(s) to the 1987 Delineation Manual; wetland determinations, delineations, and monitoring; regulatory permit applications; aquatic macro invertebrate sampling; Low Impact Development strategies; and technical document preparation. Courtney has experience with Global Positioning Systems (GPS), remote sensing, and Geographic Information Systems (GIS).

Representative Projects:

- **Farmed Wetland Determination Inventory – USDA NRCS – Various Counties, ND (2013):** Services included completion of a farmed wetland determination inventory project within three counties in North Dakota. Performed on-site investigation on farmed wetlands on over 24,000 acres of agricultural land. Implemented standard sampling protocols such as standard transect sampling, vegetation identification, quantitative vegetative data collection and completion of standardized data sheets.
- Stream biological monitoring including macro invertebrate community and habitat assessment as well as water chemistry collection for Cuyahoga Valley National Park

Lucy A Dahl

Environmental Associate

Education:

BA Environmental Science
University of Wisconsin, River Falls

Total Experience:

1 year

Years with Current Firm:

2014 to Present

Experience Summary:

Lucy Dahl, an Environmental Associate, brings a variety of knowledge and experience in the field of biological monitoring to the Anderson Engineering team. Prior to her employment with Anderson Engineering of MN, LLC, Lucy worked as a Federal Contractor for the USDA – Natural Resources Conservation Service (NRCS). The skills Lucy has developed through her educational background and work experience make her proficient in analyzing and interpreting data in order to clearly communicate a variety of solutions to clients and regulatory agencies.

Lucy's project experience includes NRCS wetland determinations; watershed assessments; National Environmental Policy Act (NEPA) report preparation; collection of wetland data using the data forms provided in the U.S. Army Corps of Engineers (USACE) Regional Supplement(s) to the 1987 Delineation Manual; regulatory permit applications; and technical document preparation. Lucy has experience with Global Positioning Systems (GPS), remote sensing, and Geographic Information Systems (GIS).

Representative Projects:

- **Wetland Determinations – USDA NRCS – Dunn, Pierce, and St. Croix Counties, WI:** Services included assisting the WI NRCS Wetland Specialist in completing requested wetland determinations for farmers participating in USDA Farm Bill programs. Determinations were completed on and off-site as necessary, and maps were developed and added to the existing wetland inventory for each county.
- **National Environmental Policy Act (NEPA) report preparation experience** includes completing environmental assessments on conservation practices being implemented through NRCS cost-share programs. Projects included wetland restoration projects, stream bank stabilization projects, manure storage facilities, and grade stabilization structures among others.

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Civil Engineering • Architecture • Land Surveying • Environmental Services • Landscape Architecture

November 20, 2014

Bryan Gadow
Wayzata City Planner
600 Rice Street East
Wayzata, MN 55391

VIA EMAIL ONLY

RE: 253 and 259 East Lake Street
Concept Plan Application for Planned Unit Development and Variance
("Application")

Dear Bryan:

Continental Property Group, LLC ("CPG") would like to make minor amendments to the Application. The amendments are reflected on the enclosed pdf labeled "253 Lake Package" that includes updated floor plans, elevations, height study, and project summary, which are intended to replace previously submitted Exhibits E, F, G, and H. Please note that the Package contains replacement sheets for the identified exhibits plus the following two completely new sheets: 1) a sheet labeled "Perspective Looking North East," that appears immediately before the replacement elevations and that is intended to offer a three dimensional view and more detailed vision of the Project; and 2) Concept Building Section, included immediately after the replacement elevations.

The amendments reflected in the revised exhibits to reflect the wetland delineation that was conducted by Anderson Engineering of Minnesota, LLC and now approved by the City. The change in the wetland delineation, which pushed the wetlands to the south, required reconfiguration of parking including pushing parking under the retail portion that fronts Lake Street so we did not lose any parking stalls. Because the "basement" level is already set at the watertable mark, we had to find a way to accommodate height differences that resulted for the changes in parking. Therefore, the retail area and the housing above it, is now slightly higher than the rest of the building. For a better understanding, I would refer you to the new Concept Building Section. You will also note we have included a "lobby" to the front of the retail area, which is designed to ensure the entrance is at grade.

We also requested updated costs and valuation numbers in order to ensure we have provided the City with the most up to date numbers for the Project. Therefore, attached is an updated Proforma for the Project, which is intended to replace the first two pages of Exhibit I. We requested Frana Construction, CPG's preferred contractor for the Project, provide construction numbers based on what has been proposed (we had previously estimated costs based a per unit cost from the Vue project project). As you will see, the costs of construction provided to us by Frana Construction are considerably higher than the



estimate we had previously used. I expect given the current construction atmosphere those construction costs will only continue to increase. Please note that the higher construction costs are the sole reason for the increase in the Total Construction Budget entry in the updated proforma.

The good news is that we also received information to increase the value of the Project. Also attached is a pdf of a new Market Rent Study from Maxfield Research, Inc., intended to replace Exhibit K. You will see that the rent numbers have increased to \$1.94. We have used that rent number and a cap rate that was provided by the likely lender to update the proposed value. With the increased value we also increased the estimated real estate taxes. Ultimately (and fortunately), the increased value was sufficient to cover the increased construction costs. Unlike any other alternative we have explored to develop on either 253 Lake Street alone or on the combined parcel of 253 and 259 Lake Street, the Project is financially viable.

In addition to the amendments, BKV Group has also prepared additional supporting material to further demonstrate the vision we have for the Project. It is attached as the "visioning package." The first page includes a series of photographs of existing projects that inspired the design for the CPG's Project. The second page is a series of photographs of the 253 and 259 Lake Street neighborhood. The Project has been imposed into the panoramic photo along the bottom of the page and is offered to show the Project in the context of the shoreline. The remaining "experience/quality" photos are existing projects BKV Group has worked on and that are the inspiration for the Project.

Regards,



Michael J. Mergens for
ENTREPARTNER LAW FIRM, PLLC

cc: Continental Property Group LLC
BKV Group
Shenehon Company



CONTINENTAL
Property Group, Inc.

P2 LEVEL - PARKING PLAN

253 East Lake Street Development
Wayzata, MN
11/19/2014

SCALE: 1" = 50' on 11X17



BKV

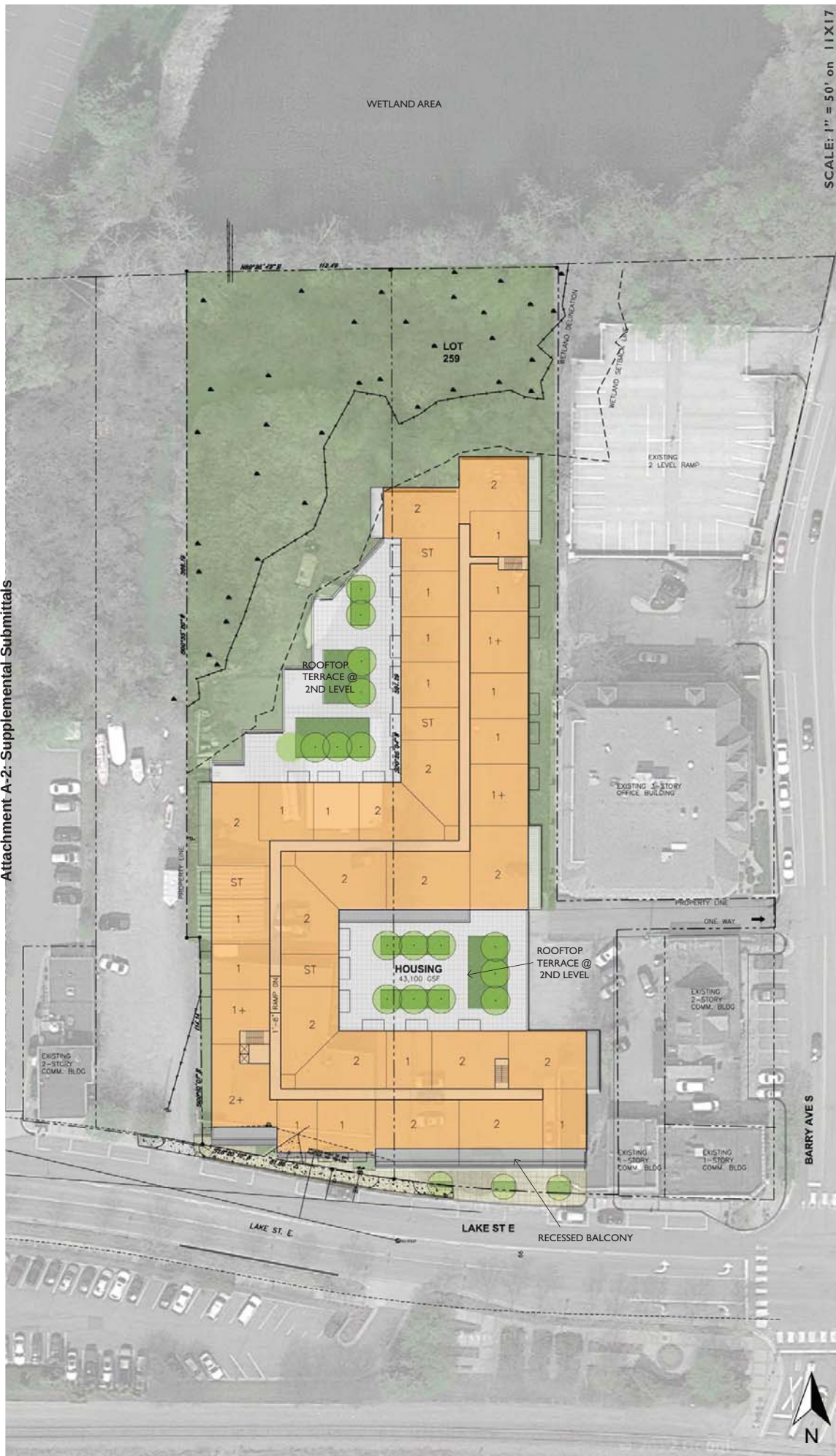
CC_12162014
Page 178 of 249

253 East Lake Street Development

11/19/2014

Wayzata, MN

P1 LEVEL- FLOOR PLAN

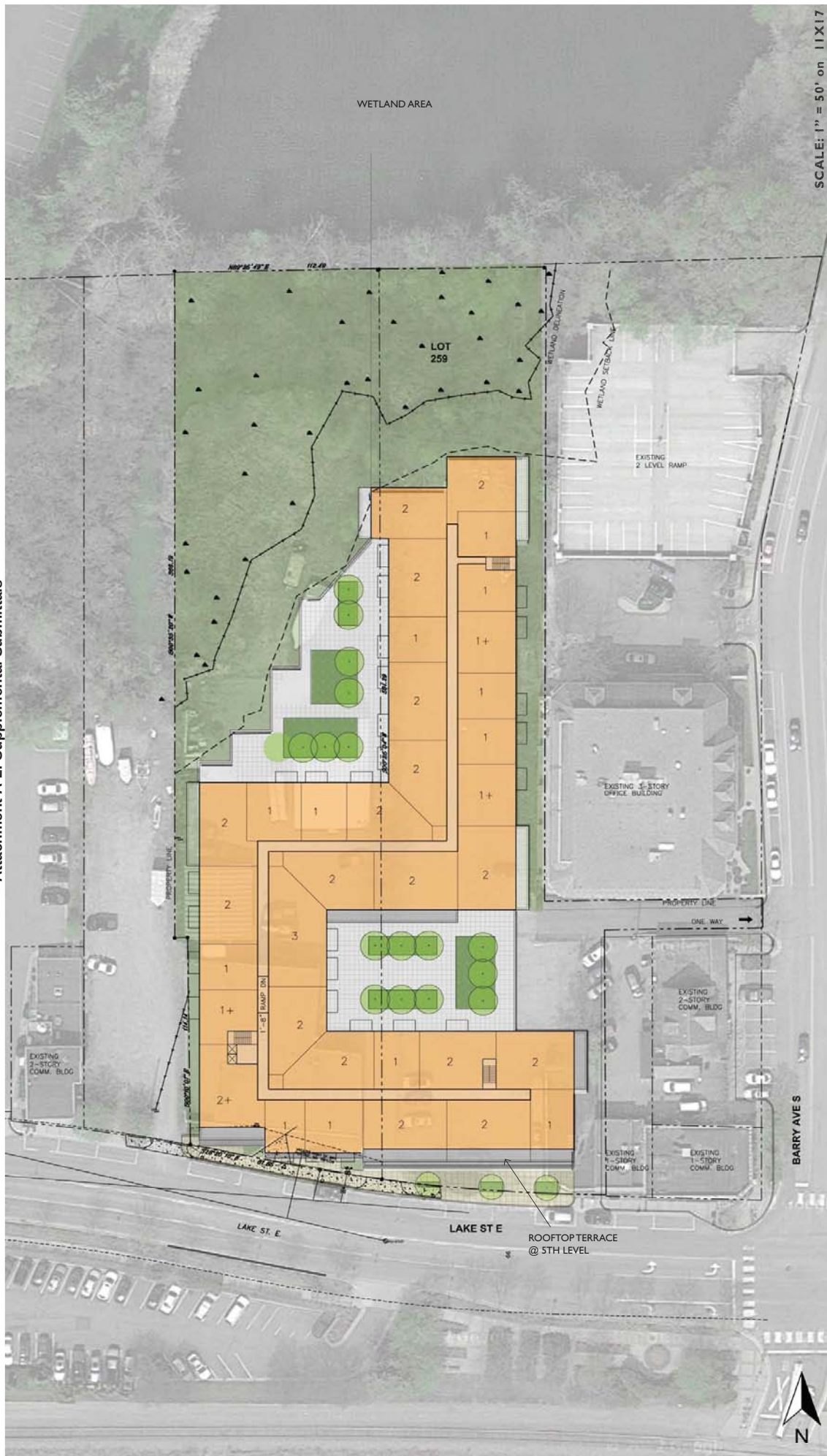


253 East Lake Street Development

Wayzata, MN

11/19/2014





Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN

11/19/2014

PERSPECTIVE - LOOKING NORTH EAST



BKV
GROUP

CC_12162014
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Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN
11/19/2014

SOUTH ELEVATION - E. LAKE ST.



Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN
11/19/2014

EAST ELEVATION

Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN

11/19/2014

WEST ELEVATION



Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN
11/19/2014

NORTH ELEVATION



BKV
GROUP

This architectural section drawing illustrates a multi-story building with a complex structural layout. The drawing is oriented vertically, with the ground level at the top. Key structural components include:

- WOOD FRAME TYPE III:** Located at the top of the section, above the ground level.
- PRECAST CONCRETE TYPE I:** Forms the main vertical structure of the building.
- GRADE:** Indicated by a horizontal line with a dashed centerline and a 'GRADE' label.
- LINE OF WATERABLE STAYS (SHOWN DISTORTED):** A vertical line on the right side of the section, indicating the location of waterable stays.
- INTERIOR SPACES:** The building is divided into several levels and rooms:
 - RETAIL LEVEL 94.3:** A horizontal space near the top.
 - LOBBY 93.7:** A horizontal space below the retail level.
 - BASEMENT 93.3:** A horizontal space at the bottom of the section.
 - COURT:** Two large open spaces are labeled 'COURT'.
 - HOUSING UNIT:** Multiple individual units are shown, each with a 'HOUSING UNIT' label.
 - UNDERGROUND PARKING:** A parking area is shown below the basement level.
- Scale and Orientation:**
 - A scale bar at the bottom right indicates dimensions of 0, 15', 30', and 60'.
 - A north arrow is located at the bottom right, pointing towards the top of the page.
 - The scale is defined as 1" = 30'-0".

