

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on July 15, 2013. Mayor Dehen called the meeting to order at 7:10 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for the meeting, Mayor Dehen, Council Members Norland, Freyberg, Spears and Steiner, City Administrator Harrenstein, Finance Director Thorne, City Planner Fischer, City Clerk Gehrke, Attorney Kennedy and Engineer Sarff.

Approval of Agenda

Council Member Freyberg moved, seconded by Council Member Norland, to approve the agenda as presented. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen, aye; no nays. Motion carried.

Approval of Minutes

Council Member Spears moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of July 1, 2013. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen, aye; no nays. Motion carried.

Consent Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the Consent Agenda which includes:

- A. Bills and Appropriations.
- B. Application for On-Sale Intoxicating Liquor, Sunday On-Sale Liquor and Soft Drink Licenses for Las Fronteras, 503 Belgrade Avenue.

Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen, aye; no nays. Motion carried.

Public Comments

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and referenced the property at the corner of Lee Boulevard and LorRay Drive that is being auctioned off. He stated he hopes all the large oak trees on this property will be saved.

Business Items

Preliminary and Final Plat of North Ridge Estates Phase XVI

Planner Fischer presented a request from Greyknight Properties to replat Lots 1 and 2, Block 1, North Ridge Estates Phase XIV. He reported Adam Hurias, representing Greyknight Properties, was in attendance to answer any questions. Planner Fischer reported that North Ridge Estates Phase XIV was platted in 2012 to accommodate the development of six (6) single-family dwellings. The undeveloped subdivision was recently purchased by the applicant with the intent to construct 2-unit dwellings on each of the six lots and is proposing to replat Lots 1 and 2 of North Ridge Estates Phase XIV by relocating the mutual property line. He noted the proposal has two of the buildings accessing onto Pleasant View Drive. The Planning Commission had discussions of the existing and future traffic onto Pleasant View Drive, location of Pleasant View Park and the number of existing driveways onto Pleasant View Drive. In response to the questions, Planner Fischer reported the area is zoned R-3 and 2-unit dwellings are permitted in this zoning district. The Planning Commission recommended approval of the preliminary and final plat of North Ridge Estates Phase XVI. **Council Member Norland moved, seconded by Council Member Steiner, to approve the preliminary and final plat**

of North Ridge Estates Phase XVI. **Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Res. No. 47-13 Establishing and Revoking Municipal State Aid Streets

Engineer Sarff reported the Minnesota Department of Transportation (MnDOT) recently changed the way that they calculate the annual Municipal State Aid (MSA) Street funding allocation for all cities in the MSA system. The new calculation method puts a greater emphasis on traffic volume. He stated that in order to maximize the City's MSA Street funding allocation, it is recommended that changes be made to the City's MSA street designation as follows: Requested designations: 1) Monroe Avenue from Center Street to Range Street; 2) Pleasant View Drive from CSAH 41 to Northridge Drive; and 3) Northridge Drive from Pleasant View Drive to Lookout Drive. Requested revocations: 1) LorRay Drive from Timm Road to 512th Street; 2) 512th Street from CSAH 13 to LorRay Drive; and 3) Tower Boulevard from Marie Lane to Lee Boulevard. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 47-13 Establishing and Revoking Municipal State Aid Streets. Vote on the Resolution: Norland, Freyberg, Spears, Steiner and Dehen, aye; no nays. Motion carried.**

City Administrator and Staff Comments

Administrator Harrenstein stated the City of North Mankato team was victorious at the Fun Days' Celebrity Horseshoe Tournament and Fun Days was a terrific event. Mayor Dehen thanked the City staff and Civic & Commerce Association for their work putting on this great event.

Council Workshop

Administrator Harrenstein recommended the Council Workshop scheduled for Monday, July 29, 2013 be canceled and these agenda items be discussed as part of the budget process. **Council Member Steiner moved, seconded by Council Member Norland, to cancel the Council Workshop scheduled for Monday, July 29, 2013. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Report from Council Members

Council Member Norland

Council Member Norland reported she attended the Region 9 Development Commission meeting last week and reported this is the only area to receive \$9 million for the Highway 169 Project. She also noted it was reported at the meeting that the sequestration cuts will continue for ten years.

Report from the Mayor

"Circle of Friends" Fund Drive Update

Mayor Dehen reported the North Mankato Civic & Commerce Association announced it has reached its goal of collecting \$31,062 in pledges to complete the purchase of the "Circle of Friends" sculpture to be placed outside the North Mankato Taylor Library. He also reported donations are still being collected to purchase the base for the sculpture. Anyone interested in donating may contact Lynette Peterson at lynettep@northmankato.com.

Economic Development Workshops

The Mayor reported Economic Development Workshops will be held at 6 p.m. on Wednesday, July 17th and Thursday, July 18th.

Public Comments

The Mayor opened the meeting to the public for the second time with no one appearing.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Norland, the meeting was adjourned at 7:30 p.m.

Mayor

City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #7A	Department: City Planner	Council Meeting Date: 08/05/13
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TITLE OF ISSUE: Public Hearing, 7 p.m. - Vacation of Utility Easements - North Ridge Estates Phase XIV; Consider Adopting Res. Vacating Utility Easements North Ridge Estates Phase XIV

BACKGROUND AND SUPPLEMENTAL INFORMATION: As part of the platting of North Ridge Estates XVI, it is necessary to vacate certain utility easements created in North Ridge Estates XIV. Due to the relocation of a lot line, the applicant is requesting that the underlying utility easements located along the lot line be vacated. As part of the platting of North Ridge Estates XVI, new utility easements are dedicated and will be recorded with the plat. As part of the process, all local utility companies were notified of the request to vacate existing utility easements. As none of the utility companies had equipment within the easements, there was no objection to the request.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Consider adopting resolution

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Norland
	_____	_____	Spears
	_____	_____	Freyberg
	_____	_____	Steiner
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Other (specify) Notice of Hearing, Petition for Vacation

<input type="checkbox"/> Workshop
<input checked="" type="checkbox"/> Regular Meeting
<input type="checkbox"/> Special Meeting

<input type="checkbox"/> Refer to: _____
<input type="checkbox"/> Table until: _____
<input type="checkbox"/> Other: _____

July 22, 2013
NOTICE OF HEARING ON
UTILITY EASEMENTS
VACATION NORTH RIDGE
ESTATES PHASE XIV

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will hold a public hearing on Monday, August 5, 2013, commencing at 7:00 p.m. in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, to consider the vacation of the following described utility easements vacation in North Ridge Estates Phase XIV:

- The easterly 5 feet of Lot 1, Block 1.
- The westerly 5 feet of Lot 2, Block 1.

Dated this 22nd day of July, 2013.
Nancy Gehrke, CMC
City Clerk
City of North Mankato,
Minnesota

AFFIDAVIT OF PUBLICATION

State of Minnesota, ss.
County of Blue Earth

James P. Santori, being duly sworn, on oath says that he is the publisher or authorized agent and employee of the publisher of the newspaper known as *The Free Press and The Land*, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a legal newspaper, as provided by Minnesota Statute 331.02, 331.06, and other applicable laws, as amended.

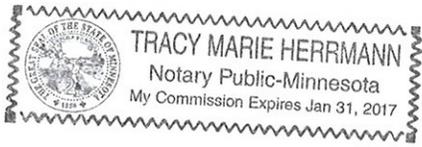
(B) The printed _____ Notice _____

_____ which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on Monday, the 22 day of July, 2013, and was thereafter printed and published on every Monday to and including Monday, the 22 day of July, 2013; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz
By: [Signature]
Publisher

Subscribed and sworn to before me on this 22 day of July, 2013.

[Signature]
Notary Public



**NOTICE OF HEARING ON
UTILITY EASEMENTS VACATION
NORTH RIDGE ESTATES PHASE XIV**

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will hold a public hearing on Monday, August 5, 2013, commencing at 7:00 p.m. in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, to consider the vacation of the following described utility easements vacation in North Ridge Estates Phase XIV:

- The easterly 5 feet of Lot 1, Block 1.
- The westerly 5 feet of Lot 2, Block 1.

Dated this 22nd day of July, 2013.

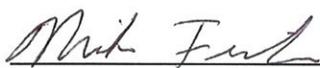
Nancy Gehrke, CMC
City Clerk
City of North Mankato, Minnesota

PETITION FOR VACATION

The undersigned property owner hereby petitions the City Council of the City of North Mankato, Minnesota, to vacate the following utility easements which were dedicated within North Ridge Estates Phase XIV, City of North Mankato, Nicollet County, Minnesota, according to the recorded plat thereof:

- The easterly 5 feet of Lot 1, Block 1.
- The westerly 5 feet of Lot 2, Block 1.

Dated this 21st day of JUNE, 2013.



