

**JOINT POWERS AGREEMENT
BETWEEN
THE TOWN OF WHITE BEAR AND THE CITY OF WHITE BEAR LAKE**

THIS JOINT POWERS AGREEMENT (Agreement) is made and entered into the 12 day of September, 2018 by and between the Town of White Bear (the Town), a political subdivision of the State of Minnesota and the City of White Bear Lake (City), a home rule charter city and political subdivision of the State of Minnesota.

RECITALS

A. Located along a common boundary line between the Town and City is County State Aid Highway No. 59, known as Centerville Road (Road). The Road is under the jurisdiction of Ramsey County, Minnesota (County).

B. Due to new commercial development presently under construction in the City, certain street and traffic signal improvements, including roadway widening, median installation, turn lanes, storm water improvements, curb and gutter improvements, and partial street reconstruction (collectively, the "Improvements") are necessary to accommodate the safe flow of traffic on the Road north of County Road 96.

C. Construction of the Improvements requires work be performed on portions of the Road located within the boundary of the Town.

D. The County has requested City assistance with facilitating the construction of the Improvements on the Road.

E. Due to the location of a portion of the Road within the Town, the City has asked the Town to financially participate in the Improvements.

PURPOSE

Minnesota Statutes, Section 471.59 provides that two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they are exercised.

AGREEMENT

NOW, THEREFORE, in consideration of mutual benefits herein expressed, the Town of White Bear and the City of White Bear Lake agree as follows:

1. The City has retained Alliant Engineering to be a consulting engineer for the Improvements. Alliant Engineering shall prepare all plans and specifications and construction bidding documents for the Improvements. The City shall award the construction bids and serve as lead agency for the Improvements. The Town shall not be responsible for any actions undertaken by Alliant Engineering, the City or the City's construction contractor regarding the construction or installation of the Improvements. All work to be done constructing and installing the Improvements within the Town shall be done subject to the original approval of the Town Engineer and in accordance with the Town's construction standards and requirements.

2. The City shall provide the Town with construction plans, a feasibility study, and any other documents reasonably required to initiate improvement and assessment hearings for the Improvements.

3. The City will proceed to contract for completion of the Improvements in a manner that creates as little disruption as possible to the City and Town residents and other users of the Road. The construction contract shall contain language which assigns to the Town any warranties related to Improvements constructed within the boundaries of the Town.

4. The City shall contract with the lowest responsible bidder and shall oversee Alliant Engineering's administration of the Improvement project. The City affirms that Alliant Engineering shall provide full oversight of the construction process according to Minnesota State Aid and County standards. As to improvements located within the Town, the Town shall have the right to inspect, review and comment on the construction of the project.

5. All payments due under the construction contract shall be the responsibility of the City. In the event a dispute arises between the City and the contractor regarding any terms of the contract the City shall be responsible for all negotiations with the contractor and shall hold the Town harmless from any damages or claims resulting from any said dispute. No alterations of the contract or plans for Improvements located within the Town shall be effective until approved by the Town. The Town shall not be bound by said alterations until the Town has approved the alterations.

6. For the purpose of performance of obligations under this Agreement, the Town hereby grants the City permission to use that portion of the Road dedicated to the Town for the purpose of constructing the Improvement project; the Town hereby agrees, through its departmental agencies, to cooperate to the fullest extent the protection of any excavations, barricades, and traffic control that may be necessary for the work performed by the City.

7. The Town shall assist the City with respect to any requests, documentation, reports or any other general assistance required in order to complete the Improvement project.

8. The Town and City shall negotiate the Town's share of the Improvement project costs. The Town reserves the right to pay for its share of the costs by assessing those properties located in the Town which are benefited by the Improvement project. In the event the Town elects to assess the costs allocated to it under this Agreement to the affected properties, all payments received as a result of the assessment shall be forwarded to the City in a timely fashion, but no later than one month after receipt by the Town. If the Town uses other funds to pay for its share of the costs, those funds shall be forwarded to the City pursuant to a payment schedule to be negotiated between the Town and the City. The City shall apply said funds to satisfy the Town's obligation to reimburse the City for the Town's share of Improvement project costs.

9. The City and the Town shall each be responsible for their own acts and omissions and the results thereof to the extent authorized by law. The Town and the City liabilities are subject to statutory liability limits. The limits of liability for the Town and the City may not be added together to determine the maximum amount of liability for either party.

10. This Agreement shall remain in full force and effect until after the Improvement project is completed and final payment has been made to the contractor. No amendment to this Agreement shall be effective unless an amendment is reduced to writing and said written document is approved by both the Town and the City.

IN WITNESS WHEREOF, the Town of White Bear and the City of White Bear Lake have caused this Agreement to be executed on their behalf by their proper officers, Board and Council.

Town of White Bear

By: Robert J. Korman
Its Town Board Chair

Dated: Sept. 5, 2018

By: [Signature]
Its Town Clerk

Dated: 9/5/18

City of White Bear Lake

By: [Signature]
Its Mayor

Dated: Sept. 12, 2018

By: [Signature]
Its City Manager

Dated: Sept. 12, 2018

MINUTES
TOWN BOARD MEETING
MAY 7, 2018

DeMoe, Scott Lombardi and Steve Reeves to Three Year Terms on the Park Board to Expire April 30, 2021; 5L) Re-Appoint Scott McCune to a Three Year Term on the Utility Commission to Expire April 30, 2021; 5M) Re-Appoint Beth Artner and Steve Swisher to Three Year Terms on the Planning Commission to Expire April 30, 2021. Prudhon seconded. Ayes all.

OLD BUSINESS: There were no Old Business agenda items.

7:15 P.M. – PUBLIC HEARING – IMPROVEMENT 2018-3 – CENTERVILLE ROAD IMPROVEMENTS: 1) RECEIVE FEASIBILITY REPORT – PRESENTATION BY STEVE WESER; 2) RECEIVE APPRAISAL; 3) ORDER IMPROVEMENT; 4) ADOPT RESOLUTION OF INTENT TO REIMBURSE: The Public Hearing was held at 7:16 p.m.

Presentation by Steve Weser: Steve Weser, Alliant Engineering, Consulting Engineers for the Centerville Road Improvement Project, provided an overview of the project. The location of the project is Centerville Road from County State Aid Highway 95 to CP Railroad crossing. The project is a joint effort by the City of White Bear Lake, Ramsey County, White Bear Township, and private development partners. The need for the project is due to existing safety issues on Centerville Road, existing operations issues, and to accommodate future traffic from Tower Crossings. There are significant existing safety issues on Centerville Road as indicated by the 48 crashes between Highway 96 and the Cub Foods entrance in five years. Over one third of these crashes involved an injury or possible injury and over one half of the crashes are right-angle or left turn crashes. These types of crashes can be reduced by adding a median to reduce conflict points. There are no pedestrian crossing facilities north of Highway 96. The existing operations issues are long delays and back-ups for traffic on both east and west approaches and southbound left turn vehicles at the Highway 96 /Centerville Road intersection frequently back up through the Meadowlands intersection. To accommodate future traffic from Tower Crossings, the roadway will be widened; median installed; turn lanes installed; traffic signal system installed; pedestrian facilities at signal; new sidewalk along east side; mill and overlay of the road; storm sewer system; water quality improvements; and utility adjustments. Steve Weser stated that the County does not fund traffic signals as it is the County's position that a signal is generally added if there is additional traffic and it is up to the affected cities to fund. The work for the project includes modifications at the Cub Foods / Tower Crossings driveway intersection. This will include an additional exit lane from Cub; traffic signal improvements; curb line revisions on Centerville Road to accommodate U-turn movement; and pedestrian crossings. The benefits of the proposed improvements include: additional lane capacity and optimized signal timing which improves operations on Centerville Road; installation of median reduces conflicts and improves safety on Centerville Road; improved pedestrian safety – signalized pedestrian crossing at Cub Foods / Tower Crossings; safer access for traffic heading south from the east side of Centerville Road – senior facility and Lunds/Byerlys use proposed traffic signal; southerly driveways right-only onto Centerville Road and perform U-turn at signalized intersection; and use service road through Lunds/Byerlys parking lot to access traffic

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TOWN BOARD MEETING
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signal. Estimated construction cost of \$960,000 includes \$150,000 for additional County mill and overlay for a \$1,300,000 total estimated project costs. Costs will be funded through a combination of County State Aid funds; developer funds; special assessments to benefitting properties; and possibly City and Township funds. Through traffic will be maintained throughout construction phase. The project schedule had a Public Informational Meeting on April 4, 2018 and Public Hearing (City of White Bear Lake) held April 24, 2018. WBL City Council considers bids on May 8, 2018; construction begins late May/early June 2018; and substantial completion is expected in September 2018.

Prudhon asked about an area at the Cub intersection shown in red. Steve Weser explained that indicates added concrete. With the additional width it will accommodate stacking in the left or right lane. Currently it is a landscaped taper of land. Ruzek asked if there are two pedestrian crossings at the intersection. Steve Weser stated that it will be on all four legs, north, south, east and west. There is a sidewalk planned as part of the Lunds/Byerlys development and will be graded as part of the roadway project.

Ruzek asked about Tires Plus. Steve Weser stated that Tires Plus is the only parcel that is land locked. Tires Plus will only have one access because grade will not permit cross connections. It was investigated but the grades would not permit it. Traffic leaving Tires Plus will have to turn north on Centerville Road. Access to southbound Centerville Road will require a u-turn at the new signal at Lunds/Byerlys/Cub Foods.

Erin Laberee Ramsey County Traffic Engineer stated that in situations where private developments generate enough traffic that requires a traffic signal it is the county policy not to fund that signal. It is left up to the private businesses. This is a unique situation where there are two private legs on Centerville and because it is between two cities the County leaves it up to them to figure out how to fund the signal. The signal is required because of private developments. The recently completed traffic study found that the existing traffic volumes were high enough to warrant a signal even without the proposed Lunds/Byerlys project. Now that the last remaining undeveloped parcel is being built on it is a good time to build the signal. In response to when the traffic study was done, Erin Laberee stated that it was done in January 2017. Steve Weser stated that the original traffic study was done for the HyVee development proposed at that time, the study has been updated to reflect Lunds/Byerlys instead of HyVee. That portion of the report was finalized in October 2017. There was a reduction in the number of trips with the smaller store. The current store is 47,000 square feet. The HyVee store was significantly bigger. There are 33% less trips with the smaller Lunds/Byerlys store. Regardless, the warrant for a signal system existed even before adding traffic from Lunds/Byerlys.

The Clerk reported that mailed notice of the public hearing was sent to the affected property owners and to the White Press for publication in the newspaper. There is a requirement that the notice be published twice with the publication date closest to the hearing date, no sooner than three days prior to the hearing. In this particular case the first public notice was published and the second one was not. When the original order for publication was sent the two dates were included, but in the process only one date

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was published. The Town Attorney recommended a process to maintain the statutory requirements. He stated that under the statute a public hearing must be held to order the project. If there is intention to assess the cost of the project all property owners who may be assessed that cost must be notified. In this case there is only one – Cub Foods. If a hearing is not published twice, with the second publication three days before the hearing, the Town has not met the statutory requirements. The Clerk stated that the Town did mail notice to all property owners and the first notice was published. However, a second notice was not published. The Town Attorney recommended re-publishing the two notices of public hearing. Testimony can be accepted at tonight's meeting, but no action may be taken. This public hearing can be conducted at the next Town Board Meeting on May 21, 2018 at which time the public testimony given tonight will be received, and the Board can take action.

The floor was opened for public comment.

Michael Oase, Chief Operating Officer of Kowalski Companies who owns the Cub Foods store in the Meadowlands thanked all who were helpful in assisting them with their concerns regarding this development and impact to their customers. He thanked Ramsey County, Joe Lux, and Erin Laberee regarding the proposed left turn out of Meadowlands Drive onto Centerville Road. Cub Foods had a lot of concern about the businesses behind them with their customers having to cut through the Cub parking lot or to go back through the local residential streets. He appreciated the County's efforts to work with them. He stated that they started this process when the HyVee project was proposed. He stated that it is not about a food business going in across the street from them. They understand competition but needed to express their concern about the changes to the roadway, the cost of the road, who would pay those costs, and the impact it would have to their business and customers. Mr. Oase stated that it was, and is, their opinion that the Township should not have to bear any cost with this project. It is their opinion that the changes are being driven by the development across the street. Cub Foods has been there for 24 years. This is the first that they have heard about a median going in and a traffic signal going in. Changes need to be made and they are working with all the parties to be sure that there needs are being met, the needs of their customers, and the needs of the general public. He stated that Cub has had a long working relationship with the Township and the community. They feel strongly that the only reason a traffic signal is going in across the street is because of this development. They have stated that the Township and residents should not bear the cost of that signal, but rather that the developer should bear the cost. The County has been very helpful, as well as Mr. Short, in understanding the stacking of the traffic in their parking lot. It is already a problem and they have worked with Cub to modify the parking lot. He stated that cost is of concern as it relates to Cub, and if assessed, what the assessment would be, and the impact on the customers and residents of the community. In response, if Cub Foods feels that the changes made will take care of stacking, Mr. Oase stated, that the changes that are being made are at the request of Cub. They want their customers to be able to get in and out of the parking lot as easily as possible. Right now it is a free flow so customers can come and go as they want. Now with the stop light it helps with safety, but affects people coming and going as they want. The modification of

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the curbing in their driveway area will definitely help but they are still concerned about stacking there. The modification of the lane will help some. He stated that they have concerns with the development but everyone has been very helpful. They will stay engaged in the process with the timeline as it would impact their customers. In response if Cub Foods had any other suggestions about the changes, Mr. Oase stated, that stacking was the main concern but this is being addressed. The U-turn is a necessary evil. A lot of those people will make the U-turn. He stated they would not like to see people making the U-turn while Cub Food customers were leaving their parking lot. In response to Cub Food's thoughts about the assessment, Mr. Oase stated that any assessment is hard. It was determined that Cub Foods was the only benefitting property on the west side of Centerville Road. He stated that there are some benefits and also some disadvantages for their customers. He stated that one disadvantage is that they will lose business. They feel it is hard to accept the cost when there are disadvantages for something not being driven by their business.

