

GLENCOE CITY COUNCIL MEETING MINUTES
OCTOBER 21, 2019
7:00 P.M.

Mayor Wilson called the regular meeting of the City Council to order at 7:00 p.m. Members present: Schrupp, Alexander, Robeck, Lemke and Neid. Also present: City Administrator Mark Larson, City Attorney Mark Ostlund, Finance Director Trippel, Assistant City Administrator Ehrke, PWDs Schreifels and Voigt and Police Chief Raiter.

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

CONSENT AGENDA

Councilor Alexander entered the motion to approve the consent agenda as presented. Councilor Neid seconded. All members voted in favor.

- A. Approve the minutes of the regular meeting of October 7, 2019.
- B. Approve the following building permits:
 - 1. Kwik Trip; Mechanical Permit
 - 2. Midwest Research Swine; Interior Room addition
 - 3. Southwest Eye Care; Plumbing Permit
 - 4. Jake McLain, 310 Pleasant Ave; Open Porch Addition
 - 5. Ted Neumann, 105 13th St E; Garage interior finish
 - 6. Randy Scrivner, 1412 15th St E; Re-side
 - 7. McLeod County, 607, 611, 631 DeSoto Ave N; Demolitions
 - 8. Duane Yurek, 1217 Elliott Ave N; Re-roof
 - 9. Kay Falling, 1618 10th St E; Mechanical Permit
 - 10. George Schaust, 1713 9th St E; Re-roof
 - 11. Dale Schmiege, 1518 Elliott Ave N; Garage Re-roof
 - 12. John Kunkel, 1414 15th St E; Re-roof
 - 13. Sandy Ittel, 1820 Loudon Ave N; Mechanical Permit
 - 14. Nicole Angelo, 1715 Greeley Ave N; Window Replacement
- C. Approve the following licenses:
 - 1. Kwik Trip, Tobacco and 3.2 Off Sale liquor licenses

PUBLIC HEARINGS:

A. 7:05 P.M. HEARING ON TAX ABATEMENT AND BUSINESS SUBSIDY
AGREEMENT FOR MILLER MANUFACTURING

Assistant City Administrator Dan Ehrke reviewed the property tax abatement proposal to Miller Manufacturing Company to help pay a portion of the costs associated with the soils correction associated with the construction of a new warehouse to be located within the City of Glencoe. The estimated \$2 million project will have a tax value of \$960,000. The City will pay the abatement to the developer in 15 annual installments commencing on April, 2023 and continuing through April 1, 2037. The payment to the developer shall not exceed \$12,989 annually or a cumulative total of \$194,835 over the abatement term.

Mayor Wilson opened the public hearing. No input was given. Motion to close the hearing entered by Councilor Neid and seconded by Councilor Robeck. All members voted in favor.

Councilor Alexander offered the following resolution and moved its adoption:

RESOLUTION NO.2019-27

RESOLUTION APPROVING PROPERTY TAX ABATEMENT FOR CERTAIN
PROPERTY IN THE CITY OF GLENCOE

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

Section 1. Recitals.

1.01. The City has determined that there exists a need to grant a property tax abatement (the “Abatement”) pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815 (the “Act”) to Miller Manufacturing Company (the “Developer”), to help pay a portion of the costs associated with the soils correction associated with the construction of a new warehouse (the “Project”) to be located within the City of Glencoe on property that has a Parcel Identification Number of 22.077.0370 (the “Property”).

1.02. On the date hereof, the City Council of the City conducted a duly noticed public hearing on the Abatement and Business Subsidy proposed to be provided by the City, at which time the views of all interested persons were heard.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this Resolution.

2.02. It is hereby found and determined that the benefits to the City from the Abatement will be at least equal to the costs to the City of the Abatement, because:

- (a) The proposed improvements to the property and building are not likely to take place to the same degree absent the Abatement; and
- (b) The taxes collected from the Property after termination of the Abatement will be of benefit to all property owners within the City; and
- (c) The economic activity generated by new construction will be of benefit to other businesses in the City of Glencoe.

