

Pursuant to the due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on March 20, 2023. Mayor Carlson called the meeting to order at 7:00 pm, asking everyone to join the Pledge of Allegiance. The following were present for roll call: Council Members Oachs, Peterson, Whitlock, Steiner, City Administrator McCann, Finance Director Ryan, Community Development Director Fischer, Public Works Director Arnold, and City Clerk Van Genderen.

Approval of Agenda

Council Member Steiner moved, seconded by Council Member Oachs, to approve the agenda as presented. Vote on the motion Oachs, Peterson, Whitlock, Steiner, aye, no nays. Motion carried.

Approval of Council Minutes from March 6, 2023, Council Meeting.

Council Member Oachs moved, seconded by Council Member Steiner, to approve the Council Meeting Minutes of March 6, 2023. Vote on the motion Oachs, Peterson, Whitlock, Steiner, and Carlson, aye, no nays. Motion carried.

Approval of Council Work Session Minutes from March 6, 2023, Council Work Session.

Council Member Oachs moved, seconded by Council Member Whitlock, to approve the Council Work Session Minutes of March 6, 2023. Vote on the motion Oachs, Peterson, Whitlock, Steiner, and Carlson, aye, no nays. Motion carried.

Public Hearing, 7 pm Relating to the Proposed Establishment of Development District No. 2 and the Establishment of Tax Increment Financing District No. 2-1.

Tammy Omdal, Northland Securities, reviewed the requirements for a TIF Plan in Minnesota. She reported that the TIF Plan would describe the project to be financed and provide specific information about the development activity. The TIF is created by the authority/City, reviewed by the county and school district, and approved by the City.

Ms. Omdal reported that the proposed project site is currently unoccupied. The proposed use of the building to be constructed meets the criteria for establishing an "economic development" TIF District. The proposed use is warehousing and distribution. The proposed boundaries of the TIF district include approximately 10 acres of a 12.57-acre parcel.

Ms. Omdal explained how a TIF works. Property taxes are based on base valuation. The value that existed before the development will be payable to local taxing jurisdictions and not captured for TIF. The difference between the base value and the new taxable market value (captured value) is estimated at approximately \$9.0 million. Taxes on the captured value will generate tax increment to assist the project.

Ms. Omdal reviewed the estimated taxable market value upon project completion in 2025, along with the annual captured taxes and estimated annual taxes payable from the property for all jurisdictions. In 2022 the property had a current tax of \$7,022. In 2025, the annual taxes received by taxing jurisdictions from property within TIF District is \$100,050, and the annual captured taxes (Tax Increment) from TIF District is \$228,002, so the total combined estimated annual payable from the property is \$328,052.

Ms. Omdal reviewed the terms for assistance to the developer, which includes the City considering approval of the TIF Plan. The TIF Plan provides the framework for the terms for assistance to the Developer, and the City will consider approval of a TIF agreement with the Developer. The TIF will reimburse up to \$1.26 million of land and site improvements paid by the developer on a pay-go basis from 97.5% of the “remaining TIF.” The remaining TIF is after the first \$40,556 of annual TIF collected up to an aggregate amount not to exceed \$365,000 to be retained by the City to reimburse itself for the costs of the Public Improvements. The TIF revenue note will bear simple interest at a rate of 5.5%. The City will regain 2.5% of TIF for administrative costs. Ms. Omdal stated that based on current market conditions, the proposed project would not happen solely through private investment; without TIF return, the developer is not at sufficient funding levels, so it is reasonable to assume the project would not proceed.

City Administrator McCann invited a Gordini, USA representative to come forward and speak concerning the proposed TIF District and development. David Gellis, president of Gordini USA Inc., appeared before Council and stated that the company was founded in 1956, and he has been president for the past 10 years. The business is working on expanding its portfolio to expand its brand from ski products to more general outdoor activities. The company currently has its distribution center in Vermont but has received feedback from its clients that they would like more central distribution centers. He stated that the company had been pleased with what they had found in North Mankato and was excited about the expansion.

Barb Church, 102 Wheeler Avenue, appeared before the Council and welcomed Gordini to the City.

With no one else appearing before Council, Mayor Carlson closed the public hearing.

Consent Agenda

Council Member Whitlock moved, seconded by Council Member Oachs, to approve the Consent Agenda.

