

**A G E N D A**  
**CITY COUNCIL MEETING**  
**MONDAY, MAY 1, 2023**  
**5:30 P.M.**  
**COUNCIL CHAMBERS**

Call to Order.

Pledge of Allegiance.

Roll Call.

(mot) 1. Adoption of Agenda.

(mot) 2. Approving minutes from April 17, 2023

3. Recognitions and Awards.

Minnesota Orchestra Common Chords

Retirement: Alice Hansen – 6/23/1992 – 4/19/2023 at the Austin Public Library

Asian American and Pacific Islander Heritage Month Proclamation

Fire Department Promotions – Josh Kunze to Commander, Matt Wyse to full time

(mot) 4. \*Consent Agenda

Licenses:

Food: Angry Hog Brewery and Taproom, 500 23th Avenue NW

Food: Sudanese Community International Market, 501 1<sup>st</sup> Street NW

Mobile Business: Classic Kitchen, 22133 State Hwy 56, Austin

Mobile Business: Nel's Diner, 3407 Hoeger Lane, Albert Lea

Mobile Business: Taco Lab, 1310 5<sup>th</sup> Place NW, Rochester

Temporary Liquor: Gravity Storm on June 24, 2023

Temporary Liquor: Gravity Storm on July 3-4, 2023

Tree Service: Josh Linder Tree Removal, Wells

Claims:

- a. Pre-list of bills
- b. Credit Card and Financial Reports.

Event Applications:

VFW Armed Forces Day Car Show - May 20, 2023

Downtown Farmer's Market – May 22, 2023 to October 30, 2023

Cedar River Farmer's Market – June 2, 2023 to August 25, 2023

Common Chords at Rotary Park – May 2, 2023

Appointments:

Kris Heichel to the Port Authority term through December 31, 2027

Megan Burroughs to the Charter Commission through December 31, 2026

Thimonthe Noukoumonke to the Culture and Arts Commission through December 31, 2025

**PUBLIC HEARINGS:**

(res) 5. Reviewing a proposed tax increment financing district for the 1<sup>st</sup> and 3<sup>rd</sup> Apartment Project.  
a. Approving tax increment financing district number 17.

**PETITIONS AND REQUESTS:**

(mot) 6. I-90 noise barrier discussion.  
a. Approving noise barrier project with 90% State funding, 5% City funding and 5% assessment funding OR to not move forward with noise barrier project.

(res) 7. Affirming participation in the Office of the State Auditor's Voluntary 2023 Performance Measurements Program.

(res) 8. Approving an off-site gambling license for American Legion Post 91 at the Mower County Fair.

(res) 9. Approving a bid for pavement striping with Sir Lines-A-Lot.

(res) 10. Approving a contract with Fox Electric for Riverside lighting upgrades.

**CITIZENS ADDRESSING THE COUNCIL**

**HONORARY COUNCIL MEMBER COMMENTS**

**REPORTS AND RECOMMENDATIONS:**

City Administrator  
City Council

(mot) Adjourn to **Monday, May 15, 2023** at 5:30 pm in the Council Chambers.

\*All items listed with an asterisk (\*) are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a council member or citizen so requests in which event the item will be removed from the general order of business and considered in its normal sequence on the agenda.

**M I N U T E S**  
**CITY COUNCIL MEETING**  
April 17, 2023  
5:30 PM  
Council Chambers

**MEMBERS PRESENT:** Mayor King. Council Members Paul Fischer, Laura Helle, Jason Baskin, Michael Postma, Joyce Poshusta, Geoff Baker and Council Member-at-Large Jeff Austin

**MEMBERS ABSENT:**

**STAFF PRESENT:** City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Police Chief David McKichan, Human Resources Director Trish Wiechmann, Public Works Director Steven Lang, Fire Chief Jim McCoy, Planning and Zoning Administrator Holly Wallace, Park and Rec Director Dave Merrill, City Attorney Craig Byram, Library Director Julie Clinefelter, Assistant City Engineer Mitch Wenum and City Clerk Ann Kasel

**APPEARING IN PERSON:** Austin Daily Herald, Honorary Council Member Denver Ritz

Mayor King called the meeting to order at 5:30 p.m.

Moved by Council Member Fischer, seconded by Council Member Postma, approving the agenda. Carried.

Moved by Council Member Baker, seconded by Council Member Fischer, approving Council minutes from April 3, 2023. Carried.

**CONSENT AGENDA**

Moved by Council Member Baker, seconded by Council Member Postma, approving the consent agenda as follows:

Licenses:

Mobile Business: Erin's Street Bistro, Albert Lea  
Sign Installer: Scenic Sign, Sauk Rapids

Claims:

- a. Pre-list of bills
- b. Investment Report.

Carried.

## PUBLIC HEARINGS

A public hearing was held for a five-year tax abatement request from New Horizon Homes, LLC. City Administrator Craig Clark stated New Horizon is planning on building a property valued at approximately \$550,000 at 1803 18<sup>th</sup> Place NE. He stated the application is in conformance with the City's tax abatement policy.

There were no public comments.

Moved by Council Member Baker, seconded by Council Member Baskin, approving a tax abatement request from New Horizon Homes, LLC. Carried 7-0.

A public hearing was held for a five-year tax abatement request from Bigelow & Lennon Construction. City Administrator Craig Clark stated Bigelow & Lennon is planning on building a property valued at approximately \$350,000 at 1302 18<sup>th</sup> Street NE. He stated the application is in conformance with the City's tax abatement policy.

There were no public comments.

Moved by Council Member Fischer, seconded by Council Member Baskin, approving a tax abatement request from Bigelow & Lennon Construction. Carried 7-0.

## BID OPENINGS AND AWARDS

The City received the following bids for bituminous street reconstruction on 7<sup>th</sup> Avenue and 19<sup>th</sup> Drive NE:

Contractor	Bid
Ims Contracting, LLC	\$1,124,695.30
Ulland Brothers, Inc.	\$1,150,730.15
Elcor Construction	\$1,515,203.75
Rochester Sand & Gravel	Rejected

Public Works Director Steven Lang stated the work would consist of pavement removal, sanitary sewer and storm sewer improvements, curb & gutter, asphalt paving and sidewalk extension and removal. He recommended awarding the bid to Ims Contracting, LLC.

Moved by Council Member Baker, seconded by Council Member Baskin, awarding a bid for bituminous street reconstruction on 7<sup>th</sup> Avenue and 19<sup>th</sup> Drive NE to Ims Contracting, LLC. Carried 7-0.

The City received the following bids for concrete street reconstruction on 1<sup>st</sup> Street NW:

<b>Contractor</b>	<b>Base Bid</b>	<b>Alternate Bid 1 Concrete Storm Sewer Pipe</b>	<b>Alternate Bid 2 Plastic Storm Sewer Pipe</b>	<b>Total Base Bid + Alternate 2</b>
Doyle Conner Co.	\$2,365,720.89	\$431,719.92	\$347,824.57	\$2,713,545.46
Elcor Construction	\$2,589,038.00	\$519,921.00	\$432,399.00	\$3,021,437.00
Engineer's Estimate	\$2,174,417.50	\$234,176.00	\$169,750.00	\$2,344,167.50

Mr. Lang stated the bid prices came in higher than anticipated due to difficult digging conditions and extra mobilization costs. He recommended awarding the base bid plus alternate 2 to Doyle Connor Co.

Moved by Council Member Fischer, seconded by Council Member Baker, awarding the base bid plus alternate 2 for concrete street reconstruction on 1<sup>st</sup> Street NW to Doyle Connor Co. Carried 7-0.

#### PETITIONS AND REQUESTS

Moved by Council Member Baskin, seconded by Council Member Postma, adopting a resolution accepting donations to the City of Austin. Carried 7-0.

Public Works Director Steven Lang requested the Council authorize participation in the joint City and County electronic recycling event on May 13, 2023. The event is in partnership with the Retrofit Companies and will be held at the Mower County Fairgrounds. Mr. Lang requested \$500 from the transfer station budget and the use of a forklift. He noted this may be the final year of the event as Mower County is planning an expansion project at their Recycling Center which would allow year-round electronics recycling.

Moved by Council Member Fischer, seconded by Council Member Poshusta, approving City participation in the 2023 electronics recycling event. Carried.

Planning and Zoning Administrator Holly Wallace reviewed a petition for the renewal of a five-year interim use permit to keep horses in City limits from Nikola and Christopher Baumann. She stated the Planning Commission reviewed the matter at their March 11, 2023 meeting and recommended approval of the 5-year renewal as there have been no complaints.

Moved by Council Member Poshusta, seconded by Council Member Fischer, approving the renewal of a five-year interim use permit for Nikola and Christopher Baumann. Carried.

Planning and Zoning Administrator Holly Wallace reviewed a variance application for a structural addition on the Nikola and Christopher Baumann property. She stated the variance would be to exceed the maximum lot coverage of 1,800 square feet by proposing an addition to an existing structure. Ms. Wallace stated the Planning Commission reviewed the application at their March 11, 2023 meeting and recommended approval of the variance due to the unusually large size of her property.

Moved by Council Member Baker, seconded by Council Member Baskin, approving a variance application from Nikola and Christopher Baumann. Carried.

Moved by Council Member Fischer, seconded by Council Member Postma, adopting a resolution declaring the property at 1005 8<sup>th</sup> Avenue NE a hazardous structure. Carried 7-0.

Moved by Council Member Fischer, seconded by Council Member Postma, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 406 1<sup>st</sup> Avenue SE, Morales/Castandena Property. Carried.

#### HONOARY COUNCIL MEMBER COMMENTS

Honorary Council Member Denver Ritz stated he looks forward to the next couple months.

#### REPORTS

City Administrator Craig Clark stated the Impact Austin speaker series will be coming up and encouraged the public to attend.

Public Works Director Steven Lang noted on the 1<sup>st</sup> Street NW project the City cannot install bump outs on the project at the 4-way stop.

Council Member Helle stated the open house for the Parks Master Plan will be on April 20<sup>th</sup> from 4-8 p.m. at the Nature Center. She noted the emerald ash borer will cause substantial harm to the City's ash trees. She stated the Cultural and Arts committee will place a mural on the side of the pool building.

Council Member Postma stated Wolf Creek in Todd Park has been stocked with trout.

Council Member Baker stated he attended the Hometown Food Security project meeting and found it eye opening. He also noted that April 18<sup>th</sup> is tax freedom day.

Council Member-at-Large Austin noted the library has reopened and construction is coming along on schedule.

