

Environmental Assessment

Conversion of Land and Water Conservation Fund Lands in Lions Park for the purposes of Additional Rights-of-Way, Construction of a Municipal Fire Station and the Sale of Lots within the Park Place Subdivision and Identified Replacement Land.

Shakopee, Scott County, Minnesota

Submitted by:

City of Shakopee

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Conversion of Land and Water Conservation Fund Lands in Lions Park for the purposes of Additional Rights-of-Way, Construction of a Municipal Fire Station and the Sale of Lots within the Park Place Subdivision and Identified Replacement Land.

Executive Summary

The City of Shakopee proposes to convert areas of municipal owned land within Lions Park to other public purposes and private ownership. The city does not believe that the proposed changes would have an impact on the operation or intention of the park. Through city error, municipal park land was converted to other uses and this conversion is outlined in detail through this report. The purpose of the conversion of lands from public park to other public purposes, including private ownership, was to facilitate needed development for the health, safety, and welfare of Shakopee residents. Conversion resulted in the construction of a public safety facility and public right-of-way, and transfer ownership of a small detached portion of the park land from public ownership to private individuals for construction of five single family homes.

The conversion of these lands was needed for public purposes and the sale of the land was done to aid in the improvement and operation of Lions Park. While some land area was converted to other purposes, the remaining parkland has not experienced any changes in its historic operation or public use.

This Environmental Assessment (EA) evaluates past conversion actions and identified alternatives when these conversions took place and evaluates alternatives for future actions for parkland conversion, including a no action alternative (preferred alternative) and two action alternatives. The EA has been prepared in compliance with the National Environmental Policy Act to provide the decision-making framework that 1) analyzes past actions and alternatives considered at the time, 2) analyzes reasonable alternatives to meet the objectives of this proposal, 3) evaluates potential issues and impacts on the park's resources and values, and 4) identifies mitigation measures to lessen the degree or extent of these potential impacts. Impact topics evaluated in detail in this EA are environmental resources (including; air quality, noise impacts, water quality and quantity), cultural resources (including; archeological sites, historic structures or objects), recreation resources (including; visitor use, general recreation, education and interpretation) and socioeconomic resources. Some impact topics were dismissed on account they are not present, or the alternatives considered would result in no noticeable impacts.

No major adverse impacts were identified under any of the alternatives considered. The public, regulatory agencies, and other stakeholders will have an opportunity to comment on this EA. Comments received will be considered prior to deciding on the proposed project.

The City of Shakopee proposes to convert newly acquired land within the City of Shakopee from private use to protected open space and parkland to replace land inadvertently converted within Lions Park. The proposed land to be acquired totals 8.63 acres, more than the 6.04 acres which were converted within Lions Park and is comparable in its potential for outdoor recreation. The replacement site will be incorporated into a larger riverfront parks and open space system which will enhance the natural environment of the Minnesota Riverbank, brings a Minnesota State Trail into public ownership and will ultimately provide a more unique and enhanced experience to residents and visitors to Shakopee.

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1. Project Description

This project involves a series of conversions of Land and Water Conservation Fund parkland to various uses over the course of multiple years. The area of conversion is a portion of Lions Park, which is a major park centrally located within the City of Shakopee. Lions Park was created following the purchase of approximately 60 acres of unused land from the Minnesota Department of Corrections. At the time of purchase, of the 60 total acres, 48 were dedicated toward future park purposes, while the north 12 acres was dedicated toward a future elementary school. Lions Park today is owned and managed by the City of Shakopee and Shakopee Parks and Recreation Department and includes a sand bottomed pool, inclusive playground and splashpad, 2 ice skating rinks, 2 tennis courts, an 18-hole disc golf course and nearly a mile of off-street trails.

The City of Shakopee received grant funding from the Federal Land and Water Conservation Fund through the Minnesota Department of Natural Resources for the purposes of constructing a bituminous trail in fiscal year 1978. This trail is still utilized today through Lions Park and has not been impacted by development activity.

This EA addresses past actions to convert various portions of Lions Park from parkland to other uses including; right-of-way for roadway projects, regional stormwater facilities, a municipal fire station and the subdivision and sale of five privately owned lots, all of which occurred in the southeastern portion of Lions Park.

The initial conversion of parkland to right-of-way was in response to the construction of US Highway 169, a regionally significant US trunk highway. This right-of-way was used for the construction of the Marystown Road interchange with US 169 and was taken by the Minnesota Department of Transportation. Additional parkland was converted to right-of-way for Vierling Drive, which was routed through Lions Park as a result of the Marystown Road interchange. Vierling Drive represents a major east/west route through Shakopee, and connection to US 169 was determined to be vital at the time of conversion. Right-of-way was also used for the Upper Valley Drainageway, which was constructed simultaneously with US 169 and serves as the main stormwater conveyance system through much of western and central Shakopee, including serving as drainage for US 169.

The municipal fire station was sited in Lions Park in 2011, as the city was experiencing fast-growing development in this portion of Shakopee, and it was determined that for the health, safety and welfare of residents, a new fire station was needed. The Park Place subdivision was sited on an orphan portion of Lions Park, which had been separated from the larger portion of the park by the Upper Valley Drainageway and provided five single family lots. The proceeds of the sale went towards further improving the recreation facilities in the remaining parkland. At the time of this conversion, and until recently, the City of Shakopee was not aware of the requirement to keep the parkland as is in perpetuity. Had the city known, it would not have sited these improvements within the parkland.

These actions have ultimately benefitted Lions Park by providing greater access to the remaining park for Shakopee residents, provided regional stormwater drainage, increased emergency service protection for Shakopee residents and additional funding for park facilities while a vast majority of the park

remains as originally intended with only approximately six acres being converted from park to other uses.

The proposed replacement land is located along the Minnesota River on 8.63 acres of land. The replacement land was acquired by the City of Shakopee for the purpose of utilizing it as park, open space, and interpretative space for the general public. The land features an inlet in the Minnesota River which is planned to be utilized for a future kayak/canoe launch and is also home to historic structures which are planned to be saved and refurbished for educational use. The replacement land also has a portion of the Minnesota DNR's (MnDNR) Minnesota Valley State Trail, and the purchase of the land by the city will bring this portion of the trail under public ownership and preservation. For details and location of replacement land see Figure A.7.

2. Purpose and Need

2.1 Purpose and Need

The Land and Water Conservation Fund (LWCF) Act of 1965 was enacted to “assist in preserving, developing and assuring accessibility to all citizens of the United States of America of present and future generations and visitors who are lawfully present within the boundaries of the United States of America such quality and quantity of outdoor recreation resources as may be available and are necessary and desirable for individual active participation in such recreation and to strengthen the health and vitality of the citizens of the United States by (1) providing funds for authorizing federal assistance to the States in planning, acquisition, and development of needed land and water areas and facilities and (2) providing funds for the federal acquisition and development of certain lands and other areas.”

The LWCF Act requires states and local governmental units, to adequately operate and maintain the properties or facilities acquired or developed for public outdoor recreation use in perpetuity. Specifically, Section 6(f)(3) of the LWCF Act requires that no property acquired or developed with LWCF assistance shall be converted to uses other than public outdoor recreation without the approval of the Department of Interior, and only if the Department finds it to be in accordance with the existing State Comprehensive Outdoor Recreation Plan and finally only upon the condition as the Department deems necessary to assure the substitution of other recreation properties of at least equal fair market value and of reasonably equivalent usefulness and location (36 CFR 59).

States or local governmental units are the responsible party for ensuring, on behalf of the National Park Service, that proposals submitted to the NPS for federal decisions; new applications and amendments for previously approved LWCF projects such as conversions, are developed in accordance with all applicable federal, state and local laws and regulations. The federal legislation that coordinates the consideration of the potential for impacts to the human environment as a result of a federal action is the National Environmental Policy Act (NEPA). The NEPA process coordinates compliance with applicable related federal, state, and local environmental requirements. To facilitate and document this coordination, states must ensure that the LWCF Proposal Description and Environmental Screening Form (PD/ESF) is completed and accompanies each LWCF proposal submitted for federal review and decision.

LWCF grant assistance was used by the City of Shakopee to fund park improvements within Lions Park. These improvements were the construction of a trail through Lions Park which connects Lions Park today to the adjacent Tahpah Park sports complex. This grant was awarded in fiscal year 1978 by the NPS and utilized for trail construction soon after. Pursuant to Section 6(f)(3) of the LWCF Act, lands acquired or improved for public outdoor recreation shall not be wholly or partly converted to uses other than public outdoor recreation uses without the approval of the NPS. The conversion of publicly owned city park land, which received funding through the LWCF Act, to uses other than public recreation uses requires approval by the NPS.

In accordance with the conversion process, the City of Shakopee has acquired land within the city to serve as replacement land for the land which was inadvertently converted to non-public recreation use. The city believes that this identified land is suitable to serve as replacement land as it is of greater size than the converted land, provides a more diverse outdoor recreation experience, moves critical riverfront land into public ownership, will rehabilitate historic structures and will become a part of a much larger riverfront rehabilitation project in the long term.

2.2 Decision Needed

The LWCF helps preserve, develop, and provide accessibility to outdoor recreation resources. LWCF Section 6(f) stipulates that any land developed or improved with LWCF funds cannot be converted to uses other than outdoor recreational use unless replacement land of at least equal fair market value and seasonably equivalent usefulness is provided. Lions Park has received and utilized LWCF funds and as such, the various conversions require an Environmental Assessment (EA). The scope of this environmental review for this conversion is the 6(f) boundary, Lions Park and the proposed replacement 6(f) land which is the Sweeney Marina Site (Huber Park).

The NPS Regional Director will need to make two decisions based on the facts and recommendations contained in this document. First, select a preferred alternative and second, determine if the preferred alternative is a major federal action significantly affecting the quality of the human environment, which would require the preparation of a full Environmental Impact Statement (EIS).

2.3 Background

The site of present-day Lions Park was not always utilized for parkland. After the founding of the City of Shakopee in the 1850s the city served as the county seat of Scott County and Shakopee was selected to house a state penitentiary. The facility was founded in 1920 to house all of Minnesota's female offenders and today houses roughly 1,000 inmates. When the prison was founded, it included cultivation fields for various crops used at the facility and was maintained by the inmates. This lasted until the 1960s when correctional policy shifted, and the fields were no longer needed by the state facility. This allowed the state to sell the land to the City of Shakopee for various purposes; the construction of new elementary school, known today as Sweeney Elementary, and the dedication and improvement of what is today Lions Park. Lions Park was acquired by the City on September 1973 and given its name in honor of the Shakopee Lions Club which have maintained a strong presence in Shakopee since 1917 and continue to serve the community today. Soon after acquiring Lions Park, the city received \$12,177 of Federal Land and Water Conservation Fund (LWCF) funding from the Federal

Bureau of Outdoor Recreation. This funding was utilized for the development of a bituminous trail through Lions Park which connects to the nearby Tahpah Park and remains in place today.

Today, Lions Park is a premiere park in Shakopee's park system and home to dozens of year-round activities. These include nearly a mile of off-street trails, one of the last remaining public sand bottom pools, tennis courts, disc golf, ice skating, volleyball, multiple picnic shelters and two new inclusive play facilities, a splash pad and playground. All of this is contained within approximately 42 acres of parkland located in the heart of the City of Shakopee.

The prior conversions of the park, outlined in Section 1 Project Description, have resulted in the dedication of land and construction of multiple facilities, both public and private. Of the original 48 acres of Lions Park, 42 acres are still maintained as parkland acreage. Converted land did not have recreational use at the time it was converted, as the recreational development for Lions Park has been concentrated in the northern half of the park, with a majority of the southern and eastern sections remaining as mainly open space. It would not be practical to revert the converted land to parkland as this process would require the removal of vital roadways through Shakopee including Vierling Drive, and MnDOT maintained Marystown Road/Adams Street. Additionally, other public infrastructure would need to be removed and replaced including the Upper Valley Drainageway, which is a regionally significant stormwater conveyance system that conveys stormwater from US Highway 169 and much of northern Shakopee into the Minnesota River. It would also require the demolition of Shakopee Municipal Fire Station 2, which currently serves as emergency services for the southwestern portion of Shakopee as well as Jackson and Louisville Townships. Demolition and relocation of these facilities would not only be cost prohibitive but currently there are no suitable new locations, and this would be a considerable disruption to the City of Shakopee and regional facilities. Finally, these conversions all took place on a portion of Lions Park which were not utilized for active recreation purposes; the converted land did not have recreational facilities, trails, or improvements. Rather, funds from the land conversion resulted in increased recreation facilities in Lions Park, including additional trails and other recreation facilities.

Given these considerations, it is unfortunately not practical or feasible for the converted lands to be reverted to parkland.

The proposed replacement land is located within the initial plat of the city, dating back to founding of Shakopee in 1857. The site is home to the Schroeder House which one of the oldest surviving structures in the city, constructed in 1880, when it served as the residence for a local brick maker. The other structures on the proposed replacement land date back to 1860 and 1948, but these have seen major alterations since their original construction and are not considered historically significant. The City is currently working to list the Schroeder House on the National Registry of Historic Places, and is planning for reuse of the building as an educational and event space.

Approximately 400 feet of the Minnesota Valley State Trail currently runs through the replacement land and the purchase of this land has brought the trail under public ownership. The replacement land is planned to be used for additional outdoor recreation, potentially including a canoe and kayak launch, and an overlook to the Minnesota River. Additional property information can be found in Figure A.3.

2.4 Fair Market Value

The portion of the Lions Park under consideration (non-right-of-way) covers 128,643 square feet or 2.95 acres. These properties include five single family lots and Shakopee Fire Station #2. These lots are appraised annually by the Scott County assessor, with the most recent assessment data dating to 2018. The combined assessed total for land on these properties amounted to \$542,148. The City recently had the proposed replacement property assessed for acquisition purposes; this appraisal can be found in Appendix Figure A.3. These properties were assessed at \$695,000, which was agreed upon by all parties. Appendix Figure A.4 includes the resolution authorizing land purchase, signed purchase agreement, and notice of eligibility for relocation assistance for impacted parties. Property assessment and relocation assistance were provided according to all applicable laws by the City of Shakopee.

In addition to the Scott County Assessors assessment, the City is actively pursuing outside appraisals of both the converted Lions Park property (the fire station, the five single family lots and the right-of-way), as well as the replacement land to ensure an appraisal which meets Federal yellow book standards.

3. Alternatives, Including Proposed Action

This section will describe and compare alternatives considered by the City of Shakopee to meet the land management objectives. As part of this section, past conversions will detail previous alternatives considered for each conversion and include future alternatives based upon the present conditions and considerations as part of this Environmental Assessment. 3.1.1 through 3.1.4 detail alternatives considered for previous actions. 3.2.1 through 3.2.3 details alternatives for this Assessment and are considered separately than alternatives for previous actions.

3.1.1 Prior Conversion Alternative Assessment: US Trunk Highway 169 & Upper Valley Drainageway

The US-169 Shakopee Bypass project was a project which was led by the Minnesota Department of Transportation (MnDOT) to upgrade the existing US-169 corridor to a fully grade separated and controlled access freeway through the City of Shakopee. The planning process for the Shakopee Bypass, as it was colloquially known, began in 1974 with an Environmental Impact Statement (EIS) which was completed in 1978. This EIS considered 3 alternative routes for the project, two of which would have had impacts on Lions Park. The third alternative was for upgrading the existing Highway 101 through downtown Shakopee and was not considered further due to disruptive impacts of constructing a controlled access freeway through the urbanized area of Shakopee. At the time of planning for the Shakopee Bypass, Lions Park was lightly used open space, south of the existing SandVenture facility. The EIS indicates constructing the Marystown Road (CR 15) interchange to avoid impacting the existing Tahpah Park. The MnDOT preferred alternative routing necessitated the right-of-way acquisition in Lions Park for the Marystown Road interchange.

The project began construction in 1993 with planning work done by MnDOT including all right-of-way platting, property acquisition, highway location and design and any other ancillary elements for the project. Through this process, MnDOT replated a multitude of parcels throughout Shakopee, including sections of Lions Park. Appendix Figure A.5 displays MnDOT's right-of-way plat as recorded in 1992 for US-169 including a permanent drainage easement which both removed and split portions of Lions Park and expanded right-of-way for a future Marystown Road interchange with US-169 as part of the project.

These takings amounted to approximately 1 acre of Lions Park for the ROW of Marystown Road and 3.3 acres converted to permanent drainage easement for the Upper Valley Drainageway, which effectively severed a 2.6-acre section of Lions Park from the remainder of the park.

3.1.2 Prior Conversion Alternative Assessment: Vierling Drive

Following the construction of US-169 and appurtenant elements (Marystown Road overpass and permanent storm drainage easement and facility), the City began planning to connect Vierling Drive to the new Marystown Road overpass and concurrently planning to construct a fire station for the western half of Shakopee and Jackson Township. Vierling Drive's final location was one of three different alignments considered for the road; the first alternative was to; construct Vierling Drive north of the Upper Valley Drainageway with the fire station to be built in the location south of the Drainageway in an approximately 2.6 acre section of Lions Park which was severed from the main parkland area by the Drainageway, the second alternative was to; realign the Drainageway further east and construct Vierling Drive on the south property line of Lions Park and construct the fire station next to Lions Pond directly west of the drainageway, and the third alternative was to; construct Vierling Drive north of the Drainageway, construct the fire station next to Lions Pond directly west of the Drainageway, and leave the 2.6 acre section of Lions Park disconnected by the Drainageway for future residential development.

The City Council after deliberations and multiple public hearings ultimately choose alternative three; leaving the drainageway as is, constructing Vierling Drive to the north, designating a portion of Lions Park for the future fire station #2 and leaving the approximately 2.6 acres of Lions Park east of the drainageway for future residential use. Alternative three offered the least amount of public resistance as neighboring residents opposed locating the fire station south of the drainageway and constructing a majority of Vierling Drive south of the drainageway would have required vacating 30,000 square feet from a private landowner. This alignment saved the city a considerable amount of money by not requiring reconstruction of the Drainageway. When the City sold the land to a private developer the proceeds were utilized for further park improvements in Lions Park.

3.1.3 Prior Conversion Alternative Assessment: Shakopee Fire Station #2

Shakopee's local fire station was originally located in the downtown area, at 334 2nd Avenue West. This site served as the primary fire station for the entire community of Shakopee throughout most of its history, having been rebuilt in 1955. After the construction of US Highway 169, Shakopee grew exponentially to the south; growing from a population of 11,739 in 1990, prior to the construction of US-169 to 37,076 by 2010. This rapid development necessitated additional fire protection for new homes and businesses south of US-169.

Fire station #2 had been planned for over 10 years before its eventual construction in 2012 and had briefly been discussed previously with Vierling Drive discussion. Shakopee Fire Station #1 was constructed in 1997 to serve the eastern half of Shakopee with the original fire station to still serve the western portion of Shakopee. As Shakopee continued to grow west and south, the original fire station location was insufficient for serving the growing community and additional rural areas of Jackson and Louisville Townships. When Fire Station #2 was being considered alongside the Vierling Drive improvements, city staff and leadership were not aware of the fact that Lions Park's boundaries were deed restricted from a grant award for the purposes of a trail. As was previously discussed above,

Shakopee Fire Station #2 was jointly planned with the extension of Vierling Drive to Marystown Road, to connect a future local collector route with the US 169/Marystown Road interchange. City Council and staff considered three alternative proposals, all of which would have resulted in additional reduction of land within Lions Park, as a result of the original MnDOT constructed drainageway and ROW expansion for Marystown Rd which first reduced parkland.

Given the existing constraints for the site, the third alternative was chosen (as previously outlined in the 3.1.2) as it would provide the most benefit to Lions Park. The intent was that the parking lot for the fire station could be used as multi-use parking lot, for both the fire station and park goers, and the 2.6 acres of Lions Park which was separated from the parkland by the construction of the drainageway could be sold for private development. The privately developed land would, and did, generate revenue to be used for further park improvements in the remainder of Lions Park. The staff report for this project and the options for the sale of additional land can be found as Appendix Figure A.6.

3.1.4 Prior Conversion Alternative Assessment: Park Place Subdivision

The Park Place subdivision was planned for and approved alongside both the Vierling Drive extension and Shakopee Fire Station #2. Reasoning for the subdivision has been discussed in the preceding sections but will be elaborated in this section as well. Initial ideas for the Park Place subdivision were formulated with planning for the Vierling Drive extension and Shakopee Fire Station #2. City staff and leaders initially considered placing the fire station within the severed 2.6 acres of Lions Park which was separated from the bulk of Lions Park by the Upper Valley Drainageway but met fierce local opposition to siting a fire station adjacent to an existing residential neighborhood. The three alternatives were presented to the Parks and Recreation Advisory Board, Shakopee Fire Department and the City Council, with all bodies agreed on the third alternative, siting Vierling Drive north of the drainageway, Shakopee Fire Station #2 west of the drainageway and platting and selling the remaining 2.6 acres of Lions Park to a local developer for a small five lot subdivision. The city determined this was the best alternative as it allowed policy makers the ability to address resident concerns over the fire station location. Additionally, it was determined that it would be cost prohibitive to realign the drainageway as it would have required the purchase of new land to the south. The sale of the land for the Park Place subdivision equaled \$40,000 and these funds were utilized for Lions Park facilities.

3.2.1 Alternative A: Proposed Action

The proposed action includes the conversion of the Marystown Road and Vierling Drive right-of-way, Shakopee Fire Station #2 and five single family lots which were all located within Lions Park, from designated parkland to other uses. These lots and right-of-way total 263,100 square feet or 6.04 acres of the previously 48-acre park. Improvements have been made to this acreage, including the construction of four homes and a fire station. Appendix Figure A.2 indicates the historic and proposed extent of Lions Park and details all proposed conversions. Of the proposed conversions, all five lots within the Park Place Subdivision are privately owned. Appendix Figure A.7 indicates the proposed replacement land, land which has been purchased by the City of Shakopee for future park purposes and the replacement land would total 8.63 acres. The City of Shakopee believes that this replacement land offers greater future outdoor recreation potential for city residents than the passive, unused open space which was converted at Lions Park. The city prefers the use of replacement parkland as the alternative.

3.2.2 Alternative B: Revert All Proposed Conversion Land to Parkland

This action would revert all land proposed for this conversion back to original parkland. This would require the purchase of five single family lots and the demolition of four single family homes to return the land to its previous character. Additionally, this would require the demolition and relocation of Shakopee Fire Station #2, and the relocation of Vierling Drive and removal of Parkview Court. These right-of-way relocations would likely require additional private property takings per city standards for public rights-of-way and with the built-out nature of all surrounding property. The likely cost of this action would amount in the millions of dollars. Acquisition of the private properties would cost at a minimum \$1,522,600; the total appraised value of the five single family lots from 2018. This analysis can only look at the cost of the purchase of the private property, but residents would likely not be willing sellers of their recently constructed homes, all of which have been constructed within the last 15 years. Demolition costs of the permanent structures, four single family homes, Shakopee Fire Station #2, Parkview Ct. and Vierling Dr. is estimated to cost \$206,000. Rerouting Vierling Dr. would require the taking of additional private property which would cost the city an estimated \$2,467,200 based upon current appraisals of one full and one partial taking. A newly constructed Vierling Drive would likely cost at least \$250,000. At a minimum the city would spend nearly five million dollars to revert approximately six acres of disturbed land back to its previous use as protected open space. This alternative is both cost prohibitive and unrealistic given the uses which have been sited on the converted land. In addition to the cost, it would be impractical to demolish and or relocate the single-family homes and the municipal fire station. At this time the city will not be considering this alternative.

3.2.3 Alternative C: Revert Only Developed Lot Conversion Land to Parkland

This action would revert only those lots which have been developed within Lions Park back to parkland and not include rights-of-way. As was previously discussed in 3.2.2, the purchase and demolition of the Park Place subdivision would be costly and would likely be met with resistance from the homeowners. Additionally, the demolition and relocation of Shakopee Fire Station #2 would be both expensive and represent a challenge to provide municipal services while the fire station is being relocated at a likely less convenient location. This alternative would return a portion of parkland to Lions Park, approximately a total of 128,643 square feet or 2.95 acres. This alternative would be less costly and disruptive on adjacent property owners and city facilities than Alternative B but would only result in 2.8 of the 6 acres which are proposed to be converted, to revert to parkland. The relative burden that this marginal increase in parkland would put on city services and budgets would render this alternative unfeasible for the city. At this time the City will not be considering this alternative.

4. Affected Environment

This section of the EA provides analysis for the affected environment based on the proposed conversion of the portion of Lions Park.

Lions Park was a 48-acre community park that is mostly composed of active recreational opportunities for a large subset of Shakopee residents. Of this 48-acres, approximately 6 acres are being considered for conversion to non-park purposes, including private ownership, rights-of-way, and municipal services. City parkland within the proposed conversion areas did not include any existing recreational facilities and have only seen more active uses in the areas of the park that were installed following proposed

conversion actions, including the construction of additional bituminous trails and an 18-hole disc golf course.

4.1 Physical and Biological Environment

The site of Lions Park had been cultivated as farmland for nearly a century before its designation as a city park in Shakopee. Previously, the land was owned by the Minnesota Department of Corrections for use as cropland for the adjacent correctional facility before being sold to the City for use as a school and park. Today, Lions Park is completely within an urbanized context with development surrounding the park; to the north is Sweeney Elementary School and Shakopee Catholic Cemetery, to the west and east are single family homes and to the south is new commercial and residential development along US-169.

Prior to the settlement of Shakopee by European settlers, the Shakopee area was composed of prairie along the northern stretches of the city with Big Woods covering much of the central and southern portion of the city with river bottom forests covering lands within the Minnesota River Valley floodplain. The site where Lions Park is today was entirely within the Big Woods area, which was contiguous forest mainly composed of, elm, basswood, sugar maple, oak, ironwood and aspen. Nearly all the big woods found in Scott County has been cultivated or developed upon, with all the old growth forest having been removed since initial European settlement in the mid-19th century. Today, Lions Park is composed largely of maintained landscaping, and some disturbed area with park improvements. There are approximately 500 trees located throughout the park, varieties include ash, maple, oak, pine, and spruce.

Lions Park

Lions Park is located upon a variety of soil types commonly found in Minnesota. These soils are mainly comprised of; Dickman sandy loam soils which are excessively drained soils that formed from glacial outwash consisting of a loamy mantle and underlying sandy sediments and Sparta loamy fine sand which are excessively drained soils formed in sandy outwash that have been reworked by wind.

Replacement Site

The site of the replacement land has been partially developed and disturbed since Shakopee was founded in 1857, and an original structure constructed in 1860 is still standing at the site. The site of the inlet today was the source of materials for the brick manufacturing facility located upland on the southern end of the property, this extraction site was later flooded and converted into a marina facility between 1957 and 1970 based upon historic aerial photography. Today, the site is partially developed, with four structures built on the southern end, fronting Bluff Ave E. Surrounding the replacement site are single family homes directly south and east. To the north is the Minnesota River, to the west is MnDNR owned land and Shakopee's Huber Park, to the northeast is also MnDNR owned property, land of which all is considered protected open space and park use. The proposed replacement site will incorporate well with adjacent uses and will connect roughly 4.25 miles of public riverfront access through multiple public agencies.

Historically, the replacement site was entirely located within prairie land which grew up to the edge of the Minnesota River. Much of the site falls within the Minnesota River's floodplain, both the one percent and 0.002 percent chance of occurring in any given year. Being within the Minnesota River floodplain, the site consists mainly of floodplain forest vegetation which is described by the MnDNR to

include cottonwood, silver maple, box elder and black willow as the main tree species which populate Minnesota's floodplain forests.

The replacement site is located upon mainly the Alluvial land soil type with the southern portion of the site consisting of a Sandstone outcrop. Alluvial land soil consists of well to poorly drained sand and clay which generally flood annually every spring or other seasons. The Sandstone outcrop is land composed of six inches or less of soil sitting over the Jordan sandstone bedrock.

4.1.1 Physical and Biological Environment Impacts

Lions Park

Due to the urbanized nature of the surrounding land uses of Lions Park, the environmental impacts from the proposed conversions have been minimal. There have been permanent structures built on proposed conversion land, but these structures are consistent with adjacent land uses and do not pose any higher impacts or risk to the physical or biological environment of Lions Park. All construction management best practices were followed during construction and inspected by city officials and posed no threat due to stormwater runoff or construction refuse. Any impacts from development of these lands, roadways and other impermeable surfaces have followed stormwater management best practices and have not shown to have additional adverse impacts than adjacent developed land. There has been no significant increase in vehicle emissions due to development. Single-family homes generate on average approximately ten trips per day. Four homes have been built on conversion land totaling approximately 40 trips per day from these residences. Shakopee Fire Station #2 is not a full-time manned fire station and as Shakopee retains a portion of its fire services on a volunteer basis and the station only sees use occasionally, during emergencies. The nature of the fire station makes trip generation difficult to calculate. An accurate trip count cannot be made with certainty, but Fire Station #2 likely generates less than 20 trips per day for any purpose. With the urban nature of the subject site, these trip generations do not constitute significant totals and the city believe they have little impact on the air quality of subject site and the immediate area.

Replacement Land

The intent of the replacement land is to preserve historic resources in Shakopee and bring river adjacent land into public ownership to both protect this natural resource but also to expand outdoor recreation by expanding public access to the Minnesota River. Presently the anticipated improvement activity to the land will be minimal and the City does not foresee any impacts upon the environment for the site as it will be maintained as open space and parkland with preservation of historic structures on the site and potentially adding some additional public trail and improvements to the marina area.

4.2 Listed Threatened and Endangered Species

Lions Park

State Listed Threatened and Endangered Species

According to the MnDNR, rare species are located within a one-mile radius of the study area.

Rare species within a one-mile radius of the study area include:

- Little brown bat (*Myotis lucifugus*), state-listed species of special concern
- Big brown bat (*Eptesicus fuscus*), state-listed species of special concern

- Lark sparrow (*Chondestes grammacus*), state-listed species of special concern
- Purple martin (*Progne subis*), state-listed species of special concern

Little Brown Bat and Big Brown Bat

Little brown bat (*Myotis lucifugus*) and big brown bat (*Eptesicus fuscus*) species have been recorded in the vicinity of the study area. These species typically hibernate in caves and mines during the winter and roost underneath bark, cavities or crevices of trees and structures such as bridges and buildings during the active season which runs typically from April through October. Development activities that may impact these species include wind farm operations, any disturbances to hibernacula and destruction and degradation to habitat. The MnDNR recommends tree removal is avoided during the pup rearing season which runs from June through July annually.

Lark Sparrow and Purple Martin

The lark sparrow (*Chondestes grammacus*) has been documented in the vicinity of the study area. Typically, this bird species is found in open, grassland areas with scattered trees and shrubs. Purple martins (*Progne subis*) have been reported in the vicinity of the study area. Purple martins' nest in colonies typically near water. In urban areas, this species nest almost exclusively in nest boxes, whereas in rural areas they are found nesting in cavities, such as woodpecker holes. The MnDNR recommends that future development activities avoid disturbances to undisturbed grassland areas and tree shrub removal from May 15th to August 15th to avoid potentially impacting nesting birds.

Federally Listed Threatened and Endangered Species

The IPaC project planning tool provided by the U.S. Fish and Wildlife Service (USFWS) was used to identify federally listed threatened and endangered species that may be within or near the study area. The IPaC report can be found as Appendix Figure B.1 The USFWS list a single threatened species and single endangered species known to potentially occur or recently occurring within or near the boundaries of Lions Park. The threatened species is the northern long-eared bat (*Myotis septentrionalis*) and the endangered species is the rusty patched bumble bee (*Bombus affinis*).

Northern Long-eared Bat

The northern long-eared bat has been recorded in or near the study area. This species typically hibernates in caves and mines during the winter and roost underneath bark, in cavities or in crevices of either live or dead trees. The USFWS may regulate tree removal or other activities if they are conducted within a ¼ mile distance of an entrance to a known northern long-eared bat hibernaculum or within 150 feet of a known northern long-eared bat maternity roost tree.

Rusty Patched Bumble Bee

Rusty patched bumble bees have been recorded in or near the study area. This species lives in colonies with a queen and worker bees. The species has declined by 87% over the last 20 years and is only presently found in 0.1% of its historical range. This species is not listed on the IPac report in Figure B.2, but this species has been noted in the past within two miles of Lions Park.

Replacement Site

State Listed Threatened and Endangered Species

According to the MnDNR, rare species are located within a one-mile radius of the study area.

Rare species within a one-mile radius of the study area include:

- Little brown bat (*Myotis lucifugus*), state-listed species of special concern
- Big brown bat (*Eptesicus fuscus*), state-listed species of special concern
- Lark sparrow (*Chondestes grammacus*), state-listed species of special concern
- Little Brown Bat and Big Brown Bat

Little Brown Bat and Big Brown Bat

Little brown bat (*Myotis lucifugus*) and big brown bat (*Eptesicus fuscus*) species have been recorded in the vicinity of the study area. These species typically hibernate in caves and mines during the winter and roost underneath bark, cavities or crevices of trees and structures such as bridges and buildings during the active season which runs typically from April through October. Development activities that may impact these species include; wind farm operations, any disturbances to hibernacula and destruction and degradation to habitat. The MnDNR recommends tree removal is avoided during the pup rearing season which runs from June through July annually.

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Federally Listed Threatened and Endangered Species

The IPaC project planning tool provided by the U.S. Fish and Wildlife Service (USFWS) was used to identify federally listed threatened and endangered species that may be within or near the study area. The IPaC report can be found as Appendix Figure B.1.

Northern Long-eared Bat

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4.2.1 Listed Threatened and Endangered Species Impacts

State listed Species

While state listed species have been documented within the area of the proposed site, no species are known to be located within the site. Due to the nature of the listed species, animals with the ability to fly and roost within trees and other natural and manmade features, these animals may pass through the proposed site. The city will continue to monitor the area for any activity but does not believe the proposed site is home to any of the state listed species at this time.

Federally Listed Species

There have been no recorded instances of either the rusty patched bumblebee or the northern long-eared bat being present within the proposed site area. Similarly, to the state listed species, these two species are animals with the ability to fly and may pass through the proposed site. The city will continue

to monitor the area for any activity but does not believe the proposed site is home to any of the federally listed species at this time.

Replacement Site

Due to the nature of the planned activities on the replacement site, mainly preservation and restoration of existing historic structures and demolition of non-historic structures, the city sees little potential for impacts to any potential endangered or threatened species. The city will take all necessary and required action if endangered or threatened species are found to be located on the site in the future.

4.3 Water Features

Lions Park

Due to the study area's nature as an urbanized area and a developed park, water features are limited and manmade. Within Lions Park there are multiple different water features including emergent freshwater wetland, freshwater pond and riverine. The defined riverine is the previously discussed Upper Valley Drainageway, the freshwater pond is a large stormwater retention pond constructed on the south end of Lions Park and the freshwater emergent wetland is a smaller stormwater feature constructed near the park parking facility and municipal pool facility. The riverine feature, the Upper Valley Drainageway, is found within the proposed site area.

Replacement Site

The replacement site is located along a major river, the Minnesota River, and holds multiple water features due in part to both man-made activities and natural processes. Wetlands are found within the replacement site boundary. Wetland features found within the site are PFO1A, which is a temporarily flooded Palustrine forested wetland and PABG, which is an ordinarily flooded Palustrine aquatic bed wetland feature. The replacement site is largely within both the 500-year and 100-year floodplain for the Minnesota River.

4.3.1 Water Feature Impacts

Lions Park

There are no anticipated impacts from the proposed action. Due to all water features within the park being man made, the proposed action will not have an adverse impact upon any existing wetlands or other water features within the subject site or the remaining park land.

Replacement Site

There are no anticipated impacts upon wetland features from the purchase and preservation of this land from private landowners. Potential future outdoor recreation uses will be located outside of both the floodplain and wetland areas of the site.

4.4 Land Use

Lions Park

Land uses within the original Lions Park boundary include park, institutional, single family residential and right-of-way. A land use map can be found as Appendix Figure A.8. Land uses within the park include active outdoor recreation. Recreational opportunities at the park include; play areas, swimming, ice skating, disc golf, walking, cycling, volleyball, tennis and picnic areas. Park facilities include; an ice-

skating rink, municipal sand bottom pool, youth center, inclusive playground and splash pad, sand volleyball court, two tennis courts, an 18-hole disc golf course and nearly 1 mile of walking and bicycling trails. Surrounding land uses include; single family residential to the west and east, institutional to the north, open space to the east and commercial to the south.

Replacement Site

The land use of the replacement site has historically been that of single-family homes but will alter into park and open space land. A land use map for the site can be found as Figure A.9. Recreational opportunities at the site include state trail facilities and a potential kayak and canoe launch within the existing marina area of the site. Surrounding land uses include small scale commercial to the south, city owned parkland to the west, open water to the north and single family residential to the east.

4.4.1 Land Use Impacts

Lions Park

The proposed action is not expected to affect land use within Lions Park. Due to the nature of this request, all land uses have been implemented and there will be no adverse impacts to other areas of the park. Additionally, the proposed site area did not have any recreational facilities at the time of the various conversion actions.

Replacement Site

Impacts to land use at the site would be minimal. The existing single-family structures will no longer function as habited single-family homes, as the city plans to rehabilitate and preserve the existing historic structures on site and demolish non historic structures, further preserving the natural resources on the site. The city is also exploring converting the existing boat launch in the marina area to one for kayaks and canoes into the Minnesota River, enhancing the outdoor recreation potential for the site and adding an amenity for residents and visitors to the city.

4.5 Cultural/Paleontological Resources

Lions Park

The proposed conversion site does not contain any cultural or paleontological resources. Communications between city staff and the Minnesota State Historical Preservation Office (SHPO) can be found as Appendix Figure B.2.

Replacement Site

The replacement site does not potentially contain cultural or paleontological resources. In 2020, the City along with the 106 Group completed an extension archeological report which found the site to have no cultural or archeological significance. Despite the insignificance of the site, the entirety of the Minnesota River Valley in Shakopee was historically a sacred area for indigenous peoples who have lived in the region for thousands of years. Burial mounds were located throughout the river adjacent area from Memorial Park to Huber Park in Shakopee. Today, after years of development, first from European settlers in the 19th century, through roadway and building projects of the early to mid-20th century, many of the burial mounds which existed in Shakopee for hundreds of years, no longer exist. The city, along with the Shakopee Mdewakanton Sioux Community, Scott County, Three Rivers Park District and potentially the State of Minnesota, are planning on restoring much the riverfront area to its historical

passive use and preserving the extant mounds which still exist. The city's acquisition of this land was done so for that purpose and will be incorporated into a larger cultural corridor presently being planned in conjunction with the previously mentioned organizations.

4.5.1 Cultural/Paleontological Resources Impacts

Lions Park

As there are no identified cultural or paleontological resources known of in the subject site, there will be no impacts from any development on the site.

Replacement Site

There will be no impacts to cultural or paleontological resources as there are none present at the site. . No major construction is planned to take place on the site, rather rehabilitation and preservation activities on identified historic structures will take place. In addition, minimal improvements to the land would likely be made in the longer term to add additional trail facilities and the canoe and kayak launch at the existing marina and boat launch. The City has already performed a phase one environmental study, a site investigation for the site, an archeological study and an evaluation of eligibility of the historic structure for the National History Registry. The city considers this area a vital asset to a future cultural corridor and will work to ensure any cultural or paleontological resources are preserved or undisturbed by activity.

