



City of Grand Forks
Staff Report

APPROVED & ACCEPTED
by City Council
Maureen Storstad
03/29/2021
Maureen Storstad
City Auditor

Committee of the Whole – March 22, 2021
City Council – March 29, 2021

Agenda Item: Beacon By EPIC Development - Demolition Agreement

Submitted by: Todd Feland, City Administrator

Staff Recommended Action: Approve the attached Demolition Agreement related to the Beacon By EPIC development to include the following parties: City of Grand Forks, Beacon Landholdings, LLC, Northern Pacific, LLC, and Heartland Exchange, LLC.

Committee Recommended Action: Motion by Kvamme, second by Sande, to refer to City Council with a recommendation to approve.
Motion carried unanimously.

Council Action: Motion by Weigel, second by Weber, to approve. Motion carried unanimously.

BACKGROUND:

On February 1, 2021, the Grand Forks City Council provided final approval of the tax incentive for the Beacon By EPIC development. The Beacon By EPIC development received approval for an 80 percent tax incentive as a tax incentive revenue bond of up to 25 years to fund a public plaza improvement. The City Attorney’s Office is currently working on the Beacon By EPIC Development Agreement for Grand Forks City Council final review and approval in the April/May 2021 timeframe. The Beacon By EPIC developers have requested to move forward with site demolition as soon as possible and have requested this simple Demolition Agreement in advance of the final Development Agreement.

ANALYSIS AND FINDINGS OF FACT:

- The simple Demolition Agreement was requested by the Beacon By EPIC developers in order to move forward with site demolition in the near term and in advance of the final review and approval of the Development Agreement.
- The City Attorney’s Office is currently working on finalizing the Beacon By EPIC Development Agreement for final approval in the April/May 2021 timeframe.
- In order to expedite the Demolition Agreement and allow the Beacon By EPIC developers to move forward with site demolition, the City administration is requesting to

place the item on the March 29, 2021 Special City Council Meeting for final review and approval.

SUPPORT MATERIALS:

- Demolition Agreement

DEMOLITION AGREEMENT

This Demolition Agreement ("Agreement") is entered into on this ____ day of _____, 2021 by and between the City of Grand Forks, a North Dakota municipal corporation ("City"), Beacon Landholdings, LLC, a North Dakota limited liability company ("Beacon") whose address is 400 10th Street SE, Minot, North Dakota 58701, Northern Pacific, LLC, whose address is 615 1st Avenue N, Suite A, Grand Forks, North Dakota 58203 ("Northern") and Heartland Exchange, LLC, whose address is 501 7th Street S, Fargo, North Dakota 58103 ("Heartland"). City, Beacon, Northern and Heartland are collectively referred to as Parties.

WHEREAS, Northern, Heartland and Beacon have entered into a Purchase Agreement dated February 10, 2021 for the purchase and sale of real property identified as follows:

Lot Two (2), in Block Two (2), Renewal Resubdivison No. 5 to the City of Grand Forks, according to the plat thereof on file in the Office of the County Recorder within and for Grand Forks County, ND, and recorded in Book "152" of Deeds, page 253. ("Property").

WHEREAS, the City and Beacon intend to enter into a Development Agreement for the development of the Property; and

WHEREAS, in conjunction with the development of the Property, the Northern, Heartland and Beacon jointly agree to have the current building structure on the Property demolished and removed; and

WHEREAS, this Agreement sets forth the understanding between the Parties regarding the demolition, removal and reimbursement of the current structure on the Property.

NOW, THEREFORE, Northern, Heartland, City and Beacon in consideration of the following promises and covenants set forth herein, do hereby agree as follows:

1. Demolition. Beacon agrees to begin the demolition and removal process of the current building and/or other structures on the Property. Beacon will remove and demolish any building and/or structure on the Property in accordance with any and all local ordinances and/or state laws. The Parties agree to work together to allow Beacon to obtain any and all necessary permits for the removal the current structure.

2. Reimbursement. Beacon will pay for any and all costs of the demolition and removal of the current structures on the Property, with reimbursement to Beacon to be made pursuant Paragraph 3 below.

3. Land Sale. Beacon is a party to a Purchase Agreement dated February 10, 2021 with Northern and Heartland for the purchase of the above-referenced Property. If the Parties are unable or otherwise do not close on the Property, or Northern and Heartland are unable to provide clean title to the Property, Northern and Heartland will reimburse Beacon for any and all costs and expenses incurred and associated with the demolition or removal of the current structure on the Property. However, if the Parties move forward, close on the Property and Beacon obtains title to the Property, the City will, to the extent allowable under N.D.C.C. ch. 40-58 and pursuant and subject to the terms and conditions of a development agreement to be entered into with the City, reimburse Beacon for any and all costs (as described in N.D.C.C. § 40-58-20.1(3)(b)) associated with the demolition or removal of any building or structure on the Property through the TIF Funds.

4. Prior Agreements Referencing Demolition Superseded. This Agreement supersedes any and all other agreements between any of the Parties to this Agreement, written or oral, regarding the subject of demolition and removal of the current building and/or other structures on the Property.

5. Additional Terms and Conditions.

- (a) Jurisdiction. This Agreement shall be interpreted under and governed by the laws of the State of North Dakota in accordance herewith, the Parties hereby submit to the jurisdiction of the courts of North Dakota.
- (b) Entire Agreement. This Agreement constitutes the complete and entire Agreement between the parties and supersedes any and all prior proposals and agreements.
- (c) Modification. This Agreement may not be amended, altered or modified unless the same is in writing and signed by all Parties to this Agreement.

City of Grand Forks

By: _____
 Brandon Bochenski
Its: Mayor _____

Attest:

By: _____
 Maureen Storstad
Its: City Auditor _____

Beacon Landholdings, LLC

By:  _____

Its: President

Northern Pacific, LLC

By: *Karin C. Rittman*
Its: President

Heartland Exchange, LLC

By: *Karin C. Rittman*
Its: _____