2.03. It is hereby found and determined that the Abatement is in the public interest because such action will increase the tax base and assist in retaining employment opportunities within the City.

2.04. It is further specifically found and determined that the Abatement provided to the Developer is expected to result in the following public benefits:

- (a) Securing improvements to and the expansion of Miller Manufacturing Company facilities located within the City of Glencoe.
- (b) Creation of construction jobs within the City of Glencoe which will result in additional local economic benefit during the term of construction.

Section 3. Actions Ratified; Abatement Approved; Authorized for Execution of a Development Agreement.

3.01. The City Council hereby ratifies all actions of the City’s staff and consultants in arranging for approval of this resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

- (a) The term “Abatement” means the City’s share of real estate taxes which relate to the construction of the Project on the Tax Abatement Property by the Developer and not the real estate taxes on the Tax Abatement Property that relate to the value of the land and building prior to implementation of the Project and, as determined by the City, abated in accordance with the Tax Abatement Program.
- (b) The City will pay the Abatement to the Developer on the dates and in accordance with all the terms and conditions of the Business Subsidy Agreement.
- (c) In accordance with Section 469.1813, subdivision 8 of the Act, in no year shall the Abatement; together with all other abatements approved by the City under the Act and paid in that year exceed the greater of 10% of the City’s net tax capacity for that year or \$200,000 (the “Abatement Cap”).
- (d) The City will pay the Abatement to the Developer in 15 annual installments commencing April 1, 2023 and continuing through April 1, 2037. In no event shall the payment of Abatement by the City to the Developer exceed \$12,989 in any year or a cumulative total of \$194,835 over the abatement term.
- (e) The Abatement is subject to modification in accordance with the Act, and subject to the terms of the Business Subsidy Agreement.
- (f) In accordance with Section 469.1815 of the Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of the current year Abatement granted under this resolution.
- (g) The City makes no warranties or representations regarding the amount or availability of the Abatement.
- (h) The Abatement shall be provided to the Developer pursuant to the terms and conditions of the Business Subsidy Agreement.

3.03. The tax abatement granted pursuant to this resolution shall not be effective until the Mayor and City Administrator have executed a Business Subsidy Agreement for and on behalf of the City as necessary to implement this resolution.

Section 4. Implementation. The Mayor and City Administrator are authorized and directed to execute and deliver any agreements necessary to implement this resolution.

The motion for the adoption of the foregoing resolution was duly seconded by Councilor Schrupp and, the roll being called, the following vote was recorded: All members voted in favor. Whereupon said resolution was adopted and approved.

1. APPROVE BUSINESS SUBSIDY AGREEMENT

Councilor Alexander entered the motion to authorize the Mayor and City Administrator to execute the Tax Abatement and Subsidy Agreement as prepared by City Attorney Mark Ostlund with Miller Manufacturing. Councilor Lemke seconded the motion. All members voted in favor.

B. 7:15 P.M. HEARING ON DELINQUENT BILLS OWED TO CITY

Mayor Wilson opened the public hearing on delinquent bills owed to the city. There being no public input Councilor Lemke motioned to close the hearing. Councilor Neid seconded. All members voted in favor.

Councilor Lemke then entered the motion approving certification of delinquent bills with the following resolution:

RESOLUTION NO. 2019-28

RESOLUTION CERTIFYING COLLECTION OF DELINQUENT BILLS WITH 2020 TAXES

WHEREAS, certain properties have incurred costs to the City of Glencoe that have not been paid; and

WHEREAS, published and written notice has been sent to each property owner; and

WHEREAS, the City of Glencoe has held a public hearing regarding the payment of said bills:

NOW THEREFORE, BE IT RESOLVED by the City of Glencoe that:

- 1) The City Administrator is hereby authorized to certify to the County Auditor for collection with 2019 taxes those amounts owed to the City of Glencoe.
- 2) That those delinquent accounts are as follows:
 - A. Redwood Consulting LLC., PID 22 050 3370 \$489.73
 - B. Randall Wosmek, PID 22 050 3150 \$185.47

Councilor Alexander seconded. Upon a roll call vote all members voted in favor. Whereupon said resolution was adopted and approved.