Erin Laberee described the process for placing and putting the signal in operation, such as cars stacking up in the Cub Foods parking lot. Erin Laberee stated that they are confident that the process will work and if tweaking is needed they can come back and make adjustments. The signal will be connected with the light on Highway 96 because they are so close. They will have to monitor it and be sure there is a good balance. The new signal will filter traffic through Highway 96. Some relief may be seen on Highway 96. They will work with Cub Foods regarding stacking. There will be flashing yellow going onto Centerville. The nice thing about flashing yellow is that there is an option to turn it on or off and use green arrow if needed. The speed limit zone on Centerville Road will not be changed. The only entity that can change speed limits is the State of Minnesota. Ramsey County does not have that authority. Prudhon stated that the Township is concerned about stacking at Cub Foods. Erin Laberee stated that they will work with Cub Foods and Lunds/Byerlys on this situation.

Prudhon moved to accept the appraisal from Dahlen, Dwyer, Foley & Tinker, Inc. for the Centerville Road Improvement Project. Ruzek seconded. Ayes all.

Prudhon moved to receive the report on the Improvement 2018-3 Centerville Road Improvements. Ruzek seconded. Ayes all.

The Town Clerk reported that an email has been received from Faulkner Companies, LLC regarding Centerville Improvements regarding assessments.

Ruzek moved to receive the email from Faulkner Companies, LLC regarding assessment against the property at 1011 Meadowland Drive for the Centerville Road improvements. Prudhon seconded. Ayes all.

Prudhon moved to schedule the public improvement hearing for 7:00 p.m. on Monday, May 21, 2018 due to the publication error and to officially receive all public input given tonight at that time. Ruzek seconded. Ayes all.

Timeline
Improvement 2018-3 – Centerville Road Improvements

- September 5 or 17 - Call Hearing for Assessments
- October 15 - Assessment Hearing – this leaves 30 days for payment without interest
- November 30 - Unpaid assessments are levied to Ramsey County

EXTRACT OF MINUTES OF A MEETING OF THE TOWN
BOARD OF THE TOWN OF WHITE BEAR, MINNESOTA,
HELD ON MAY 21, 2018

Pursuant to due call and notice thereof, a Special meeting of the Town Board of the Town of White Bear, Minnesota, was duly held at Heritage Hall in said Town on May 21, 2018 at 7:00 p.m.

The following members were present: Kermes, Prudhon, Ruzek; and the following voted against the same: None.

Supervisor Prudhon introduced the following Resolution and moved its adoption:

**RESOLUTION ORDERING IMPROVEMENT
2018-3**

WHEREAS, pursuant to a Resolution of the Town Board adopted April 2, 2018, the Board selected a date for hearing on the improvements to Centerville Road including street re-construction and appurtenances thereto on Centerville Road located in Section 16, Township 22, Range 30, all in Ramsey County, Minnesota,

AND WHEREAS, ten days' notice of hearing through two weekly publications and mailing of the required notice was given, and the hearing was held on May 21, 2018, at which hearing all persons desiring to be heard were given an opportunity to be heard thereon,

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WHITE BEAR, MINNESOTA:

1. That the Town Board deems it necessary, cost effective and expedient that the City of White Bear Lake construct the improvements to Centerville Road including street re-construction and appurtenances thereto on Centerville Road located in Section 16, Township 22, Range 30, all in Ramsey County, Minnesota, in accordance with the preliminary plans and report prepared by the consulting engineers.

2. That the Board has advised the City of White Bear Lake that the proposed improvements to Centerville Road in the area described above are feasible and should best be made as proposed.



WHITE BEAR TOWNSHIP

1858
RAMSEY COUNTY
MINNESOTA

1281 HAMMOND ROAD
WHITE BEAR TOWNSHIP, MN 55110

651-747-2750

FAX 651-426-2258

Email: wbt@whitebeartownship.org

Board of Supervisors
ROBERT J. KERMES, *Chair*
ED M. PRUDHON
STEVEN A. RUZEK

May 10, 2018

Dear Township Business:

On May 7th, the Town Board received a presentation on the proposed Centerville Road improvements. Following the presentation, the meeting was opened for questions and comments from affected property owners. Those questions and comments were addressed, answered and recorded.

While mailed notice and publication were completed for that meeting, the required second public notice was not. Therefore, a public hearing will occur again on Monday, May 21, 2018 at 7:00 p.m. The Town Board will officially enter the questions and comments previously entered into the record at that time.

You are invited to attend this hearing also if you wish.

If in the meantime you have any questions I can be reached at 651.747.7258 or via e-mail at bill.short@whitebeartownship.org.

Sincerely,

William F. Short
Clerk-Treasurer



recycled paper



1858
RAMSEY COUNTY
MINNESOTA

1281 HAMMOND ROAD
WHITE BEAR TOWNSHIP, MN 55110

651-747-2750
FAX 651-426-2258
Email: wbt@whitebeartownship.org

Board of Supervisors
ROBERT J. KERMES, *Chair*
ED M. PRUDHON
STEVEN A. RUZEK

April 26, 2018

Dear Township Business:

Centerville Road is proposed to be improved this summer with an additional northbound lane, the installation of a traffic signal at the Lunds-Byerlys/White Bear Heights/Cub Foods driveways, and the extension of the median from Meadowlands Drive to the new signal.

The improvements are needed to improve traffic flow and safety. The Town Board has been asked to share in the cost of the traffic signal.

The Town Board has scheduled a Public Hearing for the purpose of presenting the project, answering questions, and recording comments from the benefitting property owners. A **Notice of Hearing on Proposed Improvement** is enclosed. The Public Hearing will be held on **Monday, May 7, 2018 at 7:15 p.m. at Heritage Hall, 4200 Otter Lake Road, White Bear Township, Minnesota**. You were invited to attend a similar hearing at the City of White Bear Lake on April 24, 2018.

If in the meantime, you have any questions I can be reached at 651.747.2758 or via email at bill.short@whitebeartownship.org.

Sincerely,

WILLIAM F. SHORT
Clerk-Treasurer

WFS/psw
cc:admin/add.file
b:centervillesignal



recycled paper



NOTICE OF PUBLIC HEARING ON PROPOSED CENTERVILLE ROAD IMPROVEMENTS

Notice is hereby given that the Town Board of the Town of White Bear, Minnesota, will meet at Heritage Hall, 4200 Otter Lake Road, in the Town of White Bear, Minnesota, at 7:15 p.m. on Monday, May 7, 2018, to consider the improvement. A reasonable estimate of the impact of the assessment will be available at the hearing.

The general nature of the improvement is set forth as follows: Improvements to Centerville Road (near Cub Foods) in Section 16, Township 30, Range 11, Ramsey County, Minnesota.

The area proposed to be assessed for such improvement is every lot, piece or parcel of land benefitted by said improvement.

The estimated cost of said Improvement is \$75,000.00.

The Board proposes to proceed under authority granted under Minnesota Statutes, Chapter 429.

All persons desiring to be heard with reference to the proposed improvement will be heard at this meeting.

Dated: April 2, 2018.

BY ORDER OF THE TOWN BOARD OF SUPERVISORS

WILLIAM F. SHORT, Clerk-Treasurer

CUB FOODS
1059 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

RIC 25 LTD
PO BOX 6760
PORTLAND OR 97228-6760

ARBY'S
1028 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

FLAGSHIP BANK MINNESOTA
7525 OFFICE RIDGE CIR
EDEN PRAIRIE MN 55344-3644

KINDER CARE
1000 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

JMK LIMITED PARTNERSHIP
1646 DIFFLEY ROAD
EAGAN MN 55122-2213

VALVOLINE OIL
1008 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

MEADOWLANDS ENTERPRISES LLC
1570 DELAWARE AVENUE
WEST ST PAUL MN 55118-3850

APPLEBEE'S
1018 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

BROADSTONE APLB MINNESOTA LLC
6200 OAK TREE BLVD STE 250
INDEPENDENCE OH 44131-6943

AUTO ZONE
1038 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

FLAGSHIP BANK
1048 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

JIMMY JOHNS
1048 MEADOWLANDS DRIVE
WHITE BEAR TOWNSHIP MN 55127

VALVOLINE LLC
PO BOX 55630
LEXINGTON KY 40555-5630

FAULKNER COMPANIES LLC
2350 COUNTY ROAD J
WHITE BEAR TOWNSHIP MN 55110

CENTERVILLE ROAD ROADWAY IMPROVEMENTS: 1) APPROVE COOPERATIVE AGREEMENT BETWEEN WHITE BEAR TOWNSHIP & THE CITY OF WHITE BEAR LAKE; 2) AUTHORIZE EXECUTION BY THE TOWN BOARD CHAIR & TOWN CLERK:

The Town Attorney reported that this is the same document previously discussed regarding a Cooperative Agreement with the City of White Bear Lake. The purpose of the document is to enter into an agreement with the City of White Bear Lake regarding improvements to Centerville Road. The City would contract and manage the construction of the improvements subject to review and approval by the Town Engineer. In addition, the Town reserves the right to consider assessments on the project. Any costs are to be agreed to by the Town Board. The agreement allows the Town to monitor the work by the City of White Bear Lake within the boundaries of the Township. The Clerk noted that the Agreement has been forwarded to the City of White Bear Lake for review and comment.

Ruzek moved to approve the Cooperative Agreement and to forward to the City of White Bear Lake. Prudhon seconded. Ayes all.

Ruzek moved to authorize execution by the Town Board Chair and Town Clerk of the final Cooperative Agreement, subject to review of any amendment by the City of White Bear Lake and reviewed by the Town Attorney. Prudhon seconded. Ayes all.

PREPARED 4/25/10

**A REAL PROPERTY CONSULTING REPORT
OF**

**Benefits Resulting From
Centerville Road Improvement Project
City of White Bear Lake
City Project No. 18-16
White Bear Township Parcels**

**A REAL PROPERTY CONSULTING REPORT
OF**

**Benefits Resulting From
Centerville Road Improvement Project
City of White Bear Lake
City Project No. 18-16
White Bear Township Parcels**

LOCATED AT

**West Side of Centerville Rd from Hwy 96 E North to
500' North of the Entrance to Cub Foods/Tower Crossings**

AS OF

April 2, 2018

CLIENT/INTENDED USER

**Mr. William F. Short
Clerk/Treasurer
White Bear Township
1281 Hammond Rd
White Bear Township, MN 55110**

BY

**Daniel E. Dwyer
Dahlen, Dwyer, Foley & Tinker, Inc.
Certified General Real Property Appraiser
Minnesota License #4001170**

Dahlen, Dwyer, Foley & Tinker, Inc.

55 EAST 5TH STREET - SUITE 1220 - ST. PAUL, MINNESOTA 55101 - (651) 224-1381 - FAX (651) 223-5736

Dwight W. Dahlen, MAI SRA
Daniel E. Dwyer
Sean M. Foley
Jeffrey A. Dahlen, MAI
Michael T. Tinker, MAI
Jane E. Hammes

Real Estate Appraisals
Consultation
Expert Witness
Market Research

April 25, 2018

Mr. William F. Short
Clerk/Treasurer
White Bear Township
1281 Hammond Rd
White Bear Township, MN 55110

RE: Real Property Consulting Report
Benefits Resulting From
Centerville Road Improvement Project
City of White Bear Lake
City Project No. 18-16
White Bear Township Parcels

Dear Mr. Short:

In accordance with the request of Mr. Mark L. Burch, P.E. of the City of White Bear Lake, I have made a thorough review and analysis of all information furnished by the City of White Bear Lake and Alliant Engineering regarding the proposed Centerville Rd Improvement Project known as City Project No. 18-16.

This project is a joint effort between Ramsey County, White Bear Lake, White Bear Township, and private development partners. The project includes roadway widening, median installation, turn lanes, a traffic signal system, storm water improvements, curb/gutter improvements, and a partial street reconstruction improvement.

The parcels located in White Bear Township which are considered part of this project include the following:

- 1059 Meadowlands Dr – Cub Foods
- 1011 Meadowlands Dr – Meadowlands Shoppes
- 1000 Meadowlands Dr – KinderCare Learning Center
- 1008 Meadowlands Dr – Valvoline Instant Oil Change
- 1018 Meadowlands Dr – Applebee's Grill & Bar
- 1028 Meadowlands Dr – Arby's Restaurant
- 1038 Meadowlands Dr – Auto Zone
- 1048 Meadowlands Dr – Flagship Bank
- 10XX Meadowlands Dr – White Bear Twp ponding area

It should be noted that there are also several parcels on the east side of Centerville Rd located in the City of White Bear Lake that receive benefits as well, from this project.

The purpose of this Real Property Consulting Report is to give a preliminary opinion as to special benefits, if any, accruing to the White Bear Township parcels involved in the project as a result of the proposed improvements. It should be noted that this is a preliminary analysis and considers benefits resulting from the improvements in general. Should complete "before" and "after" appraisals be needed on individual parcels the same are available to the Township upon request. There would be an additional fee(s) for this service.

I hereby certify that I have no present or contemplated future interest in the real estate that is the subject of this Consulting Report and that I have no personal interest or bias with respect to the subject matter of the analysis or the parties involved and that the amount of the fee is not contingent upon reporting predetermined benefits or upon the amount of the benefits.

I certify that, to the best of my knowledge and belief, the statements of fact upon which the analyses, opinions, and conclusions are based, are true and correct subject to the special and limiting conditions attached hereto, and that no one other than the undersigned prepared this analysis.

Neither my engagement to make this preliminary analysis (or any future analyses for this particular client), nor any compensation therefore, are contingent upon the reporting of a pre-determined result or direction in this result that favors the cause of the client, the amount of the preliminary benefits, the attainment of a stipulated result, or the occurrence of a subsequent event.

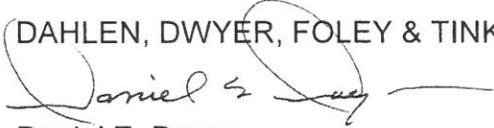
Dahlen, Dwyer, Foley & Tinker, Inc. does not have a business or personal relationship with any of the property owner(s); is not an owner or lessee of any of the properties included in this project, and has no management, leasing or sales responsibility for any of the properties.

Information in this report was gathered from sources believed to be reliable, but is not guaranteed. Possession of this report, or a copy thereof, does not carry with it the right of publication nor may it be used for any purposes, except that for which it was requested without the previous written consent of the appraisers and, in any event, only with proper qualification.

The following report describes my method of approach, contains data gathered in my investigation, and demonstrates my techniques in arriving at preliminary conclusions as to special benefits accruing to various White Bear Township properties in City of White Bear Lake Project No. 18-16 as a result of the Centerville Rd Improvement Project.

Respectfully submitted,

DAHLEN, DWYER, FOLEY & TINKER, INC.

A handwritten signature in cursive script that reads "Daniel E. Dwyer". The signature is written in black ink and is positioned below the company name. It features a large, stylized initial "D" and a horizontal line extending to the right.

Daniel E. Dwyer
Certified General Real Property Appraiser
MN License #4001170
DDF&T File #: 18-077.1

STATEMENT OF UNDERSTANDING

Based upon meetings and conversations with Mr. Mark L. Burch, P.E., Public Works Director/City Engineer for the City of White Bear Lake, and Mr. Jesse Farrell, P.E., Assistant City Engineer for the City of White Bear Lake, and Mr. Dan Holzemer of the City of White Bear Lake Engineering Department it is my understanding that the City is currently considering the Centerville Rd Improvement Project or City Project No. 18-16. It is also my understanding that this project is a joint effort between Ramsey County, City of White Bear Lake, White Bear Township, and private development partners.

The project is located on Centerville Rd (CSAH 59) from Highway 96 E to 500' north of the Cub Foods/Tower Crossings driveway. The project will include roadway widening, median installation, turn lanes, a traffic signal system, storm water improvements, curb/gutter improvements, and a partial street reconstruction improvement.

Project funding is yet to be determined but it is anticipated to be funded through a combination of special assessments to benefited properties, County, and private funds and possibly City and Township funds.

The project financing summary is as follows:

Item	Cost
Median Construction	\$246,000.00
Remaining Roadway Improvements (without signal & median)	\$273,000.00
Traffic Signal Installation	\$320,000.00
Engineering	\$142,000.00
Bidding, Construction Administration, Inspection, & Testing	\$142,000.00
Total Improvement Cost	\$1,123,000.00

It is the intention of White Bear Township, through this Real Property Consulting Report, to determine a preliminary opinion of benefits, if any, accruing to the nine properties located on the west side of Centerville Rd between Hwy 96 E and the north lot line of the Cub Foods property and included in City of White Bear Lake Project No. 18-16 as a result of the proposed improvements. It should be noted that the properties located on the east side of Centerville Rd and located in the City of White Bear Lake receive the majority of the benefits from this proposed project.

PURPOSE OF THE CONSULTING REPORT

The purpose of this Consulting Report is to act as a guide for White Bear Township in establishing a preliminary opinion of benefits, if any, accruing to various properties located in the City of White Bear Lake Project No. 18-16 as a result of the proposed improvements. Benefits are for roadway widening, median installation, turn lanes, a traffic signal system, storm water improvements, curb/gutter improvements, and a partial street reconstruction improvement.

COMPETENCY RULE

Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser/consultant must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently. The Competency Rule requires an appraiser/consultant to have both the knowledge and experience required to perform a specific appraisal/consulting service confidently.

Dahlen, Dwyer, Foley & Tinker, Inc. including Daniel E. Dwyer has prepared numerous appraisal/consulting reports on projects similar to the subject in the St. Paul/Minneapolis Metropolitan Area including White Bear Lake, Vadnais Heights, Roseville, Maplewood, and Champlin. Additionally, Daniel E. Dwyer has done all the real estate work for the City of White Bear Lake for approximately the past 25 years. Therefore, it is felt that the consultant possesses the knowledge and expertise to meet the "Competency Rule" of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

INTENDED USE OF THE CONSULTING REPORT

To determine benefits, if any, accruing to White Bear Township properties in City of White Bear Lake Project No. 18-16. Parcels located in this project include seven parcels on the east side of Centerville Rd located in the City of White Bear Lake and nine parcels located on the west side of Centerville Rd located in White Bear Township. This report deals only with those parcels located in White Bear Township.

INTENDED USER(s) OF THE CONSULTING REPORT

This report is intended for use only by Mr. William F. Short, Clerk/Treasurer, White Bear Township. Use of this report by others is not intended by the consultant.

SCOPE OF THE ANALYSIS

The scope of this Consulting Report encompasses the required research and analysis to prepare a professional report in accordance with the purpose of the analysis and its intended use. I have identified the most significant procedures conducted in the process of collecting, confirming, and reporting the data used to prepare a preliminary analysis which meets the requirements of the client. This analysis contains those procedures I consider the most appropriate for this particular project and assignment.

The investigation included an exterior inspection of the nine properties in White Bear Township involved in the project along with interviews of White Bear Lake City Officials including Mr. Mark L. Burch, P.E., the City Engineer, Mr. Jesse Farrell, P.E., Assistant City Engineer, and Mr. Dan Holzemer of the City of White Bear Lake Engineering Department. Also interviewed was Mr. William F. Short, Clerk/Treasurer, White Bear Township.

Three key elements of the scope of work include level of inspection; the extent of the research involved in the Real Property Consulting Report; and the level of analysis. The following scope of work identifies the most significant procedures conducted in the process of collecting, confirming, and reporting the data used to prepare an Appraisal Consulting Report which meets the requirements of the intended user and the Uniform Standards. This report contains those procedures I consider the most appropriate for this particular type of appraisal consulting assignment.

The assignment commenced with a comprehensive dialog with the client about the project, assignment conditions, the date and definition of value, and the intended use and the intended users of the report. The following items were noted:

- Client: William F. Short/White Bear Township
- Property Characteristics: Various
- Assignment Conditions: "Before" and "After" White Bear Lake City Project 18-16
- Date of Inspection: March 25, 2018
- Date of Report: April 2, 2018
- Definition of Value: Market Value "Before" and "After"
- Intended Use: Act as a guide for the White Bear Township in determining benefits
- Intended User: William F. Short/White Bear Township

Once the specific property information was obtained, an appropriate scope of work was determined for this specific assignment. The following section of the report includes the disclosure of the scope of work deemed necessary and applicable for this assignment:

- An exterior inspection of all properties was made on March 25, 2018 by Daniel E. Dwyer. The effective date of this Real Property Consulting Report is April 2, 2018. The inspection included a tour of the neighborhood and the general area.
- The regional and city analyses are based on information available in Dahlen, Dwyer, Foley & Tinker, Inc. company files. The neighborhood analysis is based on a physical inspection of the area.
- The property analysis is based on an exterior inspection of each of the properties along with information provided by the City of White Bear Lake, Ramsey County Assessor's Office, Alliant Engineering, Inc., and White Bear Township.

- Land sizes have been taken from information provided by Alliant Engineering and Ramsey County plat maps.

Information obtained which has been considered in this report includes, but is not limited to the following items:

- A “Feasibility Report” for City of White Bear Centerville Road Improvement Project dated March 22, 2018 and signed by Mr. Steve Weser, P.E. of Alliant Engineering, Inc. This report was requested and will be paid for by Mr. John Johannson of Welsh Companies/Colliers International. It was addressed to the City of White Bear Lake.
- A Tower Crossings Phase II – Traffic Impact Study Update dated October 27, 2017 and completed by Alliant Engineering, Inc. This Study Update was addressed to Mr. John Johannson of Welsh Companies/Colliers International.
- A Tower Crossings Phase II Traffic Impact Study dated December 28, 2016 and revised January 19, 2017 prepared by Alliant Engineering, Inc. for Mr. John Johannson of Welsh Companies/Colliers International.
- Conversations with Mr. Mark L. Burch, P.E. of the City of White Bear Lake
- Conversations with Mr. Jesse Farrell, P.E., Assistant City Engineer for the City of White Bear Lake
- Conversations with Mr. Dan Holzemer from the City of White Bear Lake Engineering Department
- Conversations with Ms. Anne Kane, City of White Bear Lake Planner
- Conversations with Mr. William F. Short, Clerk/Treasurer, White Bear Township
- White Bear Township zoning map and zoning description
- White Bear Township section maps
- Ramsey County plat maps
- Pertinent tax statements
- Pertinent data was collected and analyzed in order to develop appraisal consulting opinions
- Data sources include files maintained in our office, conversations with various City Engineers involved in similar projects, etc. This data is verified in some form and confirmed directly with parties involved unless extenuating circumstances do not allow such contact to be made.

The preferred way to determine benefits, if any, accruing to a property is by the "Before" and "After" method. Under this method, which is usually the simplest approach, the value of the property is estimated "before" the installation of the improvements and "after" the installation of the improvements, the difference between the two being the benefits accruing to the property. The measure of benefits, as dictated by State Law, is the comparative market values of the land "before" and "after" the installation of the improvements.

This Consulting Report has been prepared in conformity with former Standards Rule 5 of USPAP. As such it describes the method of approach, contains a statement of the data gathered in this investigation and summarizes the specific analyses in arriving at an opinion of benefits for the subject parcels. Standards Rule 5 did not dictate the form, format, or style of a Real Property Consulting Report. The form, format, and style of the report are functions of the needs of the intended user(s). The substantive content of a report determines its compliance.

CENTERVILLE ROAD IMPROVEMENT PROJECT FEASIBILITY REPORT

Your consultant has reviewed the “Feasibility Report” for the City of White Bear Lake regarding the Centerville Road Improvement Project or City Project No. 18-16. This report was prepared by Alliant Engineering, Inc. at the request of Mr. John Johansson of Welsh Companies/Colliers International and is dated March 22, 2018. The report was signed by Steve Weser, P.E.

The introduction of the report states that Division 25, LLC is proposing the development of a parcel of land in the City of White Bear Lake on the east side of Centerville Rd across from the Cub Foods store. This parcel includes the former Lande Property and portions of the City’s water tower site. Phase I of the development consists of a 113-unit senior living facility developed by Oppidan Co. Phase II of the development consists of a 46,975 SF grocery store. As part of the approval process, the City required that additional improvements be made to Centerville Rd (in consultation with Ramsey County), and that the Centerville Rd/Cub Foods/Tower Crossings driveway intersection be signalized. In addition, the City again required that an access route be provided to the properties south of the site to the new signalized intersection at Cub Foods/Senior Living Driveway.

