



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

CITY COUNCIL MEETING AGENDA
Monday, December 16, 2024
5:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular meeting of the Grand Rapids City Council will be held on Monday, December 16, 2024 at 5:00 PM in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

PROCLAMATIONS/PRESENTATIONS:

1. Presentation of Mayor's Art Award - Itasca Life Options

POSITIVE HAPPENINGS IN THE CITY:

PUBLIC FORUM:

COUNCIL REPORTS:

APPROVAL OF MINUTES:

2. Approve Council minutes for Monday, December 2, 2024 Worksession, Regular and Special meetings.

VERIFIED CLAIMS:

3. Approve the verified claims for the period November 26, 2024 to December 9, 2024 in the amount of \$1,315,733.76.

ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

4. Acknowledge minutes for Boards & Commissions:
 - ~ September 19, 2024 PCA Board
 - ~ October 1, 2024 Arts & Culture Commission
 - ~ October 9, 2024 PUC
 - ~ November 19, 2024 Golf Board

CONSENT AGENDA:

5. Consider approving the Workers Compensation coverage through the League of Minnesota Cities Insurance Trust
6. Consider Change in Position for Seasonal Civic Center Employees.

- [7.](#) Consider revised Earned Sick and Safe Time Policy.
- [8.](#) Consider amending the Tuition Reimbursement Program.
- [9.](#) Consider approving a supplemental letter agreement with SEH for 2025 miscellaneous services.
- [10.](#) Consider approving a Supplemental Letter Agreement with SEH related to CP 2025-1
- [11.](#) Consider an agreement with Enterprise to sell GRPU vehicles
- [12.](#) Consider an MOU with GRPU related to shared services
- [13.](#) Adopt a resolution approving LG 214 Premises Permit for Grand Rapids Amateur Hockey Association.
- [14.](#) Consider approving a Memorandum of Understanding with Independent School District 318 and the Reif Arts Council for the operation and maintenance of the electronic billboard sign.
- [15.](#) Consider approving resolutions adopting the 2024 Tax Levy Payable 2025, 2025 General Fund Budgets, 2025 Special Revenue Budgets and 2025 Enterprise Budgets.
- [16.](#) Consider adopting a resolution accepting a \$130,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program for the redevelopment of the commercial building at 12 NW 3rd St.
- [17.](#) Consider adopting a resolution accepting a \$180,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program for the redevelopment of the commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.
- [18.](#) Consider adopting a resolution accepting a \$40,000 grant from Iron Range Resources and Rehabilitation (IRRR) Commercial Redevelopment grant program for hazardous material abatement and interior demolition associated with the redevelopment of the commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.
- [19.](#) Consider adopting a resolution authorizing the Itasca County Auditor to assess the delinquent Storm Water Utility charges to the property tax statement of delinquent tax owners.
- [20.](#) Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check.
- [21.](#) Consider a motion agreeing to the sale of property by warranty deeds to Minnesota Department of Transportation for infrastructure improvements along State highways in the city of Grand Rapids.
- [22.](#) Consider accepting proposals for annual fire alarm and sprinkler system testing for the Grand Rapids Fire Hall.

SET REGULAR AGENDA:

ADMINISTRATION:

- [23.](#) Appointment of Will Richter to the position of Safety Officer for the Grand Rapids Fire Department effective January 1, 2025.
- [24.](#) Consider appointing Cody Kraskey to the position Public Works Maintenance I Worker and consider establishing an eligibility list for Public Works Maintenance I Worker.
- [25.](#) Consider an agreement with Momentum Advocacy for lobbying services

CITY COUNCIL:

- [26.](#) Consider appointments to various Boards & Commissions.

1st PUBLIC HEARING: (scheduled to begin no earlier than 5:00 PM)

- [27.](#) Conduct a public hearing to consider vacating a part of Simpson Avenue (Second Avenue NE)
- [28.](#) Consider the adoption of a resolution either approving or denying the public vacation of right of way for a part of Simpson Avenue (Second Avenue NE)

2nd PUBLIC HEARING: (scheduled to begin no earlier than 5:00 PM)

- [29.](#) Conduct a public hearing to consider vacating a part of platted right-of-way (Block 18)
- [30.](#) Consider the adoption of a resolution either approving or denying part of the public vacation of right of way (Block 18)

3rd PUBLIC HEARING: (scheduled to begin no earlier than 5:00 PM)

- [31.](#) Conduct a public hearing to consider vacating a part of platted right-of-way (Block 19)
- [32.](#) Consider the adoption of a resolution either approving or denying part of the public vacation of right of way (Block 19)

ADJOURNMENT:

NEXT REGULAR MEETING IS SCHEDULED FOR JANUARY 13, 2025 AT 5:00 PM

Hearing Assistance Available: This facility is equipped with a hearing assistance system.

MEETING PROTOCOL POLICY: Please be aware that the Council has adopted a Meeting Protocol Policy which informs attendees of the Council's desire to conduct all City meetings in an orderly manner which welcomes all civil input from citizens and interested parties. If you are unaware of the policy, copies (orange color) are available in the wall file by the Council entrance.

ATTEST: Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL WORKSESSION MINUTES
Monday, December 02, 2024
4:30 PM

Mayor Connelly called the meeting to order at 4:34 PM.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Tom Sutherland, Councilor Rick Blake

ABSENT: Councilor Molly MacGregor

STAFF: Tom Pagel, Chad Sterle, Rob Mattei, Erik Scott, Matt Wegwerth, Andy Morgan

BUSINESS:

1. "A Peace of My Mind" Presentation - Jim Cagle, ISD 318

Jim Cagle, ISD 318, presents GRIP and Rapids Rising Programs dealing with preventative programming regarding substance abuse. John Noltner, photographer, created an exhibit highlighting individuals identifying what peace means to them coupled with photography. Life stories joined with photography. Program set to begin in Grand Rapids January 26, 2025. This is a collaboration with community members and various groups to develop a project.

REVIEW OF REGULAR AGENDA:

Upon review, no changes or additions are noted.

There being no further business, the meeting adjourned at 4:58 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

CITY COUNCIL MEETING MINUTES
Monday, December 02, 2024
5:00 PM

Mayor Connelly called the meeting to order at 5:00 PM.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Tom Sutherland, Councilor Rick Blake

ABSENT: Councilor Molly MacGregor

STAFF: Tom Pagel, Chad Sterle, Chery Pierzina, Rob Mattei, Matt Wegwerth, Laura Pfeifer, Andy Morgan, Will Richter

POSITIVE HAPPENINGS IN THE CITY:

Mayor Connelly noted that Santa & Mrs. Clause will be riding through town on a Fire Truck on Saturday, December 7th beginning at 1:00 PM. The route is posted on the City's Facebook page. Also noted is the upcoming Shop with a Hero program on December 15th, hosted by the Police Department with participation by other area emergency service organizations.

PUBLIC FORUM:

No one from the public wished to speak.

COUNCIL REPORTS:

Councilor Adams shares information regarding the RAMS Board and the upcoming annual dinner.

APPROVAL OF MINUTES:

1. Approve Council minutes for Monday, November 25, 2024 Worksession and Regular Meetings.

Motion made by Councilor Sutherland, Second by Councilor Adams to approve Council minutes for Monday, November 25, 2024 Worksession and Regular meetings as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

VERIFIED CLAIMS:

2. Approve the verified claims for the period November 19, 2024 to November 25, 2024 in the amount of \$359,568.67.

Motion made by Councilor Adams, Second by Councilor Sutherland to approve the verified claims in the amount of \$359,568.67 as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

3. Acknowledge minutes for Boards & Commissions as follows:

- ~ June 12, 2024 Planning Commission
- ~ August 28, 2024 Human Rights Commission
- ~ September 19, 2024 PCA Board
- ~ September 25, 2024 PUC Meeting
- ~ October 1, 2024 Arts & Culture Commission
- ~ October 9, 2024 Library Board
- ~ October 15, 2024 Golf Board
- ~ October 24, 2024 Grand Rapids EDA

CONSENT AGENDA:

4. Consider adopting a resolution to authorize an operating transfer from the Debt Service Fund-2017B GO Refunding Bonds to the Capital Project Fund- Permanent Improvement Revolving Fund (PIR).

Adopted Resolution 24-104

5. Consider adopting a Resolution Establishing 2025 Compensation for City of Grand Rapids Exempt & Non-Exempt Non-Represented Employees.

Adopted Resolution 24-105

6. Consider the adoption of a resolution approving the conveyance of certain property to the Grand Rapids Economic Development Authority (GREDA)

Adopted Resolution 24-106

7. Consider approving Collection of Lodging Tax Administration Agreement with the Minnesota Department of Revenue.

8. Consider renewal of concessionaire contract renewal with recommended changes.

9. Consider approval of seasonal contractor.

10. Consider adopting a resolution decertifying Tax Increment Financing District No. 1-12: the Pillars of Grand Rapids.

Adopted Resolution 24-107

11. Consider approving final payments in the total amount of \$263,826.50 for Work Scopes 3, 6, 7, and 8 on the Yanmar Arena Project

12. Consider approving School Resource Officer Policy 470 for the Grand Rapids Police Department to comply with MN POST Boards mandates and State Law changes
13. Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check.

Motion made by Councilor Blake, Second by Councilor Sutherland to approve the Consent agenda as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

SET REGULAR AGENDA:

Motion made by Councilor Blake, Second by Councilor Adams to approve the Regular agenda as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

ADMINISTRATION:

14. Consider appointment of Angela Hill to the Grand Rapids Police Department Administrative Assistant position.

Ms. Pierzina notes that the current union contract with Clerical employees includes allowance for years of service credit. Requesting that motion to hire include years of service, allowing Ms. Hill to begin as a Class III, step three.

Motion made by Councilor Blake, Second by Councilor Adams to approve appointment of Angela Hill to the position of Police Department Administrative Assistant, with years of service credit allowing for beginning at step three of Class III. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

15. Consider advertising and interviewing for police officer

Motion made by Councilor Sutherland, Second by Councilor Blake to authorize staff to advertise and conduct interviews for police officer position. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

ENGINEERING PUBLIC WORKS:

16. Consider adopting a resolution approving the updated City-Wide fee schedule for city services

Staff noted the addition of local Franchise fees and registration fees related to Cannabis retail businesses as per City Ordinances.

Motion made by Councilor Blake, Second by Councilor Adams to **adopt Resolution 24-108**, approving amended City Wide Fee Schedule. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

POLICE:

17. Consider adopting a resolution accepting ten (11) separate donations totaling \$3,250 to support Grand Rapids Police Shop with a Hero Program.

Chief Morgan reviewed donations by various families and organizations in support of the annual Shop with a Hero program, providing local children with the opportunity to shop for Christmas gifts for family.

Motion made by Councilor Sutherland, Second by Councilor Blake to **adopt Resolution 24-109**, accepting donations for the Shop with a Hero program. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

PUBLIC HEARINGS: (scheduled to begin no earlier than 5:00 PM)

18. Conduct a public hearing to consider the establishment of TIF District 1-17 and approval of a tax abatement; Grand Rapids Workforce Housing Project.

Mayor Connelly noted the purpose of the public hearing, and confirmed appropriate notice had been made and inquired about correspondence received, if any.

Mr. Mattei provided project background, TIF & Abatement Business Assistance, requirements for approval, etc.

Motion made by Councilor Adams, Second by Councilor Sutherland to open the public hearing. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

No one wished to speak, therefore the following motion was made.

Motion made by Councilor Sutherland, Second by Councilor Blake to close the public hearing. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

COMMUNITY DEVELOPMENT:

19. Consider adopting a resolution approving a modification to the development program for the Municipal Development District 1 and the establishment of Tax Increment Financing District No. 1-17: Grand Rapids Workforce Housing Project, and a Tax Increment Plan therefore.

Eric Martin, Oppiden, stated that groundbreaking is planned for late May/early June 2025 with opening of early 2027.

Motion made by Councilor Adams, Second by Councilor Blake to **adopt Resolution 24-110**, approving modification of development program for Municipal Development District 1, establishment of TIF Dist. 1-17 and a Tax Increment Plan. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

20. Consider the adoption of a resolution granting a property tax abatement for certain property in the City; Grand Rapids Workforce Housing Project

Motion made by Councilor Sutherland, Second by Councilor Blake to **adopt Resolution 24-111**, granting property tax abatement for property identified in Workforce Housing Project as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

Mayor Connelly recessed the meeting at 5:53 PM.

TRUTH IN TAXATION PUBLIC HEARINGS 6:01 PM

Mayor Connelly called the meeting back to order at 6:02 PM.

21. Conduct a Public Hearing on 2024 Levy Payable in 2025 and 2025 budget at 6:00 p.m. as stated in the Truth in Taxation Statements.

City Administrator Pagel provided overview of proposed property tax levy. Specifics noted were increases, changes in tax capacity and impact of updated homestead credit.

Motion made by Councilor Blake, Second by Councilor Sutherland to open the public hearing. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

No one from the public wished to speak, therefore the following motion was made.

Motion made by Councilor Adams, Second by Councilor Sutherland to close the public hearing. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

ADJOURNMENT:

There being no further business, the meeting adjourned at 6:17 PM.

Respectfully submitted,

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL SPECIAL MEETING MINUTES
Monday, December 02, 2024
6:45 PM

Mayor Connelly called the special meeting to order at 6:50 PM.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Tom Sutherland, Councilor Rick Blake

ABSENT: Councilor Molly MacGregor

STAFF: Tom Pagel, Kimberly Gibeau

BUSINESS:

1. Conduct Lobbyist interview with Erik Simonson-Flaherty & Hood

6:58 PM ~ Conducted interview with Erik Simonson, Flaherty & Hood via TEAMS.

2. Conduct Lobbyist interview with Momentum Advocacy

7:30 PM ~ Conducted interview with Amy Koch, Brian McDaniel, Will Waggoner, Alysa Nesse with Momentum Advocacy via TEAMS.

Following discussion, Council directs Administrator Pagel to forward proposed contract with Momentum Advocacy to City Council meeting on December 16, 2024 for consideration.

There being no further business, the meeting adjourned at 8:15 PM.

Respectfully submitted,

Kimberly Gibeau
Kimberly Gibeau, City Clerk

DATE: 12/13/2024
 TIME: 11:36:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
0718060	GRAND RAPIDS HERALD REVIEW	144.80
	TOTAL	144.80
CITY WIDE		
1309146	MACROSTIE ART CENTER	4,500.00
1915248	SHI INTERNATIONAL CORP	31.22
	TOTAL CITY WIDE	4,531.22
SPECIAL PROJECTS-NON BUDGETED		
0718060	GRAND RAPIDS HERALD REVIEW	184.50
	TOTAL SPECIAL PROJECTS-NON BUDGETED	184.50
ADMINISTRATION		
0421725	DUTCH ROOM INC	295.61
	TOTAL ADMINISTRATION	295.61
BUILDING SAFETY DIVISION		
0118100	VESTIS GROUP INC	73.29
0315455	COLE HARDWARE INC	19.98
0920060	ITASCA COUNTY TREASURER	2,068.64
	TOTAL BUILDING SAFETY DIVISION	2,161.91
COMMUNITY DEVELOPMENT		
0718060	GRAND RAPIDS HERALD REVIEW	304.75
0920060	ITASCA COUNTY TREASURER	170.01
	TOTAL COMMUNITY DEVELOPMENT	474.76
COUNCIL/COMMISSION/BOARDS		
0315105	COALITION OF GREATER MN CITIES	175.00
1205090	LEAGUE OF MINNESOTA CITIES	350.00
2119325	US HIGHWAY 169 RANGE	5,000.00
	TOTAL COUNCIL/COMMISSION/BOARDS	5,525.00

DATE: 12/13/2024
 TIME: 11:36:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
FINANCE		
0718060	GRAND RAPIDS HERALD REVIEW	1,256.00
	TOTAL FINANCE	1,256.00
FIRE		
0103728	ACTIVE911 INC	535.50
0118100	VESTIS GROUP INC	58.81
0121721	AUTO VALUE - GRAND RAPIDS	8.99
0401804	DAVIS OIL INC	175.86
0920060	ITASCA COUNTY TREASURER	92.34
1415484	NORTHERN LIGHTS TRUCK	3,796.19
	TOTAL FIRE	4,667.69
INFORMATION TECHNOLOGY		
1114550	KNOWBE4 INC	3,397.77
2018225	TREASURE BAY PRINTING	83.00
	TOTAL INFORMATION TECHNOLOGY	3,480.77
PUBLIC WORKS		
0221650	BURGGRAF'S ACE HARDWARE	93.96
0301685	CARQUEST AUTO PARTS	827.04
0315455	COLE HARDWARE INC	153.96
0401804	DAVIS OIL INC	1,015.31
0409730	IIA LIFTING SERVICES INC	572.73
0601690	FASTENAL COMPANY	2,796.42
0718010	CITY OF GRAND RAPIDS	300.00
0718060	GRAND RAPIDS HERALD REVIEW	1,033.00
0801820	HAWK CONSTRUCTION INC	14,900.00
0801836	HAWKINSON SAND & GRAVEL	661.50
0920060	ITASCA COUNTY TREASURER	355.89
1315690	MORTON SALT	7,570.87
1415030	NAPA SUPPLY OF GRAND RAPIDS	55.77
1421700	NUSS TRUCK GROUP INC	309.50
1618555	PROFESSIONAL TURF & RENOVATION	16,000.00
1911545	SKOGLUND ELECTRIC LLC	105.00
2018560	TROUT ENTERPRISES INC	150.00
2209421	VIKING ELECTRIC SUPPLY INC	217.27
2305453	WESCO RECEIVABLES CORP	18,200.00
2501525	YANMAR COMPACT EQUIPMENT NORTH	3,794.74
	TOTAL PUBLIC WORKS	69,112.96

DATE: 12/13/2024
 TIME: 11:36:08
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
FLEET MAINTENANCE		
0301685	CARQUEST AUTO PARTS	305.30
0409730	IIA LIFTING SERVICES INC	1,310.71
0513233	EMERGENCY AUTOMOTIVE TECH INC	293.48
1200500	L&M SUPPLY	104.49
	TOTAL FLEET MAINTENANCE	2,013.98
POLICE		
0118625	ARROW EMBROIDERY/PHOTO EXPRESS	175.38
0205725	BETZ EXTINGUISHER COMPANY	180.00
0301685	CARQUEST AUTO PARTS	5.72
0409501	JOHN P. DIMICH	4,583.33
0718060	GRAND RAPIDS HERALD REVIEW	306.00
0920060	ITASCA COUNTY TREASURER	2,332.54
1605665	PERSONNEL DYNAMICS LLC	177.45
1920233	STREICHER'S INC	541.89
	TOTAL POLICE	8,302.31
RECREATION		
1901535	SANDSTROM'S INC	1,117.83
	TOTAL RECREATION	1,117.83
CENTRAL SCHOOL		
0118100	VESTIS GROUP INC	67.93
0218745	ASHLEY BRUBAKER	186.95
1401650	NARDINI FIRE EQUIPMENT CO INC	330.00
	TOTAL	584.88
AIRPORT		
0221650	BURGGRAF'S ACE HARDWARE	47.98
0920060	ITASCA COUNTY TREASURER	114.20
1301213	MARTIN'S SNOWPLOW & EQUIP	416.89
1309052	MIDWEST MACHINERY CO	93,108.00
1608345	PHILS GARAGE DOOR	707.00
	TOTAL	94,394.07

DATE: 12/13/2024
 TIME: 11:36:08
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

CIVIC CENTER		
GENERAL ADMINISTRATION		
0221650	BURGGRAF'S ACE HARDWARE	127.09
0315455	COLE HARDWARE INC	18.77
0601690	FASTENAL COMPANY	215.78
1200500	L&M SUPPLY	171.77
2112400	ULINE LLC	99.60
	TOTAL GENERAL ADMINISTRATION	633.01
STATE HAZ-MAT RESPONSE TEAM		
0312110	CLAREY'S SAFETY EQUIPMENT INC	630.46
0715808	GOVCONNECTION INC	32.70
	TOTAL	663.16
CEMETERY		
0221650	BURGGRAF'S ACE HARDWARE	8.99
	TOTAL	8.99
DOMESTIC ANIMAL CONTROL FAC		
0118100	VESTIS GROUP INC	30.00
0315455	COLE HARDWARE INC	41.96
0701650	GARTNER REFRIGERATION CO	404.15
0815730	HOTSY MINNESOTA	238.95
0920060	ITASCA COUNTY TREASURER	130.27
	TOTAL	845.33
TIF 1-12 PILLARS/KTJ338, LLC		
0920060	ITASCA COUNTY TREASURER	135,000.51
	TOTAL	135,000.51
GENERAL CAPITAL IMPRV PROJECTS		
1516610	OPPIDAN INVESTMENT COMPANY	27,200.00
	TOTAL	27,200.00

DATE: 12/13/2024
 TIME: 11:36:08
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL CAPITAL IMPRV PROJECTS		
MAY MOBILITY		
1612745	PLUM CATALYST LLC	110,000.00
TOTAL MAY MOBILITY		110,000.00
ERP-JOINT/EQUIP CERTFICATE		
1518125	ORACLE AMERICA INC	2,441.58
TOTAL ERP-JOINT/EQUIP CERTFICATE		2,441.58
CAPITAL EQPT REPLACEMENT FUND		
CAPITAL OUTLAY-POLICE		
0312110	CLAREY'S SAFETY EQUIPMENT INC	28,587.00
TOTAL CAPITAL OUTLAY-POLICE		28,587.00
AIRPORT CAPITAL IMPRV PROJECTS		
TAXIWAY A RECONSTRUCTION		
1900225	SEH	28,260.00
TOTAL TAXIWAY A RECONSTRUCTION		28,260.00
2021 INFRASTRUCTURE BONDS		
1321527	MUNICIPAL EMERGENCY SERVICES	33,614.47
TOTAL		33,614.47
YANMAR ARENA CAPITAL IMP PJT		
IRA CIVIC CENTER RENOVATION		
0801670	HART ELECTRIC OF NORTHERN MN	32,229.72
1801610	RAPIDS PLUMBING & HEATING INC	53,629.83
192501	SUMMIT FIRE PROTECTION	15,205.00
2000522	TNT CONSTRUCTION GROUP, LLC	172,698.95
TOTAL IRA CIVIC CENTER RENOVATION		273,763.50
2024 INFRASTRUCTURE BONDS		
CP2010-1 3RD AVE NE RECON		
0218115	BRAUN INTERTEC CORPORATION	312.50
TOTAL CP2010-1 3RD AVE NE RECON		312.50

DATE: 12/13/2024
 TIME: 11:36:08
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

PIR-PERMANENT IMPRV	REVOLV FND	
	HWY 169 S STREET LIGHTING	
0215460	BOLTON & MENK, INC	408.00
	TOTAL HWY 169 S STREET LIGHTING	408.00
STORM WATER UTILITY		
0113219	AMERICAN ENGINEERING TESTING	3,300.00
0301685	CARQUEST AUTO PARTS	321.86
0920060	ITASCA COUNTY TREASURER	128.50
1309495	MINUTEMAN PRESS	605.68
1621125	PUBLIC UTILITIES COMMISSION	2,200.00
2018560	TROUT ENTERPRISES INC	75.00
	TOTAL	6,631.04
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$846,617.38
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0100053	AT&T MOBILITY	4,176.47
0205640	LEAGUE OF MN CITIES INS TRUST	258.89
0212126	RICK BLAKE	493.30
0218745	ASHLEY BRUBAKER	285.91
0309600	CIRCLE K/HOLIDAY	83.32
0605191	FIDELITY SECURITY LIFE	87.36
0718015	GRAND RAPIDS CITY PAYROLL	284,909.01
0718070	GRAND RAPIDS STATE BANK	65.00
0815440	HOLIDAY STATIONSTORES LLC	170.50
0815500	HOME DEPOT CREDIT SERVICES	139.92
0920055	ITASCA COUNTY RECORDER	46.00
1015700	JOSHUA TREE ENT LLC	1,360.00
1205090	LEAGUE OF MINNESOTA CITIES	350.00
1215250	LOFFLER COMPANIES INC	189.61
1301145	MARCO TECHNOLOGIES, LLC	79.86
1305046	MEDIACOM LLC	176.90
1305725	METROPOLITAN LIFE INSURANCE CO	2,175.22
1309199	MINNESOTA ENERGY RESOURCES	367.22
1309332	MN STATE RETIREMENT SYSTEM	1,863.00
1309343	MINNESOTA SECRETARY OF STATE	120.00
1321750	MUTUAL OF OMAHA	474.58
1405435	JEREMY NELSON	466.95
1415479	NORTHERN DRUG SCREENING INC	60.00
1516220	OPERATING ENGINEERS LOCAL #49	124,494.00
1518550	MATTHEW O'ROURKE	192.70
1601305	THOMAS J. PAGEL	1,682.00
1601750	PAUL BUNYAN COMMUNICATIONS	1,661.17

DATE: 12/13/2024
 TIME: 11:36:08
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 7

INVOICES DUE ON/BEFORE 12/16/2024

VENDOR #	NAME	AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL	APPROVAL	
PRIOR APPROVAL		
1621125	PUBLIC UTILITIES COMMISSION	1,318.32
1721095	QUADIENT INC	50.00
2100265	U.S. BANK	1,550.00
2114360	UNITED PARCEL SERVICE	14.39
2209705	VISIT GRAND RAPIDS INC	36,308.91
2305300	MATTHEW WEGWERTH	938.00
2305825	WEX INC	2,507.87
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$469,116.38
TOTAL ALL DEPARTMENTS		\$1,315,733.76



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

**POLICE COMMUNITY ADVISORY
 BOARD MEETING MINUTES**
Thursday, September 19, 2024
4:00 PM

The Purpose of the Grand Rapids Police Community Advisory Board (The Board) shall be to establish and enhance communication between Grand Rapids residents, Police Department and City Council. Together, the Advisory Board and Police Department will identify and focus on public safety issues and collaborate with community leaders, community organizations and stakeholders in developing solutions to multi-faceted community concerns. The Board provides recommendations to the Chief of Police and City Council as to how issues should be addressed.

CALL TO ORDER: Pursuant to due notice and call thereof, the Police Community Advisory Board will hold a regular meeting on Thursday, Sept. 19, 2024 at 4:00 PM in City Hall Council Chambers at 420 North Pokegama Avenue, Grand Rapids.

First Chair Connolly called the meeting to order at 4:04 PM.

ROLL CALL:

PRESENT

Board Member Dan Butterfield
 Board Chair Stephen Connolly
 Board Member Tom Neustrom
 Board Member Cassey Casteel

ABSENT

Board Member Wendy Uzelac
 Board Member Nikki Roberts
 Board Member Jessica Malmquist

STAFF

Chief Andy Morgan

PUBLIC INPUT (if anyone wishes to address the Board): This is your opportunity to approach the Police Community Advisory Board and publicly comment and/or share a concern about your specific issue. We ask that you approach the podium and provide your name and address for the record. A timer will be set for 5 minutes of comment. We ask that members of the public not applaud, engage in conversation, or engage in other behavior through words or action that may disrupt the following

proceedings of the board. This is not a dialog, debate, or back and forth with the board but if there is something that needs to be followed up on after the meeting, we and/or City staff will do so and report back to the Police Community Advisory Board if necessary.

Stephanie Lipsy - Grand Rapids

Spoke on behalf of a mother who had come to her with a concern about her child's behavior.

Stephanie shared concerns about the behaviors and how the situation was dealt with by the police.

Board members discussed issue.

Chief Morgan noted that this could be added to the agenda and he would address the topic in general, but would not be able to address this specific case.

Tom Sutherland, 2222 SW 3rd Ave, Grand Rapids, MN

Judith Lilja, 2729 Audrey Ln., Grand Rapids, MN

Spoke about situation and behavior of her child.

Questions were asked about police involvement and child's current condition and more discussion was had.

Tammy Hill, 32167 Gunn Park Dr. Grand Rapids, MN

Spoke about her concerns and what she has witnessed in regard to this child's behavior.

Discussion had.

Chief Morgan will meet with parents to discuss situation privately.

Matthew ?, 401 4th St. Crosby, MN

Spoke about his nephew and his concerns he has about his behaviors and the safety of the family.

SETTING THE AGENDA:

CORRESPONDENCE:

None.

APPROVE MINUTES:

1. Approve the Amended Minutes of May 16, 2024

Motion made by Board Member Butterfield, Seconded by Board Member Neustrom to approve the amended minutes of May 16, 2024. Voting Yea: Board Member Butterfield, Board Chair Connolly, Board Member Neustrom, Board Member Casteel

2. Approval of the Minutes of July 18, 2024

Motion made by Board Member Casteel, Seconded by Board Member Butterfield to approve the minutes of July 18, 2024. Voting Yea: Board Member Butterfield, Board Chair Connolly, Board Member Neustrom, Board Member Casteel

BUSINESS:

3. Traffic Complaint - Increased traffic on the Airport Road and by the L&M Project.

Board discussed safety issue due to semi trucks not being able to take sharp turn and amount of heavy traffic in the area near the south end of Airport Road and the new L&M project.

It was mentioned that some of this area is not in the city limits.

Chief Morgan spoke on the TZD and increase in patrol happening within the city.

4. PCAB Vacancies, including Board Secretary

Discussion about the open vacancies was had. The city clerk has the application open. Discussion was had about dropping the number of board members down to 7. There was discussion about the board secretary vacancy. Board member Casteel is interested and would like to know more about what the position does. It was decided that this will be an item on the agenda for the next meeting.

5. GRPD Staffing Levels

Chief Morgan talked about our current staff levels and the interviews that took place recently.

6. End of Summer Recap (Tall Timber Days, Fair, National Night Out, Safety Camp, River Fest)

Chief Andy gave an overview of all the summer events. They all went well and were uneventful from a police standpoint. It was asked if there were complaints during the fair. Other than parking and the usual raceway complaints, there weren't any. It was mentioned how the Police Reserves are relied upon and help out during these events. There are 9 Reserves and we we can have up to 15.

7. PepperBall

Chief Morgan talked about different levels of force, what we use now, and how pepperball works.

8. Political Signs Update

Chief Morgan gave an overview of where signs can and cannot be within the city limits and talked about the calls we've had.

Political Signs – Damaged/Stolen

This year – 6 incidents, all taking place in August and September. Some were documentation only. No one had cameras and there were no suspects.

Search in Zuercher – “GRPD, political sign, all dates” to show current data.+

UPDATES:

9. SRO Update

Chief Morgan explained there is only one SRO and it's been a busy year so far. A board member asked about the events that have happened this year so far, would the school district reconsider?

ANNOUNCEMENTS:

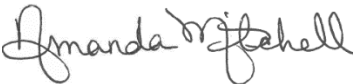
None

SET AGENDA FOR NEXT MEETING:

ADJOURN:

Meeting adjourned at 5:08 PM.

Respectfully Submitted,



Amanda Mitchell, Administrative Assistant

MEETINGS AND ATTENDANCE

The Board shall meet at minimum, four times each year as determined by the chair. A regular meeting may be cancelled by the chair or a majority of the Board. Every Board member shall be required to attend at least 75% of all meetings each calendar year. Board members who are unable to meet the attendance requirements may be removed by a majority vote of the Board. Prior to a vote considering the potential removal of a member, the member shall be afforded an opportunity to explain his or her reason for non-attendance.

BOARD MEMBERS AND TERM EXPIRATION

Dan Butterfield	12/31/2026	Wendy Uzelac	12/31/2025
Stephen Connolly	12/31/2026	Cassey Casteel	12/31/2024
Pam Dowell	12/31/2026	Kerry Clausen	12/31/2025
Tom Neustrom	12/31/2025	Nicolette Roberts	12/31/2024
Jessica Malmquist	12/31/2024		



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

ARTS & CULTURE COMMISSION
MEETING MINUTES
Tuesday, October 01, 2024
3:45 PM

CALL TO ORDER:

The meeting was called to order by Chair Hedlund at 3:50pm.

ROLL CALL:

PRESENT:

Commissioner Ed Zabinski
Commissioner Kari Hedlund
Commissioner Myrna Peterson
Commissioner Aaron Squadroni
Commissioner Amanda Lamppa
Commissioner Derek Fox
City Staff, City Administrator, Tom Pagel
MacRostie Program Manager, Emily Carlson

ABSENT:

Commissioner Jennifer Gorman
Commissioner Angie Miskovich
Commissioner Sara Slaubaugh

PUBLIC INPUT: (if anyone wishes to address the Commission)

None.

SETTING THE AGENDA:

Motion made by Commissioner Lamppa, Seconded by Commissioner Squadroni to amend the agenda to include #6 New Member Training and #7 the Mayor's Art Award. Voting Yea: Commissioner Zabinski, Commissioner Hedlund, Commissioner Peterson, Commissioner Squadroni, Commissioner Lamppa, Commissioner Fox

CORRESPONDENCE:

None.

APPROVE MINUTES:

1. July 2, 2024
2. August 7, 2024, Worksession

Motion made by Commissioner Zabinski, Seconded by Commissioner Peterson to approve both the July 2, 2024, minutes and the August 7th, 2024, worksession minutes. Voting Yea: Commissioner Zabinski, Commissioner Hedlund, Commissioner Peterson, Commissioner Squadroni, Commissioner Lamppa, Commissioner Fox

FINANCIALS:

3. No Change to July, August or September Financials

Motion made by Commissioner Zabinski, Seconded by Commissioner Lamppa to accept that there has been no change to the Financials. Voting Yea: Commissioner Zabinski, Commissioner Hedlund, Commissioner Peterson, Commissioner Squadroni, Commissioner Lamppa, Commissioner Fox

BUSINESS:

4. Indigenous People's Day Cost Participation

Motion made by Commissioner Lamppa, Seconded by Commissioner Zabinski to authorize sponsoring the remainder of Invoice #661 from the MacRostie Art Center for \$1,400.00 for event expenses for the Indigenous People's Day on October 14th, 2024 (Human Rights Commission authorized sponsoring \$3,400.00). Voting Yea: Commissioner Zabinski, Commissioner Hedlund, Commissioner Peterson, Commissioner Squadroni, Commissioner Lamppa, Commissioner Fox

5. NE Neighborhood Art Project

The Commission discussed signage for the NE Neighborhood Art Project. The City Administrator, Tom Pagel, will request concepts from Eck Designs that could also incorporate historical photos for identification and education of the area. There was also an idea to post updates of the project on social media when available from the artist.

- 6) New Member Training

The Commission will move this to the November meeting and will check the City's Municipal Code regarding Commission membership. It was noted that a position vacancy does not count against a quorum.

- 7) Mayor's Art Award

MacRostie Program Manager Emily Carlson stated that she will send out a ballot for nominations and asked the Commission to put in for her by October 15th, to include a short description. At the November meeting, after the nominations come in, they will be posted on

social media for voting. A decision can then be made at the December meeting so that the award winner can be announced at the City Council meeting December 16th.

UPDATES:

6. Riverfest 2024

Riverfest saw approximately 2,200 attendees which was great attendance as numbers for these events are down everywhere and there were good reviews of the event.

7. Blandin Mural

Digital images were taken, the timeline, testing and locations for the photos are forthcoming.

ANNOUNCEMENTS:

None.

SET AGENDA FOR NEXT MEETING:

BUSINESS:

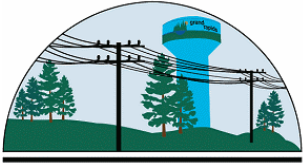
- 3) Mayor's Art Award
- 4) Remaining Budget
- 5) Jingle Mingle

UPDATES:

- 6) NE Neighborhood Art Project
- 7) Karen Noyce|
- 8) Indigenous People's Day
- 9) Blandin Mural

ADJOURN:

Commission Chair Hedlund asked for a motion to adjourn at 4:50pm. Motion made by Commissioner Zabinski, Seconded by Commissioner Peterson to adjourn. Voting Yea: Commissioner Zabinski, Commissioner Hedlund, Commissioner Peterson, Commissioner Squadroni, Commissioner Lamppa, Commissioner Fox



**GRAND RAPIDS
PUBLIC UTILITIES**
Service is Our Nature

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION
WORK SESSION
MEETING MINUTES**

**Wednesday, October 09, 2024
8:00 AM**

President Stanley called the meeting to order at 8:02AM

CALL OF ROLL:

PRESENT: President Tom Stanley, Commissioner Rick Smith, Commissioner Dale Adams

OTHERS: Julie Kennedy, Chad Troumbly, Steve Mattson, Jean Lane, Megan Sjostrand

ABSENT: Secretary Luke Francisco and Commissioner Nancy Saxhaug with notice.

BUSINESS:

1. Consider a motion to approve \$1,314,298.27 verified claims for September 2024.

Motion made by Commissioner Adams, Seconded by Commissioner Smith to approve \$1,314,298.27 verified claims for September 2024.

Voting Yea: President Stanley, Commissioner Smith, Commissioner Adams

2. Review and discuss the ERP IT definitive agreement between City and GRPU.

Reviewed and discussed the ERP IT definitive agreement between City and GRPU.

3. Review and discuss the status of the GRPU Wastewater Certified Lab.

Reviewed and discussed the status of the GRPU Wastewater Certified Lab.

4. Review and discuss the Strategic Plan.

Reviewed and discussed the Strategic Plan.

ADJOURNMENT:

There being no further business, the meeting adjourned at 8:55 am.

Respectfully submitted,

Megan Sjostrand

Megan Sjostrand



CITY OF
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**POKEGAMA GOLF COURSE BOARD
MEETING MINUTES**
Tuesday, November 19, 2024
8:00 AM

Chair McDonald called the meeting to order at 8:00 am.

PRESENT: Member Rick McDonald, Member John Bauer, Member John Ryan, Member Tom Lagergren, Member Deb Godfrey.

STAFF: Tom Beaudry, Steve Ross

PUBLIC INPUT:

No one from the public was present.

SETTING THE AGENDA: (This is an opportunity to approve the regular agenda as presented or add/delete an Agenda item by a majority vote of the Board members present.)

Motion made by Member Lagergren, Second by Member Bauer to approve the agenda as presented. Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren, Member Godfrey

APPROVE MINUTES:

1. Consider approval of the October 15, 2024 regular meeting minutes.

Motion made by Member Ryan, Second by Member Godfrey to approve minutes for October 15, 2024 as presented. Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren, Member Godfrey

CLAIMS AND FINANCIAL STATEMENTS:

2. Consider approval of claims in the amount of \$87,092.21.

Mr. Beaudry provided update on status of dock insurance claim and cost information relative to work inside the clubhouse facility.

Motion made by Member Bauer, Second by Member Lagergren to approve the claims and financials as presented. Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren, Member Godfrey

REPORTS:

Steve Ross provided maintenance report including:

- * Planned tree removal work of approximately 20 - 25 trees
- * Status of course - closed up for season
- * Looking into pricing for extra spray treatment for greens
- * One Trackman set up is complete, second will be completed soon with plans to have open to the public by Friday, November 29, 2024.
- * Still reviewing irrigation plan layout including ideas for funding. Estimated timeframe if system was ordered in early 2025, delivery and installation would likely be in 2026.

Tom Beaudry, Director of Golf, is currently on vacation until November 25th. The newsletter for the course went out a week prior.

BUSINESS:

3. Consider approval of the concessionaire contract renewal with the following changes:

Amend page 3 payment to read \$20 and hour for each simulator in use and the rate is to increase 3% every third year beginning December 1, 2027.

Amend page 6 to remove the duties of snow removal.

Mr. Beaudry reviewed the proposed amendments to the concessionaire agreement with Pokegama Grill and recommended approval from the board and forwarding to the City Council for approval.

Motion made by Member Bauer, Second by Member Lagergren to approve concessionaire amendments and forward to City Council for contract approval. Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren, Member Godfrey

4. Consider approval of the updated job description for contract employees.

Review of updated job description for Starter/Ranger contract employees, including exhibit A.

Motion made by Member Ryan, Second by Member Godfrey to approve updated Starter/Ranger Job Description with Exhibit A. Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren, Member Godfrey

5. Consider entering into a cart storage agreement with 214 Properties, LLC for 2024/2025.
6. Consider approving the 2025 budget.

Mr. Beaudry discussed proposed budget, identifying differences between 2024/2025. City Council will finalize budgets in December.

Motion made by Member Lagergren, Second by Member Bauer to approve the proposed 2025 budget and recommend to the City Council. Voting Yea: Member McDonald, Member Bauer,

Member Ryan, Member Lagergren, Member Godfrey

7. 100 year celebration committee discussion.

Discussed current volunteers, including Bob Cahill and John Kelsch, for the planning committee. Also considered focus and fundraising. Board Member Bauer volunteered to join the planning committee. No action required at this time.

CORRESPONDENCE AND OPEN DISCUSSION:

No correspondence is noted.

The next meeting will be held on December 17, 2024 at 7:30 am.

Motion made by Member Bauer, Second by Member Lagergren to adjourn the meeting at 8:53 am.

Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren, Member Godfrey

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



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REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider approving the Workers Compensation coverage through the League of Minnesota Cities Insurance Trust

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

We have received a quote of \$336,166.00 for our Workers Compensation coverage through the League of Minnesota Cities Insurance Trust for 2025. This is a \$15,046.00 price increase or approximately 4.69% from last years' rate.

Each year a rate is set by job classification. The rate changes do not mean that our City's actual premium will necessarily increase or decrease by these exact amounts. The actual premiums are also affected by changes in city expenditures, property values, payroll, and other exposure methods, and also by changes in our experience rating. The League uses our actual claims for the three years preceding the present year (i.e. 2022, 2023, 2024) in figuring experience modification. This rate fluctuates based on claims made in previous years.

There is not an agent fee, since the Human Resources Officer and Finance Department perform the functions of the insurance agent.

This is a budgeted expenses in the 2025 budget.

REQUESTED COUNCIL ACTION:

Make a motion to approve the Workers Compensation coverage through the League of Minnesota Cities Insurance Trust for the 2025 plan year at the proposed rate of \$336,166.00 and authorize payment of the premium.



CITY OF
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REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider Change in Position for Seasonal Civic Center Employees.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

Andrew Fox and Doug Jespersion were previously hired and appointed to the following positions:

Andrew Fox: Warming House Attendant / Arena Attendant I @ \$15.00 per hour
 Doug Jespersion: Warming House Attendant / Arena Attendant I @ \$15.75 per hour

These two employees are being trained to run the Zamboni. We would like to change positions for both Andrew Fox and Doug Jespersion from Arena Attendant I to Arena Attendant II, beginning on December 17, 2024, with a rate of pay of \$18.00 per hour for each employee, and ending no later than March 30, 2025.

Both Andrew Fox and Doug Jespersion will continue working as Warming House Attendants at the hourly rate of pay listed above.

These salaries are included in the 2024 and 2025 budget.

REQUESTED COUNCIL ACTION:

Make a motion to change the position for Andrew Fox and Doug Jespersion from Arena Attendant I to Arena Attendant II, beginning December 17, 2024, with a rate of pay of \$18.00 per hour for each employee, and ending no later than March 30, 2025.



CITY OF
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REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024
AGENDA ITEM: Consider revised Earned Sick and Safe Time Policy
PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

The MN legislature has made amendments to Earned Sick and Safe Time (ESST), therefore, updates and revisions have been made to our Earned Sick and Safe Time Policy.

To summarize, legislative amendments include provisions to cross-designation of PTO (FTO) hours, amendments to documentation of ESST hours, and weather-related exceptions.

The legislature updated the law to define an “employee” covered by the law, to include someone who is anticipated by the employer to work at least 80 hours in a year.

The legislature also clarified that the law does not include a volunteer firefighter or paid on-call firefighter, elected officials, or individuals appointed to fill vacancies in elected offices. As such, all references to paid on-call firefighters have been removed from the ESST Policy.

Lastly, the legislature clarified references to “hourly rate” throughout the law, added bereavement leave as an eligible use of ESST hours, added a section of remedies available in the event an employer fails to provide or allow ESST use as required by law, and addressed earnings statement concerns and the application of increment of time.

To review Minnesota’s ESST Statutes, see [181.9445](#), [181.9446](#), [181.9447](#), [181.9448](#).

These policy provisions have been provided by our labor attorney and updated by Human Resources. A red-lined version of our current policy is included for reference. Additional edits, such as grammar, punctuation, or spacing may have been made on the policy, and may not be on the red-lined version of the policy.

Since paid on-call firefighters no longer have ESST hours beginning in January 2025, and are essentially losing a benefit, the City is requesting to compensate paid on-call firefighters for accrued and unused ESST hours accrued from January 1, 2024, through December 31, 2024. This compensation will be paid in January 2025, after all 2024 timesheets for the paid on-call firefighters have been submitted to payroll.

REQUESTED COUNCIL ACTION:

Make a motion to adopt the revised Earned Sick and Safe Time Policy effective January 1, 2025, and compensate paid on-call firefighters for accrued and unused ESST hours accrued from January 1, 2024, through December 31, 2024, to be paid in January 2025, after all 2024 timesheets for the paid on-call firefighters have been submitted to payroll.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

January 1, 2025 ~~January 1, 2024; (Amended January 22, 2024)~~

Earned Sick and Safe Leave

“Earned Sick and Safe Leave” (ESST) is paid time off available to ~~all~~ employees, including ~~paid-on-call firefighters, probationary,~~ temporary, seasonal, and part-time employees, or anyone who the City of Grand Rapids anticipates will performing work for at least 80 hours in a year for the City of Grand Rapids and is not an independent contractor.

For the purposes of this policy, a year is defined as the City’s fiscal year, or the 12-month period beginning in January and ending in December. ~~The hourly rate of Earned Sick and Safe Leave is the same hourly rate an employee earns from employment with the City of Grand Rapids.~~ Earned sick and safe time means leave, including paid time off and other paid leave systems, that is paid at the same base rate as an employee earns from employment. In no case shall this base rate be less than that provided in Minnesota Law.

For employees paid on an hourly basis, base rate means the same rate received per hour of work. For example, for employees paid on an hourly basis, who receive multiple hourly rates, the base rate is the rate the employee would have been paid for the period of time in which leave was taken. For employees paid on a salary basis, the base rate is the same rate guaranteed to the employee as if the employee had not taken the leave. For purposes of this section, base rate does not include commissions; shift differentials that are in addition to an hourly rate; premium payments for overtime work; premium payments for work on Saturdays, Sundays, holidays, or scheduled days off.

Paid Sick and Safe Leave hours will not be counted as hours worked for the purposes of any overtime calculation. In no circumstance shall Earned Sick and Safe Leave hours exceed 80 hours in any fiscal year. Unused Earned Sick and Safe Leave is not transferrable, nor may an employee donate it to another employee.

Employees may have additional rights under other local, state, or federal laws, such as family and medical leave, disability, labor relations, workers compensation, and other laws.

FULL-TIME EMPLOYEES

For full-time and probationary employees, the City of Grand Rapids provides flexible time off (FTO) that meets or exceeds the requirements of the law. ~~Therefore, full time and probationary employees, please be advised that the first 48 hours of flexible time off (FTO) leave a full time and/or probationary employee uses in a fiscal year will be cross-designated as ESST.~~

If the full-time and/or probationary employee chooses to use FTO hours for reasons other than those outlined in this policy as ESST eligible hours, the full-time and/or probationary employee

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

will not be provided with additional ESST hours. While full-time and/or probationary employees may use FTO hours for an ESST purpose, the employee will not be provided with additional ESST hours once available FTO hours have been exhausted.

Full-time and/or probationary employees with secondary positions with the City of Grand Rapids, ~~such as paid-on-call firefighters~~, shall not receive additional FTO or ESST hours beyond the FTO hours received as a full-time employee.

~~PAID-ON-CALL FIREFIGHTERS~~, TEMPORARY, SEASONAL, AND PART-TIME EMPLOYEES

At the beginning of each fiscal year, beginning January 1, 2024, 80 hours of Earned Sick and Safe Leave hours will be available for temporary, seasonal, and part-time employees' immediate use. Temporary, seasonal, and part-time employees are not eligible to carryover unused Earned Sick and Safe Leave into the following year. Beginning January 1, 2025, and thereafter, in the event a temporary, seasonal, or part-time employee leaves employment with the City, the employee will not receive payment for unused Earned Sick and Safe Leave hours received at the beginning of that fiscal year.

~~Paid-on-call firefighters, working at least 80 hours in a year for the City of Grand Rapids, will accrue one hour of Earned Sick and Safe Leave time for every 30 hours worked. For the purposes of this policy, "hours worked" shall consist of assigned shifts, scheduled trainings, required meetings, and other scheduled events as determined by Human Resources, City Administration, and this policy. Paid-on-call firefighters may accrue up to 80 hours of Earned Sick and Safe Leave hours each calendar year (January 1 through December 31). Accrued and unused Earned Sick and Safe Leave hours may be carried over from year to year, until an 80-hour maximum accrual is reached.~~

Earned Sick and Safe Leave Use

The Earned Sick and Safe Leave hours may be used ~~in the smallest increment of time tracked by the City's payroll system (1/4 hour or quarter hour)~~ in the same increment of time for which employee's are paid, for the following circumstances:

- The employee's mental or physical illness, injury, or health condition; need for diagnosis, care, or treatment; or need for preventative care;
- A family member's mental or physical illness, injury, or health condition; need for diagnosis, care, or treatment; or need for preventative care;
- Absence due to domestic abuse, sexual assault, or stalking of the employee or a family member, provided the absence is to:

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

- Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;
 - Obtain services from a victim services organization;
 - Obtain psychological or other counseling;
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault, or stalking; or
 - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking;
- Absence to make arrangements for or attend funeral services or a memorial, or address financial or legal matters that arise after the death of a family member;
 - Closure of the employee's workplace due to weather or public emergency or an employee's need to care for a family member due to closure of the family member's school or place of care due to weather or public emergency;
 - Employees may not use leave under the provisions of Earned Sick and Safe Time for closure of the Employer due to weather or other public emergency, or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency, pursuant to Minnesota Statute 181.9447 subd. 1 clause (4).
 - Employees who are required to maintain a commercial driver's license and are needed for the Employer to maintain minimum staffing requirements may not use leave under the provisions of Earned Sick and Safe Time for closure of the Employer due to weather or other public emergency, or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency, pursuant to Minnesota Statute 181.9447 subd. 1 clause (4).
 - The employee's inability to work or telework because the employee is:
 - Prohibited from working by the employer due to health concerns related to the potential transmission of a communicable illness related to a public emergency; or
 - Seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and such employee has been exposed to a communicable disease or the employee's employer has requested a test or diagnosis; and

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

- When determined by a health authority or health care professional that the employee or family member is at risk of infecting others with a communicable disease, whether or not they have actually contracted a communicable disease.

For Earned Sick and Safe Leave purposes, “family member” includes an employee’s:

- Spouse or registered domestic partner
- Child, foster child, adult child, legal ward, child for whom the employee is legal guardian, or child to whom the employee stands or stood in loco parentis
- Sibling, step sibling or foster sibling
- Biological, adoptive, or foster parent, stepparent or a person who stood in loco parentis when the employee was a minor child
- Grandchild, foster grandchild, or step grandchild
- Grandparent or step grandparent
- A child of a sibling of the employee
- A sibling of the parent of the employee or
- A child-in-law or sibling-in-law
- Any of the above family members of a spouse or registered domestic partner
- Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship
- Up to one non-family individual annually designated by the employee

Advance Notice for use of Earned Sick and Safe Leave

If the need for sick and safe leave is foreseeable (such as for a scheduled medical appointment), the City of Grand Rapids requires seven days’ advance notice. However, if the need is unforeseeable, employees must provide notice of the need for Earned Sick and Safe Leave, as soon as practicable, by providing a written notice to the immediate supervisor, department head, and human resources.

When an employee uses Earned Sick and Safe Leave for more than three consecutive scheduled work-days, the City of Grand Rapids may require appropriate supporting documentation (such as medical documentation supporting medical leave, court records or related documentation to support safety leave). However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

documentation may include a written statement from the employee indicating that the employee is using, or used, Earned Sick and Safe Leave for a qualifying purpose. The documentation provisions referenced in Minn. Stat. § 181.9447, subd. 3, shall not apply to paid leave available to an employee for absences from work in excess of the minimum amount required by Earned Sick and Safe Time.

The City of Grand Rapids will not require an employee to disclose details related to domestic abuse, sexual assault, or stalking or the details of the employee's or the employee's family member's medical condition.

In accordance with state law, the City of Grand Rapids will not require an employee using Earned Sick and Safe Leave to find a replacement worker to cover the hours the employee will be absent.

Retaliation ~~P~~rohibited

The City of Grand Rapids shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee because they have exercised or attempted to exercise their rights under the Earned Sick and Safe Leave law, including, but not limited to, requesting, or using Earned Sick and Safe Leave. Employees have the right to file a complaint with the Minnesota Department of Labor and Industry or bring a civil action if the City of Grand Rapids has denied Earned Sick and Safe Leave or if they have been retaliated against for requesting or using Earned Sick and Safe Leave.

Further, use of Earned Sick and Safe Leave will not be factored into any attendance point system the City of Grand Rapids may use. Additionally, it is unlawful to report or threaten to report a person or a family member's actual or suspected citizenship or immigration status for exercising or attempting to exercise any right under the Earned Sick and Safe Leave law.

Benefits and return to work protections

During an employee's use of Earned Sick and Safe Leave, an employee will continue to receive the City's employer insurance contribution as if they were working, and the employee will be responsible for any share of their insurance premiums.

An employee returning from time off using accrued Earned Sick and Safe Leave is entitled to return to their City employment at the same rate of pay received when their leave began, plus any automatic pay adjustments that may have occurred during the employee's time off. Seniority during Earned Sick and Safe Leave absences will continue to accrue as if the employee has been continually employed.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

When there is a separation from employment with the City of Grand Rapids and the employee is rehired within 180 days of separation, Earned Sick and Safe Leave that had not been used will be reinstated. An employee is entitled to use Earned Sick and Safe Leave at the commencement of reemployment.

Notice and Posting

The City of Grand Rapids must give notice to all employees that they are entitled to earned sick and safe time, including the amount of earned sick and safe time, the accrual year for the employee, the terms of its use under this section, a copy of the written policy which includes a statement that retaliation against employees who request or use earned sick and safe time is prohibited; and that each employee has the right to file a complaint or bring a civil action if earned sick and safe time is denied by the employer or the employee is retaliated against for requesting or using earned sick and safe time.

The City of Grand Rapids must supply employees with a notice in English and the primary language of the employee, as identified by the employee.

The means used by the City of Grand Rapids must be at least as effective as the following options for providing notice: posting a copy of the ESST Policy at each location where employees perform work and where the notice must be readily observed and easily reviewed by all employees performing work; providing a paper or electronic copy of the notice to employees; or a conspicuous posting in a web-based or app-based platform through which an employee performs work.

Record of ESST Hours Available and ESST Hours Used

At the end of each pay period, the City of Grand Rapids will select a reasonable system, which includes electronically through a payroll system, to provide an employee about an employee's ESST hours available for use and ESST hours used during the pay period, subject to Minn. Stat. § 181.9447, subd. 10. The City will provide their employees with access to an employer-owned computer during regular working hours to review and print the information.

Employer Records

Employers shall retain accurate records documenting hours worked by employees and earned sick and safe time taken. The records required by this policy must be kept for three years.

All records required to be kept under this section must be readily available for inspection by the commissioner upon demand. The records must be either kept at the place where employees are working or kept in a manner that allows the employer to comply with this paragraph within 72 hours.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

Confidentiality and Nondisclosure.

If, in conjunction with this policy, the City of Grand Rapids possesses health or medical information regarding an employee or an employee's family member; information pertaining to domestic abuse, sexual assault, or stalking; information that the employee has requested or obtained leave under this section; or any written or oral statement, documentation, record, or corroborating evidence provided by the employee or an employee's family member, the employer must treat such information as confidential.

Information given by an employee may only be disclosed by the City of Grand Rapids if the disclosure is requested or consented to by the employee, when ordered by a court or administrative agency, or when otherwise required by federal or state law.

Records and documents relating to medical certifications, recertifications, or medical histories of employees or family members of employees must be maintained as confidential medical records separate from the usual personnel files. At the request of the employee, the employer must destroy or return the records that are older than three years prior to the current calendar year, unless state or federal law, rule, or regulation requires the employer to retain such records.

The City of Grand Rapids may not discriminate against any employee based on records created for the purposes of this policy.

Remedies Available

In the event an employer fails to provide or allow ESST use as required by law, the employer is liable to the employee for the amount of ESST the employer should have provided or the employee could have used, in addition to an equal amount of liquidated damages, subject to Minn. Stat. § 177.50, subd. 7.

This policy may be revised or updated at any time. In the event effect-this policy is updated or revised, employees shall receive an updated copy of the policy. ~~Employees will be provided with the notice of ESST rights, in the form attached hereto, on or before January 1, 2024.~~ Employees hired after January 1, 2024 will receive said notice upon hire.

The Earned Sick and Safe Leave Policy shall supersede any conflicting provisions in the City of Grand Rapids Personnel Policies.

~~Approved by City of Grand Rapids City Council on December 18, 2023; Amended by the City of Grand Rapids City Council on January 22, 2024 with any and all language retro-active to January 1, 2024.~~ Amended by the City of Grand Rapids City Council on _____ with any and all language effective January 1, 2025.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

January 1, 2025

Earned Sick and Safe Leave

“Earned Sick and Safe Leave” (ESST) is paid time off available to employees, including probationary, temporary, seasonal, and part-time employees, or anyone who the City of Grand Rapids anticipates will work for at least 80 hours in a year, for the City of Grand Rapids, and is not an independent contractor.

For the purposes of this policy, a year is defined as the City’s fiscal year, or the 12-month period beginning in January and ending in December.

Earned sick and safe time means leave, including paid time off and other paid leave systems, that is paid at the same base rate as an employee earns from employment. In no case shall this base rate be less than that provided in Minnesota Law.

For employees paid on an hourly basis, base rate means the same rate received per hour of work. For example, for employees paid on an hourly basis, who receive multiple hourly rates, the base rate is the rate the employee would have been paid for the period of time in which leave was taken. For employees paid on a salary basis, the base rate is the same rate guaranteed to the employee as if the employee had not taken the leave. For purposes of this section, base rate does not include commissions; shift differentials that are in addition to an hourly rate; premium payments for overtime work; premium payments for work on Saturdays, Sundays, holidays, or scheduled days off.

Paid Sick and Safe Leave hours will not be counted as hours worked for the purposes of any overtime calculation. In no circumstance shall Earned Sick and Safe Leave hours exceed 80 hours in any fiscal year. Unused Earned Sick and Safe Leave is not transferrable, nor may an employee donate it to another employee.

Employees may have additional rights under other local, state, or federal laws, such as family and medical leave, disability, labor relations, workers compensation, and other laws.

FULL-TIME EMPLOYEES

For full-time and probationary employees, the City of Grand Rapids provides flexible time off (FTO) that meets or exceeds the requirements of the law.

If the full-time and/or probationary employee chooses to use FTO hours for reasons other than those outlined in this policy as ESST eligible hours, the full-time and/or probationary employee will not be provided with additional ESST hours. While full-time and/or probationary employees may use FTO hours for an ESST purpose, the employee will not be provided with additional ESST hours once available FTO hours have been exhausted.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

Full-time and/or probationary employees with secondary positions with the City of Grand Rapids, shall not receive additional FTO or ESST hours beyond the FTO hours received as a full-time employee.

TEMPORARY, SEASONAL, AND PART-TIME EMPLOYEES

At the beginning of each fiscal year, beginning January 1, 2024, 80 hours of Earned Sick and Safe Leave hours will be available for temporary, seasonal, and part-time employees' immediate use. Temporary, seasonal, and part-time employees are not eligible to carryover unused Earned Sick and Safe Leave into the following year. Beginning January 1, 2025, and thereafter, in the event a temporary, seasonal, or part-time employee leaves employment with the City, the employee will not receive payment for unused Earned Sick and Safe Leave hours received at the beginning of that fiscal year.

Earned Sick and Safe Leave Use

The Earned Sick and Safe Leave hours may be used in the same increment of time for which employee's are paid, for the following circumstances:

- The employee's mental or physical illness, injury, or health condition; need for diagnosis, care, or treatment; or need for preventative care;
- A family member's mental or physical illness, injury, or health condition; need for diagnosis, care, or treatment; or need for preventative care;
- Absence due to domestic abuse, sexual assault, or stalking of the employee or a family member, provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;
 - Obtain services from a victim services organization;
 - Obtain psychological or other counseling;
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault, or stalking; or
 - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking;
- Absence to make arrangements for, or attend funeral services or a memorial, or address financial or legal matters that arise after the death of a family member;
- Closure of the employee's workplace due to weather or public emergency or an employee's need to care for a family member due to closure of the family member's school or place of care due to weather or public emergency;
 - Employees may not use leave under the provisions of Earned Sick and Safe Time for closure of the Employer due to weather or other public emergency, or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency, pursuant to Minnesota Statute 181.9447 subd. 1 clause (4).

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

- Employees who are required to maintain a commercial driver’s license and are needed for the Employer to maintain minimum staffing requirements may not use leave under the provisions of Earned Sick and Safe Time for closure of the Employer due to weather or other public emergency, or an employee’s need to care for a family member whose school or place of care has been closed due to weather or other public emergency, pursuant to Minnesota Statute 181.9447 subd. 1 clause (4).
- The employee’s inability to work or telework because the employee is:
 - Prohibited from working by the employer due to health concerns related to the potential transmission of a communicable illness related to a public emergency; or
 - Seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and such employee has been exposed to a communicable disease or the employee’s employer has requested a test or diagnosis; and
- When determined by a health authority or health care professional that the employee or family member is at risk of infecting others with a communicable disease, whether or not they have actually contracted a communicable disease.

For Earned Sick and Safe Leave purposes, “family member” includes an employee’s:

- Spouse or registered domestic partner
- Child, foster child, adult child, legal ward, child for whom the employee is legal guardian, or child to whom the employee stands or stood in loco parentis
- Sibling, step sibling or foster sibling
- Biological, adoptive, or foster parent, stepparent or a person who stood in loco parentis when the employee was a minor child
- Grandchild, foster grandchild, or step grandchild
- Grandparent or step grandparent
- A child of a sibling of the employee
- A sibling of the parent of the employee or
- A child-in-law or sibling-in-law
- Any of the above family members of a spouse or registered domestic partner
- Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship
- Up to one non-family individual annually designated by the employee

Advance Notice for use of Earned Sick and Safe Leave

If the need for sick and safe leave is foreseeable (such as for a scheduled medical appointment), the City of Grand Rapids requires seven days’ advance notice.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

However, if the need is unforeseeable, employees must provide notice of the need for Earned Sick and Safe Leave, as soon as practicable, by providing a written notice to the immediate supervisor, department head, and human resources.

When an employee uses Earned Sick and Safe Leave for more than three consecutive scheduled work-days, the City of Grand Rapids may require appropriate supporting documentation (such as medical documentation supporting medical leave, court records or related documentation to support safety leave). However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation may include a written statement from the employee indicating that the employee is using, or used, Earned Sick and Safe Leave for a qualifying purpose. The documentation provisions referenced in Minn. Stat. § 181.9447, subd. 3, shall not apply to paid leave available to an employee for absences from work in excess of the minimum amount required by Earned Sick and Safe Time.

The City of Grand Rapids will not require an employee to disclose details related to domestic abuse, sexual assault, or stalking or the details of the employee's or the employee's family member's medical condition.

In accordance with state law, the City of Grand Rapids will not require an employee using Earned Sick and Safe Leave to find a replacement worker to cover the hours the employee will be absent.

Retaliation Prohibited

The City of Grand Rapids shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee because they have exercised or attempted to exercise their rights under the Earned Sick and Safe Leave law, including, but not limited to, requesting, or using Earned Sick and Safe Leave.

Employees have the right to file a complaint with the Minnesota Department of Labor and Industry or bring a civil action if the City of Grand Rapids has denied Earned Sick and Safe Leave or if they have been retaliated against for requesting or using Earned Sick and Safe Leave.

Further, use of Earned Sick and Safe Leave will not be factored into any attendance point system the City of Grand Rapids may use. Additionally, it is unlawful to report or threaten to report a person or a family member's actual or suspected citizenship or immigration status for exercising or attempting to exercise any right under the Earned Sick and Safe Leave law.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

Benefits and Return to Work Protections

During an employee's use of Earned Sick and Safe Leave, an employee will continue to receive the City's employer insurance contribution as if they were working, and the employee will be responsible for any share of their insurance premiums.

An employee returning from time off using accrued Earned Sick and Safe Leave is entitled to return to their City employment at the same rate of pay received when their leave began, plus any automatic pay adjustments that may have occurred during the employee's time off. Seniority during Earned Sick and Safe Leave absences will continue to accrue as if the employee has been continually employed.

When there is a separation from employment with the City of Grand Rapids and the employee is rehired within 180 days of separation, Earned Sick and Safe Leave that had not been used will be reinstated. An employee is entitled to use Earned Sick and Safe Leave at the commencement of reemployment.

Notice and Posting

The City of Grand Rapids must give notice to all employees that they are entitled to earned sick and safe time, including the amount of earned sick and safe time, the accrual year for the employee, the terms of its use under this section, a copy of the written policy which includes a statement that retaliation against employees who request or use earned sick and safe time is prohibited; and that each employee has the right to file a complaint or bring a civil action if earned sick and safe time is denied by the employer or the employee is retaliated against for requesting or using earned sick and safe time.

The City of Grand Rapids must supply employees with a notice in English and the primary language of the employee, as identified by the employee.

The means used by the City of Grand Rapids must be at least as effective as the following options for providing notice: posting a copy of the ESST Policy at each location where employees perform work and where the notice must be readily observed and easily reviewed by all employees performing work; providing a paper or electronic copy of the notice to employees; or a conspicuous posting in a web-based or app-based platform through which an employee performs work.

Record of ESST Hours Available and ESST Hours Used

At the end of each pay period, the City of Grand Rapids will select a reasonable system, which includes electronically through a payroll system, to provide an employee about an employee's ESST hours available for use and ESST hours used during the pay period, subject to Minn. Stat. § 181.9447, subd. 10. The City will provide their employees with access to an employer-owned computer during regular working hours to review and print the information.

CITY OF GRAND RAPIDS

EARNED SICK AND SAFE LEAVE POLICY

Employer Records

Employers shall retain accurate records documenting hours worked by employees and earned sick and safe time taken. The records required by this policy must be kept for three years.

All records required to be kept under this section must be readily available for inspection by the commissioner upon demand. The records must be either kept at the place where employees are working or kept in a manner that allows the employer to comply with this paragraph within 72 hours.

Confidentiality and Nondisclosure

If, in conjunction with this policy, the City of Grand Rapids possesses health or medical information regarding an employee or an employee's family member; information pertaining to domestic abuse, sexual assault, or stalking; information that the employee has requested or obtained leave under this section; or any written or oral statement, documentation, record, or corroborating evidence provided by the employee or an employee's family member, the employer must treat such information as confidential.

Information given by an employee may only be disclosed by the City of Grand Rapids if the disclosure is requested or consented to by the employee, when ordered by a court or administrative agency, or when otherwise required by federal or state law.

Records and documents relating to medical certifications, recertifications, or medical histories of employees or family members of employees must be maintained as confidential medical records separate from the usual personnel files. At the request of the employee, the employer must destroy or return the records that are older than three years prior to the current calendar year, unless state or federal law, rule, or regulation requires the employer to retain such records.

The City of Grand Rapids may not discriminate against any employee based on records created for the purposes of this policy.

Remedies Available

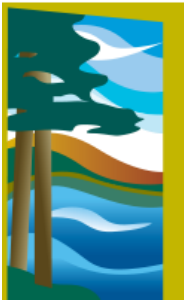
In the event an employer fails to provide or allow ESST use as required by law, the employer is liable to the employee for the amount of ESST the employer should have provided, or the employee could have used, in addition to an equal amount of liquidated damages, subject to Minn. Stat. § 177.50, subd. 7.

This policy may be revised or updated at any time. In the event this policy is updated or revised, employees shall receive an updated copy of the policy. Employees hired after January 1, 2024 will receive said notice upon hire.

CITY OF GRAND RAPIDS
EARNED SICK AND SAFE LEAVE POLICY

The Earned Sick and Safe Leave Policy shall supersede any conflicting provisions in the City of Grand Rapids Personnel Policies.

Amended by the City of Grand Rapids City Council on _____ with any and all language effective January 1, 2025.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024
AGENDA ITEM: Consider amending the Tuition Reimbursement Program.
PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

The City of Grand Rapids tuition reimbursement program is a self-development program for employees to further their careers with the City. Our current policy was last updated in 2017.

Attached is a red-lined copy of the tuition reimbursement policy with recommended changes. The goal with this amended policy is to attract more part-time seasonal employees, which would benefit operations and the City

A copy of the amended policy is attached.

REQUESTED COUNCIL ACTION:

Make a motion to adopt the amended Tuition Reimbursement or Tuition Pre-Payment Policy effective January 1, 2025.

CITY OF GRAND RAPIDS

TUITION REIMBURSEMENT OR TUITION PRE-PAYMENT-PROGRAM

Amended ~~October 2006~~ January 2025

City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, Minnesota 55744

TUITION REIMBURSEMENT OR TUITION PRE-PAYMENT PROGRAM

Tuition reimbursement or tuition pre-payment is a self-development program for employees to further their careers at the City of Grand Rapids (City). Employees may select courses of study, which are directly related to either their present job or the pursuit of a City-related career, or licensing, program, or advanced training related to their present job, where the added licensing, program, or advanced training would benefit the position the employee is filling for the City.

Administration is responsible for administering and monitoring this program.

Eligibility

- ~~Regular full-time employees are eligible after their probationary period has been completed; twelve months of continuous service;~~
- ~~Part-time and seasonal employees are eligible after twenty-four months of immediately upon hire, continuous service, and at least 1,500 worked hours per year, or based on the needs of the City, as approved by City Administration;~~
- ~~Full-Time employees must maintain Ccontinuous service in these job categories must be maintained while taking the course(s). Part-time seasonal employees must maintain consistent seasonal employment in position while taking the licensing, program, or advanced training.~~
- Pre-Course Approvals
- The course, licensing, program, or advanced training is to be approved by the City Administrator ~~or and~~ Department ~~Manager~~ Head, prior to enrollment on a Request for Tuition Reimbursement or Tuition Pre-Payment Form.

Restrictions

- Coursework ~~and~~ -course attendance, licensing, program, or advanced training is normally accomplished on the employee's own time. Attendance for required classes, which are offered only during work hours, is subject to approval by the Department Head ~~Manager~~ and must be for courses directly related to the job or relevant degree requirements. For full-time employees, if absence from work is approved, the employee may use earned ~~vacation for this~~ flexible time off (FTO); or ~~flex comp time, if any hours exist,~~ if approved by the City Administrator ~~or and~~ Department ~~Manager~~ Head.

- ~~• For part-time seasonal employees, seeking advanced training related to their present job, hourly payment for attendance at programs or classes offered during normal work hours, for the completion advanced education, will be determined on a case-by-case basis, as approved by the City Administrator and Department Head.~~
- The career, licensing, program, or advanced training being pursued and the relationship of the course to that career, or licensing, program, or advanced training -must be identified by the employee;
- Courses, licensing, programs, and advanced training eligible for reimbursement must be “directly job related” or “career” related.” Career-related courses are only eligible to be reimbursed if the course is part of a degree and would benefit an existing or future City position description.
- For non-City related courses required of a degree or certificate program, proof of admittance to that program must be provided;
- Participants in a degree program are expected to concentrate on City-related courses first, as a condition of continued approval of course/class;
- ~~• To alleviate concern over the employee balancing the needs of the job with multiple courses/classes at one time, the Nnumber of courses/classes in progress at one time is at the discretion of the City Administrator ~~or~~and Department-HeadManager; ~~the discretion of the City Administrator or Department Manager; a concern being that the employee is able to balance the needs of the job with a multiple course load;~~~~
- Funding by other agencies (such as scholarships and the GI Bill) must be used by the employee first. The City is the secondary payer in such circumstances and all amounts funded by other agencies will be deducted from the City’s reimbursement allowance;
- A full-time employee who voluntarily leaves service or is discharged will be required to pay back all reimbursements made (i.e. final processed) during the previous sixty months. The payback amount will be reduced by 20% for each full year of service rendered to the City’s, following successful completion of the courses.
- Tuition reimbursement or tuition pre-payment for part-time seasonal Public Works employees will have a five-year commitment to work seasonally. If the part-time seasonal employee chooses to not work seasonally for the five-year commitment, the part-time seasonal employee will reimburse the City on a pro-rated basis of 1/5ths. For example, if the part-time seasonal employee works one year for the City and decides to not return to work seasonally, the employee will be expected to reimburse the City for 4/5ths of the tuition or program costs. If

the City elects to not re-hire a part-time seasonal employee, the tuition is forgiven.

- Institutions eligible to be considered for approval include most colleges, vocational schools, and self-study institutions. Private consultants and motivation organizations are not covered;
- Attendance alone does not define successful completion; therefore, ~~so~~ most seminars do not qualify under the program;
- CLEP tests and similar conversions of previous knowledge to an academic record are not covered.

Course Completion and Reimbursement

- Successful completion (a letter grade of “C” or better, a “pass” in a pass/fail grading system, or a certificate of completion based on a competency exam) is required before reimbursement will be made;
- The “pre-course approved” Request for Tuition Reimbursement or Tuition Pre-Payment Form is re-submitted by the employee along with a grade report and tuition statement;
- Only tuition and required book costs are covered. Other costs and fees such as late fees, lab fees, training equipment and materials, and student fees are normally not covered, however, exceptions may be considered upon request of the employee. If the tuition amount includes a substantial amount of tangible goods (such as parts for constructing a radio receiver), the program will cover only the tuition portion.

Maximum Reimbursement

- The City will reimburse tuition and required book costs for qualified full-time, part-time seasonal employees as approved by the City Administrator ~~or~~ and the Department Head.
- ~~Eligible part-time employees will be reimbursed up to a maximum of 50 percent of tuition and required book costs as approved by the City Administrator.~~
- If the course, licensing, program, or advanced training is coordinated by the City for a group of full or part-time seasonal employees, the City will cover the expense of the course, licensing, program, and/or advanced training, and the employee will abide by the reimbursement policy.

Taxability of Reimbursed Amount

Federal law provides that certain City-paid education expenses are nontaxable if they are for job-related courses. The course taken is job-related if it maintains or enhances the skills needed for an employee's current position without furnishing the requisite qualifications for entering a new trade or business. Administration, in consultation with a tax consultant, will determine, if necessary, to furnish an employee with a 1099 or W2 as appropriate.

REQUEST FOR TUITION REIMBURSEMENT OR TUITION PRE-PAYMENT

Employee Name: _____ PERA # _____

Current Job Title: _____

Name of Educational Institution: _____

Name of Training or Program, if applicable: _____

Prior to any tuition approval or pre-paid tuition, you and your Department ~~Manager~~ Head must complete the following questions. In addition, please provide a course description either from the course catalog or course syllabus, or a course description of the licensing, program, or advanced training. Completed forms should be forwarded to the Administration Department/City Administrator.

To Be Completed By Employee:

1. Is this course directly related to my present position? Yes No

If yes, explain how it is related:

2. Is this course part of a degree which is an educational requirement under a current company job description? Yes No

If yes, what position and what is the educational requirement?

To Be Completed By Supervisor

1. I have discussed this request with the employee and support tuition reimbursement or tuition pre-payment based on the following reasons:

Courses:

Course Title	Est. Tuition	Start Date	Completion	# of Credits
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Course Title	Est. Tuition	Start Date	Completion	# of Credits
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Licensing Title	Est. Tuition	Start Date	End Date
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Program Title	Est. Tuition	Start Date	End Date
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Advanced Training Title	Est. Tuition	Start Date	End Date
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This request is for:

PRE-PAYMENT of licensing, program, licensing, or advanced training, as approved by the City Administrator and Department Head. In addition, in the event the part-time seasonal employee chooses to not work seasonally for the five-year commitment, the part-time seasonal employee will reimburse the City on a pro-rated basis of 1/5ths. The City is hereby authorized to deduct the remaining pre-payment tuition balance from wages or other payments due to the employee from the City. If the City elects to not re-hire a part-time seasonal employee, the tuition is forgiven.

REIMBURSEMENT of the covered amount after successful completion of the course(s).

In addition, upon termination of employee from the employment of the City for any reason, any reimbursements made for classes taken during the previous 60 months shall become due and payable. The amount due and payable shall be the balance of the ~~r~~Reimbursement at termination calculated by amortizing the reimbursement over the 60 month period. The City is hereby authorized to deduct any remaining tuition balance from wages or other payments due to the employee from the City.

I have read the Tuition Reimbursement/Tuition Pre-Payment ~~Program~~ Policy and agree to all of its conditions.

Employee Date

Approved:

Department ~~Head~~ ~~Manager~~ Date

Approved:

Administration Date

Accounting Use Only:

We have received evidence of successful completion of the above course(s). Please proceed as follows:

REIMBURSE employee \$ _____ As per attached documentation

CITY OF GRAND RAPIDS

TUITION REIMBURSEMENT OR TUITION PRE-PAYMENT PROGRAM

Amended January 2025

City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, Minnesota 55744

TUITION REIMBURSEMENT OR TUITION PRE-PAYMENT PROGRAM

Tuition reimbursement or tuition pre-payment is a self-development program for employees to further their careers at the City of Grand Rapids (City). Employees may select courses of study, which are directly related to either their present job or the pursuit of a City-related career, or licensing, program, or advanced training related to their present job, where the added licensing, program, or advanced training would benefit the position the employee is filling for the City.

Administration is responsible for administering and monitoring this program.

Eligibility

- Regular full-time employees are eligible after their probationary period has been completed;
- Part-time and seasonal employees are eligible immediately upon hire, or based on the needs of the City, as approved by City Administration;
- Full-Time employees must maintain continuous service in these job categories while taking the course(s). Part-time seasonal employees must maintain consistent seasonal employment in position while taking the licensing, program, or advanced training.

Pre-Course Approvals

- The course, licensing, program, or advanced training is to be approved by the City Administrator and Department Head, prior to enrollment on a Request for Tuition Reimbursement or Tuition Pre-Payment Form.

Restrictions

- Coursework, course attendance, licensing, program, or advanced training is normally accomplished on the employee's own time. Attendance for required classes, which are offered only during work hours, is subject to approval by the City Administrator and Department Head and must be for courses directly related to the job or relevant degree requirements. For full-time employees, if absence from work is approved, the employee may use earned flexible time off (FTO); or comp time, if any hours exist, if approved by the City Administrator and Department Head.

For part-time seasonal employees, seeking licensing, program, or advanced training related to their present job, hourly payment for attendance at programs or classes offered during normal work hours, for the completion of advanced education, will be determined on a case-by-case basis, as approved by the City Administrator and Department Head.

- The career, licensing, program, or advanced training being pursued and the relationship of the course to that career, or licensing, program, or advanced training must be identified by the employee;
- Courses, licensing, program, and advanced training eligible for reimbursement must be “directly job related” or “career” related.” Career-related courses are only eligible to be reimbursed if the course is part of a degree and would benefit an existing or future City position description.
- For non-City related courses required of a degree or certificate program, proof of admittance to that program must be provided;
- Participants in a degree program are expected to concentrate on City-related courses first, as a condition of continued approval of course/class;

To alleviate concern over the employee balancing the needs of the job with multiple courses/classes at one time, the number of courses/classes in progress at one time is at the discretion of the City Administrator and Department Head;

- Funding by other agencies (such as scholarships and the GI Bill) must be used by the employee first. The City is the secondary payer in such circumstances and all amounts funded by other agencies will be deducted from the City’s reimbursement allowance;
- A full-time employee who voluntarily leaves service or is discharged will be required to pay back all reimbursements made (i.e. final processed) during the previous sixty months. The payback amount will be reduced by 20% for each full year of service rendered to the City, following successful completion of the courses.
- Tuition reimbursement or tuition pre-payment for part-time seasonal Public Works employees will have a five-year commitment to work seasonally. If the part-time seasonal employee chooses to not work seasonally for the five-year commitment, the part-time seasonal employee will reimburse the City on a pro-rated basis of 1/5ths. For example, if the part-time seasonal employee works one year for the City and decides to not return to work seasonally, the employee will be expected to reimburse the City for 4/5ths of the tuition or program costs. If the City elects to not re-hire a part-time seasonal employee, the tuition is forgiven.
- Institutions eligible to be considered for approval include most colleges, vocational schools, and self-study institutions. Private consultants and motivation organizations are not covered;
- Attendance alone does not define successful completion; therefore, most seminars do not qualify under the program;

- CLEP tests and similar conversions of previous knowledge to an academic record are not covered.

Course Completion and Reimbursement

- Successful completion (a letter grade of “C” or better, a “pass” in a pass/fail grading system, or a certificate of completion based on a competency exam) is required before reimbursement will be made;
- The “pre-course approved” Request for Tuition Reimbursement or Tuition Pre-Payment Form is re-submitted by the employee along with a grade report and tuition statement;
- Only tuition and required book costs are covered. Other costs and fees such as late fees, lab fees, training equipment and materials, and student fees are normally not covered, however, exceptions may be considered upon request of the employee. If the tuition amount includes a substantial amount of tangible goods (such as parts for constructing a radio receiver), the program will cover only the tuition portion.

Maximum Reimbursement

- The City will reimburse tuition and required book costs for qualified full-time, part-time seasonal employees as approved by the City Administrator and the Department Head.
- If the course, licensing, program, or advanced training is coordinated by the City for a group of full or part-time seasonal employees, the City will cover the expense of the course, licensing, program, and/or advanced training, and the employee will abide by the reimbursement policy.

Taxability of Reimbursed Amount

Federal law provides that certain City-paid education expenses are nontaxable if they are for job-related courses. The course taken is job-related if it maintains or enhances the skills needed for an employee’s current position without furnishing the requisite qualifications for entering a new trade or business. Administration, in consultation with a tax consultant, will determine, if necessary, to furnish an employee with a 1099 or W2 as appropriate.

REQUEST FOR TUITION REIMBURSEMENT OR TUITION PRE-PAYMENT

Employee Name: _____ PERA # _____

Current Job Title: _____

Name of Educational Institution: _____

Name of Training or Program, if applicable: _____

Prior to any tuition approval or pre-paid tuition, you and your Department Head must complete the following questions. In addition, please provide a course description either from the course catalog or course syllabus, or a course description of the licensing, program, or advanced training. Completed forms should be forwarded to the Administration Department/City Administrator.

To Be Completed By Employee:

1. Is this course directly related to my present position? Yes No

If yes, explain how it is related:

2. Is this course part of a degree, which is an educational requirement under a current company job description? Yes No

If yes, what position and what is the educational requirement?

To Be Completed By Supervisor

- 1. I have discussed this request with the employee and support tuition reimbursement or tuition pre-payment based on the following reasons:

Courses:

Course Title	Est. Tuition	Start Date	Completion # of Credits
--------------	--------------	------------	-------------------------

Course Title	Est. Tuition	Start Date	Completion # of Credits
--------------	--------------	------------	-------------------------

Licensing Title	Est. Tuition	Start Date	End Date
-----------------	--------------	------------	----------

Program Title	Est. Tuition	Start Date	End Date
---------------	--------------	------------	----------

Advanced Training Title	Est. Tuition	Start Date	End Date
-------------------------	--------------	------------	----------

This request is for:

PRE-PAYMENT of licensing, program, or advanced training, as approved by the City Administrator and Department Head. In addition, in the event the part-time seasonal employee chooses to not work seasonally for the five-year commitment, the part-time seasonal employee will reimburse the City on a pro-rated basis of 1/5ths. The City is hereby authorized to deduct the remaining pre-payment tuition balance from wages or other payments due to the employee from the City. If the City elects to not re-hire a part-time seasonal employee, the tuition is forgiven.

REIMBURSEMENT of the covered amount after successful completion of the course(s). In addition, upon termination of employee from the employment of the City for any reason, any reimbursements made for classes taken during the previous 60 months shall become due and payable. The amount due and payable shall be the balance of the reimbursement at termination calculated by amortizing the reimbursement over the 60 month period. The City is hereby authorized to deduct any remaining tuition balance from wages or other payments due to the employee from the City.

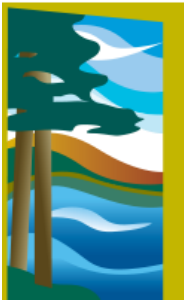
I have read the Tuition Reimbursement/Tuition Pre-Payment Policy and agree to all of its conditions.

	_____	_____
	Employee	Date
Approved:	_____	_____
	Department Head	Date
Approved:	_____	_____
	Administration	Date

Accounting Use Only:

We have received evidence of successful completion of the above course(s). Please proceed as follows:

REIMBURSE employee \$ _____ as per attached documentation.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider approving a supplemental letter agreement with SEH for 2025 miscellaneous services.

PREPARED BY: Matt Wegwerth

BACKGROUND:

This agreement allows for SEH to perform miscellaneous services under our Master Engineering Services agreement.

REQUESTED COUNCIL ACTION:

Make a motion approving a supplemental letter agreement with SEH for 2025 miscellaneous services.

Supplemental Letter Agreement – 2025 Misc. Services

December 16, 2024

Mayor Connelly
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

RE: 2025 Miscellaneous Services

Dear Mayor Connelly,

The City Engineer has requested that we prepare this Supplemental Letter Agreement (SLA) for the miscellaneous services throughout the year of 2025. The services included in this SLA are for miscellaneous services as listed in accordance with the Master Engineering Services Contract between The City of Grand Rapids ("Client") and Short Elliott Hendrickson Inc. ("Consultant"), effective January 4, 2021.

Fee Schedule

The fees for the miscellaneous services are listed in the Master Engineering Services Agreement that is in place between the Client and Consultant (hourly work as shown in Exhibit "B"). The estimated fee for this work is \$40,000.00.

In accordance with the Master Engineering Services Contract between the Client and Consultant, effective January 4, 2021, this Supplemental Letter Agreement dated December 16, 2024 authorizes and describes the scope and schedule for the Consultant's work on the project described.

We look forward to working with you on this project. If this SLA is acceptable, please sign in the space provided and return a copy to us. Please contact us if you have any questions regarding this supplemental letter agreement.

Sincerely,
Short Elliott Hendrickson Inc.



Sara Christenson, PE (Lic. MN)
Client Service Manager/Project Manager

City of Grand Rapids Authorization:

Kimberly Gibeau
City Clerk

Tasha Connelly
Mayor of Grand Rapids

C: SEH contract file
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CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider approving a Supplemental Letter Agreement with SEH related to CP 2025-1

PREPARED BY: Matt Wegwerth

BACKGROUND:

CP 2025-1, 7th Avenue SE Mill and Overlay includes the milling and overlay of 7th Avenue SE, from 11th Street SE to 17th Street SE.

Attached proposal is for design, construction and miscellaneous services

Design Services - \$18,900

Construction Services - \$18,900

Miscellaneous Services - \$5,000

Project will be funded with MSAS monies

REQUESTED COUNCIL ACTION:

Make a motion approving a Supplemental Letter Agreement with SEH related to CP 2025-1

Supplemental Letter Agreement No. 2025-1

December 16, 2024

Mayor Connelly
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

RE: 7th Avenue SE Overlay Project
City Project 2025-1

Dear Mayor Connelly,

City Project 2025-1 includes the milling and overlaying of 7th Avenue SE from 17th Street SE to just south of 11th Street SE. This project uses state funds, which are managed by the Minnesota Department of Transportation and require state documentation.

The City Engineer has requested the preparation of this Supplemental Letter Agreement (SLA) for the design and construction administration of the project area. The estimated work scope and fees for this project are listed below.

SEH Work Scope

The services included in this SLA are for design, construction services, and miscellaneous services as listed in accordance with the Master Engineering Services Contract between The City of Grand Rapids (“Client”) and Short Elliott Hendrickson Inc. (“Consultant”), effective January 4, 2021.

Proposed Project Schedule

Council considers approval of this SLA	December 2024.
Council orders preparation of plans and specifications	January 2025.
Council approves plans and specifications and authorizes bid (based on approval of plans by MnDOT)	February 2025.
Advertise in Herald Review (GR – official newspaper)	Spring 2025.
Bid opening	Spring 2025.
Council considers award of contract	Summer 2025.
Construction – (assuming permits are approved)	Summer 2025.
Substantial completion	August 2025.

Fee Schedule

The fee for design will be as listed in the Master Engineering Services Contract with MSAS requirements (design fee = 6.0% of low construction bid and the construction fee = 6% of actual project cost). The current construction estimate for this work is \$315,000 which equates to an estimated design fee of \$18,900 and an estimated construction administration fee of \$18,900.

The fees for the miscellaneous services are listed in the Master Engineering Services Contract (hourly work as shown in Exhibit "B"). The estimated fee for this work is \$5,000.00.

In accordance with the Master Engineering Services Contract between The City of Grand Rapids ("Client") and Short Elliott Hendrickson Inc. ("Consultant"), effective January 4, 2021, this Supplemental Letter Agreement dated December 19, 2022, authorizes and describes the scope and schedule for the Consultant's work on the project described.

We are excited to collaborate with you on this project. If the terms of this SLA are agreeable, kindly sign in the designated area and return a copy to us. We will start working right away upon receipt. Should you have any inquiries about this supplemental letter agreement, please feel free to reach out to us.

Sincerely,
Short Elliott Hendrickson Inc.



Sara Christenson, PE (Lic. MN)
Client Service Manager/Project Manager

City of Grand Rapids Authorization:

Kimberly Gibeau
City Clerk

Tasha Connelly
Mayor of Grand Rapids

C: SEH contract file

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CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider an agreement with Enterprise to sell GRPU vehicles

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The GRPU utilizes the City's Enterprise Fleet Agreements to secure vehicles for operations. Because the GRPU has some existing non-lease vehicles, the titles are not in the city's name. In order for Enterprise to sell the vehicles for the GRPU, the attached agreement needs to be executed.

REQUESTED COUNCIL ACTION:

Consider executing an agreement with Enterprise to allow them to sell GRPU vehicles.

Vehicle Sales Agreement Certificate

This Vehicle Sales Agreement Certificate (this "Certificate") is delivered as of December 2, 2024, by City of Grand Rapids, MN, having an address at 420 N Pokegama Ave, Grand Rapids MN 55744 ("Customer").

Customer has requested Enterprise Fleet Management, Inc. ("EFM") enter into either an Agreement to Sell Customer Vehicles or a Consignment Auction Agreement (in either case, a "Sales Agreement"), pursuant to which EFM may agree to sell, transfer or dispose of vehicles owned by Customer. Notwithstanding the foregoing, this Certificate does not obligate EFM to perform such services.

Customer hereby certifies that Customer has authority to sell, transfer or dispose of vehicles owned by its Affiliate Entity, See Exhibit A. For purposes of this Agreement, Affiliate Entity means a wholly owned subsidiary, parent, or an entity that a party directly or indirectly controls, is controlled by, or is under common control with such party. The undersigned signatory further represents and warrants that he/she is duly authorized to execute this Certificate on behalf of its Affiliate Entity.

Customer hereby releases EFM, its agents and its employees from any claim or liability associated with the sale, transfer or disposition of any of its vehicles pursuant to a Sales Agreement. Customer further agrees to indemnify, defend and hold harmless EFM, its agents and its employees for any and all claims, liabilities, expenses (including reasonable attorney's fees), losses, damages, fines and causes of action arising out of or related to any false, fraudulent, incorrect, misleading or erroneous information contained in this Certificate.