BIDS AND QUOTES: NONE SCHEDULED

REQUESTS TO BE HEARD:

A. CITY CENTER WEST WING REMODELING CONTRACT WITH RICE COMPANIES

Assistant City Administrator Dan Ehrke presented the Contract for Services with Rice Companies to complete the renovations to the West Wing Restrooms at the City Center. The detailed scope of work was presented for the \$131,063 project. Rice Companies will finalize the already provided preliminary design documents, bid, contract and construct the project for the above stated price. Construction of the project will take approximately 60 to 90 days to complete. City Attorney Ostlund has reviewed the contract.

Councilor Robeck motioned to approve the Contract for Services with Rice Companies as presented. Councilor Neid seconded. All members voted in favor.

B. 1128 HENNEPIN AVENUE CONTRACT WITH RICE COMPANIES FOR PROJECT MANAGEMENT

Assistant City Administrator Dan Ehrke reviewed the proposal of Construction Management services for the demolition of the existing building located at 1128 Hennepin Avenue. These services will be provided to assist the city in contracting the demolition of the building in accordance with preliminary design documents provided by SEH n May 2018. Scope of the contract includes preconstruction and final design, distribution on bidding documents, construction, safety and quality control. The construction management fee of 5% includes the project and overhead on the project and is calculated of the total construction cost at the completion of the project. RCI's staff time and general conditions costs are not included in the fee percentage.

There are liability issues with this distressed property. Construction management is required to specify exactly how to demo this structure in a safe manner.

Discussion led to Councilor Lemke entering the motion to approve the Contract for Services with Rice Builders for project management services on the demolition of 1128

Hennepin Avenue building. Councilor Schrupp seconded the motion. All members voted in favor.

C. POLICE DEPARTMENT EVIDENCE POLICY

Police Chief Raiter presented the Police Department policy regarding evidence collected by the Glencoe Police Department and chain of custody process. This information was previously discussed at the recent council workshop.

Councilor Alexander entered the motion approving the policy as presented. Councilor Neid seconded. All members voted in favor.

ITEMS FOR DISCUSSION:

A. ACTIVE LIVING COMMUNITY CONFERENCE –OCTOBER 29, 2019

Dan Ehrke, Assistant City Administrator, extended an invitation to attend the Active Living Community conference to be held at the City Center on October 29th beginning at 2:00 p.m. A core group of community members have organized this event to bring residents together to learn about becoming a healthier community.

B. COALITION OF GREATER MINNESOTA CITIES FALL CONFERENCE – NOVEMBER 14 & 15

Mayor Wilson, City Administrator Larson, Councilors Neid and Alexander will be attending the conference.

C. SENATE BONDING COMMITTEE AT BONGARD’S –OCTOBER 22ND

The Minnesota Capital Investment Committee has organized an event on October 22nd at 10:30 a.m. to rally support to make Highway 212 at safe route by funding the completion of the two lane areas to four lanes. All are encouraged to attend.

ROUTINE BUSINESS:

PROJECT UPDATES: None

ECONOMIC DEVELOPMENT: None

PUBLIC INPUT: City Administrator Larson informed the council of the meetings held with the County concerning drainage issues on Ford Avenue properties north of 16th Street. The city has no issues on the street side but there are issues on rear properties with a private tile line. City Attorney Ostlund has looked through property records and could not find any agreement obligating the City to take care of this issue. Parties involved will need to come to the table to get this issue resolved.

The next workshop will discuss this issue further.

REPORTS: None

CITY BILLS: Councilor Alexander entered the motion to approve payment of the city bills as presented. Councilor Lemke seconded. All members voted in favor.

ADJOURN: Mayor Wilson called for adjournment at 7:46 p.m. Councilor Schrupp entered that motion with Councilor Neid seconding. All members voted in favor.