



STAFF REPORT

DATE: February 16, 2021

CONSENT

AGENDA ITEM: Request for Proposals for Purchase of City Land

TO: Mayor and Council

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

In 2019 as part of the settlement of the City's lawsuit against 3M related to PFAS contamination and the impact on the city water system, the City received about 180 acres from 3M in lieu of \$1.8 million. The 180 acres are located along Ideal Ave near the public works facility and extends both north and south of CSAH 14. The land is an asset of the city water fund since the lawsuit damages were in the city water fund.

The City Council's intention has been to sell the land for development. In 2019, the city received a grant from the Washington County Community Development Authority (CDA) to explore concepts for development of the land and what the cost would be to make it shovel ready. That study completed by HKGI and Focus engineering was shared with the Council in February and June 2020 at work sessions as well as the planning commission in 2020.

The city has been receiving numerous inquiries from individuals and organizations expressing interest in purchasing and/or developing some or all of the 180 acres. In order to shorten the length of time between a purchase agreement and development, council directed staff to work on re-guiding the southern portion of the 180 acres. The Planning Commission held a hearing and the Council approved a comprehensive plan amendment to guide the area south of CSAH 14 to Business Park. The cities of Lake Elmo and Oakdale have been working together on a plan to bring sewer to the site from the Oakdale lift station at Helmo Ave and Stillwater Blvd. The agreement was contingent upon Lake Elmo giving municipal consent for the CSAH 13 Phase 2 road project between the cities and Washington County. That consent was given in October 2020. The capacity study has been completed and confirms there is capacity to serve this area. We are still reviewing the rate structure information. In addition, the comprehensive plan amendment was submitted to the Met Council in January 2021 and we are waiting to hear back from them on approval.

The next step in the process to develop the property south of CSAH 14, is to issue a Request for Proposals (RFP).

ISSUE BEFORE COUNCIL:

Should the City issue an RFP? Are there any changes Council would like to make to the RFP for the sale of the southern portion of the 180 acres?

PROPOSAL DETAILS/ANALYSIS:

A draft RFP is included in your packet. It has been reviewed by the city attorney as well since the work session and updated accordingly. None of the substantive issues we discussed with respect to timing, or requirements of the RFP have changed.

Key parts of the proposal include not only the price but also how the applicant would develop the property, when it would be developed, what the increased tax value would be and the number of jobs created. Staff is suggesting a minimum purchase price of \$4.5 million based upon previous offers and to also set realistic expectations for proposers. Once the proposals are received, staff would review them for completeness and forward to the EDA for review and recommendation. Then a Council selection would be anticipated in late

May or early June. Offers are required to be valid for 90 days from the submittal deadline in order to accommodate this schedule. Once a purchase agreement is signed, then the closing must occur within 180 days.

FISCAL IMPACT:

Cost to contribute to increasing the size of Oakdale lift station is estimated at \$187k to \$252k. In addition there will be annual contributions to Oakdale for usage of their system. Once the sewer is brought to the southern portion there are anticipated city costs of \$772,000 in oversizing and lift stations in order to be able to serve the entire 180 acres.

At an estimated 426 RECs for all 180 acres, there would be \$1,704,000 each in WAC, SAC, and connection charges collected at development.

In addition, whatever sale price (minimally \$4.5 million) is received for the property would be allocated to the water fund since the land is an asset of that fund. Legal fees and closing costs related to the sale would also come out of the water fund.

Overall, it is expected that the tax increase combined with fees and sale price will exceed the costs associated with sale and sewer service. However, by fund, it is likely the water fund (and general fund through tax value increase) will benefit substantially while the sewer fund may see the need to increase fees or the creation of a special district in order to offset the cost of Oakdale service. Further discussion on allocation of revenues and expenses can be had before a sale is finalized.

OPTIONS:

- 1) Approve the issuance of the RFP
- 2) Amend the RFP and then approve the issuance
- 3) Do not issue an RFP for the sale of the land at this time.

RECOMMENDATION:

If removed from the consent agenda:

“Motion to issue the Request for Proposals for the Sale of City Land.”

ATTACHMENT:

- Request for Proposals for Purchase of City Land
- Phase 1 Environmental Site Assessment, May 2019

**REQUEST FOR PROPOSALS (RFP)
FOR
THE PURCHASE OF REAL PROPERTY OWNED BY THE CITY OF LAKE ELMO
FEBRUARY 17, 2021**

**THE PROPERTY IS COMMONLY
KNOWN AS:
FORMER 3M LAND ON IDEAL AVE, SOUTH OF
CSAH 14**

Tax Parcel ID 16.029.21.24.0002 (PORTION SOUTH OF CSAH 14 ONLY)

All proposals and other communications must be addressed and
returned to:

**City of Lake Elmo
Attn: City Administrator
3880 Laverne Ave N, Suite 100
Lake Elmo, MN 55042**

**PROPOSALS MUST BE RECEIVED NO LATER THAN 3:00 PM LOCAL TIME
ON THURSDAY, APRIL 1, 2021**

REQUEST FOR PROPOSALS

FOR

CITY OF LAKE ELMO

I. PURPOSE OF THE REQUEST FOR PROPOSALS

The City of Lake Elmo, Lake Elmo, Minnesota (the “City”) will accept proposals for the purchase of City owned property known as the former 3M land located west of Ideal Ave and South of CSAH 14, a portion of Tax Parcel ID 16.029.21.24.0002 (the “Property”). The property for sale is approximately 75 acres with 55 acres being south of CSAH 14 and north of the railroad tracks and 20 acres being south of the railroad tracks. The City has the right to reject any or all proposals.

Responses to this Request for Proposals (“RFP”) must address each component as set forth herein. Proposals must be in writing.

II. PROPERTY INFORMATION

The Property is approximately 75 acres and is bisected by the Union Pacific Railroad line. The City is in the process of re-guiding the property to be Business Park in the 2040 Comprehensive Plan. The respondent will be required to apply to the City for a rezoning of the Property so that it is consistent with the Business Park guiding in the 2040 Comprehensive Plan during the development process. The respondent will be responsible for seeking any land use or other governmental approvals necessary for its intended use of the Property at its own expense. Municipal water is currently available to the site. Municipal sewer is expected to be available to the site by 2022.

The property is currently being farmed and has been agricultural for numerous years. A Phase 1 Environmental Assessment was completed in May 2019. A copy is included as Exhibit 3.

A listing of the permitted and conditional uses for properties that are zoned as Business Park in the City is attached to this Request for Proposals as Exhibit 2.

III. CONDITIONS GOVERNING THE SALE OF THE PROPERTY

A. Offer

All respondents must complete and submit the Offer to Purchase form (attached as Exhibit 1) to the City indicating the amount being offered for the Property. The offer must not be subject to any type of financing contingency. All offers submitted to the City in response to this RFP shall remain valid for 90 days from the submittal deadline set forth in this RFP. This time period may be extended by mutual agreement of the City and any of the proposer(s). The Property is being sold by the City “AS IS.”

B. Purchase Price

The minimum purchase price for the Property is \$4,500,000. The purchase price must be paid in full to the City either by wire transfer or certified check at closing.

C. Closing Fees and Costs

The successful respondent will be solely responsible for paying all closing fees and costs, including, but not limited to, a survey, if desired by respondent, any tests desired by respondent, title commitment fees, title search and examination fees, any title insurance premiums or the cost of any endorsements, closing fees charged by the closing company, any brokers' fees or commissions, respondent's attorneys' fees, the state deed tax, the cost of recording the deed, and any escrow fees. The City will be responsible for the cost of making title to the Property marketable and the City's attorneys' fees.

D. Commission

The City agrees and acknowledges that it has not engaged the services of any agent or broker for the sale of the Property. In the event that the successful respondent has engaged an agent or broker, the respondent will be solely responsible for the payment of said agent or broker, and said fees must not be deducted from the purchase price.

E. Earnest Money Deposit

Within five business days after all parties signing a purchase agreement, the successful respondent will be required to deposit 10 percent of the purchase price, as earnest money, with a title company who will hold the earnest money in escrow. The earnest money will be applied to the purchase price and will be refundable except in the event of a breach of the purchase agreement by the respondent.

F. Proposal Submission

To be considered, a sealed written proposal must be submitted by the respondent to the City either by mail or personal delivery no later than 3:00 p.m. on Thursday, April 1, 2021. No proposals submitted by electronic mail or facsimile will be accepted. The outside of the envelope must be marked "PURCHASE OF REAL PROPERTY RFP" and delivered to:

City of Lake Elmo
Attn: City Administrator
3880 Laverne Ave N, Suite 100
Lake Elmo, MN 55042

All submissions are subject to the Minnesota Data Practices Act, Minnesota Statutes Chapter 13. Pursuant to Minnesota Statutes Section 13.591, subdivision 3 (b), data submitted in response to a request for proposals by a government entity are private or nonpublic until the time and date specified in the solicitation that proposals are due, at which time the name of the responder becomes public. All other data in a responder's proposal are private or nonpublic data until completion of the evaluation process. "Completion of the evaluation process" means that the City has completed negotiating the purchase agreement with the selected respondent. After the City has completed the evaluation process, all remaining data submitted by all responders are public with the

exception of trade secret data as defined in Minnesota Statutes Section 13.37. If all proposals are rejected prior to completion of the evaluation process, all data, other than the names of the responders, remain private or nonpublic until a resolicitation of the request for proposals results in the completion of the evaluation process or a determination is made to abandon the sale. If a resolicitation of proposals does not occur within one year of the proposal opening date, the remaining data become public.

H. Provision of Contact Information

Those interested in submitting a proposal are encouraged to provide contact information to Kristina Handt, City Administrator at: khandt@lakelemo.org. This will allow the City to contact interested parties in the event that there are any addenda or changes to this RFP. Individuals who do not submit contact information to the City shall be solely responsible for independently verifying if any addenda or other changes have been issued for this RFP by contacting the City in writing prior to the submission deadline.

I. Selection

The City will select the proposal that is in the best interests of the City and will support the best use of the Property in the City’s sole discretion. The sale of the Property is subject to the approval of a purchase agreement between the successful respondent and the City Council. The City reserves the right to negotiate with respondents and to reject any and all offers.

J. Schedule

February 17, 2021	Request for Proposals Issued
April 1, 2021, 3pm	Proposals due
April/May 2021(estimate)	Economic Development Authority Review of Proposals and Recommendation to the City Council
May 18 or June 1, 2021(estimate)	City Council Selection

K. Questions

All questions or requests for clarification should be submitted in writing via email to khandt@lakelemo.org. The City shall not be responsible for the delay in the transmission of any request for clarification or other communication. The City will make all questions and answers available to all interested parties.

L. Conflict of Interest

Any respondent who has a conflict of interest or potential conflict of interest shall disclose the same in its offer. The City will review any potential conflicts of interest in its evaluation of the proposals.

IV. SUBMISSION REQUIREMENTS

A. Required Content

At a minimum, the following information must be included in all proposals:

1. Cover Letter

The respondent must submit a cover letter committing the respondent to purchasing the Property on the terms and conditions set forth in this RFP and providing information regarding the respondent's intended use of the Property.

2. Offer to Purchase

The respondent must complete the Offer to Purchase Property form as is with no changes or alterations (attached as Exhibit 1).

In addition to purchase price, all proposals must include information related to:

- a. How the property is intended to be developed?
- b. When does the respondent intend to develop the property?
- c. How much will the proposed development increase the taxable value of the property?
- d. How many jobs (both permanent and construction jobs) will be created by the proposed development? What are the anticipated wages/salaries of those jobs?

V. EVALUATION CRITERIA

The City reserves the right to contact some or all of the respondents to clarify non-material aspects of their offers. In evaluating the proposals, the City's selection will be based upon those factors deemed necessary to promote the best interests and welfare of the City, the neighborhood, and the community, including, but not limited to, the best use of the Property, change in tax valuation, and quantity/quality of jobs created.

VI. REJECTION OF PROPOSALS

A. Selection does not Guarantee a Purchase Agreement

This RFP shall not create any legal obligation of the City to evaluate any proposal that is submitted or to enter into any purchase agreement with a respondent who submits a proposal except on terms and conditions that the City deems, in its sole and absolute discretion, to be satisfactory and desirable. All proposals should contain an affirmative statement regarding whether there is any "conflict of interest" with the City, its elected and appointed officials, and the respondent.

The City reserves the right to reject any and all proposals received and the right to waive non-material formalities and technicalities according to the best interests of the City. The

City reserves the right to select a respondent or multiple respondents for the purchase of the Property. The City is not obligated to select the proposal with the highest offering price, as it is considering other factors that are outlined in this RFP in addition to price.

By submitting a proposal, the Respondent acknowledges its understanding of the requirements of this RFP and agrees to be bound to the same when negotiating the purchase agreement, if its proposal is selected by the City.

B. No Liability for Expenses or Costs

The City is not responsible for expenses or costs incurred by respondents in connection with this RFP process and submitting a proposal. This includes, but is not limited to, costs associated with preparing the proposal and of participating in any site visits, oral presentations, or negotiations.

VII. SELECTION

A. Completion

The Respondent's proposal must be complete in order to be considered by the City for selection. Proposals will be reviewed by the City Administrator for completeness in addressing the five criteria listed in the submission requirements set forth in Section IV (A)(1) of this RFP and Exhibit 1.

The Lake Elmo Economic Development Authority will review all complete proposals and make a recommendation to the City Council as to which proposal should be selected.

B. Purchase Agreement

The selected proposer will be required to enter into a purchase agreement with the City for the purchase of the Property. The purchase agreement is subject to the approval of the City Council.

EXHIBIT 1: OFFER TO PURCHASE REAL PROPERTY

SUBMITTAL: To ensure proper identification and handling, submit your offer in a sealed envelope. This Offer must be submitted by 3:00 pm on Thursday, April 1, 2021 to:

City of Lake Elmo
Attn: City Administrator
3880 Laverne Ave N, Suite 100
Lake Elmo, MN 55042

Timely delivery of the offer is the sole responsibility of the Respondent. The offer must be submitted by personal delivery or mail. Late offers will not be accepted. All offers shall remain valid for a period of 90 days from the RFP submittal date. The time period may be extended by mutual agreement of the City and the proposer.

TO: City of Lake Elmo
Attn: City Administrator
3880 Laverne Ave N, Suite 100
Lake Elmo, MN 55042

_____, herein called the "Buyer," hereby offer and agree to purchase the Property known as the former 3M land located west of Ideal Ave and South of CSAH 14, a portion of Tax Parcel ID 16.029.21.24.0002 (the "Property") from the City of Lake Elmo ("City") subject to the terms and conditions contained in this Offer and the City's Request for Proposals dated February 17, 2021 at the price set forth below:

\$ _____

The proposed use of the property will be: _____

How is the property intended to be developed? _____

When do you intend to develop the property? _____

How much will the proposed development increase the taxable value of the property? _____

How many jobs (both permanent and temporary construction jobs) will be created by the proposed development?

Temporary Construction Jobs: _____

Permanent Jobs: _____

Anticipated Annual Salaries/Wages of Jobs: _____

I understand that possession of the Property will be granted upon closing. Transfer of the Property will be by quit claim deed.

