

1. 7:00 P.M. City Council Special Meeting Agenda

Documents:

[MAY 18, 2023 SPECIAL COUNCIL MEETING AT 7 PM.PDF](#)

2. 7:00 P.M. City Council Special Meeting Packet

Documents:

[MAY 18, 2023 SPECIAL COUNCIL MEETING PACKET AT 7 PM.PDF](#)



City Council Agenda - Special Meeting
Thursday, May 18, 2023
Council Chambers

7:00 P.M. REGULAR MEETING

(meeting will be cablecast)

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COUNCIL BUSINESS and/or DISCUSSION ITEMS**
 - 3.1 RES/Fourth Amendment to Purchase Agreement; Ryan Companies US Inc.
4. **ADJOURNMENT**



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COUNCIL MEMO

Agenda Item # 3.1

Meeting Date: May 18, 2023
Agenda Section: Ordinances & Resolutions
Item Description: RES/Fourth Amendment to Purchase Agreement; Ryan Companies US Inc.
Submitted By: Doug Borglund, Community Development Director

BACKGROUND INFORMATION

On *February 18, 2020* the City approved a purchase agreement with Ryan Companies for the sale of a 14-acre parcel at the northwest corner of & 7th Avenue and Bunker Lake Blvd. Due to Covid-19, the state of retail, and the City's desire to obtain a grocery retailer on the 14-acre site at 7th Avenue and Bunker Lake Blvd.

On *July 6, 2020* the City Council approved the **First Amendment** that included additional time is being requested by the buyer as started below:

- The amendment to Section 5 of the existing purchase agreement changes the term of “one hundred twenty (120) days” in Section 5(e) of the Purchase Agreement is hereby deleted and replaced with “four hundred eighty (480) days”. This would extend the time period out to May of 2021. Section 5 addresses contingencies expected to be completed by the buyer and/or seller based on the PA.
- The amendment to Section 11 of the existing purchase agreement changes the first sentence of Section 11 and is hereby deleted in its entirety and replaced as follows: “Buyer’s performance of this Agreement is expressly conditioned upon Buyer’s inspection and approval of the premises; which inspection shall be made within five hundred forty (540) days after the Effective Date” This would extend the time period out to July of 2021. Section 11 addresses access and inspection of the site which may include architectural, design, soil, environmental studies and assessments.

On *June, 21 2021* the City Council approved the **Second Amendment** that included additional time is being requested by the buyer as stated below:

- The amendment to Section 5 of the existing purchase agreement changes the term of “four hundred eighty (480) days” in Section 5(e) of the Purchase Agreement is hereby deleted and replaced with “eight hundred forty (840) days”. This would extend the time period out to June of 2022. Section 5 addresses contingencies expected to be completed by the buyer and/or seller based on the PA.
- The amendment to Section 11 of the existing purchase agreement changes the first sentence of Section 11 of the Purchase Agreement is hereby deleted in its entirety and replaced as follows: “Buyer’s performance of this Agreement is expressly conditioned upon Buyer’s inspection and approval of the Premises, which inspection shall be made within nine hundred (900) days after the Effective Date” (the “**Due Diligence Period**”).e This would extend the time period out to August of 2022. Section 11 addresses access and inspection of the site which may include architectural, design, soil, environmental studies and assessments.

On May 16, 2022 the City Council approved the **Third Amendment** that included additional time is being requested by the buyer as stated below:

- The amendment to Section 5 of the existing purchase agreement changes the current term of “eight hundred forty (840) days” in Section 5(e) of the Purchase Agreement to “on or before March 18, 2023”. Section 5 addresses contingencies expected to be completed by the buyer and/or seller based on the PA.
- The amendment to Section 11 of the existing purchase agreement changes the current term of “nine hundred (900) days” to “on or before March 18, 2023”. Section 11 addresses access and inspection of the site which may include architectural, design, soil, environmental studies and assessments.

Ryan Companies is requesting a Fourth Amendment that includes the following changes stated below:

- The amendment to the Due Diligence Period identified in Section 11 of the existing Purchase Agreement is hereby deleted and replaced with “Buyer’s performance of this Agreement is expressly conditioned upon Buyer’s inspection and approval of the Premises, which inspection shall be completed on or before June 21, 2023 (the “**Due Diligence Period**”).”

NOTE: The City and Ryan Companies US Inc. have executed a purchase agreement for \$3.28 per square foot, \$142,857.00 per acre, or a total of \$2,000,000.00. No changes to the purchase price have been discussed with this proposed amendment.

FINANCIAL IMPACT

None

REQUESTED COUNCIL ACTION

Approved the resolution as presented.

REQUIRED VOTE

Majority vote of the City Council is required.