4.6 Recreational Opportunity

Lions Park

Lions park has been a center for active recreation in Shakopee for decades and will continue to be so long into the future. The proposed conversions were located on portions of the park which were, at the time, empty open space. Since the conversions have taken place additional recreation opportunities have been added including an 18-hole disc golf course, a bituminous multi-use trail which is part of a larger planned greenway and additional park parking. The land area which is proposed to be converted held little public use at the time when it was converted due to the location of the regional storm water conveyance system and the excess parkland already used for park operations at Lions Park.

Replacement Site

The replacement site will serve as a vital connection of publicly-owned and protected lands between two existing and important river adjacent parks in Shakopee, Huber Park to the west of the replacement site, and Memorial Park to the east of the site. The Minnesota Valley State Trail runs through the property and will now come into public ownership and a permanent easement will be conveyed to the MnDNR. The current opportunity is limited for the site, as the existing homes have been used as rental property for decades and are showing signs of wear after years of deferred maintenance. The existing marina location is no longer in use by the owners of the site and offers no recreational opportunity to the public. It was historically used as a docking location for different types of watercrafts including houseboats and other river vessels.

4.6.1 Recreational Opportunity Impacts

Lions Park

Because the proposed action is in a portion of Lions Park which had no public recreational use and the nature of the Upper Valley Drainageway which cuts through the section of parkland, few impacts are anticipated because of the proposed action. The converted portion of park had little public use and serve an increased public interest currently with a major regional stormwater facility and public service fire station increasing the health safety and wellness of the community.

Replacement Site

Reactional impacts to the replacement site will be enhancement impacts. Now that acquisition from private owners has occurred, the city will begin to study the existing structures on site to determine their historical significance and move to rehabilitate and preserve the structures deemed to be historically relevant. The city will work to utilize these structures as part of a larger vision for a cultural corridor which will span from Huber Park to The Landing heritage site and would tie into the historic structures on the replacement site. Additionally, the city will utilize and improve the existing marina to be able to be utilized for the purposes of launching canoes and kayaks onto the Minnesota River for the public to better utilize the recreational opportunity of the river. Finally, the existing MnDNR Minnesota Valley State Trail will be better maintained, and its access increased as its ownership through the site moves into the public trust.

4.7 Cumulative Impacts

Lions Park

Cumulative impacts refer to the impacts on the environment that result from incremental impact of the proposed action when added together; past, present, and reasonably foreseeable future actions. On account that this is a retroactive conversion request, there will be no additional future impacts on the site. Past projects have had impact on the site, including the addition of impervious surface and construction of a stormwater conveyance system. The Upper Valley Drainageway, constructed by MnDOT in conjunction with the US-169 project has improved the surrounding environment by serving as the primary regional stormwater conveyance system, handling stormwater runoff from hundreds of private properties in the area and from public rights-of-way. This stormwater facility has lessened runoff impacts on the park itself as the immediate area around the park has fully developed over the past 25 years. No future foreseeable cumulative impacts will occur as a result of this land conversion.

Replacement Site

The cumulative impact on the replacement site will be positive on the local environment. The site will no longer be utilized as rental housing which will decrease the burden on the local environment due to less overall usage and more intentional protection of the land and environment on the site. Potential negative cumulative impacts on the replacement site could be more active usage and traffic of the site due to the recreational and other planned improvements to be made on the site. Any negative impacts will be mitigated through whatever means necessary with the end goal to be preserving the parkland for public use.

4.8 Environmental Justice

Lions Park

The proposed action described previously in this EA is not likely to have significant adverse environmental, economic, social or health impacts on minority or low-income populations. The proposed action represents past actions which did not construe adverse impacts to the recreational opportunities of Lions Park. No other issues related to environmental justice from the project are anticipated.

Replacement Site

The replacement site was previously home to three different rental properties, two of which are duplexes, which were occupied at the time of the city's purchase of the site. The city has provided relocation assistance to all effected parties and is following all applicable laws to ensure impacted individuals are able to adequately move to a new location which has similar standards of living which the replacement site provided. The city contracted the services of consultant firm WSB to undertake relocation assistance and has not had issue to date.

As stated previously in this report, the replacement site will serve as a vital link of a future cultural corridor which will stretch from Huber Park to Memorial Park and eventually along the entirety of the Minnesota River to Fort Snelling. This project is being coordinated alongside many different partner organizations and agencies including the Shakopee Mdewakanton Sioux Community, Three Rivers Park District and more. This project will both better preserve cultural sites and artifacts of the Dakota people in the area and share the story of the Dakota people to a wider audience.

5. Coordination and Consultation

5.1 Coordination with People, Organizations or Agencies

The development of the EA was done without much coordination between any people, organization or agencies as the information relating to the action has unfortunately already taken place. Much of what is authored in the EA is based on historical documents and knowledge from the City of Shakopee. Development of the EA was done in close partnership with the Minnesota Department of Natural Resources.

Staff has also worked with local archeological consultant The 106 Group, who provided the necessary historic documentation for the replacement site.

5.2 Public Comment

Public notice of the EA will be provided in accordance with 40 CFR 1506.6 and the City of Shakopee will attempt to involve the public in the EA process.

The notice this EA is available for review will be published via the local newspaper, the Shakopee Valley News, posted on community boards located within City Hall and the Community Center as well as advertised on the City's website.

APPENDIX

Appendix A: Maps and Figures

Figure A.1 – Lions Park Location Map

Figure A.2 – Lions Park Conversion Map

Figure A.3 – LWCF Replacement Land Appraisal

Figure A.4 – Resolution, Purchase Agreement and Notice of Relocation

Figure A.5 – MnDOT ROW Plat for US-169 and Upper Valley Drainageway

Figure A.6 – Shakopee Fire Station Staff Report

Figure A.7 – Sweeny Marina Site Location Map (LWCF Replacement Land)

Figure A.8 – Adjacent Land Use Map (Lions Park)

Figure A.9 – Adjacent Land Use Map (Replacement Site)

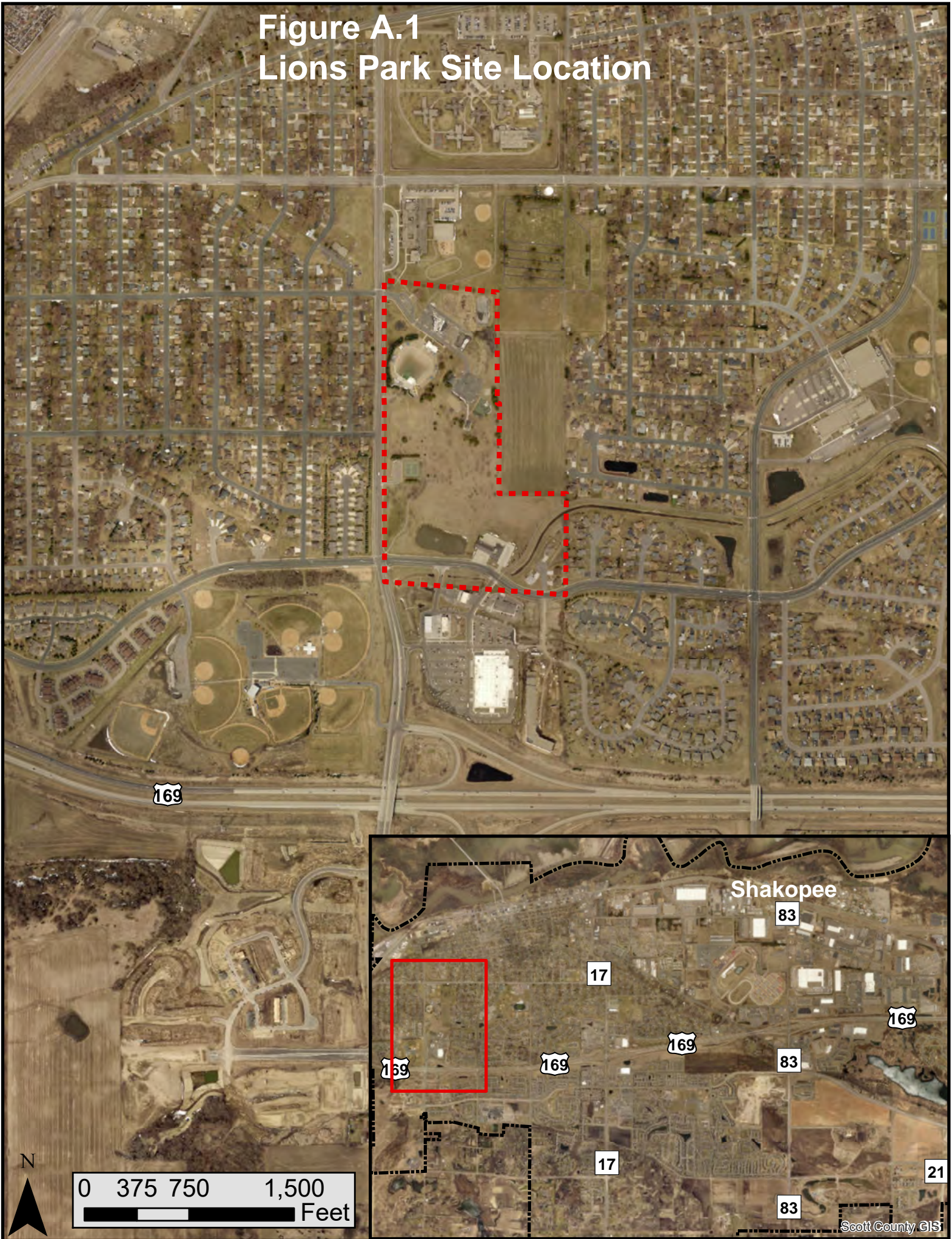
Appendix B: Agency Response Report

Figure B.1 – USFW IPaC Report























Figure B.2 – SHPO Agency Response

Appendix C: Summary of Public Comments

Figure A.1
Lions Park Site Location



**Figure A.2
Lions Park Parkland Conversion**

-  Lions Park Boundary Historical
 -  Lions Park Boundary Today
 -  Fire Station #2 Parcel
 -  Fire Station #2 Footprint
 -  Park Place Subdivision
 -  Primary Overhead Line
 -  ROW - Vierling Drive
 -  ROW - Marystown Road
 -  Upper Valley Drainageway Easement
- MNDOT Takings (US 169 Project)**
-  ROW - Marystown Road
 -  Upper Valley Drainageway Easement
- Lions Park Facilities**
-  Ice Rink
 -  Parking
 -  Playground
 -  Pool
 -  Restroom
 -  Shelter
 -  Splashpad
 -  Tennis Court
 -  Volleyball
 -  Youth Building
 -  Lions Park Trails

Historic Lions Park Acreage: 48.02 Acres

Proposed Lions Park Acreage: 41.98 Acres

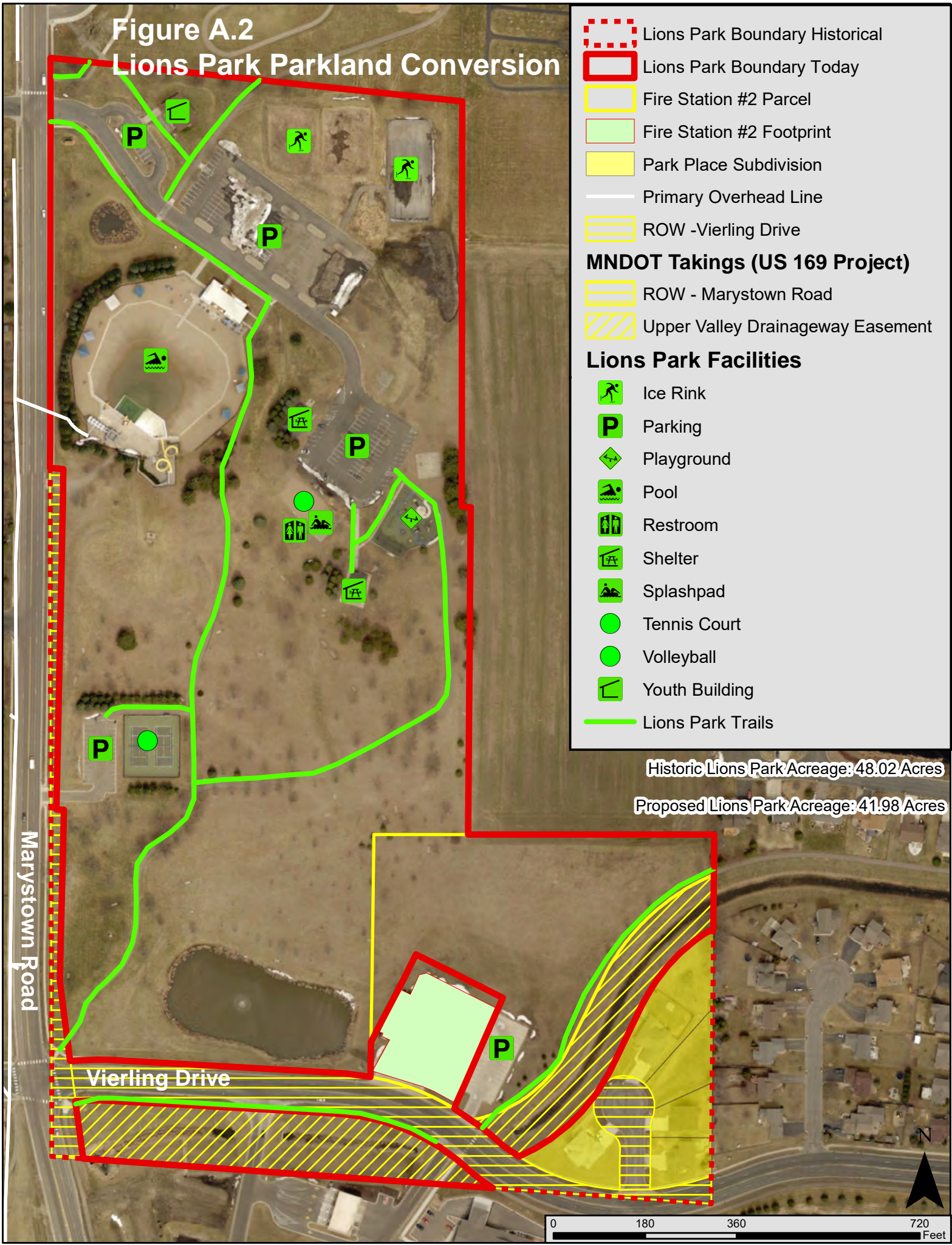


Figure A.3 - LWCF Replacement Land Appraisal

AN APPRAISAL REPORT
(BRKW File No. 7892)

THREE HOMES ON APPROXIMATELY
8.66 ACRES OF LAND

711, 717 AND 731 BLUFF AVENUE E., PLUS
ADJOINING VACANT LAND
SHAKOPEE, MN 55379

FEE OWNER: J. KRISTIN SWEENEY FAMILY LLLP

VALUATION DATE: APRIL 7, 2019

FOR

MICHAEL KERSKI
DIRECTOR OF PLANNING AND DEVELOPMENT
CITY OF SHAKOPEE
485 GORMAN STREET
SHAKOPEE, MN 55379

BY

PAUL J. GLEASON, MAI

BRKW
REAL ESTATE VALUATION SERVICES

Figure A.3 - LWCF Replacement Land Appraisal



June 7, 2019

Michael Kerski
Director of Planning and Development
City of Shakopee
485 Gorman Street
Shakopee, MN 55379

Re: Three Homes on Approximately 8.66 Acres of Land
711, 717 and 731 Bluff Ave. E., Plus Adjoining Vacant Land
Shakopee, MN 55379
Fee Owner: J. Kristin Sweeney Family LLLP

Dear Mr. Kerski:

At your request, I have inspected the above referenced property and have made a study of conditions affecting its value. The purpose of the appraisal is to provide an opinion of the market value of the fee simple interest in the subject property. The intended use of the appraisal is to assist the City of Shakopee in potentially negotiating the purchase of the property from its current owner. The intended users of the appraisal are City of Shakopee officials.

The appraisal is presented in an Appraisal Report format, with a level of discussion that can be best described as summarizing the subject property attributes and the appraisal process, but also providing enough information and detail to enable the client and intended users to understand the rationale for the appraiser's opinions and conclusions.

The subject property comprises four commonly-owned tax parcels which, for the most part, contain contiguous land areas, with some exceptions. The total land area within the four-parcel ownership is about 8.66 acres, according to county records, subject to survey. Of this amount, about 1.05 acres is considered buildable, and the balance of about 7.61 acres is not buildable, as it contains significant wetland areas and is within the 100-year flood plain. The buildable area contains three homes, comprising a one-story single-family home built in 1948, a two-story duplex built in 1880, and another two-story duplex built in 1860. It appears that each of the duplexes were originally built as single-family homes and later converted to duplexes. Each home is on a separate tax parcel. For all practical purposes, zoning for what has been concluded to be the buildable area is R-2, Medium Density Residential, and zoning for the unbuildable area is AG, Agricultural Preservation.

Figure A.3 - LWCF Replacement Land Appraisal

It is my opinion that the fee simple market value of the subject property, as of April 7, 2019, the date on which I viewed the property, is as follows:

**SIX HUNDRED NINETY THOUSAND DOLLARS
(\$690,000)**

The following extraordinary assumptions were applied in this appraisal:

1. It is assumed that the actual attributes and general nature of the three subject property residences, in terms of features, square footage, condition and appeal, are similar to those concluded and/or assumed by the appraiser, based on an exterior-only viewing, available county records/data, and information provided by the City of Shakopee; and
2. It is assumed that two of the three subject property residences, 717 and 731 Bluff Avenue E., are legal duplexes.

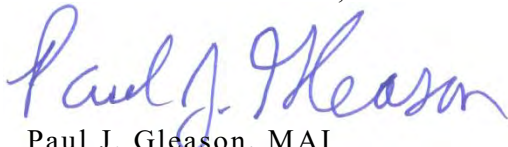
Applying the extraordinary assumptions as described above may have affected the assignment results.

This appraisal assignment was not based on a requested minimum valuation or a specific valuation for approval of a loan. The opinion of market value identified in this report was developed independent of any undue influence. The value, which is based on an exposure time of 6 to 12 months, assumes all real estate taxes and special assessment balances, if any, have been paid in full. It is a gross value and no allowance was made for brokerage commissions, real estate taxes or other carrying costs associated with the property during the marketing period. No personal property is included in my opinion of market value.

This appraisal report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation. The facts and information contained in this report were obtained from sources that are considered to be reliable and are true to the best of my knowledge and belief, but are not guaranteed. This appraisal report is contingent upon the assumptions and limiting conditions included within this report. Your attention is directed to the following report for the supporting data, analyses and conclusions that support the market value opinion.

Sincerely,

BRKW APPRAISALS, INC.



Paul J. Gleason, MAI

Certified General Real Property Appraiser

Minnesota License #4003073

Figure A.3 - LWCF Replacement Land Appraisal

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 COMPARABLE HOME SALES LOCATION MAP – 717 BLUFF AVE. E. 56

Figure A.3 - LWCF Replacement Land Appraisal

COMPARABLE HOME SALES LOCATION MAP – 731 BLUFF AVE. E. 61

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SALIENT FACTS AND CONCLUSIONS

Market Value Opinion:	\$690,000
Property & Location:	711, 717 & 731 Bluff Ave. E., Plus Adjoining Vacant Land Shakopee, MN 55379
Fee Owner:	J. Kristin Sweeney Family LLLP
Tax Parcel I.D Nos.:	27-004172-0, 27-801014-0, 27-004174-0 and 27-906048-0
Date of Valuation:	April 7, 2019
Date of Report:	June 7, 2019
Property Rights Appraised:	Fee simple interest
Property Data:	
Property Type	1 single-family home and 2 duplexes on 8.66 acres of land
Above Grade Building Areas (per Scott County records)	711 Bluff Ave. E. (SF home): 840 SF 717 Bluff Ave. E. (duplex): 2,499 SF 731 Bluff Ave. E. (duplex): 2,096 SF
Year Built (per Scott County records)	711 Bluff Ave. E. (SF home): 1948 717 Bluff Ave. E. (duplex): 1880 731 Bluff Ave. E. (duplex): 1860
Condition	Average to fair (all three homes)
Land Area (subject to survey)	1.05 ac. – Buildable <u>7.61 ac.</u> – Unbuildable 8.66 ac. – Total
Zoning	Buildable: R-2, Medium Density Res. Unbuildable: AG, Agric. Preservation
Highest and Best Use:	
As Vacant	Development with approx. 10 townhomes
As Improved	Continued use of three existing homes in conjunction with adjoining unbuildable land as shared privacy, view, nature and river access amenity

Figure A.3 - LWCF Replacement Land Appraisal

Value Indications:

Cost Approach	Not Applied
Sales Comparison Approach	\$691,000
Income Approach	\$689,000
Land Value, As Vacant	\$164,000

Appraiser:

Paul J. Gleason, MAI

Figure A.3 - LWCF Replacement Land Appraisal



Bird's Eye View Aerial Photo – Looking North

Figure A.3 - LWCF Replacement Land Appraisal



Bird's Eye View Aerial Photo – Looking South

EXTERIOR PHOTOS



View to NW at property, from intersection of Bluff Ave. E. and Minnesota St.



Looking north from Bluff Ave. at vacated portion of Minnesota Street:
731 Bluff Ave. E. includes 15-foot-wide strip of land to right of driveway

Figure A.3 - LWCF Replacement Land Appraisal



View to NW at 731 Bluff Ave. E.



View to north at view of Minnesota River/marina inlet of subject property,
between 731 and 717 Bluff Ave. E.

Figure A.3 - LWCF Replacement Land Appraisal



Looking NW at 717 Bluff Ave. E.



Looking NE at 717 Bluff Ave. E.

Figure A.3 - LWCF Replacement Land Appraisal



View to NW at 711 Bluff Ave. E.



View to NE at 711 Bluff Ave. E.

Figure A.3 - LWCF Replacement Land Appraisal



View to north at partially vacated Market Street: Paved driveway at right is on subject property



Street view to east on Bluff Ave. E.: Subject property is in background, at left

Figure A.3 - LWCF Replacement Land Appraisal



Looking north at non-vacated part of Market Street, north of Bluff Ave. E.: Subject property includes land to right and to left, beyond trail in center of photo



View to NE at subject property frontage along the Minnesota River

Figure A.3 - LWCF Replacement Land Appraisal



Looking east at Minnesota River Valley Trail which separates subject property homes at right and undevelopable land fronting Minnesota River at left



View to south from Minnesota River Valley Trail at marina inlet on subject property

Figure A.3 - LWCF Replacement Land Appraisal



View to SW from trail at 711, 717 and 731 Bluff Ave. E. homes



Looking south at DNR-owned strip of land located between subject property marina inlet, left, and large wooded subject land area, right

PROPERTY IDENTIFICATION

The subject of this appraisal is a property consisting of three adjoining residences, together with undeveloped land adjacent north fronting the Minnesota River, all of which are under common ownership and located in the City of Shakopee, Scott County, Minnesota. The homes, which include a single-family residence and two duplexes, have addresses of 711, 717 and 731 Bluff Avenue E., respectively. The adjoining undeveloped land does not have an assigned address. The county tax parcel identification numbers for the property are 27-004172-0, 27-801014-0, 27-004174-0 and 27-906048-0.

PURPOSE/INTENT OF THE APPRAISAL/INTENDED USERS

The purpose of the appraisal is to provide an opinion of the market value of the fee simple interest in the subject property. The intended use of the appraisal is to assist the City of Shakopee in potentially negotiating the purchase of the property from its current owner. The intended users of the appraisal are City of Shakopee officials.

LEGAL DESCRIPTION

The following legal descriptions are as they are worded in the Scott County property information records website, for each of the four tax parcel identification numbers comprising the subject property. Where there is a discrepancy between the legal descriptions and mapping in this report outlining the presumed geographical boundaries of the property, the outlining within the mapping governs in terms of the subject property identification and valuation.

711 Bluff Ave. E. (Tax Parcel ID #27-004172-0)

Lots 1 and 2, Block B, East Shakopee and adjacent vacated Market Street.

717 Bluff Ave. E. (Tax Parcel ID #27-801014-0)

Lot 3 and Lot 4, except the East 18 feet, Block B, East Shakopee

731 Bluff Ave. E. (Tax Parcel ID #27-004174-0)

The East 18 feet of Lot 4; Lot 5; and Lot 6, East Shakopee, the adjacent west 1/2 of vacated Minnesota Street and the West 15 feet of the East half of Minnesota Street.

Figure A.3 - LWCF Replacement Land Appraisal

Unassigned Address (Tax Parcel ID #27-906048-0)

*N1/2 OF BLK B EX 25' X 100' & BLKS C & F & VACATED
STREETS & ALLEYS & P/O GOVT LOT 3 COM PT ON W LINE
MARKET ST 200' N OF BLUFF ST, SW 155', NW 150', NE 155', SE
150' TO POB & P/O GOVT LOT 3 COM CL MINN ST 45' N OF
BLUFF ST, N 518', NE 420' SE 300', SW 390', SE 218', SW 30' TO
POB EX .26A, Sec. 6, Township 115, Range 22.*

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate, subject to existing easements and other restrictions.

DATES OF INSPECTION AND VALUATION

The effective date of this appraisal is April 7, 2019, which is the date on which the subject property was viewed by the appraiser.

SCOPE OF WORK

An exterior viewing of the subject property, and a tour of the surrounding neighborhood area, was made by the appraiser. An analysis of the highest and best use of the property was completed, based on the property attributes and market factors. Consideration was given to each of the three primary valuation approaches – the Cost Approach, the Sales Comparison Approach and the Income Approach – for developing value indications for the subject property. The applicable approaches were completed and their value indications were reconciled into a final opinion of market value for the property.

In this appraisal, the following were applied in valuing the subject property: the Sales Comparison Approach and the Income Approach. The Sales Comparison Approach was applied in valuing the subject property land, as vacant, and for valuing the three improved residential properties as well.

Steps taken in the scope of work for completing the appraisal of the subject property included the following:

1. The exterior of the subject property was viewed;
2. County, city and private property records pertaining to the subject were researched;
3. Property zoning and its allowances/requirements were researched and analyzed;

Figure A.3 - LWCF Replacement Land Appraisal

4. The current City of Shakopee comprehensive land use plan, as well as the draft 2040 comprehensive land use plan, was reviewed, and city officials were queried as to the most probable land use guiding that would be approved in final form for the 2040 land use plan, which will become effective in 2020;
5. A highest and best use analysis of the subject property was completed;
6. The property was valued based on its concluded highest and best use by applying the Sales Comparison and Income Approaches;
7. The value indications from the Sales Comparison and Income Approaches were reconciled into a final opinion of the subject property market value.

This appraisal is presented in an **Appraisal Report format** under the requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The property description, analysis and valuation process are presented using a brief narrative format. The level of discussion in this report can be best described as summarizing the subject attributes and the appraisal process, but also providing enough information to enable the client and intended users to understand the rationale for the appraiser's opinions and conclusions. Additional notes, data, analyses and other documentation supporting the appraisal are retained in the office appraisal file.

EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS

An Extraordinary Assumption is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2018-2019 Edition ©The Appraisal Foundation, Page 4, as:

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

A Hypothetical Condition is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2018-2019 Edition ©The Appraisal Foundation, Page 4, as:

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

Figure A.3 - LWCF Replacement Land Appraisal

Comments: The following **extraordinary assumptions** were applied in this appraisal:

1. It is assumed that the actual attributes and general nature of the three subject property residences, in terms of features, square footage, condition and appeal, are similar to those concluded and/or assumed by the appraiser, based on an exterior-only viewing, available county records/data, and information provided by the City of Shakopee; and
2. It is assumed that two of the three subject property residences, 717 and 731 Bluff Avenue E., are legal duplexes.

Applying the extraordinary assumptions as described above may have affected the assignment results. No hypothetical conditions were applied in this appraisal.

See Contingent and Limiting Conditions, which are standard assumptions that apply to the appraisal, later in this report.

MARKET VALUE DEFINITION

The term market value is defined in The Dictionary of Real Estate Appraisal, sixth edition, © 2015, published by the Appraisal Institute, page 141, as:

“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.”

CONTINGENT AND LIMITING CONDITIONS

This appraisal report is subject to the following Limiting Conditions and Assumptions:

1. The legal description contained herein is assumed to be correct.
2. The appraiser assumes no responsibility for matters legal in nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
3. No survey has been prepared of the property by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
4. Information furnished by others is assumed to be reliable. However, the appraiser assumes no responsibility for its accuracy.
5. In cases where no soil tests have been submitted, the appraiser has assumed a good subsoil condition, subject to visual observations noted in the report.

Figure A.3 - LWCF Replacement Land Appraisal

6. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
7. The appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made.
8. The distribution of the total valuation in this report between land and improvements applies only under the highest and best use of the property.
9. The Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated govern disclosure of the contents of the appraisal report.
10. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and, in any event, only with proper written qualifications and only in its entirety.
11. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.
12. The value conclusion assumes all taxes and special assessments are paid in full.

Environmental Disclaimer: The value opinions in this report are based on the assumption that the property is not adversely affected by the existence of hazardous substances or detrimental environmental conditions. A routine inspection of the property did not reveal or indicate any such conditions. In that the appraiser is not qualified in this field of expertise, the client is encouraged to retain an expert in such investigations if so desired.

TAXES AND ASSESSMENT DATA

Parcel I.D. #	Land AEMV*	Improvements AEMV*	Total AEMV*	R. E. Taxes	Effective Tax Rate	Specials & Charges	Total Tax & Specials
<u>711 Bluff Ave. E.</u> 27-004172-0	\$55,000	\$69,600	\$124,600	\$1,735.00	1.39%	\$11.00	\$1,746.00
<u>717 Bluff Ave. E.</u> 27-801014-0	\$55,000	\$143,000	\$198,000	\$3,391.00	1.71%	\$11.00	\$3,402.00
<u>731 Bluff Ave. E.</u> 27-004174-0	\$55,000	\$132,300	\$187,300	\$2,607.00	1.39%	\$11.00	\$2,618.00
<u>Unassigned Addr.</u> 27-906048-0	\$10,100	\$0	\$10,100	\$172.00	1.70%	\$0.00	\$172.00
Totals	\$175,100	\$344,900	\$520,000	\$7,905.00	1.52%	\$33.00	\$7,938.00
Source: Scott County							
* Assessor's Estimated Market Value - 2018 for payable 2019							
Assessor's Total Estimated Market Value - 2019 for payable 2020 is \$257,800 land + \$356,700 bldg. = \$614,500 total							

HISTORY OF OWNERSHIP

The fee owner of record of the subject property is J. Kristin Sweeney Family LLLP. There are no apparent recorded arms-length transfers of the subject property within at least three years prior to the valuation date. To the best knowledge of the appraiser, there is no pending sale or purchase option pertaining to the property as of the effective date of valuation.

The property currently is being listed for sale on the Northstar Regional Multiple Listing Service (MLS) with an asking price of \$1,100,000. The property has been listed since January 8, 2019. The listing agent, Yvonne Perkins of Edina Realty, Inc., in her listing text indicates that the subject has a total land area of 8.67 acres and a buildable land area of 46,000 square feet; that the unbuildable land can be used to satisfy density and open space requirements for development on the buildable land; and that the 2040 comprehensive plan is proposed for guiding the subject property for mixed-use development with up to 125 units per acre.

It is the appraiser's understanding that the 2040 comprehensive plan, which will become effective in 2020, is still in the process of being finalized, but no longer guides the subject property for mixed-use development with up to 150 units per acre; rather, the property is slated to be ultimately guided "Old Shakopee Neighborhood," which calls for single- and multi-family residential development at densities between 3 and 12 units per acre.

COMPETENCY PROVISION

Paul J. Gleason, MAI has been a full-time professional real estate appraiser since 1992. Provided later in this report is a summary of Mr. Gleason's professional qualifications. The educational training and extensive work experience of the appraiser, who is licensed as a Certified General Real Property Appraiser, enable completion of this appraisal assignment in a professional manner consistent with the intent of the competency provision of the Uniform Standards of Professional Appraisal Practice.

ZONING

Property South of Minnesota Valley State Trail: The portion of the subject property located south of the Minnesota Valley State trail, which bisects the property via an apparent permanent trail easement, is zoned R-2, Medium Density Residential, the purpose of which is “to provide an area which will allow 5.01 to 8 residential dwellings per acre and also provide a transitional zone between single-family residential areas and other land uses.”

Permitted R-2 uses include single-family detached dwellings; single-family attached dwelling units up to a maximum of four dwellings; townhouses containing two or four dwelling units; single- and mixed-use developments which comply with Sec. 151.048, [Planned Unit Development ordinance] and have received approval from the City Council; residential facilities serving six or fewer persons; day care facilities serving 12 or fewer persons; public recreation; and others. Conditional uses include single-family attached dwellings and multiple-family dwellings up to a maximum of six units; townhouses containing five and 6 dwelling units; structures over 2.5 stories or 35 feet in height; developments containing more than one principal structure per lot; assisted living housing facility; and various others.

R-2 zoning allows a development density range between 5.1 and 8 dwellings per acre. Lot requirements include maximum impervious surface coverage of 60% and the following minimum setbacks: 35 feet for front and 10 feet for side.

Property Including and North of Minnesota Valley State Trail: The portion of the subject property which includes the area containing the Minnesota Valley State trail and the area north of the trail, extending to the Minnesota River, is zoned AG, Agricultural Preservation, the purpose of which is “to preserve and promote agriculture in the unsewered areas of the city which are suitable for such use, to prevent scattered and leap-frog non-farm growth, and to prevent premature expenditures for such public services as roads, sewer, water, and police and fire protection.”

Permitted AG uses include single-family detached dwellings; agricultural uses; forestry and nursery uses; public recreation; day care facilities serving 12 or fewer persons; and others. Conditional uses include retail sales of nursery and garden supplies; cemeteries, churches and other places of worship; animal hospitals and clinics; kennels; commercial recreation, minor; and others.

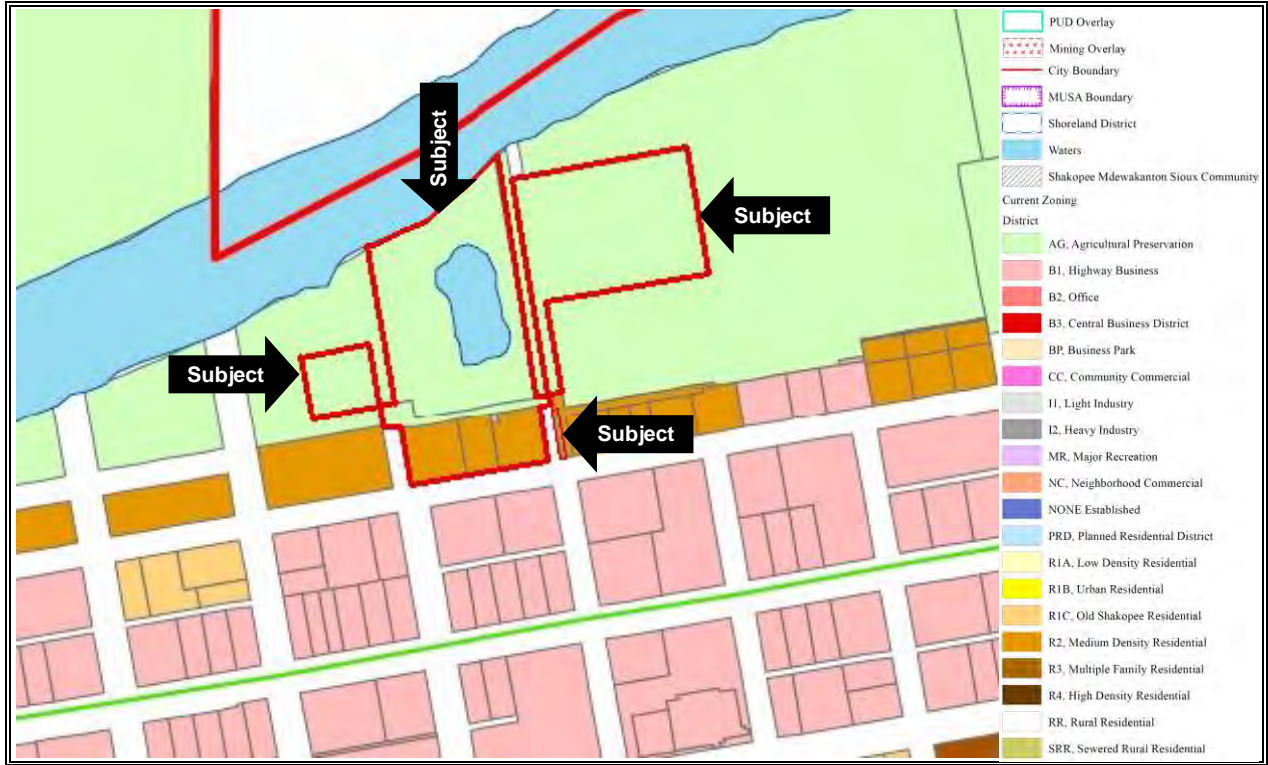
AG zoning allows a maximum development density of one dwelling per 40 acres. Lot requirements include minimum lot width and depth of 1,000 feet and the following minimum front setbacks: 100 feet for front, 20 feet for side and 40 feet for rear.