Witness



Adam Huiras, Greynight Properties LLP

Received by City Clerk:

June 21, 2013

Date



City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #8A	Department: City Admin.	Council Meeting Date: 08/05/13
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TITLE OF ISSUE: Public Hearing, 7 p.m. - Consider Adoption of Amended Criteria for Awarding Business Subsidies; Res. Approving Amended and Restated Business Subsidy Policy

BACKGROUND AND SUPPLEMENTAL INFORMATION: On September 20, 1999, the Council adopted a set of criteria for awarding business subsidies pursuant to Minnesota Statutes, Sections 116J.993 to 116J.994 (the "Business Subsidy Act"). The Business Subsidy Act has subsequently been amended. In order to continue granting business subsidies, the City must adopt amended criteria to bring the current policy into compliance with the Business Subsidy Act, as it has been amended. In accordance with Section 116J.994, subdivision 2 of the Business Subsidy Act, the Council is conducting a public hearing to approve the amended criteria. Attached is a resolution for consideration by the Council following the public hearing to adopt the amended business subsidy criteria.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Consider adopting resolution

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Norland
	_____	_____	Spears
	_____	_____	Freyberg
	_____	_____	Steiner
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) <u>Notice of Hearing, Business Subsidy Policy</u>				

<input type="checkbox"/> Workshop
<input checked="" type="checkbox"/> Regular Meeting
<input type="checkbox"/> Special Meeting

<input type="checkbox"/> Refer to: _____
<input type="checkbox"/> Table until: _____
<input type="checkbox"/> Other: _____

July 13, 2013
**NOTICE OF PUBLIC HEARING
AMENDED BUSINESS
SUBSIDY CRITERIA**

Notice is hereby given that the City Council of the City of North Mankato, Minnesota (the "City") will meet at or after 7:00 p.m. on Monday, August 5, 2013, at the City Council Chambers of City Hall, located at 1001 Belgrade Avenue in the City, to conduct a public hearing on the consideration and adoption of amended and restated criteria for business subsidies under Minnesota Statutes, Sections 116J.993 to 116J.994.

A copy of the proposed amended business subsidy policy is available for inspection at City Hall during regular business hours.

All interested persons may appear at the hearing and present their views orally or prior to the meeting in writing.

Dated: July 13, 2013

BY ORDER OF THE CITY
COUNCIL OF THE
CITY OF NORTH
MANKATO, MINNESOTA
/s/ Nancy Gehrke
City Clerk
City of North Mankato,
Minnesota

AFFIDAVIT OF PUBLICATION

**State of Minnesota, ss.
County of Blue Earth**

James P. Santori, being duly sworn, on oath says that he is the publisher or authorized agent and employee of the publisher of the newspaper known as The Free Press and The Land, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a legal newspaper, as provided by Minnesota Statute 331.02, 331.06, and other applicable laws, as amended.

(B) The printed _____ Notice _____

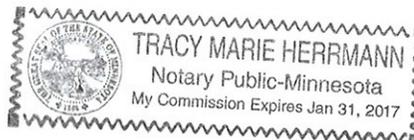
which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on Saturday, the 13 day of July, 2013, and was thereafter printed and published on every Saturday to and including Saturday, the 13 day of July, 2013; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz

By: *James P. Santori*
Publisher

Subscribed and sworn to before me on this 13 day of July, 2013.

Tracy Marie Herrmann
Notary Public



NOTICE OF PUBLIC HEARING
AMENDED BUSINESS SUBSIDY CRITERIA

Notice is hereby given that the City Council of the City of North Mankato, Minnesota (the "City") will meet at or after 7:00 p.m. on Monday, August 5, 2013, at the City Council Chambers of City Hall, located at 1001 Belgrade Avenue in the City, to conduct a public hearing on the consideration and adoption of amended and restated criteria for business subsidies under Minnesota Statutes, Sections 116J.993 to 116J.994.

A copy of the proposed amended business subsidy policy is available for inspection at City Hall during regular business hours.

All interested persons may appear at the hearing and present their views orally or prior to the meeting in writing.

Dated: [Date of Publication]

**BY ORDER OF THE CITY COUNCIL OF
THE CITY OF NORTH MANKATO,
MINNESOTA**

/s/ Nancy Gehrke

City Clerk

City of North Mankato, Minnesota

CITY OF NORTH MANKATO

AMENDED AND RESTATED BUSINESS SUBSIDY POLICY

Adopted: August 5, 2013

This policy is adopted for purposes of the business subsidies act (the "Act"), which is Minnesota Statutes, Sections 116J.993 through 116J.995. Terms used in this Policy are intended to have the same meanings as used in the Act, and this Policy shall apply only with respect to subsidies granted under the Act if and to the extent required thereby.

While it is recognized that the creation of good paying jobs is a desirable goal which benefits the community, it must also be recognized that not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage levels may be unrealistic and counter-productive in the face of larger economic forces and the financial and competitive circumstances of an individual business.

With respect to subsidies, the determination of the number of jobs to be created and the wage levels thereof shall be guided by the following principles and criteria:

- Each project shall be evaluated on a case by case basis, recognizing its importance and benefit to the community from all perspectives, including created or retained employment positions.
- If a particular project does not involve the creation of jobs, but is nonetheless found to be worthy of support and subsidy, it may be approved without any specific job or wage goals, as may be permitted by applicable law.
- In cases where the objective is the retention of existing jobs, the recipient of the subsidy shall be required to provide reasonably demonstrable evidence that the loss of those jobs is imminent.
- The setting of wage and job goals must be sensitive to prevailing wage rates, local economic conditions, external economic forces over which neither the grantor nor the recipient of the subsidy has control, the individual financial resources of the recipient and the competitive environment in which the recipient's business exists. Effective for applications on or after August 5, 2013 a wage floor of \$13.00 per hour is hereby established for jobs to be created pursuant to covered subsidy agreements.

- Because it is not possible to anticipate every type of project which may in its context and time present desirable community building or preservation goals and objectives, the governing body must retain the right in its discretion to approve projects and subsidies which may vary from the principles and criteria of this Policy. If a deviation is made from the wage floor, the reason for the deviation shall be reduced to writing and reported to the State of Minnesota with the next annual subsidy report.

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9A	Department: City Admin.	Council Meeting Date: 08/05/13
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TITLE OF ISSUE: Public Hearing, 7 p.m. - Consider Amended and Restated Property Tax Abatement for Certain Property in the City of North Mankato and Granting Certain Business Subsidies to Theuninck Rolling Green Properties, LLC.; Res. Amending and Restating a Property Tax Abatement Previously Granted for Certain Property in the City of North Mankato; and Approving an Abatement Contract (Including a Business Subsidy Agreement) with Theuninck Rolling Green Properties, LLC

BACKGROUND AND SUPPLEMENTAL INFORMATION:

Theuninck Rolling Green Properties, LLC (the "Developer") is the owner of Property located at 2101 Rolling Green Lane in the City (PIN 18.242.0020) as well as the building located thereon. In 2008 the Council granted a property tax abatement for a period of 15 years on the Property pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, for the purpose of developing a child care facility known as Bean's Plus. The initial abatement payments were delivered to Bean's Plus, but after it went out of business, the abatement payments were provided to the Developer. The building located on the Property is now leased to an autism care facility, and the City is asked to continue to provide abatement to the Developer in order to continue to provide employment opportunities in the City, increase the City's tax base, and provide access to services for residents of the City. To clarify the terms of the abatement, which qualifies as a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995, the Council is being asked to amend the terms of the abatement and is conducting a public hearing on the abatement, as amended. Attached is a resolution for consideration by the Council following the public hearing to amend and restate the terms of the abatement and approve a contract, which includes a business subsidy agreement.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Consider adopting resolution

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
_____		_____	Norland
_____		_____	Spears
_____		_____	Freyberg
_____		_____	Steiner
_____		_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (specify) Notice of Hearing

Workshop

Regular Meeting

Special Meeting

Refer to: _____

Table until: _____

Other: _____

July 13, 2013
**NOTICE OF PUBLIC HEARING
 AMENDED AND RESTATED TAX
 ABATEMENT AND
 BUSINESS SUBSIDY**

Notice is hereby given that the City Council of the City of North Mankato, Minnesota (the "City") will meet at or after 7:00 p.m. on Monday, August 5, 2013, at the City Council Chambers of City Hall, located at 1001 Belgrade Avenue in the City, to conduct a public hearing on amending and restating the terms of a property tax abatement previously granted under Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Act") for certain property located in the City (the "Property") currently owned by Theuninck Rolling Green Properties, LLC, a Minnesota limited liability company (the "Developer"). The proposed amended and restated abatement constitutes a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidy Act"). The Property is located at 2101 Rolling Green Lane in the City and is identified by the parcel identification number 18.242.0020.

Following the public hearing, the City Council will consider a resolution amending and restating the terms of abatement of all or a portion of the City's share of property taxes on the Property through 2023. The City estimates that the total amount of the abatements from and after the date of amendment will be approximately \$200,000 with a maximum annual amount of \$18,000. Following the public hearing, the City Council will consider amending and restating the terms of the abatement as a business subsidy which will reimburse the Developer for a portion of the costs of constructing and improving the Property and any buildings located on the Property. A summary of the terms of the proposed business subsidy is available for inspection at City Hall during regular business hours. Any person with a residence in the City or who is the owner of taxable property in the City may file a written complaint with the City if the City fails to comply with the Business Subsidy Act. No action may be filed against the City for

the failure to comply unless a written complaint is filed. Any person wishing to express an opinion on the matters to be considered at the public hearing will be heard orally or in writing.
 Dated: July 13, 2013

BY ORDER OF THE CITY
 COUNCIL OF THE
 CITY OF NORTH
 MANKATO, MINNESOTA
 /s/ Nancy Gehrke
 City Clerk
 City of North Mankato,
 Minnesota

AFFIDAVIT OF PUBLICATION

**State of Minnesota, ss.
 County of Blue Earth**

James P. Santori, being duly sworn, on oath says that he is the publisher or authorized agent and employee of the publisher of the newspaper known as The Free Press and The Land, and has full knowledge of the facts which are stated below:

(A) *The newspaper has complied with all of the requirements constituting qualification as a legal newspaper, as provided by Minnesota Statute 331.02, 331.06, and other applicable laws, as amended.*

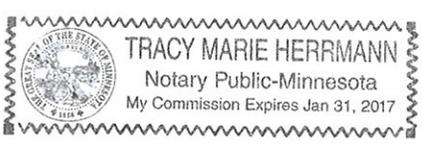
(B) *The printed _____ Notice _____*

which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on Saturday, the 13 day of July, 2013, and was thereafter printed and published on every Saturday to and including Saturday, the 13 day of July, 2013; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz
 By: *James P. Santori*
 Publisher

Subscribed and sworn to before me on this 13 day of July, 2013.