I also understand that closing shall be within 180 days of approval of a purchase agreement by the City Council, unless otherwise agreed to by the parties. This purchase is subject to approval by the City Council and the City reserves the right to reject any and all offers.

I am aware/not aware of any potential conflict of interest with respect to my purchase of the Property. If there is a potential conflict of interest, please state the potential conflict of interest here:

_____.

I understand and agree to the terms set forth in this offer and also in the City's Request for Proposals.

Date: _____

By: _____

Its: _____

EXHIBIT 2 – City of Lake Elmo Zoning Regulations for Business Park

Zoning District: BP Business Park/Light Manufacturing District. The purpose of the BP District is to provide areas for attractive, high quality business park development primarily for office, high quality manufacturing and assembly, and non-retail uses in developments which provide a harmonious transition to residential development and neighborhoods by: 1) Conducting all business activities and essentially all storage inside buildings; 2) Consisting of high quality and attractive buildings which blend in with the environment; 3) providing open space, quality landscaping and berming; 4) including berming and buffering of parking, loading docks and other similar functions; and 5) protecting and enhancing the natural environment; and 6) providing users with an attractive working environment that is unique in the eastern metropolitan area with immediate access to I94.

Permitted Uses:

1. Business Services
2. Business Center
3. Offices
4. Communication Services
5. Educational Services
6. Financial Institution
7. Parks and Open Areas
8. Wayside Stand

Accessory Uses:

1. Parking Facility
2. Solar Equipment
3. Other Structures typically incidental and clearly subordinate to permitted uses

Conditional Uses, Not Inclusive: (all conditional uses require a conditional use permit that must be reviewed and approved by the City Council and reviewed by the Planning Commission)

1. Colleges and Universities
2. Community Service
3. Day Care Center
4. Schools, public and private
5. Local Transit
6. Public Assembly
7. Lodging
8. Medical Facility
9. Transportation Services
10. Veterinary Services
11. Standard Restaurant
12. Fast Food Restaurant
13. General Retail Sales
14. Adult indoor recreation/entertainment
15. Indoor athletic facility
16. Light Industrial
17. Non-production industrial

18. Motor Freight and Warehousing
19. Research and Testing
20. Broadcasting and Communications
21. Wind Generator

Further information on setbacks and other regulatory requirements may be found on the City's website www.lakeelmo.org, Planning and Zoning, Municipal Code Sec. 154.550-154.555 (Article XIV) or by contacting the Planning Department at 651-747-3912.

EXHIBIT 3 – Phase 1 Environmental Assessment by Barr Engineering May 2019

[to be added]



Phase I Environmental Site Assessment

PIN #1602921240002

Lake Elmo, Minnesota

Prepared for
3M

May 2019

Phase I Environmental Site Assessment

PIN #1602921240002
Lake Elmo, Minnesota
May 2019

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1.0 Introduction

Barr Engineering Co. (Barr) was retained by 3M to complete a Phase I Environmental Site Assessment (Assessment) of a property owned by 3M and used for agriculture. The property is located in the W ½, Section 16, T29N, R21W, near Lake Elmo, Washington County, Minnesota (Property). The Property consists of PIN #1602921240002. The Property location is shown on Figure 1.

This report summarizes the findings, opinions, and conclusions of the Assessment. Detailed descriptions of the Property setting, utility information, land-use history, regulatory history, and current Property conditions and features are presented in the Phase I documentation in Appendix A. Informational resources are described in Section 5 of this report and are assigned unique reference numbers, which are used throughout the report and Appendix A.

Barr has performed this Assessment in conformance with ASTM, International (ASTM) Practice E 1527-13 (Practice). No intentional deviations from the Practice were made in performing this Assessment except as described in Section 1.4. In following the Practice, this Assessment also complies with the U.S. Environmental Protection Agency 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries; Final Rule.

1.1 Purpose

The purpose of the Assessment is to identify recognized environmental conditions (RECs) in connection with the Property as defined by the Practice and discussed in the findings and opinions section of the report, and to assess the property for 3M Real Estate.

1.2 Scope of Services

The Assessment involved completion of the following five components described in Section 7 of the Practice: records review, site reconnaissance, interviews, reporting, and file reviews. The following tasks were completed during the Assessment. The details of each task are described below and in Appendix A.

Records Review

- A Regulatory Database Report was obtained and federal, state, and readily available tribal records databases were reviewed.
- USGS topographic maps were reviewed and used to determine physical setting information.
- Land title information provided by the User was reviewed.
- Discretionary physical setting sources including Minnesota Department of Health well and boring records for wells in the Property vicinity and published geological reports were reviewed and used to determine physical setting information.
- Historical aerial photographs; historical topographic maps; reverse city directories; and zoning and tax assessor's records were reviewed for the Property and surrounding land.
- A fire insurance map search was conducted and no fire insurance maps were available for the Property.
- One previous Phase I ESA relevant to a portion of the Property was reviewed.

- The Minnesota Pollution Control Agency's (MPCA) What's in My Neighborhood (WIMN) and Environmental Protection Agency's (EPA) Cleanups in My Community were reviewed to supplement regulatory data.

Site Reconnaissance

- A visual inspection was conducted of the building interiors and exterior features on the Property. Current conditions with respect to land use; chemical and waste storage, use, and disposal; facility operations and equipment; utilities; and evidence of potential releases of petroleum products or hazardous substances were documented, if observed. Evidence of historical uses or conditions, if encountered, was also documented. Current land-use and occupants of neighboring properties were documented during the site visit.

Interviews

- Interviews were conducted with the Property representative and the City of Lake Elmo public works department.

Evaluation and Report Preparation

- This report was prepared to document the resources used during completion of the Assessment and to describe the findings, opinions, and conclusions of the Assessment.

File Review

- The Property was not identified on any of the standard environmental record sources, so a file review for the Property was not conducted.
- Adjoining properties were identified on multiple standard environmental record sources. A file review for one adjoining property was conducted.

1.3 Significant Assumptions

No significant assumptions were made to complete the Assessment.

1.4 Limitations, Exceptions, and Data Gaps

The following limitations and exceptions are associated with this Assessment:

- Gaps of greater than five years in historical documentation are present, and are summarized in the following table.

Date Range	Property Changes
Prior to 1936	Historical documentation was not readily ascertainable; therefore, changes in general Property land-uses are unknown.
1936-1946, 1953-1964, 1966-1974, 1978-1984, 1997-2006	Gaps greater than five years in historical documentation are present; however, general Property land-uses did not change during the time periods.

- Representative portions of the Property were observed by driving and by foot during the site visit, and some portions of the property were not directly visited beyond viewing from a distance due to the large parcel size.
- The above limitations are not considered significant data gaps that affect the ability of the EP to identify RECs on the Property.

1.5 Special Terms and Conditions

The Assessment was conducted in accordance with an Agreement between Barr and 3M.

The scope of the Assessment did not involve the collection and analysis of any type of sample. The Assessment did not involve completion of any surveys or the offering of any opinions or advice with respect to structural engineering matters, asbestos-containing materials, radon, lead-based paint, lead in drinking water, wetlands, compliance with environmental regulations, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, biological agents, mold, or other conditions that are beyond the scope of the Practice.

Barr has performed its work in a manner consistent with the care and skill ordinarily exercised by members of the environmental profession under similar budget and time constraints. Within this context, Barr assumes responsibility for its own observations, along with its interpretation of the information gathered. No other warranty is made or intended.

Because Barr was not retained to verify information, Barr assumes no responsibility for the accuracy of information that it obtained from other sources including, without limitation, regulatory and government agencies, persons interviewed about the Property, and vendors of public data. Performance of the Practice is intended to reduce, but will not eliminate uncertainty regarding the presence of recognized environmental conditions on the Property. To the extent that Barr does not identify recognized environmental conditions on the Property, Barr's opinions in the report are not representations that the Property is free of such conditions. Under no circumstances can Barr represent or warrant that releases of hazardous substances or petroleum products do not exist on the Property.

1.6 User Reliance

The Assessment has been prepared for the exclusive use of 3M, herein referred to as the "User". No others may rely on the Assessment without obtaining a formal authorization in the form of a reliance letter from Barr. Barr will provide reliance letters for additional parties only if authorized by the User.

2.0 Site Description

2.1 Location and Legal Description

The property is located in the W ½, Section 16, T29, R21, near Lake Elmo, Washington County, Minnesota (Property). The Property consists of PIN #1602921240002. The Property is approximately 3,500 feet by 2,600 feet and 172.61 acres in size. The Property boundaries are shown on Figure 2.

2.2 Property Setting and Land Use

Topography of the Property is hilly north of 34th Street and slopes downward to a drainage ditch running west to east through the Property. South of 34th Street the Property slopes downwards to the southeast (Ref. 5b). Shallow groundwater flow direction at the Property is reportedly to be to the south/southeast based on the Washington County Geologic Atlas (Ref. 2a), although the flow direction of the shallow groundwater is believed to be influenced by local discharge/recharge points, the presence of confining layers, and groundwater withdrawals and land use in nearby areas (Ref. 5f). Regional groundwater flow in the St. Peter sandstone and the Prairie du Chien group, is generally to the southwest (Ref. 5f).

The Property is currently used for agriculture and is zoned Rural Residential (Ref. 5e). No buildings are located on the Property (Refs. 1a, 5b). The Property is not connected to water or sewer (Ref. 4c). Historically the Property has been used for agricultural activities (Ref. 1a). No historical buildings were identified on the Property (Ref. 1a).

The current use of adjoining properties includes residential, agricultural, and commercial (Ref. 5b). The past use of adjoining properties includes agricultural and residential (Ref. 1a).

Additional descriptions of the Property setting and land-use are presented in Appendix A.

2.3 User-Provided Information

As detailed in Section 6 of the Practice, the User has responsibilities associated with identifying possible recognized environmental conditions in connection with the Property. Barr provided a User Questionnaire to facilitate gathering information required by the Practice. The completed User Questionnaire is included in Appendix F.

The User has no knowledge of any environmental liens or activity and use limitations against the Property, nor any specialized knowledge or experience that is material to identifying recognized environmental conditions in connection with the Property. Since no sale is pending or imminent, no information was provided to the environmental professional regarding the relationship between a potential purchase price and fair market value. Property valuation is not part of the scope of this Assessment. The User did not report conditions indicative of releases or threatened releases, any obvious indicators that point to the presence or likely presence of contamination at the Property, or specialized knowledge about the Property related to the items listed in Section 6 of the Practice (Ref. 4b, Appendix F).

3.0 Findings and Opinions

This section summarizes observations regarding the presence of hazardous substances or petroleum products on the Property (findings) and discusses the basis for concluding if a finding is or is not a recognized environmental condition.

3.1 Definitions

Finding – For the purpose of this Assessment, a finding is an observation regarding the presence of hazardous substances or petroleum products on the Property which may be considered a recognized environmental condition, a historical recognized environmental condition, or de minimis condition.

Recognized environmental condition (REC) - A REC is defined by the Practice as “the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not recognized environmental conditions.”

Historical recognized environmental condition (HREC) - An HREC is defined by the Practice as “a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls). Before calling the past release a historical recognized environmental condition, the environmental professional must determine whether the past release is a recognized environmental condition at the time the Phase I Environmental Site Assessment is conducted (for example, if there has been a change in the regulatory criteria). If the EP considers the past release to be a recognized environmental condition at the time the Phase I ESA is conducted, the condition shall be included in the conclusions section of the report as a recognized environmental condition.”

Controlled recognized environmental condition (CREC) – A CREC is defined by the Practice as “a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls). A condition considered by the environmental professional to be a controlled recognized environmental condition shall be listed in the findings section of the Phase I Environmental Site Assessment report, and as a recognized environmental condition in the conclusions section of the Phase I Environmental Site Assessment report.”

De minimis conditions – As defined by the Practice, conditions determined to be “de minimis” generally do not present a threat to human health or the environment and generally would not be subject of an

enforcement action if brought to the attention of appropriate governmental agencies. De minimis conditions are not considered RECs.

3.2 Findings and Opinions

Barr has identified the following findings and developed the following opinions regarding these findings, as summarized in the following table.

Finding ID #	Description of Finding	Opinion with Respect to Finding (REC, CREC, HREC, de minimis)
Finding #1	Groundwater PFAS Impacts in the East Metro Area: Nearby Superfund sites have been identified by the state as contributing sources of widespread PFAS contamination in groundwater, including the Washington County Landfill, located approximately 3,000 feet northeast of the Property, and the Oakdale Dump site, located 3,600 feet west of the Property. Both sites are estimated to be side-gradient of the Property for shallow groundwater, and the Washington County Landfill site may be upgradient of the Property for groundwater in bedrock. Drinking water advisories have been issued for private wells southeast of the Property. No wells are currently present on the Property. The Minnesota Department of Health has designated a Special Well Construction Area in this part of Lake Elmo that includes the Property, which restricts well construction in some cases and requires PFAS sampling of new wells in other cases in order to prevent exposure to PFAS. City water is available near the Property. Additionally, the state is currently implementing area-wide investigations and remedial efforts to address PFAS in the East Metro Area.	The PFAS in groundwater is a regional concern and institutional controls are in place to address PFAS in Lake Elmo groundwater, therefore this finding is not considered a REC.
Finding #2	Miscellaneous Debris: Occasional areas of miscellaneous, inert debris were observed dispersed across the site. Observed materials included wood, metal fragments, plastic and glass shards, a small ash pile, and a stack of cinder blocks.	Based on the quantity and nature of the debris, this finding is considered a de minimis condition and is not a REC.
Finding #3	Past Agricultural Use: The Property has been used for agriculture since at least 1936 and there is potential for agricultural chemicals to have been used at the Property.	Because it is assumed that agricultural chemicals were applied using industry standard application rates, and no evidence of inappropriate agricultural chemical applications was identified, this finding is not a REC.
Finding #4	Adjoining LUST Site: One closed LUST site was reported at an east-adjointing, down-gradient parcel. Soil and groundwater contamination was reported and delineated in the regulatory records.	Based on the downgradient location of the LUST site, this finding is not a REC.

Finding ID #	Description of Finding	Opinion with Respect to Finding (REC, CREC, HREC, de minimis)
Finding #5	Pipelines: Two pipelines were documented on the Property. One natural gas pipeline was identified running east to west along the railroad. A petroleum pipeline was identified crossing the Property from northwest to southeast.	There are no regulatory listings indicating a release from these pipelines, and there was no staining, stressed vegetation, or other indications of a release observed during the site visit. Therefore, this finding is not a REC.
Finding #6	Railroad: The Property includes two parcels that are separated by an active railroad that is present on an adjoining property (see Figure 2). The railroad tracks, ballast bedding, and adjoining ground appeared in good condition and no staining or evidence of a release was observed. There are no regulatory reports of a release related to this railroad property	Railroads can be sources of impacts to shallow soils; however, based on the lack of staining or other evidence of releases, this finding is not considered a REC.

4.0 Conclusions

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of PIN #1602921240002, the Property. Any exceptions to, or deletions from, this Practice are described in Section 1.4 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the Property.

4.1 Deviations

There were no deletions, deviations from, or additions to the Practice associated with the Assessment other than the limitations and exceptions listed in Section 1.4.