Figure A.3 - LWCF Replacement Land Appraisal

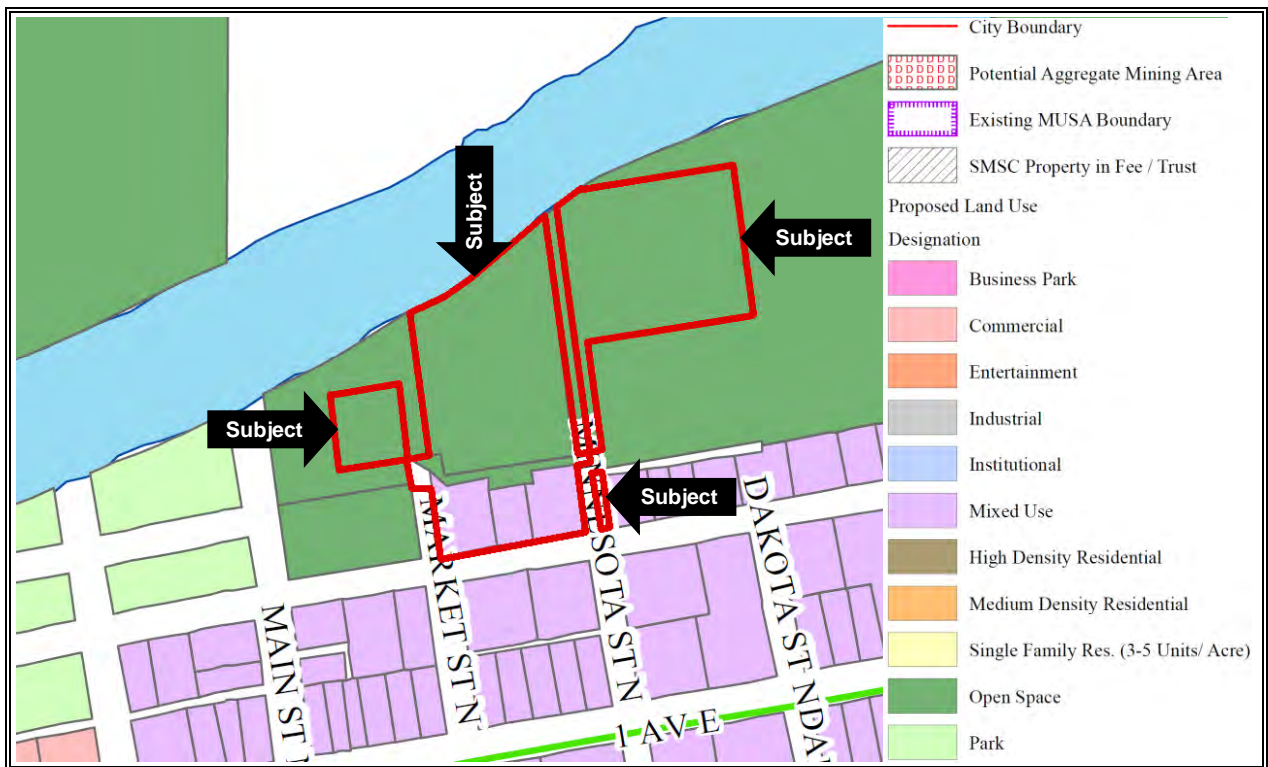
2030 and 2040 Land Use Guiding: The 2030 city comprehensive land use plan, which currently is in effect in terms of governing the subject property, guides the portion of the subject property south of the Minnesota Valley State Trail for Mixed Use, reflecting individual developments with either commercial or residential uses, or a mix of the two. The final draft of the 2040 comprehensive land use plan guides the subject property area south of the trail Old Shakopee Neighborhood, which is intended to preserve existing older compact-scale single-family housing and allow infill adjoining development with small-scale apartment buildings and attached townhomes, with building heights of one to three stories and a density range of 3 to 12 units per acre. It is the appraiser's understanding that though the 2040 comprehensive plan is still in the process of being finalized, it will become effective in 2020 and it is likely that the final guiding for the subject land south of the trail will remain Old Shakopee Neighborhood.

The 2030 city comprehensive land use plan guides the portion of the subject property including the Minnesota Valley State Trail and north to the Minnesota River for Open Space; the 2040 draft plan calls for Park use of this area. The Open Space and Park designations are reflections of the fact that all of the subject land located between the trail and the river is within the 100-year flood plain, and thus cannot be developed with buildings or any other additional substantial improvements, including impervious surfaces.

Figure A.3 - LWCF Replacement Land Appraisal



Zoning Map



2030 Land Use Map

COMMUNITY/AREA DESCRIPTION

Community: The City of Shakopee is a third-ring Twin Cities suburb located along the south side of the Minnesota River about 23 miles southwest of Minneapolis. The original townsite was platted in 1851. Population figures provided by the U.S. Census are as follows: 2000 - 20,568, 2010 - 37,076 and 2017 - 40,893 (Census Bureau estimate). The city population grew about 8% per year between 2000 and 2010, and has grown about 1.5% per year between 2010 and 2017, on average.

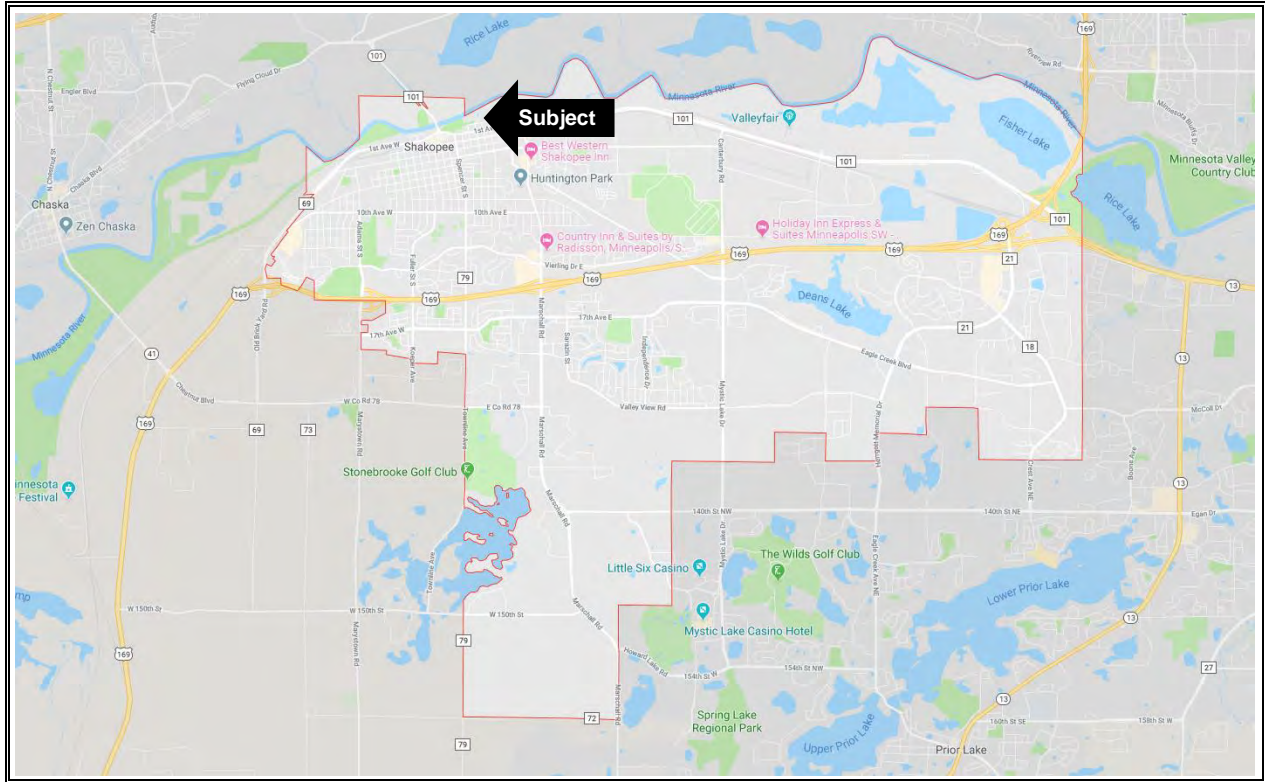
The rapid growth pace of Shakopee during the 2000s was hastened by the rebuilding of the Bloomington Ferry Bridge over the Minnesota River, which opened in 1995, and the completion of the U.S. Highway 169 bypass in 1996, which extended the freeway-style section of roadway from Bloomington south across the river and westerly along the southern skirts of the established downtown/older city area.

The population growth and access improvement have in turn spurred commercial and industrial growth, such as within the 2,200-acre Valley Green Industrial Park and Southbridge Crossing retail center, both of which flank new Highway 169 two to three miles east of the old, established downtown area. Recently developed commercial areas include the interchanges of Highway 169 at County Roads 83 and 17, with major businesses such as Cub Foods, Kohl's, Target, Office Max, St. Francis Medical Center, Lowe's home improvement store and auto dealerships. The Dean Lakes Business Park, located in the southeast quadrant of Canterbury Road and U.S. Highway 169, has seen a substantial number of sizable new light industrial and corporate headquarters facilities constructed over the past several years.

The early phases of Canterbury Commons, a planned extensive, primarily upscale mixed residential development of land adjoining Canterbury Downs in the northwest quadrant of Canterbury Road S. and U.S. Highway 169, are currently under way. Another major planned development area within the city is the West End, in the vicinity of the interchange of Highways 169 and 69, which when completed will include commercial and residential uses. The first phase is underway, comprising new single-family housing. Redevelopment activity is taking place in and near the established downtown area, including apartments on the former City Hall site as well as a mixed-use project with main-floor retail and apartments above planned for construction in the near future along the Minnesota River at the northwest corner of 1st Avenue and Scot Street N.

Area: The subject property is located northeast of the Shakopee downtown area, between the First Avenue commercial corridor and the Minnesota River. The immediate neighborhood area comprises a strip of predominantly old, modest-priced housing fronting either side of Bluff Avenue E., which runs east-west, paralleling well-traveled First Avenue to the south and the Minnesota River to the north. Much of the land area just north of Bluff Avenue is within the flood plain, containing several sizable heavily wooded undeveloped parcels, some of which are owned by the Minnesota Department of Natural Resources (DNR) or the City of Shakopee. The Minnesota Valley State Trail, a paved walking/biking recreational trail, runs east-west through the area, about one block north of Bluff Avenue E. Huber Park is a sizable riverfront park located adjacent west of the subject area, in the vicinity of where Highway 101 passes north over the Minnesota River.

Figure A.3 - LWCF Replacement Land Appraisal



Community Map



Area Map

LAND DESCRIPTION

Land Area:	711 Bluff Ave. E. – PID #27-004172-0 – 0.44 ac.
	717 Bluff Ave. E. – PID #27-801014-0 – 0.51 ac.
	731 Bluff Ave. E. – PID #27-004174-0 – 0.39 ac.
	Address Unassigned – PID #27-906048-0 – <u>7.32 ac.</u>
	Total Land Area 8.66 ac.

Land areas above are per Scott County property information records/website and are subject to survey.

Buildable Land Area: The large majority of the subject land area is located within the 100-year flood zone. The 100-year flood zone area is not developable or buildable. The contiguous, southernmost part of the subject land area, immediately fronting the north side of Bluff Ave. E. and adjacent south of the Minnesota Valley State Trail, is more or less the usable/buildable portion of the property, which for the most part is outside of the 100-year flood zone; portions are within the 500-year flood zone, which is considered buildable land.

The buildable area is about 340 feet wide east-west and has a north-south depth ranging between about 135 and 145 feet.

Buildable Land Area (Approx.): 45,600 SF or 1.05 ac.

Shape: Highly irregular shape overall, with various shapes and sizes of land areas, some of which are not contiguous; buildable area along Bluff Ave. E. is generally regular/rectangular in shape, notwithstanding a small exception area out of the northwest corner of the 731 Bluff Ave. E. tax parcel, which is about 20 feet wide east-west by 25 feet deep north-south.

Topography: Generally moderately downward sloping to north toward Minnesota River. The elevation at the front of the site along Bluff Avenue E. is about 728 feet above sea level, and the normal elevation level of the Minnesota River at the north end is about 690. The elevation drop is about 38 feet from south to north, over an average distance of about 650 feet, indicating an average slope of about 6%.

There is a marina inlet area extending south from the river into the property. The downward slopes east, south and west from the higher-elevation parts of the property into this inlet are the only areas on the property which are relatively steeply sloping. See County GIS Aerial Photo Parcel Map With 2' Elevation Contours on a following page in this report which illustrates the subject land topographical features.

Figure A.3 - LWCF Replacement Land Appraisal

Vegetation/ Ground Cover:	Mix of open, grass-covered areas together with heavily wooded areas.
Access:	<p>Street Frontage (approx.) 355' on Bluff Ave. E., 340' of which is contiguous; a 15-foot-wide north-south strip which is not considered buildable is separated by a distance of 30' east of the other 340' of Bluff Ave. E. frontage, within part of the vacated east half of Minnesota Street, north of Bluff Ave. E.</p> <p>Street Type/Surface Bluff Ave. E. is a two-lane, bituminous paved city street with no adjoining curb/gutter, storm sewer or defined drainage ditches.</p> <p>The buildable area of the subject land also fronts a substandard right-of-way width for partially vacated Market Street on the west (40 feet wide), which has no street improvements, as well as a 30-foot-wide strip of vacated Minnesota Street on the east, which is improved with a relatively narrow bituminous driveway extending north from Bluff Ave., providing the Minnesota Department of Natural Resources (DNR) access to the Minnesota River.</p>
Corner/Interior	Essentially an interior lot, not a corner lot (narrow, substandard side street right of way on the west is not improved with public street surfacing)
Curb/Gutter	None
Sidewalk	None
Other	711, 717 and 731 Bluff Ave. E., the three tax parcels immediately fronting Bluff Ave., each have one driveway connecting to this street. The driveway to 711 Bluff Ave. extends north all the way to the Minnesota River, providing vehicular access to the undeveloped marina land along the river from Bluff Ave.
Visibility:	Moderate visibility, given the property's frontage on Bluff Ave., a low-traffic interior primarily residential street.

Figure A.3 - LWCF Replacement Land Appraisal

- Utilities:** All typical urban utilities, including municipal water and sanitary sewer, are immediately available to the site. The homes at 711, 717 and 731 Bluff Ave. E. are connected to city water and sanitary sewer.
- Soils/
Environmental:** The site is appraised assuming adequate subsoil conditions to support normal development (except for the land areas located in the 100-year flood zone, which are not legally buildable). Also, it is assumed that there are no contaminants within the subject site which would adversely affect its value; no such items are readily apparent.
- River Frontage
and Inlet:** The subject land has about 375 feet of frontage on the south side of the Minnesota River. A water inlet area, about 1.4 acres in size, extends from this frontage south into the property. There is docking within the inlet with slips that could accommodate at least four boats, as well as stairs leading from the dock up to the higher ground on the property. Reportedly, this inlet once served as a marina but, since the river in this vicinity has not been dredged for many years, the water is only a few feet deep, preventing this inlet from being able to serve any substantial boats, other than small flat-bottom boats or perhaps kayaks.
- Based on a review of relatively recent aerial photography, it appears that at the north end of the driveway on the property extending north from Bluff Avenue to the river, the shoreline of the subject property frontage on the Minnesota River is improved with rip rap and stairs leading down the main river channel.
- Wetland:** National Wetland Inventory mapping, a copy of which is shown on a following page, indicates that the large majority of the subject land outside of the buildable area on the property comprises wetland, either in the form of open water in the area of the inlet, or reflecting areas adjoining the inlet and the main river channel which periodically are inundated with water.
- Flood Zone:** Flood zone mapping, a copy of which is shown on a following page, indicates that the large majority of the property is within the 100-year flood plain, rendering this land unbuildable and usable primarily only for open space/recreational use. A smaller portion of the property, adjoining the south edge of the 100-year flood plain, is within the 500-year flood plain area, which is considered buildable land given its rather remote chance of being flooded (statistically having a flood risk during 1 of every 500 years).

Figure A.3 - LWCF Replacement Land Appraisal

Flood Zone (Contd.):

The area considered buildable on the property, lying immediately south of the Minnesota Valley State Trail, has a primary mix of land which is either in the 500-year flood plain or outside any flood plain areas; a relatively small portion along parts of its northern edge, adjacent to the trail, is within the 100-year flood plain. While this area is not technically buildable, given its location at the edge of the buildable area, it likely could serve site requirements of a development such as setback and green space areas.

One limiting factor for the buildable area of the property is that though most of the surface area is out of the 100-year flood plain and thus can be built upon, the 100-year flood zone elevation appears to be about 720 feet above sea level, whereas the average elevation within the buildable area is about 726 feet, or only six feet above the flood plain elevation. Thus, even with the vast majority of the buildable area being outside the 100-year flood zone on the surface, any subgrade construction, namely in the form of basements, would be subject to flooding, since there is a significant risk in any given year that there would be water present six feet below the surface, on average. Consequently, no basements can be constructed on the subject property buildable land; development would be generally limited to above-ground structures built upon slab-on-grade floors.

Easements:

Based on the appraiser's cursory research of information available on the Scott County property information website and an inquiry with the client, it appears there is an easement in place about 10 feet in width accommodating the Minnesota Valley State Trail which runs east-west through the property about 140 feet north of Bluff Avenue (just north of the buildable land area on the property).

County records also reference the presence of a perpetual easement for ingress and egress purposes over the 7.33-acre unassigned address tax parcel in favor of the State of Minnesota. Since the easement document itself was not read, it is not clear which portion of this parcel is encumbered with the access easement.

Figure A.3 - LWCF Replacement Land Appraisal



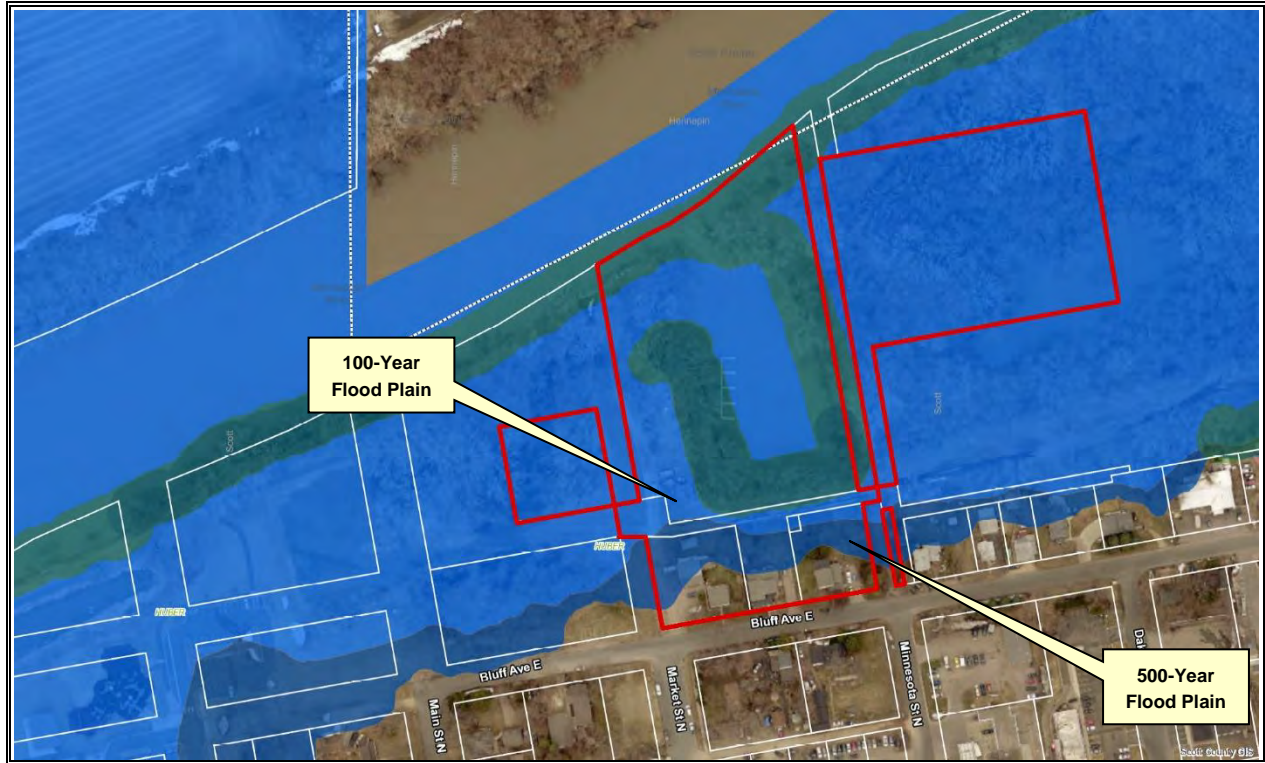
County GIS Aerial Photo Parcel Map (subject parcels outlined in red)

Figure A.3 - LWCF Replacement Land Appraisal

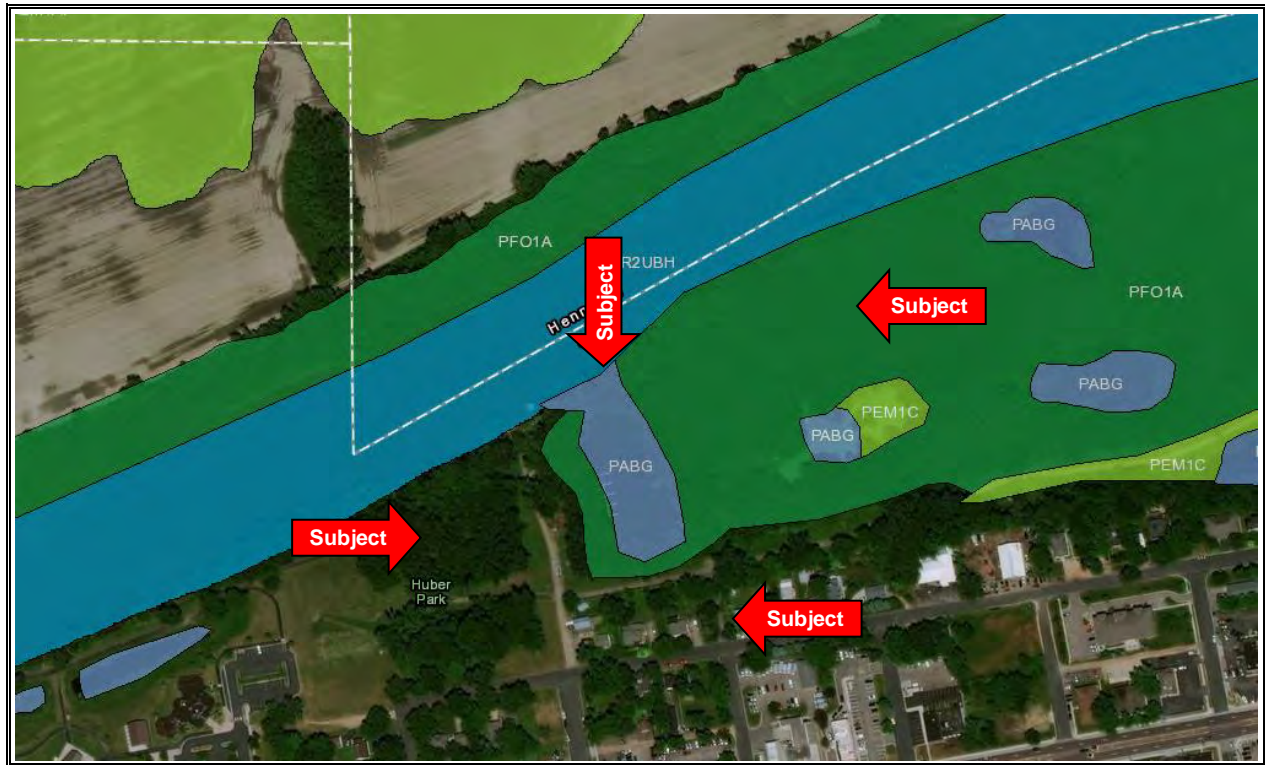


County GIS Aerial Photo Parcel Map With 2' Elevation Contours

Figure A.3 - LWCF Replacement Land Appraisal



Flood Plain Map (subject parcels outlined in red)



National Wetlands Inventory Map

IMPROVEMENTS DESCRIPTION

The subject land is improved with three homes, one each at 711, 717 and 731 Bluff Avenue E., together with miscellaneous site improvements on the unassigned address land parcel north of the homes, extending north to the Minnesota River. A description of the improvements follows. The description is based on an exterior viewing of the property from public street rights of way, adjacent Minnesota Department of Natural Resources-owned land and the Minnesota Valley State Trail; review of the Scott County property information website; and information provided by the client. **It is important to note that various assumptions about the improvements have been made, since the appraiser did not complete an on-site viewing of the exterior or an interior viewing of the buildings on the property.**

711 Bluff Avenue E.

Located on tax parcel ID #27-004172-0, which has a land area of 0.44 acres, the improvements reflect a one-story rambler-style single-family house built in 1948, with an above grade area of 840 square feet. The home is assumed to have a full, unfinished basement, as well as a typical kitchen and living room on the main floor. County records indicate there are two bedrooms and one bath as well.

There is also an old detached garage/storage building on the site with brick exterior walls, metal panel roofing and a one-car overhead garage door. County records indicate the structure was built in 1848 and has a building area of 1,156 square feet. An exterior viewing from publicly accessible areas adjoining the property indicate there may be additional shed/roof shelter structures on the site as well. However, whatever is present appears old and of negligible contributory value.

The improvements are judged to be in average to fair overall condition.

717 Bluff Avenue E.

Located on tax parcel ID #27-801014-0, which has a buildable land area (on the portion lying south of the Minnesota Valley State Trail) of about 0.25 acres, the improvements reflect a two-story house built in 1880, with an above grade area of 2,499 square feet. The house, which has a distinctive red brick exterior, has historical significance, though it is not registered as a historic property. It is located on the site of the Shakopee Brick facility, which produced bricks many years ago, and reflects the house of the brick yard owner or manager. The house has numerous distinctive architectural and construction materials features.

It is apparent, given the presence of dual gas and electric meters as well as a dual address listed on the outside of the house of 717 and 719 Bluff Avenue E., that the house has been converted into a duplex. Though county records indicate the house has only two bedrooms and one bath, this appears to not be the case for a duplex this size. It is assumed in this appraisal that there are four bedrooms and two baths, divided between the two dwelling units, each with two bedrooms and one bath. The house has a front three-season porch. The home is assumed to have a full, unfinished basement. The improvements are judged to be in average to fair overall condition.

Figure A.3 - LWCF Replacement Land Appraisal

731 Bluff Avenue E.

Located on tax parcel ID #27-004174-0, which has a contiguous land area (excluding a 15-foot by 120-foot separate strip 30 feet to the east) of about 0.35 acres, the improvements reflect a 1.5-story house built in 1860, with an above grade area of 2,096 square feet. It is apparent, given the presence of dual gas and electric meters as well as a dual address listed on the outside of the house of 731 and 731-1/2 Bluff Avenue E., that the house has been converted into a duplex. County records indicate that the house has three bedrooms and two baths. It is assumed in this appraisal that there is one dwelling unit about 1,360 square feet in size with two bedrooms and one bath, and another smaller unit half that size, or about 736 square feet in area, with one bedroom and one bath. The house has an open front porch and is assumed to have a full, unfinished basement.

The improvements are judged to be in average to fair overall condition.

Unbuildable Land (Unassigned Address)

Located primarily on tax parcel ID #27-906048-0, but also including the north portion of 717 Bluff Avenue E. encumbered with the Minnesota Valley State Trail and the east 15- by 120-foot strip of 731 Bluff Avenue E. which is separated from and 30 feet east of the rest of that parcel, the improvements appear to include the following, based on a limited viewing of the parcel together with review of aerial photography:

- Bituminous driveway extending along west side of 711 Bluff Avenue E. into unbuildable land area, north to the Minnesota River bank;
- Rip rap along the Minnesota River bank/shoreline;
- Steps leading from the river frontage down to the shoreline, and from the higher ground surrounding the inlet, down to the dock within the inlet;
- Wood privacy fencing between the rear yards of the three homes and the Minnesota Valley State Trail.

HIGHEST AND BEST USE ANALYSIS

The term highest and best use is defined in The Dictionary of Real Estate Appraisal, sixth edition, published in 2015 by the Appraisal Institute, as:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Highest and Best Use as Vacant: The subject land consists of a conglomeration of four tax parcels under common ownership, which for the most part are contiguous, though portions of two of the tax parcels contain land areas which are not contiguous with the balance of the tract. The total land area of the four parcels combined is 8.66 acres, per Scott County records, subject to survey. However, substantial portions are wetland, and the large majority of the 8.66 acres is within the 100-year flood plain, which cannot be developed with buildings or non-buildings, such as impervious surfacing. Moreover, the tract is bisected by the Minnesota Valley State Trail.

Buildable Land Area: The appraiser has identified a generally rectangular area of contiguous land, located between Bluff Avenue and the recreational trail, and between Minnesota and Market Streets, as the buildable portion of the site. Most of the land in this area is either not within the flood plain or within the 500-year flood plain, which has minimal flood risk and can be built upon. A relatively small portion along part of the northern edge, adjoining the trail, is within the 100-year flood plain. Though the 100-year flood zone portion of the “buildable” area cannot itself be developed with buildings or impervious surface, it could be used to satisfy development lot requirements such as setback and green space areas.

Zoning and Land Use Guiding: The buildable subject land is zoned R-2, Medium Density Residential, which allows detached single-family homes and attached residential units such as townhomes, at a density of 5.1 to 8 units per acre. Conditional uses within R-2 zoning include up to six single- or multiple-family units per structure. R-2 zoning also appears to potentially allow for a planned unit development, if approved by the City Council, in which more than one structure could be constructed on a single development site, thereby allowing more than six units to be built on the subject land. The current 2030 land use plan guides the buildable portion of the subject land for Mixed Use, intended for areas with a mix of individual developments containing residential or commercial uses, or a mix of the two.

It is the appraiser’s understanding that the final draft of the 2040 land use plan, which is in the process of being finalized and will become effective in 2020, guides the subject buildable land Old Shakopee Neighborhood, which envisions compact single-family homes and small-site infill developments with apartments or townhomes, at a density level of 3 to 12 units per acre.

Figure A.3 - LWCF Replacement Land Appraisal

Unbuildable Land Area: Except for an unbuildable 15- by 120-foot strip 30 feet east of the buildable area, the balance of the subject land outside of the buildable area is located to the north, northeast and northwest. This unbuildable land is fully within the 100-year flood plain, is zoned AG, Agricultural Preservation, is guided in the 2030 land use plan for Open Space, and is currently guided in the pending 2040 land use plan for Park use. The land outside of the buildable area provides an appealing amenity to the buildable area, in the form of an adjoining natural view and river recreational area. However, this land cannot be developed, but rather must be left essentially as it currently exists. Though the unbuildable area has river frontage and an inlet with boat slips and current zoning, at least as a conditional use, appears to allow for a marina use, there does not appear to be any potential for a separate, viable commercial marina use, given the very shallow depth of the Minnesota River along the property.

Market Appeal for Development: If the subject buildable land area were vacant, there would likely be a reasonable level of market appeal for infill residential development, especially given the presence of adjoining land which is not buildable but provides a privacy buffer, a nature/view amenity and access to the Minnesota River via the property's frontage on the river as well as an inlet with a dock and boat slips. Surrounding homes in the immediate area are mostly quite old and modest in appeal and pricing. As such, the subject land would not be a good candidate for upper-bracket housing, but likely would allow for the feasible development of moderate- to middle-priced housing.

Number of Units/Development Density: A developer would be motivated to maximize density on the site, since generally higher density provides higher returns to the land. Current zoning allows for a density range of 5.1 to 8 units per acre. The draft 2040 land use plan is anticipated to in its final form guide the subject for residential development between 3 and 12 units per acre. The appraiser has considered the potential for the buildable area in terms of a development scenario which would reasonably maximize density. Though current zoning allows a maximum of 8 units per acre, it is reasonable to conclude that since the end guiding in the soon-to-be-implemented 2040 land use plan likely will allow up to 12 units per acre, the subject property would likely be approved for rezoning to achieve a density somewhere between 8 and 12 units per acre, if requested by a developer.

The buildable land area is 340 long east-west and predominantly 135 feet deep, north-south. Applying side yard setbacks of 20 feet and a front setback of 30 feet, there would be 300 feet available for building row townhome units. If the units were contained on one building and each was 30 feet wide, the site could accommodate 10 townhome units. If the development were required to split these units into two buildings of six units or less, the 10 units could still likely be developed by narrowing the width of each unit to less than 30 feet to provide space between the two buildings. Dividing the 10 units by the buildable area of 1.05 acres yields a density of 9.52 units per acre. This is somewhat less than midway between the maximum of 8 units per acre allowed by current zoning and the likely 2040 land use guiding of up to 12 units per acre, which appears to be a reasonable anticipation of the probable density that could be approved and developed on the site. Though the above-described development and density scenario is only approximate, it is judged to be a fair representation of the potential for the site, as would be perceived by potential buyers, who would be residential developers.

Figure A.3 - LWCF Replacement Land Appraisal

Conclusion: Based on the foregoing discussion of the subject property attributes and current local market conditions/demand, it is my opinion that the highest and best use of the subject land, as vacant, is for development of the buildable 1.05 acres with 10 townhomes at a density of about 9.52 units per acre, and the use of the adjacent unbuildable 7.61 acres as a privacy, view, nature and river access amenity serving the townhome development.

Highest and Best Use of Land, As Vacant: Townhome Development of Buildable Land with Adjoining Unbuildable Land Serving as a Privacy, View, Nature and River Access Amenity

Highest and Best Use as Improved: The subject buildable land is improved with a single-family home and two duplexes, as well as various site improvements serving the residences. The subject unbuildable land is improved with various site improvements as well, including a bituminous driveway, stairs leading down to the Minnesota River and the river inlet located on the property, docking within the inlet, and privacy fencing located between the rear yards of the three homes and the Minnesota Valley State Trail which passes through the property.

As will be shown later in this report, the property yields a much higher value with the continued use of the existing improvements on the land, as opposed to the value of the land only, as a redevelopment parcel. The land only is valued at \$164,000, whereas the property, as improved with its current use, is valued at \$690,000, a difference of \$526,000 which reflects the contributory value of the improvements on the land.

The three homes could be sold individually for owner occupancy or as rental properties, which is the current situation, or a mix of both. However, if sold for use as rental properties, the homes would best be sold and operated together as one rental operation, which allows better efficiencies and economies of scale in terms of leasing and managing the three adjoining homes.

It is my opinion that the unbuildable land would yield its highest value by being used in conjunction with the three homes. This land could serve as an appealing shared asset for the three homes, providing privacy, view, nature and river access amenities that would enhance the appeal and value of the homes. Attempting to sell the unbuildable land to a separate buyer, for a separate recreational use, in my opinion would not likely be a successful endeavor, as there is no demonstrable market for unbuildable freestanding recreational land similar to that reflected on the subject property.

Based on the above discussion, in my opinion, the highest and best use of the subject property, as improved, for continued use of the three existing homes on the buildable land in conjunction with the adjoining unbuildable land as a shared privacy, view, nature and river access amenity.

Highest and Best Use of Property, As Improved: Continued Use of Three Existing Homes in Conjunction with Adjoining Unbuildable Land as Shared Privacy, View, Nature and River Access Amenity

THE APPRAISAL PROCESS

There are three basic valuation methodologies that may be used in estimating the market value of real estate: the Cost Approach, the Sales Comparison Approach and the Income Approach. These three valuation approaches analyze data from the market to develop independent value indications for the subject property.

The **Cost Approach** is based on the premise that an informed buyer will pay no more for a property than the cost of constructing a comparable property with similar utility. In this analysis, the cost to reproduce or replace the improvements is calculated, which is reduced by the estimated accrued depreciation that has occurred. Accrued depreciation includes physical deterioration, functional obsolescence, and external obsolescence. To the depreciated value of the improvements is then added the site value, which is estimated through the direct comparison with other vacant sites that have sold in the area in recent years, with adjustments made for dissimilarities. The Cost Approach is particularly applicable and reliable when the property being appraised is relatively new with little accrued depreciation, or is of a highly specialized design and/or utility.

The **Sales Comparison Approach** has as its premise a comparison of the subject property with others of similar design, utility and features that have sold in the recent past. To indicate a value for the property, adjustments are made to the comparables for dissimilarities with the subject property. This approach is based on the proposition that an informed buyer would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is most applicable and reliable when an active market provides sufficient sales of comparable properties for analysis.

The **Income Approach** develops a value estimate for a property predicated on a detailed analysis of its earnings potential and the rate of return on an investment demanded by prudent investors in the marketplace. This analysis converts anticipated benefits and income to be derived from ownership of a property into a value estimate. Detailed income and expense analysis results in a net operating income that the subject is able to generate, which is then converted to a value indication for the property through the capitalization process.

The final step of the appraisal process involves the appraiser analyzing the strengths and weaknesses of each of the three approaches utilized, with the value indications reconciled and correlated to arrive at a final opinion of value for the property.

Valuation Approaches Applied in This Appraisal

In this appraisal, the Sales Comparison and Income Approaches are applied. The Cost Approach is most reliable and applicable for valuing properties with buildings and other improvements which are new or relatively new, with low levels of depreciation. The older that the improvements on a property become, the more difficulty there is in reliably estimating the amount of accrued depreciation present, which must be deducted from cost new and then added to the land value to arrive at the contributory value of the improvements. For this reason, potential buyers place little to no consideration on the Cost Approach when evaluating the potential purchase of properties with older improvements.

The Sales Comparison and Income Approaches will be applied in valuing the three homes, as improved with their existing buildings and site improvements. The valuation of these homes will reflect and include the additional value component that these homes enjoy by having proximity to, and presumably the shared use of, the adjoining unbuildable land area as a privacy, view, nature and river access recreational amenity.

The Sales Comparison Approach will also be applied in valuing the land component only, as vacant. The land is valued in this appraisal to demonstrate support for the conclusion that the highest and best use of the property is for continuation of its current use, as improved, with the three existing residences, rather than for demolition of the homes and redevelopment of the land, since the value of the property as improved substantially exceeds that of the value of the land, as vacant.

LAND VALUATION

Comparable land sales are identified and analyzed for the purpose of developing an opinion of the market value of the subject land. The subject land is compared to sales of other reasonably similar land parcels which have sold in the recent past. The sale prices of the comparables are adjusted for value-related differences from the subject property. The result is a range of value indication of what price the subject land would sell for in the market, as of the effective date of valuation. The comparables are presented on a comparable land sales summary shown on the following page.

Valuation Methodology

The subject land is valued with the primary focus on the buildable land area of 1.05 acres. Consideration is given in the valuation analysis to the fact that along with the buildable area, the property comes with a sizable additional area that is unbuildable but offers a privacy, view, nature and river access amenity.

Figure A.3 - LWCF Replacement Land Appraisal

Comparable Land Sales Summary									
#	Location/ PID #	Sale Date	Sale Price ¹	Buyer	Land Area ²	Price/SF Price/Unit	Density (Units/Ac.)	Zoning	Comments
				Seller					
1	3400 Upper 149 th Street W. Rosemount 34-62858-01-020	8/23/16	\$200,000	St. Croix Home Buyers, Inc. Fairfax Constr. Co.	64,774 SF 1.49 ac.	\$3.09/SF \$18,182/ Unit	7.38	R3 Medium Density Residential	Level, rectangular site located in NE quadrant of County Rd. 42 and Chippendale Ave., adjoining office building, water tower, townhomes and single-family homes. Purchased for development with 11 townhome units.
2	27 10 th Street W. Waconia 75-0241900	1/31/18	\$230,000	City Homes on 10 th , LLC Waterford Holdings, LLC	63,598 SF 1.46 ac.	\$3.62/SF \$11,500/ Unit	13.70	R-3 Medium Density Residential	Level, moderately irregular shaped site located at SE corner of roundabout intersection of Hwy. 284 and 10 th St., about 2 blocks south of Hwy. 5. Bought for development with 2-building, 20-unit rental townhome project.
3	3151-3165 Clover Ridge Dr. Chaska 30-0510030, 30-0510050 & 30-0510060	2/1/18	\$216,000	Clover Place 4, 6 and 8 LLC GB Land LLC	39,204 SF 0.90 ac.	\$5.51/SF \$12,000/ Unit	20.00	PMD Planned Multi-Use Dev.	Three platted lots located in Clover Fields mixed-use master planned community in NW part of Chaska. Preapproved for 18 row townhome units, which is the buyer's plan for development on the site.
4	119XX Emery Village Dr. N. Champlin 30-120-21-43-0202	3/31/17	\$176,000	Thompson Townhomes, LLC RES Holding, LLC	64,457 SF 1.48 ac.	\$2.73/SF \$22,000/ Unit	5.41	R-4/PUD, PUD & R-A, Residential Agriculture	Turnkey development site within partly developed townhome neighborhood, approved for 8 row townhome units. Northerly portion zoned Residential Ag., reflecting primarily open space. Site came with driveways for units already in place.
Subject	711, 717 & 731 Bluff Ave. E. + Adjacent Unbuildable Land Shakopee 27-0041720, 27-801014-0, 27-004174-0 & 27-906048-0	4/7/19 Value Date	---	---	45,600 SF 1.05 ac. Buildable	--- 9.52 Estimated based on buildable	3-12 Assumed allowed	R-2, Med. Density Res. & AG, Agricultural Preservation	Generally rectangular, gently sloping buildable site fronting Bluff Ave. E. plus 7.61 acres of adjacent unbuildable land encumbered with trail easement and in 100-year floodplain, with Minnesota River frontage. Highest and best use is for development of buildable land with approx. 10 townhome units, which would be allowed based on projected 2040 land use guiding of Old Shakopee Nbhd.

