

**City of Long Prairie
Council meeting
7:00 P.M., Monday, July 16, 2018**

The Long Prairie City Council met in regular session at City Hall, 7:00 p.m., Monday, July 16, 2018. Mayor Don Rasmussen called the meeting to order with the following present: Council members Tony Towle, and Lilah Gripne. Devin Hines and Randy Mechels were not in attendance.

Councilor Gripne motioned Towle seconded to approve the Council minutes of July 2nd and the July bills. Motion carried.

Mayor Rasmussen called to order a Public Hearing at 7:05 for CentraCare TIF 1-14 Resolutions 1, 2, and 3.

Councilor Gripne motioned Towle seconded to approve the following Resolution No. 18-07-16:01:

**CITY OF LONG PRAIRIE
TODD COUNTY
STATE OF MINNESOTA**

Council member Gripne introduced the following resolution and moved its adoption:

RESOLUTION NO. 18-07-16:01

**RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT
PROGRAM FOR MASTER DEVELOPMENT DISTRICT NO. 1 AND
ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-14
THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN
THEREFOR.**

BE IT RESOLVED by the City Council (the "Council") of the City of Long Prairie, Minnesota (the "City"), as follows:

Section 1. Recitals

1.01. The Council of the City has heretofore established Master Development District No. 1 and adopted the Development Program therefor. It has been proposed by the City that the City adopt a Modification to the Development Program (the "Development Program Modification") for Master Development District No. 1 (the "Development District") and establish an economic development district, Tax Increment Financing District No. 1-14 (the "District"), therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act") all as reflected in the Program and Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program and Plan, including, but not limited to, notification of Todd County and Independent School District No. 2753 having taxing jurisdiction over the property to be included in the District, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program and Plan and to the

activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program and Plan. The Reports, including the redevelopment qualifications reports and planning documents, include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05 The City is not modifying the boundaries of Master Development District No. 1, but is however, modifying the Development Program therefor.

Section 2. Findings for the Adoption and Approval of the Development Program Modification.

2.01. The Council approves the Development Program Modification, and specifically finds that: (a) the land within the Development District would not be available for redevelopment but for the financial aid to be sought under this Development Program Modification; (b) the Development Program Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Development District by private enterprise; and (c) that the Development Program Modification conforms to the general plan for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 1-14

3.01. The Council hereby finds that the District is in the public interest and is an "economic development district" under Minnesota Statutes, Section 469.174, Subd. 12 of the Act.

3.02. The Council further finds that (1) the proposed development would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Plan; (2) that the Program and Plan conform to the general plan for the development or redevelopment of the City as a whole; and (3) that the Program and Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the development or redevelopment of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose

4.01. The adoption of the Program and Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program and Plan

5.01. The Program and Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator/Clerk.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program and Plan and to negotiate, draft, prepare and present to

this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Todd County is requested to certify the original net tax capacity of the District, as described in the Program and Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of Long Prairie is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator/Clerk is further authorized and directed to file a copy of the Program and Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

The motion for the adoption of the foregoing resolution was duly seconded by Council member Towle, and upon a vote being taken thereon, the following voted in favor thereof: Rasmussen, Towle, and Gripne. Councilors Mechels and Hines were not in attendance.

and the following voted against the same: None

Dated: July 16, 2018

ATTEST:

Mayor

City Administrator/Clerk

(Seal)

Roll call: Yes; Rasmussen, Towle, and Gripne. Motion carried.

Councilor Gripne motioned Towle seconded to approve the following Resolution No. 18-07-16:02:

EXHIBIT A

RESOLUTION NO. 18-07-16:02

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 1-14 (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 1-14 is an economic development district as defined in M.S., Section 469.174, Subd. 12.*

The District is a contiguous geographic area within the City's Development District No. 1, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The District is in the public interest because it will facilitate the construction of an approximately 12,000 square foot regional community well-being center adjacent to the new medical center, which will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; it will increase employment in the state, and preserve and enhance the tax base of the state.

It has been confirmed that the City of Long Prairie has a population less than 5,000 and is located at least 10 miles from a city with a population greater than 10,000 and therefore the City meets the definition of a "small city" found in *M.S. Section 469.174 Subd. 27*.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in the TIF Plan meets the city's objectives for providing a space for community collaboration, cultural cohesion, education, and wellness to enhance the holistic well-being and overall economic success for individuals and the region as a whole as well as preparation of the land for development. This project is feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost associated with this project adds to the total development cost. Although led by the developer, this project is truly championed by community members who strongly desire and currently lack access to a facility where they can be active and social. The developer has been working with community members and organizations for over five years to define, frame, and carry out this project in order to provide the best possible solution to the health and wellness issues faced by our region. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development. Once completed, the project will provide programs, services and amenities to promote physical and mental wellness and enhance quality of life for all who live, work and play throughout the region. This amenity will positively strengthen our region's economic vibrancy by providing an amenity that simply does not currently exist. Additionally, providing a unique amenity will enhance workforce recruitment and retainment for all industry in the region. This shared-use facility will be an innovative model for other rural communities to replicate.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value will be \$3,951,425.
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$828,864.
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$3,122,381 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council has reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Master Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high-quality development to the City.

Through the implementation of the TIF Plan, the City will increase the availability of safe and decent life-cycle housing in the City.

Roll call: Yes, Gripne, Rasmussen, and Towle. Motion carried.

Councilor Gripne motioned Towle seconded to approve the following Resolution No. 18-07-16:03:

**CITY OF LONG PRAIRIE
TODD COUNTY
STATE OF MINNESOTA**

Council member Gripne introduced the following resolution and moved its adoption:

RESOLUTION NO. 18-7-16:03

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF
CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING
DISTRICT NO. 1-14.**

BE IT RESOLVED by the City Council (the "Council") of the City of Long Prairie, Minnesota (the "City"), as follows:

Section 1. Background.

