



STAFF REPORT

DATE: October 17, 2023

CONSENT

AGENDA ITEM: Settlement Agreement with Steven Dahlblom Regarding Street and Utility Assessment

TO: Mayor and City Council

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

In 2021, the city council approved the final assessment roll for Old Village Phases 5 and 6. This included a street assessment of \$41,100 and sewer assessment of \$37,500 for his multi family unit on Langly Court. Dahlblom appealed his assessment and it has been in district court for the last couple of years.

ISSUE BEFORE COUNCIL:

Should the Council approve the settlement agreement with Dahlblom regarding his street and sewer assessments for Old Village 5 and 6?

PROPOSAL:

The agreement included in your packet reduces the assessment from \$78,600 to \$51,200. If approved, staff will adjust the assessment amount reported to the county this fall. Previous payments are credited against the new assessment amount and interest.

OPTIONS:

- 1) Approve settlement agreement
- 2) Amend and then approve the settlement agreement
- 3) Do not approve the settlement agreement

RECOMMENDATION:

If removed from the consent agenda:

Motion to approve the settlement agreement with Steven Dahlblom for the Old Village 5 and 6 street and sewer assessment.

ATTACHMENTS:

- Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between the Defendant City of Lake Elmo ("City") and Plaintiff Steven D. Dahlblom. ("Plaintiff") (referred to individually as a "Party" and collectively as the "Parties") relating to the claims and defenses in the action captioned *Steven D. Dahlblom v. City of Lake Elmo*, Court File No. 82-CV-21-4637, venued in Washington County District Court, Washington County, Minnesota (hereinafter, the "Lawsuit"). The Lawsuit involves, principally, matters and disputes over the City's special assessments against Plaintiff's property for certain improvements related to the City's Old Village Phase 5 & 6 Improvements Project in the amount of \$78,600.00 (the "Assessment").

Now, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the following terms and conditions of settlement of the Lawsuit.

1. **Agreement Subject to Final Council Approval.** This Agreement is contingent on final approval of the City Council of the City of Lake Elmo. The City Administrator and the City's Attorney in this matter will recommend that the City Council approve the terms and conditions of this Agreement with the understanding that the City Council will take action at its Council meeting of October 3, 2023, to confirm either acceptance or rejection of this Agreement. If the meeting does not occur on October 3, 2023, or for any reason the consideration of this Agreement is delayed, the Parties agree that the City Council will take action as soon as scheduling so allows. If accepted, this Agreement shall be fully executed and thereafter shall be fully enforceable. If rejected, this Agreement, including without limitation, the releases herein, shall be null and void and the Parties shall proceed with their claims, defenses, and remedies as outlined in Paragraph 4 of this Agreement.

2. **Agreement on the Assessment Amount.** In the Lawsuit, Plaintiff challenges the validity and amount of the City's Assessment. The Assessment on the Plaintiff-owned property located at 3343 Langly Court North and identified as Washington County Property I.D. No. 13.029.21.32.0081 originally amounted to \$78,600.00 in total. The City agrees to adjust, and Plaintiff agrees to pay, an assessment amount of fifty-one thousand, two hundred dollars and NO/100 (\$51,200.00) (the "Agreed Assessment").

3. **Plaintiff's Payment of the Agreed Assessment.** Plaintiff agrees to pay the above Agreed Assessment to the City, and may do so as provided by the provisions in Minnesota Statutes Chapter 429 through payments on the property tax statements of the Plaintiff's property identified in Paragraph 2 of this Agreement. Interest shall accrue at the rate of the Original Assessment. Payments made prior to the date of this Agreement shall be credited against the Agreed Assessment and any interest respectively.

4. **Rights in the Event of Council Rejection of Agreement.** In the event that the City Council rejects the recommendation to approve this Agreement on October 3, 2023, as provided in Paragraph 1, then Plaintiff and the City shall proceed with their claims and defenses in the Lawsuit with respect to the Assessment challenge.

5. **Mutual Releases.** Upon execution of this Agreement, and the City Council's approval of the same, Plaintiff and the City, on behalf of themselves, and on behalf of each and all of their

respective past and present representatives, council members, managers, engineers, attorneys, officers, members, agents, employees, insurers, heirs, and assigns, shall and do hereby fully and finally release each other, and each and all of their respective past and present representatives, council members, managers, engineers, attorneys, officers, members, agents, employees, insurers, heirs, and assigns, from any and all claims, demands, or causes of action, whether sounding in contract, tort, or warranty, whether statutory or based on claims of alleged wrongful taking or claim to process violations, that the Parties may have, or may claim to have, known or unknown, against each other arising out of or related to the Assessment or the claims stated in the Lawsuit. This mutual release is intended to be full and final between the Parties with respect to any matter or thing relating to the Assessment and the Lawsuit as to all claims, whether now known, or as may arise in the future.

6. **Third-Party Claims.** Plaintiff shall indemnify, defend, and hold harmless, the City, its employees, agents, and Council from and against any and all claims, actions, damages, costs, judgments, and expenses, including reasonable attorney's fees, which result from any claim by any tenant of, or other third party with an interest in the properties subject to the Assessment, related to the Assessment.

7. **Dismissal of Lawsuit.** If the City Council approves this Agreement, the Parties shall execute and file a stipulation and order of dismissal with prejudice. Neither Party shall appeal the dismissal. If the City Council rejects this Agreement, the Parties shall proceed as outlined under Paragraph 4 of this Agreement.

8. **Non-Admission of Liability.** Nothing in this Agreement shall constitute an admission of fault or responsibility by either Plaintiff or the City. This settlement is made in compromise of disputed matters.

9. **Signatory Authority/Voluntary Execution.** Each of the signatories to this Agreement acknowledge that they are signing the same of their own free act, without being under any coercion, promise, or commitment, except as those expressly contained herein. The persons signing this Agreement in their representative capacities represent and warrant by signing this Agreement that it is their intent to bind their respective principals to the terms and conditions set forth herein, that the persons signing in their representative capacity have been authorized to bind their respective principals to such terms, and that it is the respective principals' intent to be so bound.

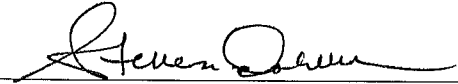
10. **Complete Agreement.** It is understood and agreed that this Agreement is the complete agreement between the Parties, which supersedes any oral agreements and negotiations between the Parties.

11. **Execution in Counterpart.** This Agreement may be executed in counterparts.

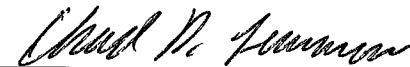
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Signature Page for Plaintiffs

DATED: 9/27, 2023.


Steven D. Dahlblom, Plaintiff

DATED: 10/2, 2023.


Chad D. Lemmons, Attorney for Plaintiff

Signature Page for Defendant City of Lake Elmo

DATED: _____, 2023.

Charles Cadenhead, Mayor

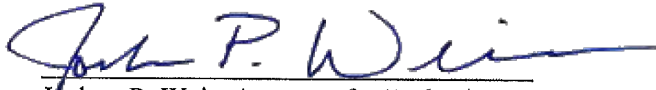
DATED: _____, 2023.

Julie Johnson, City Clerk

DATED: _____, 2023.

Kristina Handt, City Administrator

DATED: October 3, 2023.



Joshua P. Weir, Attorney for Defendant