



**TO:** Mayor Tom Ross  
Members of the City Council

**FROM:** Jason Sorenson, Utilities Director

**DATE:** May 6, 2024

**SUBJECT: PURCHASE OF 100 3<sup>RD</sup> ST AND 311 1<sup>ST</sup> AVE NE (3529.5)**

**I. RECOMMENDED ACTION**

1. Recommend council approve the purchase of the 100 3<sup>rd</sup> St and 311 1<sup>st</sup> Ave NE in the amount of \$310,000.
2. Recommend council approval of earnest money in the amount \$1,000 being issued prior to second reading of the budget amendment.
3. Recommend council approve the budget amendment to allocate funding for the purchase.
4. Recommend council authorize the mayor to sign any necessary documents to complete the acquisition.

**II. DEPARTMENT CONTACT PERSONS**

Jason Sorenson, Utilities Director                      701-857-4140

**III. DESCRIPTION**

A. Background

MI-6 is a phase of flood control that extends from Main Street north of downtown to Roosevelt Park along the river. Prior to designing the project, acquisitions were made of properties that needed to be removed to make room for the flood control features. The intentions for the project were to demo all of the structures in the area including an old bridge that sits next to 3<sup>rd</sup> St. It was discovered during the design that the Nok Back Tavern still utilized the old roadway as their driveway for a second floor apartment. To make accommodations a new driveway and other improvements would need to be constructed.

B. Proposed Project

As design was being finalized the property owners approached the project regarding purchase of their property. It is not necessary for the construction of the flood control project, but the project consists of many improvements in order for the property to stay in place including a new driveway, new approach aprons, upgrading water and sewer lines to service the structure and some storm sewer piping. The work to keep the property in place was estimated to cost around \$268,000. A purchase price of \$310,000 was negotiated for the property.

C. Consultant Selection

N/A

**IV. IMPACT:**

A. Strategic Impact:

While the purchase price may be more than the cost of improvements, removal of the property will eliminate the need to extend new water and sewer mains. This will reduce long-term maintenance costs as these lines will no longer be there.

B. Service/Delivery Impact:  
N/A

C. Fiscal Impact:

Project Costs

Acquisition of 100 3<sup>rd</sup> St NE and 311 1<sup>ST</sup> Ave NE                      \$310,000

Project Funding

Funding for this acquisition will come from flood control sales tax. The North Dakota Department of Water Resources typically cost shares all acquisitions at 75%. Since this property isn't necessary for the completion of flood control, DWR agreed to reimburse 75% of the cost that would have otherwise been spent as part of flood control for the property to remain in place.

**V. CITY COUNCIL ASPIRATIONS**

This item achieves the council aspiration of resilient and prepared

**VI. ALTERNATIVES**

Council could elect to deny the acquisition. In this case the flood control project could still be built but a similar amount of funds would be spent toward infrastructure and improvements to ensure the property can be served into the future.

**VII. TIME CONSTRAINTS**

N/A

**VIII. LIST OF ATTACHMENTS**

- A. Purchase Agreement
- B. Budget Amendment