



## STAFF REPORT

DATE: 1-7-2025

**TO: City Council**

**FROM: Clark Schroeder, Special Projects**

**AGENDA ITEM: Lake Elmo Sports Complex- Olson Purchase agreement**

**REVIEWED BY: Nicole Miller- City Administrator**

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**BACKGROUND:**

In the process of approving the Royal Club development in June of 2017, a condition was put in place that a Million-dollar donation would be made to the Park fund when the former Tartan Ballfields were no longer available for the city/community to use. [Resolution 2017-047](#). This donation was made in 2021 when phase 3 was approved, and the ballfield were taken out. [DA 8/10/21](#)

**ISSUE BEFORE COUNCIL:** Should the council approve the Purchase agreement and pass the resolution buying the property in order to develop new Ballfield and a sports complex?

**PROPOSAL DETAILS/ANALYSIS:** The Fall of 2023 the City Council decided to investigate the possibility of purchasing land for a pinwheel ballfield/sports complex to replace the Tartan ballfields. On October 12<sup>th</sup> 2023, council gave direction to staff in seeking such property that met criteria such as being on a collector street, close to a watermain, near 3-phase power, room for septic, stormwater reuse, plenty of parking, buffered from large residential development, generally square, [Packet HERE](#). Staff found 9 properties which met the criteria for a pinwheel ballfield/sports complex. Letters were sent out to all 9 properties to see if there was interest in talking to the city about a possible sale for ballfields. Of those 9 properties, 3 responded with interest. City council directed staff to obtain appraisals on the three properties. After that, council directed the Mayor and special projects manager Schroeder to negotiate a price for one or more properties.

Evaluating the properties with the Mayor, community development staff, and Mr. Schroeder, it was determined that one of the properties was not suitable for ballfields due to the configuration of it, water issues, and there being a single family home on the property. In evaluating the Olson and Jurek properties, it was determined that due to access and the utilization of more amenities needed by the city in the next 40 years, the purchase of both properties would be in the best long-term interest of the city. The Olson property will need a lot line adjustment of 5 acres before closing. Ms. Olson wants to keep 5 acres next to her son's property, leaving us 32 acres of land to purchase. This property will need to be rezoned to Public Facilities and re-guide the future land use map to Park as our other parks are shown. A consolidated athletic field/sports complex has been in the parks master plan since 2009. [Here](#) is a link to our 2024 parks plan.

**FISCAL IMPACT:** Purchase price will be \$1,230,752 for the Olson property, plus some miscellaneous closing costs. The city will be utilizing the initial million-dollar donation and an interfund loan from one of funds and pay it back over either a 5 year period or 10 year period.

**MOTION:**

**Move to adopt resolution # 2025-007 approving a purchase agreement for property owned by Fonda Olson**

**ATTACHMENTS:**

Resolution 2025-007

Olson Purchase agreement.

Zoning Map with Olson property marked

Overhead pic of Olson property

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

**RESOLUTION NO. 2024-007  
A RESOLUTION APPROVING A PURCHASE AGREEMENT FOR PROPERTY  
OWNED BY FONDA OLSON**

**WHEREAS**, Fonda Olson (“Ms. Olson”) is the owner of property legally described on the attached Exhibit A (the “Property”), which consists of approximately 37.1 acres; and

**WHEREAS**, Ms. Olson desires to sell 32 acres of the Property to the City; and

**WHEREAS**, the City and Ms. Olson desire to enter into a purchase agreement, pursuant to which Ms. Olson will sell 32 acres of the Property to the City; and

**NOW, THEREFORE, BE IT RESOLVED,**

1. That the City Council hereby approves the Purchase Agreement in substantially the form presented to the City Council, subject to modifications that do not alter the substance of the transaction and that are approved by the Mayor and City Clerk, provided that execution of the Purchase Agreement by those officials shall be conclusive evidence of their approval.
2. City officials, staff, and consultants are authorized to take all actions necessary to perform the City’s obligations under the Purchase Agreement as a whole, including without limitation, execution of any documents to which the City is a party referenced in or attached to the Purchase Agreement, and of any deed or other documents necessary for the Property to be conveyed by Ms. Olson to the City, all as described in the Purchase Agreement.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.**

**CITY OF LAKE ELMO**

By: \_\_\_\_\_  
Charles Cadenhead  
Mayor

(Seal)  
ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk

## **EXHIBIT A**

### **Legal Description of the Property**

The part of the West 1385.00 feet of Southeast Quarter Section 15, Township 29 North, Range 21 West, Washington County, Minnesota lying northerly of the north line of the Chicago Northwestern Railroad, formerly known as the St. Paul, Stillwater and Taylors Falls Railroad.