Tracy Marie Herrmann
 Notary Public



NOTICE OF PUBLIC HEARING

AMENDED AND RESTATED TAX ABATEMENT AND BUSINESS SUBSIDY

Notice is hereby given that the City Council of the City of North Mankato, Minnesota (the "City") will meet at or after 7:00 p.m. on Monday, August 5, 2013, at the City Council Chambers of City Hall, located at 1001 Belgrade Avenue in the City, to conduct a public hearing on amending and restating the terms of a property tax abatement previously granted under Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Act") for certain property located in the City (the "Property") currently owned by Theuninck Rolling Green Properties, LLC, a Minnesota limited liability company (the "Developer"). The proposed amended and restated abatement constitutes a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidy Act").

The Property is located at 2101 Rolling Green Lane in the City and is identified by the parcel identification number 18.242.0020.

Following the public hearing, the City Council will consider a resolution amending and restating the terms of abatement of all or a portion of the City's share of property taxes on the Property through 2023. The City estimates that the total amount of the abatements from and after the date of amendment will be approximately \$200,000 with a maximum annual amount of \$18,000. Following the public hearing, the City Council will consider amending and restating the terms of the abatement as a business subsidy which will reimburse the Developer for a portion of the costs of constructing and improving the Property and any buildings located on the Property. A summary of the terms of the proposed business subsidy is available for inspection at City Hall during regular business hours.

Any person with a residence in the City or who is the owner of taxable property in the City may file a written complaint with the City if the City fails to comply with the Business Subsidy Act. No action may be filed against the City for the failure to comply unless a written complaint is filed. Any person wishing to express an opinion on the matters to be considered at the public hearing will be heard orally or in writing.

Dated: [Date of Publication]

**BY ORDER OF THE CITY COUNCIL OF
THE CITY OF NORTH MANKATO,
MINNESOTA**

/s/ Nancy Gehrke

City Clerk

City of North Mankato, Minnesota

DRAFT
August 1, 2013

ABATEMENT CONTRACT

By and Between

CITY OF NORTH MANKATO, MINNESOTA

and

THEUNINCK ROLLING GREEN PROPERTIES, LLC

Dated: August __, 2013

This document was drafted by:
KENNEDY & GRAVEN, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: (612) 337-9300

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ABATEMENT CONTRACT

THIS ABATEMENT CONTRACT (the "Agreement"), made and entered into as of this _____ day of August, 2013, is by and between the CITY OF NORTH MANKATO, MINNESOTA, a municipal corporation under the laws of Minnesota (the "City"), and THEUNINCK ROLLING GREEN PROPERTIES, LLC, a Minnesota limited liability company (the "Developer").

RECITALS

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the "Abatement Act") the City is authorized to abate property taxes in order to provide access to services for residents of the City, increase or preserve tax base and provide employment opportunities; and

WHEREAS, on January 7, 2008, the City Council of the City adopted Resolution No. 01-08 (the "Original Abatement Resolution"), which granted a property tax abatement (the "Original Abatement") pursuant to the Abatement Act on property located at 2101 Rolling Green Lane in the City and identified by the parcel identification number 18.242.0020 (the "Development Property"); and

WHEREAS, the Original Abatement was granted for a period of fifteen (15) years to develop a child care facility in order to promote commercial, industrial and residential development in the City and the child care facility is no longer in operation; and

WHEREAS, the Developer is the owner of the Development Property and the Developer built a 24,262 square foot building on the Development Property following the grant of the Original Abatement (the "Minimum Improvements") to house the child care facility; and

WHEREAS, the Developer currently leases the Minimum Improvements to an autism care facility; and

WHEREAS, pursuant to Resolution No. _____ (the "Abatement Resolution") adopted by the City Council of the City on August 5, 2013, the City amended the Original Abatement in order to continue to provide the Abatement to the Developer through calendar year 2023, with a maximum amount of Abatement equal to \$216,280; and

WHEREAS, the City believes that the amended property tax abatement contemplated herein and fulfillment of this Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of the Abatement Act and other applicable State and local laws and requirements under which the Agreement is made; and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

ARTICLE I
Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Abatement” means the real property taxes generated in any tax-payable year by extending the City’s total tax rate for that year against the tax capacity of the Minimum Improvements and the Development Property, excluding the tax capacity of the Development Property (as established each year during the Abatement), and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 473F.

“Abatement Act” means Minnesota Statutes, Sections 469.1812 through 469.1815, as amended.

“Abatement Resolution” means Resolution No. 01-08, approved by the City Council on January 7, 2008, as amended and restated by Resolution No. _____, approved by the City Council of the City on August 5, 2013, regarding abatement of property taxes on the Development Property.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Available Abatement” means, on each Payment Date, the sum of the Abatement generated in the preceding six (6) months with respect to the Minimum Improvements and remitted to the City by the County.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 through 116J.995, as amended.

“City” means the City of North Mankato, Minnesota.

“County” means Nicollet County, Minnesota.

“Developer” means Theuninck Rolling Green Properties, LLC, and its registers and assigns.

“Development Property” means the real property described as such in the recitals of this Agreement.

“Event of Default” means an action by the Developer listed in Article VII of this Agreement.

“Holder” means the owner of a Mortgage.

“Minimum Improvements” means the 24,262 square foot building located on the Development Property.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property.

“Payment Date” means each February 1 and August 1, commencing August 1, 2013.

“State” means the State of Minnesota.

“Tax Official” means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” has the meaning provided in Section 3.2(a).

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) The City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the City are undertaken for the purposes of providing services to residents of the City, increasing the tax base of the City and State, and creating employment opportunities.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a Minnesota limited liability company in good standing under the laws of Minnesota and has the power to enter into this Agreement.

(b) The Developer will operate and maintain the Minimum Improvements in accordance with the terms of this Agreement and all local, State and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any corporate restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing, which default or breach might prevent the Developer from performing its obligations under this Agreement.

(e) The Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting Developer or its business.

ARTICLE III

Status of Property; Property Tax Abatement

Section 3.1. Status of the Development Property. The Developer owns the Development Property and originally built the building on the Development Property to house a child care facility. The building is now leased to a child care facility servicing children with autism. The City has no obligation to acquire any interest in the Development Property.

Section 3.2. Property Tax Abatement.

(a) Generally. In furtherance of the objectives set forth in the Abatement Resolution, and subject to the terms and conditions of this Agreement, the City will pay Available Abatement to the Developer on each February 1 and August 1 (each a "Payment Date") commencing August 1, 2013, and terminating on the earlier of the date that (i) the total Abatement paid since 2010 equals \$216,280 or (ii) February 1, 2024 (the "Termination Date").

(b) Limitations. The pledge of Available Abatement is subject to all the terms and conditions of the Abatement Resolution. The Available Abatements are payable solely from and to the extent of the Abatement, and nothing herein shall be construed to obligate the City to make payments from any other funds. The City makes no warranties or representations as to the amount of the Available Abatement. Any estimates of Available Abatement amounts prepared by the City or its consultants are for the benefit of the City only, and the Developer is not entitled to rely on such estimates.

The Developer further acknowledges that the total property tax abatements payable by the City in any year may not exceed the greater of \$200,000 or ten percent of the City's levy for that year (such limit referred to as the "Abatement Volume Cap"), all pursuant to Section 469.1813, subdivision 8 of the Abatement Act. The City does not warrant or represent that the Abatements in the amounts pledged under this Agreement will be within the City's Abatement Volume Cap.

Section 3.3. Business Subsidy Agreement. The provisions of this Section constitute the “business subsidy agreement” for the purposes of the Business Subsidy Act.

(a) *General Terms*. The parties agree and represent to each other as follows:

(1) The subsidy provided to the Developer consists of the principal amount of the Abatement described in Section 3.2.

(2) The public purposes of the subsidy are to facilitate the operation of a child care center, to provide services to residents of the City, to promote job creation in the City, and to increase the tax base of the City.

(3) The goals for the subsidy are: to secure development of the Minimum Improvements on the Development Property; to maintain such improvements as a child care center, for at least five years as described in clause (6) below; and to create the jobs and wage levels described in Section 3.3(b).

(4) If the goals described in clause (3) are not met, the Developer must make the payments to the City described in Section 3.3(c).

(5) The subsidy was needed to induce Developer to make the cost of the Minimum Improvements financially feasible.

(6) The Developer must continue operation of the Minimum Improvements as a child care center for a period of five years from the date of this Agreement.

(7) The Developer does not have a parent corporation.

(8) The Developer has not received, and does not expect to receive, further financial assistance from any other “grantor” as defined in the Business Subsidy Act, in connection with the Development Property or the Minimum Improvements.

(b) *Job and Wage Goals*. The “Benefit Date” for the amended Abatement shall be the date of this Agreement. Within two years after the Benefit Date (the “Compliance Date”), the Developer shall cause to be created at least 8 full-time equivalent jobs in the Minimum Improvements with wages for each such full-time job of no less than \$13.00 per hour, excluding benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied despite the Developer’s continuing obligations under Sections 3.3(a)(6) and 3.3(d). The City may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the City’s legislative discretion regarding this matter.