CONCEPT BUILDING SECTION

[illegible]

Architectural rendering of a multi-story residential building complex. The rendering includes callouts for different building sections and elevations:

- REAR/TA WALKWAY BAL (APPROX. ELEV. 75'-0" @ MIDCB)
- SUPERIOR BLVD
- APPROX. TREE LINE @ DRIVEWAY BUFF
- 701 LAKE ST E (APPROX. ELEV. 97'-0")
- BROADWAY AVE S
- 691 LAKE ST E (APPROX. ELEV. 97'-0")
- DASHED LINE INDICATES PROPOSED 33' E LAKE ST ELEV. 98'-0"
- 691 LAKE ST E
- 701 LAKE ST E
- 871 LAKE ST E
- 461 LAKE ST E

CC_12162014
Page 187 of 249

Attachment A-2: Supplemental Submittals



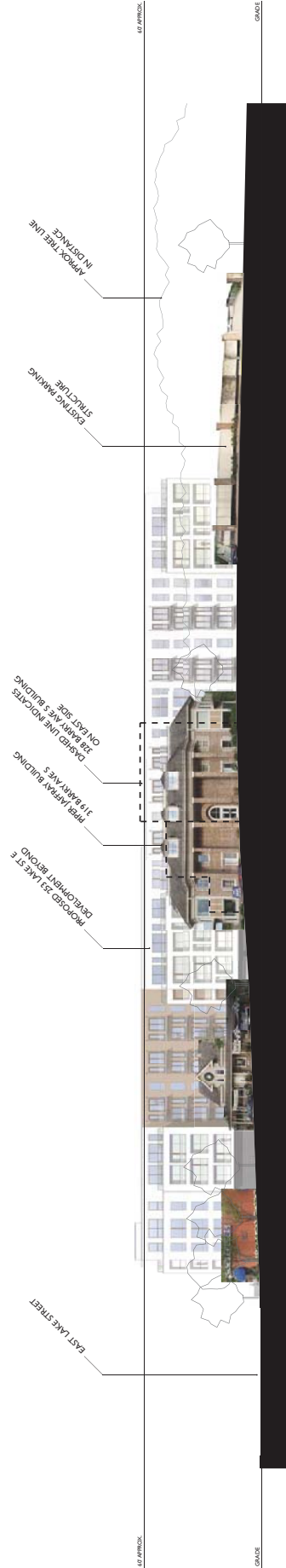
253 East Lake Street Development
Wayzata, MN

11/19/2014

WAYZATA BUILDING HEIGHT COMPARISON - N.T.S.



Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN
11/19/2014

SECTION @ BARRY AVE S - LOOKING WEST



Attachment A-2: Supplemental Submittals

Project Data: CONTINENTAL - WAYZATA 5-STORY - FINAL PUD

19-Nov-14

Unit Type	1st floor	2nd floor	3rd floor	4th floor	5th floor	Total	%	New Target %	Avg gsf range	Avg gsf range
ST/ALC	0	4	4	4	0	12	8.11%	5	500-600	550
1 BD	0	15	15	15	12	57	38.51%	40	800-1000	900
1 BD/DEN	0	3	3	3	3	12	8.11%	10	1050-1200	1125
2 BD	0	15	15	15	17	62	41.89%	40	1250-1450	1350
2 BD/DEN	0	1	1	1	1	4	2.70%	5	1500-1700	1600
3 BD	0	0	0	0	1	1	0.68%	0	1700-1800	1800
Total	0	38	38	38	34	148	100.00%	100%	1120 avg	1120 avg

1,120 gsf-AVG = 950 nsf avg

Floor	Net Rent SF	Common SF	Net Bldg SF (GFA)	Gross Bldg SF (GBA)	Retail SF	Efficiency
First	6913	5563	27644	27644	6281	25.01%
Second	39109	3991	43100	43100		90.74%
Third	39109	3991	43100	43100		90.74%
Fourth	39109	3991	43100	43100		90.74%
Fifth	39109	3991	43100	43100		90.74%
Total	163349	21527	200044	200044	6281	81.66%

Parking	Stalls	Gross SF	Retail SF	Loading SF
P1 - Ground Floor	153	51343	6281	632
P2 - Basement	169	57328		
Total	322	108671		
P1-Tandem/Valet	10			
P1-Tandem/Valet	10			

296 Required Housing Parking

148 units x 2 = 296

26 Required Retail Parking

322 Total Parking

85 Required Public Parking

20 Total Tandem/Valet

65 Flex Stalls

Site Area	SF
Public Open Space (Green Space)	38,843
Common Open Space (Sidewalk)	1,754
Drive Area	5,877
Total	46,474

61092 sf building footprint

107191 site area

57% coverage

253 East Lake Street Development

Wayzata, MN 11/19/2014



Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN
11/19/2014

VISIONING PRECEDENTS

Attachment A-2: Supplemental Submittals



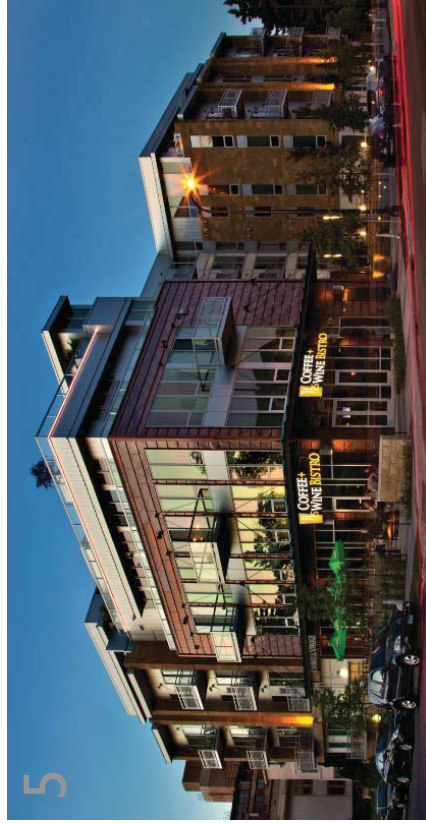
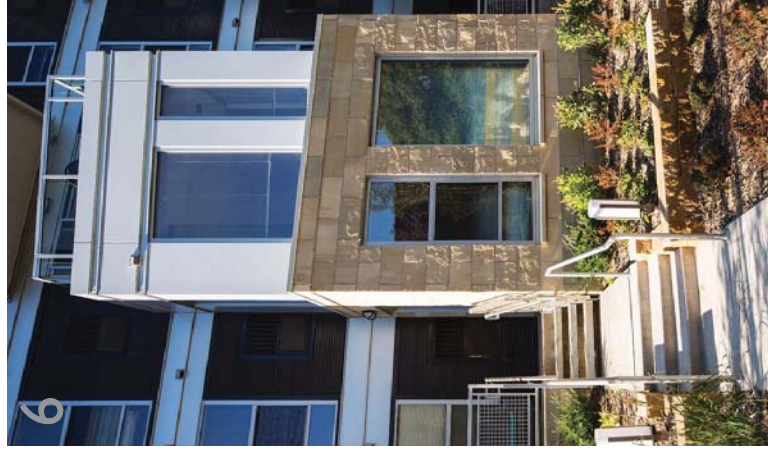
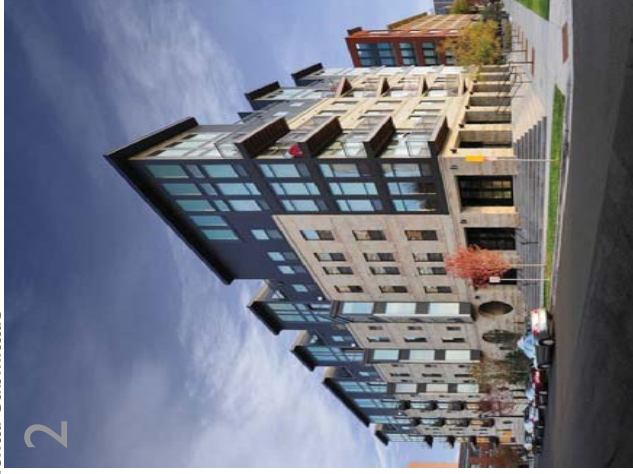
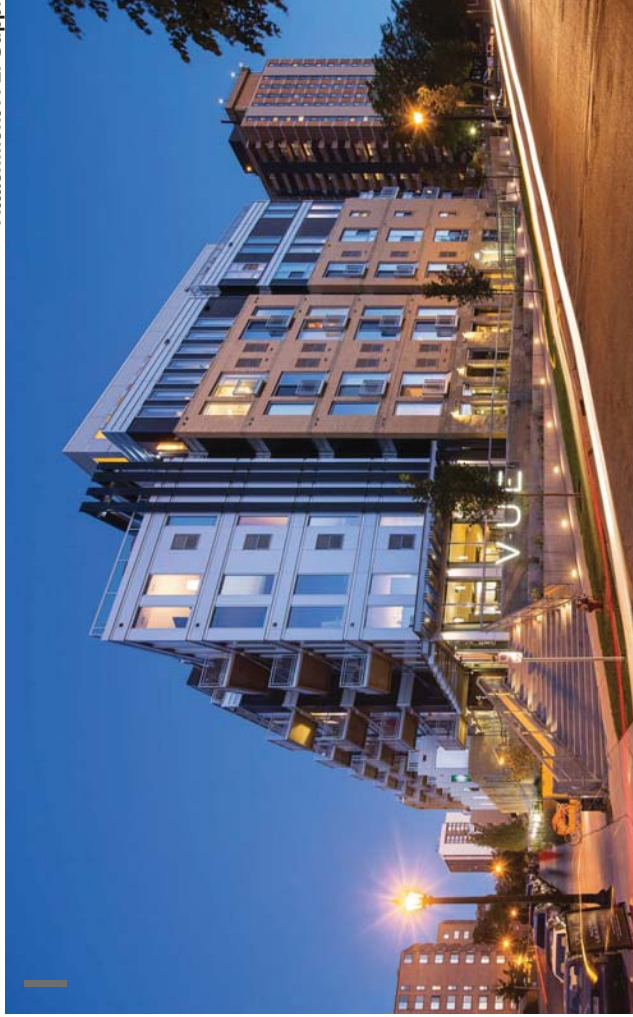
253 East Lake Street Development
Wayzata, MN

11/19/2014

SITE PANORAMA & LOCAL CONTEXT



Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN

11/19/2014

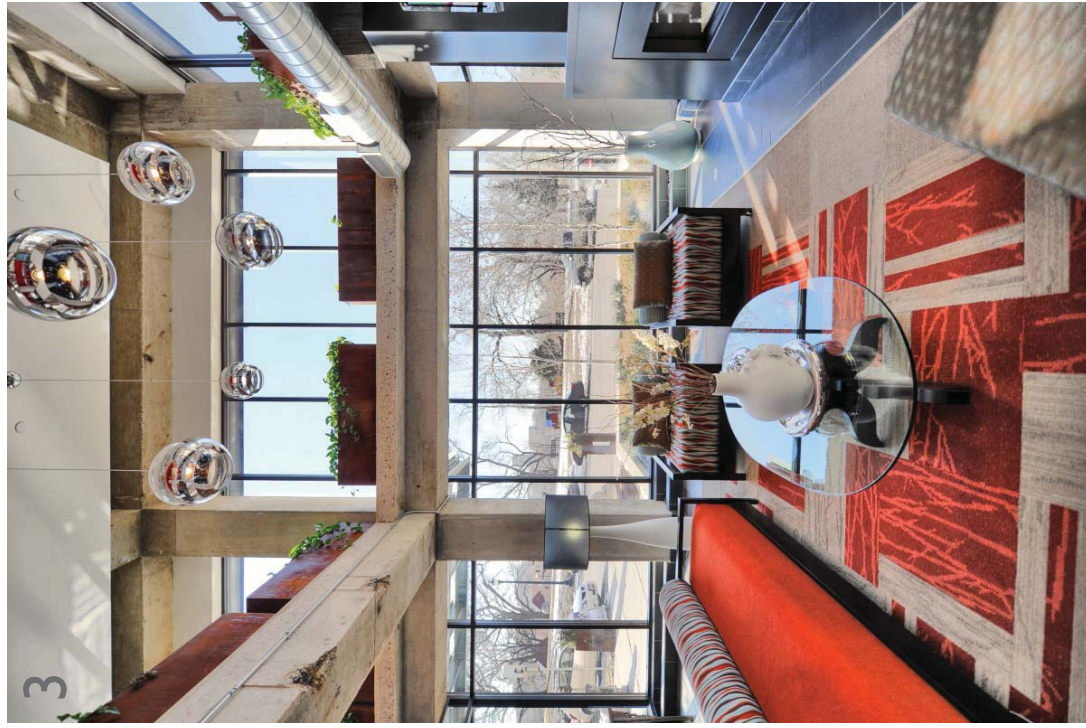
EXPERIENCE/QUALITY



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CONTINENTAL
PROPERTY GROUP, INC.

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Page 193 of 249

Attachment A-2: Supplemental Submittals



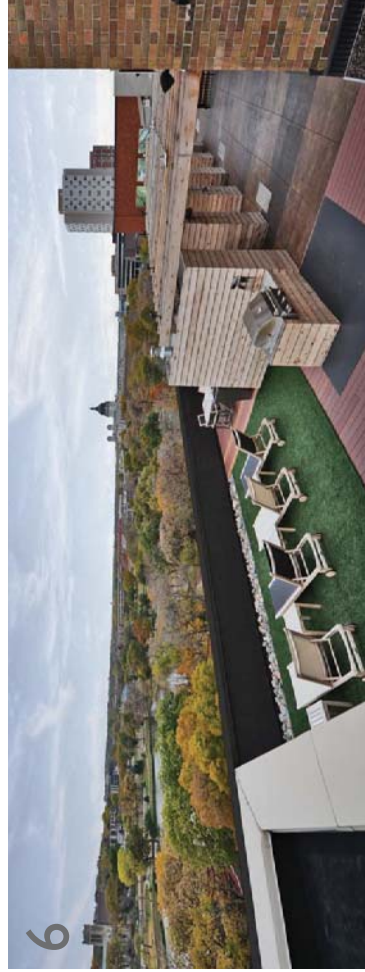
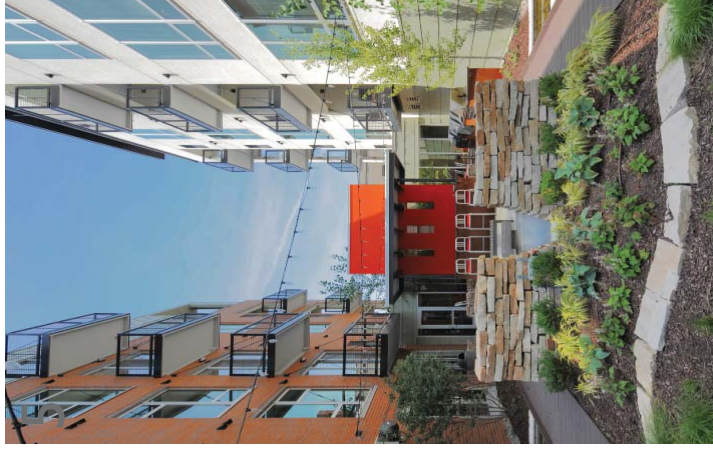
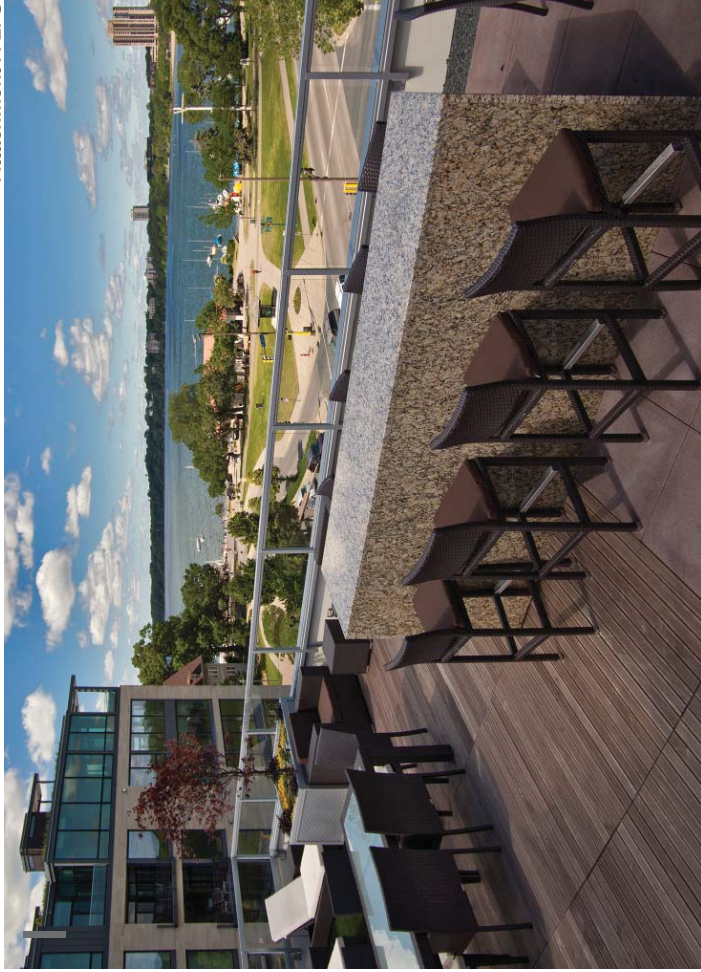
253 East Lake Street Development
Wayzata, MN
11/19/2014