Subject to and together with prior restrictions, reservations and easements, if any.

LESS

That portion of the foregoing conveyed by contract for deed by Merle G. Olson and Fonda R. Olson to Lee Olson and Molly M. Olson and legally described as follows:

The west 445.00 feet of the north 725.00 feet of the Southeast Quarter of Section 15, Township 29 North, Range 21 West, Washington County, Minnesota.

## PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2024 ("Effective Date"), by and between Fonda Olson, a single person ("Seller"), and the City of Lake Elmo, a Minnesota municipal corporation ("Buyer"). The Effective Date, written above, is the date that the last party signed this Agreement.

**1. PROPERTY.** Seller is the fee owner of approximately 37.1 acres of real property identified as Washington County PID 1502921420004 and legally described below (the "Property"):

The part of the West 1385.00 feet of Southeast Quarter Section 15, Township 29 North, Range 21 West, Washington County, Minnesota lying northerly of the north line of the Chicago Northwestern Railroad, formerly known as the St. Paul, Stillwater and Taylors Falls Railroad.

Subject to and together with prior restrictions, reservations and easements, if any.

LESS

That portion of the foregoing conveyed by contract for deed by Merle G. Olson and Fonda R. Olson to Lee Olson and Molly M. Olson and legally described as follows:

The west 445.00 feet of the north 725.00 feet of the Southeast Quarter of Section 15, Township 29 North, Range 21 West, Washington County, Minnesota.

**2. OFFER/ACCEPTANCE.** Buyer desires to purchase 32 acres of the Property. The portion of the Property that Buyer is purchasing is shown on the attached Exhibit A (the "Sale Parcel"). In consideration of the mutual agreements herein contained, Buyer offers and agrees to purchase the Sale Parcel, and Seller agrees to sell and hereby grant to Buyer the exclusive right to purchase the Sale Parcel.

**3. CONTINGENCIES.** This Agreement is subject to the following contingencies:

- A. Buyer having determined, on or before the expiration of the Due Diligence Period, as defined in paragraph 9 of this Agreement, that it is satisfied with the result of all matters disclosed by Buyer's investigations, surveys, soil tests, inspections, and any environmental reviews of the Sale Parcel.
- B. Buyer being satisfied with the condition of the Sale Parcel's title in accordance with paragraph 8 of this Agreement.
- C. A determination by Buyer's governing body, prior to the end of the Due Diligence Period, that the provisions of Minnesota Statutes Section 462.356, subdivision 2 are duly satisfied.
- D. Approval of the subdivision of the Sale Parcel from the Property and combination

of the remnant parcel with PID 1502921420003.

If the contingencies above are satisfied, based on the timing requirements contained herein, then Buyer and Seller shall proceed to close the transaction as contemplated herein. If, however, any of the contingencies is not satisfied, this Agreement shall thereupon be void, Seller shall return the Earnest Money to Buyer, and Buyer and Seller shall execute and deliver to each other 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.

#### **4. PURCHASE PRICE AND TERMS:**

- A. PURCHASE PRICE: The purchase price for the Sale Parcel is \$38,461/acre or \$1,230,752 ("Purchase Price").
- B. TERMS:
  - (1) EARNEST MONEY. Earnest money in the amount of Five Thousand Dollars (\$5,000.00) ("Earnest Money") is payable within five business days following the Effective Date. The Earnest Money shall be held by the Title Company, as defined below.
  - (2) BALANCE DUE SELLER. Buyer agrees to pay by certified check or wire transfer of funds on the Closing Date the remaining \$1,225,752 balance due according to the terms of this Agreement.
  - (3) DEED/MARKETABLE TITLE. Subject to performance by Buyer, Seller agreed to execute and deliver at closing a Warranty Deed ("Deed") conveying marketable title to the Sale Parcel to Buyer, subject only to the following exceptions:
    - a. Building and zoning laws, ordinances, state, and federal regulations; and
    - b. Reservation of minerals or mineral rights to the State of Minnesota, if any.
  - (4) DOCUMENTS TO BE DELIVERED AT CLOSING. In addition to the Deed required at paragraph 4.B(3) above, Seller shall deliver to Buyer:
    - a. Standard form Affidavit of Seller;
    - b. A "bring-down" certificate, certifying that all of the warranties made by the Seller in this Agreement remain true as of the Closing Date;
    - c. A certificate that Seller is not a "foreign person" as defined by the