(c) *Remedies*. If the Developer fails to meet the goals described in Section 3.3(a)(3), the Developer shall repay to the City upon written demand from the City a “pro rata share” of the outstanding principal amount of the Abatement together with interest based on the rate set forth in

Section 116J.994, subdivision 6 of the Business Subsidy Act, accrued from the date of the default to the date of payment. The term “pro rata share” means a percentage calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the minimum wages, divided by the number of jobs required;

(iii) if the failure relates to maintenance of the Minimum Improvements in accordance with Section 3.3(a)(6), 60 less the number of months of operation as a child care center commencing on the Benefit Date and ending with the date the facility ceases operation as determined by City staff, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section shall be construed to limit the City’s remedies under Article VII hereof. In addition to the remedy described in this Section and any other remedy available to the City for failure to meet the goals stated in Section 3.3(a)(3), the Developer agrees and understands that it may not receive a business subsidy from the City or any grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(d) *Reports.* The Developer must submit to the City a written report regarding business subsidy goals and results by no later than March 1 of each year, commencing March 1, 2014, and continuing until the later of (i) the date the goals stated Section 3.3(a)(3) are met; (ii) 30 days after expiration of the period described in Section 3.3(a)(6); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.3(c). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is \$1,000.

Section 3.4. Payment of Administrative Costs. The City and the Developer shall each be responsible for their own out-of-pocket costs (including without limitation attorney and fiscal consultant fees) incurred in the negotiation and preparation of this Agreement and other documents and agreements in connection with the development contemplated hereunder (collectively, the “Administrative Costs”).

Section 3.5. Maintenance of Minimum Improvements as Child Care Center. For the term of the Abatement, the Developer acknowledges and understands that it must continue to operate the Minimum Improvements as a child care center. The Minimum Improvements are currently leased to the Minnesota Autism Center for use as a child care center for children with

autism. If the tenant in the Minimum Improvements changes or the use within the Minimum Improvements changes from what exists on the date of this Agreement, the Developer must obtain approval by the City Council of the City for the new use in order to continue payments of Abatement.

ARTICLE IV **Minimum Improvements**

Section 4.1. Maintenance and Operation of Minimum Improvements. The Developer shall operate the Minimum Improvements as a child care center for the duration of the Abatement. During the term of the Abatement, the Developer shall cause the Minimum Improvements to be maintained in good condition. Further, Developer shall maintain customary and reasonable insurance on the Minimum Improvements.

Section 4.2. Outstanding Special Assessments. Currently there are outstanding special assessments levied against the Development Property in the amount of approximately \$60,000, plus interest. The Developer has represented to the City that it had no knowledge of the levied special assessments at the time it purchased the Development Property. The City acknowledges that the Developer was unaware of the special assessments at the time it purchased the Development Property and agrees that it will not pursue payment of such special assessments by the Developer or record the assessments against the Development Property in the property records of Nicollet County.

ARTICLE V **Taxes**

Section 5.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Minimum Improvements through the pledge of Available Abatement under this Agreement. The Developer understands that the Abatement pledged under this Agreement is derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 5.2. Reduction of Taxes. Prior to the Termination Date the Developer will not (a) cause a reduction in the real property taxes paid in respect of the Development Property through willful destruction of the Minimum Improvements or any part thereof; (b) fail to reconstruct the Minimum Improvements if damaged or destroyed; (c) apply for a deferral of

property tax on the Development Property under any law; or (d) convey or transfer or allow conveyance or transfer of the Development Property to any entity that is exempt from payment of real property taxes under State law. The Developer also agrees that it will not, prior to the Termination Date, seek exemption from property tax for the Development Property or any portion thereof or seek a reduction in the estimated market value of the Development Property for tax purposes.

ARTICLE VI

Prohibitions Against Assignment and Transfer; Indemnification

Section 6.1. Representation as to Development. The Developer's purchase of the Development Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Development Property and not for speculation in land holding.

Section 6.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. Prior to the Termination Date:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to maintaining the Minimum Improvements under this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way to the Developer (collectively, a "Transfer"), without the prior written approval of the City unless the Developer remains liable and bound by this Agreement in which event the City's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. Notwithstanding anything to the contrary in this Section, the Developer may assign its rights under this Agreement to the Holder of a Mortgage, provided the Mortgage is approved by the City in accordance with Article VII hereof.

(b) In the event the Developer, upon Transfer of the Development Property or any portion thereof, seeks to be released from its obligations under this Agreement as to the portions of the Development Property that is transferred or assigned, the City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable in the public land records of Nicollet County, Minnesota, shall,

for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VII, shall be in a form reasonably satisfactory to the City.

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned or otherwise conveyed.

Section 6.3. Release and Indemnification Covenants.

(a) The City and its governing body members, officers, agents, servants and employees (the "Indemnified Parties") shall not be liable for and the Developer shall indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Development Property or the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or

the acquisition, construction, installation, ownership, maintenance and operation of the Development Property or the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

ARTICLE VII **Events of Default**

Section 7.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides 30 days’ written notice to the defaulting party of the event, but only if the event has not been cured within said 30 days or, if the event is by its nature incurable within 30 days, the defaulting party does not, within such 30-day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

(a) failure by either party to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder;

(b) commencement by the Holder of any Mortgage on the Development Property or any improvements thereon, or any portion thereof, of foreclosure proceedings as a result of default under the applicable Mortgage documents;

(c) the Developer fails to make timely payments under or defaults with respect to the mortgage and promissory note executed by Developer for the benefit of the North Mankato Port Authority Commission relating to the \$300,000 loan provided by the North Mankato Port Authority in December, 2010; and

(d) if the Developer shall

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law; or

(ii) make an assignment for benefit of its creditors; or

(iii) admit in writing its inability to pay its debts generally as they become due;

or

- (iv) be adjudicated a bankrupt or insolvent.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 of this Agreement occurs, the City or the Developer may exercise any of the following rights under this Section 7.2 after providing 30 days' written notice to the other party of the Event of Default, but only if the Event of Default has not been cured within said 30 days or, if the Event of Default is by its nature incurable within 30 days, the other party does not, within such 30-day period, provide assurances reasonably satisfactory to the party providing notice of default that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under this Agreement until it receives reasonably satisfactory assurances that the other party will cure its default and continue its performance under this Agreement.

- (b) Terminate this Agreement.

- (c) If the Event of Default is a failure to meet the job and wage requirements under Section 3.3(b) hereof, the City may exercise the remedy described in Section 3.3(c).

- (d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer or the City under this Agreement.

Section 7.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VII.

Section 7.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 7.5. Attorney Fees. Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall, within 10 days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

ARTICLE VIII
Additional Provisions

Section 8.1. Conflict of Interests; Representatives Not Individually Liable. The City and the Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 8.2. [Reserved.]

Section 8.3. Restrictions on Use. The Developer agrees that until the Termination Date, the Developer, and any successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements for uses described in the definition of such term in this Agreement, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 8.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 8.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at Theuninck Rolling Green Properties, LLC, 1424 Shoreway Drive, Kasota, MN 56050; and

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, 1001 Belgrade Avenue, North Mankato, MN 56002, Attn: City Administrator;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 8.8. Recording. The City may record this Agreement and any amendments thereto with the Nicollet County recorder. The Developer shall pay all costs for recording.

Section 8.9. Amendment. This Agreement may be amended only by a written agreement approved by all parties hereto.

Section 8.10. Governing Law. This Agreement is made and shall be governed in all respects by the laws of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 8.11. Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

Section 8.12. Entire Agreement. This Agreement, together with its exhibits, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning this Agreement, provided that nothing contained herein shall impair the rights of the City or the obligations of the Developer under any other agreement between the City and the Developer. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by both parties hereto. Without limitation of the foregoing, any modification is subject to the restrictions on modifications set forth in the Abatement Resolution.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of August __, 2013.

CITY OF NORTH MANKATO, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF NICOLLET)

The foregoing instrument was acknowledged before me this ___ day of August, 2013, by Mark Dehen, the Mayor of the City of North Mankato, Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF NICOLLET)

The foregoing instrument was acknowledged before me this ___ day of August, 2013, by John Harrenstein, the City Administrator of the City of North Mankato, Minnesota, on behalf of the City.

Notary Public

CLAIM REPORT
 BILLS PAID AFTER THE COUNCIL MEETING OF JULY 15, 2013
 END OF MONTH

75495	AT & T Mobility	cell phone bill-Bookmobile	\$24.73
75496	City of Mankato	water bill-Public Access	\$24.33
75497	Kennedy & Kennedy Law Office	additional legal service for June-Attorney & Port Auth	\$1,254.68
75498	Minnesota Dept. of Labor & Industry	electrical inspection-Park Dept.	\$210.00
75499	North Mankato Civic & Commerce	reversal of sculpture donation applied to utility acct	\$100.00
75500	Verizon Wireless	cell phone bill-Admin, Police & Inspections	\$157.05
75501	Xcel Energy	electric bill-All Depts.	\$6,158.56
75502	Hy-Vee, Inc.	items for concessions-Caswell	\$388.80
75503	MMFL State Tournament	10% concession stand sales tournament 7/13-14	\$437.91
75504	Dirt Merchant, Inc.	Estimate #2 Caswell North Soccer Fields	\$13,321.98
75505	Telrite Corporation	long distance phone bill-Mun Bldg	\$275.38
75506	Ulrich Acres Excavating	Estimate #5 Caswell North Soccer Fields	\$25,242.90
75507	Cardmember Service	charge card items-All Depts.	\$9,517.19
75508	Burnsville Athletic Club	registration fee refund for 18U Team	\$400.00
75509	HickoryTech	telephone bill-All Depts.	\$380.94
75510	MMFL State Tournament	10% concession stand sales tournament 7/20-21	\$488.49
75511	Sprint	PCS connection card data plan-Pol, 2013 Const & P/A	\$234.26
75512	ICMA Retirement Trust - 457	employee payroll deductions	\$3,118.85
75513	ICMA Retirement Trust - Roth IRA	employee payroll deductions	\$660.00
75514	Law Enforcement Labor Service	employee payroll deductions	\$450.00
75515	NCPERS Minnesota - Unit 662400	employee payroll deductions	\$192.00
75516	United Way	employee payroll deductions	\$205.97
75517	Schwicker's	refund building permit #0396-13	\$93.08
75518	Select Account	July participant fee-Unallocated	\$107.97
75519	Anderson, Tommy	umpire fee for ASA Girls' Slow Pitch Tournament	\$210.00
75520	Bayerl, Barry	umpire fee for ASA Girls' Slow Pitch Tournament	\$210.00
75521	Brown III, Willie	umpire fee for ASA Girls' Slow Pitch Tournament	\$147.00
75522	Donat, Jared	umpire fee for ASA Girls' Slow Pitch Tournament	\$252.00
75523	Eckert, Carol	gatekeeper fee for ASA Girls' Slow Pitch Tournament	\$300.00
75524	Fischer, Steven	umpire fee for ASA Girls' Slow Pitch Tournament	\$231.00
75525	Gudmundsen, Gary	umpire fee for ASA Girls' Slow Pitch Tournament	\$210.00
75526	Hayes, Pam	umpire fee for ASA Girls' Slow Pitch Tournament	\$189.00
75527	Hess, Gina	umpire fee for ASA Girls' Slow Pitch Tournament	\$231.00
75528	Huber, Erv	umpire fee for ASA Girls' Slow Pitch Tournament	\$189.00
75529	Johnson, Bev	gatekeeper fee for ASA Girls' Slow Pitch Tournament	\$120.00

