

**CITY OF CLARA CITY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
SPECIAL MEETING**

**May 2, 2017
City Hall**

This Special Meeting of the Economic Development Authority of Clara City was called to order by President Chad Forkrud, as Chair, on Tuesday, May 2, 2017, at 12:02 PM in the Council Chambers of City Hall in Clara City, MN.

Members present: Chad Forkrud, Chip Goeman, Robert Schwitters, Gary Nelson, Jim Thein, and Windy Block

Members absent: Rhonda Pieper (excused)

Staff present: None

Also present: Robert Condon

The Chair declared a Quorum of the members to be present.

Upon solicitation by the Chair for any desired changes to the Agenda and recognizing one such request, *it was moved by Thein and seconded by Goeman that the draft Agenda be approved as presented. The motion passed 6-0.*

At Agenda Item No. 3, there were no meeting minutes to be considered.

Under Agenda Section No. 4 "Communications/Notices," there were no items of business to be considered.

At Agenda Section No. 5 "Reports from Officers and Committees," there were no items of business to be considered.

At No. 6 "Reports from Staff and Administrative Officers," there were no items of business to be considered.

Under Agenda Item No. 7 (A), consideration was given to receiving a report from the EDA Subcommittee (Gary Nelson, Bob Schwitters, Jim Thein, and Gene Wenstrom) regarding their efforts to negotiate an agreement with Robert & Kathryn Condon for the EDA/City's purchase of bare farm land acreage in the South Hawk Creek Business Park. Nelson, on behalf of the Subcommittee, presented a "Staff Memorandum, dated May 2, 2017," to the Commissioners and reviewed it for their consideration. That was followed by an in-depth discussion amongst the EDA Board members and with Bob Condon regarding the proposal for the sale of bare farm land by Robert & Kathryn Condon to the EDA/City. Following the completion of the discussion, *it was moved by Goeman and seconded by Schwitters to recommend to the City Council that the EDA/City proceed with the purchase of approximately 8.0 acres of bare farm land in the South hawk Creek Business Park (PIN 30-913-0115) from Robert & Kathryn Condon for the terms as outlined in the "Staff Memorandum, dated May 2, 2017," and also as amended at this meeting, such terms including:*

1. Through an "Option and Real Estate Agreement" that is currently under development via drafting by the City Attorney John Sellner, the parties would enter into an agreement by and between the City/EDA and Robert & Kathryn Condon, wherein the City/EDA will agree to purchase 8.0 of specific acres of bare farm land within PIN #30-913-0115 (See Attachment #1) for a total price of \$263,995, such total to be calculated as follows:

<i>1.1 acres @ \$72,727/acre =</i>	<i>\$ 80,000</i>
<i>6.9 acres @ \$26,666/acre =</i>	<i>\$183,995</i>
<i>8.0 acres - Total =</i>	<i>\$263,995</i>

This agreement would ultimately require the completion by the City/EDA of this purchase on or before April 30, 2020, unless Robert & Kathryn Condon would choose to exercise a "Put Option in Favor of the Condon's" prior to that date, in which case the City/EDA would have to complete the closing within 60 days of receiving adequate notice of the exercise by Condon of their Put Option.

2. *The City/EDA will agree to assume their proportionate share of the \$37,666.86 of existing assessments for the street and curb & gutter improvements that have been levied against Robert & Kathryn Condon under the 2016 Utility and Street Improvement Project. It is estimated that the City's share will be about 70% of the existing total, or \$26,367. Robert & Kathryn Condon would retain responsibility for paying off the remaining \$11,300 due on the assessment. The final calculation for the division of these assessments will be by the City Engineer, Rodeberg & Berryman, Inc.*

3. *Robert & Kathryn Condon agree to complete any and all necessary transactions in order to fulfill all obligations under an existing Memorandum of Understanding (See Attachment #2), signed jointly by all parties on February 8, 2012, by and between Donner's Inc. (Tony Donner), Robert Condon, and Crossroads Truck Repair (Mark Quigley & Chuck Olson) detailing the construction of certain utility improvements as made by the City in 2012 without any assessed cost to the beneficiaries of the improvements.*

4. *The City/EDA agree to work in harmony with Robert & Kathryn Condon to fulfill all outstanding requirements as may be required under an Agreement (See Attachment #3), dated February 28, 2012, by and between Donner's Service, Inc. and Robert P. Condon and Kathryn A. Condon, husband and wife, with regard to future ingress and egress over and across a part of the Donner property for the benefit of the Condon property, using the Highway No. 23 Approach.*

5. *Additional amendments to be incorporated in the Purchase Agreement that will include the appropriate and necessary language for the adding of four additional provisions, including: (1) A provision stating that Bob & Kathryn Condon will not sell any other farm property they own, inside or outside of the City, to any retail business, especially like a Dollar Store, for a period of seven (7) years from the date of the signing of this agreement; (2) A provision giving the City the right to offer a put option for their immediate purchase prior to the date of April 30, 2020, for the purpose of their facilitating immediate industrial and/or manufacturing growth on this parcel, subject to a 120-day notice for adequate performance by the Condon's being provided first to the Condon's; (3) A provision allowing Robert & Kathryn Condon to be named the preferred farmer of any acreage under consideration in this purchase, until such time as the property is to be actually developed; and (4) A provision allowing this agreement to be amended subject to the required approval by all parties of said amendment(s).*

The motion was adopted by a 6-0 vote.

The Chair then reminded the members that the next regularly scheduled meeting of the EDA will be held on Monday, May 8, 2017, 12:00 Noon, at City Hall.

Upon recognizing the completion of the EDA's intended business, *it was moved by Thein and seconded by Nelson to adjourn the meeting. The motion passed 6-0 and Chair Forkrud declared the meeting adjourned as of 1:24 P.M.*

APPROVED: _____
Date

ATTEST: _____
Winthro C. Block, Secretary/City Administrator