



ITEM REPORT ECONOMIC DEVELOPMENT AUTHORITY

Agenda Date: 8/18/2026
Agenda Section: Old Business

Department Origination: Administration

Agenda Item: Approve Resolution 2026-01 Discharging Declaration of Covenants, Conditions and Restrictions Affecting Lots 1 & 2, Block 3, JMS Baxter Estates, and Approval of Conveyance of Permanent Bock & Pedestrian Easement on Lot 1, Block 3, JMS Baxter Estates

Approval Required: Simple Majority Vote

BACKGROUND

The 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. The Buyer is asking the EDA to agree to the removal of a 2004 Declaration of Covenants, Conditions and Restrictions ("Declaration") that was placed on the property by the original developer, Schoena Investments, Inc. 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, and many other restrictions. Needless to say, these restrictions are not acceptable to the Buyer and the Buyer is requiring the release of the Declaration.

As a property owner of the land encumbered by the Declaration, the EDA needs to execute a discharge of the Declaration. The City Attorney has drafted a discharge document and it is attached hereto for your review and consideration.

Additionally, prior to sale of the land to Kuepers, the City desires to memorialize a 20-foot wide permanent bike and pedestrian easement along the north side of Lot 1, Block 3. The adjacent lot to the east (Lot 2, Block 3) already has the easement memorialized.

FINANCIAL IMPLICATIONS

There will be a \$50 fee to record the executed discharge of Declarations and a \$50 fee to record the pedestrian easement.

STAFF RECOMMENDATIONS

Staff recommends that the EDA execute the discharge of the 2004 Declaration of Covenants, Conditions and Restrictions and authorize staff to obtain additional required signatures and have the document recorded with the Crow Wing County Recorder. Staff also recommends that the EDA execute the permanent bike and pedestrian easement, benefitting the City of Baxter and the public and have the document recorded with the Crow Wing County Recorder.

ACTION REQUESTED

Motion to pass Resolution 2026-01 approving the Discharge of 2004 Declaration of Covenants, Conditions and Restrictions, the Permanent Bike and Pedestrian Path Easement, and authorize execution of same.