

A regular meeting of the City Council for the City of Canby was held on May 3rd, 2011 at 6:30 P.M.

Members: Gene Bies, Rick Bueltel, Denise Hanson, Gene Eilers

Absent: Nancy Bormann

Visitors: Nicholas Johnson, City Administrator
Gerald Boulton, City Attorney
Dean Helstrom, City Engineer
Isaiah Keating, Police Chief
John Meyer, Ph.D.
Pete Schmidt, FCA
Ellie Beman, Canby News
Jodie Olson

A public hearing on tax abatement for Farmers Cooperative Association was opened at 6:40 P.M.

There was general discussion on FCA's plans and operations.

The public hearing was closed at 7:00 P.M.

The Pledge of Allegiance was recited.

The Council meeting was called to order at 7:00 P.M.

The minutes of April 18th were reviewed. A motion was made by Eilers and seconded by Bueltel to approve the minutes. All voted in favor. None voted against. The motion was carried.

The tax abatement for Farmers Cooperative Association was discussed. A motion was made by Hanson and seconded by Bueltel to approve Resolution 11-5-3 and setting the abatement term to 10 years, down from the original 15 years. All voted in favor. None voted against. The motion was carried.

Member _____ introduced the following resolution and moved its adoption, the reading of which was dispensed with by unanimous consent:

RESOLUTION AUTHORIZING THE ABATEMENT OF TAXES
PURSUANT TO MINNESOTA STATUTES,
SECTION 469.1812 THROUGH 469.1815

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

Section 1. Recitals.

Pursuant to Minnesota Statutes, Section 469.1812 through 469.1815 (the “Act”), the Council may grant an abatement of the taxes imposed by the City on a parcel of property identified as PID# 31-034-4040, subject to certain conditions set forth in the Act.

The City has been approached by Farmers Cooperative Association (the “Developer”) regarding entering into an agreement with respect to an abatement of the taxes imposed by the City on a parcel of property (the “Abatement”) on which the Developer intends to construct a project described as: Farmers Cooperative Association Expansion (Fertilizer Plant) (the “Project”).

The Project is not within a tax increment financing district.

The Council has on _____ held a public hearing on the Abatement, at which all those wishing to speak were heard.

Section 2. Findings.

The Council expects the benefits to the City of the proposed Abatement Agreement and the Project at least equal the costs to the City of the proposed Abatement Agreement and the Project.

The Council finds that entering into the Abatement Agreement is in the public interest because it will:

- increase or preserve tax base in the City;
- provide employment opportunities in the City;
- help provide access to services for residents of the City.

Section 3. Terms of the Abatement. The terms under which the City will grant the Abatement are as follows:

- a. Term of Abatement: 10 Years, commencing in 2015 and ending in 2024 (“Abatement Period”).
- b. Amount of Abatement: The total amount of the Abatement must not exceed \$73,500 in the aggregate for the Abatement Period (“Abatement Amount”). The Developer must certify in the Acknowledgement and Agreement, hereby attached and incorporated into this Resolution as Exhibit A, that the Abatement Amount is a maximum figure and the actual Abatement may be less than the Abatement Amount, depending on the amount of taxes paid by the Developer during a given year with in the Abatement Period. Even if Abatement is less than \$7,350 in a given year, in no year within the Abatement Period may Abatement exceed \$7,350.

Developer’s Obligations:

- a. Construct Fertilizer Plant and have construction completed by December 31, 2010.

- b. Timely pay all real estate taxes and special assessments levied against the Project. For purposes of this Resolution "timely paid" shall mean that no penalties or interest shall have attached to the applicable tax payment.
- c. Conditions precedent to Abatement: Certify Completion and Market Value
- d. Payment of Abatement to Developer. The amount of the Abatement will be paid to the Developer semiannually on or about February 1 and August 1 of each year starting February 1, 2015 and ending on August 1, 2024. Each semiannual payment will be in the approximate amount of \$3,675.00.

Section 4. Nature and Extent of Public Benefits. The nature and extent of the public benefits which the Council expects to result from the Abatement Agreement are as follows:

- Job preservation
- Access to services
- Tax base expansion

Section 5. Review and Modification. Council reserves the right to review and modify the Abatement every second year after approval.