This Certificate shall be governed by the laws of the State of Missouri.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed and delivered this Certificate as of the day and year first above written.

"ENTERPRISE"

Signature: _____

Printed Name: _____

Title: _____

Date Signed: _____, _____

"CUSTOMER"

Signature: _____

Printed Name: _____

Title: _____

Date Signed: _____, _____

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20____, before me personally appeared _____, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same for the purposes therein contained.

Notary Public

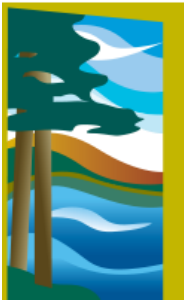
Vehicle Sale Agreement Certificate
Exhibit A – Affiliate Entity

Grand Rapids Public Utility CO

Grand Rapids PUC

Grand Rapids Public Utilities

Grand Rapids Public Util Comm



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider an MOU with GRPU related to shared services

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The GRPU and City share various services. The attached MOU identifies the specific services that are shared.

REQUESTED COUNCIL ACTION:

Consider approving an MOU with the GRPU related to shared services.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is entered into on this 18th day of December 2024 between the City of Grand Rapids, Minnesota, (City) and the Grand Rapids Public Utilities (GRPU).

This MOU establishes the framework for collaboration between the City and GRPU to benefit their property taxpayers and utility ratepayers. This MOU intends to outline the various areas of collaboration as they may change over time. The Parties agree to quarterly invoicing, an annual review of the MOU, and a six-month written notice of anticipated changes. Updates and changes will be recognized in a subsequent MOU on or before December 31 of each year. The original MOU became effective on January 1, 2024. Either party may terminate the MOU with a one-year written notice. In the absence of such notification, the latest documented revision of this MOU will remain in effect.

Now, therefore, the parties agree to the various areas of collaboration as follows:

Information Systems (IS) Services

Key Contacts:

City: Matt Wegwerth
Public Works Director/City Engineer
mwegwerth@grandrapidsmn.gov
218.326.7625

GRPU: Mike LeClaire
GRPU IS Manager
mleclaire@grpuc.org
218.326.7498

Employees in the IS Department shall be GRPU employees. The Parties agree to share costs associated with IS staff and software applications. The cost-sharing shall follow the spreadsheet template developed annually by the Key Contacts which details the proposed IS projects and system maintenance, software licenses, and utility locating services breakdown. The GIS virtual servers shall be located to the GRPU network prior to December 31, 2025.

Information Technology (IT) Services

Key Contacts:

City: Lasha Karels
Assistant IT Director
lkarels@grandrapidsmn.gov
218.326.7620

GRPU: Julie Kennedy
GRPU General Manager
jakennedy@grpuc.org
218.326.7687

Employees in the IT Department shall be City employees. The ERP Special Project Coordinator employee shall be a GRPU employee. Cost sharing shall be split 50/50 based on the actual cost of the department and ERP Project employee, less expenditures that only benefit one Party. Except for the separately documented ERP project, the IT Services collaboration shall end on

May 20, 2025, as requested by the City. Until then, during the transition to another IT provider, GRPU will continue to receive partial services from City IT and will pay for these based on the actual cost to provide the service.

Human Resources

The Human Resources Services collaboration ended September 30, 2024, as requested by the City.

Fleet Maintenance

Key Contacts:

City: Matt Wegwerth	GRPU: Jean Lane
Public Works Director/City Engineer	GRPU Business Svcs Manager
mwegwerth@grandrapidsmn.gov	jmlane@grpuc.org
218.326.7625	218.326.7199

The Public Works Fleet Maintenance employees shall be City employees. Public Works will perform maintenance on GRPU fleet vehicles and equipment, as requested. Work performed will be billed on an hourly basis and for those specific products used on GRPU vehicles and equipment. General shop product expenditures will be cost-shared based on the spreadsheet developed by the Key Contacts which details the number of vehicles and equipment serviced for each department.

Street Light Maintenance

Key Contacts:

City: Matt Wegwerth	GRPU: Chad Troumbly
Public Works Director/City Engineer	GRPU Electric Manager
mwegwerth@grandrapidsmn.gov	cmtroumbly@grpuc.org
218.326.7625	218.326.7182

The journey electric lineworkers shall be GRPU employees. GRPU will perform maintenance on City streetlights, as requested. Work performed will be billed on an hourly basis.

PW/PU Shared Facility

Key Contacts:

City: Matt Wegwerth	GRPU: Jean Lane
Public Works Director/City Engineer	GRPU Business Svcs Manager
mwegwerth@grandrapidsmn.gov	jmlane@grpuc.org
218.326.7625	218.326.7199

GRPU Electric and Water Departments and the City Public Works Department run operations from the Public Works / Public Utilities Combined Service Center (CSC). GRPU will manage the CSC buildings and bill rent based on the actual costs of building upkeep, which includes

capital maintenance building projects. The City will manage the groundskeeping of the CSC property and bill based on hours worked and 50/50 split of actual product expenditures. In 2025, the Key Contacts agree to update the original contract, over 20 years old, for property and building leases to reflect current values and comply with financial auditing standards.

Storm Water Utility (SWU) Billing

Key Contacts:

City: Matt Wegwerth	GRPU: Jean Lane
Public Works Director/City Engineer	GRPU Business Svcs Manager
mwegwerth@grandrapidsmn.gov	jmlane@grpuc.org
218.326.7625	218.326.7199

GRPU will invoice customers monthly and collect payment for the City’s Stormwater Utility. GRPU will provide quarterly deposits of the SWU revenue collected to the City. Annually, any uncollectible accounts will be returned to the City for special assessment consideration. The cost shall be based on the actual cost of providing the billing and payment collection service.

Woodchipper & Tow Vehicle Equipment

Key Contacts:

City: Matt Wegwerth	GRPU: Chad Troumbly
Public Works Director/City Engineer	GRPU Electric Manager
mwegwerth@grandrapidsmn.gov	cmtroubly@grpuc.org
218.326.7625	218.326.7182

GRPU and City PW both trim trees and process wood waste. GRPU purchased a woodchipper (2022 Morbark 1415 Brush Chipper) for use by both entities. City PW shall provide a Tow vehicle and be responsible for its maintenance. Woodchipper maintenance shall be the responsibility of GRPU. Scheduling of equipment use will be coordinated between Key Contacts or their Foremen/ Supervisors.

ASV Equipment

Key Contacts:

City: Matt Wegwerth	GRPU: Chad Troumbly
Public Works Director/City Engineer	GRPU Electric Manager
mwegwerth@grandrapidsmn.gov	cmtroubly@grpuc.org
218.326.7625	218.326.7182

In exchange for GRPU usage of the City-owned ASVs and trailers, GRPU shall equally share the actual cost of maintenance for these pieces of equipment as described above under the Fleet Maintenance section. Scheduling of equipment use will be coordinated between Key Contacts or their Foremen/ Supervisors.

IN WITNESS WHEREOF, the City and GRPU have caused this MOU to be duly executed by their respective authorized officers.

CITY OF GRAND RAPIDS

GRAND RAPIDS PUBLIC UTILITIES

By: _____
Name: Tasha Connelly
Title: Mayor
Date: 12/16/2024

By: _____
Name: Tom Stanley
Title: GRPUC President
Date: 12/18/2024

MOU HISTORY:

Original: 12/29/2023

Revised: 12/16/2024 (City Council) and 12/18/2024 (GRPUC)



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Adopt a resolution approving LG 214 Premises Permit for Grand Rapids Amateur Hockey Association.

PREPARED BY: Kim Gibeau

BACKGROUND:

GRAHA has submitted an application for a premises permit for off-site gambling at the Unwined Up North, 31 NE 3rd Street, Grand Rapids and is requesting the City Council adopt a Resolution authorizing the permit.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution approving LG 214 Premises Permit Application to Conduct Off-Site Gambling for GRAHA.

Councilor introduced the following resolution and moved for its adoption:

RESOLUTION 24 -

RESOLUTION APPROVING GRAND RAPIDS AMATEUR HOCKEY ASSOCIATION (GRAHA) LG 214 PREMISES PERMIT

WHEREAS, the Grand Rapids Amateur Hockey Association has presented the City Council of Grand Rapids an application for a premises permit for off-site gambling at Unwined Up North, 31 NE 3rd Street, Grand Rapids, MN; and

WHEREAS, the Gambling Control Board may not issue a Premises Permit for off-site gambling permit without City Council approval.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Grand Rapids approved the LG214 Application for Premises Permit to allow Off-Site Gambling for the Grand Rapids Amateur Hockey Association at 31 NE 3rd Street,, Grand Rapids, Minnesota.

Adopted by the council this 16th day of December, 2024.

Tasha Connelly, Mayor

ATTEST:

Kimberly Gibeau, City Clerk

Councilor seconded the foregoing resolution and the following voted in favor thereof: and the following voted against same: None; whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider approving a Memorandum of Understanding with Independent School District 318 and the Reif Arts Council for the operation and maintenance of the electronic billboard sign.

PREPARED BY: Dale Anderson, Director of Parks & Recreation

BACKGROUND:

In 2018 the City partnered with ISD 318 and the Reif Arts Council to purchase the electronic Readerboard that is located on along HWY 169 South on UPM Blandin Paper Company property. To date, the City has covered the expense of all repairs. In the updated MOU, it specifies that the expense of all repairs shall be equally shared by all three partners. The MOU is attached for your review.

REQUESTED COUNCIL ACTION:

Make a motion to approve a Memorandum of Understanding with Independent School District 318 and the Reif Arts Council for the operation and maintenance of the electronic billboard sign.

Memorandum of Understanding between the following:

Partners: City of Grand Rapids
Independent School District# 318
Reif Arts Council

Period Covered: January 1, 2025 – December 31, 2025, automatically renewed annually unless terminated by any partner as addressed below.

This Memorandum of Understanding (MOU) contains basic provisions, which will guide the working relationship between all parties. Upon expiration of this agreement partners will have priority of renewal. In a change of ownership in the land, the sign will become property of the City of Grand Rapids and basic provisions and partnerships will remain the same.

BASIC PROVISIONS

- The City of Grand Rapids formed a partnership agreement with UPM Blandin Paper Company to provide land for an electronic billboard sign on the property on the west side of Pokegama Avenue, just south of 2nd Street.
- The electronic billboard sign is the property of the City of Grand Rapids.
- Each partner is allowed a 1/ 3 share of time on the electronic billboard sign.
- All partners agree to use their 1/ 3 portion of the electronic billboard sign time solely to convey their own messages, without providing access for others to provide their messages. The partners intend that the messages conveyed during a partner' s 1/ 3 portion of the sign time will only be messages that observers will identify with that partner.
- The City of Grand Rapids will oversee physical management and upkeep of the overall sign. The expense of all repairs shall be equally shared by the three partners.
- All partners agree to follow the Grand Rapids Community Readerboard Posting Policy, set forth by the planning committee, for messaging.

By signing this MOU, all partners, Reif Arts Council, City of Grand Rapids, and Independent School District# 318 agree to the provisions, policies and procedures listed above. Please note that through committee development any changes agreed upon by all parties may be implemented. This agreement will be reviewed annually unless terminate as addressed below.

THIS CONTRACT MAY BE TERMINATED BY ANY PARTY AS PROVIDED BELOW:

1. By any Party providing written notice to the other contracting Parties, with a minimum of a 30-day notice.
2. Unsatisfactory performance by either of the parties.

_____	_____	_____	_____
Reif Arts Council	Date	City of Grand Rapids	Date
_____	_____	_____	_____
ISD #318	Date		

Grand Rapids Community Readerboard Posting Policy

The Community Readerboard, located on the west side of Pokegama Avenue, just south of 2nd Street, is owned in partnership by the City of Grand Rapids, Independent School District# 318, and the Reif Center, hereafter referred to as the Readerboard Partnership. The Readerboard is managed by the City of Grand Rapids with each partner organization responsible for its own messaging.

All three partners will have an equal (1/ 3) share of the Readerboard time. All partners agree to use their 1/ 3 portion of the electronic billboard sign time solely to convey their own messages, without providing access for others to provide their messages. The partners intend that the messages conveyed during a partner' s 1/ 3 portion of the sign time will only be messages that observers will identify with that partner.

The purpose of this policy is to set forth a guide to be followed by the partner organizations. Postings will be done in accordance with State law and in no case be an obligation of the Readerboard Partnership or the property owner where the sign is located, nor will any member of the Readerboard Partnership or the property owner be compromised because of any posting made. This policy shall be used to maximize the benefits to the citizens of the Grand Rapids area.



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider approving resolutions adopting the 2024 Tax Levy Payable 2025, 2025 General Fund Budgets, 2025 Special Revenue Budgets and 2025 Enterprise Budgets.

PREPARED BY: Laura Pfeifer

BACKGROUND:

The City Council and staff have been working on the 2025 budgets since early 2024. The 2024 tax levy payable in 2025 and City budgets were discussed at the public forum on Monday, December 2, 2024. The City will have 5.16% increase over last year's levy amount. The Certified Levy for 2024 Tax Levy Payable 2025 is \$9,657,165.

We are requesting the Council adopt the resolutions listed to approve a tax levy for 2024 payable in 2025 and the 2025 budgets for the General Fund, Special Revenue Funds and Enterprise Funds.

REQUESTED COUNCIL ACTION:

Make a motion to approving resolutions adopting the following:

- 2024 Tax Levy Payable 2025,
- 2025 General Fund Revenue and Expenditures Budget,
- 2025 Special Revenue Fund Budgets for the Library, Cemetery, Grand Rapids Economic Development Authority, Yanmar Arena, Grand Rapids/Itasca County Airport, Electric Vehicle Charging Stations Fund, Police Forfeiture Fund, Haz-Mat Response Fund, Domestic Animal Control Facility, and Central School,
- 2025 Enterprise Fund Budgets for Pokegama Golf Course and Storm Water Utility Fund.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION APPROVING THE FINAL 2024 TAX LEVY
PAYABLE IN 2025

BE IT RESOLVED that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, levies the following sums of money for the current year 2024 collectible in 2025, upon the taxable property in the City of Grand Rapids, for the following purposes:

General Fund	\$6,395,780
Library Fund	830,187
Itasca Calvery Cemetery	252,892
Internal Loan-Public Works Equipment	225,000
Abatement Levies	25,000
GREDA	125,000
Debt Study Reduction	(80,000)
2010A Improvement Bonds	55,486
2011B Improvement Bonds	56,972
2012A Improvement Bonds	124,376
2013B Reconstruction Bonds	109,510
2014A Reconstruction Bonds	162,032
2016A Reconstruction Bonds	153,334
2017A Reconstruction Bonds	172,238
2018A St Recon & CIP Bonds	143,953
2019A Improvement Bonds	63,421
2020A Reconstruction Bonds	166,191
2021 GO/Abatement Bonds	94,825
2021B Fire Hall GO Bonds	309,845
2023A Improvement Bonds	205,900
2024B Equipment Certificates	<u>65,223</u>

CERTIFIED TO COUNTY AUDITOR \$9,657,165

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the forgoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE 2025
GENERAL FUND REVENUE AND EXPENDITURE BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following General Fund Revenue and Expenditure budget for 2025:

REVENUES

Taxes	\$6,395,780
Payment in Lieu of Taxes	933,281
Licenses and Permits	682,985
Intergovernmental	2,794,263
Charges for Services	1,351,477
Fines and Forfeits	69,000
Miscellaneous Revenue	72,000
Other Financing Sources	<u>85,000</u>

TOTAL REVENUE \$12,383,786

EXPENDITURES

Administration	\$ 691,268
Building Safety Division	304,781
Community Development	644,164
Council/Boards	101,283
Finance	652,775
Fire	941,697
Fleet Maintenance	310,037
Information Technology	433,527
Police	4,257,486
Public Works	2,350,135
Recreation	352,967
City Wide	420,995
Transfers	835,171
Fund Balance Payback	<u>87,500</u>

TOTAL EXPENDITURES \$12,383,786

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the forgoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND
PUBLIC LIBRARY REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Special Revenue Fund-Public Library revenue and expenditures budget for 2025:

REVENUES:	
Taxes	\$830,187
Intergovernmental	145,000
Charges for Services	28,081
Fines & Forfeits	0
Miscellaneous	<u>5,800</u>
 TOTAL REVENUES	 <u>\$1,009,068</u>
EXPENDITURES:	
Personnel	\$748,700
Supplies and Materials	90,500
Other Charges and Services	<u>169,868</u>
 TOTAL EXPENDITURES	 <u>\$1,009,068</u>
 Revenue over Expenditures	 <u>\$ 0</u>

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the forgoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND
CEMETERY REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopted the following Special Revenue Fund – Cemetery revenue and expenditures budget for 2025:

REVENUES:

Taxes	\$252,892
Charges for Services	35,000
Miscellaneous	<u>1,300</u>
Total Revenue	<u>\$289,192</u>

EXPENDITURES:

Personnel	\$228,011
Supplies & Materials	15,600
Other Charges	<u>45,581</u>
Total Expenditures	<u>\$289,192</u>

EXCESS REVENUE OVER EXPENDITURES \$ 0

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE SPECIAL REVENUE FUND
ECONOMIC DEVELOPMENT AUTHORITY 2025 REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Special Revenue Fund – Economic Development Authority revenue and expenditures budget for 2025:

REVENUES:

Taxes	\$ 30,000
Miscellaneous	<u>100</u>
Total Revenue	<u>\$ 30,100</u>

EXPENDITURES:

Supplies & Materials	\$ 150
Other Charges	<u>16,200</u>
Total Expenditures	<u>\$ 16,350</u>
Excess Revenue over Expenditures	<u>\$ 13,750</u>

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO 24-

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND-YANMAR ARENA REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopt the following Special Revenue Fund – Civic Center revenue and expenditures budget for 2025:

REVENUES:

Miscellaneous	<u>\$ 669,000</u>
Total Revenue	<u>\$ 669,000</u>

EXPENDITURES:

Other Charges	229,000
Debt Service	<u>440,000</u>
Total Expenditures	<u>\$ 669,000</u>

EXCESS REVENUE OVER EXPENDITURES \$ 0

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE 2025 REVENUE AND EXPENDITURES BUDGET FOR THE GRAND RAPIDS/ITASCA COUNTY AIRPORT

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following revenue and expenditures budget for the Grand Rapids/Itasca County Airport for 2025:

REVENUES:

Intergovernmental	\$ 86,231
Charges for Services	11,500
Miscellaneous Revenue	144,181
Other Sources	<u>47,209</u>
Total Revenue	<u>\$289,121</u>

EXPENDITURES:

Personnel	\$ 115,971
Supplies & Materials	46,000
Other Charges	<u>127,150</u>
Total Expenditures	<u>\$289,121</u>

EXCESS REVENUE OVER EXPENDITURES \$ 0

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO 24-

A RESOLUTION ADOPTING THE SPECIAL REVENUE FUND
ELECTRIC VEHICLE CHARGING STATIONS 2025 REVENUE AND
EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Special Revenue Fund – Electric Vehicle Charging Stations revenue and expenditures budget for 2025:

REVENUES:

Charges for Services	<u>\$ 605</u>
Total Revenue	<u>\$ 605</u>

EXPENDITURES:

Administrative Fees	\$ 100
Other Charges	<u>505</u>
Total Expenditures	<u>\$ 605</u>

Excess Revenue over Expenditures \$ 0

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO 24-

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND
POLICE DESIGNATED FORFEITURES REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Special Revenue Fund – Police Designated Forfeitures revenue and expenditures budget for 2025:

REVENUES:

Intergovernmental	\$ 500
Fund Balance Usage	<u>2,000</u>
Total Revenue	\$ 2,500

EXPENDITURES:

Supplies & Materials	2,500
Other Charges	<u>0</u>
Total Expenditures	<u>\$ 2,500</u>

EXCESS REVENUE OVER EXPENDITURES \$ 0

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24 -

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND
STATE HAZMAT RESPONSE TEAM REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Special Revenue Fund – State Hazmat Response Team revenue and expenditures budget for 2025:

REVENUES:

Intergovernmental	<u>\$60,000</u>
Total Revenue	<u>\$60,000</u>

EXPENDITURES:

Personnel	\$35,443
Supplies & Materials	10,810
Other Charges	<u>13,747</u>
Total Expenditures	<u>\$60,000</u>

EXCESS REVENUE OVER EXPENDITURES \$ 0

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND DOMESTIC ANIMAL CONTROL FACILITY REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Special Revenue Fund-Domestic Animal Control Facility revenue and expenditures budget for 2025:

REVENUES:	
Fines & Fees	\$ 40,250
Operating Transfer In	<u>40,936</u>
 TOTAL REVENUES	 <u>\$ 81,186</u>
EXPENDITURES:	
Personnel	\$ 59,026
Supplies and Materials	4,000
Other Charges and Services	<u>18,160</u>
 TOTAL EXPENDITURES	 <u>\$ 81,186</u>
 EXCESS REVENUE OVER EXPENDITURES	 <u><u>0</u></u>

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the forgoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO 24-

A RESOLUTION ADOPTING THE 2025 SPECIAL REVENUE FUND
CENTRAL SCHOOL REVENUE AND EXPENDITURES BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopted the following Special Revenue Fund – Central School revenue and expenditures budget for 2025:

REVENUES:

Miscellaneous	\$ 60,100
Operating Transfer-In	<u>75,435</u>

Total Revenue	<u>\$ 135,535</u>
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EXPENDITURES:

Supplies & Materials	\$ 1,300
Other Charges	128,835
Capital Outlay	<u>5,400</u>

Total Expenditures	<u>\$ 135,535</u>
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EXCESS REVENUE OVER EXPENDITURES	<u><u>\$ 0</u></u>
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Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ADOPTING THE 2025 ENTERPRISE FUND-
POKEGAMA GOLF COURSE
REVENUE AND EXPENSE BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Enterprise Fund Pokegama Golf Course revenue and expense budget for 2025:

REVENUES:	
Charges for Services	\$913,498
Miscellaneous Revenue	<u>52,668</u>
Total Revenues	<u>\$966,166</u>
EXPENSES:	
Personnel	\$379,438
Supplies and Materials	108,750
Other Charges and Services	282,600
Depreciation Expense	<u>117,000</u>
Total Expenses	<u>\$887,788</u>
Net Income/(Loss)	<u>\$ 78,378</u>

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the forgoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION NO 24-
A RESOLUTION ADOPTING THE 2025 ENTERPRISE FUND-
STORM WATER UTILITY
REVENUE AND EXPENSE BUDGET

BE IT RESOLVED, that the City Council of the City of Grand Rapids, County of Itasca, Minnesota, adopts the following Enterprise Fund Storm Water Utility revenue and expense budget for 2025:

REVENUES:	
Licenses & Permits	\$ 1,500
Charges for Services	950,000
Miscellaneous	<u>1000</u>
Total Revenues	<u>\$952,500</u>
EXPENSES:	
Personnel	\$349,391
Supplies and Materials	102,000
Other Charges and Services	448,109
Depreciation Expense	<u>53,000</u>
Total Expenses	<u>\$952,500</u>
Net Income/(Loss)	<u>\$ 0</u>

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the forgoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider adopting a resolution accepting a \$130,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program for the redevelopment of the commercial building at 12 NW 3rd St.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

This IRRR grant will support the redevelopment of the former IEDC office at 12 NW 3rd St., converting its use to a restaurant. The building has been purchased by Eclipse Building Partners, LLC, a local group of investors, who will be investing a total development cost of approximately \$1.4M. The building will be leased to Kyle and Amanda Lussier, who will operate The Pines restaurant.

This project is supported by the 2020 City of Grand Rapids Comprehensive Plan economic development goals to:

- Develop a thriving downtown.
- Recruit new businesses and support entrepreneurs that add jobs and income opportunities.
- Support investments with tourism value.

In addition, as we've outlined, the project is strongly supported by the goals within the recently completed 2023 Grand Rapids Downtown Plan.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution accepting a \$130,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program for the redevelopment of the commercial building at 12 NW 3rd St.

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING AN \$130,000.00 GRANT FROM THE MINNESOTA DEPT. OF IRON RANGE RESOURCES AND REHABILITATION (IRRR) PUBLIC WORKS PROGRAM FOR THE REDEVELOPMENT OF A COMMERCIAL BUILDING AT 12 NW 3RD STREET.

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the \$130,000.00 Public Works grant award from the IRRRB for the redevelopment of a commercial buildings located at 12 NW 3rd St..

Adopted this 16th day of December, 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: _____; and the following voted against same: _____, whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider adopting a resolution accepting a \$180,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program for the redevelopment of the commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

This IRRR grant will support the simultaneous redevelopment and expansion of vacant former office buildings at 16 NE 3rd St. and 210 N. Pokegama Avenue, converting their use to a restaurant and bar, respectively. Both new businesses will be owned and operated by Rapids Brewing Company (RBC) and are designed to provide new and different Downtown experiences. RBC will be investing a total development cost of approximately \$2.3M.

This project is supported by the 2020 City of Grand Rapids Comprehensive Plan economic development goals to:

- Develop a thriving downtown.
- Recruit new businesses and support entrepreneurs that add jobs and income opportunities.
- Support investments with tourism value.

In addition, as we've outlined, the project is strongly supported by the goals within the recently completed 2023 Grand Rapids Downtown Plan.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution accepting a \$180,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program for the redevelopment of the commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING AN \$180,000.00 GRANT FROM THE MINNESOTA DEPT. OF IRON RANGE RESOURCES AND REHABILITATION (IRRR) PUBLIC WORKS PROGRAM FOR THE REDEVELOPMENT OF COMMERCIAL BUILDINGS AT 16 NE 3RD STREET AND 210 N. POKEGAMA AVE.

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the \$180,000.00 Public Works grant award from the IRRRB for the redevelopment of commercial buildings located at 16 NE 3rd St. and 210 N. Pokegama Ave.

Adopted this 16th day of December, 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: _____; and the following voted against same: _____, whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider adopting a resolution accepting a \$40,000 grant from Iron Range Resources and Rehabilitation (IRRR) Commercial Redevelopment grant program for hazardous material abatement and interior demolition associated with the redevelopment of the commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

This IRRR grant will support the simultaneous redevelopment and expansion of vacant former office buildings at 16 NE 3rd St. and 210 N. Pokegama Avenue, converting their use to a restaurant and bar, respectively. Both new businesses will be owned and operated by Rapids Brewing Company (RBC) and are designed to provide new and different Downtown experiences. RBC will be investing a total development cost of approximately \$2.3M.

This project is supported by the 2020 City of Grand Rapids Comprehensive Plan economic development goals to:

- Develop a thriving downtown.
- Recruit new businesses and support entrepreneurs that add jobs and income opportunities.
- Support investments with tourism value.

In addition, as we've outlined, the project is strongly supported by the goals within the recently completed 2023 Grand Rapids Downtown Plan.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution accepting a \$40,000 grant from Iron Range Resources and Rehabilitation (IRRR) Public Works grant program hazardous material abatement and interior demolition associated with the redevelopment of the commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING AN \$40,000.00 GRANT FROM THE MINNESOTA DEPT. OF IRON RANGE RESOURCES AND REHABILITATION (IRRR) COMMERCIAL REDEVELOPMENT PROGRAM FOR DEMOLITION AND HAZARDOUS MATERIAL ABATEMENT ASSOCIATED WITH THE REDEVELOPMENT OF COMMERCIAL BUILDINGS AT 16 NE 3RD STREET AND 210 N. POKEGAMA AVE.

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the \$40,000.00 Commercial Redevelopment grant award from the IRRRB for the redevelopment of commercial buildings located at 16 NE 3rd St. and 210 N. Pokegama Ave.

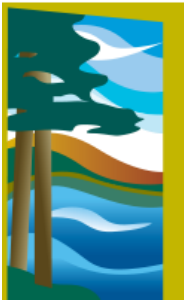
Adopted this 16th day of December, 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: _____; and the following voted against same: _____, whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider adopting a resolution authorizing the Itasca County Auditor to assess the delinquent Storm Water Utility charges to the property tax statement of delinquent tax owners.

PREPARED BY: Laura Pfeifer

BACKGROUND:

The City is utilizing the service of the Grand Rapids Public Utilities for the billing of storm water utilities. The County Auditor requires a resolution from the City Council directing them to add these delinquencies to the tax statement. A letter was sent to all property owners with the delinquent balances giving them the opportunity to pay before it is sent to the County Auditor.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution authorizing the Itasca County Auditor to assess the delinquent Storm Water Utility charges to the property tax statement of delinquent tax owners.

Council member introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-

A RESOLUTION AUTHORIZING THE ITASCA COUNTY AUDITOR TO ASSESS DELINQUENT STORM WATER UTILITY CHARGES TO THE PROPERTY TAX STATEMENT OF DELINQUENT PROPERTY TAX OWNERS PER EXHIBIT A

WHEREAS, the Grand Rapids City Council adopted the Storm Water Utility Ordinance #04-08-10 on August 9, 2004 for implementation beginning January 1, 2005, and

WHEREAS, beginning on that date, City residents, commercial property, industrial and institutional property have been charged a fee for storm water management based on a fee schedule approved by the City Council, and

WHEREAS, the Grand Rapids Public Utilities is providing the City with a list of delinquent accounts, and

WHEREAS, the Section 70.203 (f) and (g) of the Ordinance states a penalty for late payment is 10% of the amount past due and past due fees and penalty can be certified to the County Auditor for collection with real estate taxes in the next year,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, authorizes the County Auditor to assess the delinquent storm water utility charges to the property tax statement of the delinquent property tax owners identified in Exhibit A.

Adopted this 16th day of December 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

EXHIBIT A**DELINQUENT STORM WATER UTILITY CHARGES TO BE ASSESSED AGAINST THE
FOLLOWING PARCELS**

Parcel Numbers	With 10% Penalty
910033200	10,783.84
910054413	332.00
910054414	263.59
910153408	96.53
910172205	332.00
910291401	14.11
910344404	353.94
910353103	209.00
914251720	332.00
914530040	27.78
914900632	235.58
914900638	236.19
915150020	292.44
915551120	436.33
915851340	394.98
915851825	39.14
915853910	64.63
916050435	205.59
916715530	126.78
917010120	49.78
917030280	25.88
917051580	64.63
917201430	193.79
	15,110.53



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check.

PREPARED BY: Laura Pfeifer

BACKGROUND:

Accounts payable check #157681 issued to American Eagle Security Systems on August 20, 2024 for \$171.00 is lost. An authorized representative of payee has completed the required Affidavit of Lost Check.

REQUESTED COUNCIL ACTION:

Make a motion to void lost accounts payable check #157681, issue a new check and waive bond requirements for the check issued to American Eagle Security Systems in the amount of \$171.00.

AFFIDAVIT

STATE OF) Minnesota

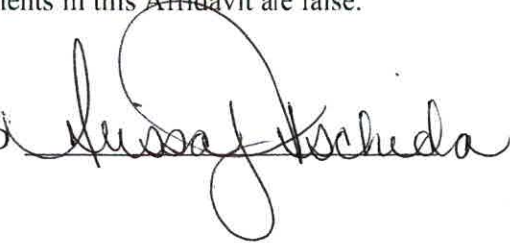
) SS

COUNTY OF) Itasca

Alissa Tschida, being first duly sworn on oath, states that he/she resides at **1257 South Pokegama Ave, PO Box 5057, Grand Rapids, MN, 55744** and that he/she is the payee named in a check number **157681**, issued to **American Eagle Security Systems**, drawn by **City of Grand Rapids** dated **August 20, 2024**, for the sum of **\$171.00**; that to my knowledge this check was never endorsed by me, that I did not authorize anyone to endorse it for me, and that the circumstances of the loss or destruction of the check are as follows:


Accounts Payable lost check

I am making this Affidavit in conjunction with my request that the **City of Grand Rapids** issue a duplicate check. I understand that I make this Affidavit under oath and that I may be subject to criminal penalty if my statements in this Affidavit are false.

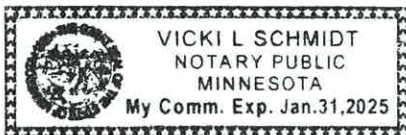
SIGNED 

Subscribed and sworn to before me

This 9th day of December, 2024



Notary Public





CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider a motion agreeing to the sale of property by warranty deeds to Minnesota Department of Transportation for infrastructure improvements along State highways in the city of Grand Rapids.

PREPARED BY: Matt Wegwerth

BACKGROUND:

The State of Minnesota has approached the City requesting to purchase 6 parcels of land owned by the City. These parcels are located along/under Highway 2 East and are needed for the infrastructure improvements project planned for 2025. The property is not needed for City purposes going forward, in that the state of Minnesota already had easements over the property now being sold to the State of Minnesota.

The agreed-upon sale prices are pursuant to license appraisals which established value. Below is a summary of the offers.

Parcel ID	Offer
325D	\$ 1,100
10	\$ 900
314	\$ 10,900
225G	\$ 1,100
222F	\$ 1,800
220	\$ 2,700
Total	\$ 18,500

REQUESTED COUNCIL ACTION:

Make a motion agreeing to the sale of property by warranty deeds to Minnesota Department of Transportation for infrastructure improvements along State highways in the city of Grand Rapids in the total amount of \$18,500 and authorize the mayor to sign all necessary documents.

Date:

10/29/24

City of Grand Rapids
Mayor
Grand Rapids City Hall
420 N. Pokegama
Grand Rapids, MN 55744-2662

In reply refer to: MS 631
S.P.: 3104-61RW C.S.: 3104 (2=8) 827 Job: TRW238799
County: Itasca
Parcel: 220 - City of Grand Rapids
Property Address:

The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing a portion of your property for improvements to Highway 2. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the land acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property being purchased. The certified appraised amount offered to you is \$2,700.00. This amount is for the real estate being acquired and no other damages or loss in value to the remainder property has been identified in the appraisal.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Very truly yours,



Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet

Legal Description describing acquisition

Offer to Sell and Memorandum of Conditions (reference copy if applicable)

Conveyance Instrument (reference copy if applicable)

"Relocation Assistance" Booklet (if applicable)

Valuation Report

Appraisal Reimbursement Claim form

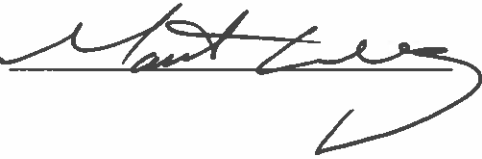
Acquisition Incidental Claim form

Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: 10/29/2024

Owners Signature: 

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$ _____

C.S. 3104 (2=8) 827

Parcel 220

County of Itasca

Date: _____

For and in consideration of the sum of _____ Dollars (\$ _____),

City of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, Grantor, hereby conveys and warrants to the State of Minnesota, Grantee, real property in Itasca County, Minnesota, described as follows:

All of the following:

That part of Lots 14 and 15, Block 21, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 220 on Minnesota Department of Transportation Right of Way Plat Numbered 31-220 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.

together with all hereditaments and appurtenances belonging thereto. Subject to mineral rights and utility easements of record, if any.

Check box if applicable:

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

CITY OF GRAND RAPIDS

By _____

Its _____

And _____

Its _____

STATE OF MINNESOTA)
)SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ and _____, the _____ and _____ of City of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, on behalf of the municipal corporation.

NOTARY PUBLIC

My commission expires: _____

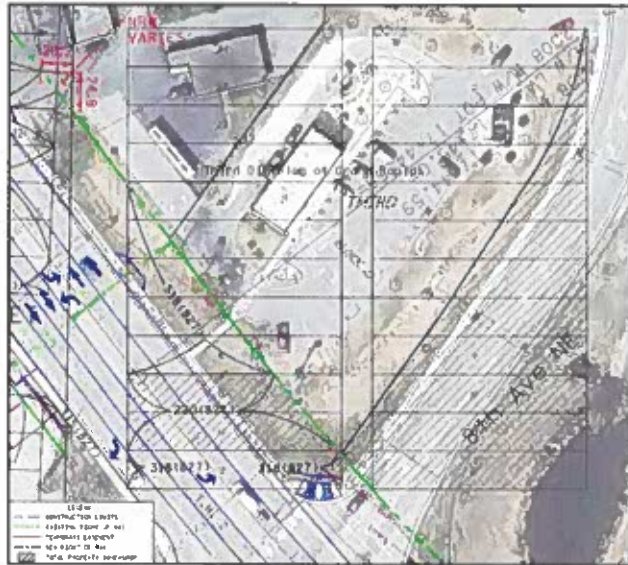
This instrument was drafted by the State of Minnesota, Department of Transportation, Legal and Property Management Unit, 395 John Ireland Blvd. St. Paul, MN 55155-1800

Send tax statements to Grantee: State of Minnesota Department of Transportation District 1 Right of Way 1123 Mesaba Avenue Duluth, MN 55811

COPY

Item 21.

Minimum Damage Valuation Appraisal Report



A Partial Acquisition From
Parcel Number 3104-827-220
The City of Grand Rapids Property
Northern side of E U.S. Highway 2 & NE 8th Avenue
Grand Rapids, MN 55744

Project
TH 2 La Prairie Mill & Overlay Project
Minnesota Department of Transportation (MnDOT)
State Project Number (SP): 3104-61
Trunk Highway Number (TH): 2

Prepared For
Mr. John Hinzmann Jr., District 1 Land Management Supervisor
Minnesota Department of Transportation (MnDOT)

By
Julie Jeffrey Schwartz
Lake State Realty Services, Inc.

Effective Date
January 23, 2024

Date of Report
September 4, 2024



Executive Summary

State Project:	3104-61RW (TH 2)
Control Section:	3104 (2=8) 827
Parcel Number:	3104-827-220
Owner:	Per a Title Opinion provided by the client, the current fee owner is the City of Grand Rapids.
Property Address:	xxx E U.S. Highway 2, Grand Rapids, MN 55744
County:	Itasca County, MN
Legal Description:	See later in this appraisal
Parcel Identification Number(s):	91-425-2120
2022 Assessed Values, Taxes Payable 2023	Land: \$0; Improvements: \$0; Total: \$0 Taxes Payable 2023: N/A, as the subject is owned by a government unit, the City of Grand Rapids.
Proposed 2023 Assessed Values, Taxes Payable 2024	Land: \$0; Improvements: \$0; Total: \$0 Proposed Taxes Payable 2024: N/A, as the subject is owned by a government unit, the City of Grand Rapids.
Intended Use/Purpose:	Estimate of value for conversion of existing permanent highway easement (roadway right-of-way) to fee.
Client/Intended Users:	Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT)
Entire Tract Size:	Per information provided by the client, the subject is 28,264 s.f. or 0.65 acres in size, of which 5,799 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 22,465 s.f. or 0.52 acres. It is noted, this before net size appears to include existing roadway right-of-way for NE 8 th Avenue, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition. It appears that the entire subject parcel is used for roadway right-of-way purposes. It is noted, Itasca County GIS Records reflect the parcel as being 0.50 acres in size, however, the size provided by the client is deemed more accurate, assumed based on a survey, and is used as the size of the subject throughout the appraisal.
Improvements:	Generally roadway right-of-way improvements
Zoning:	GB, General Business, as governed by the City of Grand Rapids. The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.
Guided Land Use:	Highway Commercial, as guided by the City of Grand Rapids
Highest and Best Use:	Roadway right of way as historically and currently used
Interest Appraised:	Fee Simple
Proposed Acquisition:	Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee: 5,799 s.f.
Recommended Compensation:	\$2,700 (R)
Effective Date:	January 23, 2024
Appraiser:	Julie Jeffrey Schwartz, Certified General Appraiser, Minnesota #4002423



Property Appraised

Per information provided by the client, the subject is 28,264 s.f. or 0.65 acres in size, of which 5,799 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 22,465 s.f. or 0.52 acres. It is noted, this before net size appears to include existing roadway right-of-way for NE 8th Avenue, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition. It appears that the entire subject parcel is used for roadway right-of-way purposes.

The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located at the intersection of U.S. Highway 2 E (TH 2) and NE 8th Avenue, generally being located on the northern side of the intersection. The subject does not have a physical address.

The subject property appears to be fully used as roadway right-of-way, and is improved as such.

Subject Legal Description

Per a Title Opinion provided by the client, the subject has the following legal description:

Lots 14 and 15;
 East 20 feet of Lot 2;
 East 30 feet of Lot 3;
 East 50 feet of Lot 4;
 East 65 feet of Lot 5;
 East 90 feet of Lot 6;
 East 120 feet of Lot 7;
 All of Lots 8, 9, 10, 11, and 12, all of the above in Block 21, Grand Rapids Third Division, Itasca County, Minnesota.

EXCEPTING THEREFROM those lands conveyed by the City of Grand Rapids, a Minnesota municipal corporation, to Marvin Development IV, LLC, a Minnesota limited liability company in Limited Warranty Deed dated August 19, 2014, recorded August 27, 2014 as Doc. No. A000687116 described as follows:

The East 20 feet of Lot 2; East 30 feet of Lot 3; East 50 feet of Lot 4; East 65 feet of Lot 5; East 90 feet of Lot 6; East 120 feet of Lots 7, 8-11, Lots 14 and 15 lying Northerly of Trunk Highway No. 2, and the West half of North-South alley lying East and adjacent to Lots 14 and 15 all in Block 21, Third Division of Grand Rapids, as platted, Itasca County, Minnesota, which lies Northerly and Westerly of the following described line:



Commencing at the Northeast corner of Lot 1, said Block 21, thence along the Northerly extension of the East line of said Lot 1 on an assigned bearing North 00 degrees 03 minutes 05 seconds West a distance of 7.06 feet to the Point of Beginning of the line to be described; thence along a non-tangential curve concave to the West, radius 226.00 feet, central angle 31 degrees 41 minutes 49 seconds, arc length 125.03 feet, the chord of said curve bears South 18 degrees 46 minutes 41 seconds West a distance of 123.44 feet; thence South 34 degrees 37 minutes 36 seconds West a distance of 82.52 feet; thence South 36 degrees 07 minutes 41 seconds West a distance of 128.56 feet to a point on the Northerly right-of-way line of Trunk Highway No. 2 and there terminating.

Itasca County, Minnesota
Abstract Property

Appraisal Report Type

An MDV is a restricted appraisal report whereby damages resulting from a right-of-way related acquisition to the subject property are estimated to be under \$25,000. This appraisal report is intended to comply with the reporting requirements of USPAP (Uniform Standards of Professional Appraisal Practice). Only summary information and discussion of the data, reasoning and analyses are contained within this report. This report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. Supporting documentation not contained in this report is retained in the appraiser's work file. The depth of data and analysis contained in this report are specific to the intended needs of the client, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), for the intended use of negotiations related to the proposed partial acquisition of conversion of existing permanent highway easement (roadway right-of-way) to fee.

Scope of Work

Appraisal Type/Format: This is a minimum damage valuation (MDV) appraisal report (land only) reported in a restricted appraisal format, with no departure from the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, and is in compliance with the reporting requirements of Standards Rule 2-2 (b) of USPAP.

Inspection: Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

Property Data: General and specific information related to the subject property and its location was obtained from various sources, including public records from the City of



Grand Rapids, and Itasca County. Information including assessor's estimated market value, any applicable annual property taxes, current and proposed zoning, and current and guided land use, was obtained.

Property Analysis: Based on the inspection and subject property data, the subject property was analyzed in context to its neighborhood, its market, including supply and demand factors, and the highest and best use was concluded before the proposed acquisition. Information related to the proposed partial acquisition was provided by the client, and the impact of the acquisition was considered in the opinion of highest and best use and conclusion of damages.

Highest and Best Use and Approaches to Value: Based on the information gathered and investigation of the market, the highest and best use was concluded both before and after the partial acquisition. The highest and best use determined the applicable approach to value which, in the instance of the subject, included only the sales comparison approach (f/k/a as the market approach). The highest and best use supported the types of comparables to use in the comparable sales analysis. The cost approach was not applicable due to lack of improvements impacted by the proposed acquisition. The income approach was not applicable due to lack of rental data in the market for vacant land.

Sources for Market Data: Market data related to the recent land sales was obtained from various sources, including assessor's records, local data exchanges including, Realist and the Regional Multiple Listing Service, and private appraiser databases. The comparable data was confirmed by this appraisal office, as detailed on each comparable data sheet.

Reconciliation: The opinion of market value for the subject has been reconciled and that opinion of market value was used to base compensation for damages related to the partial acquisition from the subject property.

Definition of Market Value

The Appraisal Institute's The Dictionary of Real Estate Appraisal, 6th Edition, includes the following in its definition for "market value":

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress"



Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or creative terms, services, fees, costs or credits involved in the transaction.

Purpose / Intended Use

The purpose of this appraisal is to provide an estimate of market value of a partial acquisition related to the Minnesota Department of Transportation's State Project 3104-61RW (TH 2). The partial acquisition includes conversion of existing permanent highway easement (roadway right-of-way) to fee. This appraisal is being completed for the requestor, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), who intends to use this report (function) for acquisition negotiation purposes related to the partial acquisition of the subject property.

Five Year Sale History

Per county records, and a Title Opinion provided by the client, there have been no sales of the subject in the past five years.

Assumptions and Conditions

The certification of this appraisal report is subject to the following:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the marketability of the title.
2. The property is assumed to be under responsible ownership and management.



3. The property is appraised as though clear and free of any liens, encumbrances, or indebtedness, unless stated otherwise.
4. To the best of the appraisers' belief, the information contained in this report is true and reported correctly. The information in this report, while not guaranteed, has been taken from sources or records believed to be reliable.
5. The Appraisers assume that there exists no hidden defects with the site, sub-soil, or improvements, which would render it more or less valuable.
6. Disclosure by the Appraisers of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraisers are affiliated.
7. The Appraisers are not required to appear in court or give testimony because of having made this report, unless arrangements have been made in advance.
8. This report, or any portions thereof, will not be distributed, or otherwise disseminated, to anyone other than the person who commissioned this or those involved in the certification, except as required by law.
9. This entire appraisal report must be considered as a whole and any excerpts or portions from this report cannot be considered separately.
10. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, as well as applicable zoning regulations and restrictions, unless otherwise stated.
11. It is assumed that all required licenses, consents or other authority from any local, state, or federal governments has been obtained or can be renewed.
12. It is assumed that the subject improvements, if any, are within the stated boundaries, and that there are no encroachments on neighboring property, or neighboring encroachments on the subject property, unless otherwise stated in this report.
13. The existence of potentially hazardous material such as urea-formaldehyde foam insulation, asbestos, existence of toxic water, toxic waste, or radon gas may have an effect on the value of the property. The Appraisers are not qualified to determine if such substances are present. The client may wish to consult an expert in this field.
14. Acceptance of or use of this appraisal report constitutes an understanding of and acceptance of these assumptions and limiting conditions.



15. The maximum liability which can accrue to the Appraisers or the Companies, as a result of performing this appraisal, is limited to the amount paid for the appraisal.

16. The Uniform Standards of Professional Appraisal Practice (USPAP 2024 edition), includes the following definitions for hypothetical condition and extraordinary assumption:

Hypothetical Condition:

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Extraordinary Assumption:

“An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Additionally, USPAP Standards Rule 1-2 (f) and (g) state the following about the reporting and use of hypothetical conditions and extraordinary assumptions:

(f) Identify any extraordinary assumptions necessary in the assignment. An extraordinary assumption may be used in an assignment only if:

- the extraordinary assumption is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption; and
- use of the extraordinary assumption results in a credible analysis;



(g) Identify any hypothetical conditions necessary in the assignment. A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; and
- use of the hypothetical condition results in a credible analysis.

There are no extraordinary assumptions employed in this appraisal. There is one hypothetical condition employed in this appraisal, as follows:

There is a hypothetical condition, that the proposed acquisition is presumed to exist as of the effective date of value. This hypothetical condition is assumed in order to value the damages related to the partial acquisition. The use of this hypothetical condition may have affected the assignment results.

Subject Description, Before the Acquisition

Per information provided by the client, the subject is 28,264 s.f. or 0.65 acres in size, of which 5,799 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 22,465 s.f. or 0.52 acres. It is noted, this before net size appears to include existing roadway right-of-way for NE 8th Avenue, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition. It appears that the entire subject parcel is used for roadway right-of-way purposes.

The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located at the intersection of U.S. Highway 2 E (TH 2) and NE 8th Avenue, generally being located on the northern side of the intersection. The subject does not have a physical address.

TH 2 has an Average Annual Daily Traffic count (AADT) of 6,700-8,000 (2019 count), and NE 8th Avenue has an AADT count of 7,555 (2022 count) to 10,300 (2017 count), in the area of the subject.

The subject has generally level topography, however, the southeastern portion of the parcel appears to slope downward to a drainage/ponding area. The subject has an irregular shape. The drainage on the site is deemed adequate, and the subject is not located within floodplain.

The subject has access to all urban utilities including city sewer and water.



The subject is currently zoned GB, General Business, as governed by the City of Grand Rapids. Following is the purpose of the GB, General Business zoning district taken from the City of Grand Rapid’s Zoning Ordinance:

GB general business district and SGB shoreland general business district. These districts are intended to accommodate a broad range of retail goods and services, land uses and generally serve the entire community. Though not exclusively so, businesses in this district are relatively freestanding and tend to occupy independent building sites. They may enjoy close proximity to like businesses but depend primarily on good accessibility, high visibility and a relatively large volume of passing traffic. For uses permitted by right refer to section 30-512. The SGB districts are also subject to shoreland management standards.

The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board. It appears that just the very southeastern corner of the subject is located within the Safety Zone B. The subject is not negatively impacted by the Airport Safety Zone C, with height restrictions high enough that traditional development can occur. Safety Zone B places the following additional restrictions on the subject, as taken from the Airport Zoning Ordinance:

Zone B: Subject at all times to the height restrictions set forth in subsection 30-64(b), and to the general restrictions contained in subsection 30-65(b)(1), areas designated as zone B shall be restricted in use as follows:

- a. Each use shall be on a site whose area shall not be less than three acres.
- b. Each use shall not create, attract, or bring together a site population that would exceed 15 times that of the site acreage.
- c. Each site shall have no more than one building plot upon which any number of structures may be erected.
- d. A building plot shall be a single, uniform, and non-contrived area, whose shape is uncomplicated and whose area shall not exceed the following minimum ratios with respect to the total site area:

Site Area at least (Acres)	But Less Than (Acres)	Ratio of Site Area to Bldg. Plot Area	Building Plot Area (sq. ft.)	Max. Site Population (15 persons/Acre)
3	4	12:1	10,900	45
4	6	10:1	17,400	60
6	10	8:1	32,600	90
10	20	6:1	72,500	150
20 and up		4:1	218,000	300

- e. The following uses are specifically prohibited in Zone B: Churches, hospitals, schools, theaters, stadiums, hotels, motels, trailer courts, campgrounds, and other places of frequent public or semi-public assembly.



The subject parcel appears to be legal and conforming to the underlying zoning, however, is not compliant to the minimum lot size of 3 acres per the Airport Safety Zone B regulations. The subject's use as roadway right-of-way appears to be a legal and conforming use.

Per a Title Opinion provided by the client, the subject is also subject to the following:

Easements for utilities as reserved in Resolution No. 77-33 vacating an avenue, and a portion of street and alley recorded July 21, 1977 as Doc. No. 318287.

Easement for highway purposes in favor of the State of Minnesota taken in Final Certificate, approval by District Court Judge dated April 24, 1935, recorded May 2, 1935 as Doc. No. 123821 in Book 42 of Mortgages, Pages 619-627 (Parcel 20). FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Plat of Third Division of Grand Rapids, Minn. Dated March 2, 1893, recorded March 23, 1893 in Book 1 of Plats, Page 4. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

There are no other legal restrictions placed on the subject property that would affect value, which the appraiser has been made aware.

The subject is guided for Highway Commercial use, as guided by the City of Grand Rapids. There is no reason to believe the zoning of the subject would change in the near future, nor would it be logical to consider a re-zoning request, as the zoning conforms with the surrounding uses, and guided land use.

The subject property appears to be fully used as roadway right-of-way, and is improved as such.

Acquisition Description

According to the acquisition sketch, the western portion of the subject, is affected by the proposed acquisition. The acquisition area is as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	5,799 s.f.
-----------------------------------------------------------------------------------------	-------------------

Following is a caption block provided by the client:

C.S. 3104(2=8-27)827		S.P. 3104-61						
Third Division of Grand Rapids								
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SO. FEET	SO. FEET	SO. FEET	SO. FEET	
220	31-220	City of Grand Rapids	LOT 12, PART OF LOTS 2-11, 14-15 BLK 21 & VAC ALLEY	28264	5799	22465	5799	FEE



The orientation, configuration, width and length of the acquisition area can be best viewed on the acquisition sketch found later in this appraisal. Within the area of the proposed acquisition appears to be roadway right-of-way improvements that are owned by the public and some grass area.

Subject Description, After the Acquisition

In the before situation, the subject is 28,264 s.f. or 0.65 gross acres in size. As an effect of the acquisition, the subject is smaller by the area of the proposed roadway right-of-way fee acquisition of 5,799 s.f., effectively reducing the size of the subject to 22,465 s.f. or 0.52 acres in the after situation. It is noted, the entire 5,799 s.f. of the proposed roadway right-of-way fee acquisition are encumbered with an existing permanent highway easement (roadway right-of-way).

It is also further noted, it appears that the entire subject parcel is used for roadway right-of-way purposes.

Highest and Best Use, Before and After Acquisition

Per the client, 5,799 s.f. of the subject are encumbered with a permanent highway easement (roadway right-of-way), however, the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition. It appears that the entire subject property is fully used as roadway right-of-way, and is improved with roadway right-of-way improvements that are owned by the public.

Although the entire subject is encumbered with a permanent highway easement (roadway right-of-way) and/or used/improved with roadway right-of-way, the subject is valued first by across-the-fence methodology to obtain a base value for unencumbered land. "Across-the-fence" (ATF) is a term used to describe a method of valuing narrow parcels used in a linear corridor by comparing to abutting land and applying appropriate adjustments. It assumes that the parcel is as valuable as the land it passes through. After the base value is estimated, the impact related to the existing permanent highway easement (roadway right-of-way) encumbrance is subtracted, to obtain an estimate for the remaining underlying fee rights that will be converted to MnDOT fee ownership.

The highest and best use of the subject is for roadway right-of-way, as it is currently encumbered. However, in order to value the subject property we need to assume it to have a similar use and value as land that it abuts such as traditionally employed in across



the fence valuation. So observing the across-the-fence methodology, the subject is compared to commercial lots such as it currently abuts, assuming a highest and best use for commercial use.

The highest and best use as improved, is not applicable, as the subject is appraised as though vacant land.

Approaches to Value

The cost approach is not used because the subject is appraised as vacant land, although certain improvements or landscaped elements affected by the proposed acquisition may be compensated based on cost, to establish appropriate compensation for costs to cure. The income approach was not applicable due to lack of rental data in the market for vacant land.

The Sales Comparison Approach is the only applicable approach to value, and it compares the subject property with other similar properties that have recently sold or are currently listed for sale. Positive and negative adjustments are made to the comparable sales for the differences which exist between them and the subject. Objective comparison with comparable sales provides an indication of value for the subject.

Comparable Sales Data and Adjustment Analysis

In order to value the proposed acquisition area, the subject's underlying fee land value is estimated. Comparables were located from county assessor records, Realist, and the Regional Multiple Listing Service, as well as private appraiser databases. An ample amount of applicable comparable data was located within the large competitive market.

Following is an adjustment chart with the subject and comparables, and a qualitative analysis comparing certain factors to the subject property. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward.



Comparable Sale Adjustment Chart

Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5	Comparable #6	Comparable #7	
Address	xxx E U.S. Highway 2, Grand Rapids, MN 55744	1300 E US Highway 169, Grand Rapids, MN 55744	710 NE 4th Street, Grand Rapids, MN 55744	301 NE 4th Street, Grand Rapids, MN 55744	416 NW 7th Avenue, Grand Rapids, MN 55744	1402 NW 4th Street, Grand Rapids, MN 55744	xxx SW 2nd Avenue, Grand Rapids, MN 55744	xxx US Hwy 169, Grand Rapids, MN 55744
Sale Price	\$700,000	\$175,000	\$150,000	\$110,000	\$120,000	\$421,936	\$125,000	
Price/SF	\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63	
Effective Sale Date	1/23/2024	10/2022	01/2022	06/2023	12/2022	10/2022	04/2022	11/2022
Market Conditions	0.00%	=	=	=	=	=	=	=
Terms/Transfer Docs/Property Rights		Cash/Warranty Deed/Fee Simple	Market Rate Financing/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Quit Claim Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple
Motivations		Adj Owner - Buyer leased prior to sale	Adj Owner	Word of Mouth	Adj Owner	Word of Mouth	Typical	Adj Owner - Right of First Refusal
Adjusted Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Site Size	22,465 net s.f. (0.52 acres)	194,713 SF (4.47 acres)	34,848 SF (0.80 acres)	16,988 SF (0.39 acres)	13,939 SF (0.32 acres)	30,056 SF (0.69 acres)	69,696 SF (1.60 acres)	27,007 SF (0.62 acres)
Location	City of Grand Rapids - Corner	City of La Prairie - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Corner	City of Grand Rapids - Corner	City of Grand Rapids - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Interior
Immediate Area	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Regional Commercial Area	Commercial
AADT	6,700-8,000 & 7,555-10,300	12,200 & 1,639	7,555, one parcel removed from 9,300-13,900	14,200 & 1,871	2,190-4,330	13,300	None recorded, but views of Hwy 169 @ 19,800 and TH 23 @10.623	19,800
Utilities	All Available	All Available	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	GB, General Business & Airport Safety Zones B & C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business	SGB, Shoreland General Business	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C
Topography/Soils/Shape	Generally level to sloping/Buildable/Irregular	Generally level/Buildable/Irregular but conventional - 3 parcels	Generally level /Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Generally rectangular - 2 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular
Other	Non-conforming but Across-the-Fence Value	N/A	N/A	Environmental	Improvements razed after sale	N/A	N/A	Improved with gazebo
Gross Adjustment		2 +	2 +	1 +	1 +	1 +	1 + 1 -	1 +
Net Adjustment		2 +	2 +	1 +	1 +	1 +	=	1 +
Final Price/SF		More than \$3.60	More than \$5.02	Sly more than \$8.83	Sly more than \$7.89	Sly more than \$3.99	About \$6.05	Sly more than \$4.63



Adjustment Analysis

The most similar comparables were chosen. Preferably properties chosen for the adjustment analysis should be similar enough that few adjustments are necessary. Unfortunately, this is rarely the case, so an adjustment analysis is performed. All adjustments applied are typically based on market trends, market demands and preferences, and physical characteristics. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward. This adjustment analysis is a qualitative analysis, where the precise amount of the individual adjustment is not quantified, only that a positive or negative adjustment exists. After the qualitative adjustments are applied, the adjusted comparables support an estimated market value within the range of the comparables, reconciled.

The various items for which the subject has been analyzed include:

Market conditions (time) – A time adjustment is used to reflect changes in the marketplace over time. Things such as declining or inflationary economies, or over-supply or under-demand situations can create differences in market prices through time. All of the comparable sales have occurred since January 2022 and are relatively recent. During this time period, the market conditions have remained stable and there are no upward or downward market pressures, so no adjustment is applied.

Financing Terms of Sale/Transfer Documents – Sometimes financing terms may affect purchase price. All of the comparables sold with cash or its equivalent, market rate financing, so no adjustments are necessary. Comparables 1-4, 6 & 7 transferred with warranty deeds, and no adjustments are required. Comparable 5 transferred via a quit claim deed, but is not adjusted, due to careful practices of title companies and closing agents that reduce any risk associated with a deeded transfer.

Motivations – Sometimes different motivational factors of a buyer or seller may affect negotiations and eventual purchase price. The motivations of the buyers and sellers were explored. Comparable 6 had typical buyer and seller motivations, and is not adjusted. Comparable 1 was purchased by an adjacent owner who had leased the property prior to the transfer for storage purposes. Comparables 2 and 4 were purchased by adjacent owners. Comparables 3 and 5 were marketed through word of mouth. Comparable 7 was purchased by an adjacent owner who had right of first refusal. After review of the comparable sales, and relative land prices in the market area it appears that even with the seller and/or buyers different motivations, all of the comparables sold at market value. Additionally reviewed were the Certificates of Real Estate Value (eCRV), as filed through the State of Minnesota's Department of Revenue, in which comparables 2-7 all reflected that no significant different price was paid (in other words, market value



was paid). Although, comparable 1's eCRV reflected they thought they paid a significant different price, after our research it appears that a market amount was paid, and no adjustments are required.

Site Size – The subject is 0.52 net acres in size. The comparables range in size from 0.32 to 4.47 acres. All but comparable 1 are within a market-typical size range and no adjustment is necessary. Comparable 1, with 4.47 acres, is considerably larger and adjusted upward, as larger parcels tend to sell for less per square foot than smaller parcels.

Location – The subject is located within the City of Grand Rapids, as are comparables 2-6. Comparable 1 is located in La Prairie, but within a highly similar area, and is not adjusted. The subject is a corner-location which affords greater exposure. Interior locations are inferior and adjusted upward.

Immediate Area – The subject and comparables are all located in commercially-defined areas, and no adjustments are required, with the exception of comparable 6. Comparable 6 stands out as the most superior, located in the regional shopping area in a highly desirable commercial area and is superior and adjusted downward.

AADT – The subject is located on roadways with AADT counts of 6,700-8000, & 7,555-10,300. AADT can have an impact on value for commercial properties, with properties on higher-trafficked corridors selling for more than lower-trafficked corridors. Comparables with significantly less AADT are inferior and adjusted upward. Comparable 6 is located on a roadway with unrecorded AADT, but is in view and exposure to two highly-trafficked roadways and with its anticipated 4-story construction will have exposure to these two roadways, and is overall similar and not adjusted.

Utilities – The comparables and subject all have access to typical urban utilities, including city water and sewer, and no adjustments are necessary.

Zoning – The subject is zoned GB, General Business, as are all of the comparables with the exception of comparable 5, which is zoned SGB, Shoreland General Business. The subject and comparables 1-3, 6 & 7, are also subject to Airport Safety Zone C (and the subject is additionally within Zone B), however this does not negatively impact value, with height restrictions high enough that traditional development can occur. With no comparable having a competitive advantage or disadvantage over another, no adjustments are necessary.

Topography/Soils/Shape – The subject and comparables are all similar enough in topography, soils and shape to not require any adjustments. Although some comparables have multiple legal parcels of record, this does not inure any competitive benefit and no adjustment is applied.



Other – Comparable 3 had some environmental issues discovered whereby the entire purchase price is in escrow, and the buyer is pulling from the escrow to pay for the Phase 2 environmental study, and at conclusion of the study, the decision regarding release of the remaining funds will be made, but under no circumstance will the buyer pay more than purchase price. The agreement is the buyer will buy the site clean for the purchase price. An upward adjustment is applied not for the contamination and remediation, but because the contamination and remediation cause a delay in developing this property. Comparable 4 was improved with a single family residence and ancillary site improvements which required removal. The abutter purchased this parcel as it prevented relocating for expansion needs, and although the buyer found it worthwhile to remove the improvements, the market might not, and as such, demolition costs for these improvements is not additionally considered, rather these improvements are deemed value-neutral and not adjusted. Comparable 7 was improved with a gazebo but it did not add value, as a typical buyer would demolish it in order to develop. This particular buyer the gazebo had value as part of the grounds to the Judy Garland Museum, but the market would deem this improvement value-neutral and therefore no adjustment is applied. Although the subject is a non-conforming parcel in and of itself (due to Airport Zone B, the subject must be at least 3 acres in size), due to the across-the-fence appraisal methodology, this factor is not considered to discount the underlying fee value.

It is noted, more information about these comparables is located in the appraiser's file, although a comparable location map and comparable data sheets are located in the addenda of this report.

Reconciled Land Value

After the qualitative adjustment analysis, the adjusted comparable sales prices fall into value suggestions for the subject property's fee simple value.

One comparable yields a value suggestion of about \$6.05/s.f., however, appears to be an aberration.

Four comparables yield value suggestions slightly more than \$3.99/s.f. to \$8.83/s.f.

Two comparables yield value suggestions of more than \$3.60/s.f. to \$5.02/s.f.

All comparables are good indicators of value and overall, minimal adjustments apply.

A value estimate of \$9.00/s.f. is well supported, toward the higher end of the range of the comparables, rounded to the nearest whole dollar.



As the subject has 0.52 net acres, or 22,465 net s.f., the estimated before land market value is as follows:

$$22,465 \text{ s.f. (net size)} \times \$9.00/\text{s.f. (estimated s.f. value)} = \$202,185$$

It is noted, the above before value is for the subject's net 0.52 acres or 22,465 s.f. The subject has an additional 5,799 s.f. encumbered with an existing permanent highway easement (roadway right-of-way). The 5,799 s.f. of area encumbered with the existing permanent highway easement (roadway right-of-way) is valued at 5% of the underlying fee, or \$0.45/s.f., as most of the rights and all of the practical use of this area results from the encumbrance.

Therefore the before land value includes 5,799 s.f. \times \$0.45/s.f. = \$2,609.55, rounded to \$2,610

Total Before Land Value: \$202,185 + \$2,610 (pre-encumbered right-of-way) = \$204,795

*It is noted, this before net size may include existing roadway right-of-way for NE 8th Avenue, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition. It appears that the entire subject parcel is used for roadway right-of-way purposes.

Estimated Value of Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:

5,799 s.f. of the subject are encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights and no practical use. As the owner is deprived of any practical use of this parcel, due to its existing roadway right-of-way use, the remaining rights are estimated to contribute about 5% of the underlying fee value of \$9.00/s.f. The 5,799 s.f. of area encumbered with existing roadway right-of-way is valued at 5% of the underlying fee, or \$0.45/s.f., as most of the rights and all of the practical use of this area results from the encumbrance.

The estimated land market value of the encumbered 5,799 s.f. is as follows:

$$5,799 \text{ s.f. (encumbered s.f.)} \times \$0.45/\text{s.f.} = \$2,609.55, \text{ rounded to } \$2,610$$

The estimated value of conversion of the existing permanent highway easement (roadway right-of-way) to fee is the entire estimated land market value of the encumbered 5,799 s.f. of the subject, or \$2,610.



Site Improvements Damaged Within the Acquisition Area

Within the area of the proposed acquisition appears to be roadway right-of-way improvements that are owned by the public and not subject to compensation.

Conclusions and Allocation of Damages

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$2,610
Affected Site Improvements:	N/A
Estimated Damages:	\$2,610
Final Rounded Estimated Damages:	\$2,700



Attachments

Appear in the following order.

Certification

Aerial Photograph

Acquisition Sketches

Acquisition Legal Description

Project Description from MnDOT

Subject Photos

Comparable Sales Location Map & Data Sheets

Professional Qualifications – Julie Jeffrey Schwartz



Certification

S.P.: 3104-61RW (TH 2)

Parcel: 3104-827-220

Control Section: 3104 (2=8) 827

I certify that, to the best of my knowledge and belief.....

That I have personally inspected the property herein appraised. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based on are correct; subject to the limiting conditions therein set forth.

Katie Huspek, Licensed Residential Appraiser Trainee, MN License #40160103, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386 provided assistance in this appraisal. Ms. Huspek researched subject information, comparable sales, market information and the compilation of the report. Mr. Schwartz accompanied on the inspection, reached out to property owners, and confirmed comparable data. No one other than Ms. Huspek and Mr. Schwartz and the appraiser signing this report have provided significant professional assistance in the compilation of this report, its data, or analysis.

That I understand that such appraisal may be used in connection with the acquisition by the Minnesota Department of Transportation (MnDOT) related to the TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the improvements for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the landowner, was disregarded in determining the compensation for the property.

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, the MnDOT Right of Way Manual, Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and appropriate state laws, regulations, policies and procedures applicable to an appraisal of right-of-way for such purposes, and that



to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under established State or Federal law.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no present or prospective interest, or personal bias, regarding the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Julie Jeffrey-Schwartz has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

As of the date of this report, Julie Jeffrey-Schwartz has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

That I have not revealed the findings and results of such appraisal to anyone other than the proper acquisition officials of the Minnesota Department of Transportation, and their consultants, and that based on my independent appraisal and exercise of my professional judgment, the proposed acquisition for the subject property has a market value as of January 23, 2024 (the date of inspection) as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$2,610
Affected Site Improvements:	N/A
Estimated Damages:	\$2,610
Final Rounded Estimated Damages:	\$2,700

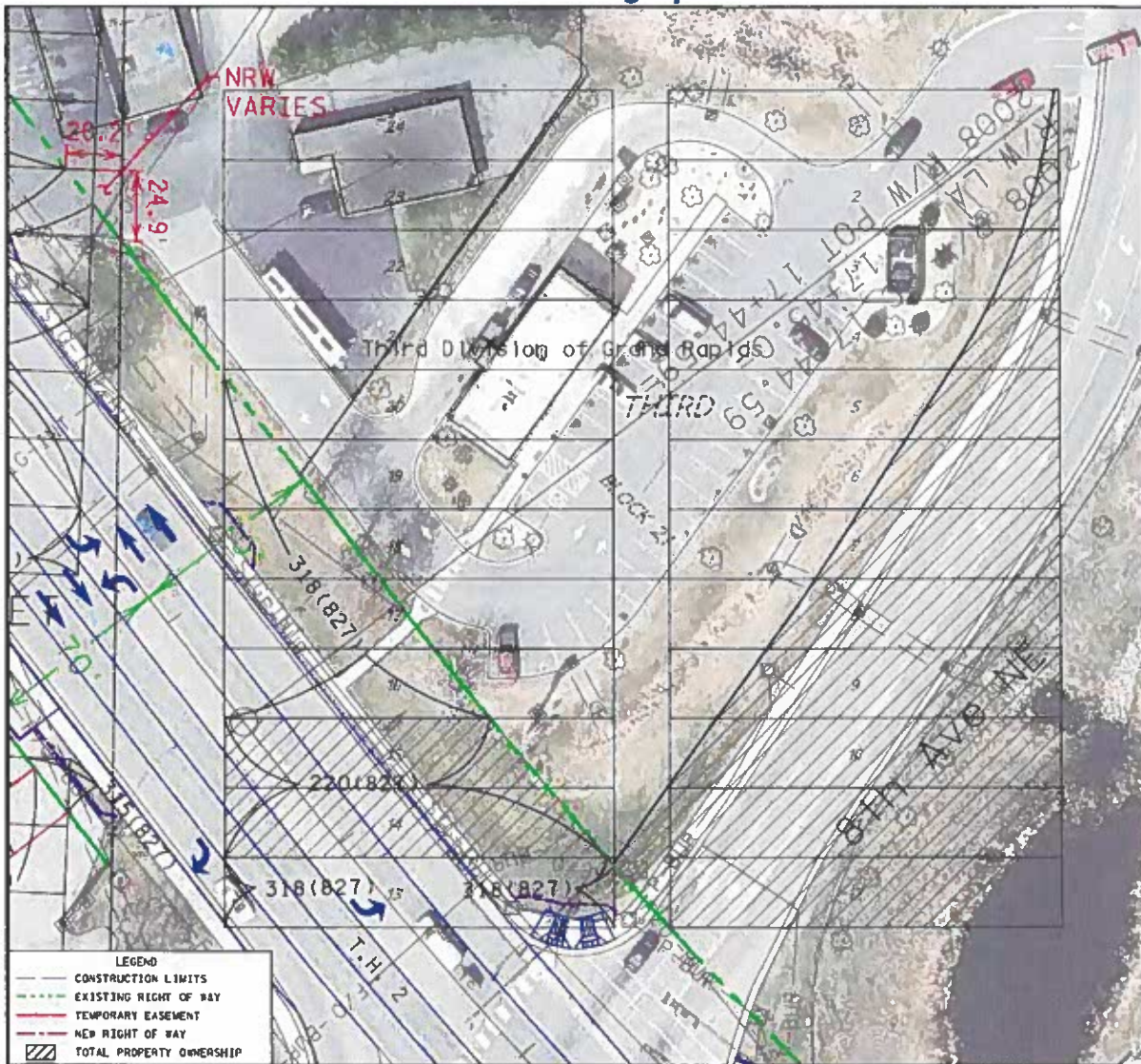
Julie Jeffrey Schwartz

Appraiser: Julie Jeffrey Schwartz
Certified General Appraiser
Minn. #4002423

09/04/2024
Date

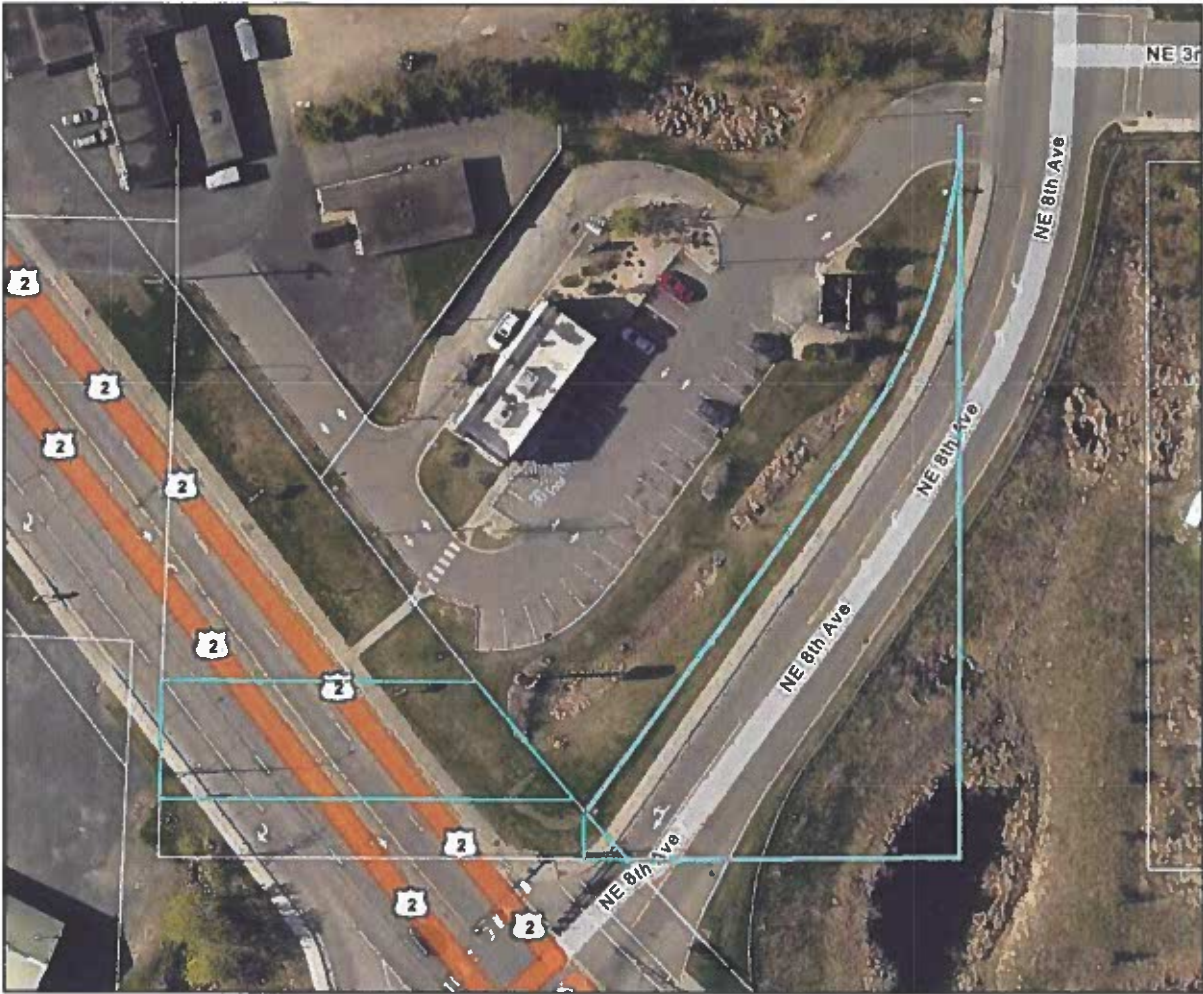


Aerial Photograph



The above aerial photograph was provided by the client, and the cross hatching reflects the area of the subject parcel appraised within this appraisal. Following is an aerial photograph taken from the Itasca County GIS Mapping System, which does not appear to exactly match what the client provided above, differing slightly on the northeastern portion of the parcel, and is included for reference purposes only.





Acquisition Sketches

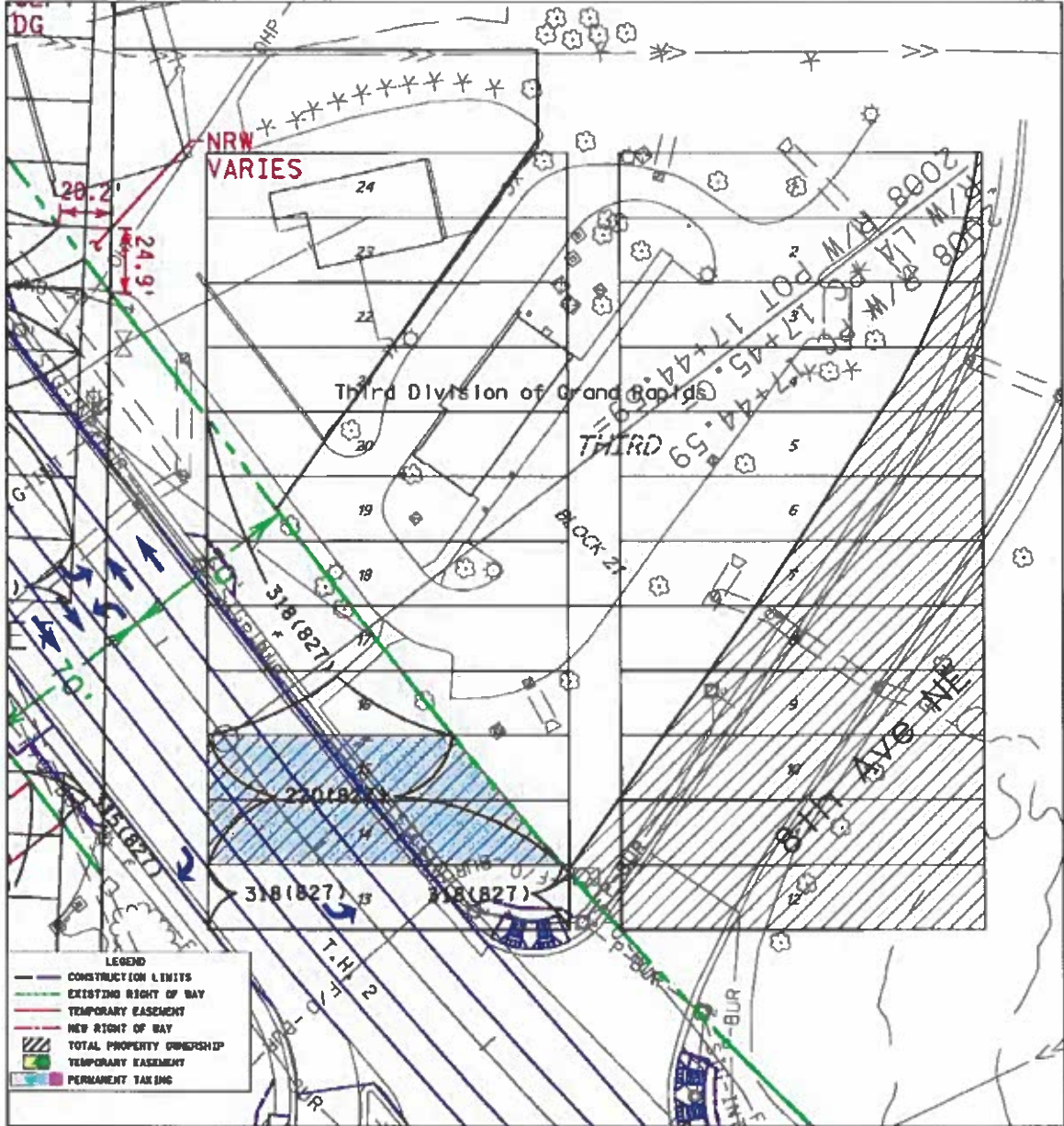
RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 220 SHEET 1 OF 3



Drawn by pmeler

Print Date 4/19/2024



RIGHT OF WAY PARCEL LAYOUT

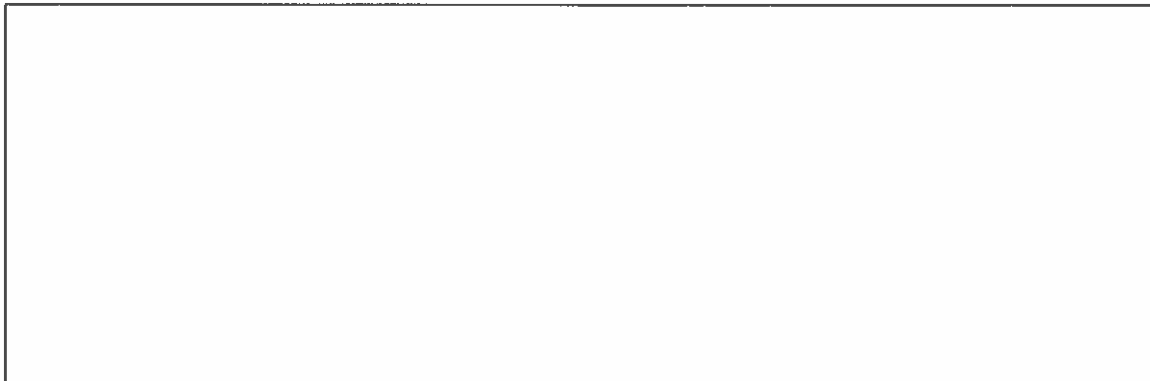


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 220 SHEET 2 OF 3



C.S. 3104(2=8-27)827 S.P. 3104-61

Third Division of Grand Rapids

PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SG. FEET	SG. FEET	SG. FEET	SG. FEET	
220	31-220	City of Grand Rapids	LOT 12, PART OF LOTS 2-11, 14-15 BLK 21 & VAC ALLEY	28264	5799	22465	5799	FEE

Drawn by pmaler

Print Date 4/19/2024



RIGHT OF WAY PARCEL LAYOUT

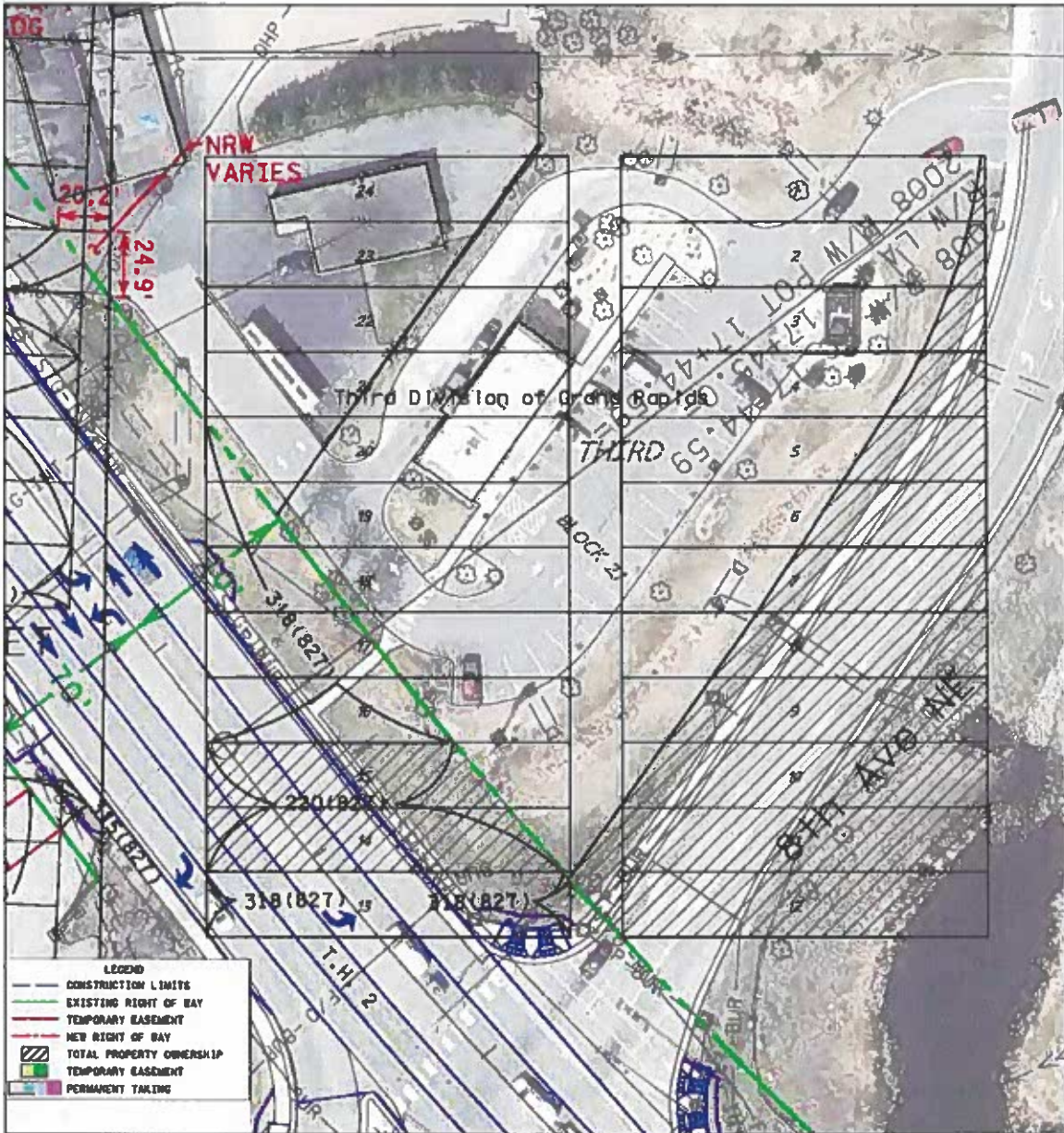
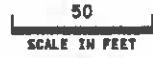
C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca



LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 220 SHEET 3 OF 3



Drawn by pmeler

Print Date 4/19/2024



Acquisition Legal Description

May 6, 2024
3104-827-220

FEE ACQUISITION

Parcel 220 C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 14 and 15, Block 21, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 220 on Minnesota Department of Transportation Right of Way Plat Numbered 31-220 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.



Project Description From MnDOT

The subject is impacted by the Minnesota Department of Transportation's TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61. The project is on TH 2 in Grand Rapids from TH 169 to 0.25 miles east of Gunn Road in La Prairie, MN in Itasca County, MN. The following mapping and information about the project was taken from MnDOT's website.

About this project
Summary of work
Pavement rehabilitation (mill and overlay), drainage and ADA upgrades.



Schedule

- Construction is scheduled for 2025

Location

- On Hwy 2, Hwy 169 to Gunn Road in LaPrairie

Benefits

- Improved ride and increased service life of the pavement
- Compliance with ADA requirements
- Pedestrian improvements including an enhanced crossing at LaPrairie Avenue and a bikeable/walkable shoulder



Subject Photographs Taken January 23, 2024



Looking west-northwesterly at the subject, and area of the proposed acquisition, from near the intersection of U.S. Highway 2 E (TH 2) and NE 8th Avenue



Looking northwesterly at the subject, and area of the proposed acquisition, from near the intersection of U.S. Highway 2 E (TH 2) and NE 8th Avenue



Looking northerly at the subject, and area of the proposed acquisition, from near the intersection of U.S. Highway 2 E (TH 2) and NE 8th Avenue





Looking southerly at the subject, and area of the proposed acquisition, and toward the intersection of U.S. Highway 2 E (TH 2) and NE 8th Avenue



Looking southeasterly toward the subject, and area of the proposed acquisition, as viewed from the western side of U.S. Highway 2 E (TH 2)

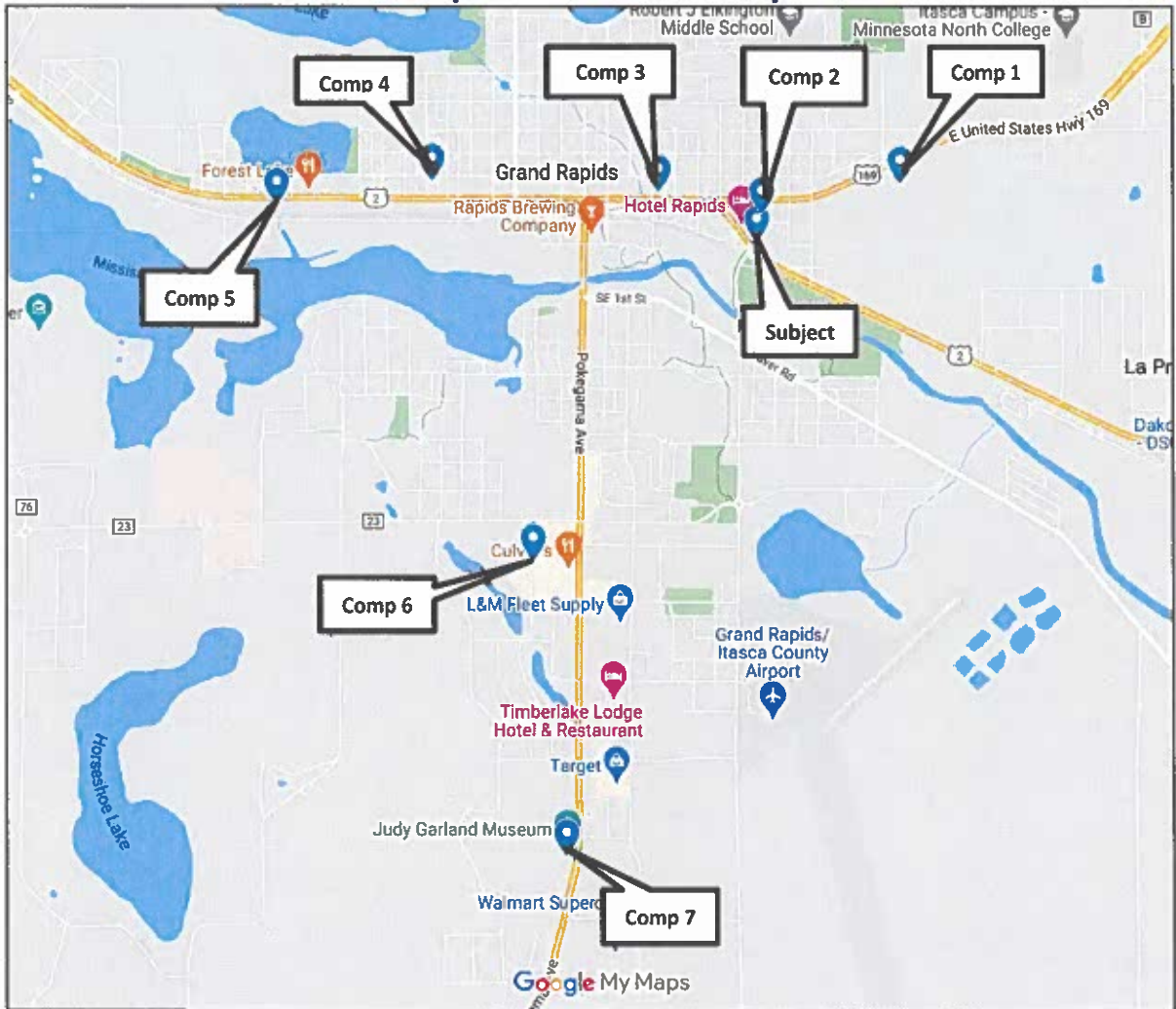


Comparable Sales Summary

Comp #	Address	Sale Price	Site Size	Sale Date	Price per SF	Zoning	Comments
1	1300 E US Highway 169, Grand Rapids, MN 55744	\$700,000	194,713 s.f. (4.47 acres)	10/2022	\$3.60/s.f.	GB, General Business & Airport Safety Zone C	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.
2	710 NE 4th Street, Grand Rapids, MN 55744	\$175,000	34,848 s.f. (0.80 acres)	01/2022	\$5.02/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.
3	301 NE 4th Street, Grand Rapids, MN 55744	\$150,000	16,988 s.f. (0.39 acres)	06/2023	\$8.83/s.f.	GB, General Business & Airport Safety Zone C	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.
4	416 NW 7th Avenue, Grand Rapids, MN 55744	\$110,000	13,939 s.f. (0.32 acres)	12/2022	\$7.89/s.f.	GB, General Business	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.
5	1402 NW 4th Street, Grand Rapids, MN 55744	\$120,000	30,056 s.f. (0.69 acres)	10/2022	\$3.99/s.f.	SGB, Shoreland General Business	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.
6	xxx SW 2nd Avenue, Grand Rapids, MN 55744	\$421,936	69,696 s.f. (1.60 acres)	04/2022	\$6.05/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.
7	xxx US Hwy 169, Grand Rapids, MN 55744	\$125,000	27,007 s.f. (0.62 acres)	11/2022	\$4.63/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Comparable Location Map



Comparable Sales Data Sheets

Comparable #1



Comp 1

Address/Location:	1300 E US Highway 169, Grand Rapids, MN 55744
PID #:	93-480-0070, 93-480-0056 & 93-480-0081
Legal Description:	Lengthy Legal
Sale Price:	\$700,000
Price/S.F.:	\$3.60/s.f.
Sale Date:	10/24/2022
Size:	194,713 SF (4.47 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	12,200 & 1,639
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Meds-I Ambulance Service, Inc./L & M LaPrairie Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1482755), county records, various data bases, and the seller representative, Timothy George with Meds-I Ambulance Service, Inc.
Comments:	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.