¹Sale price includes assumed special assessments and building demolition costs, if any.

²Land area excludes existing road right of way, if any.

Figure A.3 - LWCF Replacement Land Appraisal

COMPARABLE LAND SALES PARCEL MAPS



Land Sale 1: 3400 Upper 149th Street W., Rosemount



Land Sale 2: 27 10th Street W., Waconia

Figure A.3 - LWCF Replacement Land Appraisal

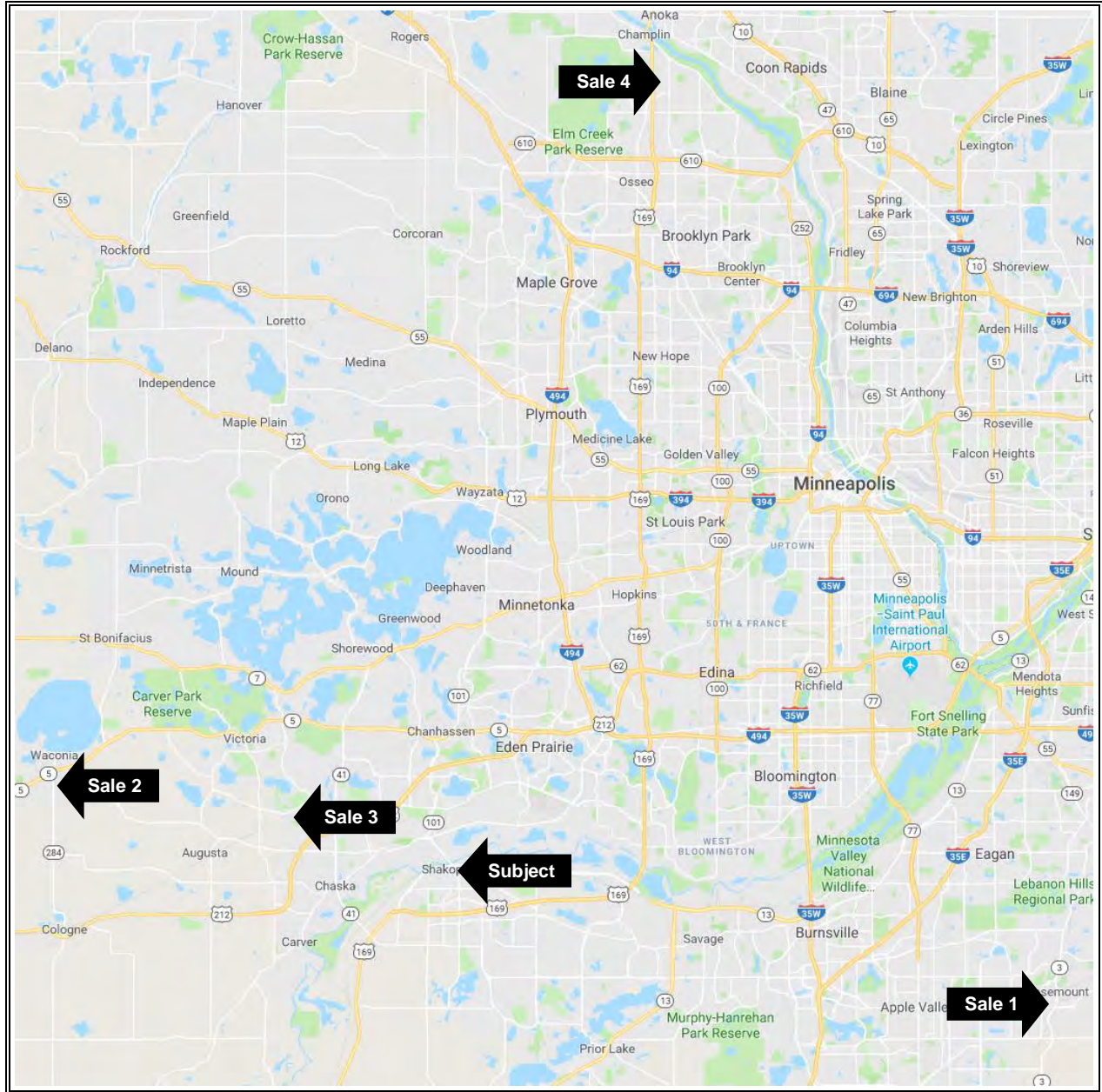


Land Sale 3: 3151-3165 Clover Ridge Dr., Chaska



Land Sale 4: 119XX Emery Village Dr., Champlin

Figure A.3 - LWCF Replacement Land Appraisal



Land Sales Location Map

Figure A.3 - LWCF Replacement Land Appraisal

Analysis of Land Sales

The comparable land sales are adjusted for value-related differences in relation to the subject land. Upward adjustments are made to the comparable sale prices for characteristics inferior to the subject site, and downward adjustments are made for attributes which are superior to the subject. The comparables are analyzed based on the price paid per square foot of buildable land area. Following are items for which adjustments were considered and made, where applicable and necessary:

Property Rights Conveyed: If property rights different than those appraised for the subject property were transferred, an adjustment may be necessary (i.e., leased fee vs. fee simple). The comparable sales reflect transfer of the fee simple interest. Therefore, no adjustment is needed for this factor.

Financing: The opinions of market value in this appraisal reflect payment in cash or cash equivalent terms. An adjustment may be necessary when the payment is something other than cash, or financing terms differ from those typically available in the market. All comparable sales involved cash or cash equivalent financing. No adjustment is needed for this factor.

Sale Conditions: Consideration is given to whether transaction was arms-length or was influenced by conditions causing buyer or seller to be atypically motivated. All four land sales reflect arms-length transactions which appear to have involved typically motivated buyers and sellers; therefore no adjustments are required.

Market Conditions/Time: Reflects changes in prices, if any, between date of each comparable sale and the valuation date, due to changes in market conditions. Real estate values experienced significant decline during the latter half of the past decade and during the beginning years of the current decade, largely as a result of a severe recession and turmoil in the financial markets. However, there have been notable signs of gradual and steady improvement and stabilization in the real estate market within the past several years. Generally, demand for residential development land has been relatively strong, resulting in sustained price appreciation. For this analysis, the comparables are adjusted based on price movements of +3% per year from the date of each comparable sale through the effective date of valuation.

Location: Takes into account location factors such as proximity to major access routes and shopping, visibility, surrounding development, and general area desirability/demand. The subject property is located in the established commercial-residential area of Shakopee near the downtown, north of the 1st Avenue commercial strip and south of the Minnesota River. The immediate area contains primarily older, modest-priced homes together with sizable wooded undeveloped parcels intermixed and is in close proximity to Huber Park, located to the west along the river and the section of Highway 101 extending north across the river.

Sale 1 is located in Rosemount, adjacent east of a water tower and with significant traffic exposure from County Road 42 adjacent south, which typically detracts from residential use. On the other hand, the comparable is located amongst newer townhomes and single-family homes which are generally more appealing than the homes in the vicinity of the subject property. Overall, Sale 1 is similar in location appeal and no adjustment is warranted.

Figure A.3 - LWCF Replacement Land Appraisal

Sale 2 is located in the community of Waconia, which is significantly more outlying than the subject in terms of the Twin Cities metro core. Sale 2 is adjusted upward for inferior location. Sale 3 is in a newer, more intensely built-up master planned residential community in Chaska, resulting in superior location appeal. Sale 4 is closer-in relative to the Twin Cities metro core and has better overall access to major roadways and retail, resulting in a moderate downward location adjustment.

Size: Generally, as site size increases, total price increases, but price per square foot typically decreases. The subject site has a buildable land area of 1.05 acres. The comparables range in size between 0.90 and 1.49 acres, with all of their land areas being buildable. The comparables are generally within the same size range of the subject land, with no size adjustments necessary.

Shape/Utility: Development utility is affected by shape and other factors, including the presence of wetland and easements, the need for on-site ponding vs. availability of off-site ponding, and other factors. Regular shaped sites with few or no restrictions from easements and other factors are preferred in the market.

The subject buildable land area has a generally regular configuration and no known significant easement encumbrances. Though there is some 100-year flood plain land located within the site, it is fairly minimal and located along part of the northern fringes, where it can satisfy site development requirements pertaining to typical required setback and green space areas.

Sales 1, 2 and 3 have generally regular shapes and no known development utility issues. Sale 4 had bituminous shared driveway/private road surfacing already in place to support development of the land with new townhomes. This existing infrastructure enhancement already in place resulted in development cost savings, which reflects superior site utility of this comparable and resulting in a downward adjustment to Sale 4.

Soils/Topography: Stable subsoils needing no corrective measures for development, and level to moderately sloping topography are preferred in the market.

The subject site has a moderately sloping topography in a downward direction to the north toward the rear, which is generally favorable for townhome residential development. However, it is noted that, though almost all of the subject buildable land is outside the 100-year flood zone, the average elevation of the site is only about six feet above the 100-year flood zone elevation. Consequently, development potential is generally limited to above-ground structures built upon slab-on-grade floors, with no basement construction possible.

The inability to construct basements on the subject land is a limiting factor which is judged to impact the price a developer would be willing to pay for the land, relative to land which supports basement construction. All four comparable sales involve sites which are generally level to moderately sloping, with no known limitations on the ability to construct basements due to high water levels or other factors. All four comparables are adjusted downward for superior soils/topography attributes.

Figure A.3 - LWCF Replacement Land Appraisal

View/Nature Amenities: Amenities such as wooded areas, wetlands, open space and other enhancements typically command a premium for residential land. In addition to the 1.05 acres of buildable land on the subject property which is the primary land area being analyzed, the property includes another 7.61 acres of land that, while being unbuildable given its location in the 100-year flood plain, offers significant view and nature amenities. The unbuildable land provides a privacy buffer for the buildable land to the north, northwest and northeast, an appealing view of heavily wooded area and the Minnesota River, and access to/frontage on the river as well.

The comparable sales are fairly typical residential development sites with no significant view or nature amenities. The comparables are inferior to the subject in this respect, resulting in upward adjustments to each.

Zoning/Density: The subject property and comparables are being analyzed on a price-per-square-foot basis. The higher the density (i.e., number of dwelling units per acre) possible and/or approved for a development parcel, typically the more a developer will pay for the land on a per-acre or per-square-foot basis. Conversely, there typically is an inverse relationship between density and price paid per unit.

As discussed previously, it has been concluded that the highest and best use of the subject land is for development of the buildable land with 10 townhome units, to be used in conjunction with the adjoining 7.61 acres of adjoining unbuildable land as a view/nature amenity. This development scenario yields a density of 9.52 units per acre of buildable land.

The comparable sales were purchased for development of residential units, with planned/approved density levels ranging between 5.41 and 20.00 units per acre. Sales 1 and 4 are inferior to the subject in density; Sales 2 and 3 are superior. The comparable sales are adjusted in a manner commensurate with their differences in density, relative to the subject land.

Shown on the next page is a grid which summarizes the adjustments to the comparable sales, providing indications of value for the subject land.

Figure A.3 - LWCF Replacement Land Appraisal

Land Sales Adjustment Grid				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/SF Buildable)	\$3.09	\$3.62	\$5.51	\$2.73
Property Rights	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$3.09	\$3.62	\$5.51	\$2.73
Financing	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$3.09	\$3.62	\$5.51	\$2.73
Sale Conditions	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$3.09	\$3.62	\$5.51	\$2.73
Market Conditions	<u>x 1.08</u>	<u>x 1.04</u>	<u>x 1.04</u>	<u>x 1.06</u>
Adjusted Price	\$3.34	\$3.76	\$5.73	\$2.89
Location	0%	5%	-10%	-5%
Size	0%	0%	0%	0%
Shape/Utility	0%	0%	0%	-5%
Soils/Topography	-10%	-10%	-10%	-10%
View/Nature Amenities	10%	10%	10%	10%
Zoning/Density	<u>10%</u>	<u>-10%</u>	<u>-20%</u>	<u>20%</u>
Net Adjustment	10%	-5%	-30%	10%
Indicated Value For Subject	\$3.67	\$3.57	\$4.01	\$3.18

Rosemount Waconia Chaska Champlin

After adjustments, the land sale comparables result in value indications for the subject land ranging from \$3.18 to \$4.01 per square foot. The average of the value indications is \$3.61 per square foot. All four comparable sales provide pertinent value indications of the subject property, after appropriate adjustments are made; all are given similar levels of consideration. Market evidence best supports a value for the subject land of approximately \$3.60 per square foot of buildable land area or \$164,000, rounded. Based on a concluded development potential of 10 dwelling units, this dollar amount translates into a value factor of \$16,400 per unit, which is within the range of the comparables for this metric, prior to adjustments: The comparable sale prices range between \$11,500 and \$22,000 per unit.

Gross Average Excl. Sales 4, 5
 Excl. Sale 3

$$\begin{aligned} \text{Units} &= 10 \quad 3.6 \times \quad 46100 = \$165,960 \\ &= \$166,000 \\ \text{Land Area (Buildable):} & \quad 45,600 \text{ SF or } 1.05 \text{ Acres} = 16600 \text{ per unit} \\ & \quad 45,600 \text{ SF} \quad @ \quad \$3.60 / \text{ SF} = \$164,160 \end{aligned}$$

Rounded to

OPINION OF LAND VALUE:

\$164,000

Figure A.3 - LWCF Replacement Land Appraisal

Allocation of Value Between Buildable and Unbuildable Land

Shown below is the appraiser's allocation of the subject property total land value between the buildable component of 1.05 acres and the unbuildable component of 7.61 acres. The allocation is based upon the conclusion that the presence and adjacency of the unbuildable land, which offers privacy, view, nature and river access amenities, increases the value of the buildable land by about 10%, relative to what its value would be if the unbuildable land were not present and included in the total property ownership. This correlates to the upward 10% adjustments made to all four comparable sales in the preceding land valuation, since none of the comparables had any significant view or nature amenities.

Buildable Land Value	\$149,100
Unbuildable Land Value (approx. 10% of Buildable Land Value):	<u>14,900</u>
Total Land Value	\$164,000

VALUE OF UNBUILDABLE LAND WITH IMPROVEMENTS

The appraiser did not complete an on-site inspection of the unbuildable land, and thus it was not possible to inventory all the improvements upon it; nor was it possible to ascertain the types of construction materials comprising the improvements; nor was it possible to view the overall condition of the improvements. Also, on April 7, 2019, the date of the property viewing from publicly accessible areas, a substantial portion of the unbuildable land was under water, as the Minnesota River had reached a significantly high elevation of about 713 feet above sea level on that day, as opposed to the typical average elevation which appears to about 700 feet.

However, based on what was visible, and also based on relatively recent aerial photography, it is recognized that there are some improvements on the unbuildable land area and, to the extent that they offer some utility in allowing people to enjoy this land as a privacy, view, nature and river access amenity, the improvements are judged to have some level of contributory value. The improvements observed include the following:

- Bituminous driveway extending along west side of 711 Bluff Avenue E. into unbuildable land area, north to the Minnesota River bank;
- Rip rap along the Minnesota River bank/shoreline;
- Steps leading from the river frontage down to the shoreline, and from the higher ground surrounding the inlet, down to the dock within the inlet;
- Wood privacy fencing between the rear yards of the three homes and the Minnesota Valley State Trail.

The appraiser does not have enough information on the improvements to complete a full-scale Cost Approach valuation, which would involve estimating the cost new of all the items and then deducting from that accrued depreciation.

Figure A.3 - LWCF Replacement Land Appraisal

Furthermore, estimating the depreciation itself would be rather speculative, since the improvements not only have lost value due to age, but also due to functional obsolescence, since a buyer would pay only a fraction of the age-depreciated cost for the improvements, given their limited utility as a result of the unbuildable land not offering the capacity for an intensive use of the improvements.

For example, the driveway, rip rap and docks typically are designed to serve a marina-type use, but due to the shallow depth of the river, a marina use of the land is not possible or feasible. Nonetheless, the improvements likely contribute some value, and the value conclusion is a result of judgment on the part of the appraiser, based on prior experience with improvements and situations like the one at hand. In the appraiser's judgment, the contributory value of the improvements upon the unbuildable land area is approximately \$5,000. Shown below is the concluded value of the unbuildable land and its improvements:

Unbuildable Land Value	\$14,900
Contributory Value of Improvements	<u>5,000</u>
	\$19,900
	Rounded to
Value of Unbuildable Land and Improvements	\$20,000

SALES COMPARISON APPROACH

711 Bluff Avenue E. Valuation

A number of home sales have been researched and reviewed, with primary emphasis given to sales of properties in reasonable proximity to the subject single-family home property at 711 Bluff Avenue E., and of similar design, size, age, utility, and quality. On the following pages is a presentation of the comparable sales which are concluded to possess the highest degree of overall similarity to the subject property, and thus are included in the Sales Comparison Approach for valuing the subject.

Following the valuation of 711 Bluff Avenue E., similar valuations are made of the homes at 717 and 731 Bluff Avenue E.

Figure A.3 - LWCF Replacement Land Appraisal

Comparable Home Sales Summary – 711 Bluff Ave. E.									
#	Location/ PID#	Sale Date	Sale Price	Buyer	Above- Grade Gross Living Area (SF)	\$/SF Above- Grade GLA	Land Area	Age/ Cond.	Comments
				Seller					
1	628 5 th Ave. W. Shakopee 27-001516-0	5/16/19	\$169,900	Barbara Jo Curry Estate of Steven O. Iverson	777	\$219	0.19 ac.	1948/ Fair	1-story rambler-style home with living room, kitchen, 2 bedrooms and one bath on main floor. Full, non-walkout unfinished basement. Forced air heat with central A/C. 2-car detached garage. View of city park across street which occupies entire block. Financed with conventional mortgage and \$3,000 in seller contributions. Listed on the Multiple Listing Service for 13 days with an asking price of \$169,900 during entire listing period.
2	414 4 th Ave W. Shakopee 27-001443-0	12/4/18	\$205,000	Brodie Orton JoEllen Swenson	1,008	\$203	0.20 ac.	1940/ Avg.	1-story rambler-style home with living room, kitchen, 2 bedrooms and one bath on main floor. Full, non-walkout basement with 700 SF of finish including family room, bonus room and 3/4 bath. Forced air heat with central A/C. 1-car detached garage, plus 30' x 30' heated shop building. Financed with conventional mortgage and \$6,150 in seller contributions. Listed on the Multiple Listing Service for 35 days with an asking price of \$199,000 at time of sale.
3	235 7 th Ave. E. Shakopee 27-001609-0	9/21/17	\$162,000	Paul Johnson Martin Rybak	750	\$216	0.12 ac.	1950/ Avg.	1-story rambler-style home with living room, kitchen, 2 bedrooms, a full bath and a 3/4 master bath on main floor. Full, non-walkout unfinished basement. Forced air heat with central A/C. 1-car detached garage. Amenities include a deck. Financed with conventional mortgage and \$4,860 in seller contributions. Listed on the Multiple Listing Service for 12 days with an asking price of \$159,900 during entire listing period.
S u b j	711 Bluff Ave. E. Shakopee 27-004172-0	4/7/19 Value Date	---	--- ---	840	---	0.44 ac. + Adjoining unbuildable land	1948/ Avg.- Fair	1-story rambler-style home assumed to have living room, kitchen, 2 bedrooms and a full bath on main floor. Full, non-walkout unfinished basement assumed. Forced air heat assumed, A/C unknown. Old (1848-built) large garage with 1,156 SF of space and 1-car overhead door. Home is valued assuming it has a common interest in/use of adjoining unbuildable land which offers, view, privacy, nature and river access amenities, shared with two adjoining homes at 717 and 731 Bluff Ave. E.

COMPARABLE HOME SALES PHOTOGRAPHS – 711 BLUFF AVE. E.



Home Sale 1: 628 5th Ave. W., Shakopee

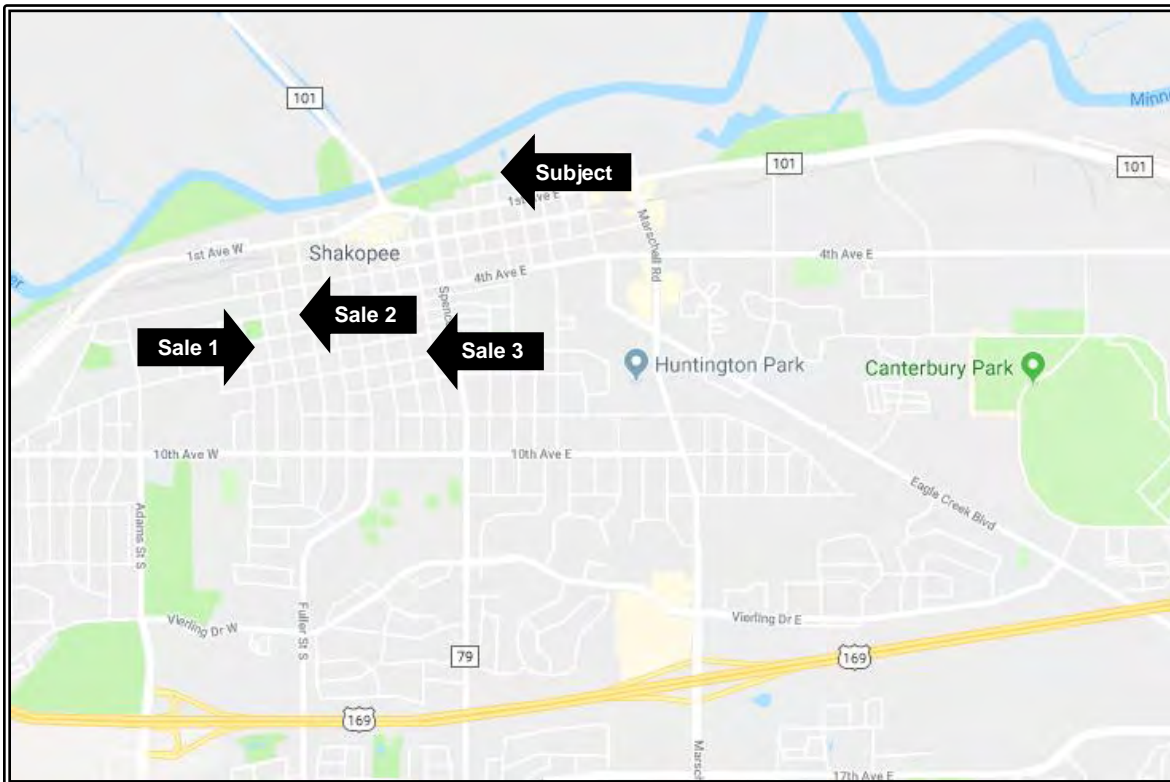


Home Sale 2: 414 4th Ave. W., Shakopee

Figure A.3 - LWCF Replacement Land Appraisal



Home Sale 3: 235 7th Ave. E., Shakopee



Comparable Home Sales Location Map – 711 Bluff Ave. E.

Figure A.3 - LWCF Replacement Land Appraisal

Analysis of Home Sales – 711 Bluff Ave. E.

The home sales are analyzed and their sale prices are adjusted for value-related differences. The adjustments are shown in a grid on the next page. Most adjustments are self-explanatory. Three items are discussed below:

Sales or Financing Concessions: The definition of market value contained in this report, reflecting the appraised value applicable to the subject property, is based on cash or cash-equivalent terms. Sales 1, 2 and 3 all involved transactions in which the seller contributed significant cash concessions at the closing, thereby effectively reducing the seller's cash-equivalent proceeds from the transaction, relative to the stated purchase price. To properly arrive at an indicated market value of the subject property based on cash or cash-equivalent terms, for all three comparable sales, a downward Sales or Financing Concessions adjustment was made in the amount equal to the seller-paid concessions dollar amount, to reflect the net effective cash value of the transaction.

Date of Sale (Closing): This is a market conditions adjustment, reflecting changes in prices, if any, between the date of each comparable sale and the valuation date, due to changes in market conditions. The housing market has been very strong within the past several years, demonstrating a pattern of significant, sustained price increases each year.

According to Northstar Regional Multiple Listing Service (MLS) statistics, the median single-family home price in the seven-county Twin Cities metro area in 2018 was \$270,000, a 7.6% increase over \$251,000 in 2017, and a 20% increase over \$225,000 in 2015 (average three-year increase of 6.7%). The median home price in Shakopee in 2018 was \$250,000, an 8.7% increase over \$229,900 in 2017 and a 19% increase over \$210,000 in 2015 (average three-year increase of 6.3%). For this analysis, the comparable sales are adjusted based on an average price appreciation rate of 8% per year, from the date of the comparable sales to the effective date of valuation of April 7, 2019.

View/Nature Amenities: For the purposes of this valuation, the subject home is analyzed assuming it has a common interest in, and shared use of, the adjoining unbuildable land area of 7.61 acres, which provides privacy, view, nature and river access amenities. It is assumed that the home shares this land amenity with the adjoining two homes which, together with the unbuildable land, comprise the subject property in its entirety. Previously, it was concluded that the unbuildable land and its improvements have a contributory value of about \$20,000. The unbuildable land value amenity is divided among the three homes for this Sales Comparison Valuation as follows: \$6,700 for 711 Bluff Ave. E.; \$6,700 for 717 Bluff Ave. E.; and \$6,600 for 731 Bluff Ave. E.

Therefore, for the current valuation of 711 Bluff Ave. E., an upward adjustment of \$6,700 each is made to Sales 2 and 3, since they have no special view amenities or shared interest in adjoining land. Sale 1 has a view amenity as it is located across the street from a city park which occupies an entire city block. This is preferable to a standard view of other homes. Sale 1 is still inferior to the subject in view/nature amenities, but to a lesser extent than Sales 2 and 3, resulting in an upward adjustment of \$4,000.

Figure A.3 - LWCF Replacement Land Appraisal

Home Sales Adjustment Grid - 711 Bluff Ave. E.							
	SUBJECT	SALE#1		SALE#2		SALE#3	
Address	711 Bluff Ave. E. Shakopee	628 5th Ave. W. Shakopee		414 4th Ave. W. Shakopee		235 7th Ave. E. Shakopee	
Sale Price		\$ 169,900		\$ 205,000		\$ 162,000	
Price/Above Grade SF		\$219		\$203		\$216	
Data and/or Verification Source		MLS/Broker - 13 Days on Mkt. County Records		MLS/Broker - 35 Days on Mkt. County Records		MLS/Broker - 12 Days on Mkt. County Records	
VALUE ADJUSTMENTS	Description	Description	+/- Adj.	Description	+/- Adj.	Description	+/- Adj.
Sales or Financing Concessions		Conv. Mtg. - seller contributed \$3,000	- 3,000	Conv. Mtg. - seller contributed \$6,150	- 6,150	Conv. Mtg. - seller contributed \$4,860	- 4,860
Date of Sale (Closing)	4/7/2019 Val. Date	5/16/2019	- 1,500	12/4/2018	+ 5,600	9/21/2017	+ 20,000
Location	Shakopee/Avg.	Similar		Similar		Similar	
Site	0.44 ac.	0.19 ac.	+ 4,000	0.20 ac.	+ 4,000	0.12 ac.	+ 6,000
View/Nature Amenities	Unbuildable adj. land	Park across street	+ 4,000	Avg. Residential	+ 6,700	Avg. Residential	+ 6,700
Design	Rambler	Rambler		Rambler		Rambler	
Quality/Appeal	Average	Average		Average		Average	
Age	1948	1948		1948		1950	
Condition	Average to Fair	Fair	+ 7,500	Average	- 7,500	Average	- 7,500
Above Grade Rm. Count (Total rms./BRs/Baths)	4 / 2 / 1.00	4 / 2 / 1.00		4 / 2 / 1.00		4 / 2 / 1.75	- 3,000
Above Grade SF	840	777	+ 1,900	1,008	- 5,000	750	+ 2,700
Basement	Full, No Walkout	Full, No Walkout		Full, No Walkout		Full, No Walkout	
Basement Finish	No finish assumed	No finish		700 SF / 0.75 B.	- 10,000	No finish	
Heating/Cooling	F. Air/Unknown A/C	F. Air/Central		F. Air/Central		F. Air/Central	
Garage	Old Garage 1,156 SF	2 Car Det./Better	- 1,500	1 Car / Detached	+ 2,000	1 Car / Detached	+ 2,000
Porch, Patio, Deck, Fireplace, etc.	None evident	None		None		Deck	- 1,500
Extra Features	Typical/Standard	Similar		30' x 30' heated shop bldg.	- 7,500	Similar	
Net Adjustment		6.71%	+ 11,400	-8.71%	- 17,850	12.68%	+ 20,540
Gross Adjustments		12.01%		23.56%		30.49%	
Adjusted Sales Price			\$ 181,300		\$ 187,150		\$ 182,540

The adjusted sale prices provide value indications for the subject property located at 711 Bluff Ave E, ranging from \$181,300 to \$187,150. The average of the three value indications is \$183,663. Sales 1 and 2 are given greater levels of weight than Sale 3, which required the most total adjustment, as measured by the Gross Adjustments totaling 30.49% of the sale price. The average value indication of Sales 1 and 2 is \$184,225. It is concluded that market evidence best supports a subject property market value conclusion of approximately \$184,000.

**SALES COMPARISON APPROACH VALUE INDICATION – \$184,000
711 BLUFF AVE E.:**

717 Bluff Avenue E. Valuation

The duplex property located at 717 Bluff Ave. E. is valued in a similar manner as the preceding valuation of 711 Bluff Ave. E. The duplex design of 717 Bluff Ave. E. required going beyond the City of Shakopee to find two of the three comparable sales used for the analysis. Duplex properties are much less prevalent in the market, relative to single-family homes, and thus sales of duplexes are much less prevalent at any given point in time as well. On the next page is a summary of the comparable duplex sales included in the valuation, followed on later pages by the remaining part of the valuation for this property.

Figure A.3 - LWCF Replacement Land Appraisal

Comparable Home Sales Summary – 717 Bluff Ave. E.									
#	Location/ PID#	Sale Date	Sale Price	Buyer	Above- Grade Gross Living Area (SF)	\$/SF Above- Grade GLA	Land Area	Age/ Cond.	Comments
				Seller					
1	949 Ramsey Street S. Shakopee 27-027022-0	12/28/17	\$235,000	Eric and Jennifer Zeng	1,908	\$123	0.23 ac.	1970/ Avg.	Split-entry up-down duplex with one unit on upper level and one unit on lower/garden level. All but 68 SF of the lower level is finished and contained within the lower unit. Both units have two bedrooms and a full bath. Forced air heat with central A/C. 2-car attached garage. Amenities include a patio. Average quality/appeal. Purchase financed with all cash. Listed on Multiple Listing Service for 4 days with asking price of \$235,000 during entire listing period.
				John and Amy Dennehey					
2	119 12 th Ave. S. Hopkins 24-117-22-34-0110	7/20/16	\$239,900	Katherine Rogosheske	1,728	\$139	0.14 ac.	1900/ Good	Two-story up-down duplex with one two-bedroom, one-bath unit on first floor and one two-bedroom, one-bath unit on second floor. Partial, non-walkout unfinished basement. Forced air heat with central A/C. Amenities include deck, patio and fence-enclosed yard. Average to good quality/appeal. Financed with conventional mortgage and \$7,197 in seller contributions. Listed on Multiple Listing Service for 59 days with asking price of \$239,900 during entire listing period.
				Adam Lenhart					
3	316 Olive Street S. Waconia 75-5030030	8/24/18	\$295,000	Synnove and John Nieuwenhuis	2,031	\$145	0.22 ac.	1917 Good	1.5-story up-down duplex with one two-bedroom, one-bath unit on first floor and one two-bedroom, one-bath unit on second floor. Full, non-walkout unfinished basement. Forced air heat with central A/C. Amenities include two decks and a three-season porch. Good quality/appeal. Financed with conventional mortgage, no seller contributions. Listed on Multiple Listing Service for 160 days with original asking price of \$339,900 which had been reduced to \$299,900 at time of sale.
				Brian and Moriah Loots					
S u b j	717 Bluff Ave. E. Shakopee 27-801014-0	4/7/19 Value Date	---	---	2,499	---	0.25 ac. S. of Trail + Adjoining unbuildable land	1880/ Avg.- Fair	2-story up-down duplex assumed to have a two-bedroom, one-bath unit on each of the above-grade floors. Full, non-walkout unfinished basement assumed. Forced air heat assumed, A/C unknown. Amenities include main-floor front 3-season porch. Good quality/appeal, with all-brick exterior and various upgraded architectural features/materials. Home is valued assuming it has a common interest in/use of adjoining unbuildable land which offers view, privacy, nature and river access amenities, shared with two adjoining homes at 711 and 731 Bluff Ave. E.

COMPARABLE HOME SALES PHOTOGRAPHS – 717 BLUFF AVE. E.



Home Sale 1: 949 Ramsey Street S., Shakopee

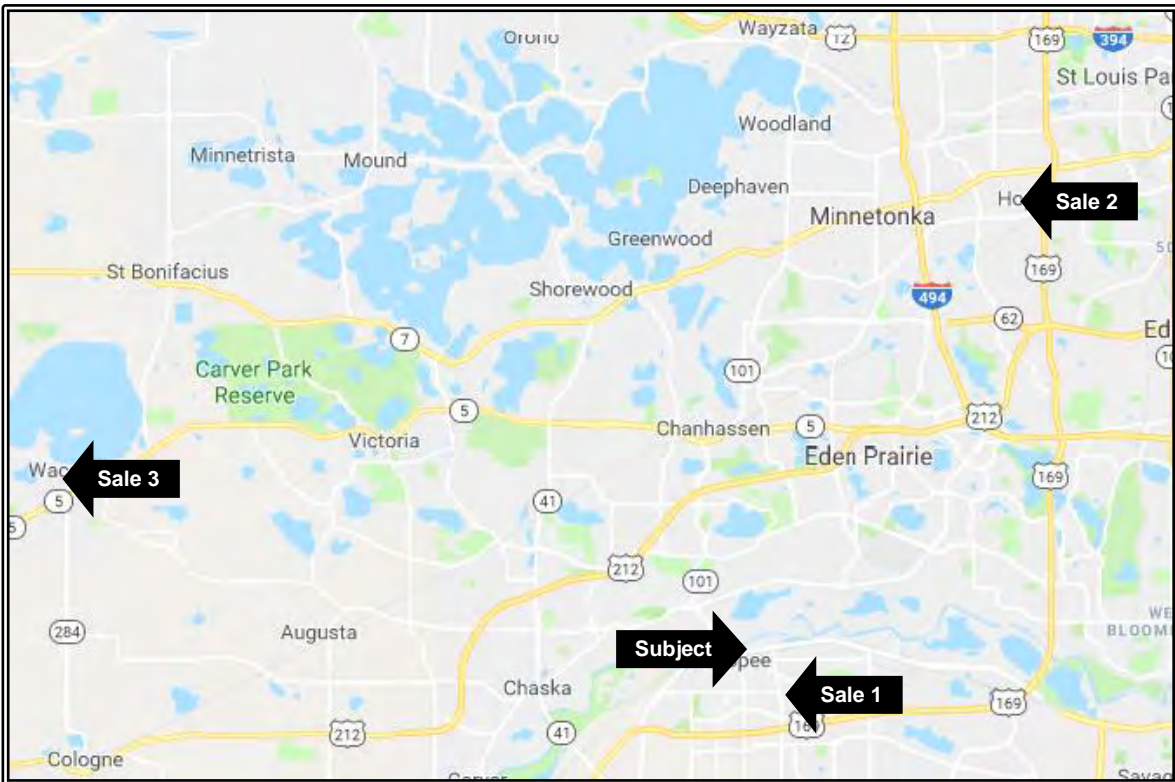


Home Sale 2: 119 12th Ave. S., Hopkins

Figure A.3 - LWCF Replacement Land Appraisal



Home Sale 3: 316 Olive Street S., Waconia



Comparable Home Sales Location Map – 717 Bluff Ave. E.

Figure A.3 - LWCF Replacement Land Appraisal

Analysis of Home Sales – 717 Bluff Ave. E.

The home sales are analyzed and their sale prices are adjusted for value-related differences. The adjustments are shown in a grid on the next page. Most adjustments are self-explanatory. Four items are discussed below:

Sales or Financing Concessions: Similar to the preceding 711 Bluff Ave. E. valuation, a downward Sales or Financing Concessions adjustment was made, in this case to Sale 2, in the amount equal to the seller-paid concessions dollar amount for this sale, to reflect the net effective cash value of the transaction.

Date of Sale (Closing): Similar to the preceding 711 Bluff Ave. E., valuation, the comparable sales are adjusted based on an average price appreciation rate of 8% per year, from the date of the comparable sales to the effective date of valuation of April 7, 2019.

Site: Though the total site area of this home/tax parcel is 0.51 acres, for this adjustment only the main site area containing the home, south of and not including the Minnesota Valley State Trail, is included as the site area directly serving the home. The 0.26-acre balance is included as part of the unbuildable area of 7.61 acres, which is addressed in View/Nature Amenities.

View/Nature Amenities: For the purposes of this valuation, the subject home is analyzed assuming it has a common interest in, and shared use of, the adjoining unbuildable land area of 7.61 acres, which provides privacy, view, nature and river access amenities. It is assumed that the home shares this land amenity with the other two adjoining homes which, together with the unbuildable land, comprise the subject property in its entirety. Previously, it was concluded that the unbuildable land and its improvements have a contributory value of about \$20,000. The unbuildable land value amenity is divided among the three homes for this Sales Comparison Valuation as follows: \$6,700 for 711 Bluff Ave. E.; \$6,700 for 717 Bluff Ave. E.; and \$6,600 for 731 Bluff Ave. E.

Therefore, for the current valuation of 717 Bluff Ave. E., an upward adjustment of \$6,700 each is made to Sales 1, 2 and 3, since they have no special view amenities or shared interest in adjoining land.