5.0 References

The following resources are numbered for use as references.

Ref #	Resource	Years Covered or Item Date
Standard Historical Resources		
1a	Aerial Photographs	2017, 2013, 2010, 2006, 1997, 1991, 1987, 1984, 1978, 1974, 1966, 1964, 1953, 1947, 1936
3	Fire Insurance Maps	Not Available
1c	Property Tax Files	Not Reviewed
1d	Recorded Land Title Records	ALTA Commitment for Title Insurance, First American Title Insurance Company File No: NCS-957660-MPLS Certificate of Title No. 61999
1e	USGS Topographic Maps	2013, 1993, 1980, 1972, 1967, 1950, 1949, 1946
1f	Local Street Directories	2014, 2010, 2005, 2000, 1995, 1992, 1987, 1982, 1977
	Building \ Department Records	Not Reviewed
1g	Zoning/Land Use Records	Not Reviewed
	Other Historical Sources	Not Reviewed
	Prior Assessments	Not Reviewed
Discretionary and Non-Standard Physical Setting Sources		
2a	Berg, J.A., 2019, Groundwater Atlas of Washington County, Minnesota: Minnesota Department of Natural Resources, County Atlas Series C-39, Part B, Report and Plates 7-9.	2019
2b	Soil Survey Staff, Natural Resources Conservation Service, United States Department of Agriculture. Web Soil Survey. Available online at http://websoilsurvey.nrcs.usda.gov/	Accessed April 29, 2019
2c	Published Geologic Report – Bedrock Geology Julia Steenberg and Andrew Retzler. 2016. Geologic Atlas of Washington County, Minnesota (Atlas C-39 Part A, Plate 2). University of Minnesota, Minnesota Geological Survey. https://conservancy.umn.edu/handle/11299/178852	Accessed April 29, 2019
Standard Environmental Record Sources		
3a	EDR Report (Appendix D)	April 24, 2019
3b	What's in My Neighborhood? 4/24/2019. Minnesota Pollution Control Agency. 4/24/2019. < http://www.pca.state.mn.us/index.php/data/wimn-whats-in-my-neighborhood/whats-in-my-neighborhood.html >	April 24, 2019
3c	Cleanups in My Community. 4/24/2019. Environmental Protection Agency. 4/24/2019	April 24, 2019

Ref #	Resource	Years Covered or Item Date
	https://www.epa.gov/cleanups/cleanups-my-community	
Interviews		
4a	Property Owner/Key Site Manager: Jim Kotsmith, Manager, Corporate Environmental Programs, 651-737-3635	April 29, 2019
4b	User Representative: Jim Kotsmith, Manager, Corporate Environmental Programs, 651-737-3635	April 29, 2019
4c	Public Works/City Engineering: Kristina Handt, City Administrator, City of Lake Elmo, 651-747-3905	April 29, 2019
Supplemental Resources		
5a	Minnesota Department of Health County Well Index	April 26, 2019
5b	Site Visit Emily Cook, Environmental Engineer, 952-832-2648	April 29, 2019
5c	Previous Investigation: Natural Resource Group, Inc., 2008. Phase I Site Assessment, Lake Elmo, MN.	June 8, 2005
5d	File Review: Oakwood Animal Hospital Leak Site #19750	May 1, 2019
5e	Lake Elmo Zoning Map. Available online at http://www.lakeelmo.org/wp-content/uploads/2019/04/NewZoning3.25.2019.pdf	Accessed May 1, 2019
5f	Minnesota Department of Health Notice of Designation of Special Well Construction Area, Lake Elmo-Oakdale, Washington County, Minnesota. Available online at https://www.health.state.mn.us/communities/environment/water/docs/wells/swbca/lakeelmomemo.pdf	March 8, 2017
5g	Minnesota 3M PFC Settlement, East Metro Study Area. Available online at https://3msettlement.state.mn.us/	Accessed April 30, 2019

6.0 Signature and Qualifications of Environmental Professional

I declare that, to the best of my professional knowledge and belief, I meet the definition of *Environmental Professional* as defined in §312.10 of 40 CFR 312. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Barr performed this Assessment in conformance with the ASTM, International (ASTM) Practice E 1527-13. Special terms, conditions, limitations, and exceptions that apply to the Assessment are described throughout this Report and in the Appendices.



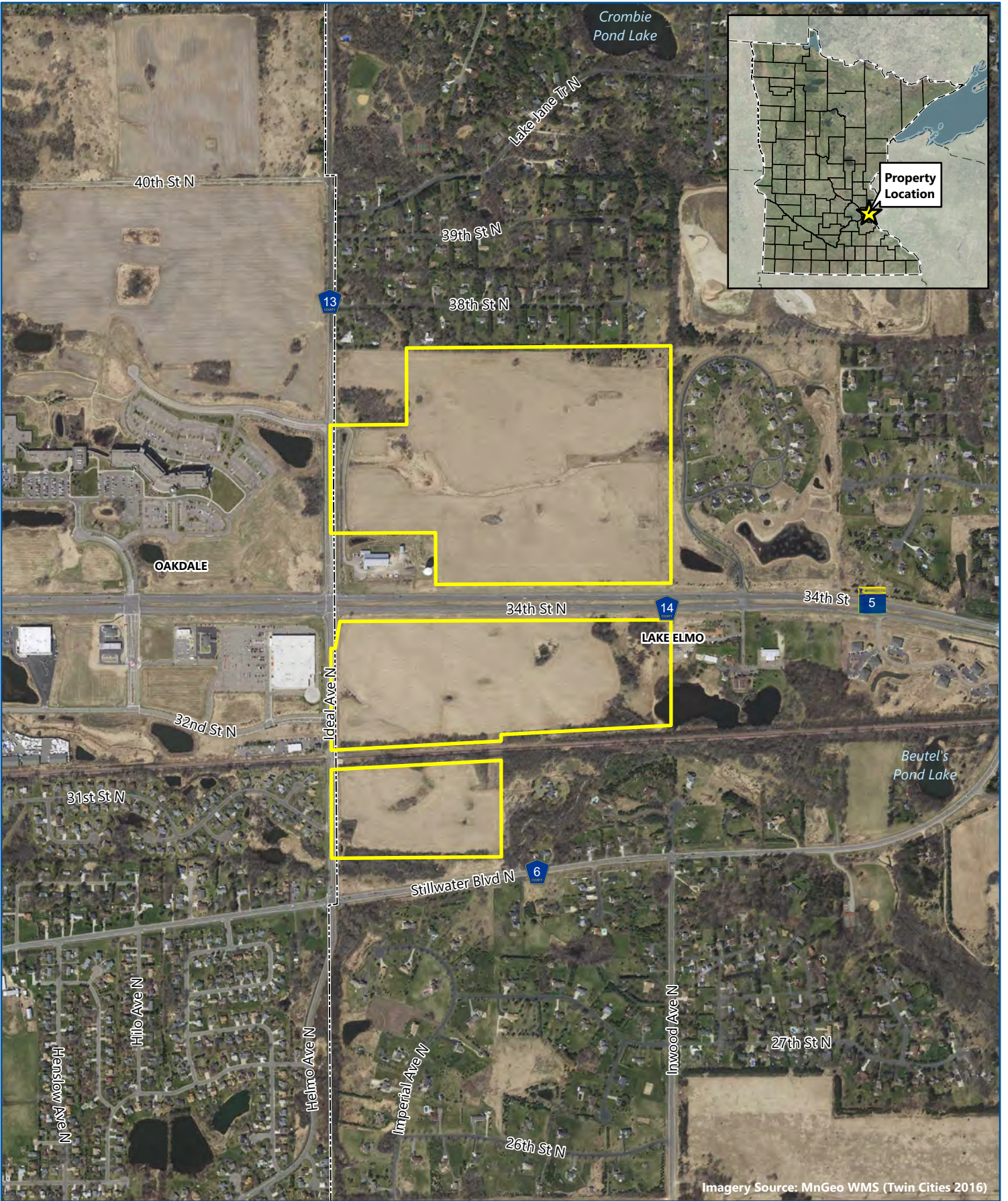
Jennifer Brekken, Environmental Professional



May 8, 2019

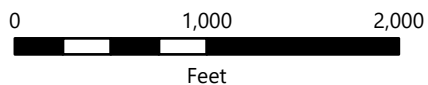
(Date)

Qualifications of the Environmental Professional are summarized in Appendix G.

Figures

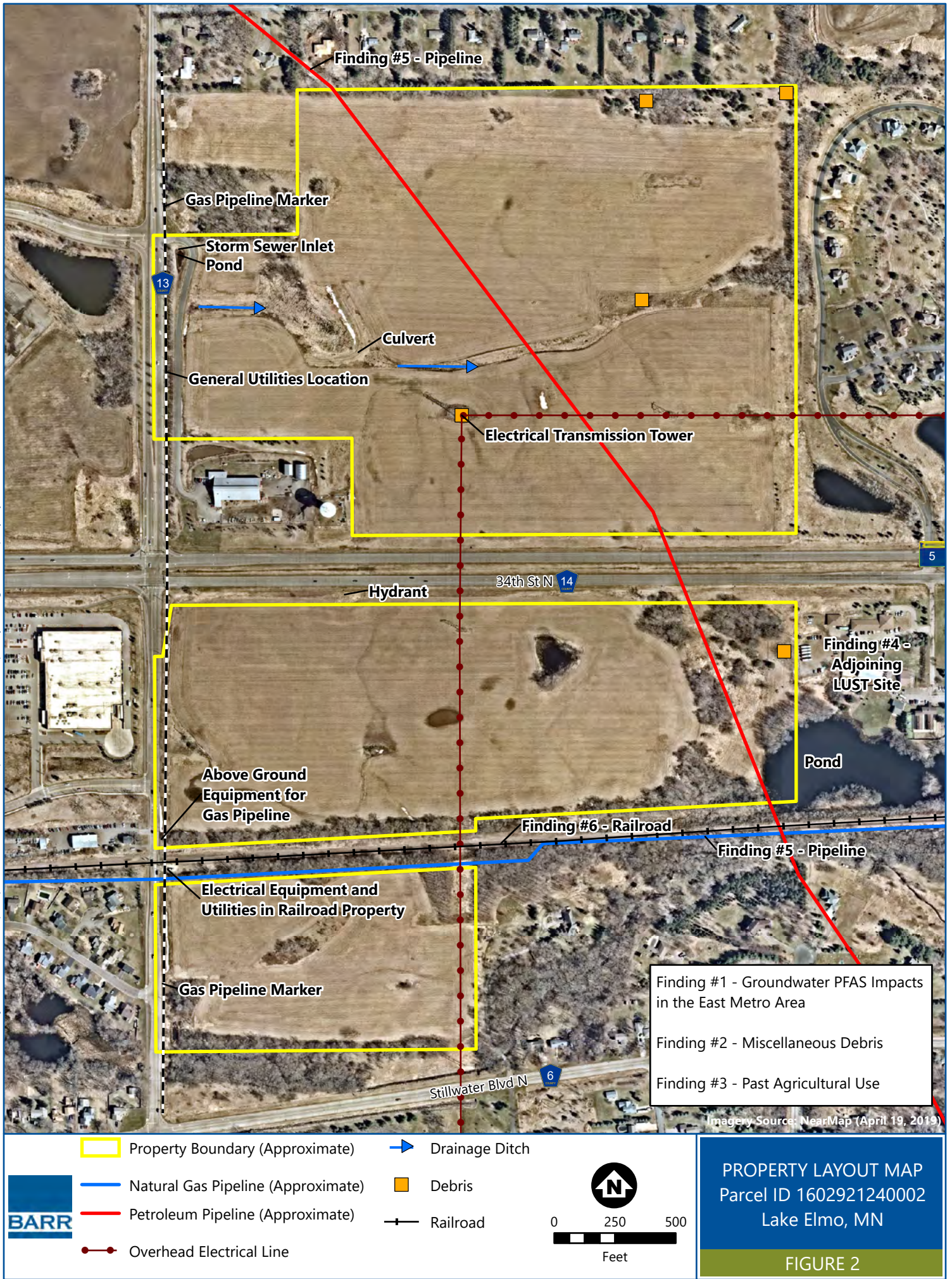


-  Property Boundary (Approximate)
-  Municipal Boundary



PROPERTY LOCATION MAP
Parcel ID 1602921240002
Lake Elmo, MN

FIGURE 1



Appendices

Appendix A

Phase I Documentation

Appendix A

Phase I Environmental Site Assessment Documentation PIN #1602921240002 Lake Elmo, Minnesota May 2019

I. General Property Information

Property location map is shown on Figure 1. Property layout with existing and former features is shown on Figure 2.

Property name: PIN #1602921240002

County: Washington

Township: 29N **Range:** 21W **Section:** W 1/2

Property size: 172.61 acres

Current Property owner and year of purchase: 3M has owned the Property since 1966.

Current Occupant(s): None

Current Property use: Agriculture

II. Physical Setting

Surface elevation: Approximately 985 feet above mean sea level (MSL; Ref. 1e).

Topographic conditions of Property: The Property is hilly north of 34th Street and slopes downward to a drainage ditch running west to east through the Property. South of 34th Street the Property slopes downwards to the southeast (Ref. 5b).

Stratigraphy (soils and upper bedrock units): Soils at the Property consist mainly of well-drained Santiago silt loam with six to 15 percent slopes, well-drained Antigo silt loam with two to six percent slopes, and well-drained Antigo silt loam with six to 15 percent slopes (Ref. 2b). A log from a water supply well that was sealed on a nearby Property in 2007 indicates alluvial deposits overlying Platteville Limestone, located 25 feet below ground surface (bgs). The well extended into the underlying St. Peter Sandstone (Ref. 5a).

Nearest surface water body (name and distance): A pond is located on the east side of the Property south of 34th Street North (Ref. 1a, 5a). Several other nearby surface water features are present in various directions.

Anticipated groundwater depth/flow direction: The anticipated groundwater depth/flow direction is based on the log for the sealed well (Ref. 5a), Washington County Geologic Atlas (Ref. 2a), and information from MDH's 2007 Memo outlining a designation special well construction area (Ref. 5f). Shallow groundwater at the Property likely occurs in the alluvium present from 0 to 25 feet bgs, and the groundwater in the St. Peter Sandstone is approximately 60 feet bgs. The shallow groundwater reportedly flows to the south/southeast (Ref. 2a), although the flow direction of the shallow groundwater is believed to be influenced by local discharge/recharge points, the presence of confining layers, and groundwater withdrawals and land use in nearby areas. Groundwater levels and flow directions are also influenced by recharge from losing streams and by natural discharge to local lakes and streams.

Regional groundwater flow in the St. Peter sandstone and the Prairie du Chien group, is generally to the southwest.

III. Municipal Information & Utility Service to Property

The locations of Property utilities (wells, septic systems, sewer lines) are shown on Figure 2.

Water Supply

Municipal water supply and intake location(s): The City of Lake Elmo's water supply comes from the Prairie du Chein and Jordan aquifers (Ref. 4c).

Property potable/process water supply: The Property is not connected to municipal water (Ref. 4c).

