



## **MAYOR & COUNCIL COMMUNICATION**

**DATE:** June 9, 2015  
**REGULAR**  
**ITEM #** 15

**AGENDA ITEM:** Water Tower No. 4 – Approve Land Purchase Agreement

**SUBMITTED BY:** Jack Griffin, City Engineer

**THROUGH:** Dean A. Zuleger, City Administrator

**REVIEWED BY:** Dave Snyder, City Attorney  
Adam Bell, City Clerk  
Cathy Bendel, Finance Director

### **SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item..... City Administrator
- Report/Presentation ..... City Engineer
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECOMMENDER:** Administrator/Legal/Engineering.

**FISCAL IMPACT:** \$165,000.

The purchase price is \$165,000 to acquire fee title to a parcel of land for locating elevated Water Tower No. 4 along Inwood Avenue. In addition, the agreement outlines additional obligations for each party relating to the Inwood Avenue Water System Improvements and future public street improvements. The land acquisition costs will be funded through the \$3.5 million MN-DEED Grant, if determined to be an eligible grant cost. Otherwise the land acquisitions costs would be funded by the Water Enterprise Fund.

### **SUMMARY AND ACTION REQUESTED:**

The City Council is respectfully requested to consider approving the Water Tower No. 4 Land Purchase Agreement. The recommended motion for this action is as follows:

***“Move to approve the Water Tower No. 4 Land Purchase Agreement with 711 Land Holdings, LLC.”***

**LEGISLATIVE HISTORY/BACKGROUND INFORMATION:**

The Water Tower No. 4 project is a \$2.1 million water system infrastructure project that is needed to deliver city water service to support the growth and development in the I94 corridor, residing in the high water pressure zone. More specifically this project will provide necessary water supply and fire protection to the corridor area between Inwood Avenue and Keats Avenue (Sections 33 and 34) that will include the Savona development, Boulder Ponds, Hammes Estates, Dale properties, Azur properties, MFC & CM properties, and the existing properties within the Eagle Point Business Park.

This project is programmed for design/construction in the 2015-2016 Capital Improvement Plan. The proposed improvements include the construction of a new 1.0 million gallon elevated water tower to be located along Inwood Avenue as depicted in the location map attached. A geotechnical investigation was performed in 2014 to verify that the site will accommodate the proposed improvements.

Staff has been working with the property owner to negotiate the purchase of the water tower site and has drafted an agreement to acquire a property suitable for the project, subject to council approval. The acquisition agreement is needed to satisfy a condition of approval for the Inwood Creek Preliminary Plat to ensure that suitable land is reserved for the water tower.

The general terms of the agreement are summarized as follows:

1. The City will pay the landowner \$165,000 to acquire a site 250 ft. by 250 ft. (approx. 1.5 acres).
2. The landowner will dedicate an 80 foot wide R/W directly to the south of the water tower site. The City will establish a public street connection to CSAH 13 with Washington County.
3. The City and landowner agree to share equally in any future costs for the first 100 feet of street when it is constructed and any improvements required by Washington County when such street is constructed, including but not limited to turn lanes.
4. The landowner will provide a temporary construction easement for the water tower construction, as needed by the City.
5. The City will install the Inwood Booster Station and Trunk Watermain Improvements by December 1, 2016 and will not assess the landowner for these improvements or for the water tower improvements.
6. The landowner shall receive an exemption for up to 5 units of water lateral benefit charges (currently at \$5,800 per REC, or \$29,000) for any new commercial buildings developed within the Inwood Creek development and which connect a private service directly to the Inwood Trunk Watermain.

**RECOMMENDATION:**

Staff is recommending that the City Council approve the Water Tower No. 4 Land Purchase Agreement with 711 Land Holdings, LLC. The recommended motion for this action is as follows:

***“Move to approve the Water Tower No. 4 Land Purchase Agreement with 711 Land Holdings, LLC.”***

**ATTACHMENT(S):**

1. Water Tower No. 4 Land Purchase Agreement.
2. Site Location Map.