EXPERIENCE/QUALITY



BKV
GROUP

Attachment A-2: Supplemental Submittals



253 East Lake Street Development
Wayzata, MN
11/19/2014

EXPERIENCE/QUALITY



UNIT DESCRIPTION			# Units	Unit SF	Total Monthly Rent	Total Annual Rent	Avg. Rent/ SF
Studio	8%		12	550	\$ 1,100	\$ 158,400	\$ 2.00
1 BR	39%		57	900	1,638	1,120,392	1.82
1 BR+Den	8%		12	1,125	2,149	309,420	1.91
2 BR	42%		62	1,350	2,592	1,928,448	1.92
2 BR+Den	3%		4	1,600	3,200	153,600	2.00
2 BR+Den	1%		1	1,800	3,600	43,200	2.00
Total/Average			148	163,300	\$ 309,455	\$ 3,713,460	
Average				1,103	2,091	26,764	\$ 1.94

INCOME			Per SF	Per Unit	Total
Gross Apartment Potential Income					
Rental Income	<u>Total</u>	<u>\$/Unit/Mo</u>	\$ 22.74	\$ 25,091	\$ 3,713,460
Leasable Parking Stalls	211	\$100	1.55	1,711	253,200
Storage Income	148	\$60	0.65	720	106,560
Total Gross Apartment Potential Income			\$ 24.94	\$ 27,522	\$ 4,073,220
Vacancy expense	5%		(1.25)	(1,376)	(203,661)
Effective Gross Apartment Income			\$ 23.70	\$ 26,146	\$ 3,869,559
Gross Retail Potential Income					
Rental Income	6,281		\$ 16.00		\$ 100,496
CAM Recovery Income			22.00		138,182
Total Gross Retail Potential Income			\$ 38.00		\$ 238,678
Vacancy expense	5%		(1.90)		(11,934)
Effective Gross Retail Income			\$ 36.10		\$ 226,744
Total Effective Gross Income			\$ 24.16		\$ 4,096,303
EXPENSE			Per SF	Per Unit	Total
Apartment Operating costs					
Marketing			\$ (0.41)	\$ (450)	\$ (66,600)
Administrative			(0.36)	(400)	(59,200)
Payroll			(1.68)	(1,850)	(273,800)
Utilities			(0.86)	(950)	(140,600)
Repairs and maintenance			(0.59)	(650)	(96,200)
Turnover			(0.36)	(400)	(59,200)
Insurance			(0.41)	(450)	(66,600)
Total Apartment Operating Costs			\$ (4.67)	\$ (5,150)	\$ (762,200)
Apartment Non-Operating costs					
Management Fee	3.25%		\$ (0.82)	\$ (900)	\$ (133,130)
Property Taxes			(3.34)	(3,688)	(545,797)
Replacement Reserves			(0.45)	(500)	(74,000)
Total Apartment Non-Operating costs	18%		\$ (4.61)	\$ (5,087)	\$ (752,927)
Total Apartment Expenses			\$ (9.28)	\$ (10,237)	\$ (1,515,127)
Retail Operating costs					
Janitorial			\$ (3.18)		\$ (20,001)
Administrative			(0.80)		(5,017)
Common Areas			(0.69)		(4,339)
Utilities			(4.56)		(28,612)
Repairs and maintenance			(3.20)		(20,069)
Landscape/Grounds			(1.55)		(9,763)

Insurance		(0.80)	(5,017)
Total Retail Operating Costs		\$ (14.78)	\$ (92,818)
Retail Non-Operating costs			
Management Fee	5.00%	\$ (1.81)	\$ (11,337)
Property Taxes		(6.50)	(40,827)
		-	-
Total Retail Non-Operating costs	23%	\$ (8.31)	\$ (52,164)
Total Retail Expenses		\$ (23.08)	\$ (144,982)
Total Expenses		\$ (9.79)	\$ (1,660,109)
Net Operating Income		\$ 14.37	\$ 2,436,194
Net Operating Income			
			\$ 2,436,194
Capitalization Rate			5.50%
Projected Value			\$ 44,294,441
Total Construction Budget			\$ 44,181,609
Funds Needed			\$ -
Estimated Property Taxes			\$ 545,797
Current Property Taxes			\$ 182,673
Gain in Property Taxes per year			\$ 363,124
Mortgage Calculation			
Net Operating Income			\$ 2,436,194
Minimum Debt Service Coverage			1.30
Bank Loan Interest Rate based on a actual interest rate of 4.7%			6.22%
Max Loan Amount			\$ 30,111,000



Attachment A-2: Supplemental Submittals

October 31, 2014

Ms. Traci Tomas
President
Continental Property Group
1907 Wayzata Boulevard Suite 250
Wayzata, MN 55391

RE: Updated Rental Information for Proposed Luxury Rental Development on Lake Street in Wayzata

As requested, Maxfield Research Inc. has reviewed current rental rates for new construction properties located in Downtown Minneapolis, Uptown neighborhood of Minneapolis, St. Louis Park, Bloomington and Edina and have subsequently revised our rent projections for the proposed multifamily housing that would be developed in Downtown Wayzata. Current rental rates for new construction now range from a low of \$1.60 per square foot in the outlying third-tier suburban communities to high of \$2.50 per square foot for high-rise rental towers in Downtown Minneapolis. First and second tier suburban communities are charging average rental rates ranging from \$1.80 to \$2.25 per square foot.

Original recommendations identified a rent per square foot of \$1.64 which would be trended upward by 2.0% annually to occupancy. Rent levels for new construction properties have moved upward more rapidly than originally projected with continued strong absorption.

As such, we have revised the rent projections for the proposed development as of October 2014 up to \$1.94 per square foot with an annual projection to occupancy of 3.0% rather than the original 2.0%. Because of the increased rental rates, we have allocated a higher proportion of the unit mix to larger size units and slightly reduced the proportion of studio and one-bedroom units. We have also slightly adjusted the unit sizes for studio and one-bedroom units based on the higher rental structure for the property.

We have reviewed the updated survey for the property site which now includes an adjacent parcel, expanding the parcel size to accommodate a maximum number of units estimated at 140. We recommend that the portion of the property to the north be targeted for units that are the smallest in size, studio and one-bedroom units, while the south side of the property is targeted to the larger size units as much as possible. South side units will have better views of Lake Minnetonka and as such will be able to command view premiums in addition to the base rents that have been quoted here.

Attachment A-2: Supplemental Submittals

Ms. Traci Tomas
Continental Property Group

October 31, 2014
Page 2

The current rent projections exclude all utilities and covered parking which would be charged extra in addition to the monthly rental fees. This is consistent with new properties that have recently come on-line in the Twin Cities Metro Area.

The rental fees quoted anticipate that in-unit features and amenities in addition to common area amenities will support a luxury market position for the property.

Table 1 below shows the original rental recommendations as of May 2013 as well as the updated October 2014 recommendations for comparison.

TABLE 1 UPDATED UNIT MIX/SIZES/RENT RECOMMENDATIONS LAKE STREET SITE, WAYZATA October 2014				
Percent of Total	Unit Type	Square Feet	Rent Range	Rent Per Square Foot
MAY 2013 RECOMMENDATIONS				
5%	Studio	500 - 600	\$1,050 - \$1,200	\$2.10 - \$2.00
40%	1BR	800 - 1,000	\$1,400 - \$1,600	\$1.75 - \$1.60
10%	1+Den	1,050 - 1,200	\$1,650 - \$1,850	\$1.57 - \$1.54
40%	2BR	1,250 - 1,450	\$1,900 - \$2,100	\$1.52 - \$1.45
5%	2+Den	1,500 - 1,700	\$2,150 - \$2,400	\$1.43 - \$1.41
				Average = \$1.64
UPDATED RECOMMENDATIONS				
2%	Studio	600 - 650	\$1,200 - \$1,300	\$2.00 - \$2.00
33%	1BR	825 - 1,000	\$1,500 - \$1,850	\$1.82 - \$1.85
15%	1+Den	1,100 - 1,200	\$2,100 - \$2,400	\$1.91 - \$2.00
40%	2BR	1,250 - 1,450	\$2,400 - \$2,800	\$1.92 - \$1.93
10%	2+Den	1,500 - 1,700	\$3,000 - \$3,400	\$2.00 - \$2.00
				Average = \$1.94
Note: Rents may be trended up by 3.0% to occupancy. Rents exclude all utilities which would be additional. Covered parking is excluded and would be charged extra at a cost of \$100 per month.				
Source: Maxfield Research Inc.				

Current vacancy rates as of 3rd Quarter 2014 for Wayzata (1.4%) and for the Twin Cities Metro Area (2.4%) remain quite low. Suburban locations which have had little new product developed continue to experience increasing rents and very low vacancy rates which supports new

Attachment A-2: Supplemental Submittals

Ms. Traci Tomas
Continental Property Group

October 31, 2014
Page 3

construction in areas that can achieve new construction rents. Wayzata is one of these communities.

The ongoing low vacancy rate in Wayzata also supports a higher rent structure for the proposed property.

If you need additional information or have questions, please let me know.

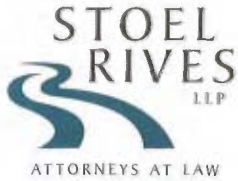
Sincerely,

MAXFIELD RESEARCH INC.

A handwritten signature in black ink, reading "Mary C. Bujold". The signature is written in a cursive, flowing style.

Mary C. Bujold
President

Alternatives Analyzed					
Project Type	Property Covered	Market Rent PSF	Estimated Value After Completion	Cost	Shortfall
2 story office	253	\$18.00	\$1,372,850	\$6,835,000	(\$5,462,150)
3 story residential (2013 est.)*	253 and 259	\$1.73 Residential	\$16,064,552	\$20,591,453	(\$4,526,901)
3 story mixed use w/ flex stalls (2013 est.)*	253 and 259	\$1.73 Residential	\$17,421,521	\$20,862,653	(\$3,441,132)
Proposed Project (updated to Nov. 2014)**	253 and 259	\$1.94 Residential	\$44,294,441	\$44,181,609	\$112,832
* Construction number is a 2013 Applicant estimate based on a similar project constructed in 2012. Based on more recent information from preferred contractor, construction costs are estimated to be 30-40% higher than 2013 numbers.					
** Updated construction cost is based on preliminary cost estimate prepared by the preferred contractor for the Proposed Project.					
Projects Considered But Discarded					
Project Type	Property Covered	Reason discarded			
2 story mixed use	253	Construction on 253 Lake would generate less than 20 apartments. Given the high costs of piling construction, the cost to value ratio was unworkable.			
2-story mixed use, non-pud w/ 85 stalls	253 and 259	Adding 259 Lake obligates the project to add 85 parking stalls that will generate zero value and would permit less than 35 apartments to be built on the combined site. Given the high costs of piling construction, project was unfeasible			
3 story mixed use w/ 85 stalls	253 and 259	Even with the flexibility of a PUD, having to provide 85 parking stalls that will generate zero value and would permit less than 80 apartments to be built on combined site, project was unfeasible.			
Wetland use	253 and 259	CPG met with the Watershed and City Staff to explore option of extending any of the projects into the wetland area in exchange for wetland credits. The wetlands appear to be subject to the federal Clean Water Act, and any fill would not be legally feasible unless no other alternative exists.			



33 South Sixth Street, Suite 4200
Minneapolis, Minnesota 55402
main 612.373.8800
fax 612.373.8881
www.stoel.com

November 24, 2014

JODI L. JOHNSON
Direct (612) 373-8820
jodi.johnson@stoel.com

VIA EMAIL - bgadow@wayzata.org

City of Wayzata
Bryan Gadow, City Planner
600 Rice Street East
Wayzata, MN 55391

**Re: Proposed Development of that certain property located at 259 Lake St. East
("Easement Property")**

Dear Mr. Gadow:

I represent Boatworks II, LLC ("Boatworks, II") with respect to its ownership of the Boatworks building and its rights in and to the property located at 259 Lake St. East. It is my understanding that the City is reviewing a development proposal from Continental Property Group, Inc. that will include the Easement Property and that there is a meeting currently scheduled before the Planning Commission on December 1, 2014. Boatworks II does not object to development of the Easement Property so long as such development does not in any way impede, limit or restrict Boatworks II's rights in and to the Easement Property. Boatworks acquired direct rights in the Easement Property pursuant to that certain Parking Easement Agreement by and between Boatworks Development Company, LLC and Bay Holdings, LLC dated July 9, 2004, and recorded on July 8, 2004 as Document No. 83983878 (A). The Easement Agreement provides the Boatworks property easement rights for up to 85 parking stalls. A copy of that Agreement is provided herein for your reference.

As part of the development of the Boatworks property, the City put further conditions on the Easement Property providing Boatworks additional rights and protections related to its parking rights. Said restrictions are incorporated in that certain Development Agreement dated March 26, 1997 and the Planned Unit Development/ Conditional Use Permit contained therein by and between the undersigned City of Wayzata and Boat Works Development Company, Inc. filed April 11, 1997, as Document No. 2801690(T) and filed April 15, 1997, as Document No. 6721202(A),¹ and that certain First Amendment to Development Agreement and Planned Unit

¹ The Development Agreement and CUP/PUD have been modified and amended by the following: (i) Consent of the City of Wayzata to Assignment of Development Agreement and Estoppel and Compliance Certificate dated June 14, 2001, filed June 6, 2001, as Document No. 3468696(T) and filed June 6, 2001, as Document No. 7599547(A); (ii) First Amendment to Development Agreement and Planned Unit Development/ Conditional Use Permit dated April 24, 2002, filed January 17, 2003, as Document No. 3666747(T) and filed January 22, 2003, as Document No. 7925215(A); (iii) Assignment and Assumption of Development Agreement and PUD/CUP Permit



City of Wayzata
November 24, 2014
Page 2

Development/ Conditional Use Permit dated April 24, 2002, filed January 17, 2003, as Document No. 3666747(T) and filed January 22, 2003, as Document No. 7925215(A) (collectively, the "Development Agreement"). Specifically, the City agreed pursuant to the Development Agreement that it shall not approve any new development for the Easement Property unless the redevelopment includes a parking ramp that designates a minimum of 85 parking spaces for use by the Boatworks site. *See* Development Agreement - PUD, Para. 3(D); First Amendment - PUD Para. 2(g).

