

September 28, 2021
City Commission Room, 700 N. Jefferson, Junction City KS 66441

Mayor Jeff Underhill
Vice Mayor Nate Butler
Commissioner Tim Brown
Commissioner Pat Landes
Commissioner Ronna Larson
City Manager Allen Dinkel
City Attorney Britain Stites
City Clerk Tammy Melton
Finance Director Lindsay Miller

1. 4:50 P.M. - CALL TO ORDER:

2. NEW BUSINESS:

- a. Consideration of the Indemnity Agreement with Kauffman Engineering, LLC and Fairview Pet Food, LLC.

3. ADJOURNMENT:

City of Junction City

City Commission

Agenda Memo

09-28-2021

From: Allen J. Dinkel, City Manager

To: Governing Body

Subject: Indemnity Agreement

Explanation of Issue: This agreement pertains to the sale of certain property at 1002 Perry Street. The agreement will indemnify the purchaser of this property from any environmental cleanup until September 30, 2026.

Budget Impact: From what we understand there is little of no risk to the City.

Staff Recommendation: Staff recommends approval of the indemnity Agreement.

Suggested Motion: I move to approve the Indemnity Agreement with Kauffman Engineering, LLC and Fairview Pet Food, LLC.

Attachments: Documents.

Indemnity Agreement

The City of Junction City, Kansas, a municipal corporation (“City”), Kauffman Engineering, LLC, (“Seller”), and Fairview Pet Food, LLC, (“Buyer”), enter into the following agreement:

The parties acknowledge that the Company seeks to buy certain property at 1002 N Perry Street, Junction City, Geary County, Kansas. Upon the parties fulfilling their due diligence, they discovered that the southwest corner of the lot contains pipe vents, iron, and other refuse indicating high likelihood of use of the land by a railroad company. This usage indicates a probability that said land may be considered an environmental hazard or issue by the federal Environmental Protection Agency or other similar regulatory agency.

The agreement is predicated upon the purchase and transfer of the property at 1002 N Perry Street, Junction City, Geary County, Kansas. If the listed Buyer and Seller do not close the transaction, then this Indemnity Agreement is null and void.

The City agrees to indemnify the Buyer solely from EPA or other similar governmental regulatory required environmental cleanup that exists at 1002 N Perry Street, Junction City, Kansas as of September 30, 2021 in or related directly to the southwest corner of the lot. The City does not indemnify any other issues or hazards of the property.

If such a hazard is found, the parties agree to follow the City’s financial policy at the time of discovery of the environmental hazard. This includes the City’s statutory requirement to follow Kansas’ Budget and Cash-Basis laws in addition to a bid process. Other requirements of the financial policy of the City shall be followed.

The indemnity assumed and offered by the City remains valid for sixty (60) months after the close of the land purchase and transfer between the Buyer and Seller. The City will no longer indemnify the property as noted above after September 30, 2026.

Other than the terms above, there are no other agreements between the parties concerning indemnity.

CITY OF JUNCTION CITY, KANSAS

By: _____

Jeff Underhill, Mayor

Date Signed: September 28, 2021

[SEAL]

ATTEST:

Tammy Melton, City Clerk

Kauffman Engineering, LLC
Seller

By: _____

Name: _____

Title: _____

Date Signed: September ____, 2021

Fairview Pet Food, LLC
Buyer

By: _____

Name: _____

Title: _____

Date Signed: September ____, 2021