Figure A.3 - LWCF Replacement Land Appraisal

Home Sales Adjustment Grid - 717 Bluff Ave. E.							
	SUBJECT	SALE#1		SALE#2		SALE#3	
Address	717 Bluff Ave. E. Shakopee	949 Ramsey Street S. Shakopee		119 12th Ave. S. Hopkins		316 Olive Street S. Waconia	
Sale Price		\$ 235,000		\$ 239,900		\$ 295,000	
Price/Above Grade SF		\$123		\$139		\$145	
Data and/or Verification Source		MLS/Broker - 4 Days on Mkt. County Records		MLS/Broker - 59 Days on Mkt. County Records		MLS/Broker - 160 Days on Mkt. County Records	
VALUE ADJUSTMENTS	Description	Description	+/- Adj.	Description	+/- Adj.	Description	+/- Adj.
Sales or Financing		Cash sale		Conv. Mtg. - seller contributed \$7,197	- 7,197	Conv. Mtg. - No seller contributions	
Concessions							
Date of Sale (Closing)	4/7/2019 Val. Date	12/28/2017	+ 24,000	7/20/2016	+ 52,100	8/24/2018	+ 14,600
Location	Shakopee/Avg.	Similar		Superior	- 20,000	Inferior	+ 10,000
Site	0.25 ac. S. of trail	0.23 ac.		0.14 ac.	- 2,500	0.22 ac.	
View/Nature Amenities	Unbuildable adj. land	Avg. Residential	+ 6,700	Avg. Residential	+ 6,700	Avg. Residential	+ 6,700
Design	2-Story Duplex	Split-Entry Duplex		2-Story Duplex		1.5-Story Duplex	
Quality/Appeal	Good	Average	+ 15,000	Avg. to Good	+ 7,500	Good	
Age	1880	1970	- 20,000	1900		1917	- 5,000
Condition	Average to Fair	Average	- 7,500	Good	- 25,000	Good	- 25,000
Above Grade Rm. Count (Total rms./BRs/Baths)							
Unit 1	5 / 2 / 1.00	5 / 2 / 1.00		5 / 2 / 1.00		6 / 2 / 1.00	
Unit 2	5 / 2 / 1.00	4 / 2 / 1.00		4 / 2 / 1.00		5 / 2 / 1.00	
Above Grade SF	2,499	1,908	+ 17,700	1,728	+ 23,100	2,031	+ 14,000
Basement	Full assumed, No WO	68 SF excl. fin. apt.	+ 5,000	Ptl., No Walkout	+ 2,000	Full, No Walkout	
Basement Finish	No finish assumed	No Finish		No Finish		No Finish	
Heating/Cooling	F. Air/Unknown A/C	F. Air/Central		F. Air/Central		F. Air/Central	
Garage	None	2 Car / Attached	- 6,000	None		2+ Car / Detached	- 6,000
Porch, Patio, Deck, Fireplace, etc.	3-season porch	Patio	+ 6,000	Deck, patio, fenced yard		2 decks, 3-season porch	- 6,000
Extra Features	Typical/Standard	Similar		Similar		Similar	
Net Adjustment		17.40%	+ 40,900	17.38%	+ 41,703	1.12%	+ 3,300
Gross Adjustments		45.91%		57.90%		29.59%	
Adjusted Sales Price			\$ 275,900		\$ 281,603		\$ 298,300

\$107,900

\$138,900

\$87,300

The adjusted sale prices provide value indications for the subject property located at 717 Bluff Ave E. ranging from \$275,900 to \$298,300. The average of the three value indications is \$285,268. Sales 1 and 3 are given greater levels of weight than Sale 2, which required the most total adjustment, as measured by the Gross Adjustments totaling 57.90% of the sale price. The average value indication of Sales 1 and 3 is \$287,100. It is concluded that market evidence best supports a subject property market value conclusion of approximately \$287,000.

**SALES COMPARISON APPROACH VALUE INDICATION – \$287,000
717 BLUFF AVE E.:**

731 Bluff Avenue E. Valuation

The duplex property located at 731 Bluff Ave. E. is valued in a similar manner as the preceding valuation of the duplex property at 717 Bluff Ave. E. The duplex design of 731 Bluff Ave. E. required going beyond the City of Shakopee to find two of the three comparable sales used for the analysis. Duplex properties are much less prevalent in the market, relative to single-family homes, and thus sales of duplexes are much less prevalent at any given point in time as well. On the next page is a summary of the comparable duplex sales included in the valuation, followed on later pages by the remaining part of the valuation for this property.

Figure A.3 - LWCF Replacement Land Appraisal

Comparable Home Sales Summary – 731 Bluff Ave. E.									
#	Location/ PID#	Sale Date	Sale Price	Buyer Seller	Above- Grade Gross Living Area (SF)	\$/SF Above- Grade GLA	Land Area	Age/ Cond.	Comments
1	949 Ramsey Street S. Shakopee 27-027022-0	12/28/17	\$235,000	Eric and Jennifer Zeng John and Amy Dennehey	1,908	\$123	0.23 ac.	1970/ Avg.	Split-entry up-down duplex with one unit on upper level and one unit on lower/garden level. All but 68 SF of the lower level is finished and contained within the lower unit. Both units have two bedrooms and a full bath. Forced air heat with central A/C. 2-car attached garage. Amenities include a patio. Average quality/appeal. Purchase financed with all cash. Listed on Multiple Listing Service for 4 days with asking price of \$235,000 during entire listing period.
2	119 12 th Ave. S. Hopkins 24-117-22-34-0110	7/20/16	\$239,900	Katherine Rogosheske Adam Lenhart	1,728	\$139	0.14 ac.	1900/ Good	Two-story up-down duplex with one two-bedroom, one-bath unit on first floor and one two-bedroom, one-bath unit on second floor. Partial, non-walkout unfinished basement. Forced air heat with central A/C. Amenities include deck, patio and fence-enclosed yard. Average to good quality/appeal. Financed with conventional mortgage and \$7,197 in seller contributions. Listed on Multiple Listing Service for 59 days with asking price of \$239,900 during entire listing period.
3	256 Orange Street S. Waconia 75-5020060	9/20/17	\$190,080	Ross and Colleen Reichenberger Cheryl and Scott Smilanich	1,951	\$97	0.25 ac.	1906/ Avg.- Fair	1.5-story up-down duplex with one 2-bedroom, 1.75-bath unit on first floor and one 1-bedroom, 1-bath unit on second floor. Partial, non-walkout basement with 899 SF of finish. Forced air heat with central A/C. Average quality/appeal. Financed with conventional mortgage and \$3,802 in seller contributions. Listed on Multiple Listing Service for 23 days with asking price of \$194,900 during entire listing period.
S u b j	731 Bluff Ave. E. Shakopee 27-004174-0	4/7/19 Value Date	---	--- ---	2,096	---	0.35 ac. Contiguous + Adjoining unbuildable land	1860/ Avg.- Fair	1.5-story up-down duplex assumed to have a two-bedroom, one-bath unit on first floor and one-bedroom, one-bath unit on second floor. Full, non-walkout unfinished basement assumed. Forced air heat assumed, A/C unknown. Amenities include open front porch. Average quality/appeal. Home is valued assuming it has a common interest in/use of adjoining unbuildable land which offers view, privacy, nature and river access amenities, shared with two adjoining homes at 711 and 717 Bluff Ave. E.

COMPARABLE HOME SALES PHOTOGRAPHS – 731 BLUFF AVE. E.



Home Sale 1: 949 Ramsey Street S., Shakopee

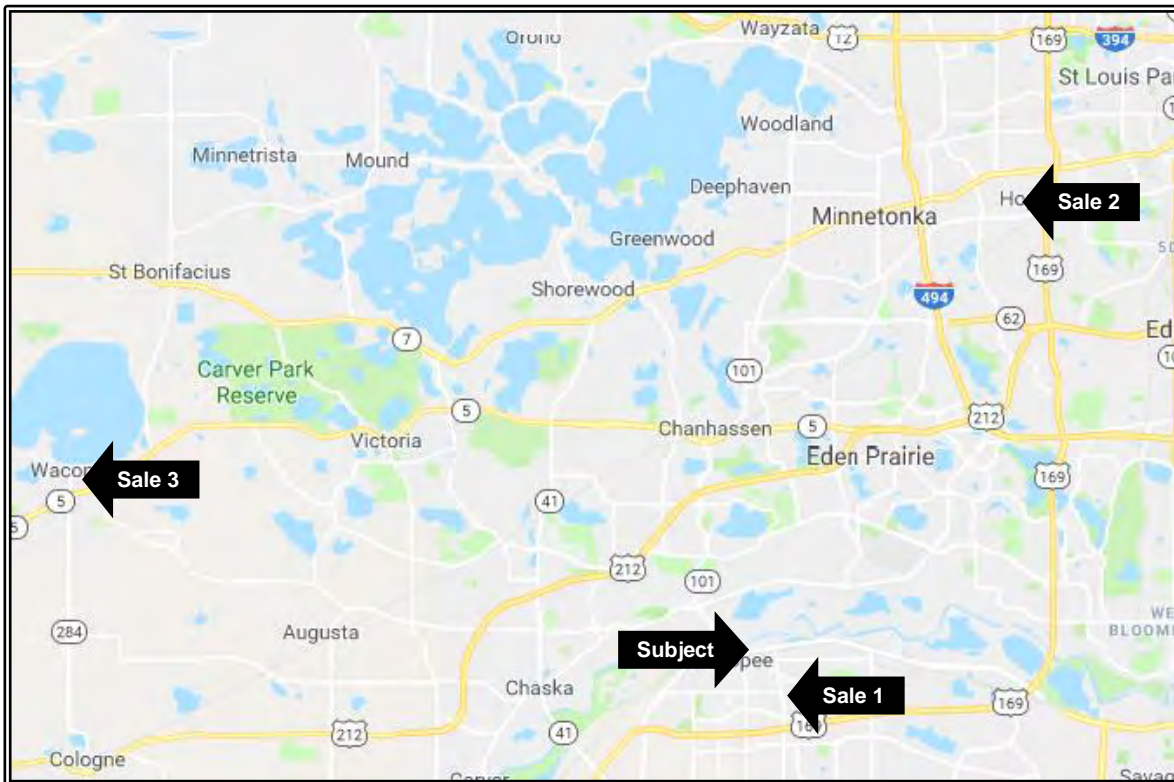


Home Sale 2: 119 12th Ave. S., Hopkins

Figure A.3 - LWCF Replacement Land Appraisal



Home Sale 3: 256 Orange Street S., Waconia



Comparable Home Sales Location Map – 731 Bluff Ave. E.

Figure A.3 - LWCF Replacement Land Appraisal

Analysis of Home Sales – 731 Bluff Ave. E.

The home sales are analyzed and their sale prices are adjusted for value-related differences. The adjustments are shown in a grid on the next page. Most adjustments are self-explanatory. Four items are discussed below:

Sales or Financing Concessions: Similar to the preceding 711 and 717 Bluff Ave. E. valuations, downward Sales or Financing Concessions adjustments were made, in this case to Sales 2 and 3, in the amount equal to the seller-paid concessions dollar amount for these two sales, to reflect the net effective cash value of the transactions.

Date of Sale (Closing): Similar to the preceding 711 and 717 Bluff Ave. E. valuations, the comparable sales are adjusted based on an average price appreciation rate of 8% per year, from the date of the comparable sales to the effective date of valuation of April 7, 2019.

Site: Though the total site area of this home/tax parcel is 0.39 acres, for this adjustment only the main contiguous site area containing the home, excluding a noncontiguous strip of land located 30 feet to the east which is 15 feet wide and 120 feet deep, is included as the site area directly serving the home. The 0.04-acre balance is included as part of the unbuildable area of 7.61 acres, which is addressed in View/Nature Amenities.

View/Nature Amenities: For the purposes of this valuation, the subject home is analyzed assuming it has a common interest in, and shared use of, the adjoining unbuildable land area of 7.61 acres, which provides privacy, view, nature and river access amenities. It is assumed that the home shares this land amenity with the other two adjoining homes which, together with the unbuildable land, comprise the subject property in its entirety. Previously, it was concluded that the unbuildable land and its improvements have a contributory value of about \$20,000. The unbuildable land value amenity is divided among the three homes for this Sales Comparison Valuation as follows: \$6,700 for 711 Bluff Ave. E.; \$6,700 for 717 Bluff Ave. E.; and \$6,600 for 731 Bluff Ave. E.

Therefore, for the current valuation of 731 Bluff Ave. E., an upward adjustment of \$6,600 each is made to Sales 1, 2 and 3, since they have no special view amenities or shared interest in adjoining land.

Figure A.3 - LWCF Replacement Land Appraisal

Home Sales Adjustment Grid - 731 Bluff Ave. E.							
	SUBJECT	SALE#1		SALE#2		SALE#3	
Address	731 Bluff Ave. E. Shakopee	949 Ramsey Street S. Shakopee		119 12th Ave. S. Hopkins		256 Orange Street S. Waconia	
Sale Price		\$ 235,000		\$ 239,900		\$ 190,080	
Price/Above Grade SF		\$123		\$139		\$97	
Data and/or Verification Source		MLS/Broker - 4 Days on Mkt. County Records		MLS/Broker - 59 Days on Mkt. County Records		MLS/Broker - 23 Days on Mkt. County Records	
VALUE ADJUSTMENTS	Description	Description	+/- Adj.	Description	+/- Adj.	Description	+/- Adj.
Sales or Financing		Cash sale		Conv. Mtg. - seller contributed \$7,197	- 7,197	Conv. Mtg. - seller contributed \$3,802	- 3,802
Concessions							
Date of Sale (Closing)	4/7/2019 Val. Date	12/28/2017	+ 24,000	7/20/2016	+ 52,100	9/20/2017	+ 23,500
Location	Shakopee/Avg.	Similar		Superior	- 20,000	Inferior	+ 10,000
Site	0.35 ac. contiguous	0.23 ac.	+ 2,000	0.14 ac.	+ 4,000	0.25 ac.	+ 2,000
View/Nature Amenities	Unbuildable adj. land	Avg. Residential	+ 6,600	Avg. Residential	+ 6,600	Avg. Residential	+ 6,600
Design	1.5-Story Duplex	Split-Entry Duplex		2-Story Duplex		1.5-Story Duplex	
Quality/Appeal	Average	Average		Avg. to Good	- 7,500	Average	
Age	1860	1970	- 25,000	1900	- 5,000	1906	- 6,000
Condition	Average to Fair	Average	- 7,500	Good	- 25,000	Average to Fair	
Above Grade Rm. Count (Total rms./BRs/Baths)							
Unit 1	5 / 2 / 1.00	5 / 2 / 1.00		5 / 2 / 1.00		6 / 2 / 1.75	- 2,500
Unit 2	4 / 1 / 1.00	4 / 2 / 1.00	- 15,000	4 / 2 / 1.00	- 15,000	4 / 1 / 1.00	
Above Grade SF	2,096	1,908	+ 5,600	1,728	+ 11,000	1,951	+ 4,400
Basement	Full assumed, No WO	68 SF excl. fin. apt.	+ 5,000	Ptl., No Walkout	+ 2,000	Ptl., No Walkout	+ 2,000
Basement Finish	No finish assumed	No Finish		No Finish		899 SF Finished	- 6,000
Heating/Cooling	F. Air/Unknown A/C	F. Air/Central		F. Air/Central		F. Air/Central	
Garage	None	2 Car / Attached	- 6,000	None		2 Car / Detached	- 5,500
Porch, Patio, Deck, Fireplace, etc.	Open front porch	Patio		Deck, patio, fenced yard	- 5,500	None	+ 500
Extra Features	Typical/Standard	Similar		Similar		Similar	
Net Adjustment		-4.38%	- 10,300	-3.96%	- 9,497	13.26%	+ 25,198
Gross Adjustments		41.15%		64.07%		36.30%	
Adjusted Sales Price			\$ 224,700		\$ 230,403		\$ 215,278

\$96,700

\$153,700

\$69,000

The adjusted sale prices provide value indications for the subject property located at 731 Bluff Ave E. ranging from \$215,278 to \$230,403. The average of the three value indications is \$223,460. Sales 1 and 3 are given greater levels of weight than Sale 2, which required the most total adjustment, as measured by the Gross Adjustments totaling 64.07% of the sale price. The average value indication of Sales 1 and 3 is \$219,989. It is concluded that market evidence best supports a subject property market value conclusion of approximately \$220,000.

**SALES COMPARISON APPROACH VALUE INDICATION – \$220,000
731 BLUFF AVE E.:**

TOTAL PROPERTY VALUE INDICATION BY SALES COMPARISON APPROACH

711 Bluff Avenue E.	\$184,000
717 Bluff Avenue E.	\$287,000
731 Bluff Avenue E.	<u>\$220,000</u>
Total	\$691,000

INCOME APPROACH

The basic procedures of the Income Approach can be summarized in the following four steps:

1. Estimate gross potential income at market or contract rent.
2. Deduct for vacancy and credit loss allowance.
3. Deduct expenses: fixed expenses (taxes and insurance), variable operating expenses, and replacement reserves.
4. Capitalize net income by an appropriate technique.

Rentable Area and Bedroom/Bath Counts

Shown below is a summary of the rentable areas and bedroom/bath counts of each of the subject property homes. Typically, the rentable area for this property type is the finished/livable area, which for these properties is synonymous with the above-grade gross building area (also known as gross living area), since the basements which are assumed to exist within the homes are also assumed to be unfinished.

Rentable Areas and Bedroom/Bath Counts of Subject Homes

711 Bluff Ave. E. (Single-Family Home Built in 1948)

840 SF Livable/Finished

2BR, 1 Bath + Full Bsmt. + 1,156-SF Det. Gar.

717 Bluff Ave. E. (Up-Down Duplex Built in 1880)

2,499 SF Livable/Finished

Main Floor: 2BR, 1 Bath (approx. 1,250 SF)

2nd Floor: 2BR, 1 Bath (approx. 1,249 SF)

731 Bluff Ave. E. (Up-Down Duplex Built in 1860)

2,096 SF Livable/Finished

Main Floor: 2BR, 1 Bath (approx. 1,360 SF)

2nd Floor: 1BR, 1 Bath (approx. 736 SF)

Contract Rent

Contract rent is the rent currently being paid within the homes, based on leases which are assumed to exist. It is the appraiser's understanding that all three of the subject property homes are rented to tenants, and none are owner-occupied. However, the appraiser was not provided with any information pertaining to the current rents being paid in the homes, and therefore there is no contract rent to report or analyze. The subject homes will be valued within the Income Approach based on market rents, which are the estimated rents the homes could generate based on what is being paid in the current local market for similar homes.

Market Rent Survey

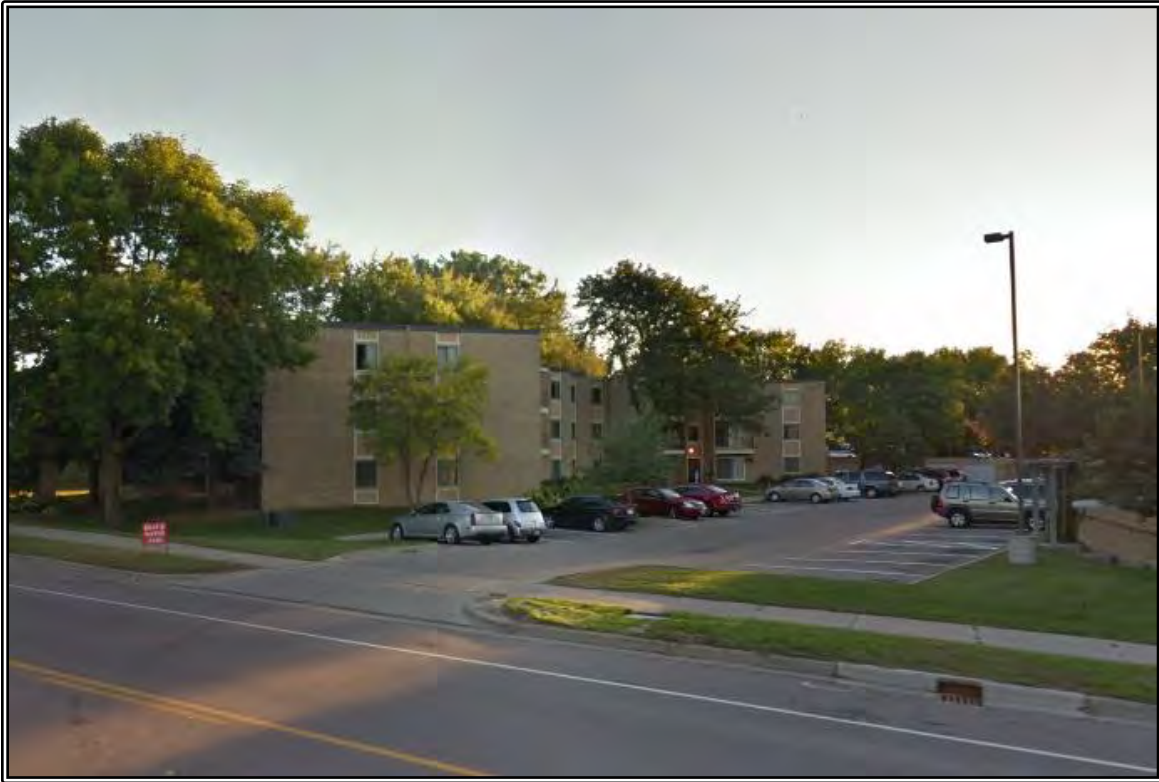
A survey of asking rents for space available for lease in various residential property types has been made for the purpose of estimating the market rent for the subject homes. Shown on the next page is a summary of five representative rent comparables in Shakopee and nearby Chaska. The rent comparables reflect a range of housing types including standard apartments in buildings with multiple similar units, a twin home unit, and two single-family homes. Comparable photographs and a location map are on pages following the rent comparables summary.

Figure A.3 - LWCF Replacement Land Appraisal

Comparable Rental Properties Summary									
#	Location	Type	Year Built	Bed-rooms	Baths	Total Livable/ Finished SF	Monthly Rent ¹	Rent/SF	Comments
1	1245 Shakopee Ave. E. Shakopee	3-Story Apartment Complex	1973	1	1	640	\$925	\$1.45	1-bedroom unit available in Huntington Park apartment complex. Basic amenities include common laundry area, storage lockers, balcony or patio and off-street surface parking lot.
2	628 Gorman St. Shakopee	3-Story Apartment Complex	1973	2	1	750	\$1,000	\$1.33	2-bedroom unit available in Hunter's Ridge apartment complex. Basic amenities include dishwasher, disposal, common laundry area, storage lockers, air conditioning and off-street surface parking lot.
3	202 Maple St. N. Chaska	1.5-Story Duplex	1900	2	1	1,000	\$1,150	\$1.15	Main-floor unit in 1.5-story duplex. Home built in 1900 but is in above average condition for age. Rent includes use of one stall in detached garage.
4	1458 Roundhouse Cir. Shakopee	Split-Entry Twin Home	1992	3	2	1,622	\$1,625	\$1.00	Split-entry style twin home unit with 892 SF on main floor and full, non-walkout basement with 730 SF of finished space. Two bedrooms and one bath on upper level; one bedroom and one bath on lower level. Includes two-car attached garage.
5	930 Main St. S. Shakopee	1-Story Single-Family Home	1960	4	2	1,638	\$1,775	\$1.08	Rambler-style home with 1,092 SF on main floor and full, non-walkout basement with 546 SF of finished space. Two bedrooms and one bath per floor. Includes one-car attached garage.
Subject Properties	711 Bluff Ave. E. Shakopee	1-Story Single-Family Home	1948	2	1	840	---	---	Rambler-style home with full unfinished basement (all finished space is on main floor). Average to fair condition. Includes detached garage built in 1848 with 1,156 SF of space and 1-car overhead door.
	717 Bluff Ave. E. Shakopee	2-Story Duplex	1880	4 Total	2 Total	2,499 Total	---	---	Historically significant 2-story brick-exterior duplex home with appealing, above average architectural features and ornamentation. Bedroom/bath count to left is total for both units and is estimated. Average to fair condition.
	731 Bluff Ave. E. Shakopee	1.5-Story Duplex	1860	3 Total	2 Total	2,096 Total	---	---	1.5-story duplex home. Bedroom/bath count to left is total for both units. Average to fair condition.

¹Monthly rent adjusted to exclude utilities, trash removal and snow/lawn care, where applicable

COMPARABLE RENTAL PROPERTY PHOTOGRAPHS



Rental 1: 1245 Shakopee Ave. E., Shakopee

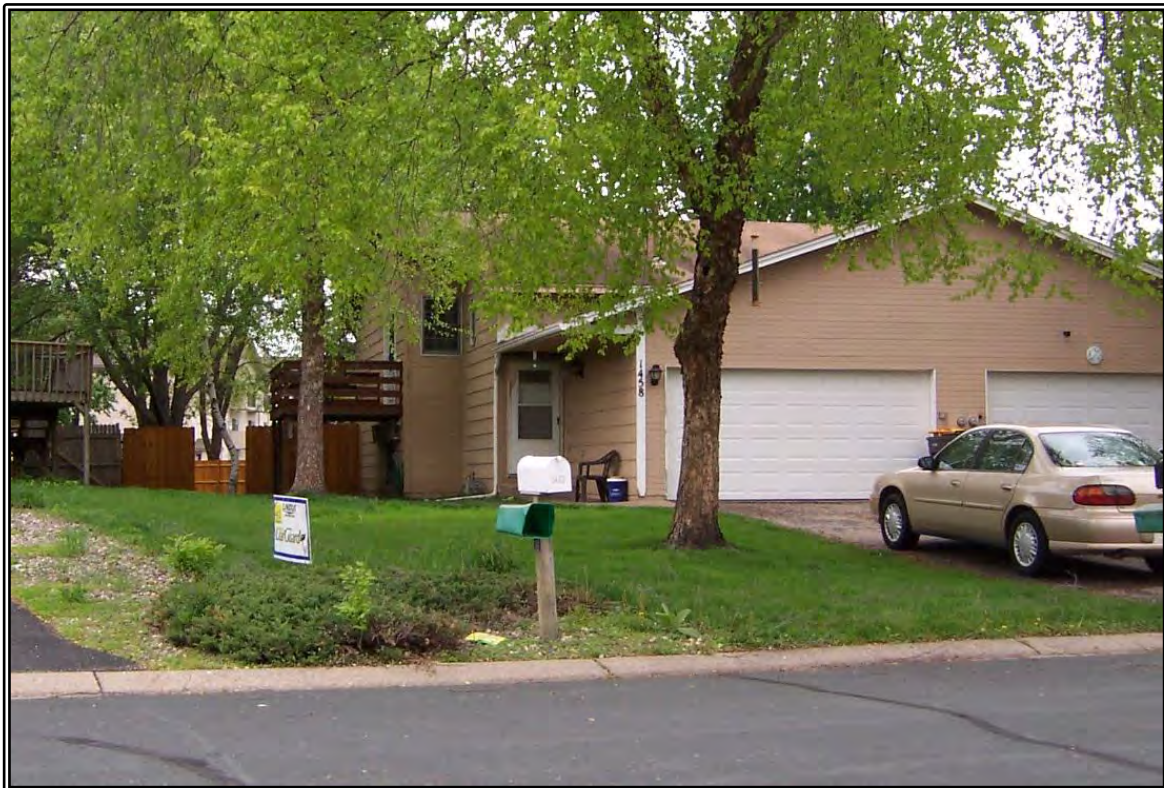


Rental 2: 628 Gorman Street, Shakopee

Figure A.3 - LWCF Replacement Land Appraisal



Rental 3: 202 Maple Street N., Chaska

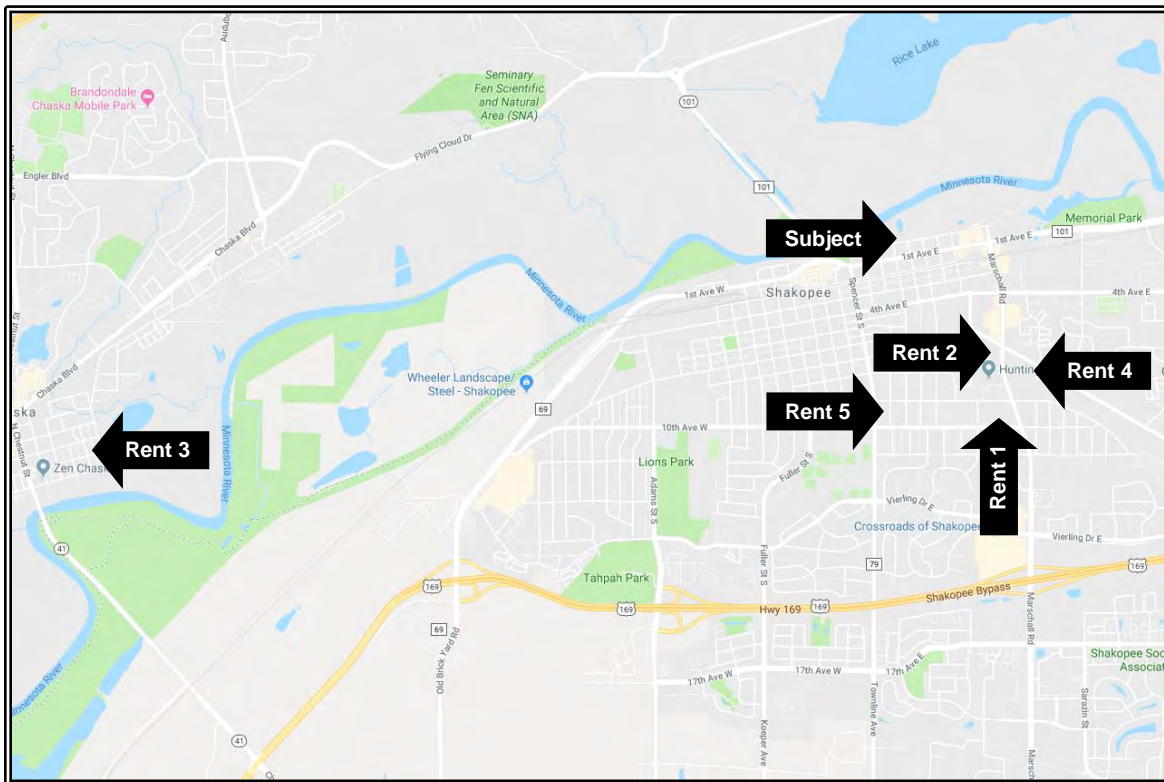


Rental 4: 1458 Roundhouse Circle, Shakopee

Figure A.3 - LWCF Replacement Land Appraisal



Rental 5: 930 Main Street S., Shakopee



Comparable Rental Properties Location Map

Market Rent Analysis

The rent comparables presented on the preceding pages reflect a range of housing unit types and sizes, from a one-bedroom apartment with 640 square feet to a four-bedroom single-family home with 1,638 square feet of finished, livable area. The dwelling units were built between 1900 and 1992. The rents range between \$925 and \$1,775 per month, and between \$1.08 to \$1.45 per month per square foot of rentable area. All of the rents are stated on a semi-gross basis, in which the landlord pays property taxes, building hazard insurance and most maintenance/repair costs, but the tenant pays for all utilities, trash removal, and snow removal/lawn care. This type of rent arrangement is consistent with the manner in which the subject homes would be rented.

711 Bluff Avenue E. is a two-bedroom, one-bath dwelling which has an advantage over a two-bedroom, one-bath apartment like Rental 2 in that the tenant has access to many additional spaces and amenities, including a full basement, a large garage and a large yard, none of which have to be shared with other tenants. Partly offsetting this advantage is the older vintage of the home and its average to fair overall condition, which is inferior to the age and condition of Rental 2.

717 Bluff Avenue E. has two 2-bedroom, 1-bath duplex units which have an advantage over a 2-bedroom, 1-bath duplex unit like Rental 3 in that the unit sizes are significantly larger and the property has significant, appealing architectural features and upgraded construction materials. Additionally, the subject home offers the tenants access to a full basement and their own yard, which is about one-quarter of an acre in size. Partly offsetting this advantage is the older vintage of the home and its average to fair overall condition, which is inferior to the age and condition of Rental 3; and its lack of access to a single-car garage stall such as that available for Rental 3.

731 Bluff Avenue E. has one 2-bedroom, 1-bath duplex unit and one 1-bedroom, 1-bath duplex unit, both of which have an advantage over a standard 1- or 2-bedroom apartment unit, since the unit sizes are larger and the tenants in the subject home have access to a full basement and their own yard, which is about 0.35 acres in size. Partly offsetting this advantage is the older vintage of the home and its average to fair overall condition, which is inferior to the age and condition of apartment Rentals 1 and 2.

Unbuildable Land: For this analysis, similar to what was assumed in the Sales Comparison Approach, it is assumed in the Income Approach that the tenants of the three subject property homes also are entitled to share in the adjoining 7.61 acres of unbuildable land which offer privacy, view, nature and access amenities. The concluded market rent for each subject home includes an increment of additional rent to reflect the value of this added amenity.

Figure A.3 - LWCF Replacement Land Appraisal

Market Rent Conclusion

Based on the discussion and analysis of the rent comparables presented on the preceding pages, shown below are the appraiser's estimates of the current market rents for each of the three subject property homes, together with a calculation of the total gross potential rental income on an annual basis that the subject homes could generate, based on these rents:

Market Rent Estimates

711 Bluff Ave. E. (840 SF Livable/Finished)

2BR, 1 Bath + Full Bsmt. + 1,156-SF Det. Gar. \$1,100 / mo. (\$1.31 / SF) x 12 = \$13,200

717 Bluff Ave. E. (2,499 SF Livable/Finished)

Main Floor: 2BR, 1 Bath (approx. 1,250 SF) \$1,200 / mo. (\$0.96 / SF) x 12 = \$14,400

2nd Floor: 2BR, 1 Bath (approx. 1,249 SF) \$1,200 / mo. (\$0.96 / SF) x 12 = \$14,400

731 Bluff Ave. E. (2,096 SF Livable/Finished)

Main Floor: 2BR, 1 Bath (approx. 1,360 SF) \$1,100 / mo. (\$0.81 / SF) x 12 = \$13,200

2nd Floor: 1BR, 1 Bath (approx. 736 SF) \$900 / mo. (\$1.22 / SF) x 12 = \$10,800

\$5,500 / mo. (\$1.01 / SF) avg. \$66,000

Gross Potential Rental Income (Annual): **\$66,000**

Vacancy and Credit Loss

A prudent investor would allocate a loss in revenue against any potential gross annual income for intermittent vacancy and the inability to collect all earned rents.

According to a Star Tribune article titled "Tenant demand drives rents up," dated February 15, 2019, the overall Twin Cities metro area vacancy rate for apartments in 2018 was 3.5%, and Scott County's vacancy rate was much lower, at only 1.4%. Considering the subject property situation, the average vacancy rate would be somewhat higher than the lowest prevailing market vacancy rate, since it is an older property with a mix of unit types and styles, compared to the more standardized, larger rental properties which are easier to efficiently keep occupied and are the properties reflecting the bulk of the market vacancies quoted above. Additionally, an increment must be added beyond pure physical vacancy to account for occasionally non-collection of rent.

For the subject property, based on the above discussion, a combined **vacancy and collection loss factor of 5%** is applied.

Figure A.3 - LWCF Replacement Land Appraisal

Expense Analysis

No operating expense information pertaining to the subject homes was available to the appraiser, other than the current property taxes payable, which is readily available public information. The subject property expenses that the owner/landlord would have to pay based on a semi-gross rent arrangement were estimated based on analysis of available expense data from other similar residential rental properties, and on the general experience of the appraiser in valuing other rental properties similar to the subject homes. The expense estimates are listed within a Net Operating Income Statement shown on a following page

Capitalization Rate Analysis

The subject property estimated annual net income will be valued by the direct capitalization method, applying an appropriate capitalization rate. Shown below are capitalization rates extracted from several relatively recent representative sales of multifamily properties in the Twin Cities metro area.

Market-Extracted Capitalization Rates – Multifamily/Apartment Properties							
#	Location	Sale Date	Year Built	# of Units	Cash Equiv. Sale Price	Net Operating Income	Cap Rate
1	949 Ramsey St. S. Shakopee	12/28/17	1970	2	\$235,000	\$14,250	6.06%
2	2020 Franklin Ave. E. Minneapolis	7/31/18	1916	16	\$1,950,000	\$118,475	6.08%
3	7300 & 7320 Cedar Ave. S. Richfield	5/10/19	1965	28	\$2,560,000	\$167,124	6.53%
4	5900 2 ½ St. NE Fridley	4/30/18	1974	7	\$490,500	\$34,335	7.00%
5	14030 Chestnut Dr. Eden Prairie	3/10/17	1972	169	\$17,550,000	\$1,053,000	6.00%

Capitalization Rate Conclusion: The market-extracted capitalization analysis provided a range between 6.00% and 7.00%. It is noted that cap rate indicator 1 in the table above also was Sale 1 in the Sales Comparison Approach valuation of the duplexes at 717 and 731 Bluff Ave. E. This is the most similar property of the cap rate indicators shown above. It is noted that the subject property collection of three older homes on separate lots which are in average to fair overall condition likely carries somewhat higher levels of risk in operation as an investment property, relative to cap rate indicator 1, which is newer, more standardized in design and in better condition. Higher levels of risk typically translate into higher capitalization rates.

Based on an analysis of the above discussion of cap rate data and other considerations, it is concluded that a reasonable cap rate for the subject property is as follows:

Capitalization Rate Conclusion: 6.25%

Figure A.3 - LWCF Replacement Land Appraisal

A net operating income statement incorporating the foregoing analysis of the subject property profile of market rent, vacancy/collection loss, expenses, and capitalization rate conclusions is shown below. The statement reflects an estimate of the net operating income for the property during a one-year period. The net operating income amount is divided by the capitalization rate, which is a typical investor's required rate of return within a one-year period, to arrive at an indication of the subject property market value via the Income Approach

Net Operating Income Statement

Gross Potential Rental Income	\$ 66,000
Less Vacancy & Collection Loss @ 5%	<u>\$ (3,300)</u>
Effective Gross Income	\$ 62,700

Less Expenses

	<u>\$/SF</u>	<u>Total \$</u>
Real Estate Taxes	\$ 1.47	\$ 8,000
Insurance	\$ 0.50	\$ 2,718
Vacant Utilities	\$ 0.07	\$ 380
Maintenance & Repairs	\$ 0.50	\$ 2,718
Trash	\$ -	\$ -
Grounds Care/Snow Removal	\$ -	\$ -
Management Fee @ 5.0%	\$ 0.58	\$ 3,135
Miscellaneous	\$ 0.09	\$ 500
Annual Replacement Reserves	<u>\$ 0.40</u>	<u>\$ 2,174</u>
	\$ 3.61	\$ 19,625

Total Expenses (31.3% of EGI)	<u>\$ 19,625</u>
Net Operating Income	\$43,075

Capitalized at 6.25% : \$43,075 ÷ 6.25% = \$689,200

Rounded to

INCOME APPROACH INDICATION: \$689,000

Figure A.3 - LWCF Replacement Land Appraisal

RECONCILIATION

The applicable value approaches indicate the following market values for the subject property:

Cost Approach	Not Applied
Sales Comparison Approach	\$691,000
Income Approach	\$689,000

The Cost Approach is most useful in the appraisal of new construction. It becomes more difficult to ascertain losses in market value due to various forms of depreciation and obsolescence as a building ages from new. The subject homes and other improvements located upon the land were built many years ago (the homes range between 71 and 159 years old), resulting in substantial accrued depreciation. Given the advanced age of the improvements, the Cost Approach offers little relevance, and a typical buyer would place no material weight on this valuation method when evaluating the potential purchase of the subject property. Consequently, the Cost Approach was excluded from this appraisal.

Land valuation is a subset of the Cost Approach, and the subject land was valued in this appraisal as a means of confirming that the highest and best of the property, as improved, is for continuation of its current use, rather than to demolish the improvements and redevelop the land. The land, as vacant, was valued at \$164,000, which is significantly lower than the value of the property as currently improved.