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**CITY OF ANOKA, MINNESOTA
RESOLUTION**

RES-2023-XXXX

**RESOLUTION ADOPTING FOURTH AMENDMENT TO THE PURCHASE AGREEMENT;
RYAN COMPANIES US, INC**

WHEREAS, On February 18, 2020, the City approved a purchase agreement with Ryan Companies for the sale of a 14-acre parcel at the northwest corner of & 7th Avenue and Bunker Lake Blvd (“Purchase Agreement”).

WHEREAS, On July 6, 2020, the City Council approved the First Amendment to the Purchase Agreement changing the time frame of Section 5(e) of the Purchase Agreement from “one hundred twenty (120) days” to “four hundred eighty (480) days” and changing the Due Diligence Period identified in Section 11 of the Purchase Agreement from “one hundred eighty (180) days” to “five hundred forty (540) days”.

WHEREAS, On June 21, 2021, the City Council approved the Second Amendment to the Purchase Agreement changing the time frame of Section 5(e) of the Purchase Agreement from “four hundred eighty (480) days” to “eight hundred forty (840) days” and changing the Due Diligence Period identified in Section 11 of the Purchase Agreement from “five hundred forty (540) days” to “nine hundred (900) days”.

WHEREAS, On May 16, 2022, the City Council approved the Third Amendment to the Purchase Agreement changing the time frame Section 5(e) of the Purchase Agreement, as amended by the First and Second Amendments to the Purchase Agreement is requested to be changed from “eight hundred forty (840) days” to “on or before March 18, 2023” and changing the Due Diligence Period identified in Section 11 of the Purchase Agreement, as amended by the First and Second Amendments to the Purchase Agreement is requested to be changed from “nine hundred (900) days” to “on or before May 18, 2023”.

WHEREAS, the Buyer and/or Ryan Companies has requested a Fourth Amendment to the Purchase Agreement to allow more time to meet the City’s development objectives.

WHEREAS, the Due Diligence Period identified in Section 11 of the existing Purchase Agreement and its amendments is hereby deleted and replaced with “Buyer’s performance of this Agreement is expressly conditioned upon Buyer’s inspection and approval of the Premises, which inspection shall be completed on or before June 21, 2023 (the “**Due Diligence Period**”).”

WHEREAS, the Anoka City Council believes the requested changes are reasonable and will better allow Buyer and/or Ryan Companies the additional time necessary in order to meet the City's development objectives.

NOW, THEREFORE, BE IT RESOLVED, that the Anoka City Council does hereby approve the Fourth Amendment to the Purchase Agreement and authorizes the Mayor and City Clerk to sign the same on behalf of the City of Anoka.

Adopted by the Anoka City Council this the 18th day of May, 2023.

ATTEST:

Amy T. Oehlers, City Clerk

Phil Rice, Mayor

**FOURTH AMENDMENT TO
PURCHASE AGREEMENT**

(Anoka, Minnesota)

THIS FOURTH AMENDMENT TO PURCHASE AGREEMENT (this “**Fourth Amendment**”) is made and entered into by and between, the CITY OF ANOKA, a municipal corporation (“**Seller**”), and RYAN COMPANIES US, INC., a Minnesota corporation (“**Buyer**”), and is effective as of the date of the last signature of the parties (“**Fourth Amendment Date**”).

RECITALS:

A. Seller and Buyer are parties to that certain Purchase Agreement dated February 18, 2020, as amended by that certain First Amendment to Purchase Agreement, dated July 7, 2020, and as further amended by that certain Second Amendment to Purchase Agreement, dated June 23, 2021, and as further amended by that certain Third Amendment to Purchase Agreement, dated May 19, 2022 (as so amended, the “**Purchase Agreement**”) with respect to that certain real property located within the City of Anoka, County of Anoka, State of Minnesota, as more particularly described in the Purchase Agreement, the “**Property**”.

B. Seller and Buyer have agreed to amend the Purchase Agreement as provided in this Third Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree, and the Purchase Agreement is further modified as follows:

AGREEMENTS:

1. **Definitions.** All capitalized terms not otherwise defined herein have the meanings given to them in the Purchase Agreement.

2. **Due Diligence Period.** The first sentence of Section 11 of the Purchase Agreement is hereby deleted and replaced with “Buyer’s performance of this Agreement is expressly conditioned upon Buyer’s inspection and approval of the Premises, which inspection shall be completed on or before June 21, 2023 (the “**Due Diligence Period**”).”

3. **Authority.** Each party represents and warrants that it has due power and lawful authority to execute and deliver this Fourth Amendment and to perform its obligations under the Purchase Agreement; and the Purchase Agreement and this Fourth Amendment are the valid, binding and enforceable obligations of such party.

By the signatures below, both the Buyer and Seller agree to the terms set forth in this Fourth Amendment to the Purchase Agreement.

SELLER:

CITY OF ANOKA

Date: _____

By: _____
Phil Rice, Mayor

Date: _____

By: _____
Amy Oehlers, City Clerk

BUYER:

RYAN COMPANIES US, INC.
a Minnesota corporation

Date: _____

By: _____

Name: _____

Title: _____