Boatworks II gained rights pursuant to the Development Agreement pursuant to that certain Assignment and Assumption of Development Agreement and PUD/CUP Permit, by and between Wayzata Boatworks CSFB 2004-C4 LLC, a Delaware limited liability company and Boatworks II, LLC, a Minnesota limited liability company, dated March 21, 2013, filed March 25, as Document No. A09925935(A) and filed March 25, 2013 as Document No. T05056108(T) and acknowledged and consented to by the City of Wayzata pursuant to that certain Acknowledgment & Consent of City of Wayzata to Assignment of Development Agreement/Planned Unit Development and Conditional Use Permit and Estoppel Certificate dated March 19, 2013, filed March 25 as Document No. A09925934(A) and filed March 25 as Document No. T05056107 (T).

Boatworks II intends to enforce its rights and interests pursuant to the Easement Agreement and the Development Agreement with respect to any proposed and actual development of the Easement Property and will oppose any redevelopment inconsistent with the same. Should you have any questions, please feel free to contact me.

Very truly yours,

Stoel Rives LLP

Jodi L. Johnson

cc: Rick Born (via email)
Terry Schneider (via email)

dated July 9, 2004, filed July 12, 2004, as Document No. 3988838(T) and filed July 8, 2004, as Document No. 8393877 (A); (iv) Certificate of Completion by the City of Wayzata dated June 30, 2004, filed July 21, 2004, as Document No. 3993169(T) and filed July 21, 2004, as Document No. 8401250(A); and (v) Second Amendment to Development Agreement and Planned Unit Development Agreement/Conditional Use Permit dated February 7, 2005, filed February 11, 2005 as Document No. 8526122(A), and filed February 21, 2013, as Document No. 5045082(T).

Attachment B

City of Wayzata Comprehensive Plan 2030 – Land Use Chapter

- 1.6 Provide for continuing review, updating and enforcement of zoning, subdivision, and design standards to ensure high standards of planning and design.
- 1.7 Identify ecological and water quality impacts on the lake and other water bodies caused by proposed land use developments, for example stormwater runoff, and work to mitigate these impacts.

2nd Tier Priority Residential Land Use Policies

- 1.8 Ensure that all new housing, including rental housing and housing for persons of low and moderate income, adheres to high standards of planning, design, and construction.
- 1.9 Remain near the Metropolitan Council affordable rental and life-cycle benchmarks, given limited opportunities and market conditions, as long as the efforts are consistent with the City's Comprehensive Plan.
- 1.10 Encourage and promote a balanced housing supply.
- 1.11 Promote programs which provide financial assistance for low and moderate income households and others for home repairs, improvements, and energy conservation.

3rd Tier Priority Residential Land Use Policies

- 1.12 Encourage rehabilitation or replacement of housing units identified as substandard, whenever possible.
- 1.13 Investigate the concept of smaller sized low density single family lot sizes.

2. Central Business District (CBD) and Downtown Mixed Use District

Issues and Analysis

Diversity - The Central Business District (CBD) includes the main thoroughfare of Lake Street and is generally referred to as downtown. The CBD continues to evolve into a diverse environment of retail stores, offices, restaurants, and residential land uses. This diversity is seen as healthy in that it attracts a wide variety of people into the downtown area at all times of the day. This diversity along with its proximity to Lake Minnetonka, make the CBD a destination place in the region.

Economic Threats - Recent times however, have seen a downturn in the retail climate. This has been evidenced by business turnover, storefront vacancies, and an overall anxious business community. There are a number of contributing factors creating this climate. High property values and their direct impacts on lease rates/taxes, a somewhat seasonal customer base, and the relative close proximity of major retail centers, all have had varying degrees of impact on the local business economy. Still, other intangibles associated with the continued efforts to redevelop the Wayzata Bay Shopping Center have created a tenuous environment, as the community anticipates an evolution of the 1960's era shopping center on its 14 acre site. City participation in planning and public improvements will play an important role in maintaining a healthy diverse environment in the CBD. Mixed use development in the CBD will help sustain its vitality during market swings. Retail commercial attraction should continue to be important, along with housing opportunities that are balanced and respond to market conditions. Office development is not desirable in large quantity, but rather in smaller scale, with community service oriented businesses,

Attachment B

City of Wayzata Comprehensive Plan 2030 – Land Use Chapter

Wayzata Bay Shopping Center - Redevelopment of the Wayzata Bay Shopping Center property is viewed as a key to stimulating the vibrancy of the CBD on a more year round basis. Past redevelopment efforts have been unsuccessful as projects have attempted to address environmental conditions, parcel configuration, proximity adjacent uses, public infrastructure, and concerns regarding appropriate community character and identity. Continued redevelopment efforts should better address these items in addition to providing amenities that are beneficial to the community. Past redevelopment attempts have demonstrated that more typical approaches to redevelopment are not feasible. A successful project will likely be one that incorporates a more creative strategy than other development in the downtown.

Downtown Mixed Use District - The Downtown Mixed Use District was created to acknowledge the unique characteristics and challenges of the Wayzata Bay Center site at 800 and 802 Superior Blvd, 801 Lake St E, and 1001 Circle Dr E, including geotechnical and wetland considerations, which significantly impact the cost of redevelopment on the site. This new land use classification reflects the community's desire for a mixed use commercial development on the site that includes a strong residential component. This land use classification also acknowledges that it is the only site in the City on which the City may grant limited flexibility in building height and density in order to achieve the desired outcomes of a walkable retail and residential center that incorporates public green space, and minimizes environmental impacts on the site. Any future redevelopment of this site should be carefully studied, and the design of the development should be sensitive to and respond to the adjacent neighborhoods and the Central Business District. Redevelopment with a single use or user should not be allowed.

Overbuilding - The mass and scale of recent commercial and residential development projects are a concern in the CBD. Recent projects have pushed official controls to the limits, implementing near build-out conditions of commercial properties and where development nears the maximum floor-to-area ratio set forth in zoning regulations. Evaluation of appropriate development controls for the CBD, including the City's applicable Design Standards and bulk regulations in commercial zoning districts should be under continual discussion.

Views - Wayzata's topography is conducive to providing attractive views from higher elevations within the community. Over the past decade the City's Zoning Ordinance has been amended reduce the overall height limit of commercial buildings in many of the City's zoning districts in order to preserve these desirable views. These changes have help preserve lake views from adjacent properties but there is a limit to which regulatory controls can protect desirable views. The historical platting of north/south streets adjacent to the downtown and Lake Minnetonka creates an inherent physical challenge for properties behind the "front row" property on Lake Street to have an optimal lake view.

Density - Density of the CBD will likely increase over time as many underdeveloped properties acquiesce closer to limits prescribed by the zoning ordinance. The appropriate level of density should be carefully considered to not overburden public roadway and infrastructure systems. Opportunities for density vary within the CBD depending on factors such as property size, proximity/availability to public/private parking facilities, and location on Lake Street. Increased densities in appropriate locations within the CBD will ultimately help sustain a more vibrant economic business climate and physical environment.

Attachment B

City of Wayzata Comprehensive Plan 2030 – Land Use Chapter

Central Business District and Downtown Mixed Use District Objective:

To promote a diversity of retail, office, service, and residential land uses at a high level of development quality to enhance it as a regional destination.

1st Tier Priority Central Business District and Downtown Mixed Use District Policies

- 2.1 Allow a mix of commercial, office, and residential uses that strengthen the CBD as the shopping, employment, and entertainment destination of Wayzata.
- 2.2 Update development standards continually to assure the highest development quality possible for the Central Business District.
- 2.3 Complement the CBD and its strong sense of place through land use choices, urban design principles, traffic, parking, and architectural style.
- 2.4 Investigate strategies to increase retail vitality throughout the CBD.
- 2.5 Define and evaluate on-street/off-street parking needs consistent with land use, and requirements within the CBD so as to emphasize circulation ease and access control.
- 2.6 Continue to provide a safe, comfortable, and attractive pedestrian scale environment through the enhancement of the pedestrian circulation system by improving sidewalks, walkways and street furniture; mitigating conflicts with traffic and street intersections, and by providing proper demarcation and sign control.
- 2.7 Enhance the image and identity of the CBD by emphasizing street trees and landscaping elements.
- 2.8 Plan for an orderly transition between the CBD development and adjacent residential neighborhoods.
- 2.9 Accommodate traffic without negatively compromising the integrity of the downtown and its adjacent neighborhoods.
- 2.10 Consider complementing abutting edges, both residential and retail/commercial.
- 2.11 Consider public financial support that is fiscally responsible and provides value to the City's infrastructure and community systems.
- 2.12 Consider ways to assist with redevelopment when properties become a liability to the community.
- 2.13 Commercial buildings on Lake Street, west of Barry Avenue., should not be required to have a first floor retail use, although it is allowed and encouraged. Transparency requirements under the Lake Street District of the Design Standards remain in effect.
- 2.14 Identify ecological and water quality impacts on the lake and other water bodies caused by proposed land use developments, for example stormwater runoff, and work to mitigate these impacts.

2nd Tier Priority Central Business District Policies and Downtown Mixed Use District Policies

- 2.15 Plan development of parking so that it is not a focal point but rather placed behind buildings with appropriate buffers and landscaping.

Attachment B

City of Wayzata Comprehensive Plan 2030 – Land Use Chapter

- 2.16 Adjust City's Zoning Ordinance to address concerns of sun-orientation on southern side of Lake Street by requiring upper story setbacks for all new construction to avoid shading the north side of Lake Street.
- 2.17 Continue to evaluate ways to encourage a variety of housing options for upper-story housing.
- 2.18 Consider 3rd story' uses with appropriate considerations for design and scale. Commercial and residential uses are allowed as a third story, but the third story must be set back significantly more from the front facade of the floor below.

3. Mixed Use Commercial, Mixed Use Residential, and Service Commercial

Issues and Analysis

Regional Commercial Destination - Existing development along the east end of Wayzata Boulevard and North Central Avenue encompasses the service commercial areas of Wayzata. These areas cater primarily to retail and automotive service functions. This type of commercial activity, which is dependent upon trade and traffic from outside Wayzata as well as within, creates greater than normal adverse effects upon adjacent residential neighborhoods. As the CBD continues to evolve as a regional destination, the service commercial thoroughfare will evolve as well. Commercial businesses that provide residents with daily goods and services may naturally seek the conveniences of this area.

Design - The City should maintain a well-planned and designed service commercial thoroughfare that places a higher emphasis on building design and placement than on parking lots. The City will need to continually anticipate this evolution to adapt design related provisions in the Zoning Ordinance and roadway design contained in access management plans. New development and redevelopment should also be planned to emphasize a small city block concept, to provide separation of uses and avoid the suburban approach of long expanses of parking lots and buildings.

Redevelopment - Although more significant commercial sites such as Colonial Square will take more effort to redevelop, opportunities should be sought when possible. It may be that within the next decade, additional consideration for allowing a broader mix of uses such as residential in these areas may be appropriate.

Mixed Use Commercial - The Mixed Use Commercial land use category was created to reflect the reality that many traditional service commercial uses along the Wayzata Blvd. and Central Avenue corridors, in addition to smaller commercial parcels within the Bluff neighborhood, may wish to evolve over time to include a mixture of commercial, limited office, and residential uses. This Mixed Use Commercial category provides flexibility to property owners who wish to incorporate a residential component with retail or other commercial uses on their site.

Mixed Use Residential - The Mixed Use Residential land use category was created to reflect residential areas that are located adjacent to the commercial corridors along Wayzata Blvd and Lake Street. Although primarily residential in nature, limited vertically and horizontally mixed retail, commercial, and office uses should be permitted. Any commercial uses adjacent to residential uses should be sensitive to and respond to residential building design.

Mixed Use Commercial Objectives:

Maintain and enhance these areas for primarily general retail and other commercial uses, while allowing the integration of a residential component.

WAYZATA PLANNING COMMISSION
DRAFT MEETING MINUTES
DECEMBER 1, 2014

AGENDA ITEM 1. Call to Order, Roll Call and Approval of Minutes.

Chair Gonzalez called the meeting to order at 7:00 p.m.

Present at roll call were Commissioners: Vanderheyden, Pearson, Gonzalez, Gnos, Ramy, Tyacke, and Iverson. City Planner Gadow and City Attorney David Schelzel were also present.

Chair Gonzalez stated the minutes to be reviewed are from November 17, 2014.

City Attorney Schelzel stated on page 5, line 16 strike the word "very;" line 18 replace the word "review" with "outline;" and line 19 inset "consider and" before "approve."

City Planner Gadow stated on page 8, line 43 the recording had cut out. He asked Commissioner Vanderheyden and Commissioner Pearson to review the motion for accuracy.

Commissioner Vanderheyden stated the motion was correct. On page 6, line 34 replace the word "he" with "that."

Commissioner Tyacke stated on page 6, line 8 inset the word "would there;" line 22 replace the word "or" with "and."

Commissioner Vanderheyden made a motion, Seconded by Commissioner Ramy, to approve the November 17, 2014 minutes as amended. The motion carried unanimously.

AGENDA ITEM 2. REGULAR AGENDA PUBLIC HEARING ITEMS:

a. 253 and 259 Lake Street East – Continental Property Group

i. Planned Unit Development (PUD) – Concept Plan for five (5) story tall mixed use retail and residential building

ii. Variance from thirty-five (35) feet/three (3) story building height limit in a PUD District

City Planner Gadow stated Continental Property Group has submitted an application for a Planned Unit Development (PUD) – Concept Plan and a Variance from the 35-foot/3-story height requirements in a PUD District to redevelop 253 and 259 Lake Street East. He reviewed the Staff reports including property maps, project floor plans, elevations, and the Boatworks Development Agreement.

Commissioner Tyacke stated in the C4A District, the density standard for upper story housing is the R-5 District density standard for permitted and applying this standard would allow for a maximum of 53 upper story housing units. He asked what the density per acre would be if this project were approved.

1 Mr. Michael Mergens, EntrePartner Law Firm, PLLC, 4470 West 78 Street Circle, Suite 210,
2 Bloomington, explained this proposed project was the result of several years of trying to find a
3 viable project for a piece of property that is in need of redevelopment. He reviewed the efforts
4 and various concepts that have been reviewed over the years to get to the current proposal. He
5 stated the property is not currently financially viable without redevelopment and it is an under
6 used parcel in the Central Business District.

7
8 Mr. Chris Stockness, Managing Director at Shenehon Company, 88 South 10th Street, Suite 400,
9 Minneapolis, consultant to the Applicant, reviewed the different development scenarios
10 Continental Property Group had considered and reviewed.

11
12 Mr. Mergens reviewed the history of the property and the hurdles they have with the property
13 including poor soil, the water table, wetlands, and the easement requiring them to provide 85
14 parking stalls to the Boatworks building.

15
16 Commissioner Tyacke asked if Mr. Mergens had been involved with the 2005 PUD which
17 permitted two (2) 3-story buildings.

18
19 Mr. Mergens stated he is familiar with this plan but had not been involved with it. It has been
20 determined that the approved proposal would not be financially feasible in today's market.

21
22 Commissioner Tyacke asked how the construction costs were determined and if the Applicant
23 had gotten any bids on this project.

24
25 Mr. Mergens explained the construction estimate was based on a previous project similar to the
26 one being proposed including inflation costs. The Applicant has not gotten any bids because
27 they do not have an approved project at this time.

28
29 Chair Gonzalez asked if the cost analysis included the price of the land.

30
31 Mr. Mergens stated this analysis does include the land costs.

32
33 Commissioner Tyacke asked if Mr. Mergens was familiar with the letter from the Boatworks
34 attorney stating that there is a requirement that any PUD for this parcel must include 85 parking
35 stalls for the Boatworks building.

36
37 Mr. Mergens explained he was aware of this, and they intended to provide those parking stalls.

38
39 Commissioner Ramy asked if it was possible to supply these parking stalls if the retail and
40 residential parking requirements were met.