Comparable #2



Comp 2	
Address/Location:	710 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-425-2020
Legal Description:	Lengthy Legal
Sale Price:	\$175,000
Price/S.F.:	\$5.02/s.f.
Sale Date:	1/3/2022
Size:	34,848 SF (0.80 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	7,555, one parcel removed from 9,300-13,900
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Market Rate Financing/Warranty Deed/Fee Simple
Grantor/Grantee:	Hernesman Brothers Partners/KR Real Estate Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1367874), county records, various data bases, and the buyer representative, Michael Kellin with KR Real Estate Holdings, LLC.
Comments:	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.



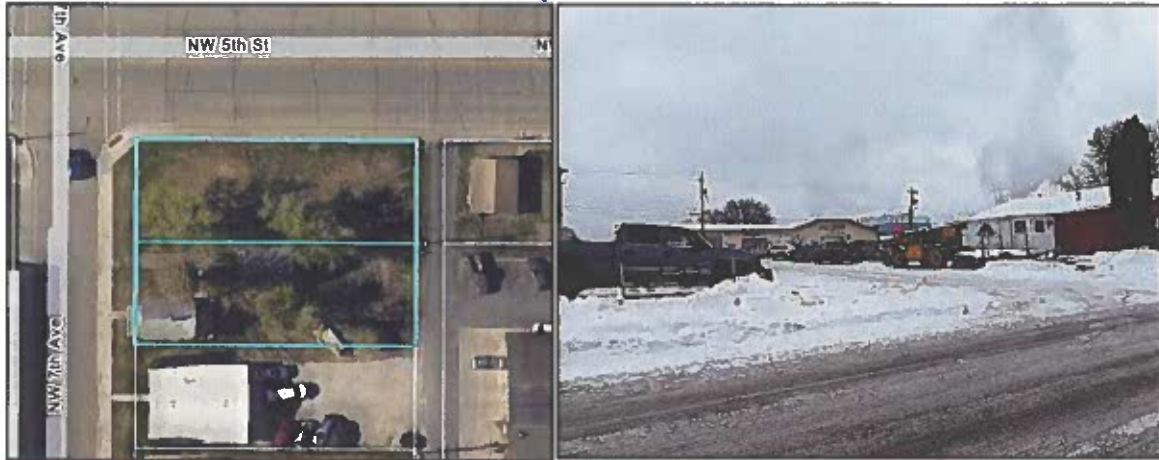
Comparable #3



Comp 3	
Address/Location:	301 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-415-2640
Legal Description:	Lengthy Legal
Sale Price:	\$150,000
Price/S.F.:	\$8.83/s.f.
Sale Date:	6/21/2023
Size:	16,988 SF (0.39 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	14,200 & 1,871
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kirk & Debra Davis/Samuel & Lenora Evans
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1548334), county records, various data bases, and the seller, Kirk Davis.
Comments:	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.



Comparable #4

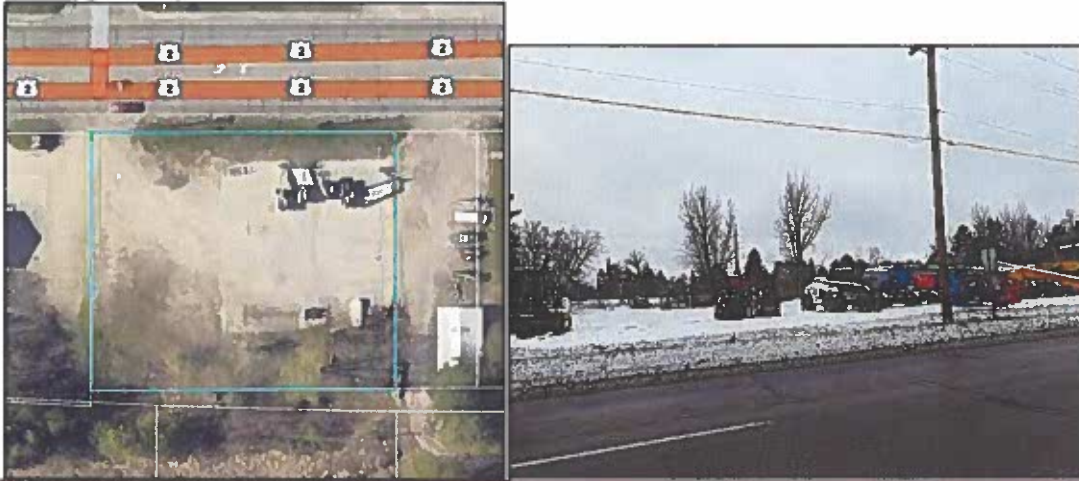


Comp 4

Address/Location:	416 NW 7th Avenue, Grand Rapids, MN 55744
PID #:	91-420-2060 & 91-420-2065
Legal Description:	Lengthy Legal
Sale Price:	\$110,000
Price/S.F.:	\$7.89/s.f.
Sale Date:	12/29/2022
Size:	13,939 SF (0.32 acres)
Utilities:	All Available
Zoning:	GB, General Business
AADT:	2,190-4,330 (2022 counts)
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kathern & Paul Simpson and Mark Peavey/Michael & Bonnie McLynn
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1502640), county records and various data bases
Comments:	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.



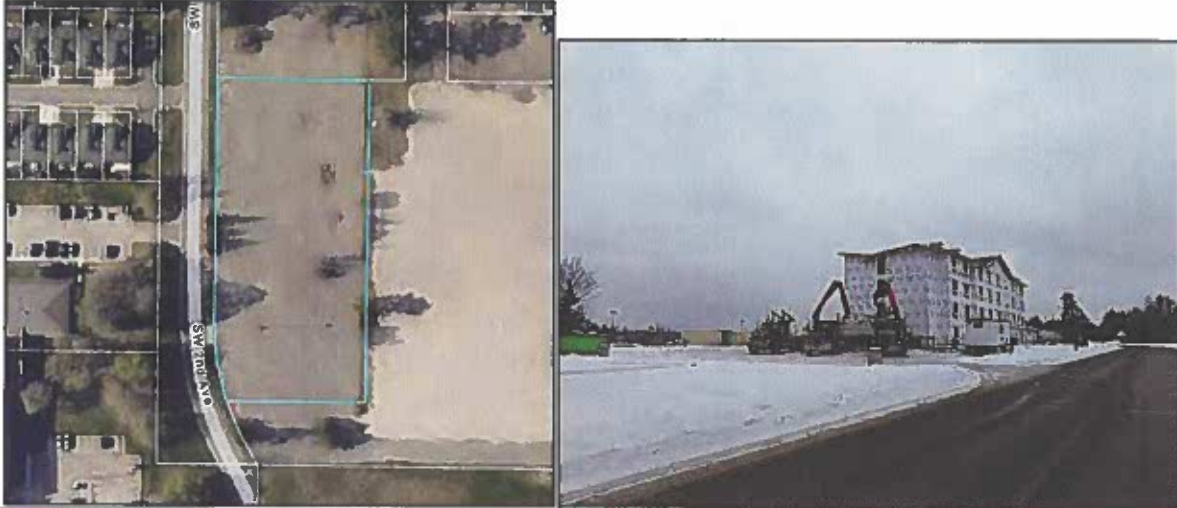
Comparable #5



Comp 5	
Address/Location:	1402 NW 4th Street, Grand Rapids, MN 55744
PID #:	91-705-2030
Legal Description:	Lengthy Legal
Sale Price:	\$120,000
Price/S.F.:	\$3.99/s.f.
Sale Date:	10/6/2022
Size:	30,056 SF (0.69 acres)
Utilities:	All Available
Zoning:	SGB, Shoreland General Business
AADT:	13,300
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Quit Claim Deed/Fee Simple
Grantor/Grantee:	Darrel & Kathleen Wagner/BPB, Incorporated
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1476181), county records, various data bases, and the buyer, Tom Showalter representative of BPB, Incorporated.
Comments:	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.



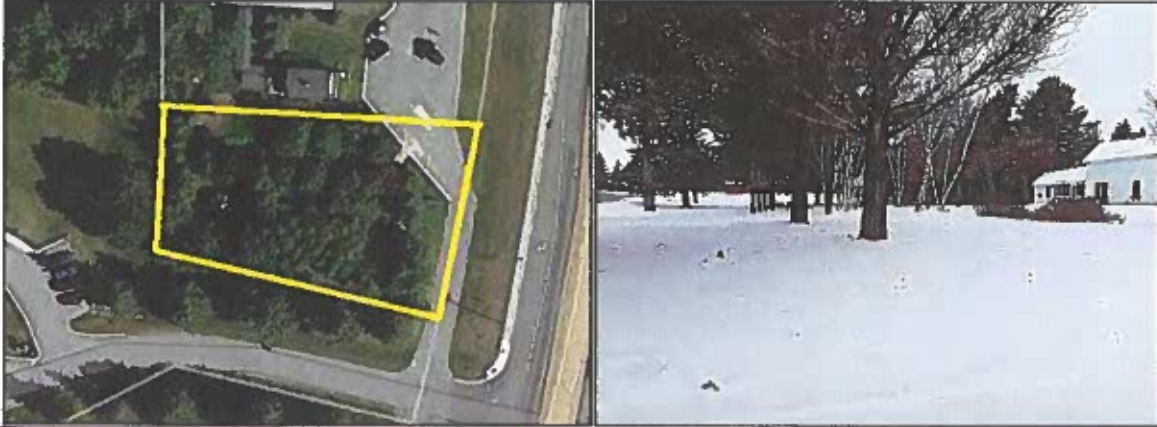
Comparable #6



Comp 6

Address/Location:	xxx SW 2nd Avenue, Grand Rapids, MN 55744
PID #:	91-562-0130
Legal Description:	Lot 3, Block 1, MY PLACE HOTEL MATURI ADDITION
Sale Price:	\$421,936
Price/S.F.:	\$6.05/s.f.
Sale Date:	4/1/2022
Size:	69,696 SF (1.60 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	None recorded
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	MATURI PROPERTIES LLC/IRON RANGE MP LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1395090), county records and various data bases
Comments:	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.



Comparable #7

Comp 7	
Address/Location:	xxx US Hwy 169, Grand Rapids, MN 55744
PID #:	91-033-2322
Legal Description:	Lengthy Legal
Sale Price:	\$125,000
Price/S.F.:	\$4.63/s.f.
Sale Date:	11/16/2022
Size:	27,007 SF (0.62 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	19,800
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Leisure Hills Care Center, LP/Judy Garland Children's Museum
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1490685), county records, various data bases, and the buyer representative, Janie Heitz with the Judy Garland Children's Museum.
Comments:	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Email: julie@lakestate.com Direct 651-653-0788

EDUCATION

Appraisal

Appraisal Institute (current to 1991; most current to least current order):

Advanced Spreadsheet Modeling for Valuation Applications, Appraisal Institute
 Advanced Concepts and Case Studies, Appraisal Institute
 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 Marketability Studies: Six Step Process and Basic Applications, Appraisal Institute
 Residential Design: The Makings of a Good House, Appraisal Institute
 Oil Spills and Property Values Webinar, Appraisal Institute
 Business Practice and Ethics, Appraisal Institute
 Litigation Appraisal: Specialized Topics and Application, Appraisal Institute
 Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
 Uniform Standards of Professional Appraisal Practice (numerous times, most recently 2018), Appraisal Institute
 Land Valuation Assignments, Appraisal Institute
 Land Valuation Adjustment Procedures, Appraisal Institute
 The Appraisal of Easements, Appraisal Institute
 Partial Interest Valuation – Divided, Appraisal Institute
 The Appraisal of Special Use Properties, Appraisal Institute
 Report Writing and Valuation Analysis, Appraisal Institute
 Commercial Highest and Best Use, Appraisal Institute
 Advanced Applications, Appraisal Institute
 Standards of Professional Appraisal Practice A, B & C, Appraisal Institute
 Capitalization Theory and Techniques A & B, Appraisal Institute
 Basic Valuation Procedures, Appraisal Institute
 Real Estate Appraisal Principles, Appraisal Institute
 Appraisal of Special Use Properties: The Road Less Traveled, Appraisal Institute
 Case Studies in Commercial Highest and Best Use, Appraisal Institute
 Analyzing Distressed Real Estate, Appraisal Institute

Other (current to 1988):

Appraisal Review for Federal-Aid Highway Programs, National Highway Institute
 Investment Property Appraisal and Financial Analysis, ProSource
 Advanced Yield Capitalization, ProSource
 Appraising Income Producing Properties, ProSource
 Appraising Commercial Properties, ProSource
 Appraisal Standards and Ethics, ProSource
 Certified Real Estate Appraisers (CREA) Course, ProSource
 Houses: FHA Appraisal and Construction Standards, ProSource
 Home Inspections: Beyond the Basics, ProSource
 Appraisal of Manufactured Homes
 Numerous Seminars (International Right of Way Assoc., Farm Managers & Rural Appraisers, Appraisal Institute)

General

Lakewood College, Associate of Arts Degree with Distinction, 1991
 Realtor Institute, Graduate (G.R.I. Designation), 1987
 Northeast Metro Technical Institute, Computer Operations/Programming Degree, 1984

EXPERIENCE

President and Owner, Lake State Realty Services, Inc., since 1991
 Real Estate Sales License since 1984, Real Estate Brokerage License since 1991
 Appraising Real Estate since 1985
 Employed by Minnesota Department of Transportation for 4 years, as appraiser/expert witness
 Testified at various hearings, trials and depositions
 General contracting experience and some property management experience (1980 to present)
 Co-developer of 10-lot lakefront subdivision on Lake Vermilion, Minnesota (2002-2005)

LICENSES, COMMISSIONS, MEMBERSHIPS/AFFILIATIONS, AWARDS, APPOINTMENTS

Certified General Appraiser License, Minn #4002423
 Certified General Appraiser License, Wisc #482
 Certified General Appraiser License, Mich #12-01-005363
 Certified General Appraiser License, Ohio #423328
 Certified General Appraiser License, North Dakota #CG-2301
 Minnesota Real Estate Brokerage License
 Member of St. Paul, Minnesota, and National Association of Realtors
 Member of the Multiple Listing Service
 Member of the International Right of Way Association (IRWA)
 Member of the National Association of Realtors Appraisal Section



Member of the Appraisal Institute (Practicing Affiliate)
 Member of the National Association of Real Estate Appraisers (NAREA), Certified Real Estate Appraiser Designation-CREA
 Member of the American Society of Appraisers – Farm Managers and Rural Appraisers
 Appointed to the Lino Lakes Economic Development Authority Advisory Board (past 18 years); past Chairperson and Co-Chairperson of the Board numerous times
 Member Community Emergency Response Team (CERT) City of Lino Lakes and Board Member (Secretary)
 Co-Chair and Executive Board Member, and past Chair, Lino Lakes Volunteers in Public Safety
 Appointed to the International Right of Way Association's Appraisal Committee; past Chairperson
 Past Board of Director, founding member, and past President and Secretary – Quad Cities Chamber of Commerce
 Received Hammer Award for reinventing a federal government that is more efficient and costs less from Vice President Al Gore in 1999 (for appraisal services contract)
 Received letters of Commendation/Recognition from Governor Tim Pawlenty, Senator Amy Klobuchar, Senator Norm Coleman, and the American Red Cross for 9-hours of rescue efforts immediately after the I-35W Minneapolis bridge collapse in 2007
 Hero of the Year Disaster Relief 2008 from the Red Cross for heroic involvement after bridge collapse, including aid to the children from the school bus and heading logistics command to distribute food/water/ice to rescue and recovery workers
 Girl Scout Leader (2006 to 2011); District Delegate 2008, during critical merger of two councils
 Honorary from the Minnesota League of Cities for reviewing, and contributing to the Local Improvement Guide (special assessment benefits) August 2008 and Special Assessment Tool Kit
 Development Committee Board Member, Phoenix Alternatives Inc. (PAI), a non-profit that provides day programming for developmentally disabled adults, conducting fund raising and advisement
 Instructor for Continuing Legal Education (CLE) Class "How to Value Residential Real Estate in Construction Defect Litigation"
 On the Anoka County Condemnation Commissioner's list
 On the Washington County Condemnation Commissioner and Probate Appraiser list
 On the Ramsey County Condemnation Commissioner's list
 Served as Chairperson of the Condemnation Commission
 Appointed as neutral appraiser by the courts and litigating parties
 Chisago County "Appraiser of Record" as of 2006 to current
 Served on St. Paul & Minn. Board of Realtors Gov't. Affairs, Prof. Standards, & Ethic Committees
 Certified Instructor for "Expert Witness Testimony" through the State of Minnesota (Through Int'l. Right of Way Assoc.)
 Speaker at the Minnesota League of Cities Engineer Conference (2004) on Special Assessment Benefit Analysis
 Speaker at the Minnesota Banking Risk Management Association "Residential Real Estate: Risks and Opportunities" September 2005
 Author of *A Neutral Appraisal Provides Accurate Valuation to Fairly Divide Marital Equity*, Family Law Forum, Vol. 24 No. 2, Spring 2016
 Contributor to the Lake Links Trail Network Master Plan and part of the consultant team, January 2001

PROPERTY TYPES APPRAISED

Extensive appraisal experience in MN, WI, OH, MI, ND, and IL, in numerous counties and cities, for various clients, including various government (Federal, State, County, City and other units), lenders, insurers, attorneys, courts, and private clients:

Residential: single family (inc. lakeshore/river front), town homes, condos, mobile homes, twin homes, and multi-family (including apartment buildings and complexes).

Commercial: restaurants, implement/auto dealerships, retail (stand alone & strips), parking lots/ramps, small to large office buildings, regional medical facilities and clinics, bowling alleys, saw mills.

Industrial: manufacturing, hi-tech, warehouses, distribution centers, single- & multi-tenant buildings.

Rural: crop land, rice farms, aqua-culture operations, organic farms, farmsteads with all buildings.

Investment: apartment buildings, duplex/multi-plex, office buildings, retail strip centers, mixed-use complexes; resorts/camp grounds.

Land: commercial, industrial, residential, residential subdivision analysis, wetlands, rural, railroad crossings, sand/gravel pits, timber land, lakeshore/river front, scenic easements and other easements, flood plain land, Tribal and Trust Land.

Other: professional liability, extensive litigation consulting/appraisal related to construction defects; trial consultation; special assessment benefit analysis, review appraisals on residential, commercial and special use properties; condemnation/litigation, neutral appraisals, partial takings/severance (right-of-way); feasibility studies; fractional interests, residential, commercial, and government reviews (state and federal); equipment and trade fixtures; special use -- including post offices; federal buildings; courthouses, fire stations, U.S. Customs Border Stations; Tribal and Trust land, park and ride facilities and other transit facilities, railway terminals; churches; auto proving grounds; substantially destroyed structures; lease analysis, and fair annual rental rates; easements (conservation, scenic, right of way, utility, and various others); redevelopment consulting/appraisal; blight determinations; developer feasibility studies and consultation services for residential subdivisions.



STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION

OFFER TO SELL AND
MEMORANDUM OF CONDITIONS

Item 21.

RECOMMENDED FOR APPROVAL

Supervisor of Direct Purchase
APPROVED

By

C.S.: 3104 (2=8) 827 Parcel: 220 County: Itasca

Owners and addresses: City of Grand Rapids, Mayor, Grand Rapids City Hall, 420 N. Pokegama, Grand Rapids, Minnesota, 55744-2662;

For a valuable consideration, on this _____ day of _____, _____, the undersigned owners hereby offer to sell and convey to the State of Minnesota for a total consideration of _____ Dollars (\$_____) a fee simple title to the real estate or an interest therein situated in Itasca County, Minnesota, described in the copy of the instrument of conveyance hereto attached.

The undersigned parties have this day executed an instrument for the conveyance of the aforesaid real estate or an interest therein to the State of Minnesota, and have conditionally delivered the same to the State of Minnesota, which instrument shall have no effect until and unless this offer to sell and convey is accepted in writing by the Office of Land Management of the Minnesota Department of Transportation within _____ days from the date of this offer. Such notice of acceptance shall be by certified mail directed to the address appearing after our signatures hereto. If this offer is not so accepted within the time limited herein such conveyance shall be of no effect, and said instrument shall forthwith be returned to the undersigned owners.

If this offer is accepted it is mutually agreed by and between the owners and the State as follows:

(1) Possession of the real estate shall transfer to the State _____ days after the date of acceptance. The owners shall have the right to continue to occupy the property or to rent same to the present occupants or others until the date of transfer of possession. Any change in occupancy shall be subject to approval and concurrence by the State. On or before the date for transfer or possession the owners will vacate the real estate and the improvements (if any) located thereon, or cause same to be vacated, remove all personal effects therefrom and have all utilities (if any) shut off by the supplier of same. No buildings appurtenances or other non-personal items or fixtures will be removed from the premises by the owners or renters, including plumbing and heating fixtures, etc. The owners shall notify the Department of Transportation as soon as the improvements are vacated. The owners will maintain the improvements during their period of occupancy and will make all necessary repairs at their own expense. The State's prospective bidders for the purchase or demolition of the improvements on the property shall have the right of entry for inspection purposes during the last 10 days of possession by the owners.

(2) Title to said real estate shall pass to the State of Minnesota as of the date of said acceptance subject to conditions hereinafter stated.

(3) Buildings (if any) on said real estate shall be insured by the owners against loss by fire and windstorm in the amount of present coverage or if none in force then in an amount not less than the current market value during the entire period of the owners' occupancy of the buildings on the real estate, such policy or policies of insurance to be endorsed to show the State's interest.

(4) If the State of Minnesota is acquiring all or a major portion of the property, mortgages (if any) on the property shall be satisfied in full by the State of Minnesota. The amount paid by the State of Minnesota to satisfy said mortgage(s) shall be deducted from the amount to be paid to the owners under the terms of this agreement. The amount paid by the State of Minnesota to satisfy the mortgage(s) shall include interest on the mortgage(s) to date that payment is made to the mortgage holder.

(5) If the State of Minnesota is acquiring only a minor portion of the property, and the property is encumbered by a mortgage, it shall be the responsibility of the owners to furnish a partial release of mortgage. The mortgage holder will be included as a payee along with the owners on the check drawn in payment for the property. Any fee charged by the mortgage holder for the partial release of mortgage must be paid for by the owners.

(6) The owners will pay all delinquent (if any) and all current real estate taxes, whether deferred or not, which are a lien against the property. **Current taxes shall include those payable in the calendar year in which this document is dated.** The owners will also pay in full any special assessments, whether deferred or not, which are a lien against the property. The owners will also be responsible for and will pay in full any pending special assessments. The owners' obligation to pay deferred and pending taxes and assessments shall continue after the sale and shall not merge with the delivery and acceptance of the deed.

(7) If encumbrances, mechanics liens or other items intervene before the date the instrument of conveyance is presented for recording and same are not satisfied or acknowledged by the owners as to validity and amount and payment thereof authorized by the owners, said instrument of conveyance shall be returned to the owners.

(8) Payment to the owners shall be made in the due course of the State's business after payment of taxes, assessments, mortgages and all other liens or encumbrances against said real estate. The owners will not be required to vacate the property until the owners have received payment.

(9) No payments shall be made of any part of the consideration for said sale until marketable title is found to be in the owners and until said instrument of conveyance has been recorded.

(10) The owners hereby acknowledge receipt of a copy of the instrument of conveyance executed by them on this date, and a copy of this offer and memorandum.

(11) It is understood that unless otherwise hereinafter stated the State acquires all appurtenances belonging to the premises including:

OWNERS

CITY OF GRAND RAPIDS

By _____

Its _____

And _____

Its _____

(Address of Owner where acceptance is to be mailed.)

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

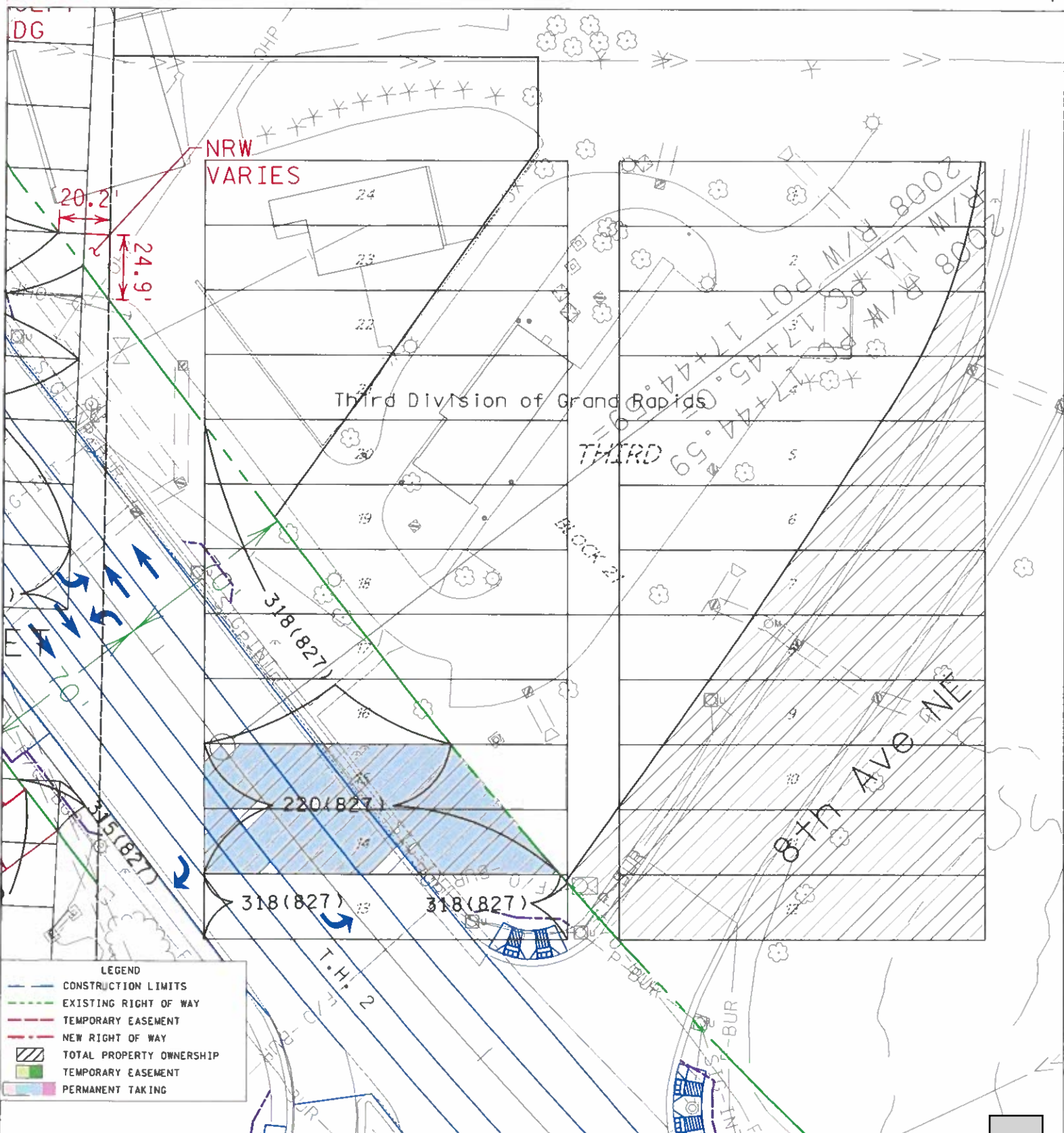
Item 21.
DEPT. OF TRANSPORTATION

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 220 SHEET 1 OF 3

50
SCALE IN FEET



- LEGEND
- CONSTRUCTION LIMITS
- EXISTING RIGHT OF WAY
- TEMPORARY EASEMENT
- NEW RIGHT OF WAY
- TOTAL PROPERTY OWNERSHIP
- TEMPORARY EASEMENT
- PERMANENT TAKING

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

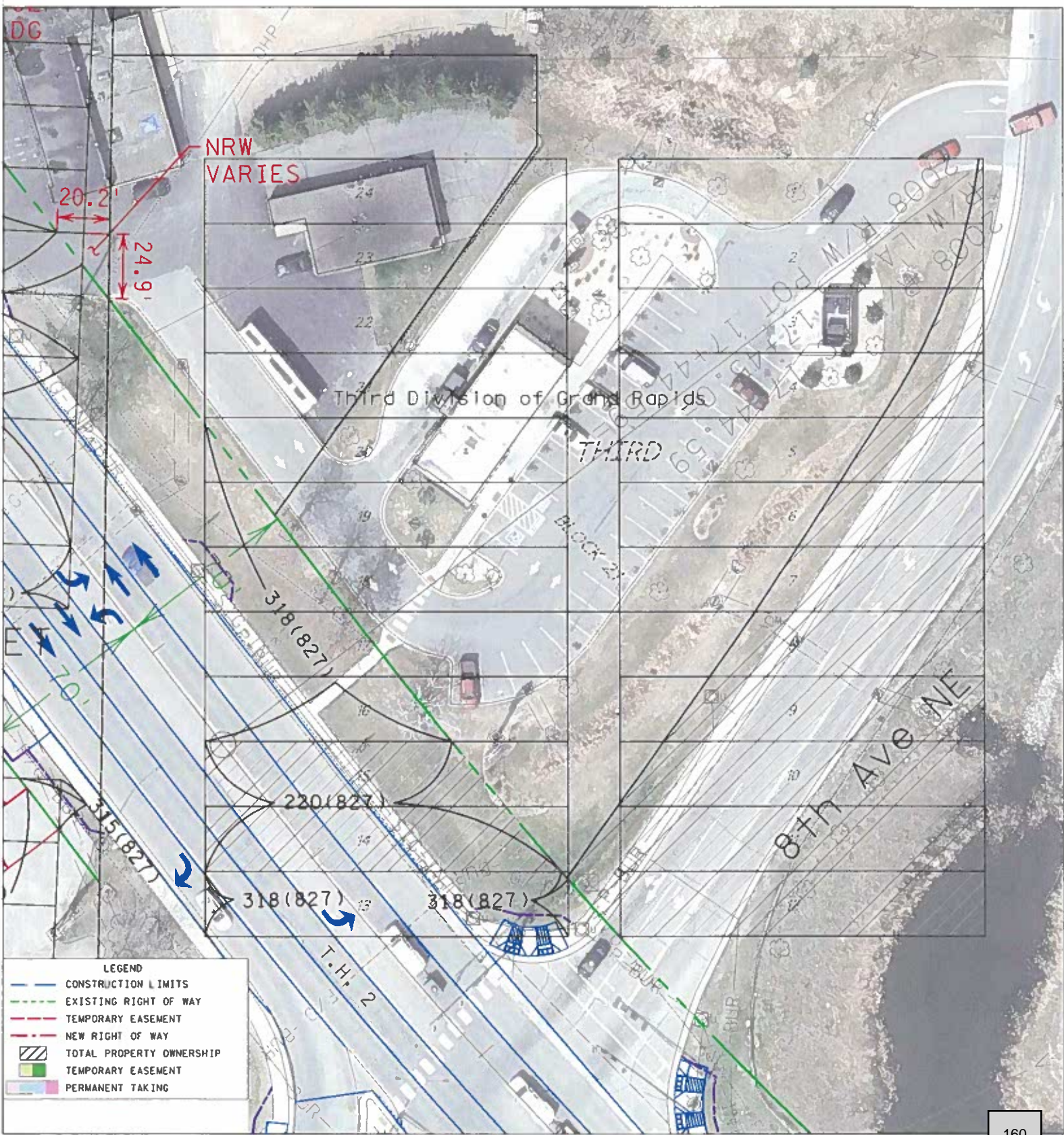
Item 21.
DEPT. OF TRANSPORTATION

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER City of Grand Rapids

50
SCALE IN FEET

PARCEL NO. 220 SHEET 3 OF 3



May 6, 2024
3104-827-220

Item 21.

FEE ACQUISITION

Parcel 220 C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 14 and 15, Block 21, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 220 on Minnesota Department of Transportation Right of Way Plat Numbered 31-220 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.



395 John Ireland Boulevard
Saint Paul, MN 55155

Date:

10/29/21

City of Grand Rapids
Mayor
Grand Rapids City Hall
420 N. Pokegama
Grand Rapids, MN 55744-2662

In reply refer to: MS 631
S.P.: 3104-61RW C.S.: 3104 (2=8) 827 Job: TRW238803
County: Itasca
Parcel: 222F - Village of Grand Rapids
Property Address:

The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing a portion of your property for improvements to Highway 2. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the land acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property being purchased. The certified appraised amount offered to you is \$1,800.00. This amount is for the real estate being acquired and no other damages or loss in value to the remainder property has been identified in the appraisal.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jim Pignato', written over a light blue horizontal line.

Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet

Legal Description describing acquisition

Offer to Sell and Memorandum of Conditions (reference copy if applicable)

Conveyance Instrument (reference copy if applicable)

"Relocation Assistance" Booklet (if applicable)

Valuation Report

Appraisal Reimbursement Claim form

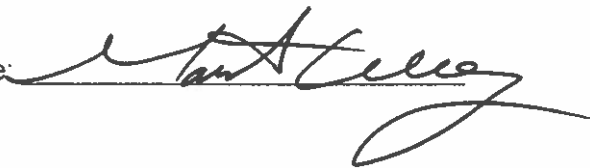
Acquisition Incidental Claim form

Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: 10/29/2024

Owners Signature: 

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$ _____ C.S. 3104 (2=8) 827
Date: _____ Parcel 222F
County of Itasca

For and in consideration of the sum of _____ Dollars (\$ _____),
City of Grand Rapids, a municipal corporation under the laws of the state of Minnesota,
Grantor, hereby conveys and warrants to the State of Minnesota, Grantee, real property in
Itasca County, Minnesota, described as follows:

All of the following:

That part of Lots 18 through 23, inclusive, Block 31, THIRD DIVISION OF
GRAND RAPIDS, shown as Parcel 222F on Minnesota Department of
Transportation Right of Way Plat Numbered 31-221 as the same is on file and
of record in the office of the County Recorder in and for Itasca County,
Minnesota.

together with all hereditaments and appurtenances belonging thereto. Subject to mineral
rights and utility easements of record, if any.

Check box if applicable:

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number _____.)

I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

CITY OF GRAND RAPIDS

By _____

Its _____

And _____

Its _____

STATE OF MINNESOTA)
)SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ and _____, the _____ and _____ of City of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, on behalf of the municipal corporation.

NOTARY PUBLIC

My commission expires: _____

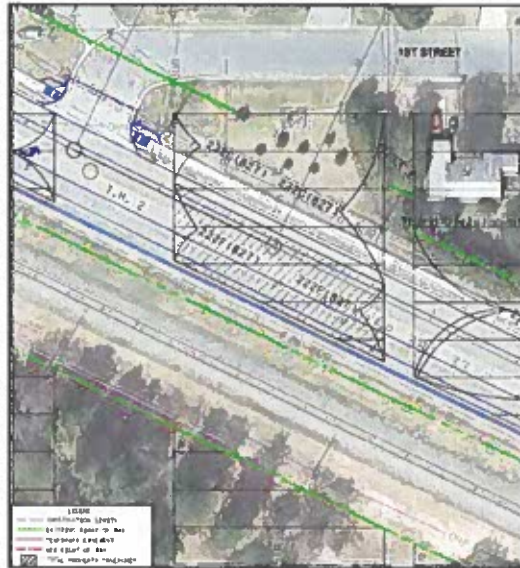
This instrument was drafted by the
State of Minnesota, Department of
Transportation, Legal and Property
Management Unit,
395 John Ireland Blvd.
St. Paul, MN 55155-1800

Send tax statements to Grantee:
State of Minnesota
Department of Transportation
District 1 Right of Way
1123 Mesaba Avenue
Duluth, MN 55811

COPY

Item 21.

Minimum Damage Valuation Appraisal Report



A Partial Acquisition From
Parcel Number 3104-827-222F
The City of Grand Rapids Property
Southeast side of the Intersection of U.S. Highway 2 E & NE 1st Street
Grand Rapids, MN 55744

Project
TH 2 La Prairie Mill & Overlay Project
Minnesota Department of Transportation (MnDOT)
State Project Number (SP): 3104-61
Trunk Highway Number (TH): 2

Prepared For
Mr. John Hinzmann Jr., District 1 Land Management Supervisor
Minnesota Department of Transportation (MnDOT)

By
Julie Jeffrey Schwartz
Lake State Realty Services, Inc.

Effective Date
January 23, 2024

Date of Report
September 4, 2024



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Executive Summary

State Project:	3104-61RW (TH 2)
Control Section:	3104 (2=8) 827
Parcel Number:	3104-827-222F
Owner:	Per a Field Title Report, provided by the client, the current fee owner is the City of Grand Rapids.
Property Address:	The property does not have a physical address and is located on the southeast side of the intersection of U.S. Highway 2 E & NE 1 st Street in Grand Rapids, MN 55744.
County:	Itasca County, MN
Legal Description:	See later in this appraisal
Parcel Identification Number(s):	A portion of PID# 91-425-3160
2022 Assessed Values, Taxes Payable 2023	The following assessed values are for Itasca County PID# 91-425-3160, of which the subject parcel appraised is a portion of: Land: \$700; Improvements: \$0; Total: \$700 Taxes Paid 2023: N/A, as the subject is fully encumbered with a permanent highway easement (roadway right-of-way). Further, it is noted, Itasca County Records reflect the State of Minnesota, DNR Division of Lands & Minerals, as being the owner and tax payer.
Proposed 2023 Assessed Values, Taxes Payable 2024	The following proposed assessed values are for Itasca County PID# 91-425-3160, of which the subject parcel appraised is a portion of: Land: \$3,700; Improvements: \$0; Total: \$3,700 Taxes Payable 2024: N/A, as the subject is fully encumbered with a permanent highway easement (roadway right-of-way). Further, it is noted, Itasca County Records reflect the State of Minnesota, DNR Division of Lands & Minerals, as being the owner and tax payer.
Intended Use/Purpose:	Estimate of value for conversion of existing permanent highway easement (roadway right-of-way) to fee.
Client/Intended Users:	Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT)
Entire Tract Size:	Per information provided by the client, the subject is 7,142 s.f. or 0.16 acres in size, of which the entire area is encumbered with a permanent highway easement (roadway right-of-way). It is noted, Itasca County GIS Records reflect the parcel with PID#s 91-425-3160, of which the subject parcel appraised is a portion of, as being 0.64 acres in size.
Improvements:	The subject exists as an existing permanent highway easement. Any improvements within the subject area will be discussed later in this appraisal.
Zoning:	GB, General Business, as governed by the City of Grand Rapids. The subject is also subject to Airport Safety Zones B & C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.
Guided Land Use:	Transportation and Utilities use, as guided by the City of Grand Rapids
Highest and Best Use:	Roadway right-of-way
Interest Appraised:	Fee Simple
Proposed Acquisition:	Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee: 7,142 s.f. or 0.16 acres
Recommended Compensation:	\$1,800 (R)
Effective Date:	January 23, 2024
Appraiser:	Julie Jeffrey Schwartz, Certified General Appraiser, Minnesota #4002423



Property Appraised

Per information provided by the client, the subject is 7,142 s.f. or 0.16 acres in size, of which the entire area is encumbered with a permanent highway easement (roadway right-of-way). The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located on the southeastern side of the intersection of U.S. Highway 2 E & NE 1st Street in Grand Rapids, MN 55744. The southern boundary of the subject abut a railroad. The subject does not have a physical address.

The entire subject parcel is encumbered with a permanent highway easement (roadway right-of-way). Improvements include roadway right-of-way improvements.

Subject Legal Description

Per a Title Opinion provided by the client, the Itasca County parcel with PID# 91-425-3160, which the subject is a portion of, has the following legal description:

Lots 17, 18, 19, 20, 21, 22, 23, and 24, Block 31, all in the Third Division to Grand Rapids, Minnesota, Itasca County, Minnesota.

Appraisal Report Type

An MDV is a restricted appraisal report whereby damages resulting from a right-of-way related acquisition to the subject property are estimated to be under \$25,000. This appraisal report is intended to comply with the reporting requirements of USPAP (Uniform Standards of Professional Appraisal Practice). Only summary information and discussion of the data, reasoning and analyses are contained within this report. This report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. Supporting documentation not contained in this report is retained in the appraiser's work file. The depth of data and analysis contained in this report are specific to the intended needs of the client, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), for the intended use of negotiations related to the proposed partial acquisition of conversion of existing permanent highway easement (roadway right-of-way) to fee.

Scope of Work

Appraisal Type/Format: This is a minimum damage valuation (MDV) appraisal report (land only) reported in a restricted appraisal format, with no departure from the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, and is in compliance with the reporting requirements of Standards Rule 2-2 (b) of USPAP.



Inspection: Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

Property Data: General and specific information related to the subject property and its location was obtained from various sources, including public records from the City of Grand Rapids, and Itasca County. Information including assessor's estimated market value, any applicable annual property taxes, current and proposed zoning, and current and guided land use, was obtained.

Property Analysis: Based on the inspection and subject property data, the subject property was analyzed in context to its neighborhood, its market, including supply and demand factors, and the highest and best use was concluded before the proposed acquisition. Information related to the proposed partial acquisition was provided by the client, and the impact of the acquisition was considered in the opinion of highest and best use and conclusion of damages.

Highest and Best Use and Approaches to Value: Based on the information gathered and investigation of the market, the highest and best use was concluded both before and after the partial acquisition. The highest and best use determined the applicable approach to value which, in the instance of the subject, included only the sales comparison approach (f/k/a as the market approach). The highest and best use supported the types of comparables to use in the comparable sales analysis. The cost approach was not applicable due to lack of improvements impacted by the proposed acquisition. The income approach was not applicable due to lack of rental data in the market for vacant land.

Sources for Market Data: Market data related to the recent land sales was obtained from various sources, including assessor's records, local data exchanges including, Realist and the Regional Multiple Listing Service, and private appraiser databases. The comparable data was confirmed by this appraisal office, as detailed on each comparable data sheet.

Reconciliation: The opinion of market value for the subject has been reconciled and that opinion of market value was used to base compensation for damages related to the partial acquisition from the subject property.



Definition of Market Value

The Appraisal Institute's The Dictionary of Real Estate Appraisal, 6th Edition, includes the following in its definition for "market value":

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress"

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or creative terms, services, fees, costs or credits involved in the transaction.

Purpose / Intended Use

The purpose of this appraisal is to provide an estimate of market value of a partial acquisition related to the Minnesota Department of Transportation's State Project 3104-61RW (TH 2). The partial acquisition includes conversion of existing permanent highway easement (roadway right-of-way) to fee. This appraisal is being completed for the requestor, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), who intends to use this report (function) for acquisition negotiation purposes related to the partial acquisition of the subject property.



Five Year Sale History

Per county records, and a Title Opinion provided by the client, there have been no sales of the subject in the past five years.

Assumptions and Conditions

The certification of this appraisal report is subject to the following:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the marketability of the title.
2. The property is assumed to be under responsible ownership and management.
3. The property is appraised as though clear and free of any liens, encumbrances, or indebtedness, unless stated otherwise.
4. To the best of the appraisers' belief, the information contained in this report is true and reported correctly. The information in this report, while not guaranteed, has been taken from sources or records believed to be reliable.
5. The Appraisers assume that there exists no hidden defects with the site, sub-soil, or improvements, which would render it more or less valuable.
6. Disclosure by the Appraisers of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraisers are affiliated.
7. The Appraisers are not required to appear in court or give testimony because of having made this report, unless arrangements have been made in advance.
8. This report, or any portions thereof, will not be distributed, or otherwise disseminated, to anyone other than the person who commissioned this or those involved in the certification, except as required by law.
9. This entire appraisal report must be considered as a whole and any excerpts or portions from this report cannot be considered separately.
10. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, as well as applicable zoning regulations and restrictions, unless otherwise stated.



11. It is assumed that all required licenses, consents or other authority from any local, state, or federal governments has been obtained or can be renewed.

12. It is assumed that the subject improvements, if any, are within the stated boundaries, and that there are no encroachments on neighboring property, or neighboring encroachments on the subject property, unless otherwise stated in this report.

13. The existence of potentially hazardous material such as urea-formaldehyde foam insulation, asbestos, existence of toxic water, toxic waste, or radon gas may have an effect on the value of the property. The Appraisers are not qualified to determine if such substances are present. The client may wish to consult an expert in this field.

14. Acceptance of or use of this appraisal report constitutes an understanding of and acceptance of these assumptions and limiting conditions.

15. The maximum liability which can accrue to the Appraisers or the Companies, as a result of performing this appraisal, is limited to the amount paid for the appraisal.

16. The Uniform Standards of Professional Appraisal Practice (USPAP 2024 edition), includes the following definitions for hypothetical condition and extraordinary assumption:

Hypothetical Condition:

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Extraordinary Assumption:

“An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2024 ed.)”



Additionally, USPAP Standards Rule 1-2 (f) and (g) state the following about the reporting and use of hypothetical conditions and extraordinary assumptions:

(f) Identify any extraordinary assumptions necessary in the assignment. An extraordinary assumption may be used in an assignment only if:

- the extraordinary assumption is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption; and
- use of the extraordinary assumption results in a credible analysis;

(g) Identify any hypothetical conditions necessary in the assignment. A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; and
- use of the hypothetical condition results in a credible analysis.

There are no extraordinary assumptions employed in this appraisal. There is one hypothetical condition employed in this appraisal, as follows:

There is a hypothetical condition, that the proposed acquisition is presumed to exist as of the effective date of value. This hypothetical condition is assumed in order to value the damages related to the partial acquisition. The use of this hypothetical condition may have affected the assignment results.

Subject Description, Before the Acquisition

Per information provided by the client, the subject is 7,142 s.f. or 0.16 acres in size, of which the entire area is encumbered with a permanent highway easement (roadway right-of-way). The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located on the southeastern side of the intersection of U.S. Highway 2 E & NE 1st Street in Grand Rapids, MN 55744. The southern boundary of the subject abut a railroad. The subject does not have a physical address.

TH 2 has an Average Annual Daily Traffic counts (AADT) of 6,700 (2019 count) in the area of the subject. NE 1st Street does not have a recorded AADT count in the area of the subject.



The subject has generally level topography. The subject is irregular but conventional in shape. The drainage on the site is deemed adequate, and the subject is not located within floodplain.

The subject has access to all urban utilities including city sewer and water.

The subject is zoned GB, General Business, as governed by the City of Grand Rapids. Following is the purpose of the GB, General Business zoning district taken from the City of Grand Rapid’s Zoning Ordinance:

GB general business district and SGB shoreland general business district. These districts are intended to accommodate a broad range of retail goods and services, land uses and generally serve the entire community. Though not exclusively so, businesses in this district are relatively freestanding and tend to occupy independent building sites. They may enjoy close proximity to like businesses but depend primarily on good accessibility, high visibility and a relatively large volume of passing traffic. For uses permitted by right refer to section 30-512. The SGB districts are also subject to shoreland management standards.

The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board. The subject is not negatively impact by the Airport Safety Zone C, with height restrictions high enough that traditional development can occur. Safety Zone B places the following additional restrictions on the subject, as taken from the Airport Zoning Ordinance:

Zone B: Subject at all times to the height restrictions set forth in subsection 30-64(b), and to the general restrictions contained in subsection 30-65(b)(1), areas designated as zone B shall be restricted in use as follows:

- a. Each use shall be on a site whose area shall not be less than three acres.
- b. Each use shall not create, attract, or bring together a site population that would exceed 15 times that of the site acreage.
- c. Each site shall have no more than one building plot upon which any number of structures may be erected.
- d. A building plot shall be a single, uniform, and non-contrived area, whose shape is uncomplicated and whose area shall not exceed the following minimum ratios with respect to the total site area:

Site Area at least (Acres)	But Less Than (Acres)	Ratio of Site Area to Bldg. Plot Area	Building Plot Area (sq. ft.)	Max. Site Population (15 persons/Acre)
3	4	12:1	10,900	45
4	6	10:1	17,400	60
6	10	8:1	32,600	90
10	20	6:1	72,500	150
20 and up		4:1	218,000	300



- e. The following uses are specifically prohibited in Zone B: Churches, hospitals, schools, theaters, stadiums, hotels, motels, trailer courts, campgrounds, and other places of frequent public or semi-public assembly.

The subject parcel appraised would be deemed a legal and non-conforming parcel, not meeting the minimum lot size allowed of 10,500 s.f., being only 7,142 s.f. in size, nor is it conforming to the minimum lot size allowed of 3 acres, per the Airport Safety Zone B regulations. The subject's use as roadway right-of-way appears to be a legal and conforming use.

Per a Title Opinion provided by the client, the Itasca County parcel with PID# 91-425-3160, which the subject is a portion of, is also subject to the following:

Duluth, Superior and Western Railway Company First Mortgage executed by Duluth Superior and Western Railway Company First Mortgage dated December 1, 1896, recorded December 21, 1896 as Doc. No. 9529 in Book H of Mortgages, Pages 1-31, and all other mortgages, supplements and amendments thereto. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway purposes in favor of the State of Minnesota taken in Final Certificate dated March 23, 1975, recorded April 18, 1975 as Doc. No. 301684. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway-railway crossing at grade in favor of the City of Grand Rapids, a municipal corporation, dated September 16, 1975, recorded September 22, 1975 as Doc. No. 304709. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Plat of Third Division of Grand Rapids, Minn dated March 2, 1893, recorded March 23, 1893 in Book 1 of Plats, Page 4. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway purposes in favor of the State of Minnesota taken in Final Certificate, approval by District Court Judge dated April 24, 1935, recorded May 2, 1935 as Doc. No. 123821 in Book 42 of Mortgages, Pages 619-627 (Parcel 22). FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Minerals and mineral rights reserved by H. A. Wing & Co. in Warranty Deed dated May 21, 1912, recorded November 18, 1912 as Doc. No. 55981 in Book 50 of Right of Way Deeds, Page 164.

There are no other legal restrictions placed on the subject property that would affect value, which the appraiser has been made aware.

The subject is guided for Transportation and Utilities use, as guided by the City of Grand Rapids. It is likely the zoning of the subject will change in the near future to be consistent with the guided land use plan, as the subject is currently encumbered with an existing permanent highway easement (which is being converted to fee), and is used as roadway right-of-way.

The entire subject parcel is encumbered with a permanent highway easement (roadway right-of-way). Improvements include roadway right-of-way improvements.



Acquisition Description

According to the acquisition sketch, the entire subject parcel is affected. The acquisition area is as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	7,142 s.f.
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Following is a caption block provided by the client:

C.S. 3104(2=8-27)827		S.P. 3104-61						
Third Division of Grand Rapids								
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS SQ. FEET	NEW T.H. R/W SQ. FEET	BALANCE SQ. FEET	ENCUM BY EX TH R/W SQ. FEET	PERMANENT R/W INTEREST
222F	31-221	Village of Grand Rapids	PART OF LOTS 18-23 BLOCK 31	7142	7142	0	7142	FEE

The orientation, configuration, width and length of the acquisition area can be best viewed on the acquisition sketch found later in this appraisal. Within the area of the proposed acquisition appears to be roadway right-of-way improvements. These improvements are owned by the public, and are not subject to compensation.

Subject Description, After the Acquisition

After the acquisition, the entire subject parcel will no longer exist, as the entire parcel, which is encumbered with an existing permanent highway easement (roadway right-of-way) will be converted to fee, and exist only as roadway right-of-way.

Highest and Best Use, Before and After Acquisition

Although encumbered with a permanent highway easement (roadway right-of-way), the subject is valued first by across-the-fence methodology to obtain a base value for unencumbered land. "Across-the-fence" (ATF) is a term used to describe a method of valuing narrow parcels used in a linear corridor by comparing to abutting land and applying appropriate adjustments. It assumes that the parcel is as valuable as the land it passes through. After the base value is estimated, the impact related to the existing permanent highway easement (roadway right-of-way) encumbrance is subtracted, to obtain an estimate for the remaining underlying fee rights that will be converted to MnDOT fee ownership, so that MnDOT, and the roadway right-of-way, occupy the entire property and all of its fee-simple rights.



The highest and best use of the subject is for roadway right-of-way, as it is currently encumbered. However, in order to value the subject property we need to assume it to have a similar use and value as land that it abuts such as traditionally employed in across the fence valuation. So observing the across-the-fence methodology, the subject is compared to commercial lots such as it currently abuts, assuming a highest and best use for commercial use.

The highest and best use as improved, is not applicable, as the subject is generally comprised of vacant land, other than roadway right-of-way improvements that are owned by the public.

Approaches to Value

The cost approach is not used because the subject is appraised as vacant land, although certain improvements or landscaped elements affected by the proposed acquisition may be compensated based on cost, to establish appropriate compensation for costs to cure. The income approach was not applicable due to lack of rental data in the market for vacant land.

The Sales Comparison Approach is the only applicable approach to value, and it compares the subject property with other similar properties that have recently sold or are currently listed for sale. Positive and negative adjustments are made to the comparable sales for the differences which exist between them and the subject. Objective comparison with comparable sales provides an indication of value for the subject.

Comparable Sales Data and Adjustment Analysis

In order to value the proposed acquisition area, the subject's underlying fee land value is estimated. Comparables were located from county assessor records, Realist, and the Regional Multiple Listing Service, as well as private appraiser databases. An ample amount of applicable comparable data was located within the large competitive market.

Following is an adjustment chart with the subject and comparables, and a qualitative analysis comparing certain factors to the subject property. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward.



Comparable Sale Adjustment Chart

Address	Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5	Comparable #6	Comparable #7
	SE corner U.S. Highway 2 E & NE 1st Street, Grand Rapids, MN 55744	1300 E US Highway 169, Grand Rapids, MN 55744	710 NE 4th Street, Grand Rapids, MN 55744	301 NE 4th Street, Grand Rapids, MN 55744	416 NW 7th Avenue, Grand Rapids, MN 55744	1402 NW 4th Street, Grand Rapids, MN 55744	xxx SW 2nd Avenue, Grand Rapids, MN 55744	xxx US Hwy 169, Grand Rapids, MN 55744
Sale Price		\$700,000	\$175,000	\$150,000	\$110,000	\$120,000	\$421,936	\$125,000
Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Effective Sale Date	1/23/2024	10/2022	01/2022	06/2023	12/2022	10/2022	04/2022	11/2022
Market Conditions	0.00%	=	=	=	=	=	=	=
Terms/Transfer Docs/Property Rights		Cash/Warranty Deed/Fee Simple	Market Rate Financing/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Quit Claim Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple
Motivations		Adj Owner - Buyer leased prior to sale	Adj Owner	Word of Mouth	Adj Owner	Word of Mouth	Typical	Adj Owner - Right of First Refusal
Adjusted Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Site Size	7,142 SF (0.16 acres)	194,713 SF (4.47 acres)	34,848 SF (0.80 acres)	16,988 SF (0.39 acres)	13,939 SF (0.32 acres)	30,056 SF (0.69 acres)	69,696 SF (1.60 acres)	27,007 SF (0.62 acres)
Location	City of Grand Rapids - Corner but a vertex	City of La Prairie - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Corner	City of Grand Rapids - Corner	City of Grand Rapids - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Interior
Immediate Area	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Regional Commercial Area	Commercial
AADT	6,700	12,200 & 1,639	7,555, one parcel removed from 9,300-13,900	14,200 & 1,871	2,190-4,330	13,300	None recorded, but views of Hwy 169 @ 19,800 and TH 23 @ 10,623	19,800
Utilities	All Available	All Available	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	GB, General Business & Airport Safety Zones B & C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business	SGB, Shoreland General Business	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C
Topography/Soils/Shape	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Irregular but conventional - 3 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Generally rectangular - 2 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular
Other	Non-conforming but Across-the-Fence Value	N/A	N/A	Environmental	Improvements razed after sale	N/A	N/A	Improved with gazebo
Gross Adjustment		1 + 1 -	=	1 + 2 -	1 -	1 -	2 -	1 -
Net Adjustment		=	=	1 -	1 -	1 -	2 -	1 -
Final Price/SF		About \$3.60	About \$5.02	Sly less than \$8.83	Sly less than \$7.89	Sly less than \$3.99	Less than \$6.05	Sly less than \$4.63



Adjustment Analysis

The most similar comparables were chosen. Preferably properties chosen for the adjustment analysis should be similar enough that few adjustments are necessary. Unfortunately, this is rarely the case, so an adjustment analysis is performed. All adjustments applied are typically based on market trends, market demands and preferences, and physical characteristics. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward. This adjustment analysis is a qualitative analysis, where the precise amount of the individual adjustment is not quantified, only that a positive or negative adjustment exists. After the qualitative adjustments are applied, the adjusted comparables support an estimated market value within the range of the comparables, reconciled.

The various items for which the subject has been analyzed include:

Market conditions (time) – A time adjustment is used to reflect changes in the marketplace over time. Things such as declining or inflationary economies, or over-supply or under-demand situations can create differences in market prices through time. All of the comparable sales have occurred since January 2022 and are relatively recent. During this time period, the market conditions have remained stable and there are no upward or downward market pressures, so no adjustment is applied.

Financing Terms of Sale/Transfer Documents – Sometimes financing terms may affect purchase price. All of the comparables sold with cash or its equivalent, market rate financing, so no adjustments are necessary. Comparables 1-4, 6 & 7 transferred with warranty deeds, and no adjustments are required. Comparable 5 transferred via a quit claim deed, but is not adjusted, due to careful practices of title companies and closing agents that reduce any risk associated with a deeded transfer.

Motivations – Sometimes different motivational factors of a buyer or seller may affect negotiations and eventual purchase price. The motivations of the buyers and sellers were explored. Comparable 6 had typical buyer and seller motivations, and is not adjusted. Comparable 1 was purchased by an adjacent owner who had leased the property prior to the transfer for storage purposes. Comparables 2 and 4 were purchased by adjacent owners. Comparables 3 and 5 were marketed through word of mouth. Comparable 7 was purchased by an adjacent owner who had right of first refusal. After review of the comparable sales, and relative land prices in the market area it appears that even with the seller and/or buyers different motivations, all of the comparables sold at market value. Additionally reviewed were the Certificates of Real Estate Value (eCRV), as filed through the State of Minnesota's Department of Revenue, in which comparables 2-7 all



reflected that no significant different price was paid (in other words, market value was paid). Although, comparable 1's eCRV reflected they thought they paid a significant different price, after our research it appears that a market amount was paid, and no adjustments are required.

Site Size – The subject parcel is 0.16 acres, but is appraised observing across-the-fence methodology, whereby the subject is assumed part of adjacent parcels that are a market-typical size range. Comparables 2-7 are within a market-typical size range and do not require adjustment. Comparable 1 is larger than market-typical and is adjusted upward for its larger size, as typically larger parcels sell for less per s.f. than smaller parcels.

Location – The subject is located within the City of Grand Rapids, as are comparables 2-7, not adjusted. Comparable 1 is located in the City of La Prairie, part of the same larger competitive market, and is not adjusted. The subject is located at a corner location, but due to the angle of the intersecting roadway, the corner location is almost a vertex, meaning not able to support development that would maximize the corner-location exposure and as such the comparables located at traditional corner locations are superior and adjusted downward.

Immediate Area – The subject and comparables are all located in commercially-defined areas, and no adjustments are required, with the exception of comparable 6. Comparable 6 stands out as the most superior, located in the regional shopping area in a highly desirable commercial area and is superior and adjusted downward.

AADT – The subject is located on a roadway with an AADT count of 6,700. AADT can have an impact on value for commercial properties, with properties on higher-trafficked corridors selling for more than lower-trafficked corridors. Comparables with significantly more AADT are superior and adjusted downward. Comparable 6 is located on a roadway with unrecorded AADT, but is in view and exposure to two highly-trafficked roadways and with its anticipated 4-story construction will have exposure to these two roadways, and is overall superior and adjusted downward.

Utilities – The comparables and subject all have access to typical urban utilities, including city water and sewer, and no adjustments are necessary.

Zoning – The subject is zoned GB, General Business, as are all of the comparables with the exception of comparable 5, which is zoned SGB, Shoreland General Business. The subject and comparables 1-3, 6 & 7, are also subject to Airport Safety Zone C (and the subject is also within Zone B), however this does not negatively impact value, with height restrictions high enough that traditional development can occur. With no comparable having a competitive advantage or disadvantage over another, no adjustments are necessary.



Topography/Soils/Shape – The subject and comparables are all similar enough in topography, soils and shape to not require any adjustments. Although some comparables have multiple legal parcels of record, this does not inure any competitive benefit and no adjustment is applied.

Other – Comparable 3 had some environmental issues discovered whereby the entire purchase price is in escrow, and the buyer is pulling from the escrow to pay for the Phase 2 environmental study, and at conclusion of the study, the decision regarding release of the remaining funds will be made, but under no circumstance will the buyer pay more than purchase price. The agreement is the buyer will buy the site clean for the purchase price. An upward adjustment is applied not for the contamination and remediation, but because the contamination and remediation cause a delay in developing this property. Comparable 4 was improved with a single family residence and ancillary site improvements which required removal. The abutter purchased this parcel as it prevented relocating for expansion needs, and although the buyer found it worthwhile to remove the improvements, the market might not, and as such, demolition costs for these improvements is not additionally considered, rather these improvements are deemed value-neutral and not adjusted. Comparable 7 was improved with a gazebo but it did not add value, as a typical buyer would demolish it in order to develop. This particular buyer the gazebo had value as part of the grounds to the Judy Garland Museum, but the market would deem this improvement value-neutral and therefore no adjustment is applied. Although the subject is a non-conforming parcel in and of itself, due to the across-the-fence appraisal methodology, this factor is not considered to discount the underlying fee value.

It is noted, more information about these comparables used in this analysis are located in the appraiser's file, although a comparable location map and comparable data sheets are located in the addenda of this report.

Reconciled Land Value

After the qualitative adjustment analysis, the adjusted comparable sales prices fall into value suggestions for the subject property's fee simple value.

Two comparables yield value suggestions about \$3.60/s.f. to \$5.02/s.f.

One comparable yields a value suggestion less than \$6.05/s.f.

Four comparables yield a value suggestions slightly less than \$3.99/s.f. to \$8.83/s.f. Comparables 5 and 7, with value suggestions slightly less than \$3.99/s.f. and \$4.63/s.f., could be slight aberrations. Aberrations are typical when analyzing imperfect markets with qualitative adjustments that are necessary due to lack of significant comparable data to quantitatively adjust. Excluding these aberrations, the remaining comparables have a value suggestion slightly less than \$7.89/s.f. to \$8.83/s.f.



All comparables are good indicators of value and overall, minimal adjustments apply.

A value estimate of \$5.00/s.f. for the underlying fee (unencumbered) is well supported, with all comparables considered but with additional consideration for the about \$3.60/s.f. to \$5.02/s.f. with the remaining comparables, excluding the aberrations, providing additional support reflecting something slightly less than \$7.89/s.f. and \$8.83/s.f.

However, it is noted, the entire subject is encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights. The value for the remaining rights acquired will be discussed in the following section.

Estimated Value of Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:

The entire subject is encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights and no practical use. As the owner is deprived of any practical use of this parcel, due to its existing roadway right-of-way use, the remaining rights are estimated to contribute about 5% of the underlying fee value of \$5.00/s.f., or \$0.25/s.f., as most of the rights and all of the practical use of this area results from the encumbrance.

The estimated land market value as encumbered is as follows:

7,142 s.f. (size) X \$0.25/s.f. (estimated s.f. value) = \$1,785.50, or \$1,786 rounded to the nearest dollar

The estimated value of conversion of the existing permanent highway easement (roadway right-of-way) to fee is the entire estimated land market value of the subject as encumbered, or \$1,786.

Site Improvements Damaged Within the Acquisition Area

The entire subject parcel is encumbered with a permanent highway easement (roadway right-of-way). Improvements include roadway right-of-way improvements. As these improvements are owned by the public, they are not subject to compensation.



Conclusions and Allocation of Damages

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee	\$1,786
Affected Site Improvements	N/A
Estimated Damages	\$1,786
Final Rounded Estimated Damages	\$1,800



Attachments

Appear in the following order.

Certification

Aerial Photograph

Acquisition Sketches

Acquisition Legal Description

Project Description from MnDOT

Subject Photos

Comparable Sales Location Map & Data Sheets

Professional Qualifications – Julie Jeffrey Schwartz



Certification

S.P.: 3104-61RW (TH 2)
Parcel: 3104-827-222F
Control Section: 3104 (2=8) 827

I certify that, to the best of my knowledge and belief.....

That I have personally inspected the property herein appraised. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based on are correct; subject to the limiting conditions therein set forth.

Katie Huspek, Licensed Residential Appraiser Trainee, MN License #40160103, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386 provided assistance in this appraisal. Ms. Huspek researched subject information, comparable sales, market information and the compilation of the report. Mr. Schwartz accompanied on the inspection, reached out to property owners, and confirmed comparable data. No one other than Ms. Huspek and Mr. Schwartz and the appraiser signing this report have provided significant professional assistance in the compilation of this report, its data, or analysis.

That I understand that such appraisal may be used in connection with the acquisition by the Minnesota Department of Transportation (MnDOT) related to the TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the improvements for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the landowner, was disregarded in determining the compensation for the property.

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, the MnDOT Right of Way Manual, Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and appropriate state laws, regulations, policies and procedures applicable to an appraisal of right-of-way for such purposes, and that



to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under established State or Federal law.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no present or prospective interest, or personal bias, regarding the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Julie Jeffrey-Schwartz has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

As of the date of this report, Julie Jeffrey-Schwartz has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

That I have not revealed the findings and results of such appraisal to anyone other than the proper acquisition officials of the Minnesota Department of Transportation, and their consultants, and that based on my independent appraisal and exercise of my professional judgment, the proposed acquisition for the subject property has a market value as of January 23, 2024 (the date of inspection) as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee	\$1,786
Affected Site Improvements	N/A
Estimated Damages	\$1,786
Final Rounded Estimated Damages	\$1,800

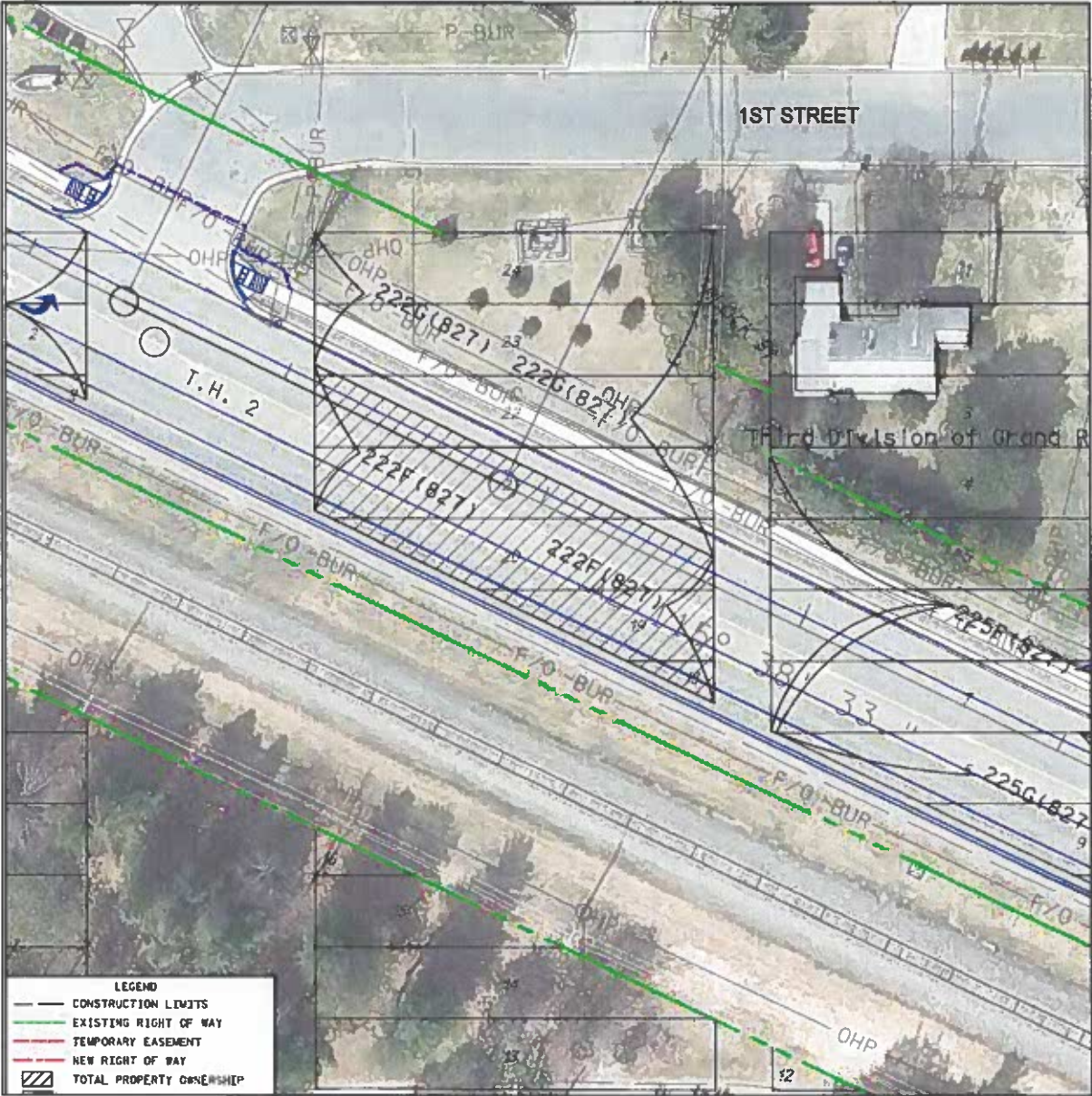
Julie Jeffrey Schwartz

Appraiser: Julie Jeffrey Schwartz
Certified General Appraiser
Minn. #4002423

09/04/2024
Date



Aerial Photograph

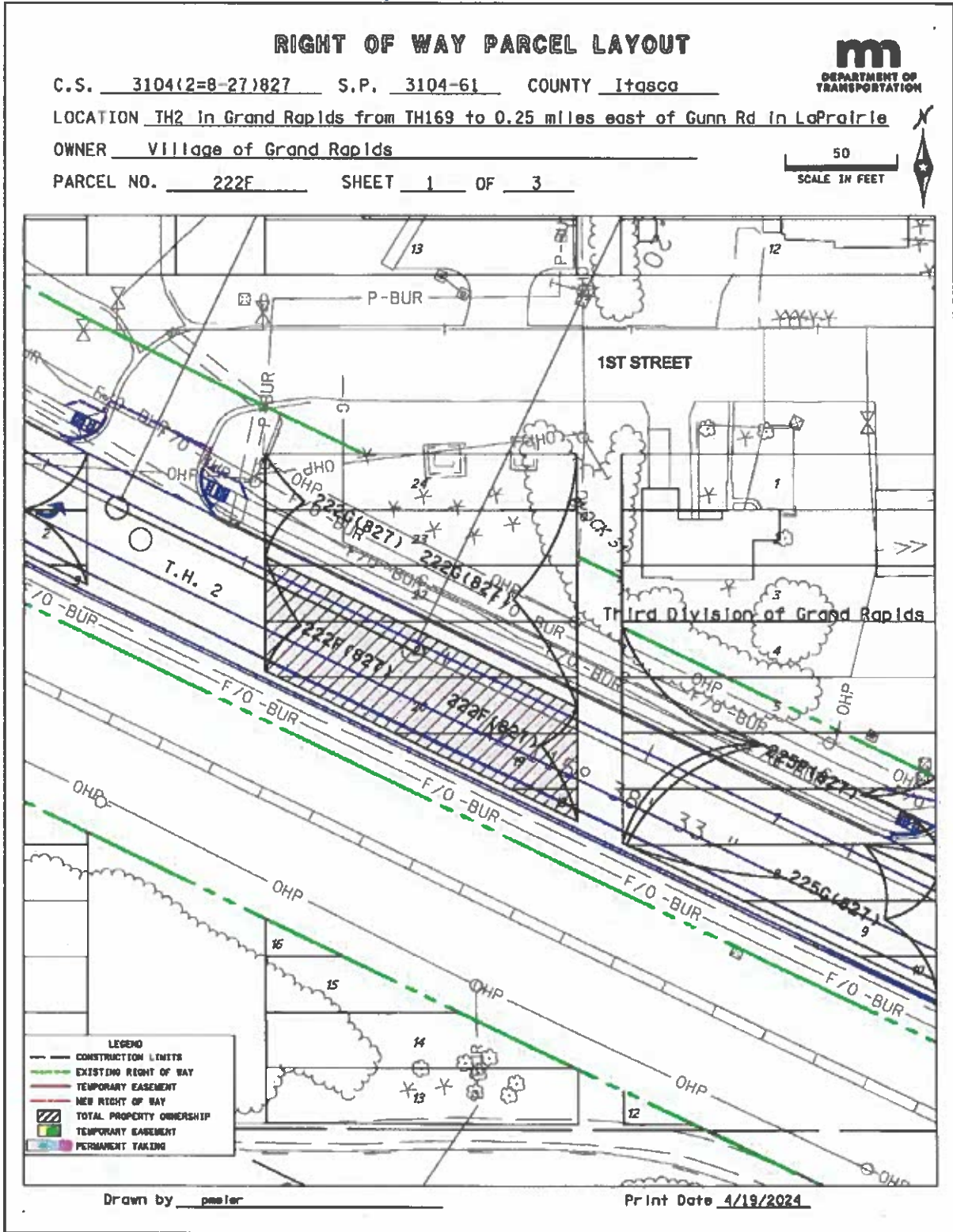


The above aerial photograph was provided by the client, and the cross hatching reflects the area of the subject parcel appraised. The subject parcel appraised is comprised of a portion of PID# 91-425-3160, per Itasca County Records. Following is an outline of the parcel which the subject is part of, taken from the Itasca County GIS Mapping System, and included for reference purposes only.





Acquisition Sketches



RIGHT OF WAY PARCEL LAYOUT

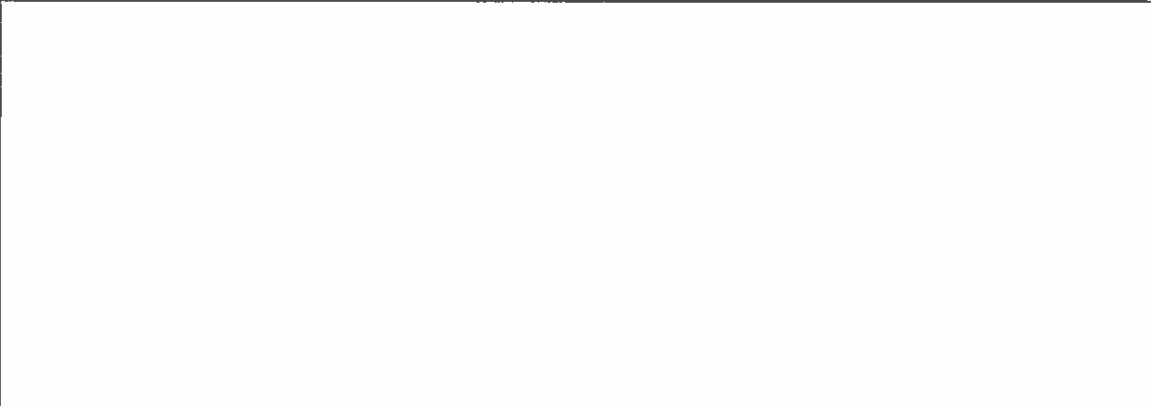


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 222F SHEET 2 OF 3



C.S. 3104(2=8-27)827 S.P. 3104-61

Third Division of Grand Rapids

PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
222F	31-221	Village of Grand Rapids	PART OF LOTS 18-23 BLOCK 31	7142	7142	0	7142	FEE

Drawn by psoler

Print Date 4/19/2024



RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

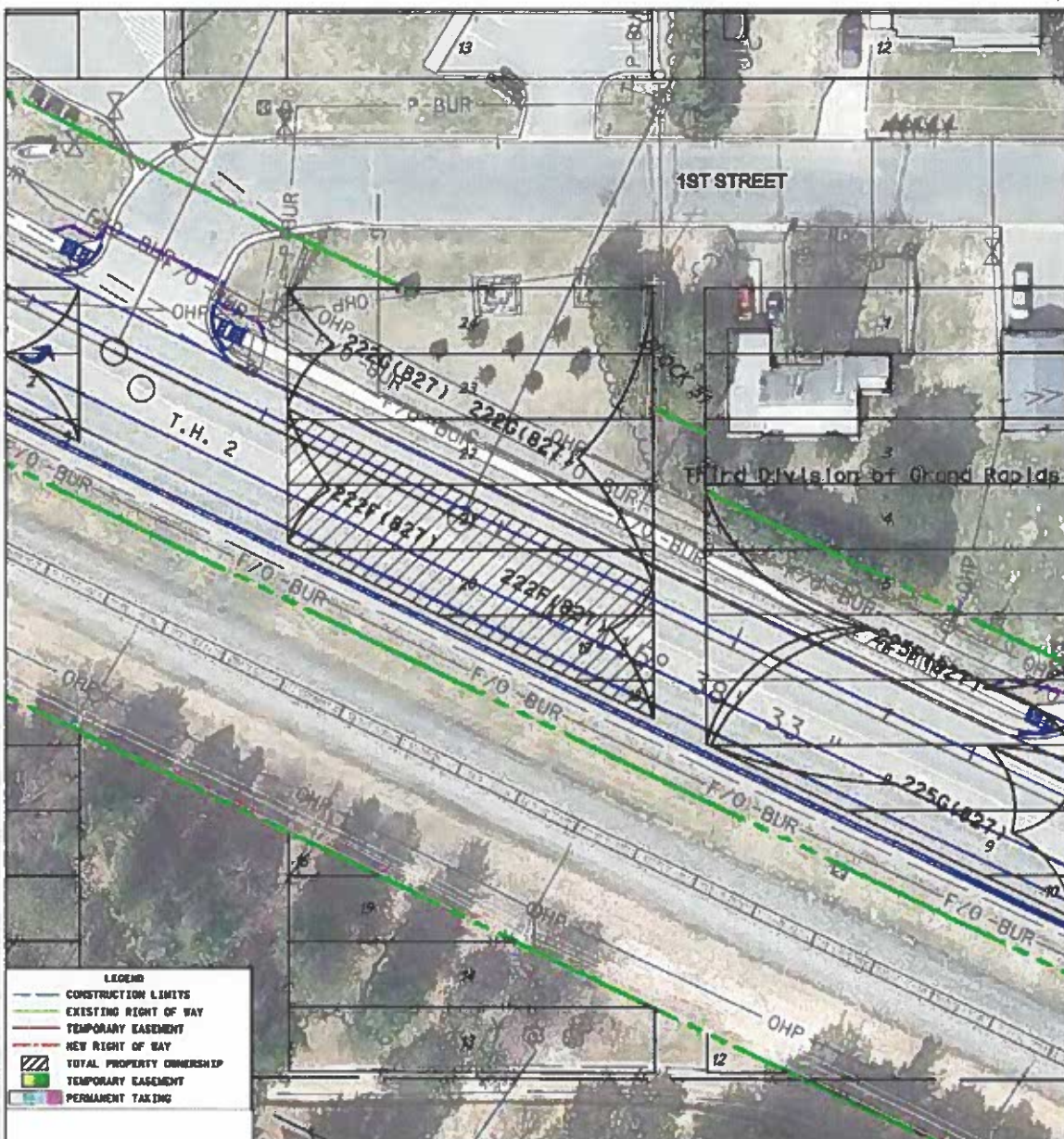
LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 222F SHEET 3 OF 3



50
SCALE IN FEET



Drawn by psmler

Print Date 5/16/2024



Acquisition Legal Description

May 6, 2024
3104-827-222F

FEE ACQUISITION

Parcel 222F C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 18 through 23, inclusive, Block 31, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 222F on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.



Project Description From MnDOT

The subject is impacted by the Minnesota Department of Transportation's TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61. The project is on TH 2 in Grand Rapids from TH 169 to 0.25 miles east of Gunn Road in La Prairie, MN in Itasca County, MN. The following mapping and information about the project was taken from MnDOT's website.

About this project
Summary of work
Pavement rehabilitation (mill and overlay), drainage and ADA upgrades.



Schedule

- Construction is scheduled for 2025

Location

- On Hwy 2, Hwy 169 to Gunn Road in LaPrairie

Benefits

- Improved ride and increased service life of the pavement
- Compliance with ADA requirements
- Pedestrian improvements including an enhanced crossing at LaPrairie Avenue and a bikeable/walkable shoulder



Subject Photographs
Taken January 23, 2024



Looking westerly at U.S. Highway 2 E (TH 2) from NE 1st Street



Looking east-southeasterly toward the subject and area of the proposed acquisition from NE 1st Street and U.S. Highway 2 E (TH 2)



View looking east-southeasterly at the intersection of NE 1st Street and U.S. Highway 2 E (TH 2)

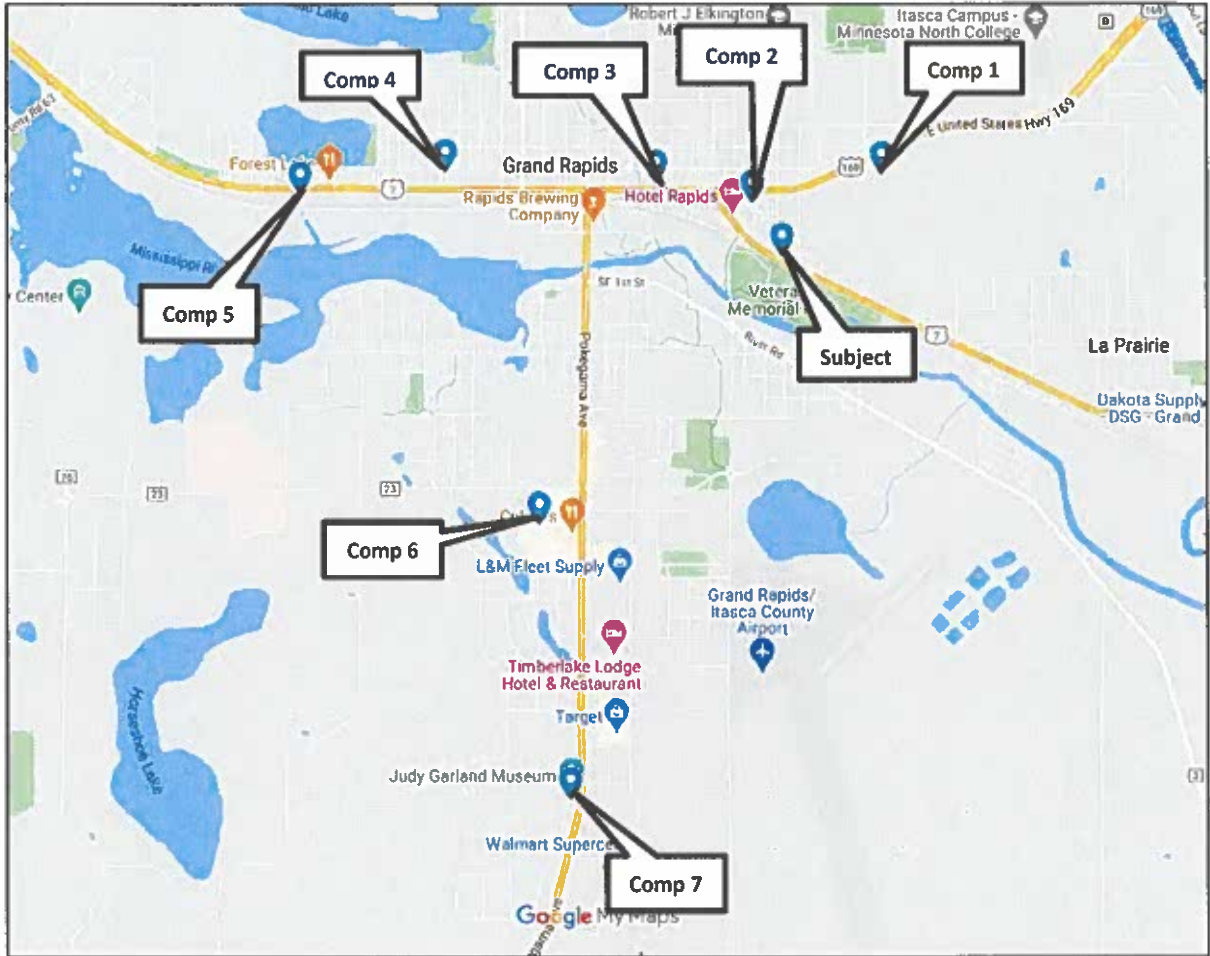


Comparable Sales Summary

Comp #	Address	Sale Price	Site Size	Sale Date	Price per SF	Zoning	Comments
1	1300 E US Highway 169, Grand Rapids, MN 55744	\$700,000	194,713 s.f. (4.47 acres)	10/2022	\$3.60/s.f.	GB, General Business & Airport Safety Zone C	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.
2	710 NE 4th Street, Grand Rapids, MN 55744	\$175,000	34,848 s.f. (0.80 acres)	01/2022	\$5.02/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.
3	301 NE 4th Street, Grand Rapids, MN 55744	\$150,000	16,988 s.f. (0.39 acres)	06/2023	\$8.83/s.f.	GB, General Business & Airport Safety Zone C	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.
4	416 NW 7th Avenue, Grand Rapids, MN 55744	\$110,000	13,939 s.f. (0.32 acres)	12/2022	\$7.89/s.f.	GB, General Business	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.
5	1402 NW 4th Street, Grand Rapids, MN 55744	\$120,000	30,056 s.f. (0.69 acres)	10/2022	\$3.99/s.f.	SGB, Shoreland General Business	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.
6	xxx SW 2nd Avenue, Grand Rapids, MN 55744	\$421,936	69,696 s.f. (1.60 acres)	04/2022	\$6.05/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.
7	xxx US Hwy 169, Grand Rapids, MN 55744	\$125,000	27,007 s.f. (0.62 acres)	11/2022	\$4.63/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.

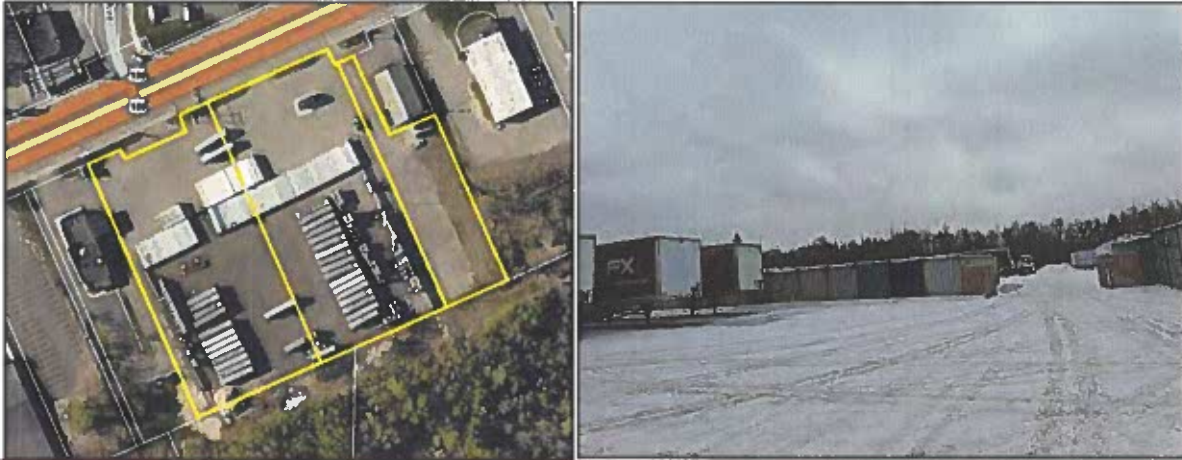


Comparable Location Map



Comparable Sales Data Sheets

Comparable #1



Comp 1	
Address/Location:	1300 E US Highway 169, Grand Rapids, MN 55744
PID #:	93-480-0070, 93-480-0056 & 93-480-0081
Legal Description:	Lengthy Legal
Sale Price:	\$700,000
Price/S.F.:	\$3.60/s.f.
Sale Date:	10/24/2022
Size:	194,713 SF (4.47 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	12,200 & 1,639
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Meds-I Ambulance Service, Inc./L & M LaPrairie Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1482755), county records, various data bases, and the seller representative, Timothy George with Meds-I Ambulance Service, Inc.
Comments:	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.



Comparable #2



Comp 2	
Address/Location:	710 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-425-2020
Legal Description:	Lengthy Legal
Sale Price:	\$175,000
Price/S.F.:	\$5.02/s.f.
Sale Date:	1/3/2022
Size:	34,848 SF (0.80 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	7,555, one parcel removed from 9,300-13,900
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Market Rate Financing/Warranty Deed/Fee Simple
Grantor/Grantee:	Hernesman Brothers Partners/KR Real Estate Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1367874), county records, various data bases, and the buyer representative, Michael Kellin with KR Real Estate Holdings, LLC.
Comments:	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.



