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NICOLLET ISLAND AGREEMENT - 1983

CONTRACT FOR ACQUISITION AND TRANSFER OF LANDS
FOR REDEVELOPMENT BY PUBLIC BODIES

THIS AGREEMENT (the "Agreement"), is made this 19th day of May, 1983, by and between the MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY, a public body corporate and politic of the State of Minnesota (the "Agency"), having its office at 217 South Third Street, in the City of Minneapolis, State of Minnesota, and the CITY OF MINNEAPOLIS, acting by and through its PARK AND RECREATION BOARD (the "Board"), having its office at 310 South Fourth Avenue, in the City of Minneapolis, State of Minnesota.

WITNESSETH:

WHEREAS, the Board is undertaking a project known as the Central Mississippi River Regional Park Project (the "Park Project"), which includes in its goals the redevelopment of a major portion of Nicollet Island for park and open space purposes; and

WHEREAS, the Agency is undertaking a Redevelopment Project known as the Nicollet Island and East Bank Urban Renewal Project (the "Agency Project"), which also includes portions of Nicollet Island for redevelopment in accordance with its terms; and

WHEREAS, the Agency owns certain portions of Nicollet Island designated for acquisition by the Board pursuant to the Park Project; and

WHEREAS, the Board and the Agency desire to set forth their intentions with respect to acquisition and redevelopment of Nicollet Island, and to define the obligations of each to the other with respect to said acquisition and redevelopment;

NOW, THEREFORE, each of the parties hereto, for and in consideration of the mutual obligations herein contained, does hereby covenant and agree with the other as follows:

ARTICLE 1

OBLIGATIONS OF THE BOARD

1.1) Obligation to Acquire -

(01) Certain real property (the "Exchange Property") on the Island (as such term is defined below), depicted in Exhibit A attached hereto and incorporated herein by reference, at the time of execution of this Agreement, is owned by the Agency. The parties hereto have, or will, enter into a certain Contract for Sale and Exchange of Lands by Public Bodies, (the "Exchange Contract") pursuant to the terms and conditions of which the Board shall purchase and the Agency shall sell said real property.

(02) In addition, the Board shall use reasonable efforts to acquire, by whatever means and at any time deemed suitable by the Board, but in any event, subject to Unavoidable Delays, within the time set forth in Article V of this Agreement, all of that other certain real property located in the City

of Minneapolis and County of Hennepin, known as Nicollet Island (the "Island"), depicted on Exhibit A, together with all improvements thereon and appurtenances thereto. Provided, however that (except as otherwise provided in Section 2.4 of this Agreement) the Board shall have no obligation to acquire the real property depicted in Exhibit B, attached hereto and incorporated herein by reference, and legally described in Exhibit C, including the following:

- (a) The area known as "Grove Street Flats" (the "Flats") as depicted on Exhibit B and legally described in Exhibit C.
- (b) All parcels with existing residential structures now either privately owned or owned by the Agency, as depicted on Exhibit B, and legally described on Exhibit C (collectively referred to as the "Residential Property").
- (c) The property occupied, as of the date hereof, by De La Salle High School, including the grounds immediately surrounding said school, as depicted on Exhibit B and legally described on Exhibit C (the "De La Salle Property").
- (d) Certain vacant lots (the "Lots") depicted in Exhibit B and legally described in Exhibit C.
- (e) The area known as the Trucking Company site as depicted on Exhibit B and legally described on Exhibit C. This site will be available for alternative housing proposals that are compatible with the Grove Street Flats and the adjacent park land. If no viable housing proposals can be developed, this agreement shall be amended to obligate the Board to acquire said site.

1.2) De La Salle Property -

(01) The Board shall, at any time and with funds from any source deemed suitable by the Board, use its best efforts to construct upon property adjacent to the De La Salle Property an outdoor neighborhood recreational and athletic facility (the "Athletic Facility"), which at a minimum shall consist of a full (regulation) size football field and no less than two full (regulation) size tennis courts, provided, however, that the Board shall have no obligation to construct the Athletic Facility until a reciprocal agreement between the Board and the owners of the De La Salle Property has been agreed to for the use of the Athletic Facilities and negotiated existing facilities of De La Salle. The Board shall be responsible for the maintenance of the Athletic Facility, as long as the property upon which the Athletic Facility is constructed is owned or leased by the Board.