- A. Bills and Appropriations.
- B. Res. No. 21-23 Accepting Donations/Contributions/Grants.
- C. Res. No. 22-23 Declaring Surplus Vehicles and Equipment.
- D. Res. No. 23-23 Waiving Waiting Period for Exemption from Lawful Gambling License for Holy Rosary Church.
- E. Res. No. 24-23 Proclaiming No-Mow May in North Mankato.

Vote on the motion Oachs, Peterson, Whitlock, Steiner, and Carlson, aye, no nays. Motion carried.

Public Comments Concerning Business Items on the Agenda.

None.

Business Items

Res. No. 25-23 Establishing Development District No. 2 and Adopting the Development Program Therefore; Establishing Tax Increment Financing District No. 2-1 Within Development District No. 2 and Adopting the Tax Increment Financing Plan Therefore; Authorizing an Interfund Loan; Authorizing Execution of Development Agreement; and Approving a Business Subsidy.

Council Member Steiner moved, seconded by Council Member Oachs to Adopt Res. No. 25-23 Establishing Development District No. 2 and Adopting the Development Program

Therefore, Establishing Tax Increment Financing District No. 2-1 Within Development District No. 2 and Adopting the Tax Increment Financing Plan Therefore; Authorizing an Interfund Loan; Authorizing Execution of Development Agreement; and Approving a Business Subsidy. Vote on the motion Oachs, Peterson, Whitlock, Steiner, and Carlson, aye, no nays. Motion carried.

Res. No. 26-23 Authorizing North Mankato City Staff to Execute all Necessary Documents to Ensure North Mankato City Participation in the Multistate Settlements Relating to Opioid Supply Chain Participants in Minnesota Opioids State-Subdivision Memorandum of Agreement.

Attorney Kennedy appeared before the Council and stated that the resolution would bring the City into the multistate settlement relating to the opioid supply chain. The City of North Mankato would not receive any funds because the City does not have a Health and Human Services Department; rather, the funds would be administered by Nicollet County. But the more cities that sign on, the more funds will be available for distribution to our local communities.

Council Member Oachs moved, seconded by Council Member Peterson to Adopt Res. No. 26-23 Authorizing North Mankato City Staff to Execute all Necessary Documents to Ensure North Mankato City Participation in the Multistate Settlements Relating to Opioid Supply Chain Participants in Minnesota Opioids State-Subdivision Memorandum of Agreement. Vote on the motion Oachs, Peterson, Whitlock, Steiner, and Carlson, aye, no nays. Motion carried.

Open Forum

Barb Church 102 Wheeler Avenue, appeared before Council and stated that the DNA logo should be changed but proceed with the advertising campaign. She stated that those who had purchased water meters should be refunded. She stated she was not looking for an apology from a Council Member; rather, she wanted consequences for that Council Member.

Tom Hagen, 927 Lake Street, appeared before Council and stated the Mayor had spoken with Mr. Borchardt and he believed the issue was resolved.

City Administrator and Staff Comments

Public Works Director Arnold reported that the City would reopen the Brush Site beginning the week of March 27th or April 3rd.

City Administrator McCann invited residents out to Bunnies on Belgrade on April 1, 2023, starting at 4:00 p.m.

City Administrator McCann reported that the City is hiring for the 2023 Summer Seasonal Positions. Positions include parks, Caswell Parks and concessions, Caswell League Officials, youth sports coaches, street department, and parks department. Applications can be located on the City's website.

City Administrator McCann reported that the Greater Mankato Inclusivity Study Launch event would be held Wednesday, May 10th, at 11 am.

City Administrator McCann reported that GMG's Transforming Tomorrow Together 2040 is a planning and visioning project, exploring the future and building a vision for 2040.

Mayor and Council Comments

Council Member Whitlock noted the contribution from the William Altnow Estate. Mr. Altnow was a long-time Free Press photographer, and he was grateful for the donation to the Police Department.

Council Member Peterson thanked Gordini for coming to the City of North Mankato.

Council Member Peterson reported he received some calls from residents who were experiencing issues accessing their mailboxes due to ice build-up. Both residents had physical disabilities that prevented them from clearing and accessing their mailboxes. Council Member Peterson stated he understood the City had received a lot of snow but was unsure about the City's policies and practices concerning snowplowing.

Mayor Carlson encouraged residents to apply for seasonal positions.

Mayor Carlson noted he has been attending Legislative meetings concerning the City's bonding request.

At 7:28 pm, on a motion by Council Member Peterson, seconded by Council Member Oachs, the Council Meeting was adjourned.

Mayor

City Clerk