Comparable #3



Comp 3	
Address/Location:	301 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-415-2640
Legal Description:	Lengthy Legal
Sale Price:	\$150,000
Price/S.F.:	\$8.83/s.f.
Sale Date:	6/21/2023
Size:	16,988 SF (0.39 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	14,200 & 1,871
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kirk & Debra Davis/Samuel & Lenora Evans
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1548334), county records, various data bases, and the seller, Kirk Davis.
Comments:	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.



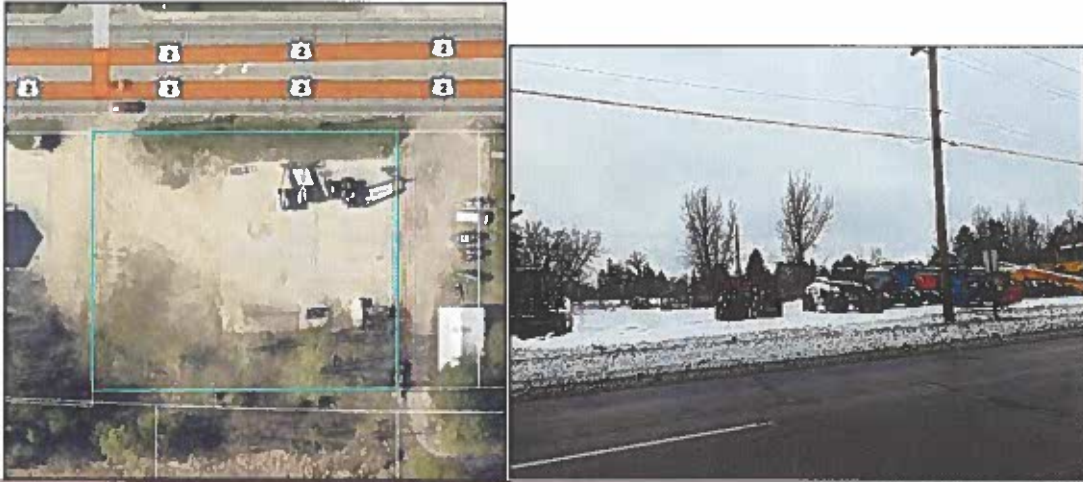
Comparable #4



Comp 4	
Address/Location:	416 NW 7th Avenue, Grand Rapids, MN 55744
PID #:	91-420-2060 & 91-420-2065
Legal Description:	Lengthy Legal
Sale Price:	\$110,000
Price/S.F.:	\$7.89/s.f.
Sale Date:	12/29/2022
Size:	13,939 SF (0.32 acres)
Utilities:	All Available
Zoning:	GB, General Business
AADT:	2,190-4,330 (2022 counts)
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kathern & Paul Simpson and Mark Peavey/Michael & Bonnie McLynn
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1502640), county records and various data bases
Comments:	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.



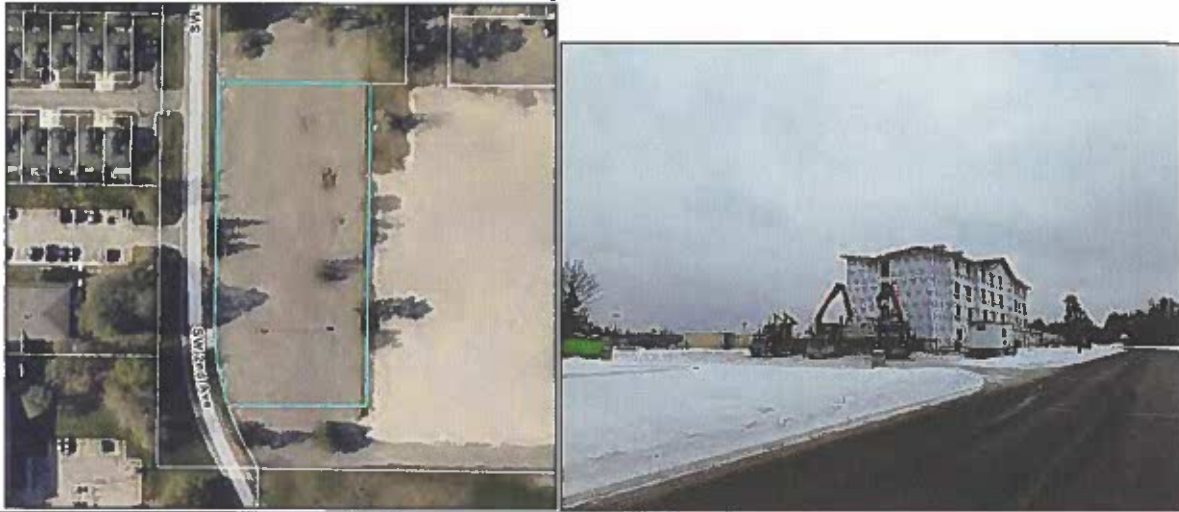
Comparable #5



Comp 5	
Address/Location:	1402 NW 4th Street, Grand Rapids, MN 55744
PID #:	91-705-2030
Legal Description:	Lengthy Legal
Sale Price:	\$120,000
Price/S.F.:	\$3.99/s.f.
Sale Date:	10/6/2022
Size:	30,056 SF (0.69 acres)
Utilities:	All Available
Zoning:	SGB, Shoreland General Business
AADT:	13,300
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Quit Claim Deed/Fee Simple
Grantor/Grantee:	Darrel & Kathleen Wagner/BPB, Incorporated
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1476181), county records, various data bases, and the buyer, Tom Showalter representative of BPB, Incorporated.
Comments:	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.



Comparable #6



Comp 6	
Address/Location:	xxx SW 2nd Avenue, Grand Rapids, MN 55744
PID #:	91-562-0130
Legal Description:	Lot 3, Block 1, MY PLACE HOTEL MATURI ADDITION
Sale Price:	\$421,936
Price/S.F.:	\$6.05/s.f.
Sale Date:	4/1/2022
Size:	69,696 SF (1.60 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	None recorded
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	MATURI PROPERTIES LLC/IRON RANGE MP LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1395090), county records and various data bases
Comments:	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.



Comparable #7



Comp 7	
Address/Location:	xxx US Hwy 169, Grand Rapids, MN 55744
PID #:	91-033-2322
Legal Description:	Lengthy Legal
Sale Price:	\$125,000
Price/S.F.:	\$4.63/s.f.
Sale Date:	11/16/2022
Size:	27,007 SF (0.62 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	19,800
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Leisure Hills Care Center, LP/Judy Garland Children's Museum
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1490685), county records, various data bases, and the buyer representative, Janie Heitz with the Judy Garland Children's Museum.
Comments:	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Email: julie@lakestate.com Direct: 651-653-0788

EDUCATION

Appraisal

Appraisal Institute (current to 1991; most current to least current order):
 Advanced Spreadsheet Modeling for Valuation Applications, Appraisal Institute
 Advanced Concepts and Case Studies, Appraisal Institute
 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 Marketability Studies: Six Step Process and Basic Applications, Appraisal Institute
 Residential Design: The Makings of a Good House, Appraisal Institute
 Oil Spills and Property Values Webinar, Appraisal Institute
 Business Practice and Ethics, Appraisal Institute
 Litigation Appraisal. Specialized Topics and Application, Appraisal Institute
 Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
 Uniform Standards of Professional Appraisal Practice (numerous times, most recently 2018), Appraisal Institute
 Land Valuation Assignments, Appraisal Institute
 Land Valuation Adjustment Procedures, Appraisal Institute
 The Appraisal of Easements, Appraisal Institute
 Partial Interest Valuation -- Divided, Appraisal Institute
 The Appraisal of Special Use Properties, Appraisal Institute
 Report Writing and Valuation Analysis, Appraisal Institute
 Commercial Highest and Best Use, Appraisal Institute
 Advanced Applications, Appraisal Institute
 Standards of Professional Appraisal Practice A, B & C, Appraisal Institute
 Capitalization Theory and Techniques A & B, Appraisal Institute
 Basic Valuation Procedures, Appraisal Institute
 Real Estate Appraisal Principles, Appraisal Institute
 Appraisal of Special Use Properties: The Road Less Traveled, Appraisal Institute
 Case Studies in Commercial Highest and Best Use, Appraisal Institute
 Analyzing Distressed Real Estate, Appraisal Institute

Other (current to 1988):

Appraisal Review for Federal-Aid Highway Programs, National Highway Institute
 Investment Property Appraisal and Financial Analysis, ProSource
 Advanced Yield Capitalization, ProSource
 Appraising Income Producing Properties, ProSource
 Appraising Commercial Properties, ProSource
 Appraisal Standards and Ethics, ProSource
 Certified Real Estate Appraisers (CREA) Course, ProSource
 Houses: FHA Appraisal and Construction Standards, ProSource
 Home Inspections: Beyond the Basics, ProSource
 Appraisal of Manufactured Homes
 Numerous Seminars (International Right of Way Assoc., Farm Managers & Rural Appraisers, Appraisal Institute)

General

Lakewood College, Associate of Arts Degree with Distinction, 1991
 Realtor Institute, Graduate (G.R.) Designation, 1987
 Northeast Metro Technical Institute, Computer Operations/Programming Degree, 1984

EXPERIENCE

President and Owner, Lake State Realty Services, Inc., since 1991
 Real Estate Sales License since 1984, Real Estate Brokerage license since 1991
 Appraising Real Estate since 1985
 Employed by Minnesota Department of Transportation for 4 years, as appraiser/expert witness
 Testified at various hearings, trials and depositions
 General contracting experience and some property management experience (1990 to present)
 Co-developer of 10-lot lakefront subdivision on Lake Vermilion, Minnesota (2002-2005)

LICENSES, COMMISSIONS, MEMBERSHIPS/AFFILIATIONS, AWARDS, APPOINTMENTS

Certified General Appraiser License, Minn #4002423
 Certified General Appraiser License, Wisc #482
 Certified General Appraiser License, Mich #12-01-005363
 Certified General Appraiser License, Ohio #423328
 Certified General Appraiser License, North Dakota #CG-2301
 Minnesota Real Estate Brokerage License
 Member of St Paul, Minnesota, and National Association of Realtors
 Member of the Multiple Listing Service
 Member of the International Right of Way Association (IRWA)
 Member of the National Association of Realtors Appraisal Section



Member of the Appraisal Institute (Practicing Affiliate)
 Member of the National Association of Real Estate Appraisers (NAREA), Certified Real Estate Appraiser Designation-CREA
 Member of the American Society of Appraisers – Farm Managers and Rural Appraisers
 Appointed to the Lino Lakes Economic Development Authority Advisory Board (past 18 years); past Chairperson and Co-Chairperson of the Board numerous times
 Member Community Emergency Response Team (CERT) City of Lino Lakes and Board Member (Secretary)
 Co-Chair and Executive Board Member, and past Chair, Lino Lakes Volunteers in Public Safety
 Appointed to the International Right of Way Association's Appraisal Committee, past Chairperson
 Past Board of Director, founding member, and past President and Secretary – Quad Cities Chamber of Commerce
 Received Hammer Award for reinventing a federal government that is more efficient and costs less from Vice President Al Gore in 1999 (for appraisal services contract)
 Received letters of Commendation/Recognition from Governor Tim Pawlenty, Senator Amy Klobuchar, Senator Norm Coleman, and the American Red Cross for 9-hours of rescue efforts immediately after the I-35W Minneapolis bridge collapse in 2007
 Hero of the Year Disaster Relief 2008 from the Red Cross for heroic involvement after bridge collapse, including aid to the children from the school bus and heading logistics command to distribute food/water/ice to rescue and recovery workers
 Girl Scout Leader (2006 to 2011); District Delegate 2008, during critical merger of two councils
 Honorarium from the Minnesota League of Cities for reviewing, and contributing to the Local Improvement Guide (special assessment benefits) August 2008 and Special Assessment Tool Kit
 Development Committee Board Member, Phoenix Alternatives Inc. (PAI), a non-profit that provides day programming for developmentally disabled adults, conducting fund raising and advisement
 Instructor for Continuing Legal Education (CLE) Class "How to Value Residential Real Estate in Construction Defect Litigation"
 On the Anoka County Condemnation Commissioner's list
 On the Washington County Condemnation Commissioner and Probate Appraiser list
 On the Ramsey County Condemnation Commissioner's list
 Served as Chairperson of the Condemnation Commission
 Appointed as neutral appraiser by the courts and litigating parties
 Chisago County "Appraiser of Record" as of 2006 to current
 Served on St. Paul & Minn. Board of Realtors Gov't. Affairs, Prof. Standards, & Ethic Committees
 Certified Instructor for "Expert Witness Testimony" through the State of Minnesota (Through Int'l. Right of Way Assoc.)
 Speaker at the Minnesota League of Cities Engineer Conference (2004) on Special Assessment Benefit Analysis
 Speaker at the Minnesota Banking Risk Management Association "Residential Real Estate: Risks and Opportunities" September 2005
 Author of *A Neutral Appraisal Provides Accurate Valuation to Fairly Divide Marital Equity*, Family Law Forum, Vol. 24 No. 2, Spring 2016
 Contributor to the Lake Links Trail Network Master Plan and part of the consultant team, January 2001

PROPERTY TYPES APPRAISED

Extensive appraisal experience in MN, WI, OH, MI, ND, and IL, in numerous counties and cities, for various clients, including various government (Federal, State, County, City and other units), lenders, insurers, attorneys, courts, and private clients:

Residential: single family (inc. lakeshore/river front), town homes, condos, mobile homes, twin homes, and multi-family (including apartment buildings and complexes)

Commercial: restaurants, implement/auto dealerships, retail (stand alone & strips), parking lots/ramps, small to large office buildings, regional medical facilities and clinics, bowling alleys, saw mills.

Industrial: manufacturing, hi-tech, warehouses, distribution centers, single- & multi-tenant buildings.

Rural: crop land, rice farms, aqua-culture operations, organic farms, farmsteads with all buildings.

Investment: apartment buildings, duplex/multi-plex, office buildings, retail strip centers, mixed-use complexes; resorts/camp grounds.

Land: commercial, industrial, residential, residential subdivision analysis, wetlands, rural, railroad crossings, sand/gravel pits, timber land, lakeshore/river front, scenic easements and other easements, flood plain land, Tribal and Trust Land.

Other: professional liability; extensive litigation consulting/appraisal related to construction defects; trial consultation; special assessment benefit analysis; review appraisals on residential, commercial and special use properties; condemnation/litigation; neutral appraisals; partial takings/severance (right-of-way); feasibility studies; fractional interests; residential, commercial, and government reviews (state and federal), equipment and trade fixtures; special use -- including post offices; federal buildings; courthouses, fire stations, U.S. Customs Border Stations, Tribal and Trust land; park and ride facilities and other transit facilities, railway terminals, churches; auto proving grounds; substantially destroyed structures; lease analysis, and fair annual rental rates; easements (conservation, scenic, right of way, utility, and various others); redevelopment consulting/appraisal; blight determinations; developer feasibility studies and consultation services for residential subdivisions.



Office of Land Management (2-98)

STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION

**OFFER TO SELL AND
MEMORANDUM OF CONDITIONS**

RECOMMENDED FOR APPROVAL

Supervisor of Direct Purchase
APPROVED

By

C.S.: 3104 (2=8) 827 Parcel: 222F County: Itasca

Owners and addresses: City of Grand Rapids, Mayor, Grand Rapids City Hall, 420 N. Pokegama, Grand Rapids, Minnesota, 55744-2662;

For a valuable consideration, on this _____ day of _____, _____, the undersigned owners hereby offer to sell and convey to the State of Minnesota for a total consideration of _____ Dollars (\$ _____) a fee simple title to the real estate or an interest therein situated in Itasca County, Minnesota, described in the copy of the instrument of conveyance hereto attached.

The undersigned parties have this day executed an instrument for the conveyance of the aforesaid real estate or an interest therein to the State of Minnesota, and have conditionally delivered the same to the State of Minnesota, which instrument shall have no effect until and unless this offer to sell and convey is accepted in writing by the Office of Land Management of the Minnesota Department of Transportation within _____ days from the date of this offer. Such notice of acceptance shall be by certified mail directed to the address appearing after our signatures hereto. If this offer is not so accepted within the time limited herein such conveyance shall be of no effect, and said instrument shall forthwith be returned to the undersigned owners.

If this offer is accepted it is mutually agreed by and between the owners and the State as follows:

(1) Possession of the real estate shall transfer to the State _____ days after the date of acceptance. The owners shall have the right to continue to occupy the property or to rent same to the present occupants or others until the date of transfer of possession. Any change in occupancy shall be subject to approval and concurrence by the State. On or before the date for transfer or possession the owners will vacate the real estate and the improvements (if any) located thereon, or cause same to be vacated, remove all personal effects therefrom and have all utilities (if any) shut off by the supplier of same. No buildings appurtenances or other non-personal items or fixtures will be removed from the premises by the owners or renters, including plumbing and heating fixtures, etc. The owners shall notify the Department of Transportation as soon as the improvements are vacated. The owners will maintain the improvements during their period of occupancy and will make all necessary repairs at their own expense. The State's prospective bidders for the purchase or demolition of the improvements on the property shall have the right of entry for inspection purposes during the last 10 days of possession by the owners.

(2) Title to said real estate shall pass to the State of Minnesota as of the date of said acceptance subject to conditions hereinafter stated.

(3) Buildings (if any) on said real estate shall be insured by the owners against loss by fire and windstorm in the amount of present coverage or if none in force then in an amount not less than the current market value during the entire period of the owners' occupancy of the buildings on the real estate, such policy or policies of insurance to be endorsed to show the State's interest.

(4) If the State of Minnesota is acquiring all or a major portion of the property, mortgages (if any) on the property shall be satisfied in full by the State of Minnesota. The amount paid by the State of Minnesota to satisfy said mortgage(s) shall be deducted from the amount to be paid to the owners under the terms of this agreement. The amount paid by the State of Minnesota to satisfy the mortgage(s) shall include interest on the mortgage(s) to date that payment is made to the mortgage holder.

(5) If the State of Minnesota is acquiring only a minor portion of the property, and the property is encumbered by a mortgage, it shall be the responsibility of the owners to furnish a partial release of mortgage. The mortgage holder will be included as a payee along with the owners on the check drawn in payment for the property. Any fee charged by the mortgage holder for the partial release of mortgage must be paid for by the owners.

(6) The owners will pay all delinquent (if any) and all current real estate taxes, whether deferred or not, which are a lien against the property. **Current taxes shall include those payable in the calendar year in which this document is dated.** The owners will also pay in full any special assessments, whether deferred or not, which are a lien against the property. The owners will also be responsible for and will pay in full any pending special assessments. The owners' obligation to pay deferred and pending taxes and assessments shall continue after the sale and shall not merge with the delivery and acceptance of the deed.

(7) If encumbrances, mechanics liens or other items intervene before the date the instrument of conveyance is presented for recording and same are not satisfied or acknowledged by the owners as to validity and amount and payment thereof authorized by the owners, said instrument of conveyance shall be returned to the owners.

(8) Payment to the owners shall be made in the due course of the State's business after payment of taxes, assessments, mortgages and all other liens or encumbrances against said real estate. The owners will not be required to vacate the property until the owners have received payment.

(9) No payments shall be made of any part of the consideration for said sale until marketable title is found to be in the owners and until said instrument of conveyance has been recorded.

(10) The owners hereby acknowledge receipt of a copy of the instrument of conveyance executed by them on this date, and a copy of this offer and memorandum.

(11) It is understood that unless otherwise hereinafter stated the State acquires all appurtenances belonging to the premises including:

OWNERS

CITY OF GRAND RAPIDS

By _____

Its _____

And _____

Its _____

(Address of Owner where acceptance is to be mailed.)

RIGHT OF WAY PARCEL LAYOUT

Item 21.

DEPARTMENT OF
TRANSPORTATION

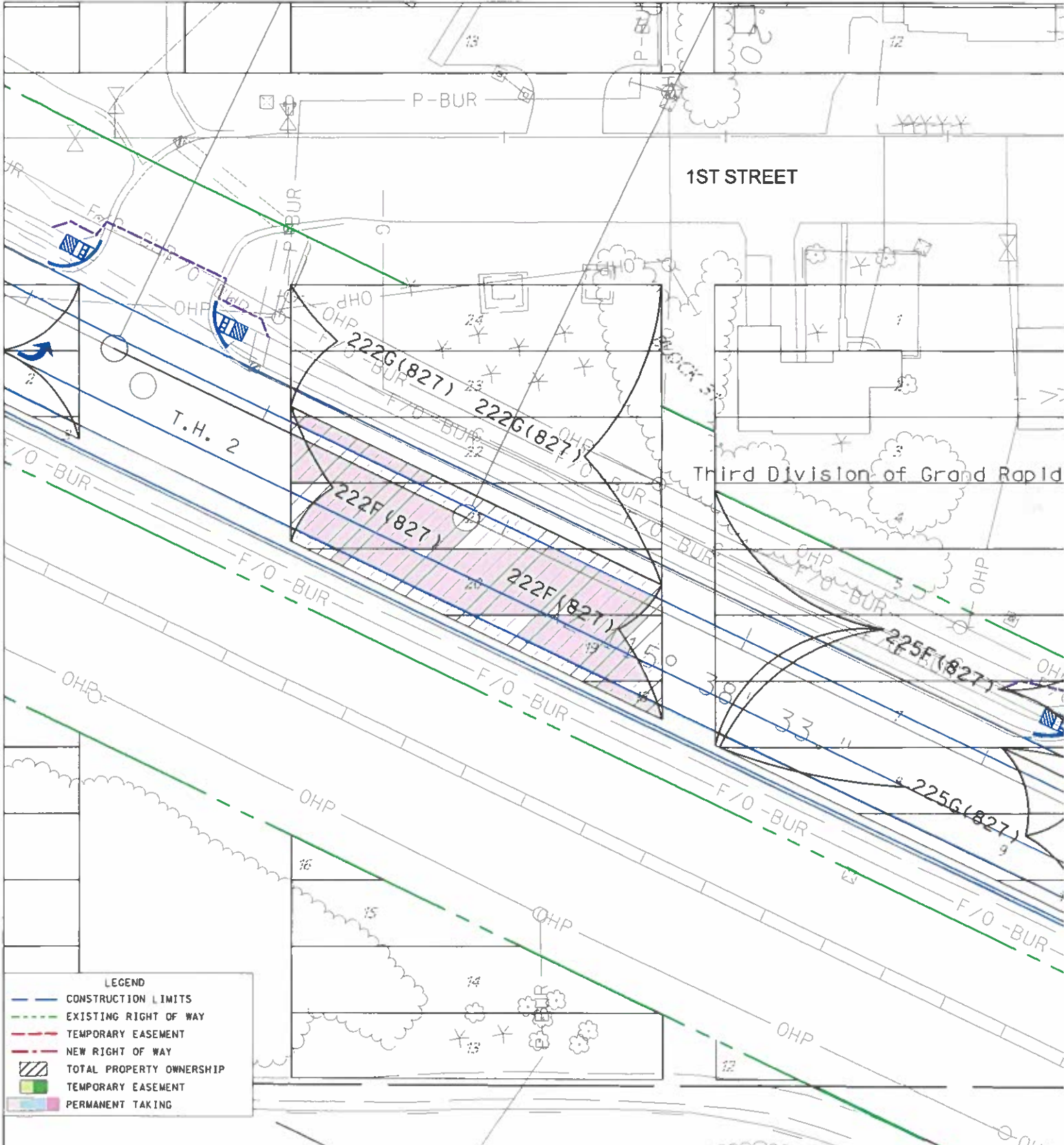
C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 222F SHEET 1 OF 3

50
SCALE IN FEET



Drawn by pmeler

Print Date 4/19/2024

RIGHT OF WAY PARCEL LAYOUT

Item 21.

DEPARTMENT OF
TRANSPORTATION

G.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

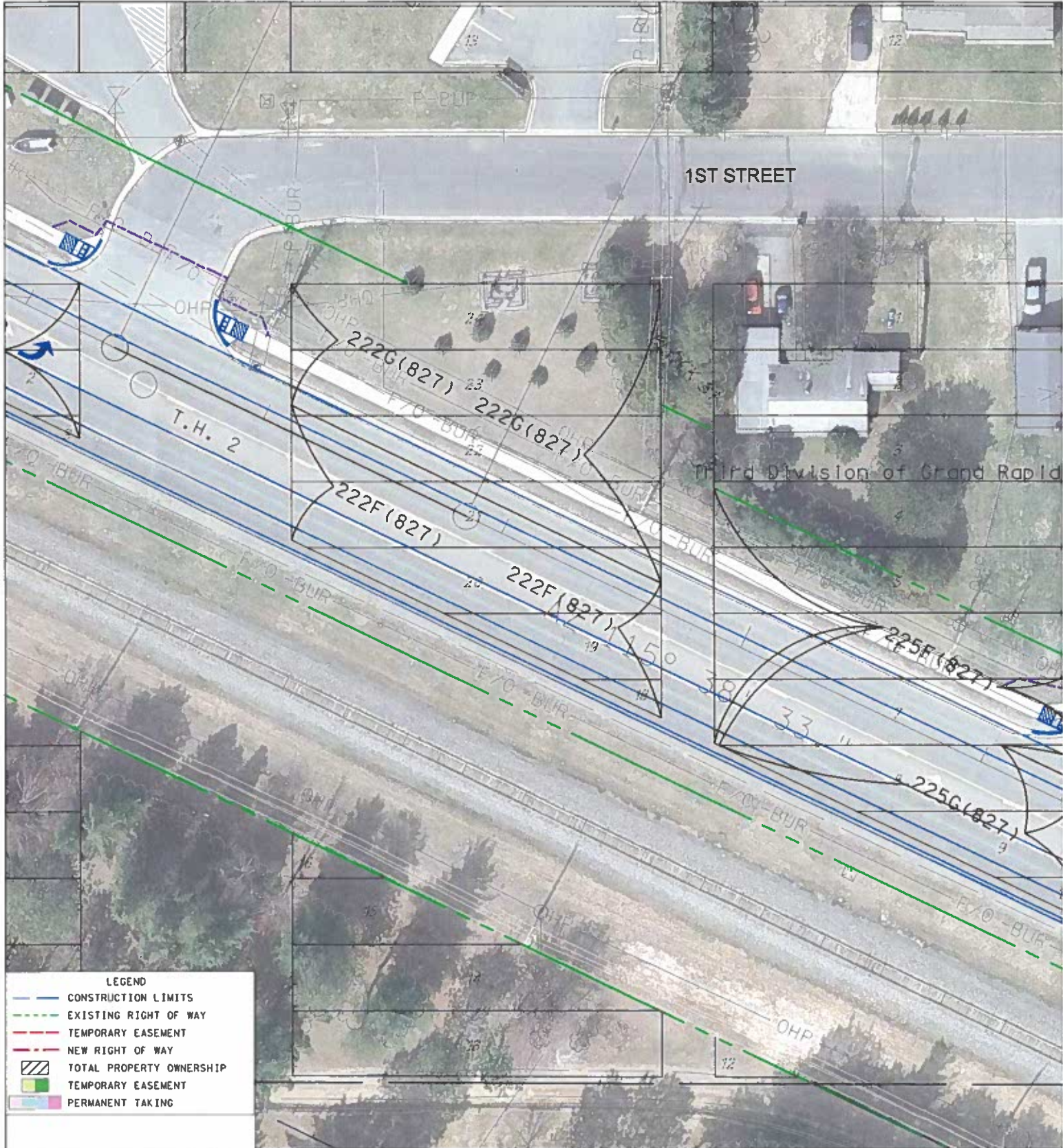
LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

50

SCALE IN FEET

PARCEL NO. 222F SHEET 3 OF 3



Drawn by pmeier

Print Date 4/19/2024

SL
JM
BH

May 6, 2024
3104-827-222F

FEE ACQUISITION

Parcel 222F C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 18 through 23, inclusive, Block 31, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 222F on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.

Date:

10/29/24

City of Grand Rapids
Mayor
Grand Rapids City Hall
420 N. Pokegama
Grand Rapids, MN 55744-2662

In reply refer to: MS 631
S.P.: 3104-61RW C.S.: 3104 (2=8) 827 Job: TRW238805
County: Itasca
Parcel: 225G - Village of Grand Rapids
Property Address:

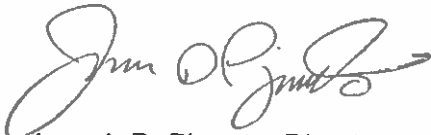
The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing a portion of your property for improvements to Highway 2. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the land acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property being purchased. The certified appraised amount offered to you is \$1,100.00. This amount is for the real estate being acquired and no other damages or loss in value to the remainder property has been identified in the appraisal.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Very truly yours,



Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet

Legal Description describing acquisition

Offer to Sell and Memorandum of Conditions (reference copy if applicable)

Conveyance Instrument (reference copy if applicable)

"Relocation Assistance" Booklet (if applicable)

Valuation Report

Appraisal Reimbursement Claim form

Acquisition Incidental Claim form

Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: 10/29/2024

Owners Signature: 

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$ _____ C.S. 3104 (2=8) 827
Date: _____ Parcel 225G
County of Itasca

For and in consideration of the sum of _____ Dollars (\$ _____),
City of Grand Rapids, successor to Village of Grand Rapids, a municipal corporation under
the laws of the state of Minnesota, Grantor, hereby conveys and warrants to the State of
Minnesota, Grantee, real property in Itasca County, Minnesota, described as follows:

All of the following:

That part of Lots 8 through 10, inclusive, Block 31, THIRD DIVISION OF
GRAND RAPIDS, shown as Parcel 225G on Minnesota Department of
Transportation Right of Way Plat Numbered 31-221 as the same is on file and
of record in the office of the County Recorder in and for Itasca County,
Minnesota.

together with all hereditaments and appurtenances belonging thereto. Subject to mineral
rights and utility easements of record, if any.

Check box if applicable:

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number _____.)

I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

CITY OF GRAND RAPIDS, successor to Village of Grand Rapids

By _____

Its _____

And _____

Its _____

STATE OF MINNESOTA)
)SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ and _____, the _____ and _____ of City of Grand Rapids, successor to Village of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, on behalf of the municipal corporation.

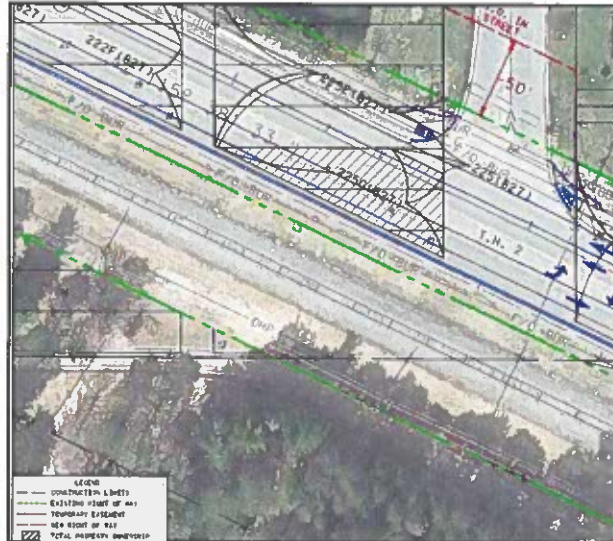
NOTARY PUBLIC

My commission expires: _____

This instrument was drafted by the State of Minnesota, Department of Transportation, Legal and Property Management Unit, 395 John Ireland Blvd. St. Paul, MN 55155-1800

Send tax statements to Grantee:
State of Minnesota
Department of Transportation
District 1 Right of Way
1123 Mesaba Avenue
Duluth, MN 55811

Minimum Damage Valuation Appraisal Report



A Partial Acquisition From
Parcel Number 3104-827-225G
The City of Grand Rapids Property
Southwest of the Intersection of U.S. Highway 2 E & NE 10th Avenue
Grand Rapids, MN 55744

Project
TH 2 La Prairie Mill & Overlay Project
Minnesota Department of Transportation (MnDOT)
State Project Number (SP): 3104-61
Trunk Highway Number (TH): 2

Prepared For
Mr. John Hinzmann Jr., District 1 Land Management Supervisor
Minnesota Department of Transportation (MnDOT)

By
Julie Jeffrey Schwartz
Lake State Realty Services, Inc.

Effective Date
January 23, 2024

Date of Report
September 4, 2024



Executive Summary

State Project:	3104-61RW (TH 2)
Control Section:	3104 (2=8) 827
Parcel Number:	3104-827-225G
Owner:	Per a Field Title Report, provided by the client, the current fee owner is the City of Grand Rapids.
Property Address:	The property does not have a physical address and is located to the southwest of the intersection of U.S. Highway 2 E & NE 10 th Avenue in Grand Rapids, MN 55744.
County:	Itasca County, MN
Legal Description:	See later in this appraisal
Parcel Identification Number(s):	Portion of Itasca County PID# 91-425-3130
2022 Assessed Values, Taxes Payable 2023	The following assessed values are for Itasca County PID# 91-425-3130, of which the subject parcel appraised is a portion of: Land: \$0; Improvements: \$0; Total: \$0 Taxes Paid 2023: N/A, as the subject is fully encumbered with a permanent highway easement (roadway right-of-way).
Proposed 2023 Assessed Values, Taxes Payable 2024	The following proposed assessed values are for Itasca County PID# 91-425-3130, of which the subject parcel appraised is a portion of: Land: \$67,300; Improvements: \$0; Total: \$67,300 Taxes Payable 2024: N/A, as the subject is fully encumbered with a permanent highway easement (roadway right-of-way).
Intended Use/Purpose:	Estimate of value for conversion of existing permanent highway easement (roadway right-of-way) to fee.
Client/Intended Users:	Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT)
Entire Tract Size:	Per information provided by the client, the subject is 4,347 s.f. or 0.10 acres in size, of which the entire area is encumbered with a permanent highway easement (roadway right-of-way). It is noted, Itasca County Records reflect the entire parcel with PID# 91-425-3130, of which the subject parcel appraised is a portion of, as being 0.32 acres in size.
Improvements:	The entire subject is encumbered with an existing permanent highway easement, and is improved with roadway right-of-way improvements.
Zoning:	GB, General Business, as governed by the City of Grand Rapids. The subject is also subject to Airport Safety Zone C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.
Guided Land Use:	Transportation and Utilities, as guided by the City of Grand Rapids
Highest and Best Use:	Roadway right-of-way
Interest Appraised:	Fee Simple
Proposed Acquisition:	Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee: 4,347 s.f.
Recommended Compensation:	\$1,100 (R)
Effective Date:	January 23, 2024
Appraiser:	Julie Jeffrey Schwartz, Certified General Appraiser, Minnesota #4002423



Property Appraised

Per information provided by the client, the subject is 4,347 s.f. or 0.10 acres in size, of which the entire area is encumbered with a permanent highway easement (roadway right-of-way). The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located at the southwest corner of the intersection of U.S. Highway 2 E & NE 10th Avenue in Grand Rapids, MN 55744. The southern boundary of the subject parcel abuts a railroad. The subject does not have a physical address.

Improvements include roadway right-of-way improvements.

Subject Legal Description

It is noted, the subject parcel appraised is comprised of a portion of an existing parcel, per Itasca County Records, with the PID# 91-425-3130. Per a Title Opinion provided by the client, the Itasca County parcel with PID# 91-425-3130, has the following legal description:

Lots 8, 9, 10, and 11, Block 31, in Third Division of Grand Rapids, Itasca County, Minnesota.

Per Itasca County Records, the parcel with PID# 91-425-3130, has the following legal description:

Legal Description
Township 55N Range 25W Section 21 - ALL WAGON RD & HWY LOTS 8-11 BLK 31

Appraisal Report Type

An MDV is a restricted appraisal report whereby damages resulting from a right-of-way related acquisition to the subject property are estimated to be under \$25,000. This appraisal report is intended to comply with the reporting requirements of USPAP (Uniform Standards of Professional Appraisal Practice). Only summary information and discussion of the data, reasoning and analyses are contained within this report. This report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. Supporting documentation not contained in this report is retained in the appraiser’s work file. The depth of data and analysis contained in this report are specific to the intended needs of the client, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), for the intended use of negotiations related to the proposed partial acquisition of conversion of existing permanent highway easement (roadway right-of-way) to fee.



Scope of Work

Appraisal Type/Format: This is a minimum damage valuation (MDV) appraisal report (land only) reported in a restricted appraisal format, with no departure from the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, and is in compliance with the reporting requirements of Standards Rule 2-2 (b) of USPAP.

Inspection: Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

Property Data: General and specific information related to the subject property and its location was obtained from various sources, including public records from the City of Grand Rapids, and Itasca County. Information including assessor's estimated market value, any applicable annual property taxes, current and proposed zoning, and current and guided land use, was obtained.

Property Analysis: Based on the inspection and subject property data, the subject property was analyzed in context to its neighborhood, its market, including supply and demand factors, and the highest and best use was concluded before the proposed acquisition. Information related to the proposed partial acquisition was provided by the client, and the impact of the acquisition was considered in the opinion of highest and best use and conclusion of damages.

Highest and Best Use and Approaches to Value: Based on the information gathered and investigation of the market, the highest and best use was concluded both before and after the partial acquisition. The highest and best use determined the applicable approach to value which, in the instance of the subject, included only the sales comparison approach (f/k/a as the market approach). The highest and best use supported the types of comparables to use in the comparable sales analysis. The cost approach was not applicable due to lack of improvements impacted by the proposed acquisition. The income approach was not applicable due to lack of rental data in the market for vacant land.

Sources for Market Data: Market data related to the recent land sales was obtained from various sources, including assessor's records, local data exchanges including, Realist and the Regional Multiple Listing Service, and private appraiser databases. The comparable data was confirmed by this appraisal office, as detailed on each comparable data sheet.



Reconciliation: The opinion of market value for the subject has been reconciled and that opinion of market value was used to base compensation for damages related to the partial acquisition from the subject property.

Definition of Market Value

The Appraisal Institute's The Dictionary of Real Estate Appraisal, 6th Edition, includes the following in its definition for "market value":

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress"

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or creative terms, services, fees, costs or credits involved in the transaction.

Purpose / Intended Use

The purpose of this appraisal is to provide an estimate of market value of a partial acquisition related to the Minnesota Department of Transportation's State Project 3104-61RW (TH 2). The partial acquisition includes conversion of existing permanent highway easement (roadway right-of-way) to fee. This appraisal is being completed for the requestor, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), who intends to use this report (function) for acquisition negotiation purposes related to the partial acquisition of the subject property.



Five Year Sale History

Per county records, and a Title Opinion provided by the client, there have been no sales of the subject in the past five years.

Assumptions and Conditions

The certification of this appraisal report is subject to the following:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the marketability of the title.
2. The property is assumed to be under responsible ownership and management.
3. The property is appraised as though clear and free of any liens, encumbrances, or indebtedness, unless stated otherwise.
4. To the best of the appraisers' belief, the information contained in this report is true and reported correctly. The information in this report, while not guaranteed, has been taken from sources or records believed to be reliable.
5. The Appraisers assume that there exists no hidden defects with the site, sub-soil, or improvements, which would render it more or less valuable.
6. Disclosure by the Appraisers of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraisers are affiliated.
7. The Appraisers are not required to appear in court or give testimony because of having made this report, unless arrangements have been made in advance.
8. This report, or any portions thereof, will not be distributed, or otherwise disseminated, to anyone other than the person who commissioned this or those involved in the certification, except as required by law.
9. This entire appraisal report must be considered as a whole and any excerpts or portions from this report cannot be considered separately.
10. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, as well as applicable zoning regulations and restrictions, unless otherwise stated.



11. It is assumed that all required licenses, consents or other authority from any local, state, or federal governments has been obtained or can be renewed.
12. It is assumed that the subject improvements, if any, are within the stated boundaries, and that there are no encroachments on neighboring property, or neighboring encroachments on the subject property, unless otherwise stated in this report.
13. The existence of potentially hazardous material such as urea-formaldehyde foam insulation, asbestos, existence of toxic water, toxic waste, or radon gas may have an effect on the value of the property. The Appraisers are not qualified to determine if such substances are present. The client may wish to consult an expert in this field.
14. Acceptance of or use of this appraisal report constitutes an understanding of and acceptance of these assumptions and limiting conditions.
15. The maximum liability which can accrue to the Appraisers or the Companies, as a result of performing this appraisal, is limited to the amount paid for the appraisal.
16. The Uniform Standards of Professional Appraisal Practice (USPAP 2024 edition), includes the following definitions for hypothetical condition and extraordinary assumption:

Hypothetical Condition:

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Extraordinary Assumption:

“An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2024 ed.)”



Additionally, USPAP Standards Rule 1-2 (f) and (g) state the following about the reporting and use of hypothetical conditions and extraordinary assumptions:

(f) Identify any extraordinary assumptions necessary in the assignment. An extraordinary assumption may be used in an assignment only if:

- the extraordinary assumption is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption; and
- use of the extraordinary assumption results in a credible analysis;

(g) Identify any hypothetical conditions necessary in the assignment. A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; and
- use of the hypothetical condition results in a credible analysis.

There are no extraordinary assumptions employed in this appraisal. There is one hypothetical condition employed in this appraisal, as follows:

There is a hypothetical condition, that the proposed acquisition is presumed to exist as of the effective date of value. This hypothetical condition is assumed in order to value the damages related to the partial acquisition. The use of this hypothetical condition may have affected the assignment results.

Subject Description, Before the Acquisition

Per information provided by the client, the subject is 4,347 s.f. or 0.10 acres in size, of which the entire area is encumbered with a permanent highway easement (roadway right-of-way). The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located at the southwest corner of the intersection of U.S. Highway 2 E & NE 10th Avenue in Grand Rapids, MN 55744. The southern boundary of the subject parcel abuts a railroad. The subject does not have a physical address.

TH 2 has an Average Annual Daily Traffic counts (AADT) of 6,700 (2019 counts) in the area of the subject.



The subject has generally level topography. The subject is generally triangular in shape. The drainage on the site is deemed adequate, and the subject is not located within floodplain.

The subject is in an area that has access to all urban utilities including city sewer and water. If the subject were not all comprised of roadway right-of-way, there would be access to the area's utilities.

The subject is zoned GB, General Business, as governed by the City of Grand Rapids. Following is the purpose of the GB, General Business zoning district taken from the City of Grand Rapid's Zoning Ordinance:

GB general business district and SGB shoreland general business district. These districts are intended to accommodate a broad range of retail goods and services, land uses and generally serve the entire community. Though not exclusively so, businesses in this district are relatively freestanding and tend to occupy independent building sites. They may enjoy close proximity to like businesses but depend primarily on good accessibility, high visibility and a relatively large volume of passing traffic. For uses permitted by right refer to section 30-512. The SGB districts are also subject to shoreland management standards.

The subject is also subject to Airport Safety Zone C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board. The subject is not negatively impact by the Airport Safety Zone C, with height restrictions high enough that traditional development can occur.

The subject parcel appraised would be deemed a legal and non-conforming parcel, not meeting the minimum lot size allowed of 10,500 s.f., being only 4,347 s.f. in size. The subject's use as roadway right-of-way appears to be a legal and conforming use.

Per the Title Opinion provided by the client, the Itasca County parcel with PID# 91-425-3130, which the subject parcel appraised is a part of, is also subject to the following:

Minerals and mineral rights reserved by Seth M. Dinwiddie and Eva M. Dinwiddie, husband and wife, in Warranty Deed dated May 20, 1912, recorded November 18, 1912 as Doc. No. 55982 in Book 50 of Right of Way Deeds, Page 165, and in Warranty Deed dated May 21, 1912, recorded November 18, 1912 as Doc. No. 55985 in Book 50 of Right of Way Deeds, Page 168.

Duluth, Superior and Western Railway Company First Mortgage executed by Duluth Superior and Western Railway Company First Mortgage dated December 1, 1896, recorded December 21, 1896 as Doc. No. 9529 in Book H of Mortgages, Pages 1-31, and all other mortgages, supplements and amendments thereto. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway purposes in favor of the State of Minnesota taken in Final Certificate dated March 23, 1975, recorded April 18, 1975 as Doc. No. 301684. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST



Easement for highway-railway crossing at grade in favor of the City of Grand Rapids, a municipal corporation, dated September 16, 1975, recorded September 22, 1975 as Doc. No. 304709. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Plat of Third Division of Grand Rapids, Minn dated March 2, 1893, recorded March 23, 1893 in Book 1 of Plats, Page 4. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

There are no other legal restrictions placed on the subject property that would affect value, which the appraiser has been made aware.

The subject is guided for Transportation and Utilities use, as guided by the City of Grand Rapids. It is likely the zoning of the subject will change in the near future to be consistent with the guided land use plan, as the subject is currently encumbered with an existing permanent highway easement (which is being converted to fee), and is used as roadway right-of-way.

Improvements include roadway right-of-way improvements.

Acquisition Description

According to the acquisition sketch, the entire subject parcel is affected. The acquisition area is as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	4,347 s.f.
-----------------------------------------------------------------------------------------	-------------------

Following is a caption block provided by the client:

		C.S. 3104(2=8-27)827		S.P. 3104-61				
Third Division of Grand Rapids								
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
225C	31-221	Village of Grand Rapids	PARTS OF LOTS 8-10 BLK 31	4347	4347	0	4347	FEE

The orientation, configuration, width and length of the acquisition area can be best viewed on the acquisition sketch found later in this appraisal. Within the area of the proposed acquisition appears to be roadway right-of-way improvements.

Subject Description, After the Acquisition

After the acquisition, the entire subject parcel will no longer exist, as the entire parcel, which is encumbered with an existing permanent highway easement (roadway right-of-way) will be converted to fee, and exist only as roadway right-of-way.



Highest and Best Use, Before and After Acquisition

Although encumbered with a permanent highway easement (roadway right-of-way), the subject is valued first by across-the-fence methodology to obtain a base value for unencumbered land. "Across-the-fence" (ATF) is a term used to describe a method of valuing narrow parcels used in a linear corridor by comparing to abutting land and applying appropriate adjustments. It assumes that the parcel is as valuable as the land it passes through. After the base value is estimated, the impact related to the existing permanent highway easement (roadway right-of-way) encumbrance is subtracted, to obtain an estimate for the remaining underlying fee rights that will be converted to MnDOT fee ownership, so that MnDOT, and the roadway right-of-way, occupy the entire property and all of its fee-simple rights.

The highest and best use of the subject is for roadway right-of-way, as it is currently encumbered. However, in order to value the subject property we need to assume it to have a similar use and value as land that it abuts such as traditionally employed in across the fence valuation. So observing the across-the-fence methodology, the subject is compared to commercial lots such as it currently abuts, assuming a highest and best use for commercial use.

The highest and best use as improved, is as currently improved, with roadway right-of-way improvements.

Approaches to Value

The cost approach is not used because the subject is appraised as vacant land, although certain improvements or landscaped elements affected by the proposed acquisition may be compensated based on cost, to establish appropriate compensation for costs to cure. The income approach was not applicable due to lack of rental data in the market for vacant land.

The Sales Comparison Approach is the only applicable approach to value, and it compares the subject property with other similar properties that have recently sold or are currently listed for sale. Positive and negative adjustments are made to the comparable sales for the differences which exist between them and the subject. Objective comparison with comparable sales provides an indication of value for the subject.



Comparable Sales Data and Adjustment Analysis

In order to value the proposed acquisition area, the subject's underlying fee land value is estimated. Comparables were located from county assessor records, Realist, and the Regional Multiple Listing Service, as well as private appraiser databases. An ample amount of applicable comparable data was located within the large competitive market.

Following is an adjustment chart with the subject and comparables, and a qualitative analysis comparing certain factors to the subject property. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward.



Comparable Sale Adjustment Chart

	Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5	Comparable #6	Comparable #7
Address	SW corner of U.S. Hwy 2 E & NE 10th Ave, Grand Rapids, MN 55744	1300 E US Highway 169, Grand Rapids, MN 55744	710 NE 4th Street, Grand Rapids, MN 55744	301 NE 4th Street, Grand Rapids, MN 55744	416 NW 7th Avenue, Grand Rapids, MN 55744	1402 NW 4th Street, Grand Rapids, MN 55744	xxx SW 2nd Avenue, Grand Rapids, MN 55744	xxx US Hwy 169, Grand Rapids, MN 55744
Sale Price		\$700,000	\$175,000	\$150,000	\$110,000	\$120,000	\$421,936	\$125,000
Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Effective Sale Date	1/23/2024	10/2022	01/2022	06/2023	12/2022	10/2022	04/2022	11/2022
Market Conditions	0.00%	=	=	=	=	=	=	=
Terms/Transfer Docs/Property Rights		Cash/Warranty Deed/Fee Simple	Market Rate Financing/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Quit Claim Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple
Motivations		Adj Owner - Buyer leased prior to sale	Adj Owner	Word of Mouth	Adj Owner	Word of Mouth	Typical	Adj Owner - Right of First Refusal
Adjusted Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Site Size	4,347 SF (0.10 acres)	194,713 SF (4.47 acres)	34,848 SF (0.80 acres)	16,988 SF (0.39 acres)	13,939 SF (0.32 acres)	30,056 SF (0.69 acres)	69,696 SF (1.60 acres)	27,007 SF (0.62 acres)
Location	City of Grand Rapids - Corner	City of La Prairie - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Corner	City of Grand Rapids - Corner	City of Grand Rapids - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Interior
Immediate Area	Rural	Commercial	Commercial	Commercial	Commercial	Commercial	Regional Commercial Area	Commercial
AAOT	6,700	12,200 & 1,639	7,555, one parcel removed from 9,300-13,900	14,200 & 1,871	2,190-4,330	13,300	None recorded, but views of Hwy 169 @ 19,800 and TH 23 @ 10,623	19,800
Utilities	All Available	All Available	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business	SGB, Shoreland General Business	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C
Topography/Soils/Shape	Generally level/Buildable/Generally triangular	Generally level/Buildable/Irregular but conventional - 3 parcels	Generally level /Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Generally rectangular - 2 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular
Other	N/A	N/A	N/A	Environmental	Improvements razed after sale	N/A	N/A	Improved with gazebo
Gross Adjustment		2+2-	1+1-	1+2-	1-	1+2-	1+3-	1+2-
Net Adjustment		=	=	=	=	=	=	=
Final Price/SF		About \$3.60	About \$5.02	Slightly less than \$8.83	Slightly less than \$7.89	Slightly less than \$3.99	Less than \$6.05	Slightly less than \$4.63



Adjustment Analysis

The most similar comparables were chosen. Preferably properties chosen for the adjustment analysis should be similar enough that few adjustments are necessary. Unfortunately, this is rarely the case, so an adjustment analysis is performed. All adjustments applied are typically based on market trends, market demands and preferences, and physical characteristics. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward. This adjustment analysis is a qualitative analysis, where the precise amount of the individual adjustment is not quantified, only that a positive or negative adjustment exists. After the qualitative adjustments are applied, the adjusted comparables support an estimated market value within the range of the comparables, reconciled.

The various items for which the subject has been analyzed include:

Market conditions (time) – A time adjustment is used to reflect changes in the marketplace over time. Things such as declining or inflationary economies, or over-supply or under-demand situations can create differences in market prices through time. All of the comparable sales have occurred since January 2022 and are relatively recent. During this time period, the market conditions have remained stable and there are no upward or downward market pressures, so no adjustment is applied.

Financing Terms of Sale/Transfer Documents – Sometimes financing terms may affect purchase price. All of the comparables sold with cash or its equivalent, market rate financing, so no adjustments are necessary. Comparables 1-4, 6 & 7 transferred with warranty deeds, and no adjustments are required. Comparable 5 transferred via a quit claim deed, but is not adjusted, due to careful practices of title companies and closing agents that reduce any risk associated with a deeded transfer.

Motivations – Sometimes different motivational factors of a buyer or seller may affect negotiations and eventual purchase price. The motivations of the buyers and sellers were explored. Comparable 6 had typical buyer and seller motivations, and is not adjusted. Comparable 1 was purchased by an adjacent owner who had leased the property prior to the transfer for storage purposes. Comparables 2 and 4 were purchased by adjacent owners. Comparables 3 and 5 were marketed through word of mouth. Comparable 7 was purchased by an adjacent owner who had right of first refusal. After review of the comparable sales, and relative land prices in the market area it appears that even with the seller and/or buyers different motivations, all of the comparables sold at market value. Additionally reviewed were the Certificates of Real Estate Value (eCRV), as filed through the State of Minnesota's Department of Revenue, in which comparables 2-7 all



reflected that no significant different price was paid (in other words, market value was paid). Although, comparable 1's eCRV reflected they thought they paid a significant different price, after our research it appears that a market amount was paid, and no adjustments are required.

Site Size – The subject parcel is 0.10 acres, but is appraised observing across-the-fence methodology, whereby the subject is assumed part of adjacent parcels that are a market-typical size range. Comparables 2-7 are within a market-typical size range and do not require adjustment. Comparable 1 is larger than market-typical and is adjusted upward for its larger size, as typically larger parcels sell for less per s.f. than smaller parcels.

Location – The subject is located within the City of Grand Rapids, as are comparables 2-6. Comparable 1 is located in the City of La Prairie, but within a highly similar area, and is not adjusted. The subject is a corner-location which affords greater exposure. Interior locations are inferior and adjusted upward.

Immediate Area – The comparables are all located in commercially-defined areas, while the subject is located in a more rural area. The comparables are all adjusted downward one adjustment factor for their superior more commercially defined areas. Comparable 6, however, stands out as the most superior, located in the regional shopping area in a highly desirable commercial area and is superior and adjusted downward two adjustment factors.

AADT – The subject is located on a roadway with an AADT count of 6,700. AADT can have an impact on value for commercial properties, with properties on higher-trafficked corridors selling for more than lower-trafficked corridors. Comparables with significantly more AADT are superior and adjusted downward. Comparable 6 is located on a roadway with unrecorded AADT, but is in view and exposure to two highly-trafficked roadways and with its anticipated 4-story construction will have exposure to these two roadways, and is overall superior and adjusted downward.

Utilities – The comparables and subject all have access to typical urban utilities, including city water and sewer, and no adjustments are necessary.

Zoning – The subject is zoned GB, General Business. The comparables are all zoned GB, with exception of comparable 5, which is zoned SGB, Shoreland General Business. The subject and comparables 1-3, 6 & 7, are also subject to Airport Safety Zone C, however this does not negatively impact value, with height restrictions high enough that traditional development can occur. With no comparable having a competitive advantage or disadvantage over another, no adjustments are necessary.



Topography/Soils/Shape – The subject and comparables are all similar enough in topography, soils and shape to not require any adjustments. Although some comparables have multiple legal parcels of record, this does not inure any competitive benefit and no adjustment is applied.

Other – Comparable 3 had some environmental issues discovered whereby the entire purchase price is in escrow, and the buyer is pulling from the escrow to pay for the Phase 2 environmental study, and at conclusion of the study, the decision regarding release of the remaining funds will be made, but under no circumstance will the buyer pay more than purchase price. The agreement is the buyer will buy the site clean for the purchase price. An upward adjustment is applied not for the contamination and remediation, but because the contamination and remediation cause a delay in developing this property. Comparable 4 was improved with a single family residence and ancillary site improvements which required removal. The abutter purchased this parcel as it prevented relocating for expansion needs, and although the buyer found it worthwhile to remove the improvements, the market might not, and as such, demolition costs for these improvements is not additionally considered, rather these improvements are deemed value-neutral and not adjusted. Comparable 7 was improved with a gazebo but it did not add value, as a typical buyer would demolish it in order to develop. This particular buyer the gazebo had value as part of the grounds to the Judy Garland Museum, but the market would deem this improvement value-neutral and therefore no adjustment is applied.

It is noted, more information about these comparables is located in the appraiser's file, although a comparable location map and comparable data sheets are located in the addenda of this report.

Reconciled Land Value

After the qualitative adjustment analysis, the adjusted comparable sales prices fall into value suggestions for the subject property's fee simple value.

Two comparables yield value suggestions of about \$3.60/s.f. to \$5.02/s.f.

One comparable yields a value less than \$6.05/s.f.

Four comparables yield a value suggestions slightly less than \$3.99/s.f. to \$8.83/s.f. Comparables 5 and 7, with value suggestions slightly less than \$3.99/s.f. and \$4.63/s.f., could be slight aberrations. Aberrations are typical when analyzing imperfect markets with qualitative adjustments that are necessary due to lack of significant comparable data to quantitatively adjust. Excluding the aberrations, the remaining comparables have a value suggestion slightly less than \$7.89/s.f. to \$8.83/s.f.



A value estimate of \$5.00/s.f. for the underlying fee is well supported, with all comparables considered but with additional consideration for the about \$3.60/s.f. to \$5.02/s.f. value suggestions, with the remaining comparables, excluding the aberrations, providing additional support reflecting something slightly less than \$7.89/s.f. to \$8.83/s.f., and less than \$6.05/s.f.

However, it is noted, the entire subject is encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights. The value for the remaining rights acquired will be discussed in the following section.

Estimated Value of Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:

The entire subject is encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights and no practical use. As the owner is deprived of any practical use of this parcel, due to its existing roadway right-of-way use, the remaining rights are estimated to contribute about 5% of the underlying fee value of \$5.00/s.f. The 4,347 s.f. of area encumbered with existing roadway right-of-way is valued at 5% of the underlying fee, or \$0.25/s.f., as most of the rights and all of the practical use of this area results from the encumbrance.

The estimated land market value as encumbered is as follows:

$$4,347 \text{ s.f. (size)} \times \$0.25/\text{s.f. (estimated s.f. value)} = \$1,086.75, \text{ say } \$1,087 \text{ rounded to the nearest dollar}$$

The estimated value of conversion of the existing permanent highway easement (roadway right-of-way) to fee is the entire estimated land market value of the subject as encumbered, or \$1,087.

Site Improvements Damaged Within the Acquisition Area

The entire subject parcel is encumbered with a permanent highway easement (roadway right-of-way) and improved with roadway right-of-way improvements that are owned by the public and not subject to compensation.



Conclusions and Allocation of Damages

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee	\$1,087
Affected Site Improvements	N/A
Estimated Damages	\$1,087
Final Rounded Estimated Damages	\$1,100



Attachments

Appear in the following order.

Certification

Aerial Photograph

Acquisition Sketches

Acquisition Legal Description

Project Description from MnDOT

Subject Photos

Comparable Sales Location Map & Data Sheets

Professional Qualifications – Julie Jeffrey Schwartz



Certification

S.P.: 3104-61RW (TH 2)
 Parcel: 3104-827-225G
 Control Section: 3104 (2=8) 827

I certify that, to the best of my knowledge and belief.....

That I have personally inspected the property herein appraised. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based on are correct; subject to the limiting conditions therein set forth.

Katie Huspek, Licensed Residential Appraiser Trainee, MN License #40160103, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386 provided assistance in this appraisal. Ms. Huspek researched subject information, comparable sales, market information and the compilation of the report. Mr. Schwartz accompanied on the inspection, reached out to property owners, and confirmed comparable data. No one other than Ms. Huspek and Mr. Schwartz and the appraiser signing this report have provided significant professional assistance in the compilation of this report, its data, or analysis.

That I understand that such appraisal may be used in connection with the acquisition by the Minnesota Department of Transportation (MnDOT) related to the TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the improvements for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the landowner, was disregarded in determining the compensation for the property.

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, the MnDOT Right of Way Manual, Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and appropriate state laws, regulations, policies and procedures applicable to an appraisal of right-of-way for such purposes, and that



to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under established State or Federal law.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no present or prospective interest, or personal bias, regarding the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

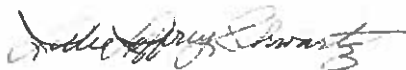
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Julie Jeffrey-Schwartz has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

As of the date of this report, Julie Jeffrey-Schwartz has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

That I have not revealed the findings and results of such appraisal to anyone other than the proper acquisition officials of the Minnesota Department of Transportation, and their consultants, and that based on my independent appraisal and exercise of my professional judgment, the proposed acquisition for the subject property has a market value as of January 23, 2024 (the date of inspection) as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee	\$1,087
Affected Site Improvements	N/A
Estimated Damages	\$1,087
Final Rounded Estimated Damages	\$1,100

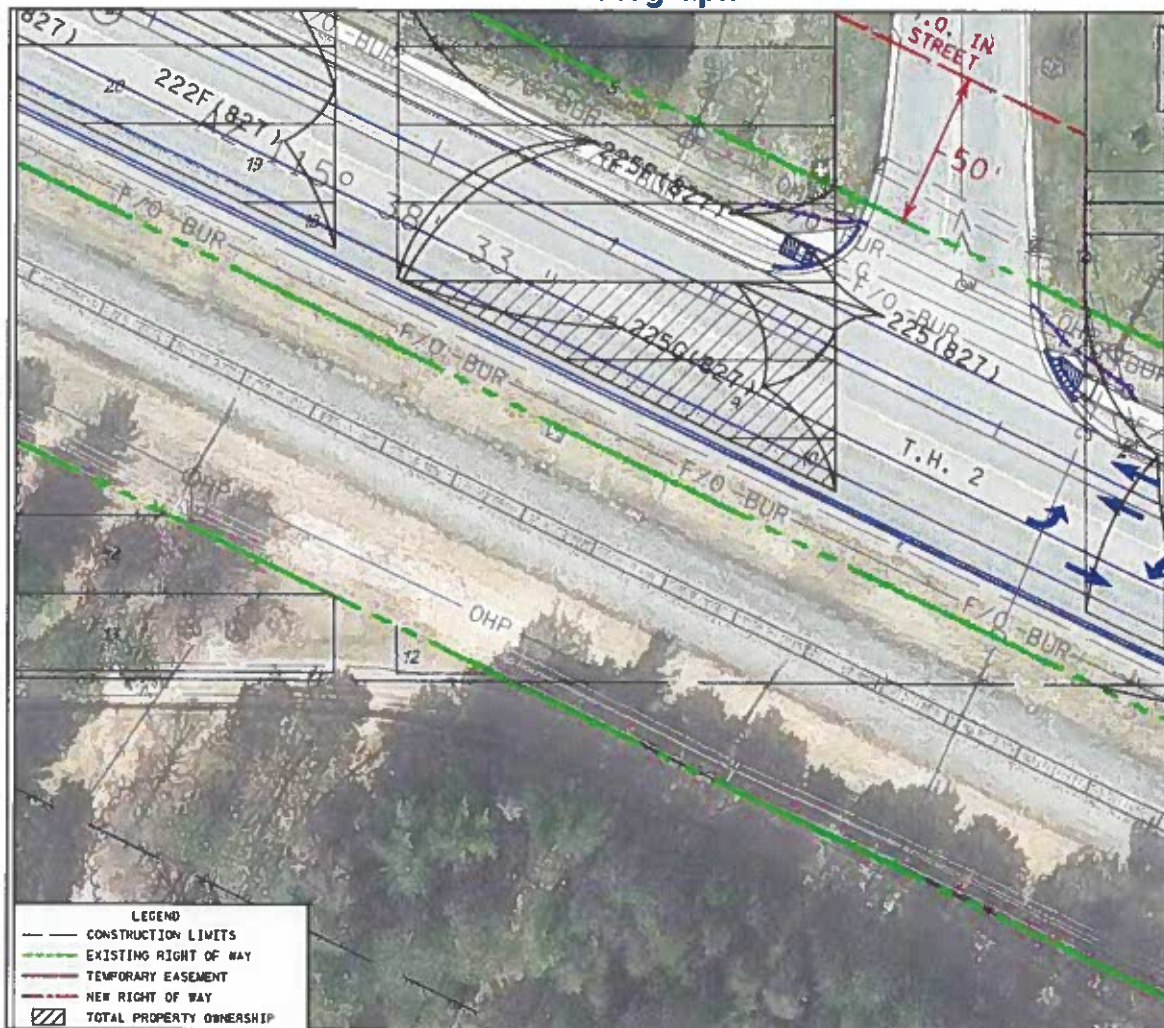


Appraiser: Julie Jeffrey Schwartz
Certified General Appraiser
Minn. #4002423

09/04/2024
Date

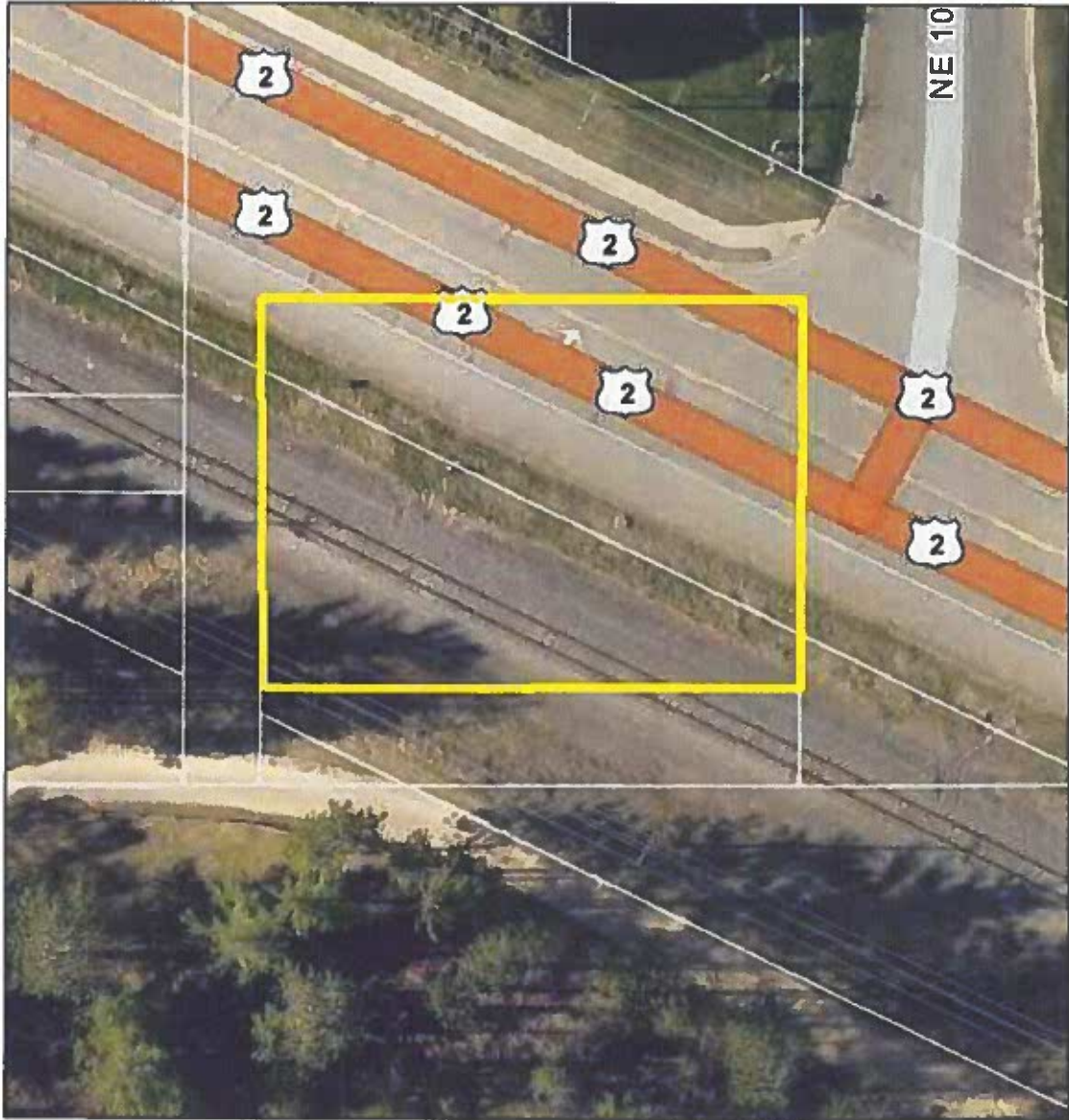


Aerial Photograph

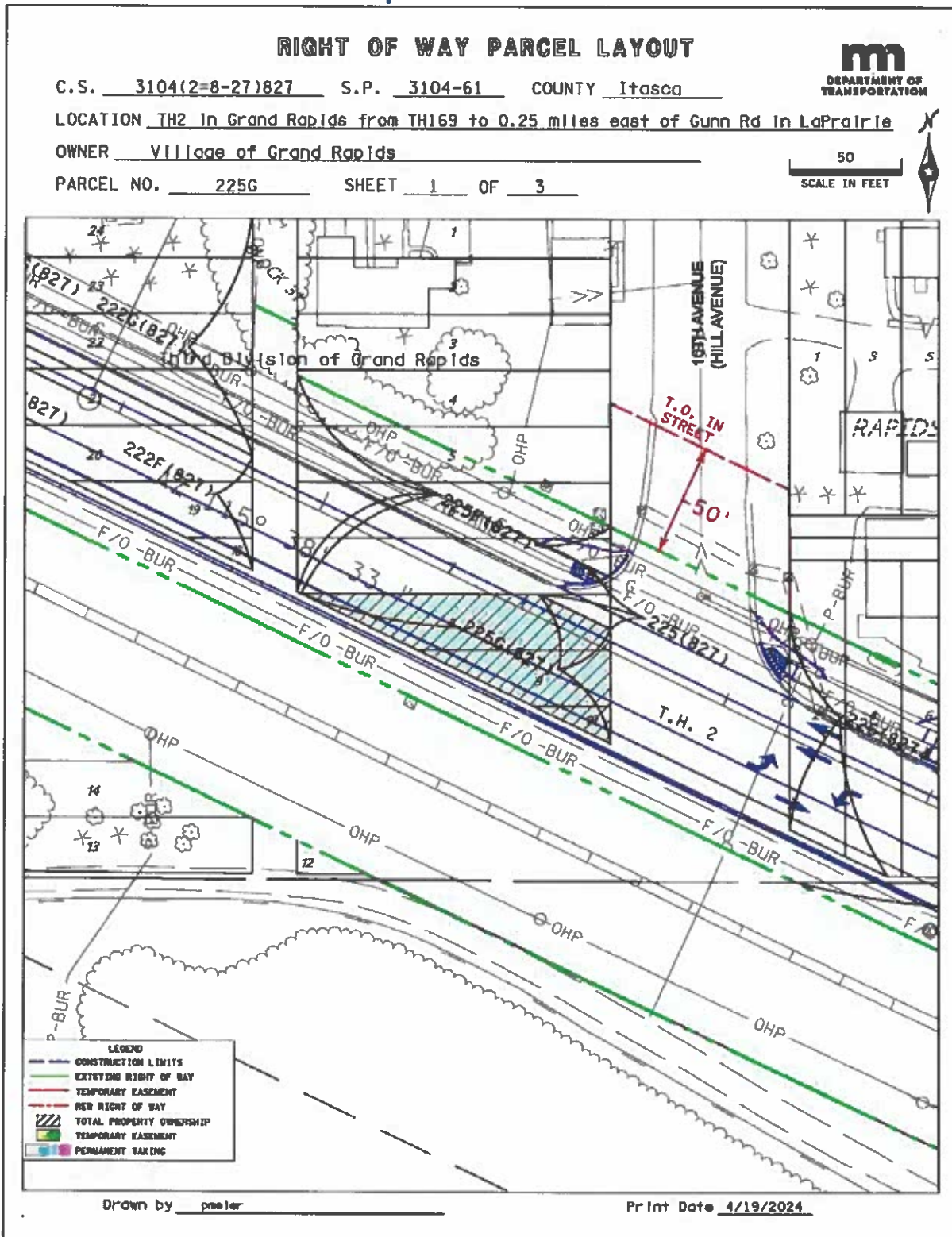


The above aerial photograph was provided by the client, and the cross hatching reflects the area of the subject parcel appraised. The subject parcel appraised is comprised of a portion of an existing parcel, per Itasca County Records, with a PID# of 91-425-3130. Following is an outline of the entire parcel which the subject is part of, taken from the Itasca County GIS Mapping System, and included for reference purposes only.





Acquisition Sketches



RIGHT OF WAY PARCEL LAYOUT

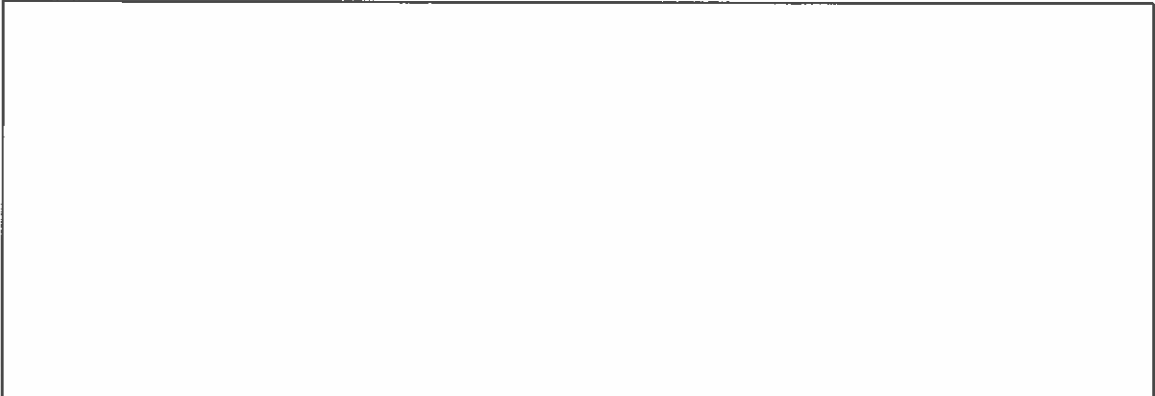


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 225G SHEET 2 OF 3



C.S. 3104(2=8-27)827 S.P. 3104-61

Third Division of Grand Rapids

PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
225G	31-221	Village of Grand Rapids	PARTS OF LOTS 8-10 BLK 31	4347	4347	0	4347	FEE



Drawn by paeter

Print Date 4/19/2024



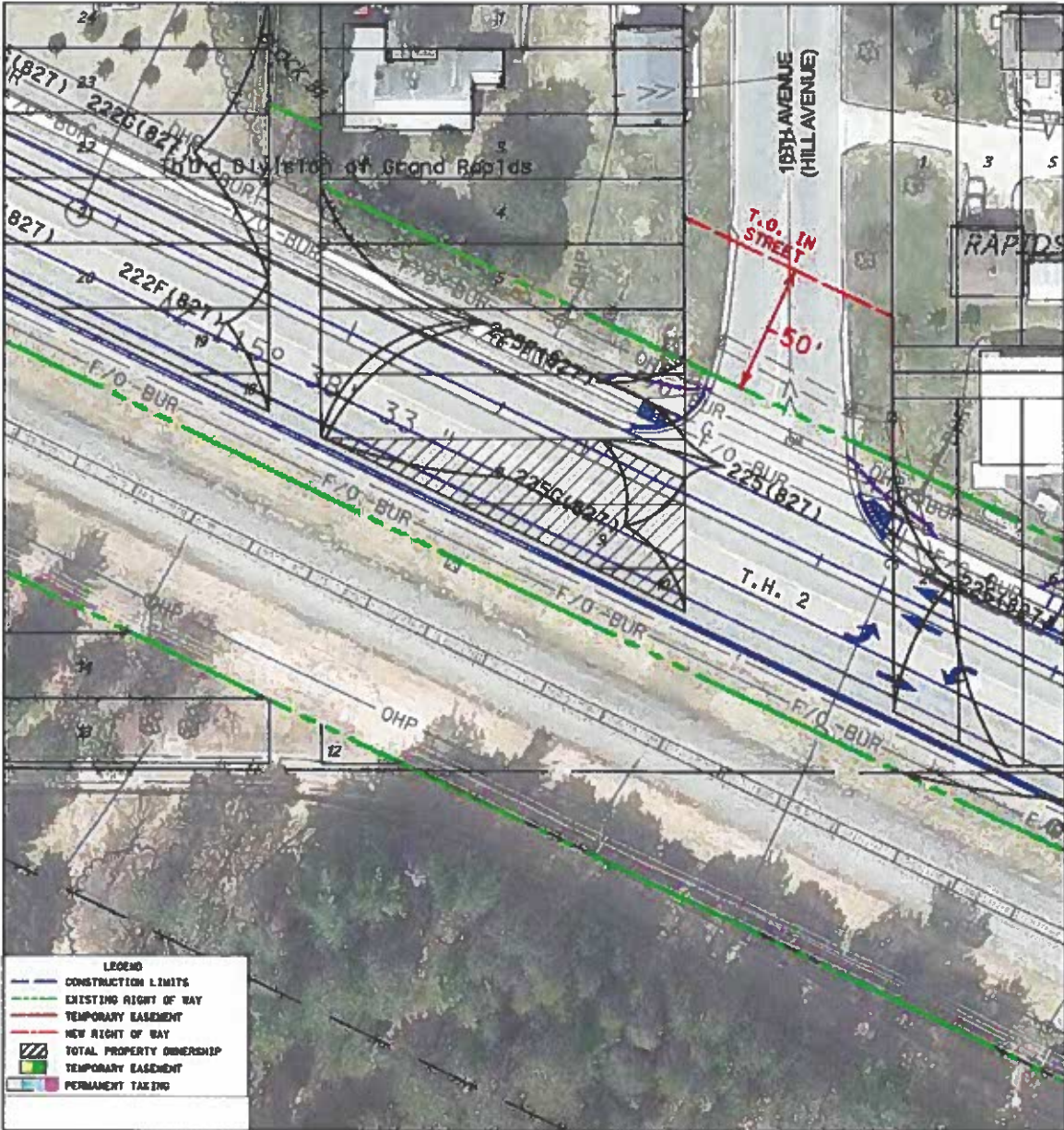
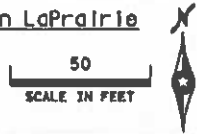
RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 225G SHEET 3 OF 3



Drawn by pasler

Print Date 5/16/2024



Acquisition Legal Description

May 6, 2024
3104-827-225G

FEE ACQUISITION

Parcel 225G C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 8 through 10, inclusive, Block 31, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 225G on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.



Project Description From MnDOT

The subject is impacted by the Minnesota Department of Transportation's TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61. The project is on TH 2 in Grand Rapids from TH 169 to 0.25 miles east of Gunn Road in La Prairie, MN in Itasca County, MN. The following mapping and information about the project was taken from MnDOT's website.

About this project

Summary of work

Pavement rehabilitation (mill and overlay), drainage and ADA upgrades.



Schedule

- Construction is scheduled for 2025

Location

- On Hwy 2, Hwy 169 to Gunn Road in LaPrairie

Benefits

- Improved ride and increased service life of the pavement
- Compliance with ADA requirements
- Pedestrian improvements including an enhanced crossing at LaPrairie Avenue and a bikeable/walkable shoulder



Subject Photographs
Taken January 23, 2024



Looking west-northwesterly along U.S. Highway 2 E (TH 2) from NE 10th Avenue



Looking southwesterly toward the subject and area of the proposed acquisition from the intersection of U.S. Highway 2 E (TH 2) and NE 10th Avenue



Looking southerly toward the subject and area of the proposed acquisition, located to the right in the photograph, from the intersection of U.S. Highway 2 E (TH 2) and NE 10th Avenue





Looking southeasterly along U.S. Highway 2 E (TH 2) from NE 10th Avenue



Looking northerly along NE 10th Avenue from U.S. Highway 2 E (TH 2)

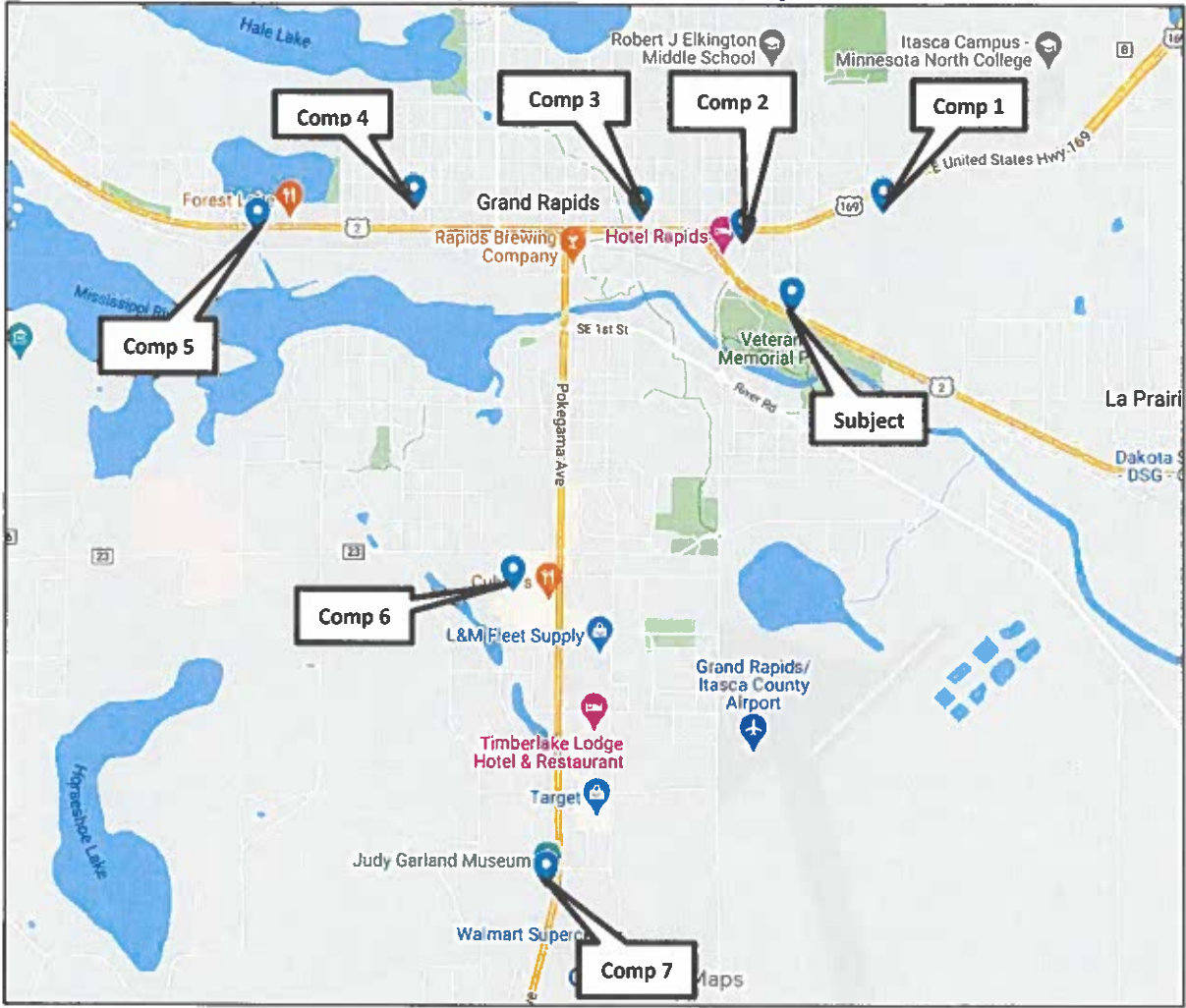


Comparable Sales Summary

Comp #	Address	Sale Price	Site Size	Sale Date	Price per SF	Zoning	Comments
1	1300 E US Highway 169, Grand Rapids, MN 55744	\$700,000	194,713 s.f. (4.47 acres)	10/2022	\$3.60/s.f.	GB, General Business & Airport Safety Zone C	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.
2	710 NE 4th Street, Grand Rapids, MN 55744	\$175,000	34,848 s.f. (0.80 acres)	01/2022	\$5.02/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.
3	301 NE 4th Street, Grand Rapids, MN 55744	\$150,000	16,988 s.f. (0.39 acres)	06/2023	\$8.83/s.f.	GB, General Business & Airport Safety Zone C	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.
4	416 NW 7th Avenue, Grand Rapids, MN 55744	\$110,000	13,939 s.f. (0.32 acres)	12/2022	\$7.89/s.f.	GB, General Business	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.
5	1402 NW 4th Street, Grand Rapids, MN 55744	\$120,000	30,056 s.f. (0.69 acres)	10/2022	\$3.99/s.f.	SGB, Shoreland General Business	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.
6	xxx SW 2nd Avenue, Grand Rapids, MN 55744	\$421,936	69,696 s.f. (1.60 acres)	04/2022	\$6.05/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.
7	xxx US Hwy 169, Grand Rapids, MN 55744	\$125,000	27,007 s.f. (0.62 acres)	11/2022	\$4.63/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.

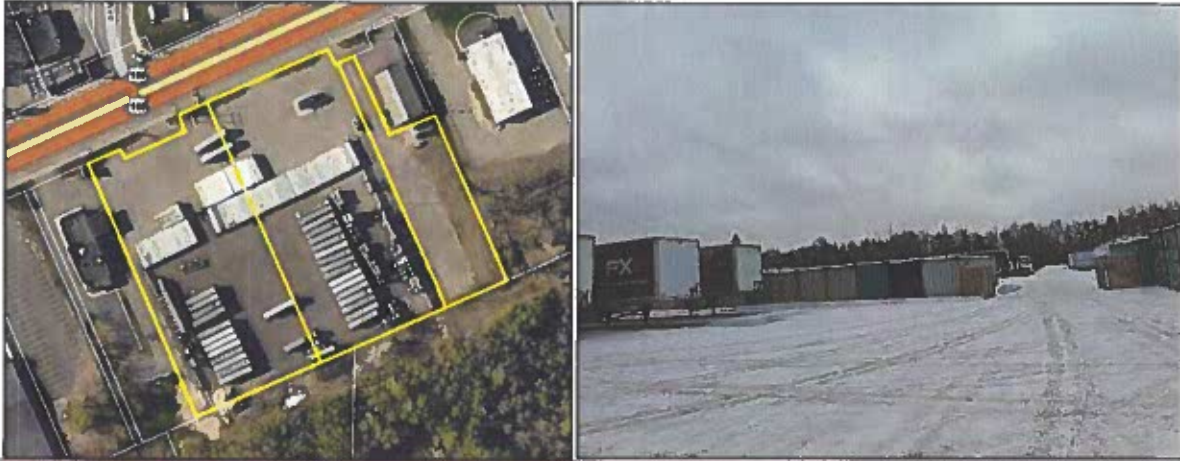


Comparable Location Map



Comparable Sales Data Sheets

Comparable #1



Comp 1	
Address/Location:	1300 E US Highway 169, Grand Rapids, MN 55744
PID #:	93-480-0070, 93-480-0056 & 93-480-0081
Legal Description:	Lengthy Legal
Sale Price:	\$700,000
Price/S.F.:	\$3.60/s.f.
Sale Date:	10/24/2022
Size:	194,713 SF (4.47 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	12,200 & 1,639
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Meds-I Ambulance Service, Inc./L & M LaPrairie Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1482755), county records, various data bases, and the seller representative, Timothy George with Meds-I Ambulance Service, Inc.
Comments:	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.



Comparable #2



Comp 2	
Address/Location:	710 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-425-2020
Legal Description:	Lengthy Legal
Sale Price:	\$175,000
Price/S.F.:	\$5.02/s.f.
Sale Date:	1/3/2022
Size:	34,848 SF (0.80 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	7,555, one parcel removed from 9,300-13,900
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Market Rate Financing/Warranty Deed/Fee Simple
Grantor/Grantee:	Hernesman Brothers Partners/KR Real Estate Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1367874), county records, various data bases, and the buyer representative, Michael Kellin with KR Real Estate Holdings, LLC.
Comments:	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.

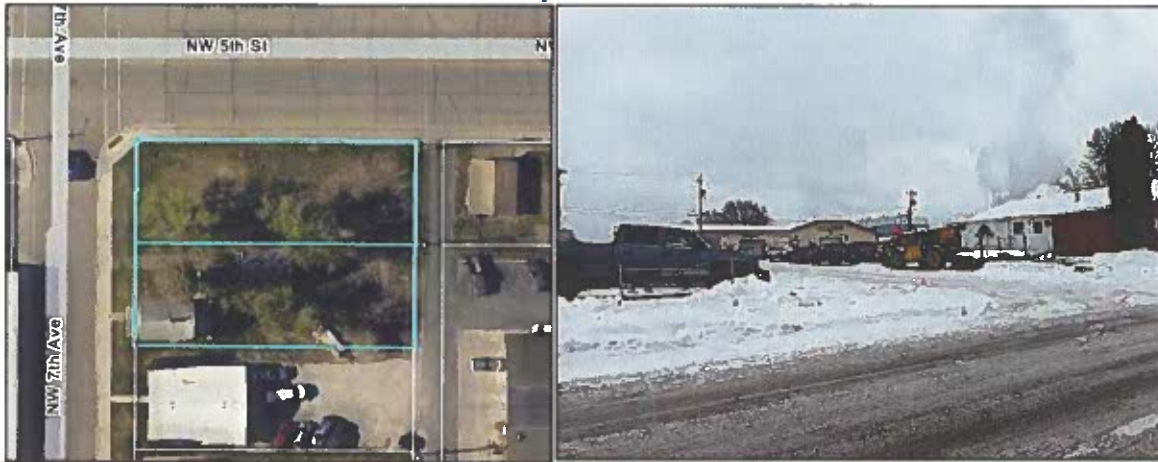


Comparable #3**Comp 3**

Address/Location:	301 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-415-2640
Legal Description:	Lengthy Legal
Sale Price:	\$150,000
Price/S.F.:	\$8.83/s.f.
Sale Date:	6/21/2023
Size:	16,988 SF (0.39 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	14,200 & 1,871
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kirk & Debra Davis/Samuel & Lenora Evans
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1548334), county records, various data bases, and the seller, Kirk Davis.
Comments:	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.



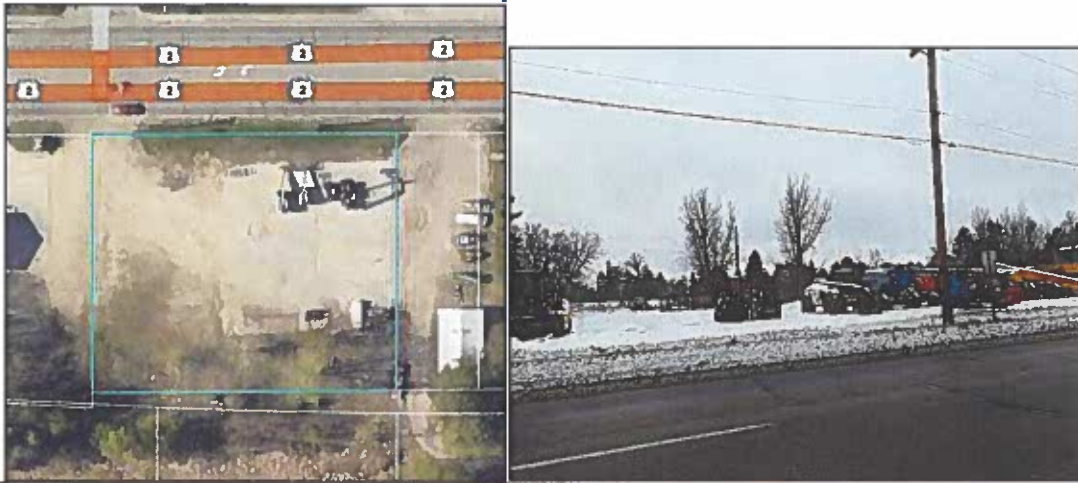
Comparable #4



Comp 4

Address/Location:	416 NW 7th Avenue, Grand Rapids, MN 55744
PID #:	91-420-2060 & 91-420-2065
Legal Description:	Lengthy Legal
Sale Price:	\$110,000
Price/S.F.:	\$7.89/s.f.
Sale Date:	12/29/2022
Size:	13,939 SF (0.32 acres)
Utilities:	All Available
Zoning:	GB, General Business
AADT:	2,190-4,330 (2022 counts)
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kathern & Paul Simpson and Mark Peavey/Michael & Bonnie McLynn
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1502640), county records and various data bases
Comments:	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.