Internal Revenue Service;

- d. A well disclosure certificate;
- e. A Methamphetamine Disclosure Certificate, if required;
- f. Copies of any written lease or similar agreements affecting the Sale Parcel, if any, and details of any oral lease agreements affecting the Sale Parcel, if any, and evidence of the termination of any such leases or agreements; and
- g. Any other documents reasonably required by the Title Company or Buyer's attorney to evidence that title to the Sale Parcel is marketable and that the Seller has complied with the terms of this Agreement.

**5. REPRESENTATIONS AND WARRANTIES BY SELLER.** Seller represents and warrants to Buyer that:

- A. To the best of Seller's knowledge, there is no action, litigation, investigation, condemnation or proceeding of any kind pending against Seller or the Sale Parcel which could adversely affect the Sale Parcel, any portion thereof or title thereto. Seller shall give Buyer prompt written notice if any such action, litigation, condemnation or proceeding is threatened or commenced prior to the Closing Date.
- B. To the best of Seller's knowledge, the Sale Parcel has not been used for the generation, transportation, storage, treatment, or disposal of any hazardous waste, hazardous substance, pollutant, or contaminant, including petroleum, as defined under federal, state or local law and no notice have been received from any federal, state, local, or other governmental agency (or a compliance letter).
- C. To the best of Seller's knowledge, there are no underground storage tanks located on the Sale Parcel.
- D. To the best of Seller's knowledge, there has been no dumping or deposit of construction or other debris on the Sale Parcel.
- E. Seller is unaware of any utilities serving the Sale Parcel that would need to be paid at closing.
- F. Seller is the fee owner of the Sale Parcel and no consents or approvals from any third parties are required for Seller's consummation of this transaction.
- G. There are no tenants or third parties in possession of the Sale Parcel.
- H. To the best of Seller's knowledge, there are no individual sewage treatment systems

or wells located on the Sale Parcel.

Seller hereby agrees that each of the foregoing representations and warranties shall survive closing hereunder and that the breach of any thereof shall constitute a default, whether said breach occurs prior to or after closing, entitling Buyer to exercise any remedy provided to Buyer in this Agreement in the event of a default by Seller or any other remedy at law. In addition, if any of the foregoing warranties or representations shall be breached or shall be untrue, Seller shall indemnify and hold Buyer from any damages or liabilities relating thereto notwithstanding any other language contained in this Agreement.

**6. REPRESENTATIONS AND WARRANTIES BY BUYER.** Buyer represents and warrants to Seller that:

- A. Buyer has the requisite power and authority to enter into and perform its obligations under this Agreement.
- B. Buyer has the financial capacity to meet its obligations specified in this Agreement.
- C. Buyer will timely perform its obligations specified in this Agreement.

**7. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Seller shall pay all real estate taxes owed on the Sale Parcel, deferred real estate taxes on the Sale Parcel, and all special assessments levied or pending on the Sale Parcel, including interest and penalties thereon, if any, owed for the years prior to the year in which the closing occurs. Seller and Buyer shall prorate as of the date of closing the real estate taxes for the Sale Parcel that are due and payable in the year of closing. Because the Sale Parcel is part of a larger tax parcel, the taxes attributable to the Sale Parcel shall be apportioned based on the ratio of square feet of the Sale Parcel to the total square feet of the Property; the parties shall prorate the taxes attributable to the Sale Parcel; and the Seller shall pay the taxes attributable to the remainder of the parcel.

