

REQUEST FOR COUNCIL ACTION

Date: April 6, 2015
Item No.: 8.f

Department Approval



City Manager Approval



Item Description: **Dale Street Fire Station Site Redevelopment**

BACKGROUND

At its March 23, 2015 meeting, the City Council authorized presenting an offer to the Housing and Redevelopment Authority (HRA) for the purchase of property in the Dale Street Fire Station Redevelopment Area.

The HRA's attorney prepared the attached purchase agreement which was reviewed by the City Attorney (Attachment B).

At its March 31, 2015 meeting, the HRA approved a resolution approving the purchase agreement as it was presented and authorized staff and HRA officials to take all actions necessary to perform the Authority's actions under the Purchase Agreement.

POLICY OBJECTIVE

The redevelopment of this site satisfies many of the City's policy objectives related to elimination of blight and promoting the redevelopment of a wide range of housing options.

BUDGET IMPLICATIONS

It is anticipated that the funds to purchase the property will be coming out of TIF funds, not the General Fund. Staff time, including the City Attorney and HRA Attorneys will be necessary to prepare, review and process the documents for the transaction.

STAFF RECOMMENDATION

Staff recommends the approval of the attached resolution that will authorize taking all actions necessary to enter into the purchase agreement with the HRA.

REQUESTED COUNCIL ACTION

Offer a motion to approve the attached Resolution authorizing entering into the purchase agreement with the HRA for the HRA owned land in the Dale Street Fire Station Redevelopment project area and performance of the actions necessary to meet the City's obligations identified in the executed purchase agreement.

Prepared by: Paul Bilotta, Community Development Director
Attachments: A: Resolution Approving the Purchase of Certain Land in the City of Roseville
B: Draft Purchase Agreement approved by the HRA

**EXTRACT OF MINUTES OF MEETING
OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 6th day of April, 2015, at 6:00 p.m.

The following members were present: , , , and Mayor .
and the following were absent: .

Member introduced the following resolution and moved its adoption:

RESOLUTION No.

**RESOLUTION APPROVING THE PURCHASE OF CERTAIN LAND BY THE CITY
OF ROSEVILLE**

WHEREAS, the City of Roseville (the “City”) and the Roseville Housing and Redevelopment Authority (the “Authority”) each own certain property in the Authority’s Redevelopment Project No. 1 Area (the “Project”), and have determined that to facilitate the development of such property, the City should acquire the portion of the property owned by the Authority and described as Lots 18, 19, 20, 21 and 22, Block 1, O’Neil’s Addition, according to the recorded plat thereof, Ramsey County, Minnesota (the “Development Property”) pursuant to a Purchase Agreement between the City and Authority in substantially the form presented to the the City; and

WHEREAS, the Authority on March 31, 2015 conducted a duly noticed public hearing regarding the sale of the Development Property to the City, at which all interested persons were given an opportunity to be heard; and

WHEREAS, the Authority found and determined that conveyance by the Authority of the Development Property to the City is for a public purpose and is in the public interest because it will further the objectives of the Project, and that such conveyance has no relationship to the comprehensive plan for the City.

WHEREAS, the Authority met on March 31, 2015 and passed a resolution authorizing Authority staff and officials to take all actions necessary to perform the Authority’s obligations under the Purchase Agreement as a whole, including without limitation execution of any deed or other documents necessary to convey the Development Property to the City or referenced in the Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the City Council ("Council") of the City of Roseville, Minnesota as follows:

1. The Council approves the Purchase Agreement providing for the purchase of the Development Property by the City, subject to modifications that do not alter the substance of the transaction and that are approved by the City Attorney, provided that execution of the Purchase Agreement shall be conclusive evidence of approval.
2. City staff and officials are authorized to take all actions necessary to perform the City's obligations under the Purchase Agreement as a whole, including without limitation making payments for the property purchase, consultants and closing costs outlined in the Purchase Agreement and execution of any documents necessary to purchase the Development Property by the City or referenced in the Purchase Agreement.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon a vote being taken thereon, the following voted in favor thereof: _____, _____, _____, _____, and Mayor _____.

and the following voted against the same: _____.

WHEREUPON said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

I, the undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the day of, , 20 with the original thereof on file in my office.