Council Member Baskin noted Commissioner Chuck Moline passed away on the Port Authority Board. He also stated the Port signed two new business agreements with Nu-Tek and Harty Mechanical for land in Creekside Business Park.

Council Member Poshusta stated there will be a social justice book club on April 20<sup>th</sup>.

Mayor King expressed his condolences to the Moline family.

Moved by Council Member-at-Large Austin, seconded by Council Member Baker, adjourning the meeting to May 1, 2023. Carried.

Adjourned: 5:58 p.m.

Approved: May 1, 2023

Mayor: \_\_\_\_\_

City Recorder: \_\_\_\_\_

From the Office of the Mayor



500 Fourth Avenue NE  
Austin, Minnesota 55912  
Phone: 507-437-9965  
[www.ci.austin.mn.us](http://www.ci.austin.mn.us)

# Proclamation

**WHEREAS:** *The month of May is Asian American and Pacific Islanders Heritage Month, dedicated to recognize and celebrate Asian American and Pacific Islander history, culture and contributions to our society; and*

**WHEREAS:** *Asian American and Pacific Islander communities are deeply rooted in the history of the United States and make our Nation more vibrant through diversity of cultures, languages and religions. It is vital to recognize this community in Austin because they have influenced our past and help shape our present; and*

**WHEREAS:** *We honor the roles Asian American and Pacific Islanders have played in the rich diversity, accomplishments and leadership they brought to Austin. We celebrate the valuable contributions on our local economy, as well as our culture, as we continue to be a supportive, inclusive and an equitable community, which fully embraces all individuals of Asian descent; and*

**WHEREAS:** *We celebrate Asian and American and Pacific Islander Heritage Month to ensure that the cultures, histories and stories of this community are seen and heard; and*

**FURTHER:** *The City of Austin is proud to honor the history and contributions of Asian American and Pacific Islander individuals in our community, throughout our state and our Nation.*

**NOW, THEREFORE,** I, Stephen M. King, Mayor of the City of Austin, Minnesota, do hereby recognize and proclaim May 2023 as

## ASIAN AMERICAN and PACIFIC ISLANDER (AAPI) HERITAGE MONTH

  
Stephen M. King  
Mayor



# Street/Special Event Permit

**Permit Type:** Street or Special Event

**Permit Number:** 2023-015

Applicant Information	
Organizer Name	VFW Post 1216
Organizer Address	300 4th Ave NE
Organizer City	Austin
Organizer State	MN
Organizer Zipcode	55912
Organizer Phone	507-391-3519
Organizer Email	scott.wiechmann@hotmail.com
Alternate Name	Scott Wiechmann
Alternate Phone	507-396-3394
Alternate Email	

## Permit Information

Event Title	15th Armed Forces Day Car Show		
Event Description	Car show		
Event Start Date	May 20, 2023	Event End Date	May 20, 2023
Approximate Number of Participants	180		
Event Start Time	08:00	Event End Time	16:00
Portion of Street Width Being Used	NA		
Traffic Control Barricades Needed for Street/Lane Closure?	Yes	Will Traffic Control Barricades be Provided by Applicant or will City Assistance be Requested?	Requested City Help
Food Trucks at Event?	No	Number of Food Trucks	
Food Truck Information	Food Truck 1: , , Food Truck 2: , , Food Truck 3: , , Food Truck 4: , , Food Truck 5: , ,		
Alcoholic Beverages Available	No		
Location of Alcohol			
Licensed Establishment(s) Serving Alcohol			
Types of Alcohol			
Live Entertainment	No		
Recorded Entertainment	No		
Date and Time Clean Up will be Accomplished	5/20/2023	Responsible Person(s) for Clean Up	Bob Ditterson
Will Event be Advertised?	Yes	Describe Invited People	Citizens of Austin
Designated Adult Name	Bob Ditterson	Designated Adult Phone	507-391-3519
Designated Adult Address	3000 4th Ave NE		
Additional Information			

## Engineering Department

Determination	Approved	Date of Approval	April 18, 2023	Approved By	Mitch Wenum
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<b>Comments</b>	City to provide barricades in locations as requested				
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<b>Police Department</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 18, 2023	<b>Approved By</b>	David McKichan
<b>Comments</b>					

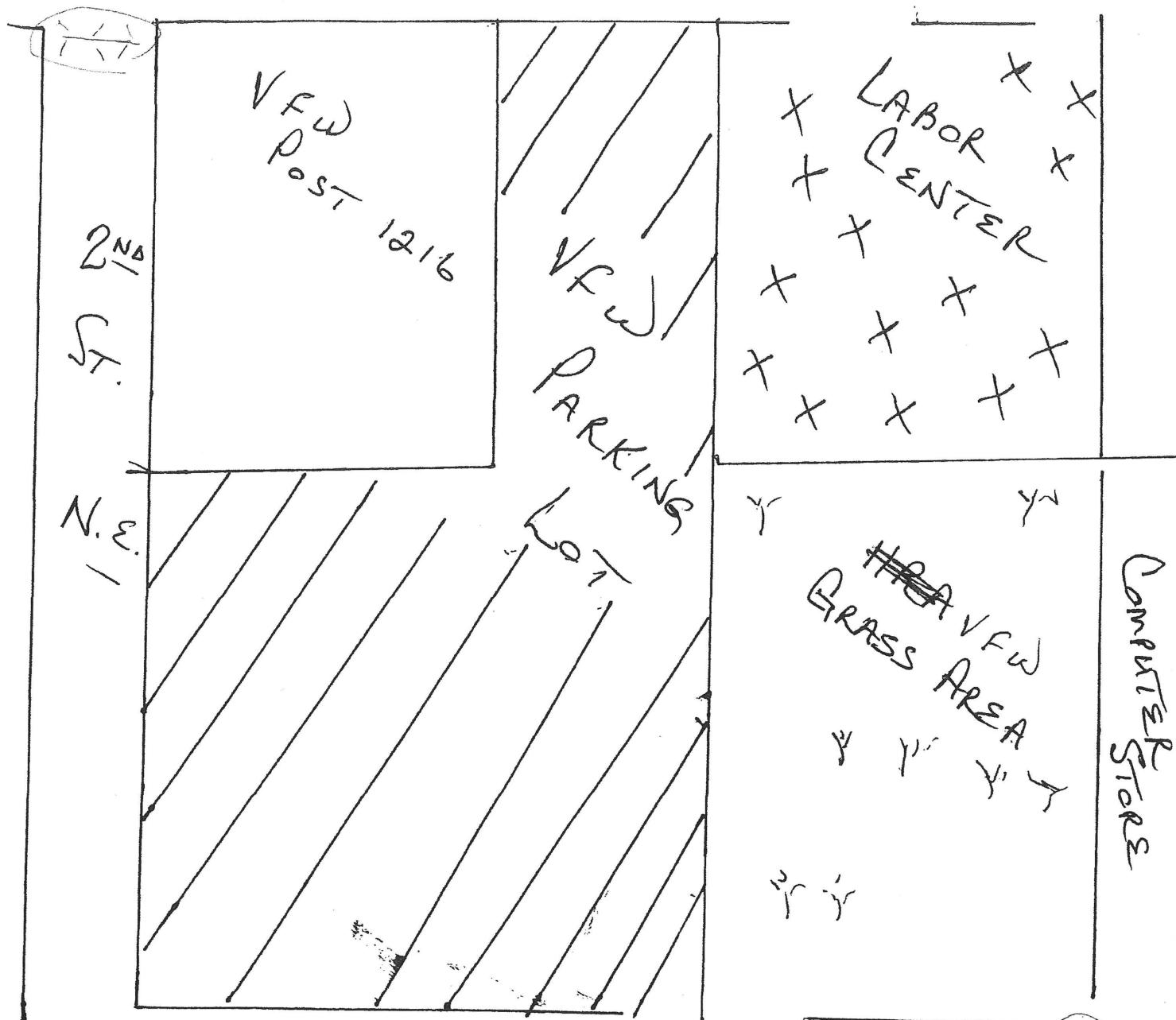
<b>City Clerk</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 18, 2023	<b>Approved By</b>	Ann KAsel
<b>Comments</b>					

<b>Final Determination</b>	Approved
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4<sup>th</sup> Ave N.E.

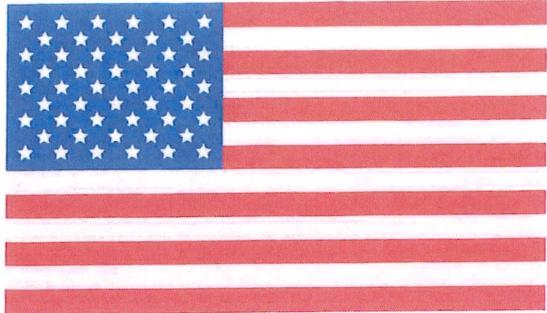


3<sup>RD</sup> Ave N.E.

## BARRICADES



DAILY  
HERALD



VFW  
15<sup>th</sup>  
Armed Forces Day  
Classic Car Show

Open to the Public

**May 20, 2023**

Rain or Shine

Registration from 8-11:30 A.M.

Show Starts at 12 P.M.

VFW parking lot & surrounding areas-

300 4th Ave. N.E., Austin MN 55912

**Entry Fee - \$15.00    \$5.00 for each  
additional car**



Classes of Cars

1900-1939 / 1940-1959

1960-1969 / 1970-1979 / 1980-1989 / 1991-Present

1 Class for Motorcycles / Diamond in the Rough



Best of Show & People's Choice

**50's & 60's Music During the Show**

**D.J. Music • Food**

**One \$50.00 Cash Drawing for Registered Entrants**

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**\* For More Information call the VFW at 507-433-6039 \***

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# Street/Special Event Permit

**Permit Type:** Street or Special Event

**Permit Number:** 2023-013

Applicant Information	
Organizer Name	Mary Ulland
Organizer Address	802 8th St SW
Organizer City	Austin
Organizer State	MN
Organizer Zipcode	55912
Organizer Phone	507-438-4213
Organizer Email	ullandmary@yahoo.com
Alternate Name	Alison Witiak
Alternate Phone	507-440-2966
Alternate Email	witiak4@gmail.com

## Permit Information

Event Title	Farmers Market		
Event Description	The farmers market will be held one day a week May-October/this is in addition to 3rd Ave NE		
Event Start Date	May 22, 2023	Event End Date	October 30, 2023
Approximate Number of Participants	10-14		
Event Start Time	15:00	Event End Time	18:30
Portion of Street Width Being Used	It would be a total width of parking lot-10 parking stalls and will be using the whole width of street		
Traffic Control Barricades Needed for Street/Lane Closure?	Yes	Will Traffic Control Barricades be Provided by Applicant or will City Assistance be Requested?	Applicant
Food Trucks at Event?	No	Number of Food Trucks	
Food Truck Information	Food Truck 1: , , Food Truck 2: , , Food Truck 3: , , Food Truck 4: , , Food Truck 5: , ,		
Alcoholic Beverages Available	No		
Location of Alcohol			
Licensed Establishment(s) Serving Alcohol			
Types of Alcohol			
Live Entertainment	No		
Recorded Entertainment	No		
Date and Time Clean Up will be Accomplished	6:30 pm every Monday after market	Responsible Person(s) for Clean Up	Vendors/Mary
Will Event be Advertised?	Yes	Describe Invited People	Community
Designated Adult Name	Mary Ulland	Designated Adult Phone	507-438-4213
Designated Adult Address	802 8th St Sw		
Additional Information	This part of the parking lot will be "as needed"-all depends on the number of Vendors at each market. We will set up starting at 3pm. Market is from 4pm-6pm, tear down till 6:30pm		

<b>Engineering Department</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 14, 2023	<b>Approved By</b>	Mitch Wenum
<b>Comments</b>	Applicant to provide barricades and coordinate use of parking spaces with impacted businesses.				

