

A regular meeting of the City Council for the City of Canby, Minnesota was held on August 5<sup>th</sup>, 2014 in the City Council Chambers.

Members: Gene Bies, Nancy Bormann, Frank Maas, Nate Oellien

Absent: Denise Hanson

Visitors: Nicholas Johnson, City Administrator  
Gerald Boulton, City Attorney  
Dean Helstrom, City Engineer  
Ryan Feiock, Canby News  
Jody Olson

The Pledge of Allegiance was recited.

The meeting was called to order.

The public hearing for the consideration of a modification to TIF 1-25 was opened. There were no attendees for the hearing. The public hearing was closed.

The minutes of July 1<sup>st</sup> and July 11<sup>th</sup>, 2014 were reviewed. A motion was made by Bormann and seconded by Maas to approve the minutes. All voted in favor. None voted against. The motion was carried.

Mosquito spraying was discussed. The City was received a quote from Clarke Mosquito for \$750. A City of Dawson employee may do it for a lower price on their own time. The consensus was to go with whoever had the lower price.

Resolution 2014-8-5-2, a resolution adopting a modification to TIF 1-25, was reviewed. A motion was made by Bormann and seconded by Maas to adopt the resolution. Bies, Maas, and Bormann voted in favor. None voted against. Oellien abstained. The motion was carried.

## CITY OF CANBY

### RESOLUTION NO. 2014-8-5-2

#### RESOLUTION ADOPTING MODIFICATION NUMBER ONE TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 1-25

BE IT RESOLVED By the City Council (the Council) of the City of Canby, Minnesota (the City) as follows:

Section 1. Recitals.

1.01. On June 17, 1985, the Council adopted a Development Program for Development District No. 1, pursuant to and in accordance with Minnesota Statutes Sections 469.124 through 469.134 (previously Chapter 472A).

1.02. On September 3, 2013, the City created and adopted a Plan for Tax Increment Financing District No. 1-25.

1.03. The Council has investigated the facts and has caused to consider modifying the Tax Increment Financing Plan (Plan) for Tax Increment Financing District No. 1-25.

1.04. The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, notification of Yellow Medicine County and the Independent School District and holding a public hearing regarding the Plan upon such notice as is required by law.

1.05. The modification to the plan is contained in a document entitled "Modification Number One to Tax Increment Financing Plan, for Tax Increment Financing District No. 1-25, City of Canby" dated August 5, 2014, on file at city hall.

1.07. The City Council has fully reviewed the contents of the modification to the Plan and has on this date conducted a public hearing thereon at which the views of all interested persons were heard.

## Section 2. Findings Relating to the Modification of the Plan for Tax Increment Financing District No. 1-25.

2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the District and the City as a whole, and for the protection and preservation of the public health, safety, and general welfare, that the authority of the TIF Act be exercised by the City to modify the Plan for Tax Increment Financing District No. 1-25.

2.02. It is further found and determined, and it is the reasoned opinion of the City, that the actions proposed in the modification to the Plan for Tax Increment Financing District No. 1-25, could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that therefore the use of tax increment financing is necessary to assist the project.

2.03. The expenditures proposed to be financed through tax increment financing are necessary to permit the City to realize the full potential of the District in terms of development intensity and tax base.

2.04. The modification of the Plan for Tax Increment Financing District No. 1-25 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the tax increment financing district by private enterprise.

2.05. The Plan conforms to the plans for development of the City as a whole.

2.06. The City Council has relied upon the opinions and recommendations of its advisor and the personal knowledge of the members of the council in reaching its conclusions regarding the modification of the Plan.

2.07. Tax Increment Financing District No. 1-25 is a soils condition tax increment financing district within the meaning of Minnesota Statutes Section 469.174, Subd. 19.

Section 3. Approval of the Tax Increment Financing Plan.

3.01. The modification to the Plan for Tax Increment Financing District No. 1-25 is hereby adopted and the district is hereby modified.

3.02. The advisor is authorized and directed to file a copy of the modification to the Plan for Tax Increment Financing District No. 1-25 with the Minnesota Department of Revenue and the State Auditor Office.

Dated: August 5, 2014.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

A public hearing to consider the creation of TIF district 1-26 was opened. There were no attendees for the hearing. The public hearing was closed.

Nicholas Johnson discussed the need for additional Council members to receive Board of Appeals and Equalization training.

Nicholas Johnson discussed a proposal from E&C Graphics to install window film coverings over the northeast City Hall windows, the front vestibule area windows, and the southeast windows in the Library for a total of \$1,800. A motion was made by Maas and seconded by Oellien to approve the film coverings. All voted in favor. None voted against. The motion was carried.

