



CITY OF FREEPORT

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RESOLUTION 2014-005

A RESOLUTION TO ENTER INTO A PURCHASE OPTION AGREEMENT WITH THE FREEPORT COOPERATIVE CREAMERY ASSOCIATION

WHEREAS, Freeport Cooperative Creamery Association (“Owner”) owns property in Stearns County, Minnesota, legally described on the attached Exhibit A (the “Property”), which is currently underutilized and blighted; and

WEHREAS, the City of Freeport, Minnesota (the “City”), desires to enter into a Real Estate Purchase Option Agreement (the “Option”) with the Owner providing the City with the option to purchase the Property to redevelop the Property into affordable senior housing that will benefit the City and its residents; and

WHEREAS, it is not economically feasible to rehabilitate or develop the Property without public funding; and

WHEREAS, the City has deemed it advisable and in the best interest of the City to apply for a Redevelopment grant (the “Grant”) from the Department of Employment and Economic Development (“DEED”) to assist with the funding necessary to complete the acquisition, demolition and redevelopment of the Property; and

WHEREAS, upon receipt of the Grant , the City intends to exercise its Option to purchase the Property from the Owner, rezone the Property for multifamily use, establish a redevelopment tax increment financing district that will include the Property, demolish the existing structures, and prepare the site for development; and

WHEREAS, the City deems it advisable and in the best interest of the City to enter into a Letter of Intent (the “Letter of Intent”) with Dally Properties, Inc. (“Dally”) for the potential sale of the Property to Dally for Dally’s development and construction of two multi-family four-plex affordable senior housing buildings on the Property (the “Project”).

NOW, THEREFORE, the City Council resolves as follows:

1. The City Council approved submission of the Grant Agreement to DEED, the Option with the Owner and the Letter of Intent with Dally related to the Property and the Project.
2. The City Council authorizes and directs Matthew Worms, the Mayor, and Mason Schirmer, the City Clerk-Administrator, to execute and deliver the Grant to DEED (on or before 2/3/14), the Option with the Owner and the Letter of Intent with Dally, and any and all other documents related thereto, and to take any and all actions they deem advisable and in the best interest of the City, on behalf of the City, related to the Grant, the Option and the Letter of Intent.

(continued on next page)

DATED THIS 14TH DAY OF JANUARY, 2014

Motion by: Ken Goebel

Second by: Carrie Goebel

Council members in favor: Ken Goebel, Carrie Goebel, Ron Ritter, Rodney Atkinson, Matt Worms

Opposed or abstained: None