CLAIMS CONTINUED

75530	Johnston, Michael	umpire fee for ASA Girls' Slow Pitch Tournament	\$231.00
75531	Keller, Tom	UIC fee for ASA Girls' Slow Pitch Tournament	\$300.00
75532	McCarney, Gary	umpire fee for ASA Girls' Slow Pitch Tournament	\$210.00
75533	Paige, Deb	umpire fee for ASA Girls' Slow Pitch Tournament	\$189.00
75534	Reimers, Constance	gatekeeper fee for ASA Girls' Slow Pitch Tournament	\$120.00
75535	Reuvers, Jeremy	umpire fee for ASA Girls' Slow Pitch Tournament	\$231.00
75536	Rich, Kristy	ASA Rep fee for ASA Girls' Slow Pitch Tournament	\$400.00
75537	Satre, Christie	gatekeeper fee for ASA Girls' Slow Pitch Tournament	\$100.00
75538	Thurston, Kevin	umpire fee for ASA Girls' Slow Pitch Tournament	\$210.00
75539	Wilcox, Roderick	umpire fee for ASA Girls' Slow Pitch Tournament	\$273.00
75540	Xcel Energy	electric bill for 2 months-All Depts.	<u>\$40,577.23</u>
	Total		<u><u>\$108,575.30</u></u>

CLAIMS CONTINUED

General	\$42,049.82
Library	\$3,847.84
Bookmobile	\$239.37
Community Development	\$5,015.88
Port Authority	\$315.00
Local Option Sales Tax Construction	\$38,564.88
2013 Construction	\$44.33
Water	\$8,972.92
Sewer	\$4,187.53
Sanitary Collection	\$2,322.57
Storm Water	\$3,478.50
Public Access	(\$463.34)
Total	<u>\$108,575.30</u>

PORT AUTHORITY INVOICES
BILLS PAID AFTER THE COUNCIL MEETING OF JULY 15, 2013
END OF MONTH

Kennedy & Kennedy	legal services for June-Port Authority	<u>\$315.00</u>
Total		<u><u>\$315.00</u></u>

List of Port Authority Bills in the Amount of \$315.00

Council Meeting of August 5, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

List of Bills in the Amount of \$108,575.30

Council Meeting of August 5, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

CLAIM REPORT
FOR REGULAR COUNCIL MEETING OF AUGUST 5, 2013

A+ Security, Inc.	monitoring of alarm system-Police & Fire Depts.	\$160.74
Ameripride Services	mats, gloves, uniform & towel service-All Depts.	\$921.26
Apt Machining & Fabricating, Inc.	equipment parts-Park Dept.	\$306.02
Audio Editions	supplies & audio books-Library	\$1,126.63
BENCHS	proceeds from ArtSplash silent auction-Library	\$391.25
Baker & Taylor	books-Library & Bookmobile	\$128.08
Bauer's Upholstery	equipment parts-Shop	\$308.59
Benco Electric Cooperative	electric bill-All Depts.	\$32,987.76
Benson, Donald	refund water bill credit	\$22.65
Blue Valley Sod	dirt & erosion control-Park Dept.	\$317.73
Bolton & Menk, Inc.	engineering fees-All Depts.	\$5,905.50
Border States Electric Supply	electrical supplies-Park Dept.	\$138.75
Brandt Law Office	legal services-Attorney	\$51.00
Brick House Graphics	banner-Contingency	\$134.22
C & S Supply Co., Inc.	equipment parts & supplies-All Depts.	\$874.95
Carpet Care, Inc.	carpet cleaning-Fire Dept.	\$187.00
CenterPoint Energy	gas bill-All Depts.	\$1,084.78
City of Mankato	wastewater fee for August-Sewer Dept.	\$65,000.00
Coca-Cola Refreshments	pop & water-Caswell	\$577.20
Computer Technology Solutions, Inc.	computer equipment, parts & supplies-All Depts.	\$3,875.29
Corporate Graphics Commercial	print maps of Veteran Memorials-Port Authority	\$975.23
Crysteel Truck Equipment	equipment parts-Sewer Dept.	\$293.91
Dairy Queen West	items for concessions-Caswell	\$357.00
Dalco	supplies-Mun Bldg, Police & Fire Depts.	\$364.28
DEMCO, Inc.	supplies-Library	\$115.26
Fastenal Company	equipment part-Park Dept.	\$1.71
Ferrelgas	LP gas-Street Dept.	\$812.18
Finance & Commerce, Inc.	ad for bids-2013 Construction	\$287.72
First Line/Leewes Ventures	items for concessions-Caswell	\$666.00
G & H Ready Mix LLC	concrete Benson Park play structure-Park Dept.	\$402.12
GreenCare	Estimate #3 Final Caswell North Soccer Fields	\$2,808.25
Greater Mankato Rotary Club	quarterly dues & meals-Admin	\$199.00
Hansen Sanitation	refuse pickup-Sanitation	\$49,042.25
Hawkins, Inc.	chemicals-Swim Facility & Sewer	\$2,324.57
Hermel, AH Company	candy for parade-Contingency	\$238.36

CLAIMS CONTINUED

Hlavac, Steven, Jr.	gym membership-Police Physical Fitness	\$165.00
Hobbs Automotive	equipment parts-Park Dept.	\$71.48
Horvick, Inc.	equipment parts-Sewer Dept.	\$69.59
Hutch Auto & Truck Parts	equipment parts-Street Dept.	\$133.59
Ingram Library Services	books-Library	\$1,776.86
Keepsr, Inc.	practice ammo-Police Dept.	\$1,541.74
Keller, J.J. & Associates, Inc.	drug testing-All Depts.	\$172.80
Kennedy & Graven, Chartered	professional service-Comm Dev	\$3,869.05
LJP Enterprises, Inc.	trailer rent-Sanitation	\$600.00
Lakes Gas Company	LP gas-Sanitation	\$217.98
Larkstur Engineering & Supply, Inc.	equipment parts & supplies-Street & Park	\$62.29
Lawson Products, Inc.	equipment parts & supplies-Street & Shop	\$627.35
Lime Valley Advertising, Inc.	design serv for map of Veteran Memorials-Port Auth	\$308.75
Lloyd Lumber	supplies-All Depts.	\$1,496.35
Mac Tools Distributor	supplies-Shop	\$100.88
Mankato Bearing Company	equipment parts-Caswell	\$71.94
Mankato Department of Public Safety	training-Police Dept.	\$400.00
Mankato Tent & Awning Co.	sign repairs-Street Dept.	\$25.00
Matheson Tri-Gas, Inc.	welding supplies-Shop	\$105.74
Meigs, Henry G. LLC	sealcoating oil-Street Dept.	\$37,955.85
Menards-Mankato	supplies, equipment parts & scaffold-All Depts.	\$469.82
Metro Testing	registration fee for continuing ed-Inspections	\$175.00
Midstates Equipment & Supply	equipment parts-Street Dept.	\$99.58
MN Public Facilities Authority	principal & interest-Go Ref Bonds 2005 & Sewer	\$63,745.70
Minnesota Sports Institute	fees for scorekeepers/brackets ASA tourn-Comm Dev	\$1,306.00
Minnesota Valley Testing Lab	sample testing-Sewer Dept.	\$112.00
MN Dept Employment & Economic Dev	Thin Film grant repayment-Port Auth State Rev Loan	\$2,414.02
MRCI	wages for MRCI employees-Sanitation	\$12,779.80
New Ulm Quartzite Quarries	sealcoating rock-Street Dept.	\$3,004.44
Northern Lights Retail, Inc.	supply-Finance	\$62.70
Northern States Supply	equipment parts & supplies-Street & Public Access	\$524.50
OverDrive, Inc.	downloadable audio/ebooks-Library	\$1,554.53
Pet Expo Distributors	aquatic service-Library	\$40.00
Petty Cash, Clara Thorne	petty cash items-All Depts.	\$185.10
Pine Products, Inc.	mulch Benson Park play structure-Park Dept.	\$2,319.30
Plunkett's Pest Control	professional service-Street & Shop	\$121.98
Pohlman, Tim	registration fee for regional meeting-Fire Dept.	\$35.00
Precocious Pyrotechnics, Inc.	aerial fireworks display to be reimbursed-Contingency	\$15,000.00
Quality Overhead Door of Mankato	overhead door repairs-Street Dept.	\$101.53
Red Feather Paper Co.	supplies-All Depts.	\$348.42