Have other potable water supplies serviced the Property? If yes, describe: No. (Ref. 4a)

Sanitary Service

Type of sanitary service for the Property: The Property is not connected to sanitary service (Ref. 4c).

Have other methods of sanitary service been used at the Property? No. (Ref. 4a)

Evidence of current onsite septic systems or drain fields: No evidence of septic systems or drain fields were observed (Ref. 5b).

Stormwater Management

Is the Property serviced by stormwater drains, storm sewers, ponds or drainage ditches? No. (Ref. 4a). A storm sewer intake and manhole were observed on the access road to the Public Works facility. Culverts and ditches were also observed in the field on the Property (Ref. 5a).

Do any neighboring properties discharge to the Property? Stormwater discharges to the Property from a culvert located on the west site of the Property near the access road to the Public Works facility. The origin of the stormwater is unknown (Ref. 5b).

Property Zoning

The Property is zoned Rural Residential (Ref. 5e).

IV. Current Property Use

Current Property Waste Management

Waste is not currently generated at the Property (Ref. 5b).

V. Property, Adjoining, and Surrounding Area Regulatory Status

Regulatory database summary and supporting information is in EDR Report located in Appendix D. Only information generated through searches of databases required by ASTM 1527-13 and within the appropriate minimum search distances were reviewed.

Property and Adjoining Property Regulatory Status

Table 1

ASTM List	Address	Listing Status	Potential or Documented Release to Environment	Was a Regulatory File Review Completed?
RCRA NONGEN/NLR, FINDS, ECHO	Hilpisch Chiropractic Clinic, 8603 34 th Street N (East Adjoining)	Active	Downgradient. No evidence of release to the environment.	No, site is downgradient of Property.
WIMN, LUST, RCRA-CESQG, SRS, VAPOR	Oakwood Animal Hospital, 8611 N 34 th St (East Adjoining)	Closed	Downgradient. Closed LUST site, with noted groundwater contamination.	Yes
RCRA-CESQG, WIMN, TIER 2, UST, NPDES	Lake Elmo Public Works, 3445 Ideal Ave N (West Adjoining)	Active	Tier 2 facility listing, small quantity hazardous waste generator	No, there is no listing associated with a release to the environment.
RCRA-CESQG	CVS Pharmacy 17218, 7900 32 nd St N (West Adjoining)	Active	RCRA Generator. No evidence of release to environment.	No, there is no listing associated with a release to the environment.
RCRA-LQG, WIMN, MANIFEST, TIER 2	Target Store T2135, 7900 32 nd St N (West Adjoining)	Active	RCRA Generator. No evidence of release to environment.	No, there is no listing associated with a release to the environment.
WIMN, MANIFEST, FINDS, RCRA NONGEN/NLR, ECHO, RCRA-CESQG	Myron's Service Center/Central Sweeping, 3240 Ideal Ave N (West Adjoining)	Active	Auto shop and RCRA Generator. No evidence of release to environment.	No, there is no listing associated with a release to the environment.

Abbreviations:

RCRA NonGen/NLR – RCRA Non-Generator

FINDS – Facility Index System/Facility Registry System

ECHO – Enforcement & Compliance History Information

WIMN – What's in my Neighborhood?

LUST – Leak Sites

RCRA-CESQG – RCRA Conditionally Exempt Small Quantity Generator

SRS – Site Remediation Section Database

VAPOR – Vapor Intrusion

TIER 2 – Tier 2 Facility Listing

UST – Underground Storage Tanks

NPDES – Wastewater Permits Listing

RCRA-LQG – RCRA Large Quantity Generators

MANIFEST – Hazardous Waste Manifest Data

File review results are summarized in Section VI. Justification for not completing a file review, if applicable, is provided above.

Surrounding Area Regulatory Status

The following table provides a summary of those database listing that the environmental professional has identified as potentially upgradient. Downgradient and/or side gradient listing are also included if the environmental professional has determined that the nature of the listing (e.g., Superfund site, chlorinated solvent release, landfill, etc.) should be evaluated for their potential to impact the Property.

Table 2

Name	Address	ASTM Listing(s)	Distance & Direction From Property	Comments	Do issues related to the listing indicate the potential for impacts to soil, groundwater or vapor at the Property?
Washington County Sanitary Landfill	4029 Jamaca Ave N	WIMN, SRS, SWF/LF, INST CONTROL, SHWS, LCP, NPDES, ROD, US ENG CONTROLS, DELISTED NPL, CDC HAZDAT, SEMS, MN LS, MN DEL PLP, FINANCIAL ASSURANNCE	Approximately 0.5 mi. NW, Upgradient	Potential contributor to the East Metro PFAS impacts.	Yes, potential for contributing PFAS impacts to area groundwater (Ref. 5f).

Name	Address	ASTM Listing(s)	Distance & Direction From Property	Comments	Do issues related to the listing indicate the potential for impacts to soil, groundwater or vapor at the Property?
Oakdale Dump	N Hadley Ave & N Granada Ave, Oakdale, MN	NPL, SEMS, US ENG CONTROLS, ROD, PRP, ICIS	0.69 mi. W, Sidegradient	Potential contributor to the East Metro PFAS impacts.	Yes, potential for contributing PFAS impacts to area groundwater (Ref. 5f).
3M Company Residence	7990 40 th St. N, Oakdale, MN	WIMN	0.307 mi. NW, Upgradient	Inactive hazardous waste permit.	No, no evidence of potential for impacts to the Property.
McDonald's Oakdale	Unknown	WIMN	0.182 mi. WSW, Sidegradient	Inactive Construction stormwater permit	No, no evidence of a release or potential impacts to the Property.
Carlson Residence	8251 Deer Pond Ct. N, Lake Elmo, MN	LUST, SRS, VAPOR, WIMN	0.44 mi. N, Upgradient	LUST, SRS, and VAPOR listing related to a fuel oil release. No groundwater contamination reported, and the LUST was closed in March 2018	No, no groundwater contamination reported from the LUST site. Release is located greater than 250 feet from Property.
Slumberland Inc.	1 Imitation Place, Oakdale, MN	MANIFEST, WIMN	0.45 mi. W, Sidegradient	Hazardous waste generator and industrial stormwater permit.	No, no evidence of potential for impacts to the Property.

Tribal Sites

As part of the EDR Report, locations of Native American reservations equal to or greater than 640 acres in size within the search area are reported. No reservations meeting this size criterion were identified within 1 mile of the Property (Ref. 3a) The local government official was not aware of any Native American reservations within one mile of the Property (Ref. 4c).

Orphan Site Summary

None identified (Ref. 3a).

VI. Report and File Review Summary

Previous Environmental Investigations/Remedial Actions of the Property

Relevant portions of previous investigation reports completed for the Property are reproduced in Appendix E. The following table gives a general summary of the each known previous investigation's scope, conclusions, and recommendations. Each investigation is described according to its specific reference number, as denoted in the Information Resources section of the Assessment report.

Ref. #	Investigation Summary	Findings
5c	A Draft Phase I ESA was completed in 2008 by Natural Resources Group, Inc. for a portion of the Property. No figures were included to confirm the portion of the Property included in the ESA.	No RECs identified. Possible historical use of agricultural chemicals at the Site constitutes a de minimis condition.

Property File Review Summary

The Property was not identified in a standard database; no file review was completed.

Property Historical Releases

No chemical or petroleum releases were reported for the Property. No remedial actions or environmental violations have occurred on the Property (Ref. 4b).

Environmental Liens

No environmental liens were identified for the Property (Ref. 4b).

Activity Use Limitations

No institutional or engineering controls were identified for the Property (Ref. 4b). MDH has outlined a special well construction area to reduce exposure risk for PFAS in groundwater (Ref. 5f).

Proceedings Involving the Property

No pending, threatened, or past litigation, administrative proceedings, or government notices relevant to hazardous substances or petroleum products were identified (Ref. 4b).

Adjoining Property File Review Summary

Relevant portions of the regulatory file reviewed for the adjoining properties are reproduced in Appendix E. The following table gives a general summary from each regulatory file reviewed.

Ref. #	Adjoining Property Name and Direction	ASTM Listing	File Review Summary
5d	Oakdale Animal Hospital, East Adjoining, Downgradient	LUST Site #19750	Two steel fuel oil tanks were identified on the Property. A Limited Phase II Investigation was conducted to identify groundwater, soil, and vapor impact extents. Soil impacts were delineated, primarily isolated to the area around the south tank, extending 8-21 feet below ground surface. Perched groundwater DRO impacts were observed in the vicinity of the south tank; permanent groundwater, located approximately 20 feet below the soil impacts, was not sampled. The soil vapor sample concentrations did not exceed the 10X Intrusion Screening Levels. Soil and groundwater contamination was delineated and confined to the property. The leak site was closed in December 2015.

VII. Property and Nearby Property Land-Use History

Property Land-use History

Original Property development (year/use): Records show that the Property was developed for agriculture since at least 1936 (Ref. 1a).

Chronology of Past Property use/ownership: The Property has been owned by 3M since 1966.

Historical Property Structures

There were no historic structures identified on the Property (Ref. 1a).

Demolition Debris: Not applicable.

Current Property Structures, Renovations, and Additions

No structures are present on the Property (Refs. 1a, 5b).

Renovation Debris: Not applicable.

Building Additions: Not applicable.

Nearby Property Land-Use History

North	Historical Use:	Agricultural (Ref. 1a)
	Current Use:	Residential (Ref. 5b)
South	Historical Use:	Agricultural (Ref. 1a)
	Current Use:	Residential, vacant parcel (Ref. 5b)

East	Historical Use:	Agricultural (Ref. 1a)
	Current Use:	Residential, commercial (Advanced Auto Transport, Inc., Animal Inn pet Resort & Spa, Integrated Life Counseling Center; Ref. 5b)
West	Historical Use:	Idea Avenue N, agricultural (Ref. 1a)
	Current Use:	Ideal Avenue N, residential, commercial, agricultural (Ref. 5b)

General type of current or past uses in the surrounding areas: The surrounding area has been used for agricultural purposes since at least 1936. Residences were developed to the north of the Property in the early 1950s, to the west and southeast in the early 1960s, and to the south in the late 1990s (Ref. 1a).

Historical releases associated with adjacent properties or communities: Nearby Superfund sites are being assessed as potential contributing factors to the area wide PFAS contamination, including the Washington County Landfill, located northeast of the Property, and the Oakdale Dump site, located west of the Property. The state has on-going investigations and remedial actions to address the groundwater impacts in the East Metro Area (Ref. 5g). MDH has outlined a special well construction area to reduce exposure risk for PFAS in groundwater (Ref. 5f).

VIII. Site Reconnaissance

The objective of the site reconnaissance is to obtain information indicating the likelihood of identifying recognized environmental conditions in connection with the property (ASTM 1527-13 Sec 9.1). Existing Property features are shown in the Property layout on Figure 2. Photographs obtained during the Property inspection are in Appendix B.

Date of inspection: April 29, 2019

Name of individual conducting site visit: Emily Cook, Barr Engineering Co.

Weather information: 45 degrees Fahrenheit, cloudy

Interior Observations

No structures present on the Property.

Features of Current Property Structure(s)

No structures present on the Property.

Unoccupied occupant spaces: No unoccupied occupant spaces on the Property.

Exterior Observations

Methodology used to observe the Property: The Property was observed on foot. Due to the large area of the Property, representative areas of the Property were observed.

Access to the Property (vehicular access and restrictions to public access): Access to the Property was from public roads.

Periphery of the Property (roads, streets, and parking facilities, etc.): The Property is bordered to the north by residential properties, to the east by residential and commercial properties, to the south by a railroad and a vacant property, and to the east by Ideal Avenue and residential, commercial, and agricultural use.

Ground surface cover (paved, gravel, grass): The ground surface cover at the Property is primarily agricultural fields with residual crop coverage. There are wooded and grassy areas along the perimeter of the fields.

Visible evidence of filling, excavation, or burned areas: A small berm was observed at the drainage ditch in the northern portion of the Property. Small piles of burned debris were observed in the wooded area in the NE corner of the Property.

Visible evidence of vegetative stress: None observed.

Pits, ponds, lagoons, and standing surface water: A pond is located on the east edge of the Property, immediately north of the railroad. Standing water was observed behind the berm and in the drainage ditch in the northern portion of the Property. A stormwater pond is located at the entrance of the Public Works access road.

Stained soil or pavement: None observed.

Wastewater, stormwater, and other visible liquid discharge points into a pipe, pond, ditch, stream adjoining property or the Property: Stormwater discharge was observed from the culvert located at the west edge of the Property near the Public Works access road into the drainage ditch.

Indications of past uses of the Property likely to involve the use, treatment, storage, disposal or generation of hazardous substances or petroleum products: None observed.

Nonpotable/process wells: None observed.

Pipelines across or into Property: A gas pipeline runs through the Property along Ideal Avenue at the west Property boundary. Markers, pipeline access points, and above ground pipeline features were observed. A petroleum pipeline runs through the Property from the NE corner to the SE corner of the Property. Pipeline markers were observed at multiple locations on the Property.

Rail lines: A rail line runs east-west through the Property

Transformers: A transformer tower was observed in the northern portion of the Property.

Outdoor Chemical Storage Areas/Drums: None observed.

Underground Utility Locations: Underground utilities, including gas, fiber optic and electric, are generally located on the west edge of the parcel, along Ideal Ave. Water utilities and a hydrant are located on the south side of 34th St, across from Public Works.

Odors: None observed.

Evidence of Use, Production or Disposal of Controlled Substances (as defined by 21 CFR Part 802): None observed.

