



CITY OF MARSHALL
Housing and Redevelopment Authority
Meeting
A g e n d a
Tuesday, September 22, 2020 at 5:15 PM
Minnesota Emergency Response and Industrial
Training (MERIT) Center, 1001 Erie Road

NOTICE: Pursuant to Minnesota State Statute 13D.021

Some or all members of the City Council may participate by telephone or other electronic means. Regular attendance and meeting location are not feasible due to the Coronavirus Disease (COVID-19) pandemic.

CALL TO ORDER

APPROVAL OF MINUTES

1. Consider approval of the minutes from the special meeting held on August 25, 2020.

NEW BUSINESS

2. Call for a Public Hearing to Consider Approval of a Land Sale.

ADJOURN

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, September 22, 2020
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider approval of the minutes from the special meeting held on August 25, 2020.
Background Information:	
Fiscal Impact:	
Alternative/ Variations:	Staff encourages HRA Members to provide any suggested corrections to the minutes in writing to City Clerk, Kyle Box, prior to the meeting. We then could potentially incorporate proposed amended minutes at the meeting.
Recommendations:	that the minutes of the special meeting held on August 25, be approved as filed with each member and that the reading of the same be waived.

CITY OF MARSHALL
HOUSING AND REDEVELOPMENT AUTHORITY MEETING
MINUTES
Tuesday, August 25, 2020

The special meeting of the Housing and Redevelopment Authority was held on August 25, 2020 in the Minnesota Emergency Response and Industrial Training (MERIT) Center, 1001 Erie Road. The meeting was called to order at 4:15 P.M. by Chairman Robert Byrnes. In addition to Byrnes the following members were present: Craig Schafer, Glenn Bayerkohler, John DeCramer, Russ Labat, James Lozinski. Absent: Steve Meister. Staff present included: Sharon Hanson, Executive Director; Dennis Simpson, City Attorney; Annette Storm, Director of Administrative Services and Kyle Box, City Clerk.

Consider approval of the minutes from the special meeting held on August 11, 2020.

Motion made by Board Member Lozinski, Seconded by Board Member DeCramer. that the minutes of the special meeting held on August 11, be approved as filed with each member and that the reading of the same be waived. Voting Yea: Chairman Byrnes, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Authorize the Appropriate Officials to Execute an Amendment to Declaration, Which Document Defines Property Within Commerce Industrial Park Second Addition, Which Will Remain Restricted Property Pursuant to State of Minnesota BDPI Grant No. BDPI-17-0003-0-FY1A.

The City of Marshall received a two-million-dollar grant for the development of infrastructure within Commerce Industrial Park Second Addition. The entire development project costs approximately five-million dollars with Marshall Municipal Utilities and the City of Marshall contributing up to three-million dollars for the development project and the State Grant Fund providing an additional two-million dollars for infrastructure development. At the time that the Grant was obtained, the City of Marshall filed a State Mandated "Declaration" indicating that the HRA owned the entirety of the property and that the property would be subject to the terms and conditions of the BDPI Grant. The Terms of the BDPI Grant require that all property subject to the Grant be sold at fair market value based upon appraisals conducted on a lot by lot basis. All fair market value land sales require that the funds acquired from property of sale be paid to the State of Minnesota. Throughout the construction project, the City of Marshall and DEED differentiated between infrastructure constructed within the road right of ways vs. excavation done within the broader scope of the development. BDPI Grant reimbursed for infrastructure installation within public right of ways and the construction of drainage swales and retention ponds located throughout the property. City of Marshall and MMU monies were used for general land property excavation and not for the installation of infrastructure.

Subsequent discussions with both DEED and Minnesota Management Budget (MMB) indicated that the State agencies are receptive to an Amendment to the Declaration allowing for future restriction and encumbrance only of the properties on which the BDPI Grants were used for infrastructure installation. Therefore, an Amended Declaration has been prepared, which would indicate that the BDPI Grant funds were used and subsequently restricted property to the Michigan Road extension and infrastructure installation as well as the drainage properties. Therefore, the Amendment has been prepared and Out Lots; A, B, C, D and E have been identified as properties subject to the Declaration and restrictions. Additionally, the public roadway easement for installation of infrastructure in the road right of way is also restrictive property within the Amended Declaration.

