

**City of Long Prairie
Council Meeting
7:00 P.M., Tuesday, January 17, 2012**

The Long Prairie City Council met in regular session at City Hall, 7:00 p.m., Tuesday, January 17, 2012. Mayor Don Rasmussen called the meeting to order with the following present: Council members Art Rowan, Tony Towle, Lilah Gripne, Bob Klick, and City Administrator/Clerk David Venekamp.

Council member Klick motioned Gripne seconded to approve the council minutes of January 3, 2012 and the December, 2011 invoices. Motion unanimously carried.

Mayor Rasmussen called to order a 7:00 p.m., public hearing on Tax Increment District 1-11 for Impact Technology. Those present for the public hearing were: Kim Burkett, Kathy Nauber, Devin Hines, Jim Kreemer, Lyle Danielson, Kevin Langer, Ed Tschida, and Todd Hagen.

Ed Tschida of Advanced Resources stated that Randy Mechels, the owner of Impact Technology, has asked the council to do a tax increment district on a parcel of land on which he intends to construct a new building. Mr. Mechels is proposing to build a 20,000 square foot building across the street from his existing 60,000 square foot business. Ed stated the Economic Development District would provide 9 years of tax increment. The estimated taxes on the development district are \$10,000 of which approximately \$7,000 would be tax increment. The project would be a pay as you go project which means as the owner of the property pays the taxes, the city would reimburse him for a portion of those taxes. Ed stated that Randy will need to enter into a development agreement with the city for the project.

There being no further questions or comments, Mayor Rasmussen closed the public hearing at 7:05 p.m.

Council member Towle motioned Klick seconded to adopt the following resolution:

**RESOLUTION NO: 12-01-17-01
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG PRAIRIE
APPROVING TAX INCREMENT FINANCING DISTRICT NO. 1-11
AND THE USE OF TAX INCREMENT FINANCING**

WHEREAS, the City Council of the City of Long Prairie, Minnesota (the "City"), pursuant to a resolution adopted on May 2, 1994, approved Master Development District No. 1 (the "Development District") and in connection therewith adopted a development program; and

WHEREAS, it is desirable and in the public interest that the City undertake and carry out Tax Increment Financing District No. 1-11 pursuant to Chapter 469 of Minnesota Statutes, encompassing the area which is more particularly described on Exhibit A attached hereto and made a part hereof, (which area is herein called the "District"); and

WHEREAS, the City Council has reviewed "Tax Increment Financing District No. 1-11, dated January 17, 2012" (the "Plan"), which sets forth a tax increment financing plan for the District; and

WHEREAS, the Plan sets forth the City's estimate of the fiscal and economic impact of the District on the tax capacities of all taxing jurisdictions in which the District is located; and

WHEREAS, the County Auditor of Todd County, Minnesota, has been notified of the public hearing for the review of the Plan; and

WHEREAS, the Clerk of the School Board of Independent School District No. 2753 has been notified of the public hearing for the review of the Plan; and

WHEREAS, the City has received and considered the comments of Todd County and Independent School District No. 2753 regarding the contents of the Plan; and

WHEREAS, the City on January 17, 2012, after having published a notice of public hearing in the official newspaper of the City, conducted a public hearing on the Plan and received public comments on the same.

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

1. That it is hereby found and determined that there is a need for the Project activities in the District.
2. That it is hereby found and determined that the Project activities set forth in the Plan will establish, for the City, the opportunity to promote economic development of vacant land and that this development will create jobs and enhance the local tax base.
3. That it is hereby found and determined that the tax increment financing plan as set forth in the Plan having been duly reviewed and considered is hereby approved and adopted, and the area described in Exhibit A hereto is hereby affirmed and designated as an Economic Development District and pursuant to Minnesota Statutes, Section 469.174, Subdivision 12.
4. That, in the opinion of the City, it is hereby found and determined: (i) the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future; and (ii) 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.
5. That the tax increment financing plan will afford maximum opportunity, consistent with sound needs of the City as a whole, for the development of the Project by private enterprise.

6. That it is hereby found and determined that the tax increment financing plan set forth in the Plan conforms to the general plan for the development of the City as a whole.

7. The reasons and supporting facts for findings 3, 4, 5 and 6 as set forth on pages 4 and 5 of the Plan are by this reference adopted.

8. The City finds and determines that the tax increment financing plan as set forth in the Plan having been duly reviewed and considered is hereby approved and adopted, and the area described in Exhibit A as Tax Increment Financing District No. 1-11 is an economic development district.

9. The City Clerk shall request the County Auditor of Todd County to certify the original tax capacity and original local tax rate of the District approved by this resolution.

10. The City Clerk is hereby directed to file a copy of this resolution with a copy of the Plan with the Minnesota Department of Revenue and Office of the State Auditor.

11. The City hereby states its intention to use all of the captured tax capacity for purposes of tax increment financing as per the conditions set forth in the Plan.

12. The City authorizes the Mayor and City Administrator to execute the Development Agreement with the developer.

13. The City hereby states its intention to use all of the captured net tax capacity for purposes of tax increment financing as per the conditions set forth in the Plan.

Adopted by the Long Prairie City Council this 17th day of January 2012.

