

---

(reserved for recording)

**ASSESSMENT AGREEMENT**

THIS ASSESSMENT AGREEMENT (this “Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the **City of Ramsey**, Minnesota, a Minnesota municipal corporation (“City”), and **Alan R. Pearson and Elizabeth J. Pearson, Trustees of the Elizabeth J. Pearson Trust** (“Elizabeth Pearson”).

Recitals

- A. Elizabeth Pearson is the owner of fee title to the Property, as defined in Exhibit A, attached hereto.
- B. Elizabeth Pearson desires to have certain public improvements constructed to serve the Property as described in Exhibit B (the “Improvement Project”). Concept level plans and specifications for the Improvement Project are completed.
- C. Elizabeth Pearson desires to have the City construct the Improvement Project without notice of hearing or hearing on the special assessments levied to finance the Improvement Project, and to levy **\$81,180.10** of the cost of the Improvement Project against the Property.
- D. The City is willing to construct the Improvement Project without certain notices or hearings, provided that assurances and covenants stated below are made by Elizabeth Pearson to ensure that the City will have valid and collectable special assessments as they relate to the Property.
- E. Were it not for the assurances and covenants provided in this Agreement, the City would not construct the Improvement Project and is doing so at the behest, and for the benefit, of Elizabeth Pearson.

## Agreement

In consideration of the recitals stated above, the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

1. Recitals Incorporated. The recitals stated above are hereby incorporated into this Agreement and made a part of this Agreement by reference.
2. Petition. Elizabeth Pearson hereby petitions the City for construction of the Improvement Project.
3. Authority.
  - a. Elizabeth Pearson represents and warrants that she is the owner of 100 percent of the Property as described in Exhibit A, that she has full legal authority to encumber the Property as provided in this Agreement, and that as of the date of this Agreement, she has fee simple absolute title in the Property, which is not subject to any liens, interests or encumbrances, except as listed in Exhibit E.
4. Waiver of Hearings. Elizabeth Pearson waives notice of hearing and hearing pursuant to Minn. Stat. section 429.031, on the Improvement Project, notice of hearing and hearing on the special assessments levied to finance the Improvement Project pursuant to Minn. Stat. section 429.061, and any notice of hearing or procedure specified under the City Charter, and specifically requests that the Improvement Project be constructed and special assessments be levied against the Property without hearings.
6. Waiver. Elizabeth Pearson waives the right to appeal the levy of the special assessments pursuant to Minn. Stat. section 429.081, and further specifically agrees with respect to such special assessments that:
  - a. Any requirements of Minn. Stat. chapter 429 or the City Charter with which the City does not comply are hereby waived;
  - b. The increase in fair market value of the Property resulting from construction of the Improvement Project will be at least equal to the cost of the Improvement Project as set forth herein, and that such increase in fair market value is a special benefit to the Property;
  - c. Assessment of the above-specified cost of the Improvement Project against the Property is reasonable, fair and equitable and there are no other properties against which such cost should be assessed.
7. No Deferral. Elizabeth Pearson represents and warrants that the Property is not so classified for tax purposes as to result in deferral of the obligation to pay special assessments, and Elizabeth Pearson agrees that she will take no action to secure such tax status of the Property during the term of this Agreement.
8. Assessment. Elizabeth Pearson requests that **\$81,180.10** of the actual cost of the Improvement Project be assessed against the Property as detailed in Exhibit C and Exhibit D.

9. Payment of Assessment.

- a. No annual or semi-annual assessment payments are required until the Elizabeth Pearson parcel is sold. Interest shall accrue on the assessment. The fixed interest rate applied to the Assessment shall be set at the ten (10) year U.S. Treasury rate on the date of this agreement plus 2 percent. Certified assessments shall be paid in full upon transfer of ownership of the Elizabeth Pearson parcel.

10. Collateral.

- a. No additional collateral required.

11. Successors and Assigns. The covenants, waivers and agreements contained in this Agreement shall bind the successors and assigns of Elizabeth Pearson and shall run with the Property and bind all its successors in interest. It is the intent of the parties hereto that this Agreement be in a form that is recordable in the land records of Anoka County, Minnesota, and they agree to make any changes in this Agreement that may be necessary to effect the recording of this Agreement against the title to the Property.

