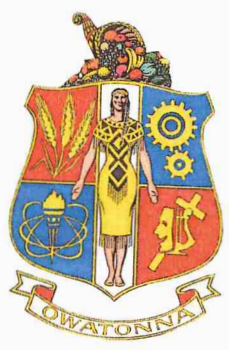


THE CITY OF

OWATONNA

Greg Kruschke
Community Development Manager



540 West Hills Circle
Owatonna, MN 55060-4794
Phone: (507) 774-7317
Fax: (507) 444-4394
Email: Greg.Kruschke@ci.owatonna.mn.us

DATE: June 11, 2020
TO: Mayor and City Council
FROM: Community Development Dept. – Greg Kruschke
SUBJECT: Utility Disconnection Agreement – Bradford Development

Purpose:

Approve the agreement delaying the disconnection of water and sewer services from the mains for Bradford Development.

Background:

Bradford Development has purchased the former Park Place / Cedarview property from Steele County. The property is addressed 125 Park Street East. They have demolished the southern building. At this time they are unsure of the future plans and wish to leave the water and sewer services in the street. They are requesting to enter into this agreement to delay removal.

Previously when a property owner combined lots and it was clear the water and sewer services were not going to be used they were required to be disconnected at the mains. This involved digging into the street and added significant cost to the property owner.

City Staff met with OPU Staff late 2017 with the intent of trying to minimize the amount of times we were digging into the streets. We were able to develop this agreement, to be recorded against the property, to accomplish what every party was looking for. City Staff, OPU Staff, and City Attorney Walbran have all reviewed the agreement and feel it is a good solution.

Budget Impact:

There is no budget impact to the City other than staff time. All future responsibility is the property owners and the agreement lays out the process. The applicant also pays the \$46 recording fee.

Staff Recommendation:

Staff is recommending approval of the Utility Disconnection Agreement for Growth Holdings LLC.

LETTER OF UNDERSTANDING

This Letter of Understanding is entered into between the City of Owatonna, hereinafter referred to as the City, Owatonna Public Utilities, hereinafter referred to as OPU, and BRADFORD HOLDINGS OWATONNA owner of the subject property, hereinafter referred to as Owner, this 11 day of MAY, 2020, with regard to the premises of the Owner, located at 125 E PARK STREET, Owatonna, Minnesota, and as legally described in the attached Exhibit A.

- 1) The Owner is requesting to combine multiple parcels into one resulting parcel. Each parcel has a water and sewer service that are stubbed into the lot meant for future construction.


OR

- 2) The Owner is requesting to demolish a structure on a lot with no plans for new construction in the future. This parcel will have a water and sewer service that will no longer be needed.
- 3) The City requires that the sewer service be disconnected at the sewer main. The disconnection at the main is to prevent inflow and infiltration into the public sanitary sewer service resulting in overflow at the wastewater treatment facility.
- 4) OPU requires that the water service be disconnected at the water main. The disconnection at the main is to prevent a leaking water service resulting in unused resources and erosion damages to public street or private property.
- 5) The City also has a desire to minimize the amount of street openings that occur in order to protect and extend the life of the existing street network.
- 6) The Owner hereby acknowledges the inherent risk associated with leaving the water and sewer services connected to the respective public mains and the benefit accruing to its property by their removal and agrees that the Owner is fully responsible for the disconnection of the water and sewer services from their respective mains in the future.
- 7) The Owner agrees to disconnect the water and sewer service from the public main within 30 days of receiving notice from the City or OPU once an issue is discovered. If action is not taken the City will contract for the required work and all costs will be assessed to the Owner with an additional 20% oversight fee for completing the necessary work.
- 8) The Owner agrees that the service will be removed when the subject street has the pavement removed for any reason. This work will be performed by the City's contractor and will be billed directly to the Owner. Please note that this will include the excavation and service removal. Pavement removal and repaving will be included in the street project.
- 9) The City, OPU and Owner hereby declare that the above described premises are subject to the above conditions and which shall run with the land and part thereof and shall apply to and bind each and every successor in interest thereof.
- 10) In the event the City of Owatonna has to take enforcement action to enforce the terms of this agreement, in addition to any other remedies that may be available to it pursuant to the

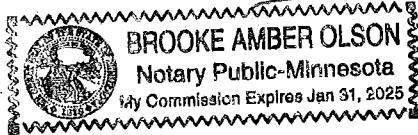
Owatonna Code of Ordinances or Minnesota Statutes, the City of Owatonna shall be entitled to recover the costs of enforcement including reasonable attorney fees.

Owner: BRADFORD HOLDINGS OF OWATONNA, LLC.

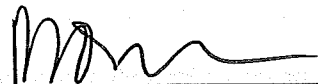
Dated: 5/11/20

BRADFORD G. BASS
 Owner

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)



This instrument was acknowledged before me on 5/11/20, 2020 by Brad Bass, Owner.


Signature of person taking acknowledgment

CITY OF OWATONNA

Dated: _____

By: _____
Thomas A. Kuntz
Its: Mayor

By: _____
Kris M. Busse
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this _____ day of ____, 20__ by Thomas A. Kuntz, Mayor and Kris M. Busse, City Administrator, of the City of Owatonna, a Municipal Corporation, a municipal corporation, under the laws of the State of Minnesota.

Signature of person taking acknowledgment

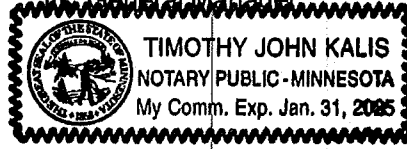
OWATONNA PUBLIC UTILITIES

Dated: 5/15/2020

By: *Roger J. Ware*
Roger Warehime

Its: General Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)



The foregoing instrument was acknowledged before me this 15 day of 5, 2020 by Roger Warehime, its General Manager, of Owatonna Public Utilities, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Timothy John Kalis
Signature of person taking acknowledgment