

Barnesville City Council
Regular Meeting
October 8, 2012

Mayor Dahnke called this regular meeting to order at 7:00 p.m. Members present were Mayor Dahnke and Council members Darin Allmaras, Betty Strom, Richard Sylvester, Cathy Enstad, Larry Davis, Jr. and Jason Rick. Others in attendance were, City Administrator Mike Rietz, City Attorney John Shockley, City Clerk Jeri Reep, EDA Director Karen Lauer, Finance Director Laurie Schell, Police Chief Dean Ernst, Dan Lubbsmeyer with People Service, TEC Manager Guy Swenson, Public Works Supt. Terry Ystenes, Dan Hanson with Moore Engineering, and Pam Aakre with the Record Review.

Mayor Dahnke called the meeting to order at 7:00 p.m.

Mayor Dahnke asked City Administrator Mike Rietz to take roll call.

The next item on the agenda was the pledge of allegiance. All rose to recite the pledge of allegiance.

Mayor Dahnke next asked if there were any corrections or additions to the agenda. City Administrator Mike Rietz stated the only addition was to add the approval of the Barnesville Rod & Gun Club gambling permit for October 20, 2012.

10-08-12-01 Motion by Mr. Allmaras and second by Mr. Rick to approve the agenda as presented, with the addition of the approval of the Barnesville Rod & Gun Club gambling permit. Motion carried.

10-08-12-02 Motion by Mr. Davis and second by Mrs. Strom to approve the consent agenda as presented. Motion carried. The following items were on the consent agenda:

1. Approval of the minutes of the regular meeting held on September 10, 2012.
2. Approval of the minutes of the special meeting held on September 24, 2012.
3. Department head reports
4. Approval of check numbers 74150-74320 in the amount of \$331,046.12 and EFT's in the amount of \$185,601.42.
5. Approval of the 3rd quarter transfers as presented.
6. Approved the resignation of P & Z member Nathan Gemar.
7. Approval for Barnesville Dollars for Scholars phone-a-thon request
8. Approval of Barnesville Rod & Gun club gambling permit for Oct. 20th
9. Approval of travel for TEC Manager Guy Swenson to attend the MRES Area meeting.
10. Appoint Chad Hagen as a temporary TEC Board member.
11. Approval to hire Mark Pearson, Melissa Dubord and Katlyn Frost as EMT's.

Mayor Dahnke stated the next item on the agenda was the board and commission reports.

Council member Sylvester stated that the airport is still open. Mayor Dahnke stated that the Fire Board will be meeting October 30th. Council member Strom stated that the weed harvester has arrived for the Blue Eagle Lake.

10-08-12-03 Motion by Mr. Davis and second by Mrs. Strom to approve the board and commission reports as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was the public hearing on the modification of TIF District 1-5.

10-08-12-04 Motion by Mrs. Strom and second by Mr. Allmaras to open the public hearing at 7:06 p.m. on the modification of TIF District 1-5. Motion carried.

City Administrator Mike Rietz informed council members that this public hearing is to modify the TIF District 1-5 budget. Pooling of funds will allow us to spend the increment generated by this district on other qualified housing projects throughout the city. The budget modification will approve makes all of the increment available for pooling until 2028, which is the date the TIF District 1-5 would expire according to state statute. Mayor Dahnke asked if there were any citizens present to be heard. There were none.

10-08-12-05 Motion by Mr. Allmaras and second by Mrs. Strom to close the public hearing at 7:09 p.m. Motion carried.

Mayor Dahnke stated the next item on the agenda was the resolution modifying the TIF District No. 1-5.

10-08-12-06 Motion by Mr. Allmaras and second by Mr. Davis to approve the following resolution. Upon a roll call vote, the following voted aye: Council members Rick, Allmaras, Strom, Davis, Strom, Sylvester and Enstad. The following voted nay: none. Motion carried.

**CITY OF BARNESVILLE
CLAY COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 10-08-12-06

**RESOLUTION ADOPTING A MODIFICATION TO THE
REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1
AND ADOPTING A MODIFICATION TO THE TAX INCREMENT
FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT
NO. 1-5.**

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

Section 1. Recitals

1.01. The Board of Commissioners ("Board") of the Barnesville Economic Development Authority ("EDA") has heretofore established Redevelopment Project No. 1 (the "Project Area") and adopted the Redevelopment Plan therefor. It has been proposed by the EDA and the City that the City adopt a Modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for the Project Area and a Modification to the Tax Increment Financing Plan (the "TIF Plan Modification" or "TIF Plan") for Tax Increment Financing Districts No. 1-5 (the "TIF District") (the Redevelopment Plan Modification and TIF Plan Modification are referred to collectively herein as the "Modifications"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.090 to 469.1082 and Sections 469.174 to 469.1799, all inclusive, as amended, (the "Act") all as reflected in the Modifications, and presented for the Council's consideration.