12. Termination. This Agreement shall terminate upon the final payment of all special assessments levied against the Property from the Improvement Project. The City shall then execute and deliver such documents, in recordable form, as are necessary to extinguish its rights hereunder.

13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which together shall constitute a single agreement.

**CITY OF RAMSEY**

By: \_\_\_\_\_  
Its: Mayor

ATTEST

By: \_\_\_\_\_  
Its: City Administrator

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF ANOKA )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2022, by Mark E. Kuzma and Kurtis G. Ulrich, the Mayor and City Administrator, respectively, of the City of Ramsey, a Minnesota municipal corporation pursuant to the authority granted by its City Council.

\_\_\_\_\_  
Notary Public

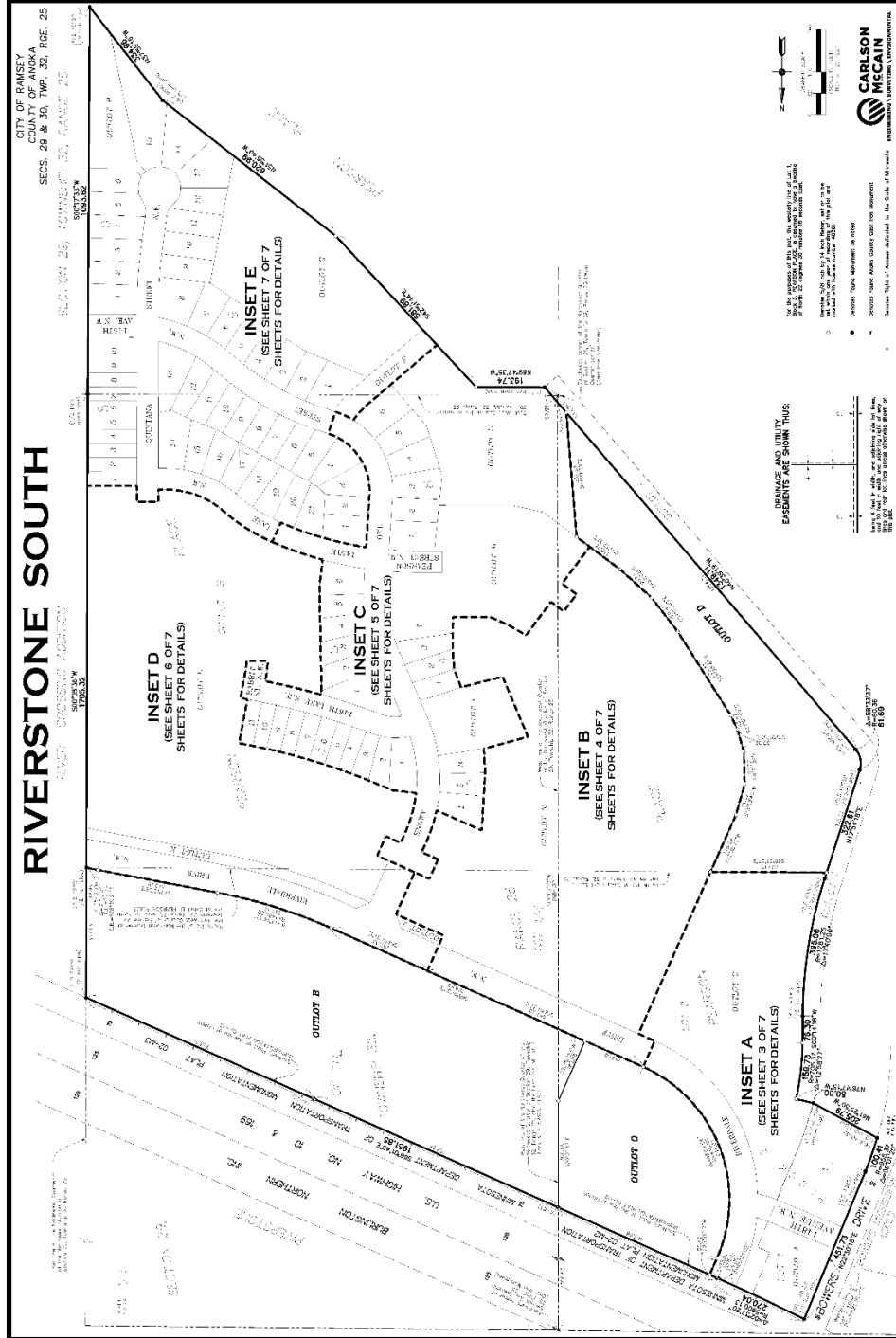
DRAFT



EXHIBIT A

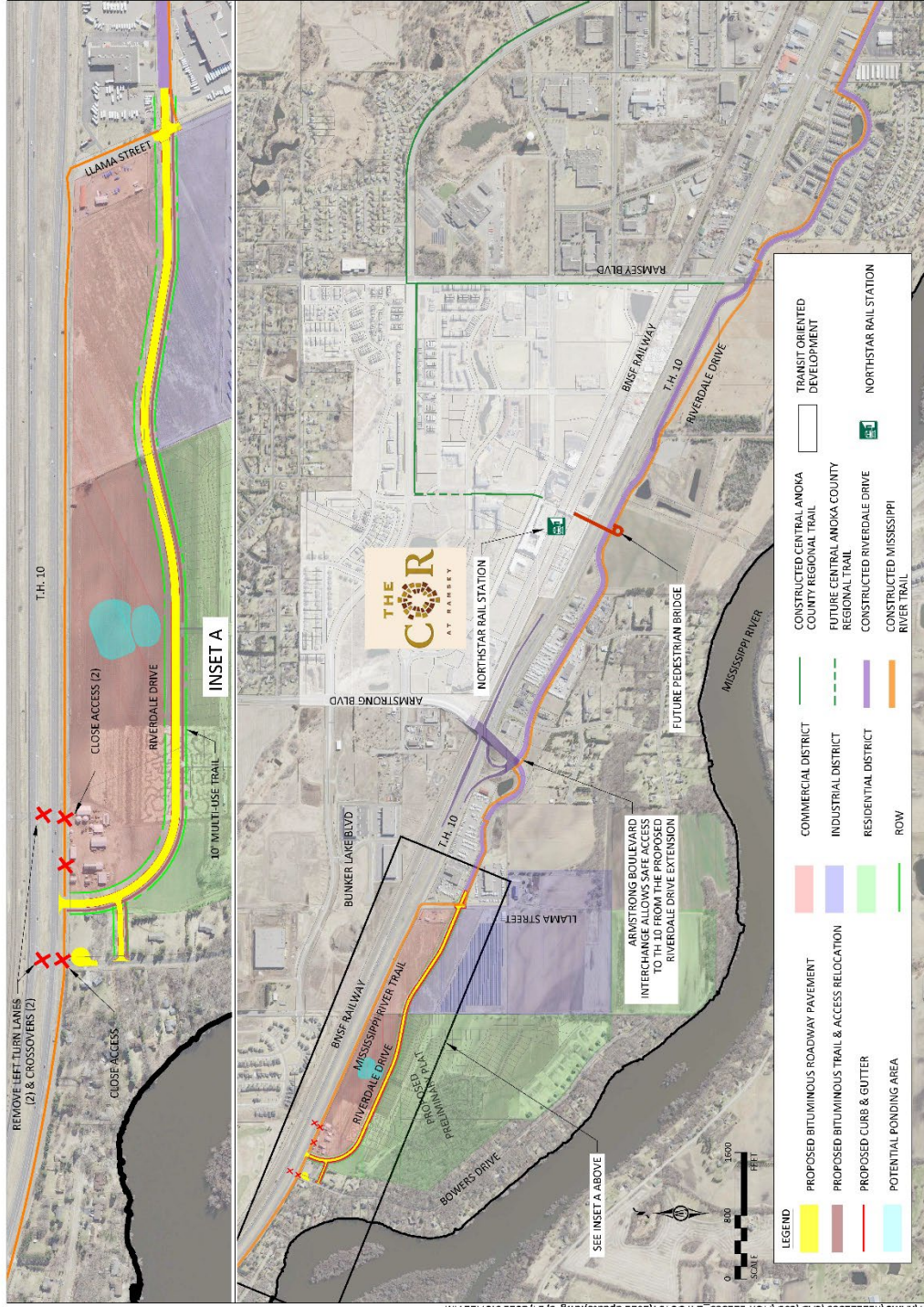
Property Description

OUTLOT A AND LOT 1, BLOCK 1, RIVERSTONE SOUTH, Anoka County, Minnesota



# EXHIBIT B

## Improvement Project



## EXHIBIT C

### Approved Cost Share Framework/Preliminary Assessment Roll

**Approved Framework 10.26.21 Res. #21-185 Solving for 350K Tree Preservation with HRA and PIR Funding**

**City/Grant Fully Funding County Parcel      Project Costs (including ROW)**

Area Description	Cost Allocation	Lineal Footage	%	City %	Capstone %	Pearson%
County Parcel	\$612,226	1532	35.89%	100%	0	0