Comparable #5

Comp 5	
Address/Location:	1402 NW 4th Street, Grand Rapids, MN 55744
PID #:	91-705-2030
Legal Description:	Lengthy Legal
Sale Price:	\$120,000
Price/S.F.:	\$3.99/s.f.
Sale Date:	10/6/2022
Size:	30,056 SF (0.69 acres)
Utilities:	All Available
Zoning:	SGB, Shoreland General Business
AADT:	13,300
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Quit Claim Deed/Fee Simple
Grantor/Grantee:	Darrel & Kathleen Wagner/BPB, Incorporated
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1476181), county records, various data bases, and the buyer, Tom Showalter representative of BPB, Incorporated.
Comments:	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.



Comparable #6



Comp 6	
Address/Location:	xxx SW 2nd Avenue, Grand Rapids, MN 55744
PID #:	91-562-0130
Legal Description:	Lot 3, Block 1, MY PLACE HOTEL MATURI ADDITION
Sale Price:	\$421,936
Price/S.F.:	\$6.05/s.f.
Sale Date:	4/1/2022
Size:	69,696 SF (1.60 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	None recorded
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	MATURI PROPERTIES LLC/IRON RANGE MP LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1395090), county records and various data bases
Comments:	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.



Comparable #7

Comp 7	
Address/Location:	xxx US Hwy 169, Grand Rapids, MN 55744
PID #:	91-033-2322
Legal Description:	Lengthy Legal
Sale Price:	\$125,000
Price/S.F.:	\$4.63/s.f.
Sale Date:	11/16/2022
Size:	27,007 SF (0.62 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	19,800
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Leisure Hills Care Center, LP/Judy Garland Children's Museum
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1490685), county records, various data bases, and the buyer representative, Janie Heitz with the Judy Garland Children's Museum.
Comments:	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Email: julie@lakestate.com Direct: 651-653-0788

EDUCATION

Appraisal

Appraisal Institute (current to 1991; most current to least current order):

Advanced Spreadsheet Modeling for Valuation Applications, Appraisal Institute
 Advanced Concepts and Case Studies, Appraisal Institute
 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 Marketability Studies: Six Step Process and Basic Applications, Appraisal Institute
 Residential Design: The Makings of a Good House, Appraisal Institute
 Oil Spills and Property Values Webinar, Appraisal Institute
 Business Practice and Ethics, Appraisal Institute
 Litigation Appraisal: Specialized Topics and Application, Appraisal Institute
 Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
 Uniform Standards of Professional Appraisal Practice (numerous times, most recently 2018), Appraisal Institute
 Land Valuation Assignments, Appraisal Institute
 Land Valuation Adjustment Procedures, Appraisal Institute
 The Appraisal of Easements, Appraisal Institute
 Partial Interest Valuation -- Divided, Appraisal Institute
 The Appraisal of Special Use Properties, Appraisal Institute
 Report Writing and Valuation Analysis, Appraisal Institute
 Commercial Highest and Best Use, Appraisal Institute
 Advanced Applications, Appraisal Institute
 Standards of Professional Appraisal Practice A, B & C, Appraisal Institute
 Capitalization Theory and Techniques A & B, Appraisal Institute
 Basic Valuation Procedures, Appraisal Institute
 Real Estate Appraisal Principles, Appraisal Institute
 Appraisal of Special Use Properties: The Road Less Traveled, Appraisal Institute
 Case Studies in Commercial Highest and Best Use, Appraisal Institute
 Analyzing Distressed Real Estate, Appraisal Institute

Other (current to 1988):

Appraisal Review for Federal-Aid Highway Programs, National Highway Institute
 Investment Property Appraisal and Financial Analysis, ProSource
 Advanced Yield Capitalization, ProSource
 Appraising Income Producing Properties, ProSource
 Appraising Commercial Properties, ProSource
 Appraisal Standards and Ethics, ProSource
 Certified Real Estate Appraisers (CREA) Course, ProSource
 Houses: FHA Appraisal and Construction Standards, ProSource
 Home Inspections: Beyond the Basics, ProSource
 Appraisal of Manufactured Homes
 Numerous Seminars (International Right of Way Assoc., Farm Managers & Rural Appraisers, Appraisal Institute)

General

Lakewood College, Associate of Arts Degree with Distinction, 1991
 Realtor Institute, Graduate (G.R.I. Designation), 1987
 Northeast Metro Technical Institute, Computer Operations/Programming Degree, 1984

EXPERIENCE

President and Owner, Lake State Realty Services, Inc., since 1991
 Real Estate Sales License since 1984, Real Estate Brokerage license since 1991
 Appraising Real Estate since 1985
 Employed by Minnesota Department of Transportation for 4 years, as appraiser/expert witness
 Testified at various hearings, trials and depositions
 General contracting experience and some property management experience (1990 to present)
 Co-developer of 10-lot lakefront subdivision on Lake Vermilion, Minnesota (2002-2005)

LICENSES, COMMISSIONS, MEMBERSHIPS/AFFILIATIONS, AWARDS, APPOINTMENTS

Certified General Appraiser License, Minn. #4002423
 Certified General Appraiser License, Wisc. #482
 Certified General Appraiser License, Mich. #12-01-005363
 Certified General Appraiser License, Ohio #423328
 Certified General Appraiser License, North Dakota #CG-2301
 Minnesota Real Estate Brokerage License
 Member of St. Paul, Minnesota, and National Association of Realtors
 Member of the Multiple Listing Service
 Member of the International Right of Way Association (IRWA)
 Member of the National Association of Realtors Appraisal Section



Member of the Appraisal Institute (Practicing Affiliate)
 Member of the National Association of Real Estate Appraisers (NAREA), Certified Real Estate Appraiser Designation-CREA
 Member of the American Society of Appraisers – Farm Managers and Rural Appraisers
 Appointed to the Lino Lakes Economic Development Authority Advisory Board (past 18 years); past Chairperson and Co-Chairperson of the Board numerous times
 Member Community Emergency Response Team (CERT) City of Lino Lakes and Board Member (Secretary)
 Co-Chair and Executive Board Member, and past Chair, Lino Lakes Volunteers in Public Safety
 Appointed to the International Right of Way Association's Appraisal Committee; past Chairperson
 Past Board of Director, founding member, and past President and Secretary – Quad Cities Chamber of Commerce
 Received Hammer Award for reinventing a federal government that is more efficient and costs less from Vice President Al Gore in 1999 (for appraisal services contract)
 Received letters of Commendation/Recognition from Governor Tim Pawlenty, Senator Amy Klobuchar, Senator Norm Coleman, and the American Red Cross for 9-hours of rescue efforts immediately after the I-35W Minneapolis bridge collapse in 2007
 Hero of the Year Disaster Relief 2008 from the Red Cross for heroic involvement after bridge collapse, including aid to the children from the school bus and heading logistics command to distribute food/water/ice to rescue and recovery workers
 Girl Scout Leader (2006 to 2011); District Delegate 2008, during critical merger of two councils
 Honorarium from the Minnesota League of Cities for reviewing, and contributing to the Local Improvement Guide (special assessment benefits) August 2008 and Special Assessment Tool Kit
 Development Committee Board Member, Phoenix Alternatives Inc. (PAI), a non-profit that provides day programming for developmentally disabled adults, conducting fund raising and advisement
 Instructor for Continuing Legal Education (CLE) Class "How to Value Residential Real Estate in Construction Defect Litigation"
 On the Anoka County Condemnation Commissioner's list
 On the Washington County Condemnation Commissioner and Probate Appraiser list
 On the Ramsey County Condemnation Commissioner's list
 Served as Chairperson of the Condemnation Commission
 Appointed as neutral appraiser by the courts and litigating parties
 Chisago County "Appraiser of Record" as of 2006 to current
 Served on St. Paul & Minn. Board of Realtors Gov't. Affairs, Prof. Standards, & Ethic Committees
 Certified Instructor for "Expert Witness Testimony" through the State of Minnesota (Through Int'l. Right of Way Assoc.)
 Speaker at the Minnesota League of Cities Engineer Conference (2004) on Special Assessment Benefit Analysis
 Speaker at the Minnesota Banking Risk Management Association "Residential Real Estate: Risks and Opportunities" September 2005
 Author of *A Neutral Appraisal Provides Accurate Valuation to Fairly Divide Marital Equity*, Family Law Forum, Vol. 24 No. 2, Spring 2016
 Contributor to the Lake Links Trail Network Master Plan and part of the consultant team, January 2001

PROPERTY TYPES APPRAISED

Extensive appraisal experience in MN, WI, OH, MI, ND, and IL, in numerous counties and cities, for various clients, including various government (Federal, State, County, City and other units), lenders, insurers, attorneys, courts, and private clients:

Residential: single family (inc. lakeshore/river front), town homes, condos, mobile homes, twin homes, and multi-family (including apartment buildings and complexes).

Commercial: restaurants, implement/auto dealerships, retail (stand alone & strips), parking lots/ramps, small to large office buildings, regional medical facilities and clinics, bowling alleys, saw mills.

Industrial: manufacturing, hi-tech, warehouses, distribution centers, single- & multi-tenant buildings.

Rural: crop land, rice farms, aqua-culture operations, organic farms, farmsteads with all buildings.

Investment: apartment buildings, duplex/multi-plex, office buildings, retail strip centers, mixed-use complexes; resorts/camp grounds

Land: commercial, industrial, residential, residential subdivision analysis, wetlands, rural, railroad crossings, sand/gravel pits, timber land, lakeshore/river front, scenic easements and other easements, flood plain land, Tribal and Trust Land.

Other: professional liability; extensive litigation consulting/appraisal related to construction defects; trial consultation; special assessment benefit analysis; review appraisals on residential, commercial and special use properties; condemnation/litigation, neutral appraisals, partial takings/severance (right-of-way); feasibility studies; fractional interests; residential, commercial, and government reviews (state and federal); equipment and trade fixtures; special use -- including post offices; federal buildings; courthouses, fire stations, U.S. Customs Border Stations; Tribal and Trust land; park and ride facilities and other transit facilities, railway terminals; churches; auto proving grounds; substantially destroyed structures, lease analysis, and fair annual rental rates; easements (conservation, scenic, right of way, utility, and various others); redevelopment consulting/appraisal; blight determinations; developer feasibility studies and consultation services for residential subdivisions.



STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION

**OFFER TO SELL AND
MEMORANDUM OF CONDITIONS**

RECOMMENDED FOR APPROVAL Item 21.

Supervisor of Direct Purchase
APPROVED

By

C.S.: 3104 (2=8) 827 Parcel: 225G County: Itasca

Owners and addresses: City of Grand Rapids, successor to Village of Grand Rapids, Mayor, Grand Rapids City Hall, 420 N. Pokegama, Grand Rapids, Minnesota, 55744-2662;

For a valuable consideration, on this _____ day of _____, _____, the undersigned owners hereby offer to sell and convey to the State of Minnesota for a total consideration of _____ Dollars (\$_____) a fee simple title to the real estate or an interest therein situated in Itasca County, Minnesota, described in the copy of the instrument of conveyance hereto attached.

The undersigned parties have this day executed an instrument for the conveyance of the aforesaid real estate or an interest therein to the State of Minnesota, and have conditionally delivered the same to the State of Minnesota, which instrument shall have no effect until and unless this offer to sell and convey is accepted in writing by the Office of Land Management of the Minnesota Department of Transportation within _____ days from the date of this offer. Such notice of acceptance shall be by certified mail directed to the address appearing after our signatures hereto. If this offer is not so accepted within the time limited herein such conveyance shall be of no effect, and said instrument shall forthwith be returned to the undersigned owners.

If this offer is accepted it is mutually agreed by and between the owners and the State as follows:

(1) Possession of the real estate shall transfer to the State _____ days after the date of acceptance. The owners shall have the right to continue to occupy the property or to rent same to the present occupants or others until the date of transfer of possession. Any change in occupancy shall be subject to approval and concurrence by the State. On or before the date for transfer or possession the owners will vacate the real estate and the improvements (if any) located thereon, or cause same to be vacated, remove all personal effects therefrom and have all utilities (if any) shut off by the supplier of same. No buildings appurtenances or other non-personal items or fixtures will be removed from the premises by the owners or renters, including plumbing and heating fixtures, etc. The owners shall notify the Department of Transportation as soon as the improvements are vacated. The owners will maintain the improvements during their period of occupancy and will make all necessary repairs at their own expense. The State's prospective bidders for the purchase or demolition of the improvements on the property shall have the right of entry for inspection purposes during the last 10 days of possession by the owners.

(2) Title to said real estate shall pass to the State of Minnesota as of the date of said

acceptance subject to conditions hereinafter stated.

Item 21.

(3) Buildings (if any) on said real estate shall be insured by the owners against loss by fire and windstorm in the amount of present coverage or if none in force then in an amount not less than the current market value during the entire period of the owners' occupancy of the buildings on the real estate, such policy or policies of insurance to be endorsed to show the State's interest.

(4) If the State of Minnesota is acquiring all or a major portion of the property, mortgages (if any) on the property shall be satisfied in full by the State of Minnesota. The amount paid by the State of Minnesota to satisfy said mortgage(s) shall be deducted from the amount to be paid to the owners under the terms of this agreement. The amount paid by the State of Minnesota to satisfy the mortgage(s) shall include interest on the mortgage(s) to date that payment is made to the mortgage holder.

(5) If the State of Minnesota is acquiring only a minor portion of the property, and the property is encumbered by a mortgage, it shall be the responsibility of the owners to furnish a partial release of mortgage. The mortgage holder will be included as a payee along with the owners on the check drawn in payment for the property. Any fee charged by the mortgage holder for the partial release of mortgage must be paid for by the owners.

(6) The owners will pay all delinquent (if any) and all current real estate taxes, whether deferred or not, which are a lien against the property. **Current taxes shall include those payable in the calendar year in which this document is dated.** The owners will also pay in full any special assessments, whether deferred or not, which are a lien against the property. The owners will also be responsible for and will pay in full any pending special assessments. The owners' obligation to pay deferred and pending taxes and assessments shall continue after the sale and shall not merge with the delivery and acceptance of the deed.

(7) If encumbrances, mechanics liens or other items intervene before the date the instrument of conveyance is presented for recording and same are not satisfied or acknowledged by the owners as to validity and amount and payment thereof authorized by the owners, said instrument of conveyance shall be returned to the owners.

(8) Payment to the owners shall be made in the due course of the State's business after payment of taxes, assessments, mortgages and all other liens or encumbrances against said real estate. The owners will not be required to vacate the property until the owners have received payment.

(9) No payments shall be made of any part of the consideration for said sale until marketable title is found to be in the owners and until said instrument of conveyance has been recorded.

(10) The owners hereby acknowledge receipt of a copy of the instrument of conveyance executed by them on this date, and a copy of this offer and memorandum.

(11) It is understood that unless otherwise hereinafter stated the State acquires all appurtenances belonging to the premises including:

3/1/19
14/08/2019

OWNERS

Item 21.

CITY OF GRAND RAPIDS, successor to Village of Grand Rapids

By _____

Its _____

And _____

Its _____

(Address of Owner where acceptance is to be mailed.)

RIGHT OF WAY PARCEL LAYOUT

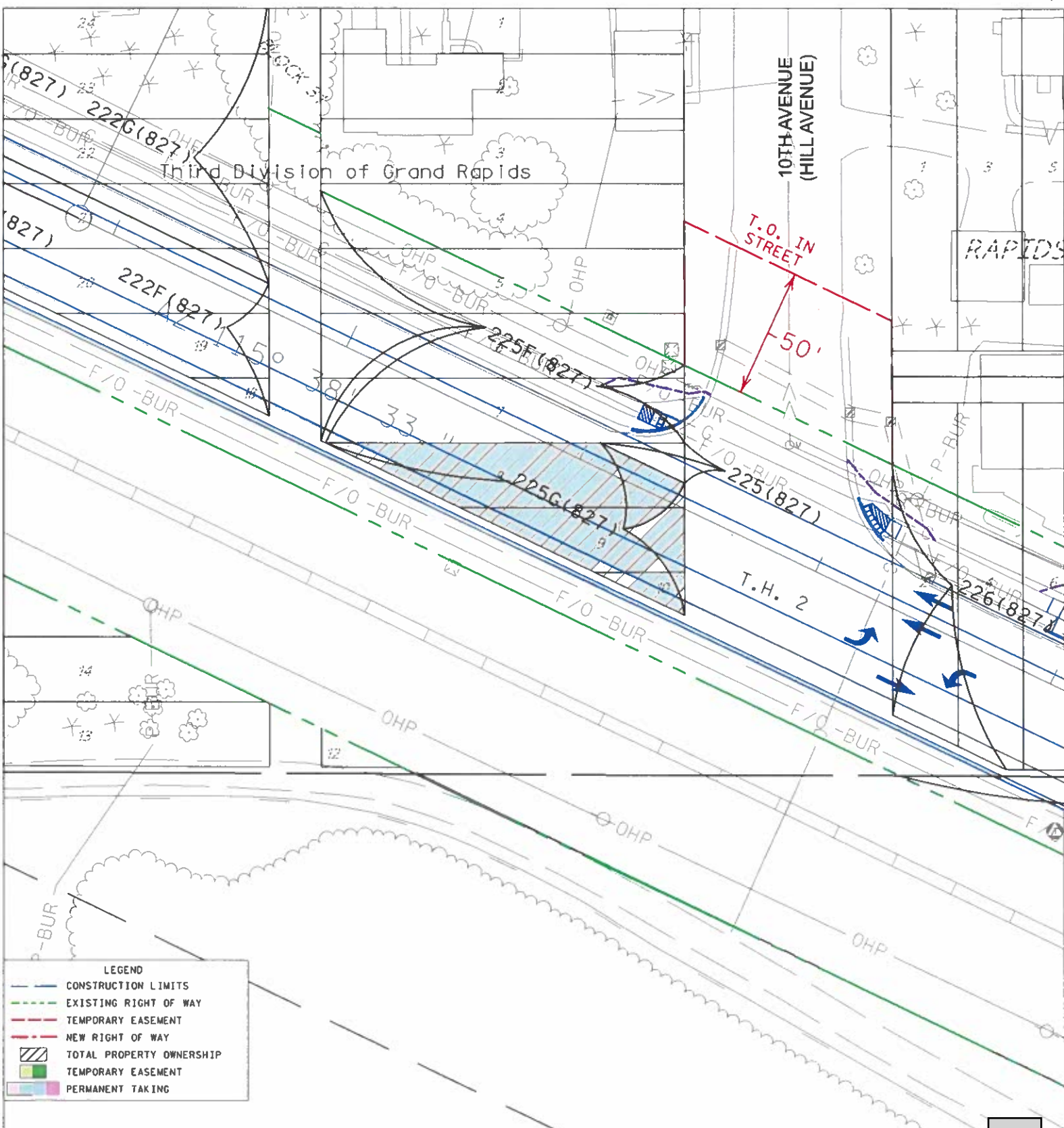


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 225G SHEET 1 OF 3



LEGEND	
	CONSTRUCTION LIMITS
	EXISTING RIGHT OF WAY
	TEMPORARY EASEMENT
	NEW RIGHT OF WAY
	TOTAL PROPERTY OWNERSHIP
	TEMPORARY EASEMENT
	PERMANENT TAKING

Drawn by pmeler

Print Date 4/19/2024

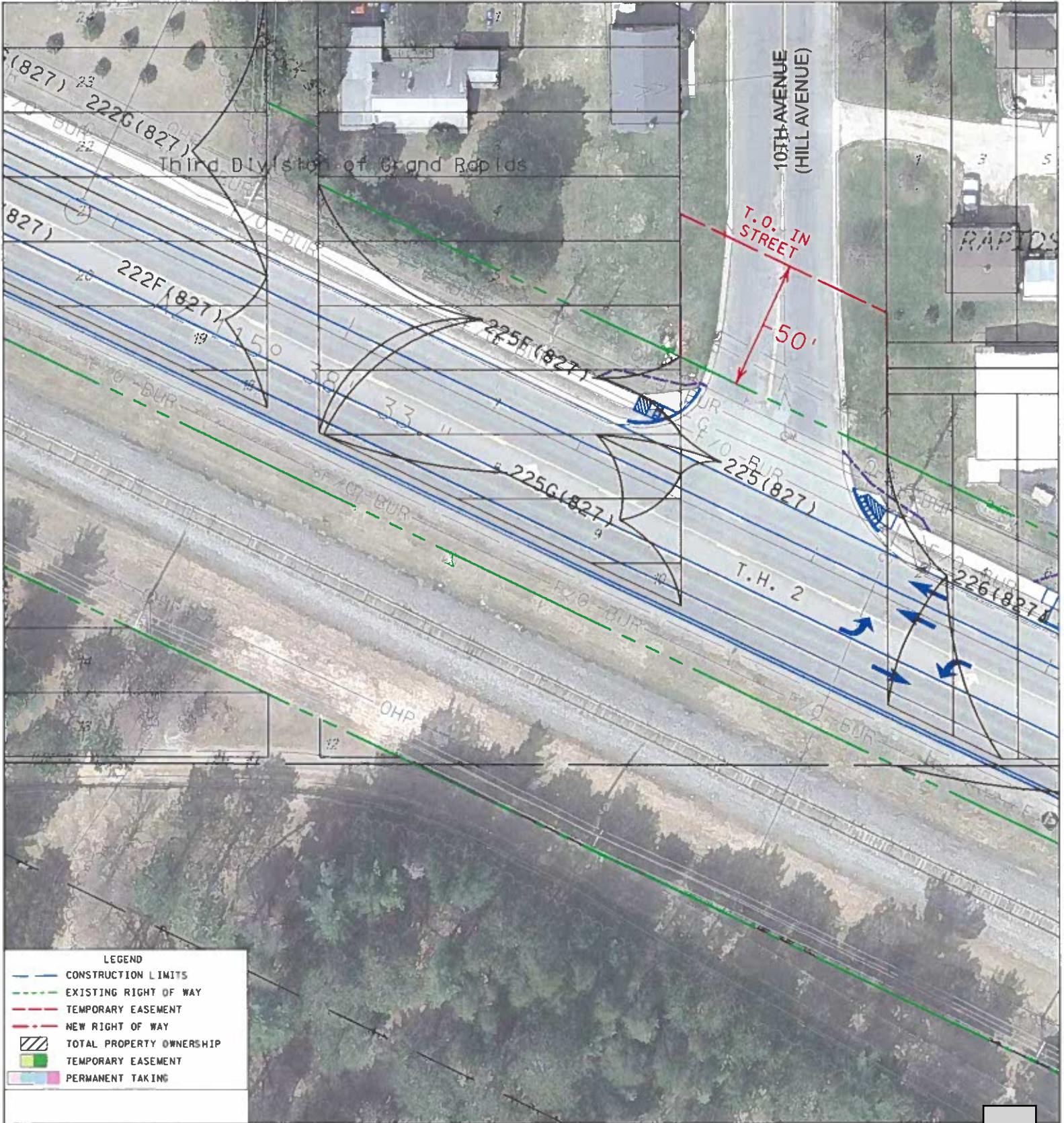
RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 225G SHEET 3 OF 3



Drawn by pmeler

Print Date 4/19/2024

May 6, 2024
3104-827-225G

CA
JMM
BA
Item 21.

FEE ACQUISITION

Parcel 225G C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 8 through 10, inclusive, Block 31, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 225G on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.



395 John Ireland Boulevard
Saint Paul, MN 55155

Date:

10/29/24

City of Grand Rapids
Mayor
Grand Rapids City Hall
420 N. Pokegama
Grand Rapids, MN 55744-2662

In reply refer to: MS 631
S.P.: 3104-61RW C.S.: 3104 (2=8) 827 Job: TRW238802
County: Itasca
Parcel: 10 - Village of Grand Rapids
Property Address:

The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing a portion of your property for improvements to Highway 2. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the land acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property being purchased. The certified appraised amount offered to you is \$900.00. This amount is for the real estate being acquired and no other damages or loss in value to the remainder property has been identified in the appraisal.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Joe Pignato'.

Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet

Legal Description describing acquisition

Offer to Sell and Memorandum of Conditions (reference copy if applicable)

Conveyance Instrument (reference copy if applicable)

"Relocation Assistance" Booklet (if applicable)

Valuation Report

Appraisal Reimbursement Claim form

Acquisition Incidental Claim form

Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: 10-29-2024

Owners Signature: 

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$ _____ C.S. 3104 (2=8) 827
Date: _____ Parcel 10
County of Itasca

For and in consideration of the sum of _____ Dollars (\$ _____),
City of Grand Rapids, successor to Town of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, Grantor, hereby conveys and warrants to the State of Minnesota, Grantee, real property in Itasca County, Minnesota, described as follows:

All of the following:

That part of Lots 1 through 3, inclusive, Block 30, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 10 on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.

together with all hereditaments and appurtenances belonging thereto. Subject to mineral rights and utility easements of record, if any.

Check box if applicable:

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

CITY OF GRAND RAPIDS, successor to Town of Grand Rapids

By _____

Its _____

And _____

Its _____

STATE OF MINNESOTA)
)SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ and _____, the _____ and _____ of City of Grand Rapids, successor to Town of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, on behalf of the municipal corporation.

NOTARY PUBLIC

My commission expires: _____

This instrument was drafted by the State of Minnesota, Department of Transportation, Legal and Property Management Unit, 395 John Ireland Blvd. St. Paul, MN 55155-1800

Send tax statements to Grantee:
State of Minnesota
Department of Transportation
District 1 Right of Way
1123 Mesaba Avenue
Duluth, MN 55811

COPY

Minimum Damage Valuation Appraisal Report



A Partial Acquisition From
Parcel Number 3104-827-10
The City of Grand Rapids Property
xxx E U.S. Highway 2, Grand Rapids, MN 55744
PID# 91-425-3010

Project
TH 2 La Prairie Mill & Overlay Project
Minnesota Department of Transportation (MnDOT)
State Project Number (SP): 3104-61
Trunk Highway Number (TH): 2

Prepared For
Mr. John Hinzmann Jr., District 1 Land Management Supervisor
Minnesota Department of Transportation (MnDOT)

By
Julie Jeffrey Schwartz
Lake State Realty Services, Inc.

Effective Date
January 23, 2024

Date of Report
September 4, 2024



©Lake State Realty Services, Inc. 2024

Executive Summary

State Project:	3104-61RW (TH 2)
Control Section:	3104 (2=8) 827
Parcel Number:	3104-827-10
Owner:	Per a Field Title Report provided by the client, the current fee owner is the City of Grand Rapids
Property Address:	xxx E U.S. Highway 2, Grand Rapids, MN 55744
County:	Itasca County, MN
Legal Description:	See later in this appraisal
Parcel Identification Number(s):	91-425-3010
2022 Assessed Values, Taxes Payable 2023	Land: \$40,500; Improvements: \$0; Total: \$45,000 Taxes Payable 2023: N/A, tax exempt owned by the City of Grand Rapids
Proposed 2023 Assessed Values, Taxes Payable 2024	Land: \$386,00; Improvements: \$0; Total: \$38,600 Proposed Taxes Payable 2024: N/A, tax exempt owned by the City of Grand Rapids
Intended Use/Purpose:	Estimate of value for conversion of existing permanent highway easement (roadway right-of-way) to fee
Client/Intended Users:	Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT)
Entire Tract Size:	Per information provided by the client, the subject is 63,946 s.f. or 1.47 acres in size, of which 3,557 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 60,389 s.f. or 1.39 acres. It is noted, Itasca County Records reflect the subject parcel as being comprised of 2.08 deeded acres, however, the size per the client is deemed more reliable, assumed based on a survey, as is used as the size throughout the report. It is further noted, the subject parcel is located adjacent to multiple parcels under the same ownership, however, as only the subject parcel appraised is affected by the proposed acquisition, it is the only parcel appraised within this appraisal.
Improvements:	The subject is generally comprised of vacant land, however, the area located within the existing permanent highway easement (roadway right-of-way) is improved with roadway right-of-way improvements.
Zoning:	The northern portion of the subject, area to the north of the railroad, is zoned GB, General Business, and the southern area, area south of the railroad, is zoned SPU, Shoreland Public Use and is subject to the Shoreland Management District, as governed by the City of Grand Rapids. The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.
Guided Land Use:	The northern portion of the subject, area to the north of the railroad, is guided for Transportation and Utilities use, and the southern area, area south of the railroad is guided for Parks and Recreation use, as guided by the City of Grand Rapids
Highest and Best Use:	Commercial Development and roadway right-of-way (on portion encumbered with existing permanent highway easement (roadway right of way)
Interest Appraised:	Fee Simple
Proposed Acquisition:	Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee: 3,557 s.f.
Recommended Compensation:	\$900 (R)
Effective Date:	January 23, 2024
Appraiser:	Julie Jeffrey Schwartz, Certified General Appraiser, MN #4002423

Property Appraised

The subject property appraised is comprised of one legal parcel of record. Per information provided by the client, the subject is 63,946 s.f. or 1.47 acres in size, of which 3,557 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 60,389 s.f. or 1.39 acres. The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located on the southern side of U.S. Highway 2 E (TH 2) to the southwest of its intersection with NE 1st Street. A railroad runs through the northern portion of the parcel in a northwest/southeast direction, splitting the parcel into two areas, a northern and a southern portion. The southern portion of the parcel is part of the City of Grand Rapids' Veterans Memorial Park, and is accessed via an internal roadway, which runs through the subject parcel and connects to NE 8th Avenue to the west. The subject does not have a physical address.

The subject is generally comprised of vacant land, however, the area located within the existing permanent highway easement (roadway right-of-way) is improved with roadway right-of-way improvements.

Subject Legal Description

Per a Title Opinion provided by the client, the subject has the following legal description:

Lots 1 through 24, Block 30, Grand Rapids Third Addition, Itasca County, Minnesota.

Appraisal Report Type

An MDV is a restricted appraisal report whereby damages resulting from a right-of-way related acquisition to the subject property are estimated to be under \$25,000. This appraisal report is intended to comply with the reporting requirements of USPAP (Uniform Standards of Professional Appraisal Practice). Only summary information and discussion of the data, reasoning and analyses are contained within this report. This report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. Supporting documentation not contained in this report is retained in the appraiser's work file. The depth of data and analysis contained in this report are specific to the intended needs of the client, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), for the intended use of negotiations related to the proposed partial acquisition of conversion of existing permanent highway easement (roadway right-of-way) to fee.



Scope of Work

Appraisal Type/Format: This is a minimum damage valuation (MDV) appraisal report (land only) reported in a restricted appraisal format, with no departure from the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, and is in compliance with the reporting requirements of Standards Rule 2-2 (b) of USPAP.

Inspection: Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

Property Data: General and specific information related to the subject property and its location was obtained from various sources, including public records from the City of Grand Rapids, and Itasca County. Information including assessor's estimated market value, any applicable annual property taxes, current and proposed zoning, and current and guided land use, was obtained.

Property Analysis: Based on the inspection and subject property data, the subject property was analyzed in context to its neighborhood, its market, including supply and demand factors, and the highest and best use was concluded before the proposed acquisition. Information related to the proposed partial acquisition was provided by the client, and the impact of the acquisition was considered in the opinion of highest and best use and conclusion of damages.

Highest and Best Use and Approaches to Value: Based on the information gathered and investigation of the market, the highest and best use was concluded both before and after the partial acquisition. The highest and best use determined the applicable approach to value which, in the instance of the subject, included only the sales comparison approach (f/k/a as the market approach). The highest and best use supported the types of comparables to use in the comparable sales analysis. The cost approach was not applicable due to lack of improvements impacted by the proposed acquisition. The income approach was not applicable due to lack of rental data in the market for vacant land.

Sources for Market Data: Market data related to the recent land sales was obtained from various sources, including assessor's records, local data exchanges including, Realist and the Regional Multiple Listing Service, and private appraiser databases. The comparable data was confirmed by this appraisal office, as detailed on each comparable data sheet.



Reconciliation: The opinion of market value for the subject has been reconciled and that opinion of market value was used to base compensation for damages related to the partial acquisition from the subject property.

Definition of Market Value

The Appraisal Institute's The Dictionary of Real Estate Appraisal, 6th Edition, includes the following in its definition for "market value":

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress"

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or creative terms, services, fees, costs or credits involved in the transaction.

Purpose / Intended Use

The purpose of this appraisal is to provide an estimate of market value of a partial acquisition related to the Minnesota Department of Transportation's State Project 3104-61RW (TH 2). The partial acquisition includes conversion of existing permanent highway easement (roadway right-of-way) to fee. This appraisal is being completed for the requestor, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), who intends to use this report (function) for acquisition negotiation purposes related to the partial acquisition of the subject property.



Five Year Sale History

Per county records, and a Title Opinion provided by the client, there has not been a sale of the property in the past five years.

Assumptions and Conditions

The certification of this appraisal report is subject to the following:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the marketability of the title.
2. The property is assumed to be under responsible ownership and management.
3. The property is appraised as though clear and free of any liens, encumbrances, or indebtedness, unless stated otherwise.
4. To the best of the appraisers' belief, the information contained in this report is true and reported correctly. The information in this report, while not guaranteed, has been taken from sources or records believed to be reliable.
5. The Appraisers assume that there exists no hidden defects with the site, sub-soil, or improvements, which would render it more or less valuable.
6. Disclosure by the Appraisers of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraisers are affiliated.
7. The Appraisers are not required to appear in court or give testimony because of having made this report, unless arrangements have been made in advance.
8. This report, or any portions thereof, will not be distributed, or otherwise disseminated, to anyone other than the person who commissioned this or those involved in the certification, except as required by law.
9. This entire appraisal report must be considered as a whole and any excerpts or portions from this report cannot be considered separately.
10. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, as well as applicable zoning regulations and restrictions, unless otherwise stated.



11. It is assumed that all required licenses, consents or other authority from any local, state, or federal governments has been obtained or can be renewed.

12. It is assumed that the subject improvements, if any, are within the stated boundaries, and that there are no encroachments on neighboring property, or neighboring encroachments on the subject property, unless otherwise stated in this report.

13. The existence of potentially hazardous material such as urea-formaldehyde foam insulation, asbestos, existence of toxic water, toxic waste, or radon gas may have an effect on the value of the property. The Appraisers are not qualified to determine if such substances are present. The client may wish to consult an expert in this field.

14. Acceptance of or use of this appraisal report constitutes an understanding of and acceptance of these assumptions and limiting conditions.

15. The maximum liability which can accrue to the Appraisers or the Companies, as a result of performing this appraisal, is limited to the amount paid for the appraisal.

16. The Uniform Standards of Professional Appraisal Practice (USPAP 2024 edition), includes the following definitions for hypothetical condition and extraordinary assumption:

Hypothetical Condition:

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Extraordinary Assumption:

“An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2024 ed.)”



Additionally, USPAP Standards Rule 1-2 (f) and (g) state the following about the reporting and use of hypothetical conditions and extraordinary assumptions:

(f) Identify any extraordinary assumptions necessary in the assignment. An extraordinary assumption may be used in an assignment only if:

- the extraordinary assumption is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption; and
- use of the extraordinary assumption results in a credible analysis;

(g) Identify any hypothetical conditions necessary in the assignment. A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; and
- use of the hypothetical condition results in a credible analysis.

There are no extraordinary assumptions employed in this appraisal. There is one hypothetical condition employed in this appraisal, as follows:

There is a hypothetical condition, that the proposed acquisition is presumed to exist as of the effective date of value. This hypothetical condition is assumed in order to value the damages related to the partial acquisition. The use of this hypothetical condition may have affected the assignment results.

Subject Description, Before the Acquisition

The subject property appraised is comprised of one legal parcel of record. Per information provided by the client, the subject is 63,946 s.f. or 1.47 acres in size, of which 3,557 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 60,389 s.f. or 1.39 acres. The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located on the southern side of U.S. Highway 2 E (TH 2) to the southwest of its intersection with NE 1st Street. A railroad runs through the northern portion of the parcel in a northwest/southeast direction, splitting the parcel into two areas, a northern and a southern portion. The southern portion of the parcel is part of the City of Grand Rapids'



Veterans Memorial Park, and is accessed via an internal roadway, which runs through the subject parcel and connects to NE 8th Avenue to the west. The subject does not have a physical address.

TH 2 has an Average Annual Daily Traffic count (AADT) of 6,700 (2019 count), in the area of the subject.

The subject has generally level topography on the northern portion of the parcel, with the southern portion of the parcel appearing to slope downward from the northeast to the southwest. The subject has an irregular but conventional shape, split into two areas by a railroad. The drainage on the site is deemed adequate, and the subject is not located within floodplain.

The subject has access to all urban utilities including city sewer and water.

The northern portion of the subject, area to the north of the railroad, is zoned GB, General Business, and the southern area, area south of the railroad is zoned SPU, Shoreland Public Use, and is subject to the Shoreland Management District, as governed by the City of Grand Rapids. Following is the purpose of the GB, General Business zoning district, followed by the purpose of the SPU, Shoreland Public Use zoning district, taken from the City of Grand Rapid's Zoning Ordinance:

GB general business district and SGB shoreland general business district. These districts are intended to accommodate a broad range of retail goods and services, land uses and generally serve the entire community. Though not exclusively so, businesses in this district are relatively freestanding and tend to occupy independent building sites. They may enjoy close proximity to like businesses but depend primarily on good accessibility, high visibility and a relatively large volume of passing traffic. For uses permitted by right refer to section 30-512. The SGB districts are also subject to shoreland management standards.

PU public use district and SPU shoreland public use district. The public land use districts are primarily intended to be used for major public and quasipublic uses of land as set forth in the comprehensive plan. They are also intended to accommodate major essential public facilities that provide governmental, educational, recreational, cultural and health care services to the entire community. For uses permitted by right refer to section 30-512. The SPU districts are also subject to shoreland management standards.

The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board. The subject is not negatively impacted by the Airport Safety Zone C, with height restrictions high enough that traditional development can occur. Safety Zone B places the following additional restrictions on the subject, as taken from the Airport Zoning Ordinance:



Zone B: Subject at all times to the height restrictions set forth in subsection 30-64(b), and to the general restrictions contained in subsection 30-65(b)(1), areas designated as zone B shall be restricted in use as follows:

- a. Each use shall be on a site whose area shall not be less than three acres.
- b. Each use shall not create, attract, or bring together a site population that would exceed 15 times that of the site acreage.
- c. Each site shall have no more than one building plot upon which any number of structures may be erected.
- d. A building plot shall be a single, uniform, and non-contrived area, whose shape is uncomplicated and whose area shall not exceed the following minimum ratios with respect to the total site area:

Site Area at least (Acres)	But Less Than (Acres)	Ratio of Site Area to Bldg. Plot Area	Building Plot Area (sq. ft.)	Max. Site Population (15 persons/Acre)
3	4	12:1	10,900	45
4	6	10:1	17,400	60
6	10	8:1	32,600	90
10	20	6:1	72,500	150
20 and up		4:1	218,000	300

- e. The following uses are specifically prohibited in Zone B: Churches, hospitals, schools, theaters, stadiums, hotels, motels, trailer courts, campgrounds, and other places of frequent public or semi-public assembly.

The subject parcel is a legal and conforming parcel, compliant with the minimum lot requirements of the underlying zoning, however, is not compliant to the minimum lot size of 3 acres per the Airport Safety Zone B regulations. The subject’s park use appears to be an allowed use.

Please note, the subject parcel will not sustain any permanent negative affect resulting from the proposed acquisition, and has the same entitlements and development options after, as before acquisition. The acquisition is for the conversion of existing permanent highway easement (roadway right-of-way) to fee.

Per a Title Opinion provided by the client, the subject is also subject to the following:

Minerals and mineral rights reserved by the State of Minnesota in Conveyance of Forfeited Lands dated July 24, 1964, recorded March 24, 1964 as Doc. No. 243422 (Lots 4-24).

Duluth, Superior and Western Railway Company First Mortgage executed by Duluth Superior and Western Railway Company First Mortgage dated December 1, 1896, recorded December 21, 1896 as Doc. No. 9529 in Book H of Mortgages, Pages 1-31, and all other mortgages, supplements and amendments thereto. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST



Easement for highway purposes in favor of the State of Minnesota taken in Final Certificate dated March 23, 1975, recorded April 18, 1975 as Doc. No. 301684. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway-railway crossing at grade in favor of the City of Grand Rapids, a municipal corporation, dated September 16, 1975, recorded September 22, 1975 as Doc. No. 304709. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Plat of Third Division of Grand Rapids, Minn dated March 2, 1893, recorded March 23, 1893 in Book 1 of Plats, Page 4. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

There are no other legal restrictions placed on the subject property that would affect value, which the appraiser has been made aware.

The northern portion of the subject, area to the north of the railroad, is guided for Transportation and Utilities use, and the southern area, area south of the railroad is guided for Parks and Recreation use, as guided by the City of Grand Rapids. There is no reason to believe the zoning of the subject would change in the near future, nor would it be logical to consider a re-zoning request, as the zoning conforms with the guided land use.

The subject is generally comprised of vacant land, however, the area located within the existing permanent highway easement (roadway right-of-way) is improved with roadway right-of-way improvements.

Acquisition Description

According to the acquisition sketch, the northeastern corner of the subject is affected by the proposed acquisition. The acquisition area is as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	3,557 s.f.
-----------------------------------------------------------------------------------------	-------------------

Following is a caption block provided by the client:

		C.S. 3104(2=8-27)827		S.P. 3104-61				
Third Division of Grand Rapids								
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
10	31-221	Village of Grand Rapids	LOTS 8-20, PART OF LOTS 1-7, 21-23 BLK 30	63946	3557	60389	3557	FEE



The orientation, configuration, width and length of the acquisition area can be best viewed on the acquisition sketch found later in this appraisal. Within the area of the proposed conversion of existing permanent highway easement (roadway right-of-way) to fee appears to be roadway right-of-way improvements that are owned by the public.

Subject Description, After the Acquisition

In the before situation, the subject is 63,946 s.f. or 1.47 gross acres in size. As an effect of the acquisition, the subject is smaller by the area of the proposed roadway right-of-way fee acquisition of 3,557 s.f., effectively reducing the size of the subject to 60,389 s.f. or 1.39 acres in the after situation. It is noted, the entire 3,557 s.f. of the proposed roadway right-of-way fee acquisition are encumbered with an existing permanent highway easement (roadway right-of-way).

Highest and Best Use, Before and After Acquisition

The subject is separated into two areas by a railroad. The northern portion of the subject, area to the north of the railroad, is zoned GB, General Business, and the southern area, area south of the railroad is zoned SPU, Shoreland Public Use, and is subject to the Shoreland Management District. The entire subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.

The area of the proposed acquisition is located on the northern portion of the parcel which is zoned GB, General Business, and its highest and best use, if not encumbered with a permanent highway easement (roadway right-of-way), and improved as such, would be for assemblage to adjacent parcels which are also zoned GB, General Business, for commercial use. The highest and best use of the southern portion of the subject is for Shoreland Public Use. As the area of the proposed acquisition is within the area zoned GB, General Business, the subject is compared to other commercially zoned properties.

The highest and best use as improved, is not applicable, as the subject appraised is comprised of vacant land but for roadway right-of-way improvements that are owned by the public.

The highest and best use is not impacted as a result of the proposed project, or its partial acquisition from the subject property. The remaining subject parcel (portion not acquired) will not sustain any permanent negative affect resulting from the proposed acquisition, and has the same entitlements and development options after, as before acquisition.



Approaches to Value

The cost approach is not used because the subject is appraised as vacant land, although certain improvements or landscaped elements affected by the proposed acquisition may be compensated based on cost, to establish appropriate compensation for costs to cure. The income approach was not applicable due to lack of rental data in the market for vacant land.

The Sales Comparison Approach is the only applicable approach to value, and it compares the subject property with other similar properties that have recently sold or are currently listed for sale. Positive and negative adjustments are made to the comparable sales for the differences which exist between them and the subject. Objective comparison with comparable sales provides an indication of value for the subject.

Comparable Sales Data and Adjustment Analysis

In order to value the proposed acquisition area, the subject's underlying fee land value is estimated. Comparables were located from county assessor records, Realist, and the Regional Multiple Listing Service, as well as private appraiser databases. An ample amount of applicable comparable data was located within the large competitive market.

Following is an adjustment chart with the subject and comparables, and a qualitative analysis comparing certain factors to the subject property. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward.



Comparable Sale Adjustment Chart

	Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5	Comparable #6	Comparable #7
Address	xxx U.S. Highway 2 E, Grand Rapids, MN 55744	1300 E US Highway 169, Grand Rapids, MN 55744	710 NE 4th Street, Grand Rapids, MN 55744	301 NE 4th Street, Grand Rapids, MN 55744	416 NW 7th Avenue, Grand Rapids, MN 55744	1402 NW 4th Street, Grand Rapids, MN 55744	xxx SW 2nd Avenue, Grand Rapids, MN 55744	xxx US Hwy 169, Grand Rapids, MN 55744
Sale Price		\$700,000	\$175,000	\$150,000	\$110,000	\$120,000	\$421,936	\$125,000
Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Effective Sale Date	1/23/2024	10/2022	01/2022	06/2023	12/2022	10/2022	04/2022	11/2022
Market Conditions	0.00%	=	=	=	=	=	=	=
Terms/Transfer Docs/Property Rights		Cash/Warranty Deed/Fee Simple	Market Rate Financing/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Quit Claim Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple
Motivations		Adj Owner - Buyer leased prior to sale	Adj Owner	Word of Mouth	Adj Owner	Word of Mouth	Typical	Adj Owner - Right of First Refusal
Adjusted Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Site Size	60,389 net s.f. (1.39 net acres)	194,713 SF (4.47 acres)	34,848 SF (0.80 acres)	16,988 SF (0.39 acres)	13,939 SF (0.32 acres)	30,056 SF (0.69 acres)	69,696 SF (1.60 acres)	27,007 SF (0.62 acres)
Location	City of Grand Rapids - Interior	City of La Prairie - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Corner	City of Grand Rapids - Corner	City of Grand Rapids - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Interior
Immediate Area	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Regional Commercial Area	Commercial
AADT	6,700	12,200 & 1,639	7,555, one parcel removed from 9,300-13,900	14,200 & 1,871	2,190-4,330	13,300	None recorded, but vews of Hwy 169 @ 19,800 and TH 23 @ 10,623	19,800
Utilities	All Available	All Available	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	GB, General Business & Airport Safety Zones B & C (in area of acq)	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business	SGB, Shoreland General Business	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C
Topography/Soils/Shape	Generally level (in area of acq)/Buildable/Irregular but conventional	Generally level/Buildable/Irregular but conventional - 3 parcels	Generally level /Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Generally rectangular - 2 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular
Other	Non-conforming but Across-the-Fence Value	N/A	N/A	Environmental	Improvements razed after sale	N/A	N/A	Improved with gazebo
Gross Adjustment		1 + 1-	=	+	1-	1-	2-	1-
Net Adjustment		=	=	1-	1-	1-	2-	1-
Final Price/SF		About \$3.60	About \$5.02	Sly less than \$8.83	Sly less than \$7.89	Sly less than \$3.99	Less than \$6.05	Sly less than \$4.63



Adjustment Analysis

The most similar comparables were chosen. Preferably properties chosen for the adjustment analysis should be similar enough that few adjustments are necessary. Unfortunately, this is rarely the case, so an adjustment analysis is performed. All adjustments applied are typically based on market trends, market demands and preferences, and physical characteristics. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward. This adjustment analysis is a qualitative analysis, where the precise amount of the individual adjustment is not quantified, only that a positive or negative adjustment exists. After the qualitative adjustments are applied, the adjusted comparables support an estimated market value within the range of the comparables, reconciled.

The various items for which the subject has been analyzed include:

Market conditions (time) – A time adjustment is used to reflect changes in the marketplace over time. Things such as declining or inflationary economies, or over-supply or under-demand situations can create differences in market prices through time. All of the comparable sales have occurred since January 2022 and are relatively recent. During this time period, the market conditions have remained stable and there are no upward or downward market pressures, so no adjustment is applied.

Financing Terms of Sale/Transfer Documents – Sometimes financing terms may affect purchase price. All of the comparables sold with cash or its equivalent, market rate financing, so no adjustments are necessary. Comparables 1-4, 6 & 7 transferred with warranty deeds, and no adjustments are required. Comparable 5 transferred via a quit claim deed, but is not adjusted, due to careful practices of title companies and closing agents that reduce any risk associated with a deeded transfer.

Motivations – Sometimes different motivational factors of a buyer or seller may affect negotiations and eventual purchase price. The motivations of the buyers and sellers were explored. Comparable 6 had typical buyer and seller motivations, and is not adjusted. Comparable 1 was purchased by an adjacent owner who had leased the property prior to the transfer for storage purposes. Comparables 2 and 4 were purchased by adjacent owners. Comparables 3 and 5 were marketed through word of mouth. Comparable 7 was purchased by an adjacent owner who had right of first refusal. After review of the comparable sales, and relative land prices in the market area it appears that even with the seller and/or buyers different motivations, all of the comparables sold at market value. Additionally reviewed were the Certificates of Real Estate Value (eCRV), as filed through the State of Minnesota's Department of Revenue, in which comparables 2-7 all



reflected that no significant different price was paid (in other words, market value was paid). Although, comparable 1's eCRV reflected they thought they paid a significant different price, after our research it appears that a market amount was paid, and no adjustments are required.

Site Size – The subject parcel is 1.39 net acres, a market-typical size range. Due to bifurcation of the site by roadway right-of-way, the smaller portion of the larger part appraised has a highest and best use of assemblage to abutting property also zoned similarly (GB, General Business). As the subject exists as improved roadway right-of-way, the suitable approach to value is across-the-fence, and as such, the larger parcel size, which includes land with a separate highest and best use and related value, is not appraised, and the size of the subject is assumed market-typical so that across-the-fence valuation methodology can be observed. Comparables 2-7 are within a market-typical size range and do not require adjustment. Comaprable 1 is larger than market-typical and is adjusted upward for its larger size, as typically larger parcels sell for less per s.f. than smaller parcels.

Location – The subject is located within the City of Grand Rapids, as are comparables 2-7, not adjusted. Comparable 1 is located in the City of La Prairie, part of the same larger competitive market, and is not adjusted. The subject is located on an interior-location which has less exposure than a corner-location. Corner locations are superior and adjusted downward.

Immediate Area – The subject and comparables are all located in commercially-defined areas, and no adjustments are required, with the exception of comparable 6. Comparable 6 stands out as the most superior, located in the regional shopping area in a highly desirable commercial area and is superior and adjusted downward.

AADT – The subject is located on a roadway with an AADT count of 6,700. AADT can have an impact on value for commercial properties, with properties on higher-trafficked corridors selling for more than lower-trafficked corridors. Comparables with significantly more AADT are superior and adjusted downward. Comparable 6 is located on a roadway with unrecorded AADT, but is in view and exposure to two highly-trafficked roadways and with its anticipated 4-story construction will have exposure to these two roadways, and is overall superior and adjusted downward.

Utilities – The comparables and subject all have access to typical urban utilities, including city water and sewer, and no adjustments are necessary.

Zoning – The subject is zoned GB, General Business, as are all of the comparables with the exception of comparable 5, which is zoned SGB, Shoreland General Business. The subject and comparables 1-3, 6 & 7, are also subject to Airport Safety Zone C (and a portion Zone B), however this does not negatively impact



value, with height restrictions high enough that traditional development can occur. With no comparable having a competitive advantage or disadvantage over another, no adjustments are necessary.

Topography/Soils/Shape – The subject and comparables are all similar enough in topography, soils and shape to not require any adjustments. Although some comparables have multiple legal parcels of record, this does not inure any competitive benefit and no adjustment is applied.

Other – Comparable 3 had some environmental issues discovered whereby the entire purchase price is in escrow, and the buyer is pulling from the escrow to pay for the Phase 2 environmental study, and at conclusion of the study, the decision regarding release of the remaining funds will be made, but under no circumstance will the buyer pay more than purchase price. The agreement is the buyer will buy the site clean for the purchase price. An upward adjustment is applied not for the contamination and remediation, but because the contamination and remediation cause a delay in developing this property. Comparable 4 was improved with a single family residence and ancillary site improvements which required removal. The abutter purchased this parcel as it prevented relocating for expansion needs, and although the buyer found it worthwhile to remove the improvements, the market might not, and as such, demolition costs for these improvements is not additionally considered, rather these improvements are deemed value-neutral and not adjusted. Comparable 7 was improved with a gazebo but it did not add value, as a typical buyer would demolish it in order to develop. This particular buyer the gazebo had value as part of the grounds to the Judy Garland Museum, but the market would deem this improvement value-neutral and therefore no adjustment is applied. Although the subject is a non-conforming parcel in and of itself (due to Airport Zone B, the subject must be at least 3 acres in size), due to the across-the-fence appraisal methodology, this factor is not considered to discount the underlying fee value.

It is noted, more information about these comparables used in this analysis are located in the appraiser's file, although a comparable location map and comparable data sheets are located in the addenda of this report.



Reconciled Land Value

After the qualitative adjustment analysis, the adjusted comparable sales prices fall into value suggestions for the subject property's fee simple value.

Two comparables yield value suggestions about \$3.60/s.f. to \$5.02/s.f.

One comparable yields a value suggestion less than \$6.05/s.f.

Four comparables yield a value suggestions slightly less than \$3.99/s.f. to \$8.83/s.f. Comparables 5 and 7, with value suggestions slightly less than \$3.99/s.f. and \$4.63/s.f., could be slight aberrations. Aberrations are typical when analyzing imperfect markets with qualitative adjustments that are necessary due to lack of significant comparable data to quantitatively adjust. Excluding these aberrations, the remaining comparables have a value suggestion slightly less than \$7.89/s.f. to \$8.83/s.f.

All comparables are good indicators of value and overall, minimal adjustments apply.

A value estimate of \$5.00/s.f. for the underlying fee (unencumbered) is well supported, with all comparables considered but with additional consideration for the about \$3.60/s.f. to \$5.02/s.f. with the remaining comparables, excluding the aberrations, providing additional support reflecting something slightly less than \$7.89/s.f. and \$8.83/s.f.

The entire before parcel is not appraised, rather an across the fence value so that only the part acquired needs to be appraised. The part acquired includes 3,557 s.f. encumbered with an existing permanent highway easement (roadway right-of-way). The 3,557 s.f. of area encumbered with the existing permanent highway easement (roadway right-of-way) is valued at 5% of the underlying fee, or \$0.25/s.f., as most of the rights and all of the practical use of this area is eliminated due to the pre-existing encumbrance.

The value of the part acquired and converted to fee from pre-existing permanent highway easement is: $3,557 \text{ s.f.} \times \$0.25/\text{s.f.} = \$889.25$

Estimated Value of Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:

3,557 s.f. of the subject are encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights and no practical use, and as such, this area was valued at 5% of the underlying fee value, or \$.25/s.f., as follows:

$$3,557 \text{ s.f.} \times \$0.25/\text{s.f.} = \$889.25, \text{ say } \$889, \text{ rounded to the nearest whole dollar}$$

The estimated value of conversion of the existing permanent highway easement (roadway right-of-way) to fee is the entire estimated land market value of the encumbered 3,557 s.f. of the subject, or \$889



Site Improvements Damaged Within the Acquisition Area

Within the area of the proposed conversion of existing permanent highway easement (roadway right-of-way) to fee appears to be roadway right-of-way improvements that are owned by the public and not subject to compensation.

Conclusions and Allocation of Damages

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$889
Affected Site Improvements:	N/A
Estimated Damages:	\$889
Final Rounded Estimated Damages:	\$900



Attachments

Appear in the following order.

Certification

Aerial Photograph

Acquisition Sketches

Acquisition Legal Description

Project Description from MnDOT

Subject Photos

Comparable Sales Location Map & Data Sheets

Professional Qualifications – Julie Jeffrey Schwartz



Certification

S.P.: 3104-61RW (TH 2)

Parcel: 3104-827-10

Control Section: 3104 (2=8) 827

I certify that, to the best of my knowledge and belief.....

That I have personally inspected the property herein appraised. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based on are correct; subject to the limiting conditions therein set forth.

Katie Huspek, Licensed Residential Appraiser Trainee, MN License #40160103, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386 provided assistance in this appraisal. Ms. Huspek researched subject information, comparable sales, market information and the compilation of the report. Mr. Schwartz accompanied on the inspection, reached out to property owners, and confirmed comparable data. No one other than Ms. Huspek and Mr. Schwartz and the appraiser signing this report have provided significant professional assistance in the compilation of this report, its data, or analysis.

That I understand that such appraisal may be used in connection with the acquisition by the Minnesota Department of Transportation (MnDOT) related to the TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the improvements for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the landowner, was disregarded in determining the compensation for the property.

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, the MnDOT Right of Way Manual, Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and appropriate state laws, regulations, policies and procedures applicable to an appraisal of right-of-way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under established State or Federal law.



That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no present or prospective interest, or personal bias, regarding the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.


The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Julie Jeffrey-Schwartz has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

As of the date of this report, Julie Jeffrey-Schwartz has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

That I have not revealed the findings and results of such appraisal to anyone other than the proper acquisition officials of the Minnesota Department of Transportation, and their consultants, and that based on my independent appraisal and exercise of my professional judgment, the proposed acquisition for the subject property has a market value as of January 23, 2024 (the date of inspection) as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$889
Affected Site Improvements:	N/A
Estimated Damages:	\$889
Final Rounded Estimated Damages:	\$900



 Appraiser: Julie Jeffrey Schwartz
 Certified General Appraiser
 Minn. #4002423

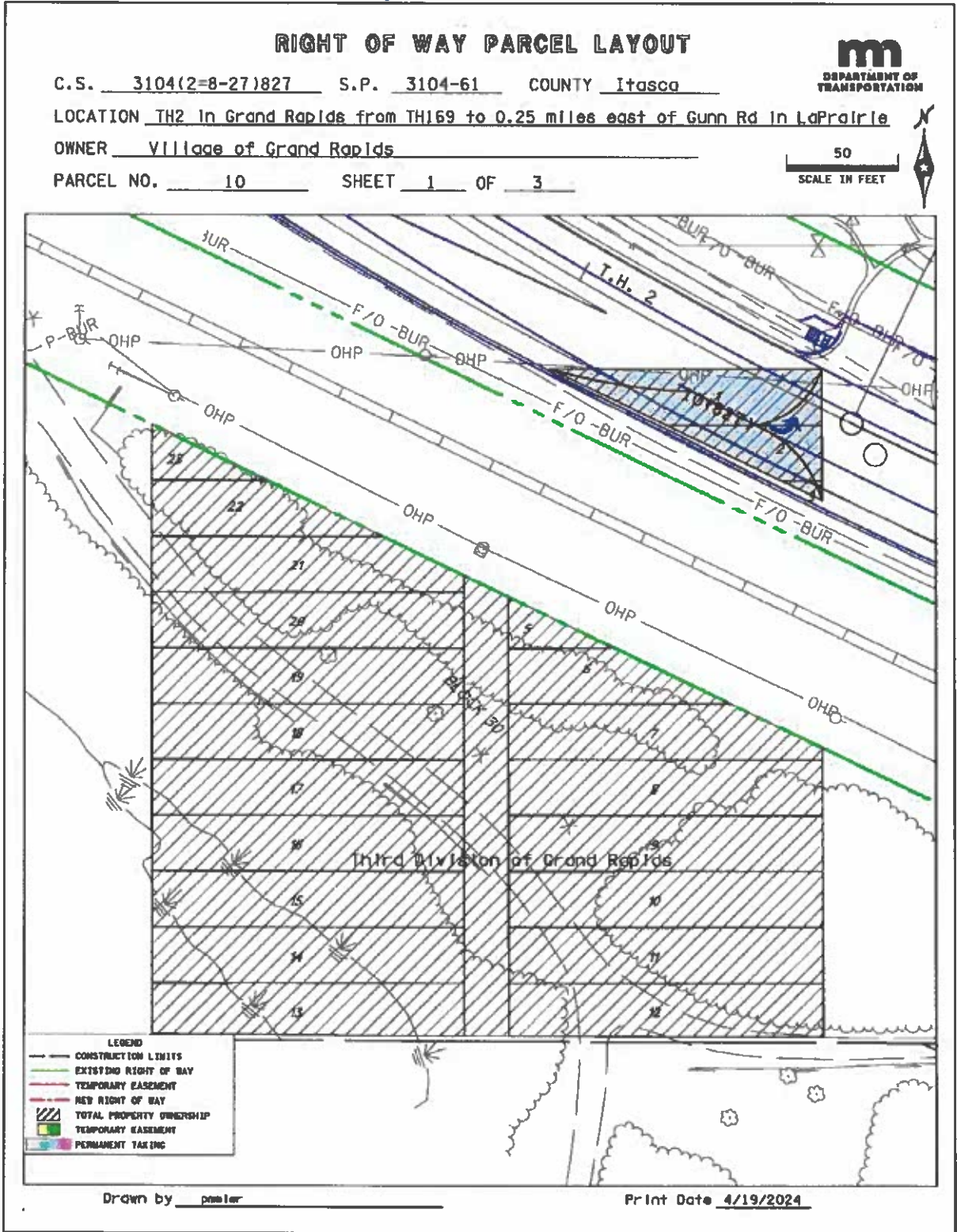
09/04/2024
 Date



Aerial Photograph



Acquisition Sketches



RIGHT OF WAY PARCEL LAYOUT

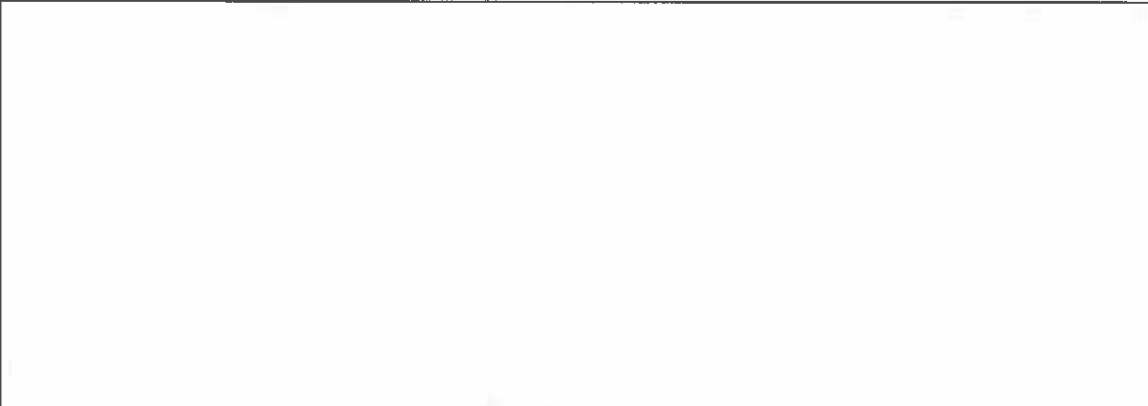


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 10 SHEET 2 OF 3



C.S. 3104(2=8-27)827 S.P. 3104-61

Third Division of Grand Rapids

PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
10	31-221	Village of Grand Rapids	LOTS 8-20, PART OF LOTS 1-7, 21-23 BLK 30	63946	3557	60389	3557	FEE

Drawn by psoler

Print Date 5/15/2024



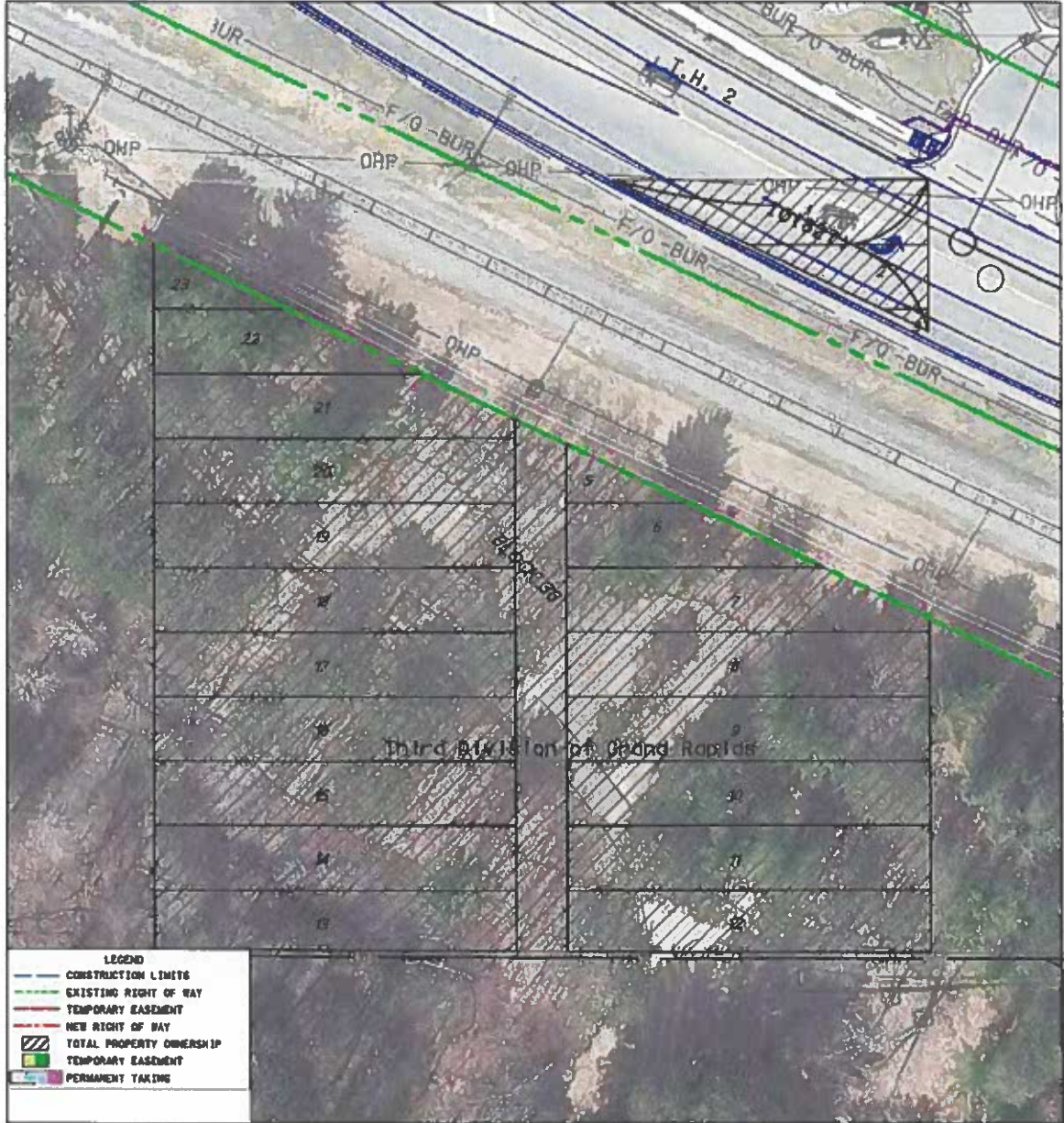
RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 10 SHEET 3 OF 3



Drawn by peeler

Print Date 4/19/2024



Acquisition Legal Description

May 6, 2024
3104-827-10

FEE ACQUISITION

Parcel 10 C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 1 through 3, inclusive, Block 30, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 10 on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.



Project Description From MnDOT

The subject is impacted by the Minnesota Department of Transportation's TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61. The project is on TH 2 in Grand Rapids from TH 169 to 0.25 miles east of Gunn Road in La Prairie, MN in Itasca County, MN. The following mapping and information about the project was taken from MnDOT's website.

About this project

Summary of work

Pavement rehabilitation (mill and overlay), drainage and ADA upgrades.



Schedule

- Construction is scheduled for 2025

Location

- On Hwy 2, Hwy 169 to Gunn Road in LaPrairie

Benefits

- Improved ride and increased service life of the pavement
- Compliance with ADA requirements
- Pedestrian improvements including an enhanced crossing at LaPrairie Avenue and a bikeable/walkable shoulder



Subject Photographs
Taken January 23, 2024



Looking west-southwesterly at the subject and area of the proposed acquisition from NE 1st Street



Looking southwesterly at the subject and area of the proposed acquisition from NE 1st Street



Looking south-southwesterly at the subject and area of the proposed acquisition from NE 1st Street





Street scene looking east-southeasterly along U.S. Highway 2 E (TH 2) from NE 1st Street

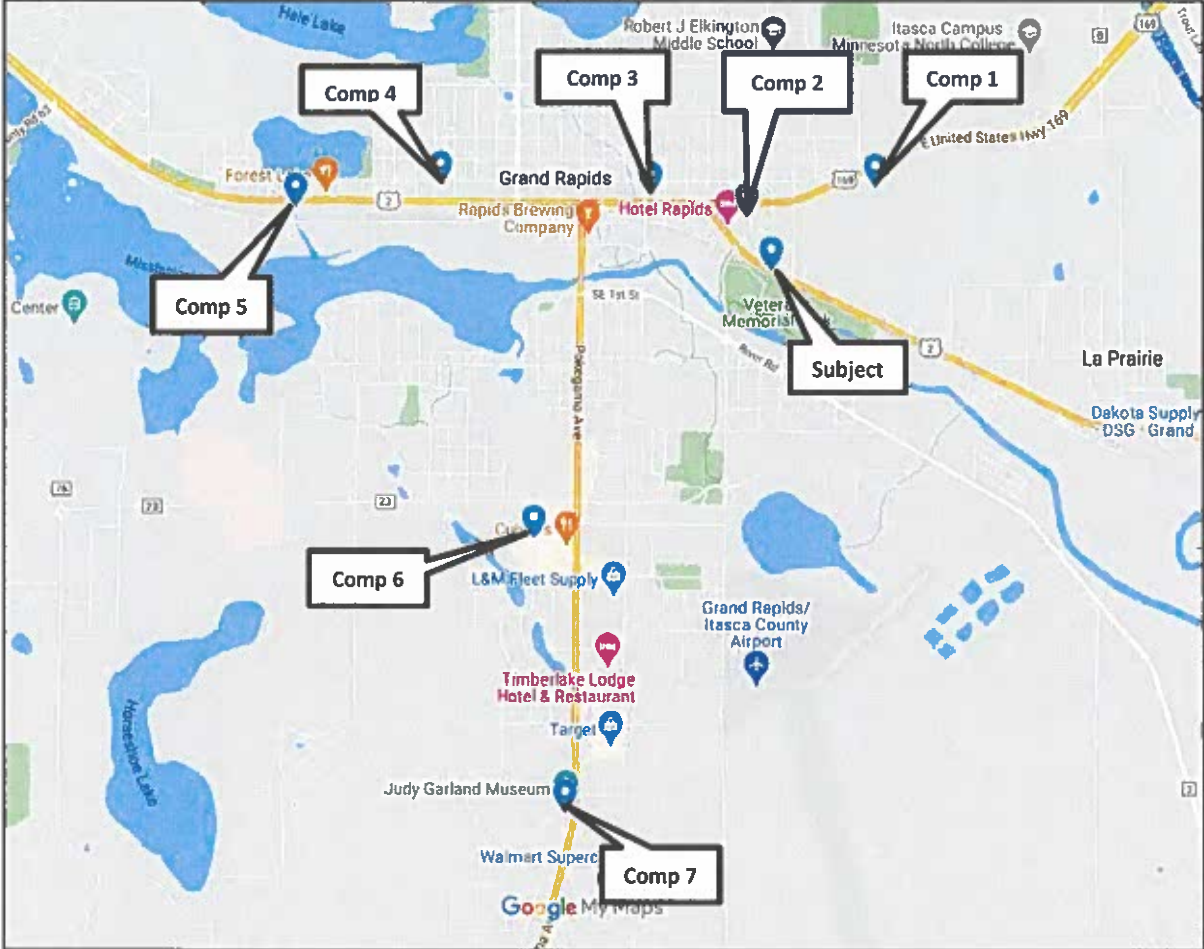


Comparable Sales Summary

Comp #	Address	Sale Price	Site Size	Sale Date	Price per SF	Zoning	Comments
1	1300 E US Highway 169, Grand Rapids, MN 55744	\$700,000	194,713 s.f. (4.47 acres)	10/2022	\$3.60/s.f.	GB, General Business & Airport Safety Zone C	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue, US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.
2	710 NE 4th Street, Grand Rapids, MN 55744	\$175,000	34,848 s.f. (0.80 acres)	01/2022	\$5.02/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.
3	301 NE 4th Street, Grand Rapids, MN 55744	\$150,000	16,988 s.f. (0.39 acres)	06/2023	\$8.83/s.f.	GB, General Business & Airport Safety Zone C	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.
4	416 NW 7th Avenue, Grand Rapids, MN 55744	\$110,000	13,939 s.f. (0.32 acres)	12/2022	\$7.89/s.f.	GB, General Business	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.
5	1402 NW 4th Street, Grand Rapids, MN 55744	\$120,000	30,056 s.f. (0.69 acres)	10/2022	\$3.99/s.f.	SGB, Shoreland General Business	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.
6	xxx SW 2nd Avenue, Grand Rapids, MN 55744	\$421,936	69,696 s.f. (1.60 acres)	04/2022	\$6.05/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.
7	xxx US Hwy 169, Grand Rapids, MN 55744	\$125,000	27,007 s.f. (0.62 acres)	11/2022	\$4.63/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.

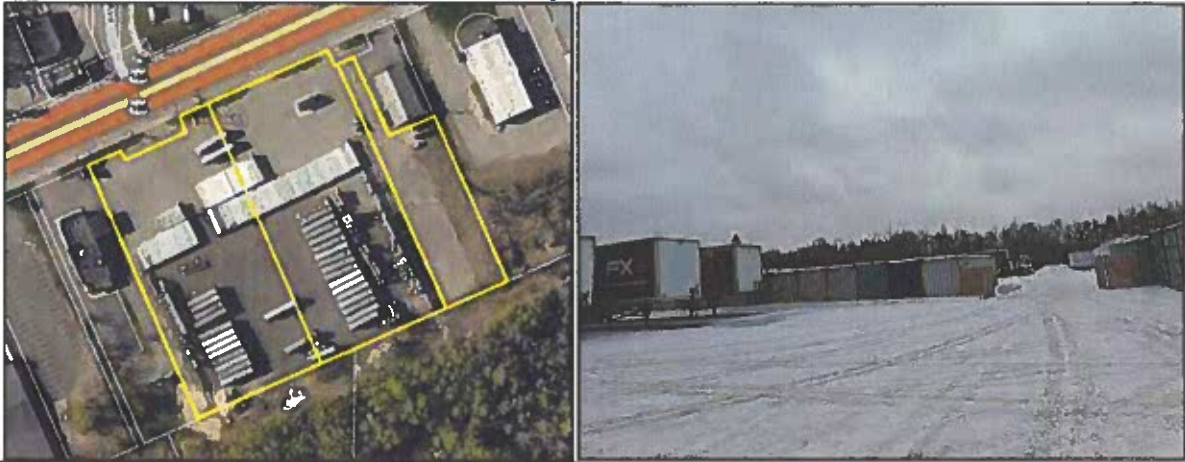


Comparable Location Map



Comparable Sales Data Sheets

Comparable #1



Comp 1

Address/Location:	1300 E US Highway 169, Grand Rapids, MN 55744
PID #:	93-480-0070, 93-480-0056 & 93-480-0081
Legal Description:	Lengthy Legal
Sale Price:	\$700,000
Price/S.F.:	\$3.60/s.f.
Sale Date:	10/24/2022
Size:	194,713 SF (4.47 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	12,200 & 1,639
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Meds-I Ambulance Service, Inc./L & M LaPrairie Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1482755), county records, various data bases, and the seller representative, Timothy George with Meds-I Ambulance Service, Inc.
Comments:	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.



Comparable #2



Comp 2	
Address/Location:	710 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-425-2020
Legal Description:	Lengthy Legal
Sale Price:	\$175,000
Price/S.F.:	\$5.02/s.f.
Sale Date:	1/3/2022
Size:	34,848 SF (0.80 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	7,555, one parcel removed from 9,300-13,900
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Market Rate Financing/Warranty Deed/Fee Simple
Grantor/Grantee:	Hernesman Brothers Partners/KR Real Estate Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1367874), county records, various data bases, and the buyer representative, Michael Kellin with KR Real Estate Holdings, LLC.
Comments:	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.



Comparable #3

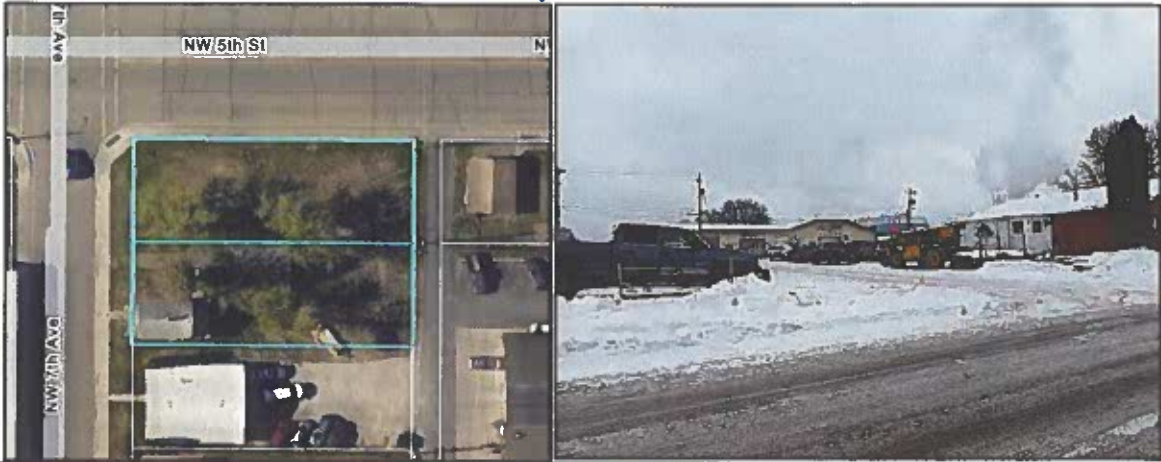


Comp 3

Address/Location:	301 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-415-2640
Legal Description:	Lengthy Legal
Sale Price:	\$150,000
Price/S.F.:	\$8.83/s.f.
Sale Date:	6/21/2023
Size:	16,988 SF (0.39 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	14,200 & 1,871
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kirk & Debra Davis/Samuel & Lenora Evans
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1548334), county records, various data bases, and the seller, Kirk Davis.
Comments:	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.



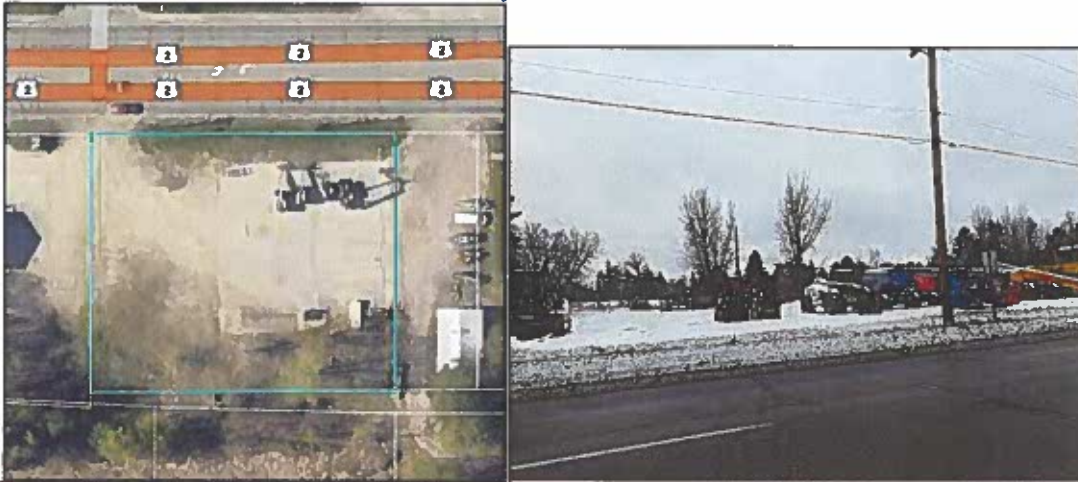
Comparable #4



Comp 4	
Address/Location:	416 NW 7th Avenue, Grand Rapids, MN 55744
PID #:	91-420-2060 & 91-420-2065
Legal Description:	Lengthy Legal
Sale Price:	\$110,000
Price/S.F.:	\$7.89/s.f.
Sale Date:	12/29/2022
Size:	13,939 SF (0.32 acres)
Utilities:	All Available
Zoning:	GB, General Business
AADT:	2,190-4,330 (2022 counts)
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kathern & Paul Simpson and Mark Peavey/Michael & Bonnie McLynn
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1502640), county records and various data bases
Comments:	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.



Comparable #5



Comp 5	
Address/Location:	1402 NW 4th Street, Grand Rapids, MN 55744
PID #:	91-705-2030
Legal Description:	Lengthy Legal
Sale Price:	\$120,000
Price/S.F.:	\$3.99/s.f.
Sale Date:	10/6/2022
Size:	30,056 SF (0.69 acres)
Utilities:	All Available
Zoning:	SGB, Shoreland General Business
AADT:	13,300
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Quit Claim Deed/Fee Simple
Grantor/Grantee:	Darrel & Kathleen Wagner/BPB, Incorporated
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1476181), county records, various data bases, and the buyer, Tom Showalter representative of BPB, Incorporated.
Comments:	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.



Comparable #6



Comp 6	
Address/Location:	xxx SW 2nd Avenue, Grand Rapids, MN 55744
PID #:	91-562-0130
Legal Description:	Lot 3, Block 1, MY PLACE HOTEL MATURI ADDITION
Sale Price:	\$421,936
Price/S.F.:	\$6.05/s.f.
Sale Date:	4/1/2022
Size:	69,696 SF (1.60 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	None recorded
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	MATURI PROPERTIES LLC/IRON RANGE MP LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1395090), county records and various data bases
Comments:	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.



Comparable #7



Comp 7	
Address/Location:	xxx US Hwy 169, Grand Rapids, MN 55744
PID #:	91-033-2322
Legal Description:	Lengthy Legal
Sale Price:	\$125,000
Price/S.F.:	\$4.63/s.f.
Sale Date:	11/16/2022
Size:	27,007 SF (0.62 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	19,800
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Leisure Hills Care Center, LP/Judy Garland Children's Museum
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1490685), county records, various data bases, and the buyer representative, Janie Heitz with the Judy Garland Children's Museum.
Comments:	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Email: julie@lakestate.com Direct: 851-653-0788

EDUCATION

Appraisal

Appraisal Institute (current to 1991; most current to least current order):
 Advanced Spreadsheet Modeling for Valuation Applications, Appraisal Institute
 Advanced Concepts and Case Studies, Appraisal Institute
 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 Marketability Studies: Six Step Process and Basic Applications, Appraisal Institute
 Residential Design: The Makings of a Good House, Appraisal Institute
 Oil Spills and Property Values Webinar, Appraisal Institute
 Business Practice and Ethics, Appraisal Institute
 Litigation Appraisal: Specialized Topics and Application, Appraisal Institute
 Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
 Uniform Standards of Professional Appraisal Practice (numerous times, most recently 2018), Appraisal Institute
 Land Valuation Assignments, Appraisal Institute
 Land Valuation Adjustment Procedures, Appraisal Institute
 The Appraisal of Easements, Appraisal Institute
 Partial Interest Valuation -- Divided, Appraisal Institute
 The Appraisal of Special Use Properties, Appraisal Institute
 Report Writing and Valuation Analysis, Appraisal Institute
 Commercial Highest and Best Use, Appraisal Institute
 Advanced Applications, Appraisal Institute
 Standards of Professional Appraisal Practice A, B & C, Appraisal Institute
 Capitalization Theory and Techniques A & B, Appraisal Institute
 Basic Valuation Procedures, Appraisal Institute
 Real Estate Appraisal Principles, Appraisal Institute
 Appraisal of Special Use Properties: The Road Less Traveled, Appraisal Institute
 Case Studies in Commercial Highest and Best Use, Appraisal Institute
 Analyzing Distressed Real Estate, Appraisal Institute

Other (current to 1988):

Appraisal Review for Federal-Aid Highway Programs, National Highway Institute
 Investment Property Appraisal and Financial Analysis, ProSource
 Advanced Yield Capitalization, ProSource
 Appraising Income Producing Properties, ProSource
 Appraising Commercial Properties, ProSource
 Appraisal Standards and Ethics, ProSource
 Certified Real Estate Appraisers (CREA) Course, ProSource
 Houses: FHA Appraisal and Construction Standards, ProSource
 Home Inspections: Beyond the Basics, ProSource
 Appraisal of Manufactured Homes
 Numerous Seminars (International Right of Way Assoc., Farm Managers & Rural Appraisers, Appraisal Institute)

General

Lakewood College, Associate of Arts Degree with Distinction, 1991
 Realtor Institute, Graduate (G.R.I. Designation), 1987
 Northeast Metro Technical Institute, Computer Operations/Programming Degree, 1984

EXPERIENCE

President and Owner, Lake State Realty Services, Inc., since 1991
 Real Estate Sales License since 1984, Real Estate Brokerage license since 1991
 Appraising Real Estate since 1985
 Employed by Minnesota Department of Transportation for 4 years, as appraiser/expert witness
 Testified at various hearings, trials and depositions
 General contracting experience and some property management experience (1990 to present)
 Co-developer of 10-lot lakefront subdivision on Lake Vermilion, Minnesota (2002-2005)

LICENSES, COMMISSIONS, MEMBERSHIPS/AFFILIATIONS, AWARDS, APPOINTMENTS

Certified General Appraiser License, Minn #4002423
 Certified General Appraiser License, Wisc #482
 Certified General Appraiser License, Mich #12-01-005363
 Certified General Appraiser License, Ohio #423328
 Certified General Appraiser License, North Dakota #CG-2301
 Minnesota Real Estate Brokerage License
 Member of St. Paul, Minnesota, and National Association of Realtors
 Member of the Multiple Listing Service
 Member of the International Right of Way Association (IRWA)
 Member of the National Association of Realtors Appraisal Section



Member of the Appraisal Institute (Practicing Affiliate)
 Member of the National Association of Real Estate Appraisers (NAREA), Certified Real Estate Appraiser Designation-CREA
 Member of the American Society of Appraisers – Farm Managers and Rural Appraisers
 Appointed to the Lino Lakes Economic Development Authority Advisory Board (past 18 years); past Chairperson and Co-Chairperson of the Board numerous times
 Member Community Emergency Response Team (CERT) City of Lino Lakes and Board Member (Secretary)
 Co-Chair and Executive Board Member, and past Chair, Lino Lakes Volunteers in Public Safety
 Appointed to the International Right of Way Association's Appraisal Committee; past Chairperson
 Past Board of Director, founding member, and past President and Secretary – Quad Cities Chamber of Commerce
 Received Hammer Award for reinventing a federal government that is more efficient and costs less from Vice President Al Gore in 1999 (for appraisal services contract)
 Received letters of Commendation/Recognition from Governor Tim Pawlenty, Senator Amy Klobuchar, Senator Norm Coleman, and the American Red Cross for 9-hours of rescue efforts immediately after the I-35W Minneapolis bridge collapse in 2007
 Hero of the Year Disaster Relief 2008 from the Red Cross for heroic involvement after bridge collapse, including aid to the children from the school bus and heading logistics command to distribute food/water/ice to rescue and recovery workers
 Girl Scout Leader (2006 to 2011); District Delegate 2008, during critical merger of two councils
 Honorarium from the Minnesota League of Cities for reviewing, and contributing to the Local Improvement Guide (special assessment benefits) August 2008 and Special Assessment Tool Kit
 Development Committee Board Member, Phoenix Alternatives Inc. (PAI), a non-profit that provides day programming for developmentally disabled adults, conducting fund raising and advisement
 Instructor for Continuing Legal Education (CLE) Class "How to Value Residential Real Estate in Construction Defect Litigation"
 On the Anoka County Condemnation Commissioner's list
 On the Washington County Condemnation Commissioner and Probate Appraiser list
 On the Ramsey County Condemnation Commissioner's list
 Served as Chairperson of the Condemnation Commission
 Appointed as neutral appraiser by the courts and litigating parties
 Chisago County "Appraiser of Record" as of 2006 to current
 Served on St. Paul & Minn. Board of Realtors Gov't. Affairs, Prof. Standards, & Ethic Committees
 Certified Instructor for "Expert Witness Testimony" through the State of Minnesota (Through Int'l. Right of Way Assoc.)
 Speaker at the Minnesota League of Cities Engineer Conference (2004) on Special Assessment Benefit Analysis
 Speaker at the Minnesota Banking Risk Management Association "Residential Real Estate: Risks and Opportunities" September 2005
 Author of *A Neutral Appraisal Provides Accurate Valuation to Fairly Divide Marital Equity*, Family Law Forum, Vol. 24 No. 2, Spring 2016
 Contributor to the Lake Links Trail Network Master Plan and part of the consultant team, January 2001

PROPERTY TYPES APPRAISED

Extensive appraisal experience in MN, WI, OH, MI, ND, and IL, in numerous counties and cities, for various clients, including various government (Federal, State, County, City and other units), lenders, insurers, attorneys, courts, and private clients:

Residential: single family (inc. lakeshore/river front), town homes, condos, mobile homes, twin homes, and multi-family (including apartment buildings and complexes).

Commercial: restaurants, implement/auto dealerships, retail (stand alone & strips), parking lots/ramps, small to large office buildings, regional medical facilities and clinics, bowling alleys, saw mills.

Industrial: manufacturing, hi-tech, warehouses, distribution centers, single- & multi-tenant buildings.

Rural: crop land, rice farms, aqua-culture operations, organic farms, farmsteads with all buildings.

Investment: apartment buildings, duplex/multi-plex, office buildings, retail strip centers, mixed-use complexes; resorts/camp grounds.

Land: commercial, industrial, residential, residential subdivision analysis, wetlands, rural, railroad crossings, sand/gravel pits, timber land, lakeshore/river front, scenic easements and other easements, flood plain land, Tribal and Trust Land.

Other: professional liability; extensive litigation consulting/appraisal related to construction defects; trial consultation; special assessment benefit analysis; review appraisals on residential, commercial and special use properties; condemnation/litigation; neutral appraisals; partial takings/severance (right-of-way); feasibility studies, fractional interests; residential, commercial, and government reviews (state and federal); equipment and trade fixtures; special use -- including post offices; federal buildings; courthouses, fire stations, U.S. Customs Border Stations; Tribal and Trust land; park and ride facilities and other transit facilities, railway terminals; churches; auto proving grounds; substantially destroyed structures; lease analysis, and fair annual rental rates; easements (conservation, scenic, right of way, utility, and various others); redevelopment consulting/appraisal; blight determinations; developer feasibility studies and consultation services for residential subdivisions.



Office of Land Management (2-98)

STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION

RECOMMENDED FOR APPROVAL

Supervisor of Direct Purchase
APPROVED

By

**OFFER TO SELL AND
MEMORANDUM OF CONDITIONS**

C.S.: 3104 (2=8) 827 Parcel: 10 County: Itasca

Owners and addresses: City of Grand Rapids, successor to Town of Grand Rapids, Mayor, Grand Rapids City Hall, 420 N. Pokegama, Grand Rapids, Minnesota, 55744-2662;

For a valuable consideration, on this _____ day of _____, _____, the undersigned owners hereby offer to sell and convey to the State of Minnesota for a total consideration of _____ Dollars (\$_____) a fee simple title to the real estate or an interest therein situated in Itasca County, Minnesota, described in the copy of the instrument of conveyance hereto attached.