ARTICLE 2

OBLIGATIONS OF THE AGENCY

2.1) Affected Property. This Article 2 covers all of the real property designated the Residential Property which is owned by the Agency as of the date

hereof or later acquired by the Agency, and the Lots depicted on Exhibit B, and as described on Exhibit C attached hereto and incorporated herein by reference (the "Agency Property"). A portion of the Agency Property is referred to herein as a Parcel. Except as modified herein, this Agreement shall be binding upon the Agency Property and Agency, its successors and assigns.

2.2) Obligation to Acquire. The Agency shall, within a reasonable period of time after execution of this Agreement, acquire all that part of the Residential Property and the Lots which the Agency does not own as of the date of this Agreement. The Agency will use its best efforts to acquire such property or commence condemnation within two years from the date hereof, and in any event, subject to Unavoidable Delays, within the time set forth in Article V hereof.

2.3) Agency's Restoration and Maintenance Obligation.

(01) General Obligation of Consistency. The Agency shall restore, or cause to be restored, and assure maintenance and operation of the Residential Property, including the real property (the "Land") and all buildings, improvements and landscaping thereon (the "Improvements") in a manner consistent with the restrictions on land use as specified in Article 4 of this Agreement and the United States Department of the Interior Standards for Rehabilitation for historic structures, 36 Code of Federal Regulations, Section 67.7. The restoration of the exterior of the improvements on the Residential Property shall be in keeping with their original architecture and in accordance with Minneapolis Heritage Preservation Commission guidelines. The Lots shall be maintained in a manner consistent with the provisions of Article 4 of this Agreement, and may be used for any function necessary or convenient in support of the Residential Property.

(02) No New Construction. No person or entity shall construct any new residential buildings upon the Residential Property or the Lots, without the prior written consent of the Board and in accordance with Minneapolis Heritage Preservation Commission guidelines. The consent of the Board shall not be required prior to the construction on the Residential Property or the Lots of garages and other ancillary buildings used in support of the Residential Property.

(03) Board's Right of Review and Comment. The Agency shall submit construction or redevelopment plans for the improvements on the Residential Property and the Lots, or cause such plans to be submitted, to the Board for its review and comment prior to the commencement of any such construction or redevelopment. The Board shall have thirty (30) days to deliver its comments on the proposed plans to the Agency. The Agency will in good faith review the Board's comments and will incorporate such comments except to the extent that the Agency determines that any changes suggested are not consistent with this agreement and are not in the best interests of the public.

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2.4) Redevelopment of Agency Property: Conveyance and Lease of Residential Property and Additional Property.

(01) The Agency shall redevelop or cause the redevelopment of the Agency Property for housing purposes. The Agency intends to redevelop at least a portion of the Agency Property for housing for low and moderate income persons and to place limitations on the amount of equity appreciation which may be realized by subsequent lessees of the Agency Property.

(02) Within 180 days from the date of this Agreement or at such time as the Board has received funds for the acquisition of real property depicted on Exhibit A, whichever date comes last, the Agency shall convey title to each parcel of the Residential Property then owned by the Agency to the Board by valid quit claim deed for \$1 and other good and valuable consideration. Any additional parcels of the Residential Property subsequently acquired by the Agency shall be conveyed to the Board, within 60 days after title and possession are obtained by the Agency, or at such time as the Board has received funds for the acquisition of real property depicted on Exhibit A, whichever date comes last, for \$1 and other good and valuable consideration. At the time the Board receives such quit claim deeds for such parcels it shall deliver to the Agency assignable leases for such parcels. Such leases shall have terms of ninety-nine (99) years, and shall contain other provisions reasonably acceptable to the Agency, including a provision for annual lease payments of \$1 per parcel. All such leases shall be approved by the Board of Commissioners of the Agency. When such parcels as are now owned by the Agency are conveyed to the Board and leased to the Agency in accordance with this Section 2.4, the Board shall also lease to the Agency, pursuant to a lease with the same terms as those described herein, the vacant parcel of land currently owned by the Board, described as Lots 8 and 9, Block 3, Nicollet Island. The obligation of the Agency to convey the Residential Property pursuant to this section is conditioned upon the simultaneous delivery by the Board of the leases described herein.