VIII. Interior and Exterior USTs and ASTs

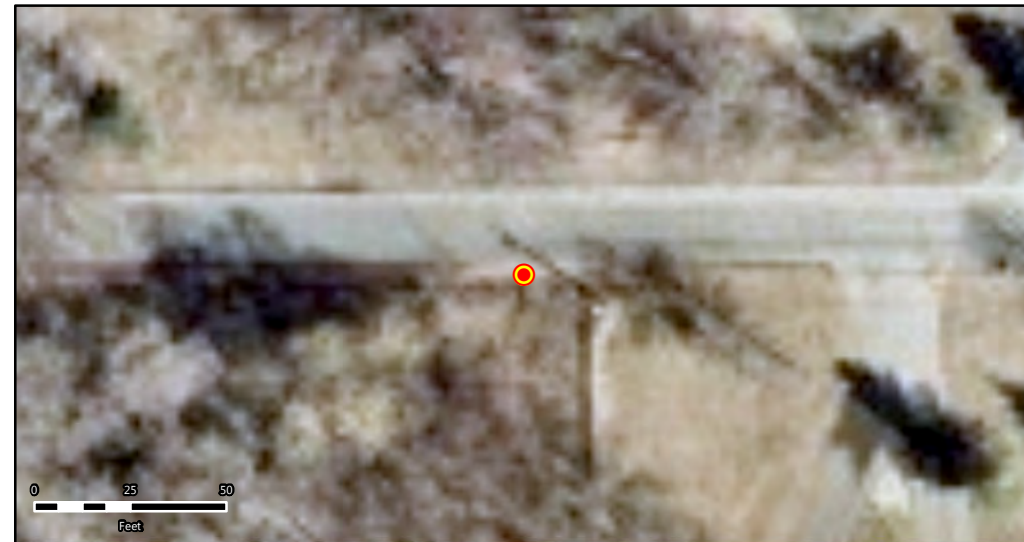
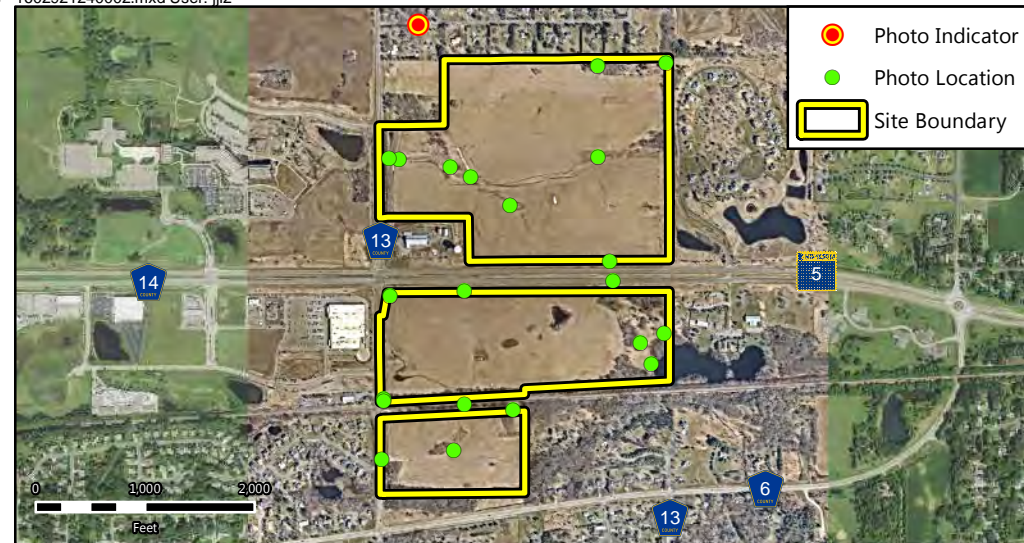
None observed.

IX. Interviews

The objective of interviews is to obtain information indicating recognized environmental condition in connection with the property (ASTM 1527-13 Sec 10.1). Especially relevant information from the interviews (Refs. 4a, 4b, 4c) is included and documented throughout the Assessment report and Appendix A.

Appendix B

Property Inspection Photographs

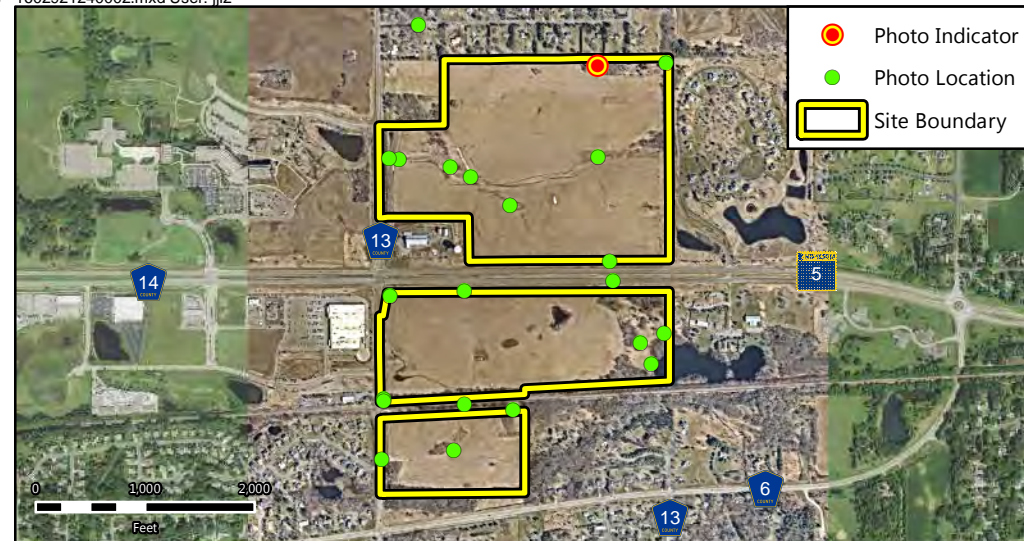


Map 1 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Petroleum pipeline markers to
the north of property on residential street

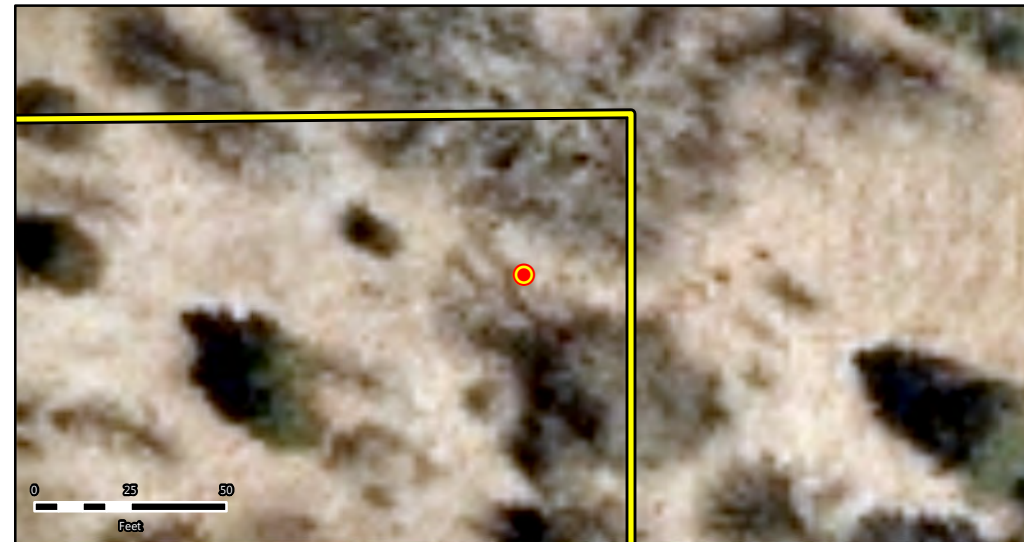
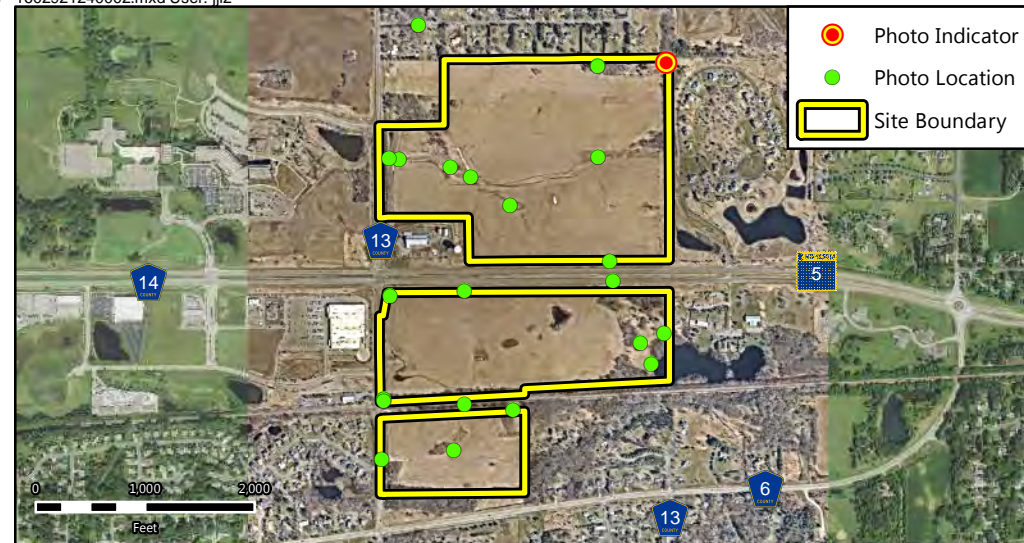


Map 2 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: NE edge of property, wooded
area, debris, small piles of burned material

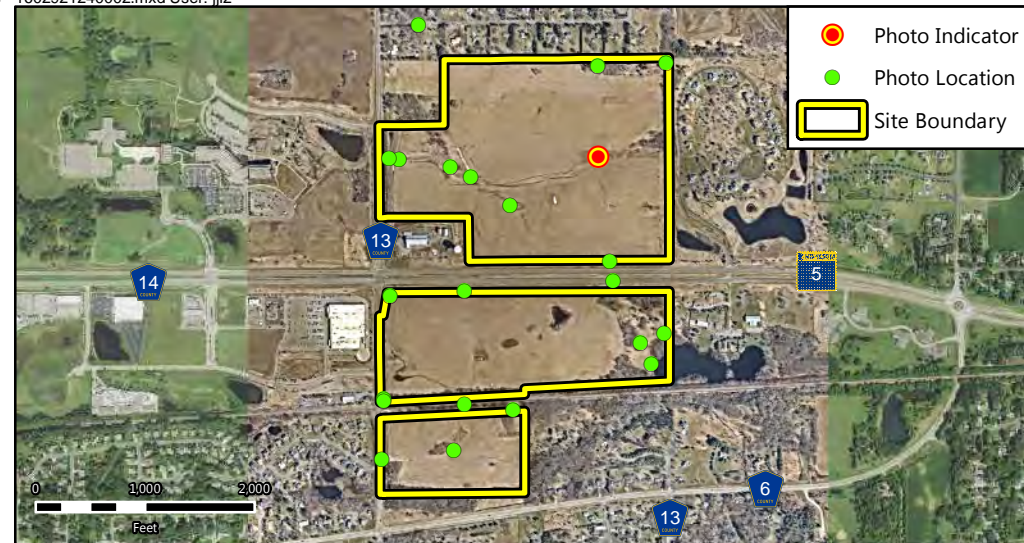


Map 3 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: NE corner of property, wooded
area, cinder block pile, wood debris

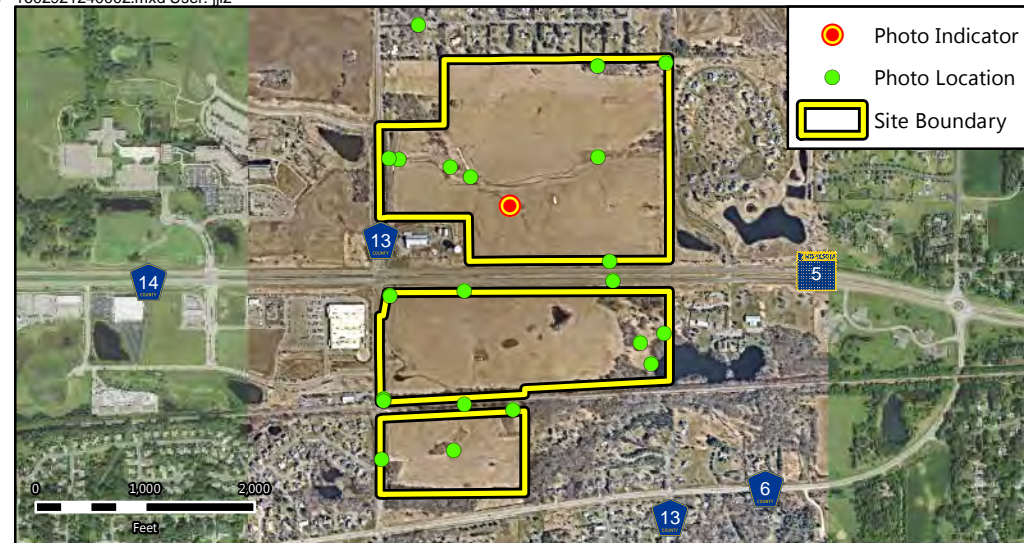


Map 4 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN

Date: 4/29/2019
Comment: Debris



Imagery: NearMap (April 19, 2019)

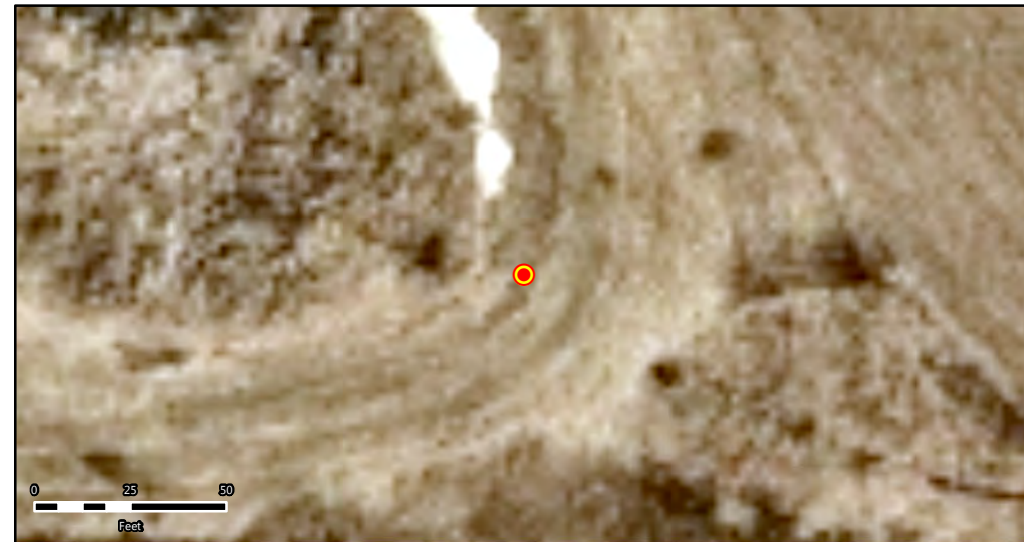
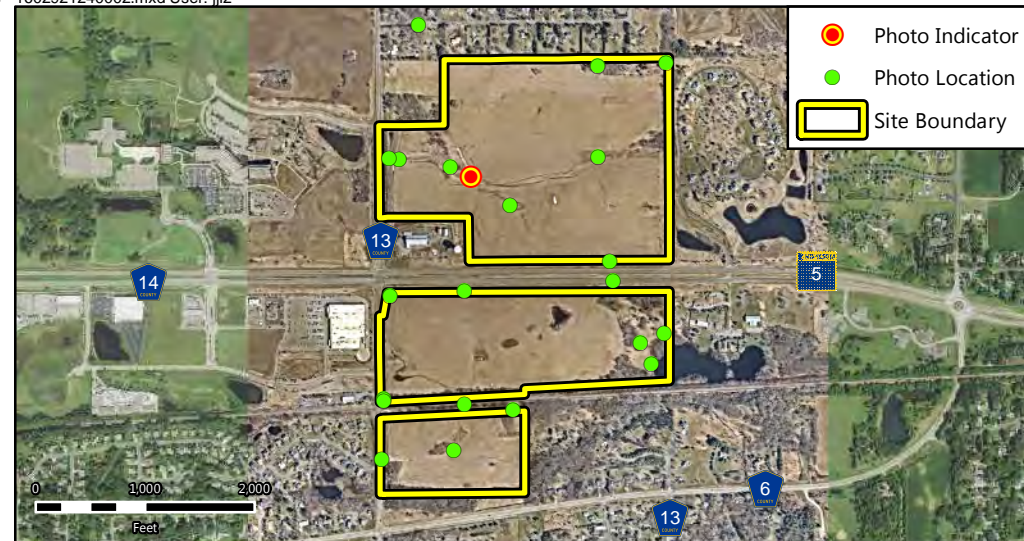


