

**MINUTES
OF THE WORK SESSION OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
JULY 15, 2008
5:00 P.M.**

Mayor Hovland called the meeting to order at 5:10 p.m. in the Community Room of City Hall. Answering rollcall were: Members Bennett, Masica, Swenson and Mayor Hovland. Member Housh was absent. Staff present included: Gordon Hughes, City Manager; Heather Worthington, Assistant City Manager; Wayne Houle, City Engineer and Director of Public Works; and Debra Mangan, City Clerk.

Mayor Hovland said the purpose of the work session was to discuss the possible relocation of the City Public Works Facility to the ConAgra site.

Jack Rice, 4601 Hilltop Lane, reported on his activity relative to the ConAgra site since the last work session. Mr. Rice stated he had toured the site previous to the June 16, 2008, Council work session when the Council directed staff to negotiate directly with ConAgra and identify the City as an interested buyer. He said that he consulted with three industrial real estate experts: Scott Fredrickson, Welsh Properties; Todd Hanson, United Properties/Normark; and Jim DePietro, CB Ellis. After touring the property with the three gentlemen, he said that they came up with a range of values between the low seven millions to over eight million. Mr. Rice said that from this he concluded the original appraisal of eight million was still valid.

Mr. Rice reported on his meeting with Jim Doyle, Vice President of Real Estate at ConAgra, the person in charge of the property in which the City has interest. After their meeting, Mr. Doyle had ConAgra's consultant P.J. Morgan contact Mr. Rice to discuss a potential set of terms. Mr. Rice said those preliminary terms included a purchase price of eight million with ConAgra responsible for the mitigation of environmental concerns. He reported they also discussed possible schedules of a potential sale, noting that the earliest possible closing would be helpful, but not crucial to the sale.

The Council, staff and Mr. Rice discussed the potential acquisition of the ConAgra site by the City in order to relocate the City's Public Works facility. Issues included: unique market available for the City to locate a Public Works facility, overall market conditions, consequences of separating geographically the City Hall from the Public Works facility, and Opus' involvement with ConAgra site that seemed to have two outstanding issues (reimbursement of \$100,000 design fees and \$48,000 of environmental fees, including the cost of the Phase One and Phase Two reports).

The Council indicated they were interested, but would like to see the City achieve the best deal possible. Staff suggested the Council could direct Mr. Rice to negotiate a term sheet, which they could take to the citizens for a public hearing. After a public hearing, the

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Council could consider whether or not to proceed with the acquisition, sell bonds and direct staff to memorialize a purchase agreement. When all had been completed the transaction could be closed.

Member Swenson made a motion that was seconded by member Bennett to authorize staff and consultants to negotiate a term sheet on the potential purchase of the ConAgra site.

Ayes: Bennett, Masica, Swenson, Hovland

Motion carried.

Mayor Hovland declared the meeting adjourned at approximately 6:10 p.m.

Respectfully submitted,

Debra Mangen, City Clerk