Nicholas Johnson discussed interest from an individual to purchase 303 Ring Avenue South from the County. The property went to the County in 2009 for back taxes owed. Total assessments against the property are \$7,875.20, which has prevented the property from selling. The individual would pay \$1,000 for the property if Council agreed to waive the assessments. A motion was

made by Maas and seconded by Bormann to waive the special assessments against the property. All voted in favor. None voted against. The motion was carried.

Resolution 2014-8-5-3, a resolution adopting the TIF 1-26 plan and creating its existence, was reviewed. A motion was made by Oellien and seconded by Maas to adopt the resolution. All voted in favor. None voted against. The motion was carried.

## CITY OF CANBY

### RESOLUTION NO. 2014-8-5-3

#### RESOLUTION ADOPTING THE TAX INCREMENT FINANCING PLAN FOR AND THE CREATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-26

BE IT RESOLVED By the City Council (the Council) of the City of Canby, Minnesota (the City) as follows:

##### Section 1. Recitals.

1.01. On June 17, 1985, the Council adopted a Development Program for Development District No. 1, pursuant to and in accordance with Minnesota Statutes Sections 469.124 through 469.134 (previously Chapter 472A).

1.02. It has been proposed that the City create a Plan for Tax Increment Financing District No. 1-26.

1.03. The Council has investigated the facts and has caused to create the Tax Increment Financing Plan (Plan) for Tax Increment Financing District No. 1-26.

1.04. The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, notification of Yellow Medicine County and the Independent School District and holding a public hearing regarding the Plan upon such notice as is required by law.

1.05. The Plan is contained in a document entitled "Tax Increment Financing Plan, for Tax Increment Financing District No. 1-26, City of Canby" dated August 5, 2014, on file at city hall.

1.07. The City Council has fully reviewed the contents of the Plan and has on this date conducted a public hearing thereon at which the views of all interested persons were heard.

##### Section 2. Findings Relating to the Plan for Tax Increment Financing District No. 1-26.

2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the District and the City as a whole, and for the protection and preservation of the public health, safety, and general welfare, that the authority of the TIF Act be exercised by the City to create the Plan for Tax Increment Financing District No. 1-26.

2.02. It is further found and determined, and it is the reasoned opinion of the City, that the actions proposed in the Plan for Tax Increment Financing District No. 1-26, could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that therefore the use of tax increment financing is necessary to assist the project.

2.03. The expenditures proposed to be financed through tax increment financing are necessary to permit the City to realize the full potential of the District in terms of development intensity and tax base.

2.04. The creation of the Plan for Tax Increment Financing District No. 1-26 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the tax increment financing district by private enterprise.

2.05. The Plan conforms to the plans for development of the City as a whole.

2.06. The City Council has relied upon the opinions and recommendations of its advisor and the personal knowledge of the members of the council in reaching its conclusions regarding the Creation of the Plan.

2.07. Tax Increment Financing District No. 1-26 is a redevelopment tax increment financing district within the meaning of Minnesota Statutes Section 469.174, Subd. 10.

Section 3. Approval of the Tax Increment Financing Plan.

3.01. The Plan for Tax Increment Financing District No. 1-26 is hereby adopted and the district is hereby created.

3.02. The advisor is authorized and directed to file a copy of the Plan for Tax Increment Financing District No. 1-26 with the Minnesota Department of Revenue and the State Auditor Office.

Dated: August 5, 2014.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

Resolution 2014-8-5-4, a resolution authorizing the issuance of \$600,000 in TIF bonds series 2014C, was reviewed. A motion was made by Maas and seconded by Oellien to adopt the resolution. All voted in favor. None voted against. The motion was carried.

RESOLUTION NO. 2014-8-5-4

RESOLUTION AUTHORIZING THE ISSUANCE, ESTABLISHING THE TERMS AND PROVIDING FOR THE SALE OF \$600,000 GENERAL OBLIGATION TAXABLE TAX INCREMENT FINANCING BONDS, SERIES 2014C

BE IT RESOLVED, by the City Council of the City of Canby, Minnesota (the “City”), as follows:

