



118 Central Avenue North, New Prague, MN 56071
phone: 952-758-4401 fax: 952-758-1149

MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: PURCHASE AGREEMENT FOR 412 5TH AVENUE NW
DATE: AUGUST 2, 2023

On June 26, 2023, the City Council voted 3-1 to offer \$1.15m for the property located at 412 5th Avenue NW, with the condition that the seller pay the 2024 property taxes for the property. Using this direction from the Council, I worked with City Attorney Scott Riggs and the seller to put together the attached purchase agreement.

This agreement offers \$1.15m for the property. This is being done by paying the property owner \$1.135m and then putting \$14,500 into escrow to pay for the property taxes in 2024. According to the attached agreement, we will close on the property prior to August 31st. This agreement is a standard template that the City has used in the past for property purchases and includes inspection clauses that the City has been working with the seller to line-up prior to closing.

Since this agreement reflects the offer that was approved by the City Council on June 26th, I recommend approval of the agreement so that we may proceed with closing.

Recommendation

I recommend approval of the Purchase Agreement for 412 5th Avenue NW for \$1.15m, to close by August 31st.