



ECONOMIC DEVELOPMENT AUTHORITY

125 Main Street E – PO Box 301 – Freeport, MN 56331 – 320-836-2112 – FAX 320-836-2116
For TTY/TDD Users 1-800-627-3529 or 711 Minnesota Relay Service www.freeportmn.org

November 12, 2013 – Meeting Agenda
Freeport City Hall – 12:00 pm

- I. Call to Order
- II. Public Hearing to Consider the Sale of Lot 01, Block 01, Freeport Industrial Park Plat 6
 - *Motion to open public hearing to consider sale of Lot 1 Block 1 Industrial Park Plat 6.*
 - *Motion to close the public hearing*
- III. Consider Sale of Lot 01, Block 01, Freeport Industrial Park Plat 6
 - *Motion to approve sale of Lot 01, Block 01, Industrial Park Plat 6 to Carr's Tree Service, Inc.*
- IV. Adjourn
 - *Motion to adjourn*

Next meeting: November 18th

Memo

From: Mason Schirmer, Clerk-Treasurer
To: Economic Development Authority
Date: November 12, 2013
Re: Land Sale Offer

During the recent October 28th special EDA meeting, members discussed the potential sale price of Lot 01 Block 01 Freeport Industrial Park Plat 6. Following discussion, members were presented with an offer from a private business to purchase the lot. EDA members agreed the offer was reasonable and initiated the process of considering the sale.

The public hearing is an opportunity for the public to ask questions and voice their opinions.

When the EDA members feels enough information has been received by the public, the public hearing may be concluded. In the event nobody from the public attends the public hearing, I recommend keeping the public hearing open for a minimum of 10 minutes to accommodate any potential late attendees.

Following the public hearing, the EDA will discuss, consider and approve the sale and development of the property according to the terms and conditions of the draft purchase agreement. Scott Hamak will be providing the proper resolution and a short memo/request for action (this will be available at the meeting).

Mayor Matt Worms has also called a special city council meeting to be held the evening of November 12th. During the meeting, Council will receive the recommendation from the EDA and consider approval of the sale.

I will likely not be able to attend either the EDA or Council meeting. Adrianna Hennen will be sitting-in on both meetings simply to observe and record the meetings.

FREEPORT EDA

REQUEST FOR ACTION

Originating Department: Legal	Approved for Agenda by:	Date: November 12, 2013	Agenda No.
Agenda Section: Regular	Item: Land Sale – Carr’s Tree Service, Inc.		

Background Information:

Carr’s Tree Service, Inc. (“Carr”) desires to purchase approximately 1.27 acres of property legally described as Lot 1, Block One, Freeport Industrial Park Plat Six (the “Property”) for the purchase price of \$45,000 (the “Purchase Price”), plus legal and administrative fees not to exceed \$1,000.00. Carr plans to construct a 60’ x 150’ steel building on the Property for its business’ use.

Legal Requirements:

Minnesota Statutes §469.105 requires that the EDA must hold a public hearing following proper published notice before approving the sale of the Property to Carr. Pursuant to the EDA’s enabling resolution and Bylaws, the City Council must also approve the EDA’s sale of the Property.

Board Action Requested:

1. The EDA Board should hold a public hearing regarding the sale of the Property to Carr on the terms provided in the draft Purchase and Development Agreement (the “Purchase Agreement”).
2. After the public hearing, the EDA Board should consider approval of the sale of the Property pursuant to the attached EDA Resolution.

BOARD ACTION

Motion by _____ Second by _____ to _____

**FREEPORT EDA
RESOLUTION NO. 2013- 001
SALE AND CONVEYANCE OF REAL PROPERTY
TO CARR'S TREE SERVICE, INC.**

WHEREAS, Carr's Tree Service, Inc. (the "Developer"), desires to purchase from the Economic Development Authority in and for the City of Freeport, Minnesota (the "EDA"), approximately 1.27 acres of real property legally described as Lot 1, Block One, Freeport Industrial Park Plat Six (the "Property"), for the purchase price of \$45,000.00 (the "Purchase Price"), for Developer's use and construction of a 60' x 150' steel building for Developer's business; and