CLAIMS CONTINUED

Rice Lake Fabricating, Inc.	equipment repair-Sanitation	\$240.00
River Bend Business Products	copier maintenance-Mun Bldg & Library	\$631.95
Schilling Supply Company	supplies-Caswell	\$810.37
Schwicker's	roof repair-Fire Dept.	\$479.00
Seppmann & Sons Portable Restrooms	portable restroom rentals-Comm Dev & Contingency	\$1,172.50
Skarpohl Pressure Washer Sales, Inc.	equipment parts & supplies-Street & Sewer Depts.	\$194.34
Snell Powersports & Equipment	equipment parts-Park Dept.	\$106.31
Southern Minnesota Construction	asphalt & demo-Street & Sanitation	\$1,679.61
SPS Companies, Inc.	plumbing supplies-Park, Sewer & Sanitation	\$141.10
Staples Advantage	supplies-All Depts.	\$828.46
Survey Services, Inc.	professional service-Port Authority	\$4,000.00
Texas Refinery	supply-Shop	\$600.76
Tischer, Erwin	supply-Contingency	\$40.00
Tool Sales Company	supply-Shop	\$80.53
Toyota-Lift of Minnesota	equipment parts-Sanitation	\$226.73
US Foods, Inc.	items for concessions-Caswell	\$635.65
United Rentals	equipment rental-Contingency	\$495.84
Verizon Wireless Center	banquet for MSHSL tournament-Comm Dev	\$15,026.77
Viking Electric Supply	electrical supplies-Mun Bldg & Park	\$220.12
Wenzel Auto Electric Co.	equipment parts-Street, Park & Sewer Depts.	\$422.05
Werner Electric Supply	electrical supplies-Bldg, Park, Water & Storm Water	\$882.64
Total		<u>\$356,473.63</u>

CLAIMS CONTINUED

General	\$86,477.53
Library	\$5,729.43
Bookmobile	\$64.04
Community Development	\$20,746.46
Contingency	\$16,702.22
Port Authority	\$5,283.98
Capital Facilities & Equipment Replacement-Water	\$710.00
Port Authority State Revolving Loan Fund	\$2,414.02
GO Refunding of 2005C	\$27,998.70
Local Option Sales Tax Construction	\$2,808.25
2011 Construction	\$3,295.50
2013 Construction	\$1,981.39
Water	\$14,970.93
Sewer	\$102,710.97
Sanitary Collection	\$63,985.74
Storm Water	(\$72.59)
Public Access	\$667.06
Total	<u><u>\$356,473.63</u></u>

PORT AUTHORITY INVOICES
FOR REGULAR COUNCIL MEETING OF AUGUST 5, 2013

Corporate Graphics Commercial	print maps of Veteran Memorials-Port Authority	\$975.23
Lime Valley Advertising, Inc.	production serv map of Veteran Memorials-Port Auth	\$308.75
MN Dept Employment & Economic Dev	Thin Film grant repayment-Port Auth State Rev Loan	\$2,414.02
Survey Services, Inc.	professional service-Port Authority	<u>\$4,000.00</u>
Total		<u><u>\$7,698.00</u></u>

List of Port Authority Bills in the Amount of \$7,698.00

Council Meeting of August 5, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

List of Bills in the Amount of \$356,473.63

Council Meeting of August 5, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

RESOLUTION NO.

RESOLUTION APPROVING DONATIONS/CONTRIBUTIONS

WHEREAS, the Minn. Stat. 465.03 and 465.04 allows the governing body of any city, county, school district or town to accept gifts for the benefit of its citizens in accordance with terms prescribed by the donor;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following donations/contributions are approved as follows:

Donor of Gift	Restriction on Gift	Amount
Grace Lutheran Church Book Club	Library – Book Club Bag	\$90.00
Gillian & Michael Roberts	General Fund – Adopt-A-Family Swim Pass	\$36.00
ABATE of Minnesota	General Fund - Police	\$100.00

Adopted by the City Council this 5th day of August 2013.

Mayor

Deputy City Clerk

RESOLUTION NO.

RESOLUTION WAIVING WAITING PERIOD
FOR EXEMPTION FROM LAWFUL GAMBLING LICENSE FOR
HOLY ROSARY CHURCH

WHEREAS, Holy Rosary Church has made application for exemption from a charitable gambling license to conduct a raffle on November 29, 2013 at Holy Rosary Church located at 546 Grant Avenue within the City of North Mankato, Minnesota, which application was received by the City on July 26, 2013;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the City waives the mandatory waiting period concerning the issuance of an exemption from lawful gambling license concerning the above-identified organization.

Adopted by the City Council this 5th day of August 2013.

Mayor

ATTEST:

Deputy City Clerk

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:
 - conducts lawful gambling on five or fewer days, and
 - awards less than \$50,000 in prizes during a calendar year.
 If total prize value for the year will be \$1,500 or less, contact the licensing specialist assigned to your county.

Application fee (non refundable)

If application is postmarked or received 30 days or more before the event **\$50**; otherwise **\$100**.

ORGANIZATION INFORMATION

Organization name: Church of the Holy Rosary
 Previous gambling permit number: X-03302-12-001

Minnesota tax ID number, if any: _____ Federal employer ID number (FEIN), if any: _____

Type of nonprofit organization. Check one.

Fraternal Religious Veterans Other nonprofit organization

Mailing address: 440 Forest Heights Dr
 City: North Mankato State: MN Zip code: 56003 County: Nicollet

Name of chief executive officer [CEO]: Paul F. Streit
 Daytime phone number: (507) 380-1355
 E-mail address: pstreit@hickorytech.net

NONPROFIT STATUS

Attach a copy of ONE of the following for proof of nonprofit status.

Nonprofit Articles of Incorporation OR a current Certificate of Good Standing.
 Don't have a copy? This certificate must be obtained each year from:
 Secretary of State, Business Services Div., 60 Empire Drive, Suite 100, St. Paul, MN 55103
 Phone: 651-296-2803

IRS income tax exemption [501(c)] letter in your organization's name.
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.

IRS - Affiliate of national, statewide, or international parent nonprofit organization [charter]
 If your organization falls under a parent organization, attach copies of **both** of the following:
 a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
 b. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.
 Holy Rosary Church

Address [do not use PO box]: 546 Grant Avenue
 City or township: North Mankato MN Zip code: 56003 County: Nicollet

Date[s] of activity. For raffles, indicate the date of the drawing.
 November 29, 2013

Check each type of gambling activity that your organization will conduct.
 Bingo* Raffle Paddlewheels* Pull-tabs* Tipboards*

***Gambling equipment** for bingo paper, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.

To find a licensed distributor, go to www.gcb.state.mn.us and click on **Distributors** under the **WHO'S WHO? LIST OF LICENSEES**, or call 651-639-4000.

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT

**CITY APPROVAL
for a gambling premises
located within city limits**

The application is acknowledged with no waiting period.
 The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days [60 days for a 1st class city].
 The application is denied.

Print city name _____

Signature of city personnel _____

Title _____ Date _____

Local unit of government must sign

**COUNTY APPROVAL
for a gambling premises
located in a township**

The application is acknowledged with no waiting period.
 The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.
 The application is denied.

Print county name _____

Signature of county personnel _____

Title _____ Date _____

TOWNSHIP. If required by the county.

On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits.

[A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.166.]

Print township name _____

Signature of township officer _____

Title _____ Date _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief executive officer's signature Paul F. Streit Date 7/22/13

Print name Paul F. Streit

REQUIREMENTS

Complete a separate application for:

- all gambling conducted on two or more consecutive days, or
 - all gambling conducted on one day.
- Only one application is required if one or more raffle drawings are conducted on the same day

Send application with:

a copy of your proof of nonprofit status, and
 application fee (non refundable). Make check payable to "State of Minnesota."

To: Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113

Financial report and recordkeeping required

A financial report form and instructions will be sent with your permit, or use the online fill-in form available at www.gcb.state.mn.us.

Within 30 days of the event date, complete and return the financial report form to the Gambling Control Board.

Questions?

Call the Licensing Section of the Gambling Control Board at 651-639-4000.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board.

All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney

General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

CITY OF NORTH MANKATO



REQUEST FOR COUNCIL ACTION

Agenda Item #10D	Department: Public Works Dir.	Council Meeting Date: 08/05/13
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TITLE OF ISSUE: Consider Awarding Bid to W.W. Blacktopping for Project No. 13-04, 2013 Street Improvements

BACKGROUND AND SUPPLEMENTAL INFORMATION:

Two bids were received on Wednesday, July 24, 2013 for the 2013 Street Improvements. W.W. Blacktopping, Inc. was the low bid at \$272,906.00. This project has some privately developed streets that were at the time constructed by Pavek Enterprises that are no longer in operation to be turned back to the City upon completion. These streets are Willow Lane, Willow Court and a portion of Balsam Drive. Currently Greg Pavek with Pavek Homes and Remodeling, formerly Pavek Enterprises, share on the project is \$101,006.82. The City's streets to receive the wearing course are a portion of Howard Drive West, Ringhofer Drive, Otter Court, a portion of Balsam Drive and Balsam Court. The City's share on the project is \$206,899.18. As of the time that this item was prepared for the agenda packet, staff had not been able to reach an agreement with Greg Pavek to obtain concurrence on the Pavek Homes share of the costs. Staff recommends that the bid for the entire project be awarded to W.W. Blacktopping, Inc., with the provision that the Pavek Homes share will be eliminated from the contract if an acceptable cost-sharing agreement cannot be reached with Pavek Homes. W.W. Blacktopping is agreeable to this provision.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Consider adopting resolution awarding bid to W.W. Blacktopping, Inc., with the provision that the Pavek Homes share will be eliminated from the contract if an acceptable cost-sharing agreement cannot be reached with Pavek Homes.