**8. SURVEY AND TITLE MATTERS.** As soon as reasonably practicable after the execution of this Agreement by the parties, Buyer shall procure a commitment for an owner's policy of title insurance for the Sale Parcel (the "Title Commitment"), issued by a title company that is acceptable to Buyer (the "Title Company"), which Title Commitment shall name Buyer as the proposed insured. Buyer shall order a survey of the Sale Parcel at Seller's expense. Buyer shall have 10 days following the receipt of the Title Commitment and survey to make its title objections, if any, in writing to Seller. Following its receipt of Buyer's written objections to title, Seller shall have 30 days (the "Cure Period") to make commercially reasonable efforts to cooperate with Buyer to correct all such objections, during which period the closing will be postponed, if necessary. If any objections are not cured within the Cure Period and Seller has informed Buyer that she will undertake no further efforts to cure the objections to title, Buyer will have the option to do any of the following: (i) terminate this Agreement without any liability and receive a full refund of all Earnest Money and any accrued interest thereon with neither Buyer nor Seller being liable for any damages hereunder; (ii) extend the Cure Period so long as Seller is making a good faith effort, with demonstrated progress, at Buyer's sole and absolute discretion, for a period mutually agreed upon by the parties; or (iii) waive the objections and proceed to close in which case Buyer shall be



deemed to have accepted the Sale Parcel subject to any and all uncured objections.

**9. DUE DILIGENCE PERIOD.** Within 10 business days following the Effective Date, Seller shall provide Buyer with copies of any and all existing surveys, engineering or other reports in Seller's possession regarding the condition of the Sale Parcel. Additionally, Buyer shall have the right during a period commencing on the Effective Date and ending at 5:00 p.m. CDT on the first business day that falls 60 days thereafter (the "Due Diligence Period"), at its sole cost, expense, and risk, to enter onto, examine and inspect the Sale Parcel and to conduct feasibility studies with regard to its desired ownership and operation of the Sale Parcel. Buyer may enter upon the Sale Parcel to inspect the same, and may conduct tests and examinations to the extent it desires. Buyer hereby agrees to defend and indemnify the Seller from and against any and all claims, causes of action, lawsuits, attorneys' fees, costs and damages arising from or in any way related to Buyer's or Buyer's engineers, consultants or agents' examinations and inspections. Buyer shall promptly, at its sole cost and expense, restore the Sale Parcel to substantially the same condition in which it existed immediately prior to any physical tests conducted by or on behalf of Buyer. Buyer shall have the right, at any time up to the expiration of the Due Diligence Period, as may be extended as set forth above, to terminate this Agreement by delivering written notice, including electronic notice, to Seller. In such event, this Agreement will be considered terminated and all Earnest Money, plus any accrued interest, will be returned to the Buyer, and Buyer will thereafter promptly execute and deliver any and all documents necessary to effectuate the termination of this Agreement.

**10. CLOSING DATE.** The closing of the sale of the Sale Parcel shall take place as soon as reasonably practicable after the expiration of the Due Diligence Period and on a date to be mutually agreed upon by Seller and Buyer (the "Closing Date"), provided, however, that the Closing Date shall occur no later than 30 days following the expiration of the Due Diligence Period. The closing shall take place at Lake Elmo City Hall, 3880 Laverne Avenue N., Lake Elmo, MN or such other location as mutually agreed upon by the parties.

**11. CLOSING COSTS AND RELATED ITEMS.** Buyer shall be responsible for payment of its title insurance premium and any requested endorsements, recording costs related to the recording of the Deed, and one-half of the closing fees charged by the Title Company. Seller shall be responsible for the cost of procuring the Title Commitment (including all title search and examination fees), the cost of subdividing the Property and combining the remnant parcel with PID 1502921420003, Seller's real estate broker's commission, the State Deed tax, the cost of the survey, and any costs associated with preparing and recording any instruments required to establish marketable title for the Sale Parcel, if any. Buyer and Seller shall each be responsible for their own attorneys' and accountants' fees and costs, if any.

**12. "AS-IS" SALE.** Buyer acknowledges that it has inspected or will have the opportunity to inspect the Sale Parcel and agrees to accept the Sale Parcel "AS IS" with no right of set off or reduction in the purchase price. Except for any express representations made in this Agreement, such sale shall be without representation of warranties made by Seller with respect to the physical condition of the Sale Parcel, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Sale Parcel or with respect to the compliance of the Sale Parcel or its operation with any laws, ordinances, or

regulations of any government or other body, except as stated above. Buyer acknowledges and agrees that Seller has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Sale Parcel for a particular purpose, all of which warranties Seller hereby expressly disclaims, except as stated above.