The Sales Comparison Approach is founded on the principle of substitution, in that a prudent buyer will pay no more for a property than for an equally desirable substitute. Several sales of single-family and duplex homes were available for detailed analysis. Though adjustments were required to the comparable sale prices, the end result was a reasonably narrow range of value indication for the three homes on the subject property.

The Income Approach is based on the theory that market value is the present worth of estimated future income benefits. The Income Approach value indication is based on a thorough analysis of the property's potential to generate a net income after analyzing market rent comparables, vacancy levels, operating expenses, and capitalization rates. The adjoining three homes on the subject property are currently rented, and it is likely that potential buyers would be interested in the income-producing capacity of the subject property, as an investment.

The Sales Comparison and Income Approaches generated a narrow range of value indication. Both approaches are considered reliable and pertinent, and both received similar levels of consideration when arriving at a final opinion of value.

It is my opinion that the market value of the fee simple interest in the subject property, as of April 7, 2019, is as follows:

SIX HUNDRED NINETY THOUSAND DOLLARS
(\$690,000)

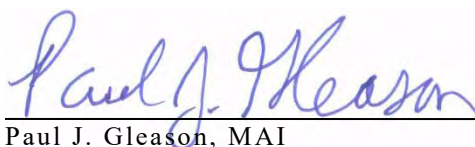
EXPOSURE TIME

The preceding opinion of market value is based on an estimated property market exposure time of 6 to 12 months. Exposure time is defined as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal” (Source: 2018-2019 Uniform Standards of Appraisal Practice, Page 4).

CERTIFICATION

The undersigned does hereby certify that in this appraisal report:

1. This appraisal assignment is not based on a requested minimum valuation or specific valuation for approval of a loan. The estimate of market value identified in this report was developed independent of any undue influence.
2. Neither my engagement to make this appraisal (or any future appraisals for this client), nor any compensation, therefore, are contingent upon the development or report of a predetermined value or direction in value that favors the cause of the client, the amount of value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
3. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
5. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
6. To the best of my knowledge and belief the statements of fact contained in this appraisal report upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
7. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased analyses, opinions, and conclusions.
8. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.
9. No one provided significant professional assistance to the person(s) signing this certification.
10. I have made a personal inspection of the property that is the subject of this report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
13. The by-laws and regulations of the Appraisal Institute govern disclosure of the contents of this appraisal report.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he/she is connected, or any reference to the Appraisal Institute or MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.
15. I have the knowledge and experience to complete this appraisal in a competent manner. Neither my company nor I have been sued by a regulatory agency or financial institution for fraud or negligence involving an appraisal report.
16. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the report within the three year period immediately preceding acceptance of this assignment.



Paul J. Gleason, MAI

Certified General Real Property Appraiser

Minnesota License #4003073

PROFESSIONAL QUALIFICATIONS
PAUL J. GLEASON, MAI

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

MAI Member – The Appraisal Institute

APPRAISER LICENSE

Certified General Real Property Appraiser – State of Minnesota –
License #4003073

EDUCATION

University of Wisconsin at La Crosse, Wisconsin – 1985
Bachelor of Science Degree in Business Administration

PROFESSIONAL EXPERIENCE

Principal – BRKW Appraisals, Inc., St. Paul, MN, 2007-present

Staff Appraiser – BRKW Appraisals, Inc., St. Paul, MN, 1993-2006

Appraiser – Certified Appraisers, Excelsior, MN, 1993

Appraiser – Stiles Appraisals, Inc., Plymouth, MN, 1992-1993

Expert Witness Testimony – For real estate litigation in numerous condemnation commissioners' hearings, arbitration hearings and in District Court

Presenter/Speaker at Minnesota Department of Transportation's 2016 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2014 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2012 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2010 Right of Way Professionals Workshop, Breezy Point, MN

Appraisal assignments have been completed for the following purposes:

Condemnation – Partial and total acquisitions, in fee title and in easement form

Property Damage Claims Litigation

Special Benefits Valuation

Mortgage Financing

General Valuation Needs – Purchase negotiations, listing prices, internal family or partnership transactions, estate planning/taxes, marriage dissolution, etc.

PROPERTY TYPES APPRAISED

Land – Commercial, industrial, residential acreage, agricultural, finished lots
Commercial Buildings – Office, industrial, retail, medical office, auto dealerships
Apartment Buildings/Complexes
1-4 Family Residential – Single-family home, townhome, condo, duplex, fourplex

PROFESSIONAL REAL ESTATE STUDIES

Appraisal Institute courses, including all required for MAI designation:

- Course 110: Appraisal Principles (examination passed)
- Course 120: Appraisal Procedures (examination passed)
- Course 210: Residential Case Study
- Course 310: Basic Income Capitalization
- Course 410: National Uniform Standards of Professional Appraisal Practice
- Course 420: Business Practices and Ethics
- Course 510: Advanced Income Capitalization
- Course 520: Highest and Best Use and Market Analysis
- Course 530: Advanced Sales Comparison and Cost Approaches
- Course 540: Report Writing and Valuation Analysis
- Course 550: Advanced Applications

Numerous additional classes and seminars for appraisal pre-license and continuing education requirements, on an ongoing basis, from Appraisal Institute and other sources

CLIENTS INCLUDE

Minnesota Cities of Afton, Austin, Apple Valley, Blaine, Cambridge, Cottage Grove, Eagan, Lino Lakes, Maplewood, Northfield, Oak Park Heights, Owatonna, Prior Lake, Rochester, Savage, Wabasha and Woodbury, among others

Anchor Bank	Associated Bank
BMO Harris Bank N.A.	Bremer Bank
Bridgewater Bank	Dougherty, Molenda, Solfest, Hills & Bauer, P.A.
Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP	Greene Espel PLLP
Minnesota Bank & Trust	Minnesota Dept. of Transportation
US Bank	Western Bank

And various other individuals, attorneys, communities and counties

Revised: January 1, 2019

COMPANY PROFILE

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BRKW Appraisals, Inc. (formerly known as Bettendorf Rohrer Knoche Wall, Inc.) is a full-service professional real estate appraisal company formed in 1991. The two principals of the firm have more than 40 years of combined experience in the valuation of a wide variety of real estate. Located in the Midway area of St. Paul, we concentrate on the appraisal of real estate primarily in the Twin Cities Metropolitan Area, as well as outlying communities in Minnesota.

Our extensive professional training and experience enable us to provide the expertise necessary for consistently reliable real estate valuation. Our appraisal reports are confidential documents completed in accordance with all current standards of professional appraisal practice and ethics. All of the appraisers employed by the company have the Certified General Real Property Appraiser license from the State of Minnesota. Our appraisers stay current with advances in appraisal techniques and the changing real estate market through continuing education programs.

At BRKW Appraisals, Inc. we strive to build and maintain long-lasting relationships with our clients. Our goal is to provide high-quality professional real estate valuation services in a timely manner that is consistent with the needs of our clients.

Appraisal & Consulting Services

Real Estate Appraisals
Mortgage Financing Appraisals
Condemnation/Litigation Appraisals
Review Appraisals
Real Estate Tax Abatements
Special Benefits Analysis
Expert Witness Testimony
REO Portfolio Valuation
Feasibility Studies
Market Surveys

Property Types

Commercial Properties
Industrial Properties
Multiple Family Residential
Single Family Residential
Subdivision Analysis
Vacant Land Parcels
Special Purpose Properties
Gas Station / Convenience Stores
Schools and Churches
Recreation Facilities

APPRAISAL STAFF

Paul J. Gleason, MAI – Principal and Managing Partner

Paul has been appraising real estate since 1992, and has the MAI designation of the Appraisal Institute. He has in-depth experience in the valuation of numerous real estate property types. Over the years, he has developed special expertise in the appraisal of land, and in eminent domain as well as special benefits valuations. Paul is a graduate of the University of Wisconsin at La Crosse and licensed as a Certified General Real Property Appraiser.

Mark A. Warren, MAI – Principal

Mark, a third-generation real property appraiser, has been appraising since 2003 and has the MAI designation of the Appraisal Institute. Types of property appraised include office, industrial, hotel/motel, retail/commercial, and other special use properties. Mark is a graduate of the University of Minnesota and licensed as a Certified General Real Property Appraiser.

Dylan J. Beckwith – Associate

Dylan joined BRKW Appraisals, Inc. in June 2018 as a new appraiser entering the profession. He is a recent graduate of the University of Minnesota – Twin Cities and is licensed as a Trainee Real Property Appraiser.

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. R2019-093

RESOLUTION APPROVING THE PURCHASE BY THE CITY OF PROPERTY LOCATED AT 711, 717, 731, AND UNASSIGNED ADDRESS ON BLUFF AVENUE EAST AND THE EXECUTION OF RELATED DOCUMENTS

WHEREAS, J. Kristin Sweeney Family Limited Liability Limited Partnership, a Minnesota limited liability limited partnership (the “Seller”) owns the property located at 711, 717, 731, and unassigned address on Bluff Avenue East (the “Property”) in the City of Shakopee, Minnesota (the “City”); and

WHEREAS, the City has proposed to acquire the Property from the Seller for a purchase price of \$695,000; and

WHEREAS, there has been presented before the City Council the form of the purchase agreement (the “Purchase Agreement”) between the Seller and the City, as buyer, setting forth the terms and conditions under which the City will acquire the Property from the Seller;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shakopee, Minnesota, that:

1. The Purchase Agreement is hereby approved. The Mayor and the City Administrator are authorized and directed to execute the Purchase Agreement in substantially the form on file in City Hall, subject to modifications that do not alter the substance of the transaction and are approved by the Mayor and the City Administrator; provided that execution of the Purchase Agreement will be conclusive evidence of approval.

2. The Mayor and the City Administrator are authorized to execute any other documents or certificates deemed necessary to carry out the transactions described in the Purchase Agreement and the intention of this resolution.

Adopted by the City Council of the City of Shakopee, Minnesota this 20th day of August, 2019.

Mayor

ATTEST:

City Clerk

PURCHASE AGREEMENT

(711, 717 and 731 Bluff Avenue East AND unassigned address for additional land)

1. **PARTIES.** This purchase agreement (the “Purchase Agreement”) is made this ___ day of _____, 2019 by and between J. Kristin Sweeney Family Limited Liability Limited Partnership, a Minnesota limited liability limited partnership (“Seller”) and the City of Shakopee, a Minnesota municipal corporation (“Buyer”).

2. **SUBJECT PROPERTY.** The Seller is the owner of real property located at 711, 717 and 731 Bluff Avenue East, plus adjoining vacant land, Shakopee, Scott County, Minnesota as follows:

711 Bluff Ave. E. (Tax Parcel ID #27-004172-0)

717 Bluff Ave. E. (Tax Parcel ID #27-801014-0)

731 Bluff Ave. E. (Tax Parcel ID #27-004174-0)

Unassigned Address (Tax Parcel ID #27-906048-0)

(the “Property”).

3. **OFFER/ACCEPTANCE.** In consideration of the mutual agreements herein contained, the Buyer offers and agrees to purchase and the Seller agrees to sell the Property.

4. **CONTINGENCIES.** This Purchase Agreement is contingent upon the following:

A. The Buyer’s inspection of the Property and environmental testing (if deemed necessary by the Buyer) and the Buyer receiving reports related to all appropriate due diligence, including without limitation conducting soil borings and testing on the Property, that are satisfactory to the Buyer, within 90 days of the date of this Purchase Agreement.

B. Condition of title being satisfactory to the Buyer following the Buyer’s examination of title as provided in Section 9 of this Purchase Agreement.

The Buyer shall have until the Closing Date (as defined herein) to remove the foregoing contingencies. The contingencies are solely for the benefit of the Buyer and may be waived by the Buyer. If the contingencies are duly satisfied or waived, then the Buyer and the Seller shall proceed to close the transaction as contemplated herein. If, however, one or more of the contingencies is not satisfied, or is not satisfied on time, and is not waived by the Buyer, this Purchase Agreement shall thereupon be void, at the option of the Buyer. If this Purchase Agreement is voided by the Buyer, the Buyer and the Seller shall execute and deliver to each other a termination of this Purchase Agreement.

5. **PURCHASE PRICE AND TERMS:**

- A. CONSIDERATION:** Buyer shall pay the Seller at closing \$695,000 for the Property. Seller acknowledges that Buyer's consideration includes consideration for all relocation services and relocation benefits to which the Seller may be entitled to by law.
- 6. CLOSING DATE.** The closing of the sale of the Property shall take place on or before _____, 2019 (the "Closing Date"), unless otherwise mutually agreed by the parties. The closing shall take place at Shakopee City Hall, 485 Gorman Street, or other location as mutually agreed upon by the parties.
- 7. DOCUMENTS TO BE DELIVERED AT CLOSING.** The Seller agrees to deliver the following documents to the Buyer at closing:
- A.** A duly recordable warranty deed conveying fee simple title to the Property to the Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to the Buyer;
 - B.** An affidavit from the Seller sufficient to remove any exception in the Buyer's policy of title insurance for mechanics' and materialmen's liens and rights of parties in possession;
 - C.** Affidavit of the Seller confirming that the Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended;
 - D.** A completed Minnesota Well Disclosure Certificate, unless the warranty deed includes the statement "the Seller certifies that the Seller does not know of any wells on the described Property"; and
 - E.** Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by Minnesota statutes, rules or ordinances.
- 8. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.**
- A.** The Seller shall be responsible for all real estate taxes, including any deferred real estate taxes, penalties or interest, for the years prior to the year in which closing occurs. The Buyer and the Seller shall prorate as of the Closing Date the real estate taxes for the Property that are due and payable in the year of closing.
 - B.** The Seller shall pay all special assessments levied against the Property as of the Closing Date, including special assessments certified for payment with the real estate taxes and all deferred assessments. The Buyer shall assume payment of any special assessments that are pending but not levied against the Property as of the Closing Date.

9. EXAMINATION OF TITLE. The Buyer's examination of title to the Property shall be conducted as follows:

A. SELLER'S TITLE EVIDENCE. The Seller shall provide the Buyer with the certificate of title or abstract for the Property, along with copies of any prior title policies. Upon receipt of the certificate of title or abstract, and prior title policies, the Buyer shall order a title commitment.

B. BUYER'S OBJECTIONS. The Buyer shall make written objections (the "Objections") to the form or contents of the title commitment or condition of title within 20 days after receipt of the same. The Buyer's failure to make Objections within such time period shall constitute waiver of the Objections. The Seller shall have 20 days after receipt of the Objections to cure the Objections, during which period the closing will be postponed, if necessary. The Seller shall use all reasonable efforts to correct any Objections. If the Objections are not cured within such 20-day period, the Buyer will have the option to do either of the following:

1. Allow Seller an additional 30 days to correct the objections;
2. Terminate this Purchase Agreement; or
3. Cure the Objections at the Buyer's expense.

10. CLOSING COSTS AND RELATED ITEMS.

A. SELLER'S COSTS. The Seller shall be responsible for the following closing costs and related items: (1) all recording fees and charges relating to the filing of any instrument required to make title marketable; (2) any state deed tax, conservation fee or other federal, state or local documentary or revenue stamps or transfer tax with respect to the warranty deed to be delivered by the Seller; (3) one-half of all closing fees charged by the title company and one-half of any escrow fees charged by any escrow agent engaged by the parties in connection with this Purchase Agreement; and (4) its own legal and accounting fees associated with this transaction;

B. BUYER'S COSTS. The Buyer shall be responsible for the following closing costs and related items: (1) the cost of any survey of the Property required by the Buyer; (2) the cost of preparing the title commitment and all premiums required for issuance of the title insurance policy; (3) any fees for standard searches with respect to the Seller and the Property; (4) the fees of any soil tests, environmental assessments, inspection reports, appraisals, or other tests or reports ordered by the Buyer; (5) recording fees and charges related to the filing of the warranty deed; (6) one-half of all closing fees charged by the title company and one-half of any escrow fees charged by any escrow agent engaged by the parties in connection with this Purchase Agreement; and (7) its own legal and accounting fees associated with this transaction.

11. POSSESSION/CONDITION OF PROPERTY. The Seller shall deliver possession of the Property to the Buyer at closing in the condition as the Property existed on the date of execution of this Purchase Agreement. The Seller agrees to remove from the Property all debris and any items of the Seller's personal property not included in this sale no later than 4:00 p.m. on the date before the Closing Date. The Seller shall remove all substances which, under state or federal law, must be disposed of at an approved disposal facility.

12. DISCLOSURE; INDIVIDUAL SEWAGE TREATMENT SYSTEM. The Seller represents that there is no individual sewage treatment system on or serving the Property.

13. SELLER'S REPRESENTATIONS AND WARRANTIES. The Seller hereby represents and warrants to Buyer as of the Closing Date that:

- A. Title. The Seller has good, indefeasible and marketable fee simple title to the Property.
- B. Condemnation. There is no pending or, to the actual knowledge of the Seller, threatened condemnation or similar proceeding affecting the Property or any portion thereof, and the Seller has no actual knowledge that any such action is contemplated.
- C. Defects. The Seller is not aware of any latent or patent defects in the Property, such as sinkholes, weak soils, unrecorded easements and restrictions.
- D. Legal Compliance. The Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to and affecting the Property and the Seller shall continue to comply with such laws, ordinances, regulations, statutes, rules and restrictions.
- E. Legal Proceedings. There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof; and the Seller has no knowledge that any such action is presently contemplated.
- F. Wells. The Seller certifies that there are no wells on the property.
- G. Refuse and Hazardous Materials. The Seller has not performed and has no actual knowledge of any excavation, dumping or burial of any refuse materials or debris of any nature whatsoever on the Property. To the Seller's best actual knowledge and belief, there are no "Hazardous Materials" (as hereinafter defined) on the Property that would subject the Buyer to any liability under either federal or state laws, including, but not limited to, the disposal of any foreign objects or materials upon or in the Property, lawful or otherwise. Without limiting the generality of the foregoing, the Seller represents and warrants to the Buyer that, to the Seller's best actual knowledge and belief:

1. The Property is not now and has never been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, process or in any manner deal with Hazardous Materials;
2. No Hazardous Materials have ever been installed, placed, or in any manner handled or dealt with on the Property;
3. There are no underground or aboveground storage tanks on the Property;
4. Neither the Seller nor, to the best knowledge of the Seller, any prior owner of the Property or any tenant, subtenant, occupant, prior tenant, prior subtenant, prior occupant or person (collectively, "Occupant") has received any notice or advice from any governmental agency or any other Occupant with regard to Hazardous Materials on, from or affecting the Property.

The term "**Hazardous Materials**" as used herein includes, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any material containing asbestos, or any other substance or material as may be defined as a hazardous or toxic substance by any federal, state or local environmental law, ordinance, rule, or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S. C. Section 1251, et seq.), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) and in the regulations adopted and publications promulgated pursuant thereto.

- G.** Legal Capacity. The Seller has the legal capacity to enter into this Purchase Agreement. The Seller has not filed, voluntarily or involuntarily, for bankruptcy relief within the last year under the United States Bankruptcy Code, nor has any petition for bankruptcy or receivership been filed against the Seller within the last year.
- H.** Leases. There are no third parties in possession of the Property, or any part thereof; and there are no leases, oral or written, affecting the Property or any part thereof.
- I.** Foreign Status. The Seller is not a "foreign person" as such term is defined in the Internal Revenue Code.
- J.** Methamphetamine Production. To the best of the Seller's knowledge, methamphetamine production has not occurred on the Property.

The Seller's representations and warranties set forth in this Section shall be continuing and are deemed to be material to the Buyer's execution of this Purchase Agreement and the Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on and as of the Closing Date with the same force and effect as if

made at that time; and all of such representations and warranties shall survive the closing and any cancellation or termination of this Purchase Agreement, and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any party hereto. The Seller agrees to defend, indemnify and hold the Buyer harmless for, from, and against any loss, costs, damages, expenses, obligations and attorneys' fees incurred should an assertion, claim, demand, action or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

15. TENANTS. The Seller warrants that there are no tenants on the Property with a lawful leasehold interest or otherwise occupying the Property. In the event any tenant comes forward and claims an interest in the Property at the time of or following the purchase, the Seller agrees to fully indemnify the Buyer for any and all costs associated with terminating such tenancy and for any and all relocation assistance and benefits that may be due to such tenant together with attorneys' fees that the Buyer would have to incur in connection with legal action required to resolve any relocation assistance or benefits dispute with such tenant. For Sections 14 and 15 of this Purchase Agreement, "relocation assistance and benefits" shall have the meaning ascribed to them by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. Sections 4601-4655 (the federal URA) and the regulations implementing the federal URA, 49 C.F.R. Sections 24.1-24.603.

16. BROKER COMMISSIONS. The Property was listed by a real estate broker retained by the Seller. The Seller is responsible for paying its real estate broker's commission from the proceeds of the sale. With the exception of the above, both the Buyer and the Seller represent that no other brokers have been retained with respect to the Property who would be entitled to a commission or other compensation. The Seller agrees to indemnify, defend, and hold the Buyer harmless against and in respect to any such obligation and liability based in any way upon agreements, arrangements, or understandings made or claimed to have been made by the Seller with any other agents, brokers, or third parties. Likewise, the Buyer agrees to indemnify, defend, and hold the Sellers harmless against and in respect to any such obligation and liability based in any way upon agreements, arrangements, or understandings made or claim to have been made by the Buyer with any other agents, brokers, or third parties.

17. ENTIRE AGREEMENT. This Purchase Agreement constitutes the entire agreement between the parties and no other agreement prior to this Purchase Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein.

18. AMENDMENT AND MODIFICATION. No amendment, modification or waiver of any condition, provision or term of this Purchase Agreement shall be valid or have any effect unless made in writing, is signed by the party to be bound and specifies with particularity the extent and nature of such amendment, modification or waiver. Any waiver by either party of any default by the other party shall not affect or impair any right arising from any previous or subsequent default.

19. BINDING EFFECT. This Purchase Agreement binds and benefits the parties and their successors and assigns.

20. NOTICES. Any notice, demand, request or other communication which may or shall be given or served by the Seller on the Buyer or by the Buyer on the Seller, shall be deemed have been given or served on the date the same is hand delivered or the date of receipt or the date of delivery if deposited in the United States mail, registered or certified, postage prepaid, and addressed as follows:

- A. If to the Seller: J. Kristin Sweeney Family LLLP

- B. If to the Buyer: City of Shakopee
Attention: City Administrator
485 Gorman Street
Shakopee, MN 55379

or such other address as either party may give to another party in accordance with this Section.

21. NO PARTNERSHIP OR JOINT VENTURE. Nothing in this Purchase Agreement shall be construed or interpreted as creating a partnership or joint venture between the Seller and the Buyer relative to the Property.

22. CUMULATIVE RIGHTS. Except as may otherwise be provided herein, no right or remedy herein conferred on or reserved by either party is intended to be exclusive of any other right or remedy provided by law, but such rights and remedies shall be cumulative in and in addition to every other right or remedy given herein or elsewhere or existing at law, equity or by statute.

23. DEFAULT; REMEDIES; SPECIFIC PERFORMANCE. If the Buyer defaults in any of the agreements herein, the Seller may terminate this Purchase Agreement. If this Purchase Agreement is not so terminated, the Buyer or the Seller may seek actual damages for breach of this Purchase Agreement or specific performance of this Purchase Agreement; provided that any action for specific enforcement must be brought within six months after the date of the alleged breach.

24. GOVERNING LAW. All matters relating to the validity, construction, performance, or enforcement of this Purchase Agreement shall be determined in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLER

J. KRISTIN SWEENEY FAMILY LLLP

By: _____

Its: _____

BUYER

CITY OF SHAKOPEE

By: _____

William P. Mars

Its: Mayor

By: _____

William H. Reynolds

Its: City Administrator



SENT VIA CERTIFIED MAIL

September 24, 2019

Kizzy Tate and Isis Thompson
711 Bluff Avenue E.
Shakopee, MN 55379

NOTICE OF ELIGIBILITY

Property located at: 711 Bluff Avenue E.

Dear Kizzy Tate and Isis Thompson:

The City of Shakopee has initiated negotiations with the owner of the parcel referenced above as of September 12, 2019.

Our firm has been authorized by the City of Shakopee, to provide relocation services as part of the project listed above.

This is **NOT A NOTICE TO MOVE**, but merely a notification to inform you that negotiations with the owner have begun and that the property, or some part of it, will ultimately be acquired.

Lawful tenants and/or occupants of the property on the date that negotiations started may be entitled to relocation assistance and benefits in accordance with Federal and State laws.

Tenants, lessees and/or occupants who may be entitled to relocation benefits and assistance will be directly contacted by a representative of WSB and Associates. As part of the relocation process, I have enclosed a brochure titled, "Relocation Assistance – Your Rights and Benefits". This booklet briefly explains the various potential relocation benefits and assistance. This letter is just the first step in this process. As part of the relocation benefits, you will receive advisory services, including referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate.

If you or your personal property are eventually required to move from the property, it may be several months before you are advised of a date by which the parcel must be vacated. Therefore, I strongly encourage you not to make a hurried move, and in all cases please contact me for guidance before you move, rent, or purchase a property.

Kizzy Tate and Isis Thompson

09/24/2019

Page 2

If you need to reach me or have any questions, please contact me at 612-246-9695. I can also be reached via email at fgillespie@wsbeng.com.

Sincerely,

WSB & Associates, Inc.



Faye M. Gillespie

Relocation Consultant for the City of Shakopee

Cc: Michael Kerski, City of Shakopee

Enclosure

Relocation Booklet

A copy of this letter for your records



SENT VIA CERTIFIED MAIL

September 24, 2019

Amber Sweeney-High and Ace High
717 Bluff Avenue E.
Shakopee, MN 55379

NOTICE OF ELIGIBILITY

Property located at: 717 Bluff Avenue E.

Dear Amber Sweeney-High and Ace High:

The City of Shakopee has initiated negotiations with the owner of the parcel referenced above as of September 12, 2019.

Our firm has been authorized by the City of Shakopee, to provide relocation services as part of the project listed above.

This is **NOT A NOTICE TO MOVE**, but merely a notification to inform you that negotiations with the owner have begun and that the property, or some part of it, will ultimately be acquired.

Lawful tenants and/or occupants of the property on the date that negotiations started may be entitled to relocation assistance and benefits in accordance with Federal and State laws.

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If you or your personal property are eventually required to move from the property, it may be several months before you are advised of a date by which the parcel must be vacated. Therefore, I strongly encourage you not to make a hurried move, and in all cases please contact me for guidance before you move, rent, or purchase a property.

701 XENIA AVENUE S | SUITE 300 | MINNEAPOLIS, MN | 55416 | 763.541.4800 | WSBENG.COM

Amber Sweeney-High and Ace High

09/24/2019

Page 2

If you need to reach me or have any questions, please contact me at 612-246-9695. I can also be reached via email at fgillespie@wsbeng.com.

Sincerely,

WSB & Associates, Inc.



Faye M. Gillespie

Relocation Consultant for the City of Shakopee

Cc: Michael Kerski, City of Shakopee

Enclosure

Relocation Booklet

A copy of this letter for your records



SENT VIA CERTIFIED MAIL

September 24, 2019

Mariam Hernandez
719 Bluff Avenue E.
Shakopee, MN 55379

NOTICE OF ELIGIBILITY

Property located at: 719 Bluff Avenue E.

Dear Mariam Hernandez:

The City of Shakopee has initiated negotiations with the owner of the parcel referenced above as of September 12, 2019.

Our firm has been authorized by the City of Shakopee, to provide relocation services as part of the project listed above.

This is **NOT A NOTICE TO MOVE**, but merely a notification to inform you that negotiations with the owner have begun and that the property, or some part of it, will ultimately be acquired.

Lawful tenants and/or occupants of the property on the date that negotiations started may be entitled to relocation assistance and benefits in accordance with Federal and State laws.

Tenants, lessees and/or occupants who may be entitled to relocation benefits and assistance will be directly contacted by a representative of WSB and Associates. As part of the relocation process, I have enclosed a brochure titled, "Relocation Assistance – Your Rights and Benefits". This booklet briefly explains the various potential relocation benefits and assistance. This letter is just the first step in this process. As part of the relocation benefits, you will receive advisory services, including referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate.

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Mariam Hernandez

09/24/2019

Page 2

If you need to reach me or have any questions, please contact me at 612-246-9695. I can also be reached via email at fgillespie@wsbeng.com.

Sincerely,

WSB & Associates, Inc.



Faye M. Gillespie

Relocation Consultant for the City of Shakopee

Cc: Michael Kerski, City of Shakopee

Enclosure

Relocation Booklet

A copy of this letter for your records



SENT VIA CERTIFIED MAIL

September 24, 2019

Patricia Gober
731 Bluff Avenue E.
Shakopee, MN 55379

NOTICE OF ELIGIBILITY

Property located at: 731 Bluff Avenue E.

Dear Patricia Gober:

The City of Shakopee has initiated negotiations with the owner of the parcel referenced above as of September 12, 2019.

Our firm has been authorized by the City of Shakopee, to provide relocation services as part of the project listed above.

This is **NOT A NOTICE TO MOVE**, but merely a notification to inform you that negotiations with the owner have begun and that the property, or some part of it, will ultimately be acquired.

Lawful tenants and/or occupants of the property on the date that negotiations started may be entitled to relocation assistance and benefits in accordance with Federal and State laws.

Tenants, lessees and/or occupants who may be entitled to relocation benefits and assistance will be directly contacted by a representative of WSB and Associates. As part of the relocation process, I have enclosed a brochure titled, "Relocation Assistance – Your Rights and Benefits". This booklet briefly explains the various potential relocation benefits and assistance. This letter is just the first step in this process. As part of the relocation benefits, you will receive advisory services, including referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate.

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Patricia Gober

09/24/2019

Page 2

If you need to reach me or have any questions, please contact me at 612-246-9695. I can also be reached via email at fgillespie@wsbeng.com.

Sincerely,

WSB & Associates, Inc.

A handwritten signature in black ink that reads "Faye M. Gillespie". The signature is written in a cursive style with a large initial "F" and "G".

Faye M. Gillespie

Relocation Consultant for the City of Shakopee

Cc: Michael Kerski, City of Shakopee

Enclosure

Relocation Booklet

A copy of this letter for your records



SENT VIA CERTIFIED MAIL

September 24, 2019

Jen Zika
731 1/2 Bluff Avenue E.
Shakopee, MN 55379

NOTICE OF ELIGIBILITY

Property located at: 731 1/2 Bluff Avenue E.

Dear Jen Zika:

The City of Shakopee has initiated negotiations with the owner of the parcel referenced above as of September 12, 2019.

Our firm has been authorized by the City of Shakopee, to provide relocation services as part of the project listed above.

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Jen Zika

09/24/2019

Page 2

If you need to reach me or have any questions, please contact me at 612-246-9695. I can also be reached via email at fgillespie@wsbeng.com.

Sincerely,

WSB & Associates, Inc.



Faye M. Gillespie

Relocation Consultant for the City of Shakopee

Cc: Michael Kerski, City of Shakopee

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Figure A.5 - MnDOT ROW Plat

MN DOT ROW PLAT NO. 70-2

MINNESOTA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY PLAT NO. 70-2

STATE PROJECT NO. 7005(101-187)901
IN THE SOUTHWEST QUARTER OF SECTION 12, T. 115 N.; R. 23 W.,
IN THE NORTHWEST QUARTER OF SECTION 13, T. 115 N.; R. 23 W.,
SCOTT COUNTY, MINNESOTA

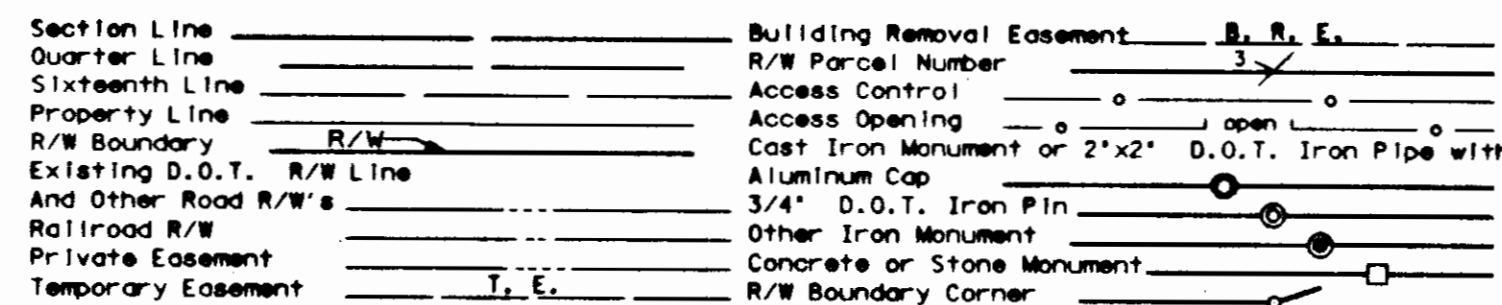
SURVEY STANDARDS

1. The plat values, azimuths, and distances are based on the project control survey system.
2. The boundary monuments shown on this plat have been field checked for location. The standard deviation for the monument position is 0.1 feet.
3. The state plane coordinates shown on one monument are based on ties to national control monuments.
4. Certificates of Location have been filed at the County Recorder's Office and/or the County Surveyor's Office for the section corner monuments shown on this plat.
5. For details of this survey contact the Surveying and Mapping Section at the Minnesota Department of Transportation METRO DIVISION (GOLDEN VALLEY)
Name of District

RIGHT OF WAY IN SECTION 12								
PARCEL	OWNER	LOCATION	TORREN'S CERTIFICATE NO.	NEW T.H. R/W ACRES (MORE OR LESS)	TEMPORARY EASEMENT ACRES	PERMANENT DRAINAGE EASEMENT ACRES	EASEMENT EXPIRES ON	PERMANENT R/W INTEREST
48	CITY OF SHAKOPEE	NW1/4SW1/4		0.98	2.25	3.30	12-1-96	FEE
51	DAVID L. PHILLIPS	NE1/4SW1/4		0.11	0.75	0.79	12-1-96	FEE
51A	RONALD PEIPER	E1/2SW1/4		2.84	0.93	2.20	12-1-96	FEE
RIGHT OF WAY IN SECTION 13								
51B	NORBERT N. THEIS	NE1/4NW1/4		12.04	0.26		12-1-96	FEE
52	NORBERT N. THEIS	NE1/4NW1/4		0.02	0.02		12-1-96	FEE
52A	CRAIG A. HEIMERL	E1/2NW1/4		0.13	0.14		12-1-96	FEE



CONVENTIONAL SYMBOLS



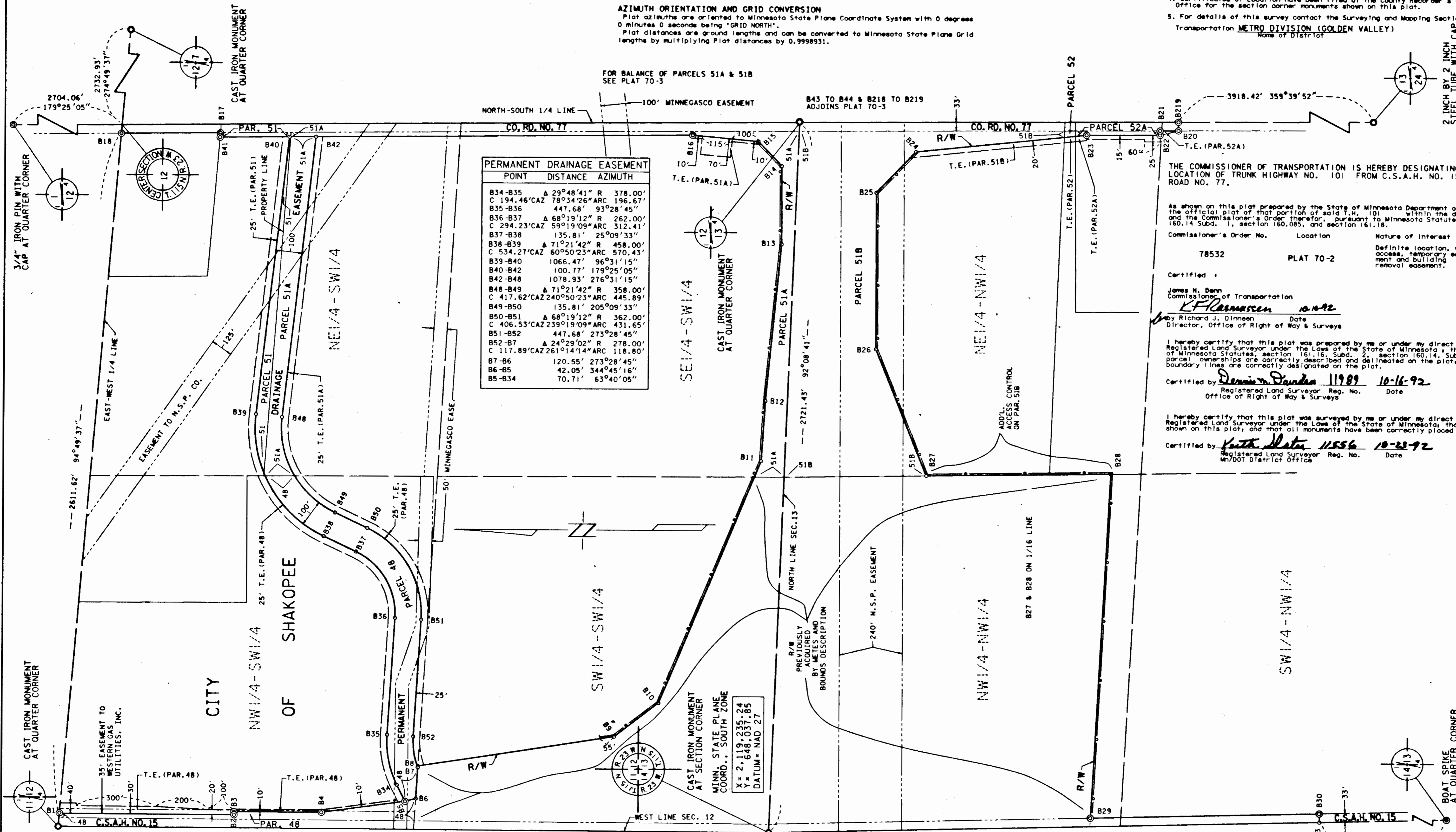
DISTANCES SHOWN TO FEET (66, 80 ETC.) ARE EXTRINSIC VALUES.

AZIMUTH ORIENTATION AND GRID CONVERSION

Plat azimuths are oriented to Minnesota State Plane Coordinate System with 0 degrees 0 minutes 0 seconds being 'GRID NORTH'.
Plat distances are ground lengths and can be converted to Minnesota State Plane Grid lengths by multiplying Plat distances by 0.9998931.