Section 6. Administration. The City will add to its levy amount for the current year under Minnesota Statutes, Section 275.065 and 275.07 the total estimated amount of the current year Abatement. The tax amounts shown on the notice of proposed property taxes prepared and given under Minnesota Statutes, Section 275.065, subdivision 3, and on the property tax statement prepared and given under Minnesota Statutes, Section 276.04, subdivision 2, are the total amounts before the reduction of any portion of the Abatement. The total property taxes shall be levied on the Project and shall be due and payable to the county at the times provided under Minnesota Statutes, Section 279.01. The City Council certifies that it has not abated property taxes in excess of the greater of 10% of the city's net tax capacity or \$200,000 during calendar year 2011.

Adopted:

Mayor

Attest:

City Administrator

The motion of the adoption of the foregoing Resolution was duly seconded by Member _____ and, upon vote being taken, the following voted in favor thereof:

the following voted against the same:

the following were absent:

Whereupon, said Resolution was declared duly passed and adopted, and approved and signed by the Mayor and attested by the City Administrator.

EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT

The undersigned President of Farmers Cooperative Association (the "Developer") acknowledges that he has read the foregoing Resolution has a thorough understanding of the terms and conditions of said Resolution and agrees to be bound thereby.

The Developer further acknowledges, certifies and warrants that the total Abatement Amount of \$73,500, as described in Resolution No. _____, adopted by the City Council of the City of Canby, Minnesota, on _____, 2011, is a maximum figure and the actual Abatement may be less than the Abatement Amount, depending on the amount of taxes paid by the Developer during a given year with in the Abatement Period. Even if Abatement is less than \$7,350 in a given year, in no year within the Abatement Period may Abatement exceed \$7,350. Resolution No. _____ is hereby attached and its terms are incorporated into this Acknowledgement and Agreement.

The undersigned further acknowledges, certifies and warrants that the Developer has relied on its own estimate or verification of the fair market value of the Project, the estimate of taxes to be paid or payable and the estimated amount of the Abatement, and has not relied on any estimates provided by the City of Canby, Minnesota.

FARMERS COOPERATIVE ASSOCIATION

By _____

Its President

ACKNOWLEDGMENT

The foregoing Resolution is acknowledged and approved by the Farmers Cooperative Association hereby agrees to be bound by its terms.

Farmers Cooperative Association

By _____
Its: President

By _____
Its: Canby General Manager

Dean Helstrom presented Pay Application #7 for the Infrastructure Project in the amount of \$132,156.87. A motion was made by Eilers and seconded by Hanson to approve Pay Application #7. All voted in favor. None voted against. The motion was carried.

Dean Helstrom gave a project update. Installation of sidewalks in areas which do not currently have was discussed.

Dean Helstrom presented an invoice from Bolton and Menk for engineering services rendered in the Infrastructure Project totaling \$15,726.45. A motion was made by Bueltel and seconded by Eilers to approve paying the invoice. All voted in favor. None voted against. The motion was carried.

Dean Helstrom presented the preliminary engineering report for Service Drive East. A motion was made by Eilers and seconded by Hanson to accept the engineering report and adopt Resolution 2011-5-3-1. All voted in favor. None voted against. The motion was carried.

Resolution 2011-5-3-1

WHEREAS, pursuant to resolution of the council a report has been prepared by Bolton & Menk with reference to proposed the improvement of Service Drive East was received by the council on May 3, 2011, and

WHEREAS, the report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

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

1. The council will consider the improvement of such street in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$124,385.00.
2. A public hearing shall be held on such proposed improvement on the 17 day of May in the council chambers of the city hall at 6:00 a.m. (p.m.) and the Administrator has given mailed and published notice of such hearing and improvement as required by law.
3. Bolton & Menk is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.

Adopted by the council this 3 day of May, 2011

Mayor

City Administrator

Isaiah Keating gave a report on the Police Department's activities. Keating also requested the City purchase two radio units for the squad vehicles at \$985.67 a piece, plus installation costs. A motion was made by Bueltel and seconded Hanson to purchase said radios. All voted in favor. None voted against. The motion was carried.

A motion was made by Hanson and seconded by Bueltel to adopt Ordinance 303. All voted in favor. None voted against. The motion was carried.