WHEREAS, pursuant to Minnesota Statutes §469.105, the EDA held a public hearing at 12:00 p.m., on November 12, 2013, at the Freeport City Hall after proper published and posted notice given by the City Clerk, and all interested persons were given an opportunity to be heard and to testify for or against the sale of the Property to the Developer;

WHEREAS, after holding a public hearing and considering all of the testimony and facts in this matter, the EDA has determined that the sale and conveyance of the Property to the Developer is in the best interests of the City of Freeport and its people, and the transaction furthers the City of Freeport's general economic development plan and the aims and purposes of Minnesota Statutes Sections 469.090 to 469.108, as amended; and

WHEREAS, the EDA finds that the Developer's proposed uses for the Property are in accordance with the development plan for the Property;

NOW, THEREFORE, the EDA's Board of Commissioners (the "Board") resolves as follows:

1. The Board authorizes and directs the EDA to sell and convey the Property to the Developer for the Purchase Price set forth above and authorizes and directs the EDA's President and Secretary to execute a purchase and development agreement, and any and all other closing and related documents, containing such terms as required by law and as provided in this Resolution, and such other terms and conditions as the President and Secretary deem appropriate and necessary to sell, convey and transfer the Property to Developer; provided that the Developer complies with the development plan for the Property and all applicable provisions of state and local law.

Adopted November 12, 2013.

EDA President

ATTEST:

EDA Secretary

Industrial Park - Analysis of Lots for Sale

Map ID	Acres	Sq Feet	% of Whole	Asmnt Balance	Initial Rate	Add'l Debt from Previous Sales	Adjusted Price	Adjusted Rate
1	3.00	130,680	12.733%	\$84,413.94	\$0.65	\$59,631.66	\$144,045.60	\$1.10
2	3.00	130,680	12.733%	\$84,695.32	\$0.65	\$59,631.66	\$144,326.98	\$1.10
3	5.99	260,924	25.424%	\$84,273.24	\$0.32	\$119,064.55	\$203,337.79	\$0.78
4	2.96	128,938	12.564%	\$83,288.42	\$0.65	\$58,836.57	\$142,124.99	\$1.10
5	2.96	128,938	12.564%	\$83,695.32	\$0.65	\$58,836.57	\$142,531.89	\$1.11
6	1.27	55,321	5.390%	\$37,749.91	\$0.68	\$25,244.07	\$62,993.98	\$1.14
7	0.82	35,719	3.480%	\$21,666.24	\$0.61	\$16,299.32	\$37,965.56	\$1.06
8	0.82	35,719	3.480%	\$23,073.14	\$0.65	\$16,299.32	\$39,372.46	\$1.10
9	0.89	38,768	3.778%	\$26,337.15	\$0.68	\$17,690.73	\$44,027.88	\$1.14
10	1.85	80,586	7.852%	\$0.00	\$0.00	\$36,772.86	\$36,772.86	\$0.46
Total		1,026,274	100%	\$529,192.68		\$468,307.32	\$997,500.00	

Sq Ft Per Acre 43,560
 Outstanding Levy \$997,500.00 (Bond totals)
 Additional Debt \$468,307.32 (from lots sold)
 Average Adj Rate \$0.97
 Acceptable Levy \$205,254.72

Lot Sale Considerations

Assessment Balance \$37,749.91
 Sale Price \$45,000.00
 Excess for Other Debt \$7,250.09

Lot 10 Considerations

Assessment Balance \$0.00
 Original Other Debt \$36,772.86 (if total other debt is divided among lots by total square feet)
 Adjusted Other Debt \$17,993.98 (from only collecting \$7,250 extra instead of \$25,244 from the lot being considered for sale)
 New Total Debt \$54,766.84

 New Adjusted Rate \$0.68 (was \$.46)

Lot to be Sold vs Comparable Lot

Lot 1 Block 1 Freeport Industrial Park Plat 4 (Comparable Lot)