A traffic study was prepared in 2015 for Phase I of the development and included an estimate of Phase II conditions. A Phase II traffic study (1/2017) amended the Phase I study to account for updates to the plan, including an anticipated large grocery store. An addendum to the Phase II traffic study (10/2017) accounted for the change to a smaller grocery store. The traffic studies are included in the appendix of this Feasibility Report.

Growing traffic congestion at this intersection is a potential safety problem, and an area of concern for both City, County, and Township. Southbound traffic on Centerville Rd at County Rd 96 tends to back up during peak hours, disrupting traffic on Meadowlands Dr. To address these concerns, changes in lane geometry were developed in consultation with Ramsey County to improve safety and traffic flow on Centerville Rd through the Meadowlands Dr intersection. The proposed modifications prohibit northbound and southbound left turns from Centerville Rd to Meadowlands Dr, and the westbound left turn from Meadowlands Dr to Centerville Rd. Because of a lack of access options, the left turn movement from Meadowlands Dr to northbound Centerville Rd was maintained to prevent traffic cutting through the Cub Foods parking lot.

The improvements included in the proposed 2018 Centerville Rd project have been identified through the result of a traffic study and coordination with Ramsey County, who maintains and operates the roadway. The improvements are consistent with the City’s Comprehensive Plan for the area. Through evaluation of these infrastructure components and input from property owners, the Engineering department is recommending these improvements to the City Council.

The report then goes on to discuss existing conditions and proposed improvements. Centerville Rd, maintained and operated by Ramsey County, is a 2-lane undivided roadway with turn lanes at the intersection of County Rd 96, Meadowlands Dr, and Cub Foods/

Tower Crossings driveway. The intersection traffic controls in the project area are:

- CSAH 96 / Centerville Rd – traffic signal
- Meadowlands Dr / Centerville Rd – stop controlled on Meadowlands Dr
- Cub Foods / Tower Crossings driveway / Centerville Rd – stop controlled on Cub Foods / Tower Crossings driveway.

The following improvements are proposed for Centerville Rd:

- The center median on Centerville Rd at CSAH 96 is being extended northward to the Cub Foods/Tower Crossings driveway.
- A continuous northbound lane is being provided from CSAH 96 to the Cub Foods/ Tower Crossings driveway.
- Because the installation of the median will prohibit westbound to southbound left turns at Meadowlands Dr, and at the Tires Plus driveway, the intersection of Cub Foods/Tower Crossings driveway will be widened to accommodate passenger vehicles making a u-turn movement to travel southbound. This intersection will be signalized and safety designed to allow for u-turns.
- A traffic signal will be installed at the intersection of Cub Foods/Tower Crossings driveway/Centerville Rd
- The Meadowlands Dr/Centerville Rd intersection will remain stop-controlled on Meadowlands Dr. However, several movements will be prohibited to improve safety and capacity, including the westbound to southbound left turn, through movements on Meadowlands Dr across Centerville Rd, and left turn movements from Centerville Rd to Meadowlands Dr.

Not mentioned in the Feasibility Report but according to the City of White Bear Lake Engineering Department several other improvements are proposed. These include storm water improvements, curb/gutter improvements on the east side of Centerville Rd, and partial street reconstruction going from Hwy 96 to the railroad tracks north of the White Bear Ridges senior living parcel.

The estimated cost for the proposed improvements total \$1,123,000. Engineering and construction administration and inspection costs will be borne directly by the developer and indirectly by the project agency partners. Engineering costs are expected to be approximately 17% of the total construction costs. Bidding services, construction administration, inspection, and materials testing costs are expected to be approximately 17% of the total construction costs. The project is anticipated to be financed through a combination of special assessments to benefited properties (according to the City's Assessment Policy), County and private funds, and possibly City and Township funds.

The City's Assessment Policy for public improvements allows for the distribution of the proposed assessments, if any, for commercial properties over a 20-year period.

The report concludes that if the improvements are to be constructed, that the street, traffic signalization, sidewalk and trails be installed as proposed. The estimated cost of the improvements including the proposed assessments is reasonable and comparable with similar improvements being constructed in other cities in the metropolitan area.

TOWER CROSSINGS PHASE II TRAFFIC IMPACT STUDY

Your consultant has reviewed the Tower Crossings Phase II Traffic Impact Study dated December 28, 2016 and revised January 19, 2017. This study was completed by Alliant Engineering, Inc.

This study discusses existing traffic conditions including:

- Centerville Rd & Meadowlands Dr (full access)
- Centerville Rd & Cub access (full access)
- CSAH 96 & Centerville Rd (traffic signal)
- CSAH 96 & I-35E west ramp (traffic signal)
- CSAH 96 & I-35E east ramp (traffic signal)

Existing traffic volumes were then studied and it was concluded that the peak hour volumes generally occur during the following time periods:

- Weekday AM peak hour: 7am to 8am
- Weekday MID peak hour: 11:45am to 12:45pm
- Weekday PM peak hour: 4:45pm to 5:45pm

The weekday AM, MID, and PM peak hours represent the peak hours for traffic analysis. Because peak hour volumes for AM and MID are much lower than those of the PM, the PM is the critical peak and is the focus of the report.

The number and locations of crashes in the study were analyzed to help identify and address safety problem concerns. Crash data is analyzed by identified problem locations or segments, crash patterns, and probable causes. Crashes are a function of exposure. Roadways with higher traffic volumes experience more crashes than similar roadways with lower volumes. Crash occurrence is somewhat random by nature. The critical crash rate, the second key factor in safety analysis, identifies those locations that have a crash rate higher than similar facilities by a statistically significant amount. The critical crash rate is calculated by adjusting the system wide average based on the amount of exposure and a statistical constant indicating level of confidence.

Crash severity quantifies how severe the crashes are at a particular location. In the crash information database maintained by MnDOT, crashes are categorized in three major categories of severity; property damage-no injuries occurred, type A, B and C injury crashes, and fatal crashes. Overall, 24 crashes were reported on the segment of Centerville Rd between CSAH 96 and the Cub Foods entrance during the 5-year study period. Ten of these involved an injury or possible injury. Both the intersection at CSAH 96 and the Cub Foods entrance are experiencing crash rates greater than the critical crash rate, which is indication that the number of crashes observed is greater than what is expected and a specific safety issue is present.

The report then goes on to discuss Build Alternative – site generated traffic, trip distribution and assignment, build condition traffic volumes, and built condition geometrics.

The report discusses signal warrant analysis, street geometry modifications, traffic operations analysis, and future traffic operations analysis.

The traffic operations analysis evaluated existing 2015 conditions and future Year 2022 conditions to document potential site related traffic impacts. The following summarize the results of the traffic impact study and present recommendations.

- The proposed improvements on CSAH 96 and optimized signal timing result in better operations at both ramp intersections and at Centerville Rd. Because of the improved operations on Centerville Rd, the operations at Meadowlands Dr also improved because the intersection is less frequently blocked by traffic backups from CSAH 96.
- The proposed site is anticipated to generate 705 driveway trips in the PM peak hour, and 7,647 driveway trips on a daily basis.
- The analysis assumes that the northbound auxiliary lane on Centerville Rd will be extended to the proposed development's access point. Extending the auxiliary lane will provide additional capacity and allows for safer right turn movements.
- Both ramps continue to operate at LOS D or better, and are unaffected by the addition of site traffic.
- The CSAH 96/Centerville Rd intersection currently operates at LOS E. The CSAH 96 improvement project improves operations to LOS D. The addition of the proposed site traffic does not change this LOS in the near future. It is expected to operate at LOS D in Year 2022.
- A signal is warranted at the intersection of Centerville Rd and the Cub Foods/new development intersection based on existing volumes and the addition of the proposed development.
- Converting the Centerville/Meadowlands Dr intersection to a right-in/right-out significantly improves the traffic operations and safety for the intersection of the corridor.
- The prohibited movements at meadowlands can be accommodated by the supporting road network as shown in this study.

Parcel ID # 16-30-22-34-0031
Fee Owner: JMK Limited Partnership
Zoning: B-2 or General Business
Parcel Size: 9.505 acres or 414,038 SF
Date Built: 1993
AMV: Land \$2,984,000
IMPR \$5,795,800
Total \$8,779,800
Taxes: \$307,464.00
Special Assessments Included: \$2,311.78

Comments:

This is a Cub Foods store constructed in 1993 and having a GBA of 75,206 SF. Ingress/egress is from Meadowlands Dr (2 access points) along the southerly lot line and from the northeasterly corner of the property on the west side of Centerville Rd (1 access point). Parking is mostly on the easterly side of the parcel just off Centerville Rd.

METHOD OF SPECIAL BENEFIT ANALYSIS

The preferred way to determine benefits, if any, accruing to a property is by the "Before" and "After" method. Under this method, which is usually the simplest approach, the value of the property is estimated before the installation of the improvements and after the installation of the improvements, the difference between the two being the special benefits accruing to the property. The measure of benefits as dictated by State Law is the comparative market values of the property "before" and "after" the installation of the improvements.

It should be noted that the improvements on the land are concluded to have the same value contributions to the total property value in both the "before" and "after" situations. Consequently, the special benefit value from the proposed improvements can be reliably derived from the value of the land only by processing the Sales Comparison Approach.

This approach was applied in valuing the subject land parcels and involves a comparison of recently sold land parcels similar to the subject properties in the "before" and "after" situations. The sale prices were analyzed and adjustments made for value-related differences relative to the subject land parcels. The result of the analysis and adjustments indicates a range of value for the subject land. The strengths and weaknesses of each comparable sale and its value indication are evaluated before arriving at a value opinion for the subject parcels.

As part of the approval process for the Lunds & Byerlys store the City of White Bear Lake required that additional improvements be made to Centerville Rd (in consultation with Ramsey County) and that the Centerville Rd/Cub Foods/Tower Crossings driveway intersection be signalized. In addition, the City again required that an access route be provided to the properties south of the site to the new signalized intersection at Cub Foods/senior living driveway.

Growing traffic congestion at this intersection is a potential safety problem, and an area of concern for the City, County, and Township. Southbound traffic on Centerville Rd at County Rd 96 tends to back-up during peak hours disrupting traffic on Meadowlands Dr. To address these concerns, changes in lane geometry were developed in consultation with Ramsey County to improve safety and traffic flow on Centerville Rd through the Meadowlands Dr intersection. The proposed modifications prohibit northbound and southbound left turns from Centerville Rd to Meadowlands Dr, and the westbound left turn from Meadowlands Dr to Centerville Rd. Because of a lack of access options, the left turn movement from Meadowlands Dr to northbound Centerville Rd was maintained to prevent traffic cutting through the Cub Foods parking lot.

The improvements included in the proposed 2018 Centerville Road Improvement Project have been identified through the result of a traffic study in coordination with Ramsey County who maintains and operates the roadway. The improvements are consistent with the City's Comprehensive Plan for the area. Through evaluation of these infrastructure components and input from property owners, the City's Engineering Department is

recommended these improvements to the City Council.

The following improvements to Centerville Rd are proposed to be implemented:

- **Center Median** – The center median on Centerville Rd at CSAH 96 is being extended northward to the Cub Foods / Tower Crossings Driveway. The median will provide additional capacity and improve safety by prohibiting some traffic movements along the corridor. The median will be opened at Meadowlands Dr to provide access for eastbound-northbound vehicles. Ramsey County requested that this opening be provided to address concerns of the property owner to the west. Because of lack of access alternatives, vehicles would likely cut through the Cub Foods parking lot if this movement was prohibited at Meadowlands Dr.
- **Northbound Auxiliary Lane** – A continuous northbound lane is being provided from CSAH 96 to the Cub Foods / Tower Crossings Driveway. The purpose of this lane is to provide additional capacity, and to provide a lane for right turning vehicles at Meadowlands Drive, Tires Plus, and the Cub Foods / Tower Crossings Driveway.
- **Widening for U-Turn at Cub Foods / Tower Crossings Driveway** – Because the installation of the median will prohibit westbound to southbound left turns at Meadowlands Drive, and at the Tires Plus driveway, the intersection of Cub Foods / Tower Crossings Driveway will be widened to accommodate passenger vehicles making a u-turn movement to travel southbound. This intersection will be signalized and safely designed to allow for u-turns. Center median of the total cost is very reasonable and at the very low end of assessments for alley improvements.
- **Traffic Signal at Cub Foods /Tower Crossings Driveway / Centerville Rd** – A traffic signal will be installed at this intersection. The intersection will provide safe access on to Centerville Rd from both the east and west driveways. This traffic signal will also provide access to southbound Centerville for properties on the east side, via an access road through the properties, or via a u-turn movement at the intersection.
- **Restricted Movements at Meadowlands Dr / Centerville Rd** – The intersection will remain stop-controlled on Meadowlands Dr. However, several movements will be prohibited to improve safety and capacity, including the westbound to southbound left turn, through movements on Meadowlands Dr across Centerville Rd, and left turn movements from Centerville to Meadowlands Dr.

