

## Special Joint meeting of the CITY COUNCIL and the Economic Development Authority

The Council has called a special joint meeting with the Economic Development Authority at City Hall on April 19 at 9:30 a.m. for the purpose of reviewing and taking action on a purchase agreement for the greenhouse, and other options for the sale of the greenhouse.

9:30 A.M.

Thursday, April 19, 2018

Present: Scott M. Johnson  
Richard DeRosier  
Shane Hoff  
Carlene Perfetto  
Dustin Goutermont

EDA members present: Wade LeBlanc, JT Starkovich, Richard DeRosier, Shane Hoff

Lana Fralich, City Administrator

Johnson called the Council meeting to order at 9:33 a.m.

LeBlanc called the Economic Development Authority meeting to order at 9:33 a.m.

**Sale of the Greenhouse, Purchase Agreement for the Greenhouse** – It was noted that the greenhouse has been commercially appraised for \$180,000, that the MN Office of Management and Budget has stated that the City can sell the building for the appraised value, and realtor costs and closing costs can be deducted from the selling price with the net proceeds to be returned to the State for repayment of the grant funds that built the greenhouse. Prior to receiving the purchase agreement, the EDA recommended listing the building with a realtor and contacting local realtors to obtain proposals. The Council and EDA reviewed proposals from Hot Line Realty, Eva J Realty, Odyssey Realty, and Steve Bragg, a commercial broker's verbal proposal along with no interest from Century 21 or Bayview Realty. The Council and EDA reviewed and discussed the purchase agreement for the greenhouse from Endless Summer Farms LLC., that was presented to them just prior to the regularly scheduled Council meeting of April 16, 2018 and which had a deadline to accept of April 20, 2018. Fralich reported that the State has reviewed the purchase agreement and has found it satisfactory but the City needed to complete the G.O. checklist for sale before signing the agreement. Fralich reviewed information about Endless Summer Farms and their intention to continue the use as currently permitted as an aquaponic facility. There was discussion about the timeline that the buyer requires, and it was noted that earnest money has been provided along with a commitment to finance from a local bank. The Council reviewed two recommended changes relating to the Title Company to be used and the certified survey the buyer has requested at City expense. Both Boards stated that there would be no expense by the City for any surveys. The Boards reviewed advice from the attorney regarding due process of public notice, public perception of this issue, and it was his recommendation to list with a Realtor. There was further discussion about Endless Summer Farms production, financing, timing concerns for getting operations started, and employment. There was further the discussion about the choice of listing this property with a realtor, the unknown possibility of receiving other offers or other uses, local citizens expectations for sale, or accepting this purchase agreement for what the City originally intended for the facility.

Goutermont left at 10:00 a.m., due to a prior engagement stating he is supportive of accepting the Purchase Agreement or listing with a realtor, whatever is decided by the Board.

It was noted that this property currently has no tax value as it is City owned, and it would be determined by the Lake County Assessor's office regarding its tax classification which could potentially be considered agricultural property. Fralich reviewed other parties that have shown interest in the property but have not received any other formal proposals.

There was discussion regarding the State's G.O. Compliance Checklist for the Sale of G.O. Bond Financed Property and that the City had previously determined, during the sale to Mariner Farms in 2016, that the facility is no longer usable or needed to carry out the governmental purpose for which it was originally acquired, constructed, or bettered, that Planning and Zoning had determined it to be in compliance with the Comprehensive Plan, and that EDA through its City Council has the statutory authority to sell the property, and there are no changes today to those items previously determined.

Motion by LeBlanc, second DeRosier for the EDA to recommend to the Council to accept the purchase agreement for \$180,180 with Endless Summer Farms LLC instead of listing with a Realtor, contingent upon Buyer accepting the changes recommended by the City Attorney, for the Title Company to be that stated in the Finance Commitment Letter and the change for the City to not expend funds for surveying or other costs associated with property, with a closing date of July 3, 2018; and that the motion continues to state that the property continues to no longer be usable or needed to carry out the governmental purpose for which it was originally acquired, constructed, or bettered, and recognizes that the Planning and Zoning Board had previously determined that selling the property was in compliance with the Comprehensive Plan, and that EDA, through its City Council, has the statutory authority to sell the property, and there are no changes to those items previously determined for the G.O. Compliance Checklist. LeBlanc, Starkovich, DeRosier, and Hoff all voted aye. MOTION CARRIED.

Motion by DeRosier, second Starkovich to adjourn the EDA meeting at 10:23 a.m.  
MOTION CARRIED.

LeBlanc and Starkovich left at this time.

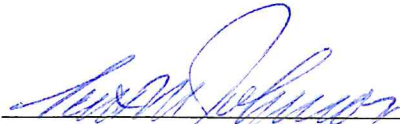
There was further discussion about, whether or not there might be other parties interested in the property that could provide more jobs or generate more property taxes if this property was listed with a realtor, at the potential expense of losing the offer presented to them. There was a consensus if this purchase agreement is not finalized, to then list the greenhouse with a realtor.

Motion DeRosier, second Hoff to accept the recommendation of the EDA, and accept the purchase agreement for \$180,180 with Endless Summer Farms LLC instead of listing with a Realtor, contingent upon Buyer accepting the changes recommended by the City Attorney, for the Title Company to be that stated in the Finance Commitment Letter and the change for the City to not expend funds for surveying or other costs associated with property, with a closing date of July 3, 2018; and that the motion continues to state that the property continues to no longer be usable or needed to carry out the governmental purpose for which it was originally acquired, constructed, or bettered, and recognizes that the Planning and Zoning Board had

previously determined that selling the property was in compliance with the Comprehensive Plan, and the that EDA, through its City Council, has the statutory authority to sell the property, and there are no changes to those items previously determined for the G.O. Compliance Checklist. Councilmember DeRosier, Councilmember Hoff, Councilmember Perfetto, and Mayor Johnson voted aye, Councilmember Goutermont was absent. MOTION CARRIED.

Motion by Perfetto, second Hoff to adjourn the Council meeting at 10:33 a.m.  
MOTION CARRIED.

Minutes taken by Lance K Beachem

  
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Scott M. Johnson, Mayor

  
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Lana Fralich, City Administrator