County ROW DRAFT	<b>\$283,000</b>	0	0	100%		
Pearson Parcel	\$979,881	2452	57.44%	52.5%	0.0%	47.5%
Bowers Drive Modifications	\$113,893	285	6.68%	100%	0	0
<b>Total</b>	<b>\$1,989,000</b>	<b>4269</b>	<b>100.00%</b>			

\*\*Note: utilities not included - paid for by Trunk Fees\*\*

Sources of Funds						
	County Parcel	Pearson Parcel	%	Bowers Drive	Total	Project %
MnDOT Grant	\$612,000	\$0			\$612,000	30.8%
City Contribution (HRA)	\$283,226	\$514,242	52.5%	\$113,893	\$911,361	45.8%
Pearson Contribution		\$465,639	47.5%		\$465,639	23.4%
Capstone Contribution		\$0	0.0%		\$0	0.0%
	\$895,226	\$979,881	100.0%		\$1,989,000	100.0%

Uses (Project Costs)						
	County Parcel	Pearson Parcel	%	Bowers Drive	Total	Project %
Portion of Overall Project	35.9%	57.4%		6.7%	100.0%	
Road, Trail, Storm	\$612,226	\$979,881		\$113,893	\$1,706,000	
ROW	\$283,000				\$283,000	
	\$895,226	\$979,881		\$113,893	\$1,989,000	

County Parcel + ROW =	\$895,226					
				Funding Gap	\$0	1/3 of funding gap \$0.00

**Public vs. Private Dollars**

Private (Capstone + Pearson)	\$465,639	23%
Public (City + MnDOT)	\$1,523,361	77%
<b>Total</b>	<b>\$1,989,000</b>	

Capstone / Pearson Agreement*	Party	Assessment Amt	%
Private Pearson Parcel Total	Capstone	\$239,875	34%
\$465,639	Pearson	\$465,639	66%

\* Assessment amounts based on lineal footage along Riverdale Drive Pearson and Capstone

Capstone Tree Preservation Credit (Pearson)	\$ 239,875	HRA	Pay for Capstone Assessment (above)