It is recommended that the appropriate officials be authorized to sign the Amended Declaration and authorize the subsequent recording of that Declaration. The Amended Declaration will indicate that the development of property within each of the various lots is not subject to the terms of the BDPI Grant and is not restrictive

pursuant to the terms of the BDPI Grant. The Sale of property continues to be subject to the Statutory Restrictions for types of businesses but is not subject to repayment of the Grant. Attached is a copy of the Amendment to Declaration as well as a map verifying that the infrastructure has been installed in Michigan Road. Finally, a plat map is included identifying the properties subject to the restriction as being Out Lots; A, B, C, D and E and well as Michigan Road.

The Amendment to the Declaration and subsequent approval by State Agencies will allow much more flexibility for the City to negotiate sale prices with any potential developers.

Motion made by Board Member DeCramer, Seconded by Board Member Lozinski to authorize the proper officials to sign the Amended Declaration. Voting Yea: Chairman Byrnes, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Adjourn

At 3:50 P.M., Motion made by Board Member Schafer, Seconded by Board Member Lozinski to adjourn. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Robert J. Byrnes
Chairman

ATTEST:

Sharon Hanson
Executive Director

CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, September 22, 2020
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Call for a Public Hearing to Consider Approval of a Land Sale.
Background Information:	<p>Marshall EDA received a land sale proposal from Jim Swenson of Action Landscaping Supply to purchase 2.26 acres of land. The proposed property is owned by the HRA and is located at the corner of London Road and Channel Parkway. The land would be used to add a pickup/delivery driveway into the property he recently purchased on W Main St in addition to stockpile storage. Swenson will sign a driveway access agreement with Marshall Machine Shop, so no easement is needed for the project. Swenson will purchase the property as Best Topsoil, LLC. Marshall EDA is also working with another business on a potential development on Parcel 27-538002-0. The sale of the 2.26 acres will not interfere with the proposed project and both parties are in agreement of the subdivision of the current parcels.</p> <p>The property breakdown would be as follows:</p> <ul style="list-style-type: none"> • Parcel 27-538002-0: 0.46 acres • Parcel 27-538003-0: 1.8 acres <p>*See attached map for layout details.</p> <p>Swenson has offered \$42,500 for the 2.26 acres of land and would pay for survey/plat costs associated with the sale. In addition, Swenson agrees to install a ditch on Parcel 27-538003-0 for drainage. This ditch could be used for future projects on Parcel 27-538002-0 and Parcel 27-538003-0</p>
Fiscal Impact:	
Alternative/ Variations:	No alternative actions are recommended.
Recommendations:	To call for Public Hearing on Tuesday, October 13 th at 5:00 pm at the Minnesota Emergency Response and Industrial Training (MERIT) Center, 1001 Erie Road.

MINNESOTA STANDARD PURCHASE AGREEMENT

(BEFORE YOU USE OR SIGN THIS CONTRACT, YOU SHOULD CONSULT WITH AN ATTORNEY TO DETERMINE THAT THIS CONTRACT ADEQUATELY PROTECTS YOUR LEGAL RIGHTS)

1. **PARTIES.** This purchase agreement is made on _____, 2020, by and between Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a municipal corporation, as SELLER, and Best Topsoil, LLC, as BUYER.
2. **OFFER/ACCEPTANCE.** Buyer offers to purchase, and Seller agrees to sell property legally described as:

Part of Lot Two (2) – Block 1 of Mclaughlin Industrial Park Second addition to the City of Marshall, Lyon County, Minnesota – (± 0.46 Acres) – Surveyed Description to govern (Part of Tax Parcel 27-538002-0)

And

Part of Lot Three (3) – Block 1 of Mclaughlin Industrial Park Second addition to the City of Marshall, Lyon County, Minnesota – (± 1.8 Acres) – Surveyed Description to govern (Part of Tax Parcel 27-538003-0).

