

TO: MAYOR AND CITY COUNCIL

FROM: NEIL JENSEN, City Administrator

SUBJECT: Special Assessment Termination Agreement Olmsted Medical Center

MEETING DATE: March 16, 2021

BACKGROUND

Olmsted Medical Center purchased the medical building from Karl Molenaar and Molenaar Medical LLC. There was an outstanding deferred assessment on the property of \$20,210.00 that was paid upon closing by Molenaar Medical LLC. There is no further action required by the city or Olmsted Medical Center. The new owners Olmsted Medical Center are requesting the city to terminate the Assessment Agreement to clean up the title of the property. Please find attached the Termination Agreement between the City and Olmsted Medical Center. This document has been reviewed by the City Attorney and is ready for signatures.

STAFF RECOMMENDATION

Please approve the Termination Agreement for the special assessments with Olmsted Medical Center.

REQUESTED COUNCIL ACTION

Please make a motion to approve the Special Assessment Termination Agreement with Olmsted Medical Center.

TERMINATION OF AGREEMENT

THIS TERMINATION OF AGREEMENT (“Termination”) is made and entered into as of this ____ day of February, 2021, by and between City of Cannon Falls, a Minnesota municipal corporation, (“City”), and Olmsted Medical Center, a Minnesota nonprofit corporation (“New Property Owner”).

RECITALS

A. The City and Molenaar Medical, LLC, a Minnesota limited liability company (“Molenaar”) entered into a Public Improvement and Special Assessment Agreement dated May 21, 2013, recorded on July 24, 2013, as Document Number 607381 in the Office of the County Recorder of Goodhue County, Minnesota (“Agreement”) encumbering the property described therein (“Property”). Molenaar conveyed the Property to New Property Owner by warranty deed dated January 29, 2021, recorded on February 1, 2021, as Document Number 671780 in the Office of the County Recorder of Goodhue County, Minnesota.

B. The Agreement between the City and Molenaar provided for the construction of a 36-foot wide bituminous urban street approximately 240-feet in length and a 150-foot right turn lane along TH 20. This urban street and turn lane were to serve the newly constructed Olmsted Medical Clinic located on the Property.

C. The Agreement imposed special assessments and deferred special assessments for the construction of the improvements with all assessments due upon sale of the Property by Molenaar (“Special Assessments”). The assessments were paid on February 1, 2021.

THEREFORE, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties have agreed as follows:

AGREEMENT

1. The City acknowledges that all Special Assessments have been paid in full and no further payment or action is required by either party.

2. That the Agreement shall be deemed to be terminated effective as of February 1, 2021, the date the Special Assessments were paid.

OLMSTED MEDICAL CENTER

By: _____

Its: _____

State of Minnesota)
) ss
County of _____)

This instrument was acknowledged before me this _____ day of _____, 2021
by _____ the _____ of Olmsted Medical
Center, a nonprofit corporation under the laws of Minnesota, on behalf of the corporation.

(Seal, if any)

(signature of notarial official)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
Fredrikson & Byron, P.A. (mas)
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
72063152 v3

COUNTERPART SIGNATURE PAGE TO THE TERMINATION OF AGREEMENT
BETWEEN THE CITY OF CANNON FALLS AND OLMSTED MEDICAL CLINIC