41
42 Mr. Mergens stated there are 26 stalls required for retail and these would be day-orientated
43 parking. There are 20 tandem stalls in the proposal, and the code requires 2 stalls per apartment.
44 He does not believe every studio and one bedroom apartment should require 2 stalls so they
45 would recommend a flex parking plan. He recognized that parking has been an issue but there is
46 not as much of a demand to the west of Barry Avenue.

1
2 Mr. Michael Krych, BKV Group, 222 North 2nd Street, Minneapolis, architect for the Applicant
3 reviewed the application and what was being proposed including access, building layout, parking
4 design, community spaces, and green space. He noted that the building height would be 61-feet
5 8-inches not the 61-feet listed in the Staff Report.
6

7 Chair Gonzalez asked who owned the access to Barry Avenue.
8

9 Mr. Krych stated this was part of the 250 property and Continental Property Group has a
10 purchase agreement for this property. He reviewed possible materials and the importance of
11 using quality materials and blending into the community.
12

13 Mr. Mergens stated the first step when looking at a variance request is how the proposal would
14 fit with the Comprehensive Plan and if the project works with the overall goals of the City. Mr.
15 Mergens stated that the proposed project directly meets the following goals in the
16 Comprehensive Plan for the Central Business District: First Tier Goal 2.2 is to allow a mix of
17 commercial and residential uses that strengthen the Central Business District as the shopping,
18 employment, and entertainment destination of Wayzata; First Tier Goal 2.3 is to compliment the
19 Central Business District and its strong sense of place through land use choices, urban design
20 principles, traffic, parking, and architectural style; First Tier Goal 2.4 is to investigate strategies
21 to increase retail vitality through the Central Business District; First Tier Goal 2.12 is to consider
22 ways to assist with redevelopment when properties become a liability to the community; First
23 Tier Goal 2.17 is to continue to evaluate ways to encourage a variety of housing options for
24 upper story housing.
25

26 Mr. Mergens stated there is not another project like this in Wayzata and it would meet the needs
27 of the communities “snow birds” and young professionals, and that local patrons equals
28 successful businesses. Mr. Mergens stated the property as it is today costs the owner
29 approximately \$100,000 per year and this cannot be sustained.
30

31 Mr. Mergens stated under the Code a height variance may be granted when there is an undue
32 hardship that would result if the variance is denied due to the existence of special conditions and
33 circumstances which are particular to the land, structure, or building involved and are not
34 applicable to other land, structures, or buildings in the same district. Mr. Mergens stated the
35 water table on this property is only a few feet below the grade and this prevents them from being
36 able to provide substantial underground parking. Mr. Mergens stated this property is also
37 limited by the wetlands on the north end of the property, and they are not able to make full use of
38 the site. Mr. Mergens stated these create a unique set of circumstances for this property. Mr.
39 Mergens stated the Code states that a variance cannot be granted solely on economics but this
40 can be a consideration. Mr. Mergens stated he does not believe that he would be able to find a
41 builder willing to construct underground parking or an insurance company willing to insure
42 underground parking because of the litigation and flooding risks. Mr. Mergens stated they are
43 requesting 5-stories which is what they would need to make the project work. Mr. Mergens
44 stated this is not the maximum size this type of structure could be.
45

1 Mr. Krych reviewed the height study and the proposed height of the project compared to the
2 other buildings along Lake Street and Barry Avenue.

3
4 Commissioner Iverson asked what the cost per underground parking stall would be and how this
5 compared to the national average.

6
7 Mr. Mergens stated based on the water table and the additional pumping they would need to do,
8 the cost would be estimated at \$30,000 per unit.

9
10 Mr. Krych stated the national average is typically \$22,000-\$25,000. The water table would
11 require a different type of foundation system that would add cost to the project.

12
13 Commissioner Tyacke asked if they were requesting the height variance because of the wetland
14 limitations.

15
16 Mr. Mergens stated this was a factor in the request because they need to meet the parking
17 requirements.

18
19 Commissioner Tyacke asked if the height request included the outside structures, such as the
20 elevator shaft towers on the roof.

21
22 Mr. Krych stated those type of structures are typically not included in the height calculations.
23 The 61-feet 8-inches is the measurement to the top of the roofing.

24
25 City Planner Gadow stated the Zoning Ordinance in Wayzata has a height restriction for
26 mechanical equipment of no more than 5-feet above the maximum height for the Zoning District.
27 To go above this height a Conditional Use Permit would be required.

28
29 Commissioner Ramy clarified the Presbyterian Homes project had more than 13-acres, so under
30 the provisions of the PUD ordinance, the building height was negotiated with the City and did
31 not require a variance.

32
33 City Planner Gadow stated the height for that project had been negotiated with the City Council,
34 and a Zoning Ordinance change had been approved prior to that review that allowed for a
35 negotiated height and set the 13-acre requirement.

36
37 Commissioner Vanderheyden stated he appreciated the thoroughness put into the project packet,
38 brining density and energy to the west end of Wayzata, the combined use of retail and residential
39 rather than office space, and the size and financial risk the Applicant was proposing. He asked
40 why the property tax dispute documents had been included in the submitted materials.

41
42 Mr. Mergens stated this was included as background information for the Commission to
43 understand where the developer had started and how they came to this proposal.

44
45 Commissioner Vanderheyden asked if the Commission should consider the financials of the
46 project when looking at this request.

1
2 City Planner Gadow explained the request at this time is for approval of the PUD Concept Plan
3 and the height variance. There are specific criteria in the Zoning Ordinance that the Planning
4 Commission has to apply when reviewing these requests, but the financial information is not one
5 of those criteria, though it is useful and relevant background information.
6

7 Commissioner Vanderheyden expressed concerns about the mass of the building being large in
8 relation to the surrounding neighborhood. He stated it has been mentioned that parking would be
9 charged separately within the property, and he would suggest this be included in rental charges
10 so that residents are not utilizing the on street parking that is utilized by surrounding businesses.
11

12 Commissioner Iverson asked what the rent would be for the apartments.
13

14 Chair Gonzalez opened the public hearing at 8:40 p.m.
15

16 Ms. Helen Morrison, 135 Benton Avenue, Wayzata, asked what the difference was in the ground
17 that required additional pilings and if Presbyterian Homes had underground parking.
18

19 City Planner Gadow stated Presbyterian Homes does have underground parking.
20

21 Mr. Bill McLaughlin, 234 Edgewood, Wayzata, asked the Commission to look at the height not
22 just from the street and lake but also from the view of the homes behind because this has not
23 been reviewed. He also asked the Commission to consider what would be good for the City in
24 the long-term because approving this proposal would set a precedent.
25

26 Mr. Paul Yamashita, 296 Grace Point Court, Wayzata, expressed concerns about the scale of the
27 project and stated that it would be out of character for the City.
28

29 Mr. Scott Graham, 205 Barry Avenue, stated he would like to see the building look more
30 attractive and fit in the City. He expressed concerns about the traffic impacts this would create.
31 He stated the proposed building would block the view some residents have of the lake, and he
32 would not be able to hear the boats on the water. As a business owner he can appreciate and
33 understand the Applicant's challenges, but as a property owner this would affect his of life.
34

35 Mr. Mark Sparza, 205 Barry Avenue, Wayzata, stated the view from Barry Avenue was not
36 included in the height study and this building would have a significant impact on the views. This
37 request would also set a precedent, and he asked that the Commission consider this.
38

39 Mr. Bill Burrows, 205 Barry Avenue, Wayzata, stated the proposal is an attractive modern
40 building that would look great in Washington D.C. or Los Angeles but not in Wayzata. It is too
41 big and out of context. There is a maximum building height for a reason and he would like to
42 see this enforced. He stated that in order to be economically feasible, you should not need to go
43 to 5-stories.
44

45 Chair Gonzalez closed the public hearing at 8:54 p.m.
46

1 In response to Commissioner Tyacke's early question, City Planner Gadow stated the density per
2 acre calculation in the R5 District would allow for 1-unit per 2000-square feet of lot area, and
3 this would be about 21-units per acre for this parcel.

4
5 Commissioner Tyacke stated the proposed density for this project would be about 60-units per
6 acre.

7
8 In response to Commissioner Iverson's earlier questions, Mr. Mergens stated the rents for the
9 proposed apartments would be: studio \$1200-\$1300/month; 1 bedroom \$1500-\$1850; 1 bedroom
10 + Den \$2100-\$2400; 2 bedroom \$2400-\$2800; and 2 bedroom + Den \$3000-\$3400.

11
12 Commissioner Ramy stated the Comprehensive Plan First Tier Goal 2.4 is to investigate
13 strategies to increase the retail vitality throughout the Central Business District and the proposal
14 is only 3.2% retail.

15
16 City Planner Gadow stated that goals in the Comprehensive Plan are general guidance for City
17 policy, and the City wants to increase the number of businesses' that are able to sustain
18 themselves.

19
20 Commissioner Tyacke expressed concerns with the density. He stated that Table 3.4 in the
21 Comprehensive Plan shows the net density worksheet for what might be developed in the City
22 and for downtown mixed use it shows a density of 30.5-units per acre. He state that this project
23 is double this amount. He stated he was also concerned about the height, traffic and upsetting
24 the balance between multi-family and single-family housing in the City.

25
26 Commissioner Iverson stated she does not believe Wayzata needed more residents that were
27 gone in the winter months. This is when commercial spaces need the traffic. She was also
28 concerned about the mass and traffic of this project. She would prefer to see a more affordable
29 housing unit put in. The Comprehensive Plan points out Wayzata's small town character and
30 this is being lost. She does not believe this plan fits where the City wants to go long-term.

31
32 Commissioner Ramy stated there is a hardship but this is likely caused by the scope of the
33 project. He is concerned about the parking and the height of the building.

34
35 Chair Gonzalez stated the previous approved PUD for this property was economically feasible at
36 the time it was approved. The role of the Planning Commission is not to make policy but to look
37 at the proposal, the Comprehensive Plan, the Ordinances and State Statutes and make a
38 recommendation. She sees what the applicant is asking for as a policy question. The City
39 Council had made a policy change with the Presbyterian Homes project that did not set a
40 precedent for 5-story buildings. The PUD Ordinance is clear that unless the site is 13-acres or
41 more the applicant could not have a building higher than 3-stories. She stated this application is
42 also being driven by economic considerations, and under State Statute and the Code this cannot
43 play a principle role. She said the Applicant was aware of the parking agreement prior to
44 purchasing 259 Lake Street. She does not believe the Commission would be justified in
45 recommending a deviation from the Code. She said there are three (3) things people complain
46 about in Wayzata: density, the height of buildings, and traffic. Bringing more "snow birds" to

1 the City would do nothing to help retail merchants. She would not support a recommendation to
2 approve the variance because it does not meet the requirements of the Comprehensive Plan or the
3 Variance Statute and Code.

4
5 Commissioner Vanderheyden made a motion, Seconded by Commissioner Pearson to Direct
6 Staff to prepare a Planning Commission Report and Recommendation for Denial, with
7 appropriate findings based on public comment and Planning Commission discussions, reflecting
8 a recommendation of denial on the Application for review and adoption at the next Planning
9 Commission meeting. The motion carried unanimously.

10
11 Chair Gonzalez stated this item would be presented to the City Council for further consideration.

12
13 The Planning Commission recessed at 9:14 p.m.

14
15 The Planning Commission reconvened at 9:17 p.m.

16
17 **AGENDA ITEM 3. Other Items.**

18
19 **a. Review and adoption of Planning Commission Report and Recommendation on**
20 **Concurrent Preliminary/Final Plat and PUD for 165 and 213 Central Avenue North**
21 **and 1015 Cross Street**

22 City Planner Gadow presented the recommendation and conditions. He explained the City
23 Council would review this Application at their December 2, 2014 meeting. The Planning
24 Commission had requested the landscape plan be reviewed for accuracy and the Fence
25 Ordinance be reviewed for compliance.

26
27 Ms. Jennifer Haskamp, 246 South Albert Street, Suite 2A, St. Paul, stated they were currently
28 working on updating the landscape plan and tree survey. The Cross Street parcel had not been
29 resurveyed and included in the original application and this was currently being done as well as
30 adding the additional trees.

31
32 City Planner Gadow stated the Zoning Ordinance allows for manmade fences not to exceed 6-
33 feet in height and consisting completely of solid material at or behind the rear building line as
34 established by the primary structure. This fence would be landscaped as well.

35
36 Commissioner Tyacke suggested adding the following conditions and findings: Hennepin
37 County had reviewed the traffic patterns and access and they offered no comment; specify that
38 the trail access is for pedestrian use only; and any screening that is done for Lot 6 also needs to
39 be done to Lot 5.

40
41 Commissioner Vanderheyden stated on page 10, Section 3.2.b.ii specifies the applicant has to
42 own the land at the time of approval and this is not likely to occur.

43
44 Ms. Haskamp stated the properties would not be closed on by the time of approval but the way
45 the application is written it does encompass all owners of the property involved as applicants.



WAYZATA PLANNING COMMISSION

December 15, 2014

REPORT AND RECOMMENDATION OF DENIAL OF PLANNED UNIT DEVELOPMENT CONCEPT PLAN AND HEIGHT VARIANCE AT 253 AND 259 LAKE STREET EAST

DRAFT

SUMMARY OF RECOMMENDATIONS

1. **Denial** of Planned Unit Development Concept Plan
2. **Denial** of Variance from building height/story limit in PUD districts

REPORT AND RECOMMENDATION

Section 1. BACKGROUND

- 1.1 Project. Continental Property Group (the "Applicant") has submitted an application for PUD concept plan and height variance approval (the "Application") in connection with a proposed redevelopment of 253 and 259 Lake Street East (collectively, the "Property") into a sixty one ft and eight inch (61'8") tall, five (5) story mixed use building, containing one hundred forty eight (148) luxury rental housing units, 6,281 square feet (SF) of retail, and more than three hundred (300) parking spaces (collectively, the "Project").
- 1.2 Application Requests. As part of the Application, the Applicant is requesting approval of the following:
 - A. Planned Unit Development (PUD) - Concept Plan for a 5 story mixed use building on the Property (the "Concept Plan"); and
 - B. Variance from the thirty five (35) feet / three (3) stories height limit in a PUD District to allow a building that is sixty one ft and eight inch (61'8") tall and five (5) stories (the "Variance")
- 1.3 Property. The property identification numbers and owners of the parcels comprising the Property are:

253 Lake Street East	06-117-22-30-0013	Berry & Co., Inc.
259 Lake Street East	06-117-22-30-0005	Flagship Bank

1.4 Land Use. The Property falls within the following districts:

Zoning	C-4A Limited Central Business District
Comp Plan	Central Business District
Wetland Overlay	Property contains a wetland
Shoreland Overlay	Property is in a Shoreland Overlay District

1.5 Notice and Public Hearing. Notice of a public hearing on the Application was published in the *Sun Sailor* on November 20, 2014. A copy of the notice was mailed to all property owners located with 350 feet of the Property on November 20, 2014. The required public hearing was held at the December 1, 2014 Planning Commission meeting.

Section 2. STANDARDS

2.1 Planned Unit Developments (PUDs).

- A. Intent and Purpose of PUDs. The PUD process, outlined in Section 801.33 of the Zoning Ordinance, allows deviation from the strict provisions of the Zoning Ordinance related to setbacks, lot area, width and depth, yards, etc., for the purpose of encouraging:
1. Innovations in development to the end that the growing demands for all styles of economic expansion may be met by greater variety in type, design, and placement of structures and by the conservation and more efficient use of land in such developments.
 2. Higher standards of site and building design through the use of trained and experienced land planners, architects, landscape architects, and engineers.
 3. More convenience in location and design of development and service facilities.
 4. The preservation and enhancement of desirable site characteristics such as natural topography and geologic features and the prevention of soil erosion.