1.02. The EDA and City have investigated the facts relating to the Modifications and have caused the Modifications to be prepared.

1.03. The EDA and City have performed all actions required by law to be performed prior to the adoption and approval of the proposed Modifications, including, but not limited to, notification of Clay County and Independent School District No. 146, having taxing jurisdiction over the property in the TIF District, approval of the Modifications by the EDA on October 3, 2012, and the holding of a public hearing upon published notice as required by law.

1.04. The City and EDA are not modifying the boundaries of the Project Area or the TIF District.

1.05. The City and EDA are not extending the duration of the TIF District.

Section 2. Findings for the Redevelopment Plan Modification

2.01. The Council hereby finds that: (a) the land within the Project Area would not be available for development or redevelopment without the financial aid to be sought under the Redevelopment Plan Modification; (b) the Redevelopment Plan Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise; and (c) the Redevelopment Plan Modification conforms to the general plan for the development of the City as a whole.

2.02. These findings are based on the facts and conditions described in the Redevelopment Plan Modification, which is incorporated herein by reference.

Section 3. Findings for the Modification to the TIF Plan

3.01 The Council hereby reaffirms the original findings for the TIF District, namely that when it was established, it was established as "housing district".

3.02 The modification to the TIF Plan is being completed to clarify the budget of the TIF District, to give budgetary and legal authority to the City and EDA to modify the budget, to clarify the duration of the TIF district, to approve expenditures for other developers wishing to build a qualified housing project within the city limits. The City and EDA are not modifying the boundaries or extending the term of the TIF District.

3.03 The modification to the TIF Plan conforms to the general plan for development or redevelopment of the City as a whole. The fact supporting this finding is that the modifications to the TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The TIF Modification was reviewed and commented upon by the City's Planning Commission on October 3, 2012, and was approved by the Commission on that same date.

3.04 The modification to the TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Project Area by private enterprise. The facts supporting this finding are that the modifications to the TIF Plan will continue the redevelopment by private enterprise that has been stimulated under the original plan for the TIF District.

3.05 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 after subtracting the present value of the projected tax increments for the maximum duration of the districts permitted by the TIF Plan Modification.

3.06 The Council further finds the future redevelopment, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

Section 4. Public Purpose

4.01. The adoption of the Modifications 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.

Section 5. Approval and Adoption of the Modifications

5.01. The Modifications, as presented to the Council on this date, are hereby approved, ratified, adopted and shall be placed on file in the office of Executive Director of the EDA.

5.02. The staff, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Modifications and for this purpose to negotiate, draft, prepare and present to this Council for its consideration all further Modifications, resolutions, documents and contracts necessary for this purpose. Approval of the Modifications does not constitute approval of any project or a Development Agreement with any developer.

5.03. The Executive Director of the EDA is authorized and directed to forward a copy of the Modifications to the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to M.S., Section 469.175, Subd. 4a.

5.04. The Executive Director of the EDA is further authorized and directed to file a copy of the Modifications with the Clay County Auditor.

Dated: October 8, 2012

ATTEST:

Mayor

City Administrator

(Seal)

Mayor Dahnke stated the next item on the agenda was the 2nd reading of Ordinance 2012-11, an ordinance adding a Conditional Use in the C-2 zone.

City Administrator Mike Rietz informed council members that the Planning Commission was willing to allow a residential use on the first floor in C-2 within certain guidelines. These guidelines were that no more than 40% of the first floors space could be used for residential use and that the residential space could only be used by the owner of the business.

10-08-12-07 Motion by Mr. Davis and second by Mr. Allmaras to approve the 2nd reading of Ordinance 2012-11. Motion carried.

Ordinance 2012-11

AN ORDINANCE TO AMEND SECTION 11.21, SUBD. 3 OF THE BARNESVILLE MUNICIPAL CODE RELATING TO C ONDITIONAL USES IN THE C-2 ZONE

BE IT ORDAINED by the City Council of the City of Barnesville that Section 11.21, Subd 3 of the Barnesville Municipal Code is hereby amended as follows:

SEC. 11.21. C-2 COMMERCIAL DISTRICT

Subd. 3. Conditional Uses

L. 40% or less of the total floor area of the first floor may be used as housing by the owner of the business located in the remaining portion of the first floor.

EFFECTIVE DATE: This ordinance become effective upon its passage and enactment, followed by publication according to law.

PASSED AND ADOPTED by the Barnesville City Council this 8th day of October, 2012.

By:

Fred Dahnke
Mayor

Attest:

Jeri Reep
City Clerk

First Reading: September 10, 2012

Second Reading: October 8, 2012

Adopted: October 8, 2012

Published: October 15, 2012

Mayor Dahnke stated the next item on the agenda was the 2nd reading of Ordinance 2012-12, an off-street parking for warehouse uses.

City Administrator Mike Rietz stated that the Planning Commission recommends approval of this ordinance which separates warehouses into its own category.

10-08-12-08 Motion by Mr. Davis and second by Mrs. Enstad to approve the 2nd reading of Ordinance 2012-12. Motion carried.

Ordinance 2012-12

AN ORDINANCE TO AMEND SECTION 11.51, SUBD. 7 OF THE BARNESVILLE CITY CODE RELATING TO OFF-STREET PARKING REGULATIONS

BE IT ORDAINED by the City Council of the City of Barnesville that Section 11.51, Subd. 7 of the Barnesville Municipal Code is hereby amended as follows:

SEC. 11.51. OFF-STREET PARKING AND LOADING RESTRICTIONS

Subd. 7. Schedule of Off-Street Parking Requirements

Industrial, manufacturing, ~~warehousing~~
office space,
~~and wholesaling~~

1 space per each 350 square feet of
plus 1 space per each employee on
the shift of greatest employment
~~1000 square feet of manufacturing,
and warehouse space,~~ plus 1 truck
space for each 7,500 square feet of
gross floor area.

Warehousing and wholesaling

1 space per each 350 square feet of
office space, plus 1 space per
employee on the shift of greatest
employment number, plus 1 truck
space for each 10,000 square feet of
gross floor area.

EFFECTIVE DATE: This ordinance become effective upon its passage and enactment,
followed by publication according to law.

PASSED AND ADOPTED by the Barnesville City Council this 8th day of October,
2012.

By:

Fred Dahnke
Mayor

Attest:

Jeri Reep
City Clerk

First Reading: September 10, 2012
Second Reading: October 8, 2012

Adopted: October 8, 2012
Published: October 15, 2012

Mayor Dahnke stated the next item on the agenda was the partial payment to Sellin Brothers for the Commercial Park expansion.

City Administrator Mike Rietz informed council members that this is the first pay request for the extension of the road in the Commercial Park. The only item that will be left to pay on the project are the final layer of asphalt, which will be completed next year, and some possible clean up items that will come in on the next pay request.

10-08-12-09 Motion by Mr. Davis and second by Mr. Rick to approve the 1st pay request to Sellin Brothers in the amount of \$186,606.90 for the Commercial Park expansion. Motion carried.

Mayor Dahnke stated the next item on the agenda was the CUP for a lighted sign for Buffalo Red River Watershed District.

City Administrator Mike Rietz informed council members that this CUP request from Buffalo Red River Watershed District is to internally illuminate a sign. The sign as planned meets sign regulations regarding size and setbacks.

10-08-12-10 Motion by Mr. Davis and second by Mrs. Strom to approve the CUP for a lighted sign for Buffalo Red River Watershed District, with the following conditions: Motion carried.

1. Light from this sign shall be diffused or indirect so as not to direct rays of light into adjacent property or onto public way which obstructs the view of adjacent properties or signage.
2. This variance is subject to all other zoning ordinances.
3. The City of Barnesville reserves the right to add, delete, or amend these conditions if health, safety of welfare considerations warrant. No action to add, alter, or amend conditions will occur except after mailed and published notice and a public hearing before the Planning Commission to consider such addition, deletion, or alteration of these conditions.
4. The applicant agrees to revocation of the variance upon verifiable evidence of violation of any of the terms and conditions listed herein. Said revocation of other violations not listed in the variance will not occur except after mailed and published notice and a public hearing before the Planning Commission to establish a record of said violations and to give the petitioner a right to enter into the record any mitigating or contradicting evidence.

Mayor Dahnke stated the next item on the agenda was the Front Street project final construction numbers.

City Administrator Mike Rietz informed council members that the Front Street estimated project cost was \$1,934,941.88 and the actual total cost of the project was \$1,893,299.93, which is \$41,641.00 below the estimated cost. The amount of funds we borrowed for the project, plus the \$100,000.00 utilized from the water and sewer funds was a total of \$1,909,285.00.

10-08-12-11 Motion by Mr. Davis and second by Mr. Rick to approve the Front Street final construction costs as presented in the amount of \$1,893,299.93. Motion carried.

Mayor Dahnke stated the next item on the agenda was the liability coverage waiver form.

City Administrator Mike Rietz informed council members that the Personnel and Finance Portfolio had reviewed this, and recommends not to waive the statutory liability limits for the liability insurance renewal with the League of MN cities Insurance Trust. This is reviewed yearly.

10-08-12-12 Motion by Mr. Rick and second by Mr. Sylvester that the City of Barnesville does not waive the monetary limits on municipal tort liability established by MN Statutes 466.04. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Personnel Policy revision for sick and vacation leave for exempt employees.

City Administrator Mike Rietz informed council members that the current policy was put in place a few years ago because it was felt it would make more sense for exempt employees. There are exempt employees that are ending up using more sick leave than they want to or need to under this policy. City Attorney John Shockley indicated that allowing exempt employees to track use of sick and vacation time in one or more hour increments does not jeopardize their salaried status.

10-08-12-13 Motion by Mrs. Strom and second by Mrs. Enstad to remove the vacation and sick leave accrual for exempt employees in the Personnel Policy. Motion carried.

Mayor Dahnke stated the next item on the agenda was the November regular council date. Mayor Dahnke stated that Veteran's Day will be observed on Monday, November 12th. Mayor Dahnke stated the November regular meeting would be held on Tuesday, November 13, 2012.

10-08-12-14 Motion by Mr. Sylvester and second by Mr. Allmaras to hold the November regular council meeting on Tuesday, November 13, 2012. Motion carried.

Mayor Dahnke stated the next item on the agenda was the approval of additional boring projects.

TEC Manager Guy Swenson informed council members that two additional boring opportunities were identified when Bluesky was on site and nearing completion of other scheduled projects. They were willing to discount the boring price to complete the additional projects this year. Mr. Swenson stated that funds are available in the 2012 budget. The projects are:

1. Bore and install 900 ft. of primary power line from the old sewage treatment plan to the Berg farm. This will remove 4 spans of overhead. The issues with this line were restricted access due to trees and the creek, aging poles and cross arms and a customer request to not trim the trees in his yard. Because of the customer request to not trim his personal trees, the customer has agreed to pay a portion of the boring cost in the amount of \$1,200.00. This brings down cost to bury the entire line to under \$5.00 per ft. Total boring cost is \$4,200.00.
2. Bore 1310 feet and install 2- 1 ¼ in. conduits from 5th Street SE to 9th Street SE between 6th Ave. SE and 7th Ave. SE for future fiber to the home. Total boring cost is \$6,550.00.

10-08-12-15 Motion by Mrs. Enstad and second by Mr. Sylvester to approve the following boring projects: Motion carried.

1. Bore and install 900 ft. of primary power line from the old sewage treatment plan to the Berg farm. Total boring cost is \$4,200.00.
2. Bore 1310 ft and install 2 1 ¼ in. conduits from 5th Street SE to 9th Street SE between 6th Ave. SE and 7th Ave. SE for future fiber to the home. Total boring cost is \$6,550.00.

Mayor Dahnke stated the next item on the agenda was the WAPA contract.

TEC Manager Guy Swenson informed council members that this contract with WAPA will provide a 30 year allocation of hydroelectricity to the City of Barnesville from the Pick-Sloan Missouri Basin program.

10-08-12-16 Motion by Mrs. Enstad and second by Mrs. Strom to approve the WAPA contract for 30 years allocation of hydroelectricity to the city of Barnesville from the Pick-Sloan Missouri Basin program from December 31, 2020 to December 31, 2050. Motion carried.

Mayor Dahnke stated the next item on the agenda was the resolution to approve the WAPA contracts.

10-08-12-17 Motion by Mr. Allmaras and second by Mr. Rick to approve the following resolution.

CITY OF BARNESVILLE
CLAY COUNTY, MINNESOTA
RESOLUTION NO. 10-08-12-17

A RESOLUTION APPROVING THE CONTRACT FOR FIRM ELECTRIC SERVICE, INTERCONNECTION AGREEMENT AND FACILITIES AGREEMENT WITH THE WESTERN AREA POWER ADMINISTRATION

WHEREAS, pursuant to previous action taken, the City of Barnesville has entered into an agreement to obtain an allocation of federal hydroelectricity from the United States Department of Energy, Western Area Power Administration, Pick-Sloan Missouri Basin Program, Eastern Division (“Western”) pursuant to a Contract for Firm Electric Service to the City of Barnesville, MN ; and

WHEREAS, the Contract for Firm Electric Service is, by its terms, set to expire on December 31, 2020; and

WHEREAS, both Western and the City of Barnesville desire to enter into a new agreement to continue to provide and to receive the allocation of federal hydroelectricity; and

WHEREAS, Western has asked the City of Barnesville to consider approving a new (a) Contract for Firm Electric Service to the City of Barnesville, and its associated exhibits; (b) Interconnection Agreement and its associated exhibits; and (c) Facilities Agreement, each effective commencing January 1, 2021 and continuing for a term through December 31, 2050; and

WHEREAS, the TEC (telephone, electric and cable) Board has met to review the agreements and has recommended to the City Council the approval of the agreements; and

WHEREAS, the City Attorney has reviewed the agreements and has concluded that this governing body has the authority and right to enter into these agreements; and

WHEREAS, the City Council finds that it is in the public interest to enter into these long-term agreements to provide its citizens with a reliable, low-cost and environmentally friendly source of power and energy;

NOW, THEREFORE, be it RESOLVED by the City Council of Barnesville that:

1. That the (a) Contract for Firm Electric Service to the City of Barnesville, and its associated exhibits; (b) Interconnection Agreement and its associated exhibits; and (c) Facilities Agreement, and its associated exhibits, be and hereby are approved.
2. That the Mayor and the City Administrator are authorized to sign said agreement on behalf of the City of Barnesville.

Adopted this 8th day of October, 2012.

Fred Dahnke
MAYOR

ATTEST:

Michael Rietz
City Administrator

The motion for the adoption of the foregoing Resolution was duly seconded by Member Rick. On roll call vote, the following Members voted aye: Allmaras, Rick, Strom, Davis, Sylvester, and Enstad. The following Members voted nay: none. The following Members were absent and not voting: none. The majority having voted aye, the motion carried and the Resolution was duly adopted.

Mayor Dahnke stated the next item on the agenda was the SCADA System proposals.

City Administrator Mike Rietz informed council members that the Public Works Portfolio recommend to purchase the SCADA system from Preferred Controls Corp for \$6200.00 with the addition of the ScadaGuard software for \$750.00. This system provides an internet based alarm system which will allow for the operators to get greater information about a problem that is triggering an alarm.

10-05-12-18 Motion by Mr. Sylvester and second by Mrs. Enstad to authorize staff to purchase the SCADA system from Preferred Controls Corp. in the amount of \$6200.00 with the addition of the ScadaGuard software for \$750.00. Motion carried.

Mayor Dahnke stated the next item on the agenda was the approval of the City engineering firm.

City Administrator Mike Rietz informed council members that he had checked on references for Moore Engineering and KLJ Engineering. Mr. Rietz stated that he did not find anything that he would consider a red flag with regard to either firm.

10-08-12-19 Motion by Mr. Davis and second by Mr. Sylvester to hire Moore Engineering as the City engineering firm. Council member Strom stated that she had spoken to Northwood, and they were not happy with Moore Engineering, the city of Northwood had taken Moore Engineering to court. Council member Sylvester stated that after reading references, Moore Engineering a big plus, highly recommended. Council member Davis stated to read the references and backgrounds. Mayor Dahnke called for

the vote. Those voting aye: Council members Davis and Sylvester. Those voting nay: Council members Rick, Allmaras, Strom and Enstad. Motion failed.

10-08-12-20 Motion by Mrs. Strom and second by Mr. Allmaras to hire KLJ Engineering as the City engineering firm. Council member Allmaras stated that he was very impressed with KLJ. The following voted aye: Council members Rick, Allmaras, Strom, and Enstad. Those voting nay: Council members Davis and Sylvester. Motion carried.

Mayor Dahnke stated the next item on the agenda was the animal control duties.

City Administrator Mike Rietz informed council members that the Police, Fire & Ambulance committee and the Personnel & Finance Committee recommend combining the animal control officer position with the Administrative Assistant position, and create a new Police Support Services Officer position. Staff is recommending Lisa Cook to this position at a wage of \$12.84 per hour effective October 9th. This position will increase to \$13.23 per hour on January 1, 2013.

10-08-12-21 Motion by Mr. Davis and second by Mr. Allmaras to appoint Lisa Cook as the Police Support Services Officer at a rate of pay of \$12.84 effective October 9, 2012. This position will increase to \$13.23 per hour on January 1, 2013. Motion carried.

Mayor Dahnke stated the next item on the agenda was the resolution authorizing tax abatement.

City Administrator Mike Rietz informed council members that Clay County Commissioners met the day after the September Council meeting and passed a resolution that had different thresholds for existing improvements. Staff recommends having the City program match Clay County program. This change will change the minimum thresholds for the abatement on improvements to existing structures.

10-08-12-22 Motion by Mr. Davis and second by Mr. Rick to approve the following resolution. Upon a roll call vote, the following voted aye: Council member Rick, Allmaras, Strom, Davis, Sylvester and Enstad. The following voted nay: None. Motion carried.

CITY OF BARNESVILLE
CLAY COUNTY, MINNESOTA
RESOLUTION AUTHORIZING A PROPERTY TAX ABATEMENT PROGRAM
RESOLUTION 10-08-12-22

Whereas, Minnesota law (469.1813-469.1816) authorizes political subdivisions to grant property tax abatements for economic development purposes including:

- General economic development, such as increasing the property tax base or the number of jobs in the area;
- Providing access to services for residents such as housing; and

Whereas, the City of Barnesville received a request from Clay County to join with the County and participate in a “*Two-year Residential Property Tax Abatement Program*” (hereinafter referred to as the “*Program*”); and

Whereas, it is the desire of the City of Barnesville to participate in the “*Program*” by abating its property taxes as allowed by Minnesota law; and

Whereas, as a condition precedent for a City to receive an abatement of Clay County residential property taxes the participating City must approve its Authorizing Resolution no later than December 31, 2012.

Now, Therefore Be It Resolved, by the Barnesville City Council that The City of Barnesville does herein approve participation in the “*Program*” for new home construction and improvements to existing homes for the period commencing January 1, 2013 and expiring December 31, 2014.

Be It Further Resolved, by the Barnesville City Council that the approved “*Program*” be fully compliant with Minnesota law 469.1813-469.1816 and subject to the following:

- A residential structure will qualify for the abatement if it is classified as 1a, 1b, 2a, 4a, 4b, 4bb, or 4d under Minnesota Statutes 273.13.
- The assessed value attributable to land and new residential structures shall be abated from property taxes, for two taxes payable years, corresponding to the first two years of full value assessment after construction has been completed, provided that no part of the structure was in existence prior to January 1, 2013 and construction of the structure is commenced prior to December 31, 2014. Construction is deemed to have been commenced if a proper building permit has been issued.
- For property classified as class 1a, 1b, 2a, 4b or 4bb the abatement is limited to the assessed value of the land and the new construction. For a property classified as class 4a or 4d, the abatement is limited to the assessed value of the new construction.
- The assessed value attributable to new improvements on existing properties classified as 1a, 1b, 2a, 4a, 4b, 4bb or 4d shall be abated from property taxes, for two taxes payable years, corresponding to the two assessment years after completion of the improvement, provided that the improvement is made after January 1, 2013 and prior to December 31, 2014. In order for an improvement to an existing property to be eligible for an abatement a proper building permit must have been issued prior to December 31, 2014. To be eligible for the abatement, the improvement must add at least \$25,000 to the value of the existing property, except for class 4a and 4d properties where the improvement must add at least \$50,000 to the value of the existing property. For class 2a property, only improvements to the existing house or garage are eligible for the abatement.

- The abatement shall not apply to any special assessments that are levied against the property.

PASSED, by the City Council of the City of Barnesville this 8th day of October, 2012.

Fred Dahnke
Mayor

Attest:

Michael Rietz
City Administrator

- 1a Residential Homestead
- 1b Blind/Disabled Homestead
- 2a Homestead House, Garage and First Acres – Ag
- 4a Apartment 4+units
- 4b Residential non-homestead 1-3 units
Unclassified Manufactured Home
Ag non-homestead 2-3 units
- 4bb Residential non-homestead single unit
Ag non-homestead single unit
- 4d Qualifying low-income rental housing

Mayor Dahnke stated the next item on the agenda was the public forum. Mayor Dahnke asked if there were any citizens present to be heard. There were none.

10-08-12-23 Motion by Mr. Davis and second by Mr. Rick to adjourn the meeting at 7:55 p.m. Motion carried.

Submitted by:

Attest:

Jeri Reep
City Clerk

Fred Dahnke
Mayor