

CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, April 11, 2023
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Real Property Acquisition – Relocation of Aquatic Center
Background Information:	<p>City of Marshall Staff has been negotiating with Schwan’s Shared Services, LLC, for the acquisition of real property regarding the relocation of the Aquatic Center. Attached for review and consideration is a proposed real property Purchase Agreement to be entered into between the City of Marshall as Purchaser and Schwan’s Shared Services, LLC, as Seller. Minnesota Law requires that a binding agreement between Buyer and Seller must be in writing to be enforced. Highlights of the proposed Purchase Agreement are as follows:</p> <ol style="list-style-type: none"> 1. Land to be Purchased. Lots 1, 2 and a portion of Lot 3 (To be described by survey) Block 3, Schwan’s Corp 1 Addition to the City of Marshall, Lyon County, Minnesota. The property to be acquired is approximately 5 acres and is located at the intersection of Saratoga Street and West College Drive. Property is presently used as parking lot and green space. 2. The purchase price of \$468,000.00, to be paid at closing. There is no earnest money required as part of this agreement. <p>The property to be purchased is adjacent to an additional private parking lot also owned by Schwan’s Shared Services, LLC. The Purchase Agreement does anticipate that the City and Schwan’s would enter into a long-term lease agreement wherein the private parking lot could be used for public parking purposes for those visiting and using the aquatic center.</p> <ol style="list-style-type: none"> 3. Contingencies. The closing on the purchase of property is contingent upon the following items: <ol style="list-style-type: none"> a. The City does have adequate funds for the purchase of property. However, funding source is to be obtained for the funds necessary for the construction of the new aquatic center. Funding for that project is proposed as an extension of the existing local sales tax option. Legislative approval must be obtained authorizing the City to proceed with the extension of the local sales tax option. That legislative approval then would require that the citizens of the City of Marshall approve the extension of the local sales tax option. b. The City Council for the City of Marshall must approve this Purchase Agreement. If any one of those options fails, then the City of Marshall is not obligated to purchase the property. <p>The Purchase Agreement contains a number of typical boilerplate paragraphs regarding the obligation to provide clear title, a list of closing documents and other usual and typical provisions for the acquisition of real property.</p> <p>Closing date is proposed to be on or before December 15, 2023. This time frame should allow for the contingencies for sale to be completed so as to authorize a timely closing.</p>

Fiscal Impact:	\$468,000.00. Long term contingency involves an approval of a funding source to pay for the aquatic center facility to be constructed on site.
Alternative/ Variations:	No alternative action recommended.
Recommendations:	That the Council approve the proposed Purchase Agreement to acquire property for the relocation of the Marshall Aquatic Center.