Additional City Contribution (to Capstone)	\$ 110,125	PIR	Payment to Capstone
<b>Tree Preservation Reconciliation</b>	<b>\$ 350,000</b>		

Difference from 1.26.21			
Total City Contribution**	\$ 911,361	\$235,841	
Total Grant Contribution	\$ 612,000	(\$638,000)	
ROW Cost Estimate	\$ 283,000	(\$667,000)	
Project Costs Less County ROW	\$ 1,706,000	\$ 31,000	

\*\* This includes 350 K Tree Preservation

**EXHIBIT D**

**Example Payment Schedule**

Calculation is based on start date of 2/22/22 312 days of interest first year				
Alan Pearson & Elizabeth Pearson Trustees of Elizabeth Pearson Revocable Trust Property - Outlot A & Lot, 1 Blk 3				
Non-bonded 10-year treasury rate = 2.03% + 2 basis points = 4.03%				
Chart below is for informational purposes only.				
		4.030%	Cumulative	Principal
	Principal	Interest	Pay-Off Balance	Balance
If Assessment paid in full by Dec 31:				<b>81,180.10</b>
2022		2,796.51	83,976.61	81,180.10
2023		3,271.56	87,248.17	81,180.10
2024		3,271.56	90,519.73	81,180.10
2025		3,271.56	93,791.28	81,180.10
2026		3,271.56	97,062.84	81,180.10
2027		3,271.56	100,334.40	81,180.10
2028		3,271.56	103,605.96	81,180.10
2029		3,271.56	106,877.52	81,180.10
2030		3,271.56	110,149.07	81,180.10
2031		3,271.56	113,420.63	81,180.10
<b>Total</b>	\$	-	\$	32,240.53

DRAFT

**Exhibit E**

**Liens and Encumbrances**

[Elizabeth Pearson shall provide the City with updated owners and encumbrances reports.]

DRAFT