

CITY OF MARSHALL
HOUSING AND REDEVELOPMENT AUTHORITY MEETING
MINUTES
Tuesday, September 24, 2019

The special meeting of the Housing and Redevelopment Authority was held on September 24, 2019 in the Professional Development Room at the Marshall Middle School, 401 South Saratoga Street. The meeting was called to order at 5:15 P.M. by Chairman Robert Byrnes. In addition to Byrnes the following members were present: Craig Schafer, Glenn Bayerkohler, John DeCramer, Russ Labat, James Lozinski. Absent: Steven Meister. Staff present included: Sharon Hanson, Executive Director; Dennis Simpson, City Attorney; Annette Storm, Director of Administrative Services; Scott VanDerMillen Director of Community Services; Dave Parsons, City Assessor; Preston Stensrud, Parks Superintendent; Sheila Dubs, Human Resource Manager and Kyle Box, City Clerk.

Consider approval of the minutes from the special meeting held on September 10, 2019.

Motion made by Board Member Lozinski, Seconded by Board Member Labat to approve the minutes. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member Decramer, Board Member Labat, Board Member Lozinski. The motion Carried. 6-0

Consider offer to purchase Helena property on West Highway 19, Marshall, Minnesota.

Negotiations have been ongoing for a 2 year period of time regarding the City's proposed purchase of Helena property. Negotiations have been stalled for the last 6-8 months but have recently been reinitiated. I am attaching and providing the following information:

1. Proposed purchase agreement for the sale and purchase of Helena property. Helena staff attorneys have reformatted the purchase agreement but the terms of the agreement as previously negotiated have not changed. Total purchase price \$350,000.
2. Purchase to be concluded once the Department of Agriculture has issued its order finding that no additional cleanup/remediation of fertilizer chemical impacts needs to be completed. \$5,000 earnest money payment is due immediately.
3. Additional compensation of unreimbursed remediation costs will be paid by purchaser HRA. Generally 80% of fertilizer chemical cleanup costs are reimbursed by the State of Minnesota. The remaining 20%, however, are subject to reimbursement by the City of Marshall HRA. It is unknown as to what, if any, remediation may need to be done on the site. Remediation process remains with Helena.
4. I am providing to you information from the Minnesota Department of Agriculture regarding recent fertilizer cleanup costs incurred by four western Minnesota fertilizer plants. Cleanup costs range from a low of \$177K up to a high of \$312K. Average cleanup costs \$244,500. 80% of the costs have been reimbursed. Average reimbursement \$195,500. Unreimbursed costs average \$48,956. I am advising that an additional \$50,000 be ear marked for remediation expenses.
5. A portion of the property to be acquired is to be set aside for aeronautic purposes as an RPZ (Runway Protection Zone).
6. The entirety of the property consists of 7.334 acres. Even after set aside of the RPZ aeronautical property, approximately 5 acres will remain available to the City for resale or other development.

7. The estimated Market Value is \$330,700 for taxes payable in 2020.

Pay 2019 = \$415,100

Pay 2018 = \$441,700

Pay 2017 = \$441,700

8. I have confirmed with the Helena representatives that the rail spur is included in the sale or property.

9. City staff is recommending that the HRA enter into this transaction to purchase property upon the terms as the parties have proposed.

10. The large Quonset building located with the RPZ most likely will need to be demolished at City expense. I am recommending that \$100,000 be earmarked or set aside to be used for demolition of that building.

11. Minnesota Department of Transportation (Mn/DOT) Aeronautics is recommending that the City HRA proceed with the purchase of property as soon as possible.

Motion made by Board Member Schafer, Seconded by Board Member Decramer that the HRA consider and approve entering into purchase agreement to purchase Helena property located on west Highway 19. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Decramer, Board Member Labat, Board Member Lozinski. Voting Nay: Board Member Bayerkohler. The motion **Passed. 5-1**

Adjourn Meeting

Motion made by Board Member Lozinski, Seconded by Board Member Labat to adjourn. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member Decramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Robert J. Byrnes
Chairman

ATTEST:

Sharon Hanson
Executive Director