ATTEST:

David Venekamp
City Administrator/Clerk

Donald Rasmussen
Mayor

EXHIBIT A
TO
CITY COUNCIL RESOLUTION NO: #12-01-17-01

That part of Lot 2, Block One, "LONG PRAIRIE INDUSTRIAL PARK", according to the recorded plat thereof on file and of record in the office of the County Recorder, Todd County, Minnesota, described as follows:

Beginning at the easterly most corner of said Lot 2, marked by a half inch iron monument;

thence North 27° 50 min. 36 seconds West, plat bearing, along the northeasterly line of said Lot 2, a distance of 319.68 feet to the northerly most corner of said Lot 2;

thence southwesterly, along the northwesterly line of said Lot 2 and along a curve concave to the southeast, a distance of 267.73 feet, radius 648.42 feet, central angle 23° 39 min. 26 seconds, the chord of said curve bears South 49° 48 min. 42 seconds West 265.83 feet;

thence South 57° 52 min. 00 seconds East 240.98 feet;

thence South 39° 18 min. 13 Seconds East 78.53 feet to the southeasterly line of said Lot 2;

thence northeasterly, along said southeasterly line of Lot 2 and along a curve concave to the southeast, a distance of 126.23 feet to the point of beginning, the chord of said curve bears North 51° 42 min. 43 seconds East 125.59 feet.

The track contains 59,666 ft.² or 1.37 acres more or less and is subject to easements, reservations or restrictions of record, if any.

Roll call: Yes; Rowan, Towle, Gripne, Klick, Rasmussen. Motion unanimously carried.

Council member Gripne motioned Klick seconded to appoint Jim Kreemer as the Fire Chief for 2012 as recommended by the fire department. Motion unanimously carried.

Council member Gripne motioned Towle seconded to approve pay request #4 in the amount of \$71,440 to Di Mar for work on the wastewater treatment facility. Roll call: Yes; Rowan, Towle, Gripne, Klick, Rasmussen. Motion unanimously carried.

Todd Hagen of Ehlers Inc. was present to review the possibility of the city refunding 4 different bond issues. Todd stated bond rates are at their lowest rate since April 13, 1967. The bond issues considered for refunding are the 2003 water revenue bond, 2003 general obligation improvement bond, 2006 general obligation improvement bonds, and the 2006 sewer revenue refunding bonds. Todd stated the council could, if they opt to, also utilize city funds to pay off or buy down some of the bond issues. The average interest rate on the refunded bonds is estimated at 1.95% which is about 2.5% lower than the existing rates. The estimated savings as a result of the refunding would be approximately \$175,000 after all fees and expenses; including \$75,000 in negative interest earnings. Todd stated the council could wait with refunding the bonds; however, there is the risk that interest rates could go up during the meantime.

The bonds would be a 13 year issue and carry the same terms as the original issues. Interest would be payable every 6 months with principal on the bonds due each February. In order to do the issue, Todd is recommending that the city obtain a bond rating. The city's current Moody's bond rating is A-1.

Dave Larson, the director of facilities for Centra Care out of St. Cloud, discussed with the council the wastewater discharges of the Long Prairie Centra Care facility. City staff contend that Centra Care discharges a paper sanitary wipe into the city's sewer system which has caused occasional backups into residential homes. Mr. Larson stated Central Care does discharge a paper sanitary wipe which is not biodegradable. Centra Care in St. Cloud recently installed a grinder pump in the St. Cloud location in order to grind the waste products that are coming from

their facility. Mr. LAson indicated that Centra Care would work with the city in resolving the issue which would include the installation of a grinder pump. In order to install the pump, the city may need to grant an easement for the pump on a portion of the city right of way along 1st Ave. SE.

The council discussed the completion of various public improvements over the past 5 or 6 years. During that time, the city has completed a new industrial park, incubator building, rehabilitation of the water treatment plant, upgraded the wastewater treatment facility and the public improvement project that was completed in 2011. At present, the city does not have any public improvement projects outlined for future work. In the past, the council has tried to time their projects to the year in which a city bond issue is paid off. By doing so, the additional cost for bonding for the projects and paying those debts, has been minimized on the property tax rolls. The council suggested the public works department should put together a list of projects for the council to consider.

Fire Chief Jim Kreemer stated the department responded to 93 calls in 2011. The department spent 816 man hours in responding to the calls. The firemen also spent 765 hours in training.

Police Chief Kevin Langer reviewed the annual police activity report. The police department received a \$100 donation from the American Legion for D.A.R.E. Kevin stated he will be attending the police chief conference in Fort Ripley on January 31st to February 3rd. The city has also sold 3 vehicles that were confiscated by the department. The sentence to serve crew has assisted the city in putting up an evidence cage in the old city garage for the police department records.

The council reviewed the refunding of four bond issues discussed earlier in the meeting. The council felt that it could be a significant savings for the city over the life of the issues.

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

Resolution #12-01-17-02
Resolution Providing for the Sale of
\$2,735,000 General Obligation Refunding Bonds, Series 2012A

- A. WHEREAS, the City Council of the City of Long Prairie, Minnesota, has heretofore determined that it is necessary and expedient to issue the City's \$2,735,000 General Obligation Refunding Bonds, Series 2012A (the "Bonds"), to (i) current refund the City's outstanding General Obligation Water Revenue Bonds, Series 2003 and General Obligation Improvement Bonds, Series 2003A; and (ii) crossover refund the City's outstanding General Obligation Improvement Bonds, Series 2006A and General Obligation Sewer Revenue Refunding Bonds, Series 2006B; and

- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 p.m. on February 21, 2012, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member Klick and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof: Rowan, Towle, Gripne, Klick, and Rasmussen

and the following voted against the same:

None

Whereupon said resolution was declared duly passed and adopted.

Dated this 17th day of January, 2012

David Venekamp
City Administrator/Clerk

Don Rasmussen
Mayor

Council member Towle motioned Klick seconded to adjourn. Motion unanimously carried. Meeting adjourned at 8:15 p.m.

David Venekamp
City Administrator/Clerk

Don Rasmussen
Mayor