5. A creative use of land and related physical development which allows a phased and orderly development and use pattern.
 6. An efficient use of land resulting in smaller networks of utilities and streets thereby lower development costs and public investments.
 7. A development pattern in harmony with the objectives of the Wayzata Comprehensive Plan. (PUD is not intended as a means to vary applicable planning and zoning principles.)
 8. A more desirable and creative environment than might be possible through the strict application on zoning and subdivision regulations of the City.
- B. General Standards. Section 801.33.2.A of the Zoning Ordinance sets forth the general standards for review of any PUD application. These are:
1. Health Safety and Welfare; Intent and Purpose of PUDs; Discretion of Council. In reviewing the PUD application, the Council shall consider comments on the application of those persons appearing before the Council, the report and recommendations of the Planning Commission, the recommendations on design and any staff report on the application. The Council also shall evaluate the effects of the proposed project upon the health, safety and welfare of residents of the community and the surrounding area and shall evaluate the project's conformance with the overall intent and purpose of Section 33 of the PUD Ordinance. If the Council determines that the proposed project will not be detrimental to the health, safety and welfare of residents of the community and the surrounding area and that the project does conform with the overall intent and purpose of this Section, it may approve a PUD permit, although it shall not be required to do so.
 2. Ownership. Applicant/s must own all of the property to be included in the PUD.
 3. Comprehensive Plan Consistency. The PUD project must be consistent with the City's Comprehensive Plan.
 4. Sanitary Sewer Plan Consistency. The PUD project must be consistent with the City's Sanitary Sewer Plan.
 5. Common Open Space. The PUD project must provide common private or public open space and facilities at least sufficient enough to meet the minimum requirements established in the Comprehensive

Plan, and contain provisions to assure the continued operation and maintenance of such.

6. Operating and Maintenance Requirements. Whenever common private or public open space or service facilities are provided within a PUD, the PUD plan must contain provisions to assure the continued operation and maintenance of such open space and service facilities to a predetermined reasonable standard. Common private or public open space and service facilities within a PUD must be placed under the ownership of one of the following, as approved by the City Council: (i) dedicated to the public, where a community-wide use is anticipated, (ii) Landlord control, where only tenant use is anticipated, or (iii) Property Owners Association, provided the conditions of 801.33.2.A.6.c are met.
7. Staging of Public and Common Open Space. When a PUD provides for common private or public open space, and is planned as a staged development over a period of time, the total area of common or public open space or land escrow security in any stage of development shall, at a minimum, bear the same relationship to the total open space to be provided in the entire PUD as the stages or units completed or under development bear to the entire PUD.
8. Density. The maximum allowable density in a PUD District shall be determined by standards negotiated and agreed upon between the applicant and the City. In all cases, the negotiated standards shall be consistent with the development policies as contained in the Wayzata Comprehensive Plan.
9. Utilities. All utilities associated with the PUD must be installed underground and meet the utility connection requirements of Section 801.33.2.A.10.
10. Utility Connections. All utilities associated with proposed PUD must meet the utility connection requirements of Section 801.33.2.A.10.
11. Roadways. All roadways associated with the PUD must conform to the Design Standards and Wayzata Subdivision Regulations, unless otherwise approved by City Council.
12. Landscaping. All landscaping associated with the PUD must be according to a detailed plan approved by the City Council. In assessing the plan, the City Council shall consider the natural features of the particular site, the architectural characteristics of the proposed structure and the overall scheme of the PUD plan.

13. Setbacks. The front, rear and side yard restrictions on the periphery of the Planned Unit Development site at a minimum shall be the same as imposed in the underlying districts, if a PUD conditional use permit, or the previous zoning district, if a PUD District. No building shall be located less than fifteen (15) feet from the back of the curb line along those roadways which are part of the internal street pattern. No building within the PUD project shall be nearer to another building than one-half (1/2) the sum of the building heights of the two (2) buildings. In PUD Districts for parcels that were zoned commercial prior to PUD and which exceed 13 acres, the allowable setbacks shall be as negotiated and agreed upon between the applicant and the City.
 14. Height. The maximum building height to be considered within a PUD District shall be thirty five (35) feet and three (3) stories, whichever is lesser. There shall be no deviation from the height standards applied within the applicable zoning districts for PUD conditional use permits. In PUD Districts for parcels that were zoned commercial prior to PUD and which exceed 13 acres, the maximum allowable height and number of floors shall be as negotiated and agreed upon between the applicant and the City.
- C. Residential Area PUD Standards. Section 801.33.3 sets forth area standards for PUDs which have a residential component. For multiple family residential PUD District projects, the normal standards of either the R-4 or R-5 Zoning Districts shall apply to each project, excepting usage standards, as determined by the City Council and as provided above in Section 801.33.2. In addition to the other standards for PUDs, City Council may impose such other standards for a PUD project as are reasonable and as the Council deems are necessary to protect and promote the general health, safety and welfare of the community and the surrounding area.
 - D. Simultaneous Concept and General Plans. In cases of single stage PUDs or for projects of limited size and scope, the applicant may, at the discretion of the Zoning Administrator, submit the General Plan of Development for the proposed PUD simultaneously with the submission of a Concept Plan. The Planning Commission and City Council shall consider such plans simultaneously and shall grant or deny a General Plan of Development in accordance with the provisions of the PUD Ordinance.
- 2.2 Variances from Zoning Regulations. Section 801.05.1.C of the Zoning Ordinance provides the criteria for reviewing variances from the standards of the Zoning Ordinance. The criteria are as follows:
- A. Variances shall only be permitted when they are:

- (i) in harmony with the general purposes and intent of the Zoning Ordinance; and
 - (ii) consistent with the Comprehensive Plan.
- B. Variances may be granted when the Applicant for the variance establishes that there are practical difficulties in complying with the Zoning Ordinance.
- C. “Practical difficulties” as used in connection with the granting of a variance, means that:
 - (i) the property owner’s proposal for the property is reasonable but not permitted by the Zoning Ordinance;
 - (ii) the plight of the landowner is due to circumstances unique to the property, and not created by the landowner; and
 - (iii) the variance, if granted, will not alter the essential character of the locality.
- D. Economic considerations alone do not constitute practical difficulties. Practical difficulties include, but are not limited to, inadequate access to direct sunlight for solar energy systems.
- E. Variances shall be granted for earth sheltered construction as defined in Minnesota Statutes, section 216C.06, subdivision 14, when in harmony with the Zoning Ordinance.
- F. The City Council shall not permit as a variance any use that is not allowed under the Zoning Ordinance for property in the zoning district where the affected person’s land is located, except the City Council may permit as a variance the temporary use of a one family dwelling as a two family dwelling.
- G. The City Council may impose conditions in the granting of variances. A condition must be directly related to and must bear a rough proportionality to the impact created by the variance.
- H. An application for a variance shall set forth reasons that the variance is justified under the applicable criteria of the Zoning Ordinance in order to make reasonable use of the land, structure or building.

Section 3. FINDINGS

Based on the Application materials, additional materials submitted by the Applicant, staff reports, public comment and information presented at the hearing, and the standards of the Wayzata Zoning Ordinance, the Planning Commission of the City of Wayzata makes the following findings of fact with respect to the: (1) Concept Plan; and (2) Variance:

3.1 Concept Plan.

- A. Intent and Purpose of PUDs. The PUD represented in the Concept Plan (the “Proposed PUD”) does not conform with all of the factors outlined in Section 33 of the Zoning Ordinance that represent the overall intent and purpose of a PUD in that Proposed PUD is not entirely in harmony with the objectives of the Wayzata Comprehensive Plan, as noted elsewhere in this Report. Further, a PUD is not intended as a means to vary applicable planning and zoning principles, and the height of the building proposed for the Proposed PUD far exceeds the applicable limits for a PUD District.
- B. General Standards. The Proposed PUD does not satisfy all of the general standards listed in Section 801.33.2.A of the Zoning Ordinance and in Section 2.1 of this Report.
1. Health Safety and Welfare; Intent and Purpose of PUDs; Discretion of Council. The Proposed PUD would have a negative effect on the health, safety and welfare of residents of the community and the surrounding area in that the proposed building of 61 feet 8 inches, 5 stories, containing 148 luxury rental housing units and 6,281 SF of retail, and 322 parking spaces would negatively impact the views, noise levels, traffic flows and parking in the surrounding area. In addition, the height, scale, design and aesthetics of the Proposed PUD do not reflect the “small town” character and aesthetics of Wayzata, but rather reflect a large city, urban, modern aesthetic and character. The Proposed PUD does not conform with the overall intent and purpose of Section 33 of the PUD Ordinance as noted elsewhere in this Report. Even if the Council determines that the Proposed PUD was in conformance with the overall intent and purpose of a PUD, the Council is not required to approve this or any PUD, and based on the other findings of this Report, the Planning Commission recommends that the Proposed PUD be denied.
 2. Comprehensive Plan Consistency. The Proposed PUD is inconsistent with the City’s Comprehensive Plan including:
 - a. The Proposed PUD is inconsistent with 1st Tier Residential Land Use Policy 1.3. The scale and quantity of the Project density is more than two times the allowable density for the underlying C-4A District without a PUD. The Comprehensive Plan states that the appropriate level of density should be carefully considered in new development in the Central Business District to not overburden public roadway and infrastructure systems.
 - b. The Proposed PUD, which includes a five story building, is inconsistent with 1st Tier Central Business District and

Downtown Mixed Use District Policy 2.18 which states that third story uses may be allowed, but the third story must be setback significantly more from the front façade of the floor below.

3. Density. In the underlying C-4A District for the Property, the allowed density is fifty three (53) units per the Property's lot area. The Proposed PUD's one hundred forty eight (148) units would far exceed the current density for the location and be out of scale with the amount of lot area for the Property. Although the City Council has the authority to allow increased density beyond what is permitted in the underlying zoning district, the City Council is not required to approve additional density and the Planning Commission does not believe the significant amount of density requested is appropriate.
4. Height. The building heights within the Proposed PUD do not meet the applicable height standards in that a five (5) story, sixty one foot eight inch (61' 8") building is proposed, and the Planning Commission believes that a variance from the applicable height standards should not be granted as detailed more fully in Section 3.2 of this Report.

3.2 Variance.

- A. The Variance is inconsistent with several provisions of the Zoning Ordinance and Comprehensive Plan as noted elsewhere in this Report.
- B. The Applicant has not met its burden of establishing that:
 - (i) *its proposal for the property is reasonable*. The stories and height of the building proposed far exceed the applicable limits for a PUD of this kind. The proposed 5 stories exceed the 3 story limit by 2 stories, and the proposed height of 61 feet 8 inches exceeds the height limit by 26 feet. The PUD Ordinance only allows deviation from the height and story limits if a PUD property exceeds 13 acres; the Property for the Proposed PUD is 2.43 acres;
 - (ii) *the plight of the landowner is due to circumstances unique to the property, and not created by the landowner*. The Property shares the same characteristics and challenges of similar properties in the immediate area, with smaller parcels, challenging soils, wetlands, low water table, Shoreland environmental concerns, traffic, parking and commercial mixed use guidance. The Applicant's need for a variance for a much taller building than is permitted under the Zoning Ordinance appears to be driven by the need to see enough of an economic return on the Proposed PUD to justify the price Applicant has or will pay for the Property and other economic factors; and
 - (iii) *the variance, if granted, will not alter the essential character of*

the locality. As noted elsewhere in this Report, the Variance would significantly alter the locality—i.e., the part of Lake Street and the Central Business District in which it is proposed—by allowing a building that is much taller, denser and the locus of a significantly greater intensity of uses.

- C. The Applicant's request for the Variance appears to be driven primarily, if not solely, by economic considerations, which alone do not constitute "practical difficulties" under the standards for variances in the City's Zoning Ordinance. The Applicant's submittals and presentation at the Public Hearing emphasized that the proposed height of the building for which the Variance was requested was necessitated by the financial data for the Proposed PUD project and the need to see an acceptable economic return on the Property for the Applicant, given the costs of the Proposed PUD and the purchase prices paid for the Property.
- D. The Variance is contingent on approval of the Concept Plan. If the Concept Plan is not approved, the Variance is not necessary, and thus should not be granted.

Section 4. RECOMMENDATION

- 4.1 Planning Commission Recommendation. Based on the findings in section 3 of this Report, the Planning Commission recommends **DENIAL** of the (1) Concept Plan; and **DENIAL** of the (2) Variance.

Adopted by the Wayzata Planning Commission this 15th day of December 2014.

Voting In Favor:
Voting Against:
Abstaining:

Chair, Planning Commission

DRAFT RESOLUTION NO. 42-2014

**RESOLUTION DENYING AN APPLICATION FOR PLANNED UNIT DEVELOPMENT
CONCEPT PLAN AND HEIGHT VARIANCE AT 253 AND 259 LAKE STREET EAST**

BE IT RESOLVED by the City Council of Wayzata, Minnesota as follows:

Section 1. BACKGROUND

- 1.1 Project. Continental Property Group (the “Applicant”) has submitted an application for PUD concept plan and height variance approval (the “Application”) in connection with a proposed redevelopment of 253 and 259 Lake Street East (collectively, the “Property”) into a sixty one ft and eight inch (61’8”) tall, five (5) story mixed use building, containing one hundred forty eight (148) luxury rental housing units, 6,281 square feet (SF) of retail, and more than three hundred (300) parking spaces (collectively, the “Project”).
- 1.2 Application Requests. As part of the Application, the Applicant is requesting approval of the following:
- A. Planned Unit Development (PUD) - Concept Plan for a 5 story mixed use building on the Property (the “Concept Plan”); and
 - B. Variance from the thirty five (35) feet / three (3) stories height limit in a PUD District to allow a building that is sixty one ft and eight inch (61’8”) tall and five (5) stories (the “Variance”)
- 1.3 Property. The property identification numbers and owners of the parcels comprising the Property are:

253 Lake Street East	06-117-22-30-0013	Berry & Co., Inc.
259 Lake Street East	06-117-22-30-0005	Flagship Bank

- 1.4 Land Use. The Property falls within the following districts:

Zoning	C-4A Limited Central Business District
Comp Plan	Central Business District
Wetland Overlay	Property contains a wetland
Shoreland Overlay	Property is in a Shoreland Overlay District

- 1.5 Notice and Public Hearing. Notice of a public hearing on the Application was published in the *Sun Sailor* on November 20, 2014. A copy of the notice was mailed to all property owners located with 350 feet of the Property on November 20, 2014. The required public hearing was held at the December 1, 2014 Planning Commission meeting.
- 1.6 Planning Commission Action. A public hearing on the Application was held at the Planning Commission's December 1, 2014 meeting at which six (6) individuals spoke on the Application. The Planning Commission directed staff to prepare a *Planning Commission Report and Recommendation* recommending denial of the Application on a vote of seven (7) in favor and zero (0) opposed. The Planning Commission adopted a *Planning Commission Report and Recommendation* recommending denial of the Application on December 15, 2014 on a vote of ___ in favor, ___ opposed.

Section 2. STANDARDS

2.1 Planned Unit Developments (PUDs).

- A. Intent and Purpose of PUDs. The PUD process, outlined in Section 801.33 of the Zoning Ordinance, allows deviation from the strict provisions of the Zoning Ordinance related to setbacks, lot area, width and depth, yards, etc., for the purpose of encouraging:
1. Innovations in development to the end that the growing demands for all styles of economic expansion may be met by greater variety in type, design, and placement of structures and by the conservation and more efficient use of land in such developments.
 2. Higher standards of site and building design through the use of trained and experienced land planners, architects, landscape architects, and engineers.
 3. More convenience in location and design of development and service facilities.
 4. The preservation and enhancement of desirable site characteristics such as natural topography and geologic features and the prevention of soil erosion.
 5. A creative use of land and related physical development which allows a phased and orderly development and use pattern.
 6. An efficient use of land resulting in smaller networks of utilities and streets thereby lower development costs and public investments.