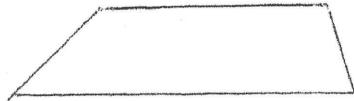
<b>Police Department</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 18, 2023	<b>Approved By</b>	David McKichan
<b>Comments</b>					

<b>City Clerk</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 18, 2023	<b>Approved By</b>	Ann Kasel
<b>Comments</b>					

<b>Final Determination</b>	Approved
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ANNEVILLE WDG



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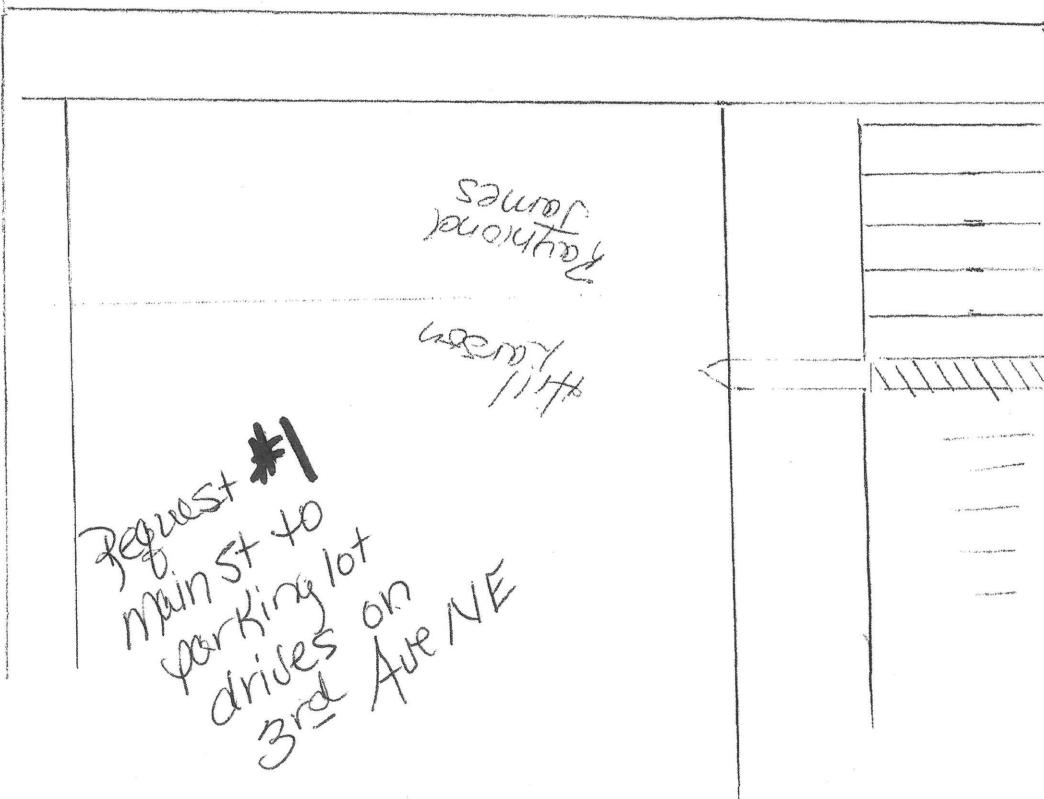
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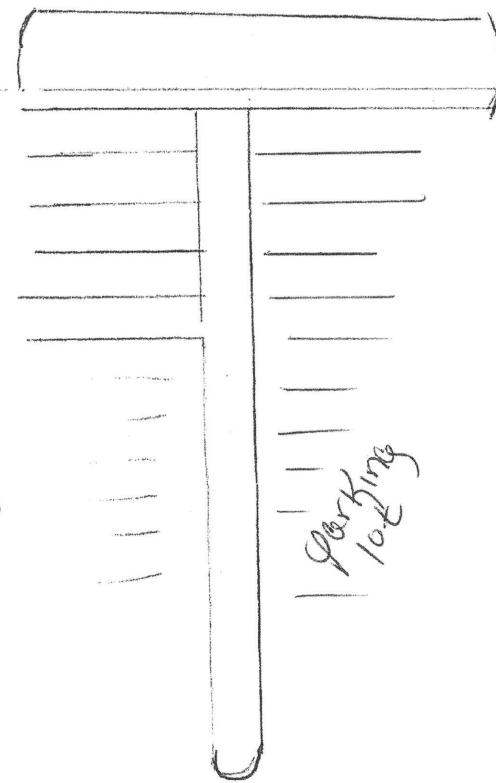
3rd Ave NE one way

Mondays 3:00pm - 6:30pm

← Main St. →



Parking  
lot



6th St. NE

417057661 4M075

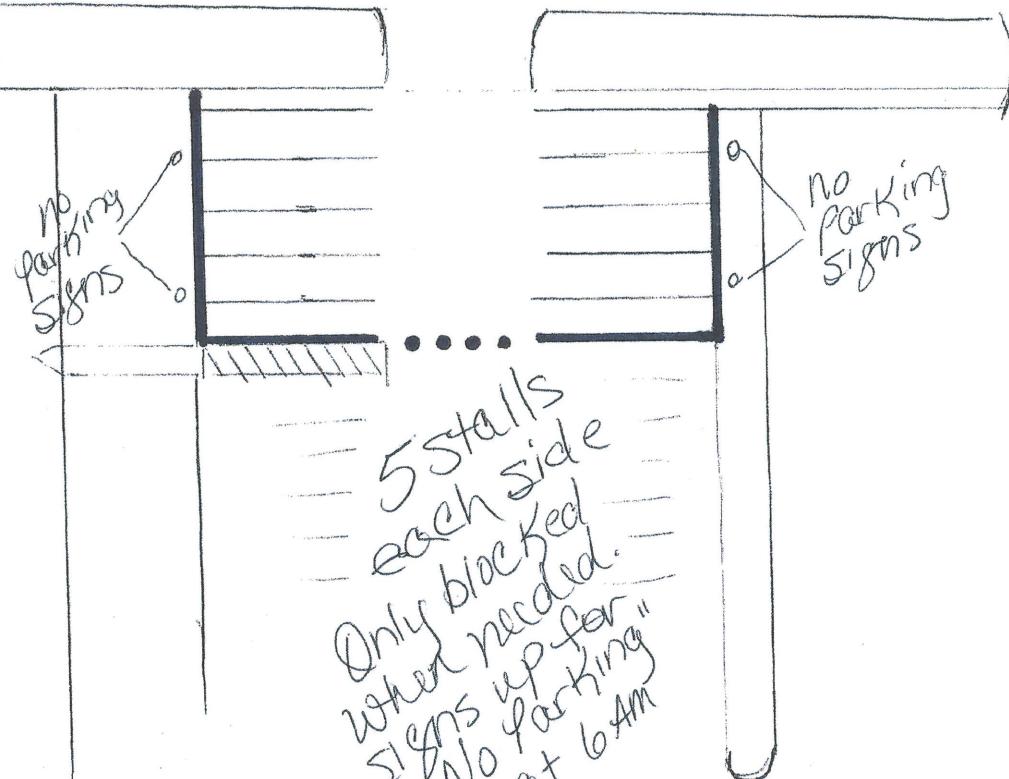


→ Main St. →

Request #2

Same area  
blocked on 3rd Ave  
plus approx. 10 ft  
of parking lot

Same  
area  
empty  
1/4





# Street/Special Event Permit

Permit Type: Street or Special Event

Permit Number: 2023-018

Applicant Information	
Organizer Name	Cedar River Farmers Market
Organizer Address	501 E Oakland Ave
Organizer City	Austin
Organizer State	MN
Organizer Zipcode	55912
Organizer Phone	2024234988
Organizer Email	cedarriverfarmersmarket@gmail.com
Alternate Name	
Alternate Phone	
Alternate Email	

## Permit Information

Event Title	Cedar River Farmers Market		
Event Description	Market and craft event		
Event Start Date	June 2, 2023	Event End Date	August 25, 2023
Approximate Number of Participants	200		
Event Start Time	16:00	Event End Time	19:00
Portion of Street Width Being Used	the event will not be in street		
Traffic Control Barricades Needed for Street/Lane Closure?	No	Will Traffic Control Barricades be Provided by Applicant or will City Assistance be Requested?	
Food Trucks at Event?	No	Number of Food Trucks	
Food Truck Information	Food Truck 1: , , Food Truck 2: , , Food Truck 3: , , Food Truck 4: , , Food Truck 5: , ,		
Alcoholic Beverages Available	No		
Location of Alcohol			
Licensed Establishment(s) Serving Alcohol			
Types of Alcohol			
Live Entertainment	Yes		
Recorded Entertainment	No		
Date and Time Clean Up will be Accomplished	following each event	Responsible Person(s) for Clean Up	the team
Will Event be Advertised?	Yes	Describe Invited People	community
Designated Adult Name	Not a block party	Designated Adult Phone	2024234988
Designated Adult Address	705 11th Ave, NW		
Additional Information	We will have food trucks, they will be licensed, but we do not know who they are yet.		