The undersigned parties have this day executed an instrument for the conveyance of the aforesaid real estate or an interest therein to the State of Minnesota, and have conditionally delivered the same to the State of Minnesota, which instrument shall have no effect until and unless this offer to sell and convey is accepted in writing by the Office of Land Management of the Minnesota Department of Transportation within 90 days from the date of this offer. Such notice of acceptance shall be by certified mail directed to the address appearing after our signatures hereto. If this offer is not so accepted within the time limited herein such conveyance shall be of no effect, and said instrument shall forthwith be returned to the undersigned owners.

If this offer is accepted it is mutually agreed by and between the owners and the State as follows:

(1) Possession of the real estate shall transfer to the State within ~~days after~~ the date of acceptance. The owners shall have the right to continue to occupy the property or to rent same to the present occupants or others until the date of transfer of possession. Any change in occupancy shall be subject to approval and concurrence by the State. On or before the date for transfer or possession the owners will vacate the real estate and the improvements (if any) located thereon, or cause same to be vacated, remove all personal effects therefrom and have all utilities (if any) shut off by the supplier of same. No buildings appurtenances or other non-personal items or fixtures will be removed from the premises by the owners or renters, including plumbing and heating fixtures, etc. The owners shall notify the Department of Transportation as soon as the improvements are vacated. The owners will maintain the improvements during their period of occupancy and will make all necessary repairs at their own expense. The State's prospective bidders for the purchase or demolition of the improvements on the property shall have the right of entry for inspection purposes during the last 10 days of possession by the owners.

(2) Title to said real estate shall pass to the State of Minnesota as of the date of said

acceptance subject to conditions hereinafter stated.

(3) Buildings (if any) on said real estate shall be insured by the owners against loss by fire and windstorm in the amount of present coverage or if none in force then in an amount not less than the current market value during the entire period of the owners' occupancy of the buildings on the real estate, such policy or policies of insurance to be endorsed to show the State's interest.

(4) If the State of Minnesota is acquiring all or a major portion of the property, mortgages (if any) on the property shall be satisfied in full by the State of Minnesota. The amount paid by the State of Minnesota to satisfy said mortgage(s) shall be deducted from the amount to be paid to the owners under the terms of this agreement. The amount paid by the State of Minnesota to satisfy the mortgage(s) shall include interest on the mortgage(s) to date that payment is made to the mortgage holder.

(5) If the State of Minnesota is acquiring only a minor portion of the property, and the property is encumbered by a mortgage, it shall be the responsibility of the owners to furnish a partial release of mortgage. The mortgage holder will be included as a payee along with the owners on the check drawn in payment for the property. Any fee charged by the mortgage holder for the partial release of mortgage must be paid for by the owners.

(6) The owners will pay all delinquent (if any) and all current real estate taxes, whether deferred or not, which are a lien against the property. **Current taxes shall include those payable in the calendar year in which this document is dated.** The owners will also pay in full any special assessments, whether deferred or not, which are a lien against the property. The owners will also be responsible for and will pay in full any pending special assessments. The owners' obligation to pay deferred and pending taxes and assessments shall continue after the sale and shall not merge with the delivery and acceptance of the deed.

(7) If encumbrances, mechanics liens or other items intervene before the date the instrument of conveyance is presented for recording and same are not satisfied or acknowledged by the owners as to validity and amount and payment thereof authorized by the owners, said instrument of conveyance shall be returned to the owners.

(8) Payment to the owners shall be made in the due course of the State's business after payment of taxes, assessments, mortgages and all other liens or encumbrances against said real estate. The owners will not be required to vacate the property until the owners have received payment.

(9) No payments shall be made of any part of the consideration for said sale until marketable title is found to be in the owners and until said instrument of conveyance has been recorded.

(10) The owners hereby acknowledge receipt of a copy of the instrument of conveyance executed by them on this date, and a copy of this offer and memorandum.

(11) It is understood that unless otherwise hereinafter stated the State acquires all appurtenances belonging to the premises including:

OWNERS

CITY OF GRAND RAPIDS, successor to Town of Grand Rapids

By _____

Its _____

And _____

Its _____

(Address of Owner where acceptance is to be mailed.)

RIGHT OF WAY PARCEL LAYOUT

Item 21.

DEPARTMENT OF
TRANSPORTATION

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

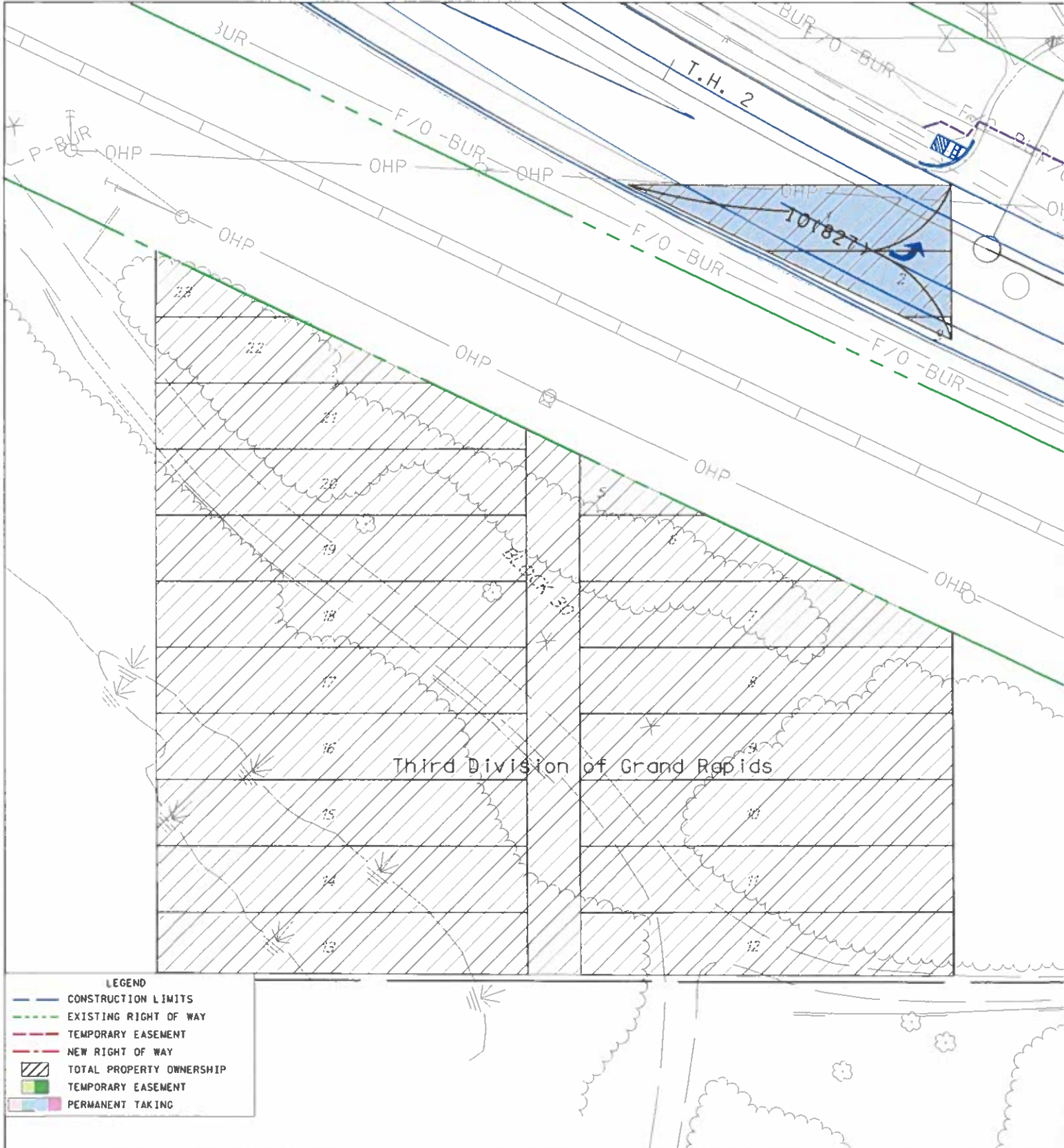
LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

50

PARCEL NO. 10 SHEET 1 OF 3

SCALE IN FEET



Drawn by pmeler

Print Date 4/19/2024

RIGHT OF WAY PARCEL LAYOUT

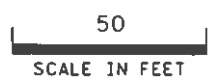
Item 21.

DEPARTMENT OF
TRANSPORTATION

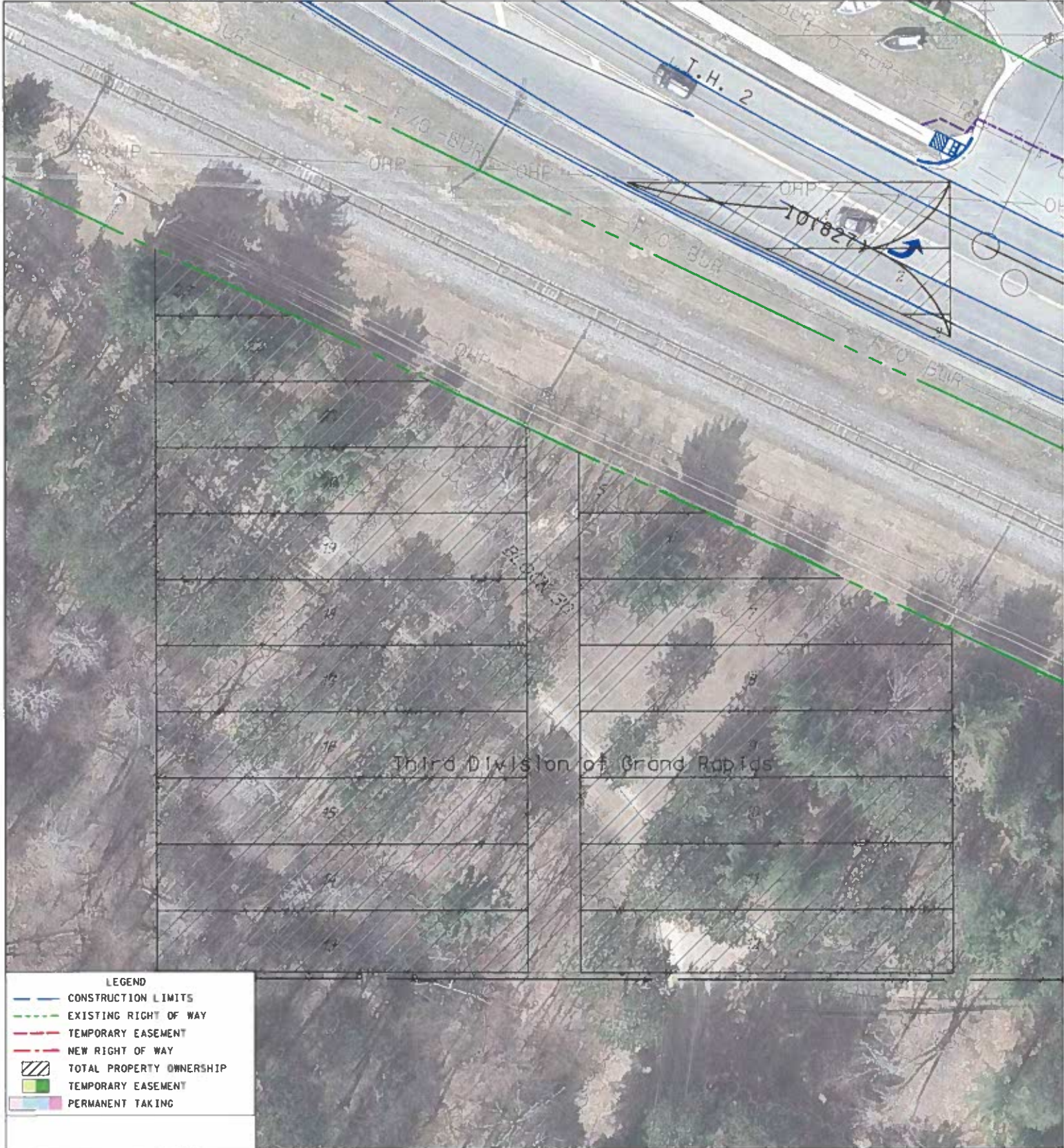
C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids



PARCEL NO. 10 SHEET 3 OF 3



Drawn by pmeter

Print Date 4/19/2024

FL
SM
B/A

May 6, 2024
3104-827-10

FEE ACQUISITION

Parcel 10 C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 1 through 3, inclusive, Block 30, THIRD DIVISION OF GRAND RAPIDS, shown as Parcel 10 on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota.

Date:

10/29/24

City of Grand Rapids
Mayor
Grand Rapids City Hall
420 N. Pokegama
Grand Rapids, MN 55744-2662

In reply refer to: MS 631
S.P.: 3104-61RW C.S.: 3104 (2=8) 827 Job: TRW238810
County: Itasca
Parcel: 325D - Village of Grand Rapids
Property Address:

The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing a portion of your property for improvements to Highway 2. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the land acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property being purchased. The certified appraised amount offered to you is \$1,100.00. This amount is for the real estate being acquired and no other damages or loss in value to the remainder property has been identified in the appraisal.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Very truly yours,

Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet

Legal Description describing acquisition

Offer to Sell and Memorandum of Conditions (reference copy if applicable)

Conveyance Instrument (reference copy if applicable)

"Relocation Assistance" Booklet (if applicable)

Valuation Report

Appraisal Reimbursement Claim form

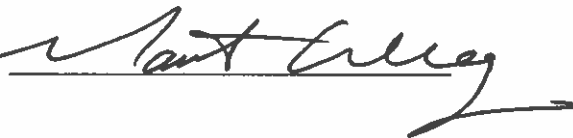
Acquisition Incidental Claim form

Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: 10/29/2024

Owners Signature: 

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$ _____ C.S. 3104 (2=8) 827

Parcel 325D

Date: _____

County of Itasca

For and in consideration of the sum of _____ Dollars (\$ _____),

City of Grand Rapids, successor to Village of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, Grantor, hereby conveys and warrants to the State of Minnesota, Grantee, real property in Itasca County, Minnesota, described as follows:

All of the following:

That part of Government Lot 1 of Section 21, Township 55 North, Range 25 West, shown as Parcel 325D on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota;

containing 5632 square feet, more or less, which is encumbered in its entirety by an existing highway easement.

together with all hereditaments and appurtenances belonging thereto. Subject to mineral rights and utility easements of record, if any.

Check box if applicable:

The Seller certifies that the seller does not know of any wells on the described real property.

- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number _____.)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

CITY OF GRAND RAPIDS, successor to Village of Grand Rapids

By _____

Its _____

And _____

Its _____

STATE OF MINNESOTA)
)SS.
 COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ and _____, the _____ and _____ of City of Grand Rapids, successor to Village of Grand Rapids, a municipal corporation under the laws of the state of Minnesota, on behalf of the municipal corporation.

NOTARY PUBLIC

My commission expires: _____

This instrument was drafted by the State of Minnesota, Department of Transportation, Legal and Property Management Unit, 395 John Ireland Blvd. St. Paul, MN 55155-1800

Send tax statements to Grantee:
 State of Minnesota
 Department of Transportation
 District 1 Right of Way
 1123 Mesaba Avenue
 Duluth, MN 55811

COPY

Item 21.

Minimum Damage Valuation Appraisal Report



A Partial Acquisition From
Parcel Number 3104-827-325D
The City of Grand Rapids Property
xxx E U.S. Highway 2, Grand Rapids, MN 55744
PID# 91-021-4100

Project
TH 2 La Prairie Mill & Overlay Project
Minnesota Department of Transportation (MnDOT)
State Project Number (SP): 3104-61
Trunk Highway Number (TH): 2

Prepared For
Mr. John Hinzmann Jr., District 1 Land Management Supervisor
Minnesota Department of Transportation (MnDOT)

By
Julie Jeffrey Schwartz
Lake State Realty Services, Inc.

Effective Date
January 23, 2024

Date of Report
September 5, 2025



Executive Summary

State Project:	3104-61RW (TH 2)
Control Section:	3104 (2=8) 827
Parcel Number:	3104-827-325D
Owner:	Per a Field Title Report provided by the client, the current fee owner is the City of Grand Rapids
Property Address:	xxx E U.S. Highway 2, Grand Rapids, MN 55744
County:	Itasca County, MN
Legal Description:	See later in this appraisal
Parcel Identification Number(s):	91-021-4100
2022 Assessed Values, Taxes Payable 2023	Land: \$204,300; Improvements: \$0; Total: \$204,300 Taxes Payable 2023: N/A, tax exempt owned by the City of Grand Rapids
Proposed 2023 Assessed Values, Taxes Payable 2024	Land: \$249,200; Improvements: \$0; Total: \$249,200 Proposed Taxes Payable 2024: N/A, tax exempt owned by the City of Grand Rapids
Intended Use/Purpose:	Estimate of value for conversion of existing permanent highway easement (roadway right-of-way) to fee
Client/Intended Users:	Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT)
Entire Tract Size:	Per information provided by the client, the subject is 1,006,962 s.f. or 23.12 acres in size, of which 5,632 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 1,001,330 s.f. or 22.99 acres. It is noted, Itasca County Records reflect the subject parcel as being comprised of 21.22 deeded acres, however, the size per the client is deemed more reliable, assumed based on a survey, as is used as the size throughout the report. It is further noted, the subject parcel is located adjacent to multiple parcels under the same ownership, however, only the subject parcel described within this appraisal is appraised within this appraisal.
Improvements:	The subject is generally comprised of vacant land, however, the area located within the existing permanent highway easement (roadway right-of-way) is improved with roadway right-of-way improvements, and the area to the southwest of the railroad, which is part of the City of Grand Rapids' Veterans Memorial Park, has various park improvements.
Zoning:	The northeastern corner of the subject, area to the northeast of the railroad, is zoned GB, General Business, with the remaining area, area southwest of the railroad, is zoned SPU, Shoreland Public Use and is subject to the Shoreland Management District, as governed by the City of Grand Rapids. The entire subject is also subject to Airport Safety Zone C, and the western portion of the subject is also subject to Airport Safety Zone B, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.
Guided Land Use:	The northeastern corner of the subject, area to the northeast of the railroad, is guided for Transportation and Utilities use, and the remaining area, area to the southwest of the railroad is guided for Parks and Recreation use, as guided by the City of Grand Rapids
Highest and Best Use:	Roadway right-of-way, as historically and currently used in the area of the proposed acquisition
Interest Appraised:	Fee Simple
Proposed Acquisition:	Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee: 5,632 s.f.
Recommended Compensation:	\$1,100 (R)
Effective Date:	January 23, 2024
Appraiser:	Julie Jeffrey Schwartz, Certified General Appraiser, Minnesota #4002423



Property Appraised

The subject property appraised is comprised of one legal parcel of record. Per information provided by the client, the subject is 1,006,962 s.f. or 23.12 acres in size, of which 5,632 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 1,001,330 s.f. or 22.99 acres. The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located on the southern side of U.S. Highway 2 E (TH 2), west of NE 11th Avenue, and east of NE 8th Avenue. A railroad runs through the northern portion of the parcel in a northwest/southeast direction, splitting the parcel into two areas. The small area located to the northeast of the railroad is located to the southwest of the intersection of U.S. Highway 2 E (TH 2) and NE 11th Avenue, and is fully encumbered with an existing permanent highway easement (roadway right-of-way). The larger area of the subject, located to the southwest of the railroad, is part of the City of Grand Rapids' Veterans Memorial Park, and is accessed via an internal roadway, which runs through the subject parcel, as well as adjacent parcels under the same ownership to the north, and connects to NE 8th Avenue to the west. The southern boundary of the subject parcel fronts on the Mississippi River. The subject does not have a physical address.

The subject is generally comprised of vacant land, however, the area located within the existing permanent highway easement (roadway right-of-way) is improved with roadway right-of-way improvements, and the area to the southwest of the railroad, which is part of the City of Grand Rapids' Veterans Memorial Park, has various park improvements.

Subject Legal Description

Per a Title Opinion provided by the client, the subject has the following legal description:

That part of the miscellaneous tract designated as "Depot Ground", Wilson and Gillespie's Addition, on the record plat, described as follows: beginning at a point on the east line of Depot Ground, 320 feet south of the northwest corner of Government Lot 1, Section 21, Township 55 North, Range 25 West of the 4th Principal Meridian; thence north 54 degrees 40 minutes west, 470 feet, more or less, to a point on the northwesterly line of Depot Ground; thence southwesterly along said northwesterly line, 55 feet, more or less, to the northerly shore line of Mississippi River; thence southeasterly and downstream along said shore line 500 feet, more or less, to the east line of Depot Ground; thence north along said east line 50 feet, more or less, to the point of beginning. The east line of Depot Ground is assumed as the meridian in this description.

All that portion of Government Lot 1, Section 21, Township 55 North, Range 25 West of the 4th Principal Meridian, Itasca County, described as follows: and contains 0.4 of an acre, more or less: Beginning at a point on the west line of said lot, 320 feet south of the northwest corner thereof, thence south degrees 50 minutes east, 810 feet; thence south 24 degrees 10 minutes west 25 feet, more or less, to the northerly shore of Mississippi River; thence northwesterly and upstream along said shore line, 800 feet, more or less, to the west line of said Lot 1; thence north along said west line 50 feet, more or less, to the point of beginning. The west line of said Lot 1 is assumed as the meridian in this description.



Appraisal Report Type

An MDV is a restricted appraisal report whereby damages resulting from a right-of-way related acquisition to the subject property are estimated to be under \$25,000. This appraisal report is intended to comply with the reporting requirements of USPAP (Uniform Standards of Professional Appraisal Practice). Only summary information and discussion of the data, reasoning and analyses are contained within this report. This report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. Supporting documentation not contained in this report is retained in the appraiser's work file. The depth of data and analysis contained in this report are specific to the intended needs of the client, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), for the intended use of negotiations related to the proposed partial acquisition of conversion of existing permanent highway easement (roadway right-of-way) to fee.

Scope of Work

Appraisal Type/Format: This is a minimum damage valuation (MDV) appraisal report (land only) reported in a restricted appraisal format, with no departure from the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, and is in compliance with the reporting requirements of Standards Rule 2-2 (b) of USPAP.

Inspection: Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

Property Data: General and specific information related to the subject property and its location was obtained from various sources, including public records from the City of Grand Rapids, and Itasca County. Information including assessor's estimated market value, any applicable annual property taxes, current and proposed zoning, and current and guided land use, was obtained.

Property Analysis: Based on the inspection and subject property data, the subject property was analyzed in context to its neighborhood, its market, including supply and demand factors, and the highest and best use was concluded before the proposed acquisition. Information related to the proposed partial acquisition was provided by the client, and the impact of the acquisition was considered in the opinion of highest and best use and conclusion of damages.



Highest and Best Use and Approaches to Value: Based on the information gathered and investigation of the market, the highest and best use was concluded both before and after the partial acquisition. The highest and best use determined the applicable approach to value which, in the instance of the subject, included only the sales comparison approach (f/k/a as the market approach). The highest and best use supported the types of comparables to use in the comparable sales analysis. The cost approach was not applicable due to lack of improvements impacted by the proposed acquisition. The income approach was not applicable due to lack of rental data in the market for vacant land.

Sources for Market Data: Market data related to the recent land sales was obtained from various sources, including assessor's records, local data exchanges including, Realist and the Regional Multiple Listing Service, and private appraiser databases. The comparable data was confirmed by this appraisal office, as detailed on each comparable data sheet.

Reconciliation: The opinion of market value for the subject has been reconciled and that opinion of market value was used to base compensation for damages related to the partial acquisition from the subject property.

Definition of Market Value

The Appraisal Institute's The Dictionary of Real Estate Appraisal, 6th Edition, includes the following in its definition for "market value":

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress"

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and



5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or creative terms, services, fees, costs or credits involved in the transaction.

Purpose / Intended Use

The purpose of this appraisal is to provide an estimate of market value of a partial acquisition related to the Minnesota Department of Transportation's State Project 3104-61RW (TH 2). The partial acquisition includes conversion of existing permanent highway easement (roadway right-of-way) to fee. This appraisal is being completed for the requestor, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), who intends to use this report (function) for acquisition negotiation purposes related to the partial acquisition of the subject property.

Five Year Sale History

Per county records, and a Title Opinion provided by the client, there has not been a sale of the property in the past five years.

Assumptions and Conditions

The certification of this appraisal report is subject to the following:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the marketability of the title.
2. The property is assumed to be under responsible ownership and management.
3. The property is appraised as though clear and free of any liens, encumbrances, or indebtedness, unless stated otherwise.
4. To the best of the appraisers' belief, the information contained in this report is true and reported correctly. The information in this report, while not guaranteed, has been taken from sources or records believed to be reliable.
5. The Appraisers assume that there exists no hidden defects with the site, sub-soil, or improvements, which would render it more or less valuable.
6. Disclosure by the Appraisers of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraisers are affiliated.



7. The Appraisers are not required to appear in court or give testimony because of having made this report, unless arrangements have been made in advance.
8. This report, or any portions thereof, will not be distributed, or otherwise disseminated, to anyone other than the person who commissioned this or those involved in the certification, except as required by law.
9. This entire appraisal report must be considered as a whole and any excerpts or portions from this report cannot be considered separately.
10. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, as well as applicable zoning regulations and restrictions, unless otherwise stated.
11. It is assumed that all required licenses, consents or other authority from any local, state, or federal governments has been obtained or can be renewed.
12. It is assumed that the subject improvements, if any, are within the stated boundaries, and that there are no encroachments on neighboring property, or neighboring encroachments on the subject property, unless otherwise stated in this report.
13. The existence of potentially hazardous material such as urea-formaldehyde foam insulation, asbestos, existence of toxic water, toxic waste, or radon gas may have an effect on the value of the property. The Appraisers are not qualified to determine if such substances are present. The client may wish to consult an expert in this field.
14. Acceptance of or use of this appraisal report constitutes an understanding of and acceptance of these assumptions and limiting conditions.
15. The maximum liability which can accrue to the Appraisers or the Companies, as a result of performing this appraisal, is limited to the amount paid for the appraisal.
16. The Uniform Standards of Professional Appraisal Practice (USPAP 2024 edition), includes the following definitions for hypothetical condition and extraordinary assumption:

Hypothetical Condition:

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.



Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Extraordinary Assumption:

“An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Additionally, USPAP Standards Rule 1-2 (f) and (g) state the following about the reporting and use of hypothetical conditions and extraordinary assumptions:

(f) Identify any extraordinary assumptions necessary in the assignment. An extraordinary assumption may be used in an assignment only if:

- the extraordinary assumption is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption; and
- use of the extraordinary assumption results in a credible analysis;

(g) Identify any hypothetical conditions necessary in the assignment. A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; and
- use of the hypothetical condition results in a credible analysis.

There are no extraordinary assumptions employed in this appraisal. There is one hypothetical condition employed in this appraisal, as follows:

There is a hypothetical condition, that the proposed acquisition is presumed to exist as of the effective date of value. This hypothetical condition is assumed in order to value the damages related to the partial acquisition. The use of this hypothetical condition may have affected the assignment results.



Subject Description, Before the Acquisition

The subject property appraised is comprised of one legal parcel of record. Per information provided by the client, the subject is 1,006,962 s.f. or 23.12 acres in size, of which 5,632 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 1,001,330 s.f. or 22.99 acres. The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located on the southern side of U.S. Highway 2 E (TH 2), west of NE 11th Avenue, and east of NE 8th Avenue. A railroad runs through the northern portion of the parcel in a northwest/southeast direction, splitting the parcel into two areas. The small area located to the northeast of the railroad is located to the southwest of the intersection of U.S. Highway 2 E (TH 2) and NE 11th Avenue, and is fully encumbered with an existing permanent highway easement (roadway right-of-way). The larger area of the subject, located to the southwest of the railroad, is part of the City of Grand Rapids' Veterans Memorial Park, and is accessed via an internal roadway, which runs through the subject parcel, as well as adjacent parcels under the same ownership to the north, and connects to NE 8th Avenue to the west. The southern boundary of the subject parcel fronts on the Mississippi River. The subject does not have a physical address.

TH 2 has an Average Annual Daily Traffic count (AADT) of 6,700 (2019 count), and NE 8th Avenue has an AADT count of 10,300 (2017 count), in the area of the subject.

The subject has generally level topography on the northeastern corner of the parcel, the area to the northeast of the railroad, with the area to the southwest of the railroad having level, rolling and sloping topography. The subject has an irregular but conventional shape, and is split into two areas by a railroad. The drainage on the site is deemed adequate, and the subject is not located within floodplain.

The subject has access to all urban utilities including city sewer and water.

The northeastern corner of the subject, area to the northeast of the railroad, is zoned GB, General Business, with the remaining area, area southwest of the railroad, is zoned SPU, Shoreland Public Use and is subject to the Shoreland Management District, as governed by the City of Grand Rapids. Following is the purpose of the GB, General Business zoning district, followed by the purpose of the SPU, Shoreland Public Use zoning district, taken from the City of Grand Rapids' Zoning Ordinance:

GB general business district and SGB shoreland general business district. These districts are intended to accommodate a broad range of retail goods and services, land uses and generally serve the entire community. Though not exclusively so, businesses in this district are relatively freestanding and tend to occupy independent building sites. They may enjoy close proximity to like businesses but depend primarily on good accessibility, high visibility and a relatively large volume of passing traffic. For uses permitted by right refer to section 30-512. The SGB districts are also subject to shoreland management standards.



PU public use district and SPU shoreland public use district. The public land use districts are primarily intended to be used for major public and quasipublic uses of land as set forth in the comprehensive plan. They are also intended to accommodate major essential public facilities that provide governmental, educational, recreational, cultural and health care services to the entire community. For uses permitted by right refer to section 30-512. The SPU districts are also subject to shoreland management standards.

The entire subject is also subject to Airport Safety Zone C, and the western portion of the subject is also subject to Airport Safety Zone B, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board. The subject is not negatively impacted by the Airport Safety Zone C, with height restrictions high enough that traditional development can occur. Safety Zone B places the following additional restrictions on the subject, as taken from the Airport Zoning Ordinance:

Zone B: Subject at all times to the height restrictions set forth in subsection 30-64(b), and to the general restrictions contained in subsection 30-65(b)(1), areas designated as zone B shall be restricted in use as follows:

- a. Each use shall be on a site whose area shall not be less than three acres.
- b. Each use shall not create, attract, or bring together a site population that would exceed 15 times that of the site acreage.
- c. Each site shall have no more than one building plot upon which any number of structures may be erected.
- d. A building plot shall be a single, uniform, and non-contrived area, whose shape is uncomplicated and whose area shall not exceed the following minimum ratios with respect to the total site area:

Site Area at least (Acres)	But Less Than (Acres)	Ratio of Site Area to Bldg. Plot Area	Building Plot Area (sq. ft.)	Max. Site Population (15 persons/Acre)
3	4	12:1	10,900	45
4	6	10:1	17,400	60
6	10	8:1	32,600	90
10	20	6:1	72,500	150
20 and up		4:1	218,000	300

- e. The following uses are specifically prohibited in Zone B: Churches, hospitals, schools, theaters, stadiums, hotels, motels, trailer courts, campgrounds, and other places of frequent public or semi-public assembly.

The subject parcel is a legal and conforming parcel, compliant with the minimum lot requirements allowed. The subject's park use appears to be an allowed use.



Per a Title Opinion provided by the client, the subject is also subject to the following:

Reserving unto the United States of America the full, complete and perpetual right to overflow the land above described, in connection with the maintenance and operation of the reservoir notice of which decree vesting title in the United States of America together with a description of the land and the names of the respondents, was duly filed and recorded in the office of the Register of Deeds in and for Itasca County, Minnesota on the 24th day of October, 1900, as shown in Quit Claim Deed dated April 28, 1953, recorded June 26, 1953 as Doc. No. 189486 in Book 170 of Deeds, Page 380.

Minerals and mineral rights reserved by Grant Iron Mining Company, a Minnesota corporation, in Quit Claim Deed dated July 1, 1948, recorded July 20, 1949 as Doc. No. 173101 in Book 170 of Deeds, Page 131;

Reserved by Edward A. Kremer and Bertha J. Kremer, husband and wife, in Deed dated June 20, 1924, recorded January 3, 1925 as Doc. No. 101316 in Book 84 of Deeds, Page 376-377;

Reserved by Jackson Mining Company, a Minnesota corporation, in Quit Claim Deed dated June 7, 1923, recorded December 16, 1939 as Doc. No. 137433 in Book 88 of Deeds, Pages 622-623;

Reserved by Alvin H. Kremer and Edna M. Kremer, husband and wife, Clara McAllister, a single woman, Cora Aiton, a single woman, Ada Kremer Fisk and Frank S. Fisk, wife and husband, in Quit Claim Deed dated July 30, 1948, recorded July 20, 1949 as Doc. No. 173098 in Book 168 of Deeds, Page 449;

Reserved by The Shogomoc Company, a Minnesota corporation, in Quit Claim Deed dated April 30, 1923, recorded December 16, 1939 as Doc. No. 137435 in Book 88 of Deeds, Pages 624-625;

Reserved by J. Henry Gruber and Hortense G. Gruber, husband and wife, in Deed dated October 29, 1906, recorded December 28, 1906 as Doc. No. 5065 in Book 21 of Deeds, Page 632;

Reserved by Allie A. Knox, a widow, in Warranty Deed dated July 24, 1916, recorded November 15, 1916 as Doc. No. 70024 in Book 60 of Deeds, Page 56;

Reserved by Lena S. King, a widow, in Quit Claim Deed dated August 1, 1924, recorded December 16, 1939 as Doc. No. 137436 in Book 130 of Deeds, Page 531-532;

Conveyance of mineral reservation by Shogomoc Corporation, a Minnesota corporation, to Cavour Hartley, Irma H. Claypool, and Guilford Hartley, as Trustees of the Trust created by and under the Hartley Trust Indenture dated September 2, 1952, in Deed dated October 27, 1952, recorded December 29, 1953 as Doc. No. 191849 in Book 206 of Deeds, Page 2-8;

Conveyance of mineral reservation by Cavour Hartley, Jessie H. Congdon, unmarried, Irma H. Claypool, unmarried, and Guilford Hartley, and Judith H. Lewis, unmarried, to Cavour Hartley, Irma H. Claypool, and Guilford Hartley, as Trustees of the Trusts Created by and under the Hartley Trust Indenture dated September 2, 1952, in Deed dated October 27, 1952, recorded December 29, 1953 as Doc. No. 191848 in Book 200 of Deeds, Page 331-338;

Reservation by Syver Hanson AKA Sever Hanson and Ragnhild Hanson as shown in Quit Claim Deed dated May 6, 1957, recorded May 13, 1957 as Doc. No. 207891 in Book 170 of Deeds, Page 582;

Reservation by David Hartley, Guilford Hartley, and Irma H. Claypool, as Trustees of the Trusts Created by and under the Hartley Trust Indenture dated September 2, 1952 in Statement of Severed Mineral Interest recorded December 31, 1974 as Doc. No. 299732;

Reservation by David Hartley, Guilford Hartley and Irma H. Claypool, as Trustees of the Trusts Created by and under the Hartley Trust Indenture dated September 2, 1952, in Statement of Severed Mineral Interest recorded December 31, 1974 as Doc. No. 299733;

Reservation by William W. Watson, Philip L. Hill, Jr., and Harry L. Holtz, trustees under that certain trust agreement executed December 7, 1906, by and between the Lake Superior Company, Limited, a Michigan association, and Louis W. Hill, James H. Hill, Walter J. Hill, and Edward T. Nichols, in Verified Statement of Ownership recorded September 17, 1974 as Doc. No. 297075;

Reservation by HT-TF Properties L.L.C. in Statement of Adverse Claim recorded December 20, 1996 as Doc. No. 467306.



Duluth, Superior and Western Railway Company First Mortgage executed by Duluth Superior and Western Railway Company First Mortgage dated December 1, 1896, recorded December 21, 1896 as Doc. No. 9529 in Book H of Mortgages, Pages 1-31, and all other mortgages, supplements and amendments thereto. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway purposes in favor of the State of Minnesota taken in Final Certificate dated March 23, 1975, recorded April 18, 1975 as Doc. No. 301684. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Easement for highway-railway crossing at grade in favor of the City of Grand Rapids, a municipal corporation, dated September 16, 1975, recorded September 22, 1975 as Doc. No. 304709. FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Plat of Wilson and Gillespie's Addition to Grand Rapids, Cass County, Minnesota, dated November 13, 1882, recorded November 25, 1882 in Book "A" of Town Plats (also shows a designation of "A9"). FOR A COPY OF THIS DOCUMENT SEE MASTER LIST

Public Service and Infrastructure Easement in favor of The City of Grand Rapids dated March 12, 2010, recorded April 8, 2015 as Doc. No. A000692636.

There are no other legal restrictions placed on the subject property that would affect value, which the appraiser has been made aware.

The northeastern corner of the subject, area to the northeast of the railroad, is guided for Transportation and Utilities use, and the remaining area, area to the southwest of the railroad is guided for Parks and Recreation use, as guided by the City of Grand Rapids. It is likely the zoning of the subject on the northeastern corner, area to the northeast of the railroad, will change in the near future to be consistent with the guided land use plan, as that area of the subject is currently encumbered with an existing permanent highway easement (which is being converted to fee, per the reason of this appraisal), and is used as roadway right-of-way.

There is no reason to believe the zoning on the remaining area of the subject, area to the southwest of the railroad, would change in the near future, nor would it be logical to consider a re-zoning request, as the zoning conforms with the guided land use.

The subject is generally comprised of vacant land, however, the area located within the existing permanent highway easement (roadway right-of-way) is improved with roadway right-of-way improvements, and the area to the southwest of the railroad, which is part of the City of Grand Rapids' Veterans Memorial Park, has various park improvements.

Acquisition Description

According to the acquisition sketch, the northeastern corner of the subject is affected by the proposed acquisition. The acquisition area is as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	5,632 s.f.
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Following is a caption block provided by the client:

C.S. 3104(2=8-27)827 S.P. 3104-61								
SEC 21 T55N R25W								
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
325D	31-221	Village of Grand Rapids	PART OF GOVT LOT 1	1006962	5632	1001330	5632	FEE

The orientation, configuration, width and length of the acquisition area can be best viewed on the acquisition sketch found later in this appraisal. Within the area of the proposed conversion of existing permanent highway easement (roadway right-of-way) to fee appears to be roadway right-of-way improvements that are owned by the public.

Subject Description, After the Acquisition

In the before situation, the subject is 1,006,962 s.f. or 23.12 gross acres in size. As an effect of the acquisition, the subject is smaller by the area of the proposed roadway right-of-way fee acquisition of 5,632 s.f., effectively reducing the size of the subject to 1,001,330 s.f. or 22.99 acres in the after situation. It is noted, the entire 5,632 s.f. of the proposed roadway right-of-way fee acquisition are encumbered with an existing permanent highway easement (roadway right-of-way) and is located at the northeast corner, severed by railway right-of-way from the remainder of the larger parcel that is utilized as a city park.

Highest and Best Use, Before and After Acquisition

The subject is separated into two areas by a railroad. The northeastern corner of the subject, area to the northeast of the railroad, is zoned GB, General Business, and the remaining area, area southwest of the railroad is zoned SPU, Shoreland Public Use, and is subject to the Shoreland Management District. The entire subject is also subject to Airport Safety Zone C, and the western portion of the subject is also subject to Airport Safety Zone B, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.

The area of the proposed acquisition is located on the northeastern corner of the parcel which is zoned GB, General Business, and its highest and best use, if not encumbered with a permanent highway easement (roadway right-of-way), and improved as such, would be for assemblage to adjacent parcels which are also zoned GB, General Business, for commercial use. The highest and best use of the remaining



area of the subject, larger area to the southwest of the railroad, is for Shoreland Public Use. As the area of the proposed acquisition is within the area zoned GB, General Business, the subject is compared to other commercially zoned properties.

The highest and best use as improved, is not applicable, as the subject is comprised of vacant land in the area of the larger parcel appraised and impacted by the acquisition. It is noted the balance of the larger parcel (that portion severed from the part appraised by railway right-of-way), is improved with city park-related improvements.

The highest and best use is not impacted as a result of the proposed project, or its partial acquisition from the subject property. The larger subject parcel will not sustain any permanent negative affect resulting from the proposed acquisition, and has the same entitlements and development options after, as before acquisition.

Approaches to Value

The cost approach is not used because the subject is appraised as vacant land, although certain improvements or landscaped elements affected by the proposed acquisition may be compensated based on cost, to establish appropriate compensation for costs to cure. The income approach was not applicable due to lack of rental data in the market for vacant land.

The Sales Comparison Approach is the only applicable approach to value, and it compares the subject property with other similar properties that have recently sold or are currently listed for sale. Positive and negative adjustments are made to the comparable sales for the differences which exist between them and the subject. Objective comparison with comparable sales provides an indication of value for the subject.

Comparable Sales Data and Adjustment Analysis

In order to value the proposed acquisition area, the subject's underlying fee land value is estimated. Comparables were located from county assessor records, Realist, and the Regional Multiple Listing Service, as well as private appraiser databases. An ample amount of applicable comparable data was located within the large competitive market.

Following is an adjustment chart with the subject and comparables, and a qualitative analysis comparing certain factors to the subject property. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward.



Comparable Sale Adjustment Chart

Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5	Comparable #6	Comparable #7	
Address	xxx U.S. Highway 2 E, Grand Rapids, MN 55744	1300 E US Highway 169, Grand Rapids, MN 55744	710 NE 4th Street, Grand Rapids, MN 55744	301 NE 4th Street, Grand Rapids, MN 55744	416 NW 7th Avenue, Grand Rapids, MN 55744	1402 NW 4th Street, Grand Rapids, MN 55744	xxx SW 2nd Avenue, Grand Rapids, MN 55744	xxx US Hwy 169, Grand Rapids, MN 55744
Sale Price	\$700,000	\$175,000	\$150,000	\$110,000	\$120,000	\$421,936	\$125,000	
Price/SF	\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63	
Effective Sale Date	1/23/2024	10/2022	01/2022	06/2023	12/2022	10/2022	04/2022	11/2022
Market Conditions	0.00%	=	=	=	=	=	=	=
Terms/Transfer Docs/Property Rights	Cash/Warranty Deed/Fee Simple	Market Rate Financing/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple
Motivations	Adj Owner - Buyer leased prior to sale	Adj Owner	Word of Mouth	Adj Owner	Word of Mouth	Typical	Adj Owner - Right of First Refusal	
Adjusted Price/SF	\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63	
Site Size	1,001,330 net s.f. (22.99 net acres) but assume typical-sized parcel for across-the-fence	194,713 SF (4.47 acres)	34,848 SF (0.80 acres)	16,988 SF (0.39 acres)	13,939 SF (0.32 acres)	30,056 SF (0.69 acres)	69,696 SF (1.60 acres)	27,007 SF (0.62 acres)
Location	City of Grand Rapids - Interior	City of La Prairie - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Corner	City of Grand Rapids - Corner	City of Grand Rapids - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Interior
Immediate Area	Rural	Commercial	Commercial	Commercial	Commercial	Commercial	Regional Commercial Area	Commercial
AAAT	6,700 (in area of acq.)	12,200 & 1,539	7,555, one parcel removed from 9,300-13,900	14,200 & 1,871	2,190-4,330	13,300	None recorded, but views of Hwy 169 @ 19,800 and TH 23 @ 10,623	19,800
Utilities	All Available	All Available	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	GB, General Business & Airport Safety Zone C (in area of acq.)	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business	SGB, Shoreland General Business	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C
Topography/Soils/Shade	Generally level (in area of acq.)/Buildable/Irregular but conventional	Generally level/Buildable/Irregular but conventional - 3 parcels	Generally level /Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Generally rectangular - 2 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular
Other		N/A	N/A	Environmental	Improvements razed after sale	N/A	N/A	Improved with gazebo
Gross Adjustment		1 + 2-	1 -	1 + 3 -	2 -	2 -	3 -	2 -
Net Adjustment		1 -	1 -	2 -	2 -	2 -	3 -	2 -
Final Price/SF		Slightly less than \$3.60	Slightly less than \$5.02	Less than \$8.83	Less than \$7.89	Less than \$3.99	Less than \$6.05	Less than \$4.63



Adjustment Analysis

The most similar comparables were chosen. Preferably properties chosen for the adjustment analysis should be similar enough that few adjustments are necessary. Unfortunately, this is rarely the case, so an adjustment analysis is performed. All adjustments applied are typically based on market trends, market demands and preferences, and physical characteristics. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward. This adjustment analysis is a qualitative analysis, where the precise amount of the individual adjustment is not quantified, only that a positive or negative adjustment exists. After the qualitative adjustments are applied, the adjusted comparables support an estimated market value within the range of the comparables, reconciled.

The various items for which the subject has been analyzed include:

Market conditions (time) – A time adjustment is used to reflect changes in the marketplace over time. Things such as declining or inflationary economies, or over-supply or under-demand situations can create differences in market prices through time. All of the comparable sales have occurred since January 2022 and are relatively recent. During this time period, the market conditions have remained stable and there are no upward or downward market pressures, so no adjustment is applied.

Financing Terms of Sale/Transfer Documents – Sometimes financing terms may affect purchase price. All of the comparables sold with cash or its equivalent, market rate financing, so no adjustments are necessary. Comparables 1-4, 6 & 7 transferred with warranty deeds, and no adjustments are required. Comparable 5 transferred via a quit claim deed, but is not adjusted, due to careful practices of title companies and closing agents that reduce any risk associated with a deeded transfer.

Motivations – Sometimes different motivational factors of a buyer or seller may affect negotiations and eventual purchase price. The motivations of the buyers and sellers were explored. Comparable 6 had typical buyer and seller motivations, and is not adjusted. Comparable 1 was purchased by an adjacent owner who had leased the property prior to the transfer for storage purposes. Comparables 2 and 4 were purchased by adjacent owners. Comparables 3 and 5 were marketed through word of mouth. Comparable 7 was purchased by an adjacent owner who had right of first refusal. After review of the comparable sales, and relative land prices in the market area it appears that even with the seller and/or buyers different motivations, all of the comparables sold at market value. Additionally reviewed were the Certificates of Real Estate Value (eCRV), as filed through the State of Minnesota's Department of Revenue, in which comparables 2-7 all



reflected that no significant different price was paid (in other words, market value was paid). Although, comparable 1's eCRV reflected they thought they paid a significant different price, after our research it appears that a market amount was paid, and no adjustments are required.

Site Size – The subject parcel is bifurcated by railway right-of-way which divides the property and its zoning, and creates separate highest and best uses. The smaller portion of the larger parcel is the part appraised, and it has a highest and best use of assemblage to abutting property also zoned similarly (GB, General Business). As the subject exists as improved roadway right-of-way, the suitable approach to value is across-the-fence, and as such, the larger parcel size, which includes land with a separate highest and best use and related value, is not appraised, and the size of the subject is assumed market-typical so that across-the-fence valuation methodology can be observed. Comparables 2-7 are within a market-typical size range and do not require adjustment. Comparable 1 is larger than market-typical and is adjusted upward for its larger size, as typically larger parcels sell for less per s.f. than smaller parcels.

Location – The subject is located within the City of Grand Rapids, as is comparables 2-6. Comparable 1 is located in La Prairie, but within a highly similar area, and is not adjusted. The subject is located on an interior location which has less exposure than a corner location. Corner locations are superior and adjusted downward.

Immediate Area – The comparables are all located in commercially-defined areas, while the subject is located in a more rural area. The comparables are all adjusted downward one adjustment factor for their superior more commercially defined areas. Comparable 6, however, stands out as the most superior, located in the regional shopping area in a highly desirable commercial area and is superior and adjusted downward two adjustment factors.

AADT – The area of the subject appraised is located on a roadway with an AADT count of 6,700. AADT can have an impact on value for commercial properties, with properties on higher-trafficked corridors selling for more than lower-trafficked corridors. Comparables with significantly more AADT are superior and adjusted downward. Comparable 6 is located on a roadway with unrecorded AADT, but is in view and exposure to two highly-trafficked roadways and with its anticipated 4-story construction will have exposure to these two roadways, and is overall superior and adjusted downward.

Utilities – The comparables and subject all have access to typical urban utilities, including city water and sewer, and no adjustments are necessary.



Zoning – The area of the subject being appraised is zoned GB, General Business, as are all of the comparables with the exception of comparable 5, which is zoned SGB, Shoreland General Business. The subject and comparables 1-3, 6 & 7, are also subject to Airport Safety Zone C (in the area of acquisition), however this does not negatively impact value, with height restrictions high enough that traditional development can occur. With no comparable having a competitive advantage or disadvantage over another, no adjustments are necessary.

Topography/Soils/Shape – The subject and comparables are all similar enough in topography, soils and shape to not require any adjustments. Although some comparables have multiple legal parcels of record, this does not inure any competitive benefit and no adjustment is applied.

Other – Comparable 3 had some environmental issues discovered whereby the entire purchase price is in escrow, and the buyer is pulling from the escrow to pay for the Phase 2 environmental study, and at conclusion of the study, the decision regarding release of the remaining funds will be made, but under no circumstance will the buyer pay more than purchase price. The agreement is the buyer will buy the site clean for the purchase price. An upward adjustment is applied not for the contamination and remediation, but because the contamination and remediation cause a delay in developing this property. Comparable 4 was improved with a single family residence and ancillary site improvements which required removal. The abutter purchased this parcel as it prevented relocating for expansion needs, and although the buyer found it worthwhile to remove the improvements, the market might not, and as such, demolition costs for these improvements is not additionally considered, rather these improvements are deemed value-neutral and not adjusted. Comparable 7 was improved with a gazebo but it did not add value, as a typical buyer would demolish it in order to develop. This particular buyer the gazebo had value as part of the grounds to the Judy Garland Museum, but the market would deem this improvement value-neutral and therefore no adjustment is applied.

It is noted, more information about these comparables is located in the appraiser's file, although a comparable location map and comparable data sheets are located in the addenda of this report.



Reconciled Land Value

After the qualitative adjustment analysis, the adjusted comparable sales prices fall into value suggestions for the subject property's fee simple value.

Two comparables suggest values slightly less than \$3.60/s.f. and \$5.02/s.f.

The remaining comparables have value suggestions less than \$3.99 to \$8.83/s.f.

A value estimate of \$3.50/s.f. for the underlying fee simple interests, is supported by this qualitative adjustment analysis. The subject overall is slightly inferior to the comparables and this qualitative adjustment analysis appropriately suggests a value less than the comparables sales price range.

Estimated Value of Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:

The entire subject parcel appraised, or 5,632 s.f., is proposed to be acquired, leaving no remainder. The entire area is encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights and no practical use. As the owner is deprived of any practical use of this parcel, due to its existing roadway right-of-way use, the remaining rights are estimated to contribute about 5% of the underlying fee value of \$3.50/s.f. The 0.13 acres or 5,632 s.f. of area encumbered with existing roadway right-of-way is valued at 5% of the underlying fee, or \$0.18/s.f., as most of the rights and all of the practical use of this area results from the encumbrance.

The estimated land market value as encumbered is as follows:

5,632 s.f. (size) X \$0.18/s.f. (estimated s.f. value) = \$1,013.76, say \$1,014, rounded to the nearest dollar

The estimated value of conversion of the existing permanent highway easement (roadway right-of-way) to fee is the entire estimated land market value of the subject as encumbered, or \$1,014.

Site Improvements Damaged Within the Acquisition Area

Within the area of the proposed conversion of existing permanent highway easement (roadway right-of-way) to fee appears to be roadway right-of-way improvements that are owned by the public and not subject to compensation.



Conclusions and Allocation of Damages

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$1,014
Affected Site Improvements:	N/A
Estimated Damages:	\$1,014
Final Rounded Estimated Damages:	\$1,100



Attachments

Appear in the following order.

Certification

Aerial Photograph

Acquisition Sketches

Acquisition Legal Description

Project Description from MnDOT

Subject Photos

Comparable Sales Location Map & Data Sheets

Professional Qualifications – Julie Jeffrey Schwartz



Certification

S.P.: 3104-61RW (TH 2)

Parcel: 3104-827-325D

Control Section: 3104 (2=8) 827

I certify that, to the best of my knowledge and belief.....

That I have personally inspected the property herein appraised. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based on are correct; subject to the limiting conditions therein set forth.

Katie Huspek, Licensed Residential Appraiser Trainee, MN License #40160103, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386 provided assistance in this appraisal. Ms. Huspek researched subject information, comparable sales, market information and the compilation of the report. Mr. Schwartz accompanied on the inspection, reached out to property owners, and confirmed comparable data. No one other than Ms. Huspek and Mr. Schwartz and the appraiser signing this report have provided significant professional assistance in the compilation of this report, its data, or analysis.

That I understand that such appraisal may be used in connection with the acquisition by the Minnesota Department of Transportation (MnDOT) related to the TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the improvements for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the landowner, was disregarded in determining the compensation for the property.

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, the MnDOT Right of Way Manual, Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and appropriate state laws, regulations, policies and procedures applicable to an appraisal of right-of-way for such purposes, and that



to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under established State or Federal law.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no present or prospective interest, or personal bias, regarding the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.


The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Julie Jeffrey-Schwartz has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

As of the date of this report, Julie Jeffrey-Schwartz has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

That I have not revealed the findings and results of such appraisal to anyone other than the proper acquisition officials of the Minnesota Department of Transportation, and their consultants, and that based on my independent appraisal and exercise of my professional judgment, the proposed acquisition for the subject property has a market value as of January 23, 2024 (the date of inspection) as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$1,014
Affected Site Improvements:	N/A
Estimated Damages:	\$1,014
Final Rounded Estimated Damages:	\$1,100



 Appraiser: Julie Jeffrey Schwartz
 Certified General Appraiser
 Minn. #4002423

09/05/2024
 Date



Aerial Photograph



Acquisition Sketches

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2-8-27)827 S.P. 3104-61 COUNTY Itasca

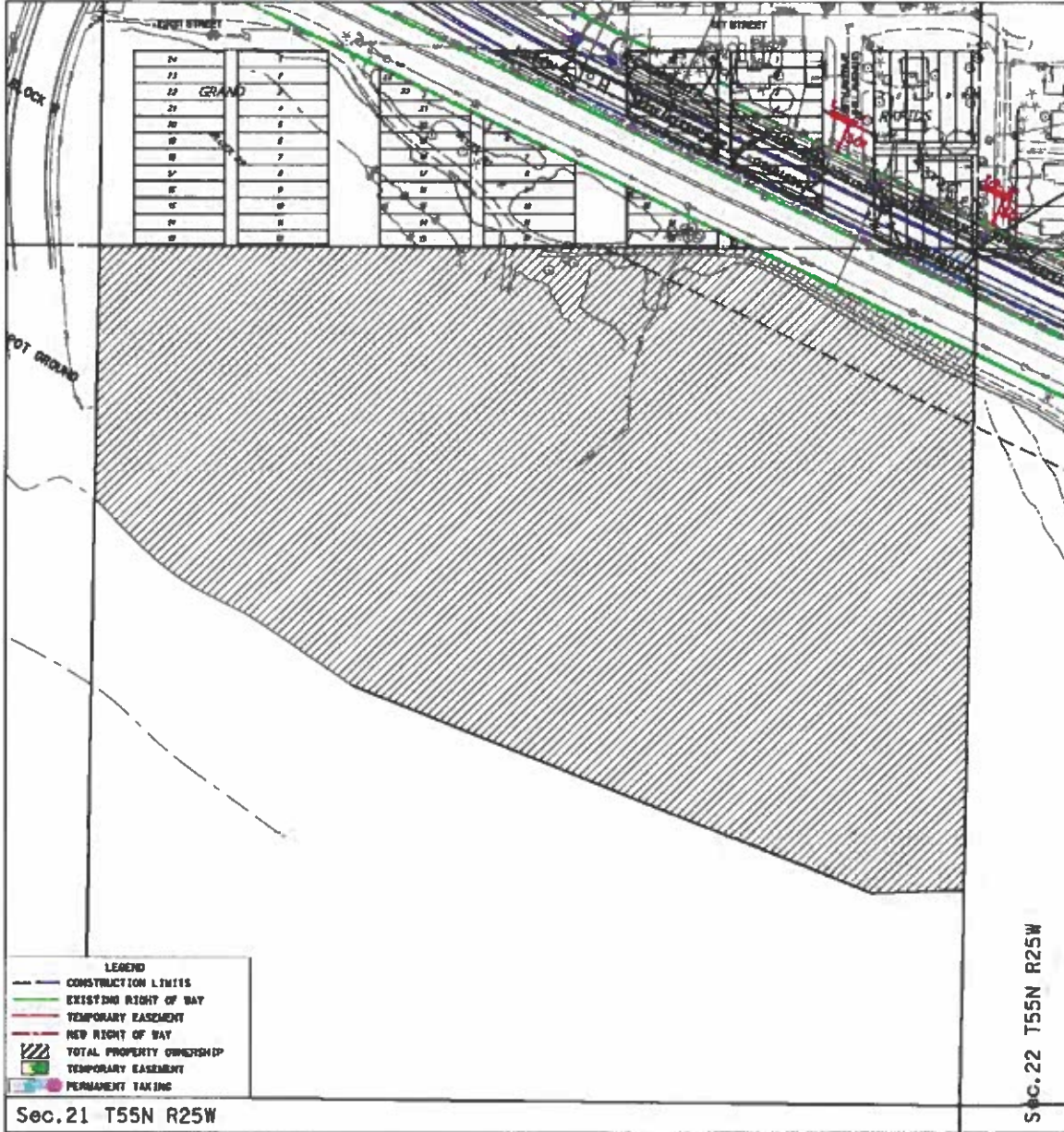


LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 325D SHEET 1 OF 3

200
SCALE IN FEET



Drawn by psoler

Print Date 4/19/2024



RIGHT OF WAY PARCEL LAYOUT

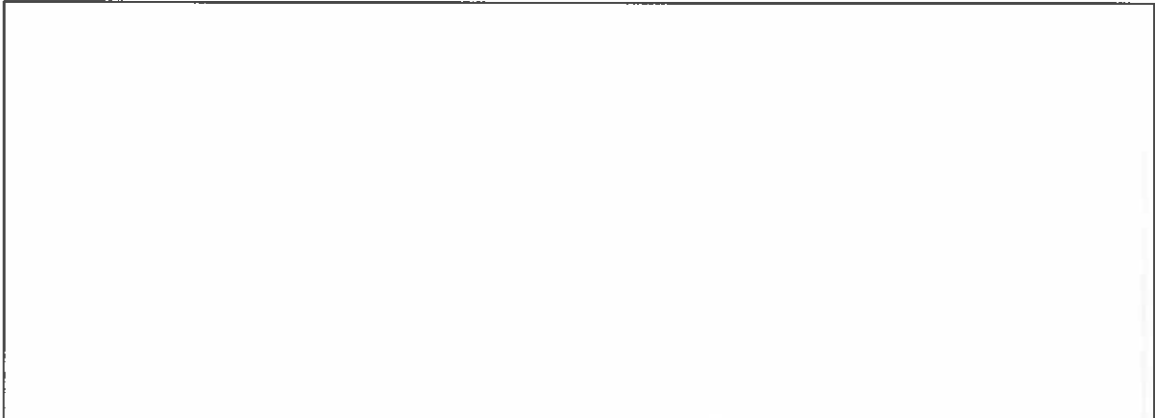


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LoPrairie

OWNER Village of Grand Rapids

PARCEL NO. 325D SHEET 2 OF 3



C.S. 3104(2=8-27)827 S.P. 3104-61

SEC 21 T55N R25W

PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	
325D	31-221	Village of Grand Rapids	PART OF GOVT LOT 1	1006962	5632	1001330	5632	FEE

Drawn by psalter

Print Date 4/19/2024



RIGHT OF WAY PARCEL LAYOUT



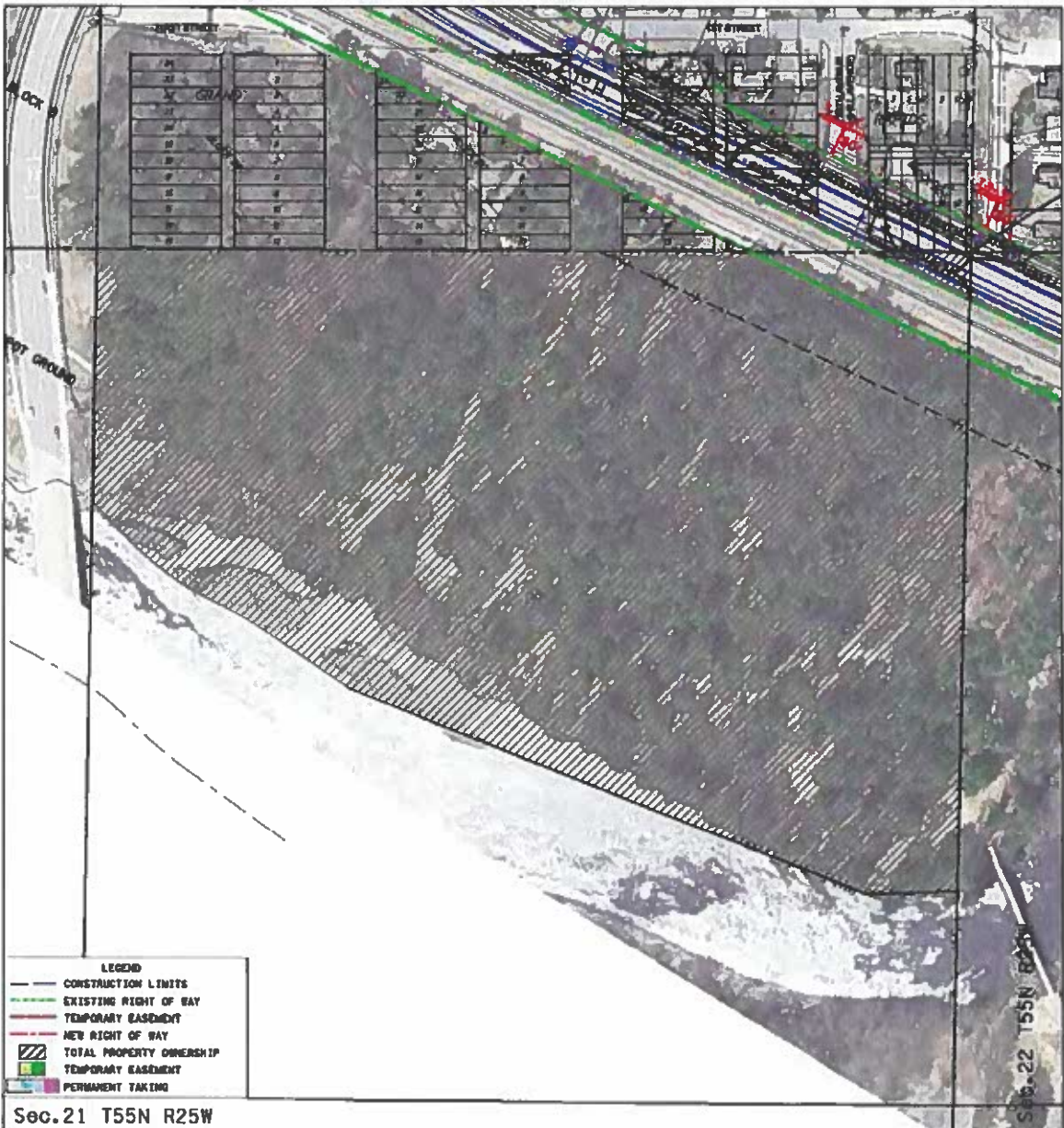
C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 325D SHEET 3 OF 3

200
SCALE IN FEET



- LEGEND**
- CONSTRUCTION LIMITS
 - EXISTING RIGHT OF WAY
 - TEMPORARY EASEMENT
 - NEW RIGHT OF WAY
 - ▨ TOTAL PROPERTY OWNERSHIP
 - ▨ TEMPORARY EASEMENT
 - ▨ PERMANENT TAKING

Sec.21 T55N R25W

Drawn by psoler

Print Date 4/19/2024



Acquisition Legal Description

May 6, 2024
3104-827-325D

FEE ACQUISITION

Parcel 325D C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Government Lot 1 of Section 21, Township 55 North, Range 25 West, shown as Parcel 325D on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota;

containing 5632 square feet, more or less, which is encumbered in its entirety by an existing highway easement.



Project Description From MnDOT

The subject is impacted by the Minnesota Department of Transportation's TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61. The project is on TH 2 in Grand Rapids from TH 169 to 0.25 miles east of Gunn Road in La Prairie, MN in Itasca County, MN. The following mapping and information about the project was taken from MnDOT's website.

About this project

Summary of work

Pavement rehabilitation (mill and overlay), drainage and ADA upgrades.



Schedule

- Construction is scheduled for 2025

Location

- On Hwy 2, Hwy 169 to Gunn Road in LaPrairie

Benefits

- Improved ride and increased service life of the pavement
- Compliance with ADA requirements
- Pedestrian improvements including an enhanced crossing at LaPrairie Avenue and a bikeable/walkable shoulder



Subject Photographs Taken January 23, 2024



Looking southerly across U.S. Highway 2 E (TH 2) from NE 11th Avenue. The subject and area of the proposed acquisition are to the right.



Looking south-southwesterly at U.S. Highway 2 E (TH 2) and the subject and area of the proposed acquisition from NE 11th Avenue



Looking west-southwesterly at U.S. Highway 2 E (TH 2) and the subject and area of the proposed acquisition from NE 11th Avenue





Looking west-northwesterly along U.S. Highway 2 E (TH 2) from NE 11th Avenue. The subject and area of the proposed acquisition are to the left.



Looking westerly at U.S. Highway 2 E (TH 2) and the subject and area of the proposed acquisition from NE 11th Avenue



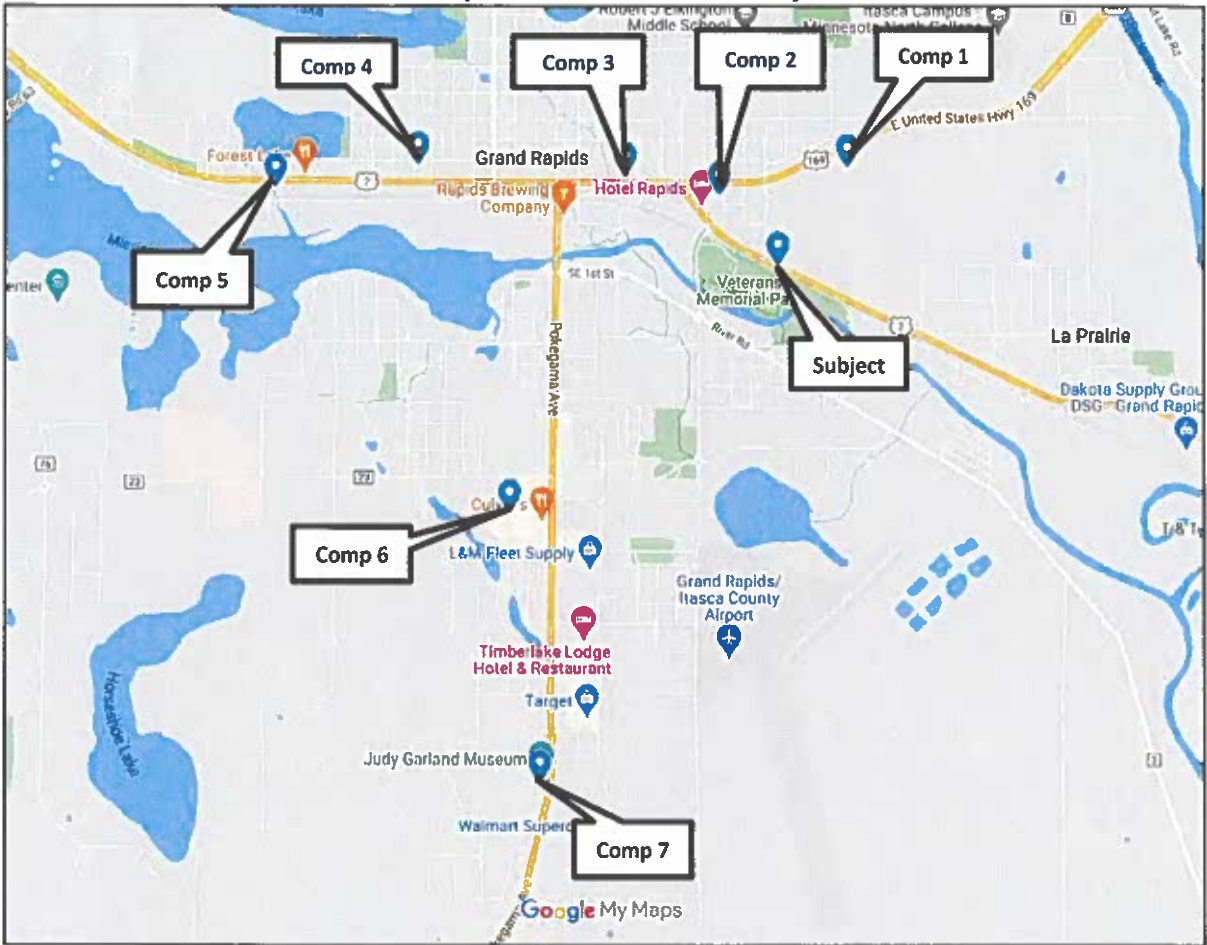
Looking east-southeasterly along U.S. Highway 2 E (TH 2) from NE 10th Avenue, the subject is ahead to the right



Comparable Sales Summary

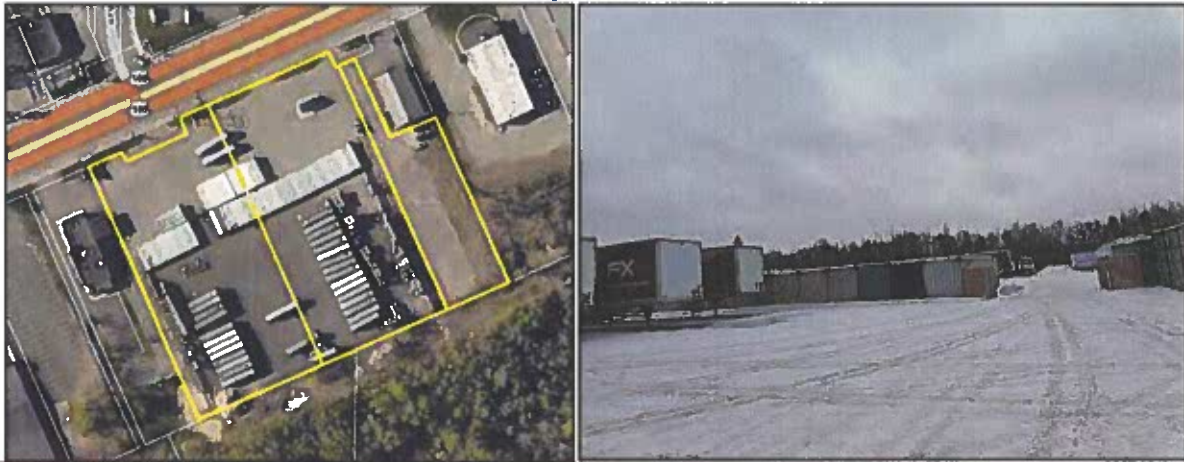
Comp #	Address	Sale Price	Site Size	Sale Date	Price per SF	Zoning	Comments
1	1300 E US Highway 169, Grand Rapids, MN 55744	\$700,000	194,713 s.f. (4.47 acres)	10/2022	\$3.60/s.f.	GB, General Business & Airport Safety Zone C	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.
2	710 NE 4th Street, Grand Rapids, MN 55744	\$175,000	34,848 s.f. (0.80 acres)	01/2022	\$5.02/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.
3	301 NE 4th Street, Grand Rapids, MN 55744	\$150,000	16,988 s.f. (0.39 acres)	06/2023	\$8.83/s.f.	GB, General Business & Airport Safety Zone C	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.
4	416 NW 7th Avenue, Grand Rapids, MN 55744	\$110,000	13,939 s.f. (0.32 acres)	12/2022	\$7.89/s.f.	GB, General Business	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.
5	1402 NW 4th Street, Grand Rapids, MN 55744	\$120,000	30,056 s.f. (0.69 acres)	10/2022	\$3.99/s.f.	SGB, Shoreland General Business	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.
6	xxx SW 2nd Avenue, Grand Rapids, MN 55744	\$421,936	69,696 s.f. (1.60 acres)	04/2022	\$6.05/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.
7	xxx US Hwy 169, Grand Rapids, MN 55744	\$125,000	27,007 s.f. (0.62 acres)	11/2022	\$4.63/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.

Comparable Location Map



Comparable Sales Data Sheets

Comparable #1



Comp 1	
Address/Location:	1300 E US Highway 169, Grand Rapids, MN 55744
PID #:	93-480-0070, 93-480-0056 & 93-480-0081
Legal Description:	Lengthy Legal
Sale Price:	\$700,000
Price/S.F.:	\$3.60/s.f.
Sale Date:	10/24/2022
Size:	194,713 SF (4.47 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	12,200 & 1,639
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Meds-I Ambulance Service, Inc./L & M LaPrairie Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1482755), county records, various data bases, and the seller representative, Timothy George with Meds-I Ambulance Service, Inc.
Comments:	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.



Comparable #2

Comp 2	
Address/Location:	710 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-425-2020
Legal Description:	Lengthy Legal
Sale Price:	\$175,000
Price/S.F.:	\$5.02/s.f.
Sale Date:	1/3/2022
Size:	34,848 SF (0.80 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	7,555, one parcel removed from 9,300-13,900
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Market Rate Financing/Warranty Deed/Fee Simple
Grantor/Grantee:	Hernesman Brothers Partners/KR Real Estate Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1367874), county records, various data bases, and the buyer representative, Michael Kellin with KR Real Estate Holdings, LLC.
Comments:	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.



Comparable #3

Comp 3	
Address/Location:	301 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-415-2640
Legal Description:	Lengthy Legal
Sale Price:	\$150,000
Price/S.F.:	\$8.83/s.f.
Sale Date:	6/21/2023
Size:	16,988 SF (0.39 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	14,200 & 1,871
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kirk & Debra Davis/Samuel & Lenora Evans
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1548334), county records, various data bases, and the seller, Kirk Davis.
Comments:	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.



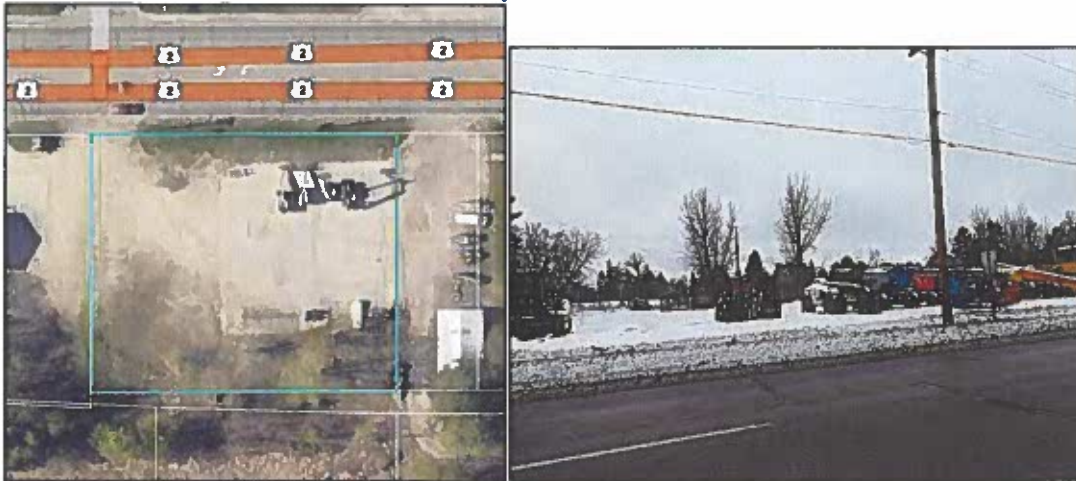
Comparable #4



Comp 4

Address/Location:	416 NW 7th Avenue, Grand Rapids, MN 55744
PID #:	91-420-2060 & 91-420-2065
Legal Description:	Lengthy Legal
Sale Price:	\$110,000
Price/S.F.:	\$7.89/s.f.
Sale Date:	12/29/2022
Size:	13,939 SF (0.32 acres)
Utilities:	All Available
Zoning:	GB, General Business
AADT:	2,190-4,330 (2022 counts)
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kathern & Paul Simpson and Mark Peavey/Michael & Bonnie McLynn
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1502640), county records and various data bases
Comments:	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.

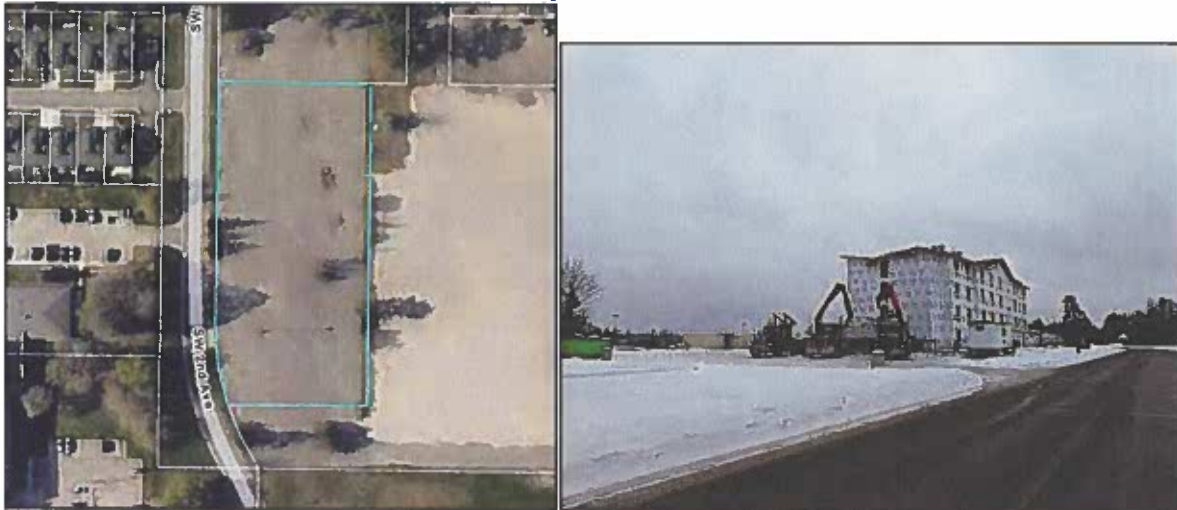


Comparable #5**Comp 5**

Address/Location:	1402 NW 4th Street, Grand Rapids, MN 55744
PID #:	91-705-2030
Legal Description:	Lengthy Legal
Sale Price:	\$120,000
Price/S.F.:	\$3.99/s.f.
Sale Date:	10/6/2022
Size:	30,056 SF (0.69 acres)
Utilities:	All Available
Zoning:	SGB, Shoreland General Business
AADT:	13,300
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Quit Claim Deed/Fee Simple
Grantor/Grantee:	Darrel & Kathleen Wagner/BPB, Incorporated
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1476181), county records, various data bases, and the buyer, Tom Showalter representative of BPB, Incorporated.
Comments:	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.



Comparable #6



Comp 6	
Address/Location:	xxx SW 2nd Avenue, Grand Rapids, MN 55744
PID #:	91-562-0130
Legal Description:	Lot 3, Block 1, MY PLACE HOTEL MATURI ADDITION
Sale Price:	\$421,936
Price/S.F.:	\$6.05/s.f.
Sale Date:	4/1/2022
Size:	69,696 SF (1.60 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	None recorded
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	MATURI PROPERTIES LLC/IRON RANGE MP LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1395090), county records and various data bases
Comments:	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.



Comparable #7**Comp 7**

Address/Location:	xxx US Hwy 169, Grand Rapids, MN 55744
PID #:	91-033-2322
Legal Description:	Lengthy Legal
Sale Price:	\$125,000
Price/S.F.:	\$4.63/s.f.
Sale Date:	11/16/2022
Size:	27,007 SF (0.62 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	19,800
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Leisure Hills Care Center, LP/Judy Garland Children's Museum
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1490685), county records, various data bases, and the buyer representative, Janie Heitz with the Judy Garland Children's Museum.
Comments:	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Email: julie@lakestate.com Direct: 651-653-0788

EDUCATION

Appraisal

Appraisal Institute (current to 1991; most current to least current order):

Advanced Spreadsheet Modeling for Valuation Applications, Appraisal Institute
 Advanced Concepts and Case Studies, Appraisal Institute
 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 Marketability Studies: Six Step Process and Basic Applications, Appraisal Institute
 Residential Design: The Makings of a Good House, Appraisal Institute
 Oil Spills and Property Values Webinar, Appraisal Institute
 Business Practice and Ethics, Appraisal Institute
 Litigation Appraisal. Specialized Topics and Application, Appraisal Institute
 Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
 Uniform Standards of Professional Appraisal Practice (numerous times, most recently 2018), Appraisal Institute
 Land Valuation Assignments, Appraisal Institute
 Land Valuation Adjustment Procedures, Appraisal Institute
 The Appraisal of Easements, Appraisal Institute
 Partial Interest Valuation -- Divided, Appraisal Institute
 The Appraisal of Special Use Properties, Appraisal Institute
 Report Writing and Valuation Analysis, Appraisal Institute
 Commercial Highest and Best Use, Appraisal Institute
 Advanced Applications, Appraisal Institute
 Standards of Professional Appraisal Practice A, B & C, Appraisal Institute
 Capitalization Theory and Techniques A & B, Appraisal Institute
 Basic Valuation Procedures, Appraisal Institute
 Real Estate Appraisal Principles, Appraisal Institute
 Appraisal of Special Use Properties: The Road Less Traveled, Appraisal Institute
 Case Studies in Commercial Highest and Best Use, Appraisal Institute
 Analyzing Distressed Real Estate, Appraisal Institute

Other (current to 1988):

Appraisal Review for Federal-Aid Highway Programs, National Highway Institute
 Investment Property Appraisal and Financial Analysis, ProSource
 Advanced Yield Capitalization, ProSource
 Appraising Income Producing Properties, ProSource
 Appraising Commercial Properties, ProSource
 Appraisal Standards and Ethics, ProSource
 Certified Real Estate Appraisers (CREA) Course, ProSource
 Houses: FHA Appraisal and Construction Standards, ProSource
 Home Inspections. Beyond the Basics, ProSource
 Appraisal of Manufactured Homes
 Numerous Seminars (International Right of Way Assoc., Farm Managers & Rural Appraisers, Appraisal Institute)

General

Lakewood College, Associate of Arts Degree with Distinction, 1991
 Realtor Institute, Graduate (G.R.) Designation, 1987
 Northeast Metro Technical Institute, Computer Operations/Programming Degree, 1984

EXPERIENCE

President and Owner, Lake State Realty Services, Inc., since 1991
 Real Estate Sales License since 1984, Real Estate Brokerage License since 1991
 Appraising Real Estate since 1985
 Employed by Minnesota Department of Transportation for 4 years, as appraiser/expert witness
 Testified at various hearings, trials and depositions
 General contracting experience and some property management experience (1980 to present)
 Co-developer of 10-lot lakefront subdivision on Lake Vermillion, Minnesota (2002-2005)

LICENSES, COMMISSIONS, MEMBERSHIPS/AFFILIATIONS, AWARDS, APPOINTMENTS

Certified General Appraiser License, Minn. #4002423
 Certified General Appraiser License, Wisc. #482
 Certified General Appraiser License, Mich. #12-01-005363
 Certified General Appraiser License, Ohio #423328
 Certified General Appraiser License, North Dakota #CG-2301
 Minnesota Real Estate Brokerage License
 Member of St. Paul, Minnesota, and National Association of Realtors
 Member of the Multiple Listing Service
 Member of the International Right of Way Association (IRWA)
 Member of the National Association of Realtors Appraisal Section



Member of the Appraisal Institute (Practicing Affiliate)
 Member of the National Association of Real Estate Appraisers (NAREA), Certified Real Estate Appraiser Designation-CREA
 Member of the American Society of Appraisers – Farm Managers and Rural Appraisers
 Appointed to the Lino Lakes Economic Development Authority Advisory Board (past 18 years); past Chairperson and Co-Chairperson of the Board numerous times
 Member Community Emergency Response Team (CERT) City of Lino Lakes and Board Member (Secretary)
 Co-Chair and Executive Board Member, and past Chair, Lino Lakes Volunteers in Public Safety
 Appointed to the International Right of Way Association's Appraisal Committee, past Chairperson
 Past Board of Director, founding member, and past President and Secretary – Quad Cities Chamber of Commerce
 Received Hammer Award for reinventing a federal government that is more efficient and costs less from Vice President Al Gore in 1999 (for appraisal services contract)
 Received letters of Commendation/Recognition from Governor Tim Pawlenty, Senator Amy Klobuchar, Senator Norm Coleman, and the American Red Cross for 9-hours of rescue efforts immediately after the I-35W Minneapolis bridge collapse in 2007
 Hero of the Year Disaster Relief 2008 from the Red Cross for heroic involvement after bridge collapse, including aid to the children from the school bus and heading logistics command to distribute food/water/ice to rescue and recovery workers
 Girl Scout Leader (2006 to 2011); District Delegate 2008, during critical merger of two councils
 Honorarium from the Minnesota League of Cities for reviewing, and contributing to the Local Improvement Guide (special assessment benefits) August 2008 and Special Assessment Tool Kit
 Development Committee Board Member, Phoenix Alternatives Inc. (PAI), a non-profit that provides day programming for developmentally disabled adults, conducting fund raising and advisement
 Instructor for Continuing Legal Education (CLE) Class "How to Value Residential Real Estate in Construction Defect Litigation"
 On the Anoka County Condemnation Commissioner's list
 On the Washington County Condemnation Commissioner and Probate Appraiser list
 On the Ramsey County Condemnation Commissioner's list
 Served as Chairperson of the Condemnation Commission
 Appointed as neutral appraiser by the courts and litigating parties
 Chisago County "Appraiser of Record" as of 2006 to current
 Served on St. Paul & Minn. Board of Realtors Gov't Affairs, Prof. Standards, & Ethic Committees
 Certified Instructor for "Expert Witness Testimony" through the State of Minnesota (Through Int'l. Right of Way Assoc.)
 Speaker at the Minnesota League of Cities Engineer Conference (2004) on Special Assessment Benefit Analysis
 Speaker at the Minnesota Banking Risk Management Association "Residential Real Estate: Risks and Opportunities" September 2005
 Author of *A Neutral Appraisal Provides Accurate Valuation to Fairly Divide Marital Equity*, Family Law Forum, Vol. 24 No. 2, Spring 2016
 Contributor to the Lake Links Trail Network Master Plan and part of the consultant team, January 2001

PROPERTY TYPES APPRAISED

Extensive appraisal experience in MN, WI, OH, MI, ND, and IL, in numerous counties and cities, for various clients, including various government (Federal, State, County, City and other units), lenders, insurers, attorneys, courts, and private clients:

Residential: single family (inc. lakeshore/river front), town homes, condos, mobile homes, twin homes, and multi-family (including apartment buildings and complexes).

Commercial: restaurants, implement/auto dealerships, retail (stand alone & strips), parking lots/ramps, small to large office buildings, regional medical facilities and clinics, bowling alleys, saw mills.

Industrial: manufacturing, hi-tech, warehouses, distribution centers, single- & multi-tenant buildings.

Rural: crop land, rice farms, aqua-culture operations, organic farms, farmsteads with all buildings.

Investment: apartment buildings, duplex/multi-plex, office buildings, retail strip centers, mixed-use complexes, resorts/camp grounds.

Land: commercial, industrial, residential, residential subdivision analysis, wetlands, rural, railroad crossings, sand/gravel pits, timber land, lakeshore/river front, scenic easements and other easements, flood plain land, Tribal and Trust Land.

Other: professional liability; extensive litigation consulting/appraisal related to construction defects; trial consultation; special assessment benefit analysis; review appraisals on residential, commercial and special use properties; condemnation/litigation; neutral appraisals; partial takings/severance (right-of-way); feasibility studies; fractional interests; residential, commercial, and government reviews (state and federal); equipment and trade fixtures; special use -- including post offices; federal buildings; courthouses, fire stations, U.S. Customs Border Stations; Tribal and Trust land; park and ride facilities and other transit facilities, railway terminals; churches; auto proving grounds; substantially destroyed structures; lease analysis, and fair annual rental rates; easements (conservation, scenic, right of way, utility, and various others); redevelopment consulting/appraisal; blight determinations; developer feasibility studies and consultation services for residential subdivisions.



STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION

**OFFER TO SELL AND
MEMORANDUM OF CONDITIONS**

Item 21.

RECOMMENDED FOR APPROVAL

Supervisor of Direct Purchase
APPROVED

By

C.S.: 3104 (2=8) 827 Parcel: 325D County: Itasca

Owners and addresses: City of Grand Rapids, successor to Village of Grand Rapids, Mayor, Grand Rapids City Hall, 420 N. Pokegama, Grand Rapids, Minnesota, 55744-2662;

For a valuable consideration, on this _____ day of _____, _____, the undersigned owners hereby offer to sell and convey to the State of Minnesota for a total consideration of _____ Dollars (\$_____) a fee simple title to the real estate or an interest therein situated in Itasca County, Minnesota, described in the copy of the instrument of conveyance hereto attached.

The undersigned parties have this day executed an instrument for the conveyance of the aforesaid real estate or an interest therein to the State of Minnesota, and have conditionally delivered the same to the State of Minnesota, which instrument shall have no effect until and unless this offer to sell and convey is accepted in writing by the Office of Land Management of the Minnesota Department of Transportation within _____ days from the date of this offer. Such notice of acceptance shall be by certified mail directed to the address appearing after our signatures hereto. If this offer is not so accepted within the time limited herein such conveyance shall be of no effect, and said instrument shall forthwith be returned to the undersigned owners.

If this offer is accepted it is mutually agreed by and between the owners and the State as follows:

(1) Possession of the real estate shall transfer to the State _____ days after the date of acceptance. The owners shall have the right to continue to occupy the property or to rent same to the present occupants or others until the date of transfer of possession. Any change in occupancy shall be subject to approval and concurrence by the State. On or before the date for transfer or possession the owners will vacate the real estate and the improvements (if any) located thereon, or cause same to be vacated, remove all personal effects therefrom and have all utilities (if any) shut off by the supplier of same. No buildings appurtenances or other non-personal items or fixtures will be removed from the premises by the owners or renters, including plumbing and heating fixtures, etc. The owners shall notify the Department of Transportation as soon as the improvements are vacated. The owners will maintain the improvements during their period of occupancy and will make all necessary repairs at their own expense. The State's prospective bidders for the purchase or demolition of the improvements on the property shall have the right of entry for inspection purposes during the last 10 days of possession by the owners.

