

## GS Land, LLC

5115 Wooddale Glen  
Edina, MN 55424  
612-868-0662

June 4, 2018

Mr. Tim Gladhill  
Community Development Director  
City of Ramsey  
7550 Sunwood Drive NW  
Ramsey, MN 55303

Re: Harvest Estates – Phase 2

Dear Mr. Gladhill,

As you know, GS Land, LLC currently has a Real Estate Purchase Agreement (PA) with the City of Ramsey for approximately 6.42 acres. The property is located directly adjacent to the recently developed Harvest Estates – Phase 1 and, is currently proposed to be developed as Harvest Estates – Phase 2. The current PA price for the 6.42 acres is \$279,270.00.

While it may have always been known that the site would require some imported fill to develop the property in conformance with the preliminary plat, it was only this past spring that the engineering analysis was actually performed and, the significant amount of imported fill was accounted for. The current total estimated cost of \$1,134,000.00 to develop the site is simply not feasible, in our opinion.

The preliminary plat for Phase 2 has 12 residential homesites and, based on our engineer's analysis, this is the maximum number of homesites that can be plated on this parcel. That puts the per lot cost of development, excluding any margin of profit for the developer, at an estimated \$94,500.00. Based on an average lot sales price of \$78,800.00 in Harvest Estates – Phase 1, and our belief that the market will not allow a significant increase in per lot sales prices, the current estimated development cost would not allow us to move forward with Harvest Estates – Phase 2.

However, if we could achieve a development cost something below \$70,000.00 per homesite, we would likely move forward with Harvest Estates – Phase 2 as soon as practical. Unfortunately, there is a differential of approximately \$25,000.00 per homesite, or a total of \$300,000.00 that needs to be eliminated from the current estimated cost of \$1,134,000.00. It is our opinion that the only way to bring the cost of the development down to a point where we may be able to move forward, is to reduce the raw land price.

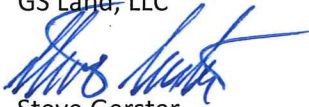
Therefore, GS Land is requesting an amendment to the PA reducing the current purchase price from \$279,270.00 to a proposed price of \$5000.00. While this reduction may seem extreme, we believe there are few, if any, alternatives that would allow for the residential development of this site now, or in the foreseeable future.

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We have enclosed all of our estimated costs for review and comment. Additionally, we are always available to meet and discuss any items of concern at your convenience.

Thank you for your consideration of our proposal.