According to the City of White Bear Lake Engineering Department there will be several other improvements included in the proposed project. These improvements include storm water improvements, curb/gutter on the east side of Centerville Rd, and partial street reconstruction from Hwy 96 north to the railroad tracks.

LAND SALES “BEFORE” AND “AFTER”

Land sales used in this report are listed on the following pages. Additional information about these sales is retained in the consultant’s office files as well as notes and other supporting information pertaining to the processing of the Direct Sales Comparison Approach for various types of properties in both the “before” and “after” analysis. As White Bear Township is close to 100% developed the search for sales included not only White Bear Township and the City of White Bear Lake, but other communities felt to be competitive. Following are the sales.

BENEFIT GRAPHIC

PROPERTY ID # USE	LAND SIZE AC / SF	MARKET VALUE OF LAND \$/SF	TOTAL MARKET VALUE OF LAND "BEFORE"	TOTAL MARKET VALUE OF LAND "AFTER"	<u>BENEFIT %</u> <u>BENEFIT \$</u>
#16-30-22-34-0031 Cub Foods	9.505 / 414,038	\$8.00	\$3,312,500	\$3,478,000	<u>5%</u> \$165,500
#16-30-22-34-0028 Meadowlands Shoppes	2.98 / 129,809	\$10.00	\$1,298,000	\$1,299,000+	No measurable benefits
#16-30-22-34-0026 Kindercare Learning Center	0.89 / 36,768	\$15.00	\$551,500	\$551,500	No measurable benefits
#16-30-22-34-0024 Valvoline Instant Oil Change	0.40 / 17,380	\$17.50	\$304,000	\$304,000	No measurable benefits
#16-30-22-34-0025 Applebee's Grill & Bar	1.57 / 68,139	\$12.25	\$834,500	\$834,500	No measurable benefits
#16-30-22-34-0008 Arby's Restaurant	1.015 / 44,213	\$15.00	\$663,000	\$663,000	No measurable benefits
#16-30-22-34-0029 Auto Zone	1.015 / 44,213	\$15.00	\$663,000	\$663,000	No measurable benefits
#16-30-22-34-0003 Flagship Bank	0.967 / 42,123	\$12.00	\$505,500	\$505,500	No measurable benefits
#16-30-22-34-0030 White Bear Twp Ponding Area	1.1614 / 50,591	N/A	N/A	N/A	No measurable benefits

ANALYSIS OF SPECIAL BENEFITS

As an aid in determining the special benefits accruing to various properties as a result of City Project No. 18-16, the following items were completed: an exterior inspection of all the properties involved; a review of pertinent information contained in Ramsey County Courthouse records regarding parcels involved in this analysis; a review of recent public improvement projects in the immediate, general, and competitive areas along with assessment levels; a review of market data in the general and competitive areas regarding improved and unimproved land sales; an analysis of land sales in the “before” and “after” situations; and interviews with commercial brokers working in the immediate and competitive areas.

Based upon an analysis of land sales in the “before” and “after” situations it was found that land parcels in the “after” situation sold for anywhere from 2.5% to over 10% more than land parcels in the “before” situation. This was also verified by commercial brokers working in the immediate and competitive areas. The percentage depends on several items including location, lot size, zoning, amenities, etc. Commercial brokers interviewed agreed that above average infrastructure including traffic signals and medians definitely increase the value of a site.

Of the nine properties located in White Bear Township your Consultant has found benefits to only one of these properties, the Cub Foods property. It should be noted that the Cub Foods property has the most frontage on Centerville Rd of any property in either the City of White Bear Lake or White Bear Township. Frontage is just under 600 SF. Your Consultant was unable to find any measurable benefits to the remaining eight properties as they were all served by adequate infrastructure and, in my opinion, do not receive any measurable benefits as a result of City of White Bear Lake Project No. 18-16. Benefits to the Cub Foods property are attributable to the following improvements:

- Center median
- Northbound auxiliary lane
- Widening for u-turn at Cub Foods/Tower Crossings driveway
- Traffic signal at Cub Foods/Tower Crossings driveway/Centerville Rd
- Restricted movements at Meadowlands Dr/Centerville Rd
- Partial street reconstruction which includes mill & overlay areas
- Improves roadway safety conditions – reduced crash rates
- Reduces traffic delay and congestion having a positive economic effect on the market area
- Improves appearance of transportation corridors and increasing the area available for landscaping which can help attract investment and enhance the image of an area
- Provides property owners and customers with safe access to roadways.

The properties that benefit the most from these improvements are the City of White Bear Lake parcels located on the east side of Centerville Rd along with the White Bear Township Cub foods parcel located on the west side of Centerville Rd.

The Cub Foods parcel benefits by approximately 5% which indicates an increase in the land value from the “before” situation to the “after” situation. No measurable benefits could be found for the remaining White Bear Township parcels. Other than the Cub Foods parcel the remaining White Bear Township are all more than adequately served by infrastructure including Meadowlands Dr, Allendale Dr, and Birch Bend Ln. The majority of these Township parcels also backup to Hwy 96 E.

The proposed improvements provide a better infrastructure, safer access, and should reduce accident rates along with crash severity for the Cub Foods property. A traffic signal is warranted at the intersection of Centerville Rd and the Cub Foods/Tower Crossings driveway based on existing volumes and the addition of the proposed development. Converting the Centerville Rd/Meadowlands Dr intersection to a right-in/right-out significantly improves the traffic operations and safety for the intersection and the corridor.

As a check in substantiating benefits, several St. Paul/Minneapolis suburbs were surveyed with city engineers or city planners interviewed in order to determine typical assessments that commercial property owners find acceptable and are willing to pay on typical sites for various improvements. The final value conclusions contained herein are based on a reconciliation of the above approaches, market forces, and other variables mentioned in this report.

It should be noted that typically commercial properties are assessed at 100% of the actual costs incurred for storm water improvements, new or spot repair of curb & gutter, partial street reconstruction, and mill & overlay. Most municipalities assess storm water improvements on a cumulative basis not to exceed a certain amount. The average assessment for those municipalities surveyed was \$0.24/SF for commercial/industrial/multi-family properties.

SPECIAL BENEFIT SUMMARY AND CONCLUSIONS

Special assessments are one of the ways a local government, such as White Bear Township and the City of White Bear Lake, may collect money to pay for local improvements. A special assessment is a charge imposed on real property to help pay for a local improvement that benefits the property. The State constitution allows the legislature to authorize local governments to use special assessments to help pay for local improvements based on the benefit the improvement gives the property.

The legislature has long authorized local governments to levy special assessments to pay for specified local improvements. Since 1953, that authority has been primarily found in Minnesota Statutes, Chapter 429. Chapter 429 authorizes cities, towns, urban towns, and counties to make specific improvements and to levy special assessments to help pay for these improvements.

The assessment amount charged to the property cannot exceed the amount by which the property benefits from the improvement, as measured by the increase in the market value of the land due to the improvement. The assessment must be uniformly applied to the same class of property. A local improvement may benefit properties that are not abutting the improvement and those benefitted properties also may be assessed.

The Minnesota Supreme Court has established guidelines for special assessments. These guidelines are:

- The land must receive a benefit from the improvements being constructed.
- The assessment must be uniform upon the same class of property.
- The assessment must not exceed the special benefit. The special benefit is measured by the increase in the market value of the land owing to the improvement.

The preferred way to determine benefits, if any, accruing to a land parcel is by the “before” and “after” method. Under this method, which is usually the simplest approach, the value of the land is estimated “before” the improvement and “after” the improvement, the difference between the two being the benefits accruing to the land as a result of the improvement. The measure of benefits as dictated by State law is a comparative market value of land “before” and “after” the improvement project.

It is assumed that the White Bear Township Assessment Policy for public improvements allows for the distribution of proposed assessments for commercial/industrial/townhome/condo/apartment properties over at least a 15-20 year period due to the higher costs. It is also assumed that the City/Township will negotiate the best interest rate possible under economic conditions existing at the time. The cost effectiveness of this project is reflective of the final cost of assessments to property owners. The proposed improvements are feasible from an engineering standpoint, necessary, and cost effective if constructed under a single project as proposed. The estimated cost of these improvements including the proposed assessments is reasonable and, for the most part, lower than comparable projects with similar improvements being constructed in other cities in the metropolitan area.

PREPARED 4/2/18

A REAL PROPERTY CONSULTING REPORT
OF

Benefits Resulting From
Centerville Road Improvement Project
City of White Bear Lake
City Project No. 18-16

DRAFT

BENEFIT GRAPHIC

PROPERTY ID # USE	LAND SIZE AC / SF	MARKET VALUE OF LAND \$/SF	TOTAL MARKET VALUE OF LAND "BEFORE"	TOTAL MARKET VALUE OF LAND "AFTER"	<u>BENEFIT %</u> <u>BENEFIT \$</u>
<u>#16-30-22-43-0039</u> White Bear Heights Senior Living	4.7 / 204,732	\$7.00	\$1,433,000	\$1,540,500	<u>7.5%</u> \$107,500
<u>#16-30-22-43-0040</u> City of White Bear Lake Water Tower	0.70 / 30,492	\$5.00	\$152,500	\$164,000	<u>7.5%</u> \$11,500
<u>#16-30-22-43-0041</u> Lunds & Byerlys	3.67 / 159,865	\$12.50	\$1,998,500	\$2,148,500	<u>7.5%</u> \$150,000
<u>#16-30-22-43-0022</u> Tires Plus	0.51 / 22,216	\$20.00	\$444,500	\$460,000	<u>3.5%</u> \$15,500
<u>#16-30-22-43-0017</u> White Oak Strip Center	1.8 / 78,408	\$7.50	\$588,000	\$608,500	<u>3.5%</u> \$20,500
<u>#16-30-22-43-0018</u> McDonalds	1.9 / 82,764	\$12.75	\$1,055,000	\$1,092,000	<u>3.5%</u> \$37,000
<u>#16-30-22-43-0019</u> Walgreens	1.992 / 86,772	\$16.50	\$1,431,000	\$1,481,000	<u>3.5%</u> \$50,000

Public Hearing
**Centerville Road (CSAH 59)
Improvement Project**

May 7, 2018



Location

- Centerville Road (CSAH 59) from CSAH 96 to CP Railroad Crossing

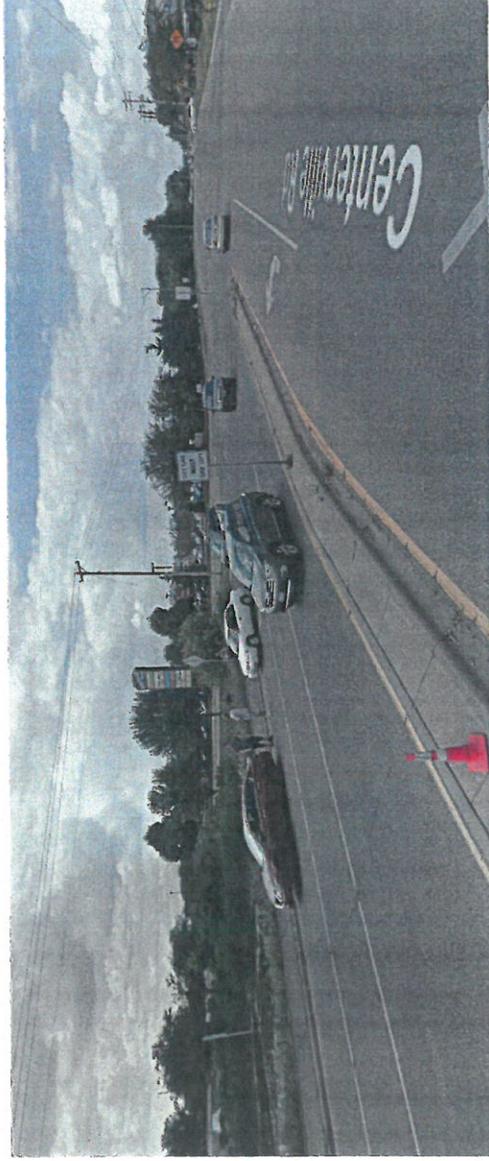
Joint Effort

- City of White Bear Lake
- Ramsey County
- White Bear Township
- Private Development Partners



Need for Project

- Existing safety issues on Centerville Road
- Existing operations issues
- Accommodate future traffic from Tower Crossings