WITNESS MY HAND officially as such Manager this day of , 20

SEAL

Patrick Trudgeon, City Manager

PURCHASE AGREEMENT

This Purchase Agreement (“Agreement”) is made this ____ day of _____, 2015, by and between the Housing and Redevelopment Authority in and for the City of Roseville, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (“Seller”) and the City of Roseville, Minnesota, a Minnesota municipal corporation (“Buyer”).

1. PROPERTY. Seller is the owner of property located in the City of Roseville, Minnesota, which is legally described as Lots 18, 19, 20, 21 and 22, Block 1, O’Neil’s Addition, according to the recorded plat thereof, Ramsey County, Minnesota (the “Property”).

2. OFFER/ACCEPTANCE. In consideration of and subject to the terms and provisions of this Agreement, Buyer offers and agrees to purchase and Seller agrees to sell and hereby grants to Buyer the exclusive right to purchase the Property and all improvements thereon, together with all appurtenances. All fixtures located on the Property on the date of this Agreement are included in the purchase of the Property.

3. PURCHASE PRICE FOR PROPERTY AND TERMS.

a. **PURCHASE PRICE:** The total purchase price for the Property is: Six Hundred Eighty-Nine Thousand Nine Hundred Forty Dollars and Sixty-Two Cents (\$689,940.62) (“Purchase Price”).

b. **TERMS:**

1. **EARNEST MONEY:** The sum of One Dollar (\$1.00) earnest money shall be paid by Buyer to Seller (“Earnest Money”).
2. **BALANCE DUE SELLER:** Buyer agrees to pay by check or wire transfer on the Closing Date any remaining balance due on the Purchase Price according to the terms of this Agreement.
3. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Quit Claim Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
 - i. Building and zoning laws, ordinances, state and federal regulations;
 - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
 - iii. Public utility and drainage easements of record which will not interfere with Buyer’s intended use of the Property.

4. DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER. In addition to the Quit Claim Deed required at paragraph 3B(3) above, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmen's liens and rights of parties in possession;
- b. A "bring-down" certificate, certifying that all of the representations made by Seller in this Agreement remain true as of the Closing Date;
- c. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. Well disclosure certification, if required, or, if there is no well on the Property, the Quit Claim Deed given pursuant to paragraph 3B(3) above must include the following statement: "The Seller certifies that the Seller does not know of any wells on the described real property;"
- e. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and
- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Purchase Agreement.

5. CONTINGENCIES. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Purchase Agreement by the governing bodies of Seller and Buyer;
- b. Buyer's determination of marketable title pursuant to paragraph 6 of this Agreement; and
- c. Buyer conducting such environmental investigations on the Property as Buyer deems necessary and receiving reports that are satisfactory to Buyer.

Buyer shall have ninety (90) days from the date of approval of this Agreement to remove or waive the foregoing contingencies (the "Due Diligence Period"). These contingencies are solely for the benefit of Buyer and may be waived by Buyer. If Buyer or its attorney gives written notice to Seller that all contingencies are duly satisfied or waived, Buyer and Seller shall proceed to close the transaction as contemplated herein.

If one or more of the contingencies is not satisfied, or is not satisfied within the Due Diligence

Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Seller shall return the Earnest Money to Buyer, and Buyer and Seller shall execute and deliver to each other documentation effecting the termination of this Agreement. As a contingent Purchase Agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

6. TITLE EXAMINATION/CURING TITLE DEFECTS. Buyer shall, at its expense and within a reasonable time after Seller's acceptance of this Agreement, obtain a commitment for title insurance ("Commitment") for the Property. Buyer shall have 10 business days after receipt of the later of the commitment and executed Purchase Agreement to examine the same and to deliver written objections to title, if any, to Seller, or Buyer's right to do so shall be deemed waived. Seller shall have until the end of the Due Diligence Period (or such later date as the parties may agree upon) to make title marketable, at Seller's cost. In the event that title to the Property cannot be made marketable or is not made marketable by Seller within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. ENVIRONMENTAL INVESTIGATIONS. Buyer acknowledges that it has been authorized by Seller to enter the Property and conduct environmental investigations of the Property, and has been supplied with the results of prior environmental investigations by Seller.

8. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS. The parties agree and acknowledge that there are no real estate taxes or special assessments levied or pending against the Property.

9. CLOSING DATE. The date of closing shall be on or before June 30, 2015 ("Closing Date"). Delivery of all papers and the closing shall be made at the offices of Buyer, 2660 Civic Center Drive, Roseville, Minnesota or at such other location as is mutually agreed upon by the parties. All deliveries and notices to Buyer shall be made as provided in Section 17 of this Agreement.

10. POSSESSION/UTILITIES.

- a. **Possession.** Seller agrees to deliver possession of the Property free of all personal property, junk, barrels, and debris to Buyer not later than the Closing Date.
- b. **Utilities.** Seller shall pay all utility charges, if any, prior to the Closing Date.

11. SELLER'S REPRESENTATIONS. Seller hereby represents to Buyer and Seller will represent to Buyer as of the Closing Date that:

- a. **Sewer and water.** The Property is connected to City sewer and City water.
- b. **Mechanics' Liens.** Prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property.

- c. **Notices.** Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.
- d. **Tenants.** The Property is not now occupied by tenants and was not occupied by tenants at the time Seller entered into negotiations with Buyer to purchase the Property.
- e. **Broker Commission.** Neither Seller nor Buyer have engaged the services of a real estate broker in connection with the conveyance of the Property.
- f. **Condemnation.** There is no pending or, to the actual knowledge of Seller, threatened condemnation or similar proceeding affecting the Property or any portion thereof, and Seller has no actual knowledge that any such action is contemplated.
- g. **Legal Proceedings.** There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof, and Seller has no knowledge that any such action is presently contemplated.
- h. **Legal Capacity.** Seller has the legal capacity to enter into this Agreement.
- i. **Methamphetamine Production.** To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

Seller's representations set forth in this paragraph shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys' fees incurred should an assertion, claim, demand or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations contained herein.

12. CLOSING COSTS/RECORDING FEES/DEED TAX. Seller and Buyer agree that Buyer shall pay or reimburse Seller for all costs associated with closing, including without limitation: (a) the cost of title evidence, consisting of an abstract or title commitment evidencing marketable title; (b) any transfer or deed taxes and any deferred taxes due as a result of this transaction; (c) all closing fees customarily charged by the title company; (d) any other operating costs of the Property up to the date of closing; (e) any environmental investigation costs; (f) costs of title insurance and endorsements; and (g) attorneys' fees.

13. INSPECTIONS. From the date of this Agreement to the Closing Date, Buyer, its

employees and agents, shall be entitled to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, and drilling, monitoring, sampling and testing of groundwater monitoring wells, as Buyer shall elect. Buyer shall also be entitled to a general walkthrough inspection within five days of the Closing Date.

14. RISK OF LOSS. If there is any loss or damage to the Property between the date hereof and the Closing Date, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the Closing Date, this Agreement shall become null and void, at Buyer's option. At the request of Buyer, Seller agrees to sign a cancellation of Purchase Agreement.

15. DEFAULT/REMEDIES. If Buyer defaults under this Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement and retain the Earnest Money as Seller's liquidated damages, time being of the essence of this Agreement. The termination of this Agreement (and retention of the Earnest Money) will be the sole remedies available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer shall have the right (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money, or (ii) to enforce and recover from Seller specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Seller of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages.

16. RELOCATION BENEFITS. The parties acknowledge that no persons are being displaced from the Property as a result of the transaction contemplated by this Agreement and that Seller is not eligible for relocation assistance and benefits. The provisions of this paragraph shall survive closing of the transaction contemplated by this Agreement.

17. DEVELOPMENT-RELATED LITIGATION; INDEMNIFICATION. Buyer agrees to defend, indemnify, and hold Seller harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys' fees incurred should an assertion, claim, demand or cause of action be instituted, made or taken in connection with any previous, actual, or proposed negotiations or agreement related to the development of the Property by any third party.

18. NOTICE. Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER:	Housing and Redevelopment Authority in and for the City of Roseville, Minnesota c/o Executive Director 2660 Civic Center Drive
---------	---

Roseville, MN 55113

BUYER: City of Roseville, Minnesota
Attn: City Manager
2660 Civic Center Drive
Roseville, MN 55113

19. ENTIRE AGREEMENT. This Agreement, including exhibits attached hereto, and any amendments hereto signed by the parties, shall constitute the entire agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

20. SURVIVAL. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

21. BINDING EFFECT. This Agreement binds and benefits the parties and their successors and assigns.

(the remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year above.

Seller:

Buyer:

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

City of Roseville, Minnesota

By: _____
Its: Chair

By: _____
Its: Mayor

By: _____
Its: Executive Director

By: _____
Its: City Manager