2.5) Review and Comment, Redevelopment Contracts, Park Development Plans.

(01) Prior to entering into any redevelopment contract with respect to part or all of the Agency Property, the Agency shall submit such redevelopment contract to the Board for its review and comment. The Board shall have thirty (30) days to make comments to the Agency regarding the conformance of such redevelopment contract to the provisions of this Agreement. The Agency will in good faith review the Board's comments and will incorporate such comments except to the extent that the Agency determines that any changes suggested are not consistent with this Agreement and are not in the best interests of the public.

(02) Prior to implementing its plans for the development of property on Nicollet Island for park purposes, the Board shall submit such plan to the Agency, for its review and comment. The Agency shall have thirty (30) days to make comments to the Board regarding the conformance of such plans to the provisions of this Agreement. The Board will in good faith review the

Agency's comments and will incorporate such comments except to the extent that the Board determines that any changes suggested are not consistent with this Agreement and are not in the best interests of the public.

ARTICLE 3

ROADS

The Agency and the Board shall cooperate, and each agrees to use its best efforts, to obtain the transfer of control of all roads and roadways, existing on the Island as of the date hereof, to the Board. The Board shall maintain all such roads and roadways as part of the Public Parkway System, in accordance with Chapter 16, Section 2 of the Minneapolis City Charter.

ARTICLE 4

LAND USES

4.1) Restrictions on Land Use - The Agency and the Board each agrees for itself, its successor and assigns, and every successor in interest to any real property or improvements thereon, on the Island owned as of the date hereof by either the Agency or the Board, or any part thereof, as follows:

(01) The Agency and the Board each agree that they will devote all real property and improvements thereon, on the Island to, and only to and in accordance with, the uses specified in the Nicollet Island and East Bank Urban Renewal Plan and the Central Mississippi River Regional Park Project, respectively, and to the extent each is applicable, as the same may hereafter be amended and extended from time to time; and

(02) The Agency and the Board each agree that they will not discriminate upon the basis of race, color, creed, national origin, sex or age in the sale, lease or rental or in the use or occupancy of any property on the Island or any improvements erected or to be erected thereon, or any part thereof.

4.2) Effective Covenants; Period of Duration - It is intended and agreed that the agreements and covenants provided in this Article 4 shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforced by the Agency and the Board.

ARTICLE 5

TIME FOR PERFORMANCE

5.1) Acquisition Obligations - Subject to Unavoidable Delays the Agency shall acquire property on the Island pursuant to Section 2.2, and the Board shall acquire property on the Island pursuant to Section 1.1 within five (5) years of the date of execution of this Agreement.

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5.2) Agency's Restoration Obligation - Subject to Unavoidable Delays the Agency shall complete restoration of the Residential Property, in accordance with Section 2.3(01) of this Agreement, within eight (8) years of the date of execution of this Agreement.

5.3) Board's Development Obligation - Subject to Unavoidable Delays the Board shall complete development of the property acquired by it pursuant to this Agreement (except for parcels leased to the Agency in accordance with this Agreement) within 8 years of the date of this Agreement.

ARTICLE 6

MISCELLANEOUS PROVISIONS

6.1) Rights and Obligations Reciprocal - The rights of each of the parties hereto under this Agreement are conditional upon the performance by each of the obligations herein defined.

6.2) Agreement Survives Conveyance - None of the provisions of this Agreement is intended to or shall be merged by reason of any deed transferring title to any property on the Island from the Agency to the Board or any successor in interest, or from the Board to the Agency or any successor in interest, or by reason of any other act done by the Board or the Agency, except a modification of this Agreement by the parties hereto, and any such deed or act shall not be deemed to affect or impair the provisions and covenants of this Agreement.

