



REQUEST FOR COUNCIL ACTION

MEETING DATE: May 16, 2022

PREPARED BY: Brett Angell, Economic Development Manager

AGENDA ITEM: Sale of city-owned property to Beta Equity Investments, LLC – purchase agreement amendment

PREVIOUS ACTIONS:

At the September 7, 2021 meeting, the City Council approved a purchase agreement to sell two-parcels of city-owned land on Upland Lane to Beta Equity Investments, LLC.

RECOMMENDED COUNCIL ACTION:

Motion to approve the first amendment to the purchase agreement with Beta Equity Investments, LLC.

COMMENTS:

At the meeting of September 7th, 2021, the City Council approved a purchase agreement with Beta Equity Investments, LLC (PetSuites) for the sale of approximately 1.84 acres of city-owned property on Upland Lane for the construction of a new 11,000 square foot pet boarding, grooming and daycare facility.

Through the site investigations conducted by the buyer, it was discovered that the property would require approximately \$103,000 in soil remediation due to contamination found in both the soil and groundwater at the property. The cause of the contamination at this property is likely due to previous and current adjacent gas stations which had leaks in the underground tanks in the past. The buyer has supplied city staff with a copy of the environmental reports, MPCA documentation, and price quotes which confirms this.

The amount of remediation expenses are an unanticipated additional expense and the buyer has requested a price reduction to help accommodate for the additional expense. The proposed first amendment to the purchase agreement would reduce the sale price for the property by a total of \$53,000 to cover approximately half of the remediation costs. The buyer will cover the additional expense above that number.

If approved, the new sale price for the property will be \$497,000 and the closing for the property will occur within the next few weeks. The buyer anticipated beginning construction very shortly after the closing date.

ATTACHMENTS:

Attachment A – First amendment to the purchase agreement with Beta Equity Investments, LLC