Engineering Department

<b>Determination</b>	Approved	<b>Date of Approval</b>	April 21, 2023	<b>Approved By</b>	Mitch Wenum
<b>Comments</b>					

<b>Police Department</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 21, 2023	<b>Approved By</b>	David McKichan
<b>Comments</b>					

<b>City Clerk</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 21, 2023	<b>Approved By</b>	Ann M. Kasel
<b>Comments</b>	Food trucks must be licensed with the City prior to the event date.				

<b>Final Determination</b>	Approved
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## 501 Oakland Ave E

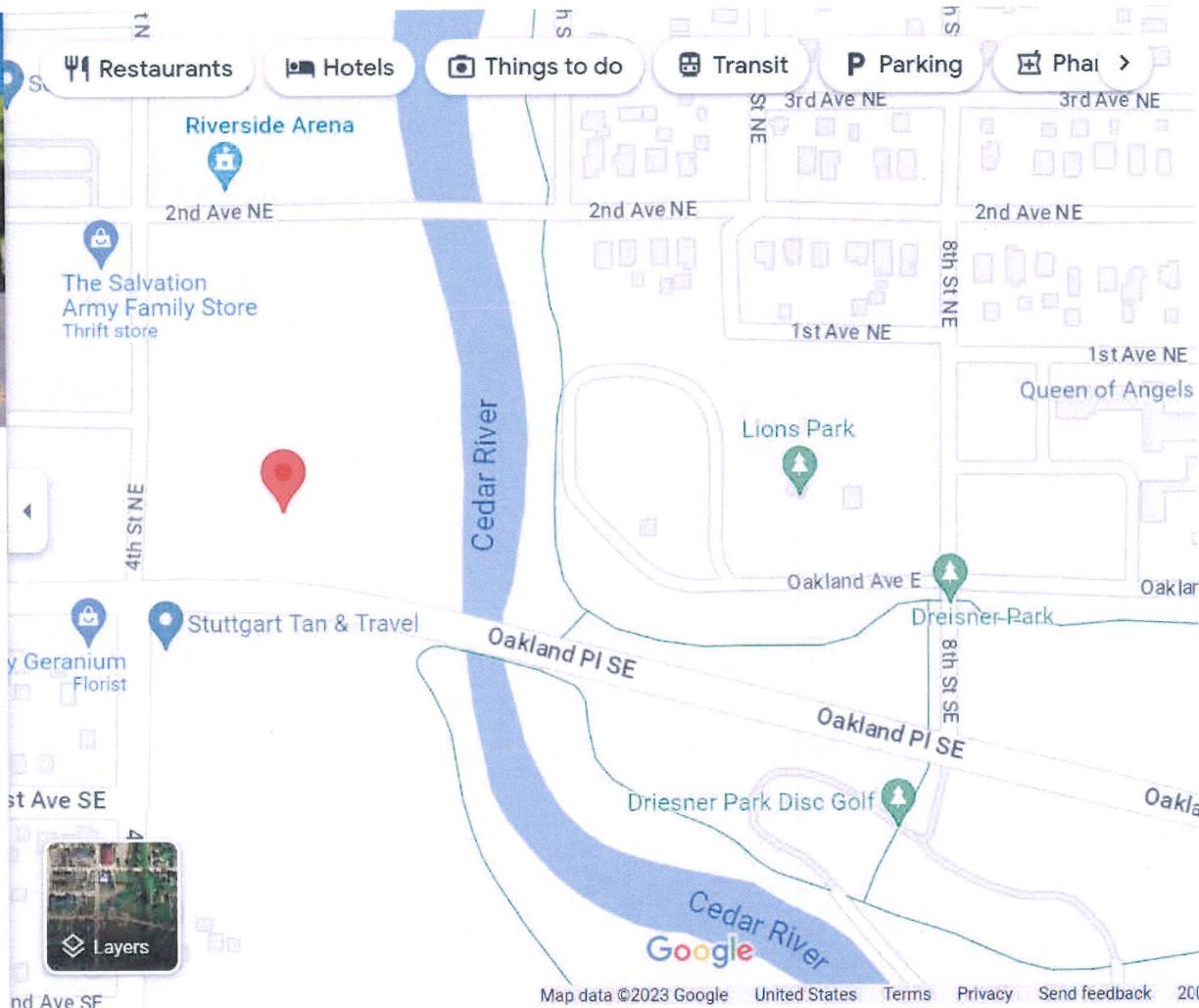
[Directions](#) [Save](#) [Nearby](#) [Send to phone](#) [Share](#)

[501 Oakland Ave E, Austin, MN 55912](#)

[M28J+QC Austin, Minnesota](#)

[Suggest an edit on 501 Oakland Ave E](#)

[Add a missing place](#)





# Street/Special Event Permit

**Permit Type:** Street or Special Event

**Permit Number:** 2023-022

<b>Applicant Information</b>	
<b>Organizer Name</b>	Common Chords - Minnesota Orchestra
<b>Organizer Address</b>	701 22nd St. NW
<b>Organizer City</b>	Austin
<b>Organizer State</b>	MN
<b>Organizer Zipcode</b>	55912
<b>Organizer Phone</b>	15072195670
<b>Organizer Email</b>	bonnie_reitz@hotmail.com
<b>Alternate Name</b>	Mele Willis
<b>Alternate Phone</b>	612-804-7723
<b>Alternate Email</b>	MWillis@mnorch.org

## Permit Information

<b>Event Title</b>	Common Chords		
<b>Event Description</b>	A brass quintet from the Minnesota Orchestra is going to play at a Oaxaca basketball game.e.		
<b>Event Start Date</b>	May 2, 2023	<b>Event End Date</b>	May 2, 2023
<b>Approximate Number of Participants</b>	50		
<b>Event Start Time</b>	18:00	<b>Event End Time</b>	20:30
<b>Portion of Street Width Being Used</b>	Rotary Park basketball courts		
<b>Traffic Control Barricades Needed for Street/Lane Closure?</b>	No	<b>Will Traffic Control Barricades be Provided by Applicant or will City Assistance be Requested?</b>	
<b>Food Trucks at Event?</b>	Yes	<b>Number of Food Trucks</b>	1
<b>Food Truck Information</b>	<b>Food Truck 1:</b> Tienda Guerrero Taco Truck, Miguel Garate, 507-460-0067 <b>Food Truck 2:</b> , , <b>Food Truck 3:</b> , , <b>Food Truck 4:</b> , , <b>Food Truck 5:</b> , ,		
<b>Alcoholic Beverages Available</b>	No		
<b>Location of Alcohol</b>			
<b>Licensed Establishment(s) Serving Alcohol</b>			
<b>Types of Alcohol</b>			
<b>Live Entertainment</b>	Yes		
<b>Recorded Entertainment</b>	No		
<b>Date and Time Clean Up will be Accomplished</b>	8:00 pm on May 2, 2023	<b>Responsible Person(s) for Clean Up</b>	Bonnie Besse Rietz and Miguel Garate
<b>Will Event be Advertised?</b>	Yes	<b>Describe Invited People</b>	People in community who are interested in orchestra music
<b>Designated Adult Name</b>	Bonnie Besse Rietz	<b>Designated Adult Phone</b>	15072195670
<b>Designated Adult Address</b>	701 22nd St. NW		
<b>Additional Information</b>			

<b>Engineering Department</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 26, 2023	<b>Approved By</b>	Mitch Wenum
<b>Comments</b>					

<b>Police Department</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 27, 2023	<b>Approved By</b>	David McKichan
<b>Comments</b>					

<b>City Clerk</b>					
<b>Determination</b>	Approved	<b>Date of Approval</b>	April 27, 2023	<b>Approved By</b>	Ann Kasel
<b>Comments</b>					

<b>Final Determination</b>	Approved
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City of Austin  
**500 Fourth Avenue N.E.**  
**Austin, Minnesota 55912-3773**



**Thomas Dankert**  
**Director of**  
**Administrative Services**  
**507-437-9959**  
**Fax 507-433-1693**  
**tdankert@ci.austin.mn.us**

TO: Mayor King and City Council Members

FROM: Tom Dankert *TOD*

DATE: April 19, 2023

RE: **TIF District #17 - 1<sup>st</sup> and 3<sup>rd</sup> Apartments**  
 U:\Word2023\Miscellaneous\1st and 3rd Apartments TIF memo.doc

As we get moving on the process to work with Three Rivers Community Action on the construction of a 40-unit affordable housing complex east of the post office, one of the first steps is the creation of the tax increment financing district.

Attached you will find the document that creates the TIF District that will need Council's approval via resolution (also attached).

The district is expected to create \$1.2 million of tax increment over the 25-year duration, for which the revenue from the district would pay back the following:

- \$615,000 loan from the City's Building Fund, at 1% interest
- \$300,000 "grant" from the City's Building Fund (grant paid back if TIF funds available).
- Reimburse us for TIF legal/consultant costs to set up the TIF district.
- Potential reimbursement to the HRA for some site costs, if funds available.

The redevelopment agreement and other documents related to the financing of the apartment complex are being drafted by Dorsey & Whitney and will be approved as we get closer to ground breaking.

In addition to the above financing, the City of Austin has the following flowing into the project:

- \$600,000 pass-thru grant from The Hormel Foundation (will be received once project starts).
- \$540,000 grant from the City of Austin, funding from retired TIF District #11 excess increments.

Please do not hesitate to give me a call if you have any questions.



# **Tax Increment Financing Plan**

**for**

## **Tax Increment Financing (Housing) District No. 17**

### **(1<sup>st</sup> and 3<sup>rd</sup> Housing Project)**

**City of Austin, Minnesota**

Prepared by

Baker Tilly Municipal Advisors, LLC

Draft Dated: May 1, 2023

Scheduled Public Hearing: May 1, 2023  
Anticipated Approval by City Council: May 1, 2023

## TABLE OF CONTENTS

<u>Section</u>		<u>Page(s)</u>
A. Definitions .....		1
B. Statutory Authorization.....		1
C. Statement of Need and Public Purpose .....		1
D. Statement of Objectives .....		1
E. Designation of the TIF District as a Housing District.....		1
F. Duration of the TIF District .....		2
G. Property to be Included in the TIF District.....		3
H. Property to be Acquired in the TIF District .....		3
I. Specific Development Expected to Occur Within the TIF District .....		3
J. Findings and Need for Tax Increment Financing .....		4
K. Estimated Public Costs .....		5
L. Estimated Sources of Revenue.....		5
M. Estimated Amount of Bonded Indebtedness.....		6
N. Original Net Tax Capacity .....		6
O. Original Tax Capacity Rate .....		6
P. Projected Retained Captured Net Tax Capacity and Projected Tax Increment		7
Q. Use of Tax Increment.....		7
R. Excess Tax Increment.....		8
S. Tax Increment Pooling and the Five Year Rule .....		9
T. Limitation on Administrative Expenses .....		9
U. Limitation on Property Not Subject to Improvements - Four Year Rule .....		9
V. Estimated Impact on Other Taxing Jurisdictions.....		10
W. Prior Planned Improvements.....		10
X. Development Agreements.....		10
Y. Assessment Agreements .....		11
Z. Modifications of the Tax Increment Financing Plan .....		11
AA. Administration of the Tax Increment Financing Plan.....		11
AB.Filing Financial Reporting and Disclosure Requirements .....		12
Map of the Tax Increment Financing District and Project Area.....		EXHIBIT I
TIF District Assumptions Report .....		EXHIBIT II
Projected Tax Increment Report .....		EXHIBIT III
Estimated Impact on Other Taxing Jurisdictions Report.....		EXHIBIT IV

**ESTABLISHMENT OF THE TAX INCREMENT FINANCING PLAN  
FOR TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 17**

**Section A     Definitions**

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"City" means the City of Austin, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City.

