

A public hearing for Truth in Taxation was held on December 7th, 2010 at 6:30 P.M. Nicholas Johnson fielded questions. The public hearing was closed at 7:00 P.M.

A regular meeting of the City Council of Canby, Minnesota was held on December 7th, 2010 at 7:00 P.M.

Members: Gene Bies, Gene Eilers, Jack Winter, Denise Hanson, Jennie Wittrock-Seidel

Absent: None

Visitors: Gerald Boulton (City Attorney)
Nicholas Johnson (City Administrator)
Dean Helstrom (City Engineer)
Isaiah Keating (Police Chief)
Chris Husby (Street Supervisor)
Erik Diekmann (Police Officer)
Todd Hagen
Ellie Beman
Vivian Oake
Robert Sik
Louis Miller
Nancy Bormann
Daniel J. Morisette
Jody Olson

The Pledge of Allegiance was recited.

The meeting was called to order at 7:00 P.M. by Gene Bies.

The minutes of November 16th were reviewed. A motion was made by Winter and seconded by Seidel to approve the minutes of November 16th. All voted in favor. None voted against. The motion was carried.

Dean Helstrom presented pay application #5. A motion was made by Hanson and seconded by Seidel to approve pay application #5 in the amount of \$1,480,634.68. All voted in favor. None voted against. The motion was carried.

Dean Helstrom presented private utility work from Anhalt Plumbing and Heating in the amount of \$1,521.42 and Vick's Plumbing and Heating for \$1,667.09. A motion was made by Eilers and seconded by Winter to pay the private utility work bills as amended. All voted in favor. None voted against. The motion was carried.

Dean Helstrom presented a bill from American Engineering and Testing in the amount of \$3,880.00. A motion was made by Hanson and seconded by Eilers to approve payment to

American Engineering and Testing. All voted in favor. None voted against. The motion was carried.

Dean Helstrom presented a bill from Bolton and Menk in the amount of \$76,596.00. A motion was made by Eilers and seconded by Winter to approve payment of the bill from Bolton and Menk. All voted in favor. None voted against. The motion was carried.

Dean Helstrom presented information regarding a flow study for the area to the east of Highway 75. This item was tabled for further discussion.

The tax abatement for the Canby Inn and Suites was presented. The financial analysis was presented by Todd Hagen. A motion was made by Seidel and seconded by Hanson to approve Resolution #2010-12-07 as amended. All voted in favor. None voted against. Gene Bies abstained. The motion was carried.

RESOLUTION # 2010-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

CITY OF CANBY

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS TO ASSIST IN FINANCING IMPROVEMENTS TO BE MADE BY CANBY INN & SUITES LLC IN THE CITY OF CANBY, MINNESOTA

WHEREAS, Canby Inn & Suites LLC (the "Company") owns property (the "Property") located at _____ in the City of Canby: PID Nos. 31-411-0301, 31-411-0302 and 31-300-0302; and

WHEREAS, the Company has proposed to construct an approximately 28-unit hotel facility; and

WHEREAS, the Company has requested that the City of Canby consider abatement of the City's share of the property taxes on the Property which will be generated by these new improvements and specifically the new hotel, and property taxes on existing improvements will not be affected by this proposed tax abatement; and

WHEREAS, only land/building acquisition, site improvement/preparation, and public improvement costs are eligible expenses for tax abatement and the Company is requesting tax

abatement to assist with the land/building acquisition and site improvement/preparation which will be approximately \$433,742; and

WHEREAS, based on estimated eligible expenses, projected increases in property valuation created by the new improvements, and current tax rates, the maximum aggregate amount of the City's share of the abatement (the "Abatement") would be \$203,000; and

WHEREAS, a public hearing on the proposed tax abatement was held before the Canby City Council at its regular meeting on September 7, 2010, following proper legal notice of said public hearing; and

WHEREAS, the Abatement is authorized under *Minnesota Statutes*, Sections 469.1812 through 469.1815 (the "Abatement Law"); and

WHEREAS, the City Council of Canby, Minnesota, makes the following findings concerning the proposed abatement:

1. The Council expects the benefits to the City of the Abatement to at least equal the costs thereof.
2. Granting the Abatement is in the public interest because it will assist in the development of real property, increase or preserve the tax base of the City, and retain or provide employment opportunities in the City.
3. The Council expects the public benefits described above to be derived from the Abatement.
4. During the period of abatement, the Property will not be located in a tax increment financing district.
5. In any year, the total amount of property taxes abated by the City by this and other resolutions does not exceed the greater of ten percent (10%) of the current levy or \$200,000.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Canby, Minnesota, as follows:

1. The Abatement is hereby approved. The terms of the abatement shall be as follows:
 - A. The Abatement shall be for a maximum of ten (10) years and shall apply to the taxes payable in the years 2013 through 2022, inclusive.
 - B. The Abatement shall be for 100% of the City's share of the increased ad valorem property taxes generated by the Property as a result of the proposed development of the Property by the Company. The Abatement will be used to reimburse the Company for its payment of eligible costs of the redevelopment.

C. The Abatement may not be modified or changed during the term set forth above, except with the prior written consent of the City.

D. The Abatement shall be subject to all the terms and limitations of the Abatement Law.

E. In order to be entitled to the Abatement, the Company shall not be in default to the City and County for any of its payment obligations respecting any taxes, assessments, utility charges or other governmental impositions.

2. A Property Tax Abatement Agreement between the City of Canby and Canby Inn & Suites LLC will be prepared and submitted to the City Council in accordance with this resolution.

Adopted this 7th day of December, 2010.

Mayor

ATTEST: _____
City Administrator

Charleen Wallert presented information on the updating of the website. No action taken.

Chris Husby presented information regarding options to remedy the broken down grader. No action taken.

Matt Wagner presented a report on the airport highlights for 2010.

Nicholas Johnson presented information regarding the 2011 budget. No action taken.

The formation of a police advisory board was discussed. No action taken.

The discontinuation of the orange bag service was discussed. A motion was made by Seidel and seconded by Hanson to discontinue the orange bag service. All voted in favor. None voted against. The motion was carried.

A motion was made by Eilers and seconded by Hanson to dissolve the pool and infrastructure committees. All voted in favor. None voted against. The motion was carried.

A motion was made Eilers and seconded by Hanson to approve the utility certifications and write-offs. All voted in favor. None voted against. The motion was carried.

A motion was made by Eilers and seconded by Hanson to approve the licenses for cigarette, on sale liquor, card playing, coin operated amusement machine, Jaycees on sale 3.2 beer for

February 5th, 2011 and Jaycees 1 day set-up for February 5th, 2011. All voted in favor. None voted against. The motion was carried.

A motion was made by Seidel and seconded by Winter to approve the off sale liquor licenses. All voted in favor. None voted against. The motion was carried.

The vendor transactions for November were reviewed. A motion was made by Hanson and seconded by Eilers to approve the vendor transactions for November. All voted in favor. None voted against. The motion was carried.

The meeting was adjourned to a closed session for negotiations.

The meeting was reopened.

A motion was made by Winter and seconded by Seidel to approve the proposal from IBEW Local 949. All voted in favor. None voted against. The motion was carried.

A motion was made by Eilers and seconded by Winter to adjourn the meeting. All voted in favor. None voted against. The motion was carried.

Mayor

ATTEST:

City Administrator