1. Authorization of Bonds. It is hereby found, determined, and declared to be necessary, and in the best interests of the City and its residents, that the City should issue \$600,000 General Obligation Taxable Tax Increment Bonds, Series 2014C (the “Bonds”), pursuant to Minnesota Statutes, Chapter 475, Section 469.178, Subdivision 2, for the purpose of providing funds to support tax increment financing expenditures for activities in City of Canby Tax Increment Finance District 1-26 (\$235,000) as well as the Canby Housing and Redevelopment Authority Tax Increment Finance Districts 1-1 (\$300,000) & 1-5 (\$65,000).
2. Term and Conditions of the Bonds. The terms and conditions of the Bonds and the sale thereof are set forth in the Official Terms of Offering, a copy of which is attached hereto as Exhibit A. Each and all of the terms and conditions set forth in the Official Terms of Offering are adopted and confirmed as the terms and conditions of the Bonds and the sale thereof, and the City Council shall meet at the time and place fixed therein to consider the bids for the purchase of the Bonds.
3. Sale of the Bonds. John W. Meyer is authorized and directed to negotiate the sale of the Bonds as permitted by Minnesota Statutes, Section 475.60, Subdivision 2(2) and (9).

Adopted August 5, 2014.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

Resolution 2014-8-5-5, a resolution authorizing the submission of the business development infrastructure grant, was reviewed. A motion was made by Bormann and seconded by Oellien to adopt the resolution. All voted in favor. None voted against. The motion was carried.

LOCAL GOVERNMENT RESOLUTION NO. 2014-8-5-5

BUSINESS DEVELOPMENT INFRASTRUCTURE APPLICATION

Applicants must adopt and submit the following resolution. This resolution must be adopted prior to submission of the forms package.

BE IT RESOLVED that the City of Canby (Applicant) act as the legal sponsor for project(s) contained in the Business Development Infrastructure Application to be submitted on August 29, 2014 and that the Mayor (Title of First Authorized Official) and the City Administrator (Title of Second Authorized Official) are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Canby (Applicant).

BE IT FURTHER RESOLVED that the City of Canby (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Canby (Applicant) has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Canby, (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Canby, (Applicant) will commit \$150,000 towards the local match requirement.

BE IT FURTHER RESOLVED that the City of Canby (Applicant) will the repay the grant if milestones are not realized by the completion date identified in the Application.

City of Canby (Applicant) certifies that it will comply with all applicable laws, regulations, and rules of the Business Development Infrastructure Application.

NOW, THEREFORE BE IT RESOLVED that the Mayor (Title of First Authorized Official) and the City Administrator (Second Authorized Official), or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the City Council of the City of Canby (Applicant) on 8/5/2014 (Date).

SIGNED:

WITNESSED:

(First Authorized Official)

(Signature)

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(Title)

(Date)

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(Title)

(Date)

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SIGNED:

(Second Authorized Official)

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(Title)

(Date)

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WITNESSED:

(Signature)

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(Title)

(Date)

Dean Helstrom was present to discuss the 2015 Infrastructure Project. Dean wanted direction on how to treat 53 properties where curb and gutter could be salvaged. After discussion it was decided to go with all new curb and gutter. The cost difference in the entire project to do new is \$20,000. A motion was made by Bormann and seconded by Maas to go with all new curb. All voted in favor. None voted against. The motion was carried.

Resolution 2014-8-5-1, a resolution declaring cost to be assessed and ordering preparation of proposed assessment, was reviewed. A motion was made by Bormann and seconded by Oellien to adopt the resolution. All voted in favor. None voted against. The motion was carried.

**Resolution No. 2014-8-5-1**  
**Resolution Declaring Cost to be Assessed**  
**and Ordering Preparation of Proposed Assessment**

WHEREAS, a contract has been let for the Infrastructure Replacement Project- Phase I; the improvement includes the following area:

area located east of St. Olaf Avenue (US TH 75) from 1st Street East (MN TH 68) on the south to 5th Street East on the north; the area located south of 1st Street South from Lyon Avenue South on the west to Ring Avenue South on the east and goes south to Division Street and the area of Oscar Avenue from 5th to 8th Street including 8th Street from St. Olaf to Oscar Avenue

and the bid price for such improvement is \$8,123,788.06, and the expenses incurred or to be incurred in the making of such improvement amount to \$2,114,437.48 so that the total cost of the improvement will be \$10,246,899.32.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CANBY,  
MINNESOTA:

1. The City of Canby received a Drinking Water Revolving Fund loan of \$2,667,171 for 30 (thirty) years at an interest rate 1.00 percent and a principal loan forgiveness grant in the amount of \$1,895,819.00.