"County" means Mower County, Minnesota.

"Development District" means Municipal Development District No. 1 in the City, which is described in the corresponding Development Program.

"Development Program" means the Development Program for the Development District.

"Project Area" means the geographic area of the Development District.

"School District" means Independent School District No. 492, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing (Housing) District No. 17.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

**Section B     Statutory Authorization**

See Section B of the Development Program for the Development District.

**Section C     Statement of Need and Public Purpose**

See Section C of the Development Program for the Development District.

**Section D     Statement of Objectives**

See Section D of the Development Program for the Development District.

**Section E     Designation of the TIF District as a Housing District**

Pursuant to the TIF Act, the City seeks to create Tax Increment Financing (Housing) District No. 17 and adopt a TIF Plan for the TIF District. The City will review this TIF Plan prior to City adoption. The TIF District is a housing district.

Housing districts are a type of tax increment financing district that consist of a project intended for occupancy, in part, by persons or families of low and moderate income. Low and moderate income is defined in federal, state, and municipal legislation. A project does not qualify if more than 20% of the square footage of buildings that receive assistance from tax increments consist of commercial, retail or other nonresidential use.

In addition, housing districts are subject to various income limitations and requirements for residential property. For owner occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code.

The TIF District meets the above qualifications for these reasons:

1. The planned improvements consist of the following:
  - a. Approximately 40 total units, for which one of the following will apply:
    - o at least 20% of the dwelling units shall be available for rent by persons whose incomes do not exceed 50% of areawide median family income, as adjusted for family size or
    - o at least 40% of the dwelling units shall be available for rent by persons whose incomes do not exceed 60% of areawide median family income, as adjusted for family size.
2. No improvements are planned other than housing and therefore no more than 20% of the square footage of buildings included in the TIF District will consist of commercial, retail, or other nonresidential uses.
3. The City will require in the development agreement that the income limitations for the rental units in the apartment buildings will apply for the duration of the TIF District.

Tax increments derived from a housing district must be used solely to finance the cost of housing projects as defined in section 469.174, subd. 11 and 469.176, subd. 4d of the TIF Act. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the City may be included in the cost of a housing project. The City anticipates using tax increment revenues to finance the costs of TIF eligible and development costs related to construction of the new multifamily housing units within the TIF District.

## **Section F      Duration of the TIF District**

Housing districts may remain in existence 25 years from the date of receipt of the first tax increment. Modifications of this TIF Plan (see Section AB) shall not extend beyond these limitations.

Pursuant to Minnesota Statutes section 469.175, subd. 1(b), the City specifies 2026 as the first year in which it elects to receive tax increment from the TIF District, which is no later than four years following the year of approval of the TIF District. Thus, the City may collect increment from the TIF District through December 31, 2051. All tax increments from taxes payable in the year the TIF District is decertified shall be paid to the City.

### **Section G    Property to be Included in the TIF District**

The TIF District comprises of the parcel listed below and also includes adjacent streets and right-of-ways located within the Project Area. A map showing the location of the TIF District is shown in Exhibit I. The boundaries and area encompassed by the TIF District are described below:

<b>Status</b>	<b>Parcel Number</b>	<b>Legal Description</b>
Original	34.100.0500	Subdivision Name BOLCOMS Lot 012 Block 006 Subdivision CD 34100
	34.100.0480	Subdivision Name BOLCOMS Block 006 Subdivision CD 34100 N35FT LOT 8, & LOT 9
	34.100.0470	Subdivision Name BOLCOMS Block 006 Subdivision CD 34100 LOT 5 & LOT 8 EXC N35FT
	34.100.0475	Subdivision Name BOLCOMS Block 006 Subdivision CD 34100 E59FT LOTS 2 & 3, AND LOTS 6, 7, 10 & 11
Following Replatting		Lot 1, Block 1, 1 <sup>st</sup> & 3 <sup>rd</sup> APARTMENTS, Mower County, Minnesota

The area encompassed by the TIF District shall also include all streets and utility right-of-ways located upon or adjacent to the property described above, as illustrated in the boundary map included in Exhibit I.

### **Section H    Property to be Acquired in the TIF District**

The City may acquire and sell any or all of the property located within the TIF District; however, the City does not anticipate acquiring property. The Housing & Redevelopment Authority owns the property and will convey for \$1.00 to the developer to facilitate redevelopment of the property and construction of the new project.

### **Section I    Specific Development Expected to Occur Within the TIF District**

The proposed project will include redevelopment of the existing properties to include construction of a new multi-story building with underground parking and green space. Three Rivers (the "developer") is working with project partners to create a building design that fits with the needs identified by the community. The building will include a 40-unit apartment building with a mix of 1, 2, 3 and 4-bedroom units with community room and other supporting uses. The project will provide workforce housing to low and moderate-income individuals and families at or below 60% area median income (AMI). In addition, approximately 50% of the units will have rents affordable to households with incomes at or below 50% AMI, exceeding the threshold for qualifying for inclusion within a housing TIF District. (Minimum qualifications include at least 20% of the units occupied by persons/families with incomes no greater than 50% AMI or 40% of the units occupied by persons/families with incomes no greater than 60% AMI). The City anticipates using tax increment revenues to finance eligible costs associated with development of the project site including acquisition, demolition, site development/improvements, public improvements and other affordable housing costs, as well as related administrative expenses.

Construction of the new development on the project site is projected to start in 2023 and continue construction through 2024. The project is expected to be fully constructed by December 31, 2024 and be 100% assessed and on the tax rolls as of January 2, 2025 for taxes payable 2026.

## **Section J     Findings and Need for Tax Increment Financing**

In establishing the TIF District, the City makes the following findings:

- (1) The TIF District qualifies as a housing district.

See Section G of this TIF Plan for the reasons and facts supporting this finding.

- (2) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

The proposed development is expected to consist of approximately 40 newly constructed housing units. The City's finding that the proposed development would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the project pro forma and other materials submitted to the City by the developer. These documents have indicated that the costs of constructing the new project, in addition to redevelopment and site improvement costs will result in financial metrics returns that are not sufficient to support the development project, resulting in a financial gap and making this housing development infeasible without public assistance. Therefore, the developer has indicated in communications with the City and submitted financial data that the development as proposed would not move forward without tax increment assistance.

- (3) The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.

The reasons and facts supporting this finding are that the City has found this TIF Plan consistent with the general plan for development of the City as a whole and will generally complement and serve to implement policies adopted in the City's comprehensive plan.

- (4) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Project Area by private enterprise.

Through the implementation of this TIF Plan, the City will provide an impetus for the construction of an apartment project, of which at least 50% of the units will be affordable for occupants at or less than 50% median income. The project will complement the overall housing needs of the City and helps support other private types of development by providing a range of housing opportunities for residents and workers within the City.

## **Section K      Estimated Public Costs**

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

<b>Project Costs</b>	<b>Amount</b>
Land/building acquisition	\$0
Site improvements/preparation costs	\$0
Utilities	\$0
Other public improvements	\$0
Construction of affordable housing	\$1,142,609
Administrative expenses	\$60,140
Subtotal	\$1,202,749
Interest	\$0
<b>Total</b>	<b>\$1,202,749</b>

The City anticipates using tax increment revenues to finance eligible costs associated with development of the housing project site including primarily site development and other extraordinary affordable housing costs, as well as related administrative expenses.

The City reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public cost (\$1,202,749) is not increased. The City also reserves the right to fund any of the identified costs with any other legally available revenues, such as grants and/or loans, but anticipates that such costs will be primarily financed with tax increments.

## **Section L      Estimated Sources of Revenue**

Tax Increment revenue	\$1,202,749
Interest on invested funds	
Land Sale Proceeds	
Other	
<b>Total</b>	<b>\$1,202,749</b>

The City anticipates providing financial assistance through the terms of a pay-as-you go note and interfund loan. As tax increments are collected from the TIF District in future years, a portion of these taxes will be used by the City to reimburse itself for public costs incurred (see Section M) and remaining revenues pledged to the developer for reimbursement of certain eligible expenses.

The City reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The City also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income.

## **Section M    Estimated Amount of Bonded Indebtedness**

The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District is \$1,202,749. The City plans to finance the project through pay-as-you-go financing to finance housing development and other eligible costs associated with providing long-term affordable workforce housing within the TIF District. The City reserves the right to issue bonds in any form, including without limitation any interfund loan with interest not to exceed the maximum permitted under Section 469.178, subd. 7 of the TIF Act.

## **Section N    Original Net Tax Capacity**

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 2, 2023 for taxes payable in 2023 is \$257,300. Upon establishment of the TIF District and subsequent reclassification of property to residential rental 4d low-income, the estimated original net tax capacity of the TIF District is expected to be \$1,930. This assumes the property is classified as residential rental.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;
- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

## **Section O    Original Tax Capacity Rate**

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

The County Auditor shall certify the sum of all local tax rates that apply to property in the TIF District for taxes levied in 2022 and payable in 2023 as the original tax capacity rate of the TIF District. The sum of the local tax rates for taxes levied in 2022 and payable in 2023 is 110.620% as shown below.

<u>Taxing Jurisdiction</u>	<u>2022/2023 Local Tax Rate</u>
City of Austin	45.376%
Mower County	39.421%
ISD #492	23.606%
Watershed	1.107%
Other	<u>1.109%</u>
 Total	 110.620%

**Section P      Projected Retained Captured Net Tax Capacity and  
Projected Tax Increment**

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

The estimates shown in this TIF plan assume that residential rental class rates remain at 0.75% first \$100,000 of value and 0.25% for value above \$100,000 of the estimated taxable value and assume 2% annual increases in market values.

