

Glyndon City Council

3/14/2016

4:00 p.m. Special Meeting
City Hall Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 4:00 p.m.

2. **Roll Call:** Council Members Present: Dave Owings, Chris Jensen and Kimberly Savageau, City Clerk/Treasurer Denise Anderson, Deputy City Clerk Wendy Affield, City Engineer Representative Kris Carlson and Ken Parke.

As Per Sign in Sheet: Florence Thomason, Mabel Torkelson, Elaine Gullick and Karen Kringler.

3. **Stockwood Development – Ken Parks** – Mayor Johnson introduced Ken Parke and explained that the Council requested this Special Meeting to hear what suggestions Mr. Parke may have concerning the Stockwood Development. The City took ownership of the Stockwood Development in December of 2015. Mayor Johnson informed Council that Mr. Parke is in the Real Estate Business and was the City Administrator for the City of Dilworth for many years. The Stockwood Addition consists of 27 acres of land that has been platted. Anderson informed Council that a Request for Proposal has been drawn up and if Council approves it during the Council Meeting on March 23rd, she will start advertising the proposal on the City website, in the newspaper and on the LOMC website. Anderson explained that the Council was concerned about the prices of the lots, thinking they were too high compared to the lots in the Fargo/Moorhead area so she asked Mr. Parke to check on some prices of land that are for sale in the area. Anderson informed Council that after visiting with Mr. Parks they believe that the best route at this point is to publish the Request for Proposal and see if a Developer would be interested in purchasing the whole Development. If that does not draw any buyers, than Option B would be to try and sell the lots singly. Anderson discussed some of the changes Mr. Parke made when it came to the Request for Proposal. Anderson informed Council that Mr. Parke suggested to remove the price of the lots in the proposal, he feels it would be best if the Developer approaches the City with an offer that can be negotiated. Anderson stated that the goal for this meeting is to provide information to Mr. Carlson so he can finish the Request for Proposal for Stockwood. Mr. Parke informed Council that he feels the City is on the right track by doing a Request for Proposal first, most City's do not want the responsibilities that come with being a Developer. Mr. Parke explained to Council that most Developers will be happy to see that the land is already annexed into the City, already zoned, platted and the infrastructure has already been installed. Mr. Parke would like one bullet point to read *“that the purchase price is negotiable”* and then have another bullet point read *“the cost of the improvements that benefit the existing lots in the business park is 1.4 million”* explaining that the Developer will want to know what the assessments are on the land. Mr. Parke informed Council that he also put in the \$90,000 for the gas and electric installation charge. Ken Parke would hope that a Developer would come in and purchase the land and set up a payment plan for the Specials. Chris Jensen asked if you would leave in the verbiage concerning the *“plan utility layout”* for gas and electric. Parke would leave that in. Parke would also like to add under the *“References”* section to state *“please include any Officials or Engineers names and numbers that you have worked with on previous Developments”*. Mr. Parke

discussed how Dilworth acquired their land that they developed and explained that Council will want to make sure they have a Developers Agreement in place that will hold their feet to the fire so they make the payments. Dilworth made sure that in the Developers Agreement there was language stating that if the Developer defaulted the City would be allowed to take control of the Quick Claim Deeds that had all the legal descriptions of each lot out of Escrow and have them signed over to the City. Anderson asked what the time frame for default was. Mr. Parke stated that in their agreement it was one (1) year after the lots were certified. Parke informed Council that fortunately the lots that Dilworth took control of had the Covenants already in place, Covenants dictate what can and can't be built, and Parke stated "covenants rule the land". Chris Jensen stated that if the Request for Proposal requirements scare people off, more than likely they are not in the position to purchase this Development. Jensen feels it is important to follow these requirements as the City does not need to accumulate any unnecessary expenses. Parke discussed that the City may want to look into reassessing some of the Specials if a Developer is willing to pay a substantial amount upfront. Anderson informed Council and Mr. Parke that she has visited with Jim Stewart (the City's Bonding Council) and he has informed her that it would be ok to reassess the lots if that is what it takes to sell them. Anderson stated that it would be nice to have the lots developed and put on the tax roll along with the use of City utilities. Parks stated that the Bond taken out for Stockwood is for twenty (20) years and the City is seven (7) years into it. Mayor Johnson asked what will happen if a Developer that has put a bid in cannot financially handle this big of a project. Jensen states that if they cannot follow the guidelines in the Request for Proposal they should not be handing in a bid. Mr. Parke read a line from the RFP stating "*the City reserves the right to reject any and all proposals and advertise for new proposals*". Kris Carlson informed Council that this is not like a construction bid, you do not have to take the lowest bid, and the City has the ability to accept whichever bid they feel would be best for the future of the City. Parke informed the City that you are looking for a Developer with experience and you should also attach a copy of the plat to the Request for Proposal. Mr. Parke will compile a list of developers in the metro area and feels the City should send them a packet directly instead of waiting for the newspaper advertisement. Anderson informed Council that a representative from Xcel will be at City Hall on Tuesday to discuss the electric and gas lines in Stockwood. Council discussed when the best time would be to have Xcel install these services. Chris Jensen would like the Council to start looking at the prices on the lots so if the City does not receive a bid that is feasible, Plan B would be the next step which is to sell the lots off one by one.