Map 5 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Transmission tower, overhead
lines run to the south and to the east,
debris at base (planting pots, empty paint
can, fry cooker)

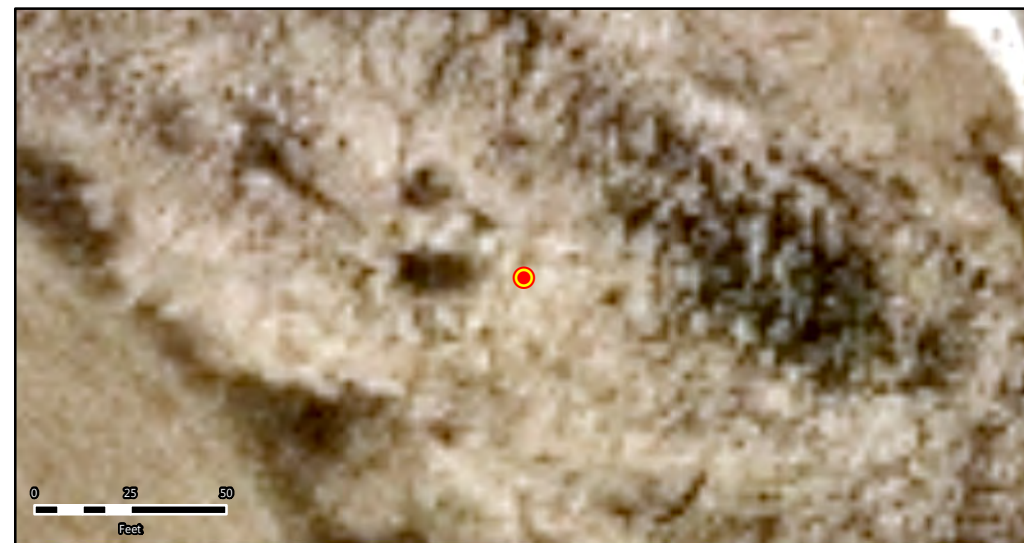
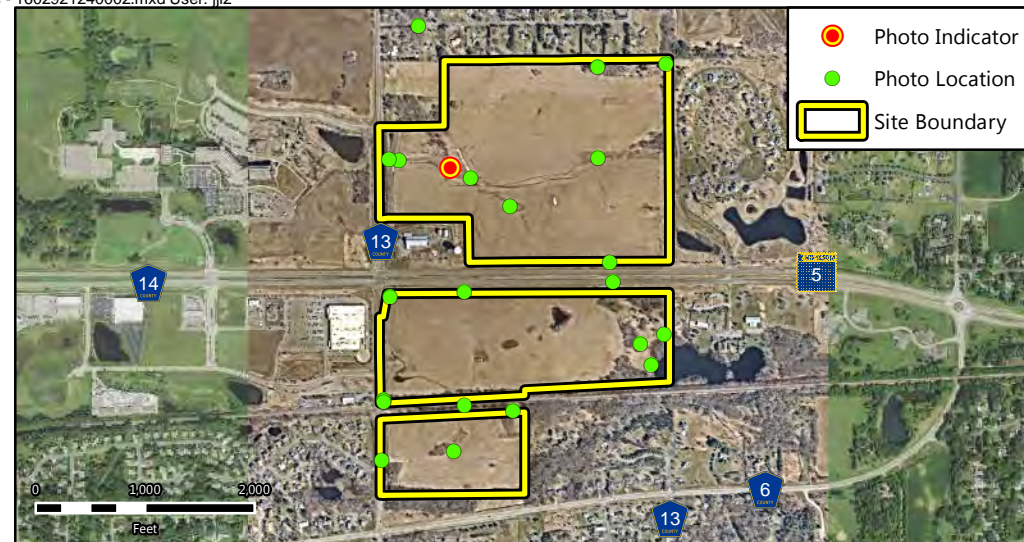


Map 6 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Culvert, drainage ditch flowing
east

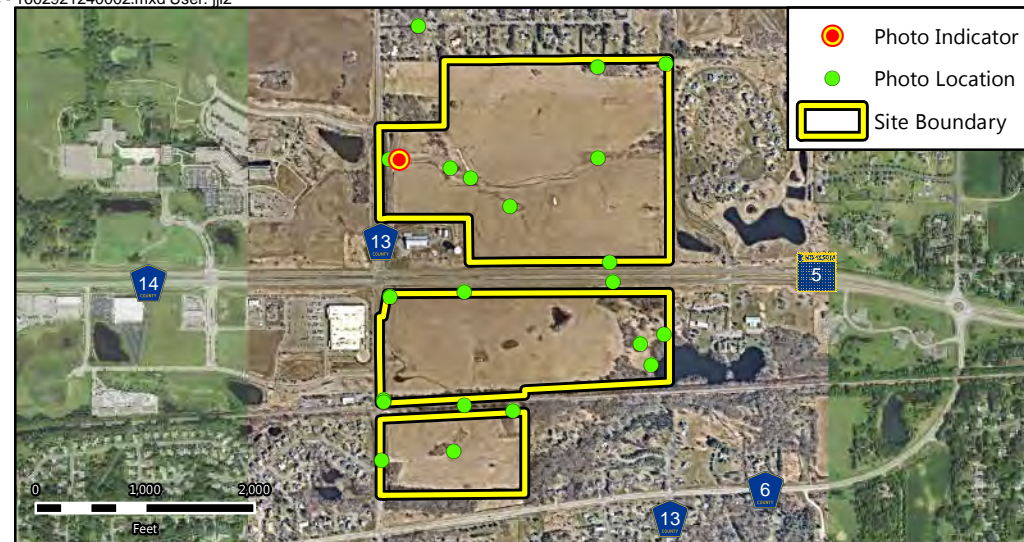


Map 7 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Low spot/ swamp, surrounded
by berm

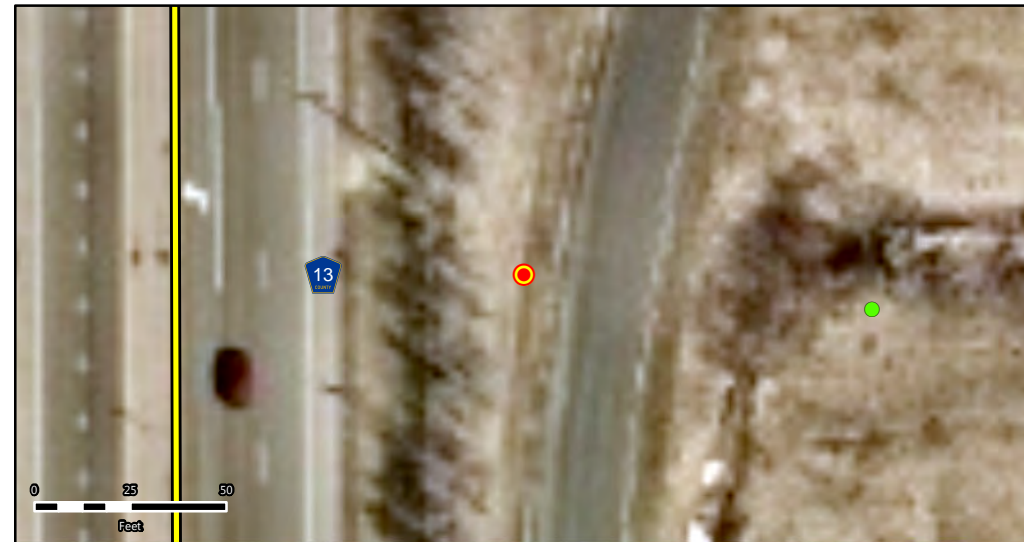
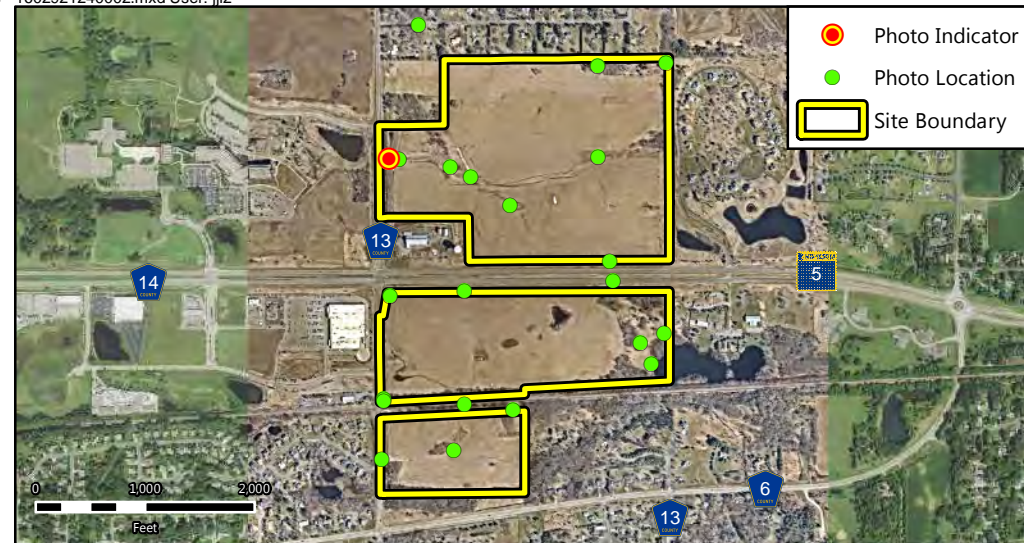


Map 8 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Culvert, drainage ditch

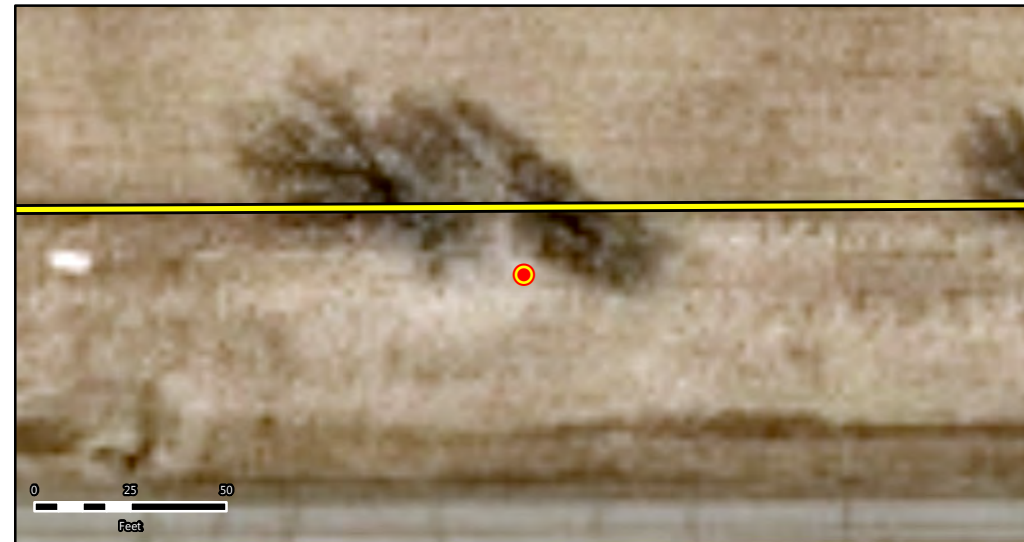
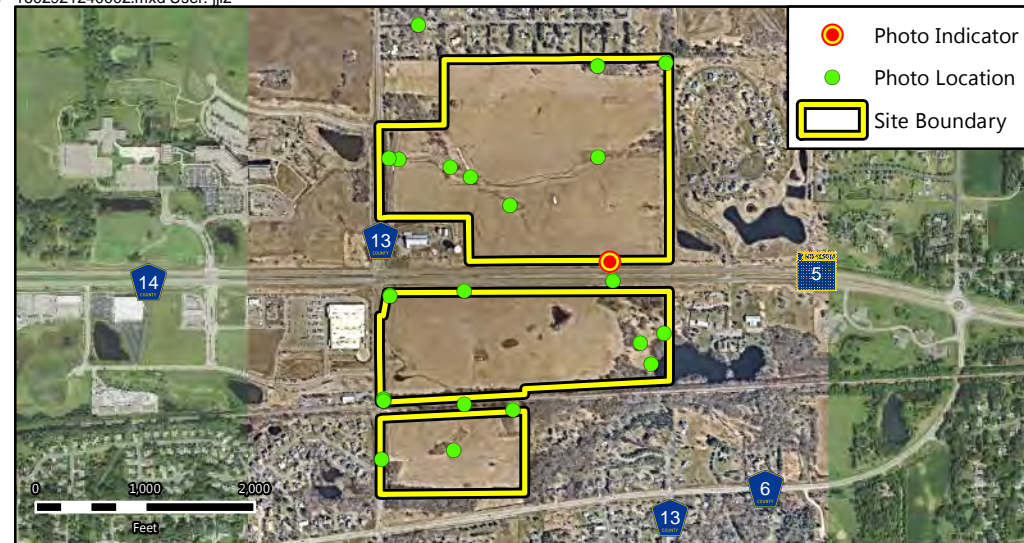


Map 9 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Utilities along Ideal Ave and
public works roadway (gas pipeline flags,
fiber optics marker, electrical, sanitary
sewer)

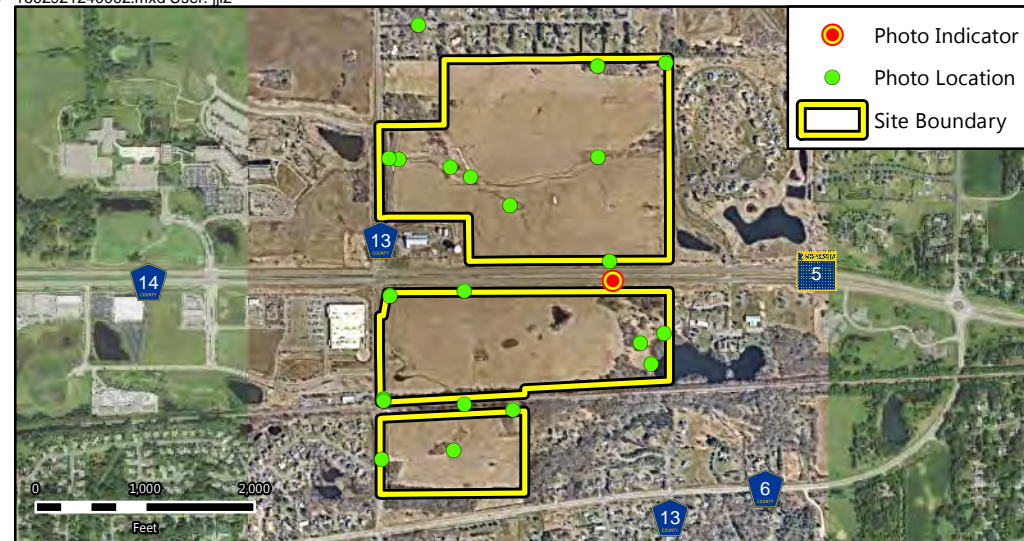


Map 10 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Petroleum pipeline markers
near property boundary, north of 34th