Sincerely,  
GS Land, LLC



Steve Gerster  
Chief Manager

# Estimated Cost of Construction

Owner's Name(s): GS Land, LLC

Project Name: Harvest Estates - Phase 2

Property Address: 15153 Nowthen Blvd NW, Ramsey, MN

Start Date: \_\_\_\_\_

Completion Date: \_\_\_\_\_

	Category	Subcontractor/Supplier	Budget	Adjustments	Adjusted Budget
1	Land Acquisition	City of Ramsey	\$ 279,270.00		279,270.00
2	Park Dedication Fees	City of Ramsey	\$ 41,100.00		\$ 41,100.00
3	Grading		\$ 600,000.00		\$ 600,000.00
4	Utilities	Included In Line 3	\$ -		\$ -
5	Streets	Included In Line 3	\$ -		\$ -
6	Street Lights & Signs	City of Ramsey	\$ 3,000.00		\$ 3,000.00
7	Street Light Operations	City of Ramsey	\$ 1,000.00		\$ 1,000.00
8	Gas Deposit / Small Utilities		\$ 3,500.00		\$ 3,500.00
9	Landscaping	Included In Line 3	\$ -		\$ -
10	Monument Sign		\$ -		\$ -
11	Clean Street/Erosion Control		\$ 1,000.00		\$ 1,000.00
12	Consulting Fees		\$ 5,000.00		\$ 5,000.00
13	NIK Management Fee		\$ -		\$ -
14	PERC		\$ -		\$ -
15	City Storm Water Mgmt	City of Ramsey	\$ 5,508.00		\$ 5,508.00
16	Engineering Fees	Hedlund	\$ 60,000.00		\$ 60,000.00
17	Engineering Permits		\$ -		\$ -
18	Construction Observation (City)	City of Ramsey	\$ 20,000.00		\$ 20,000.00
19	Soil Testing	American Engineering	\$ 5,000.00		\$ 5,000.00
20	Final Plat & Staking	Included In Line 16	\$ -		\$ -
20.5	County Plat Check Fee		\$ -		\$ -
21	Survey	Included In Line 16	\$ -		\$ -
22	MPCA Permit		\$ -		\$ -
23	Watershed District	Hedlund	\$ 500.00		\$ 500.00
24	City Costs		\$ 2,000.00		\$ 2,000.00
25	Cost of Letter of Credit		\$ 7,500.00		\$ 7,500.00
26	Area Assessments	City of Ramsey	\$ 33,912.00		\$ 33,912.00
27	Origination Fees		\$ -		\$ -
28	Closing Fees - Title Company		\$ 2,500.00		\$ 2,500.00
29	Disb Fee @ Land Closing		\$ -		\$ -
30	Well Certification		\$ -		\$ -
31	Priority/Cons/Fee/Flood		\$ -		\$ -
32	Legal Fees		\$ 5,000.00		\$ 5,000.00
33	Document Prep Fees		\$ -		\$ -
34	Liability Insurance		\$ 750.00		\$ 750.00
35	Taxes	Ramsey County	\$ 1,500.00		\$ 1,500.00

# Estimated Cost of Construction

**Owner's Name(s):** GS Land, LLC  
**Project Name:** Harvest Estates - Phase 2  
**Property Address:** 15153 Nowthen Blvd NW, Ransey, MN  
**Start Date:** \_\_\_\_\_  
**Completion Date:** \_\_\_\_\_

	Category	Subcontractor/Supplier	Budget	Adjustments	Adjusted Budget
36	Mortgage Reg Fees, Etc		\$ 1,250.00		\$ 1,250.00
37	Title Service Fees		\$ 3,500.00		\$ 3,500.00
38	Title Ins (Owner/Lender)	Included In Line 37	\$ -		\$ -
39	Recording Fees	Included In Line 37	\$ -		\$ -
40	Contingency		\$ 51,210.00		\$ 51,210.00
	<b>TOTAL EST COST OF CONSTRUCTION</b>		<b>\$ 1,134,000.00</b>	<b>\$ -</b>	<b>\$ 1,134,000.00</b>

# PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd

PROJECT NO.: KRZ14029 003

LOCATION: Ramsey, MN

CONTRACT MANAGER: RCH

FILE: Cost Estimate - Single Family xls

Date:

5-Apr-18

## SCHEDULE A - SANITARY SEWER

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1 Connect to Existing Sewer Stub	1	Each	\$1,500.00	\$1,500.00
2 Connect into Existing Manhole	1	Each	\$1,500.00	\$1,500.00
3 8" PVC, 8'-10' Deep SDR 35	295	L.F.	\$35.00	\$10,325.00
4 8" PVC, 10'-12' Deep SDR 35	20	L.F.	\$35.00	\$700.00
5 8" PVC, 12'-14' Deep SDR 35	100	L.F.	\$40.00	\$4,000.00
6 8" PVC, 14'-16' Deep SDR 26	60	L.F.	\$61.00	\$3,660.00
7 8' Standard Manhole (48") w/Joint Seal ape	4	Each	\$2,500.00	\$10,000.00
8 Manhole - Extra Depth > 8'	5	L.F.	\$120.00	\$600.00
9 Furnish and Install Castings w/Rings	4	Each	\$450.00	\$1,800.00
10 4" x 8" PVC Wye	12	Each	\$150.00	\$1,800.00
11 4" Schedule 40 PVC Service Pipe	400	L.F.	\$20.00	\$8,000.00
12 Pipe Insulation	125	S.Y.	\$2.00	\$250.00
13 Test and Televiser Sewer	1	L.S.	\$1,500.00	\$1,500.00
<b>SUBTOTAL SCHEDULE A - SANITARY SEWER</b>				<b>\$45,635.00</b>

# PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd  
 PROJECT NO.: KRZ14029 003  
 LOCATION: Ramsey, MN  
 CONTRACT MANAGER: RCH  
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

## SCHEDULE B - WATERMAIN

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1 Connect to Existing Watermain	2	Each	\$1,000.00	\$2,000.00
2 6" DIP, Class 52	90	L.F.	\$38.00	\$3,420.00
3 12" DIP, Class 52	550	L.F.	\$60.00	\$33,000.00
4 12" Gate Valve w/ Box	2	Each	\$3,750.00	\$7,500.00
5 Hydrant w/ 6" Gate Valve	2	Each	\$5,000.00	\$10,000.00
6 Fittings	1000	Lbs.	\$7.00	\$7,000.00
7 1" Copper Service Pipe	400	L.F.	\$20.00	\$8,000.00
8 1" Corp and Curb Stop	12	Each	\$350.00	\$4,200.00
10 Testing Watermain	1	L.S.	\$1,200.00	\$1,200.00
11 Remove Exist 12" Watermain	300	L.F.	\$15.00	\$4,500.00
SUBTOTAL SCHEDULE B - WATERMAIN				<u>\$80,820.00</u>

## SCHEDULE C - STORM SEWER

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1 15" RCP, Class 5	280	L.F.	\$35.00	\$9,800.00
2 2' x 3' Catch Basin	4	EACH	\$1,800.00	\$7,200.00
3 48" Dia. Manhole	2	EACH	\$2,000.00	\$4,000.00
4 Connect to Existing	4	EACH	\$750.00	\$3,000.00
5 Install Casting W/ Rings	6	EACH	\$575.00	\$3,450.00
SUBTOTAL SCHEDULE C - STORM SEWER				<u>\$27,450.00</u>

# PRELIMINARY OPINION OF ESTIMATED COSTS



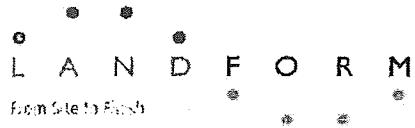
Harvest Est. 2nd  
 PROJECT NO.: KRZ14029 003  
 LOCATION: Ramsey, MN  
 CONTRACT MANAGER: RCH  
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

## SCHEDULE D - STREETS

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Subgrade Preparation	2800	S.Y.	\$1.00	\$2,800.00
2	Bituminous Parking Lot Removal	870	S.Y.	\$5.00	\$4,350.00
3	Aggregate Base Class 5 - 4"	630	Tons	\$16.00	\$10,080.00
4	Bituminous Non-Wear Course Mix 2.0" (SPWEA340C)	300	Tons	\$70.00	\$21,000.00
5	Bituminous Wearing Course Mix 1.5" (SPNWB230C)	225	Tons	\$80.00	\$18,000.00
6	Tack Coat	135	S.Y.	\$1.00	\$135.00
7	Concrete Curb and Gutter (Surmountable)	1600	L.F.	\$13.00	\$20,800.00
8	4" Concrete Sidewalk 6' Wide on Sand Base	350	S.Y.	\$35.00	\$12,250.00
9	Raise Structures/ Gate Valves	9	Each	\$400.00	\$3,600.00
10	Signage	4	Each	\$350.00	\$1,400.00
11	Pedestrian Ramps	3	Each	\$600.00	\$1,800.00
12	Two Rows Sod Behind Curbs	550	S.Y.	\$6.50	\$3,575.00
	SUBTOTAL SCHEDULE D - STREETS				<u>\$99,790.00</u>

# PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd  
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 CONTRACT MANAGER: RCH  
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

