



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 25, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Approve Amendment to Border States Purchase Agreement
Background Information:	<p>In January 2021, the City of Marshall approved the sale of 2.5 acres of land to Border States Electric (BSE) for the construction of an approximately 13,000 square foot warehouse. The purchase agreement did include a 150-day due diligence period that includes site assessment includes soil borings. Subsequent soil borings from BSE indicated the need for soil correction. City Engineer Jason Anderson verified that the soils did need soil correction. The initial value of soil correction was substantial, approximately \$100,000. Since that time, further discussions between BSE and the city have occurred and the new anticipated cost of soil correction is \$50,000. BSE has indicated to the city that this was an unforeseen cost, and even though readying the site is inevitable no matter where you locate a building, these soils were considerably fraught for construction. The added costs to an already thin project budget have forced BSE to consider no longer moving forward with construction. Thus, after further discussions, the city and BSE have agreed to cost-share 50/50 on the soil correction costs, with the funds from the city's cost share portion to come from the sale of the property.</p> <p>BSE representatives will be present during the discussion to aid in this decision to grant the amendment.</p>
Fiscal Impact:	Up to \$25,000
Alternative/ Variations:	Do not approve the amendment, the original purchase agreement could then expire, and the purchase is not completed.
Recommendations:	Approve Amendment to Border States Purchase Agreement