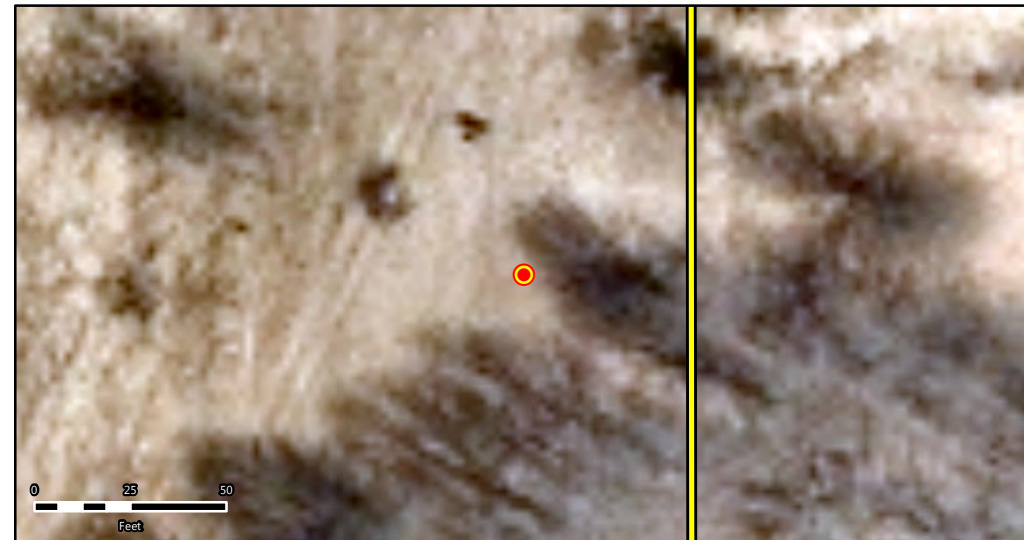
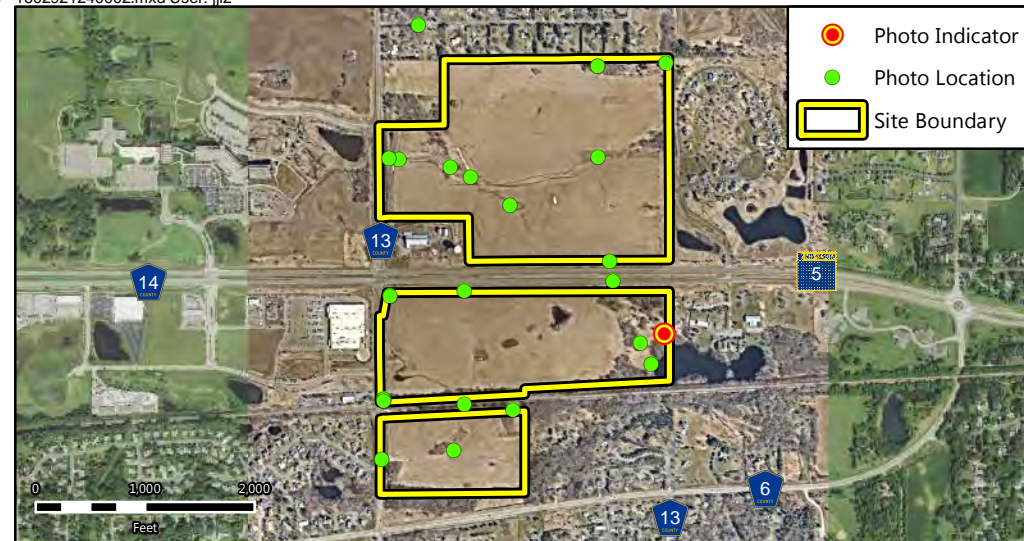


Map 11 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Petroleum pipeline markers
near property boundary, south of 34th

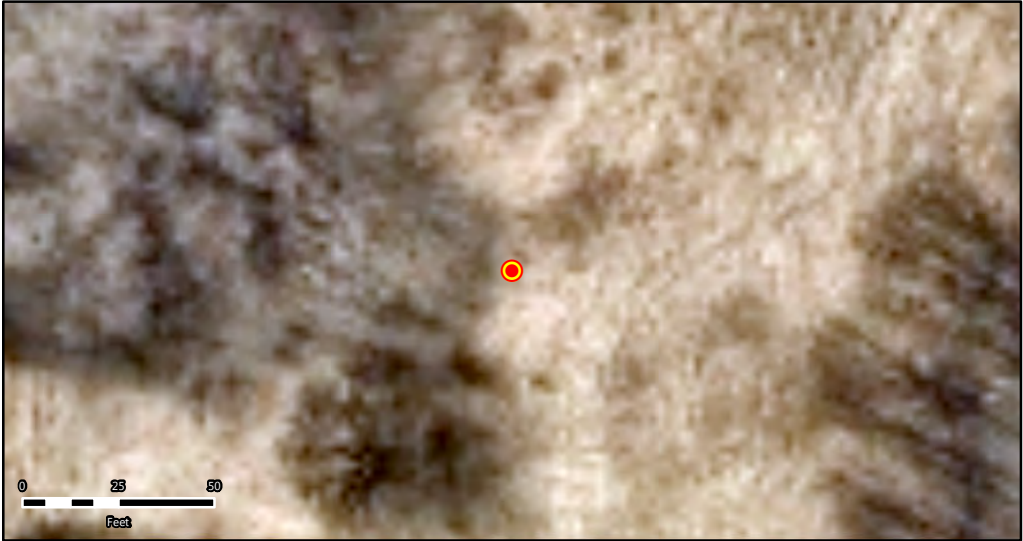
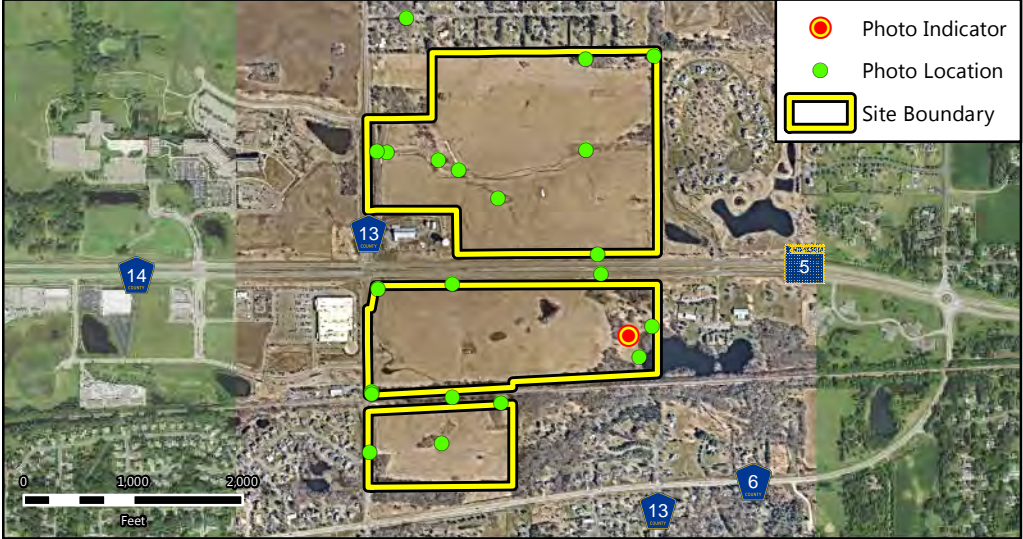


Map 12 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Wood and debris pile on east
property edge

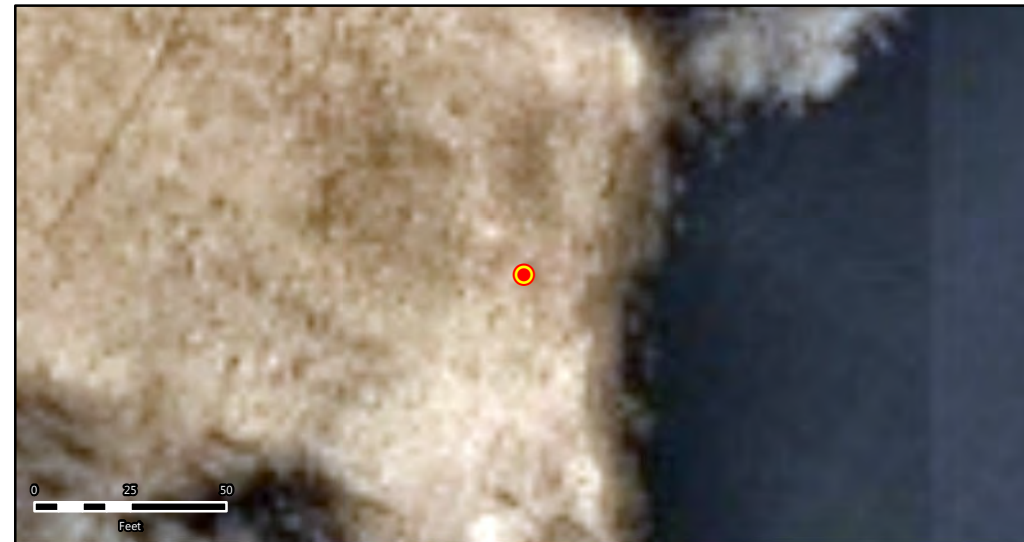
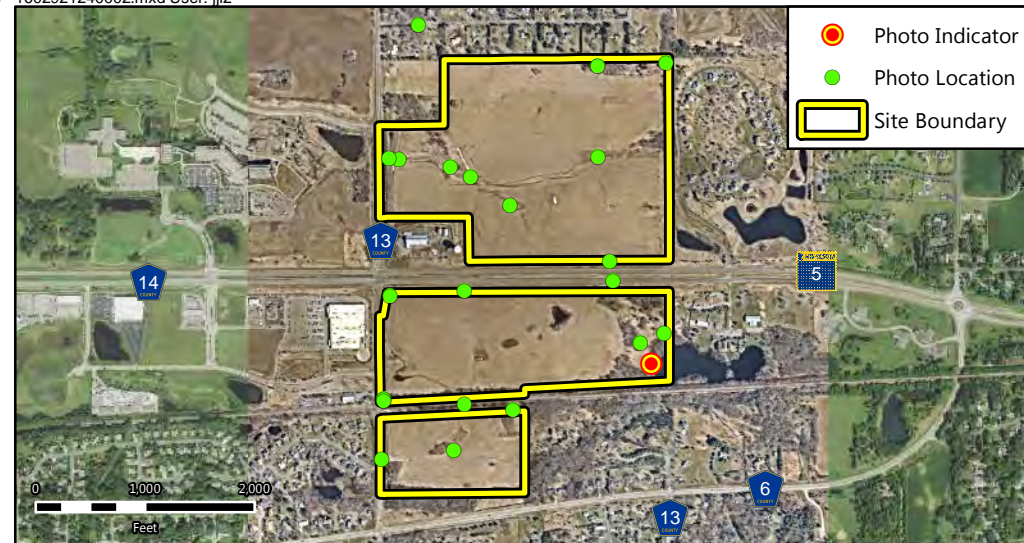


Map 13 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Petroleum pipeline marker

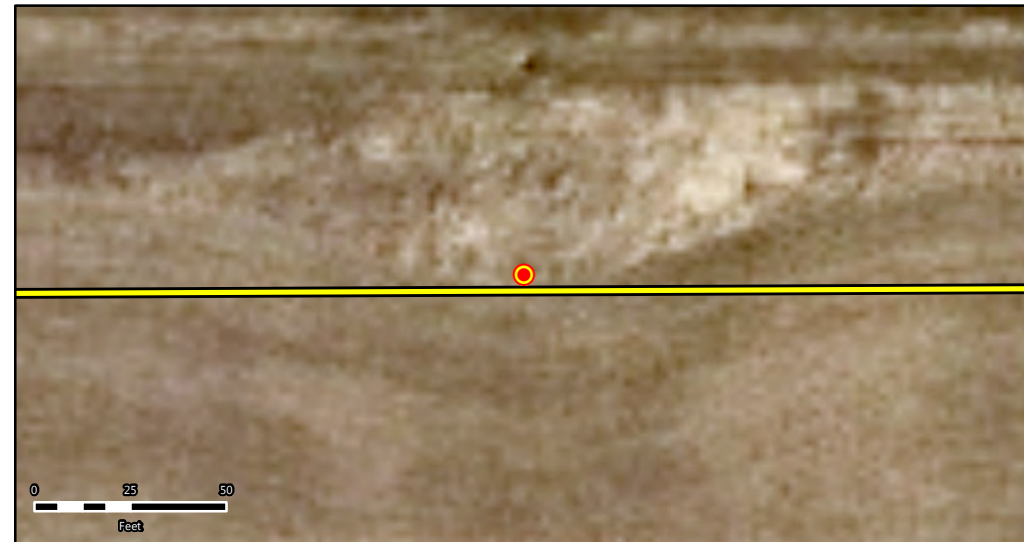
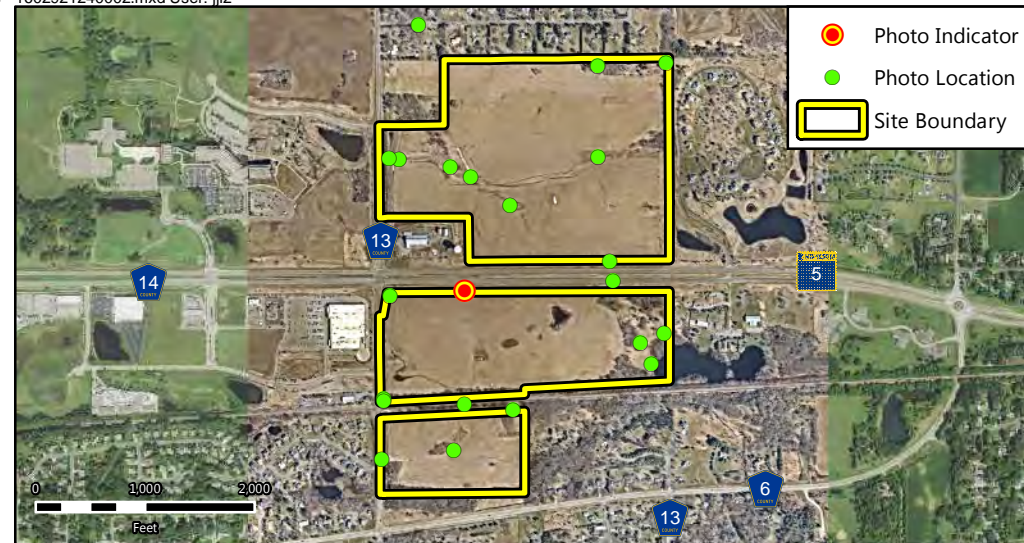


Map 14 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Low spot, ponded water,
petroleum pipeline continues to railroad
to the south