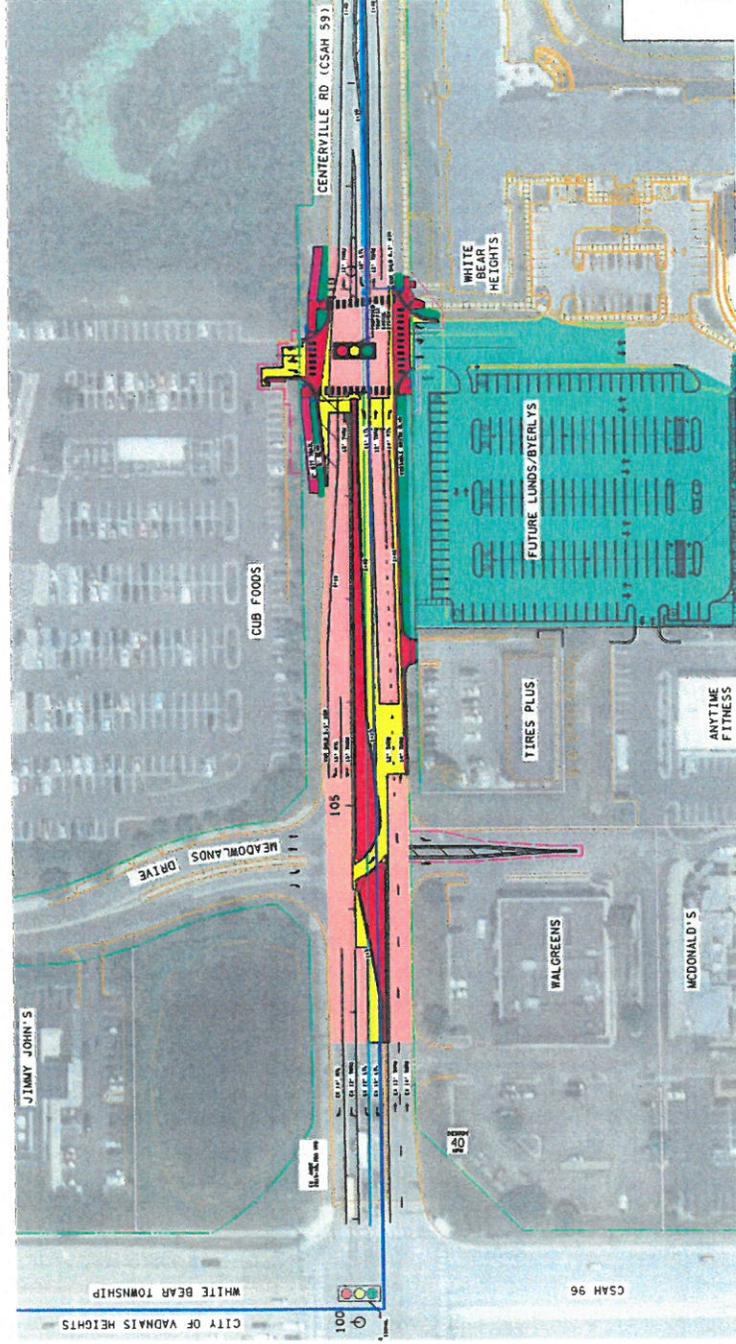
Need for Project

- Existing safety issues on Centerville Road
 - 48 crashes between CSAH 96 and the Cub Foods Entrance in 5 years
 - Over one third of these involved an injury or possible injury
 - Over half of the crashes are right-angle or left turn crashes. These type of crashes can be reduced by adding a median to reduce conflict points
 - No pedestrian crossing facilities north of CSAH 96
- Existing operations issues
 - Long delays (LOS F) and back-ups for traffic on both east and west approaches
 - Southbound left turn vehicles at the CSAH 96/ Centerville Road intersection frequently back up through the Meadowlands intersection
- Accommodate future traffic from Tower Crossings



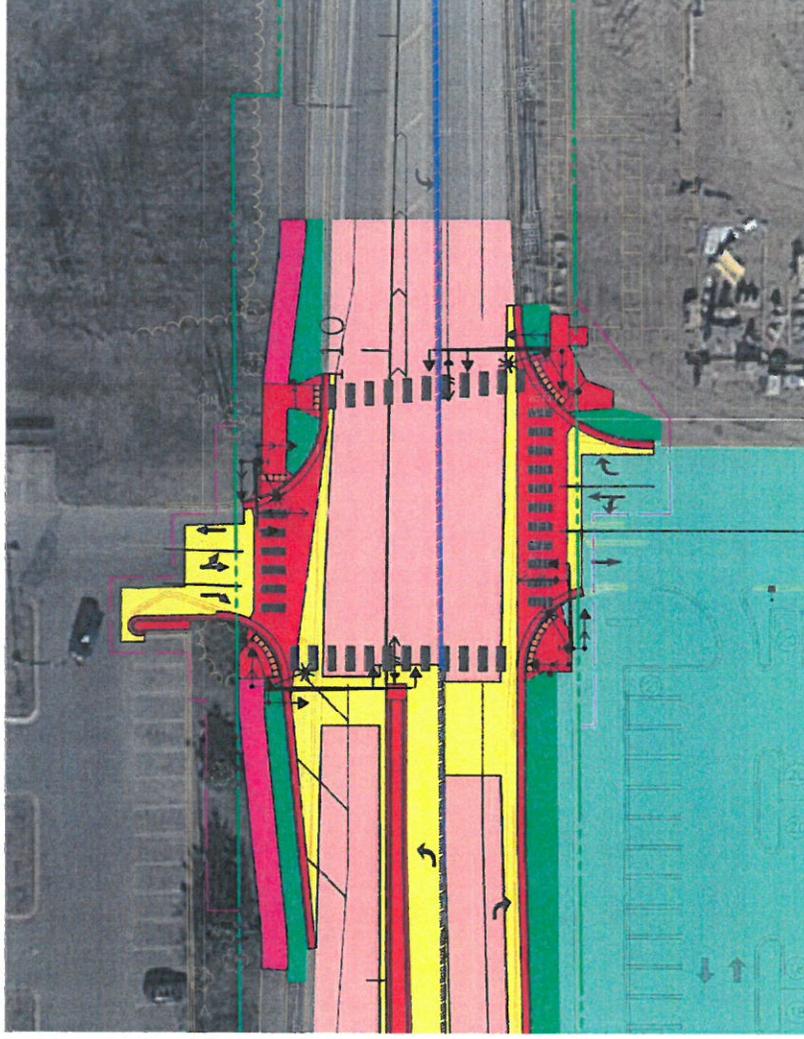
Work Includes

- Roadway widening
- Median installation
- Turn lanes
- Traffic signal system
- Pedestrian facilities at signal
- New sidewalk along east side
- Mill and overlay
- Storm sewer system
- Water quality improvements
- Utility adjustments



Work Includes

- Modifications at the Cub Foods/Tower Crossings Driveway Intersection
 - Additional exit lane from Cub
 - Traffic signal improvements
 - Curb line revisions on Centerville Road to accommodate U-turn movement
- Pedestrian crossings



Benefits of Proposed Improvements

- Additional lane capacity and optimized signal timing improves operations on Centerville Road
- Installation of median reduces conflicts and improves safety on Centerville Road
- Improved pedestrian safety - signalized pedestrian crossing at Cub Foods / Tower Crossings
- Safer access for traffic heading south from the east side of Centerville Road
 - Senior Facility and Lunds/Byerly's use proposed traffic signal
 - Southerly driveways right-only onto Centerville Road and perform U-turn at signalized intersection.
 - Use service road through Lunds/Byerlys parking lot to access traffic signal



Project Costs / Funding

- \$960,000 Estimated Construction Costs
 - Includes \$150,000 for additional County mill and overlay
- \$1,300,000 Total Estimated Project Costs
- Funded through a combination of:
 - County State Aid funds
 - Developer funds
 - Special assessments to benefitting properties
 - Possibly City and Township funds

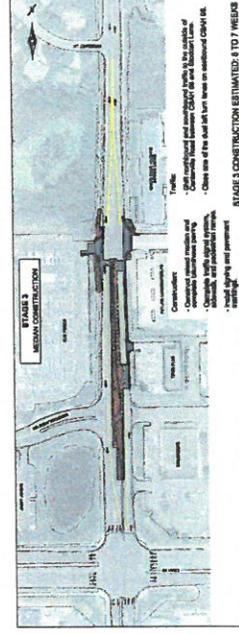
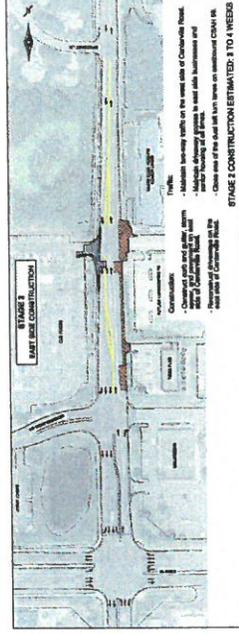
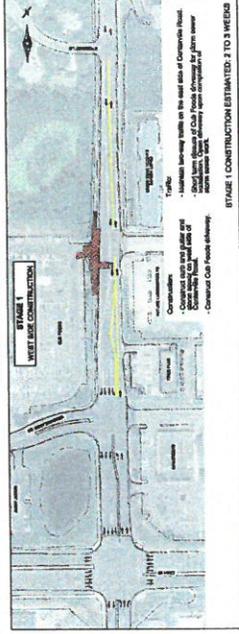


Construction Staging

- Multiple stages of construction
- Construct outside widening and then raised median
- Through traffic and access will be maintained throughout construction

Anticipated Project Staging
May 2018 to September 2018
(Staging subject to change based on contractor means and methodology)

LEGEND	
EXIST	EXISTING
NEW	NEW CONSTRUCTION
CHG	CHANGES

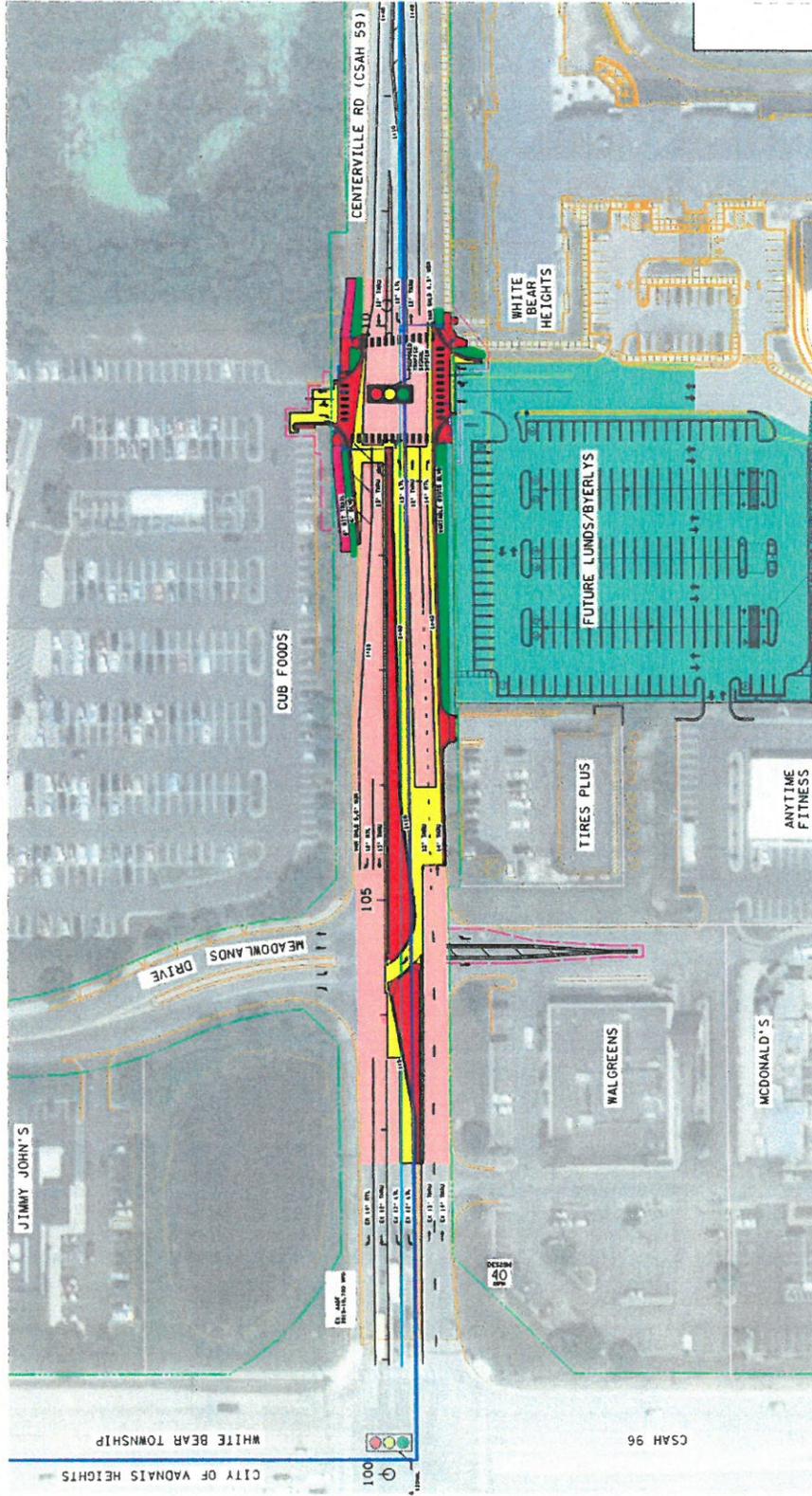




Project Schedule

- Public Informational Meeting – Held April 4, 2018
- Public Hearing (White Bear Lake) – Held April 24, 2018
- Public Hearing (White Bear Township) – May 7, 2018
- WBL City Council Considers Bids – May 8, 2018
- Construction Begins – Late May/Early June 2018
- Substantial Completion – September 2018





Centerville Road Improvement Project

CONTRIBUTING TO SLIGHTLY/MEDIUM IMPROVEMENTS

Total Project: \$44,000
 Sign: 300,000
 25% Twp = 75,000
 Cub Driveway: 50,000 (?)
 (37,500)
 37,500

POSSIBLE FUNDING

- 1. MEMORANDUMS T.I.F.
 - 70% - Develop Asst
 - 10% - Admin
 - 10% - Maintenance Div (39,000)
 - 10% - Gen. Surplus Inv. - Park Bond

2. Assess - must prove benefit exceeds cost - (Appraisals, Public hearings, appraisals)
 3. Tax Measure - reduces Twp. prop. tax - addl. levy needed.
 - Public hearings / objections

4. Twp. GMS Tax (0.25, 0.05) - in General Fund - addl. levy needed

5. Twp. "IMPROVEMENT FUND" - Funds set aside for curb replacement & contribute to seal coating program
 Balance 1/1/16: \$972,000

6. EDA FUND/GEN. SURPLUS INCREASES - None available

7. EDA FUND/LANU PROJECT ACCOUNT - No restrictions
 Balance 1/1/16: \$495,000



Centerline Road (CR 111 89) Target

ALLIANT ENERGY INC.