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
_____	_____	_____	Norland
_____	_____	_____	Spears
_____	_____	_____	Freyberg
_____	_____	_____	Steiner
_____	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) <u>Bid Tabulation, Cost Breakdown</u>				

<input type="checkbox"/> Workshop
<input checked="" type="checkbox"/> Regular Meeting
<input type="checkbox"/> Special Meeting

<input type="checkbox"/> Refer to: _____
<input type="checkbox"/> Table until: _____
<input type="checkbox"/> Other: _____

RESOLUTION NO.

RESOLUTION AWARDDING BID FOR
PROJECT NO. 13-04D
2013 STREET IMPROVEMENTS

WHEREAS, pursuant to an advertisement for bids concerning Project No. 13-04D, 2013 Street Improvements, two (2) bids were received, opened, and tabulated according to law. The bids which were received and which complied with the advertisement are attached hereto as Exhibit A and are incorporated herein by reference; and

WHEREAS, it appears that W.W. Blacktopping is the lowest responsible bidder;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, as follows:

1. The Mayor and City Clerk are hereby authorized and directed to enter into a contract with such lowest responsible bidder in the name of the City of North Mankato, for such improvement according to the plans and specifications approved by the City Council and on file in the office of the City Clerk.
2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed. Once the contract has been signed by the successful bidder, then the deposit of the next lowest bidder shall be returned.

Adopted by the City Council this 5th day of August 2013.

Mayor

Attest:

City Clerk

BID TABULATION

2013 Street Improvements
City of North Mankato, MN
 City Project No. 13-04-D
 BMI Project No. M19.105998
 QuestCDN Project No. 2787479

Engineer's Estimate:
 \$327,467

Bids Taken: Wednesday, July 24, 2013
 Time: 11:00 a.m.

Addendum(s): N/A

BIDDERS	AMOUNT BID	BID BOND	ADDEND.(S)
1 M.R. Paving and Excavating, Inc. New Ulm, MN	No Bid		
2 OMG Midwest, Inc. (SMC) Mankato, MN	\$328,987.05	5.00%	N/A
3 W.W. Blacktopping Mankato, MN	\$272,906.00	5.00%	N/A
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
Engineer's Estimate	\$ 327,467		

Bolton & Menk, Inc.
CONSULTING ENGINEERS & SURVEYORS
 Mankato - Fairmont - Sleepy Eye - Burnsville - Willmar - Chaska - Ramsey - Maplewood - Baxter - Rochester, MN
 Ames - Spencer, IA

COST BREAKDOWN BASED ON LOW BID
2013 STREET IMPROVEMENTS

CITY OF NORTH MANKATO
 CITY PROJECT NO. 13-04-D

BMI PROJECT NO. M19.105598

Updated 7/24/13

ITEM NO.	ITEM	UNIT	UNIT PRICE	HOWARD DRIVE WEST		RINGHOFFER DRIVE		OTTER COURT		BALSAM DRIVE		BALSAM COURT		BALSAM DRIVE-PAVEK		WILLOW LAINE-PAVEK		WILLOW COURT-PAVEK		TOTAL PROJECT			
				APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT	APPROX. QUANT.	AMOUNT
1	MOBILIZATION	LS	\$2,500.00	0.193	\$482.50	0.243	\$607.50	0.120	\$300.00	0.094	\$236.00	0.032	\$80.00	0.085	\$213.50	0.243	\$607.50	0.030	\$75.00	1.00	\$2,500.00		
2	TRAFFIC CONTROL SPRAY (1)	LS	\$6,065.00	0.193	\$1,170.15	0.243	\$1,471.30	0.120	\$372.00	0.094	\$579.45	0.032	\$184.38	0.085	\$513.58	0.243	\$1,471.30	0.030	\$174.95	1.00	\$6,065.00		
3	WHEEL CONTROL SPRAY (2)	GALLON	\$15.00	25	\$375.00	5	\$75.00	5	\$75.00	2	\$30.00	2	\$30.00	12	\$180.00	0	\$0.00	1	\$15.00	1.00	\$15.00		
4	BITUMINOUS MILLING (2'-4')	SY	\$12.00	25	\$300.00	15	\$180.00	15	\$180.00	12	\$144.00	12	\$144.00	12	\$144.00	30	\$360.00	30	\$360.00	1.00	\$12.00		
5	SAW CUT BITUMINOUS FULL DEPTH	LF	\$2.00	25	\$50.00	10	\$20.00	10	\$20.00	7	\$14.00	7	\$14.00	7	\$14.00	15	\$30.00	15	\$30.00	1.00	\$2.00		
6	REMOVE BITUMINOUS	SY	\$4.50	25	\$112.50	10	\$45.00	10	\$45.00	7	\$31.50	7	\$31.50	7	\$31.50	15	\$67.50	15	\$67.50	1.00	\$4.50		
7	BITUMINOUS STREET PATCH	SY	\$70.00	312	\$21,840.00	165	\$11,550.00	157	\$11,010.00	139	\$9,723.00	55	\$3,850.00	175	\$12,250.00	175	\$12,250.00	225	\$15,750.00	33	\$2,310.00	1.00	\$70.00
8	BITUMINOUS MATERIAL FOR TACK COAT	GALLON	\$7.75	25	\$193.75	85	\$658.75	157	\$1,215.25	139	\$1,070.25	55	\$425.25	175	\$1,362.50	175	\$1,362.50	225	\$1,743.75	40	\$310.00	1.00	\$7.75
9	BITUMINOUS LEVELING COURSE (SPWIB240C)	TON	\$76.00	612	\$46,512.00	715	\$54,300.00	319	\$24,364.00	277	\$21,082.00	109	\$8,281.00	125	\$9,500.00	125	\$9,500.00	100	\$7,600.00	20	\$1,520.00	1.00	\$76.00
10	BITUMINOUS WEAR COURSE (SPWIB240C)	TON	\$76.00	2	\$152.00	5	\$380.00	8	\$608.00	8	\$608.00	2	\$152.00	3	\$228.00	3	\$228.00	2	\$152.00	1	\$76.00	1.00	\$76.00
11	ADJUST GATE VALVE BOX	EA	\$175.00	1	\$175.00	5	\$875.00	6	\$1,050.00	7	\$1,225.00	2	\$350.00	2	\$350.00	2	\$350.00	6	\$1,050.00	1	\$175.00	1.00	\$175.00
12	ADJUST GATE VALVE BOX	EA	\$175.00	2	\$350.00	5	\$875.00	4	\$699.99	4	\$699.99	3	\$525.00	3	\$525.00	3	\$525.00	11	\$1,925.00	1	\$175.00	1.00	\$175.00
13	LOWER M/C CASTING (2)	EA	\$1,200.00	2	\$2,400.00	30	\$36,000.00	0.22	\$264.00	0.22	\$264.00	0.22	\$264.00	0.22	\$264.00	0.22	\$264.00	0.22	\$264.00	0.22	\$264.00	1.00	\$1,200.00
14	REPLACE CALCULUS CASTING (2)	EA	\$1,200.00	0.193	\$231.60	0.243	\$291.60	0.120	\$144.00	0.094	\$111.60	0.032	\$38.40	0.085	\$102.00	0.243	\$291.60	0.030	\$36.00	1.00	\$1,200.00		
15	TURF RESTORATION (3)	LS	\$4,000.00	0.193	\$772.00	0.243	\$972.00	0.120	\$480.00	0.094	\$376.80	0.032	\$128.00	0.085	\$338.40	0.243	\$972.00	0.030	\$120.00	1.00	\$4,000.00		
16	TURF RESTORATION (3)	LS	\$4,000.00	0.193	\$772.00	0.243	\$972.00	0.120	\$480.00	0.094	\$376.80	0.032	\$128.00	0.085	\$338.40	0.243	\$972.00	0.030	\$120.00	1.00	\$4,000.00		
TOTAL AMOUNT BID:					\$52,721.05		\$65,270.05		\$32,732.05		\$22,970.71		\$8,795.33		\$15,043.58		\$96,257.80		\$8,225.45		\$272,905.00		
PRORATED ENGINEERING:					\$59,486.05		\$74,715.05		\$39,932.05		\$23,890.71		\$9,915.33		\$16,968.58		\$74,762.80		\$9,275.45		\$307,906.00		
TOTAL PROJECT COST:					\$112,207.10		\$139,985.10		\$72,664.05		\$46,861.42		\$18,710.66		\$31,962.16		\$171,020.60		\$17,500.90		\$580,811.00		
TOTAL CITY COST (W/ PRORATED ENGINEERING):					\$59,486.05		\$74,715.05		\$39,932.05		\$23,890.71		\$9,915.33		\$16,968.58		\$74,762.80		\$9,275.45		\$272,905.00		
TOTAL PAVEK COST (W/ PRORATED ENGINEERING):					\$52,721.05		\$65,270.05		\$32,732.05		\$22,970.71		\$8,795.33		\$15,043.58		\$96,257.80		\$8,225.45		\$307,906.00		
TOTAL CITY COST (W/ ALL ENGINEERING):					\$52,811.05		\$78,845.05		\$38,962.05		\$27,285.71		\$10,475.33		\$15,043.58		\$86,257.80		\$8,225.45		\$272,905.00		
TOTAL PAVEK COST (W/ ALL ENGINEERING):					\$52,811.05		\$78,845.05		\$38,962.05		\$27,285.71		\$10,475.33		\$15,043.58		\$86,257.80		\$8,225.45		\$307,906.00		
TOTAL PAVEK COST (W/O ENGINEERING):					\$52,811.05		\$78,845.05		\$38,962.05		\$27,285.71		\$10,475.33		\$15,043.58		\$86,257.80		\$8,225.45		\$307,906.00		

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: John Harrenstein, City Administrator
DATE: July 30, 2013
SUBJECT: Extension of Refuse and Recycling Contract with Hansen Sanitation, Inc.