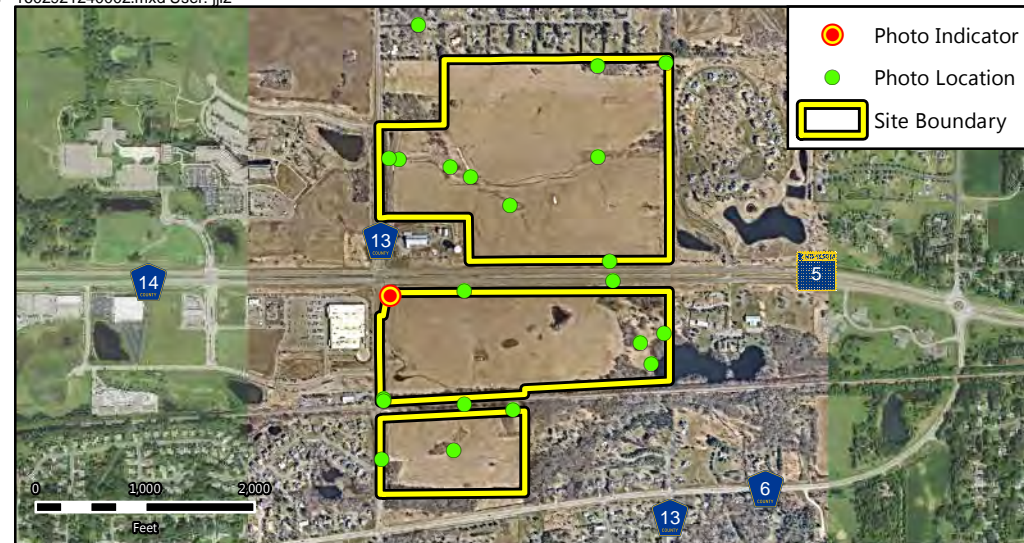


Map 15 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Water utility, hydrant and gate
valve markers near property boundary
along 34th

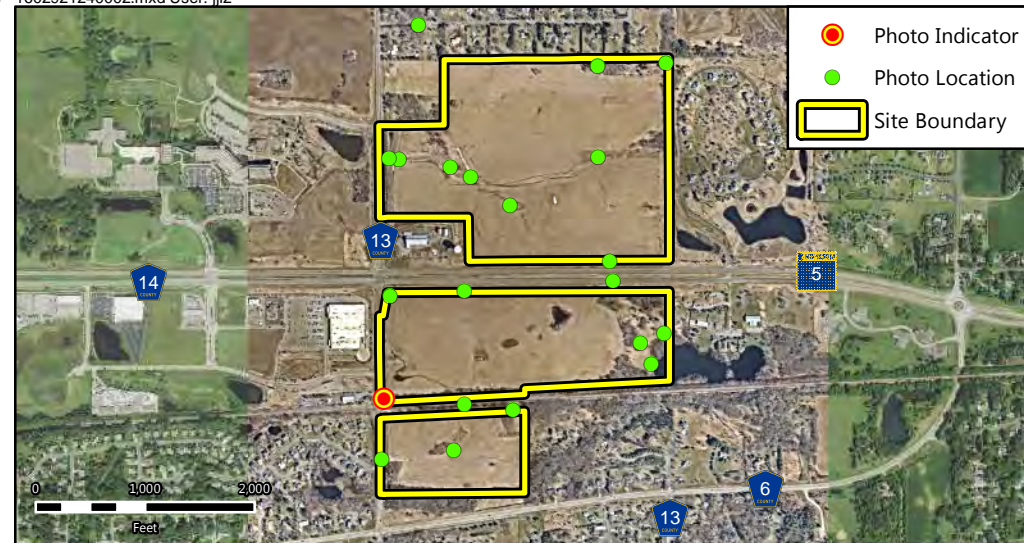


Map 16 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Property at corner of Ideal Ave
and 34th, views south and east, typical
agricultural use on property

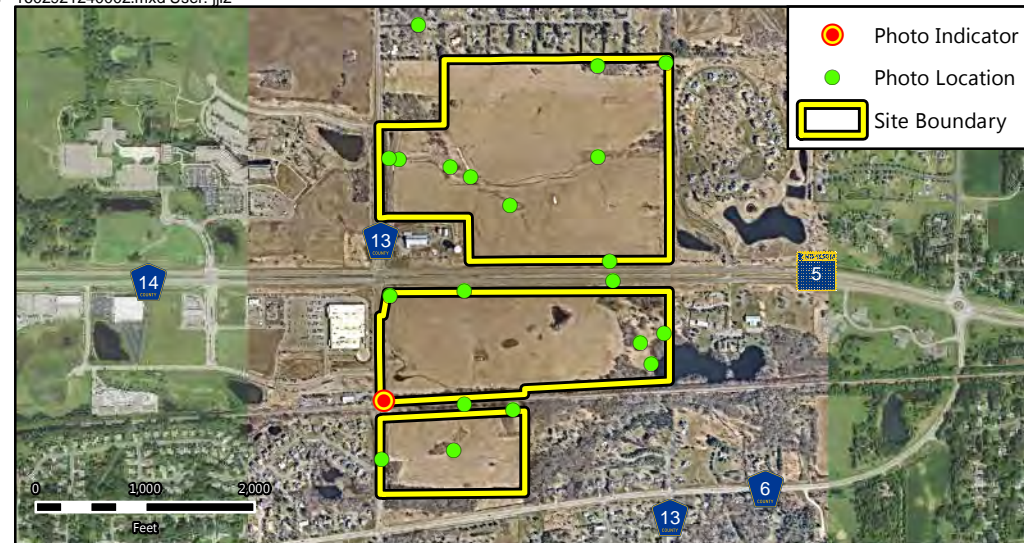


Map 17 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Gas pipeline above ground
equipment

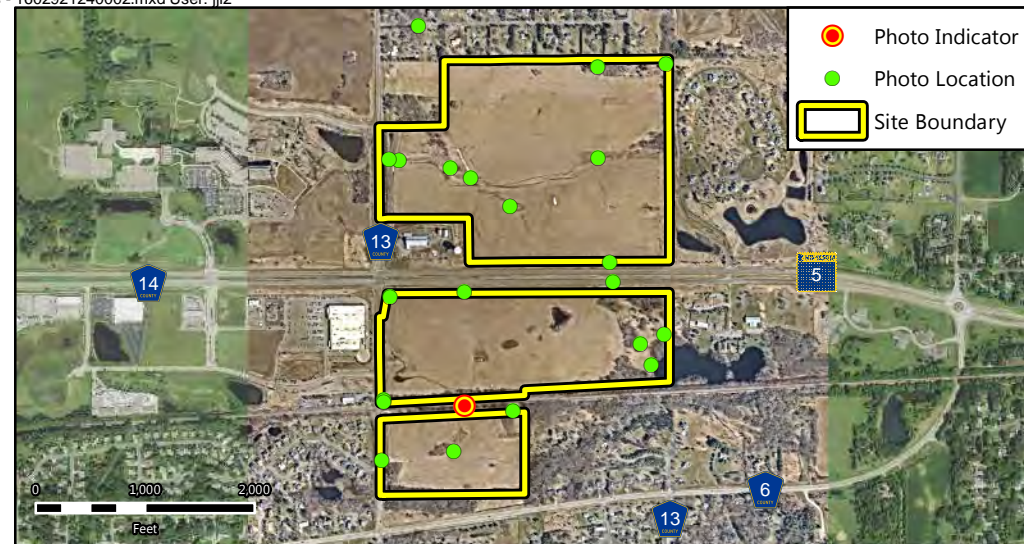


Map 18 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Railroad and above ground
equipment between south and middle
sections of property

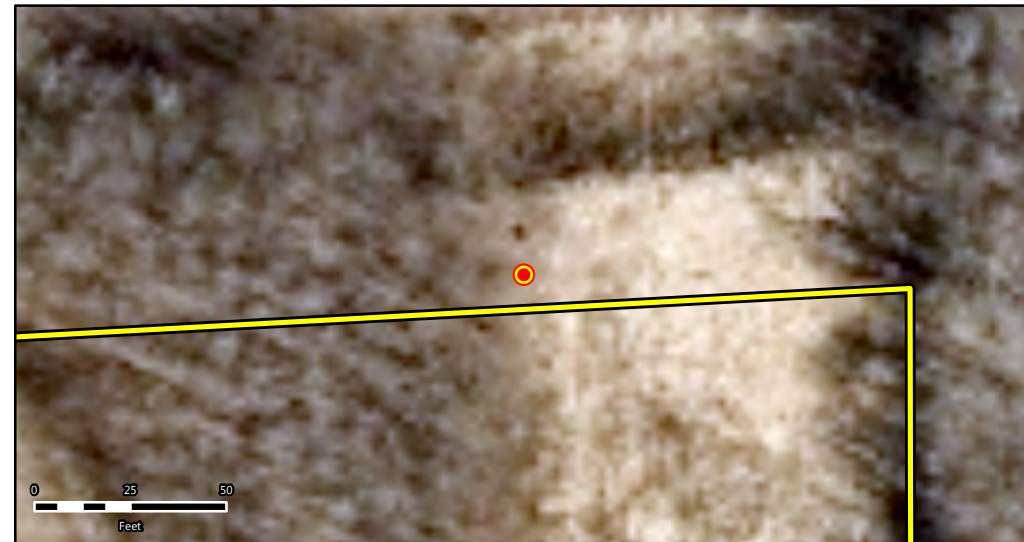
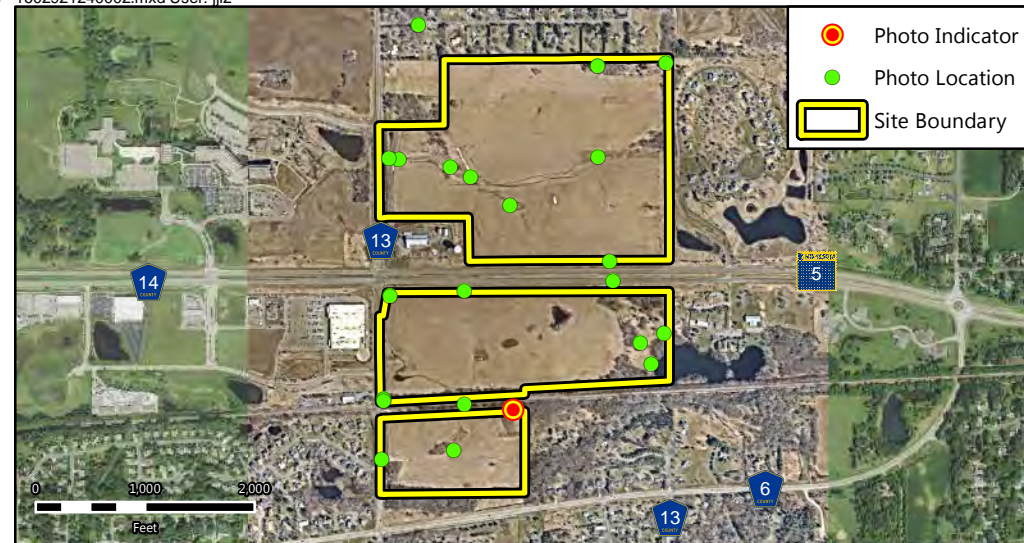


Map 19 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Railroad tracks through
property, tracks run east-west

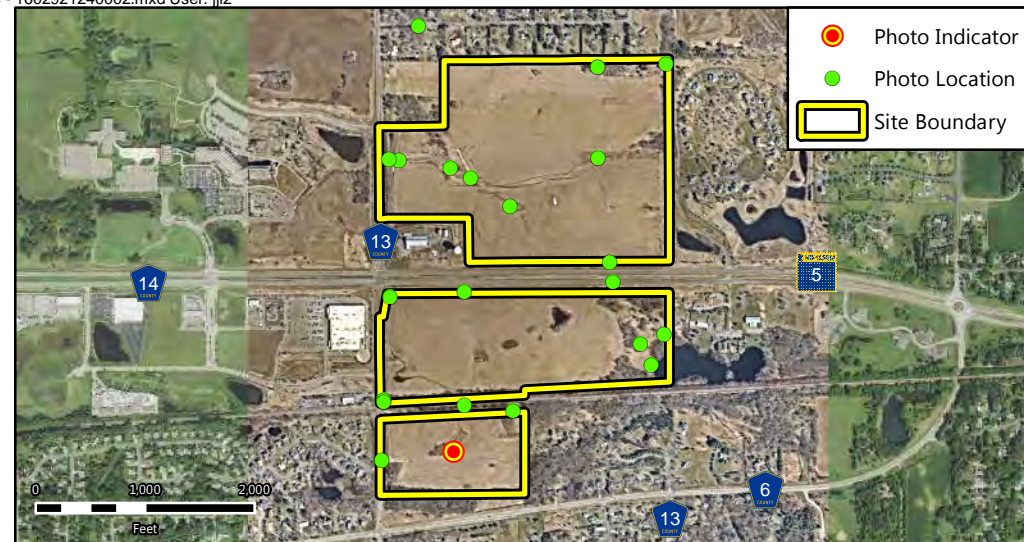


Map 20 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Watering tank

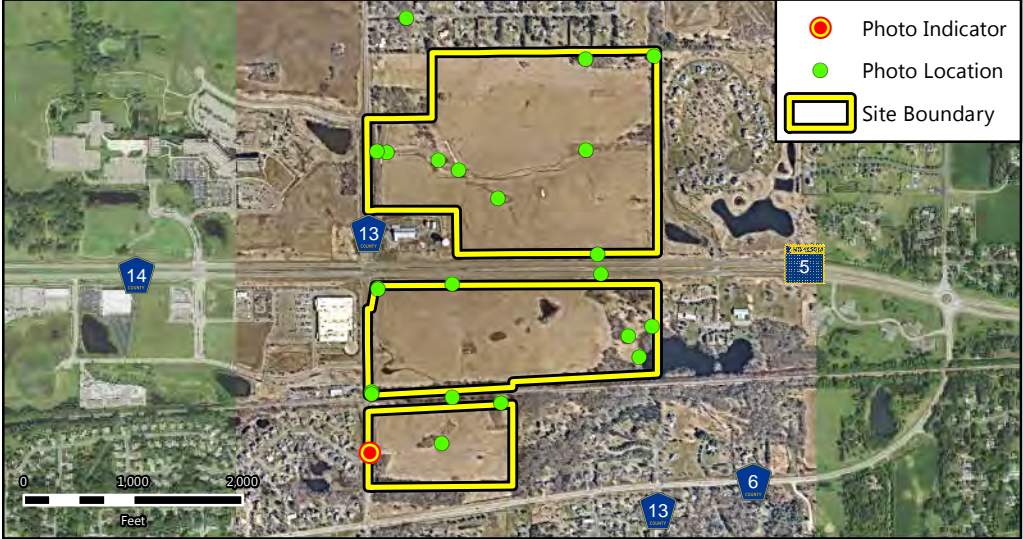


Map 21 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Hunting blind and feeders in
field



Map 22 of 22
**PROPERTY INSPECTION
PHOTOGRAPHS**
Parcel ID 1602921240002
Lake Elmo, MN



Imagery: NearMap (April 19, 2019)

Date: 4/29/2019
Comment: Gas pipeline access