FOR BALANCE OF PARCELS 51A & 51B
SEE PLAT 70-3

POINT	DISTANCE	AZIMUTH
B34-B35	Δ 29°48'41" R	378.00'
C 194.46'CAZ	78°34'26" ARC	196.67'
B35-B36	Δ 447.68' 93°28'45"	
B36-B37	Δ 68°19'12" R	262.00'
C 294.23'CAZ	59°19'09" ARC	312.41'
B37-B38	135.81' 25°09'33"	
B38-B39	Δ 71°21'42" R	458.00'
C 534.27'CAZ	60°50'23" ARC	570.43'
B39-B40	1066.47' 96°31'15"	
B40-B42	100.77' 179°25'05"	
B42-B48	1078.93' 276°31'15"	
B48-B49	Δ 71°21'42" R	358.00'
C 417.62'CAZ	240°50'23" ARC	445.89'
B49-B50	135.81' 205°09'33"	
B50-B51	Δ 68°19'12" R	362.00'
C 406.53'CAZ	239°19'09" ARC	431.65'
B51-B52	447.68' 273°28'45"	
B52-B7	Δ 24°29'02" R	278.00'
C 117.89'CAZ	261°14'14" ARC	118.80'
B7-B6	120.55' 273°28'45"	
B6-B5	42.05' 344°45'16"	
B5-B34	70.71' 63°40'05"	



THE COMMISSIONER OF TRANSPORTATION IS HEREBY DESIGNATING THE DEFINITE LOCATION OF TRUNK HIGHWAY NO. 101 FROM C.S.A.H. NO. 15 TO COUNTY ROAD NO. 77.

As shown on this plat prepared by the State of Minnesota Department of Transportation is hereby certified as the official plat of that portion of said T.H. 101 within the designated portion of sections 12 & 13 and the Commissioner's Order therefor, pursuant to Minnesota Statutes, section 161.16 subd. 2, section 160.14 Subd. 1, section 160.085, and section 161.18.

Commissioner's Order No.	Location	Nature of Interest
78532	PLAT 70-2	Definite location, width, access, temporary easement and building removal easement.

Certified by:
James N. Denn
Commissioner of Transportation
[Signature]
by Richard J. Dinneen Date
Director, Office of Right of Way & Surveys

I hereby certify that this plat was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the Laws of the State of Minnesota; that this plat meets requirements of Minnesota Statutes, section 161.16, Subd. 2, section 160.14, Subd. 1, section 160.085, and section 161.18, that parcel ownerships are correctly described and delineated on the plat; and that the proposed Right-of-way boundary lines are correctly designated on the plat.

Certified by: *[Signature]* 11989 10-16-92
Registered Land Surveyor Reg. No. Date
Office of Right of Way & Surveys

I hereby certify that this plat was surveyed by me or under my direct supervision and that I am a duly Registered Land Surveyor under the Laws of the State of Minnesota; that all measurements are correctly shown on this plat; and that all monuments have been correctly placed as shown on this plat.

Certified by: *[Signature]* 11556 10-23-92
Registered Land Surveyor Reg. No. Date
Mn/DOT District Office

PLAT BOUNDARY DATA		
POINT	DISTANCE	AZIMUTH
B1-B2	663.88'	180°10'06"
B2-B3	12.00'	90°10'06"
B3-B4	332.24'	180°10'06"
B4-B5	Δ 13°21'01" R	1382.39'
C 321.38'CAZ	171°56'32" ARC	322.11'
B5-B6	42.05'	164°45'16"
B6-B7	120.55'	93°28'45"
B7-B8	4.45'	93°28'45"
B8-B9	755.81'	171°08'44"
B9-B10	211.98'	142°30'47"
B10-B11	1004.21'	112°33'47"
B11-B12	229.89'	93°39'33"
B12-B13	602.99'	95°31'30"
B13-B14	300.00'	89°48'51"
B14-B15	129.07'	45°55'44"
B15-B16	251.25'	5°07'46"
B16-B42	1434.52'	359°25'05"
B42-B40	100.77'	359°25'05"
B40-B41	264.39'	359°25'05"
B41-B17	17.07'	94°49'37"
B17-B18	376.68'	359°25'05"
B18-CSC 12	33.15'	94°49'37"
CSC12-S1/4	12 2579.02'	179°25'05"
S1/4 12-B219	1442.61'	179°39'52"
B219-B20	33.00'	269°39'52"
B20-B21	70.00'	359°39'52"
B21-B22	17.00'	269°39'52"
B22-B23	280.00'	359°39'52"
B23-B24	653.24'	353°57'14"
B24-B25	216.10'	313°53'00"
B25-B26	600.00'	269°48'51"
B26-B27	520.88'	248°00'47"
B27-B28	702.84'	179°05'21"
B28-B29	1316.22'	273°02'06"
B29-B30	871.69'	178°29'48"
B30-B1513	33.00'	268°29'48"
B1513-SW 12	2098.33'	358°29'48"
SW12-N1/4	12 2703.82'	0°10'06"
N1/4 12-B1	50.16'	94°49'37"

DOC. NO. 303445

OFFICE OF COUNTY RECORDER
SCOTT COUNTY, MINN.

I HEREBY CERTIFY THAT THIS PLAT HAS BEEN FILED IN THIS OFFICE AT 10:00 A.M. ON OCT 27 1992 IN BOOK 27 PAGE 7
COUNTY RECORDER

CITY OF SHAKOPEE
Memorandum

TO: Mayor & City Council
Mark McNeill, City Administrator

FROM: Bruce Loney, Public Works Director

SUBJECT: Vierling Drive Improvements from C.R. 15 to
Orchard Park West, Project No. 2002-4

DATE: February 4, 2003

INTRODUCTION:

Attached are various designs for the Vierling Drive roadway alignment and also locations of a future satellite fire station for Council review and consideration. The purpose of this agenda item is to review the different alternatives with the City Council and provide direction to staff on proceeding with this roadway project design.

BACKGROUND:

A public hearing was held on October 15, 2002 in which the City Council approved Resolution No. 5796, which ordered the improvements and plans and specifications for Vierling Drive, from C.R. 15 to Orchard Park West, Project No. 2002-4. One of the issues that was expressed at the public hearing from some of the residents adjacent to the project was the possible location of the future satellite fire station in this area.

Staff has reviewed the various alignments that could be possible in constructing Vierling Drive, from C.R. 5 to Orchard Park West, and has three alternatives for City Council to consider. The three alternatives are as follows:

- Alternative No. 1 - The original alignment as shown in the feasibility report with the fire station in the Lion's Park area south of the Upper Valley Drainageway and north of Vierling Drive.
- Alternative No. 2 - A new roadway alignment with a realigned Upper Valley Drainageway adjacent to the properties in Orchard Park West and the fire station location in Lion's Park adjacent to the Lion's Park pond.
- Alternative No. 3 - A new roadway alignment with the Upper Valley Drainageway remaining in its existing location and the fire station located in

Figure A.6 - Shakopee Fire Station #2 Staff Report

Lion's Park adjacent to the Lion's Park pond and the Lion's Park property south of the Upper Valley Drainageway available for residential housing development.

These alternatives were presented to the Fire Department and reviewed by the Fire Chief, Terry Stang, and Alternative No. 3 is the alternative that the Fire Department preferred the best. These alternatives were also presented to the Park & Recreation Advisory Board on January 27, 2003, and Alternative No. 3 was the alternative that was preferred with the following comments:

- Money from the sale of the property or at least a portion of the money be put into the Park Fund to pay for improvements in Lion's Park area.
- Opportunity to review and work with the Fire Department on the building location and parking layout to help accommodate the needs in Lion's Park.
- Interest by the Lion's Club to put a fountain in the pond and stocking the pond with fish, if possible, and this may require a change in the structure to allow more water in the ponds.

In reviewing the alternatives, staff believes the decision is between Alternative No. 1 and Alternative No. 3. Staff does not believe the realignment of the Upper Valley Drainageway is cost effective or needed to accomplish the design in this area.

Alternative No. 3 would increase the City's assessment on Vierling Drive as more useable street frontage would be utilized by the City for a fire station and residential development. However, it reduces the amount of right-of-way necessary from the property owner to the south by approximately 30,000 square feet and allows for a potential four to five lot subdivision in the parcel south of the Upper Valley Drainageway and north of Vierling Drive. Although this area is called Lion's Park, the City did obtain this property from the State for the City's use by a deed in September, 1973 for \$32,500.00 and with no restrictions. If the City is able to develop a residential subdivision in the area north of Vierling Drive and south of the Upper Valley Drainageway, the Council would have to decide on whether the money generated from this development would go towards the assessments on Vierling Drive that would be placed on the property or the money put into the Lion's Park area or a combination of both.

Staff has shown a draft subdivision of five lots which could generate significant revenues to support the additional assessments. The reduction layout in right-of-way would be a savings of \$50,000.00. The location of the fire station in Lion's Park would be a benefit to the park if an expanded parking lot is installed for park users. Also, this alternative moves the fire station away from the Orchard Park West residents who objected to the fire station being located adjacent to their homes at the public hearing.

ALTERNATIVES:

1. Discuss the various alternatives on Vierling Drive roadway alignment, the fire station location and provide staff direction on which alternative to proceed with.
2. Table this item for additional information.

RECOMMENDATION:

Staff recommends Alternative No. 1 and also recommends Alternative No. 3 as the preferred alternative, especially if the City can utilize the portion of land south of the Upper Valley Drainageway and north of Vierling Drive for residential development, which would best utilize that parcel. Also, the Fire Department and the Park and Recreation Advisory Board prefer Alternative No. 3 as the preferred option.

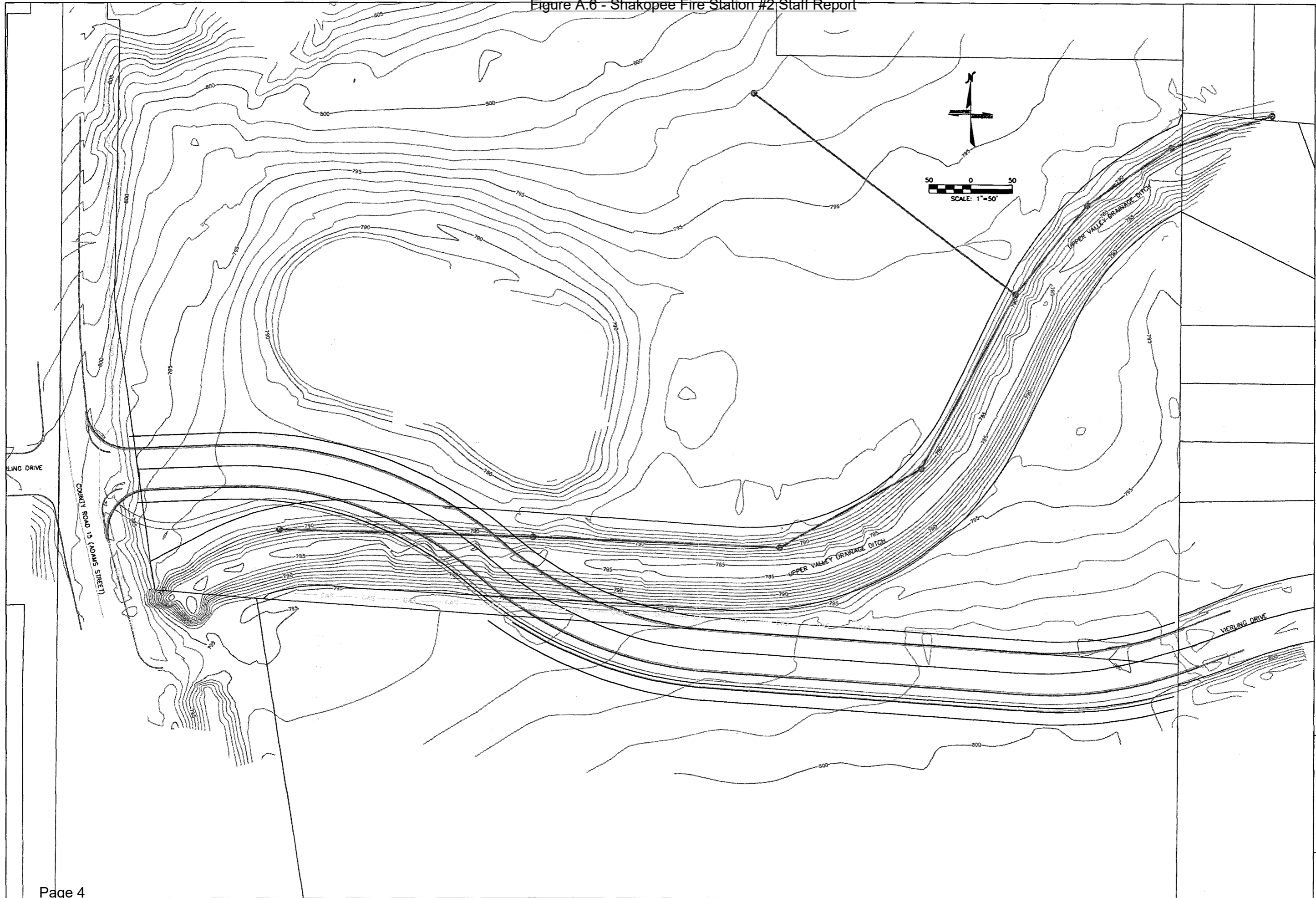
ACTION REQUESTED:

Provide staff direction on which design alternative should be used for the Vierling Drive improvement project, from C.R. 15 to Orchard Park West, Project No. 2002-4.

Bruce Loney
Public Works Director

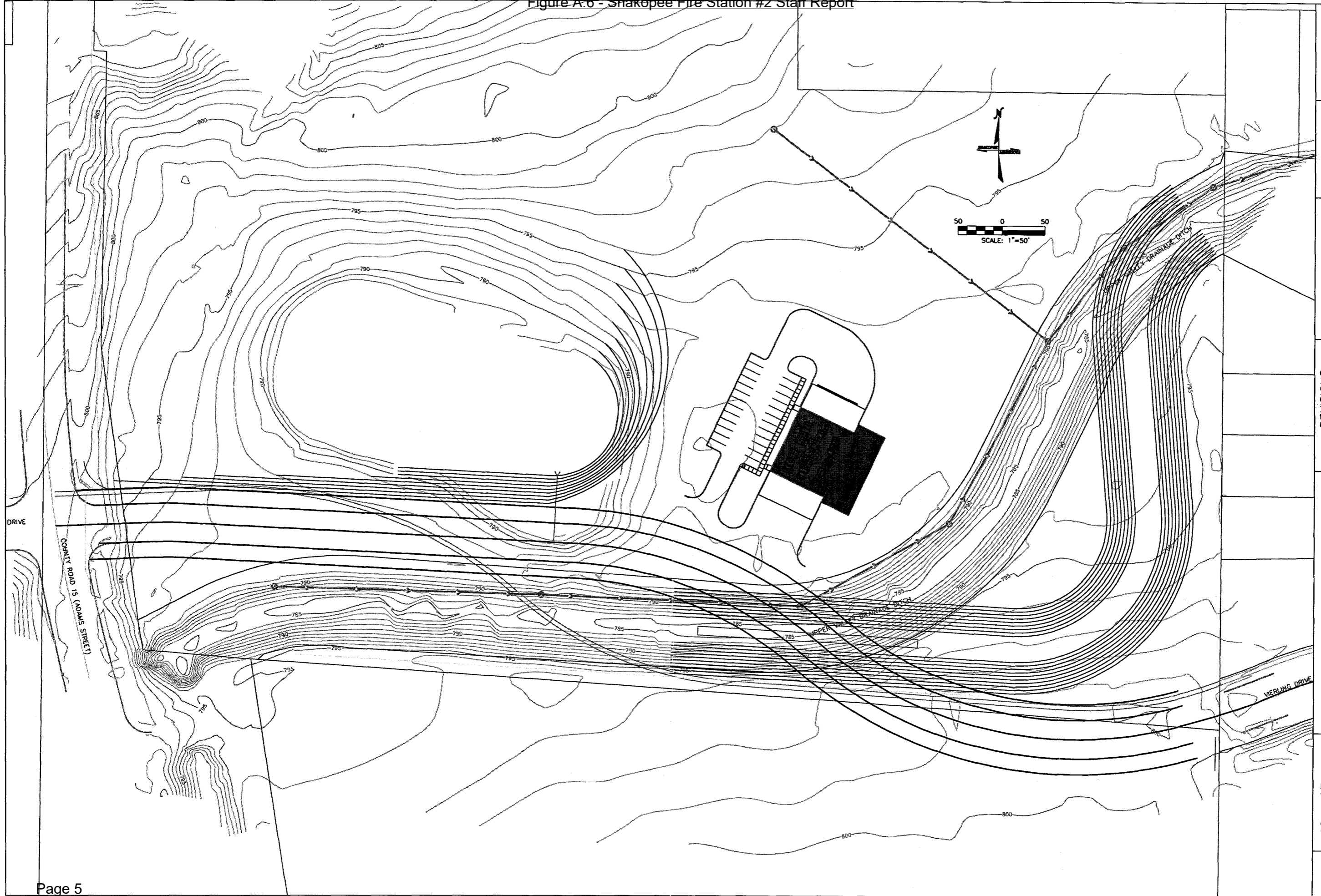
BL/pmp
VIERLINGDR

Figure A.6 - Shakopee Fire Station #2 Staff Report



I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly registered Professional Engineer under the laws of the State of Minnesota. Date _____ SCOTT ALLEN SMITH Reg. No. 40915	DESIGNED BY:	RTH	DATE:	JANUARY 2003
	DRAWN BY:	RTH	PROJECT NO.:	2001-2
	CHECKED BY:	SAS	SHEET	1 OF 5
REVISIONS				
VIERLING DRIVE ALIGNMENT 1 - STATION 1				
SHEET NO. 1				

Figure A.6 - Shakopee Fire Station #2 Staff Report




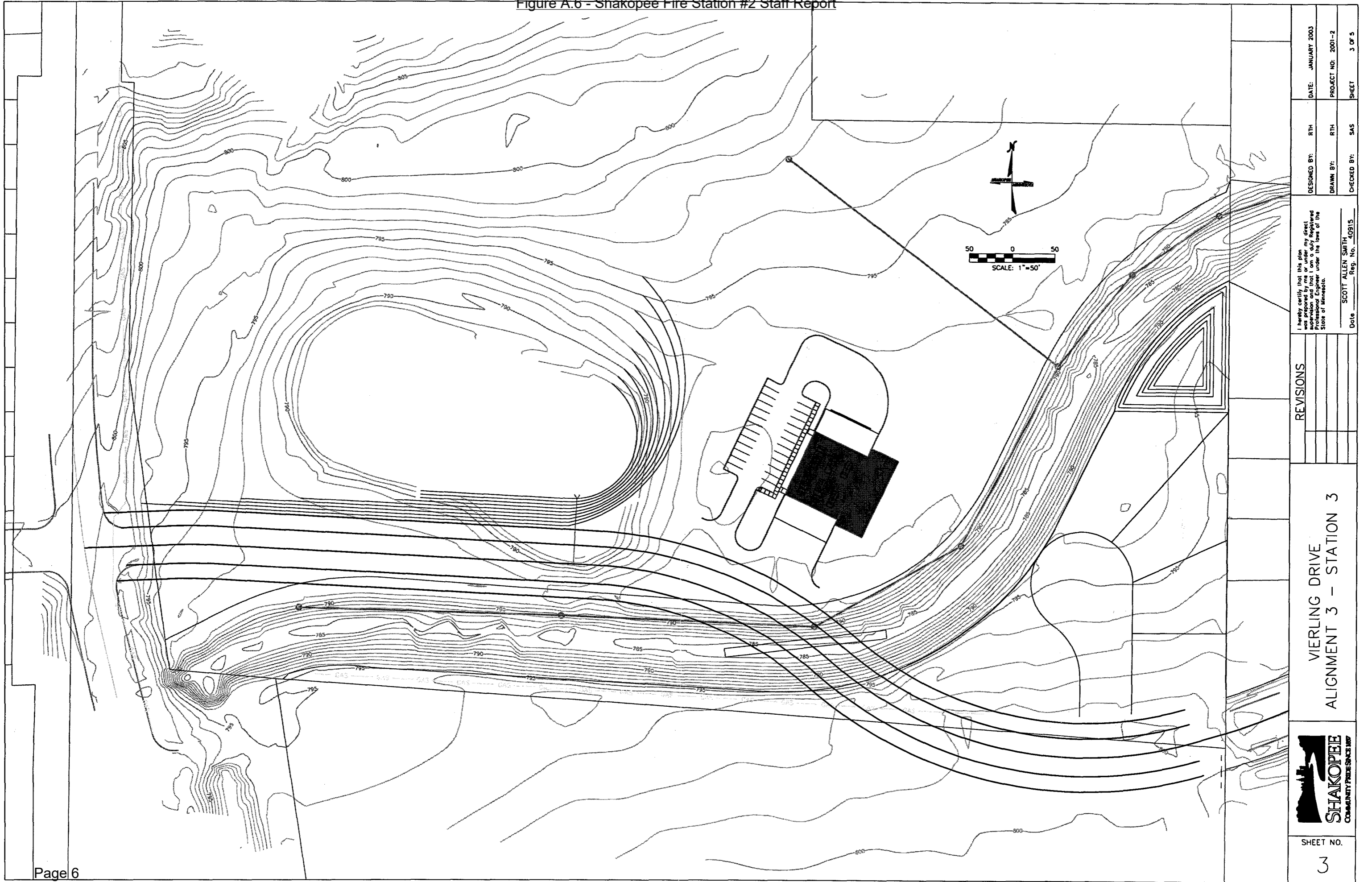
I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of Minnesota. Date <u>SCOTT ALLEN SMITH</u> Reg. No. <u>40915</u>	DESIGNED BY: RTH	DATE: JANUARY 2003
	DRAWN BY: RTH	PROJECT NO.: 2001-2
	CHECKED BY: SAS	SHEET 2 OF 5
REVISIONS _____ _____ _____	VIERLING DRIVE ALIGNMENT 2 - STATION 2	
 SHAKOPEE COMMUNITY TRADE SCHOOL		
SHEET NO. 2		

Figure A.6 - Shakopee Fire Station #2 Staff Report



REVISIONS

VIERLING DRIVE
ALIGNMENT 3 - STATION 3



SHEET NO.
3

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of Minnesota.
Date SCOTT ALLEN SMITH 1/09/15
Reg. No. 10915

DESIGNED BY: RTH
DRAWN BY: RTH
CHECKED BY: SAS

DATE: JANUARY 2003
PROJECT NO: 2001-2
SHEET 3 OF 5

15, C, 3.
on table



January 28, 2003

Dear Cider Circle Resident:

At the October 15th meeting of the City Council, there was a discussion regarding the extension of Vierling Drive, and the location of a new Fire Station relative to that. A couple of Cider Circle residents attended the City Council meeting, and expressed concerns that the fire station not be located immediately adjacent to your backyards. Instead, there was a suggestion that the drainage ditch be moved, so as to put the fire station farther away from the existing homes.

The City's Engineering Division has since reexamined the proposal, and has drafted five alternatives. These were reviewed with the Park Board on January 27th, and their recommendation to the City Council is to keep the existing ditch in place, but move the fire station itself to west of the ditch (Upper Valley Drainage Way). Doing this will save \$200,000 in ditch relocation costs. It is also recommended to the City Council that the "orphaned" parcel of land adjacent to your backyards, and east of the Upper Valley Drainage Way, be developed by being subdivided for residential housing. By doing this, the City's long-term maintenance costs are reduced, and proceeds from the sale of this land will go to offset the costs of park development or street construction.

The City Council will be considering this recommendation at its meeting of Tuesday, February 18th. The meeting begins at 7:00 pm., and will be in the Council Chambers at City Hall.

If you are interested in this, we invite you to attend. If you are unable to attend but have comments to relay to the City Council, you may contact me at 952/233-3800, or by e-mail at mmcneill@ci.shakopee.mn.us.

Sincerely,

Mark McNeill
City Administrator

MM:th

CITY OF SHAKOPEE
Memorandum

TO: Mayor & City Council
Mark McNeill, City Administrator

FROM: Bruce Loney, Public Works Director

SUBJECT: Vierling Drive Improvements, from
C.R. 15 to Orchard Park West, Project No. 2002-4

DATE: April 1, 2003

INTRODUCTION:

This agenda item is for City Council to consider the development of the City parcel north of Vierling Drive improvements and south of the Upper Valley Drainageway.

BACKGROUND:

The City Engineering staff is currently designing the improvements for Vierling Drive, from C.R. 15 to Orchard Park West, Project No. 2002-4. Previously, on February 4, 2003, the City Council reviewed alternatives for alignment for this project and selected Alignment No. 3, which would allow for a fire station in Lions Park near Lions Park pond. Staff is completing the design and the right-of-way acquisition process with the property owner to the south. Attached is a drawing showing the alignment and a proposed subdivision for the parcel of land north of Vierling Drive and south of the Upper Valley Drainageway.

The proposed subdivision that City staff has developed is a five lot single-family residential subdivision similar to the subdivision adjacent to this parcel. The purpose of this agenda item is to discuss with City Council on whether this parcel of land should be sold as vacant land to potential developers, or should the City develop this parcel by platting the parcel and selling the five lots to builders.

Staff has reviewed and analyzed the assessments based on the new alignment and benefit of property associated with this project, and is looking at costs for the development of this parcel to analyze the City expenditure and revenue on selling this parcel or platting this parcel and selling the lots.

Figure A.6 - Shakopee Fire Station #2 Staff Report

Alternative No. 1

If the City sold the land to a potential developer, City costs for this alternative would be as follows:

City Assessment Cost for Vierling Drive	\$190,000.00
Future Costs of Improvements	\$ 60,000.00
Future Platting Costs	<u>\$ 20,000.00</u>
Total Expenditures	\$270,000.00 (not including the land costs)

Staff estimates the market value of the five lot subdivision at \$70,000 per lot, or approximately \$350,000.00 of revenue. Most developments would operate on a margin of 20% profit, thus the sale of the 1.5 acres could be sold with the City realizing a “profit” of approximately \$20,000.00 depending on the proposals (bids) received.

Alternative No. 2

The second alternative is for the City to plat the property and sell the lots. The cash flow analysis is as follows:

City Assessment for Vierling Drive	\$190,000.00
City Assessment for Local Street Improvements	\$ 60,000.00
Platting Costs	<u>\$ 20,000.00</u>
Total Expenditures	\$270,000.00

We estimate the market value of the five lots at \$70,000.00 per lot, or a total of \$350,000.00. As compared to Alternative No. 1, the City might realize a “profit” of \$80,000.00 above the assessment and platting costs for the development of this land, versus the \$20,000.00 in Alternative No. 1.

Discussion:

The question for the Council is whether or not the City should be in the development business and the pros and cons for each of these alternatives are as follows:

Alternative No. 1

Pros

1. Selling of City property - City disposes of the land to a private developer and is not developing property which the City regulates the subdivisions of land.
2. The City does recoup the assessments on Vierling Drive and does receive a modest revenue from the sale of the land.

Figure A.6 - Shakopee Fire Station #2 Staff Report

3. This proposal would not take as much of staff's time as the other proposal.

Cons

1. Not as much potential revenue would be received as Alternative No. 2.

Alternative No. 2

Pros

1. The City could potentially receive more revenue by developing the land and selling the lots.
2. By developing these lots, the City could sell some of the lots to smaller builders in the area.
3. Engineering staff has designed the subdivision improvements in order to design the storm sewer and ponding needed for Vierling Drive.

Cons

1. Public perception of the City doing a subdivision in which the City is also the regulator of the Subdivision Ordinance.
2. Potential risks of holding the lots and the costs of assessments until the lots are sold.

Staff would like to review these proposals with City Council and have City Council provide direction on whether to sell the land to a potential developer, or for the City to develop this land and incorporate the improvements of a potential street and utility improvements into the Vierling Drive plans at this time. If this proposal were to proceed, staff may need assistance from consultants in preparing the documents for subdivision approval and for the platting of the property. Staff would like to point out that the Lions Club would have an issue and may affect this decision or future decisions and as follows:

- Any excess revenue from the development or sale of the property, the Lions Club and Park & Advisory Board would like to see if those revenues or a portion of those revenues could be put back into Lions Park development.

Staff feels the issues are:

- Whether or not the City Council wishes to develop this land for a single-family residential or other uses besides open space.
- Whether or not City Council wishes to sell the land to a potential developer.

Figure A.6 - Shakopee Fire Station #2 Staff Report

- Whether or not City Council wishes to plat the property itself and sell the lots to builders.

City staff is busy developing final plans for Vierling Drive and could incorporate the subdivision design in these final plans.

ALTERNATIVES:


1. Discuss the various alternatives on the development of the land north of Vierling Drive and south of the Upper Valley Drainageway and provide staff direction on what alternatives to proceed with.
2. Table this item for additional information.

RECOMMENDATION:

This is a policy decision for City Council on whether or not the City should be involved in developing land that it owns or sell the land to potential developers. If the Council believes the City should not be involved in a development of City parcels that need preliminary plat approval, then the alternative to sell the land is recommended. If the City Council desires to maximize the revenues on this parcel, then developing this parcel into a plat is recommended. Also, the City will need to install a storm sewer and pond on this parcel for Vierling Drive. Constructing Vierling Drive and the other improvements at the same time would be the most cost effective.

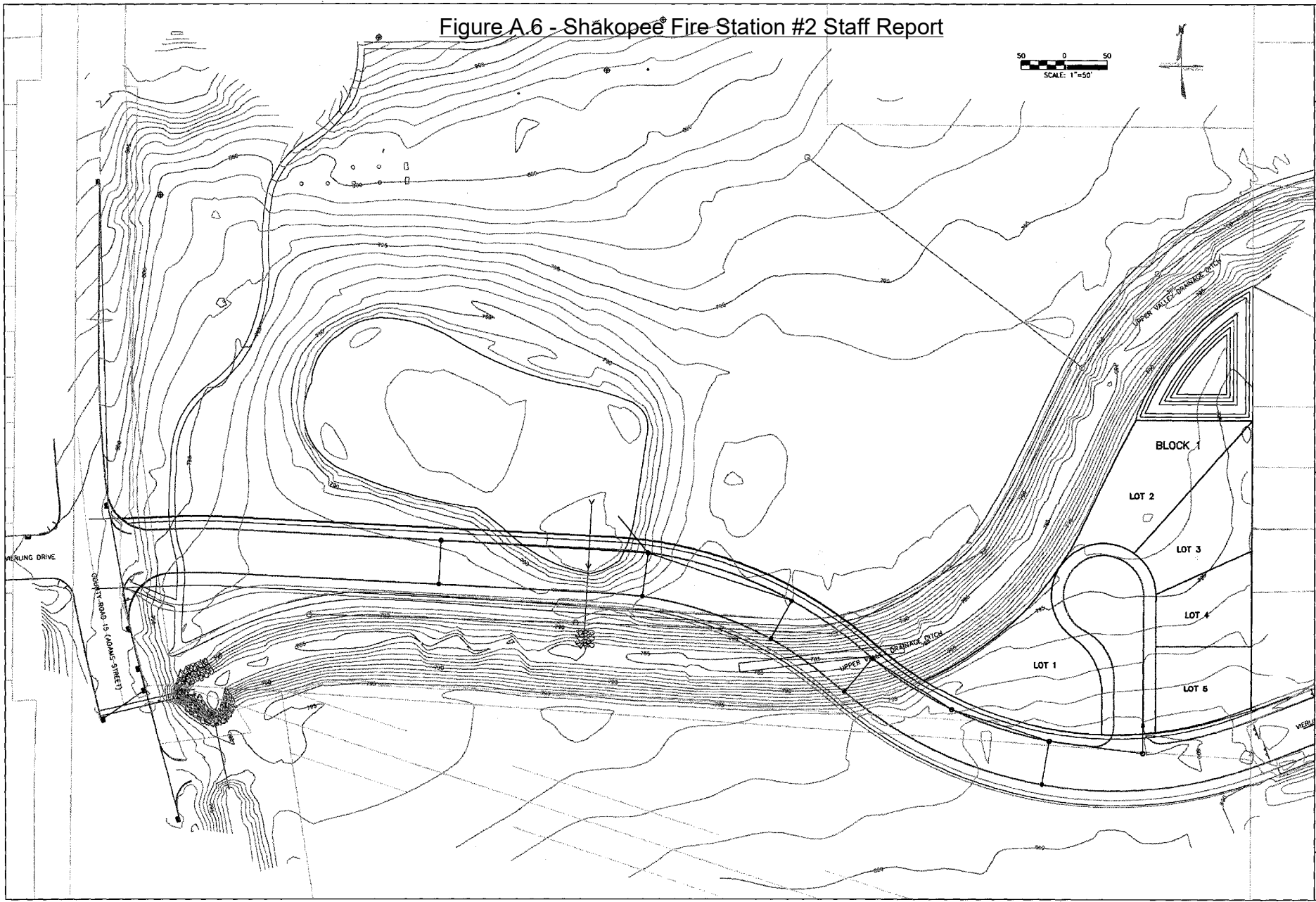
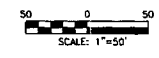
ACTION REQUESTED:

Provide direction on which alternative should be used for the parcel north of Vierling Drive and south of the Upper Valley Drainageway owned by the City of Shakopee.


Bruce Loney
Public Works Director

BL/pmp
VDPARCEL

Figure A.6 - Shakopee Fire Station #2 Staff Report












REVISIONS	DATE	BY	DESCRIPTION
VIERLING DRIVE PROPOSED CUL-DE-SAC			
 SHAKOPEE COMMUNITY FIRE DISTRICT			
SHEET NO.		1	
DESIGNED BY:	RTH	DATE:	JANUARY 2003
DRAWN BY:	RTH	PROJECT NO.:	2001-2
CHECKED BY:	SAS	SHEET:	1 OF 1
<small> I hereby certify that this work was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer in the State of Minnesota. Date: _____ Reg. No.: 0815 </small>			

Figure A.7 - Proposed Replacement Park Acreage Huber Park Expansion

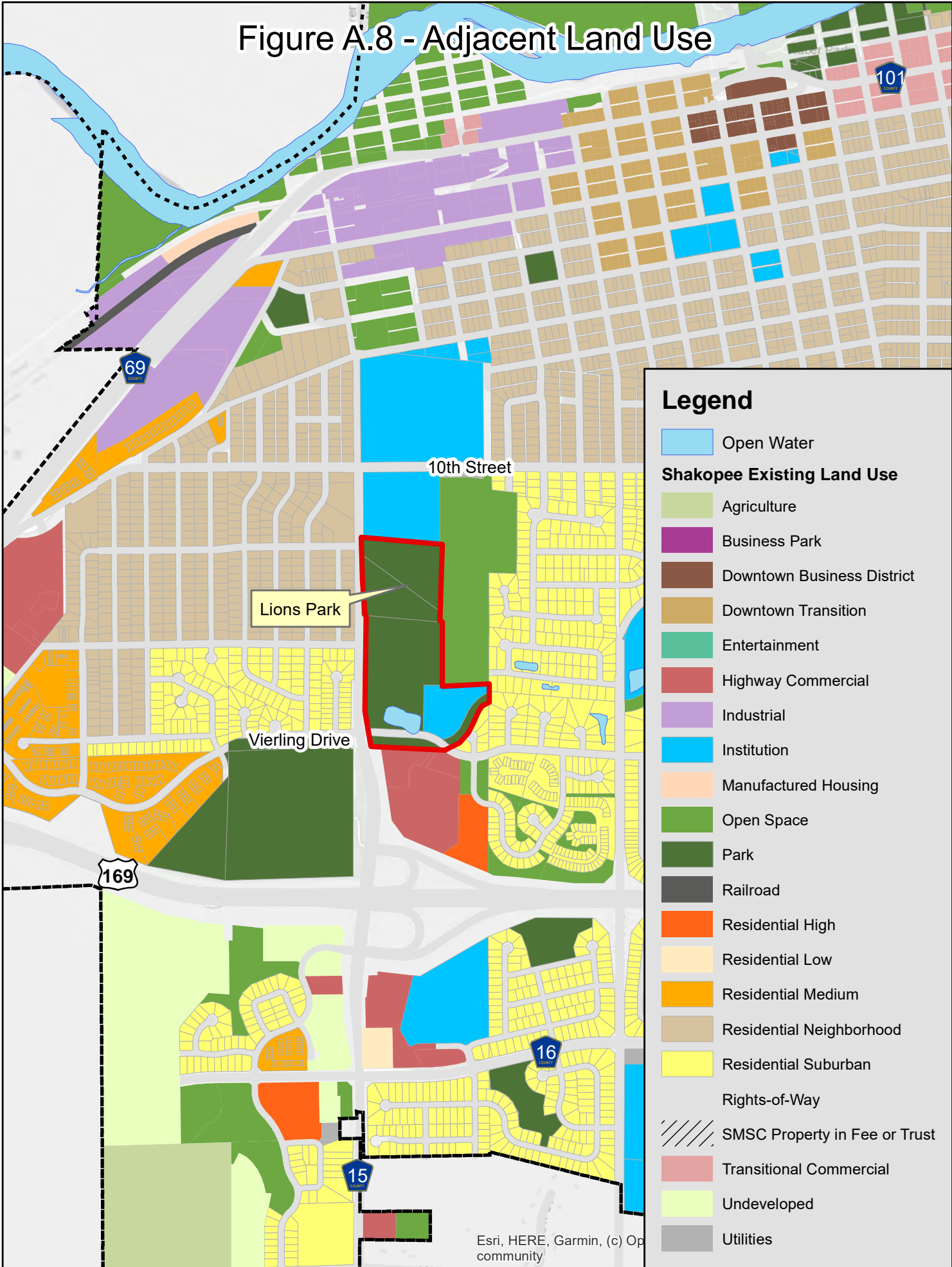
Planned Facilities

-  Canoe/Kayak Launch
-  Dog Park
-  Parking
-  River Overlook
-  Existing State Trail
-  Huber Park Expansion
-  Planned Trails
-  Shakopee Parcel Lines

Less Lions Park Acreage: 6.04 Acres
 Proposed Replacement Acreage: 8.63 Acres



Figure A.8 - Adjacent Land Use



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS User Community

Figure A.9 - Adjacent Land Use



Esri, HERE, Garmin, (c) Open community

IPaC

IPaC resource list

U.S. Fish & Wildlife Service

This report is an automatically generated list of species and other resources such as critical habitat (collectively referred to as *trust resources*) under the U.S. Fish and Wildlife Service's (USFWS) jurisdiction that are known or expected to be on or near the project area referenced below. The list may also include trust resources that occur outside of the project area, but that could potentially be directly or indirectly affected by activities in the project area. However, determining the likelihood and extent of effects a project may have on trust resources typically requires gathering additional site-specific (e.g., vegetation/species surveys) and project-specific (e.g., magnitude and timing of proposed activities) information.

Below is a summary of the project information you provided and contact information for the USFWS office(s) with jurisdiction in the defined project area. Please read the introduction to each section that follows (Endangered Species, Migratory Birds, USFWS Facilities, and NWI Wetlands) for additional information applicable to the trust resources addressed in that section.

Location

Scott County, Minnesota



Local office

Minnesota-Wisconsin Ecological Services Field Office

☎ (952) 252-0092

📠 (952) 646-2873

MAILING ADDRESS

4101 American Blvd E

Bloomington, MN 55425-1665

PHYSICAL ADDRESS

4101 American Blvd E

-
Bloomington, MN 55425-1665

<http://www.fws.gov/midwest/Endangered/section7/s7process/step1.html>

NOT FOR CONSULTATION

Endangered species

This resource list is for informational purposes only and does not constitute an analysis of project level impacts.