2. The City of Canby received a Clean Water Revolving Fund loan of \$4,266,964.00 for 30 (thirty) years at an interest rate 1.00 percent.
3. The City of Canby has storm water project costs of \$968,567.67 that will be need to be bonded for 20 years and at an estimated interest rate of 3.75 for twenty (20) years. These storm water cost are not assessed but are to be paid by the storm water fee collected by the city.
4. The City of Canby has parking lot project costs of \$113,940.00 that will need to be bonded for 20 years and at an estimated interest rate of 3.75 for twenty (20) years. These parking lot costs are assessed at 100% back to the benefitted properties.
5. The total cost of such improvement to be paid by the city is hereby declared to be \$8,351,070.32 of which \$7,382,502.65 is to be assessed and the portion of the cost to be assessed against benefitted property owners is \$1,917,580.66.
6. Assessments shall be payable in equal annual installments extending over a period of 30 (thirty) years, the first of the installments to be payable on or before the first Monday in January, 2015, and shall bear interest at the rate of 2.0 percent per annum from the date of the adoption of the assessment resolution.
7. The city administrator, with the assistance of the city engineer (consulting engineer), shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he/she shall file a copy of such proposed assessment in his/her office for public inspection.
8. The clerk shall upon the completion of such proposed assessment, notify the council thereof.

Adopted by the council this 5th day of August, 2014.

Attest:

\_\_\_\_\_  
Eugene Bies, Mayor

\_\_\_\_\_  
Nicholas Johnson, City Administrator

Dean Helstrom discussed a proposal from Reengineering, Inc. to conduct an assessment of the municipal pool. The proposal to do the assessment was \$6,400. A motion was made by Maas and seconded by Oellien to approve the pool assessment. All voted in favor. None voted against. The motion was carried.

Resolution 2014-8-5-6, a resolution authorizing the issuance and sale of \$4,266,964 general obligation improvement note, series 2014A, was reviewed. A motion was made by Bormann and seconded by Maas to adopt the resolution. All voted in favor. None voted against. The motion was carried.

*\*This resolution may be inspected on file in the City Administrative Office\**

Resolution 2014-8-5-7, a resolution authorizing the issuance and sale of \$2,667,171 general obligation improvement note, 2014B, was reviewed. A motion was made by Oellien and seconded by Bormann to adopt the resolution. All voted in favor. None voted against. The motion was carried.

*\*This resolution may be inspected on file in the City Administrative Office\**

Nicholas Johnson discussed a Pre and Post Issuance Policy required by bond counsel for the issuance of series 2014A and 2014B notes. A motion was made by Oellien and seconded by Bormann to adopt the policy. All voted in favor. None voted against. The motion was carried.

A grant agreement from the Minnesota Historical Society for the theater marquee was reviewed. A motion was made by Bormann and seconded by Maas to approve the grant agreement. All voted in favor. None voted against. The motion was carried.

Council reviewed an estimate from Greener World Solutions to perform roof repair in the amount of \$11,957.50. A motion was made by Maas and seconded by Bormann to approve the roof repair. All voted in favor. None voted against. The motion was carried.

Ordinance 322, an ordinance amending the zoning ordinance, was reviewed. This property is associated with HRA TIF 1-1. A motion was made by Maas and seconded by Oellien to adopt the ordinance. All voted in favor. None voted against. The motion was carried.

### **Ordinance 322**

#### **An Ordinance Amending the Zoning Use District Boundaries of the Comprehensive Zoning Ordinance 125 of the City of Canby, Minnesota.**

The City of Canby does ordain:

That the map entitled “Zoning Use District, City of Canby, Minnesota” which is incorporated by reference, as part of Comprehensive Zoning Ordinance 125, be and hereby is amended so as to reflect a change in Zoning Use District Boundary for the property described as follows:

SE’ly 15 feet of Lot 5; and all of Lots 6, 7, 8, 9, 10, 11, 12, 13, and 14, Block 1, Original Plat to the City of Canby.

From zoning use Commercial A (CA) to Residential B (RB).

Adopted by the City Council of the City of Canby this 5<sup>th</sup> day of August, 2014.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

A grant agreement with the Minnesota Historical Society to purchase microfilm equipment was reviewed. A motion was made by Maas and seconded by Oellien to approve the grant agreement. All voted in favor. None voted against. The motion was carried.

Nicholas Johnson gave an update on the 2014 budget.

Vendor transactions for July 2014 in the amount of \$728,314.18 were reviewed. A motion was made by Bormann and seconded by Oellien to approve the vendor transactions. All voted in favor. None voted against. The motion was carried.

A motion was made by Bormann and seconded by Oellien. All voted in favor. None voted against. The motion was carried.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator