

**A G E N D A**  
**CITY COUNCIL MEETING**  
**MONDAY, JULY 15, 2024**  
**5:30 P.M.**  
**COUNCIL CHAMBERS**

Call to Order.

Pledge of Allegiance.

Roll Call.

- (mot) 1. Adoption of Agenda
- (mot) 2. Approving Minutes from July 1, 2024
- (mot) 3. \*Consent Agenda

Licenses:

- Mobile Business: The Wandering Scoop, Rochester, MN
- Mobile Business: Pleasant Grove Pizza Farm, Waseca, MN
- Taxicab Driver: Ashley Sanden, Austin MN
- Massage Therapist: Eh Kmler Soe, Austin, MN

Claims:

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

Event Applications:

- Hormel Finance, IT & Strategy Corporate Office Employee Appreciation Summer Event on July 16, 2024
- Oaxaca Basketball Tournament on July 20, 2024
- Dammen Family Fun Day on July 20, 2024

**PUBLIC HEARINGS**

- 4. Reviewing a Tax Abatement Application from Bigelow and Lennon Construction
  - (res) a. Approval or Denial of Abatement
- 5. Public Hearing to Amend TIF District #16 – Mill on Main
  - (res) a. Approve or Deny

**PETITIONS AND REQUESTS:**

- 6. Requesting Approval of an Ordinance Repeal Related to MetroNet
  - (mot) a. For preparation of the ordinance
  - (ord) b. For adoption of the ordinance
- (res) 7. Approving a Settlement Agreement with MetroNet

8. Requesting Approval of an Ordinance Related to SMMPA
  - (mot) a. For preparation of the ordinance
  - (ord) b. For adoption of the ordinance
  - (res) c. For summary publication of the ordinance
- (mot) 9. Reviewing a Fence Appeal from Michael & Holly Flanders
  - a. Approve or Deny Fence Appeal Request
- (mot) 10. Reviewing a Sign Appeal from Moose 701 Properties, LLC/ Lance Pogones
  - a. Approve or Deny Sign Appeal Request
- (res) 11. Approving a Whitewater Project Preliminary Design Proposal
- (res) 12. Accepting Donations to the City of Austin

**CITIZENS ADDRESSING THE COUNCIL**

**HONORARY COUNCIL MEMBER COMMENTS**

**REPORTS AND RECOMMENDATIONS:**

City Administrator  
City Council

- (mot) Adjourn to **Monday, August 5, 2024** 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  
July 1, 2024  
5:30 PM  
Council Chambers

MEMBERS PRESENT: Mayor Steve King, Council Members Paul Fischer, Laura Helle, Michael Postma, Geoff Baker, and Council Member-at-Large Jeff Austin

MEMBERS ABSENT: Council Member Joyce Poshusta and Jason Baskin

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Police Chief David McKichan, Fire Chief Jim McCoy, Public Works Director Steven Lang, Planning and Zoning Administrator Holly Wallace, Park and Rec Director Jason Sehon, City Attorney Craig Byram, Human Resources Director Tricia Wiechmann, and City Clerk Brianne Wolf

APPEARING IN PERSON:

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

Moved by Council Member Baker, seconded by Council Member Fischer, approving the agenda with the removal of item number seven. Carried.

Moved by Council Member Baker, seconded by Council Member Postma, approving Council minutes from June 17, 2024. Carried.

CONSENT AGENDA

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

Licenses:

Sign Installer: Fairway Outdoor Funding, LLC, La Crosse, WI  
Right of Way: South East Septic LLC, Dexter, MN

Claims:

a. Pre-list of Bills

Event Applications:

Spam Tiny House (SPAMPles) – Various Dates Between June 21, 2024 to September 15, 2024  
PayItForward Car Show – August 31, 2024

Carried.

## PETITIONS AND REQUESTS

Park and Rec Director Jason Sehon stated the Park and Rec department is looking to create a comprehensive plan for the pool for future repairs. Park and Rec staff are recommending the contracting services with Waters Edge Aquatics for an assessment of the pool conditions.

Mr. Sehon stated the assessment would provide a better understanding of the condition of the facility, review overall operational performance, offer recommendations on options for improvement and overall operations expectations. The quote for these services is \$17,500. Funding for this would come from Contingency funds.

Moved by Council Member Baker, seconded by Council Member Postma, approving a contract with Waters Edge Aquatics for an assessment for the pool conditions. Carried. 5-0.

Police Chief McKichan stated this agreement is for a renewal for the upcoming school year for the school resource officer. The police department recommends extending this for the 2024-2025 school year.

Moved by Council Member Baker, seconded by Council Member Fischer, approving an agreement for the school resource officer. Carried. 5-0.

Director of Public Works Steven Lang stated this ICM agreement is with Nu-Tek Biosciences to regulate the flow of water discharge to the wastewater treatment plant. This agreement would expire December 31, 2027.

Moved by Council Member Fischer, seconded by Council Member Postma, approving an ICM agreement with Nu-Tek Biosciences. Carried. 5-0.

City Clerk Brianne Wolf reviewed the massage therapist/establishment ordinance. Ms. Wolf requested Council approval for the changes to this ordinance.

Mayor Steve King requested a motion for preparation of the ordinance.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, for preparation of the ordinance. Carried.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, for adoption of the ordinance. Carried 5-0.

Moved by Council Member Fischer, seconded by Council Member-at-Large Austin, for summary publication of the ordinance. Carried 5-0.

Moved by Council Member Postma, seconded by Council Member Helle, accepting donations to the City of Austin. Carried 5-0.

Moved by Council Member Fischer, seconded by Council Member Baker, approving a resolution declaring 1906 3rd Avenue NE as a hazardous property. Carried 5-0.

## CITIZENS ADDRESSING THE COUNCIL

Becky Rector 1707 3<sup>rd</sup> Ave NE – stated a week ago on Saturday, June 22<sup>nd</sup>, she and her neighbors woke up with rain water and sewage in their basements. She has never had backup before and she would like to know why, and what caused this problem.

Steve James 1902 5<sup>th</sup> Ave SE – stated the sewer has backup five times into his home. The problem started in the 1970's and 1980's. He stated on Saturday, June 22<sup>nd</sup>, the sewer backup into his basement.

Barb James 1902 5<sup>th</sup> Ave SE – stated they did not see anyone from the City until 1:00 a.m. on Sunday, June 23<sup>rd</sup>. She stated something needs to be done to reroute the ditch to assist the people in the neighborhood.

Ted Schlichter 1902 4<sup>th</sup> Ave SE – stated he had the same problem and he would like to know if the City has insurance and is going to cover all the costs that are associated with the damages.

Ken Gorman 1803 1<sup>st</sup> Ave NE – stated he is looking for more information. This is the first time this has ever happened to him. He stated at about 1:40 am Sunday morning he noticed water in his basement. He stated the neighbor also had water in her basement. This is the first time in 39 years he has had this issue. He is here to see what other homeowners and the engineers have to say.

Courtney Hnatyszyn – 1909 5<sup>th</sup> Ave SE – stated she would like for Council to view the neighborhood; there are dumpsters all over and they have never had these issues before.

Public Works Director Steven Lang stated there are no good answers. The first thing the Public Works Department is going to do is gather information so they can map the area that was impacted. They are doing an online survey; it is three questions on how citizens were impacted during this event. They are also working with Austin Utilities on the calls they received about sanitary sewer. He stated they are gathering information from the Law Enforcement Center on all of the calls they received as well. They are driving around the area to document the extent of the impact.

He stated in 2018, the City implemented the sump pump inspection program to see if any pumps were placing water into the sewer system. He stated the southeast quadrant had 1,500 inspections and 10%, or about 160 homes, had direct connections to the sanitary sewers. The sump pumps were an easy thing for home owners to correct. He stated the next thing they could look at would be the footings that are in the sewer systems; they are a harder fix and they are harder to find.

He stated they have inspected the City mains and manholes and have looked for direct connections. They are correcting the City owned infrastructure. This is a slow process but they do plan to come back and identify areas that can be addressed for future repair. He stated the nature of this storm caused higher water then we normally see. The Cedar River Watershed District is looking for impoundments upstream to try and hold some of the water back.

Beth Hughson 600 18<sup>th</sup> St SE – stated in 2001 she worked with someone about this and they told her there was tiling around her home. She doesn't believe she should have to be the one to fix this or cover the costs.

Council Member Helle wanted clarification and stated these issues have happened before with the water backing up with heavy rain events. The City thought the likely culprit was sump pumps and beaver systems draining into the sanitary sewer. The City spent money and time researching and inspecting these issues and are fairly confident this is not the case; these systems are not causing the issues. Now we suspect that it could possibly be tile systems draining into the sanitary sewer, is this correct?

Mr. Lang stated yes, this is a very likely culprit.

Council Member Helle stated people are asking what is the City's liability for damages in this situation. What is our procedure for these types of events?

Mr. Lang stated it depends on the situation. In a situation like this, where it was Mother Nature or an act of God, he does not believe the City would be responsible.

Mr. Dankert stated the League of Minnesota Cities (LMC) did confirm this was an act of nature, and would not be covered by our insurance.

Council Member Helle asked if a lift station could be added to this neighborhood.

Mr. Lang stated if we added a pump station, we would just be pushing it to the next station. We need to fix what is going wrong in that area.

Gerald Wacholz 1705 3<sup>rd</sup> Ave NE – stated he believes the new street that was put in a year and a half ago is the problem for the sewer back up. He stated prior to this, he never had water in his basement and over the June 22<sup>nd</sup> weekend water came up multiple times.

The Mayor stated that with checking with the LMC, the liability would not be on the City's part.

Council Member Fischer asked how is this hitting some of the houses and not others.

Mr. Lang stated every basement has a different elevation; the lowest elevations get impacted first.

Council Member Baker stated we have some work to do. He stated we need to address our sewers.

## REPORTS AND RECOMMENDATIONS

Craig Clark stated he, Chief McKichan and Randy Hofner from the Park and Rec department participated in a University of Minnesota Ripple Effect Extension program for the Oaxacan Basketball Tournament that is held in Austin. It was a great exercise to partake in. This is a great program to reach out to the City's ethnically diverse population. He stated he will get the report to Council when it becomes available.

## COUNCIL REPORTS

Council Member Fischer thanked the Fire, Police, and all City staff for all the hours they put in cleaning up and directing traffic during the June 22 flooding event. He thanked them for keeping residents safe.

Council Member Postma echoed Council Member Fischer's thoughts and thanked City staff and stated we will learn from this event and continue the forward progress we have been making as a City.

Council Member Helle stated when the big water events happen it is never convenient. She thanked City staff, County staff, and citizens that helped out during this event. She stated to not play on the playgrounds that have the yellow caution tape around it as it has not yet been sanitized. She stated Matchbox Childrens Theater received a \$10,000 grant from Southeastern Minnesota Arts Council for exploring belonging and community through theater. She stated she attended the League of Minnesota Cities conference last week and the Nu-Tek project was given a shout out. She stated we are not alone when looking at housing, employee recruitment, funding for projects, and racial and equality initiatives; there are other communities that are struggling.

Mayor Steve King recognized the City staff anniversaries.

Moved by Council Member Postma, seconded by Council Member-at-Large Austin, adjourning the meeting to July 15, 2024. Carried.

Adjourned: 6:18 p.m.

Approved: July 15, 2024

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

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

## HOUSING TAX ABATEMENT APPLICATION

(Application Period 1-1-2023 through 12-31-2025)

Property Owner / Applicant:

Bigelow & Lennon Construction

Current Address:

211 1<sup>st</sup> St SW Byron, MN 55920

Telephone:

507-775-7068

E-Mail:

jill@bigelowlennon.com

Has applicant ever defaulted on property taxes?

 Yes  No

If Yes, provide details on separate page(s).

Are property taxes current?  Yes  No

PROJECT		(check all that apply)	
Single-Family		Multi-family Complex	
<input checked="" type="checkbox"/> New Construction ("stick build")	<input type="checkbox"/> Modular	<input type="checkbox"/> Duplex	<input type="checkbox"/> Townhomes
<input type="checkbox"/> Manufactured on permanent foundation	<input type="checkbox"/> Shouse	<input type="checkbox"/> Apartment Building	<input type="checkbox"/> Other:
Is this an application for a replacement of an existing housing unit on the same parcel? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Is this application for an existing housing unit you intend to move to this parcel? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, where is the unit being relocated from? <input type="checkbox"/> Outside Mower County OR <input type="checkbox"/> Within Mower County but currently unlivable			
Project Address: <u>1800 13th Place NE Austin, MN 55912</u>			
Project Legal Description: <u>Lot 5, Block 1 Native Ridge 3<sup>rd</sup></u>			
Parcel Number: <u>34.468.0050</u>	Estimated Project Valuation: <u>\$ 330,000.00</u>		

**Attach** building plans, site plan, certification from zoning entity that housing project complies with zoning regulations and there are no outstanding land use issues. (Include letter of consent from property owner if subject to purchase agreement or include a copy of the purchase agreement.)

*I / We as applicant(s) for the Housing Tax Abatement submit this application having read the policy and understand the provisions as outlined including, but not limited to, the potential of a partial abatement in year one, due to % of completion on January 2<sup>nd</sup>, there are not any non-compliance or non-conformity outstanding land use issues on the parcel, construction must commence within one year of the approval, assessors cannot be refused access to the property for assessment purposes and the abatement is awarded annually following full payment of real estate taxes due.*

Jill Bigelow 6/19/24

Date

Signature of Applicant(s)

FOR OFFICE USE ONLY: ELIGIBLE / APPLICABLE APPROVALS

Mower County

Date:

 City or  Township of

Date:

School District of

Date:

**Disclaimer:** Each taxing entity makes its own decision on approval or denial of application for tax abatement. Applications must comply with all requirements of the policy/program as outlined in the policy/program guidelines and build within allotted timeframe or tax abatement offer will be automatically terminated.

Please submit completed application with attachments to:

Mower County Administration

201 1<sup>st</sup> Street NE, Suite 9, Austin MN 55912

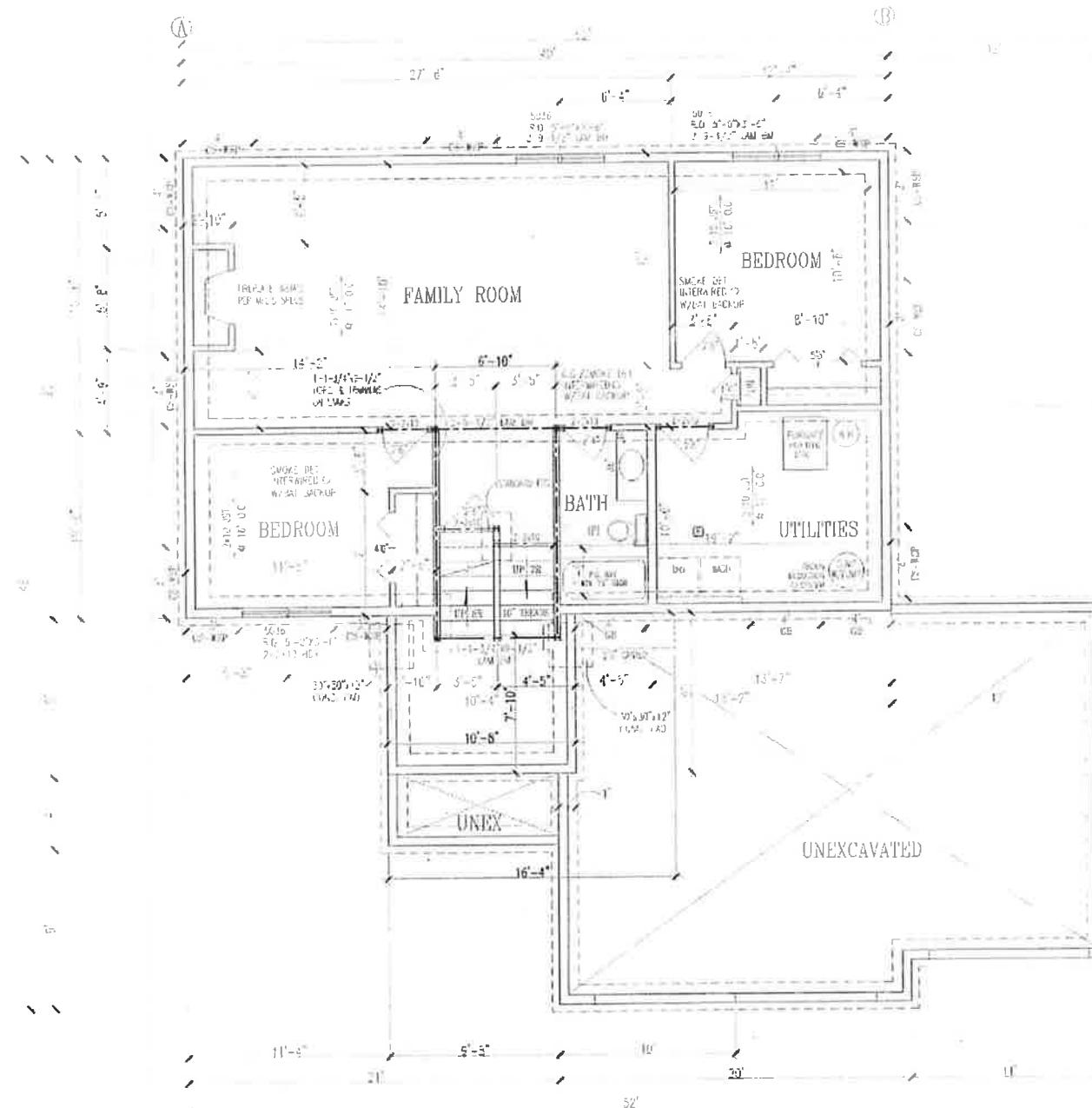
507-437-9549

Office Hours: M-F 8 a.m. – 4:30 p.m.

deniseb@co.mower.mn.us

## Notice – City of Austin Housing Projects

This application must be approved prior to the building permit being issued by the City of Austin.



LOWER FLOOR PLAN  
SCALE 1/4" = 1'-0"

BIGELOW/LINNICK  
NATURE RIDGE #5-1

B.B.	
06-18	24
NOTED	
241433	
NOTED	

PROGRESSIVE PLAN  
DESIGN I.A.P.  
RESIDENTIAL ARCHITECTURAL  
15071 775 6577  
T.R. COUNTY RD 2 NW BYRON MN 56010  
http://www.ProgressivePlan.com

PROGRESSIVE PLAN  
DESIGN LTD  
RESIDENTIAL ARCHITECTURE  
5037 775 1677  
714 COUNTY RD 3 NW BYRON MN 56920  
progressiveplans.com info@progressiveplans.com

DESCRIPTION MAIN FLOOR

BRACED PANEL LENGTH TABLE BASED ON WIND SPEED (290mph)									
BRACED WALL TYPE	USING METSO T-16 NAILS	BRACED WALL SPACING (INCHES)	BRACED WALL SPACING (FEET)	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY
(1)	CS-WSP	30 FT 15'	10	1.0	0.90	1.3	5.27	12' 0"	
(2)	CS-WSP	30 FT 15'	10	1.0	0.90	1.3	11.2	15'-8"	
(3)	CS-WSP	20 FT 35'	10	1.0	0.95	1.3	4.32	6'-0"	

DESCRIPTION MAIN FLOOR

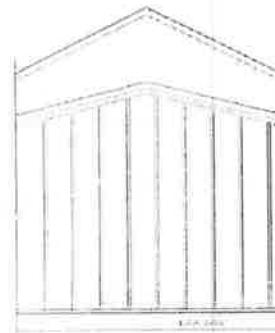
BRACED PANEL LENGTH TABLE BASED ON WIND SPEED (130mph)									
BRACED WALL TYPE	USING METSO T-16 NAILS	BRACED WALL SPACING (INCHES)	BRACED WALL SPACING (FEET)	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY
(A)	CS-WSP	30 FT 5.0'	10	1.0	0.90	1.45	0.53	8'-0"	
(B)	CS-WSP	30 FT 5.0'	10	1.0	0.90	1.45	7.56	12'-0"	
(C)	CS-WSP	30 FT 5.0'	10	1.0	0.90	1.45	6.53	15'-0"	
(D)	CS-WSP	30 FT 5.0'	10	1.0	0.90	1.4	7.55	12'-0"	

DESCRIPTION LOWER FLOOR

BRACED PANEL LENGTH TABLE BASED ON WIND SPEED (290mph)									
BRACED WALL TYPE	USING METSO T-16 NAILS	BRACED WALL SPACING (INCHES)	BRACED WALL SPACING (FEET)	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY
(1)	CS-WSP	36 FT 6.0'	10	1.0	0.90	1.00	7.65	12'-0"	
(2)	OB	36 FT 15.0'	10	1.0	0.90	1.00	15.60	18'-0"	

DESCRIPTION LOWER FLOOR

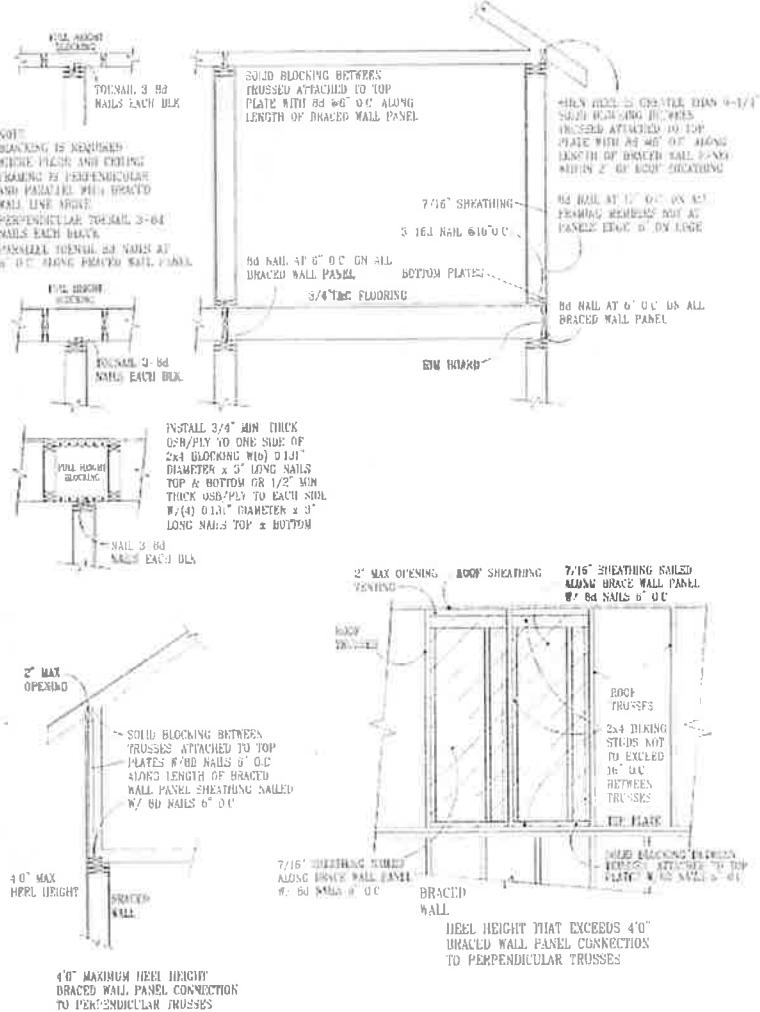
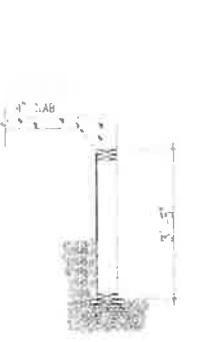
BRACED PANEL LENGTH TABLE BASED ON WIND SPEED (130mph)									
BRACED WALL TYPE	USING METSO T-16 NAILS	BRACED WALL SPACING (INCHES)	BRACED WALL SPACING (FEET)	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY	FACTOR OF SAFETY
(A)	CS-WSP	10 FT 12.0'	10	1.0	0.90	1.00	10.8	12'-0"	
(B)	CS-WSP	10 FT 12.0'	10	1.0	0.90	1.00	10.8	12'-0"	



WHEN SCISSOR TRUSSES ARE USED  
THE CABLE END FRAME SHALL MATCH  
THE PROFILE OF THE SCISSOR TRUSSES  
ADJACENT TO IT FOR PROPER BOTTOM CHORD  
PLATE BRACING TO BE INSTALLED  
ALL OPENING IN EXTERIOR WALL OF  
BALCONY FRAME SHOULD HAVE A MIN  
OF TWO KING STUDS ON EACH SIDE  
OF OPENING TO RESIST WIND LOAD

WALL BRACING NOTES CS-WSP  
1. ALL WALLS SHALL BE CONTINUOUSLY SHEATHED  
WITH WOOD STRUCTURAL PANELS.  
2. CS-WSP OR PLANS INDICATE AREAS OF BRACED  
PANELS.  
3. BRACED PANELS SHALL BE CONSTRUCTED WITH  
16" O.C. STUDS. TOP PLATE FASTENED TO SOLID  
FRAMING WITH 8D NAILS 6" O.C.  
BOTTOM PLATES FASTENED TO SOLID FRAMING WITH  
3-16D OSB SHEATHING (24/16 INDEX) PASTED 5/  
8" OSB COMMON SHEATH 8" O.C. ON EDGES AND 12" O.C.  
IN FIELD.  
SOLID BLOCKING BETWEEN TRUSSES WITH HELL GREATER  
THAN 9-1/4" TO WITHIN 2' OF ROOF SHEATHING FASTENED WITH  
8D NAILS 6" O.C. ALONG LENGTH OF PANEL.  
4. ANY OTHER TYPE OF BRACING METHOD SHALL BE INDICATED  
ON PLAN AND SEPARATE DETAIL WILL BE PROVIDED

IN INTERIOR BRACED WALL  
PLATE FASTENED TO FLOOR W/3-16d NAILS @ 16" O.C.  
FULL HEIGHT BLOCKING 16" O.C. 1-6d NAILS EACH BLOCK  
7" SCREWED GRID ON ROCK

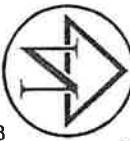


# PROGRESSIVE PLAN DESIGN LLP

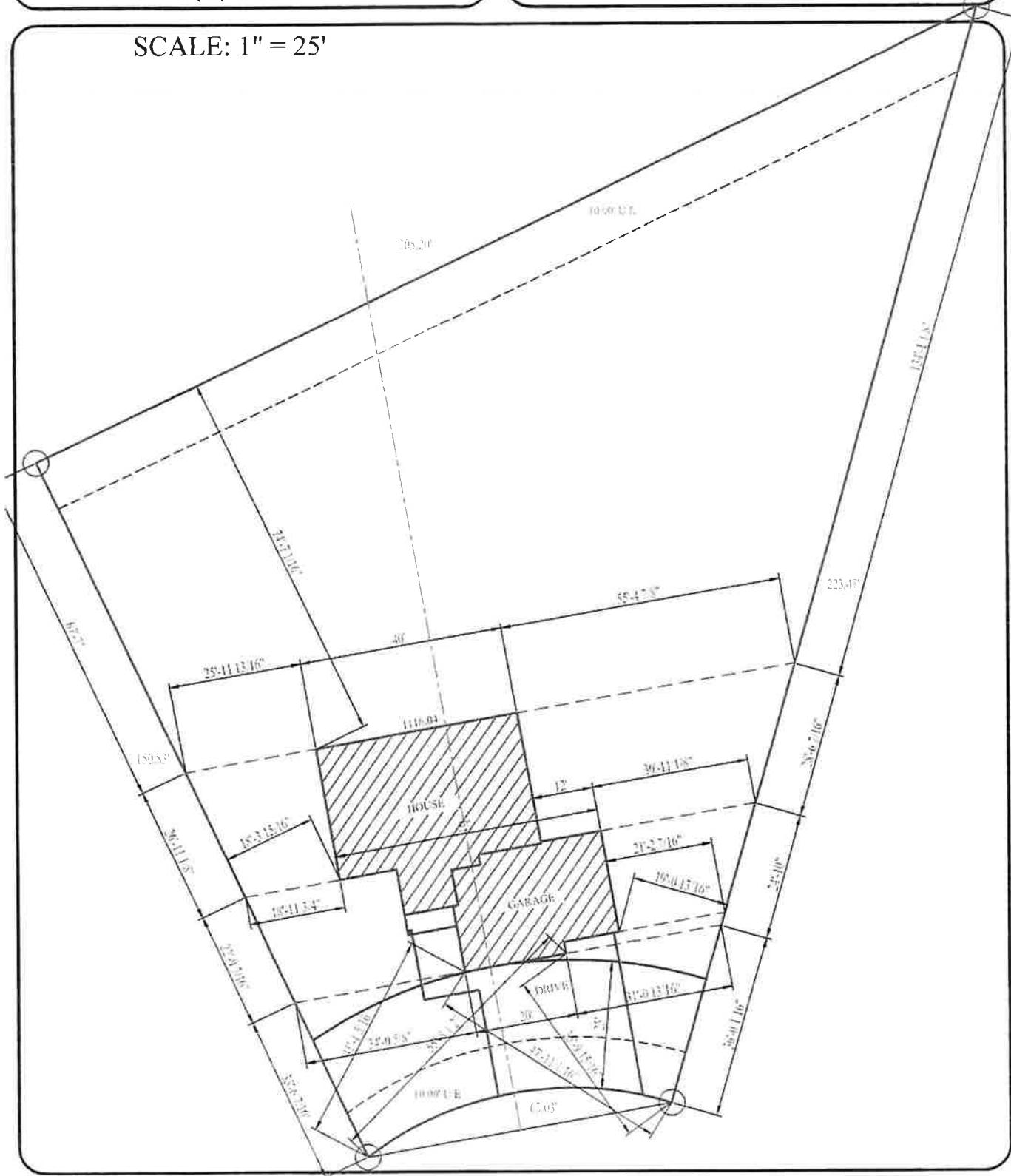
RESIDENTIAL ARCHITECTURE  
714 CO. RD. 3 N.W. Byron, MN 56920  
(507)775-6877

LOT, #5 BLK. #1  
SUBDIVISION: NATURE RIDGE THIRD  
CITY: AUSTIN STATE: MN

CONTRACTOR: BIGELOW/LENNON  
CUSTOMER: NATURE RIDGE #5-1 #2414288



SCALE: 1" = 25'



## PURCHASE AGREEMENT

**RECEIVED OF** Bigelow and Lennon Construction, LLC the sum of \$500.00 as earnest money in part payment for the purchase of property in Mower County, Minnesota, described as:

Lot 5, Block 1, Nature Ridge Third in Outlot D and Outlot E, Nature Ridge and Northeast Quarter of the Southeast Quarter of Section 35, Township 103 North, Range 18 West, Austin, Mower County, Minnesota.

LEGAL TO GOVERN, all of which property the undersigned has this day sold to the buyer for the sum of \$57,900.00, which the buyer agrees to pay as follows: Earnest money \$500.00 and \$57,400.00 cash when the buyer obtains the construction loan but not later than December 1, 2024. Seller will defer \$10,000.00 of the purchase price until the spec home is sold by buyer herein and buyer will sign a Promissory Note for 10,000.00 with no interest to accrue.

The real estate taxes due and payable in the year 2024 shall be prorated as of the date of closing. The real estate taxes due and payable in the year 2025 and thereafter shall be paid by the buyer.

Any special terms, conditions or representations, not readily determined by actual inspection are to appear on the reverse side of this contract.

Subject to performance by the buyer, the seller agrees to execute and deliver a Warranty Deed conveying a marketable title to said premises subject only to the following exceptions: (a) Building regulations, zoning laws, ordinances, state and federal regulations, (b) Restrictions relating to use or improvement of premises not subject to unreleased forfeiture, (c) Reservation of any minerals or mineral rights to the State of Minnesota. Utility Easements. Subject to rights of tenants, if any.

Seller certifies that there are no wells or septic system on said property.

To the best of Sellers knowledge, there are no hazardous substances or underground storage tanks except herein noted: NONE.

Seller is not aware of any methamphetamine production that has occurred on the property.

The seller further agrees to deliver possession not later than December 1, 2024 PROVIDED THAT ALL THE CONDITIONS OF THIS AGREEMENT HAVE BEEN COMPLIED WITH. Closing date shall be on or before December 1, 2024.

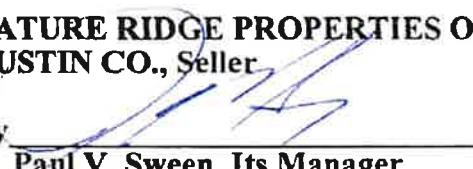
The Seller shall at its sole cost and expense provide Buyer with a current Commitment from a title insurer acceptable to Buyer for issuance of an Owner's Title Insurance Policy (the "Title Commitment"). Buyer shall be allowed twenty (20) days after receipt of the Title Commitment for examination and the making of any objections thereto, such objections (exclusive of any of the Permitted Title Exceptions) to be made in writing or deemed to be waived. If any objections are so made, Seller shall be allowed sixty (60) days after receipt of such objections to make title marketable. If title is not marketable and is not made to within said sixty (60) days of

Buyer shall pay for the cost of an Owner's Title Insurance Policy.

I hereby agree to sell/purchase the said property for the price and upon the terms above mentioned, and subject to all conditions herein expressed.

Dated this 21 day of June, 2024.

**NATURE RIDGE PROPERTIES OF  
AUSTIN CO., Seller**

By   
**Paul V. Sween, Its Manager**

**BIGELOW & LENNON  
CONSTRUCTION, LLC, Buyer**

By   
**Nate Rud, Its Vice President**

**THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND  
SELLER. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN  
APPROPRIATE PROFESSIONAL.**

C:\Users\jschumacher\Documents\89122\2024.06.21 89122 PURCHASE AGREEMENT Lot 5, Block 1, Nature Ridge 3rd.docx

**RESOLUTION NO.**

**RESOLUTION APPROVING TAX ABATEMENT  
FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813**

**WHEREAS**, the Austin Home Initiative's purpose is to provide incentives to encourage the construction of new owner occupied and residential housing units within the City of Austin for the public benefit including, but not limited to, capturing future taxes from units that would not have otherwise been constructed and increasing housing inventory to support local business growth.

**WHEREAS**, Minnesota Statute 469.1813 gives authority to the City of Austin to grant an abatement of taxes imposed by the City if certain criteria are met; and

**WHEREAS**, in addition to the statutory requirements, the City of Austin has adopted the Austin Home Initiative guidelines which must be met before an abatement of taxes will be granted for residential development; and

**WHEREAS**, Bigelow & Lennon Construction is the owner of certain property within the City of Austin legally described as follows:

Lot 5, Block 1, Nature Ridge Third Addition, City of Austin, County of Mower

**WHEREAS**, Bigelow & Lennon Construction has made application to the City of Austin for the abatement of taxes as to the above-described parcel; and

**WHEREAS**, Bigelow & Lennon Construction has met the statutory requirements outlined under Minnesota Statute 469.1813 Subdivision (1) and Subdivision 2(i) as well as the Austin Home Initiative guidelines for abatement;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Austin, Minnesota:

The City of Austin does hereby grant an abatement of the City of Austin's share of real estate taxes upon the above-described parcel for the construction of a single family dwelling on the subject property.

The tax abatement will commence with the receipt of the Certificate of Occupancy, or not more than one year following approval of the taxing authority's resolution, whichever is first, and shall continue for five years.

The City shall provide the awarded abatement payments following the payment of due real estate taxes annually. Payments shall be made to the owner of record at the time of the payment.

The tax abatement shall be limited to the increase in property taxes resulting from the improvement of the property. Land values are not eligible and will not be abated.

The abatement shall be null and void if construction is not commenced within one year of the approval of this resolution or if the real estate taxes are not paid on or before the respective payment deadlines annually.

Passed by a vote of yeas and nays this 15th day of July, 2024.

Yea	Nay
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ATTEST:

APPROVED

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City Recorder

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Mayor



June 14, 2024

Mr. Scott Felten, County Auditor/Treasurer  
 Mower County Auditor / Treasurer's Office  
 Government Center  
 1st Floor, Suite 7  
 201 1st Street NE  
 Austin, MN 55912  
 Email: [scottf@co.mower.mn.us](mailto:scottf@co.mower.mn.us)

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Re: City of Austin, Minnesota  
 Public Hearing on Proposed Amendment to Tax Increment Financing (Redevelopment) District 16  
 (Mill on Main Phase 2)  
 Estimated Fiscal and Economic Impact

Dear Mr. Felten:

The City of Austin is commencing the process for consideration of the amendment of an existing tax increment redevelopment financing district. Pursuant to Minnesota Statutes section 469.175, subdivision 2, please find enclosed a draft copy of the Amendment to the Tax Increment Financing Plan for the TIF District and the "fiscal and economic implications of the plan" as listed below:

1. The total amount of tax increment that will be generated over the life of the TIF District from Phase 1 is estimated to be \$3,784,161. The total amount of tax increment that will be generated over the life of the TIF District from Phase 2 is estimated to be **\$6,561,124**. Total tax increments from the TIF District are estimated to be \$10,345,285.
2. To the extent the project in TIF District No. 16 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 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 District.
3. The amount of tax increments over the life of Phase 1 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 \$812,455. The amount of tax increments over Phase 2 that would be attributable to school district levies will be **\$1,272,603** for a total of \$2,085,058 for the TIF District.
4. The amount of tax increments over the life of Phase 1 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 \$1,377,609. The amount of tax increments over Phase 2 that would be attributable to county levies will be **\$2,167,940** for a total of \$3,545,549 for the TIF District.

The City Council will hold a public hearing on this proposal on Monday, July 15, 2024 at approximately 5:30 p.m. at the City Hall Council Chambers, 500 4th Avenue NE, Austin, Minnesota. Your attendance at this meeting and comments concerning the proposed Amendment to the TIF district are welcomed. If you have any questions or if you would like to meet with a representative(s) of the City prior to the public hearing, please contact me at 651-223-3036 or Mikaela.Huot@bakertilly.com.

BAKER TILLY MUNICIPAL ADVISORS, LLC

*Mikaela R Huot*

Mikaela Huot, Director

Enclosure

CC: Craig Clark and Tom Dankert, City of Austin



**Amendment to the Tax Increment  
Financing Plan**

**for**

**Tax Increment Financing  
(Redevelopment) District No. 16**

**within**

**Municipal Development District No. 1**

**(Mill on Main Phases 1 and 2 – Stencil Dev)**

**City of Austin, Minnesota**

Prepared by

Baker Tilly Municipal Advisors, LLC

Original TIF Plan Approval Date: August 16, 2021

Draft Amendment Dated: June 14, 2024

Public Hearing and Anticipated Approval by City Council for the  
Amendment: July 15, 2024

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**AMENDMENT TO TAX INCREMENT FINANCING PLAN  
FOR TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 16**

**Introduction**

The following text represents the Amendment to the Tax Increment Financing Plan for Tax Increment Financing District No. 16.

**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; also referred to as the "Governing Body".

"County" means Mower County, Minnesota

"Developer" means Stencil Group II LLC.

"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 Amended Tax Increment Financing (Redevelopment) District No. 16.

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

**Section B Statutory Authorization**

See the Development Program for the Development District.

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

See the Development Program for the Development District.

**Section D Statement of Objectives**

See the Development Program for the Development District.

**Section E Designation of Tax Increment Financing District as a  
Redevelopment District**

Redevelopment districts are a type of tax increment financing district in which one or more of the following conditions exists and is reasonably distributed throughout the district:

- (1) parcels comprising at least 70% of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50% of the buildings, not including outbuildings, are structurally substandard requiring substantial renovation or clearance. A parcel is deemed "occupied" if at least 15% of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
- (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad right-of-ways; or
- (3) tank facilities, or property whose immediately previous use was for tank facilities, as defined in section 115C.02, subdivision 15, if the tank facilities:
  - (i) have or had a capacity of more than 1,000,000 gallons;
  - (ii) are located adjacent to rail facilities; and
  - (iii) have been removed or are unused, underused, inappropriately used, or infrequently used.

For districts consisting of two or more noncontiguous areas, each area must individually qualify under the provisions listed above, as well as the entire area must also qualify as a whole.

The TIF District qualifies as a redevelopment district in that it meets all of the criteria listed in (1) above. The supporting facts and documentation for this determination will be retained by the City for the life of the TIF District and are available to the public upon request. An analysis was completed by LHB to make this determination.

"Structurally substandard" is defined as buildings containing defects or deficiencies in structural elements, essential utilities and facilities, light and ventilation, fire protection (including egress), layout and condition of interior partitions, or similar factors. Generally, a building is not structurally substandard if it is in compliance with the building code applicable to a new building or could be modified to satisfy the existing code at a cost of less than 15% of the cost of constructing a new structure of the same size and type.

A city may not find that a building is structurally substandard without an interior inspection, unless it cannot gain access to the property and there exists evidence which supports the structurally substandard finding. Such evidence includes recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence. Written documentation of the findings and reasons why an interior

inspection was not conducted must be made and retained. A parcel is deemed to be occupied by a structurally substandard building if the following conditions are met:

- (1) the parcel was occupied by a substandard building within three years of the filing of the request for certification of the parcel as part of the district;
- (2) the demolition or removal of the substandard building was performed or financed by the City, or was performed by a developer under a development agreement with the City;
- (3) the City found by resolution before such demolition or removal occurred that the building was structurally substandard and that the City intended to include the parcel in the TIF district, and
- (4) the City notifies the county auditor that the original tax capacity of the parcel must be adjusted upon filing the request for certification of the tax capacity of the parcel as part of a district.

In the case of (4) above, the County Auditor shall certify the original net tax capacity of the parcel to be the greater of (a) the current tax capacity of the parcel, or (b) a computed tax capacity of the parcel using the estimated market value of the parcel for the year in which the demolition or removal occurred, and the appropriate classification rate(s) for the current year.

At least 90 percent of the tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of land, removal of hazardous substances or remediation necessary to develop the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City may be included in the qualifying costs.

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

Redevelopment districts may remain in existence 25 years from the date of receipt by the City of the first tax increment. Modifications of this plan (see Section Z) shall not extend these limitations.

Pursuant to Minnesota Statutes, Section 469.175, subd. 1(b), the City specifies 2024 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 district through December 31, 2049, but anticipates that the TIF District could be decertified early (see Section P). 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 approximately 2 acres and also includes adjacent streets and right-of-way located within the Project Area. Construction of Phase 2 will occur on Parcel 34.579.0010. 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>Parcel Number</b>	<b>Phase</b>	<b>Legal Description</b>
34.579.0010	2	SubdivisionName PICKETT PLACE Block 001 SubdivisionCd 34579 LOTS 1, 2, 3, 5 & 6, ALL W OF LINE FROM E101FT LOT 1 - S LINE - THRU E267FT LOT 6 - N LINE LAND
34.865.0541	1	SubdivisionName 3 102 18 SubdivisionCd 34865 .92 AC ADJ ON E OF LOTS 6, 7 & S33FT LOT 8 BLK 14 MORGANS ADD EAST OF Y
34.460.1040	1	SubdivisionName MORGANS Block 014 SubdivisionCd 34460 LOTS 6, 7 & S33FT LOT 8 YMCA
34.865.0610	1	.57 AC NW1/4 NE1/4 E OF YMCA & S OF 7TH PLACE NW OLD PEPPERMILL RESTAURANT Section 03 Township 102 Range 018

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, through the Port Authority, anticipates and selling the property located within the TIF District to facilitate redevelopment.

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

The proposed project is anticipated to include the redevelopment of the YMCA site in the City of Austin by Stencil Group II LLC to include demolition of the existing property and subsequent construction of new market rate housing units. Mill on Main Phase 1 (original TIF District) included construction of approximately 91 rental housing units and Mill on Main Phase 2 (amendment) will include construction of a new building on the parking lot with approximately 103 new rental housing units. The project site qualifies as substandard and eligible for inclusion within the amended redevelopment TIF District. Redevelopment of the project cost is expected to include the incurring of extraordinary site development and redevelopment costs as necessary prior to new development occurring. The City anticipates using tax increment revenues to finance eligible costs associated with the redevelopment project including acquisition, site development/improvement, demolition, utilities, parking and other extraordinary redevelopment costs, as well as related administrative expenses.

Demolition and subsequent construction of Mill on Main Phase 1 on the project site started in 2021. The project was fully constructed by December 31, 2022, and 100% assessed and on the tax rolls as of January 2, 2023, for taxes payable 2024. Construction of Mill on Main Phase 2 is expected to start in 2024 and be fully constructed by December 31, 2025, and would be 100% assessed and on the tax rolls as of January 2, 2026, for taxes payable 2027.

#### **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 redevelopment district;

The City hired LHB to inspect and evaluate the property within the proposed Tax Increment Financing District No. 16 to be established by the City. The purpose of the evaluation was to determine if the proposed district met the statutory requirements for coverage and if the buildings met the qualifications required for a Redevelopment District.

A final report will be prepared for the City to retain on file in City offices for public inspection. The report contains the details of the findings summarized below regarding the substandard qualifications:

- The TIF District consists of parcels that are occupied with 100 percent of the area of the proposed TIF District occupied (exceeding the 70 percent coverage test);
- 100 percent (1 of 1) of the buildings in the proposed District contain code deficiencies exceeding the 15 percent threshold;
- at least 50 percent of the buildings are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance, exceeding the more than 50 percent substandard test; and
- The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.

(2) The proposed redevelopment, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

**Factual basis:**

*Proposed development not expected to occur:*

The proposed project consists of the redevelopment of property within the City that consists of blighted property found to be substandard and will be demolished following establishment of the district. The City has identified significant and extraordinary costs including acquisition, site development/improvement, demolition, utilities, parking and other redevelopment costs associated with redevelopment of the project site in conjunction with new development. The estimated total redevelopment costs for this property make the total cost of this effort significantly higher than costs reasonably incurred for similar developments on a clean site. The City's finding that the proposed redevelopment would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the proforma and other materials submitted by the developer.

*No higher market value expected:*

If the proposed redevelopment did not go forward, for the same reasons described above, no significant alternative redevelopment of the proposed TIF area would occur. The existing

buildings are currently substandard and it is highly unlikely that the improvements would be made on the property site without tax increment financing. In short, there is no basis for expectation that the area would redevelop or be renovated in any significant way purely by private action without public subsidy.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

- a. The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is anywhere from \$0 to some modest amount based on small scale renovation or redevelopment that could be possible without assistance; any estimated values would be too speculative to ascertain.
- b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value from Phase 1 would be approximately \$12,202,747. The total increase in market value from Phase 2 would be **\$30,617,811**, including the value of the building (See Exhibits V & X).
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$2,042,443 for Phase 1 and **\$3,846,727** for Phase 2 (See Exhibits V & X).
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$10,160,304 for Phase 1 and **\$26,771,084** for Phase 2 (the amount in clause b less the amount in clause c) without tax increment assistance.

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

**Factual basis:**

The anticipated redevelopment of the project site and any subsequent demolition, reconstruction, or renovation related to the project will remain consistent with the City's design goals. The Development proposed to occur within the TIF District will afford maximum opportunity for the development of the applicable parcel consistent with the needs of the City and the removal of substandard buildings. The Development will increase the taxable market valuation of the City and provide additional housing options in the City.

(4) The TIF Plan conforms to general plans for development of the City as a whole.

**Factual basis:** The City has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

## **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.

Project Costs	Original TIF Plan (Phase 1) August 16, 2021	Amendment to TIF Plan (Phase 2) July 15, 2024	Total (Combined Original and Amendment)
Land/building acquisition	\$650,000	\$0	\$650,000
Site improvements/preparation costs	\$1,600,000	\$3,300,000	\$4,900,000
Utilities	\$0	\$0	\$0
Other public improvements	\$0	\$0	\$0
Construction of affordable housing	\$0	\$0	\$0
Pooling	\$0	\$0	\$0
Administrative expenses	\$20,537	\$653,752	\$674,289
<b>Subtotal</b>	<b>\$2,270,537</b>	<b>\$3,953,752</b>	<b>\$6,224,289</b>
Interest	\$1,500,000	\$2,583,753	\$4,083,753
<b>Total</b>	<b>\$3,770,537</b>	<b>\$6,537,505</b>	<b>\$10,308,042</b>

The City anticipates using tax increment to the extent available to finance redevelopment costs of the project including primarily acquisition, site development/improvement, demolition, utilities, parking, and other TIF-eligible expenditures as deemed necessary and related to redevelopment of the project site.

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 (\$3,770,537 ~~\$10,308,042~~) is not increased. The City also reserves the right to fund any of the identified costs with any other legally available revenues but anticipates that such costs will be primarily financed with tax increments.

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

Sources of Revenue	Amount
Tax Increment revenues (original)	\$3,770,537
Tax Increment revenues (amendment)	<b>\$6,537,505</b>
	<b>\$10,308,042</b>
Interest on invested funds	
Other	
<b>Total (original)</b>	<b>\$3,770,537</b>
<b>Total (amendment)</b>	<b>\$6,537,505</b>
<b>Total (combined following amendment)</b>	<b>\$10,308,042</b>

The City anticipates capturing the tax increments from the project for financing of the identified redevelopment costs. The City will provide an amount to reimburse the developer for a portion of the extraordinary redevelopment costs. 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 the developer for public costs incurred (see Section K). The City also anticipates retaining a portion of the remaining increment to finance eligible administrative or other expenses related to the project.

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 **\$3,770,537 \$10,308,042**. The City currently plans to finance the site improvements and redevelopment costs through a pay-as-you-go note and interfund loan and reserves the right to issue bonds in any form, including without limitation additional interfund loans 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 Taxable Value of all property within the TIF District for Phase 1 as of January 2, 2020, for taxes payable in 2021, is \$624,100. The Estimated Taxable Value of all property within the TIF District as applicable for Phase 2 as of January 2, 2023, for taxes payable in 2024 is **\$189,300**. Upon establishment of the district and classification of the property as residential rental, the estimated original net tax capacity of the TIF District is estimated to be **\$7,801. \$2,366** is the property comprising Phase 2. This assumes the property is classified as residential rental. This value is also assumed to be the value of the property, including land and building, as of the date the substandard buildings occupied the parcel.

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 Local Tax Rate**

The County Auditor shall also certify the original local tax 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 local tax 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 2020 and payable in 2021 as the original tax capacity rate of the TIF District. Both of the sums of the local tax rates for taxes levied in 2020 and payable in 2021 and taxes levied in 2023 and payable in 2024 is shown below.

<u>Taxing Jurisdiction</u>	<u>2020/2021 Local Tax Rate</u>	<u>2023/2024 Local Tax Rate</u>
City of Austin	55.7550%	45.9640%
Mower County	49.0490%	33.5190%
ISD #492	28.9270%	19.6760%
Other	<u>1.0020%</u>	<u>2.2840%</u>
Total	134.733%	101.4430%

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

The City anticipates that Phase 1 of the redevelopment will be completed by December 31, 2022, creating a total tax capacity for TIF District No. 16 of \$72,851 as of January 2, 2023. Phase 2 of the redevelopment will be completed by December 31, 2025, creating an additional total tax capacity of **\$198,609** as of January 2, 2026. A complete schedule of estimated tax increment from the TIF District (Phase 1 and Phase 2) is shown in Exhibits III & VIII.

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 1.25% of the estimated taxable value and assume 3% annual increases in market values.

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 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.

Exhibits II & VII gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibits III & VIII 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. Exhibits III & VIII 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 K) and County administrative costs associated with the TIF District (see Section T);
- (2) pay principal and interest on 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 M.S. Section 469.175, Subdivision 1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

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

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, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately-owned facility for conference purposes.

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**

In 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**

At least 75% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). No more than 25% of the tax increments may be spent on costs outside of the TIF District but within the boundaries of the Project Area, except to pay debt service on credit enhanced bonds. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

- (1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- (2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- (3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- (4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

Beginning with the sixth year following certification of the TIF District, at least 75% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The City does not anticipate that tax increments will be spent outside the TIF District (including allowable administrative expenses), 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 physical development of the real property in the project;
- (3) relocation benefits paid to, or services provided for, persons residing or businesses located in the project;

- (4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or
- (5) amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clause (1) to (3).

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments 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**

Exhibits IV & IX show 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 TIF District from Phase 1 is estimated to be \$3,784,161. The total amount of tax increment that will be generated over the life of the TIF District from Phase 2 is estimated to be **\$6,561,124**. Total tax increments from the TIF District are estimated to be \$10,345,285.
2. To the extent the project in TIF District No. 16 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 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 District.

3. The amount of tax increments over the life of Phase 1 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 \$812,455. The amount of tax increments over Phase 2 that would be attributable to school district levies will be **\$1,272,603** for a total of \$2,085,058.
4. The amount of tax increments over the life of Phase 1 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 \$1,377,609. The amount of tax increments over Phase 2 that would be attributable to county levies will be **\$2,167,940** for a total of \$3,545,549.
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 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 redevelopment district, more than 25% 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 the developer, 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 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.

## **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; a determination to capitalize interest on the debt if that determination was not part of the original TIF Plan; increase in the portion of the captured net tax capacity to be retained by the City; increase in the total estimated public costs; or designation of 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 Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District and shall request that the County 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 the 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 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 file the TIF Plan, and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The City will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.

**Map of  
Tax Increment Financing (Redevelopment) District No. 16  
within Municipal Development District No. 1  
(no change in boundaries with amendment)**



**Original TIF Plan****Assumptions Report**

**City of Austin**  
**Tax Increment Financing (Redevelopment) District 16**  
**YMCA Redevelopment with 91 Housing Units**  
**Final TIF Plan Exhibits: \$5,828,100 TMV for 91 units**

Type of Tax Increment Financing District	Redevelopment
Maximum Duration of TIF District	25 years from 1st increment
	Assume 1st Increment is 2024
Projected Certification Request Date	06/30/22
Decertification Date	12/31/49 (26 Years of Increment)

2022/2023

Base Estimated Market Value*	624,100
Parcel ID:	34.865.0541
	34.460.1040
	34.865.0610
	34.579.0010

\* Values provided by the Mower County Auditor's office.

Original Net Tax Capacity	7,801
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Assessment/Collection Year

	2022/2023	2023/2024	2024/2025	2025/2026
Base Estimated Market Value	\$624,100	\$624,100	\$624,100	\$624,100
Estimated Increase in Value - New Construction	0	5,828,100	6,002,943	6,183,031
Total Estimated Market Value	624,100	6,452,200	6,627,043	6,807,131
Total Net Tax Capacity	\$7,801	\$80,653	\$82,838	\$85,089

Payable 2021

City of Austin	55.7550%
Mower County	49.0490%
ISD #492	28.9270%
Other	1.0020%

Local Tax Capacity Rate	134.7330%
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Estimated Frozen Tax Capacity Rate	134.733%
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2023/2024

Fiscal Disparities Contribution From TIF District	NA
Administrative Retainage Percent (maximum = 10%)	0.00%
Pooling Percent	21.00%

<u>Bonds</u>		<u>Projected Loan Repayment</u>
Bonds Dated	TBD	Loan Dated 02/01/22
Bond Issue @ 0.00% (NIC)	TBD	Loan Rate 4.00%
Eligible Project Costs	TBD	Loan Amount \$1,600,000

Present Value Date & Rate	02/01/22	4.00% PV Amount	\$1,592,034
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**Notes**

Assumes no changes to future class rates and tax rates  
Includes 3% annual market value inflator to allow for future growth  
Total taxable value based on information provided by the City Assessor

## Projected Tax Increment Report

**City of Austin**

**Tax Increment Financing (Redevelopment) District 16**

**YMCA Redevelopment with 91 Housing Units**

**Final TIF Plan Exhibits: \$5,828,100 TMV for 91 units**

Annual Period Ending	Total Market Value <sup>(1)</sup>	Total Net Tax Capacity <sup>(2)</sup>	Less: Original Net Tax Capacity <sup>(3)</sup>	Retained Captured Net Tax Capacity	Times: Tax Capacity Rate <sup>(4)</sup>	Annual Gross Tax Increment	Less: State Aud. Deduction 0.360%	Subtotal Net Tax Increment	Less: Admin. Retainage 0.00%	Less: City Retainage 21.00%	Annual Net Revenue	P.V. Annual Net Rev. To 02/01/22
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9)	(10)	(11)	4.00%
12/31/22	624,100	7,801	7,801	0	134.733%	0	0	0	0	0	0	0
12/31/23	624,100	7,801	7,801	0	134.733%	0	0	0	0	0	0	0
12/31/24	6,452,200	80,653	7,801	72,851	134.733%	98,155	353	97,802	0	20,538	77,264	68,912
12/31/25	6,627,043	82,838	7,801	75,037	134.733%	101,099	364	100,735	0	21,154	79,581	* 68,249
12/31/26	6,807,131	85,089	7,801	77,288	134.733%	104,132	375	103,757	0	21,789	81,968	67,592
12/31/27	6,992,622	87,408	7,801	79,607	134.733%	107,256	386	106,870	0	22,443	84,427	66,942
12/31/28	7,183,678	89,796	7,801	81,995	134.733%	110,474	398	110,076	0	23,116	86,960	66,299
12/31/29	7,380,465	92,256	7,801	84,455	134.733%	113,788	410	113,378	0	23,809	89,569	65,661
12/31/30	7,583,156	94,789	7,801	86,988	134.733%	117,202	422	116,780	0	24,524	92,256	65,030
12/31/31	7,791,928	97,399	7,801	89,598	134.733%	120,718	435	120,283	0	25,259	95,024	64,405
12/31/32	8,006,963	100,087	7,801	92,286	134.733%	124,339	448	123,891	0	26,017	97,874	63,785
12/31/33	8,228,449	102,856	7,801	95,054	134.733%	128,070	461	127,609	0	26,798	100,811	63,172
12/31/34	8,456,579	105,707	7,801	97,906	134.733%	131,912	475	131,437	0	27,602	103,835	62,565
12/31/35	8,691,553	108,644	7,801	100,843	134.733%	135,869	489	135,380	0	28,430	106,950	61,963
12/31/36	8,933,577	111,670	7,801	103,868	134.733%	139,945	504	139,441	0	29,283	110,158	61,367
12/31/37	9,182,861	114,786	7,801	106,985	134.733%	144,143	519	143,624	0	30,161	113,463	60,777
12/31/38	9,439,624	117,995	7,801	110,194	134.733%	148,468	534	147,934	0	31,066	116,868	60,193
12/31/39	9,704,090	121,301	7,801	113,500	134.733%	152,922	551	152,371	0	31,998	120,373	59,614
12/31/40	9,976,490	124,706	7,801	116,905	134.733%	157,509	567	156,942	0	32,958	123,984	59,041
12/31/41	10,257,061	128,213	7,801	120,412	134.733%	162,235	584	161,651	0	33,947	127,704	58,473
12/31/42	10,546,050	131,826	7,801	124,024	134.733%	167,102	602	166,500	0	34,965	131,535	57,911
12/31/43	10,843,709	135,546	7,801	127,745	134.733%	172,115	620	171,495	0	36,014	135,481	57,354
12/31/44	11,150,297	139,379	7,801	131,577	134.733%	177,278	638	176,640	0	37,094	139,546	56,803
12/31/45	11,466,083	143,326	7,801	135,525	134.733%	182,597	657	181,940	0	38,207	143,733	56,257
12/31/46	11,791,342	147,392	7,801	139,591	134.733%	188,074	677	187,397	0	39,353	148,044	55,716
12/31/47	12,126,360	151,579	7,801	143,778	134.733%	193,717	697	193,020	0	40,534	152,486	55,180
12/31/48	12,471,427	155,893	7,801	148,092	134.733%	199,528	718	198,810	0	41,750	157,060	54,649
12/31/49	12,826,847	160,336	7,801	152,534	134.733%	205,514	740	204,774	0	43,003	161,771	54,124
						\$3,784,161	\$13,624	\$3,770,537	\$0	\$791,812	\$2,978,725	\$1,592,034

\* election to delay receipt of first increment until up to 2024 (up to 4 years from approval date)

(1) Total estimated market value based on information provided by the City Assessor

preliminary and subject to further review. Includes 3% annual market value inflator.

(2) Total net tax capacity based on residential rental class rate of 1.25%.

(3) Original net tax capacity based on 2020/2021 existing property value .

(4) Total local combined tax rate available for taxes payable 2021.

## Estimated Impact on Other Taxing Jurisdictions Report

### City of Austin

### Tax Increment Financing (Redevelopment) District 16

### YMCA Redevelopment with 91 Housing Units

Final TIF Plan Exhibits: \$5,828,100 TMV for 91 units

Taxing Jurisdiction	Without Project or TIF District			With Project and TIF District					
	2020/2021		2020/2021 Local Tax Rate	Projected		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. (*)
	Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity (1)		+	=				
City of Austin	152,822,954	55.755%	152,822,954	\$152,534		152,975,488	55.699%	0.056%	84,961
Mower County	1,941,694,561	49.049%	1,941,694,561	152,534		1,941,847,095	49.045%	0.004%	74,811
ISD #492	150,873,003	28.927%	150,873,003	152,534		151,025,537	28.898%	0.029%	44,079
Other (2)	---	1.002%	---	152,534		---	1.002%	---	---
Totals		134.733%					134.644%	0.089%	

\* **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 0.089% (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 has not been calculated. They represent 0.74% of the total tax rate.

**Market Value Analysis Report**

**City of Austin**  
**Tax Increment Financing (Redevelopment) District 16**  
**YMCA Redevelopment with 91 Housing Units**  
**Final TIF Plan Exhibits: \$5,828,100 TMV for 91 units**

<u>Assumptions</u>			
	Present Value Date	02/01/22	
	P.V. Rate - Gross T.I.	4.00%	
Increase in EMV With TIF District		\$12,202,747	
Less: P.V of Gross Tax Increment		<u>2,042,443</u>	
Subtotal		\$10,160,304	
Less: Increase in EMV Without TIF		<u>0</u>	
Difference		\$10,160,304	
Year	Annual Gross Tax Increment	Present Value @ 4.00%	
1	98,155	88,408	
2	101,099	87,557	
3	104,132	86,715	
4	107,256	85,881	
5	110,474	85,056	
6	113,788	84,238	
7	117,202	83,428	
8	120,718	82,626	
9	124,339	81,831	
10	128,070	81,045	
11	131,912	80,265	
12	135,869	79,493	
13	139,945	78,729	
14	144,143	77,972	
15	148,468	77,223	
16	152,922	76,480	
17	157,509	75,744	
18	162,235	75,016	
19	167,102	74,295	
20	172,115	73,581	
21	177,278	72,873	
22	182,597	72,172	
23	188,074	71,478	
24	193,717	70,791	
25	199,528	70,110	
26	205,514	69,436	
	\$3,784,161	\$2,042,443	

## Amendment to TIF Plan

### Assumptions Report

#### City of Austin

#### Amendment to Tax Increment Financing (Redevelopment) District 16

#### Mill on Main Phase 2 (Stencil Group II LLC)

#### Draft TIF Revenues based on \$16,078,000 TMV for 103 units

Type of Tax Increment Financing District

Redevelopment

Maximum Duration of TIF District

22 years from 1st increment

Assume 1st Increment is 2027

Projected Certification Request Date

06/30/25

Decertification Date

12/31/49 (23 Years of Increment)

Parcel ID:	Base Estimated Market Value*	2023/2024	
		Phase 1	Original TIF Plan
34.865.0541			
34.460.1040		Phase 1	
34.865.0610		Phase 1	
34.579.0010	189,300	Phase 2	Amendment to TIF Plan

\* Values provided by the Mower County Auditor's office.

Original Net Tax (Phase 2 amendment only) 2,366

	Assessment/Collection Year			
	2025/2026	2026/2027	2027/2028	2028/2029
Base Estimated Market Value	\$189,300	\$189,300	\$189,300	\$189,300
Estimated Increase in Value - New Construction	0	15,888,700	16,371,040	16,867,850
Total Estimated Market Value	189,300	16,078,000	16,560,340	17,057,150
Total Net Tax Capacity	\$2,366	\$200,975	\$207,004	\$213,214

City of Austin Mower County ISD #492 Other	Payable 2024
	45.9640%
	33.5190%
	19.6760%
	2.2840%
Local Tax Capacity Rate	
101.4430%	
Estimated Frozen Tax Capacity Rate	
130.384%	

Fiscal Disparities Contribution From TIF District Administrative Retainage Percent (maximum = 10%) Pooling Percent	2026/2027	
	NA	
	10.00%	0.00%
Bonds Bonds Dated Bond Issue @ 0.00% (NIC) Eligible Project Costs	TBD	Projected Loan Repayment Loan Dated 06/30/25 Loan Rate 4.00% Loan Amount \$3,300,000

Present Value Date & Rate	08/01/25	4.00% PV Amount	\$3,483,961
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#### Notes

Assumes no changes to future class rates and tax rates

Includes 3% annual market value inflator to allow for future growth

Total taxable value based on information provided by the County Assessor

**Projected Tax Increment Report**

**City of Austin**

**Amendment to Tax Increment Financing (Redevelopment) District 16**

**Mill on Main Phase 2 (Stencil Group II LLC)**

**Draft TIF Revenues based on \$16,078,000 TMV for 103 units**

Annual Period Ending	Total Market Value <sup>(1)</sup>	Total Net Tax Capacity <sup>(2)</sup>	Less: Original Net Tax Capacity <sup>(3)</sup>	Retained Captured Net Tax Capacity <sup>(5)</sup>	Times: Tax Capacity Rate <sup>(4)</sup>	Annual Gross Tax Increment <sup>(7)</sup>	Less: State Aud. Deduction 0.360%	Subtotal Net Tax Increment <sup>(9)</sup>	Less: Adm./Pooling Retainage 10.00%	Less: Admin. Retainage 0.00%	Annual Net Revenue <sup>(11)</sup>	P.V. Annual Net Rev. To 08/01/25 4.00%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9)	(10)	(11)	
12/31/25	189,300	2,366	2,366	0	101.443%	0	0	0	0	0	0	0
12/31/26	189,300	2,366	2,366	0	101.443%	0	0	0	0	0	0	0
12/31/27	16,078,000	200,975	2,366	198,609	101.443%	201,475	725	200,750	20,075	0	180,675	167,609
12/31/28	16,560,340	207,004	2,366	204,638	101.443%	207,591	747	206,844	20,684	0	186,160	* 166,055
12/31/29	17,057,150	213,214	2,366	210,848	101.443%	213,891	770	213,121	21,312	0	191,809	164,514
12/31/30	17,568,865	219,611	2,366	217,245	101.443%	220,379	793	219,586	21,959	0	197,627	162,985
12/31/31	18,095,931	226,199	2,366	223,833	101.443%	227,063	817	226,246	22,625	0	203,621	161,469
12/31/32	18,638,809	232,985	2,366	230,619	101.443%	233,947	842	233,105	23,311	0	209,794	159,966
12/31/33	19,197,973	239,975	2,366	237,608	101.443%	241,037	868	240,169	24,017	0	216,152	158,474
12/31/34	19,773,912	247,174	2,366	244,808	101.443%	248,340	894	247,446	24,745	0	222,701	156,996
12/31/35	20,367,129	254,589	2,366	252,223	101.443%	255,862	921	254,941	25,494	0	229,447	155,531
12/31/36	20,978,143	262,227	2,366	259,861	101.443%	263,610	949	262,661	26,266	0	236,395	154,077
12/31/37	21,607,488	270,094	2,366	267,727	101.443%	271,591	978	270,613	27,061	0	243,552	152,636
12/31/38	22,255,712	278,196	2,366	275,830	101.443%	279,810	1,007	278,803	27,880	0	250,923	151,208
12/31/39	22,923,384	286,542	2,366	284,176	101.443%	288,277	1,038	287,239	28,724	0	258,515	149,791
12/31/40	23,611,085	295,139	2,366	292,772	101.443%	296,997	1,069	295,928	29,593	0	266,335	148,387
12/31/41	24,319,418	303,993	2,366	301,626	101.443%	305,979	1,102	304,877	30,488	0	274,389	146,994
12/31/42	25,049,000	313,113	2,366	310,746	101.443%	315,230	1,135	314,095	31,410	0	282,685	145,614
12/31/43	25,800,470	322,506	2,366	320,140	101.443%	324,759	1,169	323,590	32,359	0	291,231	144,246
12/31/44	26,574,484	332,181	2,366	329,815	101.443%	334,574	1,204	333,370	33,337	0	300,033	142,890
12/31/45	27,371,719	342,146	2,366	339,780	101.443%	344,683	1,241	343,442	34,344	0	309,098	141,546
12/31/46	28,192,870	352,411	2,366	350,045	101.443%	355,096	1,278	353,818	35,382	0	318,436	140,213
12/31/47	29,038,656	362,983	2,366	360,617	101.443%	365,821	1,317	364,504	36,450	0	328,054	138,892
12/31/48	29,909,816	373,873	2,366	371,506	101.443%	376,867	1,357	375,510	37,551	0	337,959	137,583
12/31/49	30,807,111	385,089	2,366	382,723	101.443%	388,245	1,398	386,847	38,685	0	348,162	136,285
						\$6,561,124	\$23,619	\$6,537,505	\$653,752	\$0	\$5,883,753	\$3,483,961

(1) Total estimated market value based on information provided by the City Assessor  
preliminary and subject to further review. Includes 3% annual market value inflator.

(2) Total net tax capacity based on residential rental class rate of 1.25%.

(3) Original net tax capacity based on 2023/2024 existing property value .

(4) Total local combined tax rate available for taxes payable 2024.

## Estimated Impact on Other Taxing Jurisdictions Report

## City of Austin

## Amendment to Tax Increment Financing (Redevelopment) District 16

## Mill on Main Phase 2 (Stencil Group II LLC)

Draft TIF Revenues based on \$16,078,000 TMV for 103 units

Taxing Jurisdiction	Without Project or TIF District			With Project and TIF District					
	2023/2024 Taxable Net Tax Capacity (1)	2023/2024 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	19,041,079	45.964%	19,041,079	\$382,723	19,423,802	45.058%	0.906%	172,448	
Mower County	72,377,688	33.519%	72,377,688	382,723	72,760,411	33.343%	0.176%	127,610	
ISD #492	28,971,095	19.676%	28,971,095	382,723	29,353,818	19.419%	0.257%	74,323	
Other (2)	---	2.284%	---	382,723	---	2.284%	---	---	---
Totals		101.443%				100.104%	1.339%		

\* **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 1.339% (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 has not been calculated. They represent 2.25% of the total tax rate.

**Market Value Analysis Report****City of Austin****Amendment to Tax Increment Financing (Redevelopment) District 16****Mill on Main Phase 2 (Stencil Group II LLC)****Draft TIF Revenues based on \$16,078,000 TMV for 103 units**

<u>Assumptions</u>			
Present Value Date			08/01/25
P.V. Rate - Gross T.I.			4.00%
Increase in EMV With TIF District			\$30,617,811
Less: P.V of Gross Tax Increment			<u>3,846,727</u>
Subtotal			\$26,771,084
Less: Increase in EMV Without TIF			<u>0</u>
Difference			\$26,771,084
	Year	Annual Gross Tax Increment	Present Value @ 4.00%
1	2027	201,475	185,061
2	2028	207,591	183,345
3	2029	213,891	181,644
4	2030	220,379	179,955
5	2031	227,063	178,282
6	2032	233,947	176,622
7	2033	241,037	174,976
8	2034	248,340	173,344
9	2035	255,862	171,725
10	2036	263,610	170,120
11	2037	271,591	168,530
12	2038	279,810	166,952
13	2039	288,277	165,388
14	2040	296,997	163,837
15	2041	305,979	162,300
16	2042	315,230	160,776
17	2043	324,759	159,266
18	2044	334,574	157,768
19	2045	344,683	156,284
20	2046	355,096	154,813
21	2047	365,821	153,354
22	2048	376,867	151,909
23	2049	388,245	150,476
		\$6,561,124	\$3,846,727

**Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment  
Financing District as a Redevelopment District**

**EXHIBIT E**

**FORM OF LIMITED TAX INCREMENT REVENUE NOTE**

No. R-\_\_\_\_\_

**\$1,600,000**

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
CITY OF AUSTIN**

**LIMITED REVENUE TAXABLE TAX INCREMENT NOTE  
(MILL ON MAIN APARTMENT PROJECT)**

**PRINCIPAL AMOUNT: \$1,600,000**

**INTEREST RATE: 4.0%**

The City of Austin, Minnesota (the "City") for value received, promises to pay, but solely from the source, to the extent and in the manner hereinafter provided, to Mill on Main, LLC, or its registered assigns (the "Owner"), the principal sum of one million six hundred thousand dollars (\$1,600,000), in semi-annual installments payable beginning August 1, 2024, and on each February 1 and August 1 thereafter up to and including February 1, 2050 (each being a "Scheduled Payment Date"), together with interest on the outstanding and unpaid principal balance of this Limited Tax Increment Revenue Note (Mill on Main Apartment Project) (this "Note") at the rate of 4.0% per annum. Installment payments shall be applied first to interest and then to a reduction of outstanding principal. Interest on the outstanding balance of this Note shall accrue from the date hereof and shall be added to the principal amount on each February 1 and August 1 installment payment date unless paid on such date. Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at the postal address within the United States designated from time to time by the Owner.

This Note is subject to prepayment on any Scheduled Payment Date at the option of the City, in whole or in part, upon payment to the Owner of the principal amount of the Note to be prepaid, without premium or penalty.

This Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including M.S., Sections 469.174 through 469.1794. This Note is issued pursuant to the provisions of that certain Redevelopment Agreement, dated as of October 20, 2022, as the same may be amended from time to time (the "Redevelopment Agreement"), between the City and the Owner.

**THIS NOTE IS NOT PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER  
THAN PLEDGED TAX INCREMENT, AS DEFINED BELOW.**

The Note Payment Amounts due hereon shall be payable solely from a portion of the tax increments, less the City's administrative fee of ten percent (10%), less the percentage retained by the City for other City purposes (11%) from the Development Property within the City's Tax Increment Financing (Redevelopment) District No. 16 (the "Tax Increment District") within its Municipal Development District No. 1, which are paid to the City and which the City is entitled to retain pursuant to the provisions of M.S., Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Available Tax Increment"). The City makes no representation or covenant, express or implied, that the Available Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City shall pay to the Owner on each Scheduled Payment Date all Available Tax Increment on that date to the extent necessary to pay principal and interest then due and any past due installment. To the extent that the City is unable to pay the total principal and interest due on this Note at or prior to the February 1, 2050, maturity date hereof as a result of its having received as of such date insufficient Available Tax Increment, such failure shall not constitute a default under this Note and the City shall have no further obligation hereon.

This Note shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except the Available Tax Increment, and then only to the extent and in the manner herein specified.

The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any council member, officer, employee or agent of the City, nor any person executing or registering this Note shall be personally liable hereon by reason of the issuance or registration hereof or otherwise. The Owner may assign its rights hereunder, with notice thereof provided to City, in accordance with the associated TIF Agreement.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

**IN WITNESS WHEREOF**, the City of Austin has caused this Note to be executed by the manual signatures of the Mayor and the City Recorder and has caused this Note to be dated as of October 20, 2022.

Mayor

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## City Recorder

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

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

**RESOLUTION ADOPTING AN AMENDMENT TO THE TAX INCREMENT  
FINANCING PLAN FOR TAX INCREMENT FINANCING  
(REDEVELOPMENT) DISTRICT NO. 16 IN MUNICIPAL DEVELOPMENT  
DISTRICT NO. 1.**

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 Council of the City of Austin (the “City”) has heretofore established Municipal Development District No. 1 (the “Development District”) and adopted the Development Program therefor. The City has previously established Tax Increment Financing (Redevelopment) District No. 16 (the “District”) in the Development District and adopted a Tax Increment Financing Plan (the “Original Plan”) therefor; all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended (the “Act”).

1.02. It has been proposed that the City adopt an amendment to the Plan to (i) increase the amount of bonded indebtedness to be incurred, increase the portion of the captured net tax capacity to be retained by the City, and increase the estimated cost of the project financed with tax increment from the District (the “Plan Amendment,” and together with the Original Plan, the “Plan.”).

1.03. The Plan Amendment relates to the second phase of the redevelopment of the YMCA site in the City of Austin by Stencil Group II LLC. The first phase included demolition of the existing property and subsequent construction of approximately 91 rental-housing units. The second phase will include construction of a new building on the parking lot with approximately 103 new rental-housing units.

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

1.05. 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 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 Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.06. Certain written reports (the “Reports”) relating to the 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 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.

1.07 The City is not modifying the boundaries of the Development District or the District.

Section 2. Public Purpose; Findings

2.01. The adoption of the 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 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.

2.02. The City's reasons and facts supporting the findings for the adoption of the Plan Amendment, as required pursuant to Minnesota Statutes, Section 469.175, Subdivisions 3 and 4, are included in Exhibit A attached hereto and such reasons and facts are incorporated herein.

Section 5. Approval and Adoption of the Plan

5.01. The 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.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the 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.

5.03 The Auditor of Mower County is requested to certify the original net tax capacity of the District, as described in the Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of Austin 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.

5.04. The City Administrator is further authorized and directed to file a copy of the 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.

Passed by a vote of yeas and nays this 15th day of July, 2024.

Yea

Nay

ATTEST:

APPROVED

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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 amendment to the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing (Redevelopment) District No. 16 (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that the District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10(a)(1).*

The City hired LHB to inspect and evaluate the property within the proposed Tax Increment Financing District No. 16 to be established by the City. The purpose of the evaluation was to determine if the proposed district met the statutory requirements for coverage and if the buildings met the qualifications required for a Redevelopment District.

A final report will be prepared for the City to retain on file in City offices for public inspection. The report contains the details of the findings summarized below regarding the substandard qualifications:

- The TIF District consists of parcels that are occupied with 100 percent of the area of the proposed TIF District occupied (exceeding the 70 percent coverage test);
- 100 percent (1 of 1) of the buildings in the proposed District contain code deficiencies exceeding the 15 percent threshold;
- at least 50 percent of the buildings are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance, exceeding the more than 50 percent substandard test; and
- The substandard buildings are reasonably distributed throughout the geographic area of the proposed 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 and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

*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 project consists of the redevelopment of property within the City that consists of blighted property found to be substandard and will be demolished following establishment of the district. The City has identified significant and extraordinary costs including acquisition, site development/improvement, demolition, utilities, parking and other redevelopment costs associated with redevelopment of the project site in conjunction with new development. The estimated total redevelopment costs for this property make the total cost of this effort significantly higher than costs reasonably incurred for similar developments on a clean site. The City's finding that the proposed redevelopment would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the proforma and other materials submitted by the developer.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan:*

If the proposed redevelopment did not go forward, for the same reasons described above, no significant alternative redevelopment of the proposed TIF area would occur. The existing buildings are currently substandard and it is highly unlikely that the improvements would be made on the property site without tax increment financing. In short, there is no basis for expectation that the area would redevelop or be renovated in any significant way purely by private action without public subsidy.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

- (a) The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is anywhere from \$0 to some modest amount based on small scale renovation or redevelopment that could be possible without assistance; any estimated values would be too speculative to ascertain.
- (b) If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value from Phase 1 would be approximately \$12,202,747. The total increase in market value from Phase 2 would be \$30,617,811, including the value of the building (See Exhibit V & X to TIF Plan).
- (c) The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$2,042,443 for Phase 1 and \$3,846,727 for Phase 2 (See Exhibit V & X to TIF Plan).
- (d) Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$10,160,304 for Phase 1 and \$26,771,084 for Phase 2 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

4. *Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Municipal Development District No. 1 by private enterprise.*

The anticipated redevelopment of the project site and any subsequent demolition, reconstruction, or renovation related to the project will remain consistent with the City's design goals. The Development proposed to occur within the TIF District will afford maximum opportunity for the development of the applicable parcel consistent with the needs of the City and the removal of substandard buildings. The Development will increase the taxable market valuation of the City and provide additional housing options in the City.

**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF AUSTIN, MINNESOTA  
REPEALING CITY SPECIAL ORDINANCES 611 & 692 REGARDING THE GRANT  
OF CABLE TELEVISION FRANCHISES**

The Council of the City of Austin ordains:

Section 1. Austin City Special Ordinance Table 10 Franchise Agreements, Ordinance 611 relating to the grant of a cable television franchise to Jaguar Communications is hereby repealed in its entirety.

Section 2. Austin City Special Ordinances Table 10 Franchise Agreements, Ordinance 692 relating to the grant of a cable television franchise to CMN-RUS, LLC (formerly CMS-RUS, Inc, dba MetroNet) is hereby repealed in its entirety.

Passed by the City Council of the City of Austin, Minnesota by a vote of yeas and nays this 15th day of July, 2024.

YEAS

NAYS

APPROVED:

---

Mayor

ATTEST:

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City Recorder

This ordinance was introduced on July \_\_\_\_, 2024; approved on July \_\_\_\_, 2024; was published in the Austin Daily Herald on July \_\_\_\_, 2024; and becomes effective July \_\_\_\_, 2024.

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_ 2024, by the City of Austin, Minnesota ("City"), Jaguar Communications, LLC (formerly Jaguar Communications, Inc., hereinafter "Jaguar") and CMN-RUS, LLC (formerly CMN-RUS, Inc., hereinafter "MetroNet"). The City and MetroNet shall sometimes be referred to herein individually as a "Party" or collectively as the "Parties."

### RECITALS

1. On June 16, 2014, the City adopted Ordinance No. 611 granting a limited area franchise to Jaguar ("Jaguar Franchise").
2. On May 18, 2020, the City adopted Resolution No. 16066 approving the change of control of Jaguar to MetroNet Holdings, LLC.
3. The City granted Cable Television Franchise Ordinance No. 692 ("MetroNet Franchise") to MetroNet on June 21, 2021.
4. On June 14, 2021, the City and MetroNet entered into an Indefeasible Right of Use Agreement ("IRU Agreement") which provides for dedicated dark fiber connections to be constructed by MetroNet to specified City locations in exchange for the City's waiver of certain construction permit fees.
5. The MetroNet Franchise is set to expire on or about August 4, 2031 ("Expiration Date").
6. The MetroNet Franchise anticipated construction of a cable system to provide cable service that would serve approximately ninety percent (90%) of the City within twenty-eight (28) months from the commencement of construction.
7. The City and MetroNet entered into a Memorandum of Understanding dated November 2, 2023 regarding construction work in the City ("Memorandum"). The Memorandum outlined ten (10) specific steps MetroNet will undertake with respect to further construction in the City.
8. MetroNet has notified the City that due to market conditions it no longer plans to provide cable service within the City, however, MetroNet still desires to install facilities within the City to provide broadband services and MetroNet desires to maintain the IRU Agreement.
9. MetroNet has requested that the City agree to terminate the MetroNet Franchise and the Jaguar Franchise, and the City is not opposed subject to certain conditions.
10. The City and MetroNet desire to maintain the IRU Agreement subject to clarification regarding the term of the IRU Agreement as set forth herein.

**NOW, THEREFORE**, in consideration of the terms, conditions, covenants, considerations, and mutual promises contained herein and other good and valuable mutual consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound, the Parties agree as follows:

## **AGREEMENT**

1. **FRANCHISE TERMINATION DATE.** The Parties hereby agree to terminate the MetroNet Franchise and the Jaguar Franchise effective \_\_\_\_\_, 2024.

2. **REMOVAL OF FACILITIES.**

a. Pursuant to the Jaguar Franchise and the MetroNet Franchise, MetroNet agrees to remove any cables, wires and appliances from publicly dedicated Streets, alleys or utility easements within the City associated solely with the provision of cable service.

b. MetroNet agrees to restore affected sites to their original condition consistent with all City Code requirements.

c. Nothing herein shall be construed to waive any rights that the City may have with respect to the enforcement of City Code obligations on any MetroNet facilities that remain in the City's streets. Such enforcement rights shall extend to facilities owned by any affiliates of MetroNet. MetroNet agrees to compensate the City for any damages resulting from the discontinued use or abandonment of the cable system, including all costs which the City may incur to remove any abandoned portion of the cable system from the streets.

3. **CONTACT.** MetroNet will provide a phone number and e-mail address for a technical employee who may be contacted for technical questions or issues or to request removal of abandoned or unused MetroNet property.

4. **INSURANCE.** MetroNet agrees to maintain the policies of insurance, pursuant to the terms outlined in Section 22.5 of the MetroNet Franchise, through August 4, 2031.

5. **MAPS.** Within thirty (30) days of the date of adoption of this Agreement, MetroNet shall provide to the City maps showing the location of all existing facilities in the City pursuant to Section 7.08 of the City Code.

6. **PERMITS.** Except as otherwise specified in the IRU Agreement, MetroNet agrees to comply with all permitting obligations and applicable fees applied to right-of-way users pursuant to the City Code. MetroNet agrees to comply with the City Code with respect to any future construction for telecommunications or broadband facilities.

7. **IRU AGREEMENT.** Section 3 of the IRU Agreement shall be deleted in its entirety and replaced with the following:

This Agreement shall expire on August 4, 2036. The City shall have the unilateral right to trigger a renewal term for fifteen (15) years for the continuation of the exclusive use and access to the City Fibers which shall be provided free of charge to the City. The Parties agree that the obligations under the IRU Agreement shall not extend beyond the Useful Life of the City Fibers. "Useful Life", as used in this Section, refers to the period that begins on the installation date of the City Fibers and continues until the date when the City Fibers become technically unusable along a substantial portion of the segments described in Exhibit A due to normal wear over an extended period of time.

8. **POLE ATTACHMENTS.** MetroNet shall continue to comply with the December 10, 2020 Pole Attachment Agreement between MetroNet Fibernet, LLC, and Austin Utilities.

9. **COMPLIANCE WITH MEMORANDUM.** MetroNet shall comply with the agreement set forth in the Memorandum until such time as the City determines, in its sole reasonable discretion, that MetroNet has satisfied the steps MetroNet agreed to undertake with respect to further construction in the City.

10. **UNPAID FRANCHISE FEES AND PEG FEES.** MetroNet shall, within thirty (30) days of the date of adoption of this Agreement, provide payment to the City for unpaid franchise fees and PEG fees collected from its subscribers in the City as set forth in the MetroNet Franchise and the Jaguar Franchise, together with and applicable interest or late fees, in the amount of Fifteen Thousand Five Hundred and No/100 Dollars (\$15,500).

11. **FEES AND COSTS.** MetroNet shall, within thirty (30) days of the date of adoption of this Agreement, fully reimburse the City Twenty-five Thousand and No/100 Dollars (\$25,000.00) for City's reasonable costs and expenses in connection with this Settlement Agreement.

12. **VOLUNTARY AGREEMENT.** This Agreement is freely and voluntarily executed by each Party, without any duress or coercion, and after each Party has consulted with its counsel. Each Party has carefully and completely read all the terms and provisions of this Agreement.

13. **BINDING EFFECT.** This Agreement will inure to the benefit of and be binding upon the Parties and respective successors and assigns. The Parties for themselves and their respective successors, assigns agree to join in or execute any instruments and to do any other act or thing necessary or proper to carry into effect this or any part of this Agreement.

14. **GOVERNING LAW.** This Agreement, and any controversies arising hereunder, shall be interpreted and adjudicated in accordance with the laws of the State of Minnesota, whose courts shall have exclusive jurisdiction thereof.

15. **ENTIRE AGREEMENT.** This Agreement represents the entire understanding and agreement between the parties as to the subject matter hereof and may be modified or waived only by a separate writing.

16. **HEADINGS.** All headings are herein provided for the convenience of reference only and do not affect the meaning or interpretation of this Agreement.

17. **COUNTERPARTS.** This Agreement may be executed electronically and in counterparts, each of which is an original and all of which together constitute one and the same document.

18. **COPIES.** PDF copies of the executed Agreement may be treated as original documents.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as their free and voluntary acts and deeds, effective as of the date first above written.

**CITY OF AUSTIN, MN**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CMN-RUS, LLC**

By: John Campbell  
John Campbell (Jun 24, 2024 14:32 CDT)  
John Campbell

Its: EVP & General Counsel

**JAGUAR COMMUNICATIONS, LLC**

By: John Campbell  
John Campbell (Jun 24, 2024 14:32 CDT)  
John Campbell

Its: EVP & General Counsel

## MEMORANDUM

To: Craig Clark  
From: Brian Grogan  
Date: June 25, 2024  
Re: Settlement Agreement - MetroNet

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MetroNet has notified the City of Austin, Minnesota ("City") that due to changing market conditions, MetroNet no longer seeks to provide cable/video services in the City. MetroNet has therefore requested termination of Cable Television Franchise Ordinance No. 692, adopted by the City on June 21, 2021; as well as Cable Television Franchise Ordinance No. 611 granting a limited area franchise to Jaguar, adopted by the City on June 16, 2014 ("Cable Franchises").

MetroNet has stated that while it seeks to terminate the Cable Franchises, MetroNet intends to continue to provide broadband service within the City. The provision of broadband service in the City does not currently require franchise authorization. Rather, MetroNet would be required to comply with applicable City Code provisions related to right-of-way construction.

Settlement Agreement Terms:

The City and MetroNet are also parties to an Indefeasible Right of Use Agreement ("IRU Agreement") dated June 14, 2021, which provides for dedicated dark fiber connections to be constructed by MetroNet to specified City locations and provided to the City free of charge. As consideration for the termination of the Cable Franchises MetroNet has agreed to comply with the IRU Agreement which shall expire on August 4, 2036; however, the City shall have the option to renew the IRU Agreement for 15 years.

The City and MetroNet also entered into a Memorandum of Understanding dated November 2, 2023, regarding construction work in the City ("Memorandum"). As part of the terms of the Settlement Agreement MetroNet shall comply with the Memorandum until such time as the City determines that MetroNet has satisfied the steps outlined within the Memorandum.

MetroNet shall continue to comply with the December 10, 2020, Pole Attachment Agreement with Austin Utilities.

MetroNet has agreed to provide payment to the City for unpaid franchise fees and PEG fees collected from its subscribers in the City as set forth in the Cable Franchises, in the amount of \$15,500. MetroNet will reimburse the City \$25,000 for its reasonable costs and expenses in connection with this Settlement Agreement.

The attached Settlement Agreement has been reviewed and agreed to by City staff and MetroNet has executed the document.

Action Requested:

Approve the Settlement Agreement resulting in the termination of the Cable Franchises.

Attachment:

Settlement Agreement - MetroNet and City of Austin.

**RESOLUTION NO.**

**REQUESTING TERMINATION OF METRO FIBERNET, LLC  
CABLE/VIDEO SERVICES IN THE CITY OF AUSTIN, MINNESOTA**

WHEREAS, due to changing market conditions, MetroNet no longer seeks to provide cable/video services in the City of Austin; and

WHEREAS, Metro Fibernet, LLC has requested to termination of Cable Television Franchise Ordinance No. 692 adopted by the City of Austin on June 21, 2021 and Cable Television Franchise Ordinance No. 611 adopted by the City of Austin on June 16, 2014; and

WHEREAS, MetroNet has requested the signing of a settlement agreement to terminate services of the cable/video franchise agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Austin does grant termination of Cable Television Franchise Ordinance No. 692 and No. 611 and authorizes the signing of a settlement agreement to terminate services of the cable/video franchise agreement with MetroNet.

Passed by a vote Yeas and Nays this 15th day of July, 2024.

YEAS

NAYS

ATTEST:

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City Recorder

APPROVED:

---

Mayor

**ORDINANCE NO.**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUSTIN  
AUTORIZING THE EXECUTION OF AN AMENDMENT TO  
EXTEND THE POWER SALES CONTRACT BETWEEN  
SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY AND  
AUSTIN UTILITIES, AUSTIN MINNESOTA**

**WHEREAS**, the City of Austin (the “City”) is a municipal corporation of the State of Minnesota; and

**WHEREAS**, the City owns and operates Austin Utilities, a municipal utility, by and through its Austin Utilities Board of Commissioners;

**WHEREAS**, Austin Utilities is authorized by the provisions of the City of Austin Charter to acquire, purchase, transport, store and manage supplies of electricity necessary to meet the requirements of the residential, commercial, and industrial customers served by such utility; and

**WHEREAS**, pursuant to the Charter of the City, the Austin Utilities Board of Commissioners, has the authority to execute and deliver contracts on behalf of the City of Austin related to its purpose and function under the Charter of the City; and

**WHEREAS**, since 1981, the Southern Minnesota Municipal Power Agency supplies, and continues to supply electricity to the City of Austin through a power sales contract with Austin Utilities currently set to expire in the year 2030; and

**WHEREAS**, continuing to contract with the Southern Minnesota Municipal Power Agency is beneficial to Austin Utilities, the City of Austin, and all the constituents that receive their utilities through Austin Utilities; and

**WHEREAS**, an amendment of the existing power sales contract has been drafted for the purpose of extending the term of the existing power sales contract through April 1, 2050; and

**WHEREAS**, the Austin Utilities Board of Commissioners has considered this issue, approved the extension, and has requested the Council ratify and approve the extension as required;

**NOW, THEREFORE**, be it hereby resolved by the City Council of the City of Austin that the City Council of the City of Austin hereby approves and ratifies the Austin Utilities Board of Commissioners’ approval of the extension of the power sales contract with Southern Minnesota Municipal Power Agency extending its contractual term to April 1, 2050, and hereby authorizes Austin Utilities to enter into said extension agreement in substantially the form attached hereto as Exhibit A.

Passed by a vote of Yeas and Nays this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

Yea \_\_\_\_\_

Nay \_\_\_\_\_

APPROVED: \_\_\_\_\_  
Steven King, Mayor

Attest: \_\_\_\_\_  
Tom Dankert, City Recorder

This ordinance was introduced on July \_\_\_\_\_, 2024; approved on July \_\_\_\_\_, 2024; was published in the Austin Daily Herald on July \_\_\_\_\_, 2024; and becomes effective July \_\_\_\_\_, 2024.

**EXHIBIT A**  
**AMENDMENT TO THE POWER SALES CONTRACT BETWEEN**  
**SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY**  
**AND THE AUSTIN UTILITIES, AUSTIN, MINNESOTA**

This Amendment dated as of \_\_\_\_\_, 2024, to the Power Sales Contract dated as of April 1, 1981, as amended to the date hereof (the "Power Sales Contract"), between Southern Minnesota Municipal Power Agency ("the Agency") and Austin Utilities, Austin Minnesota ("the Member").

The parties hereto have agreed to amend the Power Sales Contract in order to extend the term thereof. Accordingly, the parties hereto hereby agree as follows:

1. Revision to Section 2: Section 2 of the Power Sales Contract is hereby amended to read as follows:

**SECTION 2. *Term***

This Contract shall become effective on the day, month, and year first above written and shall remain in effect until April 1, 2050 and thereafter until terminated by the Agency or the Member upon one year's prior written notice to the other party.

2. Effective Date: If approved and adopted by the Board of Directors of the Agency after receiving the responses of Members of the Agency to a similar proposed amendment, the changes set forth in Section 1 hereof shall be effective as of \_\_\_\_\_. Otherwise, this document shall be null and void without force or effect.
3. Effect on Power Sales Contract: Except as amended hereby, the Power Sales Contract shall continue in full force and effect, and any reference to the Power Sales Contract shall mean the Power Sales Contract as amended hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by duly authorized officers all as of the date first set forth above.

SOUTHERN MINNESOTA MUNICIPAL  
POWER AGENCY

By:

\_\_\_\_\_  
Its Executive Director and CEO

AUSTIN UTILITIES

By: \_\_\_\_\_  
Its: \_\_\_\_\_

And By: \_\_\_\_\_  
Its: \_\_\_\_\_

AUSTIN UTILITIES  
RESOLUTION NO. 332

**A RESOLUTION TO EXTEND THE POWER SALES CONTRACT BETWEEN  
SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY AND AUSTIN UTILITIES,  
AUSTIN MINNESOTA**

**WHEREAS**, the Austin Utilities Board of Commissioners has determined that it is in the City of Austin's best interests to extend the term of the Power Sales Contract with the Southern Minnesota Municipal Power Agency (Agency) until April 1, 2050; and

**WHEREAS**, the Austin Utilities Board of Commissioners has requested that the Agency agree to amend the Power Sales Contract in order to extend the term thereof; and

**WHEREAS**, approval and adoption by the Board of Directors of the Agency is anticipated to be obtained as of \_\_\_\_\_; and

**NOW, THEREFORE, BE IT RESOLVED** by the Austin Utilities Board of Commissioners of the City of Austin, Minnesota, to extend the Power Sales Contract with Southern Minnesota Municipal Power Agency until April 1, 2050.

Adopted by the Austin Utilities Board of Commissioners on this 3<sup>rd</sup> day of June, 2024

YEAS 5

NAYS 0

Signed:

Jay Lutts  
Dustin Johnson  
Tim Johnson  
Jeanne Y. Sheekan  
Steve Greenman

Attest: Mark Allen  
Secretary

**SUMMARY OF ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF AUSTIN AUTHORIZING  
THE EXTENSION OF THE POWER SALES CONTRACT  
BETWEEN SMMPA AND AUSTIN UTILITIES**

**SUMMARY FOR PUBLICATION PURSUANT TO MINN. STAT. § 412.191.subd. 4.**

**A full copy of the Ordinance is available for pickup at the City Clerk's Office  
located at 500 4<sup>th</sup> Avenue NE, Austin, MN 55912,  
or a copy may be requested to be mailed by USPS by calling 507-437-9940.**

The Austin City Council adopted an ordinance authorizing the extension of the power sales contract between Southern Minnesota Municipal Power Agency (SMMPA) and Austin Utilities.

**SUMMARY:** Since 1981, SMMPA has supplied Austin Utilities with electrical power under a power sales contract set to expire in 2030. SMMPA has requested its participating municipal utility members extend their power sales contract through April 1, 2050. The Board of Directors of Austin Utilities has reviewed the request and has determined the requested extension serves the interests of Austin Utilities and its customers. This ordinance approves the extension.

**COPIES OF ORDINANCE:** The above is only a summary of the essential elements of the ordinance. A printed copy of the full ordinance is available for inspection by any person during regular office hours at the Clerk's Office located at 500 4<sup>th</sup> Avenue NE, Austin, Minnesota 55912, or at the Austin Public Library located at 323 4<sup>th</sup> Avenue NE, Austin, Minnesota 55912.

Passed by the Austin City Council this 15th day of July, 2024

YAYS

NAYS

ATTEST:

APPROVED:

---

Tom Dankert, City Recorder

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Stephen M. King, Mayor

This ordinance was introduced on July \_\_\_, 2024; approved on \_\_\_\_\_, 2024; was published in the Austin Daily Herald on \_\_\_\_\_ 2024; and becomes effective \_\_\_\_\_, 2024.

## **RESOLUTION NO.**

### **RESOLUTION APPROVING PUBLICATION OF ORDINANCE NO. AN ORDINANCE APPROVING AGREEMENT BETWEEN AUSTIN UTILITIES AND SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY (“SMMPA”)**

**WHEREAS**, the City Council of the City of Austin adopted Ordinance XXX authorizing the extension of the power sales contract with Austin Utilities and Southern Minnesota Municipal Power Agency (“SMMPA”); and

**WHEREAS**, Minnesota Statutes, Section 412.191, Subd. 4 allows publication by title and summary in the case of lengthy ordinances; and

**WHEREAS**, the City Council finds that the following summary would clearly inform the public of the intent and effect of the Ordinances.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN**, by the Council of the City of Austin that the City Clerk shall cause the following summary of Ordinance No. XXX to be published in the official newspaper in lieu of the entire ordinance:

Since 1981, SMMPA has supplied Austin Utilities with electrical power under a power sales contract set to expire in 2030. SMMPA has requested its participating municipal utility members extend their power sales contract through April 1, 2050. The Board of Directors of Austin Utilities has reviewed the request and has determined the requested extension serves the interests of Austin Utilities and its customers. This ordinance approves the extension.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that a copy of Ordinance No. XXX shall be kept in the City Clerk’s office at City Hall for public inspection and a full copy of the ordinance be posted in the lobby of City Hall for 30 days after adoption.

**ADOPTED** by a vote of yeas and nays this 15th day of July, 2024.

YEAS

NAYS

ATTEST:

---

City Recorder

APPROVED:

---

Mayor

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



**Holly Wallace**  
 Planning & Zoning Administrator  
 507-437-9952 / Fax 507-437-7101  
 Cellular 1-507-438-2380  
 Email: [hollyw@ci.austin.mn.us](mailto:hollyw@ci.austin.mn.us)

## Memorandum

**To:** Mayor & City Council

**From:** Austin Planning Commission

**Date:** July 10, 2024

**Re:** Fence Appeal Submitted by Michael and Holly Flanders, 1111 7<sup>th</sup> St NW

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During the July 9, 2024, meeting of the Austin Planning Commission, the commission reviewed a fence appeal submitted by petitioner, for a proposed 6 foot privacy fence installed on the property line of the rear side yard. The property is located on a corner lot. City ordinance requires a 12.5 foot setback from the property line for privacy fences on corner lot side yards.

After review, with seven Planning Commission members present, the commission recommended approval of this request with the condition that the fence be 14 feet from the alley. The vote was as follows:

7 - Ayes      0 - Nays

- This recommendation comes from a discussion of the impacts on neighboring properties, public right of way, review of practical difficulties and reasonableness of the petitioner's requested use.

**Petitioner:** Michael Flanders  
1111 7<sup>th</sup> St NW  
Austin, MN 55912

**Property Location:** 1111 7<sup>th</sup> St NW

**Legal Description:** N/A

**Present Land Use:** Residential

**Zoning Classification:** "R-1" Single Family Residential

**Surrounding Land Uses and Zoning Classification:** All "R-1" Residential

**Requested Action:** The petitioner appeals from Austin City Code Section 4.70 Subd. 5. A solid or opaque fence may be constructed, but must be setback 25 feet in a front yard and 12.5 feet in a corner side yard in an "R-1" Residential District. The Petitioner wishes to install a 6-foot privacy fence on the property line of his side yard, which will not comply with the 12.5 ft setback.

**Staff Report:** The proposed fencing is a 6-foot tall privacy fence located on a corner lot.

**Staff Recommendations:**

1. There is no drive located near the East (street) side property line.
2. The fence will be set back from the alley.
3. The fence should not affect visibility.
4. The yard should be oriented in the same manner as other homes in the area, despite addressing on 7th St NW.

This is a recommendation to council.

Hello, My name is Holly Flanders. Thank you for allowing me to write something in to answer some of your question. I wish I could be there in person; I just recently started a new job at Mayo Clinic in Rochester as a bedside nurse. Due to this, I have zero time to take off. I am planning/hoping on putting up a vinyl 6ft privacy fence 14ft away from the alley. I am choosing to do this type of fence for a few types of reasons. This home does not have a "backyard", not even much a front yard. This home is a corner lot so every part of yard this home has is viewable by any and all. There is absolutely no privacy when you are outdoors. So one reason is simply for privacy. The second reason is because I have two large dogs. I want them to have space to freely run around/roam/sniff and have space to be outdoors. My dogs names are Goose, a Golden Retriever, and Dragon, a Siberian Husky. They are wonderful dogs, but highly active, strong dogs. I am currently having to let them out on retractable leashes. For any dog owners, you may know that it is extremely hard to control dogs when they are on those types of leashes. Especially, big strong dogs. I do choose to let them out on those types of leashes in order for them to freely "do their business" along with being able to play. But if there are people walking/biking etc. it is hard to control them. I have a nervous Golden Retriever who will bark, pace, hide, and will get himself, as well as myself, all wrapped up in the leash when people are near. So to avoid injuries to all parties, a fence is a great option. My Husky is a very friendly dog who likes to explore, and great around anyone who allows him to be. A tall (6ft) privacy fence will allow my dogs to be outside freely while avoiding seeing people and barking. For those who don't know, but Huskies have an impressive vertical jump. My Husky has proven that he is willing to test his, so putting a chain link or shorter fence wouldn't be affective. For his safety, and my anxiety, a fence that has height will be needed. I also know that some people do not like dogs! Not everyone wants to have a dog (even one that may be friendly) coming up to visit them. They do not know my dogs personality, a large dog barking can be frightening for some. So, again, a vinyl privacy fence that has height and does not have ways for a dog to climb it (chain link) gives neighbors/walkers a feeling of safety. It is important to me that I am taking good care of my dogs and being a respectable responsible dog owner. I have met with the owner of Rolling Green Fencing here in Austin and talked to him about options for a fence. If this gets approved, I would be having him professionally install this fence. I hope that you are able to see my point of view on why this fence would be beneficial for myself and my family. I would not only be ecstatic to be able to let my dogs out freely, but would be comfortable to be outside at my own home. I believe that I should be able to have privacy in my home, I hope you all can understand that. I am very hopeful that I can end this summer able to spend sometime outside with my dogs. :)



OFFICE USE ONLY	
Amount Due \$	150
Type of Variance	
Receipt No.	79427
Date:	05-07-2024

## APPLICATION FOR CONSIDERATION OF PLANNING REQUEST

(This form should be filled out in duplicate by typing or printing in ink)

\*Applications are due by the 20<sup>th</sup> day of the prior month\*

### CITY OF AUSTIN

Street Location of Property: 1111 7<sup>th</sup> STREET NW

Legal Description of Property: \_\_\_\_\_  
Owner: Name FLANDERS, Michael Phone Holly-Tenant 507-440-2240

Address 1111 7<sup>th</sup> STREET NW  
City AUSTIN State MINNESOTA Zip 55912

Type of Request:  Variance  CUP  IUP  Rezone  Other

Applicable to Section \_\_\_\_\_ of the Austin City Zoning Ordinance, as amended

Description of Request Privacy fence lot high

Reason for Request corner lot house w/ deep alley

Present Zoning Classification R-1

Existing Use of the Property Residence

Has a request for a rezoning, variance, or conditional use permit on the subject site or any part thereof been previously sought? \_\_\_\_\_ When? \_\_\_\_\_



Date \_\_\_\_\_

Approved \_\_\_\_\_ Denied \_\_\_\_\_ by the Planning Commission on \_\_\_\_\_ (date)

Approved \_\_\_\_\_ Denied \_\_\_\_\_ by the Common Council

Comments \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Mower County Public GIS



Date/Time: 4/24/2024 12:46 PM

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



**Holly Wallace**  
 Planning & Zoning Administrator  
 507-437-9952 / Fax 507-437-7101  
 Cellular 1-507-438-2380  
 Email: [hollyw@ci.austin.mn.us](mailto:hollyw@ci.austin.mn.us)

## Memorandum

**To:** Mayor & City Council

**From:** Austin Planning Commission

**Date:** July 10, 2024

**Re:** Sign Appeal Submitted by Moose 701 Properties, LLC/Lance Pogones

During the July 9, 2024, meeting of the Austin Planning Commission, the commission reviewed a sign appeal to add a 10' x 4' internally lit sign to the rear of the building to advertise Hormel brand merchandise. There is currently a small sign on the door indicating the retail location. The front of the building faces 18<sup>th</sup> Avenue NW (Games People Play), the South side faces a partially developed lot (Willow Pet Hospital) and 17<sup>th</sup> Ave NW. Each occupant of a building may have one freestanding and one wall sign, facing a public street or alley. In this instance, there is no street or alley frontage. The sign may cover up to 15% of the face of the building, in this instance, the coverage will be 2% with the proposed design.

After review, with seven Planning Commission members present, the commission recommends approval of this request. The vote was as follows:

7 - Ayes      0 - Nays

- This recommendation comes from a discussion of the impacts on neighboring properties, public right of way, review of practical difficulties and reasonableness of the petitioner's requested use, finding that:
  1. There are exceptional or extraordinary circumstances applicable to the property or to the intended use that do not apply generally to other property in the same vicinity and zoning district;
  2. The variance is necessary for the preservation and enjoyment of [a] substantial property right possessed by other property in the same vicinity and zone, but which is denied to the property in question;
  3. The strict application of the ordinance would constitute an undue hardship; and
  4. The granting of the variance would not be materially detrimental to the public welfare or injurious to the property or improvements in the vicinity or zone in which the property is located.

**PETITIONER** Moose 701 Properties, LLC  
701 18<sup>th</sup> Ave NW  
Austin MN 55912

**LOCATION:** 701 18th Ave NW

**CURRENT LAND USE AND ZONING:** Community Business "B-2"

**SURROUNDING LAND USES:** North - Multi-Family Residential (R-2)  
South – Community Business District (B-2)  
West - Community Business District (B-2)  
East - Community Business District (B-2)

**REQUESTED ACTION:** The petitioner wishes to add a lighted sign on the rear of the building facing 17<sup>th</sup> Avenue. They wish to make people aware of the Hormel brand store, especially as that area has been recently developed. The city sign code limits the number of signs in the B-2 District to one wall and one freestanding and requires they be oriented to a public right of way versus a neighboring parcel. The proposed is 10' wide and 4' tall and is internally lit. The only advertisement currently, for the Hormel Brand Store, is a small sign on the back door.

**APPLICABLE ORDINANCE PROVISION:**

[https://codelibrary.amlegal.com/codes/austinmn/latest/austin\\_mn/0-0-0-12497](https://codelibrary.amlegal.com/codes/austinmn/latest/austin_mn/0-0-0-12497)

**Schedule IV: B-2 and B-3 Zones**

1. Permitted signs:
  - a. Signs permitted in Schedule I, as regulated therein;
  - b. For each occupant of a building, one freestanding sign and one canopy or fascia (wall), projecting, roof or awning sign fronting each street or alley bounding the property on which the sign is located shall be allowed. There shall be one projecting sign for each entrance. In addition, one sidewalk sandwich board sign for each parcel;

(billboard and sandwich board sections removed for brevity, see link above for entire code)

2. Requirements:
  - a. No more than one freestanding sign shall be permitted per occupant;
  - b. The maximum height of freestanding sign shall be 25 feet;
  - c. The maximum area of a freestanding sign shall be 100 square feet. Double-faced signs shall be counted as one sign;
  - d. Roof signs shall in no case exceed a height above the roof equal to a distance of the height of the elevation of the building upon which the sign is located, but in no case shall this height exceed 20 feet from the highest point of a roof to the top of the sign and shall not exceed 300 square feet in area;
  - e. Entrance projecting signs shall not exceed two square feet and cannot extend beyond 30 inches in total;
  - f. No awning shall have a projection over public property or right-of-way greater than 48 inches;
  - g. Signs attached to an awning or incorporated as part of an awning shall not exceed eight square feet in area and any written or printed text located thereon shall not exceed nine inches in height; and

(Ord. 619, passed 7-7-14)

## **§ 2.55 SIGN CODE BOARD OF APPEALS.**

Planning Commission shall review and make a recommendation to the Board of Appeals/Council based on the following standard:

- E. The Board of Appeals may grant a variance only if the petitioner proves that:
  1. There are exceptional or extraordinary circumstances applicable to the property or to the intended use that do not apply generally to other property in the same vicinity and zoning district;

The building is split into the front (18<sup>th</sup> Ave) facing Games People Play and the rear (back of parcel on 17<sup>th</sup> Ave) facing Hormel Brand products, which is rented by Hormel Foods. Entrance to the Hormel shop is in the rear, where is an existing small sign on the door. The Hormel Brand store is a separate business from GPP and Turtle Creek Construction.

2. The variance is necessary for the preservation and enjoyment of substantial property right possessed by other property in the same vicinity and zone, but which is denied to the property in question;

The orientation of the building/business does not easily accommodate advertisement of multiple businesses on 18<sup>th</sup> Avenue.

3. The strict application of the ordinance would constitute an undue hardship; and

The site is less appealing without the ability to advertise. Potential customers lack awareness of where the Hormel store is located. The sign would have visibility from 17<sup>th</sup> Ave NW.

4. The granting of the variance would not be materially detrimental to the public welfare or injurious to the property or improvements in the vicinity or zone in which the property is located.

The proposed sign will face similar zoned (B-2) properties. The proposed sign is 40 sq. ft. and will cover approximately 2% of the face of the building (limit is 15%).

Ref: [https://codelibrary.amlegal.com/codes/austinmn/latest/austin\\_mn/0-0-0-11918](https://codelibrary.amlegal.com/codes/austinmn/latest/austin_mn/0-0-0-11918)

**Attached: Photos - front of building, rear of building, view from rear of building toward 17th Ave NW and view from 17th Ave NW toward 18th Ave NW (location of sign).**

OOSE









games  
people  
play



CPV  
CPV  
CPV

MY JOHN'S









# Approved

File: 2024-0832RT HORMEL Brands store sign - GPP.pdf Cycle: 1

There are no user approvals for this file.

## Annotations

File: 2024-0832RT HORMEL Brands store sign - GPP.pdf Cycle: 1

Color	Id
■	1
■	2

Pages	Comment
Page 1	Agency: GPP Contact: Tammy Boverhuis
Page 1	Approved



OFFICE USE ONLY
Amount Due \$ <u>150</u>
Type of Varance
Receipt No. <u>80032</u>
Date: <u>6/24/24</u>

## APPLICATION FOR CONSIDERATION OF PLANNING REQUEST

(This form should be filled out in duplicate by typing or printing in ink)

### CITY OF AUSTIN

Street Location of Property: 701 18<sup>th</sup> Ave NW

Legal Description of Property: 34.541.0020 Oakwood West Condo Block 001 Unit 2

Owner: Name Mouse 701 Properties LLC Phone 507 438 1653  
Address 701 18<sup>th</sup> Ave NW  
City Austin State MN Zip 557912

Type of Request:  Variance  CUP  IUP  Rezone  Other

Applicable to Section \_\_\_\_\_ of the Austin City Zoning Ordinance, as amended

Description of Request add a lighted sign to the back of our building  
facing 17<sup>th</sup> St Ave NW

Reason for Request To make people aware of Hormel Brand Store location  
especially Hormel employees using new Learning Center nearby

Present Zoning Classification \_\_\_\_\_

Existing Use of the Property Hormel Brand Store

Has a request for a rezoning, variance, or conditional use permit on the subject site or any part thereof been previously sought? NO When? \_\_\_\_\_

Laurie n Roeg  
Signature of Applicant

6/7/2024  
Date

Approved \_\_\_\_\_ Denied \_\_\_\_\_ by the Planning Commission on \_\_\_\_\_ (date)

Approved \_\_\_\_\_ Denied \_\_\_\_\_ by the Common Council

Comments \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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:** December 27, 2023  
**Subject:** Whitewater Project 30% Design

As previously discussed at council meetings earlier this year, the next step for the whitewater project is to complete preliminary design. We have received a proposal from our consultant REP to complete preliminary design. See attached proposal. Preliminary design includes the following tasks:

1. Survey and Geotechnical Coordination
  - a. Site survey to be completed by city staff
  - b. Bathymetric survey and sediment sampling to be completed by Interfluve as a sub-consultant to REP.
2. Water Level Loggers
  - a. Water level loggers have already been installed as approved by council in February. The equipment survived the June flooding, and should have collected low flow data from this winter, and the high flows in June. This portion of work was funded from a donation from the Fraternal Order of the Eagles.
3. Preliminary Design
4. Refined Cost Estimate
5. Floodplain Impact Investigation
6. Project Management and Support

### Costs

Item	Cost
Preliminary Design Contract (REP)	\$48,575
Mill Pond Sediment and Bathymetric Survey (Interfluve)	\$35,000
Site Survey (In-Kind Services by Engineering Dept)	\$0
Geotechnical Coordination (Info from previous reports on adjacent flood control projects is sufficient)	\$0
<b>Total</b>	<b>\$83,575</b>

In January, the city council approved allocating \$25,000 toward preliminary design. In June, the Hormel Foundation approved our grant application for \$42,000. Other private entities have previously committed to contributing the remaining \$18,000.

### Funding

Funding Source	Amount
Hormel Foundation	\$42,000
City of Austin	\$25,000
Hormel Foods	\$10,000
Fraternal Order of the Eagles	\$7,000
Runnings	\$1,000
<b>Total</b>	<b>\$85,000</b>

The preliminary design process is estimated to take 3-6 months after survey work has been completed. Upon the completion of the preliminary design, we will have refined cost estimates and layouts of the project. We will be able present the project details with regulatory agencies to discuss permitting and other requirements. We will then be able to decide whether or not to move forward with final design and construction of the project.

We recommend approving the preliminary design contract with REP.

Please let me know if you have any questions.



# ***Cedar River Recreation Park Preliminary Design Proposal***

***City of Austin, Minnesota  
By Recreation Engineering & Planning (REP)  
September 13, 2023***

Recreation Engineering and Planning (REP) is pleased to provide the following scope of work and fee proposal for preliminary design services for modifications to the 4<sup>th</sup> Avenue Dam to support whitewater recreation, riverside park amenities, fish passage enhancement, and public safety improvements on the Cedar River in downtown Austin.

Based on our understanding of the project and the current needs, the approach outlined below includes estimated pricing to perform the required services for this phase of the project. Hours are estimated not to exceed, only actual hours and expenses will be billed. A detailed fee breakdown by task and personnel is attached.

## **Project Understanding**

REP has previously contracted with the City of Austin and completed a site investigation, conceptual design, feasibility study, conceptual construction cost estimate, and a floodplain feasibility investigation for the Cedar River Recreation Park Project including 4<sup>th</sup> Avenue Dam modification, construction of an additional four (4) river structures, new multi-use trails and connections to existing trail network, six (6) new trail underpasses, river access/egress, and riverbank improvements.

REP understands the City of Austin would like to progress the design to preliminary or 30%. As requested by the City, this scope only includes items necessary to progress the design beyond conceptual and to a 30% preliminary level. Subsequent phase scope and fees can be developed as requested. This scope does not include design plans sufficient for agency review or permit applications to any Federal, State or local agency or plans sufficient for construction.

## **Schedule**

The work for this scope is anticipated to begin upon execution of this contract. Survey request and geotechnical request documents will be developed first and delivered to support the required site survey and geotechnical investigations. If a notice to proceed is not received within 6 months of the date of this proposal, REP reserves the right to update rates and fees. Installation of the water level loggers is time sensitive – it needs to occur during low flows prior to flows increasing in the river. Preferred installation dates would be February or early March.



## **Task 1 – Survey and Geotechnical Coordination**

A detailed site and bathymetric survey will be required to progress the design. A geotechnical investigation will also be required to inform the design and quantities. REP will prepare a survey request document and soil boring / sediment characterization request document for the survey and geotechnical investigation.

This scope assumes the City will complete or contract with a qualified surveyor to complete the required site and bathymetric survey with sufficient detail to be used for design. It is assumed that the City will supply REP with an AutoCAD file in compliance with the survey request document including but not limited to survey points, lines, contours, property boundaries, trees, infrastructure, and include a Civil3D existing grade surface. Extensive in-river work should be expected to perform the survey.

This scope assumes the City will contract directly with a local qualified geotechnical firm to complete the geotechnical investigation. It is assumed that the City will supply REP with the full geotechnical investigation report including soil borings, sediment characterization, testing, and lab reporting.

REP will review the survey data and the geotechnical report for conformance with the data request documents submitted and coordinate clarifications and adjustments.

***Total Task 1 Fee - \$4,250***

## **Task 2 – Water Level Loggers**

Existing water surface elevations at the project site are important to calibrate the hydraulic model and to determine design elevations at the drop structures. One REP representative will travel to Austin to visit the site for one day to install sensory instruments that will autonomously record water surface elevations. This scope assumes City staff will assist in the installation of the logger fixtures. It is assumed the City of Austin or contracted surveyor will shoot elevations of each water level logger after fixture installation. This scope assumes the City will uninstall the fixtures and ship the loggers to Colorado. Also included in this task is data download and processing. Please be advised that there is a risk that the loggers may be damaged, vandalized, stolen etc. and there is some level of data loss risk inherent in this task.

***Task 2 Labor - \$5,600***

***Task 2 Expenses - \$1,400***

## **Task 3 – Preliminary Design (30% Design)**

REP will develop a preliminary design for the 4<sup>th</sup> Avenue Dam modifications and the Cedar River Recreation Park. The preliminary design will include a refined project layout, dimensions, geometry, elevations, and materials sufficient to refine materials quantities estimates, and allow for review by the City and stakeholders. The design will include all the elements described in the



concept plan and report including the dam modification, recreational drop structures, trails, underpasses, and stone bank terracing and access points. The preliminary design will be developed in AutoCAD software and will include plan view, profiles, cross sections, grades, materials, and details sufficient to estimate quantities and allow for a more involved review by City and stakeholders. One round of review and subsequent revisions is included.

**Total Task 3 Fee - \$19,625**

#### **Task 4 – Cost Estimate**

REP will develop an estimate of construction materials quantities based on the 30% design. Unit costs will be based on information from recent projects unit and local procurement costs. The cost estimate will be broken out for each project element to be used for project funding and phasing discussions. At the 30% design stage, the cost estimate will be a Class 3 construction cost estimate (AACE classification, expected accuracy range -20% to +30%).

**Total Task 4 Fee - \$4,675**

#### **Task 5 – Floodplain Impact Investigation**

The City of Austin provided REP with the most recent hydraulic modeling available for the reach and REP has previously completed a floodplain feasibility investigation to conceptually determine feasibility of the proposed improvements from a floodplain standpoint. This task includes further hydraulic analysis to investigate the potential floodplain impacts of the proposed project at this 30% preliminary design level.

The purpose of this analysis is to assess the floodplain impact of the locations and elevations for proposed improvements included in the 30% design. This task does not include a formal no-rise analysis or hydraulic analysis sufficient for permit review.

**Total Task 5 Fee - \$7,400**

#### **Task 6 – Project Management and Support**

This task includes miscellaneous project support to the City as well as project management items. Project support includes miscellaneous meetings and coordination on an as-needed basis. This task also includes project management items such as invoice preparation and miscellaneous communication with the client throughout this design phase.

**Total Task 6 Fee: \$5,625**

*Total Labor for Tasks 1 – 6: \$47,175*

*Total Reimbursable Expenses: \$1,400*

**Total Fee: \$48,575**

		REP						
	Name	Gary Lacy, PE	Mason Lacy, PE	Riley Gelatt, PE	Spencer Lacy			
	Role	President / Senior Engineer	Project Engineer	Project Engineer	Graduate Engineer			
	Billing Rate	\$ 200.00	\$ 175.00	\$ 175.00	\$ 175.00			
						Total Hrs	Total Fee	
<b>River Park Preliminary Design</b>								
<b>Task 1</b>	<b>Survey and Geotechnical Coordination</b>							
	Data Requests	2	2	2	6	12	\$ 2,150	
	Data Review		2	2	8	12	\$ 2,100	
	<b>TOTAL Task 1</b>	2	4	4	14	24	<b>\$ 4,250</b>	
<b>Task 2</b>	<b>Water Level Loggers</b>							
	Site Field Installation & Travel				20	20	\$ 3,500	
	Data Processing		2	2	8	12	\$ 2,100	
	<b>TOTAL Task 2</b>	0	2	2	28	32	<b>\$ 5,600</b>	
	Reimbursable Expenses					Expenses:	\$ 1,400	
<b>Task 3</b>	<b>Preliminary Design</b>							
	30% Design Plans	15	15	25	55	110	\$ 19,625	
	<b>TOTAL Task 3</b>	15	15	25	55	110	<b>\$ 19,625</b>	
<b>Task 4</b>	<b>Cost Estimate</b>							
	30% Quantity and Cost Estimate (AACE Class 3)	5	3	3	15	26	\$ 4,675	
	<b>TOTAL Task 4</b>	5	3	3	15	26	<b>\$ 4,675</b>	
<b>Task 5</b>	<b>Floodplain Impact Investigation</b>							
	30% Design Floodplain Impact Investigation	2	25	10	5	42	\$ 7,400	
	<b>TOTAL Task 5</b>	2	25	10	5	42	<b>\$ 7,400</b>	
<b>Task 6</b>	<b>Project Management and Support</b>							
	Project Management and Support	15			15	30	\$ 5,625	
	<b>TOTAL Task 6</b>	15	0	0	15	30	<b>\$ 5,625</b>	
	<b>Total Tasks 1-6</b>	39	49	44	132	264	<b>\$ 47,175</b>	
						Total Expenses:	\$ 1,400	
								<b>TOTAL PROJECT COSTS: \$ 48,575</b>

Note: The fees are estimated not to exceed. Each item will be billed at the hourly rates.



January 30, 2024

Mason Lacy, PE  
Design Engineer – Recreation Engineering & Planning (REP)  
2863 NW Crossing Drive  
Bend, OR 97701

Re: Austin, Minnesota Sediment Assessment

Mr. Lacy,

In response to your request, please see Inter-Fluve's attached scope and budget for sediment assessment and bathymetric survey on the Cedar River in Austin, Minnesota. The intent of this work is to support a whitewater park near the location of the existing 4<sup>th</sup> Avenue Dam.

Inter-Fluve's contracted scope of work for the project includes project management, bathymetric survey, depth-of-refusal probing, development of a sediment sampling plan, sediment core sampling and analysis, and reporting.

Please reach out with any questions related to the attached scope of work or budget

Respectfully,

Garrett Shear, PWS, CMWP  
Wetland Scientist and CAD Drafter  
(608) 622-3212  
gshear@interfluve.com

## **Proposed Scope of Work**

This scope of work includes bathymetric survey, depth-of-refusal probing, and sediment core collection and analysis for the area indicated in the REP Request for Proposal (RFP) dated December 21<sup>st</sup>, 2023.

### **1. Project Management/Meetings**

- 1.1. Project Kickoff Meeting** – Inter-Fluve will participate in a web conference meeting to review the scope and schedule, discuss water access locations, and coordinate survey and sediment sampling efforts.
- 1.2. General Project Management** – Inter-Fluve will manage staff and tasks to support the timely completion of deliverables and will maintain regular correspondence with REP over the duration of the project. Invoices will be submitted monthly.
- 1.3. Regulatory Meetings** – Inter-Fluve will meet with MNDNR and USACE staff (assume web conference) to discuss the initial depth-to-refusal survey findings and the draft Sediment Study Plan to ensure compliance.

### **2. Data Collection**

- 2.1. Bathymetric survey** – Inter-Fluve will complete a bathymetric survey of the impounded area indicated by REP (see attached map from RFP). Survey will be conducted using a HyDrone equipped with a single-beam echosounder and GPS-RTK, will include water surface shots, and will check-in at local control points.
- 2.2. Sediment depth measurement** – Inter-Fluve will conduct sediment probing of the impoundment using a depth-of-refusal probing methods to estimate impoundment sediment volumes and the location of the historic channel alignment. Sediment depth measurement points will be used to develop a 1-ft contour bathymetric basemap and will be used to estimates accumulated sediment volumes within the survey area. Approximately 10 depth-to-refusal transects will be located in the impoundment between the dam and the upstream survey limit. Results will be included as cross-sections and bathymetric contours in the report. Point files will be provided to REP in AutoCAD Civil3D-compatible format.
- 2.3. Sediment volume analysis** – Inter-Fluve will estimate the volume of impounded sediment by calculating the volumetric difference between the existing surface based on the bathymetry data and a surface based on depth-of-refusal measurements.
- 2.4. Due Diligence Review** – Inter-Fluve will conduct a due diligence review of potential contamination sources upstream of the 4<sup>th</sup> Avenue Dam. This includes searching the State of Minnesota Pollution Control sites as well as federal CERCLIS, RCRA, and other Superfund databases to determine the location and nature of current and historical industries, leaks, spills, underground storage tanks, and the status of cleanup events. Based on what

is found, we will modify our laboratory analysis approach and develop a list of required ASTM procedures for that analysis.

- 2.5. Sediment Sampling Plan – Inter-Fluve will develop a two to three-page sediment sampling plan that includes proposed sampling locations, testing parameters, and protocols. The plan will be submitted to REP and be used for coordination with regulators.
- 2.6. Sediment Sampling – Inter-Fluve will collect up to five sediment samples for contaminant testing. Sampling costs are provided on a unit-cost basis. We assume the following sampling program will be required as a preliminary screening assessment:
  - Three samples will be collected from the study area indicated in the RFP. Specific sample locations will be selected following review of depth-of-refusal probing results. Inter-Fluve assumes each core will be composited over its entire depth for laboratory analysis (i.e., cores will not be stratified).
  - One sample will be collected upstream of the impoundment to verify background conditions
  - One sample will be collected downstream of the dam to verify background conditions.
  - Additional sediment samples, if requested, can be added via contract modification.
- 2.7. Laboratory analysis – Sediment samples will be collected in appropriate containers, preserved as necessary, and delivered to an analytical laboratory where they will be subjected to analyses. Sampling parameters will ultimately be based on regulatory input. At a minimum, we anticipate analytes will include:
  - EPA priority pollutant metals (arsenic, cadmium, chromium, copper, Pb, mercury, nickel, zinc)
  - Polycyclic Aromatic Hydrocarbons (PAHs)
  - Polychlorinated biphenyls (PCBs)
  - Grain size analysis (no hydrometer testing assumed)

### 3. Reporting

- 3.1. Technical Memorandum – Inter-Fluve will summarize methods and results of the bathymetric survey, depth-of-refusal probing, sediment volume estimates, and sediment analysis. Maps of sediment core locations, sediment thicknesses, probing locations, and bathymetric contours will be provided. Sediment analytical data will be tabulated and presented along with published human and ecological impact thresholds.

### **Deliverables**

- Basemap and CAD files of existing conditions, showing bathymetry, topography, and sediment depth in plan and cross-section.

- Sediment sampling plan and Technical Memo submitted in PDF format. One round of revisions following initial review of the memo is included.

### **Assumptions**

- Sediment sample locations and selection of analytical parameters will be based on discussions with the MNDNR and Inter-Fluve's experience with sediment policy related to dam removal. Contract modification will be required if additional sediment core samples are warranted based on Inter-Fluve's proposed unit cost per sample.
- Upland or dam infrastructure surveying is not included.
- Field work will occur in ice-free conditions and at typical low flow.
- The survey does not include diving or extensive probing of bridge piers.
- Boat rental for surveying and coring is included in the cost estimate.

#### **4. Optional Tasks**

- 4.1. Sediment Management Plan – If requested by REP and authorized with a contract modification, Inter-Fluve will complete a Sediment Management Plan based on the findings of the Sediment Study which will provide recommendations on sediment removal methods, potential disposal methods and sites, and preliminary cost estimates. This item includes an additional meeting with MNDNR.

### **Schedule**

Inter-Fluve understands the proposed scope is tentatively scheduled for Spring/Summer of 2024. We welcome input on this schedule to best meet project needs.

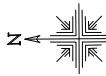
<b>Milestone</b>	<b>Duration</b>
Project Kickoff	Following notice to proceed from REP
Bathymetric and DOR survey	Within 6 weeks of NTP, conditions dependent
Due diligence review and Sediment Sampling Plan	Within 6 weeks of NTP
Sediment coring and lab analysis	Within 4 weeks of bathymetric/DOR survey
Tech memo	Submitted within 6 weeks following completion of laboratory testing

### **Proposed Fee**

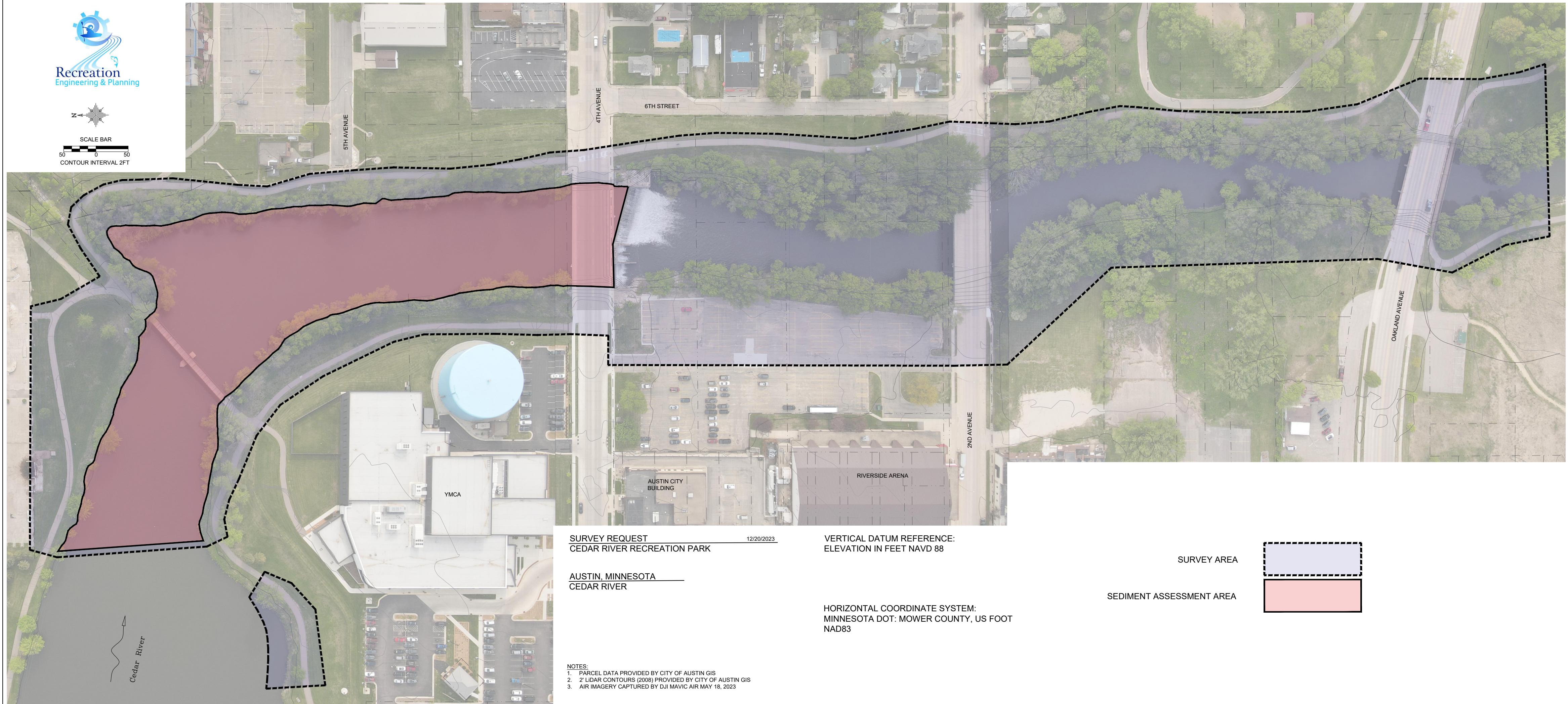
The proposed fee is \$35,000 on a time-and-materials, not-to-exceed basis.



Recreation  
Engineering & Planning



SCALE BAR  
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RESOLUTION NO.

**APPROVING PRELIMINARY DESIGN SERVICES  
FOR THE WHITEWATER PROJECT**

WHEREAS, the City has received a proposal from Recreation Engineering & Planning (REP) for preliminary design services of the Whitewater Project; and

WHEREAS, the proposal for the preliminary design services is in the amount of \$83,575;

WHEREAS, funding for the project will be from the Hormel Foundation, City of Austin, Hormel Foods, Fraternal Order of the Eagles, and Runnings; and

NOW THEREFORE, BE IT RESOLVED, that the City Council approves the preliminary design services in the amount of \$83,575 with REP.

Passed by a vote of yeas and nays this 15th day of July, 2024.

YEAS

NAYS

ATTEST:

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City Recorder

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Mayor

APPROVED:

RESOLUTION NO.

**ACCEPTING DONATIONS TO THE CITY OF AUSTIN**

WHEREAS, the City has received gift as follows:

Gift	Donor	For
\$ 236.00	Spam Museum	Downtown Conversation Benches
\$15,000.00	Hormel Charitable Trust	4th of July

NOW THEREFORE, BE IT RESOLVED that the Austin City Council accepts said gifts to the City of Austin.

Passed by a vote of yeas and nays this 15th day of July, 2024.

YEAS

NAYS

ATTEST:

APPROVED:

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City Recorder

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Mayor