Ken Parke handed out a sheet that consisted of Commercial Property for Sale around the Dilworth, Glyndon and Hawley areas so that the Council could see how prices compare to the Stockwood Addition. According to the chart from Mr. Parke the price per square foot ranges from \$2.00 to \$7.00 with the Stockwood addition around \$1.29 per square foot. Owings talked about the locations of some of the properties on Mr. Parke's list and was wondering why certain ones have not sold. Access to the property is one of the issues that was discussed. Owings asked if it is too early to have a few scenarios set up prior to receiving any RFP's. Mr. Parke thinks that would be a good idea. Anderson will request an amortization schedule from Northland Security on the Bond for Stockwood. Mr. Parks Discussed the cost of Specials in the Fargo/Moorhead area, explaining that they are very high. Anderson asked Council if they are comfortable with the Request for Proposal to go out after the changes that have been discussed at this meeting are finalized. Anderson requested that Council retain Mr. Parke on a consulting basis for his expertise and knowledge of City Administration and Real Estate. Mayor Johnson made a motion to retain Ken Parke as the City's Consultant when it comes to any development topic that may arise in Glyndon, seconded by Dave Owings.
Motion Carried.

Chris Jensen made a motion to direct Denise Anderson to move forward with the publishing and working with Ulteig on the Stockwood Request for Proposal, seconded by Kimberly Savageau. Motion Carried.

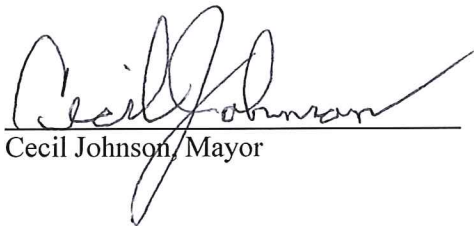
4. Open Forum – One of the residents asked if this area would be Commercial. She was informed that the land is already zoned for Commercial use.

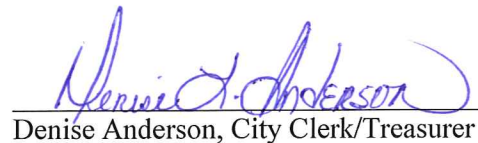
Karen Kringler asked if Council would take the time to explain to the few homeowners that are at the meeting what may be happening to the road situation in front of their homes that adjoin to the Stockwood Addition. Jensen stated that right now the topic is still up in the air and the main reason that something would be done to that road would be for the full access availability for Stockwood. Jensen stated that the City is still visiting with MN DOT on the full access out of Stockwood, there is the access into Stockwood on Andrews Avenue which may need to be built to be able to handle the higher weight load that may be needed for a company that builds in Stockwood and also another possibility would be for the developer to build a road running parallel to Highway 10 and have it connect to the full access on 110th Street South. Karen Kringler asked if the Developer has to have a Minnesota License to purchase the land. Ken Parke informed Kringler that Commercial Developments take less licensing that Residential.

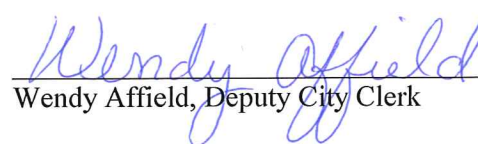
5. Miscellaneous Announcements –

6. Adjournment

A motion was made by Chris Jensen, seconded by Kimberly Savageau to adjourn at 5:02 p.m. Motion carried.


Cecil Johnson, Mayor


Denise Anderson, City Clerk/Treasurer


Wendy Affield, Deputy City Clerk

March 14th, 2016 Glyndon City Council Special Meeting Minutes