The County Auditor shall certify to the City the amount of captured net tax capacity each year. The City may choose to retain any or all of this amount. It is the City's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit II gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit III which shows the projected tax increment generated over the anticipated life of the TIF District.

**Section Q      Use of Tax Increment**

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the State. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) Pay for the estimated public costs of the TIF District (see Section M) and County administrative costs associated with the TIF District (see Section V);
- (2) pay principal and interest on one or more pay-as-you-go notes, tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;

- (4) pay all or a portion of the county road costs as may be required by the County Board under Minnesota Statutes section 469.175, Subd.1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increment from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless the county board involved waives this requirement. Tax increment shall not be used to circumvent levy limitations applicable to the City.

Tax increment derived from the TIF District must be used solely to finance the cost of housing projects (including administrative expenses and public improvement costs) as defined in Section 469.174, Subdivision 11 of the TIF Act and subject to the requirements set forth in Section 469.1761 of the TIF Act.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or federal government. Further, tax increment may not be used to finance: a commons area used as a public park; facilities used for social or recreational purposes (whether public or private); or publicly-owned facilities used for conference purposes; provided that tax increment may be used for a privately owned conference facility, and for parking structures whether public or privately owned and whether or not they are ancillary to one of the otherwise prohibited uses described above.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

## **Section R     Excess Tax Increment**

Beginning with the sixth year after certification of the TIF District, any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the City shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;
- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or
- (4) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

## **Section S    Tax Increment Pooling and the Five-Year Rule**

As permitted under Minnesota Statutes section 469.1763, subd. 2(b) and subd. 3(a)(5), any expenditures of increment from the TIF District to pay the cost of a “housing project” as defined in Minnesota Statutes section 469.174, subd. 11 will be treated as an expenditure within the district for the purposes of the “pooling rules” and the “five-year rule”. The City anticipates that tax increments will be spent outside the TIF District (including allowable administrative expenses), and such expenditures are expressly authorized in this TIF Plan.

The City does not anticipate that allowable pooling expenditures will be made outside of the TIF District, but such expenditures are expressly authorized in this TIF Plan.

## **Section T    Limitation on Administrative Expenses**

Administrative expenses are defined as all costs of the City other than:

- (1) amounts paid for the purchase of land;
- (2) amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
- (3) relocation benefits paid to, or services provided for, persons or businesses residing or located within the TIF District; or
- (4) amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.

Administrative expenses include amounts paid for services provided by bond and other legal counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increment may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increments received by the TIF District.

## **Section U    Limitation on Property Not Subject to Improvements - Four Year Rule**

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

## **Section V    Estimated Impact on Other Taxing Jurisdictions**

Exhibit IV shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be \$1,207,094.
2. To the extent the project in the TIF District generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and the impact of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the TIF District. The City does not anticipate issuing general obligation tax increment bonds but reserves the right to the use of internal financing, as necessary, to finance a portion of the project costs attributable to the TIF District.
3. The amount of tax increments over the life of the district that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is estimated to be \$257,591.
4. The amount of tax increments over the life of the district that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same is estimated to be \$430,169.
5. No additional information has been requested by the County or School District that would enable it to determine additional costs that will accrue to it due to the development proposed for the TIF District.

## **Section W    Prior Planned Improvements**

The City shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District.

## **Section X    Development Agreements**

If within a project containing a housing district, more than 10% of the acreage of the property to be acquired by the City is purchased with tax increment bonds proceeds (to which tax increment

from the property is pledged), then prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

The City anticipates entering into an agreement for development.

#### **Section Y      Assessment Agreements**

The City may, upon entering into a development agreement, also enter into an assessment agreement with any person, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder and/or Registrar of Titles of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The City anticipates entering into an assessment agreement with the developer.

#### **Section Z      Modifications of the Tax Increment Financing Plan**

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the captured net tax capacity to be retained by the City; increase in the total estimated capital and administrative costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

#### **Section AA    Administration of the Tax Increment Financing Plan**

Upon adoption of the TIF Plan, the City shall submit a copy of such plan to the Minnesota Department of Revenue and the Office of the State Auditor. The City shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County or City Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District

and shall request that the County or City Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the City the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing this TIF Plan, the following actions should occur on an annual basis:

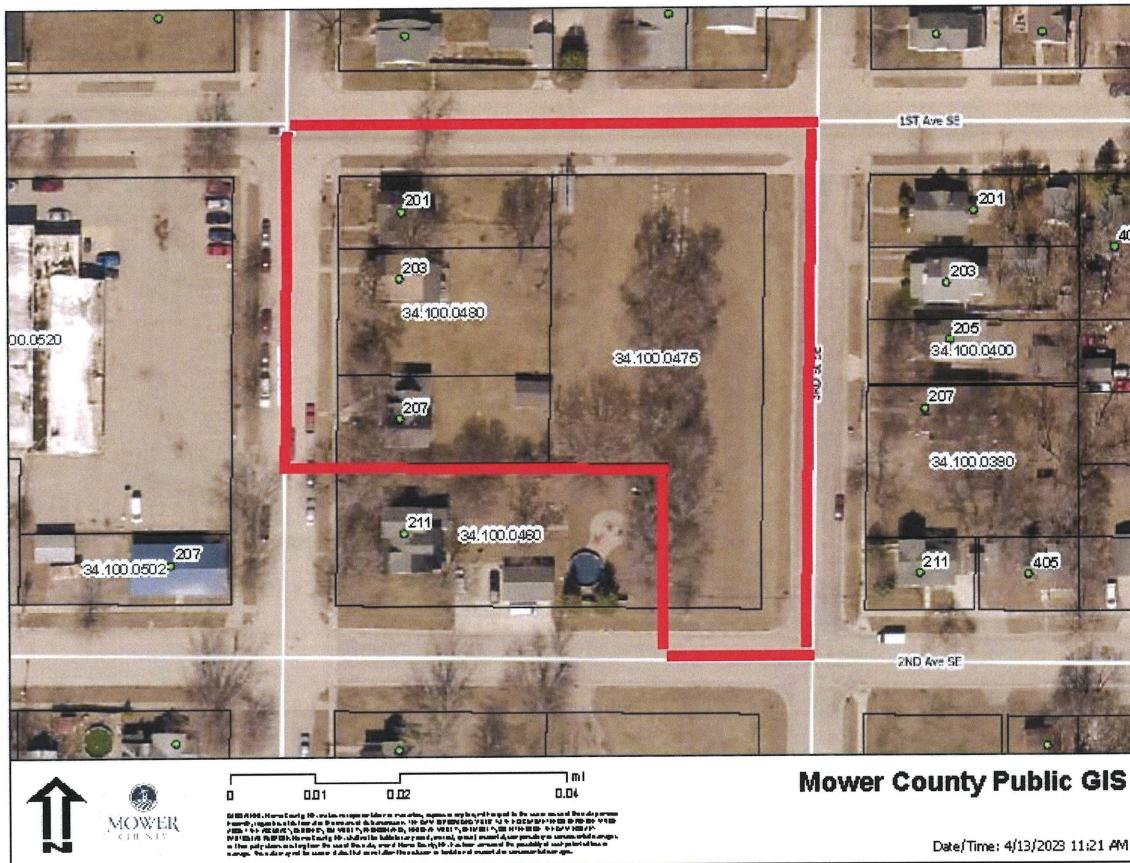
- (1) prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
  - (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
  - (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
  - (c) if the TIF District is classified as an economic development district, then the original net tax capacity shall be increased by the amount of the annual adjustment factor; and
  - (d) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the City of all changes made to the original net tax capacity of the TIF District.

#### **Section AB Filing TIF Plan, Financial Reporting and Disclosure Requirements**

The City will comply with all reporting requirements for the TIF District under Minnesota Statutes section 469.175, subds. 5 and 6.

**MAP OF PROPOSED  
TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 17**



## Assumptions Report

**City of Austin, Minnesota  
Tax Increment Financing (Housing) District No. 17  
1st and 3rd Apartment Project  
Draft TIF Plan Exhibits: Based on 40 new Housing Units**

Type of Tax Increment Financing District	Housing			
Maximum Duration of TIF District	25 years from 1st increment			
Projected Certification Request Date	12/30/23			
Decertification Date	12/31/51	(26 Years of Increment)		
	<u>2023/2024</u>			
Base Estimated Market Value		\$257,300		
Original Net Tax Capacity		\$1,930		
	Assessment/Collection Year			
	2023/2024	2024/2025	2025/2026	2026/2027
Base Estimated Market Value	\$257,300	\$257,300	\$257,300	\$257,300
Estimated Increase in Value - New Construction	0	0	3,690,100	3,808,522
Total Estimated Market Value	257,300	257,300	3,947,400	4,065,822
Total Net Tax Capacity	\$1,930	\$1,930	\$29,606	\$30,494
City of Austin		45.376%		
Mower County		39.421%		
ISD #492		23.606%		
Watershed		1.107%		
Other		1.109%		
Local Tax Capacity Rate		110.620% Payable 2023		
Administrative Retainage Percent (maximum = 10%)		5.00%		
Pooling Percent		0.00%		
<u>Bonds</u>		<u>Note (Pay-As-You-Go)</u>		
Bond Dated	NA	Note Dated	08/01/23	
Bond Rate	NA	Note Rate	1.00%	
Bond Amount	NA	Note Amount	\$615,000	
Project PV Date & Rate	02/01/24	1.00%	PV Amount	
			\$957,303	

## Notes

Project includes construction of 40 new residential units  
Total Value of \$2,874,420 per Assessment Agreement