The primary information used to generate this list is the known or expected range of each species. Additional areas of influence (AOI) for species are also considered. An AOI includes areas outside of the species range if the species could be indirectly affected by activities in that area (e.g., placing a dam upstream of a fish population, even if that fish does not occur at the dam site, may indirectly impact the species by reducing or eliminating water flow downstream). Because species can move, and site conditions can change, the species on this list are not guaranteed to be found on or near the project area. To fully determine any potential effects to species, additional site-specific and project-specific information is often required.

Section 7 of the Endangered Species Act **requires** Federal agencies to "request of the Secretary information whether any species which is listed or proposed to be listed may be present in the area of such proposed action" for any project that is conducted, permitted, funded, or licensed by any Federal agency. A letter from the local office and a species list which fulfills this requirement can **only** be obtained by requesting an official species list from either the Regulatory Review section in IPaC (see directions below) or from the local field office directly.

For project evaluations that require USFWS concurrence/review, please return to the IPaC website and request an official species list by doing the following:

1. Draw the project location and click CONTINUE.
2. Click DEFINE PROJECT.
3. Log in (if directed to do so).
4. Provide a name and description for your project.
5. Click REQUEST SPECIES LIST.

Listed species¹ and their critical habitats are managed by the [Ecological Services Program](#) of the U.S. Fish and Wildlife Service (USFWS) and the fisheries division of the National Oceanic and Atmospheric Administration (NOAA Fisheries²).

Species and critical habitats under the sole responsibility of NOAA Fisheries are **not** shown on this list. Please contact [NOAA Fisheries](#) for [species under their jurisdiction](#).

1. Species listed under the [Endangered Species Act](#) are threatened or endangered; IPaC also shows species that are candidates, or proposed, for listing. See the [listing status page](#) for more information.
2. [NOAA Fisheries](#), also known as the National Marine Fisheries Service (NMFS), is an office of the National Oceanic and Atmospheric Administration within the Department of Commerce.

The following species are potentially affected by activities in this location:

Mammals

NAME

STATUS

Northern Long-eared Bat *Myotis septentrionalis*
No critical habitat has been designated for this species.
<https://ecos.fws.gov/ecp/species/9045>

Critical habitats

Potential effects to critical habitat(s) in this location must be analyzed along with the endangered species themselves.

THERE ARE NO CRITICAL HABITATS AT THIS LOCATION.

Migratory birds

Certain birds are protected under the Migratory Bird Treaty Act¹ and the Bald and Golden Eagle Protection Act².

Any person or organization who plans or conducts activities that may result in impacts to migratory birds, eagles, and their habitats should follow appropriate regulations and consider implementing appropriate conservation measures, as described [below](#).

1. The [Migratory Birds Treaty Act](#) of 1918.
2. The [Bald and Golden Eagle Protection Act](#) of 1940.

Additional information can be found using the following links:

- Birds of Conservation Concern <http://www.fws.gov/birds/management/managed-species/birds-of-conservation-concern.php>
- Measures for avoiding and minimizing impacts to birds <http://www.fws.gov/birds/management/project-assessment-tools-and-guidance/conservation-measures.php>
- Nationwide conservation measures for birds <http://www.fws.gov/migratorybirds/pdf/management/nationwidestandardconservationmeasures.pdf>

MIGRATORY BIRD INFORMATION IS NOT AVAILABLE AT THIS TIME

Tell me more about conservation measures I can implement to avoid or minimize impacts to migratory birds.

[Nationwide Conservation Measures](#) describes measures that can help avoid and minimize impacts to all birds at any location year round. Implementation of these measures is particularly important when birds are most likely to occur in the project area. When birds may be breeding in the area, identifying the locations of any active nests and avoiding their destruction is a very helpful impact minimization measure. To see when birds are most likely to occur and be breeding in your project area, view the Probability of Presence Summary. [Additional measures](#) and/or [permits](#) may be advisable depending on the type of activity you are conducting and the type of infrastructure or bird species present on your project site.

What does IPaC use to generate the migratory birds potentially occurring in my specified location?

The Migratory Bird Resource List is comprised of USFWS [Birds of Conservation Concern \(BCC\)](#) and other species that may warrant special attention in your project location.

The migratory bird list generated for your project is derived from data provided by the [Avian Knowledge Network \(AKN\)](#). The AKN data is based on a growing collection of [survey, banding, and citizen science datasets](#) and is queried and filtered to return a list of those birds reported as occurring in the 10km grid cell(s) which your project intersects, and that have been identified as warranting special attention because they are a BCC species in that area, an eagle ([Eagle Act](#) requirements may apply), or a species that has a particular vulnerability to offshore activities or development.

Again, the Migratory Bird Resource list includes only a subset of birds that may occur in your project area. It is not representative of all birds that may occur in your project area. To get a list of all birds potentially present in your project area, please visit the [AKN Phenology Tool](#).

What does IPaC use to generate the probability of presence graphs for the migratory birds potentially occurring in my specified location?

The probability of presence graphs associated with your migratory bird list are based on data provided by the [Avian Knowledge Network \(AKN\)](#). This data is derived from a growing collection of [survey, banding, and citizen science datasets](#).

Probability of presence data is continuously being updated as new and better information becomes available. To learn more about how the probability of presence graphs are produced and how to interpret them, go the Probability of Presence Summary and then click on the "Tell me about these graphs" link.

How do I know if a bird is breeding, wintering, migrating or present year-round in my project area?

To see what part of a particular bird's range your project area falls within (i.e. breeding, wintering, migrating or year-round), you may refer to the following resources: [The Cornell Lab of Ornithology All About Birds Bird Guide](#), or (if you are unsuccessful in locating the bird of interest there), the [Cornell Lab of Ornithology Neotropical Birds guide](#). If a bird on your migratory bird species list has a breeding season associated with it, if that bird does occur in your project area, there may be nests present at some point within the timeframe specified. If "Breeds elsewhere" is indicated, then the bird likely does not breed in your project area.

What are the levels of concern for migratory birds?

Migratory birds delivered through IPaC fall into the following distinct categories of concern:

1. "BCC Rangewide" birds are [Birds of Conservation Concern](#) (BCC) that are of concern throughout their range anywhere within the USA (including Hawaii, the Pacific Islands, Puerto Rico, and the Virgin Islands);
2. "BCC - BCR" birds are BCCs that are of concern only in particular Bird Conservation Regions (BCRs) in the continental USA; and
3. "Non-BCC - Vulnerable" birds are not BCC species in your project area, but appear on your list either because of the [Eagle Act](#) requirements (for eagles) or (for non-eagles) potential susceptibilities in offshore areas from certain types of development or activities (e.g. offshore energy development or longline fishing).

Although it is important to try to avoid and minimize impacts to all birds, efforts should be made, in particular, to avoid and minimize impacts to the birds on this list, especially eagles and BCC species of rangewide concern. For more information on conservation measures you can implement to help avoid and minimize migratory bird impacts and requirements for eagles, please see the FAQs for these topics.

Details about birds that are potentially affected by offshore projects

Figure B.1 - USFW IPac Report

For additional details about the relative occurrence and abundance of both individual bird species and groups of bird species within your project area off the Atlantic Coast, please visit the [Northeast Ocean Data Portal](#). The Portal also offers data and information about other taxa besides birds that may be helpful to you in your project review. Alternately, you may download the bird model results files underlying the portal maps through the [NOAA NCCOS Integrative Statistical Modeling and Predictive Mapping of Marine Bird Distributions and Abundance on the Atlantic Outer Continental Shelf](#) project webpage.

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What if I have eagles on my list?

If your project has the potential to disturb or kill eagles, you may need to [obtain a permit](#) to avoid violating the Eagle Act should such impacts occur.

Proper Interpretation and Use of Your Migratory Bird Report

The migratory bird list generated is not a list of all birds in your project area, only a subset of birds of priority concern. To learn more about how your list is generated, and see options for identifying what other birds may be in your project area, please see the FAQ "What does IPaC use to generate the migratory birds potentially occurring in my specified location". Please be aware this report provides the "probability of presence" of birds within the 10 km grid cell(s) that overlap your project; not your exact project footprint. On the graphs provided, please also look carefully at the survey effort (indicated by the black vertical bar) and for the existence of the "no data" indicator (a red horizontal bar). A high survey effort is the key component. If the survey effort is high, then the probability of presence score can be viewed as more dependable. In contrast, a low survey effort bar or no data bar means a lack of data and, therefore, a lack of certainty about presence of the species. This list is not perfect; it is simply a starting point for identifying what birds of concern have the potential to be in your project area, when they might be there, and if they might be breeding (which means nests might be present). The list helps you know what to look for to confirm presence, and helps guide you in knowing when to implement conservation measures to avoid or minimize potential impacts from your project activities, should presence be confirmed. To learn more about conservation measures, visit the FAQ "Tell me about conservation measures I can implement to avoid or minimize impacts to migratory birds" at the bottom of your migratory bird trust resources page.

Facilities

National Wildlife Refuge lands

Any activity proposed on lands managed by the [National Wildlife Refuge](#) system must undergo a 'Compatibility Determination' conducted by the Refuge. Please contact the individual Refuges to discuss any questions or concerns.

THERE ARE NO REFUGE LANDS AT THIS LOCATION.

Fish hatcheries

THERE ARE NO FISH HATCHERIES AT THIS LOCATION.

Wetlands in the National Wetlands Inventory

Impacts to [NWI wetlands](#) and other aquatic habitats may be subject to regulation under Section 404 of the Clean Water Act, or other State/Federal statutes.

For more information please contact the Regulatory Program of the local [U.S. Army Corps of Engineers District](#).

Please note that the NWI data being shown may be out of date. We are currently working to update our NWI data set. We recommend you verify these results with a site visit to determine the actual extent of wetlands on site.

This location overlaps the following wetlands:

FRESHWATER EMERGENT WETLAND

[PEM1F](#)

FRESHWATER POND

[PUBG](#)

A full description for each wetland code can be found at the [National Wetlands Inventory website](#)

Data limitations

The Service's objective of mapping wetlands and deepwater habitats is to produce reconnaissance level information on the location, type and size of these resources. The maps are prepared from the analysis of high altitude imagery. Wetlands are identified based on vegetation, visible hydrology and geography. A margin of error is inherent in the use of imagery; thus, detailed on-the-ground inspection of any particular site may result in revision of the wetland boundaries or classification established through image analysis.

The accuracy of image interpretation depends on the quality of the imagery, the experience of the image analysts, the amount and quality of the collateral data and the amount of ground truth verification work conducted. Metadata should be consulted to determine the date of the source imagery used and any mapping problems.

Wetlands or other mapped features may have changed since the date of the imagery or field work. There may be occasional differences in polygon boundaries or classifications between the information depicted on the map and the actual conditions on site.

Data exclusions

Certain wetland habitats are excluded from the National mapping program because of the limitations of aerial imagery as the primary data source used to detect wetlands. These habitats include seagrasses or submerged aquatic vegetation that are found in the intertidal and subtidal zones of estuaries and nearshore coastal waters. Some deepwater reef communities (coral or tubercid worm reefs) have also been excluded from the inventory. These habitats, because of their depth, go undetected by aerial imagery.

Data precautions

Federal, state, and local regulatory agencies with jurisdiction over wetlands may define and describe wetlands in a different manner than that used in this inventory. There is no attempt, in either the design or products of this

inventory, to define the limits of proprietary jurisdiction of any Federal, state, or local government or to establish the geographical scope of the regulatory programs of government agencies. Persons intending to engage in activities involving modifications within or adjacent to wetland areas should seek the advice of appropriate federal, state, or local agencies concerning specified agency regulatory programs and proprietary jurisdictions that may affect such activities.

NOT FOR CONSULTATION

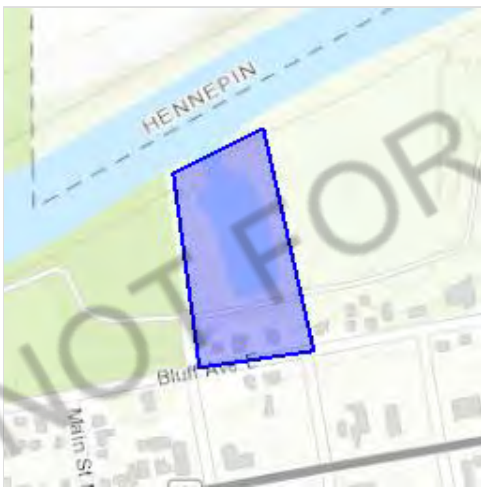
IPaC resource list

This report is an automatically generated list of species and other resources such as critical habitat (collectively referred to as *trust resources*) under the U.S. Fish and Wildlife Service's (USFWS) jurisdiction that are known or expected to be on or near the project area referenced below. The list may also include trust resources that occur outside of the project area, but that could potentially be directly or indirectly affected by activities in the project area. However, determining the likelihood and extent of effects a project may have on trust resources typically requires gathering additional site-specific (e.g., vegetation/species surveys) and project-specific (e.g., magnitude and timing of proposed activities) information.

Below is a summary of the project information you provided and contact information for the USFWS office(s) with jurisdiction in the defined project area. Please read the introduction to each section that follows (Endangered Species, Migratory Birds, USFWS Facilities, and NWI Wetlands) for additional information applicable to the trust resources addressed in that section.

Location

Scott County, Minnesota



Local office

Minnesota-Wisconsin Ecological Services Field Office

☎ (952) 252-0092

📠 (952) 646-2873

MAILING ADDRESS

4101 American Blvd E

Bloomington, MN 55425-1665

PHYSICAL ADDRESS

4101 American Blvd E

-

Bloomington, MN 55425-1665

<http://www.fws.gov/midwest/Endangered/section7/s7process/step1.html>

NOT FOR CONSULTATION

Endangered species

This resource list is for informational purposes only and does not constitute an analysis of project level impacts.

The primary information used to generate this list is the known or expected range of each species. Additional areas of influence (AOI) for species are also considered. An AOI includes areas outside of the species range if the species could be indirectly affected by activities in that area (e.g., placing a dam upstream of a fish population, even if that fish does not occur at the dam site, may indirectly impact the species by reducing or eliminating water flow downstream). Because species can move, and site conditions can change, the species on this list are not guaranteed to be found on or near the project area. To fully determine any potential effects to species, additional site-specific and project-specific information is often required.

Section 7 of the Endangered Species Act **requires** Federal agencies to "request of the Secretary information whether any species which is listed or proposed to be listed may be present in the area of such proposed action" for any project that is conducted, permitted, funded, or licensed by any Federal agency. A letter from the local office and a species list which fulfills this requirement can **only** be obtained by requesting an official species list from either the Regulatory Review section in IPaC (see directions below) or from the local field office directly.

For project evaluations that require USFWS concurrence/review, please return to the IPaC website and request an official species list by doing the following:

1. Draw the project location and click CONTINUE.
2. Click DEFINE PROJECT.
3. Log in (if directed to do so).
4. Provide a name and description for your project.
5. Click REQUEST SPECIES LIST.

Listed species¹ and their critical habitats are managed by the [Ecological Services Program](#) of the U.S. Fish and Wildlife Service (USFWS) and the fisheries division of the National Oceanic and Atmospheric Administration (NOAA Fisheries²).

Species and critical habitats under the sole responsibility of NOAA Fisheries are **not** shown on this list. Please contact [NOAA Fisheries](#) for [species under their jurisdiction](#).

1. Species listed under the [Endangered Species Act](#) are threatened or endangered; IPaC also shows species that are candidates, or proposed, for listing. See the [listing status page](#) for more information.
2. [NOAA Fisheries](#), also known as the National Marine Fisheries Service (NMFS), is an office of the National Oceanic and Atmospheric Administration within the Department of Commerce.

The following species are potentially affected by activities in this location:

Mammals

NAME

STATUS

Northern Long-eared Bat *Myotis septentrionalis*

Threatened

No critical habitat has been designated for this species.

<https://ecos.fws.gov/ecp/species/9045>

Critical habitats

Potential effects to critical habitat(s) in this location must be analyzed along with the endangered species themselves.

THERE ARE NO CRITICAL HABITATS AT THIS LOCATION.

Migratory birds

Certain birds are protected under the Migratory Bird Treaty Act¹ and the Bald and Golden Eagle Protection Act².

Any person or organization who plans or conducts activities that may result in impacts to migratory birds, eagles, and their habitats should follow appropriate regulations and consider implementing appropriate conservation measures, as described [below](#).

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- Nationwide conservation measures for birds <http://www.fws.gov/migratorybirds/pdf/management/nationwidestandardconservationmeasures.pdf>

The birds listed below are birds of particular concern either because they occur on the [USFWS Birds of Conservation Concern](#) (BCC) list or warrant special attention in your project location. To learn more about the levels of concern for birds on your list and how this list is generated, see the FAQ [below](#). This is not a list of every bird you may find in this location, nor a guarantee that every bird on this list will be found in your project area. To see exact locations of where birders and the general public have sighted birds in and around your project area, visit the [E-bird data mapping tool](#) (Tip: enter your location, desired date range and a species on your list). For projects that occur off the Atlantic Coast, additional maps and models detailing the relative occurrence and abundance of bird species on your list are available. Links to additional information about Atlantic Coast birds, and other important information about your migratory bird list, including how to properly interpret and use your migratory bird report, can be found [below](#).

For guidance on when to schedule activities or implement avoidance and minimization measures to reduce impacts to migratory birds on your list, click on the PROBABILITY OF PRESENCE SUMMARY at the top of your list to see when these birds are most likely to be present and breeding in your project area.

NAME

BREEDING SEASON (IF A BREEDING SEASON IS INDICATED FOR A BIRD ON YOUR LIST, THE BIRD MAY BREED IN YOUR PROJECT AREA SOMETIME WITHIN THE TIMEFRAME SPECIFIED, WHICH IS A VERY LIBERAL ESTIMATE OF THE DATES INSIDE WHICH THE BIRD BREEDS ACROSS ITS ENTIRE RANGE. "BREEDS ELSEWHERE" INDICATES THAT THE BIRD DOES NOT LIKELY BREED IN YOUR PROJECT AREA.)

American Bittern *Botaurus lentiginosus*

Breeds Apr 1 to Aug 31

This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA

<https://ecos.fws.gov/ecp/species/6582>

Bald Eagle *Haliaeetus leucocephalus*

Breeds Dec 1 to Aug 31

This is not a Bird of Conservation Concern (BCC) in this area, but warrants attention because of the Eagle Act or for potential susceptibilities in offshore areas from certain types of development or activities.

<https://ecos.fws.gov/ecp/species/1626>

Black-billed Cuckoo *Coccyzus erythrophthalmus*

Breeds May 15 to Oct 10

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

<https://ecos.fws.gov/ecp/species/9399>

Bobolink *Dolichonyx oryzivorus*

Breeds May 20 to Jul 31

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

Dunlin *Calidris alpina arctica*

Breeds elsewhere

This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA

Golden-winged Warbler *Vermivora chrysoptera*

Breeds May 1 to Jul 20

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

<https://ecos.fws.gov/ecp/species/8745>

Least Bittern *Ixobrychus exilis*

This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA

<https://ecos.fws.gov/ecp/species/6175>

Breeds Aug 16 to Oct 31

Lesser Yellowlegs *Tringa flavipes*

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

<https://ecos.fws.gov/ecp/species/9679>

Breeds elsewhere

Red-headed Woodpecker *Melanerpes erythrocephalus*

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

Breeds May 10 to Sep 10

Rusty Blackbird *Euphagus carolinus*

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

Breeds elsewhere

Semipalmated Sandpiper *Calidris pusilla*

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

Breeds elsewhere

Willow Flycatcher *Empidonax traillii*

This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA

<https://ecos.fws.gov/ecp/species/3482>

Breeds May 20 to Aug 31

Wood Thrush *Hylocichla mustelina*

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

Breeds May 10 to Aug 31

Probability of Presence Summary

The graphs below provide our best understanding of when birds of concern are most likely to be present in your project area. This information can be used to tailor and schedule your project activities to avoid or minimize impacts to birds. Please make sure you read and understand the FAQ "Proper Interpretation and Use of Your Migratory Bird Report" before using or attempting to interpret this report.

Probability of Presence (■)

Each green bar represents the bird's relative probability of presence in the 10km grid cell(s) your project overlaps during a particular week of the year. (A year is represented as 12 4-week months.) A taller bar indicates a higher probability of species presence. The survey effort (see below) can be used to establish a level of confidence in the presence score. One can have higher confidence in the presence score if the corresponding survey effort is also high.

How is the probability of presence score calculated? The calculation is done in three steps:

1. The probability of presence for each week is calculated as the number of survey events in the week where the species was detected divided by the total number of survey events for that week. For example, if in week 12 there were 20 survey events and the Spotted Towhee was found in 5 of them, the probability of presence of the Spotted Towhee in week 12 is 0.25.
2. To properly present the pattern of presence across the year, the relative probability of presence is calculated. This is the probability of presence divided by the maximum probability of presence across all weeks. For example, imagine the probability of presence in week 20 for the Spotted Towhee is 0.05, and that the probability of presence at week 12 (0.25) is the maximum of any week of the year. The relative probability of presence on week 12 is $0.25/0.25 = 1$; at week 20 it is $0.05/0.25 = 0.2$.
3. The relative probability of presence calculated in the previous step undergoes a statistical conversion so that all possible values fall between 0 and 10, inclusive. This is the probability of presence score.

To see a bar's probability of presence score, simply hover your mouse cursor over the bar.

Breeding Season (■)

Yellow bars denote a very liberal estimate of the time-frame inside which the bird breeds across its entire range. If there are no yellow bars shown for a bird, it does not breed in your project area.

Survey Effort (|)

Vertical black lines superimposed on probability of presence bars indicate the number of surveys performed for that species in the 10km grid cell(s) your project area overlaps. The number of surveys is expressed as a range, for example, 33 to 64 surveys.

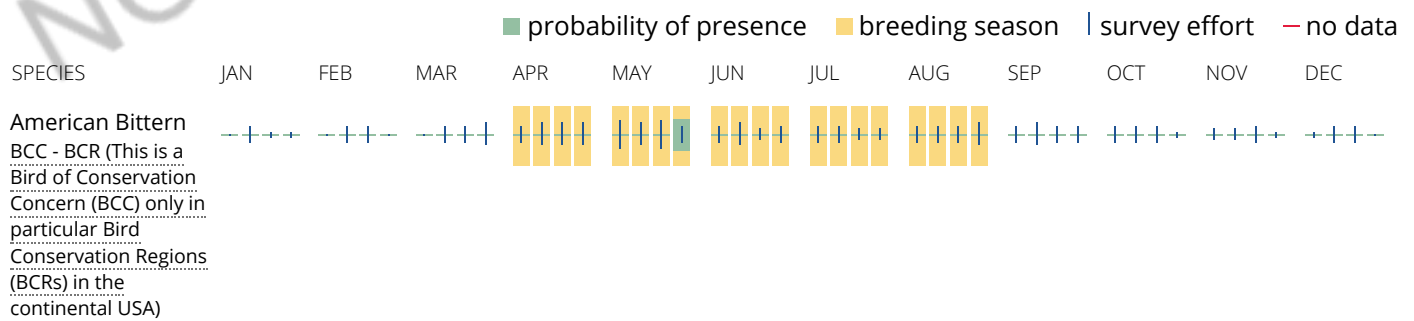
To see a bar's survey effort range, simply hover your mouse cursor over the bar.

No Data (-)

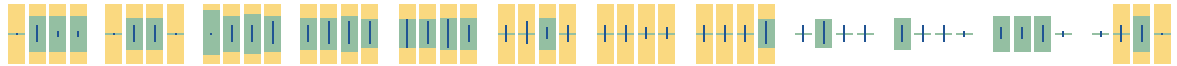
A week is marked as having no data if there were no survey events for that week.

Survey Timeframe

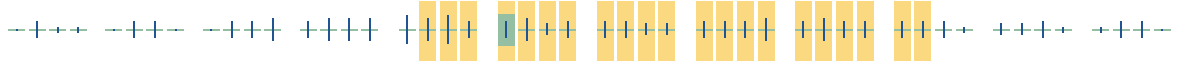
Surveys from only the last 10 years are used in order to ensure delivery of currently relevant information. The exception to this is areas off the Atlantic coast, where bird returns are based on all years of available data, since data in these areas is currently much more sparse.



Bald Eagle
 Non-BCC Vulnerable
 (This is not a Bird of Conservation Concern (BCC) in this area, but warrants attention because of the Eagle Act or for potential susceptibilities in offshore areas from certain types of development or activities.)



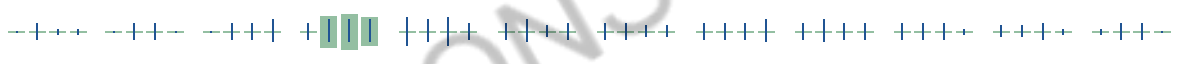
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 BCC Rangewide (CON) (This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.)



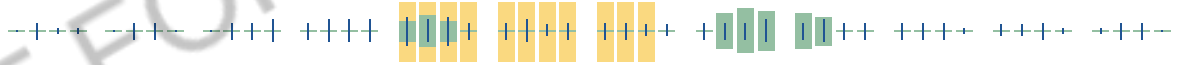
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 BCC - BCR (This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA)



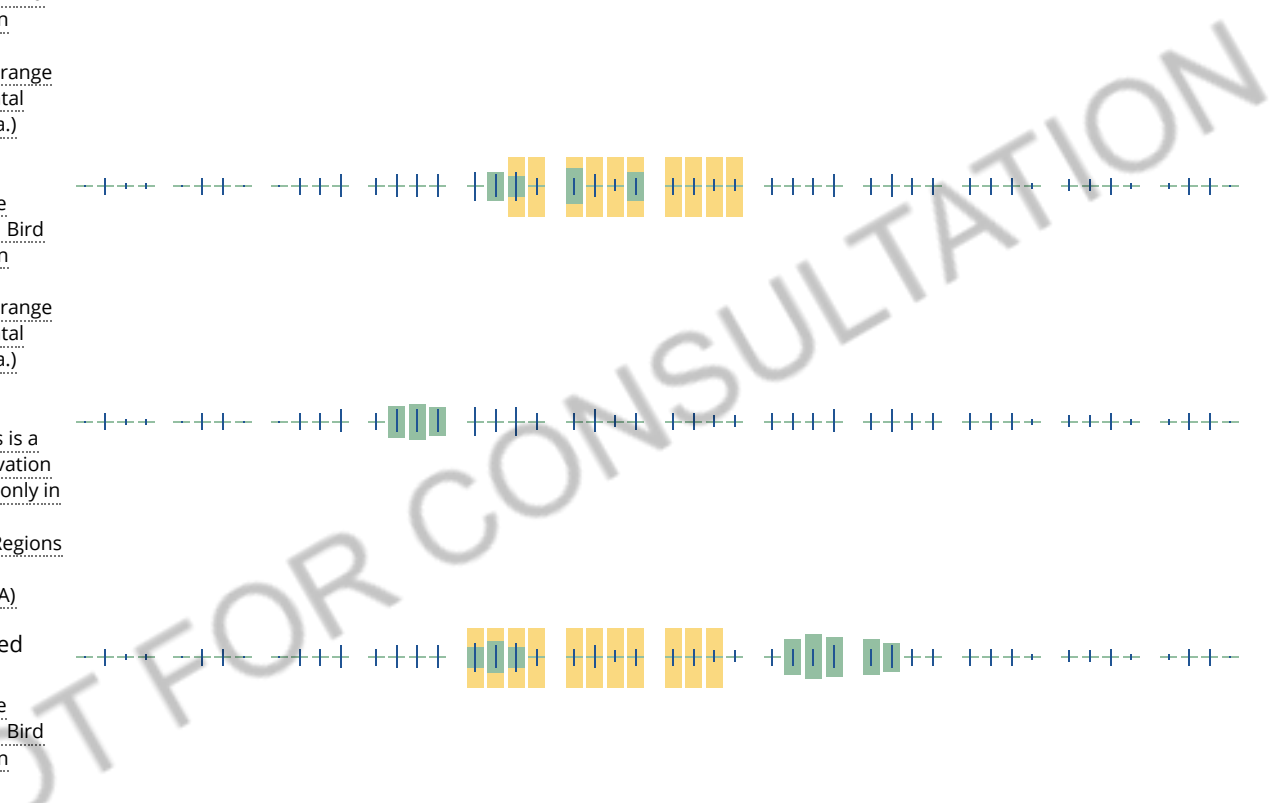
Golden-winged Warbler
 BCC Rangewide (CON) (This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.)

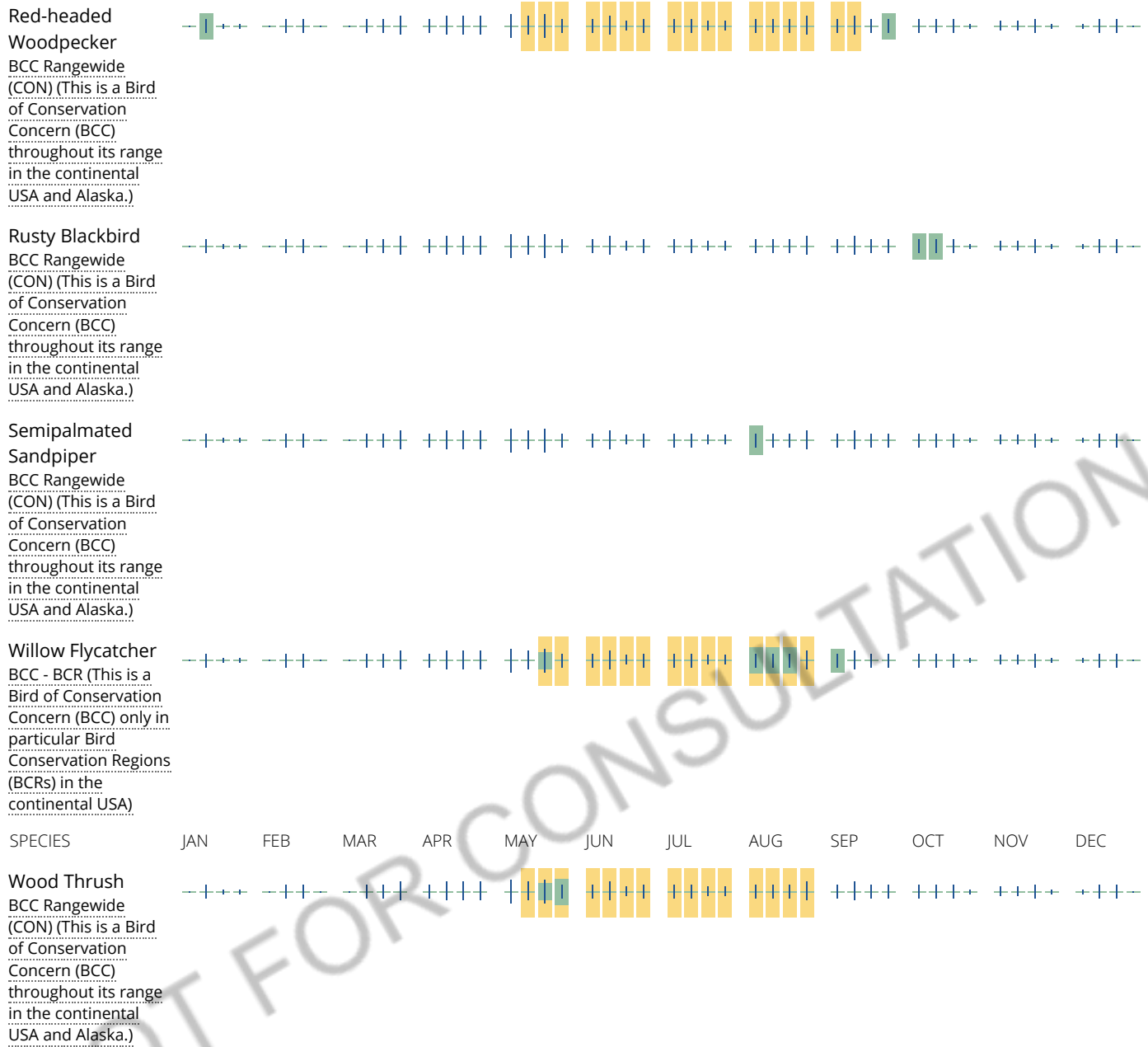


Least Bittern
 BCC - BCR (This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA)



Lesser Yellowlegs
 BCC Rangewide (CON) (This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.)





Tell me more about conservation measures I can implement to avoid or minimize impacts to migratory birds.

[Nationwide Conservation Measures](#) describes measures that can help avoid and minimize impacts to all birds at any location year round. Implementation of these measures is particularly important when birds are most likely to occur in the project area. When birds may be breeding in the area, identifying the locations of any active nests and avoiding their destruction is a very helpful impact minimization measure. To see when birds are most likely to occur and be breeding in your project area, view the Probability of Presence Summary. [Additional measures](#) and/or [permits](#) may be advisable depending on the type of activity you are conducting and the type of infrastructure or bird species present on your project site.

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Details about birds that are potentially affected by offshore projects

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If your project has the potential to disturb or kill eagles, you may need to [obtain a permit](#) to avoid violating the Eagle Act should such impacts occur.

Proper Interpretation and Use of Your Migratory Bird Report

The migratory bird list generated is not a list of all birds in your project area, only a subset of birds of priority concern. To learn more about how your list is generated, and see options for identifying what other birds may be in your project area, please see the FAQ "What does IPaC use to generate the migratory birds potentially occurring in my specified location". Please be aware this report provides the "probability of presence" of birds within the 10 km grid cell(s) that overlap your project; not your exact project footprint. On the graphs provided, please also look carefully at the survey effort (indicated by the black vertical bar) and for the existence of the "no data" indicator (a red horizontal bar). A high survey effort is the key component. If the survey effort is high, then the probability of presence score can be viewed as more dependable. In contrast, a low survey effort bar or no data bar means a lack of data and, therefore, a lack of certainty about presence of the species. This list is not perfect; it is simply a starting point for identifying what birds of concern have the potential to be in your project area, when they might be there, and if they might be breeding (which means nests might be present). The list helps you know what to look for to confirm presence, and helps guide you in knowing when to implement conservation measures to avoid or minimize potential impacts from your project activities, should presence be confirmed. To learn more about conservation measures, visit the FAQ "Tell me about conservation measures I can implement to avoid or minimize impacts to migratory birds" at the bottom of your migratory bird trust resources page.

Facilities

National Wildlife Refuge lands

Any activity proposed on lands managed by the [National Wildlife Refuge](#) system must undergo a 'Compatibility Determination' conducted by the Refuge. Please contact the individual Refuges to discuss any questions or concerns.

THERE ARE NO REFUGE LANDS AT THIS LOCATION.

Fish hatcheries

THERE ARE NO FISH HATCHERIES AT THIS LOCATION.

Wetlands in the National Wetlands Inventory

Impacts to [NWI wetlands](#) and other aquatic habitats may be subject to regulation under Section 404 of the Clean Water Act, or other State/Federal statutes.

For more information please contact the Regulatory Program of the local [U.S. Army Corps of Engineers District](#).

WETLAND INFORMATION IS NOT AVAILABLE AT THIS TIME

This can happen when the National Wetlands Inventory (NWI) map service is unavailable, or for very large projects that intersect many wetland areas. Try again, or visit the [NWI map](#) to view wetlands at this location.

Data limitations

The Service's objective of mapping wetlands and deepwater habitats is to produce reconnaissance level information on the location, type and size of these resources. The maps are prepared from the analysis of high altitude imagery. Wetlands are identified based on vegetation, visible hydrology and geography. A margin of error is inherent in the use of imagery; thus, detailed on-the-ground inspection of any particular site may result in revision of the wetland boundaries or classification established through image analysis.

The accuracy of image interpretation depends on the quality of the imagery, the experience of the image analysts, the amount and quality of the collateral data and the amount of ground truth verification work conducted. Metadata should be consulted to determine the date of the source imagery used and any mapping problems.

Wetlands or other mapped features may have changed since the date of the imagery or field work. There may be occasional differences in polygon boundaries or classifications between the information depicted on the map and the actual conditions on site.

Data exclusions

Certain wetland habitats are excluded from the National mapping program because of the limitations of aerial imagery as the primary data source used to detect wetlands. These habitats include seagrasses or submerged aquatic vegetation that are found in the intertidal and subtidal zones of estuaries and nearshore coastal waters. Some deepwater reef communities (coral or tubercid worm reefs) have also been excluded from the inventory. These habitats, because of their depth, go undetected by aerial imagery.

Data precautions

Federal, state, and local regulatory agencies with jurisdiction over wetlands may define and describe wetlands in a different manner than that used in this inventory. There is no attempt, in either the design or products of this inventory, to define the limits of proprietary jurisdiction of any Federal, state, or local government or to establish the geographical scope of the regulatory programs of government agencies. Persons intending to engage in activities involving modifications within or adjacent to wetland areas should seek the advice of appropriate federal, state, or local agencies concerning specified agency regulatory programs and proprietary jurisdictions that may affect such activities.

Figure B.2 - SHPO Response Cultural Resources

Joseph Widing

To: MN_MNIT_Data Request SHPO
Subject: RE: Request for Inventory and Report Database Search

From: MN_MNIT_Data Request SHPO <DataRequestSHPO@state.mn.us>
Sent: Tuesday, October 8, 2019 2:56 PM
To: Joseph Widing <jwiding@shakopeemn.gov>
Subject: RE: Request for Inventory and Report Database Search

Hello Joe,

Our database has no historic records for the given addresses.

Jim



SHPO Data Requests
Minnesota State Historic Preservation Office
50 Sherburne Avenue, Suite 203
Saint Paul, MN 55155
(651) 201-3299
datarequestshpo@state.mn.us

Notice: This email message simply reports the results of the cultural resources database search you requested. The database search is only for previously known archaeological sites and historic properties. **IN NO CASE DOES THIS DATABASE SEARCH OR EMAIL MESSAGE CONSTITUTE A PROJECT REVIEW UNDER STATE OR FEDERAL PRESERVATION LAWS** – please see our website at <https://mn.gov/admin/shpo/protection/> for further information regarding our Environmental Review Process.

Because the majority of archaeological sites in the state and many historic/architectural properties have not been recorded, important sites or properties may exist within the search area and may be affected by development projects within that area. Additional research, including field surveys, may be necessary to adequately assess the area's potential to contain historic properties or archaeological sites.

Properties that are listed in the National Register of Historic Places (NRHP) or have been determined eligible for listing in the NRHP are indicated on the reports you have received, if any. The following codes may be on those reports:

NR – National Register listed. The properties may be individually listed or may be within the boundaries of a National Register District.

CEF – Considered Eligible Findings are made when a federal agency has recommended that a property is eligible for listing in the National Register and MN SHPO has accepted the recommendation for the purposes of the Environmental Review Process. These properties need to be further assessed before they are officially listed in the National Register.

SEF – Staff eligible Findings are those properties the MN SHPO staff considers eligible for listing in the National Register, in circumstances other than the Environmental Review Process.

DOE – Determination of Eligibility is made by the National Park Service and are those properties that are eligible for listing in the National Register, but have not been officially listed.

CNEF – Considered Not Eligible Findings are made during the course of the Environmental Review Process. For the purposes of the review a property is considered not eligible for listing in the National Register. These properties may need to be reassessed for eligibility under additional or alternate contexts.