(2) Title to said real estate shall pass to the State of Minnesota as of the date of said

City of Grand Rapids
Department of Public Works

OWNERS

CITY OF GRAND RAPIDS, successor to Village of Grand Rapids

By _____

Its _____

And _____

Its _____

(Address of Owner where acceptance is to be mailed.)

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

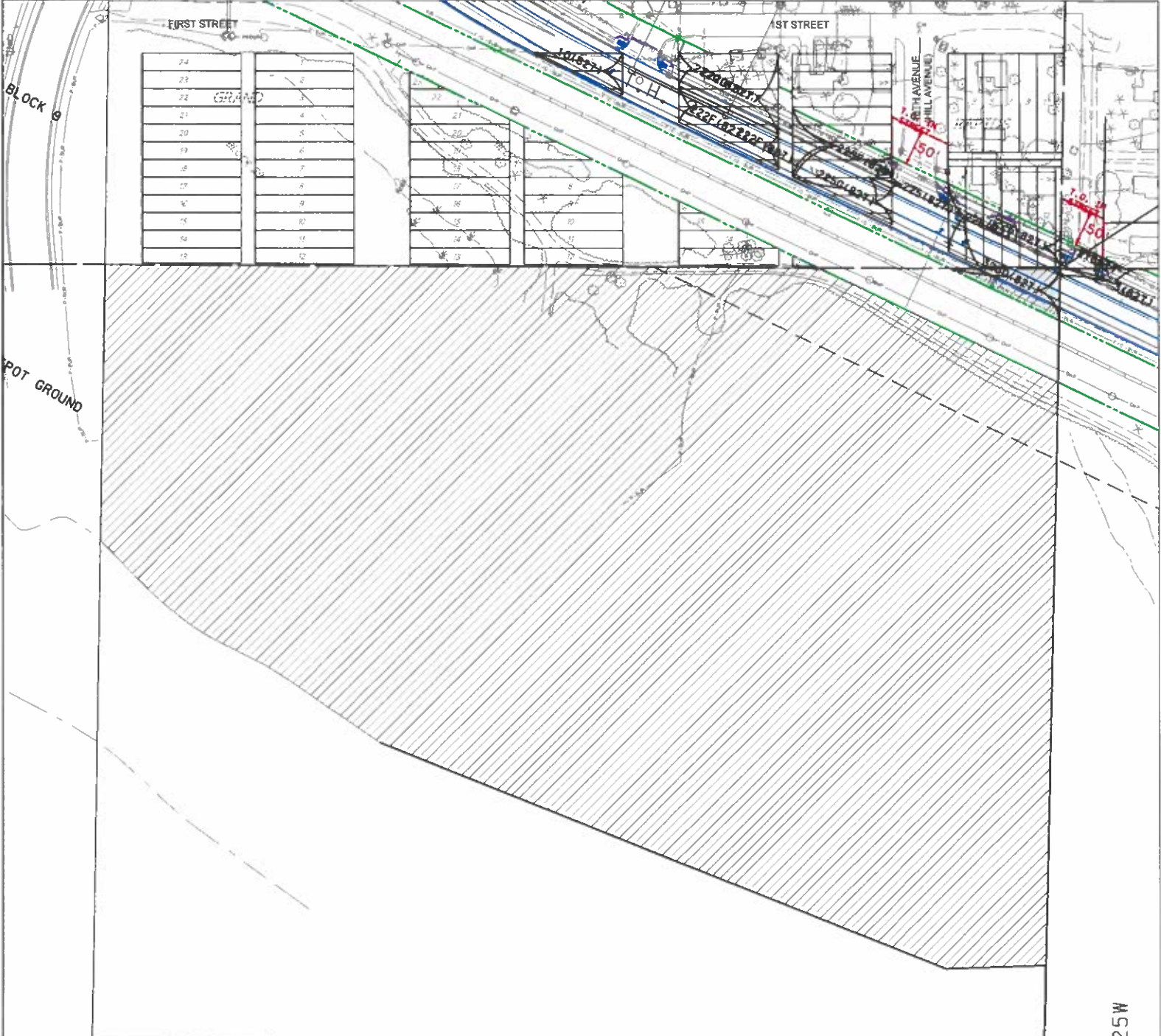
Item 21.
DEPT. OF TRANSPORTATION

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids

PARCEL NO. 325D SHEET 1 OF 3

200
SCALE IN FEET



LEGEND	
	CONSTRUCTION LIMITS
	EXISTING RIGHT OF WAY
	TEMPORARY EASEMENT
	NEW RIGHT OF WAY
	TOTAL PROPERTY OWNERSHIP
	TEMPORARY EASEMENT
	PERMANENT TAKING

Sec.21 T55N R25W

Sec.22 T55N R25W

367

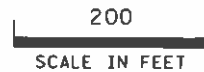
RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

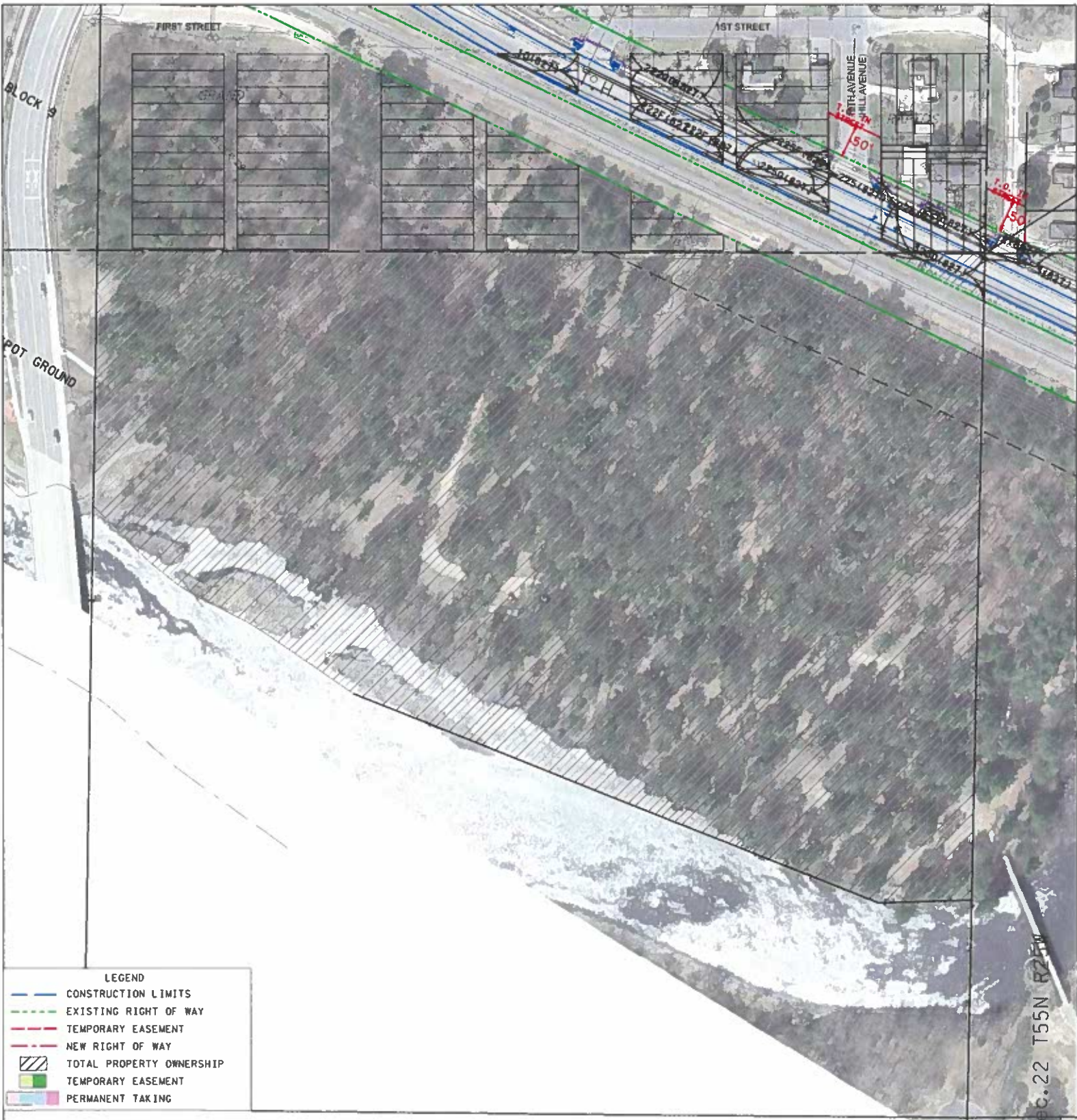


LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER Village of Grand Rapids



PARCEL NO. 325D SHEET 3 OF 3



LEGEND	
	CONSTRUCTION LIMITS
	EXISTING RIGHT OF WAY
	TEMPORARY EASEMENT
	NEW RIGHT OF WAY
	TOTAL PROPERTY OWNERSHIP
	TEMPORARY EASEMENT
	PERMANENT TAKING

Sec. 21 T55N R25W

Sec. 22 T55N R25W

May 6, 2024
3104-827-325D

Item 21.

JM
BIA

FEE ACQUISITION

Parcel 325D C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Government Lot 1 of Section 21, Township 55 North, Range 25 West, shown as Parcel 325D on Minnesota Department of Transportation Right of Way Plat Numbered 31-221 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota;

containing 5632 square feet, more or less, which is encumbered in its entirety by an existing highway easement.

Date: 10/29/20

City Of Grand Rapids
420 N Pokegama Ave
Grand Rapids, MN 55744

State Project #: 3104-61RW
Control Section #: 3104 (2=8) 827
Project Job #: TRW238793
County: Itasca
Parcel: 314 - City of Grand Rapids
Property Address:

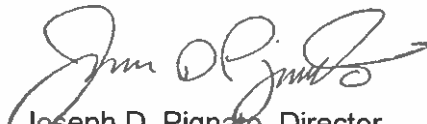
The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing a portion of your property for improvements to Highway 2. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the land acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property being purchased. The certified appraised amount offered to you is \$10,900.00. This amount includes \$3,899.00 for the real estate being acquired and \$7,001.00 for damages or loss in value to the remaining property.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Sincerely,

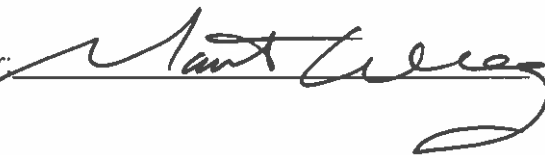

Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet
Legal Description describing acquisition
Offer to Sell and Memorandum of Conditions (reference copy if applicable)
Conveyance Instrument (reference copy if applicable)
"Relocation Assistance" Booklet (if applicable)
Valuation Report
Appraisal Reimbursement Claim form
Acquisition Incidental Claim form
Plat map (if applicable)
Parcel sketch

Receipt of Valuation Report:

Date: 10/29/2024

Owner: 

WARRANTY DEED

STATE DEED TAX DUE HEREON: \$ _____ C.S. 3104 (2=8) 827
Date: _____ Parcel 314
County of Itasca

For and in consideration of the sum of _____ Dollars (\$ _____),
City of Grand Rapids, a municipal corporation under the laws of the state of Minnesota,
Grantor, hereby conveys and warrants to the State of Minnesota, Grantee, real property in
Itasca County, Minnesota, described as follows:

All of the following:

That part of Lots 10 through 12, inclusive, Block 1, WILSON AND GILLESPIE'S
ADDITION, shown as Parcel 314 on Minnesota Department of Transportation
Right of Way Plat Numbered 31-220 as the same is on file and of record in the
office of the County Recorder in and for Itasca County, Minnesota;

together with other rights as set forth below, forming and being part of said Parcel 314:

Temporary Easement:

A temporary easement for highway purposes as shown on said plat as to said
Parcel 314 by the temporary easement symbol, said easement shall cease on
December 1, 2028, or on such earlier date upon which the Commissioner of
Transportation determines by formal order that it is no longer needed for
highway purposes.

together with all hereditaments and appurtenances belonging thereto. Subject to mineral
rights and utility easements of record, if any.

Check box if applicable:

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

CITY OF GRAND RAPIDS

By: _____
Its: _____

STATE OF MINNESOTA)
)SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ the _____ of City of Grand Rapids, a municipal corporation under the laws of the state of Minnesota

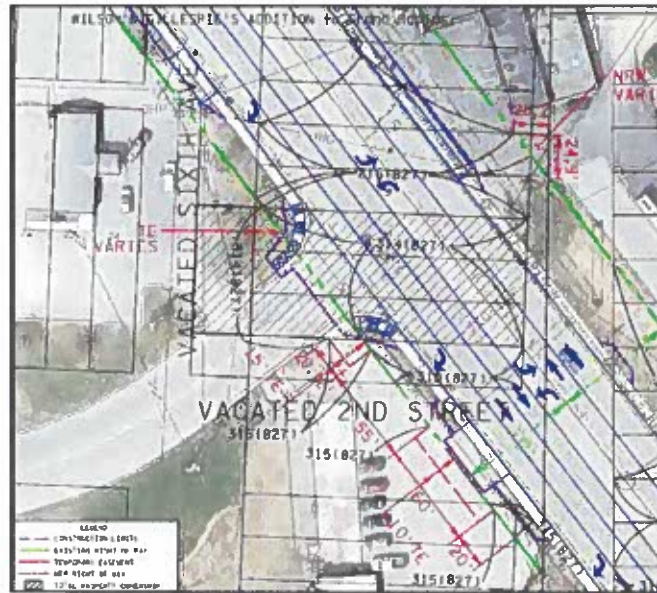
NOTARY PUBLIC

My commission expires: _____

This instrument was drafted by the
State of Minnesota, Department of
Transportation, Legal and Property
Management Unit,
395 John Ireland Blvd.
St. Paul, MN 55155-1800

Send tax statements to Grantee:
State of Minnesota
Department of Transportation
District 1 Right of Way
1123 Mesaba Avenue
Duluth, MN 55811

Minimum Damage Valuation Appraisal Report



A Partial Acquisition From
Parcel Number 3104-827-314
The City of Grand Rapids Property
xxx E U.S. Highway 2, Grand Rapids, MN 55744

Project
TH 2 La Prairie Mill & Overlay Project
Minnesota Department of Transportation (MnDOT)
State Project Number (SP): 3104-61
Trunk Highway Number (TH): 2

Prepared For
Mr. John Hinzmann Jr., District 1 Land Management Supervisor
Minnesota Department of Transportation (MnDOT)

By
Julie Jeffrey Schwartz
Lake State Realty Services, Inc.

Effective Date
January 23, 2024

Date of Report
September 4, 2024



Executive Summary

State Project:	3104-61RW (TH 2)
Control Section:	3104 (2=8) 827
Parcel Number:	3104-827-314
Owner:	Per a Title Opinion provided by the client, the current fee owner is the City of Grand Rapids.
Property Address:	xxx E U.S. Highway 2, Grand Rapids, MN 55744
County:	Itasca County, MN
Legal Description:	See later in this appraisal
Parcel Identification Number(s):	A portion of PID# 91-720-0140, and additional area which does not have a PID# as it exists as a permanent highway easement (roadway right-of-way).
2022 Assessed Values, Taxes Payable 2023	The following assessed values are for Itasca County PID# 91-720-0140, of which a portion of the subject parcel appraised is a portion of: Land: \$8,400; Improvements: \$0; Total: \$8,400 Taxes Payable 2023: N/A, as the subject is owned by a government unit, the City of Grand Rapids.
Proposed 2023 Assessed Values, Taxes Payable 2024	The following proposed assessed values are for Itasca County PID# 91-720-0140, of which a portion of the subject parcel appraised is a portion of: Land: \$8,400; Improvements: \$0; Total: \$8,400 Proposed Taxes Payable 2024: N/A, as the subject is owned by a government unit, the City of Grand Rapids.
Intended Use/Purpose:	Estimate of value for conversion of existing permanent highway easement (roadway right-of-way) to fee, and a temporary construction easement.
Client/Intended Users:	Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT)
Entire Tract Size:	Per information provided by the client, the subject is 13,752 s.f. or 0.32 acres in size, of which 8,858 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 4,894 s.f. or 0.11 acres. It is noted, this before net size may include some existing roadway right-of-way for Itasca Street, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition. It is noted, Itasca County GIS Records reflect the parcel with PID# 91-720-0140, of which a portion of the subject parcel appraised is a portion of, as being 0.09 acres in size.
Improvements:	Generally roadway right-of-way improvements
Zoning:	GB, General Business, as governed by the City of Grand Rapids. The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board.
Guided Land Use:	Highway Commercial, as guided by the City of Grand Rapids
Highest and Best Use:	Roadway Right-of-Way and assemblage for Commercial Development
Interest Appraised:	Fee Simple
Proposed Acquisition:	Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee: 8,858 s.f. Temporary Construction Easement: 2,495 s.f.
Recommended Compensation:	\$10,900 (R)
Effective Date:	January 23, 2024
Appraiser:	Julie Jeffrey Schwartz, Certified General Appraiser, Minnesota #4002423



Property Appraised

Per information provided by the client, the subject is 13,752 s.f. or 0.32 acres in size, of which 8,858 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 4,894 s.f. or 0.11 acres. It is noted, this before net size may include some existing roadway right-of-way for Itasca Street, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition.

The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located at the intersection of U.S. Highway 2 E (TH 2) and Itasca Street. The subject does not have a physical address.

The subject property is generally improved with roadway right-of-way improvements, there is also a concrete sidewalk, lawn area, and what appears to be a purposefully planted semi-mature tree.

Subject Legal Description

Per a Title Opinion provided by the client, the subject has the following legal description:

Lots Ten (10), Eleven (11) and Twelve (12), Block One (1), Wilson and Gillespie's Addition to Grand Rapids, and N. 1/2 of vacated Second Street East, lying south and adjacent to said Block One (1), according to the plat thereof, on file and of record in the office of the Register of Deeds of said county and state.

It is noted, per Itasca County Records, the parcel with PID# 91-720-0140, of which a portion of the subject appraised is a portion of, has the following legal description:

Legal Description
Township 55N Range 25W Section 21 - LOTS 10-12 LESS HWY BLK 1 & N 1/2 OF VAC 2ND ST LYG S & ADJ TO BLK 1 & E 1/2 VAC 6TH AVE LYG W & ADJ THERETO

Appraisal Report Type

An MDV is a restricted appraisal report whereby damages resulting from a right-of-way related acquisition to the subject property are estimated to be under \$25,000. This appraisal report is intended to comply with the reporting requirements of USPAP (Uniform Standards of Professional Appraisal Practice). Only summary information and discussion of the data, reasoning and analyses are contained within this report. This report may not contain supporting rationale for all of the opinions and conclusions set forth in the report.



Supporting documentation not contained in this report is retained in the appraiser's work file. The depth of data and analysis contained in this report are specific to the intended needs of the client, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), for the intended use of negotiations related to the proposed partial acquisition of conversion of existing permanent highway easement (roadway right-of-way) to fee, and a temporary construction easement.

Scope of Work

Appraisal Type/Format: This is a minimum damage valuation (MDV) appraisal report (land only) reported in a restricted appraisal format, with no departure from the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, and is in compliance with the reporting requirements of Standards Rule 2-2 (b) of USPAP.

Inspection: Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

Property Data: General and specific information related to the subject property and its location was obtained from various sources, including public records from the City of Grand Rapids, and Itasca County. Information including assessor's estimated market value, any applicable annual property taxes, current and proposed zoning, and current and guided land use, was obtained.

Property Analysis: Based on the inspection and subject property data, the subject property was analyzed in context to its neighborhood, its market, including supply and demand factors, and the highest and best use was concluded before the proposed acquisition. Information related to the proposed partial acquisition was provided by the client, and the impact of the acquisition was considered in the opinion of highest and best use and conclusion of damages.

Highest and Best Use and Approaches to Value: Based on the information gathered and investigation of the market, the highest and best use was concluded both before and after the partial acquisition. The highest and best use determined the applicable approach to value which, in the instance of the subject, included only the sales comparison approach (f/k/a as the market approach). The highest and best use supported the types of comparables to use in the comparable sales analysis. The cost approach was not applicable due to lack of improvements impacted by the proposed acquisition. The income approach was not applicable due to lack of rental data in the market for vacant land.



Sources for Market Data: Market data related to the recent land sales was obtained from various sources, including assessor's records, local data exchanges including, Realist and the Regional Multiple Listing Service, and private appraiser databases. The comparable data was confirmed by this appraisal office, as detailed on each comparable data sheet.

Reconciliation: The opinion of market value for the subject has been reconciled and that opinion of market value was used to base compensation for damages related to the partial acquisition from the subject property.

Definition of Market Value

The Appraisal Institute's The Dictionary of Real Estate Appraisal, 6th Edition, includes the following in its definition for "market value":

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress"

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or creative terms, services, fees, costs or credits involved in the transaction.

Purpose / Intended Use

The purpose of this appraisal is to provide an estimate of market value of a partial acquisition related to the Minnesota Department of Transportation's State Project 3104-61RW (TH 2). The partial acquisition includes conversion of existing permanent



highway easement (roadway right-of-way) to fee, and a temporary construction easement. This appraisal is being completed for the requestor, Mr. John Hinzmann Jr., District 1 Land Management Supervisor, Minnesota Department of Transportation (MnDOT), who intends to use this report (function) for acquisition negotiation purposes related to the partial acquisition of the subject property.

Five Year Sale History

Per county records, and a Title Opinion provided by the client, there have been no sales of the subject in the past five years.

Assumptions and Conditions

The certification of this appraisal report is subject to the following:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the marketability of the title.
2. The property is assumed to be under responsible ownership and management.
3. The property is appraised as though clear and free of any liens, encumbrances, or indebtedness, unless stated otherwise.
4. To the best of the appraisers' belief, the information contained in this report is true and reported correctly. The information in this report, while not guaranteed, has been taken from sources or records believed to be reliable.
5. The Appraisers assume that there exists no hidden defects with the site, sub-soil, or improvements, which would render it more or less valuable.
6. Disclosure by the Appraisers of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraisers are affiliated.
7. The Appraisers are not required to appear in court or give testimony because of having made this report, unless arrangements have been made in advance.
8. This report, or any portions thereof, will not be distributed, or otherwise disseminated, to anyone other than the person who commissioned this or those involved in the certification, except as required by law.
9. This entire appraisal report must be considered as a whole and any excerpts or portions from this report cannot be considered separately.



10. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, as well as applicable zoning regulations and restrictions, unless otherwise stated.

11. It is assumed that all required licenses, consents or other authority from any local, state, or federal governments has been obtained or can be renewed.

12. It is assumed that the subject improvements, if any, are within the stated boundaries, and that there are no encroachments on neighboring property, or neighboring encroachments on the subject property, unless otherwise stated in this report.

13. The existence of potentially hazardous material such as urea-formaldehyde foam insulation, asbestos, existence of toxic water, toxic waste, or radon gas may have an effect on the value of the property. The Appraisers are not qualified to determine if such substances are present. The client may wish to consult an expert in this field.

14. Acceptance of or use of this appraisal report constitutes an understanding of and acceptance of these assumptions and limiting conditions.

15. The maximum liability which can accrue to the Appraisers or the Companies, as a result of performing this appraisal, is limited to the amount paid for the appraisal.

16. The Uniform Standards of Professional Appraisal Practice (USPAP 2024 edition), includes the following definitions for hypothetical condition and extraordinary assumption:

Hypothetical Condition:

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2024 ed.)”

Extraordinary Assumption:

“An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2024 ed.)”



Additionally, USPAP Standards Rule 1-2 (f) and (g) state the following about the reporting and use of hypothetical conditions and extraordinary assumptions:

(f) Identify any extraordinary assumptions necessary in the assignment. An extraordinary assumption may be used in an assignment only if:

- the extraordinary assumption is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption; and
- use of the extraordinary assumption results in a credible analysis;

(g) Identify any hypothetical conditions necessary in the assignment. A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; and
- use of the hypothetical condition results in a credible analysis.

There are no extraordinary assumptions employed in this appraisal. There is one hypothetical condition employed in this appraisal, as follows:

There is a hypothetical condition, that the proposed acquisition is presumed to exist as of the effective date of value. This hypothetical condition is assumed in order to value the damages related to the partial acquisition. The use of this hypothetical condition may have affected the assignment results.

Subject Description, Before the Acquisition

Per information provided by the client, the subject is 13,752 s.f. or 0.32 acres in size, of which 8,858 s.f. are encumbered with a permanent highway easement (roadway right-of-way), giving the subject a net total size of 4,894 s.f. or 0.11 acres. It is noted, this before net size may include some existing roadway right-of-way for Itasca Street, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition.

The subject is located within the City of Grand Rapids, within the southeastern quadrant of Itasca County. Itasca County is located in north central Minnesota. The subject is located at the intersection of U.S. Highway 2 E (TH 2) and Itasca Street. The subject does not have a physical address.



TH 2 has an Average Annual Daily Traffic count (AADT) of 8,000 (2019 count), and Itasca Street has an AADT count of 1,250 (2020 count), in the area of the subject.

The subject has generally level topography. The subject has a generally rectangular shape. The drainage on the site is deemed adequate, and the subject is not located within floodplain.

The subject has access to all urban utilities including city sewer and water.

The subject is currently zoned GB, General Business, as governed by the City of Grand Rapids. Following is the purpose of the GB, General Business zoning district taken from the City of Grand Rapid’s Zoning Ordinance:

GB general business district and SGB shoreland general business district. These districts are intended to accommodate a broad range of retail goods and services, land uses and generally serve the entire community. Though not exclusively so, businesses in this district are relatively freestanding and tend to occupy independent building sites. They may enjoy close proximity to like businesses but depend primarily on good accessibility, high visibility and a relatively large volume of passing traffic. For uses permitted by right refer to section 30-512. The SGB districts are also subject to shoreland management standards.

The subject is also subject to Airport Safety Zones B and C, as governed by the Grand Rapids/Itasca Joint Airport Zoning Board. It appears that just the very southeastern corner of the subject is located within the Safety Zone B. The subject is not negatively impact by the Airport Safety Zone C, with height restrictions high enough that traditional development can occur. Safety Zone B places the following additional restrictions on the subject, as taken from the Airport Zoning Ordinance:

Zone B: Subject at all times to the height restrictions set forth in subsection 30-64(b), and to the general restrictions contained in subsection 30-65(b)(1), areas designated as zone B shall be restricted in use as follows:

- a. Each use shall be on a site whose area shall not be less than three acres.
- b. Each use shall not create, attract, or bring together a site population that would exceed 15 times that of the site acreage.
- c. Each site shall have no more than one building plot upon which any number of structures may be erected.
- d. A building plot shall be a single, uniform, and non-contrived area, whose shape is uncomplicated and whose area shall not exceed the following minimum ratios with respect to the total site area:

Site Area at least (Acres)	But Less Than (Acres)	Ratio of Site Area to Bldg. Plot Area	Building Plot Area (sq. ft.)	Max. Site Population (15 persons/Acre)
3	4	12:1	10,900	45
4	6	10:1	17,400	60
6	10	8:1	32,600	90
10	20	6:1	72,500	150
20 and up		4:1	218,000	300



e. The following uses are specifically prohibited in Zone B: Churches, hospitals, schools, theaters, stadiums, hotels, motels, trailer courts, campgrounds, and other places of frequent public or semi-public assembly.

The subject parcel appears to be legal and conforming to the underlying zoning, however, is not compliant to the minimum lot size of 3 acres per the Airport Safety Zone B regulations. The subject's use as roadway right-of-way appears to be a legal and conforming use.

Per a Title Opinion provided by the client, the subject is also subject to the following:

Resolution, relating to vacation of a portion of Second Street East, recorded April 11, 1962 in Volume 72 of Misc., Page 68, as Document No. 232308.

There are no other legal restrictions placed on the subject property that would affect value, which the appraiser has been made aware.

The subject is guided for Highway Commercial use, as guided by the City of Grand Rapids. There is no reason to believe the zoning of the subject would change in the near future, nor would it be logical to consider a re-zoning request, as the zoning conforms with the surrounding uses, and guided land use.

The subject property is generally improved with roadway right-of-way improvements that are owned by the public, including a concrete sidewalk, lawn area, and what appears to be a purposefully planted semi-mature tree.

Acquisition Description

According to the acquisition sketch, the mid- and eastern portions of the subject parcel are affected by the proposed acquisition. The acquisition area is as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	8,858 s.f.
Temporary Construction Easement:	2,495 s.f.

Following is a caption block provided by the client:

C.S. 3104(2=8-27)827 S.P. 3104-61											
WILSON & GILLESPIE'S ADDITION to Grand Rapids											
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS	NEW T.H. R/W	BALANCE	ENCUM BY EX TH R/W	TEMPORARY EASEMENT		PERMANENT R/W INTEREST	
				SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	SQ. FEET	EXPIRES		
314	31-220	City of Grand Rapids	LOTS 10-12 BLK 1	13752	8858	4894	8858	2,495	12/01/2028	FEE	



The orientation, configuration, width and length of the acquisition area can be best viewed on the acquisition sketch found later in this appraisal. Within the area of the proposed acquisition appears to be roadway right-of-way improvements that are owned by the public, including a concrete sidewalk, lawn area, and what appears to be a purposefully planted semi-mature tree.

Subject Description, After the Acquisition

In the before situation, the subject is 13,752 s.f. or 0.32 gross acres in size. As an effect of the acquisition, the subject is smaller by the area of the proposed roadway right-of-way fee acquisition of 8,858 s.f., effectively reducing the size of the subject to 4,894 s.f. or 0.11 acres in the after situation. It is noted, the entire 8,858 s.f. of the proposed roadway right-of-way fee acquisition are encumbered with an existing permanent highway easement (roadway right-of-way) and improved with roadway right-of-way improvements.

Further, as an effect of the acquisition, 2,495 s.f. of area will be encumbered with a temporary construction easement for a 4.86 year duration. The start date will commence on the effective date of value of this appraisal January 23, 2024, and end on December 1, 2028.

Highest and Best Use, Before and After Acquisition

The highest and best use of the subject property includes roadway right-of-way for the area encumbered with roadway right-of-way (8,858 s.f.) and assemblage to abutting commercial properties for the remaining 4,894 s.f., as its small size does not allow any independent highest and best use.

The highest and best use as improved, is not applicable, as the subject is appraised as though vacant land. However, the highest and best use as improved is its current use, roadway right-of-way.

The highest and best use is not impacted as a result of the proposed project, or its partial acquisition from the subject property. The subject parcel will not sustain any permanent negative affect resulting from the proposed acquisition, and has the same entitlements and highest and best use after, as before acquisition.



Approaches to Value

The cost approach is not used because the subject is appraised as vacant land, although certain improvements or landscaped elements affected by the proposed acquisition may be compensated based on cost, to establish appropriate compensation for costs to cure. The income approach was not applicable due to lack of rental data in the market for vacant land.

The Sales Comparison Approach is the only applicable approach to value, and it compares the subject property with other similar properties that have recently sold or are currently listed for sale. Positive and negative adjustments are made to the comparable sales for the differences which exist between them and the subject. Objective comparison with comparable sales provides an indication of value for the subject.

Comparable Sales Data and Adjustment Analysis

In order to value the proposed acquisition area, the subject's underlying fee land value is estimated. Comparables were located from county assessor records, Realist, and the Regional Multiple Listing Service, as well as private appraiser databases. An ample amount of applicable comparable data was located within the large competitive market.

Following is an adjustment chart with the subject and comparables, and a qualitative analysis comparing certain factors to the subject property. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward.



Comparable Sale Adjustment Chart

	Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5	Comparable #6	Comparable #7
Address	xxx E U.S. Highway 2, Grand Rapids, MN 55744	1300 E US Highway 169, Grand Rapids, MN 55744	710 NE 4th Street, Grand Rapids, MN 55744	301 NE 4th Street, Grand Rapids, MN 55744	416 NW 7th Avenue, Grand Rapids, MN 55744	1402 NW 4th Street, Grand Rapids, MN 55744	xxx SW 2nd Avenue, Grand Rapids, MN 55744	xxx US Hwy 169, Grand Rapids, MN 55744
Sale Price		\$700,000	\$175,000	\$150,000	\$110,000	\$120,000	\$421,936	\$125,000
Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Effective Sale Date	1/23/2024	10/2022	01/2022	06/2023	12/2022	10/2022	04/2022	11/2022
Market Conditions	0.00%	=	=	=	=	=	=	=
Terms/Transfer Docs/Property Rights		Cash/Warranty Deed/Fee Simple	Market Rate Financing/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Quit Claim Deed/Fee Simple	Cash/Warranty Deed/Fee Simple	Cash/Warranty Deed/Fee Simple
Motivations		Adj Owner - Buyer leased prior to sale	Adj Owner	Word of Mouth	Adj Owner	Word of Mouth	Typical	Adj Owner - Right of First Refusal
Adjusted Price/SF		\$3.60	\$5.02	\$8.83	\$7.89	\$3.99	\$6.05	\$4.63
Site Size	4,894 net s.f. (0.11 net acres) (13,752 s.f. (0.32 acres) gross)	194,713 SF (4.47 acres)	34,848 SF (0.80 acres)	16,988 SF (0.39 acres)	13,939 SF (0.32 acres)	30,056 SF (0.69 acres)	69,696 SF (1.60 acres)	27,007 SF (0.62 acres)
Location	City of Grand Rapids - Corner	City of La Prairie - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Corner	City of Grand Rapids - Corner	City of Grand Rapids - Interior	City of Grand Rapids - Interior	City of Grand Rapids - Interior
Immediate Area	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Regional Commercial Area	Commercial
AAAT	8,000 & 1,250	12,200 & 1,639	7,555, one parcel removed from 9,300-13,900	14,200 & 1,871	2,190-4,330	13,300	None recorded, but views of Hwy 169 @ 19,800 and TH 23 @10,623	19,800
Utilities	All Available	All Available	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	GB, General Business & Airport Safety Zones B & C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C	GB, General Business	SGB, Shoreland General Business	GB, General Business & Airport Safety Zone C	GB, General Business & Airport Safety Zone C
Topography/Soils/Shape	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional - 3 parcels	Generally level /Buildable/Generally rectangular	Generally level/Buildable/Irregular but conventional	Generally level/Buildable/Generally rectangular - 2 parcels	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular	Generally level/Buildable/Generally rectangular
Other	Non-conforming but Across-the-Fence Value	N/A	N/A	Environmental	Improvements razed after sale	N/A	N/A	Improved with gazebo
Gross Adjustment		2+	2+	1+	1+	1+	1+ 1-	1+
Net Adjustment		2+	2+	1+	1+	1+	=	1+
Final Price/SF		More than \$3.60	More than \$5.02	Sly more than \$8.83	Sly more than \$7.89	Sly more than \$3.99	About \$6.05	Sly more than \$4.63



Adjustment Analysis

The most similar comparables were chosen. Preferably properties chosen for the adjustment analysis should be similar enough that few adjustments are necessary. Unfortunately, this is rarely the case, so an adjustment analysis is performed. All adjustments applied are typically based on market trends, market demands and preferences, and physical characteristics. If the comparable sale is deemed superior to the subject in a particular item, the comparable is adjusted downward, and if inferior, is adjusted upward. This adjustment analysis is a qualitative analysis, where the precise amount of the individual adjustment is not quantified, only that a positive or negative adjustment exists. After the qualitative adjustments are applied, the adjusted comparables support an estimated market value within the range of the comparables, reconciled.

The various items for which the subject has been analyzed include:

Market conditions (time) – A time adjustment is used to reflect changes in the marketplace over time. Things such as declining or inflationary economies, or over-supply or under-demand situations can create differences in market prices through time. All of the comparable sales have occurred since January 2022 and are relatively recent. During this time period, the market conditions have remained stable and there are no upward or downward market pressures, so no adjustment is applied.

Financing Terms of Sale/Transfer Documents – Sometimes financing terms may affect purchase price. All of the comparables sold with cash or its equivalent, market rate financing, so no adjustments are necessary. Comparables 1-4, 6 & 7 transferred with warranty deeds, and no adjustments are required. Comparable 5 transferred via a quit claim deed, but is not adjusted, due to careful practices of title companies and closing agents that reduce any risk associated with a deeded transfer.

Motivations – Sometimes different motivational factors of a buyer or seller may affect negotiations and eventual purchase price. The motivations of the buyers and sellers were explored. Comparable 6 had typical buyer and seller motivations, and is not adjusted. Comparable 1 was purchased by an adjacent owner who had leased the property prior to the transfer for storage purposes. Comparables 2 and 4 were purchased by adjacent owners. Comparables 3 and 5 were marketed through word of mouth. Comparable 7 was purchased by an adjacent owner who had right of first refusal. After review of the comparable sales, and relative land prices in the market area it appears that even with the seller and/or buyers different motivations, all of the comparables sold at market value. Additionally reviewed were the Certificates of Real Estate Value (eCRV), as filed through the State of Minnesota's Department of Revenue, in which comparables 2-7 all reflected that no significant different price was paid (in other words, market value



was paid). Although, comparable 1's eCRV reflected they thought they paid a significant different price, after our research it appears that a market amount was paid, and no adjustments are required.

Site Size – The subject is 0.11 net acres in size, or 0.32 gross acres, and is appraised “across-the-fence” assuming market-typical size. The comparables range in size from 0.32 to 4.47 acres. All but comparable 1 are within a market-typical size range and no adjustment is necessary. Comparable 1, with 4.47 acres, is considerably larger and adjusted upward, as larger parcels tend to sell for less per square foot than smaller parcels.

Location – The subject is located within the City of Grand Rapids, as are comparables 2-6. Comparable 1 is located in La Prairie, but within a highly similar area, and is not adjusted. The subject is a corner-location which affords greater exposure. Interior locations are inferior and adjusted upward.

Immediate Area – The subject and comparables are all located in commercially-defined areas, and no adjustments are required, with the exception of comparable 6. Comparable 6 stands out as the most superior, located in the regional shopping area in a highly desirable commercial area and is superior and adjusted downward.

AADT – The subject is located on a roadway with an AADT count of 8,000 and 1,250. AADT can have an impact on value for commercial properties, with properties on higher-trafficked corridors selling for more than lower-trafficked corridors. Comparables with significantly less AADT are inferior and adjusted upward. Comparable 6 is located on a roadway with unrecorded AADT, but is in view and exposure to two highly-trafficked roadways and with its anticipated 4-story construction will have exposure to these two roadways, and is overall similar and not adjusted.

Utilities – The comparables and subject all have access to typical urban utilities, including city water and sewer, and no adjustments are necessary.

Zoning – The subject is zoned GB, General Business, as are all of the comparables with the exception of comparable 5, which is zoned SGB, Shoreland General Business. The subject and comparables 1-3, 6 & 7, are also subject to Airport Safety Zone C (and the subject additionally has some Zone B), however this does not negatively impact value, with height restrictions high enough that traditional development can occur. With no comparable having a competitive advantage or disadvantage over another, no adjustments are necessary.

Topography/Soils/Shape – The subject and comparables are all similar enough in topography, soils and shape to not require any adjustments. Although some comparables have multiple legal parcels of record, this does not inure any competitive benefit and no adjustment is applied.



Other – Comparable 3 had some environmental issues discovered whereby the entire purchase price is in escrow, and the buyer is pulling from the escrow to pay for the Phase 2 environmental study, and at conclusion of the study, the decision regarding release of the remaining funds will be made, but under no circumstance will the buyer pay more than purchase price. The agreement is the buyer will buy the site clean for the purchase price. An upward adjustment is applied not for the contamination and remediation, but because the contamination and remediation cause a delay in developing this property. Comparable 4 was improved with a single family residence and ancillary site improvements which required removal. The abutter purchased this parcel as it prevented relocating for expansion needs, and although the buyer found it worthwhile to remove the improvements, the market might not, and as such, demolition costs for these improvements is not additionally considered, rather these improvements are deemed value-neutral and not adjusted. Comparable 7 was improved with a gazebo but it did not add value, as a typical buyer would demolish it in order to develop. This particular buyer the gazebo had value as part of the grounds to the Judy Garland Museum, but the market would deem this improvement value-neutral and therefore no adjustment is applied. Although the subject is a non-conforming parcel in and of itself (due to Airport Zone B, the subject must be at least 3 acres in size), due to the across-the-fence appraisal methodology, this factor is not considered to discount the underlying fee value.

It is noted, more information about these comparables is located in the appraiser's file, although a comparable location map and comparable data sheets are located in the addenda of this report.

Reconciled Land Value

After the qualitative adjustment analysis, the adjusted comparable sales prices fall into value suggestions for the subject property's fee simple value.

One comparable yields a value suggestion of about \$6.05/s.f., however, appears to be an aberration.

Four comparables yield value suggestions slightly more than \$3.99/s.f. to \$8.83/s.f.

Two comparables yield value suggestions of more than \$3.60/s.f. to \$5.02/s.f.

All comparables are good indicators of value and overall, minimal adjustments apply.

A value estimate of \$9.00/s.f. is well supported, toward the higher end of the range of the comparables, rounded to the nearest whole dollar.



As the subject has 0.11 net acres, or 4,894 net s.f., the estimated before land market value is as follows:

$$4,894 \text{ s.f. (net size)} \times \$9.00/\text{s.f. (estimated s.f. value)} = \$44,046$$

It is noted, the above before value is for the subject's net 0.11 acres or 4,894 s.f. The subject has an additional 8,858 s.f. encumbered with an existing permanent highway easement (roadway right-of-way). The 8,858 s.f. of area encumbered with the existing permanent highway easement (roadway right-of-way) is valued at 5% of the underlying fee, or \$0.45/s.f., as most of the rights and all of the practical use of this area results from the encumbrance.

Therefore, the before land value includes 8,858 s.f. \times \$0.45/s.f. = \$3,986.10, say \$3,986 rounded to the nearest dollar

Total Before Land Value: \$44,046 (non-encumbered area) + \$3,986 (pre-encumbered right-of-way area) = \$48,032

*It is noted, this before net size may include some existing roadway right-of-way for Itasca Street, as the client only provided the existing roadway right-of-way area which is proposed to be within the proposed roadway right-of-way fee acquisition.

Estimated Value of Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:

8,858 s.f. of the subject are encumbered with an existing permanent highway easement (roadway right-of-way), and much of the fee simple rights are deemed encumbered, with few remaining fee simple rights and no practical use. As the owner is deprived of any practical use of this parcel, due to its existing roadway right-of-way use, the remaining rights are estimated to contribute about 5% of the underlying fee value of \$9.00/s.f., or \$0.45/s.f., as most of the rights and all of the practical use of this area is extinguished due to the encumbrance.

The estimated land market value of the encumbered 8,858 s.f. is calculated as follows:

$$8,858 \text{ s.f.} \times \$0.45/\text{s.f.} = \$3,986.10, \text{ say } \$3,986 \text{ rounded to the nearest dollar}$$

The estimated value of conversion of the existing permanent highway easement (roadway right-of-way) to fee is the entire estimated land market value of the encumbered 8,858 s.f. of the subject, or \$3,986.



Estimated Value of Temporary Construction Easement

The proposed temporary construction easement is 2,495 s.f. The proposed temporary construction easement is for 4.86 years. The easement will begin January 23, 2024 and end on December 1, 2028. To estimate the value of the temporary construction easement, 100% of the underlying fee land value concluded in this report, \$9.00/s.f., is multiplied by the total square feet of the temporary construction easement area to arrive at the before value of the land which is being subject to the proposed temporary construction easement, which is then discounted with a present worth factor based on an 8% discount rate. The estimated market value for the land in the temporary construction easement is computed as follows:

Summary of Temporary Construction Easement Calculation	
1 Land Area included in Temporary Construction Easement	2,495 S.F.
2 Land Value/S.F.	\$9.00
3 Land Value Estimate of Encumbered Area	\$22,455.00
4 Beginning date of Temporary Construction Easement	1/23/2024
5 Date of Temporary Construction Easement Expiration	12/1/2028
6 Length of Temporary Construction Easement	4.86 years
7 Discount Rate	8%
8 Present Worth Factor	0.6882
9 Before Value	\$22,455.00
10 After Value	\$15,453.53
11 Temporary Construction Easement Value	\$7,001.47

**Temporary Construction Easement Value for a 4.86 Year Duration: \$7,001,
rounded to the nearest dollar**

Site Improvements Damaged Within the Acquisition Area

Within the area of the proposed acquisition appears to be roadway right-of-way improvements, a concrete sidewalk, lawn area, and what appears to be a purposefully planted semi-mature tree. As these improvements are owned by the public, they are not subject to compensation.



Conclusions and Allocation of Damages

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$3,896
Temporary Construction Easement:	\$7,001
Affected Site Improvements:	N/A
Estimated Damages:	\$10,897
Final Rounded Estimated Damages:	\$10,900



Attachments

Appear in the following order.

Certification

Aerial Photograph

Acquisition Sketches

Acquisition Legal Description

Project Description from MnDOT

Subject Photos

Comparable Sales Location Map & Data Sheets

Professional Qualifications – Julie Jeffrey Schwartz



Certification

S.P.: 3104-61RW (TH 2)

Parcel: 3104-827-314

Control Section: 3104 (2=8) 827

I certify that, to the best of my knowledge and belief.....

That I have personally inspected the property herein appraised. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

Julie Jeffrey-Schwartz, Certified General Appraiser, MN #4002423, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386, inspected and photographed the subject property on January 23, 2024, the effective date of valuation. The property owner representative, Matt Wegwerth, was afforded the opportunity to accompany the appraiser via a telephone message (218-326-7626) left on January 15, 2024, and with no return phone call the property was inspected without the presence of an owner.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based on are correct; subject to the limiting conditions therein set forth.

Katie Huspek, Licensed Residential Appraiser Trainee, MN License #40160103, and Alexander Schwartz, Licensed Residential Appraiser Trainee, MN License #40464386 provided assistance in this appraisal. Ms. Huspek researched subject information, comparable sales, market information and the compilation of the report. Mr. Schwartz accompanied on the inspection, reached out to property owners, and confirmed comparable data. No one other than Ms. Huspek and Mr. Schwartz and the appraiser signing this report have provided significant professional assistance in the compilation of this report, its data, or analysis.

That I understand that such appraisal may be used in connection with the acquisition by the Minnesota Department of Transportation (MnDOT) related to the TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the improvements for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the landowner, was disregarded in determining the compensation for the property.

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, the MnDOT Right of Way Manual, Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and appropriate state laws, regulations, policies and procedures applicable to an appraisal of right-of-way for such purposes, and that



to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under established State or Federal law.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no present or prospective interest, or personal bias, regarding the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Julie Jeffrey-Schwartz has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

As of the date of this report, Julie Jeffrey-Schwartz has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

That I have not revealed the findings and results of such appraisal to anyone other than the proper acquisition officials of the Minnesota Department of Transportation, and their consultants, and that based on my independent appraisal and exercise of my professional judgment, the proposed acquisition for the subject property has a market value as of January 23, 2024 (the date of inspection) as follows:

Conversion of Existing Permanent Highway Easement (Roadway Right-of-Way) to Fee:	\$3,896
Temporary Construction Easement:	\$7,001
Affected Site Improvements:	N/A
Estimated Damages:	\$10,897
Final Rounded Estimated Damages:	\$10,900

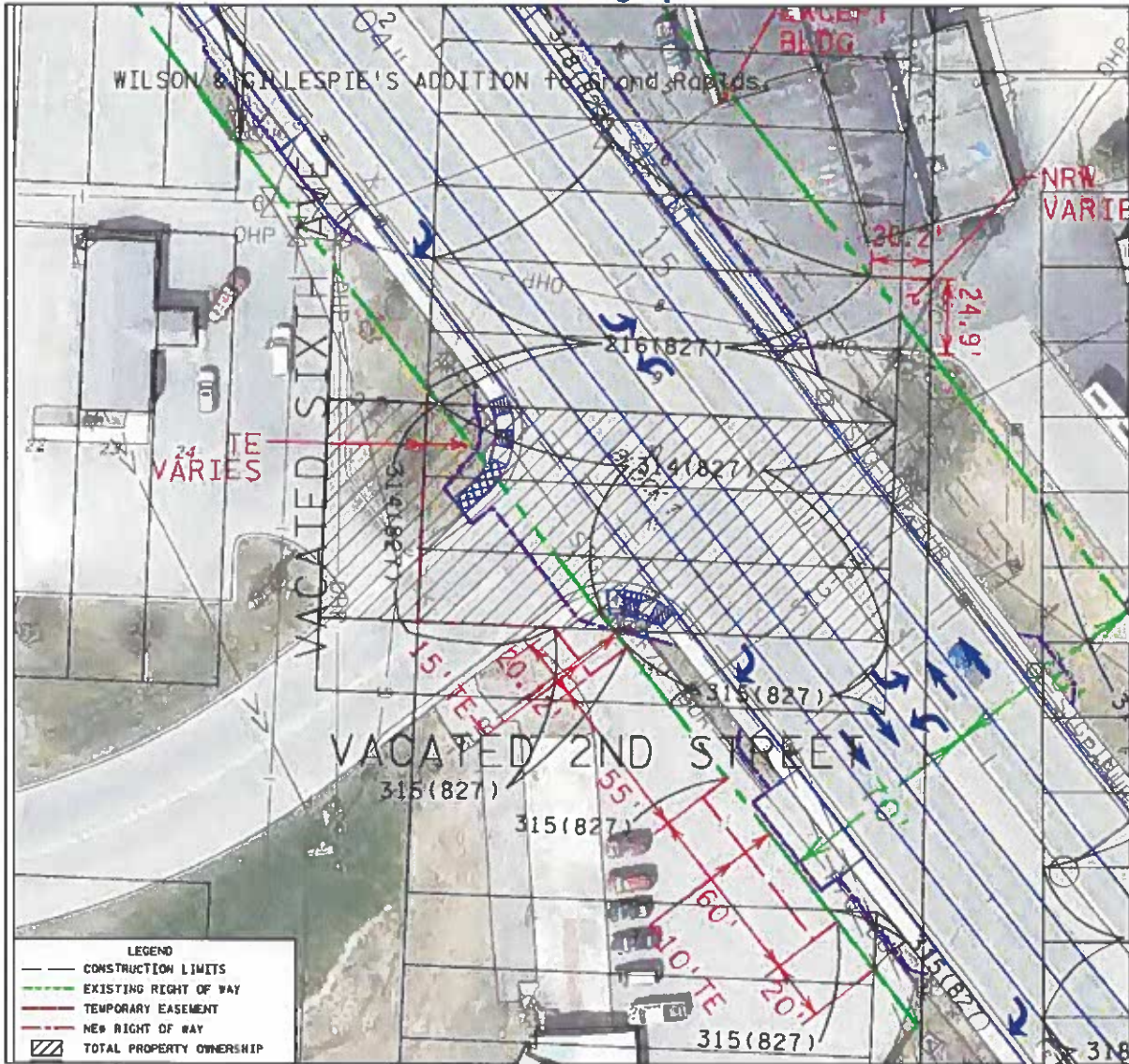
Julie Jeffrey Schwartz

Appraiser: Julie Jeffrey Schwartz
Certified General Appraiser
Minn. #4002423

09/04/2024
Date

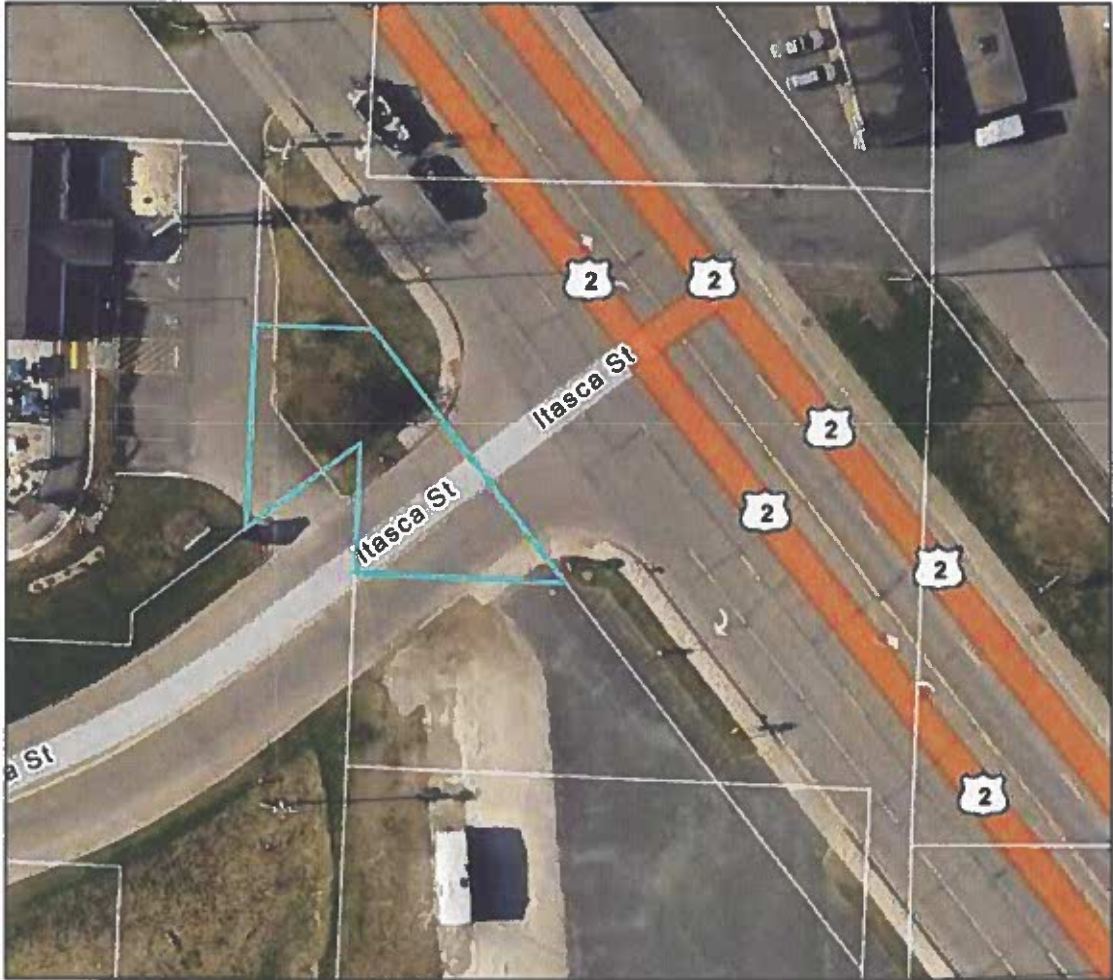


Aerial Photograph



The above aerial photograph was provided by the client, and the cross hatching reflects the area of the subject parcel appraised. The subject parcel appraised is comprised of a portion of PID# 91-720-0140, per Itasca County Records, and additional area which does not have a PID# as it exists as a permanent highway easement (roadway right-of-way). Following is an outline of the parcel with PID# 91-720-0140 which it appears a portion of the subject is part of, taken from the Itasca County GIS Mapping System, and included for reference purposes only.





Acquisition Sketches

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2-8-27)827 S.P. 3104-61 COUNTY Itasca

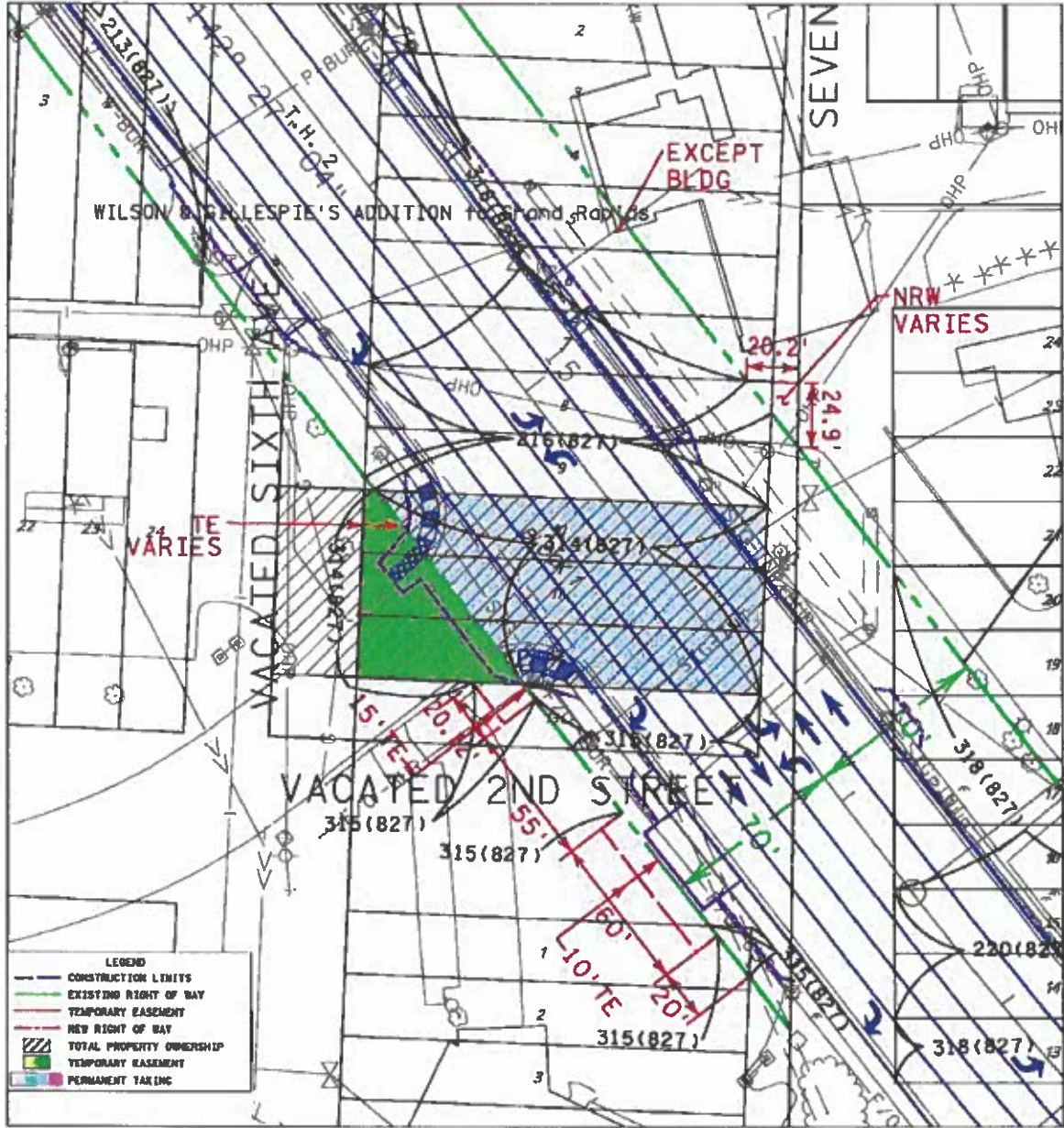
LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 314 SHEET 1 OF 3



50
SCALE IN FEET



RIGHT OF WAY PARCEL LAYOUT

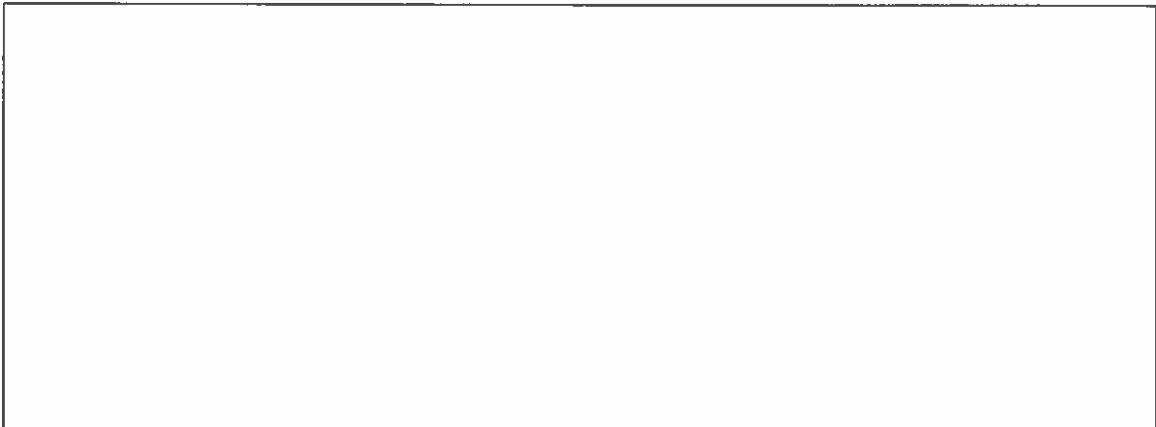


C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 314 SHEET 2 OF 3



C.S. 3104(2=8-27)827 S.P. 3104-61

WILSON & GILLESPIE'S ADDITION to Grand Rapids

PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITH ROADS		BALANCE	ENCUM BY EX TH R/W		TEMPORARY EASEMENT		PERMANENT R/W INTEREST
				SQ. FEET	SO. FEET		SO. FEET	SO. FEET	SO. FEET	TERMS	
314	31-220	City of Grand Rapids	LOTS 10-12 BLK 1	13752	8858	4894	8858	7995	12/01/2028	FEE	

Drawn by pester

Print Date 4/19/2024



RIGHT OF WAY PARCEL LAYOUT



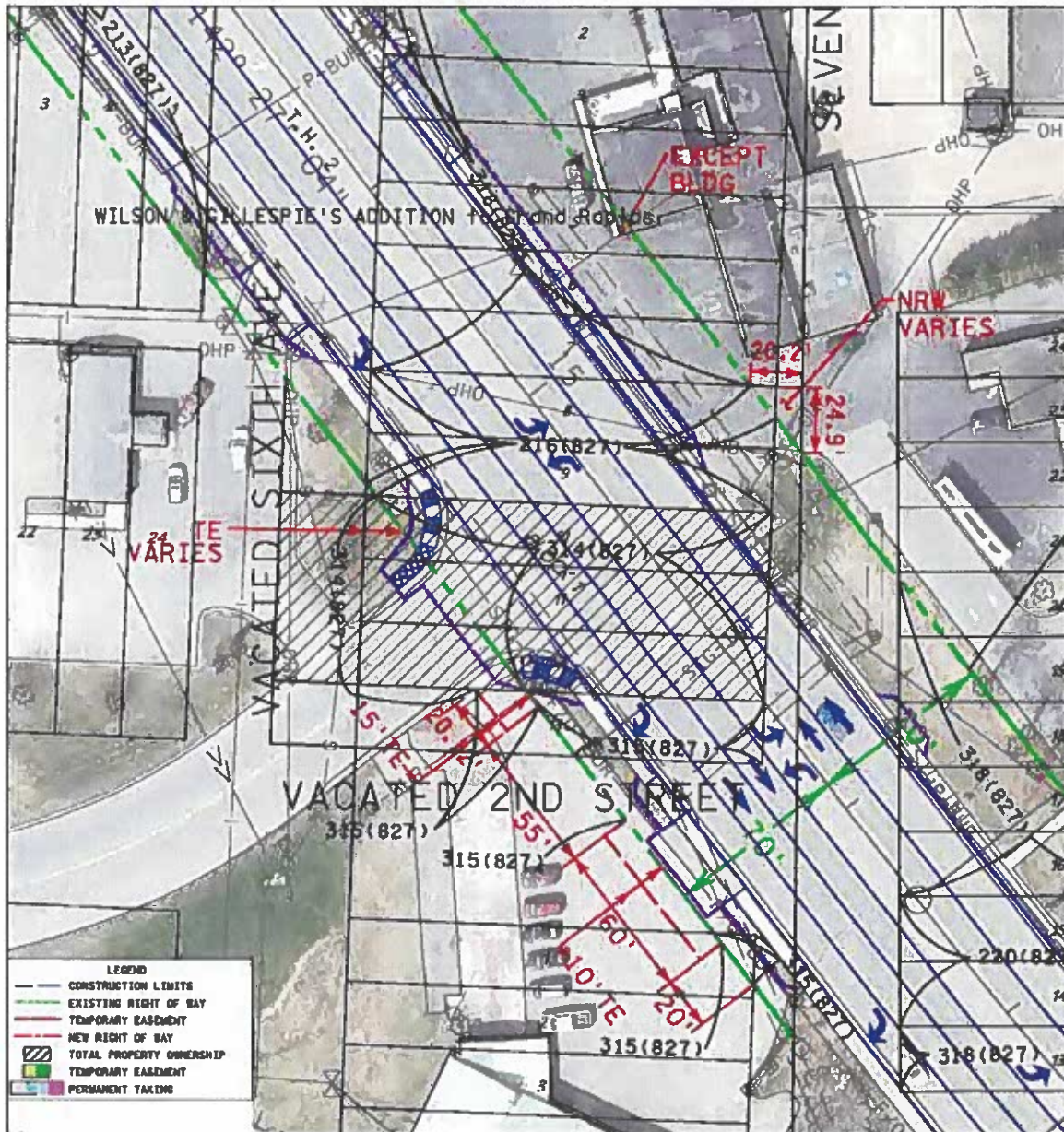
C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

LOCATION TH2 In Grand Rapids from TH169 to 0.25 miles east of Gunn Rd In LaPrairie

OWNER City of Grand Rapids

PARCEL NO. 314 SHEET 3 OF 3

50
SCALE IN FEET



LEGEND

- CONSTRUCTION LIMITS
- EXISTING RIGHT OF WAY
- TEMPORARY EASEMENT
- NEW RIGHT OF WAY
- TOTAL PROPERTY OWNERSHIP
- TEMPORARY EASEMENT
- PERMANENT TAKING

Drawn by prester

Print Date 4/19/2024



Acquisition Legal Description

May 6, 2024
3104-827-314

FEE ACQUISITION

Parcel 314 C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 10 through 12, inclusive, Block 1, WILSON AND GILLESPIE'S ADDITION, shown as Parcel 314 on Minnesota Department of Transportation Right of Way Plat Numbered 31-220 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota;

together with other rights as set forth below, forming and being part of said Parcel 314:

Temporary Easement:

A temporary easement for highway purposes as shown on said plat as to said Parcel 314 by the temporary easement symbol, said easement shall cease on December 1, 2028, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.



Project Description From MnDOT

The subject is impacted by the Minnesota Department of Transportation's TH 2 La Prairie Mill & Overlay Project, State Project No. 3104-61. The project is on TH 2 in Grand Rapids from TH 169 to 0.25 miles east of Gunn Road in La Prairie, MN in Itasca County, MN. The following mapping and information about the project was taken from MnDOT's website.

About this project
Summary of work
Pavement rehabilitation (mill and overlay), drainage and ADA upgrades.



Schedule

- Construction is scheduled for 2025

Location

- On Hwy 2, Hwy 169 to Gunn Road in LaPrairie

Benefits

- Improved ride and increased service life of the pavement
- Compliance with ADA requirements
- Pedestrian improvements including an enhanced crossing at LaPrairie Avenue and a bikeable/walkable shoulder



Subject Photographs
Taken January 23, 2024



Looking southerly at the subject and area of the proposed acquisition from the east side of U.S. Highway 2 E (TH 2)



Looking southwesterly at the subject and area of the proposed acquisition from the east side of U.S. Highway 2 E (TH 2)



Looking westerly at the northern portion of the subject and area of the proposed acquisition from the east side of U.S. Highway 2 E (TH 2)





Looking south-southwesterly toward the subject and area of the proposed acquisition from the east side of U.S. Highway 2 E (TH 2)



Looking southeasterly from the subject/intersection of U.S. Highway 2 E (TH 2) and Itasca Street



Looking northwesterly toward the subject from just south of the intersection of U.S. Highway 2 E (TH 2) and Itasca Street





Looking southwesterly at the intersection of U.S. Highway 2 E (TH 2) and Itasca Street from U.S. Highway 2 E (TH 2)



Looking northwesterly along U.S. Highway 2 E (TH 2) from near NE 8th Avenue. The subject is ahead in the distance.

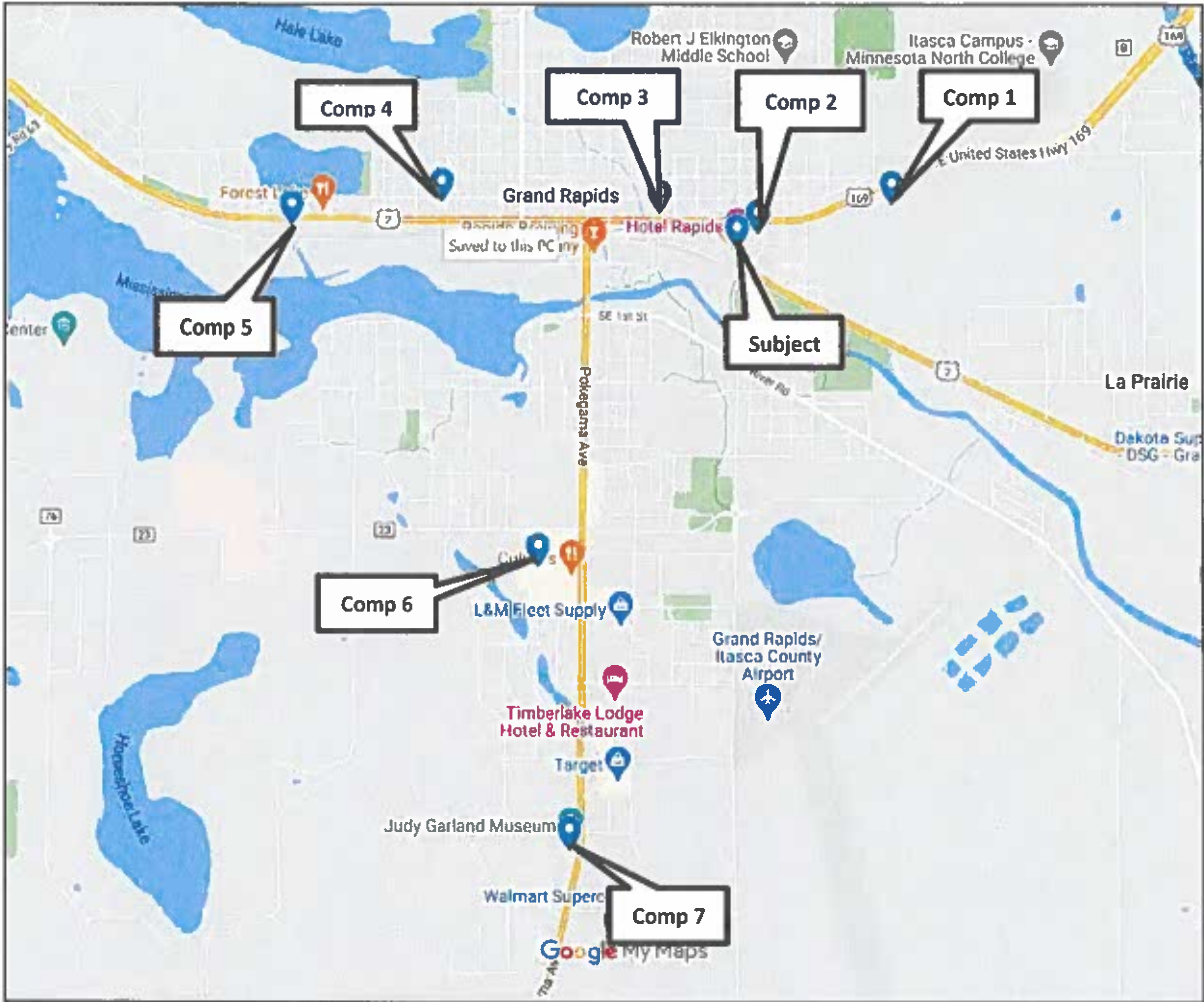


Comparable Sales Summary

Comp #	Address	Sale Price	Site Size	Sale Date	Price per SF	Zoning	Comments
1	1300 E US Highway 169, Grand Rapids, MN 55744	\$700,000	194,713 s.f. (4.47 acres)	10/2022	\$3.60/s.f.	GB, General Business & Airport Safety Zone C	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.
2	710 NE 4th Street, Grand Rapids, MN 55744	\$175,000	34,848 s.f. (0.80 acres)	01/2022	\$5.02/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.
3	301 NE 4th Street, Grand Rapids, MN 55744	\$150,000	16,988 s.f. (0.39 acres)	06/2023	\$8.83/s.f.	GB, General Business & Airport Safety Zone C	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.
4	416 NW 7th Avenue, Grand Rapids, MN 55744	\$110,000	13,939 s.f. (0.32 acres)	12/2022	\$7.89/s.f.	GB, General Business	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.
5	1402 NW 4th Street, Grand Rapids, MN 55744	\$120,000	30,056 s.f. (0.69 acres)	10/2022	\$3.99/s.f.	SGB, Shoreland General Business	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.
6	xxx SW 2nd Avenue, Grand Rapids, MN 55744	\$421,936	69,696 s.f. (1.60 acres)	04/2022	\$6.05/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.
7	xxx US Hwy 169, Grand Rapids, MN 55744	\$125,000	27,007 s.f. (0.62 acres)	11/2022	\$4.63/s.f.	GB, General Business & Airport Safety Zone C	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.

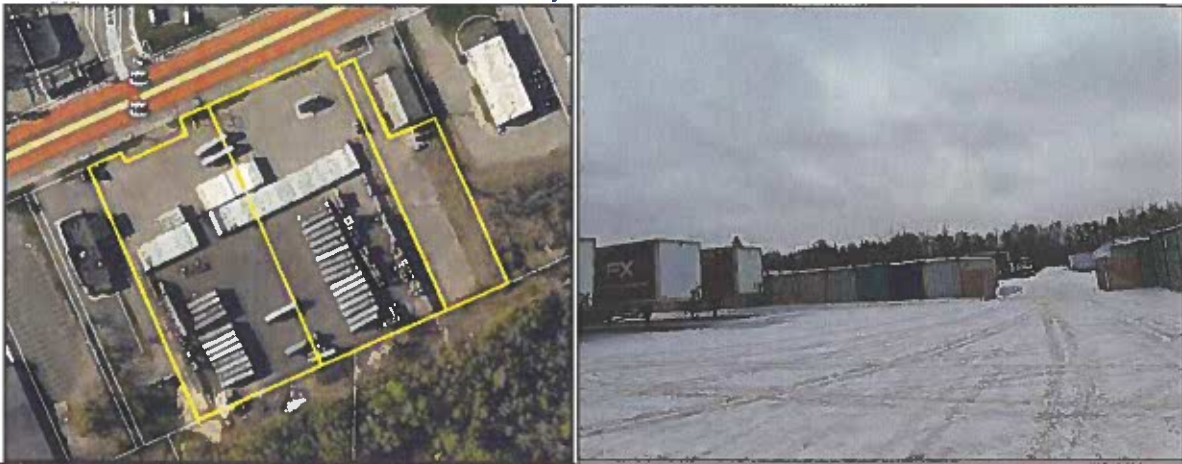


Comparable Location Map



Comparable Sales Data Sheets

Comparable #1



Comp 1	
Address/Location:	1300 E US Highway 169, Grand Rapids, MN 55744
PID #:	93-480-0070, 93-480-0056 & 93-480-0081
Legal Description:	Lengthy Legal
Sale Price:	\$700,000
Price/S.F.:	\$3.60/s.f.
Sale Date:	10/24/2022
Size:	194,713 SF (4.47 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	12,200 & 1,639
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Meds-I Ambulance Service, Inc./L & M LaPrairie Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1482755), county records, various data bases, and the seller representative, Timothy George with Meds-I Ambulance Service, Inc.
Comments:	This transfer included three adjacent parcels of record. The property is located on the southern side of US Highway 169, across from its intersection with NE 13th Avenue. US Highway 169 has an Average Annual Daily Traffic Count (AADT) of 12,200 (2019 count), and NE 13th Avenue has an AADT count of 1,639 (2022 count), in the area of the property. The buyer was an adjacent owner who leased the property from the seller prior to the sale for storage use. There was also a 10,000 gallon fuel tank that was removed and tested with no resulting issues.



Comparable #2

Comp 2	
Address/Location:	710 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-425-2020
Legal Description:	Lengthy Legal
Sale Price:	\$175,000
Price/S.F.:	\$5.02/s.f.
Sale Date:	1/3/2022
Size:	34,848 SF (0.80 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	7,555, one parcel removed from 9,300-13,900
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Market Rate Financing/Warranty Deed/Fee Simple
Grantor/Grantee:	Hernesman Brothers Partners/KR Real Estate Holdings, LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1367874), county records, various data bases, and the buyer representative, Michael Kellin with KR Real Estate Holdings, LLC.
Comments:	This property is located on the western side of NE 8th Avenue, one parcel removed to the south of US Highway 169. NE 8th Avenue has an Average Annual Daily Traffic Count (AADT) of 7,555 (2022 count), and US Highway 169 has an AADT count of 9,300-13,900 (2019 counts), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was purchased by an adjacent owner.



Comparable #3

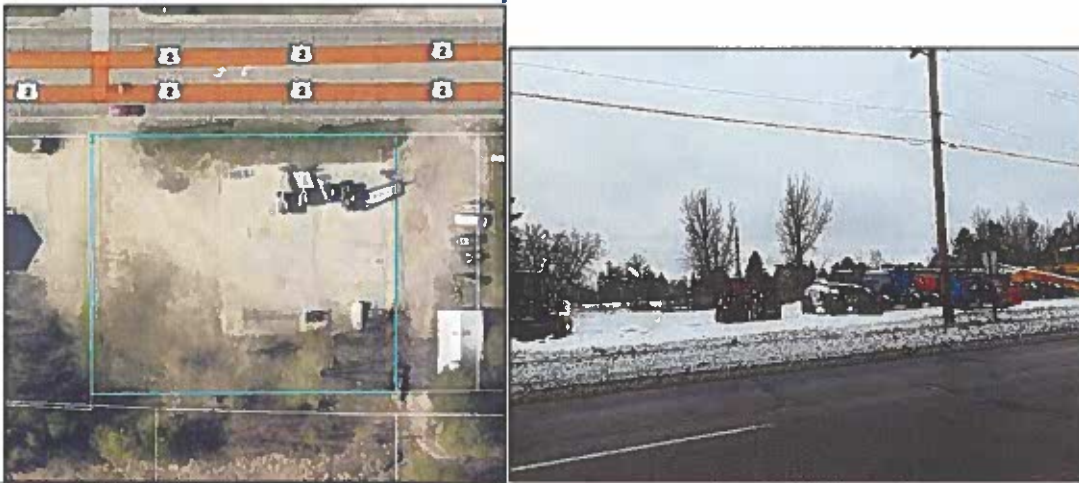
Comp 3	
Address/Location:	301 NE 4th Street, Grand Rapids, MN 55744
PID #:	91-415-2640
Legal Description:	Lengthy Legal
Sale Price:	\$150,000
Price/S.F.:	\$8.83/s.f.
Sale Date:	6/21/2023
Size:	16,988 SF (0.39 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	14,200 & 1,871
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kirk & Debra Davis/Samuel & Lenora Evans
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1548334), county records, various data bases, and the seller, Kirk Davis.
Comments:	This property is located at the northeast corner of NE 4th Street (US Hwy 2) and NE 3rd Avenue. NE 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 14,200 (2019 count), and NE 3rd Avenue has an AADT count of 1,871 (2022 count), in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth. It is also noted, the property priorly transferred on 02/28/2023, via a Warranty Deed, for \$195,000. This prior transfer was for sale by owner, and a transfer between related parties. The entire purchase price is being held in escrow pending a Phase 2 Environmental Study by the buyer who is using funds from the escrow account to pay for the Phase 2 Study.



Comparable #4**Comp 4**

Address/Location:	416 NW 7th Avenue, Grand Rapids, MN 55744
PID #:	91-420-2060 & 91-420-2065
Legal Description:	Lengthy Legal
Sale Price:	\$110,000
Price/S.F.:	\$7.89/s.f.
Sale Date:	12/29/2022
Size:	13,939 SF (0.32 acres)
Utilities:	All Available
Zoning:	GB, General Business
AADT:	2,190-4,330 (2022 counts)
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Kathern & Paul Simpson and Mark Peavey/Michael & Bonnie McLynn
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1502640), county records and various data bases
Comments:	This transfer included two adjacent parcels. This property is located at the southeast corner of NW 7th Avenue and NW 5th Street. NW 5th Street has an Average Annual Daily Traffic Count (AADT) of 2,190-4,330 (2022 counts) in the area of the property. NW 7th Avenue does not have a recorded AADT count in the area. The property was improved with a single family residence, built in 1905, and ancillary site improvements which were assessed at \$31,200 at the time of the sale (2021 taxes payable 2022). The improvements were razed after the sale, and the planned use is for commercial use. The buyers owned adjacent property prior to the sale.

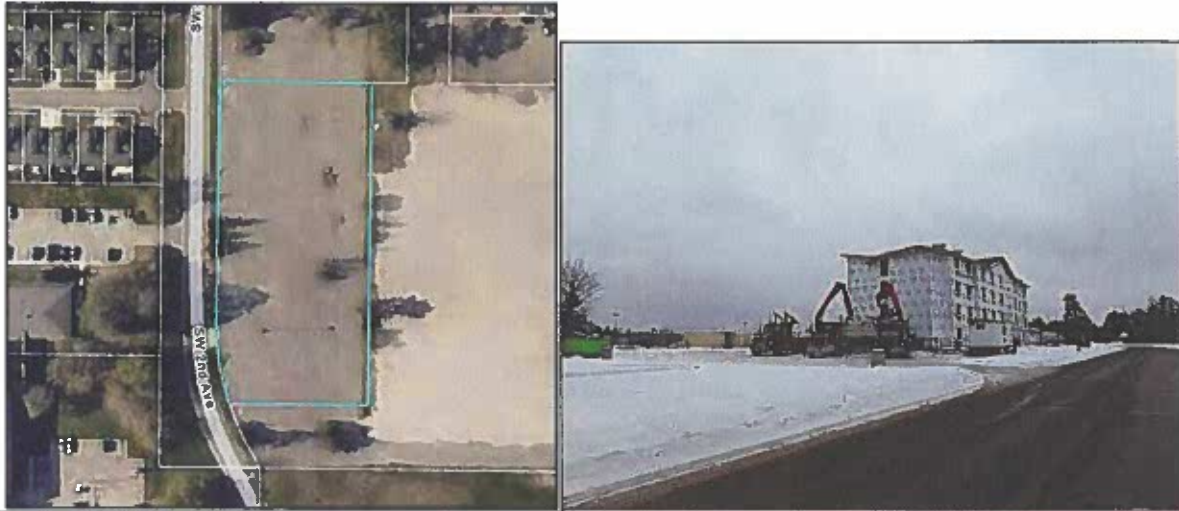


Comparable #5

Comp 5	
Address/Location:	1402 NW 4th Street, Grand Rapids, MN 55744
PID #:	91-705-2030
Legal Description:	Lengthy Legal
Sale Price:	\$120,000
Price/S.F.:	\$3.99/s.f.
Sale Date:	10/6/2022
Size:	30,056 SF (0.69 acres)
Utilities:	All Available
Zoning:	SGB, Shoreland General Business
AADT:	13,300
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Quit Claim Deed/Fee Simple
Grantor/Grantee:	Darrel & Kathleen Wagner/BPB, Incorporated
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1476181), county records, various data bases, and the buyer, Tom Showalter representative of BPB, Incorporated.
Comments:	This property is located on the southern side of NW 4th Street (US Hwy 2). NW 4th Street (US Hwy 2) has an Average Annual Daily Traffic Count (AADT) of 13,300 (2019 count) in the area of the property. Per the Certificate of Real Estate Value (eCRV), the property was promoted through word of mouth, and transferred via a quit claim deed. There was fuel oil contamination on the property and was bought by an adjacent owner for an assemblage. The MPCA closed the site in January of 2023 after purchase.



Comparable #6



Comp 6

Address/Location:	xxx SW 2nd Avenue, Grand Rapids, MN 55744
PID #:	91-562-0130
Legal Description:	Lot 3, Block 1, MY PLACE HOTEL MATURI ADDITION
Sale Price:	\$421,936
Price/S.F.:	\$6.05/s.f.
Sale Date:	4/1/2022
Size:	69,696 SF (1.60 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	None recorded
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	MATURI PROPERTIES LLC/IRON RANGE MP LLC
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1395090), county records and various data bases
Comments:	This property is located on the eastern side of SW 2nd Avenue. SW 2nd Avenue does not have a recorded Average Annual Daily Traffic Count (AADT) in the area. It appears that the property was purchased to construct a 4-story, 63 unit, hotel building.



Comparable #7

Comp 7	
Address/Location:	xxx US Hwy 169, Grand Rapids, MN 55744
PID #:	91-033-2322
Legal Description:	Lengthy Legal
Sale Price:	\$125,000
Price/S.F.:	\$4.63/s.f.
Sale Date:	11/16/2022
Size:	27,007 SF (0.62 acres)
Utilities:	All Available
Zoning:	GB, General Business & Airport Safety Zone C
AADT:	19,800
Topography:	Generally level
Financing Terms/Property Rights Conveyed:	Cash/Warranty Deed/Fee Simple
Grantor/Grantee:	Leisure Hills Care Center, LP/Judy Garland Children's Museum
Confirmed With:	Certificate of Real Estate Value (eCRV ID 1490685), county records, various data bases, and the buyer representative, Janie Heitz with the Judy Garland Children's Museum.
Comments:	This property is located on the western side of U.S. Highway 169. U.S. Highway 169 has an Average Annual Daily Traffic Count (AADT) of 19,800 (2019 count) in the area of the property. The property appeared to be improved with a gazebo which was assessed at \$2,600 at the time of the sale (2021 taxes payable 2022). The adjacent owner (Judy Garland Children's Museum) had first right of refusal, and it appears that they chose to purchase the property. The property was assembled with the adjacent parcel they owned after the sale.



Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Professional Qualifications - Julie Jeffrey Schwartz, Certified General Appraiser

Email: julie@lakestate.com Direct: 651-653-0788

EDUCATION

Appraisal

Appraisal Institute (current to 1991; most current to least current order):

Advanced Spreadsheet Modeling for Valuation Applications, Appraisal Institute
 Advanced Concepts and Case Studies, Appraisal Institute
 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 Marketability Studies: Six Step Process and Basic Applications, Appraisal Institute
 Residential Design: The Makings of a Good House, Appraisal Institute
 Oil Spills and Property Values Webinar, Appraisal Institute
 Business Practice and Ethics, Appraisal Institute
 Litigation Appraisal: Specialized Topics and Application, Appraisal Institute
 Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
 Uniform Standards of Professional Appraisal Practice (numerous times, most recently 2018), Appraisal Institute
 Land Valuation Assignments, Appraisal Institute
 Land Valuation Adjustment Procedures, Appraisal Institute
 The Appraisal of Easements, Appraisal Institute
 Partial Interest Valuation – Divided, Appraisal Institute
 The Appraisal of Special Use Properties, Appraisal Institute
 Report Writing and Valuation Analysis, Appraisal Institute
 Commercial Highest and Best Use, Appraisal Institute
 Advanced Applications, Appraisal Institute
 Standards of Professional Appraisal Practice A, B & C, Appraisal Institute
 Capitalization Theory and Techniques A & B, Appraisal Institute
 Basic Valuation Procedures, Appraisal Institute
 Real Estate Appraisal Principles, Appraisal Institute
 Appraisal of Special Use Properties: The Road Less Traveled, Appraisal Institute
 Case Studies in Commercial Highest and Best Use, Appraisal Institute
 Analyzing Distressed Real Estate, Appraisal Institute

Other (current to 1988):

Appraisal Review for Federal-Aid Highway Programs, National Highway Institute
 Investment Property Appraisal and Financial Analysis, ProSource
 Advanced Yield Capitalization, ProSource
 Appraising Income Producing Properties, ProSource
 Appraising Commercial Properties, ProSource
 Appraisal Standards and Ethics, ProSource
 Certified Real Estate Appraisers (CREA) Course, ProSource
 Houses: FHA Appraisal and Construction Standards, ProSource
 Home Inspections: Beyond the Basics, ProSource
 Appraisal of Manufactured Homes
 Numerous Seminars (International Right of Way Assoc., Farm Managers & Rural Appraisers, Appraisal Institute)

General

Lakewood College, Associate of Arts Degree with Distinction, 1991
 Realtor Institute, Graduate (G.R.I. Designation), 1987
 Northeast Metro Technical Institute, Computer Operations/Programming Degree, 1984

EXPERIENCE

President and Owner, Lake State Realty Services, Inc., since 1991
 Real Estate Sales License since 1984, Real Estate Brokerage license since 1991
 Appraising Real Estate since 1985
 Employed by Minnesota Department of Transportation for 4 years, as appraiser/expert witness
 Testified at various hearings, trials and depositions
 General contracting experience and some property management experience (1990 to present)
 Co-developer of 10-lot lakefront subdivision on Lake Vermilion, Minnesota (2002-2005)

LICENSES, COMMISSIONS, MEMBERSHIPS/AFFILIATIONS, AWARDS, APPOINTMENTS

Certified General Appraiser License, Minn #4002423
 Certified General Appraiser License, Wisc. #482
 Certified General Appraiser License, Mich. #12-01-005363
 Certified General Appraiser License, Ohio #423328
 Certified General Appraiser License, North Dakota #CG-2301
 Minnesota Real Estate Brokerage License
 Member of St. Paul, Minnesota, and National Association of Realtors
 Member of the Multiple Listing Service
 Member of the International Right of Way Association (IRWA)
 Member of the National Association of Realtors Appraisal Section



Member of the Appraisal Institute (Practicing Affiliate)
 Member of the National Association of Real Estate Appraisers (NAREA), Certified Real Estate Appraiser Designation-CREA
 Member of the American Society of Appraisers – Farm Managers and Rural Appraisers
 Appointed to the Lino Lakes Economic Development Authority Advisory Board (past 18 years); past Chairperson and Co-Chairperson of the Board numerous times
 Member Community Emergency Response Team (CERT) City of Lino Lakes and Board Member (Secretary)
 Co-Chair and Executive Board Member, and past Chair, Lino Lakes Volunteers in Public Safety
 Appointed to the International Right of Way Association's Appraisal Committee; past Chairperson
 Past Board of Director, founding member, and past President and Secretary – Quad Cities Chamber of Commerce
 Received Hammer Award for reinventing a federal government that is more efficient and costs less from Vice President Al Gore in 1999 (for appraisal services contract)
 Received letters of Commendation/Recognition from Governor Tim Pawlenty, Senator Amy Klobuchar, Senator Norm Coleman, and the American Red Cross for 9-hours of rescue efforts immediately after the I-35W Minneapolis bridge collapse in 2007
 Hero of the Year Disaster Relief 2008 from the Red Cross for heroic involvement after bridge collapse, including aid to the children from the school bus and heading logistics command to distribute food/water/ice to rescue and recovery workers
 Girl Scout Leader (2006 to 2011); District Delegate 2008, during critical merger of two councils
 Honorarium from the Minnesota League of Cities for reviewing, and contributing to the Local Improvement Guide (special assessment benefits) August 2008 and Special Assessment Tool Kit
 Development Committee Board Member, Phoenix Alternatives Inc. (PAI), a non-profit that provides day programming for developmentally disabled adults, conducting fund raising and advisement
 Instructor for Continuing Legal Education (CLE) Class "How to Value Residential Real Estate in Construction Defect Litigation"
 On the Anoka County Condemnation Commissioner's list
 On the Washington County Condemnation Commissioner and Probate Appraiser list
 On the Ramsey County Condemnation Commissioner's list
 Served as Chairperson of the Condemnation Commission
 Appointed as neutral appraiser by the courts and litigating parties
 Chisago County "Appraiser of Record" as of 2006 to current
 Served on St. Paul & Minn. Board of Realtors Gov't. Affairs, Prof. Standards, & Ethic Committees
 Certified Instructor for "Expert Witness Testimony" through the State of Minnesota (Through Int'l. Right of Way Assoc.)
 Speaker at the Minnesota League of Cities Engineer Conference (2004) on Special Assessment Benefit Analysis
 Speaker at the Minnesota Banking Risk Management Association "Residential Real Estate: Risks and Opportunities" September 2005
 Author of *A Neutral Appraisal Provides Accurate Valuation to Fairly Divide Marital Equity*, Family Law Forum, Vol. 24 No. 2, Spring 2016
 Contributor to the Lake Links Trail Network Master Plan and part of the consultant team, January 2001

PROPERTY TYPES APPRAISED

Extensive appraisal experience in MN, WI, OH, MI, ND, and IL, in numerous counties and cities, for various clients, including various government (Federal, State, County, City and other units), lenders, insurers, attorneys, courts, and private clients:

Residential: single family (inc. lakeshore/river front), town homes, condos, mobile homes, twin homes, and multi-family (including apartment buildings and complexes).