Land	
Square Feet of Lot	32,335
Est Mkt Value of Land	\$29,100.00
Value Per Square Foot	\$0.90
Building	
EMV Improvement	\$58,800.00
Total	
Total EMV	\$87,900.00
Taxes	
2013 Taxes Payable to City	\$2,200.00
Taxes to Total EMV	2.50%

Lot 1 Block 1 Freeport Industrial Park Plat 6 (Sale Being Considered)

Land	
Square Feet of Lot	55,321
Value Per Sq Ft of Comparable	\$0.90
Est Mkt Value of Land	\$49,786.33
Building	
Comparable Building	\$58,800.00
Total	
Total Est Mkt Value (EMV)	\$108,586.33
Taxes	
Comparable Total Tax Rate	2.50%
Est Tax Payable to City	\$2,717.75

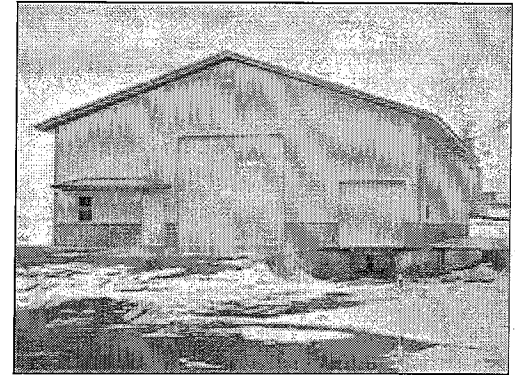
USED AS COMPARABLE LOT



Date Created: 10/30/2013

Summary

Parcel ID 54.32129.0065
Property Address 400 7TH ST SW
 FREEPORT
Sec/Twp/Rng 03/125/032
Brief Tax Description Lot 001 Block 001 of FREEPORT IND PARK PLAT FOUR.
 (Note: Not to be used on legal documents)
Area 32,335.00 SqrFt
Use Code 3A-Commercial/Industrial/Public Utility
Tax Authority Group 5402 FREEPORT 740



Click to Enlarge

Owners

Primary Owner Pierskalla Gary P & Linda A 324 8th St SE Freeport MN 56331	Alternate Taxpayer	Fee Owner
---	---------------------------	------------------

Land

Seq	Code	CER	Dim 1	Dim 2	Dim 3	Units	UT
1	COMMERCIAL SQ FOOT	0	0	0	0	32,335.000	UT
Total						0.000	

Transfer Book History

Grantor	Grantee	Doc Date	Transfer Date	Doc Type	Doc No	Sale Price
ECONOMIC DEV AUTH	GARY P & LINDA A PIERSKALLA	8/2/2005	8/4/2005	WD	1163429	\$14,800
MARK G & KATHLEEN F MIDDENDORF	ECONOMIC DEV AUTH	8/2/2005	8/4/2005	WD	1163428	\$4,440
MARK G & KATHLEEN F MIDDENDORF	MARK G & KATHLEEN F MIDDENDORF	7/14/2005	7/14/2005	PLAT		\$0

Valuation

	2013 Values	2012 Values	2011 Values	2010 Values	2009 Values
EMV Improvement	\$58,800	\$59,400	\$59,900	\$62,100	\$64,700
EMV Land	\$29,100	\$29,100	\$29,100	\$29,100	\$32,300
EMV Machine	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$87,900	\$88,500	\$89,000	\$91,200	\$97,000
LMV (Limited Market Value) Total	\$0	\$0	\$0	\$0	\$0
Green Acres Value	\$0	\$0	\$0	\$0	\$0

Taxation

	2013 Payable	2012 Payable	2011 Payable	2010 Payable	2009 Payable
Taxable Market Value	\$88,500	\$89,000	\$91,200	\$97,000	
+ Net Tax Amount	\$2,884.00	\$3,022.00	\$2,920.00	\$2,968.00	\$2,904.00
+ Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
= Total Taxes Due	\$2,884.00	\$3,022.00	\$2,920.00	\$2,968.00	\$2,904.00
+ Penalty	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$2,884.00	\$3,022.00	\$2,920.00	\$2,968.00	\$2,904.00

\$2,200 is Payable to City, rest is to other taxing entities