Taxable value of \$3,974,400 per Assessment Agreement

Includes 3% annual market value inflator and low-income 4d classification rate

## Projected Tax Increment Report

City of Austin, Minnesota

Tax Increment Financing (Housing) District No. 17

1st and 3rd Apartment Project

Draft TIF Plan Exhibits: Based on 40 new Housing Units

Annual Period Ending (1)	Total Market Value <sup>(1)</sup> (2)	Total Net Tax Capacity <sup>(2)</sup> (3)	Less: Original Net Tax Capacity <sup>(3)</sup> (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate <sup>(4)</sup> (6)	Annual Gross Tax Increment (7)	Less: State Aud. Deduction 0.360% (8)	Subtotal Net Tax Increment (9)	Less: Admin Retainage 5.00% (10)	Less: Pooling Retainage 0.00% (11)	Annual Net Revenue (12)	P.V. Net Rev. To 02/01/24 1.00% (13)
12/31/24	257,300	1,930	1,930	0	110.620%	0	0	0	0	0	0	0
12/31/25	257,300	1,930	1,930	0	110.620%	0	0	0	0	0	0	0
12/31/26	3,947,400	29,606	1,930	27,676	110.620%	30,615	110	30,505	1,525	0	28,980	27,895
12/31/27	4,065,822	30,494	1,930	28,564	110.620%	31,597	114	31,483	1,574	0	29,909	28,505
12/31/28	4,187,797	31,408	1,930	29,479	110.620%	32,609	117	32,492	1,625	0	30,867	29,126
12/31/29	4,313,431	32,351	1,930	30,421	110.620%	33,652	121	33,531	1,677	0	31,854	29,760
12/31/30	4,442,833	33,321	1,930	31,392	110.620%	34,725	125	34,600	1,730	0	32,870	30,405
12/31/31	4,576,118	34,321	1,930	32,391	110.620%	35,831	129	35,702	1,785	0	33,917	31,063
12/31/32	4,713,402	35,351	1,930	33,421	110.620%	36,970	133	36,837	1,842	0	34,995	31,733
12/31/33	4,854,804	36,411	1,930	34,481	110.620%	38,143	137	38,006	1,900	0	36,106	32,416
12/31/34	5,000,448	37,503	1,930	35,574	110.620%	39,352	142	39,210	1,961	0	37,249	33,111
12/31/35	5,150,462	38,628	1,930	36,699	110.620%	40,596	146	40,450	2,023	0	38,427	33,820
12/31/36	5,304,976	39,787	1,930	37,858	110.620%	41,878	151	41,727	2,086	0	39,641	34,543
12/31/37	5,464,125	40,981	1,930	39,051	110.620%	43,198	156	43,042	2,152	0	40,890	35,279
12/31/38	5,628,049	42,210	1,930	40,281	110.620%	44,558	160	44,398	2,220	0	42,178	36,030
12/31/39	5,796,890	43,477	1,930	41,547	110.620%	45,959	165	45,794	2,290	0	43,504	36,795
12/31/40	5,970,797	44,781	1,930	42,851	110.620%	47,402	171	47,231	2,362	0	44,869	37,574
12/31/41	6,149,921	46,124	1,930	44,195	110.620%	48,888	176	48,712	2,436	0	46,276	38,368
12/31/42	6,334,418	47,508	1,930	45,578	110.620%	50,419	182	50,237	2,512	0	47,725	39,178
12/31/43	6,524,451	48,933	1,930	47,004	110.620%	51,995	187	51,808	2,590	0	49,218	40,003
12/31/44	6,720,184	50,401	1,930	48,472	110.620%	53,619	193	53,426	2,671	0	50,755	40,844
12/31/45	6,921,790	51,913	1,930	49,984	110.620%	55,292	199	55,093	2,755	0	52,338	41,701
12/31/46	7,129,443	53,471	1,930	51,541	110.620%	57,015	205	56,810	2,841	0	53,969	42,575
12/31/47	7,343,327	55,075	1,930	53,145	110.620%	58,789	212	58,577	2,929	0	55,648	43,465
12/31/48	7,563,627	56,727	1,930	54,797	110.620%	60,617	218	60,399	3,020	0	57,379	44,373
12/31/49	7,790,535	58,429	1,930	56,499	110.620%	62,500	225	62,275	3,114	0	59,161	45,298
12/31/50	8,024,251	60,182	1,930	58,252	110.620%	64,439	232	64,207	3,210	0	60,997	46,241
12/31/51	8,264,979	61,987	1,930	60,058	110.620%	66,436	239	66,197	3,310	0	62,887	47,202
						\$1,207,094	\$4,345	\$1,202,749	\$60,140	\$0	\$1,142,609	\$957,303

<sup>(1)</sup> value based on value estimate to be included in Assessment Agreement with 3% annual market value inflator<sup>(2)</sup> tax capacity based on residential rental low-income 4d class rate of .75% first \$100,000 and 0.25% value above \$100,000 per unit<sup>(3)</sup> original net tax capacity will be based on existing land and building value and reclassification as residential rental 4d<sup>(4)</sup> combined local tax capacity rate of City of Austin, ISD 492, Mower County for payable 2023

## Estimated Impact on Other Taxing Jurisdictions Report

## City of Austin, Minnesota

## Tax Increment Financing (Housing) District No. 17

## 1st and 3rd Apartment Project

## Draft TIF Plan Exhibits: Based on 40 new Housing Units

Taxing Jurisdiction	Without Project or TIF District			With Project and TIF District					
	2022/2023 Taxable Net Tax Capacity (1)	2022/2023 Local Tax Rate	Projected Retained Captured Net Tax Capacity (1) +	Projected Retained Captured Net Tax Capacity =	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)	
City of Austin	20,108,615	45.376%	20,108,615	\$60,058	20,168,673	45.241%	0.135%	27,170	
Mower County	74,183,142	39.421%	74,183,142	60,058	74,243,200	39.389%	0.032%	23,656	
ISD #492	27,564,979	23.606%	27,564,979	60,058	27,625,037	23.555%	0.051%	14,146	
Watershed		1.107%	0	60,058	60,058	0.000%	1.107%		
Other (2)	0	1.109%	0	60,058	60,058	0.000%	1.109%	---	
<b>Totals</b>		<b>110.620%</b>				<b>108.185%</b>	<b>2.435%</b>		

\* **Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 2.435% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

**Statement 2:** Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.

(2) The impact on these taxing jurisdictions is negligible since they represent only 1.00% of the total tax rate.

**CITY OF AUSTIN  
MOWER COUNTY  
STATE OF MINNESOTA**

Council member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION ESTABLISHING TAX INCREMENT FINANCING DISTRICT  
NO. 17 IN MUNICIPAL DEVELOPMENT DISTRICT NO. 1 AND ADOPTING A  
TAX INCREMENT FINANCING PLAN THEREFOR.**

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

Section 1. Recitals.

1.01. The City has heretofore established Municipal Development District No. 1 and adopted a Development Plan therefor. It has been proposed by the City's Housing and Redevelopment Authority (the "HRA") and the City that the City establish Tax Increment Financing District No. 17 (the "District") in Municipal Development District No. 1 and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor; all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act") all as reflected in the TIF Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the TIF Plan and has caused the TIF Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed TIF Plan, including, but not limited to, notification of Mower County and Independent School District No. 492 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the TIF Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the TIF Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the TIF Plan. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

Section 2. Findings for the Establishment of Tax Increment Financing District No. 17.

2.01. The Council hereby finds that Tax Increment Financing District No. 17 is in the public interest and is a "housing district" under Minnesota Statutes, Section 469.174, Subd. 11 of the Act.

2.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future, that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole; and that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the development or redevelopment of the District by private enterprise.

2.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 3. Public Purpose.

3.01. The adoption of the TIF Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide housing opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 4. Approval and Adoption of the Plans.

4.01. The TIF Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator.

4.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the TIF Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

4.03 The Auditor of Mower County is requested to certify the original net tax capacity of the District, as described in the TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

4.04. The City Administrator is further authorized and directed to file a copy of the TIF Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

The motion for the adoption of the foregoing resolution was duly seconded by Council member \_\_\_\_\_, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Dated: May 1, 2023

ATTEST:

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Mayor

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City Recorder

(Seal)

## EXHIBIT A

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 17, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 17 is a housing district as defined in M.S., Section 469.174, Subd. 11.*

Housing districts are a type of tax increment financing district that consist of a project intended for occupancy, in part, by persons or families of low and moderate income. Low and moderate income is defined in federal, state, and municipal legislation. A project does not qualify if more than 20% of the square footage of buildings that receive assistance from tax increments consist of commercial, retail or other nonresidential use.

In addition, housing districts are subject to various income limitations and requirements for residential property. For owner occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code.

The TIF District meets the above qualifications for these reasons:

1. The planned improvements consist of the following:
  - a. Approximately 40 total units, for which one of the following will apply:
    - at least 20% of the dwelling units shall be available for rent by persons whose incomes do not exceed 50% of areawide median family income, as adjusted for family size or
    - at least 40% of the dwelling units shall be available for rent by persons whose incomes do not exceed 60% of areawide median family income, as adjusted for family size.
2. No improvements are planned other than housing and therefore no more than 20% of the square footage of buildings included in the TIF District will consist of commercial, retail, or other nonresidential uses.
3. The City will require in the development agreement that the income limitations for the rental units in the apartment buildings will apply for the duration of the TIF District.

Tax increments derived from a housing district must be used solely to finance the cost of housing projects as defined in section 469.174, subd. 11 and 469.176, subd. 4d of the TIF Act. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the City may be included in the cost of a housing project. The City anticipates using tax increment revenues to finance the costs of TIF eligible and development costs related to construction of the new multifamily housing units within the TIF District.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future*

The proposed development is expected to consist of approximately 40 newly constructed housing units. The City's finding that the proposed development would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the project pro forma and

other materials submitted to the City by the developer. These documents have indicated that the costs of constructing the new project, in addition to redevelopment and site improvement costs will result in financial metrics returns that are not sufficient to support the development project, resulting in a financial gap and making this housing development infeasible without public assistance. Therefore, the developer has indicated in communications with the City and submitted financial data that the development as proposed would not move forward without tax increment assistance.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 17 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The reasons and facts supporting this finding are that the City has found the TIF Plan is consistent with the general plan for development of the City as a whole and will generally complement and serve to implement policies adopted in the City's comprehensive plan.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 17 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Project Area by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for the construction of an apartment project, of which at least 50% of the units will be affordable for occupants at or less than 50% median income. The project will complement the overall housing needs of the City and helps support other private types of development by providing a range of housing opportunities for residents and workers within the City.

City of Austin  
500 Fourth Avenue N.E.  
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.  
City Engineer/P.W. Director  
507-437-9950  
Fax 507-437-7101  
slang@ci.austin.mn.us

## Memorandum

**To:** Property Owner  
**From:** Steven Lang, PE  
**Date:** April 18<sup>th</sup>, 2023  
**Subject:** Noise Barrier Project, FINAL VOTE  
 2<sup>nd</sup> Street & 14<sup>th</sup> Place NW

### Voting Summary

7 YES  
 3 NO  
1 Abstain  
11 Total

The Austin City Council made a motion to move the Noise Barrier project forward for a formal vote at their Monday, May 1<sup>st</sup>, 2023 meeting. The vote will consider a funding partnership with 90% State, 5% City and 5% Residents. The benefitting residents have been narrowed down to 11 properties receiving the most noise reduction benefit from the proposed noise barrier construction. In order to consider moving the project forward, Council has expressed a desire to achieve at least 7 of 11 properties voting in favor of the project.