Commercial: restaurants, implement/auto dealerships, retail (stand alone & strips), parking lots/ramps, small to large office buildings, regional medical facilities and clinics, bowling alleys, saw mills.

Industrial: manufacturing, hi-tech, warehouses, distribution centers, single- & multi-tenant buildings.

Rural: crop land, rice farms, aqua-culture operations, organic farms, farmsteads with all buildings.

Investment: apartment buildings, duplex/multi-plex, office buildings, retail strip centers, mixed-use complexes, resorts/camp grounds.

Land: commercial, industrial, residential, residential subdivision analysis, wetlands, rural, railroad crossings, sand/gravel pits, timber land, lakeshore/river front, scenic easements and other easements, flood plain land, Tribal and Trust Land.

Other: professional liability; extensive litigation consulting/appraisal related to construction defects; trial consultation; special assessment benefit analysis; review appraisals on residential, commercial and special use properties; condemnation/litigation; neutral appraisals; partial takings/severance (right-of-way); feasibility studies, fractional interests; residential, commercial, and government reviews (state and federal); equipment and trade fixtures; special use -- including post offices; federal buildings, courthouses, fire stations, U.S. Customs Border Stations; Tribal and Trust land; park and ride facilities and other transit facilities, railway terminals; churches; auto proving grounds; substantially destroyed structures; lease analysis, and fair annual rental rates; easements (conservation, scenic, right of way, utility, and various others); redevelopment consulting/appraisal; blight determinations; developer feasibility studies and consultation services for residential subdivisions.



Office of Land Management (2-98)
STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION

RECOMMENDED FOR APPROVAL
Supervisor of Direct Purchase APPROVED
By

**OFFER TO SELL AND
MEMORANDUM OF CONDITIONS**

C.S.: 3104 (2=8) 827 Parcel: 314 County: Itasca

Owners and addresses: City Of Grand Rapids, 420 N Pokegama Ave, Grand Rapids, Minnesota, 55744;

For a valuable consideration, on this _____ day of _____, _____, the undersigned owners hereby offer to sell and convey to the State of Minnesota for a total consideration of _____ Dollars (\$_____) a fee simple title to the real estate or an interest therein situated in Itasca County, Minnesota, described in the copy of the instrument of conveyance hereto attached.

The undersigned parties have this day executed an instrument for the conveyance of the aforesaid real estate or an interest therein to the State of Minnesota, and have conditionally delivered the same to the State of Minnesota, which instrument shall have no effect until and unless this offer to sell and convey is accepted in writing by the Office of Land Management of the Minnesota Department of Transportation within _____ days from the date of this offer. Such notice of acceptance shall be by certified mail directed to the address appearing after our signatures hereto. If this offer is not so accepted within the time limited herein such conveyance shall be of no effect, and said instrument shall forthwith be returned to the undersigned owners.

If this offer is accepted it is mutually agreed by and between the owners and the State as follows:

(1) Possession of the real estate shall transfer to the State _____ days after the date of acceptance. The owners shall have the right to continue to occupy the property or to rent same to the present occupants or others until the date of transfer of possession. Any change in occupancy shall be subject to approval and concurrence by the State. On or before the date for transfer or possession the owners will vacate the real estate and the improvements (if any) located thereon, or cause same to be vacated, remove all personal effects therefrom and have all utilities (if any) shut off by the supplier of same. No buildings appurtenances or other non-personal items or fixtures will be removed from the premises by the owners or renters, including plumbing and heating fixtures, etc. The owners shall notify the Department of Transportation as soon as the improvements are vacated. The owners will maintain the improvements during their period of occupancy and will make all necessary repairs at their own expense. The State's prospective bidders for the purchase or demolition of the improvements on the property shall have the right of entry for inspection purposes during the last 10 days of possession by the owners.

(2) Title to said real estate shall pass to the State of Minnesota as of the date of said

acceptance subject to conditions hereinafter stated.

(3) Buildings (if any) on said real estate shall be insured by the owners against loss by fire and windstorm in the amount of present coverage or if none in force then in an amount not less than the current market value during the entire period of the owners' occupancy of the buildings on the real estate, such policy or policies of insurance to be endorsed to show the State's interest.

(4) If the State of Minnesota is acquiring all or a major portion of the property, mortgages (if any) on the property shall be satisfied in full by the State of Minnesota. The amount paid by the State of Minnesota to satisfy said mortgage(s) shall be deducted from the amount to be paid to the owners under the terms of this agreement. The amount paid by the State of Minnesota to satisfy the mortgage(s) shall include interest on the mortgage(s) to date that payment is made to the mortgage holder.

(5) If the State of Minnesota is acquiring only a minor portion of the property, and the property is encumbered by a mortgage, it shall be the responsibility of the owners to furnish a partial release of mortgage. The mortgage holder will be included as a payee along with the owners on the check drawn in payment for the property. Any fee charged by the mortgage holder for the partial release of mortgage must be paid for by the owners.

(6) The owners will pay all delinquent (if any) and all current real estate taxes, whether deferred or not, which are a lien against the property. **Current taxes shall include those payable in the calendar year in which this document is dated.** The owners will also pay in full any special assessments, whether deferred or not, which are a lien against the property. The owners will also be responsible for and will pay in full any pending special assessments. The owners' obligation to pay deferred and pending taxes and assessments shall continue after the sale and shall not merge with the delivery and acceptance of the deed.

(7) If encumbrances, mechanics liens or other items intervene before the date the instrument of conveyance is presented for recording and same are not satisfied or acknowledged by the owners as to validity and amount and payment thereof authorized by the owners, said instrument of conveyance shall be returned to the owners.

(8) Payment to the owners shall be made in the due course of the State's business after payment of taxes, assessments, mortgages and all other liens or encumbrances against said real estate. The owners will not be required to vacate the property until the owners have received payment.

(9) No payments shall be made of any part of the consideration for said sale until marketable title is found to be in the owners and until said instrument of conveyance has been recorded.

(10) The owners hereby acknowledge receipt of a copy of the instrument of conveyance executed by them on this date, and a copy of this offer and memorandum.

(11) It is understood that unless otherwise hereinafter stated the State acquires all appurtenances belonging to the premises including:

OWNERS

CITY OF GRAND RAPIDS

By: _____
Its: _____

(Address of Owner where acceptance is to be mailed.)

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

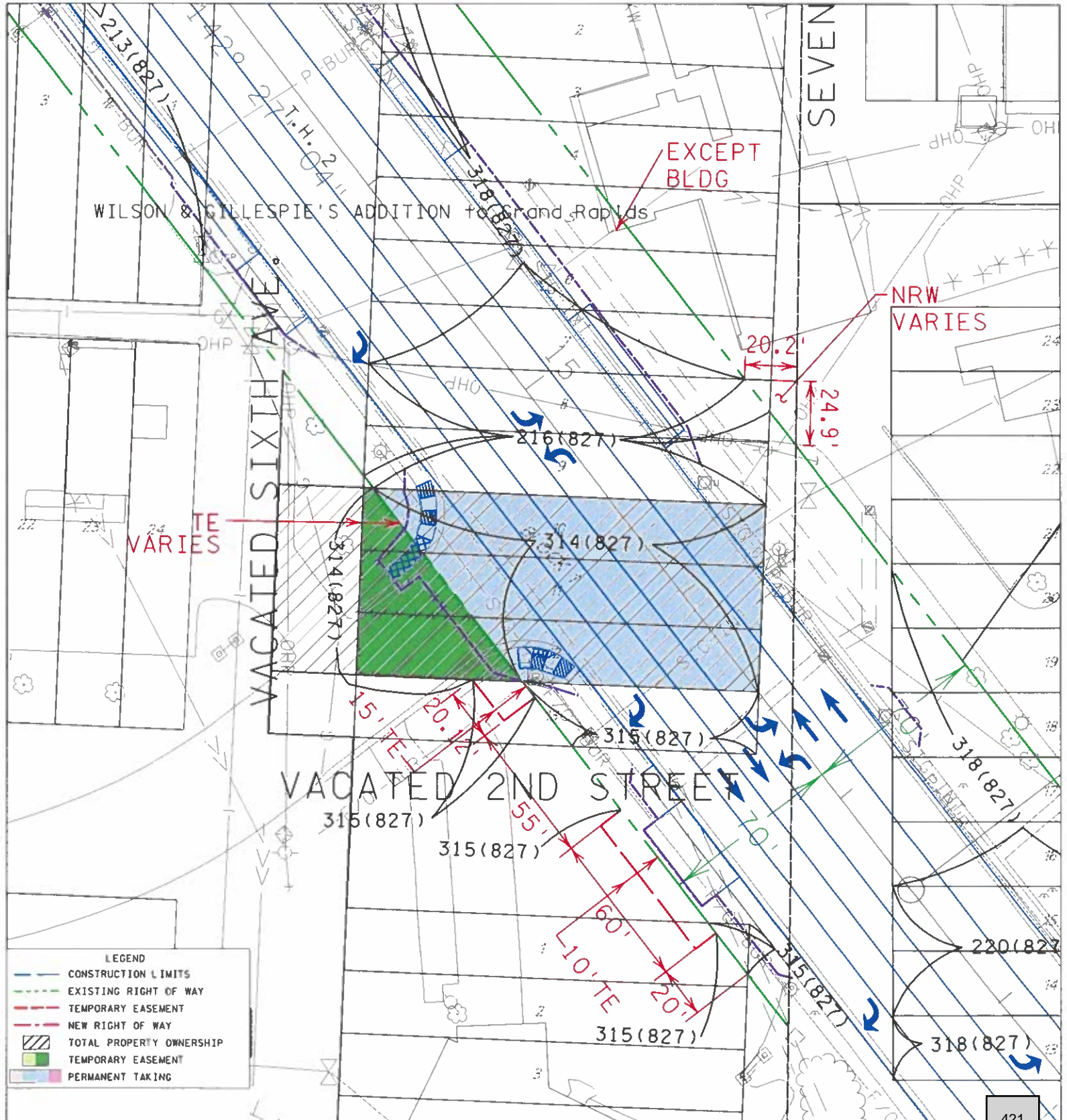
Item 21.
DEPT. OF
TRANSPORTATION

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER City of Grand Rapids



PARCEL NO. 314 SHEET 1 OF 3



LEGEND	
	CONSTRUCTION LIMITS
	EXISTING RIGHT OF WAY
	TEMPORARY EASEMENT
	NEW RIGHT OF WAY
	TOTAL PROPERTY OWNERSHIP
	TEMPORARY EASEMENT
	PERMANENT TAKING

Drawn by pmeler

Print Date 4/19/2024

RIGHT OF WAY PARCEL LAYOUT

C.S. 3104(2=8-27)827 S.P. 3104-61 COUNTY Itasca

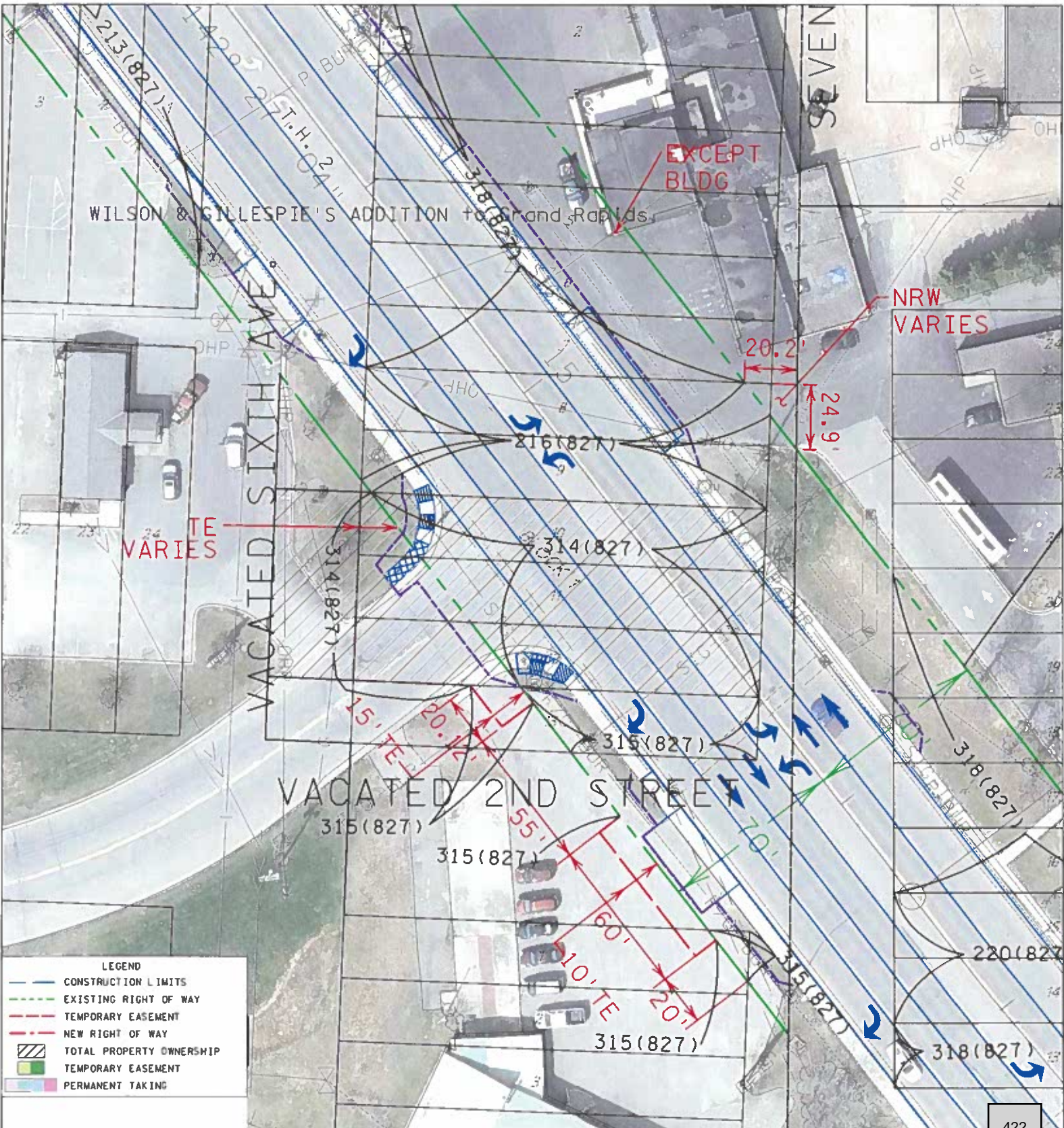
Item 21.
DEPT. OF TRANSPORTATION

LOCATION TH2 in Grand Rapids from TH169 to 0.25 miles east of Gunn Rd in LaPrairie

OWNER City of Grand Rapids

50
SCALE IN FEET

PARCEL NO. 314 SHEET 3 OF 3



LEGEND	
—	CONSTRUCTION LIMITS
—	EXISTING RIGHT OF WAY
- - -	TEMPORARY EASEMENT
—	NEW RIGHT OF WAY
	TOTAL PROPERTY OWNERSHIP
	TEMPORARY EASEMENT
	PERMANENT TAKING

May 6, 2024
3104-827-314

Item 21.

gjm
WAT

FEE ACQUISITION

Parcel 314 C.S. 3104 (2=8-27)

S.P. 3104-61RW

All of the following:

That part of Lots 10 through 12, inclusive, Block 1, WILSON AND GILLESPIE'S ADDITION, shown as Parcel 314 on Minnesota Department of Transportation Right of Way Plat Numbered 31-220 as the same is on file and of record in the office of the County Recorder in and for Itasca County, Minnesota;

together with other rights as set forth below, forming and being part of said Parcel 314:

Temporary Easement:

A temporary easement for highway purposes as shown on said plat as to said Parcel 314 by the temporary easement symbol, said easement shall cease on December 1, 2028, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16th, 2024
AGENDA ITEM: Consider accepting proposals for annual fire alarm and sprinkler system testing for the Grand Rapids Fire Hall.

PREPARED BY: Jon Peterson

BACKGROUND:

Annual testing of sprinkler systems and fire alarms is required under the Minnesota State Fire Code. City staff recommends approving the proposal from Nardini Fire Equipment to conduct these annual inspections. This recommendation aligns with the service already provided by Nardini Fire for other city buildings equipped with sprinkler systems.

<u>Contractor</u>	<u>Quote Amount</u>
Nardini	
- Annual fire alarm testing	\$225.00
- Annual sprinkler maintenance	\$275.00

REQUESTED COUNCIL ACTION:

Make a motion to authorize the Mayor to sign the proposals from Nardini Fire Equipment for the annual sprinkler system and fire alarm testing.



7942 College Road, Suite #115
Baxter, MN 56425

Item 22.

Saint Paul/Minneapolis • Brainerd
Fargo • Bismarck • Detroit Lakes • Williston

Phone: (218) 765-3450 Fax: (218) 765-8364
www.nardinifire.com / sales@nardinifire.com

Date: 8/28/2024			Quote Proposal #: BRD-24-2144		
Proposal Submitted To: Grand Rapids Fire Department 104 SE 11th St			Job Name: Same		
Grand Rapids	MN	55744			
Attn: Travis Cole			Contact:		
Phone: (218)3267639		Fax:	Phone:		Fax:
E-Mail: tcole@grandrapidsmn.gov					

PROPOSAL

Pursuant to your request, we wish to offer the following for your consideration:

Annual Fire Alarm Inspection

- Fire Alarm-\$200
- Trip Charge \$25

*The final page of this document includes important information regarding Nardini Fire Equipment terms and conditions of service and products. This includes limitations of liability, contractual limitation in which you may bring a claim, disclaimers of warranty, and other terms that may impact Customer’s rights. By signing below, Customer’s authorized representative acknowledges and warrants that they have read, understood, and agreed to be bound by these conditions.

Thank you for the opportunity to offer our product and services. If you have any questions, please call.

Note: This NFE proposal may be withdrawn if not accepted within 30 days.

Acceptance of Proposal – The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made within 30 days.

Jeremy Engholm

08/28/2024

Jeremy Engholm
jengholm@nardinifire.com

Date

Signature of Acceptance

Date

Nardini Fire Equipment Terms and Conditions of Service And Products.

- *Definition:** “Customer” is defined as Company, Entity, Person or End User which is executing this document. “Company” is defined as Nardini Fire Equipment.
- *Limitation of Liability:** Customer acknowledges that the Company is not an insurer of or against any potential or actual loss or damage to person or property, whether direct, incidental and/or consequential, that may occur in or at the premises. Company’s total liability to customer for damages for any claims, losses or damages arising out of or in any way related to any cause whatsoever in relation to this agreement, whether based in contract, tort (including negligence), strict liability, breach of warranty or other cause, shall not exceed \$250.00. Notwithstanding the foregoing sentence, under no circumstances shall company be liable for any damages for loss of use, interruption of business, lost profits, revenue or opportunity, claims of third parties or for injury to persons or property or for any other special, exemplary, incidental, indirect, punitive, consequential or other damages of any kind or nature. If the Company is found liable for any loss or damage due to its gross negligence, the Company’s liability shall not exceed \$7,500.00.
- *Warranty Disclaimer:** Except as provided in any specific warranty paragraphs, Company makes no warranty of any kind, express or implied, including but not limited to, any warranty of merchantability or warranty of fitness for a particular purpose.
- *For Inspections Only:** This agreement is not a guarantee or warranty that the system will in all cases provide the level of protection for which it was originally intended, is free of all defects and deficiencies, and is in compliance with all applicable codes. Customer agrees that it has not retained Company to make these assessments unless otherwise specifically indicated.
- *Indemnification:** Customer agrees to indemnify, hold harmless, defend, and release the Company from liability and shall reimburse the Company for any liabilities, damages, losses or expenses (including reasonable attorneys’ fees, expert fees and costs (including litigation costs), injuries, claims, suits, judgments, and causes of action incurred by the Company in connection with any claims, suits, judgments and causes of action which relate to the products or services the Company provides. This indemnity includes claims brought by any third party, including, without limitation, Customer’s insurance company, whether the claim arises under contract, warranty, tort, or any other theory of liability.
- *Waiver of Subrogation:** In case of any claim or loss, Customer agrees that it is responsible to maintain, and has sufficient insurance coverage to cover any potential claim or loss. Customer further agrees to look to its property and/or general liability insurance carrier for reimbursement. Customer and Company mutually agree to release one another from any and claims with respect to any loss covered by (or which should have been covered) the insurance coverages which were required and/or recommended that may be applicable to any property where Company performs services and/or provides materials for Company. For purposes of this Section, all deductibles shall be considered insured losses. They further mutually agreed that their respective insurance companies shall have no right of subrogation against the other on account thereof.
- *Customer Responsibilities:** Customer shall be responsible for maintaining adequate heat throughout the facility to prevent freezing or damage to the existing fire sprinkler system. The customer understands and expressly acknowledges that fire protection systems are susceptible to damage by water intrusion, ice, or other conditions inside the piping that the Company cannot detect upon inspection. In the event that water, ice, or other conditions occur which render the fire protection system inoperable or damaged, Company expressly disclaims any responsibility for such conditions, and assumes no responsibility to investigate the cause, source or extent of such condition. Customer acknowledges this warning, and acknowledges that under NFPA and other applicable codes and regulations, it is the responsibility of the customer to maintain its fire protection system, including but not limited to ensuring proper drainage. Failure to properly maintain or drain such systems may lead to breaks or other conditions that may render the fire protection system inoperable, or that damage to the system may result in injury, damage to property and loss of use.
- *Intent of Inspection:** This inspection/testing is not intended to be a code review, complete system or code compliance evaluation.
- *Contractual Limitation Period:** Customer expressly agrees that any claim, lawsuit, or cause of action, whether in contract, tort or other legal theory, relating in any way and/or arising out of Company’s services and/or materials provided to Customer, its subsidiaries and/or its insurers, must be filed no more than one (1) year from the date the alleged damage(s) occurs, that is the subject of the claim, lawsuit and/or cause of action. Customer expressly waives any statutory and/or common law limitation period to the contrary.
- *Law and Jurisdiction:** This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Minnesota or North Dakota applicable to agreements made and to be performed entirely within such state, without regard to such state’s conflict of laws rules. Company and Customer agree that any action brought by any party shall be brought and resolved exclusively by the state and federal courts located in Ramsey County (MN) or Cass County (ND), and the courts to which an appeal therefrom may be taken, provided that any party shall have the right, to the extent permitted by applicable law, to proceed against any other party or its property in any other location to the extent necessary for the enforcing party to enforce a judgment or other court order or arbitral award. Each of the parties hereby consents to the jurisdiction of such courts and waives all questions of jurisdiction and venue. The parties agree that either or both of them may file a copy of this Section with any court as written evidence of the knowing, voluntary and bargained Agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Legal process in any proceeding may be served on any party anywhere in the world.
- *Severability:** If any provision of this Agreement is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the remainder of this Agreement shall remain operative and binding on the Parties.
- *Integration:** This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter.

***Non-Solicitation:** Customer acknowledges and agrees that the employees of Company who perform the services are a valuable asset to Company and are difficult to replace. Accordingly, Customer agrees that, for a period of one (1) year after the completion of said services, it will not, directly or indirectly, solicit, recruit, hire or otherwise employ any employee or agent of Company who performed such services. If Customer violates this paragraph, Customer will pay to Company damages equal to one hundred percent (100%) of that individual's annual salary. For purposes of this Agreement only, an "individual's" annual salary shall mean the individual's annual salary with either Company or with Customer, as of the date of Customer's violation of this paragraph, whichever is greater.

***Product/Item Return Policy:** Company will honor the return of product(s) within 30 days of purchase, providing the Manufacturer's approval, for credit of original invoice price minus a 35% restock fee. Product(s) that have been used or installed will not be accepted for return. The product(s) must be returned in the original package and resaleable condition, with a copy of the invoice and a note stating the reason for the return.



7942 College Road, Suite #115
Baxter, MN 56425

Item 22.

Saint Paul/Minneapolis • Brainerd
Fargo • Bismarck • Detroit Lakes • Williston

Phone: (218) 765-3450 Fax: (218) 765-8364
www.nardinifire.com / sales@nardinifire.com

Date: 8/28/2024			Quote Proposal #: BRD-24-2144		
Proposal Submitted To: Grand Rapids Fire Department 104 SE 11th St			Job Name: Same		
Grand Rapids	MN	55744			
Attn: Travis Cole			Contact:		
Phone: (218)326-7639		Fax:	Phone:		Fax:
E-Mail: tcole@grandrapidsmn.gov					

PROPOSAL

Pursuant to your request, we wish to offer the following for your consideration:

Annual maintenance on FM-200 System

- FM-200- \$250
- Trip Charge \$25

Total: \$275

*The final page of this document includes important information regarding Nardini Fire Equipment terms and conditions of service and products. This includes limitations of liability, contractual limitation in which you may bring a claim, disclaimers of warranty, and other terms that may impact Customer's rights. By signing below, Customer's authorized representative acknowledges and warrants that they have read, understood, and agreed to be bound by these conditions.

Thank you for the opportunity to offer our product and services. If you have any questions, please call.

Note: This NFE proposal may be withdrawn if not accepted within 30 days.

Acceptance of Proposal – The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made within 30 days.

Jeremy Engholm

08/28/2024

Jeremy Engholm
jengholm@nardinifire.com

Date

Signature of Acceptance

Date

Fire Equipment Terms and Conditions of Service And Products.

Item 22.

- *Definition:** "Customer" is defined as Company, Entity, Person or End User which is executing this document. "Company" is defined as Nardini Fire Equipment.
- *Limitation of Liability:** Customer acknowledges that the Company is not an insurer of or against any potential or actual loss or damage to person or property, whether direct, incidental and/or consequential, that may occur in or at the premises. Company's total liability to customer for damages for any claims, losses or damages arising out of or in any way related to any cause whatsoever in relation to this agreement, whether based in contract, tort (including negligence), strict liability, breach of warranty or other cause, shall not exceed \$250.00. Notwithstanding the foregoing sentence, under no circumstances shall company be liable for any damages for loss of use, interruption of business, lost profits, revenue or opportunity, claims of third parties or for injury to persons or property or for any other special, exemplary, incidental, indirect, punitive, consequential or other damages of any kind or nature. If the Company is found liable for any loss or damage due to its gross negligence, the Company's liability shall not exceed \$7,500.00.
- *Warranty Disclaimer:** Except as provided in any specific warranty paragraphs, Company makes no warranty of any kind, express or implied, including but not limited to, any warranty of merchantability or warranty of fitness for a particular purpose.
- *For Inspections Only:** This agreement is not a guarantee or warranty that the system will in all cases provide the level of protection for which it was originally intended, is free of all defects and deficiencies, and is in compliance with all applicable codes. Customer agrees that it has not retained Company to make these assessments unless otherwise specifically indicated.
- *Indemnification:** Customer agrees to indemnify, hold harmless, defend, and release the Company from liability and shall reimburse the Company for any liabilities, damages, losses or expenses (including reasonable attorneys' fees, expert fees and costs (including litigation costs), injuries, claims, suits, judgments, and causes of action incurred by the Company in connection with any claims, suits, judgments and causes of action which relate to the products or services the Company provides. This indemnity includes claims brought by any third party, including, without limitation, Customer's insurance company, whether the claim arises under contract, warranty, tort, or any other theory of liability.
- *Waiver of Subrogation:** In case of any claim or loss, Customer agrees that it is responsible to maintain, and has sufficient insurance coverage to cover any potential claim or loss. Customer further agrees to look to its property and/or general liability insurance carrier for reimbursement. Customer and Company mutually agree to release one another from any and claims with respect to any loss covered by (or which should have been covered) the insurance coverages which were required and/or recommended that may be applicable to any property where Company performs services and/or provides materials for Company. For purposes of this Section, all deductibles shall be considered insured losses. They further mutually agreed that their respective insurance companies shall have no right of subrogation against the other on account thereof.
- *Customer Responsibilities:** Customer shall be responsible for maintaining adequate heat throughout the facility to prevent freezing or damage to the existing fire sprinkler system. The customer understands and expressly acknowledges that fire protection systems are susceptible to damage by water intrusion, ice, or other conditions inside the piping that the Company cannot detect upon inspection. In the event that water, ice, or other conditions occur which render the fire protection system inoperable or damaged, Company expressly disclaims any responsibility for such conditions, and assumes no responsibility to investigate the cause, source or extent of such condition. Customer acknowledges this warning, and acknowledges that under NFPA and other applicable codes and regulations, it is the responsibility of the customer to maintain its fire protection system, including but not limited to ensuring proper drainage. Failure to properly maintain or drain such systems may lead to breaks or other conditions that may render the fire protection system inoperable, or that damage to the system may result in injury, damage to property and loss of use.
- *Intent of Inspection:** This inspection/testing is not intended to be a code review, complete system or code compliance evaluation.
- *Contractual Limitation Period:** Customer expressly agrees that any claim, lawsuit, or cause of action, whether in contract, tort or other legal theory, relating in any way and/or arising out of Company's services and/or materials provided to Customer, its subsidiaries and/or its insurers, must be filed no more than one (1) year from the date the alleged damage(s) occurs, that is the subject of the claim, lawsuit and/or cause of action. Customer expressly waives any statutory and/or common law limitation period to the contrary.
- *Law and Jurisdiction:** This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Minnesota or North Dakota applicable to agreements made and to be performed entirely within such state, without regard to such state's conflict of laws rules. Company and Customer agree that any action brought by any party shall be brought and resolved exclusively by the state and federal courts located in Ramsey County (MN) or Cass County (ND), and the courts to which an appeal therefrom may be taken, provided that any party shall have the right, to the extent permitted by applicable law, to proceed against any other party or its property in any other location to the extent necessary for the enforcing party to enforce a judgment or other court order or arbitral award. Each of the parties hereby consents to the jurisdiction of such courts and waives all questions of jurisdiction and venue. The parties agree that either or both of them may file a copy of this Section with any court as written evidence of the knowing, voluntary and bargained Agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Legal process in any proceeding may be served on any party anywhere in the world.
- *Severability:** If any provision of this Agreement is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the remainder of this Agreement shall remain operative and binding on the Parties.
- *Integration:** This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter.
- *Non-Solicitation:** Customer acknowledges and agrees that the employees of Company who perform the services are a valuable asset to Company and are difficult to replace. Accordingly, Customer agrees that, for a period of one (1) year after the completion of said services, it will not, directly or indirectly, solicit, recruit, hire or otherwise employ any employee or agent of Company who performed such services. If Customer violates this paragraph, Customer will pay to Company damages equal to one hundred percent (100%) of that individual's annual salary. For purposes of this Agreement only, an "individual's" annual salary shall mean the individual's annual salary with either Company or with Customer, as of the date of Customer's violation of this paragraph, whichever is greater.
- *Product/Item Return Policy:** Company will honor the return of product(s) within 30 days of purchase, providing the Manufacturer's approval, for credit of original invoice price minus a 35% restock fee. Product(s) that have been used or installed will not be accepted for return. The product(s) must be returned in the original package and resaleable condition, with a copy of the invoice and a note stating the reason for the return.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Appointment of Will Richter to the position of Safety Officer for the Grand Rapids Fire Department effective January 1, 2025.

PREPARED BY: Chery Pierzina, Human Resources Officer

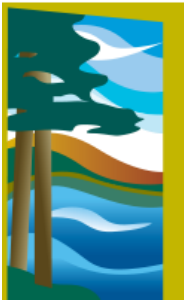
BACKGROUND:

With the recent resignation of Andy Horton from his role as Safety Officer with the Grand Rapids Fire Department, City staff posted the Safety Officer position internally and received six (6) letters of interest. All applicants were interviewed. The interview committee is recommending appointing Will Richter to the position of Safety Officer with the Grand Rapids Fire Department effective January 1, 2025, with a monthly salary of \$325.34.

Will Richter has been a firefighter for close to nine (9) years. Will currently serves as our Fire Relief Treasure and was instrumental in researching and transitioning to the new SVF PERA plan for our Relief Association pension plan. In Will's 9 years of serving on the Grand Rapids Fire Department, he has consistently been one of the highest percentage Fire Fighters every year in regard to making calls, meetings, and drill. He is a highly valued and respected member of the Grand Rapids Fire Department and will do well in this role.

REQUESTED COUNCIL ACTION:

Make a motion to appoint Will Richter the position of Safety Officer for the Grand Rapids Fire Department effective January 1, 2025, with a monthly salary of \$325.34.



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider appointing Cody Kraskey to the position Public Works Maintenance I Worker and consider establishing an eligibility list for Public Works Maintenance I Worker.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

In November, the City Council approved posting for a Public Works Maintenance I Worker. The City received 15 applications for this position and scheduled 7 interviews, which were held on Monday, December 9th and Wednesday, December 11th.

The interview committee, consisting of Public Works Director Matt Wegwerth, Public Works Superintendent Kevin Koetz, and Human Resources Officer Chery Pierzina, recommend appointing Cody Kraskey for the position of Public Works Maintenance I Worker, at an hourly rate of \$22.78 for hours worked beginning in December 2024, and an hourly rate of \$24.49 for hours worked beginning January 2025, per the bargaining agreement by and between the City of Grand Rapids and the International Union of Operating Engineering Local No. 49 – Public Works Union, with a start date to be determined after successful completion and passing of a background check, medical exam, pre-employment drug screening, and psychological exam.

Cody is a graduate of Deer River High School and is a former US Army National Guard Staff Sergeant with 13 years of dedicated military service. Cody served as the Regional Manager for the Military Funeral Honors Program and performed highest honors during Military Funerals for 5 years. He has over five years operating equipment and is highly trained in operating heavy specialized equipment and machinery. He is currently employed by Hibbing Taconite as a Heavy Equipment Operator, where he has been employed since November 2020.

Also, the interview committee recommends establishing a Public Works eligibility list and placing the following individuals on the eligibility list for a period of one year:

Scott Holm

Michael Holte

REQUESTED COUNCIL ACTION:

Make a motion to appoint Cody Kraskey to the position of Public Works Maintenance I Worker, at an hourly rate of \$22.78 for hours worked beginning in December 2024, and an hourly rate of \$24.49 for hours worked beginning January 2025, per the bargaining agreement by and between the City of Grand Rapids and the International Union of Operating Engineering Local No. 49 – Public Works Union, with a start date to be determined after successful completion and passing of a background check, medical exam, pre-employment drug screening, and psychological exam, and establish an eligibility list for Public Works for a period of one year.



December 11, 2024

Mr. Cody Kraskey

Dear Cody,

Congratulations on your recommended appointment to the position of Public Works Maintenance Worker I with the City of Grand Rapids! Following is an outline of the terms and conditions of your employment.

Conditions:

Your appointment will be presented to the City Council at their Monday, December 16, 2024, meeting, and will be subject to a successful completion and passing of a background check, medical exam, pre-employment drug screening and psychological exam.

- Please sign and return the Background Check Authorization and Authorization for Driver's License Check forms to me.
- You will need to successfully complete and pass a medical examination with Dr. Jay Sonder with Occupational Medicine at Grand Itasca Clinic and Hospital, located at 1601 Golf Course Road. To schedule an appointment, please call (218) 326-7344. If you happen to reach the main switchboard at Grand Itasca, please request to be transferred to Occupational Medicine. Please bring a copy of your job description to this appointment.
- You will need to successfully complete and pass a pre-employment psychological evaluation. Your pre-employment psychological evaluation will be scheduled virtually with Dr. Michael Keller, out of Cambridge, MN. I will reach out to you regarding his availability. Plan to allow two (2) hours for the evaluation.
- You will also need to stop by Northern Drug Screening located at 111 NE 10th Avenue in Grand Rapids, MN for a pre-employment drug screening. They are open Monday through Friday from 8:00 a.m. to 4:00 p.m. Please let them know you need a pre-employment drug screening for the City of Grand Rapids.

Cody Kraskey

Objective

Highly disciplined and motivated former US Army National Guard Staff Sergeant with 13 years of progressive and dedicated military service and 5+ years of equipment operating experience seeking employment close to home

Education

HIGH SCHOOL DIPLOMA

2007 - Deer River High School

Skills & Abilities

- Highly trained in operating heavy specialized equipment and machinery safely and efficiently
- CDL - Class B
- Heavy equipment operation and maintenance
- Computer data entry
- Personnel leadership and development
- Prompt and precise decision making

Experience

Hibbing Taconite

-Heavy Equipment Operator : November 2020 – Present

- Operation of various heavy equipment including graders, D11 Cat, front end loaders, and dump truck
- Continuous communication with crew members
- Follow and complete assigned tasks in rapidly changing terrains and weather conditions
- Adapt to changing tasks and assignments, comply with company and MSHA safety standards
- Completion of equipment inspection and maintenance forms

Waste Management

-Roll-Off Truck Driver : March 2019 – November 2020

- Safe operation of multiple Class B Vehicles
- Pre and post trip vehicle safety inspections
- Adhere and comply with all DOT and company standards

Michels Pipeline

-Laborer : January 2019 - March 2019

- Operation of various heavy equipment including back hoe and front-end loader.

- Operation of manual tools including concrete saw, jack hammer, underground directional bore.
- Locating underground utilities.
- Focus on safety and efficiency as a team to install underground natural gas services.

Army National Guard

-Senior Tank Commander : November 2014 – January 2019

- Overseeing operations of a highly disciplined team ranging from 10-15 individuals in addition to the responsibilities of Tank Crewman which are listed below.
- Conducting the safe and efficient 24-hour operation of heavy equipment and machinery including during inclement conditions.
- Obligated to remain knowledgeable of and attentive to current policies and procedures to safely complete assigned tasks.
- Oversee and coordinate with multiple personnel during daily operations.
- Evaluate and assess performance of subordinate team members.
- Know and define roles of all team members and keep individuals on task.

-Tank Crewman : January 2007- November 2014

- Safely and efficiently operate various equipment and machinery during high stress and critical settings.
- Inspecting equipment and machinery and performing maintenance and upkeep of all equipment.
- Performing rigorous and physically tasking duties in all types of conditions.

Military Funeral Honors Program

-Regional Manager : October 2014 – January 2019

- Responsible for hiring and training responsible and professional team members in the Arrowhead Region of Minnesota in addition to and in coordination with the duties of Team Leader which are listed below.
- Coordinate and organize daily team operations including precise time schedules and logistic operations (i.e. fuel management, transportation.)
- Submit monthly reports of team and personnel performance and coordinate with senior management.
- Teaching rigorous and professional courses

-Team Leader : January 2009 – October 2014

- Perform highest honors during Military Funerals.
- Memorize and retain various operations, methods, and policies.
- Assisted Regional Manager with training, coordination, and various other daily duties.

Leadership and Training Certificates

- 2009 – Basic Leaders Course
 - Managing high-stress situations
 - Technical and tactical skill training
 - Developing skills to oversee and lead other team members

- 2009 – 40 Hour Military Funeral Honors Course
- 2009 – Initial Combat Lifesaver Course
 - CPR training, basic medical and life-saving skills
- 2013 – 80 Hour Advanced Leadership Course
 - Maximize efficiency and potential from team members
 - High stress decision making and problem-solving skills
- Current CDL and MSHA

420 N. Pokegama Ave
Grand Rapids, MN 55744
(218)326-7606
(218)326-7608 Fax
www.cityofgrandrapidsmn.com



Employment Application

An Equal Opportunity Employer

Please complete by printing in ink or typing. Application must be signed for employment consideration.

Thank you for considering employment with the City of Grand Rapids. We welcome you as an applicant and look forward to reviewing your application information. It is the City's policy to provide equal opportunity in employment. The City will not discriminate on the basis of race, color, creed, age, religion, national origin, marital status, disability, sex, sexual orientation, familial status, status with regard to public assistance, local human rights commission activity or any other basis protected by law.

Please furnish complete information on the application form, so we may accurately and completely assess your qualifications. You may attach any other information that provides additional detail about your qualifications for employment in the position you seek. Please refer to the Applicant Data Practices Advisory for guidance regarding how your application information will be used, the consequences of providing or not providing information, and more.

The City of Grand Rapids accommodates qualified persons with disabilities in all aspects of employment, including the application process. If you believe you need a reasonable accommodation to complete the application process, please contact Human Resources at 218-326-7606.

PERSONAL INFORMATION

NAME Last Kraskey	First Cody	Middle Russell	POSITION APPLIED FOR: Maintenance Worker
			TODAY'S DATE: 12/05/24
			DATE AVAILABLE TO WORK: 12/19/24
			STATUS DESIRED: <input checked="" type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Seasonal
EMAIL ADDRESS: 			
Are you a U.S. citizen or do you have legal Authorization to work in the U.S.? Proof of age and/or eligibility to work may be requested.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	Do you have a valid driver's license? (For driving positions only)
Will your continued employment require employer sponsorship?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Are you <u>under</u> 18 years of age?
			YES <input checked="" type="checkbox"/>
			NO <input type="checkbox"/>
			YES <input type="checkbox"/>
			NO <input checked="" type="checkbox"/>

EDUCATIONAL INFORMATION

School Name, City and State		Major Area of Study
High School: Deer River High School	Diploma <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO GED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
College: ICC	Degree Completed: <input type="checkbox"/> YES <input type="checkbox"/> Associates <input type="checkbox"/> Bachelors <input type="checkbox"/> Masters <input type="checkbox"/> Other <input checked="" type="checkbox"/> NO # of years completed <u>1</u> Semester/Credit hours earned _____	AA
Graduate School:	Degree Completed: <input type="checkbox"/> YES <input type="checkbox"/> Associates <input type="checkbox"/> Bachelors <input type="checkbox"/> Masters <input type="checkbox"/> Other <input type="checkbox"/> NO # of years completed _____ Semester/Credit hours earned _____	
Technical or Vocational Programs:	(indicate type of certificate earned)	

List any other courses, seminars, workshops, or training you have that may provide you with skills related to this position:

- Experience and training in operating various equipment including M1 Abrams Tank, LMTV's, backhoe, front-end loader, roll-off semi's, ASL front and rear load garbage trucks, D11 Cat, graders, small fleet vehicles, and dump trucks.
- Operation of manual tools including concrete saw, jack hammer, and underground directional bore.

List any current licenses or certificates you possess which may be related to this position:

- Class B CDL
- MSHA certificate

List any current registration(s) or membership(s) related to the position for which you are applying:

EMPLOYMENT EXPERIENCE

CURRENT EMPLOYMENT INFORMATION			
EMPLOYER Hibbing Taconite	DATES EMPLOYED		JOB TITLE: Loader Operator
	FROM	TO	
ADDRESS 4950 Taconite Access Rd	11/20	12/24	NAME OF LAST SUPERVISOR: Troy Hemphil
CITY, STATE, ZIP Hibbing, MN 55746	DESCRIBE YOUR WORK IN THIS JOB:		
TELEPHONE Area Code + Number (218) 244-7495	<ul style="list-style-type: none"> -Operation of various heavy equipment including graders, D11 Cat, front end loaders, and dump trucks. -Continuous communication with crew members. -Follow and complete assigned tasks in rapidly changing terrains and weather conditions. -Adapt to changing tasks and assignments, comply with company and MSHA safety standards. -Completion of equipment inspection and maintenance forms. 		
May we contact this employer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<input checked="" type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Other			
REASON FOR LEAVING: <i>Seeking employment closer to home</i>			

PREVIOUS EMPLOYMENT INFORMATION			
List all positions held including full-time, part-time, military, summer, volunteer work and any periods of unemployment. Explain any period of unemployment. Attach additional sheet if necessary.			
EMPLOYER Waste Management	DATES EMPLOYED		JOB TITLE: Roll-Off Truck Driver
	FROM	TO	
ADDRESS 511 US-2	03/19	11/20	NAME OF LAST SUPERVISOR: Randy Ott
CITY, STATE, ZIP Cohasset, MN 55721	DESCRIBE YOUR WORK IN THIS JOB:		
TELEPHONE Area Code + Number (218) 328-6212	<ul style="list-style-type: none"> -Safe operation of multiple Class B Vehicles in various conditions and terrains. -Pre and post trip vehicle safety inspections. -Adhere and comply with all DOT and company standards. -Communication with other team members. 		
May we contact this employer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<input checked="" type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Other			
REASON FOR LEAVING: <i>Other employment opportunity</i>			

EMPLOYER Michels Pipeline	DATES EMPLOYED		JOB TITLE: Laborer
	FROM	TO	
ADDRESS 14450 Northdale Blvd	01/19	03/19	NAME OF LAST SUPERVISOR:
CITY, STATE, ZIP Rogers, MN 55374	DESCRIBE YOUR WORK IN THIS JOB:		
TELEPHONE Area Code + Number (763) 428-1496	<ul style="list-style-type: none"> -Operation of various heavy equipment including backhoe and front-end loader. -Operation of manual tools including concrete saw, jack hammer, and underground directional bore. -Locating underground utilities. -Focus on safety and efficiency as a team to install underground natural gas services. 		
May we contact this employer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<input checked="" type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Other			
REASON FOR LEAVING: <i>Other employment opportunity</i>			

PREVIOUS EMPLOYMENT INFORMATION CONTINUED
 List all positions held including full-time, part-time, military, summer, volunteer work and any periods of unemployment. Explain any period of unemployment. Attach additional sheet if necessary.

EMPLOYER Army National Guard	DATES EMPLOYED		JOB TITLE: Platoon Sergeant
	FROM	TO	
ADDRESS	01/06	01/19	NAME OF LAST SUPERVISOR: Brian Keiten
CITY, STATE, ZIP Grand Rapids, MN 55744	DESCRIBE YOUR WORK IN THIS JOB:		
TELEPHONE Area Code + Number 210-321-4430	-Oversee and direct operations of platoon. -Conduct and oversee operation of heavy equipment and machinery in various conditions and terrains. -Evaluate and assess performance of other team members. -Know and define roles of all team members and keep individuals on task. -Create and submit monthly reports of team personnel.		
May we contact this employer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<input checked="" type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Other			
REASON FOR LEAVING: <i>Military contract ended</i>			

EMPLOYER	DATES EMPLOYED		JOB TITLE:
	FROM	TO	
ADDRESS			NAME OF LAST SUPERVISOR:
CITY, STATE, ZIP	DESCRIBE YOUR WORK IN THIS JOB:		
TELEPHONE Area Code + Number			
May we contact this employer? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Other			
REASON FOR LEAVING:			

EMPLOYER	DATES EMPLOYED		JOB TITLE:
	FROM	TO	
ADDRESS			NAME OF LAST SUPERVISOR:
CITY, STATE, ZIP	DESCRIBE YOUR WORK IN THIS JOB:		
TELEPHONE Area Code + Number			
May we contact this employer? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Other			
REASON FOR LEAVING:			

UNPAID EXPERIENCE

Describe any unpaid or volunteer experience relevant to the position for which you are applying (you may include, if you wish, information which would reveal race, sex, religion, age, disability, or other protected status).

MILITARY EXPERIENCE

Did you serve in the U.S. Armed Forces? Yes No

Describe your duties:

Tank commander, platoon sergeant, and Area Coordinator for Military Funeral Honors Program of MN

Do you wish to apply for Veteran's Preference points: Yes No

If you answered "yes," you must complete the enclosed application for Veterans' Preference Points, and submit the application and required documentation to the City of Grand Rapids by the application deadline of the position for which you are applying.

AUTHORIZATION

PLEASE READ CAREFULLY BEFORE SIGNING

I certify that all information I have provided in this application for employment is true and complete to the best of my knowledge. Any misrepresentation or omission of any fact in my application, resume or any other materials, or during any interviews, can be justification for refusal of employment, or if employed, will be grounds for dismissal, regardless of length of employment or when the misrepresentation or omission is discovered.

I understand that submission of an application does not guarantee employment. I acknowledge that I have received a copy of the job description summary for the position/s for which I am applying. I further acknowledge my understanding that employment with the City of Grand Rapids is "at will," and that employment may be terminated by either the City of Grand Rapids or me at any time, with or without notice. I understand that none of the documents, policies, procedures, actions, statements of the City of Grand Rapids or its representatives used during the employment process is deemed a contract of employment, real or implied. I further understand that this "at will" employment relationship may not be changed by any written document or by conduct unless such change is specifically acknowledged in writing by an authorized executive of the City of Grand Rapids. In consideration for employment, if employed, I agree to conform to the rules, regulations, policies, and procedures of the City of Grand Rapids at all times and understand that such obedience is a condition of employment.

I understand that if offered a position with the City of Grand Rapids, I may be required to submit to a pre-employment medical and psychological examination, drug screening and background check as a condition of employment. I understand that unsatisfactory results from, refusal to cooperate with, or any attempt to affect the results of these pre-employment tests and checks will result in withdrawal of any employment offer or termination of employment if already offered.

With my signature below, I am providing the City of Grand Rapids authorization to verify all information I provided within this application packet, including contacting current or previous employers. However, I understand that if, in the Employment Experience section I have answered "No" to the question, "May we contact your current employer?," contact with my current employer will not be made without my specific authorization.

I have read the included Applicant Data Practices Advisory, and I further understand that criminal history checks may be conducted (after I have been selected for an interview, in the case of non-public safety positions) and that a conviction of a crime related to this position may result in my being rejected for this job opening. I also understand it is my responsibility to notify the City of Grand Rapids in writing of any changes to information reported in this application for employment.


Signature

17-5-2024
Date

Name and number of person completing this form if other than applicant: _____



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider an agreement with Momentum Advocacy for lobbying services

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

Mayor Connelly and Council Members Blake and Sutherland interviewed two lobbying firms for services related to the upcoming legislative session. They are recommending hiring Momentum Advocacy.

REQUESTED COUNCIL ACTION:

Consider approving the attached agreement with Momentum Advocacy for lobbying services.



Will Waggoner
will@momentum-advocacy.com
507-206-1711

Mayor Tasha Connelly
City of Grand Rapids

VIA EMAIL ONLY

RE: Government Relations for Support Services Engagement Letter

Dear Mayor Connelly,

By this letter, we confirm various matters concerning our engagement.

- 1. **Scope.** The Momentum team will provide lobbying services and government relations support for the City of Grand Rapids. Will Waggoner will lead while Alysén Nesse and Amy Koch will support.
- 2. **Confidentiality.** While our lobbying efforts on your behalf must be publicly reported, we will hold information that you share in the strictest confidence and in accordance with Minnesota Attorney rules of professional conduct. Disclosure of information will be done only with your prior approval.
- 3. **Term.** This agreement is in place for twelve months, January 2025 through December 2025.
- 4. **Fee.** Our fees are based principally on the experience of the people providing services to you and the services provided. Our agreed upon retainer fees for this work are:

January through December, 2025	\$2,000/mo = \$24,000
--------------------------------	------------------------------

This fixed fee represents the value of the services provided, and due to the nature of lobbying activity, Momentum will not account for this work on an hourly narrated basis. Rather, a monthly summary of services and activities will be provided upon request

- 6. **Payment.** Payment is due for work to be performed January through December and will be invoiced the 1st of each month.
- 7. **Termination.** Either the City or Momentum may terminate this engagement at any time, with or without cause, and without further obligation by either you or us (other than our obligation to return to you any unused retainer balance and any of your documents or other



property then in our possession. This engagement will also terminate upon completion of the matters for which we have been engaged.

If you have any questions about these arrangements, please contact me as soon as possible. Otherwise, we will assume they are satisfactory to you.

Thank you again for selecting us to represent you. We look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Will Waggoner IV', is written over a horizontal line.

Will Waggoner
Lobbyist
Momentum Advocacy

A handwritten signature in blue ink, appearing to read 'Amy Koch', is written over a horizontal line.

Amy Koch
Principal
Momentum Advocacy

Tasha Connelly
Mayor
City of Grand Rapids

Kim Gibeau
City Clerk
City of Grand Rapids



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 16, 2024

AGENDA ITEM: Consider appointments to various Boards & Commissions.

PREPARED BY: Kimberly Gibeau

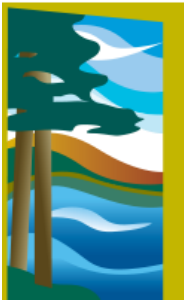
BACKGROUND:

In November, Council was provided with a listing of Boards & Commissions term expirations as of December 31, 2024 and March 1, 2025. After reviewing applications and talking with applicants, Councilmembers make recommendations for appointments to fill upcoming and current vacancies.

- Arts & Culture: 3 vacancies; all terms to expire December 31, 2027
Mayor Connelly to make recommendation
- Human Rights Commission: 2 unexpired vacancies; terms through March 1, 2025 and March 1, 2026
Councilor Rick Blake to make recommendation
- Library Board: 3 vacancies; 1 Resident & 2 Non-Residents with all terms to expire December 31, 2027
Councilor Rick Blake to make recommendation
- Police Community Advisory Board: 5 vacancies; 1 Resident term expiring December 31, 2025, 1 Resident term expiring December 31, 2026, 2 Resident terms expiring December 31, 2027, and 1 Non-Resident expiring December 31, 2027.
Councilor Tom Sutherland to make recommendation

REQUESTED COUNCIL ACTION:

Make a motion to appoint individuals to fill current and upcoming vacancies on various boards and commissions.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 12/16/2024

AGENDA ITEM: Conduct a public hearing to consider vacating a part of Simpson Avenue (Second Avenue NE)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

Staff will present the attached PowerPoint presentation as background for this item.

REQUESTED COUNCIL ACTION:

Conduct a public hearing to consider the vacation of platted right-of-way for property described as: That part of Simpson Avenue (Second Avenue NE), according to the plat of Grand Rapids First Division, on file and of record in the Office of the Itasca County Recorder, that lies between Blocks 27 and 28 of said plat and northerly of parcel 21 as depicted on the Minnesota Department of Transportation's R.O.W. Plat No. 31-136.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Street Right of Way Vacation

That part of Simpson Avenue (Second Avenue NE), according to the plat of Grand Rapids First Division, on file and of record in the Office of the Itasca County Recorder, that lies between Blocks 27 and 28 of said plat and northerly of parcel 21 as depicted on the Minnesota Department of Transportation's R.O.W. Plat No. 31-136

December 16, 2024



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request

Petitioner: City of Grand Rapids Planning Commission (Sept. 2024)

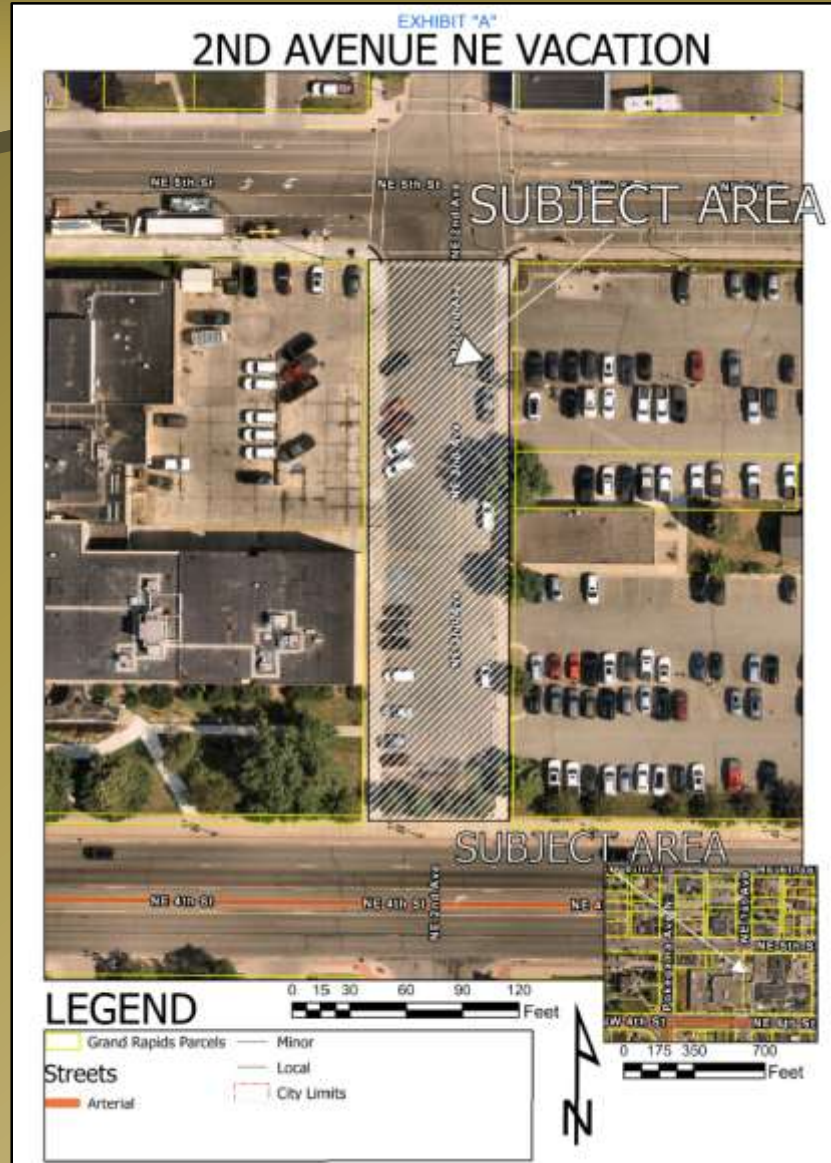
Requested Vacation: That part of Simpson Avenue (Second Avenue NE), according to the plat of Grand Rapids First Division, on file and of record in the Office of the Itasca County Recorder, that lies between Blocks 27 and 28 of said plat and northerly of parcel 21 as depicted on the Minnesota Department of Transportation's R.O.W. Plat No. 31-136

Petitioner's Stated Reason for Request: The dead-end road has no through outlet and is used for county government related operations. The parking areas and snow removal would then be managed by the County



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Staff Review Committee

- **No comments**
- **Staff review committee consists of: Engineering/Public Works Department, Community Development Department, Fire Department and the Grand Rapids Public Utilities Commission**



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

The Planning Commission reviewed this requested vacation at their December 5th meeting.

Based upon their review and list of considerations, the Planning Commission made findings that supported their recommendation to the city council for approval of the request.

Their findings are incorporated into the draft resolution to be considered following the public hearing.

PLANNING COMMISSION

Considerations

RIGHT-OF-WAY VACATIONS

1. Is the right-of-way needed for traffic purposes?
Why/Why not?

2. Is the right-of-way needed for pedestrian purposes?
Why/Why not?

3. Is the right-of-way needed for utility purposes?
Why/Why not?

4. Would vacating the right-of-way place additional land on the tax rolls?
Why/Why not?

5. Would vacating the right-of-way facilitate economic development in the City?
Why/Why not?



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Item 27.

Questions...



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 12/16/2024

AGENDA ITEM: Consider the adoption of a resolution either approving or denying the public vacation of right of way for a part of Simpson Avenue (Second Avenue NE)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

After the public hearing on this matter, the City Council will want to consider public testimony received and review the recommendation put forward by the Planning Commission. The Council can accept the recommendation of the Planning Commission, if they agree with it, and adopt the resolution as prepared, or the Council can make their own findings to support its reasons for approving or denying the request

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution either approving or denying the public vacation of right of way located at a part of Simpson Avenue (Second Avenue NE).

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-__

A Resolution for the Vacating that part of Simpson Avenue (Second Avenue NE), according to the plat of Grand Rapids First Division, on file and of record in the Office of the Itasca County Recorder, that lies between Blocks 27 and 28 of said plat and northerly of parcel 21 as depicted on the Minnesota Department of Transportation's R.O.W. Plat No. 31-136

WHEREAS, the City Planning Commission, at their regular meeting on December 16, 2024, reviewed the vacation request for the public right of way retained by the Village (City) of Grand Rapids described as:

That part of Simpson Avenue (Second Avenue NE), according to the plat of Grand Rapids First Division, on file and of record in the Office of the Itasca County Recorder, that lies between Blocks 27 and 28 of said plat and northerly of parcel 21 as depicted on the Minnesota Department of Transportation's R.O.W. Plat No. 31-136

WHEREAS, the Planning Commission found the vacation to be in the best interest of the public's health, safety, and general welfare; and

WHEREAS, the Planning Commission forwarded a recommendation for approval of the requested vacation; and

WHEREAS, the City Clerk's affidavit of publication of Notice of Public Hearing and of mailing notices to area residents were provided; and

WHEREAS, the Grand Rapids City Council conducted a public hearing on December 16, 2024, to consider the vacation described above; and

WHEREAS, all persons who wished to voice their opinion in regard to the above mentioned vacation were allowed to be heard; and

WHEREAS, it appears that the vacation will be in the best interest of the City to approve such petition;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA: that the City Council does concur with the Planning Commission's findings that this vacation is in the best interest of the public's health, safety, and general welfare, and hereby vacates the above described right-of way based on the following findings of fact:

- The vacation is not needed for traffic purposes, as it is a public vacation of right-of-way.
- The vacation is not needed for pedestrian purposes, as it is located within a government

- area where sidewalks already exist.
- The vacation is not needed for utility purposes.
- The vacation will allow the existing area to be managed by county government operations.

AND BE IT FURTHER RESOLVED, that;

1. The City hereby retains a utility easement over the entire portion of right of way to be vacated.
2. The City Council instructs the City Clerk to submit a copy of this resolution to the Itasca County Assessor, Itasca County Recorder, and the Itasca County Auditor.

Adopted by the Council this 16th day of December 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: ; whereby the resolution was declared duly passed and adopted.

This document was drafted by:
Dan Swenson, Assistant Community Development Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 12/15/2025

AGENDA ITEM: Conduct a public hearing to consider vacating a part of platted right-of-way (Block 18)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

Staff will present the attached PowerPoint presentation as background for this item.

REQUESTED COUNCIL ACTION:

Conduct a public hearing to consider the vacation of platted right-of-way for property described as:

All that part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, according to the recorded plat thereof, Itasca County, Minnesota lying adjacent to and abutting Lot 12, Block 18, said GRAND RAPIDS described as follows:

Commencing at the Northwest corner of said Lot 12; thence East, along the North line of said Lot 12 for a distance of 7.00 feet to the point of beginning of the right of way vacation of said Third Street; thence continue East, along the North line of said Lot 12 for a distance of 21.00 feet to a line parallel with and distant 28.00 feet East of the West line of said Lot 12; thence North, along the Northerly extension of said parallel line 9.00 feet to a line parallel with and distant 9.00 feet North of the North line of said Lot 12; thence West, along said parallel line 21.00 feet; thence South 9.00 feet to the point of beginning. Said right of way vacation contains 189 square feet.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Street Right of Way Vacation

plat of the TOWN OF GRAND RAPIDS MINNESOTA, lying adjacent to and abutting Lot 12, Block 18, GRAND RAPIDS

December 16, 2024



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Petitioner: Eclipse Building Partners

Requested Vacation: A part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, lying adjacent to and abutting Lot 12, Block 18, GRAND RAPIDS

All that part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, according to the recorded plat thereof, Itasca County, Minnesota lying adjacent to and abutting Lot 12, Block 18, said GRAND RAPIDS described as follows:

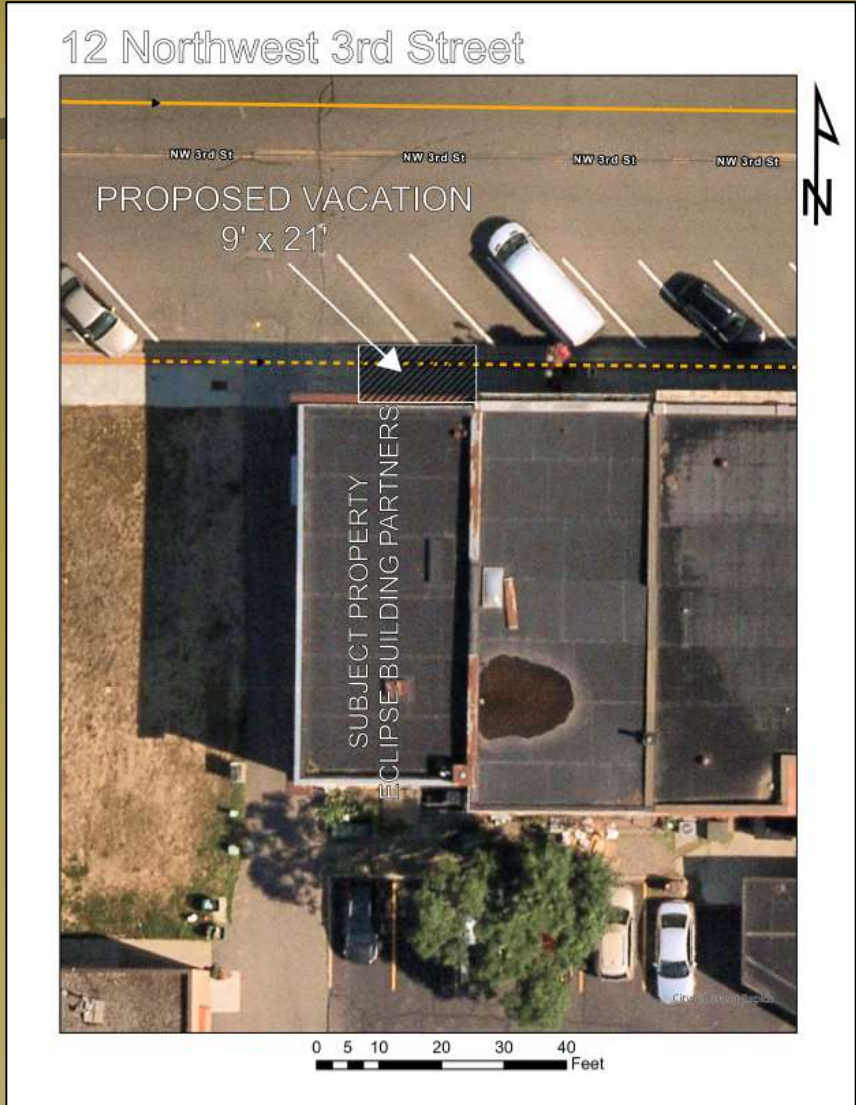
Commencing at the Northwest corner of said Lot 12; thence East, along the North line of said Lot 12 for a distance of 7.00 feet to the point of beginning of the right of way vacation of said Third Street; thence continue East, along the North line of said Lot 12 for a distance of 21.00 feet to a line parallel with and distant 28.00 feet East of the West line of said Lot 12; thence North, along the Northerly extension of said parallel line 9.00 feet to a line parallel with and distant 9.00 feet North of the North line of said Lot 12; thence West, along said parallel line 21.00 feet; thence South 9.00 feet to the point of beginning. Said right of way vacation contains 189 square feet.

Petitioner's Stated Reason for Request: Allow(s) for code required acceptability improvements to be made as part of a project to redevelop and adaptively reuse the existing building at 12 NW 3rd Street. The building will be converted into a restaurant establishment.



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

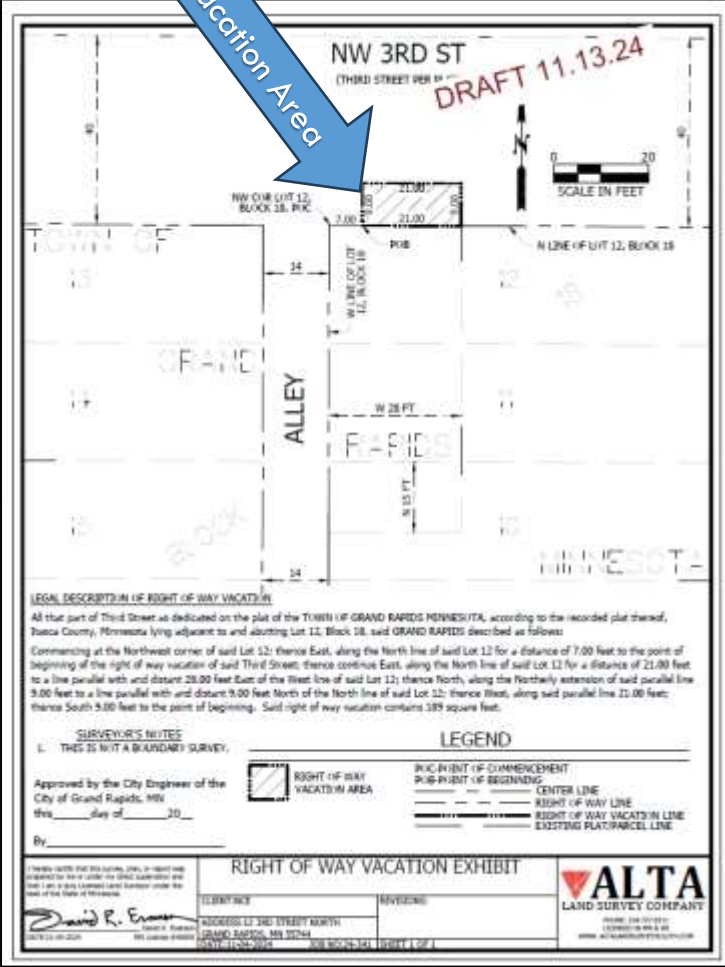
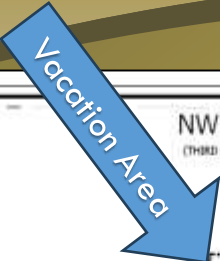
Public Vacation Request



Public Vacation Request



CITY OF GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE





CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Staff Review Committee

- **The Engineering Department/Public Works Department have no objections to the petitioned vacations.**
- **Staff review committee consists of: Engineering/Public Works Department, Community Development Department, Fire Department and the Grand Rapids Public Utilities Commission.**



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

The Planning Commission reviewed this requested vacation at their December 5th meeting.

Based upon their review and list of considerations, the Planning Commission made findings that supported their recommendation to the city council for approval of the request.

Their findings are incorporated into the draft resolution to be considered following the public hearing.

PLANNING COMMISSION
Considerations
RIGHT-OF-WAY VACATIONS

1. Is the right-of-way needed for traffic purposes?
Why/Why not?

2. Is the right-of-way needed for pedestrian purposes?
Why/Why not?

3. Is the right-of-way needed for utility purposes?
Why/Why not?

4. Would vacating the right-of-way place additional land on the tax rolls?
Why/Why not?

5. Would vacating the right-of-way facilitate economic development in the City?
Why/Why not?



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Item 29.

Questions...



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 12/16/2024

AGENDA ITEM: Consider the adoption of a resolution either approving or denying part of the public vacation of right of way (Block 18)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

After the public hearing on this matter, the City Council will want to consider public testimony received and review the recommendation put forward by the Planning Commission. The Council can accept the recommendation of the Planning Commission, if they agree with it, and adopt the resolution as prepared, or the Council can make their own findings to support its reasons for approving or denying the request

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution either approving or denying part of the public vacation of right of way (Block 18)



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Street Right of Way Vacation

plat of the TOWN OF GRAND RAPIDS MINNESOTA, lying adjacent to and abutting Lot 12, Block 18, GRAND RAPIDS

December 16, 2024



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Petitioner: Eclipse Building Partners

Requested Vacation: A part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, lying adjacent to and abutting Lot 12, Block 18, GRAND RAPIDS

All that part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, according to the recorded plat thereof, Itasca County, Minnesota lying adjacent to and abutting Lot 12, Block 18, said GRAND RAPIDS described as follows:

Commencing at the Northwest corner of said Lot 12; thence East, along the North line of said Lot 12 for a distance of 7.00 feet to the point of beginning of the right of way vacation of said Third Street; thence continue East, along the North line of said Lot 12 for a distance of 21.00 feet to a line parallel with and distant 28.00 feet East of the West line of said Lot 12; thence North, along the Northerly extension of said parallel line 9.00 feet to a line parallel with and distant 9.00 feet North of the North line of said Lot 12; thence West, along said parallel line 21.00 feet; thence South 9.00 feet to the point of beginning. Said right of way vacation contains 189 square feet.

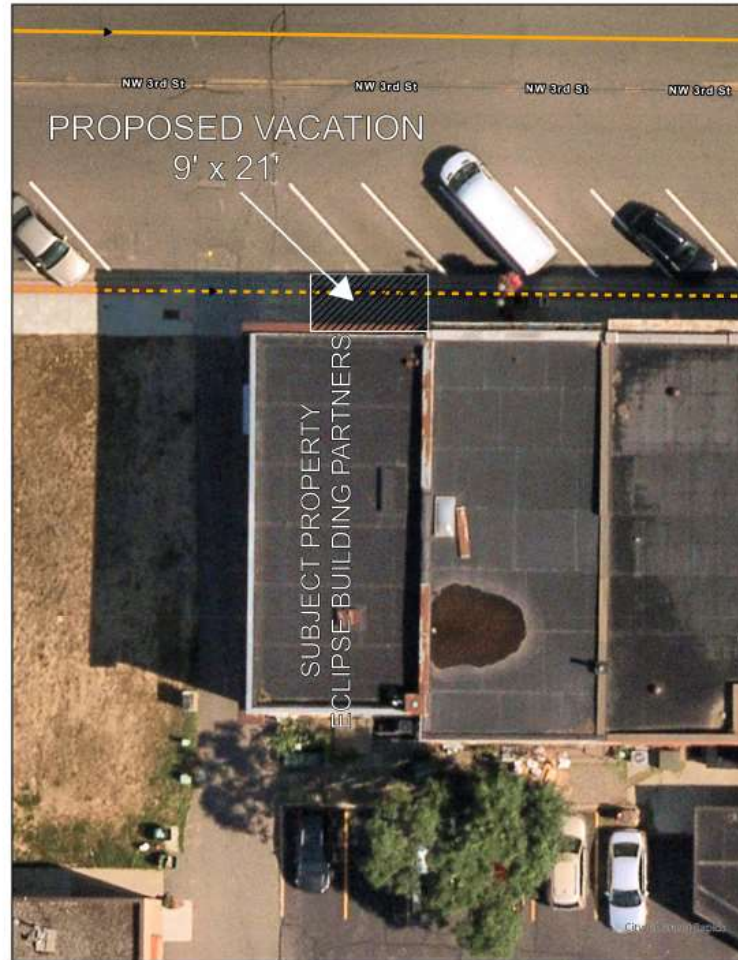
Petitioner's Stated Reason for Request: Allow(s) for code required acceptability improvements to be made as part of a project to redevelop and adaptively reuse the existing building at 12 NW 3rd Street. The building will be converted into a restaurant establishment.



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request

12 Northwest 3rd Street

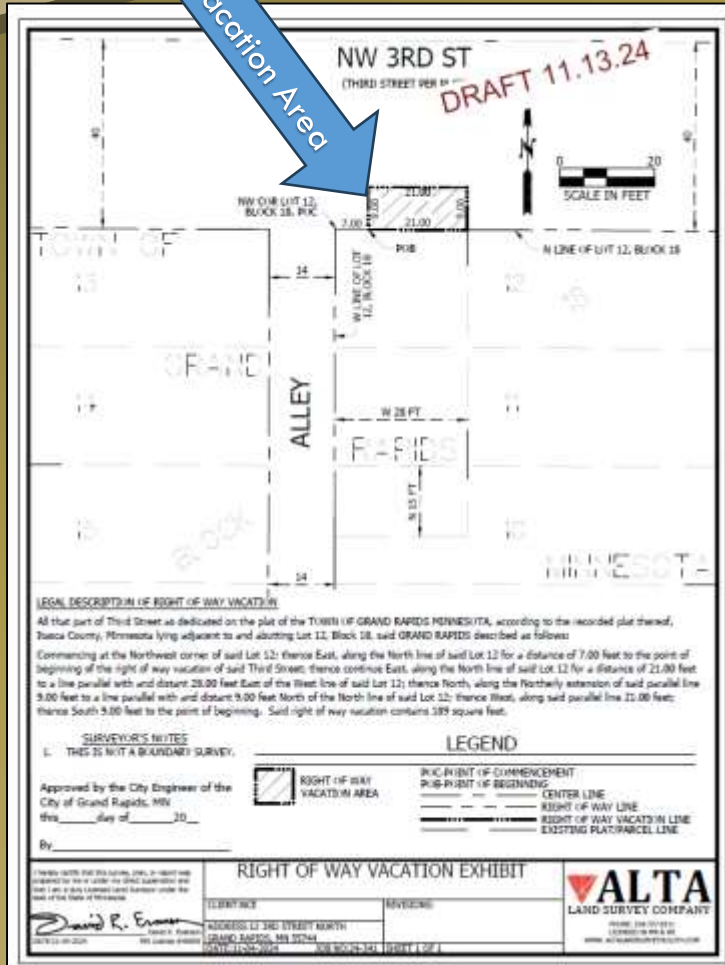
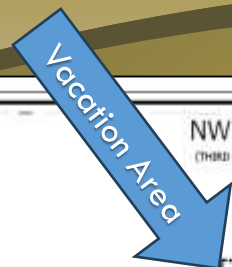




CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Item 30.

Public Vacation Request





CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Staff Review Committee

- **The Engineering Department/Public Works Department have no objections to the petitioned vacations.**
- **Staff review committee consists of: Engineering/Public Works Department, Community Development Department, Fire Department and the Grand Rapids Public Utilities Commission.**



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

The Planning Commission reviewed this requested vacation at their December 5th meeting.

Based upon their review and list of considerations, the Planning Commission made findings that supported their recommendation to the city council for approval of the request.

Their findings are incorporated into the draft resolution to be considered following the public hearing.

PLANNING COMMISSION
Considerations
RIGHT-OF-WAY VACATIONS

1. Is the right-of-way needed for traffic purposes?
Why/Why not?

2. Is the right-of-way needed for pedestrian purposes?
Why/Why not?

3. Is the right-of-way needed for utility purposes?
Why/Why not?

4. Would vacating the right-of-way place additional land on the tax rolls?
Why/Why not?

5. Would vacating the right-of-way facilitate economic development in the City?
Why/Why not?



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Item 30.

Questions...

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-__

A Resolution for the Vacating a part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, according to the recorded plat thereof, Itasca County,

WHEREAS, the City Planning Commission, at their regular meeting on December 16, 2024, reviewed the vacation request for the public right of way retained by the Village (City) of Grand Rapids described as:

All that part of Third Street as dedicated on the plat of the TOWN OF GRAND RAPIDS MINNESOTA, according to the recorded plat thereof, Itasca County, Minnesota lying adjacent to and abutting Lot 12, Block 18, said GRAND RAPIDS described as follows:

Commencing at the Northwest corner of said Lot 12; thence East, along the North line of said Lot 12 for a distance of 7.00 feet to the point of beginning of the right of way vacation of said Third Street; thence continue East, along the North line of said Lot 12 for a distance of 21.00 feet to a line parallel with and distant 28.00 feet East of the West line of said Lot 12; thence North, along the Northerly extension of said parallel line 9.00 feet to a line parallel with and distant 9.00 feet North of the North line of said Lot 12; thence West, along said parallel line 21.00 feet; thence South 9.00 feet to the point of beginning. Said right of way vacation contains 189 square feet.

WHEREAS, the Planning Commission found the vacation to be in the best interest of the public’s health, safety, and general welfare; and

WHEREAS, the Planning Commission forwarded a recommendation for approval of the requested vacation; and

WHEREAS, the City Clerk’s affidavit of publication of Notice of Public Hearing and of mailing notices to area residents were provided; and

WHEREAS, the Grand Rapids City Council conducted a public hearing on December 16, 2024, to consider the vacation described above; and

WHEREAS, all persons who wished to voice their opinion in regard to the above mentioned vacation were allowed to be heard; and

WHEREAS, it appears that the vacation will be in the best interest of the City to approve such petition;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA: that the City Council does concur with the Planning Commission’s findings that this vacation is in the

best interest of the public’s health, safety, and general welfare, and hereby vacates the above described right-of way based on the following findings of fact:

- The vacation is not needed for traffic purposes, as it is a public vacation of right-of-way.
- The vacation is not needed for pedestrian purposes.
- The vacation is not needed for utility purposes.
- The vacation will allow accessibility improvements to be made as part of a project to redevelop and adaptively reuse an existing building.

AND BE IT FURTHER RESOLVED, that:

1. The City hereby retains a utility easement over the entire portion of right of way to be vacated.
2. The City Council instructs the City Clerk to submit a copy of this resolution to the Itasca County Assessor, Itasca County Recorder, and the Itasca County Auditor.

Adopted by the Council this 16th day of December 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: _____ ; and the following voted against same: _____ ; whereby the resolution was declared duly passed and adopted.

This document was drafted by:
Dan Swenson, Assistant Community Development Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 12/16/2024

AGENDA ITEM: Conduct a public hearing to consider vacating a part of platted right-of-way (Block 19)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

Staff will present the attached PowerPoint presentation as background for this item.

REQUESTED COUNCIL ACTION:

Conduct a public hearing to consider the vacation of platted right-of-way for property described as:

The West 2 feet of the N/S alley lying adjacent to the east line of the following tract:

The East 34.5 feet of Lots Thirteen (13) and Fourteen (14), and the East 34.5 feet of the North 6 feet of Lot Fifteen (15), Block Nineteen (19), Town of Grand Rapids



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request

Alley Right of Way Vacation

The West 2 feet of the N/S alley lying adjacent to the east line of the following tract:

The East 34.5 feet of Lots Thirteen (13) and Fourteen (14), and the East 34.5 feet of the North 6 feet of Lot Fifteen (15), Block Nineteen (19), Town of Grand Rapids

December 16, 2024



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Petitioner: Rapids Brewing Company

Requested Vacation: The West 2 feet of the N/S alley lying adjacent to the east line of the following tract:

The East 34.5 feet of Lots Thirteen (13) and Fourteen 14, and the East 34.5 feet of the North 6 feet of Lot Fifteen (15), Block 19, Town of Grand Rapids.

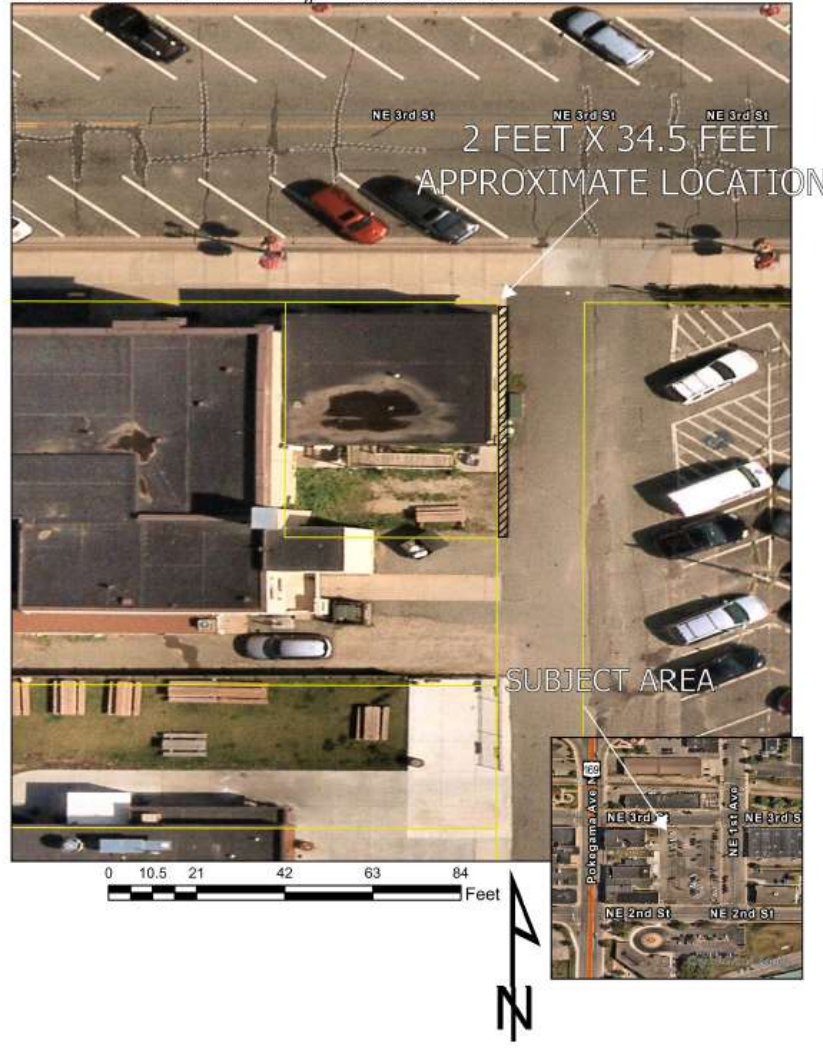
Petitioner's Stated Reason for Request: The request is needed to build an adequate kitchen for a restaurant. The project will bring more dining options to the downtown area and aligns with the goals of the Downtown Plan.

Public Vacation Request



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Block 19 Alley Vacation

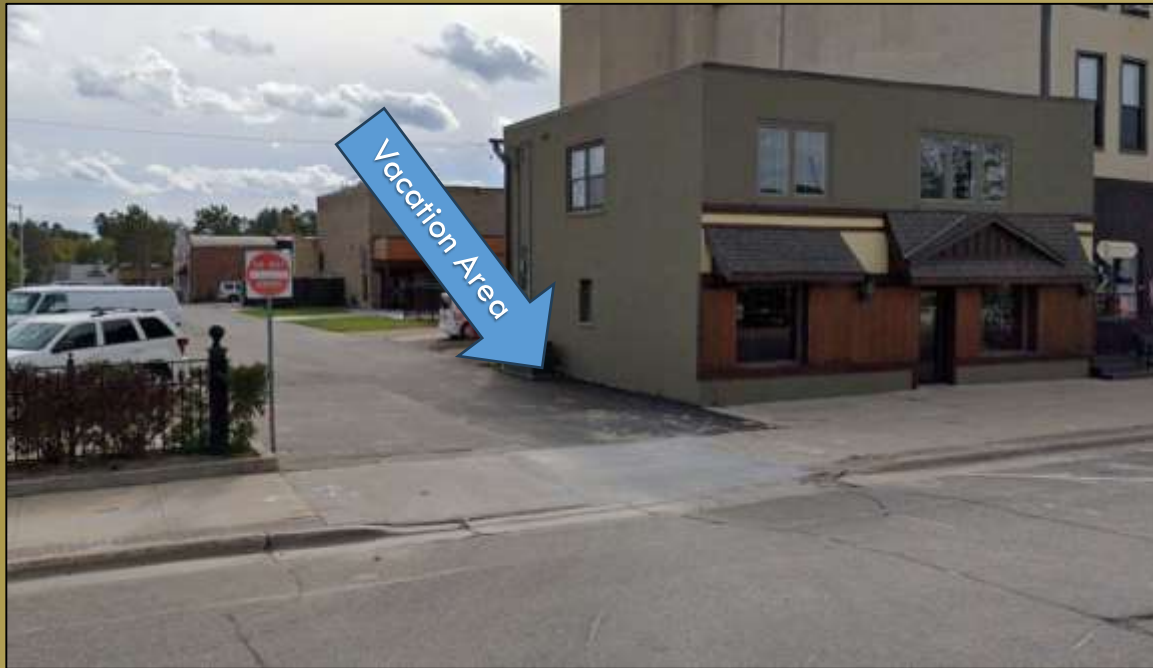




CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Item 31.





CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

Staff Review Committee

Staff review committee consists of: Engineering/Public Works Department, Community Development Department, Fire Department and the Grand Rapids Public Utilities Commission.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Public Vacation Request

The Planning Commission reviewed this requested vacation at their December 5th meeting.

Based upon their review and list of considerations, the Planning Commission made findings that supported their recommendation to the city council for approval of the request.

Their findings are incorporated into the draft resolution to be considered following the public hearing.

PLANNING COMMISSION

Considerations

RIGHT-OF-WAY VACATIONS

1. Is the right-of-way needed for traffic purposes?
Why/Why not?

2. Is the right-of-way needed for pedestrian purposes?
Why/Why not?

3. Is the right-of-way needed for utility purposes?
Why/Why not?

4. Would vacating the right-of-way place additional land on the tax rolls?
Why/Why not?

5. Would vacating the right-of-way facilitate economic development in the City?
Why/Why not?



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Item 31.

Questions...



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 12/16/2024

AGENDA ITEM: Consider the adoption of a resolution either approving or denying part of the public vacation of right of way (Block 19)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

After the public hearing on this matter, the City Council will want to consider public testimony received and review the recommendation put forward by the Planning Commission. The Council can accept the recommendation of the Planning Commission, if they agree with it, and adopt the resolution as prepared, or the Council can make their own findings to support its reasons for approving or denying the request

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution either approving or denying part of the public vacation of right of way (Block 19).

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-__

A Resolution for the Vacating the West 2 feet of the N/S alley lying adjacent to the east line of the following tract: The East 34.5 feet of Lots Thirteen (13) and Fourteen (14), and the East 34.5 feet of the North 6 feet of Lot Fifteen (15), Block Nineteen (19), Town of Grand Rapids

WHEREAS, the City Planning Commission, at their regular meeting on December 16, 2024, reviewed the vacation request for the public right of way retained by the Village (City) of Grand Rapids described as:

Vacating the West 2 feet of the N/S alley lying adjacent to the east line of the following tract:

The East 34.5 feet of Lots Thirteen (13) and Fourteen (14), and the East 34.5 feet of the North 6 feet of Lot Fifteen (15), Block Nineteen (19), Town of Grand Rapids

WHEREAS, the Planning Commission found the vacation to be in the best interest of the public's health, safety, and general welfare; and

WHEREAS, the Planning Commission forwarded a recommendation for approval of the requested vacation; and

WHEREAS, the City Clerk's affidavit of publication of Notice of Public Hearing and of mailing notices to area residents were provided; and

WHEREAS, the Grand Rapids City Council conducted a public hearing on December 16, 2024, to consider the vacation described above; and

WHEREAS, all persons who wished to voice their opinion in regard to the above mentioned vacation were allowed to be heard; and

WHEREAS, it appears that the vacation will be in the best interest of the City to approve such petition;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA: that the City Council does concur with the Planning Commission's findings that this vacation is in the best interest of the public's health, safety, and general welfare, and hereby vacates the above described right-of-way based on the following findings of fact:

- The vacation is not needed for traffic purposes, as it is a public vacation of right-of-way.
- The vacation is not needed for pedestrian purposes, as it is located within a parking lot

- area.
- The vacation is not needed for utility purposes.
- The vacation will allow improvements to be made as part of a project to redevelop and adaptively reuse an existing building.

AND BE IT FURTHER RESOLVED, that;

1. The City Council instructs the City Clerk to submit a copy of this resolution to the Itasca County Assessor, Itasca County Recorder, and the Itasca County Auditor.

Adopted by the Council this 16th day of December 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: ; whereby the resolution was declared duly passed and adopted.

This document was drafted by:
Dan Swenson, Assistant Community Development Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744