**13. POSSESSION.** Seller shall transfer possession of the Sale Parcel to Buyer on the Closing Date. Seller agrees to remove from the Sale Parcel any personal property no later than the Closing Date. Items not removed by that date will become property of the Buyer after closing and may thereafter be disposed of by Buyer, in its sole discretion and at the Seller's cost.

**14. BROKER COMMISSIONS.** Seller represents and warrants to Buyer that Seller is represented by Anne Smith of Metrohomesmarket.com. With this exception, Seller has not involved any other broker in this transaction or agreed to pay commission to any other broker. Buyer represents and warrants to Seller that Buyer has not involved a broker in this transaction or agreed to pay commission to any broker. Each party agrees to indemnify, defend, and hold each other harmless for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Sale Parcel in accordance with this Agreement.

**15. DEFAULT.** If Seller, through no fault of Buyer, defaults in her obligations hereunder in any manner, Buyer may, by notice upon Seller, (i) terminate this Agreement, in which event all Earnest Money paid hereunder shall immediately be delivered to Buyer, or (ii) avail itself of an action for specific performance. If Buyer shall default in the performance of any of its obligations hereunder, then Seller shall be entitled to terminate this Agreement and, upon such termination, Seller shall retain all Earnest Money paid hereunder, as and for her liquidated damages and sole remedy for said breach, and not as a penalty or forfeiture, actual damages being difficult or impossible to measure, and no party hereto shall have any further claim against the other hereunder.

**16. NO MERGER OF REPRESENTATIONS, WARRANTIES.** All representations and warranties contained in this Agreement shall not be merged into any instruments or conveyance delivered at Closing, and the parties shall be bound accordingly.

**17. ENTIRE AGREEMENT; AMENDMENTS.** This Agreement constitutes the entire agreement between the parties, and no other agreement prior to this Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein. Any purported amendment shall not be effective unless it shall be set forth in writing and executed by both parties or their respective successors or assigns.

**18. BINDING EFFECT; ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns.

**19. 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 deposited in the United States Mail, registered or certified, postage prepaid and addressed as

follows:

- A. If to Seller: Fonda Olson  
10472 Stillwater Lane North  
Lake Elmo, MN 55042
- B. If to Buyer: City of Lake Elmo  
Attn: Nicole Miller, City Administrator  
3880 Laverne Avenue N.  
Lake Elmo, MN 55042

With a copy to: Kennedy & Graven, Chartered  
Attn: Sarah Sonsalla  
150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402

**20. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

**21. COOPERATION.** Each party shall cooperate in a timely manner, shall take such further action, and shall execute and deliver such further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.

**22. GOVERNING LAW.** The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

**23. PARTNERSHIP OR JOINT VENTURE.** Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between Seller and Buyer relative to the Sale Parcel.

**24. RELOCATION WAIVER.** Seller acknowledges that she is being displaced from the Sale Parcel as a result of the transaction contemplated by this Agreement and that Seller may be eligible for relocation assistance and benefits and that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Seller may be eligible and Seller agrees to waive any and all further relocation assistance benefits. The provisions of this paragraph shall survive closing of the transaction contemplated by this Agreement.

*[signature page to follow]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the dates written below.