Ordinance #303

An Ordinance Providing for the Conveyance of Real Property Owned by the City of Canby

WHEREAS, The City of Canby is the owner of the following described real estate in the County of Yellow Medicine, State of Minnesota, described as:

The Northeasterly 220 feet of Block 63, less the Southwesterly 100 feet thereof, Ninth Railroad Addition, City of Canby

WHEREAS, James Harkins and Mary Harkins, husband and wife, as joint tenants, have offered to the City of Canby the sum of \$500 to purchase said parcel, and

WHEREAS, It is in the best interest of the City of Canby for all public purposes to accept said offer and sell said property;

Now, therefore, The City of Canby does hereby ordain:

That the above described real estate be transferred and conveyed to the purchasers on the terms set forth above. The Mayor and the City Administrator are hereby authorized and directed to execute and deliver a sufficient instrument of conveyance and other appropriate documents in accordance with this Ordinance.

Passed by the Council this ____ day of _____, 2011

Attest:

Mayor

City Administrator

A motion was made by Eilers and seconded by Hanson to adopt Ordinance 249.1. All voted in favor. None voted against. The motion was carried.

ORDINANCE NO. 249.1

AN ORDINANCE AMENDING ORDINANCE NO. 249 ENTITLED AN ORDINANCE ESTABLISHING SEWER USE REGULATIONS

THE CITY OF CANBY DOES ORDAIN:

Section 1. That Ordinance No. 249, ARTICLE X, be and the same is hereby amended to read as follows:

ARTICLE X - PENALTIES

Sec. 1. Any person found to be violating any provision of this Ordinance, shall be served by the City with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations.

Sec. 2. Any person found to be violating any provision of this Ordinance may be assessed an administrative offense fine of \$300.00 for each violation. Each day in which any such violation occurs shall be deemed as a separate offense. Any such administrative fine which shall be unpaid may be assessed against the respective properties and certified to the County Auditor for collection along with taxes.

Sec. 3. Any persons who shall continue any violation beyond the time limit provided for in Section 1 of this Article, shall be guilty of a misdemeanor, punishable by 90 days in jail and/or a

fine of \$1,000.00. Each day in which any such violation occurs shall be deemed as a separate offense.

Sec. 4. Any person violating any of the provision of this Ordinance shall become liable to the City for any expense, loss, or damage occasioned by the City by reason of such violation.

Adopted by the Council this ____ day of _____, 2011.

Mayor

Attest:

City Administrator

A motion was made by Eilers and seconded by Bueltel to introduce Ordinance 304. All voted in favor. None voted against. The motion was carried.

A motion was made by Bueltel and seconded by Hanson to approve Resolution 11-5-3-2. All voted in favor. None voted against. The motion was carried.

RESOLUTION #2011-5-3-2

Whereas, The City of Canby owns and/or manages the Solid Waste Landfill, which is a permitted solid waste land disposal facility and which is also a part of an integrated solid waste program for this county and/or region; and

Whereas, permitted solid waste land disposal facilities in this state follow the highest standards for their design and operations and are protective of the environment; and

Whereas, as solid waste land disposal facilities, by their nature, expand over time through connected activities and phased plans; and

Whereas, conducting a site environmental review and developing a site permit for all phased plans for solid waste land disposal facilities will save the state and regulated community financial, staffing and other resources and still protect the environment.

Therefore, Be it resolved that the Canby City Council supports the adoption of SF 1244/HF1491 which requires state agencies to revise rules to allow site environmental reviews and site permits for solid waste land disposal facilities.

Mayor

Attest:

City Administrator

Nicholas Johnson gave an update on the Ordinance Revision Project.

Nicholas Johnson requested permission to attend the annual League of Minnesota Cities conference in Rochester. The Council approved the request.

Vendor transactions for April were reviewed. A motion was made by Hanson and seconded by Bueltel to approve the vendor transactions in the amount of \$281,971.42. All voted in favor. None voted against. The motion was carried.

A motion was made by Bueltel and seconded by Hanson to approve the 3.2 On Sale Beer and Outdoor Dance to Blaine Merritt for Cobrafest. All voted in favor. None voted against. The motion was carried.

A motion was made by Hanson and seconded by Bueltel to approve the Gambling Exempt Permit for the Chamber for Hat Daze. All voted in favor. None voted against. The motion was carried.

The Council engaged in general discussion.

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

Mayor

City Administrator