



**Agenda IV.B.2.  
October 24, 2024**

**To:** Board of Education  
Dr. Chris Belmont, assistant superintendent

**From:** Stacey Sovine, executive director of administrative services

**Date:** October 24, 2024

**Re:** Consider Adopting a Resolution to Approve Purchase Proposal for the Sioux Trail Elementary School Property

**RECOMMENDATION:** That the Board of Education adopt the proposed resolution to approve the purchase agreement between Independent School District No. 191 and M/I Homes of Minneapolis/St. Paul, LLC.

**Notes:**

On September 12, 2024, the Board considered an offer to purchase the above referenced facility. After consideration, the Board directed staff and attorneys to finalize a purchase agreement (the "Agreement") for the transaction. Below are the main terms of the purchase agreement:

Buyer: M/I Homes of Minneapolis/St. Paul, LLC.

Purchase Price: \$3,500,000

Earnest Money: \$50,000 deposited upon execution of the Agreement with CHB Title LLC.

Within 5 days of the expiration of the Due Diligence period, if the Buyer does not terminate the Agreement, the Buyer will deposit an additional \$100,000 with the Title Company.

Upon expiration of the Due Diligence Period, all earnest money shall become non-refundable, except if Buyer terminates the Agreement pursuant to title examination, inability to obtain City entitlements, condemnation or default on part of the District.

Financing: Cash

Due Diligence: 120 Days from execution of the Agreement to conduct an investigation of the property and work with the City of Burnsville on its conceptual

planning, zoning, and other City processes to assess the feasibility of City approval of proposed project.

District to provide access to the Buyer and its employees and contractors upon reasonable advance notice by Buyer to investigate the property.

Buyer may terminate the Purchase Agreement at any time for any reason upon written notification to the District.

Entitlement Period: Upon satisfactory Due Diligence Period, the Buyer has until July 15, 2025, days to obtain all necessary approvals from the City. The Buyer will make application for entitlements within 120 of the date of the Agreement.

Buyer may extend the Entitlement Period by 4 months.

Closing Date: Within 15 days following the City's approval of the final plat of the property, but in the event no later than July 30, 2025. Closing to take place at the District's offices.

Closing Costs: Buyer and Seller to pay all customary closing costs.

Taxes: Prorated to date of closing (\$0 since property is tax exempt).

Assessments: Seller to pay any existing or pending (\$0 since none are levied or pending).

Commissions: Both parties acknowledge there are no broker commissions to be paid.

Title: Buyer to obtain title commitment and survey at its cost. Buyer has 10 days after receipt to review and provide written objections to title and the District. If title cannot be made marketable by expiration of the Due Diligence Period, Buyer may terminate the purchase agreement and the earnest money will be returned to the Buyer.

Demolition: Within 120 days of Closing, Buyer shall obtain a demolition permit and shall substantially complete demolition within 120 days. If Buyer fails to obtain a permit within 120 days or fails to substantially complete the demolition within 180 days, following 30 days written notice, the District can enter the property to complete the demolition and any costs incurred will be paid by the Buyer.

Miscellaneous: Buyer acknowledges buying the property "As Is" with no right of reduction in purchase price.

District will not enter into any service contracts that can't be terminated within 30 days' notice.

Covenants: Declaration of restrictive covenant or deed restriction to be filed for the property restricting buyer from using the property as a public, private, or charter school providing general education instruction for any students

that are K-12 unless the school is in conjunction with or consented to by the District.

Preliminary  
Concept:

Below is the concept drawing that the developer provided to the city of Burnsville last week, preliminary plans include looking at around 70 detached townhomes and single family homes around the \$400,000 price point.