REDUCE REUSE RECYCLE

YES NO

REDUCE REUSE RECYCLE

WHITE BEAR TOWNSHIP

YES NO

- Cortec, Drill-A-Matic, Thermofarm already
- Possibly Northern (if 5 yr. rule extends to 80)

April 2, 1993

PROPOSED ASSESSMENT ROLL

Centerville Road/Trunk Highway 96
 Roadway Improvements and Signal Modifications
 White Bear Township, Minnesota
 Project No. 1992-9
 Commission No. 10253

Property ID No.	Legal Description		Property Owner	Assessable Units	Proposed Assessment
	Lot	Block Addition			
16-30-22-34-0002	1	1 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0003	2	1 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0006	2	2 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0007	3	2 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0008	4	2 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0009	1	3 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0010	2	3 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50
16-30-22-34-0011	3	3 Meadowlands	Meadowlands of White Bear Limited Partnership c/o C.G. Rein Co.	1	\$37,062.50

Totals

\$296,500.00

TKDA

TOLTZ, KING, DUVALL, ANDERSON
AND ASSOCIATES, INCORPORATED

ENGINEERS ARCHITECTS PLANNERS

1500 MERITOR TOWER
444 CEDAR STREET
SAINT PAUL, MINNESOTA 55101-2140
PHONE: 612/292-4400 FAX: 612/292-0083

April 15, 1993

Honorable Chairman and Town Board
White Bear Township, Minnesota

Re: Centerville Road - TH 96 - Cub Foods
Roadway Improvements and Signal Modifications
White Bear Township, Minnesota
Commission No. 10351

Dear Town Board Members:

The schedule established for this project set the Contract to be awarded on May 24, 1993 and project completion on August 1, 1993. The later contract award time was set to allow the assessment appeal time to expire. We have been advised by the Contractor that this schedule does not allow sufficient time for the signal poles to be manufactured and installed. Signal poles of this size and type are not stock items but are manufactured only upon receiving an order.

The Contractor has advised us that the signal poles need to be ordered now in order to meet the project completion date. If the contract is not awarded on May 24, the financial risk to the Town is the manufacturer's restocking charge to take the poles back and place them in inventory. The Contractor has contacted the pole manufacturer and the restocking charge is estimated to be \$4,000.00.

Action Requested

The Town Board should authorize Tower Asphalt to order the signal poles so as to meet the project completion date. The Town's financial risk is approximately \$4,000.00.

Sincerely yours,



Larry D. Bohrer, P.E.

LDB:j

March 26, 1993

PROJECT COSTS

**Centerville Road - Trunk Highway 96
Roadway Improvements and Signal Modifications
for Cub Foods Meadowlands Development
Project 1992-9
White Bear Township, Minnesota
Commission No. 10351**

1.	Construction (Low Bid)	\$202,633.31
2.	Contingencies (10%)	20,266.69
3.	Indirect Costs (from Feasibility Report) Including Engineering, Legal, Fiscal, Administration, Publications and Misc.	83,400.00
4.	Less Preliminary Engineering provided by Petitioner	<u>-9,800.00</u>
	TOTAL AMOUNT TO BE ASSESSED	\$296,500.00
	Assessment per Lot	\$37,062.50
	Previously Estimated Assessment	\$351,600.00
	Previously Estimated Rate	<u>\$43,950.00</u>

1.	Lot	Assessment	Rate
2.	Lot	Assessment	Rate
3.	Lot	Assessment	Rate
4.	Lot	Assessment	Rate
5.	Lot	Assessment	Rate
6.	Lot	Assessment	Rate
7.	Lot	Assessment	Rate
8.	Lot	Assessment	Rate
9.	Lot	Assessment	Rate
10.	Lot	Assessment	Rate

PROPOSED PROJECT SCHEDULE

Revised 12-7-92

Centerville Road, Trunk Highway 96, and Allendale Drive
 Cub Foods/Meadowlands Development
 White Bear Township, Minnesota
 Commission No. 8668-002

1. **Town Board Receives Feasibility Report, calls for Public Hearing, Authorizes Engineer to Prepare Plans and Specifications** December 7, 1992
2. **Town Board Holds Public Hearing** January 4, 1993
3. **Town Board Approves Plans, Orders Project, and Authorizes Advertisement for Bids** February 8, 1993
4. **Advertise in White Bear Press** February 17 and 24, 1993
5. **Advertise in Construction Bulletin** February 19 and 26, 1993
6. **Open Bids** March 11, 1993
7. **Town Board Receives Bids and calls for Assessment Hearing** March 15, 1993
8. **Assessment Hearing** April 19, 1993
9. **Appeal Period Expires** May 19, 1993
10. **Town Board Awards Contract** May 24, 1993
11. **Contractor Begins Construction** June 1, 1993
12. **Contractor Completes Construction** August 1, 1993
13. **Scheduled Opening of Cub Foods** September 1, 1993

AMENDED AND RESTATED
DEVELOPMENT AGREEMENT

BY AND BETWEEN

ECONOMIC DEVELOPMENT AUTHORITY OF
THE TOWN OF WHITE BEAR

AND

SUPERVALU INC.

AND

MEADOWLANDS OF WHITE BEAR LIMITED PARTNERSHIP

This document drafted by:

BRIGGS AND MORGAN (MMD)
Professional Association
2200 West First National Bank
Building
St. Paul, Minnesota 55101

AMENDED AND RESTATED
DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the 19th day of October, 1992 by and between the Economic Development Authority of the Town of White Bear, Minnesota (the "Authority"), a body corporate and politic organized and existing under the laws of the State of Minnesota, SUPERVALU INC., a Delaware corporation ("Supervalu"), and Meadowlands of White Bear Limited Partnership, a Minnesota limited partnership ("Meadowlands"),

WHEREAS, the Authority has heretofore entered into a Development Agreement with Meadowlands, dated May 20, 1991 (the "Original Development Agreement");

WHEREAS, pursuant to the Original Development Agreement, Meadowlands agreed to construct a certain project, as defined in the Original Development Agreement, and the Authority agreed to provide certain assistance to Meadowlands from certain tax increments on a pay as you go basis, all as provided in the Original Development Agreement;

WHEREAS, Meadowlands desires to assign certain of its rights in the Original Development Agreement, and Supervalu desires to assume certain of Meadowlands obligations under the Original Development Agreement to the extent hereinafter set forth;

WHEREAS, the Authority, Meadowlands and Supervalu have determined that is necessary, desirable and expedient to amend and restate the Original Development Agreement;

WHEREAS, the Original Development Agreement is hereby amended and restated in its entirety to read as follows:

WITNESSETH:

WHEREAS, the Authority has heretofore formed Municipal Development District No. 1 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.179, as amended, (hereinafter the "Tax Increment Act"), the Authority has created a tax increment financing district (the "Tax Increment District"), which includes the real estate bearing the parcel identification numbers set forth on Exhibit A attached hereto, and has adopted a tax increment financing plan therefor (the "Tax Increment Plan")

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Adjacent Property means the real property described on Exhibit D attached hereto;

Agreement means this Agreement, as the same may be from time to time modified, amended or supplemented;

Authority means the Economic Development Authority of the Town of White Bear, Minnesota;

County means Ramsey County, Minnesota;

Construction Plans means the plans, specifications, drawings and related documents of the construction work to be performed by the Developers in the Tax Increment District. The plans (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the Town, and (b) shall include at least the following: (1) site plan; (2) site grading and drainage plans; (3) foundation plan; (4) floor plan; and (5) elevations (all sides);

Developers means collectively Supervalu and Meadowlands;

Development District means the real property described in the Development Program;

Development Program means the development program approved in connection with the Development District;

Development Property means the real property legally described in Exhibit B of this Agreement;

Event of Default means any of the events described in Section 4.1;

Legal and Administrative Expenses means the fees and expenses incurred by the Town in connection with the creation of the Tax Increment Financing District and the preparation of the Tax Increment Financing Plan and this Development Agreement;

Meadowlands means Meadowlands of White Bear Limited Partnership, a Minnesota limited partnership;

EXHIBIT D

Legal Description of the Adjacent Property

Lots 1, 2 and 3, Block 3, Lots 2, 3 and 4, Block 2 and
Lots 1 and 2, Block 1, The Meadowlands of White Bear

Lots 1, 2, 3 of Block 3: Meadowlands Shops (Faulkner)

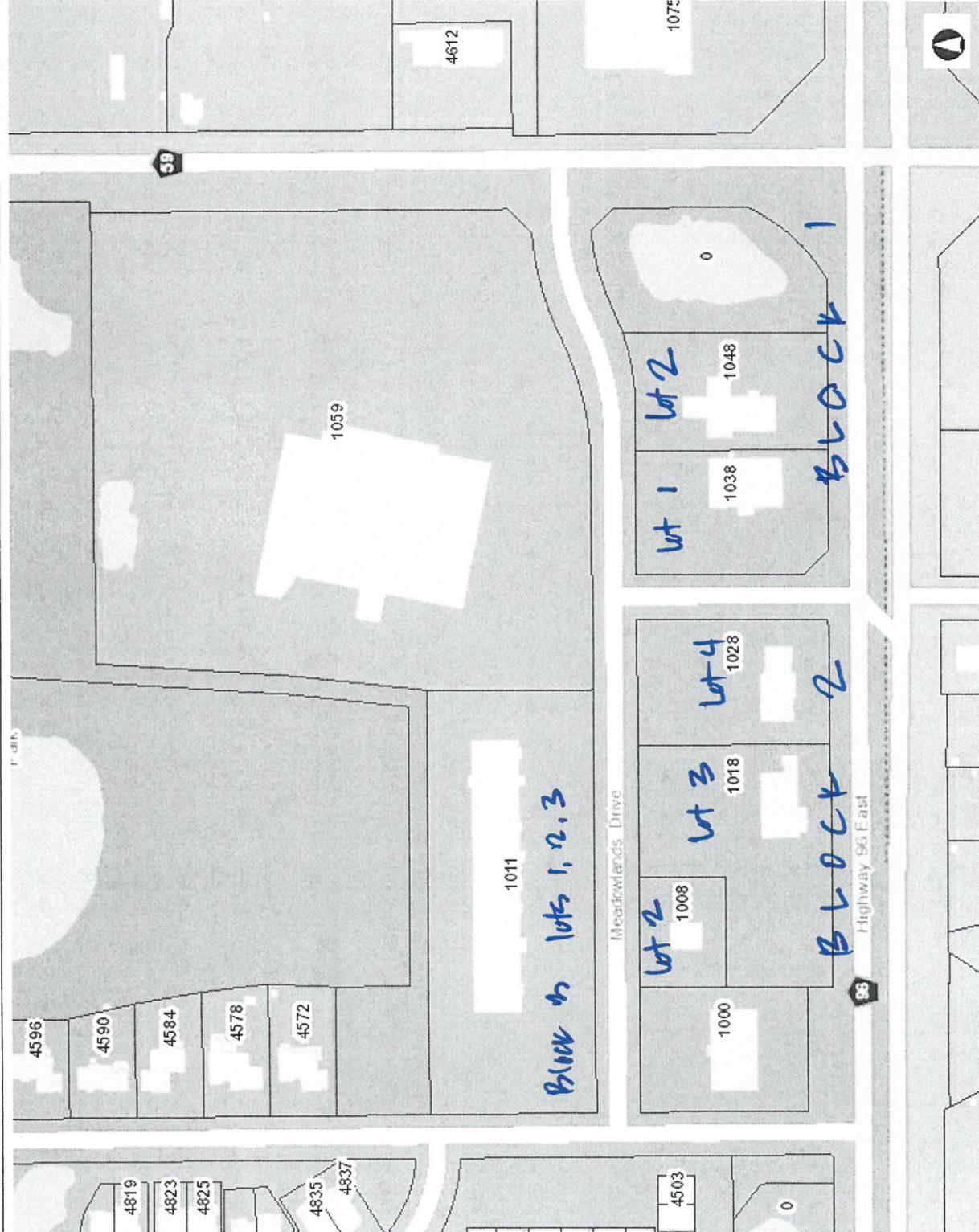
Lot 2 of Block 2: Valvoline

Lot 3 of Block 2: Applebees

Lot 4 of Block 2: Arby's

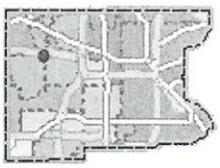
Lot 1 of Block 1: Auto Zone

Lot 2 of Block 1: Flagship Bank



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION

Legend



- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
- Parcel Points
- Parcel Boundaries