7. A development pattern in harmony with the objectives of the Wayzata Comprehensive Plan. (PUD is not intended as a means to vary applicable planning and zoning principles.)
 8. A more desirable and creative environment than might be possible through the strict application on zoning and subdivision regulations of the City.
- B. General Standards. Section 801.33.2.A of the Zoning Ordinance sets forth the general standards for review of any PUD application. These are:
1. Health Safety and Welfare; Intent and Purpose of PUDs; Discretion of Council. In reviewing the PUD application, the Council shall consider comments on the application of those persons appearing before the Council, the report and recommendations of the Planning Commission, the recommendations on design and any staff report on the application. The Council also shall evaluate the effects of the proposed project upon the health, safety and welfare of residents of the community and the surrounding area and shall evaluate the project's conformance with the overall intent and purpose of Section 33 of the PUD Ordinance. If the Council determines that the proposed project will not be detrimental to the health, safety and welfare of residents of the community and the surrounding area and that the project does conform with the overall intent and purpose of this Section, it may approve a PUD permit, although it shall not be required to do so.
 2. Ownership. Applicant/s must own all of the property to be included in the PUD.
 3. Comprehensive Plan Consistency. The PUD project must be consistent with the City's Comprehensive Plan.
 4. Sanitary Sewer Plan Consistency. The PUD project must be consistent with the City's Sanitary Sewer Plan.
 5. Common Open Space. The PUD project must provide common private or public open space and facilities at least sufficient enough to meet the minimum requirements established in the Comprehensive Plan, and contain provisions to assure the continued operation and maintenance of such.
 6. Operating and Maintenance Requirements. Whenever common private or public open space or service facilities are provided within a PUD, the PUD plan must contain provisions to assure the continued operation and maintenance of such open space and

service facilities to a predetermined reasonable standard. Common private or public open space and service facilities within a PUD must be placed under the ownership of one of the following, as approved by the City Council: (i) dedicated to the public, where a community-wide use is anticipated, (ii) Landlord control, where only tenant use is anticipated, or (iii) Property Owners Association, provided the conditions of 801.33.2.A.6.c are met.

7. Staging of Public and Common Open Space. When a PUD provides for common private or public open space, and is planned as a staged development over a period of time, the total area of common or public open space or land escrow security in any stage of development shall, at a minimum, bear the same relationship to the total open space to be provided in the entire PUD as the stages or units completed or under development bear to the entire PUD.
8. Density. The maximum allowable density in a PUD District shall be determined by standards negotiated and agreed upon between the applicant and the City. In all cases, the negotiated standards shall be consistent with the development policies as contained in the Wayzata Comprehensive Plan.
9. Utilities. All utilities associated with the PUD must be installed underground and meet the utility connection requirements of Section 801.33.2.A.10.
10. Utility Connections. All utilities associated with proposed PUD must meet the utility connection requirements of Section 801.33.2.A.10.
11. Roadways. All roadways associated with the PUD must conform to the Design Standards and Wayzata Subdivision Regulations, unless otherwise approved by City Council.
12. Landscaping. All landscaping associated with the PUD must be according to a detailed plan approved by the City Council. In assessing the plan, the City Council shall consider the natural features of the particular site, the architectural characteristics of the proposed structure and the overall scheme of the PUD plan.
13. Setbacks. The front, rear and side yard restrictions on the periphery of the Planned Unit Development site at a minimum shall be the same as imposed in the underlying districts, if a PUD conditional use permit, or the previous zoning district, if a PUD District. No building shall be located less than fifteen (15) feet from the back of the curb line along those roadways which are part of the internal street pattern. No building within the PUD project shall be

nearer to another building than one-half (1/2) the sum of the building heights of the two (2) buildings. In PUD Districts for parcels that were zoned commercial prior to PUD and which exceed 13 acres, the allowable setbacks shall be as negotiated and agreed upon between the applicant and the City.

14. Height. The maximum building height to be considered within a PUD District shall be thirty five (35) feet and three (3) stories, whichever is lesser. There shall be no deviation from the height standards applied within the applicable zoning districts for PUD conditional use permits. In PUD Districts for parcels that were zoned commercial prior to PUD and which exceed 13 acres, the maximum allowable height and number of floors shall be as negotiated and agreed upon between the applicant and the City.

- C. Residential Area PUD Standards. Section 801.33.3 sets forth area standards for PUDs which have a residential component. For multiple family residential PUD District projects, the normal standards of either the R-4 or R-5 Zoning Districts shall apply to each project, excepting usage standards, as determined by the City Council and as provided above in Section 801.33.2. In addition to the other standards for PUDs, City Council may impose such other standards for a PUD project as are reasonable and as the Council deems are necessary to protect and promote the general health, safety and welfare of the community and the surrounding area.

- D. Simultaneous Concept and General Plans. In cases of single stage PUDs or for projects of limited size and scope, the applicant may, at the discretion of the Zoning Administrator, submit the General Plan of Development for the proposed PUD simultaneously with the submission of a Concept Plan. The Planning Commission and City Council shall consider such plans simultaneously and shall grant or deny a General Plan of Development in accordance with the provisions of the PUD Ordinance.

- 2.2 Variances from Zoning Regulations. Section 801.05.1.C of the Zoning Ordinance provides the criteria for reviewing variances from the standards of the Zoning Ordinance. The criteria are as follows:

- A. Variances shall only be permitted when they are:
 - (i) in harmony with the general purposes and intent of the Zoning Ordinance; and
 - (ii) consistent with the Comprehensive Plan.
- B. Variances may be granted when the Applicant for the variance establishes

that there are practical difficulties in complying with the Zoning Ordinance.

- C. “Practical difficulties” as used in connection with the granting of a variance, means that:
- (i) the property owner’s proposal for the property is reasonable but not permitted by the Zoning Ordinance;
 - (ii) the plight of the landowner is due to circumstances unique to the property, and not created by the landowner; and
 - (iii) the variance, if granted, will not alter the essential character of the locality.
- D. Economic considerations alone do not constitute practical difficulties. Practical difficulties include, but are not limited to, inadequate access to direct sunlight for solar energy systems.
- E. Variances shall be granted for earth sheltered construction as defined in Minnesota Statutes, section 216C.06, subdivision 14, when in harmony with the Zoning Ordinance.
- F. The City Council shall not permit as a variance any use that is not allowed under the Zoning Ordinance for property in the zoning district where the affected person’s land is located, except the City Council may permit as a variance the temporary use of a one family dwelling as a two family dwelling.
- G. The City Council may impose conditions in the granting of variances. A condition must be directly related to and must bear a rough proportionality to the impact created by the variance.
- H. An application for a variance shall set forth reasons that the variance is justified under the applicable criteria of the Zoning Ordinance in order to make reasonable use of the land, structure or building.

Section 3. FINDINGS

The City Council of the City of Wayzata hereby confirms and memorializes that the Concept Plan and Variance requested in the Application do not meet the applicable requirements of Wayzata’s Zoning Ordinance, based upon the following findings of fact made on the record (as well as all Application materials, staff reports, public comment presented at the hearing, and the Recommendation of the Planning Commission):

3.1 Concept Plan.

- A. Intent and Purpose of PUDs. The PUD represented in the Concept Plan (the “Proposed PUD”) does not conform with all of the factors outlined in Section 33 of the Zoning Ordinance that represent the overall intent and purpose of a PUD in that Proposed PUD is not entirely in harmony with the objectives of the Wayzata Comprehensive Plan, as noted elsewhere in this Resolution. Further, a PUD is not intended as a means to vary applicable planning and zoning principles, and the height of the building proposed for the Proposed PUD far exceeds the applicable limits for a PUD District.
- B. General Standards. The Proposed PUD does not satisfy all of the general standards listed in Section 801.33.2.A of the Zoning Ordinance and in Section 2.1 of this Resolution.
1. Health Safety and Welfare; Intent and Purpose of PUDs; Discretion of Council. The Proposed PUD would have a negative effect on the health, safety and welfare of residents of the community and the surrounding area in that the proposed building of 61 feet 8 inches, 5 stories, containing 148 luxury rental housing units and 6,281 SF of retail, and 322 parking spaces would negatively impact the views, noise levels, traffic flows and parking in the surrounding area. In addition, the height, scale, design and aesthetics of the Proposed PUD do not reflect the “small town” character and aesthetics of Wayzata, but rather reflect a large city, urban, modern aesthetic and character. The Proposed PUD does not conform with the overall intent and purpose of Section 33 of the PUD Ordinance as noted elsewhere in this Resolution.
 2. Comprehensive Plan Consistency. The Proposed PUD is inconsistent with the City’s Comprehensive Plan including:
 - a. The Proposed PUD is inconsistent with 1st Tier Residential Land Use Policy 1.3. The scale and quantity of the Project density is more than two times the allowable density for the underlying C-4A District without a PUD. The Comprehensive Plan states that the appropriate level of density should be carefully considered in new development in the Central Business District to not overburden public roadway and infrastructure systems.
 - b. The Proposed PUD, which includes a five story building, is inconsistent with 1st Tier Central Business District and Downtown Mixed Use District Policy 2.18 which states that third story uses may be allowed, but the third story must be setback significantly more from the front façade of the floor below.

3. Density. In the underlying C-4A District for the Property, the allowed density is fifty three (53) units per the Property's lot area. The Proposed PUD's one hundred forty eight (148) units would far exceed the current density for the location and be out of scale with the amount of lot area for the Property. Although the City Council has the authority to allow increased density beyond what is permitted in the underlying zoning district, the City Council is not required to approve additional density and the City Council finds that the significant amount of density requested is inappropriate.
4. Height. The building heights within the Proposed PUD do not meet the applicable height standards in that a five (5) story, sixty one foot eight inch (61' 8") building is proposed, and the City Council finds that a variance from the applicable height standards should not be granted as detailed more fully in Section 3.2 of this Resolution.

3.2 Variance.

- A. The Variance is inconsistent with several provisions of the Zoning Ordinance and Comprehensive Plan as noted elsewhere in this Resolution.
- B. The Applicant has not met its burden of establishing that:
 - (i) *its proposal for the property is reasonable*. The stories and height of the building proposed far exceed the applicable limits for a PUD of this kind. The proposed 5 stories exceed the 3 story limit by 2 stories, and the proposed height of 61 feet 8 inches exceeds the height limit by 26 feet. The PUD Ordinance only allows deviation from the height and story limits if a PUD property exceeds 13 acres; the Property for the Proposed PUD is 2.43 acres;
 - (ii) *the plight of the landowner is due to circumstances unique to the property, and not created by the landowner*. The Property shares the same characteristics and challenges of similar properties in the immediate area, with smaller parcels, challenging soils, wetlands, low water table, Shoreland environmental concerns, traffic, parking and commercial mixed use guidance. The Applicant's need for a variance for a much taller building than is permitted under the Zoning Ordinance appears to be driven by the need to see enough of an economic return on the Proposed PUD to justify the price Applicant has or will pay for the Property and other economic factors; and
 - (iii) *the variance, if granted, will not alter the essential character of the locality*. As noted elsewhere in this Resolution, the Variance would significantly alter the locality—i.e., the part of Lake Street

and the Central Business District in which it is proposed—by allowing a building that is much taller, denser and the locus of a significantly greater intensity of uses.

- C. The Applicant's request for the Variance appears to be driven primarily, if not solely, by economic considerations, which alone do not constitute "practical difficulties" under the standards for variances in the City's Zoning Ordinance. The Applicant's submittals and presentation at the Public Hearing emphasized that the proposed height of the building for which the Variance was requested was necessitated by the financial data for the Proposed PUD project and the need to see an acceptable economic return on the Property for the Applicant, given the costs of the Proposed PUD and the purchase prices paid for the Property.
- D. The Variance is contingent on approval of the Concept Plan. If the Concept Plan is not approved, the Variance is not necessary, and thus should not be granted.

Section 4. CITY COUNCIL ACTION

- 4.1 Based on the Findings in Section 3 of this Resolution, the request for approval of the Concept Plan and Variance as set forth in the Application and attached to this Resolution (Attachment A), is **DENIED**.

Adopted by the Wayzata City Council this _____ day of December, 2014.

Mayor Ken Willcox

ATTEST:

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on _____, 2014.

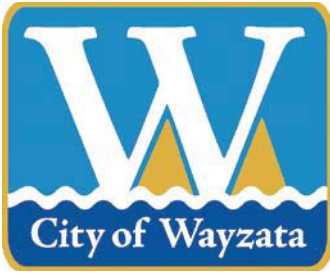
Becky Malone, Deputy City Clerk
SEAL

DRAFT

Attachment A

Project Application

DRAFT



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox
City Council:
Jack Amdal
Bridget Anderson
Andrew Mullin
Tom Tanner
City Manager:
Heidi Nelson

MEMORANDUM

TO: Mayor and City Council
FROM: Heidi A. Nelson, City Manager
Don Uram, Administrative Services Director
DATE: December 11, 2014
RE: Compensation and Classification Study

The City of Wayzata retained Springsted Incorporated to conduct a Classification and Compensation Study in the spring of 2014. The Study included a review of the internal relationships of City positions, a thorough market analysis of equivalent positions in comparable organizations and a review of the City's current compensation plan to ensure internal equity and market competitiveness. The results of this Study were presented to the Council in a workshop prior to the meeting.

In general, the study concluded that the City's current compensation levels for non-union positions were, on average, slightly below the market and that there were inequities amongst comparable positions within the City. The proposed compensation plan is designed to be competitive with the external market and internally consistent and equitable.

Staff is recommending approval of the plan as presented.



Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887

Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

December 16, 2014

TO: City of Wayzata City Council

FROM: Ann S. Antonsen, Vice President
Consultant

RE: Classification and Compensation Study

The City of Wayzata retained Springsted Incorporated to conduct a Classification and Compensation Study in the spring of 2014. The Study represents a review of the internal relationships of City positions, a thorough market analysis of equivalent positions in comparable organizations and a review of the City's current compensation plan to ensure internal equity and market competitiveness of City positions.

A compensation system provides the framework for determining how employees will be paid. As a general rule, most organizations conduct comprehensive classification and compensation studies approximately every five to seven years ensuring their ability to hire and retain qualified employees and that internal relationships are equitable. The external market comparison is important because it ensures that the compensation plan is adequate to attract new employees and retain existing employees. Conducting periodic reviews of internal and external comparability of an organizations compensation program will assist in maintaining a long-term compensation program and in recruiting and retaining qualified, experienced employees.

Market Survey. The comprehensive compensation and benefits survey included 22 non-union City positions. Twenty-three public entities, listed below, were invited to participate in the survey:

- City of Belle Plaine
- City of Corcoran
- City of Dayton
- City of Deephaven
- City of Excelsior
- City of Jordan
- City of Lake City
- City of Lake Elmo
- City of Medina
- City of Minnetrista
- City of Mound
- City of New Prague
- City of Orono
- City of Osseo
- City of Red Wing
- City of Rockford
- South Lake Minnetonka P.D.
- City of Shorewood
- City of St. Francis
- City of Stillwater
- City of Victoria
- City of Watertown
- West Hennepin P.D

In addition, four additional cities were contacted to gather information on the motor vehicle licensing positions, as follows:

- City of Bloomington
- City of Monticello
- City of Richfield
- City of Golden Valley

The survey participants were selected based on their similarity to the City of Wayzata, geographic location and comparability of positions to City of Wayzata positions.

Survey respondents were asked to provide information only on those City of Wayzata positions which they considered to be comparable to positions in their organizations. Therefore, survey respondents did not provide data for every position surveyed.

Survey Results. Of the 22 positions included in the survey, the information for 18 of the positions was included in the overall analysis. Four positions were not included in the analysis as the information collected was either incomplete or inconsistent. The City does not currently have salary ranges established for its non-union positions, therefore the current salaries for these positions were compared with the maximum salaries of the survey participants. On average, current salaries are 7.86% below the market. For comparison purposes, wages which are within 5% above or below the market average, dependent on the organizations pay philosophy regarding market relationship, are considered to be competitive.