3. **PRICE AND TERMS.** The total purchase price for the real property included in this sale is Forty-two Thousand Five Hundred and no/100 (\$42,500.00) Dollars, which Buyer shall pay as follows: Earnest money of \$1,000.00 upon the execution of this agreement, receipt of which is hereby acknowledged and the remaining purchase price of \$41,500.00 to be paid at the closing date to be agreed upon by the parties.
4. **BUYER.** Agrees to obtain for and will provide payment for a survey of the property, the legal descriptions of which will be used for the Warranty Deed transferring property. Purchaser will obtain and pay for platting costs incurred for the replatting of the property. Purchaser shall construct and pay for a ditch drainage system to be installed on the property, which system is to be designed and approved by engineering staff at the City of Marshall.
5. **DEED/MARKETABLE TITLE.** Upon performance by Buyer, Seller shall execute and deliver a Warranty Deed conveying marketable title, subject to:
 - (A) Building and zoning laws, ordinances, state and federal regulations;
 - (B) Restrictions relating to use or improvement of the property without effective forfeiture provisions;
 - (C) Reservation of any mineral rights by the State of Minnesota;
 - (D) Utility and drainage easements which do not interfere with existing improvements;
 - (E) Exceptions to title which constitute encumbrances, restrictions or easements which have been disclosed to Buyer and accepted by Buyer in this Purchase Agreement; (MUST BE SPECIFIED IN WRITING).

6. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** The real estate is exempt from taxes due and payable in the year of closing.
7. **DAMAGES TO REAL PROPERTY.** If the Real Property is substantially damaged prior to closing, this Purchase Agreement shall terminate, and the Earnest Money shall be refunded to Buyer. If the Real Property is damaged materially but less than substantially prior to closing, Buyer may rescind this Purchase Agreement by notice to Seller within twenty-one (21) days after Seller notifies Buyer of such damage, during which 21-day period Buyer may inspect the Real Property, and in the event of such rescission, the Earnest Money shall be refunded by Buyer.
8. **OTHER TERMS.** Buyer shall acquire property subject to all existing easements of record. Buyer shall honor all existing easements.
9. **SELLER'S BOUNDARY LINE, ACCESS, RESTRICTIONS AND LIEN WARRANTIES.** Seller warrants that buildings, if any, are entirely within the boundary lines of the Real Property. Seller warrants that there is a right of access to the Real Property from the public right of way. Seller warrants that there has been no labor or material furnished to the Real Property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the property. These warranties shall survive the delivery of the deed or contract for deed.
10. **DISCLOSURE OF NOTICES.** Seller has not received any notice from any governmental authority as to violation of any law, ordinance, or regulation. If the Real Property is subject to restrictive covenants, Seller has not received any notice from any person as to a breach of the covenants.
11. **POSSESSION.** Seller shall deliver possession of the property not later than Closing. All interest, fuel oil, liquid petroleum gas, and all charges for city water, city sewer, electricity and natural gas shall be prorated between Buyer and Seller as of the date of Closing.
12. **EXAMINATION OF TITLE.** Seller shall, within ten (10) days of this Agreement, furnish Buyer with an abstract of title or a registered property abstract certified to date including proper searches covering bankruptcies and state and federal judgments, liens and levied and pending special assessments. Buyer shall have ten (10) business days after receipt of the abstract of title or registered property abstract either to have Buyer's attorney examine the title and provide Seller with written objections ("Objections") or, at Buyer's own expense, to make an application for a title insurance policy and notify seller of the application. Buyer shall have ten (10) business days after receipt of the commitment for title insurance to provide Seller with a copy of the commitment and written Objections. Buyer shall be deemed to have waived any title Objections not made within the applicable ten (10) day period for above, except that this shall not operate as a waiver of Seller's covenant to deliver a statutory warranty deed, unless a warranty deed is not specified above.

13. TITLE CORRECTIONS AND REMEDIES. Seller shall have 90 days from receipt of Buyer's written title objections to make title marketable. Upon receipt of Buyer's title objections, Seller shall within ten (10) business days, notify Buyer of Seller's intention to make title marketable within the 90-day period. Liens or encumbrances for liquidated amounts which can be released by payment or escrow from proceeds of closing shall not delay the closing. Cure of the defects by Seller shall be reasonable, diligent, and prompt. Pending correction of title, all payments required herein, and the closing shall be postponed.

