



DATE: December 7, 2021
CONSENT

AGENDA ITEM: Notice to Proceed with Water Tower Site Purchase

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

A water tower is needed in the area south of 10th Street and as close to Lake Elmo Ave as possible in order to provide adequate water service for growth in the eastern area of Lake Elmo. In July the City Council approved an option agreement for .82 acres located at the southwest corner of Lake Elmo Ave and Hudson Blvd. Since that time the city has completed soil borings and begun the design of the new water tower. In the agreement, Section 5. Exercise of the Option, requires the city to provide written notice of the intent to purchase the property.

ISSUE BEFORE COUNCIL:

Should the Council provide notice of intent to purchase the property??

PROPOSAL:

Included in your packet is resolution that directs staff to provide the written notice of intent to purchase the property. While the soil borings have been done the city still needs to work on the other conditions listed in Section 8.1 such as splitting the property and getting a satisfactory title before the closing. We anticipate closing to occur within 120 days of the notice.

FISCAL IMPACT:

\$50,000 purchase price (\$1,000 already paid with option) plus cost of extending water mains (estimated at \$385,000) and closing costs. All funds would come from the water fund.

OPTIONS:

- 1) Approve Resolution No 2021-131
- 2) Amend and then Approve Resolution No 2021-131
- 3) Do not provide a notice of intent to purchase

RECOMMENDATION:

If removed from the consent agenda:

“Motion to approve Resolution No 2021-131 .”

ATTACHMENTS:

- Resolution No 2021-131

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2021-131

*A RESOLUTION EXERCISING THE CITY'S OPTION UNDER THE OPTION AGREEMENT
BETWEEN THE CITY AND THE ESTATE OF GENE M. PELTIER AND THE ESTATE OF ANN
E. PELTIER TO PURCHASE PROPERTY AND EASEMENTS FOR A CITY WATER TOWER
SITE*

WHEREAS, on July 6, 2021, the City of Lake Elmo (the "City") and the Estate of Gene M. Peltier and the Estate of Ann E. Peltier (collectively, the "Property Owners") entered into that certain Option Agreement whereby the City obtained an option to purchase a portion of the Property Owners' property and various easements (the "Option Agreement"); and

WHEREAS, the City has determined that it would like to exercise its option to purchase a portion of the property that is legally described and shown on the attached Exhibit A, a drainage and utility easement, and a temporary construction easement (said easements are legally described and shown on the attached Exhibit B)(the "Easements"); and

WHEREAS, this Resolution shall constitute the written notice that is required by Section 5 of the Option Agreement of the City's intent to exercise the option; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City hereby exercises its option to purchase the property that is legally described and shown on the attached Exhibit A and the Easements that are described and shown on the attached Exhibit B.
2. The City Administrator shall deliver a copy of this Resolution to the Property Owners. This Resolution shall constitute the written notice that is required by Section 5 of the Option Agreement.
3. City officials, staff, and consultants are authorized to take all actions necessary to perform the City's obligations under the Option Agreement as a whole, including, without limitation, execution of any documents to which the City is a party referenced in or attached to the Option Agreement and any other documents necessary for the property and the Easements to be conveyed by the Property Owners to the City, as described in the Option Agreement.

Passed and duly adopted this 7th day of December, 2021 by the City Council of the City of Lake Elmo, Minnesota.

Charles Cadenhead, Mayor

ATTEST:

Julie Johnson, City Clerk

EXHIBIT A

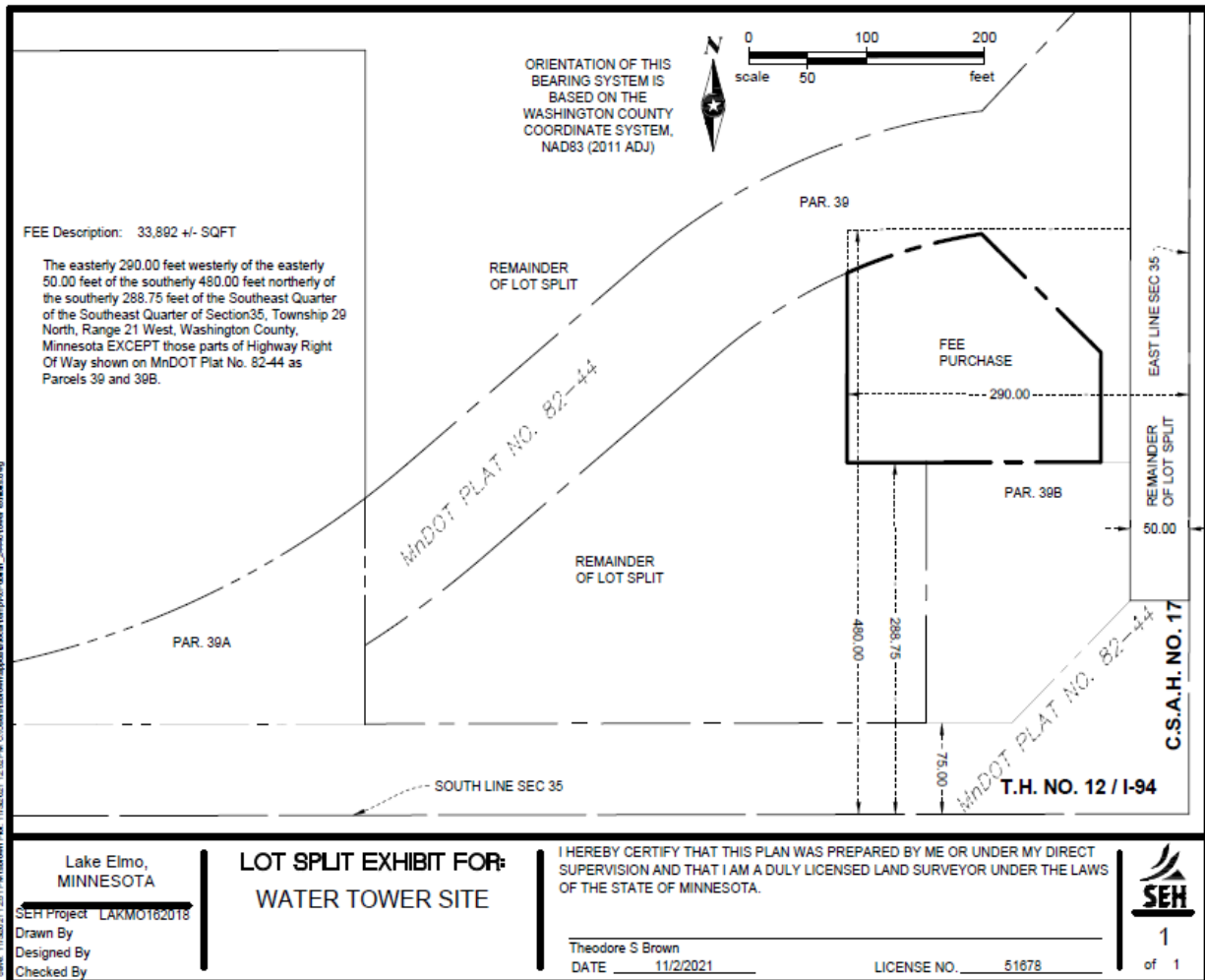


EXHIBIT B

Legal Descriptions and Depictions of the Easements to be Acquired by the City