## SCHEDULE E - GRADING

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Mobilization	1	L.S.	\$5,000.00	\$5,000.00
2	Sawcut Bituminous	60	L.F.	\$3.00	\$180.00
3	Remove Existing Bituminous	1,000	S.Y.	\$3.00	\$3,000.00
4	Clearing & Grubbing	0.5	ACRE	\$4,000.00	\$2,000.00
5	* Silt Fence	1,200	L.F.	\$1.50	\$1,800.00
6	Rock Construction Entrance	2	Each	\$1,300.00	\$2,600.00
7	Inlet Protection	6	Each	\$150.00	\$900.00
8	Wetland Buffer Signage	4	Each	\$190.00	\$760.00
9	Street Sweeper	1	L.S.	\$1,100.00	\$1,100.00
10	Common Excavation	4,000	C.Y.	\$2.00	\$8,000.00
11	* Common Import (L.V.)	25,000	C.Y.	<del>\$8.00</del> 10. <sup>00</sup>	<del>\$200,000.00</del> 250,000
12	* Subgrade Correction	1,000	C.Y.	\$2.00	\$2,000.00
13	Topsoil Respread - 6" Import	1,200	C.Y.	\$8.00	\$9,600.00
14	* Seed & Mulch	4	Acre	\$600.00	\$2,400.00
15	Fiber Blanket (Steep Slopes)	3000	S.Y.	\$1.50	\$4,500.00
16	Remove Silt Fence	4100	L.F.	\$1.00	\$4,100.00

\* Contractor to be Paid per Field Measure Quantities

SUBTOTAL SCHEDULE E - GRADING

297,940  
\$247,940.00

# PRELIMINARY OPINION OF ESTIMATED COSTS



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 CONTRACT MANAGER: RCH  
 FILE: Cost Estimate - Single Family xls

Date: 5-Apr-18

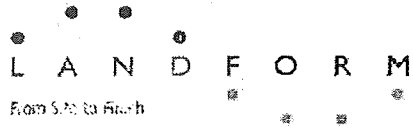
## SCHEDULE F - LANDSCAPING

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Deciduous Trees	21	Each	\$275.00	\$5,775.00
2	Coniferous Trees	21	Each	\$275.00	\$5,775.00
SUBTOTAL SCHEDULE F - LANDSCAPING					\$11,550.00

## SUMMARY- DEVELOPMENT COSTS

SCHEDULE A - SANITARY SEWER	\$45,635.00	
SCHEDULE B - WATERMAIN	\$80,820.00	
SCHEDULE C - STORM SEWER	\$27,450.00	
SCHEDULE D - STREETS	\$99,790.00	
SCHEDULE E - GRADING	<del>\$247,940.00</del>	297,940
SCHEDULE F - LANDSCAPING	\$11,550.00	
<b>SUB TOTAL</b>	<del>\$513,185.00</del>	563,185
10% CONTIGENCY	\$51,318.50	36,815
<b>TOTAL</b>	<del>\$564,503.50</del>	600,000

# PRELIMINARY OPINION OF ESTIMATED COSTS



Harvest Est. 2nd  
 PROJECT NO.: KRZ14029 003  
 LOCATION: Ramsey, MN  
 CONTRACT MANAGER: RCH  
 FILE: Cost Estimate - Single Family xls  
 Date: 5-Apr-18

## SCHEDULE G - SOFT COSTS

1 Engineering and Surveying	1	L.S.	\$50,000.00	\$50,000.00
2 Construction Services (Inspection), 5% Construction Cost	1	L.S.	\$12,700.00	\$12,700.00
3 Construction Services (Testing)	1	L.S.	\$5,000.00	\$5,000.00
4 Wetland Consultant Services	0	L.S.	\$0.00	\$0.00

### CITY FEES

5 Park Dedication Fee	12	Each	\$2,700.00	\$32,400.00
6 Trail Dedication Fee	12	Each	\$725.00	\$8,700.00
7 Final Plat Fee	1	L.S.	\$350.00	\$350.00
8 Final Plat Escrow	1	L.S.	\$1,500.00	\$1,500.00
9 Water Residential Connection Charge	12	Each	\$1,700.00	\$20,400.00
10 Sewer Residential Connection Charge	12	Each	\$1,126.00	\$13,512.00

**TOTAL SOFT COSTS** \$144,562.00

<b>TOTAL HARD + SOFT COSTS</b>	<b>\$709,065.50</b>
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*507,800  
 include  
 City*