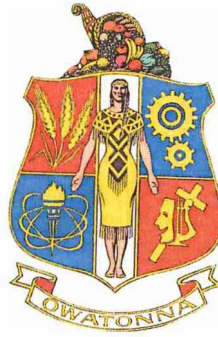


THE CITY OF



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 – Growth Holdings LLC

Purpose:

Approve the agreement delaying the disconnection of water and sewer services from the mains to allow the demolition of the house.

Background:

Growth Holdings LLC is in the process of developing a Caribou Coffee at 621 Bridge Street W. Upon demolition of the house on the property the applicant would like to leave the existing services connected to the main to avoid extra digging in Bridge Street. The applicants wish to enter into the agreement and disconnect the services in the future per the agreement.

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 GROWTH HOLDINGS LLC, owner of the subject property, hereinafter referred to as Owner, this 15 day of MAY, 2020, with regard to the premises of the Owner, located at 621 BRIDGE ST., 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

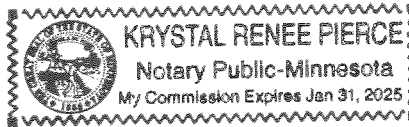
Owatonna Code of Ordinances or Minnesota Statutes, the City of Owatonna shall be entitled to recover the costs of enforcement including reasonable attorney fees.

Owner:

Dated: 5-18-20

[Signature]
_____, Owner

STATE OF MINNESOTA)
 Blue Earth) ss.
COUNTY OF STEELE)



This instrument was acknowledged before me on May 18, 2020, by Kyle Smith, Owner.

[Signature]
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: _____

By: _____

Roger Warehime
Its: General Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by Roger Warehime, its General Manager, of Owatonna Public Utilities, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Signature of person taking acknowledgment

EXHIBIT A

Lot 1, Block 1, Drive Thru Addition,
Steele County, Minnesota

Owatonna Public Utilities

Engineering Department
208 South Walnut Ave.
P.O. Box 800, Owatonna, MN 55060
507.451.2480, Fax-507.451.3695



Date: 10-17-18
To: New Commercial Construction Customer

Owatonna Public Utilities (OPU) may be the gas, electric and water utility provider for this project. OPU must know who will be responsible for the utilities during the construction phase. Please provide the requested utility information to allow for service/meter design and service fee determinations. By providing this information in the form below, you will expedite your plan review as it is routed through OPU. **OPU will not process your plan or provide gas, electric or water utilities unless this information is provided.**

OPU Engineering Department will review your plan and give comments and requirements on items that affect the gas, electric and water utility for this project. These items will need to be addressed prior to construction. OPU will attach a service fee sheet to inform you of the required fees that will need to be paid for this project. The fees for all three utilities will need to be paid prior to OPU scheduling or completing any service for this project.

To insure there is not a delay, please provide accurate information at the time of plan submittal.

Thank You, OPU Engineering Dept.

Responsible Party for Gas, Electric and Water usage fees

Name: The Tailwind Group Owner - or - Builder (Check one)
Address: 530 S. Front Street Suite 100
City: Mankato State/ZIP: MN 56001
Contact Person: Kyle Smith
Daytime Phone #: 507-322-1200 Email Address KSMITH@THETAILEDGROUP.COM
Building Site Address: 621 West Bridge Street, Owatonna, MN

<2 psi downstream of the meter. **Utility Loading and Service Information**
Gas Delivery Pressure: _____ psi/in Gas Connected Load: 279,000 btu
(ie: 2psi delivery pressure and 150,000 btu of connected natural gas load)

Electric:
What voltage is requested: 120/240v - 120/208v - 277/480v = 1ph or 3ph (check)
(OPU will determine what we will provide - not all voltage is available at all locations)
What is the proposed electric panel size: 300 amps (ie: 200, 400, etc.)
If you are upgrading an existing electric service, what is the existing panel size: _____ amps

Water:
Domestic Water Service Fixture Units: 24.5 WSFU (ie: 150WSFU)
What size water meter are you requesting? 1.5 " (ie: 1", 2", 6" etc.)
What is the size of your Existing or Proposed water service? 1.5 "
Are you proposing to tap a new water service? Yes No
Is a fire protection service existing or being added? Yes No
Is a lawn irrigation system existing or being added? Yes No
Do you want an extra irrigation meter Yes No