- A. If notice is given and Seller makes marketable title, then upon presentation to Buyer and proposed lender of documentation establishing that title has been made marketable, and if not objected to in the same time and manner as the original title objections, the closing shall take place within ten (10) business days or on the scheduled closing date, whichever is later.
- B. If notice is given and Seller proceeds in good faith to make title marketable but the 90 day period expires without title being made marketable, Buyer may declare this Purchase Agreement null and void by notice to Seller, neither party shall be liable for damages hereunder to the other, and Earnest Money shall be refunded to Buyer.
- C. If Seller does not give notice of intention to make title marketable, or if notice is given but the 90 day period expires without title being made marketable due to Seller's failure to proceed in good faith, Buyer may seek, as permitted by law, any one or more of the following:
 - 1. Proceed to closing without waiver or merger in the deed of the objections to title and without waiver of any remedies, and may:
 - (a) Seek damages, costs and reasonable attorney's fees from seller as permitted by law (damages under this subparagraph (a) shall be limited to the cost of curing objections to title and consequential damages are excluded); or
 - (b) Undertake proceedings to correct the objections to title;
 - 2. Rescission of this Agreement by notice as provided herein, in which case the Agreement shall be null and void and all Earnest Money paid hereunder shall be refunded to Buyer;
 - 3. Damages from Seller including costs and reasonable attorney's fees, as permitted by law;
 - 4. Specific performance within six months after such right of action arises.

- D. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options as permitted by law:
1. Cancel this Agreement as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this Agreement is a down payment note, and may be presented for payment notwithstanding cancellation;
- E. If title is marketable or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:
1. Seek damages from Seller including costs and reasonable attorney's fees;
 2. Seek specific performance within six months after such right of action arises.

TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.

14. **NOTICES.** All notices required herein shall be in writing and delivered personally or mailed to the address as shown at Paragraph 1, above and if mailed are effective as of the date of mailing.
15. **MINNESOTA LAW.** This contract shall be governed by the laws of the State of Minnesota.
16. **ADDITIONAL TERMS.** Seller is solely responsible for wetland delineation and mitigation. Application has been made for purchase of sufficient wetland bank credits to remove the designated wetland and to allow for future development of the entirety of the parcel. Closing to occur at such time as the wetland bank credit purchase is approved and the Minnesota Board of Water and Soil Resources issues its ruling related to elimination of wetland and the availability of that wetland for future development. This transaction is also subject to and contingent upon public hearing to be conducted by Seller and approval of this form by the Housing and Redevelopment Authority in and for the City of Marshall.

THIS IS A LEGALLY BINDING CONTRACT. BEFORE SIGNING, CONSULT A LAWYER. Minnesota Law permits licensed real estate brokers and sales agents to prepare purchase agreements. No recommendation or representation is made by either the listing broker or selling broker as to the legal sufficiency, the legal effect or the tax consequences of this contract. These are questions for your lawyer.

I agree to sell the property
for the price and terms and
conditions set forth above.

Housing and Redevelopment Authority in
and for the City of Marshall, Minnesota

By: _____
Robert J. Byrnes
Its: Chair

By: _____
Sharon Hanson
Its: Executive Director

STATE OF MINNESOTA)
)ss
COUNTY OF LYON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Robert J. Byrnes and Sharon Hanson, the Chair and Executive Director of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, as Seller.

Notarial Stamp or Seal (or other Title or Rank)

Signature of Person Taking
Acknowledgment

I agree to purchase the property
for the price and terms and
conditions set forth above.

Best Topsoil, LLC

By: _____
James Swenson

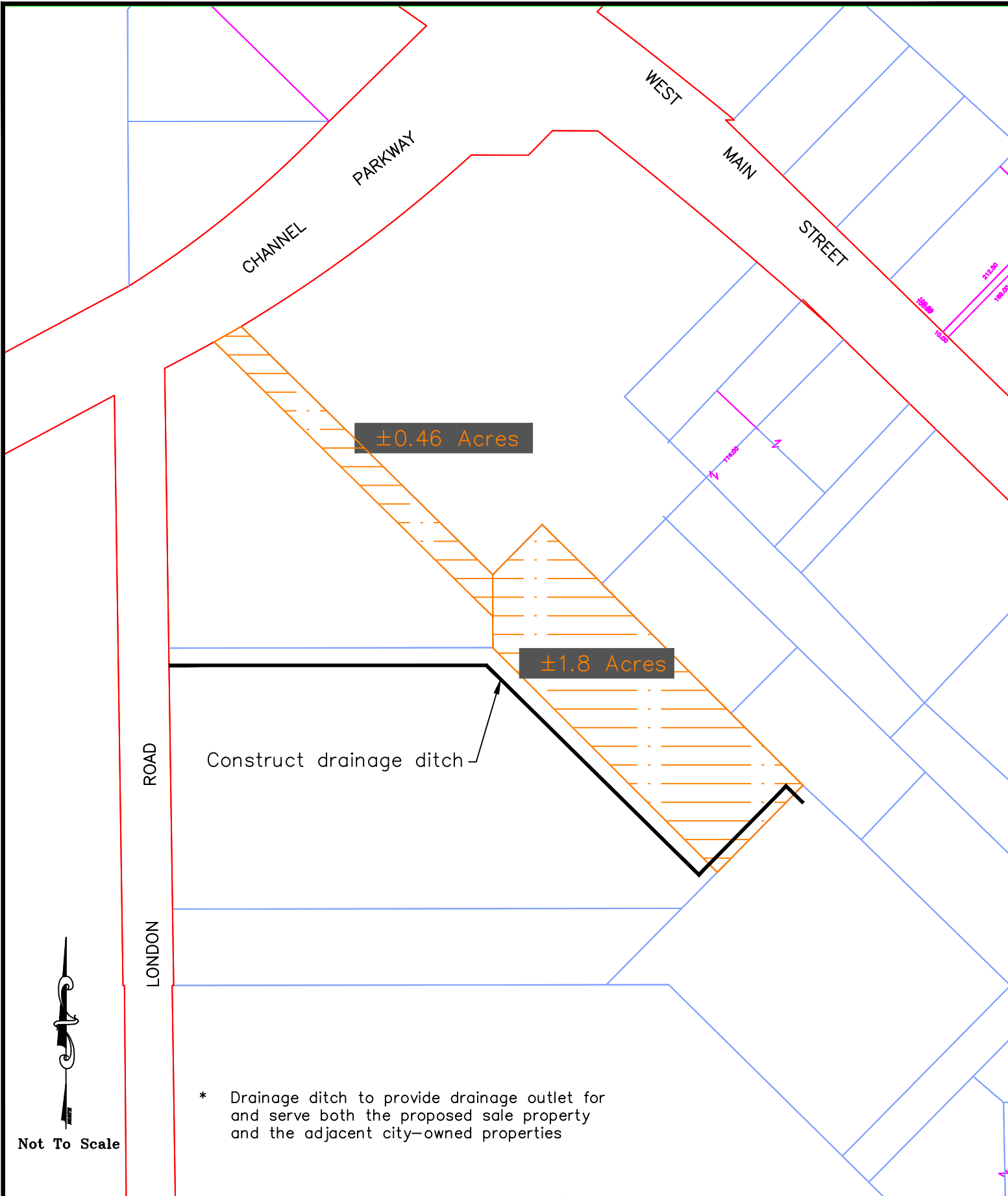
Its: Managing Member

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of
_____, 2020, by James Swenson as managing member of Best Topsoil, LLC, as
Buyer.

Notarial Stamp or Seal (or other Title or Rank)

Signature of Person Taking
Acknowledgment



Not To Scale

* Drainage ditch to provide drainage outlet for and serve both the proposed sale property and the adjacent city-owned properties



Item 2.

MARSHALL

CITY ENGINEERING DEPT.
344 WEST MAIN STREET
MARSHALL, MINNESOTA

EDA Land Sale

McLaughlin Industrial Park
2nd Addition

DATE
09/08/20

SHEET NO.
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