**SELLER:**

By: \_\_\_\_\_  
Fonda R. Olson

Date: \_\_\_\_\_

**BUYER:**

**CITY OF LAKE ELMO**

By: \_\_\_\_\_  
Charles Cadenhead

Its: Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Julie Johnson

Its: City Clerk

Date: \_\_\_\_\_

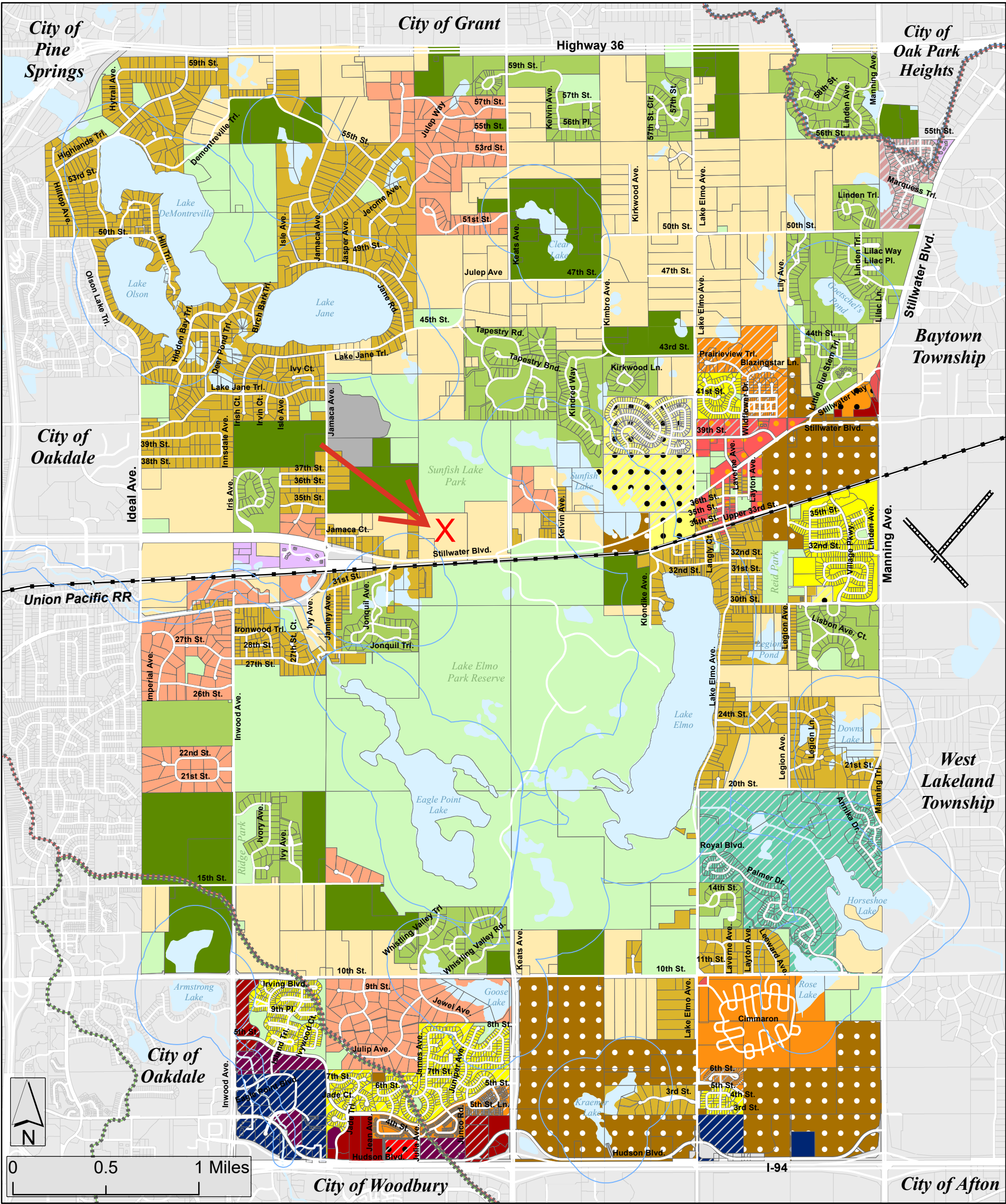
**EXHIBIT A**

**Depiction of the Sale Parcel**

**[to be added]**

# Lake Elmo Zoning Map

Data Source: Washington County  
Map Created By: Planning Dept.  
Map Updated: Dec 2024



LDR - Low Density Residential

MDR - Medium Density Residential

HDR - High Density Residential

R2 - One & Two-Family Residential

RS - Rural Single Family

RE - Residential Estate

RR - Rural Residential

RT - Rural Transitional

OP PUD - Open Space Planned Unit Development

GCC - Golf Course Community

LC - Limited Commercial

C - Commercial

CC - Convenience Commercial

BP - Business Park

MU-BP - Mixed-Use Business Park

MU-C - Mixed-Use Commercial

V-MX - Village Mixed Use

V-LDR - Village Low Density Residential

V-MDR - Village Medium Density Residential

V-HDR - Village High Density Residential

A - Agricultural

PF - Public Facilities

Water Body

Closed Landfill

Browns Creek

South Washington

Valley Branch

Shoreland Overlay District

Hatching Represents Planned Unit Developments (PUD)





**Parcel: 1502921420004**

(1 of 1)