6.3) Definition - When used in this Agreement, the term "Unavoidable Delays" shall mean delays beyond the control of the party claiming the delay, which are the direct result of strikes, similar labor troubles, fire, unavailability of power, unavailability of funds, unavailability of materials, acts of the other party, and litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays. Because the Agency intends to finance both: (01) the acquisition of the property to be acquired by it pursuant to Section 2.2 of this Agreement and; (02) the public redevelopment costs of the restoration of the Residential Property pursuant to Section 2.3 of this Agreement, with the proceeds from the sale of part of the Exchange Property pursuant to the Exchange Contract referred to in Section 1.1(01) of this Agreement, "Unavoidable Delay" includes a failure of the Board to perform under the Exchange Contract to the extent that such failure results in the Agency not having adequate funds to perform the obligations undertaken by it under this Agreement.

6.4) Notice - A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by registered mail, postage prepaid, return receipt requested, and

(01) in the case of a notice or communication to the Board, is addressed as follows: Minneapolis Park and Recreation Board, Attention: Del Green, Secretary, 310 South Fourth Avenue, Minneapolis, Minnesota 55415, and

(02) in the case of a notice or communication to the Agency, is addressed as follows: The Minneapolis Community Development Agency, 217 South Third Street, Minneapolis, Minnesota 55401,

Secretary, respectively, of the City of Minneapolis, acting by and through its Park and Recreation Board, on behalf of said Board.

Richard C. This

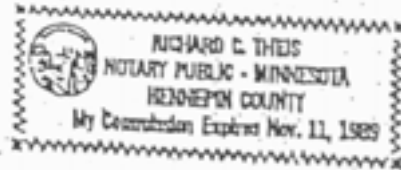
Notary Public

APPROVED AS TO FORM:

David C. Selligren
Board Attorney

Barbara Pitwood

Agency Attorney
Holmes & Graven, Chartered



This Agreement was Drafted by:




HOLMES & GRAVEN, Chartered.
470 Pillsbury Center
Minneapolis, Minnesota 55402
(612) 338-1177

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COLLET ISLAND & EAST BANK RENEWAL AREA

EXHIBIT A



-  Exchange Properties under Main Street Agreement
-  MCDA properties Park Board obligated to acquire
-  Other properties Park Board obligated to acquire

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COLLET ISLAND & EAST BANK RENEWAL AREA

EXHIBIT B



PROPERTIES PARK BOARD NOT OBLIGATED TO ACQUIRE

-  Residential Property and Lots
-  DelaSalle H.S.
-  Grove Street Flats
-  Trucking Company

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EXHIBIT C
to that certain
CONTRACT FOR ACQUISITION AND TRANSFER OF LANDS
FOR REDEVELOPMENT BY PUBLIC BODIES
by and between
the MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY, and
the CITY OF MINNEAPOLIS, by and through
its PARK AND RECREATION BOARD.

PROPERTIES PARK BOARD NOT OBLIGATED TO ACQUIRE

1. Residential Properties and Lots

A. MCD A Block 19

Parcel 5: (115 West Island Avenue)

Lot 7, Block 1, Nicollet Island Addition

Parcel 6: (111 - 113 West Island Avenue)

Lot 8, Block 1, Nicollet Island Addition

Parcel 7: (107 - 09 West Island Avenue)

Lot 9, Block 1, Nicollet Island Addition

Parcel 8: (18-20 Maple Place)

That part of Lot 10, Block 1, Nicollet Island Addition, described as follows: Commencing at the most southerly corner of said Lot 10, thence northeasterly along the northwesterly line of Maple Street 60 feet; thence at right angles northwesterly to the northwesterly line of said lot; thence southwesterly and southeasterly along the northwesterly and northeasterly lines of said Lot 10 to the place of beginning.

B. MCD A Block 20

Parcel 1A & B: (15-17 Maple Place and Vacant lots)

Lot 10 & 11, Block 2, Nicollet Island Addition

Parcel 1C: (97 Nicollet Street)

Lot 9, Block 2, Nicollet Island Addition

Parcel 1D & E: (93 Nicollet Street and 91 Nicollet Street)

Lot 8, Block 2, Nicollet Island Addition

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Parcel 3: (95 West Island Avenue) - private ownership

Lot 14, Block 2, Nicollet Island Addition

C. MCDA Block 17

Parcel 1A & B: (163 East Island Avenue and 27 Maple Place)

Lot 12, Block 3, Nicollet Island Addition

Parcel 10: (Vacant lot)

Lot 11, Block 3, Nicollet Island Addition

Parcel 9: (Vacant lot)

