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**MEMORANDUM**

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TO: Mayor & City Council  
FROM: Robert Barbian, City Administrator  
SUBJECT: update: CKW proposal on Anderson Property  
DATE: October 22, 2020

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**BACKGROUND: Update:**

Shawn William provided an email with a simplified overview of his proposal he want shared. It follows:

Gentleman,

I wanted to recap our conversation from earlier this week. CKW Developers staff has had time to talk about our conversation and what we are asking of all parties. We feel the below offer is fair for all 3 parties.

- 1) Anderson sell property direct to CKW / PA signed
- 2) City agrees to include 17' from west alley
- 3) CKW Developers is going to make a deal with west property owner if possible.
- 4) Closing costs paid by CKW Developers
- 5) CKW Developers agrees to pay back Assessment starting 12/31/2020 with new amortization schedule. Total dollar amount of original assessment \$20,144.06. We also want to add line item 7 into this number. The value of moving / adding to pipe is \$6,950.00. Estimate provided by West Branch Construction.

Quick summary

Original value = \$20,144.06  
Minus West Branch Construction value = \$6,950.00  
Total new assessment = \$13,194.06  
Nominal Annual Rate 4%  
10 year term with final payment due 12/31/2030 as originally dated.

6) City agrees to provide 1065 cubic yards of fill from Cemetery location. CKW Developers to pay trucking cost.

7) Picked up in number 5

Let me know if this makes sense. We want to get started asap on building this project from the ground up. I feel this is a fair proposal for all 3 parties ( Anderson's, City & CKW Developers ).

I wanted to give a more clear answer on project timeline. As long as we can agree on top information we can close asap. CKW Developers has a cash deal no financing agreement with the Anderson's. This makes for an easy closing. CKW Developers wants to add the cities agreement to closing doc's.

We want to break ground on this project the spring of 2022. We will need all of 2021 to get building designed and get financing secured. We will also get all of the legal,

engineering and permits completed in 2021.

Respectfully,

Shawn Williams  
CKW Developers LLC  
AJW Contracting Inc  
11428 293rd Ave  
Princeton MN 55371  
612-282-6260

As you may recall the **City Attorney Toven email:**

*There is nothing in the statutory framework that specifically authorizes a waiver as you referenced. However, there is nothing that specifically prohibits it. The intent behind the statues is to ensure cities are reimbursed (in part) for improvements that benefit properties for public projects, as well as to protect property owner's rights to due process.*

*Here, the City will ultimately be paid the property's fair share of the project costs as assessed, and the property owner is in agreement with the changes. Therefore, we feel the city may move forward with a waiver of interest (assuming bond counsel does not express concern).*

*We feel it would be very important to have a detailed developer's agreement that outlines the terms and that we perhaps have the new owners execute a consent to the new assessment. It may also be prudent to have the council pass a resolution approving the developer's agreement and amended assessment.*

Below is the Bond Council thought as summarized by George Eilerson:

*I reviewed the question with Mary Ippel. We discussed that the City should not reassess the original special assessments. One factor is that other properties were assessed as well. If the City provides a reduction in the special assessment interest that is due, other properties assessed on the project may look for a similar interest reduction. The City could consider assisting the property owner with either tax abatement or some other contribution if future development of the lot occurs.*

**George Eilertson,**

Managing Director, Public Finance

I also spoke with Mike Nielson, WSB Sr. Project Manager. He indicated that WSB would like to see the situation rectified and if a developer was interested, the property developed. He personally offered his review services for WSB site plan review if the project moves forward or to work with the developer on a discounted site development contract. He indicated that in his previous work assessments were occasionally written down when challenged.

Recommendation to City Council: Consider and act on items that the City would be acceptable to allow.

**Update Memo end.**