

RESOLUTION 2012 – 04
A RESOLUTION TO CONVEY REAL PROPERTY TO
STURGIS ECONOMIC DEVELOPMENT CORPORATION

WHEREAS the City of Sturgis is the owner of real property which is described as follows:

Lot 17 of Lot A-2 of Hurley Subdivision, located in the SE1/4 of the SW1/4, Section 9, T5N, R5E, B.H.M., City of Sturgis, Meade County, South Dakota

WHEREAS SEDC has made a request to the City of Sturgis to convey said property to SEDC pursuant to SDCL 9-27-36; and

WHEREAS the request from SEDC to the City of Sturgis is to provide support for economic development derived from the construction for a 33 bed assisted living facility proposed by the developer for construction on the above described property; and

WHEREAS the planned assisted living facility as presented will have a revised projected construction cost of approximately \$2,800,000.00; and

WHEREAS the planned assisted living facility as presented will, within 6 months of its opening, create new employment of 10 to 15 FTE or equivalent positions; and

WHEREAS the planned assisted living facility as presented will start construction by July 31, 2012; and

WHEREAS SEDC has proposed to provide a guarantee to the City for the direct contribution by the City to SEDC for this facility, agreed to have a value of \$100,000.00, as part of all the public support for the proposed assisted living facility; and

WHEREAS the guarantee proposed by SEDC for this assisted living project will be in the form of a guarantee to reimburse the City from funds currently held by SEDC for economic development purposes; and

WHEREAS the guarantee proposed by SEDC will require that the subject property not be transferred to the developer until SEDC has received proof that construction and permanent financing are in place for the developer, and a copy of that information has been provided to the City; and

WHEREAS the guarantee proposed by SEDC for the assisted living facility as presented will be provided in writing to the City at the time of closing and transfer of the subject property from SEDC to the Developer; and

WHEREAS the guarantee of SEDC continue to be operative until the planned assisted living facility has been in full operation for 5 years; and

WHEREAS SEDC has proposed the guarantee to help ensure that the stated requirements of size, construction cost and new employment are met by this economic development project for a minimum of 5 years; and

WHEREAS SEDC has proposed the guarantee remain in existence only for the first 5 full years of operation of the planned assisted living project / facility; and

WHEREAS SEDC has proposed that for each full year of qualifying operation of the assisted living facility the guarantee to the City should be reduced by one-fifth (1/5); and

WHEREAS THE Greater Sturgis Lifecare Foundation, SEDC and Meade County are also providing financial support for the proposed construction of this assisted living facility; and

WHEREAS pursuant to the above referred to statute the City has the power to convey real property to a non-profit local economic development corporation for authorized economic development purposes.

NOW THEREFORE as set forth herein it is hereby resolved that the Mayor of the City of Sturgis, Mark Carstensen, is hereby authorized to sign the guarantee document and execute a deed to SEDC consistent with the terms of this Resolution to conveying from the City of Sturgis to the Sturgis Economic Development Corporation the real property above described for the purposes set forth above and shall be authorized to convey by deed the above described property as provided for in this resolution.

Dated this 16th day of January, 2012.

CITY OF STURGIS

Mayor Mark Carstensen

ATTEST:

Fay Bueno, Finance Officer

Published: January 25, 2012
Effective: February 15, 2012