I met with Greg Hansen, Hansen Sanitation, Inc., and if approved by the City Council, he has agreed to a one-year extension of the Refuse and Recycling Contract from January 1, 2014 through December 31, 2014.

As required by the current contract in effect, the monthly payment would be updated based on the customer count for December 2013. The rates would be increased according to the Midwest Region CPI-U annual percent change from November 2012 to November 2013. The current rates are as follows:

<u>2013 Rates with 2013 Customers</u>	<u># of Customers</u>	<u>Rate</u>	<u>Monthly Total</u>
Regular Customers	3,831	\$7.60	\$29,115.60
Senior Citizens	616	\$5.96	\$ 3,671.36
Curbside Recycling	4,447	\$3.27	<u>\$14,541.69</u>
Total Monthly			<u>\$47,328.65</u>
Spring Cleanup (if pickup is held)	4,447	\$3.10	\$13,785.70
Fall Cleanup (if pickup is held)	4,447	\$3.10	\$13,785.70

Fuel Surcharge

The current contract also calls for a fuel surcharge. For diesel fuel prices exceeding \$1.50 per gallon, a fuel surcharge will be added to the monthly payment to Hansen Sanitation. The diesel fuel price will be defined as the weekly on-highway diesel price for the Midwest Region as shown on the Energy Information Administration website www.eia.doe.gov. The fuel surcharge has been averaging approximately \$1,500 per month.

RESOLUTION NO.

RESOLUTION VACATING UTILITY EASEMENTS
NORTHPORT NO. 14

WHEREAS, a petition has been submitted, executed by 100 percent of the property owners, requesting vacation of the utility easements in North Ridge Estates Phase XIV described as follows:

- The easterly 5 feet of Lot 1, Block 1.
- The westerly 5 feet of Lot 2, Block 1.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, as follows:

1. Such utility easements are vacated.
2. The City Clerk shall prepare a notice of completion of these proceedings pursuant to statute and shall present the same to the County Auditor and County Recorder.

Adopted by the City Council this 5th day of August 2013.

Mayor

Deputy City Clerk

RESOLUTION NO. _____

CITY OF NORTH MANKATO, MINNESOTA

RESOLUTION APPROVING AMENDED AND RESTATED BUSINESS SUBSIDY POLICY

BE IT RESOLVED By the City Council (the "Council") of the City of North Mankato, Minnesota (the "City") as follows:

Section 1. Recitals.

1.01. Before awarding any "business subsidy" as defined in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the "Business Subsidy Act"), the City is required to adopt criteria regarding such business subsidies after holding a public hearing.

1.02. On September 20, 1999, the Council previously approved business subsidy criteria and has now determined to amend and restate the criteria in accordance with the requirements of the Business Subsidy Act.

1.03. The Council has reviewed the Amended and Restated Business Subsidy Policy on file in City Hall, and has on the date hereof held a duly noticed public hearing, at which all interested persons were given an opportunity to be heard.

Section 2. Amended Business Subsidy Policy Approved.

2.01. The Council approves the Amended and Restated Business Subsidy Policy on file in City Hall, which criteria supersede any prior business subsidy policy or criteria adopted by the City.

2.02. City staff are authorized to transmit a copy of the Amended and Restated Business Subsidy Policy to the Minnesota Department of Employment and Economic Development in accordance with the Business Subsidy Act.

Approved by the City Council of the City of North Mankato, Minnesota this 5th day of August, 2013.

Mark Dehen, Mayor

ATTEST:

Lynette Peterson, Deputy City Clerk

CITY OF NORTH MANKATO, MINNESOTA

RESOLUTION NO. _____

RESOLUTION AMENDING AND RESTATING A PROPERTY TAX ABATEMENT PREVIOUSLY GRANTED FOR CERTAIN PROPERTY IN THE CITY OF NORTH MANKATO; AND APPROVING AN ABATEMENT CONTRACT (INCLUDING A BUSINESS SUBSIDY AGREEMENT) WITH THEUNINCK ROLLING GREEN PROPERTIES, LLC

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

Section 1. Recitals.

1.01. On January 7, 2008, the City Council adopted Resolution No. 01-08 (the "Original Abatement Resolution"), which granted a property tax abatement (the "Original Abatement") pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Act"), on property located at 2101 Rolling Green Lane in the City and identified by the parcel identification number 18.242.0020 (the "Property"). The Original Abatement was granted for a period of fifteen (15) years to develop a child care facility in order to promote commercial, industrial and residential development in the City. The day care facility is no longer in operation.

1.02. Pursuant to Section 469.1813, subdivision 7 of the Abatement Act, the City may amend an abatement resolution every two years as long as the original abatement resolution does not state that it cannot be modified. Pursuant to Section 3(b) of the Original Abatement Resolution, the terms of the abatement granted may be modified or changed during the term of such abatement with the prior written consent of the City.

1.03. Theuninck Rolling Green Properties, LLC, a Minnesota limited liability company (the "Developer") is the owner of the Property. The Developer built a building on the Property following the grant of the Original Abatement (the "Minimum Improvements") to house the Bean's Plus day care facility. The initial Abatement payments were delivered to Bean's Plus. Once Bean's Plus went out of business, the Abatement payments were provided to the Developer. The building on the Property is now leased to an autism care facility.

1.04. The City has determined a need to amend and restate the terms of the Original Abatement in order to clarify the terms of the Abatement. The Original Abatement as amended and restated is referred to herein as the "Abatement."

1.05. The Abatement provided to the Developer by the City constitutes a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the "Business Subsidy Act").

1.06. This City Council has reviewed information concerning the above-referenced Minimum Improvements and the revised and amended terms of the Original Abatement and finds it necessary and in the best interest of the City and its residents to amend and restate the Original Abatement Resolution and the terms of the Original Abatement granted on the Property.

1.07. This City Council has reviewed an Abatement Contract (the “Contract”) containing a Business Subsidy Agreement (the “Subsidy Agreement”) proposed to be entered into by the City and the Developer, which set forth the terms of the financial assistance to be provided to the Developer by the City, including the Abatement. The Contract and the Subsidy Agreement are incorporated herein by reference.

1.08. On the date hereof, the City Council conducted a duly noticed public hearing on the Abatement proposed to be amended and the business subsidy provided to the Developer. The views of all interested persons were heard and considered at the public hearing.

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 continue to be at least equal to the costs to the City of the Abatement, because (a) the Abatement will continue to provide employment opportunities in the City; and (b) the long-term taxes collected from the Property after termination of the Abatement will exceed the amount of the Abatement returned to the Developer.

2.03. It is hereby found and determined that the Abatement continues to be in the public interest because such action will increase the City’s tax base, provide additional employment opportunities in the City, and help provide access to services for residents of the City.

Section 3. Actions Ratified; Abatement Approved. Subject to the provisions of the Abatement Act, the Abatement, which amends and restates the Original Abatement as set forth herein, is hereby approved and adopted subject to the following terms and conditions:

(a) The term “Abatement” means the real property taxes generated in any tax-payable year by extending the City’s total tax rate for that year against the tax capacity of the Minimum Improvements constructed on the Property, excluding the tax capacity of the land (as established each year during the Abatement) and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 473F, all as of January 2 in the prior year.

(b) The Abatement will be paid by the City to the Developer on the dates and in accordance with all the terms and conditions of the Abatement Contract.

(c) In accordance with Section 469.1813, subdivision 8 of the Abatement Act, in no year shall the Abatement, together with all other abatements approved by the City under the Abatement Act and paid in that year, exceed the greater of 10% of the net tax capacity of the City for that year or \$200,000 (the “Abatement Cap”). The City may grant other abatements permitted under the Abatement Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement granted pursuant to this Resolution.

(d) The Original Abatement had a maximum term of fifteen years and was to be collected in the years 2010 through 2024. The amended Abatement has a maximum term of fourteen years, with collection commencing in 2010 and ending in 2023.

(e) In no event shall the total payments of Abatement exceed \$216,280 (which equals \$180,000, plus the Abatement previously paid in the years 2010, 2011, and 2012) or continue to be paid for more than fourteen years.

- (f) In no event shall the annual payments of Abatement to the Developer exceed \$18,000.
- (g) The Abatement is subject to modification in accordance with the Abatement Act, subject to the terms of the Abatement Contract.
- (h) In accordance with Section 469.1815 of the Abatement Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Resolution.
- (i) The City makes no warranties or representations regarding the amount or availability of the Abatement.
- (j) The Abatement shall be provided to the Developer pursuant to the terms and conditions of the Abatement Contract, as approved by the City Council.

Section 4. Contract and Subsidy Agreement Approved. The Contract and Subsidy Agreement are hereby in all respects authorized, approved and confirmed and the Mayor and City Administrator are hereby authorized and directed to execute and deliver the Contract and the Subsidy Agreement for and on behalf of the City in substantially the form now on file with the City but with such modifications as shall be deemed necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

Section 5. Effective Date. This Resolution is effective upon execution in full of the Abatement Contract.

Approved by the City Council of the City of North Mankato, Minnesota this 5th day of August, 2013.

Mark Dehen, Mayor

ATTEST:

Lynette Peterson, Deputy City Clerk