1.01. The City has heretofore approved the establishment of Tax Increment Financing District No. 1-14 (the "TIF District") within the Master Development District No. 1 (the "Project"), and has adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain

improvements within the Project.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, other qualifying improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. The City hereby authorizes the advance of up to \$ 5,000 from the general fund or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid annually on each December 31 (each a "Payment Date"), commencing on the first Payment Date on which the City has Available Tax Increment (defined below), or on any other dates determined by the City Administrator-Clerk, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the City Administrator-Clerk, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Todd County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.0 The City may amend the terms of this Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

The motion for the adoption of the foregoing resolution was duly seconded by Council member Towle, and upon a vote being taken thereon, the following voted in favor thereof: Towle, Gripne, and Rasmussen. Councilors Mechels and Hines were not in attendance.

and the following voted against the same: None

Dated: July 16, 2018

ATTEST:

Mayor

City Administrator/Clerk

(Seal)

Roll call: Yes; Towle, Gripne, and Rasmussen. Motion carried.

Mayor Rasmussen closed the Public Hearing at 7:09.

Mayor Rasmussen called to order a Public Hearing Bonding for the Wastewater Treatment Project at 7:10.

Administrator Thomes cited the city has certain contractual obligations with each private user I the SIU Agreements for services at the wastewater treatment plant being financed by the Bonds. The City is holding the required public hearing on July 16, 2018 to qualify the Bonds as “exempt facility” private activity obligations. This will allow the bonds to be tax-exempt instead of taxable. An estimated \$1,200,000 to \$60,000 per year can be saved by financing all of the wastewater treatment improvements with qualified “exempt facility” private activity bonds.

Mayor Rasmussen closed the Public Hearing at 7:13

Councilor Gripne motioned Towle seconded to set a Public Hearing for bond sales on August 6, 2018 for the Wastewater Treatment Project. Roll call: Yes; Rasmussen, Towle, and Gripne. Motion carried.

Mayor Rasmussen read the National Night Out 2018 Proclamation.

Mayor Rasmussen motioned Gripne seconded to approve the National Night Out 2018 Proclamation. Motion carried.

Mayor Rasmussen motioned Gripne seconded to table the mosquito spraying at Lake Charlotte Park.

Council discussed the lights downtown. Administration, staff, and public works wants to work with Sentence to Serve to have them help with the concrete work that will need to be replaced for some of the electrical for the lights downtown. Staff will bring back a recommendation later on.

Public works put together the following proposals from Central Specialties and Riley Brothers Construction to sand mix asphalt a series of different roads:

	Sand mix asphalt Riley Bros	Sand mix asphalt Central Specialties
1 st Ave SE East of 9 th St:	\$21,445	\$11,025
6 th St SE	\$17,785	\$12,075
2 nd Ave SE	\$13,165	\$11,500
3 rd Ave SE & intersection of 3 rd Ave SE & 9 th St SE	\$14,935	\$12,937.50
Alley west of American Lutheran Church	\$5,800	\$6,900 + \$1,400
Total:	\$73,130	\$55,837.50

The low bid was Central Specialties.

Councilor Gripne motioned Towle seconded to approve Central Specialties, and not to exceed an amount of \$90,000, to patch the streets. Motion carried.

Mayor Rasmussen motioned Gripne seconded to approve the routine preventive maintenance for the generators at the Wastewater Treatment Plant by Ziegler. Motion carried.

Emanuel Swartzentruber addressed the council to apply for a Peddler's License to go door to door to sell vegetables to residents. Council asked to table this and asked Emanuel to go up to the Farmer's Market.

Councilor Towle motioned Gripne seconded to table the request from Emanuel. Motion carried.

Councilor Gripne motioned Towle seconded to approve the following Resolution #18-07-16:04:

**Resolution #18-07-16:04
RESOLUTION ACKNOWLEDGING DONATIONS**

WHEREAS, the City of Long Prairie has received the following donations during the month(s) of July, for the following purposes:

Donor	Amount	Purpose
Todd Wadena Electric	\$500.00	LP Senior Center

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LONG PRAIRIE, MINNESOTA THAT: the City Council of the City of Long Prairie acknowledges and accepts the donations received the month of June.

BE IT FURTHER RESOLVED THAT: the City Council of the City of Long Prairie expresses its thanks and appreciation for the donations to all Donor(s) listed.

Adopted this 16th day of July, 2018, by the City Council of the City of Long Prairie.

ATTEST:

Brenda Thomes
City Administrator/Clerk

Don Rasmussen
Mayor

Motion carried.

Fire Chief Jim Kreemer noted the following:

- There will be a corn feed sponsored by Les Levin of the Thunder Lodge with the proceeds going to the Fire Department for a new jaw of life on August 8, 2018
- The department took one of our fire trucks up to Menahga to participate in the parade – 35 to 40 different departments that were in the parade also went up to help Menahga when they had a large fire – a reunion of sorts

Police Chief Kevin Langer noted the following:

- There was one arrest at the Todd County Fair
- The department is getting ready to do the National Night Out
- Kevin Langer will be on vacation for the next week and a half

Councilor Gripne noted the following:

- On Thursday, there will be an EDA meeting

Mayor Rasmussen noted the following:

- The airport meeting will be on Wednesday at 4:00 pm to review the 500 foot extension
- Tourism - is going very well
- The water show went very well and they are looking forward to next year and making changes

Councilor Gripne motioned Towle seconded to adjourn the meeting at 7:55. Motion carried.

Brenda Thomes
City Administrator/Clerk

Don Rasmussen
Mayor