Notes

Enter Map Description

Original Development Agreement means the Agreement dated May 20, 1991, by and between the Authority and Meadowlands;

Phase II Project means the development to occur on the Adjacent Property;

Project means the approximately 55,000 square foot super market and related improvements to be constructed on the Development Property;

State means the State of Minnesota;

Supervalu means SUPERVALU INC., a Delaware corporation, its successors and assigns;

Tax Increments means the tax increments derived from the Tax Increment District which have been received and retained by the Authority in accordance with the provisions of Minnesota Statutes, Section 469.177;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.179, as amended;

Tax Increment Bonds means the general obligation tax increment bonds, or the allocable portion thereof, issued to finance the up-front assistance described in Section 3.1(a)(i) to Supervalu;

Tax Increment District means Tax Increment Financing District No. 5 heretofore created by the Authority on the real estate bearing the parcel identification number set forth on Exhibit A attached hereto and qualified as an economic district under the Tax Increment Act;

Tax Increment Financing Plan means the plan approved for the Tax Increment District;

Traffic Improvements means the improvements to Trunk Highway 96 and Centerville Road as described in that certain letter dated August 19, 1992 to the Town from Ruth Ann Sobnosky, a senior transportation planner at the Minnesota Department of Transportation, together with any changes thereto required by the Town, Ramsey County or the Minnesota Department of Transportation;

Town means the Town of White Bear; Minnesota;

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of

ARTICLE III

TAX INCREMENT ASSISTANCE

Section 3.1. Amount of and Preconditions to Payment of Assistance.

(1) In order to assist Supervalu with the costs of acquiring the Development Property, and to assist Meadowlands with the costs of developing the Adjacent Property, the Authority agrees to provide the following tax increment assistance:

(a) to Supervalu

(i) up front assistance in the amount of \$170,000 (the "Loan"); and

(ii) "pay-as-you-go" assistance in the principal amount equal to the greater of (x) \$509,850, or (y) 9% of the actual Market Value of the Development Property and the Adjacent Property, as defined in Section 3.3(c) hereof, the Authority shall pay interest on the unpaid principal balance of the pay as you go assistance (such unpaid principal balance to be recalculated and interest to accrue on such new principal balance from and after receipt by the Town of the statement required under Section 3.3(c) below) at the rate of seven percent per annum, such interest to accrue from February 1, 1994, and to be computed on the basis of a 360 day year of 12 30-day months.

(b) to Meadowlands, pay as you go assistance in the amount equal to the principal amount of, and interest on, the special assessments levied against the Adjacent Property for the Traffic Improvements as contemplated in Section 3.8 hereof.

(2) Notwithstanding anything in this Agreement to the contrary, the obligation of the Authority to make the payments of the assistance to the Developers under this Agreement is solely from Tax Increments, and to the extent that Tax Increments are insufficient to make such payments, there shall be no liability on the part of the Authority to make such payments.

(3) The Authority shall be under no obligation to provide any of the tax increment assistance contemplated in this Agreement until satisfaction of the following conditions precedent:

(a) Supervalu has prepared and provided a copy to the Authority of the Construction Plans for the Project;

(b) Supervalu has obtained all necessary permits, licenses, and authorizations necessary to commence and complete the construction of the Project;

(c) Supervalu has acquired the Development Property;

(d) Meadowlands has complied with the covenants in Section 2.3(10) hereof;

(e) Supervalu has complied with the covenants in Sections 2.2(10) and (11) hereof;

(f) Supervalu and Meadowlands have granted to the Town, at no cost to the Town, an easement, for open space and public park purposes, in the area described as a public plaza in the site plan prepared for the property in the Tax Increment District; and

(g) The Authority shall be under no obligation to deliver the up-front assistance to Supervalu described in Section 3.1(a)(i) hereof until the Town receives the proceeds of the Tax Increment Bonds.

Section 3.2. Application of Tax Increments.

(a) The tax increments derived from the Development Property shall be applied in the following order of priority:

(i) tax increments in an amount equal to 30% of the total amount received shall be retained by the Authority to pay administrative expenses of the Town and certain other costs of projects undertaken by the Town or the Authority in the Development District;

(ii) tax increments in an amount sufficient to pay debt service on the Tax Increment Bonds due in the next ensuing 12 months shall be retained by the Authority; and

(iii) Any remaining tax increments shall be applied to the pay-as-you-go assistance to Supervalu described in 3.1(a)(ii) above.

(b) The tax increments derived from the Adjacent Property, shall be applied as follows:

(i) tax increments in an amount equal to 30% of the total amount received shall be retained by the Authority to pay administrative expenses of the Town and certain other costs of projects undertaken by the Town or the Authority in the Development District;

(ii) all remaining tax increments shall be used to pay or prepay the special assessments levied against the Adjacent Property for the Traffic Improvements, or to reimburse Meadowlands or any assignee of Meadowlands for any special assessments for the Traffic Improvements theretofore paid; provided that at such time as the total principal amount of such special assessments, and any accrued interest thereon have been paid or reimbursed from tax increments, any remaining tax increments shall be applied against the pay-as-you-go assistance due Supervalu under 3.1(a)(ii) above. Notwithstanding anything in this document to the contrary, the Authority shall have no obligation to use tax increments to pay or reimburse Meadowlands or any assignee of Meadowlands for special assessments unless 100% of the costs of the Traffic Improvements are specially assessed against the Adjacent Property.

Section 3.3. Timing of Payments.

(a) Subject to satisfaction of the conditions set forth in Section 3.1(3), (i) the up-front assistance to Supervalu shall be payable within 7 days after the Town receives the proceeds of the Tax Increment Bonds, and (ii) the pay-as-you-go assistance to Meadowlands or any assignee shall be applied by the Town to pay or prepay the special assessments for the Traffic Improvements promptly following receipt of the tax increments.

(b) Subject to satisfaction of the conditions set forth in Section 3.1(2), the pay-as-you-go assistance to Supervalu shall be payable to Supervalu on February 1 of each year commencing on February 1, 1994; provided that the Authority shall be under no obligation to apply or pay the Tax Increments until it has received Supervalu's statement described in paragraph (c) below.

(c) Supervalu shall submit a statement to the Authority at least 5 business days before each February 1, commencing February 1, 1994, setting forth (i) the most recent market value for the Development Property and the Adjacent Property as issued by Ramsey County (the "Market Value"), (ii) the principal amount of pay-as-you-go

assistance (based upon the greater of \$509,850 or 9% of the most recent Market Value of the Development Property) which remains payable to the Supervalu pursuant to this Agreement, and (iii) the accrued interest due on such amount calculated in accordance with Section 3.1(1)(a)(ii) hereof. On each February 1, the Authority shall apply tax increments as provided in Section 3.2 to such amounts, such payments to be applied first to accrued and unpaid interest and then to principal due. Any interest accruing on Tax Increments held by the Authority pending payment or receipt of such statement from Supervalu shall accrue to the benefit of the Authority.

Section 3.4. Repayment of Loan by Supervalu. Supervalu agrees to repay the Loan described in Section 3.1(a)(i) above in 20 semi-annual payments of \$8,500 each, commencing on June 1 or December 1 first following the date of delivery of the upfront assistance to Supervalu, and semiannually thereafter on each and every June 1 and December 1. No interest shall be charged on the unpaid balance of the Loan. All loan repayments shall be made to the Authority at the address set forth in Section 5.5 hereof. Prior to the payment of the last pay-as-you-go tax increment payment to Supervalu pursuant to Section 3.1(1)(a)(ii), if Supervalu is not the owner of the Development Property, then such owner shall deliver to the Authority an irrevocable letter of credit in the principal amount equal to the remaining unpaid principal amount of the Loan; provided that the principal amount of the letter of credit may decline with the unpaid principal balance of the loan. The obligation to provide the letter of credit shall remain until the principal amount of the loan has been repaid in full. The letter of credit shall provide that the Authority may draw upon it if an event of default by Supervalu occurs under this Agreement or if it is not renewed or replaced within 10 days prior to its expiration.

Section 3.5. Use of Tax Increments. The Authority and the Town shall be free to use the Tax Increments, other than those to which the Developers are entitled pursuant to the provisions of Section 3.1 hereof, or which it is obligated to apply under Section 3.9 for any purpose for which the Tax Increments may lawfully be used pursuant to applicable provisions of the Minnesota law.

Section 3.6. Issuance of General Obligation Tax Increment Bonds. The Authority agrees to use its best efforts to cause the Town to issue its Tax Increment Bonds, at such time as in the judgment of the Town is necessary and desirable, in an amount sufficient to finance, among other things, the up-front assistance to Supervalu under Section 3.1(a)(i) hereof. The

Authority's obligation to use its best efforts to cause the Town to issue the Tax Increment Bonds shall be subject to the limitations provided in Section 3.7 hereof. Notwithstanding anything herein to the contrary, the Authority shall have no obligation to cause the Town to initiate proceedings to issue the Tax Increment Bonds until the Authority has determined to its satisfaction that the construction of the Project is at least one-third complete or until a letter of credit, in form and substance satisfactory to the Authority, in an amount equal to the principal amount of the Tax Increment Bonds, which are estimated to be in the principal amount of \$205,000, has been delivered to the Authority. The letter of credit must provide that the Authority is entitled to draw on it if an event of default by Supervalu occurs under this Agreement or if it is not renewed or replaced at least 10 days prior to its expiration. The Authority agrees to use its best efforts to cause the Town to initiate the proceedings to issue the Bonds upon (i) satisfaction of the conditions set forth in 3.1(3) and 3.7 hereof, and (ii) either the receipt of the letter of credit referred to above or the date the Project is one-third completed. Supervalu shall have no obligation to renew or replace any letter of credit required under this Section 3.6 after the Authority has determined that the construction of the Project is at least one-third completed.

Section 3.7. Limitations on Financial Undertakings of the Town. The provisions of Section 3.6 notwithstanding, the Authority shall not have any obligation to Supervalu under this Agreement to use its best efforts to cause the Town to issue the Tax Increment Bonds, except upon the continuing existence of the following conditions:

(i) The Authority is not entitled under Section 4.2 to exercise any of the remedies set forth therein against Supervalu as a result of an Event of Default by Supervalu;

(ii) There has not been, nor does there occur, a substantial change for the worse in the financial resources and ability of Supervalu, which change(s) makes it substantially more likely, in the reasonable judgment of the Authority, that Supervalu will be unable to fulfill its covenants and obligations under this Agreement.

(iii) All of the conditions set forth in Section 3.1 have been satisfied.

Section 3.8. Traffic Improvements. Meadowlands and Supervalu agree to submit to the Town, on or before November 3, 1992, a petition requesting the construction of the Traffic

Improvements. The entire cost of the Traffic Improvements will be specially assessed against the Adjacent Property. Meadowlands or its assigns agrees not to contest or appeal any special assessments levied against the Adjacent Property for Traffic Improvements.

Section 3.9. Meadowlands Drive Streetscape and Plaza Improvements. Supervalu and Meadowlands acknowledge that the Town or the Authority plan to undertake certain improvements commonly referred to as the Meadowlands Drive Streetscape and Plaza Improvements, and that it may issue general obligation bonds to finance such costs. The Town intends to specially assess both the Development Property and the Adjacent Property for any of the costs of such improvements which exceed the lesser of 23% of the tax increments received by the Town pursuant to Section 3.2(a)(i) and (b)(i) above, or \$100,000; provided that the principal amount of special assessments to be levied against the Development Property and the Adjacent Property will not exceed, in the aggregate, \$25,000.