



July 24, 2020

Mr. Kevin Kress
City Administrator
City of North Oaks
100 Village Center Drive, Suite 230
North Oaks, MN 55127

Dear Mr. Kress,

Earlier this month you informed me of certain conversations you had with Council Member Ries and Dr. Joe Magner. The information you provided relates to Council Member Ries' conduct at the June 11th City Council Meeting and is of concern to North Oaks Company LLC ("North Oaks Company"). I expressed these concerns to Councilmember Kingston and he suggested that it would be appropriate if I directed my concerns to you, as City Administrator. Accordingly, I am sending this to your attention, but I am also copying members of the City Council.

As you know, North Oaks Company has been asking for and obtaining input from members of the community, City staff, Planning Commission, and City Council for more than a year to arrive at plans for the Anderson Woods and Nord subdivisions, which the Planning Commission unanimously recommended for approval to the City Council. These plans were before the City Council for approval at the June 11, 2020 meeting. Hours before that Council meeting, Council Member Ries provided the other Council members with a letter from Dr. Joe Magner setting forth his opinion as to the impact global warming may have on the hydrology of the Nord site. North Oaks Company, in its normal course of business, contracted with American Engineering and Testing to complete soil borings and confirmed Dr. Magner's assessment of high ground water as not correct.

North Oaks Company's principal concern is that Council Member Ries appears to have intentionally misrepresented to the City Council and the public how Dr. Magner came to be involved in this issue and to have deliberately withheld from the City Council and the public Dr. Magner's relationship to Gary Magner and the potential conflict of interest that relationship creates. The actions of Ms. Ries undermine the ability for North Oaks Company to rely on the City to carry out its obligations under the terms of the PDA in good faith.

North Oaks Company's concerns stem from three different but related actions at the June 11th City Council Meeting, below we outline our understanding of what occurred:

1. During the June 11th City Council meeting, Ms. Ries stated that she contacted the University of Minnesota and that the University sent someone out to inspect the proposed Nord parcel. Her exact words were:

"I went out to the site and saw a lot of standing water, and also after the last Planning

Commission meeting on June 9, 2020, there were statements made about the designation of the wetland. I began to inquire into this and contacted the University of Minnesota and they were kind enough not only to take my call but to inspect the site"

The Company now believes that Council member Ries did not, in fact, contact the University of Minnesota and that the University of Minnesota played no role in causing Dr. Magner to visit the site. Instead, the Company believes Council member Ries contacted a relative of a vocal opponent of the Nord and Anderson Woods subdivision applications who happens to be a member of the University of Minnesota's faculty to ask for his assistance in her opposition to the project. It appears Dr. Magner did visit the site with Council Member Ries and that he did provide her with a letter on University of Minnesota stationery outlining his personal opinions, but rather than describing the letter as such, Council Member Ries presented this letter to the City Council and the public as coming from the University of Minnesota and appears to have intentionally sought to create the impression that the University of Minnesota had concerns regarding approval of the development.

The Company now believes that Council member Ries intentionally misrepresented how Dr. Magner became involved in order to create a false impression that the University Minnesota agreed with and sanctioned Dr. Magner's personal opinions for the purpose of influencing other Council members' and the public's opinion as to the appropriateness of the City's approval of the Nord and Anderson Woods subdivision applications.

2. Ms. Ries was directly asked twice during her presentation on June 11th if Dr. Magner was related to Gary Magner, a resident of North Oaks who had signed a petition apparently designed to strip housing counts from a binding contract between the North Oaks Company and the City of North Oaks so as to limit and restrict the Company's contractual development rights. In response to the question of whether the two Magners were related, Ms. Ries replied "***I have no idea***", a statement which has subsequently been determined to be false.
3. Based on your conversation with Dr. Magner, we now know that not only was Council member Ries aware of the family relationship between the Magners, but both Dr. Magner and Council member Ries discussed this significant potential conflict of interest prior to the June 11th Council meeting. Council member Ries withheld the details of this material conflict of interest from North Oaks Company, City staff, the City Council and the public at large.

Council Member Ries's actions are not trivial. The Company is concerned that her actions have damaged North Oaks Company's reputation in the community and could have adverse impacts on North Oaks Company's development and sale of lots in Nord and Anderson Woods subdivisions.

In addition to the actions documented above, the Company is also concerned that Council Member Ries trespassed onto North Oaks Company's property with Dr. Magner. There is photographic evidence of her doing so. This trespass appears to violate the Council's Code of Conduct. As previously stated, we are concerned that the actions of Ms. Ries may cause North Oaks Company financial injury in addition to any potential civil and criminal violations that may have occurred. Community members who have been watching the detailed review and scrutiny of these development projects have received misleading information that may have tainted their determination of the appropriateness of these two projects.

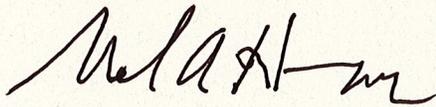
The Nord and Anderson Woods development sites, and the remaining three sites slated for development in the City of North Oaks represent millions of dollars North Oaks Company is investing in

the City. Going forward we ask measures be taken to ensure all members of the City Council are forthcoming with concerns and operate in an honest and transparent manner. North Oaks Company has and continues to make substantial investments in this community and acts as a steward of the environment in North Oaks. We have dedicated land that is the largest conservation area (approximately 900 acres) in the Twin Cities managed by the Minnesota Land Trust. We continue to improve this beautiful natural environment and network of trails for the benefit of North Oaks residents. In our opinion, it is important to the residents of North Oaks that City Officials are acting in good faith with North Oaks Company to ensure the successful completion of all remaining development sites in a manner that reflects the spirit of the master plan outlined in the PDA. We have consistently experienced honest and forthright behavior by City officials which makes Council Member Ries' actions so unusual and worthy of calling to your attention.

We request that the City Council review Council Member Ries' actions and to determine the most appropriate response. Thank you for your attention in this matter.

Sincerely,

North Oaks Company LLC

A handwritten signature in black ink, appearing to read "Mark Houge". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Houge

President

CC: Honorable Mayor Gregg Nelson
Members of the City Council