The 5% of resident costs can be assessed to benefitting property owners, when assessed it would go on your taxes spread out over 15-years with interest. Attached is a spreadsheet showing the estimated 5% costs for each of the 11 residential properties.

In order for your vote to be considered, property owners must complete this form and return it to me **by 5:00pm on Wednesday, April 26<sup>th</sup>, 2023...NO EXCEPTIONS**. You can reach me by phone at 507-437-9949, email at [slang@ci.austin.mn.us](mailto:slang@ci.austin.mn.us) or at City Hall, 500 4<sup>th</sup> Avenue NE.

### Voting Form

1) Do you support construction of the Noise Barrier at a 5% resident property cost?

(Circle one)

YES

NO

Your Address: \_\_\_\_\_

## Noise Reduction Project

Southeast of I90/4th Street Interchange

17 Foot Barrier, 910 feet in length

Noise Study	\$ 11,350	\$ 11,350
Engineering Design	\$ 43,344	\$ 43,344
Construction Inspection	\$ 65,016	\$ 65,016
Construction Contract	\$ 541,800	\$ 812,700
Total Estimate	\$ 661,510	\$ 932,410
State 90%	\$ 595,359	\$ 839,169
City 5%	\$ 33,076	\$ 46,621
Resident 5%	\$ 33,076	\$ 46,621

ID	Receptor Address	Owner	Category	Existing	17' Barrier	Reduction	dB	Noticable Reduction (>3 dBA)	Noticable Reduction (>5 dBA)	Noticable Reduction (>7 dBA)	Option 3		Do you support construction of the Noise Barrier at a 90/5/5 cost share
											Cost per (>3 dBA)	dB Reduction	
R6	303 14th Place NW	Brian & Terry Butts	Residential	60.3	57	3.3	3.3	0	0	\$ 2,207.28			YES or NO
R7	305 14th Place NW	Terri Stough	Residential	60.8	57.2	3.6	3.6	0	0	\$ 2,407.95			YES or NO
R8	307 14th Place NW	John Locher	Residential	62.8	56.8	6	6	6	0	\$ 4,013.24			YES or NO
R9	306 14th Place NW	Ann Marie Warner	Residential	65.6	57.7	7.9	7.9	7.9	1	\$ 5,284.10			YES or NO
R10	304 14th Place NW	Michael & Jennifer Forbes	Residential	66.1	58.8	7.3	7.3	7.3	1	\$ 4,882.78			YES or NO
R11	302 14th Place NW	Zecharia Puro & Ajulu Opiew	Residential	65.3	59.6	5.7	5.7	5.7	0	\$ 3,812.58			YES or NO
R12	300 14th Place NW	Adam & Kristin Ansorge	Residential	64	59.7	4.3	4.3	0	0	\$ 2,876.16			YES or NO
R13	1403 2nd Street NW	Thlay Grace	Residential	64.8	60.5	4.3	4.3	0	0	\$ 2,876.16			YES or NO
R14	1405 2nd Street NW	Arthur Mills Credit Trust	Residential	67.4	60.4	7	7	7	1	\$ 4,682.12			YES or NO
R15	1407 2nd Street NW	Gary & Nancy Quednow	Residential	72.3	57.7	14.6	14.6	14.6	1	\$ 9,765.56			YES or NO
R16	1414 2nd Street NW	Bradley & Susan Bednar	Residential	68.3	62.6	5.7	5.7	5.7	0	\$ 3,812.58			YES or NO
Total dB Reduction						69.7	69.7	54.2	4	\$ 46,620.50			
Number of Properties Meeting Criteria						21	11	7					

(1) The World Health Organization defines noise above 65 decibels (dB) as noise pollution

(2) The threshold of perception of the human ear is approximately 3 dB and a 5 dB change is considered to be clearly noticeable to the human ear

**RESOLUTION NO.**

**AFFIRMING THE CITY OF AUSTIN'S PARTICIPATION IN THE OFFICE OF THE STATE  
AUDITOR'S VOLUNTARY 2023 PERFORMANCE MEASUREMENTS PROGRAM**

**WHEREAS**, benefits to the City of Austin for participation in the Minnesota Council on Local Results and Innovation's comprehensive performance measurement program are outlined in MS 6.91 and include eligibility for a reimbursement as set by state statute; and

**WHEREAS**, any city or county participating in the comprehensive performance measurement program is also exempt from levy limits for taxes, if levy limits are in effect; and

**WHEREAS**, the City Council of Austin has adopted and implemented 10 of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes.

**NOW THEREFORE, BE IT RESOLVED THAT** that the City Council of Austin will continue to report the results of the performance measures to its citizenry through the end of the year through posting on the city's website.

**BE IT FURTHER RESOLVED** that the Office of the State Auditor the actual results of the performance measures adopted by the city.

Passed by a vote of yeas and nays this 1st day of May, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

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City Recorder

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Mayor

**RESOLUTION NO.**

**APPROVING AN OFF SITE GAMBLING LICENSE**

**WHEREAS**, the American Legion Post 91 has applied for an off site gambling license; and

**WHEREAS**, the gambling license is for the Mower County Fair from August 8, 2023 to August 13, 2023;

**NOW BE IT RESOLVED**, that the City of Austin approves an off site bingo gambling license for American Legion Post 91 at the Mower County Fairgrounds from August 8, 2023 to August 13, 2023.

Passed by a vote of yeas and nays this 1st day of May, 2023.

YEAS

NAYS

ATTEST:

---

City Recorder

APPROVED:

---

Mayor

City of Austin  
500 Fourth Avenue N.E.  
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.  
City Engr./Public Works Dir.  
507-437-9949  
Fax 507-437-7101  
slang@ci.austin.mn.us

## Memorandum

**To:** Mayor & Council  
**From:** Mitch Wenum, PE  
**Date:** April 26, 2023  
**Subject:** Bids – Pavement Striping

We have received quotes for pavement striping on May 12, 2022. Work will consist of striping of approximately 25 miles of roadway. The paint will be a combination of solid yellow or white and dashed yellow or white. The following types of lines will be painted:

- Centerlines
- Turn Lanes
- Bike Lanes
- Shoulder Fog Lines

The quotes are summarized below.

<b>Contractor</b>	<b>Quote</b>
Sir Lines-A-Lot	\$13,403.20
Century Fence	\$48,586.60
Warning Lites	Quote requested but not received

We would recommend awarding the project to Sir Lines-A-Lot. The work will be funded through the Sign & Traffic Department. If you have any questions, please contact me.

Miscellaneous pavement markings will be completed by the Sign & Traffic Dept staff. The type and approximate number are listed below:

- Crosswalks (270)
- Turn Arrows (136)
- Bike Lane Symbols (49)
- Parking Lots (38)
- Yellow Curb (unknown quantity)

Sign & Traffic Department	43170.6309	\$ 13,403.20
2022 Cost	\$8,919.90 (Traffic Marking Services Inc.)	
2021 Cost	\$8,800.00 (AAA Striping)	

**RESOLUTION NO.**

**AWARDING BID FOR PAVEMENT STRIPING**

**WHEREAS**, pursuant to an advertisement for bids for the following local improvements:

Pavement Striping

Bids were received, opened and tabulated according to law and the following bids were received complying with the advertisement:

<b><u>Contractor</u></b>	<b><u>Bid</u></b>
Sir Lines-A-Lot	\$13,403.20
Century Fency	\$48,586.60
Warning Lites	None

**AND, WHEREAS**, it appears Sir Lines-A-Lot is the lowest responsible bidder.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Austin, Minnesota that the bid of Sir Lines-A-Lot is hereby accepted and the Mayor and City Recorder are hereby authorized and directed to enter into the standard city contract with Sir Lines-A-Lot in the name of the City of Austin for the following:

Pavement Striping

Passed by a vote of yeas and nays this 1st day of May, 2023

YEAS

NAYS

ATTEST:

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City Recorder

APPROVED:

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Mayor

City of Austin  
500 Fourth Avenue N.E.  
Austin, Minnesota 55912-3773



Page 1 of 1

Steven J. Lang, P.E.  
City Engr./Public Works Dir.  
507-437-9949  
Fax 507-437-7101  
slang@ci.austin.mn.us

## Memorandum

**To:** Mayor & Council  
**From:** Steven J. Lang, P.E.  
**Date:** April 27, 2023  
**Subject:** Riverside Arena LED Lighting replacement & retrofit

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The city budgeted \$100,000 for LED lighting upgrades at Riverside Arena. We requested quotes from local contractors, which are summarized below:

### Rink Lighting

Supplier	Crescent Electric	\$ 26,558.00
	Dakota Supply Group	\$ 17,640.00
Contractor	Fox Electric	\$ 7,600.00
	Winkles Electric	\$ 11,666.00
	Austin Electric	\$ 19,490.00

### Hallways, Locker Rooms, Offices & Public Space Lighting

Contractor	Fox Electric	\$ 40,296.00
	Austin Electric	\$ 45,995.00

For the Rink Lighting, the city will purchase the fixtures directly from Dakota Supply Group and for all other areas the contractor will furnish a new fixture or a retrofit for the existing. I would recommend awarding this work to Fox Electric for the LED upgrades at Riverside Arena in the amount of \$47,896.00. If you have any questions, feel free to contact me.

Project Budget: \$100,000  
 Total Project: \$ 65,536

## RESOLUTION NO.

## AWARDING CONTRACT FOR RIVERSIDE ARENA LIGHTING PROJECT

**WHEREAS**, the City of Austin solicited proposals for LED upgrades for Riverside Arena.

**WHEREAS**, the following proposals were received:

## Rink Lighting:

<b>Contractor</b>	<b>Bid</b>
Fox Electric	\$7,600.00
Winkles Electric	\$11,666.00
Austin Electric	\$19,490.00

## Hallways, Locker Rooms, Offices & Public Space

<b>Contractor</b>	<b>Bid</b>
Fox Electric	\$40,296.00
Austin Electric	\$45,995.00

**AND, WHEREAS**, it appears Fox Electric has submitted the lowest proposal for the project.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Austin, Minnesota that the proposal of Fox Electric is hereby accepted.

Passed by a vote of yeas and nays this 1st day of May, 2023

## YEAS

NAYS

**ATTEST:**

**APPROVED:**

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## City Recorder