



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 8/18/2026
Agenda Section: Consent Agenda

Department Origination: Administration

Agenda Item: Adopt Resolution 2026-063 Revoking Real Estate Documents Affecting Lots 1 & 2, JMS Baxter Estates

Approval Required: Simple Majority Vote

BACKGROUND

The Baxter EDA entered into a Purchase and Development Agreement (“DA”) with Kuepers Land Development, LLC dated June 4, 2026 for the purchase of Crow Wing County PIDs 40060704 and 40060705. The DA allows Kuepers to assign the DA to an entity controlled by Kuepers, which Kuepers did on July 9, 2026 when it assigned the DA to “Timberline Heights of Baxter II, LLLP” (“Buyer”).

Pursuant to the DA, the Buyer is allowed to perform due diligence prior to closing. As part of that due diligence, the Buyer obtained title work and a commitment for title insurance. The title commitment identified several encumbrances on the two lots that the Buyer is asking the City to remove prior to closing. Most of those agreements are held by the City of Baxter, but one such encumbrance is held by both the City of Baxter and the EDA, along with a private landowner (Item #1 below). The Buyer is asking the City to agree to the removal of:

1. 2004 Declaration of Covenants, Conditions and Restrictions (“Declaration”) that was placed on the property by the original developer, Schoena Investments, Inc. Declaration recorded as May 25, 2004 as Doc #0664743. The Declaration prohibits the development of the property into anything other than office or commercial purposes, prohibits the construction of a building more than 1 story high, and imposes an architectural control committee. Needless to say, these restrictions are not acceptable to the Buyer and the Buyer is requiring the release of the Declaration. The release of this Declaration requires signatures by the City, the EDA, and a private landowner.
2. A Conditional Use Permit from 2002 and a 2004 amendment to the CUP. This request for revocation of the CUP is being handled separately, as part of the Timberline Heights II land use approvals.
3. 2004 Agreement for Development of JMS Mill Run. Development Agreement recorded October 15, 2004 as Doc #0674666. A development agreement between the City of Baxter and Schoena Investments, Inc. which covered the land formerly platted as Outlots A and F of Baxter Estates.
4. 2013 Agreement between the City of Baxter and Lakewood Bank N.A. (n/k/a First Western Bank & Trust) regarding delinquent special assessments. Agreement recorded May 10, 2013 as Doc #0829364. City staff confirmed the subject parcels being purchased by Buyer have satisfied any outstanding special assessments and therefore can be released from this 2013 agreement.

The City Attorney has drafted discharge documents for the three documents noted above.

FINANCIAL IMPLICATIONS

There will be a \$50 fee to record each of the discharge documents mentioned above.

STAFF RECOMMENDATIONS

Staff recommends that the EDA execute above-referenced title documents and authorize staff to obtain additional required signatures and have the documents recorded with the Crow Wing County Recorder's Office.

COUNCIL ACTION REQUESTED

Motion to pass Resolution 2026-063 which approves the discharge of:

1. 2004 Declaration of Covenants, Conditions and Restrictions ("Declaration") that was placed on the property by the original developer, Schoena Investments, Inc. Declaration recorded as May 25, 2004 as Doc #0664743.
2. 2004 Agreement for Development of JMS Mill Run. Development Agreement recorded October 15, 2004 as Doc #0674666.
3. 2013 Agreement between the City of Baxter and Lakewood Bank N.A. (n/k/a First Western Bank & Trust) regarding delinquent special assessments. Agreement recorded May 10, 2013 as Doc #0829364.