Lot 10, Block 3, Nicollet Island Addition

Parcel 7: (187-90 East Island Avenue, 185-86 East Island & 183-84 East Island)
private ownership

Lots 6 and 7, Block 3, Nicollet Island Addition

Parcel 1C & D: (163 Nicollet Street)

Lot 13, Block 3, Nicollet Island Addition

Parcel 2: (167-69 Nicollet Street)

Lot 14, Block 3, Nicollet Island Addition

Parcel 3: (Vacant lot)

Lot 15, Block 3, Nicollet Island Addition

Parcel 4: (177 Nicollet Street) - private ownership

Lot 16, Block 3, Nicollet Island Addition

II. Grove Street Flats

MCDA Block 21

Parcel 2: Condo No. 300, Grove Street Flats, a condominium, being located upon:

All that part of Block 5, Nicollet Island, described as follows, to wit:
Commencing on the westerly line of said Block 5, at a point 150 feet
from the most southerly corner thereof; thence southeasterly to said
corner; thence northeasterly along Grove Street 147 feet, more or less,
to a point 195 feet from the most easterly corner of said Block 5;
thence at right angles northwesterly 150 feet; thence southwesterly to
the point of beginning, Hennepin County, Minnesota, and

All that part of Block 5, Nicollet Island, described as follows:
Beginning at a point on the southwesterly line of said Block 5,
distant 150.00 feet northwesterly from the most southerly corner
being marked by a Judicial Landmark

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set pursuant to Torrens Case No. 9313; thence northeasterly at right angles to the southwesterly line of said Block 5 a distance of 153.55 feet (measured distance by survey dated May 18, 1981, Deed distance of 153.75 feet pursuant to Torrens Case No. 9313) to the point of intersection with a line erected perpendicular to the southeasterly line of said Block 5 at a point thereon 147.40 feet northeasterly from the most southerly corner of said Block 5, said point of intersection being marked by Judicial Landmark set pursuant to Torrens Case No. 9313 (Judicial Landmark not found by survey dated May 18, 1981); thence southeasterly along said perpendicular line a distance of 6.04 feet to a point distance 150.00 feet northwesterly of the southeasterly line of said Block 5; thence southwesterly a distance of 153.42 feet to the point of beginning, Hennepin County, Minnesota.

III. Trucking Company Site

MCDA Block 21

Parcel 1: That part of Block 5, Nicollet Island Addition, and of Section 23, Township 29, Range 24, described as beginning at the most easterly corner of said Block 5, thence southwesterly along southeasterly line thereof 195 feet, thence northwesterly at right angles 156.04 feet, thence southwesterly to a point on the southwesterly line of said Block 5, a distance of 150 feet northwesterly from most southerly corner thereof, thence northwesterly along southwesterly line of said Block 5 a distance of 125 feet more or less to Great Northern Railroad right-of-way, thence northeasterly along said right-of-way to southwesterly line of Nicollet Street, thence southeasterly to the beginning, Hennepin County, Minnesota.

IV. DeLaSalle High School

MCDA Block 5 and Block 6-1: All of Blocks 6, 7, 8, and 9, Nicollet Island Addition; and all of Blocks 1 and 2 and Lots 1-24 of Block 3, Eastman's Second Addition to Minneapolis.

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Edge File 1758

Section 9: The housing outparcel is more particularly described as follows:

Bounded on the north by Hensopin Avenue, the south by Miriam Street, on the west by Wilder Street, and on the east by East Island Avenue as said streets are presently located. Together with a parcel bounded on the north by the Burlington Northern Railroad, on the south by Hensopin Avenue, on the east by East Island Avenue, and on the west by West Island Avenue; together with a parcel bounded on the north by Maple Place, on the south by Burlington Northern Railroad, on the east by Nicollet Street, on the west by West Island Avenue; together with Lots 7, 8, and 9 and the west 60 feet of Lot 10, Block 1, Nicollet Island; together with Lots 6, and 7 and 10 to 15, inclusive, Block 3, Nicollet Island.

(This section is intended to clarify the legislation passed in 1981 under the Metropolitan Area Parks Bonding Bill, the text of which is being amended as attached to this sheet.)

2/25/82

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