Compensation Philosophy. A pay philosophy guides the design of a compensation system and answers key questions regarding pay strategy. It generally takes a comprehensive, long term focus and explains the compensation program's goals and how the program supports the employer's long-range strategic goals. Without a pay philosophy, compensation decisions tend to be viewed from a short-term tactical standpoint apart from the organization's overall goals.

Market competitiveness and internal equity are among the most important areas addressed in a pay philosophy. An organization's desired market position involves defining the market and identifying where the organization wants to be positioned within that market. Market position should balance what it takes to attract new employees and retain skilled employees (in other words, eliminate higher pay as the reason employees leave the organization) with the organization's financial resources. Internal equity expresses an organization's desire to provide comparable pay to positions with comparable duties and responsibilities.

A pay philosophy should be developed that establishes a compensation program based on individual employee performance as a key feature of the pay philosophy. Therefore, we emphasize references to performance in the pay philosophy discussion. As part of the study, it is recommended that the City consider these concepts in the adoption of a formal pay philosophy:

- Providing fair and equitable rates of pay to employees
- Defining the City's market area
- Developing a system that establishes a "market rate" for each position and states the minimum wage and maximum rates that the City will pay individuals within a position
- Establishing rates of pay that allow the City to compete successfully for new employees within its market area

- Establishing a market position that is fiscally responsible with public resources
- Ensuring that pay rates for existing employees are based on individual performance that meets or exceeds expectations and reflects changing economic conditions
- Developing a compensation system that allows employees to progress through the pay range as long as their performance consistently meets expectations
- Developing pay administration policies and procedures that ensure their consistent application between departments
- Ensuring that the compensation program is understandable to employees, supervisors, managers, the City Council and the public
- Ensuring that the compensation program complies with the State of Minnesota Local Government Pay Equity Act

Developing a Salary Schedule. The process of developing a salary schedule draws from the results of the salary survey along with the internal relationships of positions within the City. Two compensation structures were developed for the City, one for the City's general non-union positions and the other for the City's management positions. The proposed compensation plan for the general non-union positions was developed with 20 grades for the City's with a 6% spread between grades. Each grade is comprised of 7 steps with a 4.15% spread between steps. The proposed compensation plan for the City's Management positions is comprised of 9 grades from 15 to 23, also with a 6% spread between grades but designed as an open range system with a minimum, midpoint and maximum wage with no specific steps. There is a 25% spread between the minimum and maximum of the ranges. Positions were then placed within the compensation plan based on an evaluation of each position utilizing the SAFE job evaluation system based on the current job responsibilities and job requirements as outlined in the city's current job descriptions. The factors considered in determining the relative value of classifications are:

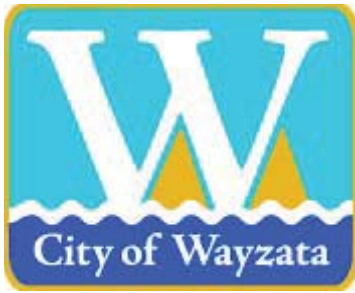
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|---------------------------|------------------------------|
| • Training and Ability | • Experience Required |
| • Level of Work | • Human Relations Skills |
| • Physical Demands | • Working Conditions/Hazards |
| • Independence of Actions | • Impact on End Results |
| • Supervision Exercised | |

To implement the proposed wage schedule employees whose current wage falls below the proposed minimum of the range to which the position is assigned would be placed at the minimum of the range, general non-union employees whose current wage falls within the proposed range for their position would be placed on the step closest to the employees current wage. Management employees would receive increases based on individual employee performance. For illustrative purposes, a 2% increase has been included. The majority of City employees have a current wage which falls within the range assigned to their position, two employees have a current wage which falls below the proposed minimum wage for their position and one employee has a current wage which falls above the proposed maximum for their position.

Summary. The City's current compensation levels for non-union positions were, on average, slightly below the market. The City does not have an adopted pay plan for its non-union positions. A review of the internal relationships of positions within the City indicated that there were inequities amongst comparable positions. The proposed compensation plan is designed to be competitive with the external market and internally consistent and equitable.

[illegible]

[illegible]



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox
City Council:
Jack Amdal
Bridget Anderson
Andrew Mullin
Tom Tanner
City Manager:
Heidi Nelson

To: City Council
From: Engineering Department
Date: 12/11/2014
Re: Peavey Bridge Replacement - rebid

Please find below a summary of the bids received by Hennepin County on Tuesday, November 18, 2014 for the Peavey Bridge Replacement project.

Lunda Construction Company	\$ 1,183,111.00
Edward Kraemer & Sons, Inc.	\$ 1,224,284.20
S.M. Hentges & Sons, Inc.	\$ 1,238,083.80
Global Specialty Contractors	\$ 1,925,621.50
Engineer's Estimate	\$ 1,012,284.00

The State has confirmed the following funding breakdown.

\$1,025,435.50	Bridge Bonding
<u>\$157,675.50</u>	Local
\$1,183,111.00	Total

The project involves the reconstruction of the bridge over the Peavey Channel, on Ferndale Road West. The project is proposed to start the first week of July 2015 with a completion date of October 24, 2015.

The General Fund CIP currently has \$269,200 budgeted for this project. The total project cost for the city will include the local cost listed above and construction inspection/administration (\$65,000).

The Engineering Department recommends approval of the low bid of \$1,183,111.00, from Lunda Construction Company.

CITY OF WAYZATA

RESOLUTION NO. 34-2012

**A RESOLUTION ESTABLISHING AN ADVISORY PARK AND TRAIL BOARD FOR
THE CITY OF WAYZATA**

WHEREAS, the City of Wayzata's park and trail amenities are significant assets to the quality of life of the community; and

WHEREAS, in the Spring of 2011, the City Council formed a ten (10) member Park and Trails Taskforce of citizens and policymakers to survey and evaluate the City's existing park and trail resources, and provide recommendations on future action for the City's park and trail assets; and

WHEREAS, the Park and Trails Taskforce met from April 2011 to April 2012, and presented their final report to the City Council on April 17, 2012 (the "Park and Trails Report"); and

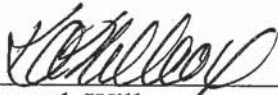
WHEREAS, one of the recommendations of the Park and Trails Report was to establish an advisory board to champion parks and trails in the City and advise the City Council on issues related to park improvements, trail expansion, and maintenance needs, as well as how to allocate Capital Improvement Plan (CIP) funds; and

WHEREAS, the Wayzata City Council adopted the Park and Trails Report and expressed interest in establishing such a Park and Trails Board; and

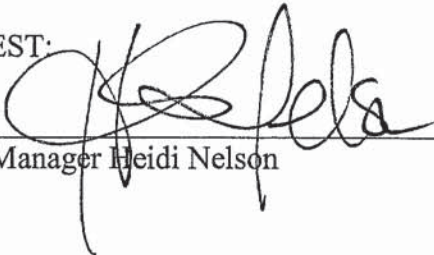
NOW, THEREFORE, BE IT RESOLVED, that the Wayzata City Council formally establishes a five (5) member Park and Trails Board to advise the City Council on park and trails related matters.

BE IT FINALLY RESOLVED, that the Wayzata City Council shall at a later date formally appoint five (5) citizen members to staggered terms and a staff liaison to serve on the Park and Trails Board, after taking applications and interviewing potential candidates.

Adopted by the Wayzata City Council this 17th day of July, 2012.



Mayor Kenneth Willcox

ATTEST: 

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption: Bader

Seconded by: Mullin

Voted in favor of: Amdal, Bader, Mullin, Tanner, Willcox

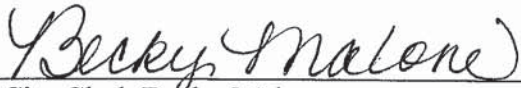
Voted against: None

Abstained: None

Absent: None

Resolution: Adopted

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on July 17, 2012.

A handwritten signature in cursive script, reading "Becky Malone", written over a horizontal line.

Deputy City Clerk Becky Malone

SEAL

RESOLUTION NO. 42-2013

A RESOLUTION AMENDING RESOLUTION NO. 34-2012 TO INCREASE THE MEMBERSHIP AND ALLOW WAYZATA RESIDENTS, WAYZATA BASED BUSINESS OWNERS AND NON-RESIDENTS TO SERVE ON THE ADVISORY PARKS AND TRAILS BOARD FOR THE CITY OF WAYZATA

WHEREAS, On July 17, 2012, the Wayzata City Council approved Resolution No. 34-2012 establishing an advisory Parks and Trails Board consisting of five (5) citizens; and

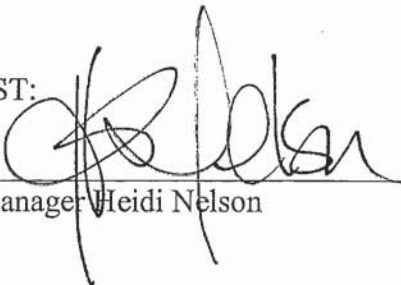
WHEREAS, it is the desire of the Wayzata City Council to amend Resolution No. 34-2012 to allow additional membership on the Parks and Trails Board, and to allow Wayzata residents, Wayzata based business owners and non-residents to serve as members.

NOW, THEREFORE BE IT RESOLVED, that the Wayzata City Council wishes to formally increase the membership on the Parks and Trails Board from a five (5) citizen member board to a board consisting of a range of between five (5) and seven (7) citizen members, of which one (1) of these members may be a non-resident or Wayzata based business owner.

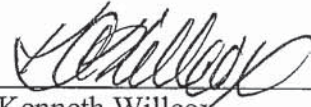
BE IT FINALLY RESOLVED, that the members of the Parks and Trails Board shall be appointed to staggered three-year terms.

Adopted by the Wayzata City Council this 17th day of December, 2013.

ATTEST:



City Manager Heidi Nelson



Mayor Kenneth Willcox

ACTION ON THIS RESOLUTION:

Motion for adoption: Anderson

Seconded by: Mullin

Voted in favor of: Amdal, Anderson, Mullin

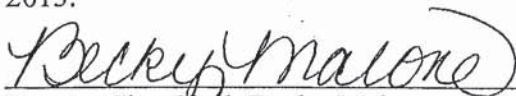
Voted against: Tanner, Willcox

Abstained: None

Absent: None

Resolution: Adopted

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on December 17, 2013.



Deputy City Clerk Becky Malone

SEAL

RESOLUTION NO. 41-2014

A RESOLUTION AMENDING RESOLUTION NO. 34-2012 AND RESOLUTION NO. 42-2013 TO ALLOW THE WAYZATA CITY COUNCIL TO APPOINT AN ADDITIONAL MEMBER TO SERVE ON THE PARKS AND TRAILS BOARD AS THE EXECUTIVE BOARD CHAIR FOR THE CITY OF WAYZATA

WHEREAS, On July 17, 2012, the Wayzata City Council approved Resolution No. 34-2012 establishing an advisory Parks and Trails Board consisting of five (5) citizens and a staff liaison; and

WHEREAS, on December 17, 2013, the Wayzata City Council approved Resolution No. 42-2013 to allow additional membership on the Parks and Trails Board consisting of a range of between five (5) and seven (7) citizen members, and to allow one (1) of these members to be a non-resident or Wayzata based business owner; and

WHEREAS, it is the desire of the Wayzata City Council to appoint an additional Board member to serve as the Executive Board Chair of the Parks and Trails Board.

NOW, THEREFORE BE IT RESOLVED, that the Wayzata City Council wishes to formally appoint, as needed from time to time, an additional Board member to serve on the Parks and Trails Board as the Executive Board Chair for a period of one year as needed for continuity of the Board.

Adopted by the Wayzata City Council this 16th day of December, 2014.

Mayor Kenneth Willcox

ATTEST:

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution:

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on December 16, 2014.

Deputy City Clerk Becky Malone

SEAL

CITY OF WAYZATA

RESOLUTION NO. 37-2014

A RESOLUTION APPROVING PARKS AND TRAILS BOARD APPOINTMENTS

BE IT RESOLVED by the City Council of Wayzata, Minnesota as follows:

Section 1. BACKGROUND

- 1.1 Vacancy. At the end of 2014, the terms of two (2) members of the Parks and Trails Board will expire. In addition, a two-year term and a full three-year term is available for terms not filled. This creates a total of four (4) vacancies on the Parks and Trails Board, of which one (1) of these members may be a non-resident or Wayzata based business owner. In addition, the Wayzata City Council may appoint an additional Board member to serve as the Executive Board Chair for a one-year term.
- 1.2 Applicants. In September and October of 2014, the City Council requested applications from those who wished to be considered by the Council to fill the vacancies on the Parks and Trails Board. A total of five (5) applications were received.

Section 2. STANDARDS

- 2.1 City Council Appointment. Section 18 of the Revised Charter of the City of Wayzata empowers the City Council to create and appoint a Parks and Trails Board.

Section 3. CITY COUNCIL ACTION

- 3.1 The City Council of Wayzata hereby finds the following person eligible to serve as a member of the Parks and Trails Board and appoints him/her a member of the Board as follows:
 1. _____ shall serve a full three-year term to expire on December 31, 2017.
 2. _____ shall serve a full three-year term to expire on December 31, 2017.
 3. _____ shall serve a full three-year term to expire on December 31, 2017.
 4. _____ shall serve the remainder of a term to expire on December 31, 2016.
 5. Dan Baasen shall serve as the Executive Board Chair for a full one-year term to expire on December 31, 2015.

Adopted by the Wayzata City Council this 16th day of December, 2014.

Mayor Ken Willcox

ATTEST:

City Manager Heidi Nelson

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution:

I hereby certify that the foregoing is a true and correct copy of Resolution No. 37-2014 adopted by the City Council of the City of Wayzata, Minnesota, at a duly authorized meeting held on December 16, 2014.

Deputy City Clerk Becky Malone

SEAL

To: Wayzata City Council
Mayor Ken Willcox, Jack Amdal, Bridget Anderson, Tom Tanner, Andrew Mullin

From: Heritage Preservation Board

Date: December 9, 2014

Re: Additional details - 2015 Budget Request

In response to your request for additional details regarding our 2015 budget request, we have included the following additional information.

We requested an additional \$2,000 to be used for the following:

- **\$1,000 for Completion of log cabin restoration and surrounding landscape**
We have a number of outstanding restoration items left on the cabin. Completion of all would exceed requested amount, but the funds requested would cover some or allow for preliminary work on the following items:
 - o *Approx. \$2,000: Removal and repair of chinking*
 - o *Approx. \$500: Replacement of one window*
 - One of the two windows is currently plexiglass; glass should replace this
 - o *Approx. \$500: Pathway leading up to door*
 - Approximately 12 feet; woodchips or flagstone pavers as possible materials to be used
- **\$600 for the Digitization of documentation and records, specifically:**
 - o *\$500 paid internship to scan/digitally store documents*
 - Small stipend to be paid as part of an internship offering to a high school or college student interested in preservation and historical documentation
 - Estimated 50 hours of scanning x \$10/hour = \$500
 - o *\$100 digital storage materials*
- **\$250 for Education and training; specifically:**
 - o \$250 for two board members to attend the Annual State Preservation Conference, September 2015
 - o Amount includes estimated cost of conference fee + mileage, parking
- **\$150 for Memberships and Subscriptions to local, state and national preservation organizations and publications; specifically:**
 - o \$50 membership to the MN Historical Society includes publications of historical and heritage preservation-related happenings around the state
 - o \$100 membership to St. Paul-based Preservation Alliance
-

In summary, the HPB is requesting a total of \$4,500 for the 2015 budget year:

\$1,000 general expenses	(previously allocated and approved)
\$1,500 plaques	(previously allocated and approved)
\$2,000 additional funds	(to be used as outlined above)

\$4,500 TOTAL

Respectfully submitted,

Kim Anderson
Vice Chair, HPB
On behalf of the Wayzata Heritage Preservation Board